

INTEGRATED ANNUAL REPORT 2024

**FUTURE.
NOW**

FORD OTOSAN

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About the Report

We are pleased to present the financial, environmental, social, and governance performance of Ford Otomotiv Sanayi A.Ş. (Ford Otosan) for the period of January 1, 2024 to December 31, 2024. This report is our 2024 Integrated Annual Report covers our operations in Türkiye and Romania and includes the Board of Directors' Report.

Our Integrated Annual Report provides a comprehensive overview of our approach to global and industry trends, our Future. Now sustainability strategy, and the double materiality assessment conducted in 2024. It highlights the material topics identified through this assessment, our performance and targets, our value creation model, and our corporate, strategic, risk, and opportunity management frameworks. Additionally, it outlines our stakeholder engagement, best practices, and our financial and operational performance in 2024, along with our guidance for 2025.

We integrate sustainability into all our business processes, contributing to the Sustainable Development Goals with a fair, transparent, and accountable management approach. We take pride in ranking within the top 15% of our industry for our exemplary sustainability practices and being the only automotive company from Türkiye included in the S&P 2024 Global Sustainability Yearbook.

We actively participate in the **Carbon Disclosure Project CDP's** climate change and water security programs. Since committing to the **Science Based Targets Initiative (SBTi)** in 2022, we have been diligently working to verify our emission reduction targets.

Contact - For your questions, opinions and suggestions about this report:

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✉ yatirimciiliskileri@ford.com.tr

Our commitment extends to global standards, including the **UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.**

As in the previous year, our 2024 Integrated Annual Report is structured around the six key value creation capitals defined by the International Integrated Reporting Framework (IIRC): financial, manufactured, intellectual, human, social, and natural capital.

Compliance and Content

At Ford Otosan, we aim to provide all stakeholders with a clear understanding of our value creation efforts from short-, medium-, and long-term perspectives through our Integrated Annual Report. The report aligns with national and international standards, frameworks, and ESG assessment criteria, meeting the minimum requirements of the Capital Markets Law for annual reports.

Our financial statements for 2023 and 2024 have been prepared in accordance with Turkish Financial Reporting Standards (TFRS) and the IAS 29 Financial Reporting in Hyperinflationary Economies standard, following the Public Oversight Authority's (POA) Implementation Guide on Financial Reporting in Hyperinflationary Economies.

Audit

The financial and non-financial data included in this report was audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY), resulting in an assurance statement. The assurance statement for the financial data is provided on page **317** and for the non-financial data on page **393** of this report.

The sustainability-related data and disclosures in this report have not yet been prepared according to the Turkish Sustainability Reporting Standards (TSRS) under the Public Oversight, Accounting, and Auditing Standards Authority (POA) regulations. They have also not been subject to the assurance audit required by the POA. A separate report, prepared in compliance with POA regulations to include the necessary data and disclosures under TSRS 1 and TSRS 2, will be publicly disclosed within the statutory timeframe after an independent auditor conducts the required sustainability assurance audit.



United Nations
Global Compact



SASB
STANDARDS

Now part of IFRS Foundation

WOMEN'S
EMPOWERMENT
PRINCIPLES

Turkish Financial Reporting Standards
(TFRS)

INTEGRATED
REPORTING



TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



FTSE4Good



Borsa İstanbul (BIST) Sustainability | Borsa İstanbul (BIST) Corporate Governance

S&P Dow Jones
Indices

A Division of S&P Global

Chairman's Message

Esteemed Stakeholders,

We are navigating a pivotal period marked by rapid changes in the global economy and increasingly stringent sectoral regulatory requirements. In this dynamic environment, adaptability and the ability to develop innovative solutions have become critical success factors for companies. At Ford Otosan, we embrace this change through our culture of innovation, value creation strategy, and agile management approach. While swiftly adapting to regulations that impact the automotive industry, we remain focused on delivering innovative solutions that meet evolving customer expectations. Throughout this process, we maintain a cautious and positive outlook, always keeping our stakeholder ecosystem at the forefront.

In 2021, we announced a five-year investment plan of Euro 2 billion—the largest automotive investment in Türkiye's history. This ambitious initiative includes next-generation commercial vehicle projects, capacity expansion, and an integrated battery assembly plant, emphasizing electric and connected vehicles, which we see as the future of the automotive industry. I am proud to share that Euro 1.9 billion of this investment has already been realized between 2021 and 2024. With utmost confidence in our country, we will continue our investments into the coming year. A significant milestone of this investment was the reopening of our Yeniköy Plant in 2023, a proud achievement aligning with the centennial celebrations of Turkish Republic. These investments not only boost our production capacity but also serve as building blocks for our sustainability and technology-focused transformation.

With these strategic steps, we increased our annual production capacity to 934,500 units by the end of 2024. Our advanced production lines now offer excellent flexibility, enabling the production of internal combustion, plug-in hybrid, and all-electric vehicles within the same facility—making us the only company in Türkiye and among a select few globally with this capability.

As part of the strategic alliance between Ford and Volkswagen, we have also commenced production of the next-generation Volkswagen 1-ton medium commercial vehicles at Ford Otosan's Yeniköy Plant.

As one of the most successful collaborations in the global automotive industry, the partnership between Ford Motor Company and Koç Holding continues to drive new achievements every year. In 2024, we exported 330,274 vehicles from Türkiye, achieving the highest export revenue in our history at USD 8.6 billion.*

Our total export revenues reached USD 13 billion, with 546,229 units exported from Türkiye and Romania. We reinforced this robust growth by securing the title of Türkiye's automotive industry export leader for the 13th consecutive year and overall export champion for the 9th consecutive year in 2024. Adding to these achievements, we showcased our internationally recognized quality and engineering capabilities by winning the prestigious "2024 International Van of the Year (IVOTY)" award with the Next-Generation Ford Transit Custom—one of the highest honors in the global automotive industry.

In 2024, we maintained our investment momentum and robust financial structure. We increased our total production to 632,683 units and our sales to 661,007 units, generating TL 595 billion in revenue. Our profit before tax stood at TL 37 billion.

We also enhanced our commitment to shareholder value by distributing a total of USD 6.1 billion in dividends since 2004. In 2024 alone, amidst efforts to increase capacity and launch next-generation vehicle models, we distributed TL 23.5 billion in dividends in two separate periods. Our share value rose by 27% year-on-year, elevating our market capitalization to USD 9.3 billion. This strong performance

* Based on the export revenues disclosed to OSD.



Chairman's Message

positioned us among the seven most valuable companies on Borsa Istanbul.

While implementing our economic development strategies, we consistently prioritize supporting social development. Through our investments in social projects, we aim to build the foundations of a sustainable future by reaching diverse segments of society.

My Dream Future project, which we launched in 2022 to empower women in technology and innovation, continued to create a meaningful impact in 2024. The initiative, which aims to reach 100,000 women in 2026, has contributed significantly to advancing women's roles in technology and innovation. In 2024, we extended our support to the regions affected by the 2023 earthquake, including Adıyaman, Kahramanmaraş, and Hatay. Our social, cultural, and sports activities reached thousands of young people, providing invaluable support during challenging times. Additionally, under our Build, Transfer, Follow principle and the 100% Support for Education Campaign, we are contributing to local development. In partnership with the Vehbi Koç Foundation, we are transforming a former 15-classroom primary school in Gölcük, Kocaeli, into a modern 35-classroom educational facility.

At Ford Otosan, our Future. Now sustainability approach is at the heart of our corporate strategies. We are committed to leading the transformation of our entire ecosystem by setting ambitious targets aligned with the European Union Green Deal and the Science Based Targets initiative (SBTi). Our initiatives span a wide range, from enhancing production processes to developing alternative fuel vehicles. We adopt a double materiality approach, carefully assessing both the financial and the environmental and social impacts of our operations. Through strong R&D investments, we develop efficient and innovative projects

in the automotive industry to positively contribute to the environment. Our focus on global electrification strategies, particularly in electric and hybrid vehicles, remains strong. Following the success of our E-Transit production, we are expanding our electric vehicle portfolio with the new E-Custom, E-Courier, and Puma Gen-E models. As we renew our vehicle lineup, our flexible production lines allow us to manufacture both internal combustion and electric vehicles seamlessly. By 2040, we aim to transition the majority of our sales - from passenger vehicles to heavy commercial vehicles - to zero-emission models.

In addition to our environmental investments, we are dedicated to promoting equal opportunities across our ecosystem. As a signatory of the United Nations Global Compact, the United Nations Women's Empowerment Principles, and the Declaration of Equality at Work, we prioritize women's participation in the workforce. We are particularly proud to be the largest employer of women in the Turkish automotive industry and the first automotive company in Türkiye to be included in the Bloomberg Gender-Equality Index.

Inspired by the words of our founder, the late Vehbi Koç - "I exist if my country exists"- we remain committed to upholding the values of our Republic. Every step and every achievement drive us to contribute to our country's economic growth and take on responsibilities that support social development. To communicate our corporate and value creation strategy to our stakeholders holistically, we began publishing the Ford Otosan Integrated Annual Report in 2023. This report integrates our environmental and social metrics with our financial data, offering a comprehensive view of our achievements and aspirations.

I extend my heartfelt gratitude to our colleagues, dealers, suppliers, customers, shareholders, and all our stakeholders. Your support and contributions were instrumental in achieving our 2024 goals and advancing our value-driven initiatives.

Warm regards,

Ali Y. KOÇ
Chairman

Ford Otosan Leader's Message

Esteemed Stakeholders,

Our world is undergoing an unprecedented transformation driven by sustainability, technology, and social impact. This shift is reshaping not only our business models but also our entire ecosystem and the way we collaborate with stakeholders. Evolving regulations, rapidly changing stakeholder expectations, and global economic dynamics require us to take more agile, innovative, and decisive steps. Today, we are proud to see how forward-thinking our growth and transformation strategies of recent years have proven to be.

By year-end 2024, our total production capacity reached 934,500 units, marking the highest production level in our company's history. In 2024, we produced a total of 632,683 vehicles—382,013 units in Türkiye and 250,670 units in Romania. We maintained our leadership in the Turkish commercial vehicle market with a 28.7% market share, including 20.6% in light commercial vehicles, 38.8% in medium commercial vehicles, and 25.4% in heavy commercial vehicles. Our total market share reached 8.9%, securing our position as the third player in the domestic market. We also maintained our position as Türkiye's export champion for the ninth consecutive year, with export revenues rising to USD 13 billion.

In 2024, we achieved a significant financial milestone by completing the first bond issuance in Ford Otosan's history. We issued a five-year, USD 500 million Eurobond to international investors with an interest rate of 7.125%. This achievement marked the lowest interest rate for a Turkish-origin issuance since January 2022. We also earned ratings of BB+ from Fitch Ratings and BB- from S&P Global Ratings.

Beyond our financial achievements, we approach sustainability with a holistic perspective, engaging all internal and external stakeholders under our Future. Now sustainability approach. We are delighted to be the only automotive company from Türkiye included in The

Sustainability Yearbook 2024, a recognition earned through our performance in S&P Global's Corporate Sustainability Assessment (CSA), where over 9,000 companies were evaluated.

Our Yeniköy Plant, reopened in 2023, is a cornerstone of our Future. Now sustainability strategy. The plant has already made a remarkable impact, producing the next-generation Custom and the all-electric and plug-in hybrid Transit Custom models. As the first facility in Türkiye—and among the few globally—capable of manufacturing both internal combustion and electric vehicles on the same production line, it represents a milestone in our industry. Additionally, through the strategic alliance between Ford and Volkswagen, our Yeniköy Plant - with an annual capacity of 405,000 units - has started manufacturing the next-generation 1-ton medium commercial vehicles, for which we hold production responsibility for both brands.

In the passenger vehicle segment, we produce the Ford Puma - Europe's best-selling Ford model - at our Craiova Plant. I am pleased to share that by year-end 2024, we also began producing electric variants of the Ford Courier and Ford Puma models at this facility.

I am proud to announce that our ambitious capacity expansion, growth initiatives, and next-generation vehicle production projects—encompassing connected, high-tech, internal combustion, plug-in hybrid, and all-electric models—that we announced in 2021 and 2022 have now been successfully implemented as planned. As a result, Ford Otosan has maintained its status as one of the most efficient automotive companies in Europe, operating four manufacturing sites across two countries, along with two engine and powertrain plants and integrated battery system facilities.

At Ford Otosan, we place innovation at the core of our business model. We view R&D, innovation, and digitalization as key drivers of sustainable growth. Our cutting-edge R&D



Ford Otosan Leader's Message

efforts in battery technologies, hydrogen fuel, autonomy, vehicle lightweighting, emissions, circular economy, and artificial intelligence have enabled us to secure funding from national and international sources. A testament to our innovative spirit is our first electric truck, entirely designed and developed by Ford Otosan engineers.

Continuing our Generation F transformation, which began with our connected vehicle technology ConneCTruck, this next-generation, zero-emission, connected, and innovative vehicle is a significant step toward achieving our 2040 zero-emission goal for heavy commercial vehicles. Following its debut at the Hannover IAA Commercial Vehicles, we plan to begin production of the electric truck at our Eskişehir Plant and introduce it to global markets in 2025.

Our Ford Pro services have also strengthened our leadership in the commercial vehicle segment by enhancing the customer experience. This innovative service model integrates digital applications and data to improve our customers' operational efficiency. It offers a more proactive, solution-oriented service experience, positioning Ford Otosan not only as a vehicle manufacturer but also as a valued solution partner that enhances our customers' business processes.

Ford Otosan achieved a remarkable global milestone by becoming the first automotive manufacturing company accepted into the World Economic Forum's (WEF) Quantum Application Hub. Our ambitious goal of integrating quantum computing technology into production planning processes marks a significant step forward, not only enhancing our operational efficiency but also setting a new standard of innovation in the automotive industry. This achievement reaffirms Ford Otosan's commitment to technological transformation and its ambition for global leadership.

Aligned with our Science Based Targets Initiative (SBTi) commitment to achieving net zero emissions by 2050, we are proud to procure 100% of the electricity used in our all

production facilities and R&D center from renewable energy sources. In 2024, we further strengthened our sustainability strategy by commissioning solar power plant (SPP) investments with an installed capacity of 10 MWe.

Our SPP project at the Yeniköy Plant brought us closer to our sustainability targets by generating 3.8 million kWh of electricity annually. At our Eskişehir Plant, our ongoing SPP investments are expected to supply more than 50% of the facility's electricity consumption from solar energy by 2026.

In our products, we are committed to transitioning to fossil-free fuel technologies, aiming for passenger vehicles and light commercial vehicles by 2035 and heavy commercial vehicles by 2040. This strategy aligns with the European Union's Green Deal and reinforces our role as a pioneer in sustainable mobility.

As part of our vision to lead the sustainability transformation of our entire ecosystem, we also deliver comprehensive training programs. These initiatives are designed to enhance the knowledge and competencies of our dealers and suppliers in sustainability, helping them prepare for the Green Deal's requirements and expectations.

We believe that promoting equal opportunities in the business world and embracing diversity with an inclusive approach are vital not only for unlocking individual potential but also for driving corporate success. Through My Dream Future project, implemented in collaboration with Vehbi Koç Foundation, we aim to support gender equality efforts in Türkiye. Our objectives include raising awareness, challenging stereotypes, fostering an understanding of equality, equipping young people with anti-discrimination skills, and enhancing participation and retention in the workforce. In 2024, we reached over 35,000 women through My Dream Future project. Our goal is to extend this impact to 100,000 women by 2026 through awareness, education, and financial support initiatives.

As the first automotive company in Türkiye to be included in the Bloomberg Gender-Equality Index, we achieved 25.48% female representation at the management level in 2024. We are also striving to increase the ratio of women in STEM roles to 30% at our Turkish locations by 2026 and to double this percentage across our entire dealer network compared to the 2022 baseline. To achieve these targets, we continue to implement programs that enhance awareness among our colleagues at our facilities and dealerships. In line with our commitment to equal opportunity, we supported the Vehbi Koç Foundation's education, culture, and health projects with a donation of TL 301 million in 2024, reinforcing our mission of generating social benefit.

Looking ahead to 2025, we will prioritize compliance with European Union Taxonomy regulations, enhance vehicle quality, advance the production of 100% electric Ford Truck vehicles, and drive technological transformation. We remain committed to complying with sustainability-focused regulations and strengthening Ford Otosan's resilience through robust financial management and a highly skilled human resource.

I am pleased to present our Integrated Annual Report, which provides a holistic overview of Ford Otosan's corporate strategy and value creation model. I extend my sincere gratitude to our colleagues, dealers, suppliers, customers, shareholders, and all other stakeholders whose support helped us achieve our 2024 goals and advance our vision of creating lasting value.

Sincerely,

Güven ÖZYURT
Ford Otosan Leader

Board of Directors' Report

Esteemed Shareholders, Business Partners, and Colleagues,

We are honored to present the Board of Directors' Report on the activities of Ford Otomotiv Sanayi A.Ş. in 2024. We warmly welcome you to our 66th Ordinary General Assembly. This report offers a comprehensive overview of our company's performance throughout the year, along with independently audited financial statements and notes as of December 31, 2024, and additional information required by the Capital Markets Board.

Notable Developments in Türkiye and the World

In Türkiye, the continuation of tight fiscal and monetary policies to combat high inflation contributed to a slowdown in economic activities. As inflation eased during the year, the Central Bank responded by lowering interest rates in December. However, the widening gap between inflation rates and exchange rate changes posed challenges, particularly for exporters. Globally, 2024 was marked by heightened uncertainties and geopolitical tensions. Following the global high-inflation environment of 2023, central banks increased interest rates, leading to reduced growth forecasts in developed economies. Additional influences included anticipated regulatory changes in taxation and immigration policies following the U.S. elections, ongoing uncertainties in international trade and relations, and increasing competitive pressures from China across various industries.

Delivering on 5-Year Growth and Electrification Plans: Production Capacity Increased to 934,500 Units

As one of Europe's largest automotive manufacturers, we have expanded the vehicle production capacity of our Yeniköy Plant to 405,000 units through continued investments in next-generation products and electrification. Following the commencement of the next-generation Ford Custom production in 2023 under the Ford and VW strategic alliance, we also began manufacturing the next-generation 1-ton medium commercial vehicle at the Yeniköy Plant. We also increased our Craiova Plant's capacity, which serves as the global production base for the next-generation Courier and the redesigned Puma model, bringing its capacity to 300,000 units. As a result, our total production capacity reached 934,500 units, including 634,500 units in Türkiye and 300,000 units in Romania. In line with our flexible, efficient, and high-quality approach, our company is preparing to produce six electric vehicle models for Ford by 2025. We began production of the plug-in hybrid and all-electric variants of the Custom model in the second quarter of 2024. In early 2025, we will begin producing the all-electric variants of the Courier and Puma models, building on the momentum of the E-Transit—Türkiye's and Ford's first all-electric van—which launched in 2022.

Between 2021 and 2024, we invested a total of Euro 2.4 billion, including Euro 1.9 billion in Türkiye and Euro 500 million in Romania. Our production activities across all segments and four sites resulted in record-breaking production volumes: 382,013 vehicles in Türkiye, 250,670 in Romania, and a total of 632,683 vehicles. Our capacity utilization rates during this period were 77% in Türkiye, 90% in Romania, and 81% overall. This allowed us to account for 83% of Türkiye's commercial vehicle production and 45% of Romania's vehicle production.

Undisputed Leadership Maintained with 28.7% Share in the Turkish Commercial Vehicle Market

After reaching historically high sales levels in 2023, the Turkish automotive market continued its strong performance in 2024, with total sales reaching 1,279,267 units. Key factors contributing to this growth included the competitive pricing environment brought by the General Safety Regulation (GSR), the increased upper price limit for SCT-exempt vehicles for disabled people, and strong domestic demand ahead of the elections. For detailed industry information, please refer to page 26 of this report.

Ford Otosan maintained its strategic focus on profitability in the passenger vehicle segment and on profitable growth in commercial vehicles. In 2024, we ranked 3rd in the domestic retail market with an 8.9% market share, selling 113,538 vehicles. We sustained our leadership in the total commercial vehicle market with a 28.7% market share. According to ODMD data, the Ford brand was named "Best-Selling Light Commercial Vehicle Brand of the Year," while our Transit model earned the title of "Best-Selling Van of the Year."

Board of Directors' Report

Türkiye's Export Champion for 9 Years and a Key Contributor to Ford's 10-Year European Commercial Vehicle Leadership

Our export performance in 2024 was a testament to our robust growth strategy. The accelerated export deliveries of our award-winning models—International Van of the Year winner New Custom and Euro NCAP Platinum rated Courier—enabled us to export 330,274 units from Türkiye and 215,955 units from Romania. This marked an 11% increase in total exports year-on-year, achieving an all-time high of 546,229 units. Ford Otosan, the export leader in the automotive industry since 2011, accounted for 92% of Türkiye's commercial vehicle exports in 2024.

In our primary export market, Europe, the passenger vehicles and light and medium commercial vehicle markets grew by 1.1% and 7.2%, respectively, despite a strong base year in 2023. This growth was driven by the positive impact of GSR on regional sales, although the heavy commercial vehicle market contracted by 5.7%. During this period, Ford Otosan played a critical role in Ford Pro's 10-year leadership in the European commercial vehicle market. Our production accounted for 76% of Ford's commercial vehicles and 36% of its passenger vehicles sold in Europe, underscoring our integral role in supporting Ford's continued success.

We are the Most Valuable Automotive Company on Borsa Istanbul

In 2024, Ford Otosan solidified its position as the most valuable automotive company on Borsa Istanbul and ranked as the 7th most valuable company on BIST overall, with a market cap of USD 9.3 billion. Our shares appreciated by 27% over the year, while BIST-100 and BIST Industrial gained 32% and 13%, respectively. The foreign share in our free float stood at 35%.

Throughout the year, our Investor Relations program maintained a proactive and effective communication strategy. We engaged with over 550 stock and bond investors and analysts through online meetings and at 38 conferences and roadshows in Türkiye and abroad. We shared updates on our company's strategic, financial, operational, and sustainability performance. Ford Otosan remains committed to enhancing the value we create through investor relations practices that meet global standards.

We Successfully Issued the First Bonds in Our History

In 2024, Ford Otosan completed its first five-year, USD 500 million Eurobond issuance for international investors, offering an interest rate of 7.125%. With this strategic move, we aimed to diversify our financing sources and broaden our investor base. During the issuance process, we achieved ratings of BB+ from Fitch Ratings and BB- from S&P Global Ratings. Our management team engaged with more than 75 institutional investors at roadshows in London, New York City, and Boston, generating demand exceeding USD 1.5 billion. This allowed us to secure financing at the lowest interest rate for a Turkish-origin issuance since January 2022. Following our rating upgrade by S&P, our current rating is now BB.

Continuing Our R&D Leadership in Product Development

As a leading product development center within the global Ford organization, Ford Otosan continues to drive R&D projects within the scope of product programs. In 2024, we invested a total of TL 9,268 million (2023: TL 10,107 million) in R&D expenditures before project capitalization in 2023. After capitalization of our various product development projects, our R&D spending amounted to TL 6,170 million (2023: TL 7,665 million).

Our Social Responsibility and Donations

At Ford Otosan, we are committed to supporting social responsibility projects that address our country's fundamental needs. Many of our high-impact initiatives are led by the Vehbi Koç Foundation, reflecting our dedication to creating lasting social value. In 2024, the donations made to foundations and associations amounted to TL 456,933,828 based on nominal values, with the inflation-adjusted figure reaching TL 473,673,942 (as of December 31, 2024). Of the nominal total: TL 300,760,095 was donated to the Vehbi Koç Foundation, TL 72,657,467 to Koç University, TL 44,675,311 to the Kocaeli Metropolitan Municipality, and TL 11,433,754 to the Innovative Solutions for Sustainable Development Association. An additional TL 27,407,201 was distributed among various institutions and organizations through smaller donations, each not exceeding TL 3,665,082, which are not considered material for investors. The upper limit for donations in 2025 will be determined by the general assembly.

Board of Directors' Report

Changes in the Board of Directors and Company Management

At the Ordinary General Assembly Meeting on April 3, 2024, the Board of Directors' composition was set at 12 members, including two independent directors. The Board was elected to serve until the next Ordinary General Assembly, where the 2024 activities will be reviewed. Detailed information on changes within the Board of Directors and Senior Management throughout the year is available in the "Organizational Changes During the Reporting Year" section on page 310 of this report.

Ford Otosan Maintains Employment Leadership in the Automotive Industry

As of the end of 2024, Ford Otosan's workforce grew to 25,718 employees, including 20,579 hourly workers and 5,139 salaried employees (2023: 23,701 employees, with 18,363 hourly workers and 5,338 salaried employees). Our hourly workers in Türkiye are covered under a Group Collective Labor Agreement, signed between the Turkish Metal Workers Union and the Turkish Employers' Association of Metal Industries (MESS), which will remain in effect until August 31, 2025.

Effective Financial and Operational Management Amid Ongoing Investments in 2024

The independently audited financial statements for 2024, along with relevant notes, are available starting on page 317 of this report. Despite macroeconomic uncertainties and increasing geopolitical risks, we maintained our robust financial structure through effective financial management while continuing our investments in Türkiye and Romania. Thanks to the strong market performance of our newly launched products, we achieved the highest production and sales figures in our company's history.

However, domestic sales decreased by 2% to 114,778 units, with domestic revenues declining by 13% to TL 138,087 million due to lower annual sales volume and market pricing conditions. In contrast, our export performance remained strong. The European automotive market grew by 1.6% year-on-year, driven by the General Safety Regulation (GSR) effect, despite the high base from the previous year. Our export volume increased by 11% to 546,229 units, supported by rising demand for our recently refreshed product lineup. This contributed to a 5% increase in export revenues, reaching TL 456,908 million. Overall, our total sales revenue remained stable year-over-year, totaling TL 594,995 million. Our total sales increased by 8% to 661,007 units, while our sales revenues remained flat year-on-year, amounting to TL 594,995 million.

In 2024, exports accounted for 77% of our total sales revenues. Our profitability saw normalization due to several factors, including a competitive pricing environment in the domestic market, the increasing share of exports in total revenues, a longer-than-expected transition period for our renewed vehicle models, and the gap between the increase in foreign exchange rates and inflation.

Main operating profit decreased by 54% to TL 28,984 million. Despite effective cost management, the relatively stable exchange rate during the year led to a significant reduction in other net income. Profit before tax declined by 46% to TL 37,007 million, bolstered by a monetary gain of TL 22,691 million. Net profit dropped by 45% to TL 38,864 million. In the balance sheet as of December 31, 2024, our cash balance stood at TL 22,330 million, with a financial debt of TL 123,757 million.

At Ford Otosan, we maintain a prudent approach to financial risks, implementing highly cautious policies to mitigate potential impacts. We ensure that financial risk-related values remain within the basic policy limits established by the Board of Directors and the Early Detection and Management of Risk Committee. Our core risk management policies are detailed in the Risk Management section on page 79 of this report. Additionally, an overview of the nature and levels of financial risks is provided in the financial statement notes. In 2024, we made strategic investment expenditures totaling TL 33,214 million. This included costs associated with new projects and product development expenses capitalized as part of our regular operational activities.

Our Dividend Policy and Dividend Distribution Proposal

Ford Otosan distributes dividends in compliance with the Turkish Commercial Code, Capital Market Regulations, Tax Regulations, and other applicable laws, as well as in accordance with the relevant article in our Articles of Association. Our dividend policy aligns with the Corporate Governance Principles, maintaining a balanced and consistent approach that considers both shareholder interests and the company's strategic priorities.

The complete text of our Dividend Policy is available on page 203 of this report and on our corporate website (www.fordotosan.com.tr). Ford Otosan, recognized as one of the most consistent dividend-paying companies on Borsa Istanbul, continued to share its profit with the shareholders even during a period of intense investment. In 2024, the company distributed a total of TL 20.195 billion in dividends in two instalments. When adjusted for purchasing power as of December 31, 2024, this amount corresponds to TL 23.53 billion. Since 2004, our cumulative dividend distribution has reached USD 6.1 billion. In line with our Dividend Policy, and considering our investment and financing strategies alongside our cash position, we propose distributing a gross cash dividend of 1,710% (net 1,453.50%) to our shareholders. This equates to a gross dividend of TL 17.10 (net TL 14.5350) per TL 1 share, after deducting all legal obligations from the 2024 net profit. The proposed dividend distribution is scheduled to commence on April 3, 2025. For more information regarding our dividend distribution proposal, please refer to page 203 of this report.

Selection of the Independent Audit Firm

Pursuant to the provisions of the Turkish Commercial Code No. 6102 and Capital Markets Law No. 6362, and upon consultation with the Audit Committee, the Board of Directors has resolved on February 17, 2025 to appoint Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to conduct the independent audits on the Company's financial statements and reports for the 2025 accounting period in addition to performing other activities within the scope of applicable laws and regulations. We submit this resolution to the General Assembly for approval.

2025 Outlook and Guidance

We have carefully assessed our scenarios for 2025 and developed a prudent plan for the year ahead. After the Turkish automotive market reached historically high sales in 2024, we expect a moderation in sales volumes in 2025 due to stringent anti-inflationary policies. However, the impact of continued investment expenditures and fleet renewals are expected to continue, and market normalization on the commercial vehicle segment is expected to remain relatively limited. As a result, we anticipate a slight decrease in Ford Otosan's domestic sales figures compared to the previous year. In Europe, despite uncertainties around customs tariffs and a highly competitive market, demand is expected to be bolstered by declining interest rates and the accelerating shift to zero-emission vehicles, particularly in fleet markets. The Ford brand, celebrating its 10th year of leadership in the European commercial vehicle market with an expanding market share, is well-positioned to maintain its strong standing in both Turkish and European markets. This will be achieved by meeting evolving customer needs with its refreshed flagship products, including zero-emission models.

We also anticipate growth in Ford Otosan's export volumes, driven by the production of 1-ton medium commercial vehicles under the Ford and VW strategic alliance.

In 2025, Ford Otosan will operate at its full capacity of 934,500 units, producing across all segments, including electric vehicle variants. We will continue to prioritize quality, cost efficiency, and talent management. While maintaining our investment momentum, we will focus on effective working capital and cash management, supported by cost-control measures and disciplined pricing strategies to enhance profitability.

Risk management and maintaining a robust financial structure will remain at the core of our strategy. As a global automotive manufacturer, Europe's largest commercial vehicle producer for Ford, a leading force in the Turkish automotive industry, and Türkiye's export champion, we are dedicated to delivering high added value to our country and to you, our valued investors.

We extend our heartfelt gratitude to our founders, business partners, former and current colleagues, the Turkish Metal Union, our suppliers, dealers, customers, and our esteemed shareholders, whose invaluable contributions have been instrumental to Ford Otosan's continued success.

Sincerely,

FORD OTOMOTİV SANAYİ A.Ş.
Board of Directors



**ABOUT
FORD OTOSAN**

About Ford Otosan

Vision

Being Türkiye's most valuable and most preferred industrial company

Mission

Providing innovative automotive products and services beneficial to the community.

Business Areas

Commercial Vehicles

We aim to drive our growth and expand Ford's global multi-brand leadership in commercial vehicles. Our focus remains on the shift from internal combustion engines (ICE) to electric vehicles (EV), highly efficient production, superior quality, and flexible manufacturing.



Domestic Sales

Our mission is to position our company as a leading brand in mobility and set new standards in customer satisfaction. We strive to maintain our leadership in electric commercial vehicles, while redesigning the customer experience to appeal to premium passenger vehicle users.



Ford Trucks

Our mission is to focus on market expansion and elevating customer satisfaction. We are committed to maintaining our growth trajectory by placing great importance on effective supply chain management, leveraging partnerships, and delivering the highest quality standards. As Ford Trucks, we are committed to supporting zero-emission efforts by prioritizing environmental sustainability in our operations.



Engineering Services and Technology Development

Our goal is to design the most preferred and valuable transportation solutions and experiences by focusing on the efficient use of the R&D system, working with the best talent, user-experience driven customer engagement, and building an innovation culture.

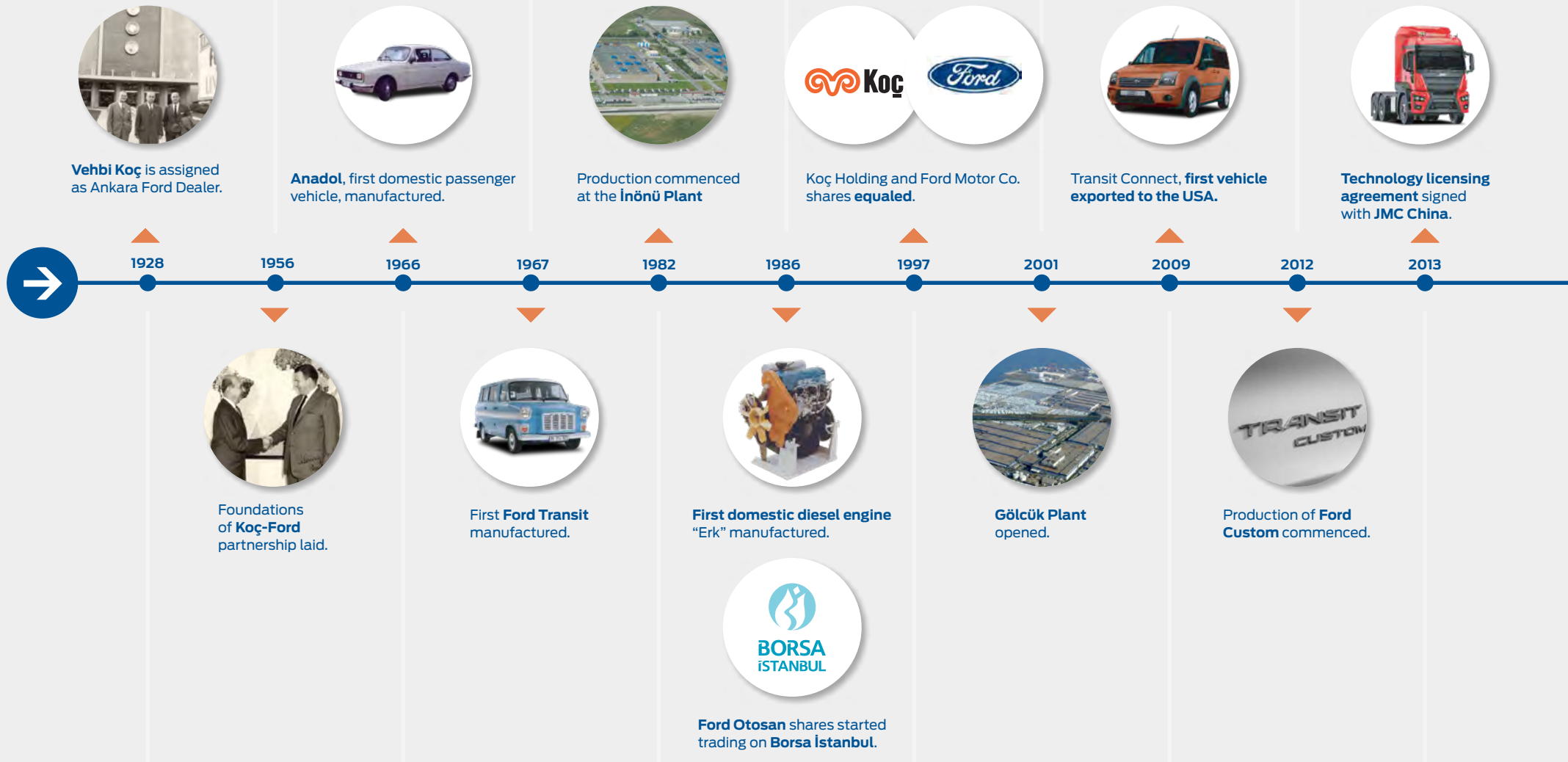


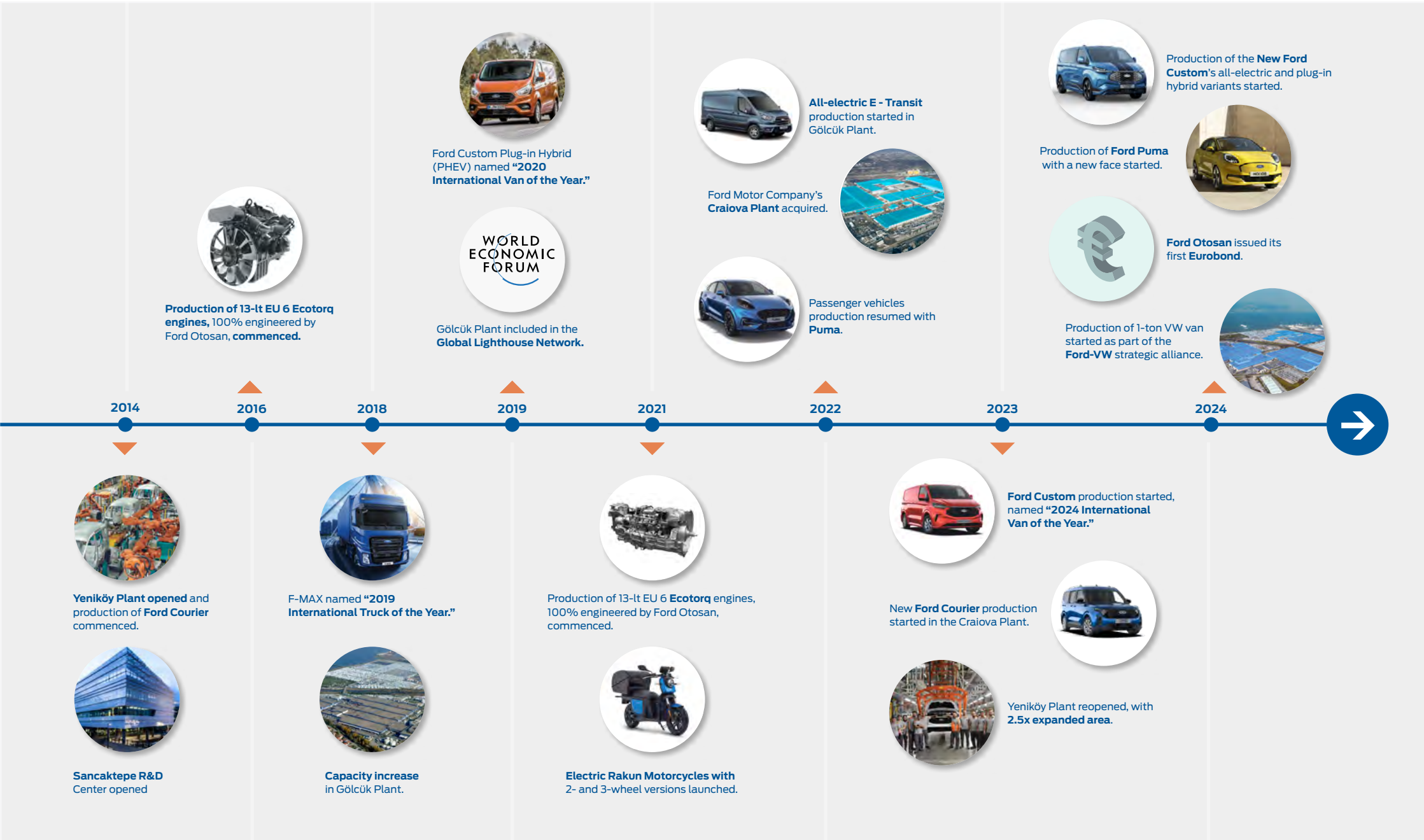
Growth and Smart Mobility

We focus on developing Net New Growth projects, business models, partnerships, and smart mobility vehicles. We aim to reshape the mobility landscape by prioritizing innovation and collaborations, and delivering impactful and valuable solutions.



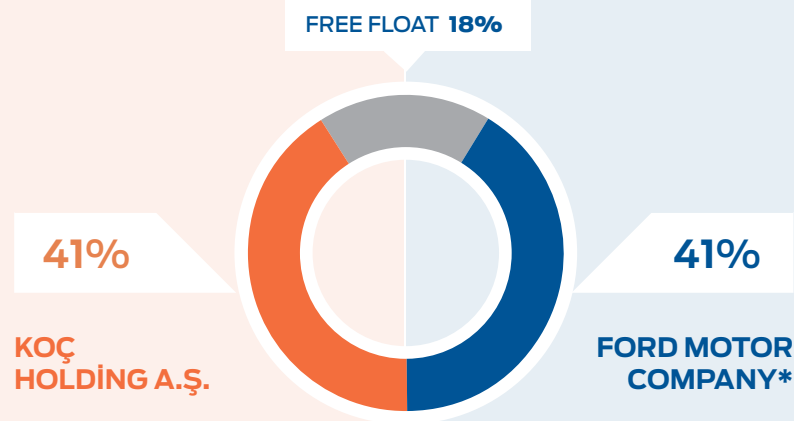
Milestones





Shareholder Structure And Investor Relations

STRONG AND COMMITTED SHAREHOLDER STRUCTURE



Koç Holding, founded in 1926, ranks among the largest and most successful groups in Türkiye and in the region and the only Turkish company to be listed in Fortune Global 500 list. Koç Holding has leading positions with strong competitive advantages in energy, automotive, consumer durables and finance sectors, which offer strong long-term growth potential. Today, Koç Holding is Türkiye's leading investment holding company and Koç Group is Türkiye's largest industrial and services group in terms of revenues, exports, number of employees, taxes paid and total market capitalization on Borsa İstanbul. Koç Group has been a driving force of the Turkish economy with revenues corresponding to 8% of Türkiye's GDP and exports that comprise 7% of Türkiye's total exports. Koç Group employs approximately 132,000 people. Creating long-term sustainable value for the world and the societies in which the Koç Group operates, lies at the heart of its business model.

<https://www.koc.com.tr/>

Ford Motor Company, a global company based in Dearborn, Michigan, is committed to freedom of movement that goes hand-in-hand with looking after the planet and each other. 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 vehicles 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 174,000 people worldwide. More information about the company, its products and Ford Credit is available at corporate.ford.com

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

FORD OTOSAN

Ford Otosan, a Group CDA 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, Bloomberg Gender-Equality Index (as of 2021), and BIST Corporate Governance, which represent key 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).

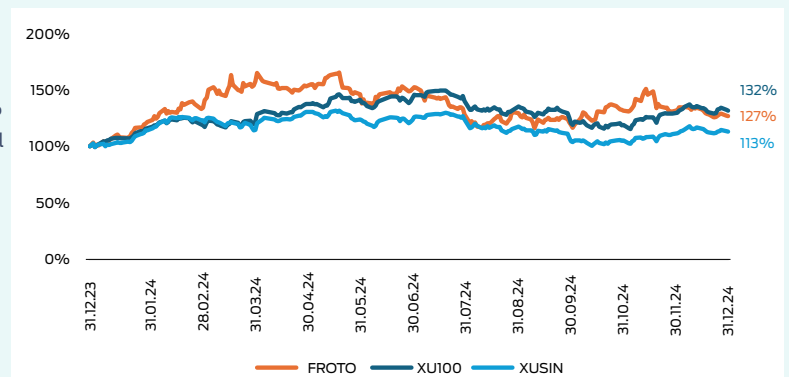
IPO	13 January 1986
Ticker	FROTO.IS
Paid-in Capital	TL 350,910,000
Registered Capital Ceiling	TL 500,000,000
2024 Key Indicators	
Closing Price	TL 937
Market Cap	USD 9,320 million
Highest (Intraday)	TL 1,249
Lowest (Intraday)	TL 733
Foreign Share in Free Float	35 %
Average Trading Volume	USD 32.8 million

Strong Share Performance

Most Valuable Automotive Company on BIST

In 2024, BIST-100 rose by 32% on TL basis and BIST Industrial index by 13%, while Ford Otosan's share price increased by 27%. With a market cap of \$9,320 billion, Ford Otosan ranked as the most valuable automotive company and seventh overall among BIST companies. Foreign share in free float stood at 35%.

RELATIVE SHARE PERFORMANCE



Shareholder Structure And Investor Relations

Investor Relations Program in World Standards

Ford Otosan adopts an investor relations approach based maintaining open, comprehensive, transparent, consistent and proactive communication with the investment community in compliance with regulatory requirements and corporate disclosure policies. The Investor Relations Team shares investor feedback in continuous contact with senior management and incorporates them into company strategies.

Ford Otosan Investor Relations Department has maintained continuous communication with the investment community through numerous activities and events during the year. As a first the company’s history, Ford Otosan issued bonds amounting to USD 500 million for qualified investors abroad with an interest rate of 7.125% and a maturity of five years. Ford Otosan managers and investor relations leader engaged with more than 75 institutional investors at roadshows in London, New York City, and Boston during the process. As a result, the Investor Relations Department expanded its scope by adding debt instrument investors to its investor base in addition to equity investors.

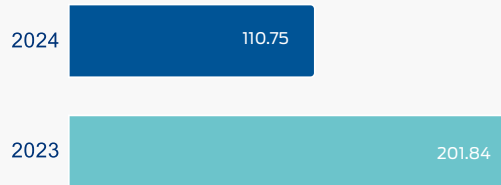
The Investor Relations Department attended in 38 roadshows and conferences, hosted analyst and portfolio manager days, and held numerous one-on-one meetings in 2024, meeting with a total of 552 institutional investors and analysts from Türkiye and abroad throughout the year. Quarterly earnings calls were held with the CFO in attendance to provide information on the company’s financial performance during four online meetings in 2024 with 228 investors and analysts. The department also shared these meetings’ audio recordings and transcripts along with company presentations on the corporate website for all investors to access.

Share Information and Dividend Yield

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

As the most valuable automotive company traded on Borsa Istanbul, Ford Otosan is followed by several Turkish and international intermediary institutions. As of year-end 2024, a total of 27 analysts publish analyst reports on the company, including 22 analysts recommending “Buy” and 5 recommending “Hold” for Ford Otosan shares throughout the year.

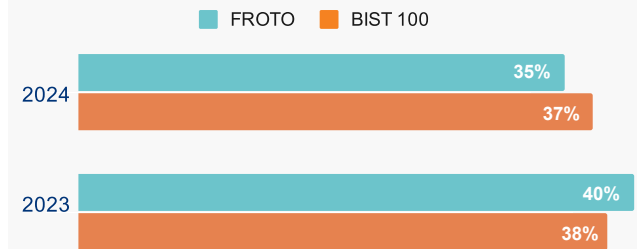
Earnings Per Share (Kr)



Dividend Distribution (TL million)



Institutional Investor Base (Foreign Share in Free Float)










Long-Term Credit Ratings





Fitch	BB+
S&P	BB
JCR	BB



Ford Otosan's Performance Through The Years

	1997*	2024
 Production Capacity (Units)	47,000	20 times 934,500
 Production Volume (Units)	43,102	15 times 632,683
 Export Volume (Units)	667	819 times 546,229
 Export Revenues (USD)	16 million	809 times 13 billion
 Total Revenues (USD)	662 million	25 times 17 billion
 Employees	3,406	8 times 25,718
 Market Cap (USD)	1.2 billion	8 times 9.3 billion

Investment Case

 Scale Economy and Growth <p>International automotive manufacturer with operations across four sites and all segments</p> <p>Türkiye's goods export champion and commercial vehicle market leader</p> <p>Ford's largest commercial vehicle manufacturing hub in Europe</p> <p>International expansion and growth in heavy trucks business with strong operations in the domestic market</p>	 Strong Balance Sheet and Proactive Risk Management <p>Strong balance sheet and free cash flow</p> <p>Profitability driven by increased capacity, diversified product range with next generation and electric vehicles, and high sales revenues with customer-focused sales strategy</p> <p>€-denominated export revenues with natural hedging against currency volatility</p>
 Resilience and High Efficiency <p>€-denominated export revenues with volume guarantees</p> <p>High capacity utilization rate above industry average</p> <p>Efficient, flexible, high-quality, and low-cost manufacturing</p>	 Stakeholder Value Creation <p>Regular dividend pay outs</p> <p>Strong relative share price performance</p> <p>Total value creation with full commitment to sustainability</p>

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

2025 Guidance

		2024 Actual	2025 Guidance
2025 Guidance	Total Turkish Automotive Market	1,279 thousand	950 - 1,050 thousand
	Retail Sales Volume	114 thousand	90 - 100 thousand
	Total Export Volume	Türkiye 330 thousand Romania 216 thousand 546 thousand	410 - 440 thousand 200 - 220 thousand 610 - 660 thousand
	Total Sales Volume	661 thousand	700 - 760 thousand
	Total Production Volume	Türkiye 382 thousand Romania 251 thousand 633 thousand	460 - 490 thousand 240 - 260 thousand 700 - 750 thousand
	CAPEX (fixed assets)	General Investments €128 million Product Investments €611 million €739 million	€130-150 million €620 - 700 million €750 - 850 million
	Sales Revenue Growth	Flat	High Single Digit
	EBITDA Margin	7.2%	7% - 8%

Summary Results

Summary Income Statement

Summary Income Statement (TL million)	2023	2024	Annual Change
Total Revenues	594,705	594,995	0%
Export Revenues	435,487	456,908	5%
Domestic Revenues	159,218	138,087	-13%
Gross Profit	79,766	54,604	-32%
Operating Profit	63,551	28,984	-54%
EBITDA	73,243	42,702	-42%
Profit Before Tax	68,477	37,007	-46%
Net Profit	70,826	38,864	-45%
CAPEX	47,497	33,214	-30%

Margins

Margins	2023	2024	Annual Change
Gross Profit Margin	13.4%	9.2%	-4.2 pp
Operating Margin	10.7%	4.9%	-5.8 pp
EBITDA Margin	12.3%	7.2%	-5.1 pp
Profit Before Tax Margin	11.5%	6.2%	-5.3 pp
Net Profit Margin	11.9%	6.5%	-5.4 pp

Indebtedness

Indebteness (TL million)	2023	2024	Annual Change
Total Financial Debt	109,374	123,757	13%
Cash and Cash Equivalents	21,981	22,330	2%
Net Financial Debt	87,393	101,427	16%

Summary Balance Sheet

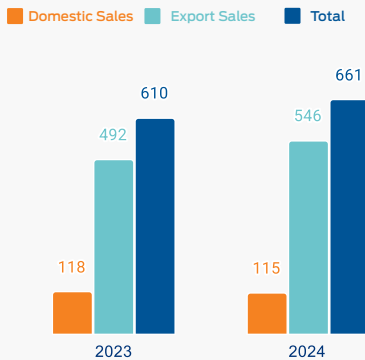
Summar Balance Sheet (TL million)	2023	2024	Annual Change
Total Assets	313,313	326,770	4%
Total Liabilities	207,905	211,547	2%
Shareholders' equity	105,408	115,223	9%

Financial Ratios

Financial Ratios	2023	2024
Net Financial Debt / EBITDA	1.19	2.38
Return on Equity	79.0%	35.6 %
Indebtedness Ratio	66.4%	64.7%
Capex/Sales	8.0%	5.6%

Key Financial Indicators

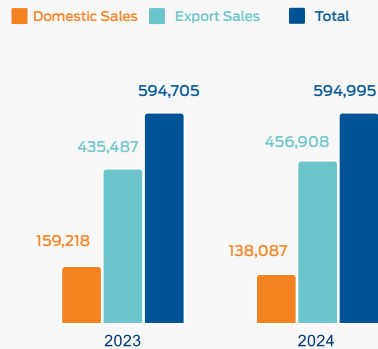
Total Sales (Thousand Units)



Total sales volume in the Turkish automotive industry increased by 0.1% YoY, setting a new record with 1,279,276 units in 2024. Passenger vehicle sales rose by 1%, and medium commercial vehicle sales surged by 10%, while the light commercial and truck segments declined by 12% and 10%, respectively. Market performance was influenced by several factors, including a competitive pricing environment enabled by GSR, strong domestic demand ahead of elections, an increase in the upper price limit for SCT-exempt vehicles for disabled individuals, a rise in fleet renewals, and tax incentives for electric vehicles.

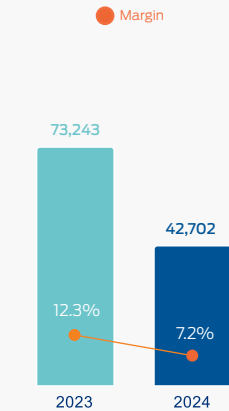
During the reporting period, domestic wholesale volume decreased by 2% YoY to 114,778 units, while total export volume increased by 11% YoY to 546,229 units. Overall, total sales grew by 8%, reaching an all-time high of 661,007 units.

Sales Revenue (TL million)



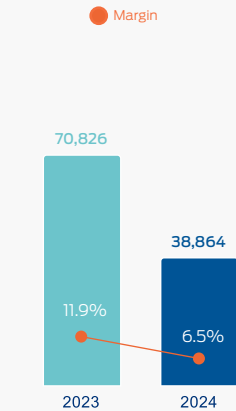
Domestic sales revenues decreased by 13% YoY, amounting to TL 138,087 million in 2024, with a 2% drop in annual sales volume and a competitive pricing environment in the market leading to this decline. In contrast, export revenues were up by 5%, reaching TL 456,908 million, driven by 11% growth in exports and accelerated shipments of newly launched products. As a result, total revenues remained flat year-on-year, amounting to TL 594,995 million.

EBITDA (TL million)



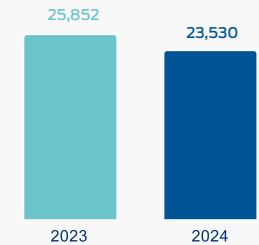
2024, EBITDA decreased by 42% YoY, falling to TL 42,702 million. This decline was influenced by several factors, including rising costs in an inflationary environment, a relatively stable exchange rate, a decrease in domestic sales volume, increased sales campaigns due to a competitive pricing environment, a higher proportion of export revenues in total revenues, and longer-than-expected production transitions for newly launched vehicles.

Net Profit (TL million)



In 2024, net financial expenses amounted to TL 20,992 million with a YoY decrease of 3%. Within the reporting period, earnings amounted to TL 22,691 million, resulting in a net profit of TL 38,864 million with a decline of 45%.

Dividends* (TL million, gross)



In 2023, a total gross dividend of TL 23 billion 530 million was paid out in two installments. The total dividend paid out by Ford Otosan reached USD 6.1 billion in the period from 2004 to 2024.

*Amounts adjusted to purchasing power of Turkish Lira as of 31 December 2024.

Facilities And Products

Production Capacity



934,500 vehicles



430,000 engines



112,000 rear axles



18,500 transmissions

Capacity Utilization



In Türkiye and Romania



25,718 employees



2,381 R&D employees



Gölcük Plant

- Opening: **2001**
- Covered Area: **340 thousand m²**
- Annual production capacity: **207 thousand**
- **The only Ford Pant** and one of the four automotive factories worldwide to enter the **WEF's Global Lighthouse Network**
- Capacity Utilization Rate: **76%**



Ford Transit



Yeniköy Plant

- Opening: **2014** (Reopening: 2023)
- Covered Area: **255 thousand m²**
- Annual production capacity: **405 thousand**
- **Environment- and disabled-friendly** manufacturing site
- **Flexible and integrated facility** capable of producing both ICE and electric vehicles
- Capacity Utilization Rate: **80%**



Ford Custom & VW 1-Ton Ticari Araç



Craiova Plant

- Opening: **1976**
- Covered Area: **600 thousand m²**
- Annual production capacity: **300 thousand** (Up to 200k of Puma and up to 100k of Courier with flexible production)
- Annual production capacity: **350 thousand** engines
- Capacity Utilization Rate: **90%**



Ford Puma



Ford Courier

1.0L EcoBoost Engine



Eskişehir Plant

- Opening: **1982**
- Covered Area: **119 thousand m²**
- Annual production capacity: **22.5 thousand**
- Annual production capacity: **80 thousand** engines
- **112 thousand** rear axles (Transit)
- **118.5 thousand** transmissions
- Capacity Utilization Rate: **55%**



F-MAX



F-LINE



Ecotorq Engine



Transit Rear Axle



2.0 L EcoBlue Engine



Ecotorq Transmission



R&D Centers

- **2,381 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
- **Gebze** Pelitli Spare Parts Warehouse
- **Ankara** Akyurt Spare Parts Warehouse

Highlights of 2024

GOVERNANCE



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 **Industry 4.0 activities and smart factory applications**.

Türkiye's **2nd largest industrial enterprise**

Accounting for 45% of automotive production in Romania

Ford's **largest commercial vehicle production hub in Europe** with an annual production capacity of **934,500 units** (2 countries and 4 sites)

Kocaeli Plants: The first and only site in Türkiye with the capability to manufacture both ICE and electric vehicles on the same line

Accounting for **83%** of commercial vehicle production, **92%** of commercial vehicle exports, 28% of total vehicle production in **Türkiye**

Largest R&D Center in a single location and **Industrial Company** to receive the **highest EU funding** in Türkiye

Turkish commercial vehicle market leader with 28.7% market share

3rd place in the total automotive market with **8.9%** share

USD 9.3 billion market cap

Export champion of Türkiye for 9 consecutive years and of the Turkish automotive industry for consecutive years

USD 13 billion in export revenues in 2024

9.57 out of 10 in Corporate Governance Compliance Rating conducted in 2024

Ford Otosan issued its first **Eurobond** in 2024

ENVIRONMENT



"B" score in CDP's Climate Change and Water Security Programs

Turkish automotive industry's **most competent R&D with 2,381 employees**

R&D spending on various product development projects amounted to **TL 9,268 million** (2023: TL 10,107 million) before capitalization and **TL 6,170 million** (2023: TL 7,665 million) after capitalization

10 MWe Solar power plant investment completed

Ford Otosan completed the Horizon 2020 program with **20 projects and Euro 7.73 million funding in total**, becoming this program's **highest funded industrial company** in Türkiye. As announced on TÜBİTAK's official website, Ford Otosan **ranks first** among the industrial companies that have received the highest funding with a total of **Euro 8.45 million for 21 projects** within the Horizon Europe program.

LCA on **96% of products**

Responsible supply chain roadmap created with critical suppliers

SOCIAL



Highest employment in the Turkish automotive industry: **total 25,718 employees** in Türkiye and Romania

Ratio of women in all management roles across all sites in Türkiye: **25.48%**

Highest female employment ratio among Turkish automotive manufacturers: 4,652 female employees (only TR data)

The first and only automotive company from Türkiye to be included **in the Bloomberg Gender-Equality Index**

All teams and roles **fully integrated into agile working** in 2024

3,824,863 employee × hours of **training**

TL 157.16 million **training expenditure**

TL 456.9 million allocated for **donations and project activities**

"Contributions to Industry" and "Investment Project of the Year" awards presented by the Romanian Automotive Industry to Ford Otosan's Romania Plant in 2023 in recognition of the electrification and digitalization investments.

13% decrease in the number of customers contacting Technology and Customer Experience Center for complaints and **22%** shorter resolution times.

Production, Capacity Utilization and Investments

Production in Türkiye and Romania

In 2024, Türkiye's vehicle production volume (excluding tractors) decreased by 7% YoY to 1,365 thousand units, with passenger vehicle production down by 5% to 905 thousand units and commercial vehicle production declining by 11% to 461 thousand units. Meanwhile, Romania's vehicle production volume rose by 9% YoY, reaching a record high of 560 thousand units.

Supported by the introduction of newly launched models, Ford Otosan's total production increased by 7% YoY to 633 thousand units in 2024, including 382 thousand units produced at its Turkish facilities and 251 thousand units at the Craiova Plant.

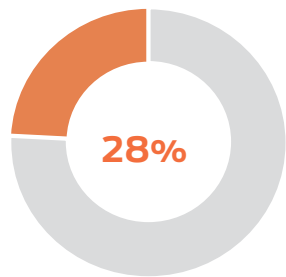
Modeller	2024 Üretim
2 Ton Van (Transit)	156,604
1 Ton Ticari Araç (Custom & VW 1-Ton Van)	212,925
Courier	84,294
Puma	166,376
Ford Trucks	12,484
Total	632,683

In 2024, Ford Otosan manufactured 34,546 all-electric and plug-in hybrid vehicles, which constituted 5.5% of total vehicle production.

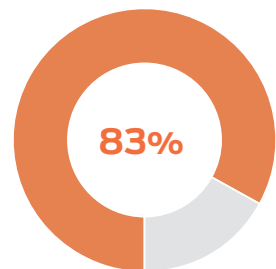
Electrification Journey

Ford Otosan plays a critical role in Ford's global electrification plans. Our electrification journey, which started with the production of plug-in hybrid Custom in 2019, had continued in 2022 with the launch of E-Transit, marking Türkiye's and Ford's first all-electric van. In 2024, the new all-electric and plug-in hybrid Custom models were added to the production portfolio. Ford Otosan proudly manufactures the all-electric variants of Puma and Courier, launched in early 2025, and the six electric vehicle models that Ford plans to include in its European product portfolio. Later in 2025, E-Truck, the 100% electric truck, will be launched, bringing electric versions of all models we produce to the customers.

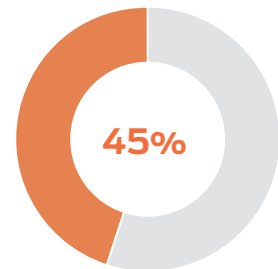
Ford Otosan's Share in Türkiye's Total Vehicle Production



Ford Otosan's Share in Türkiye's Commercial Vehicle Production



Ford Otosan's Share in Romania's Vehicle Production



Production, Capacity Utilization and Investments

Facilities	2024 Year-end Capacity	2024 Production Volume	2024 Capacity Utilization Rate:
Gölcük	207,000	156,604	76%
Yeniköy ¹	405,000	212,925	80%
Eskişehir	22,500	12,484	55%
Türkiye - Total	634,500	382,013	77%
Craiova ²	300,000	250,670	90%
Romania - Total	300,000	250,670	90%
Total	934,500	632,683	81%

(1) In Yeniköy Plant's Capacity Utilization Rate (CUR) calculation, the capacity was used as 245 thousand in the first 10 months and 405 thousand in the last two months.

(2) In Craiova Plant's CUR calculation, the capacity was used as 272 thousand in the first nine months and 300 thousand in the last three months.

Production Capacity and Capacity Utilization Rate

With the start of 1-ton VW medium commercial vehicle production, as part of the Ford-VW strategic alliance, total capacity of the Yeniköy Plant rose to 405 thousand units. Furthermore, total production capacity of the Craiova Plant increased to 300 thousand units, including 200 thousand Puma and 100 thousand Courier, with ongoing investments. As a result, Ford Otosan's total production capacity reached 934,500 units by year-end 2024.

Investments

In line with our strong growth and electrification plans, we invested a total of Euro 2.4 billion from 2021 to 2024, including Euro 1.9 billion in Türkiye and Euro 500 million in Romania. In the same period, we created more than 3,000 additional jobs in Türkiye. The vehicle and facility investments will continue in 2025.



Total investments amounted to Euro 2.4 billion from 2021 to 2024, including Euro 1.9 billion in Türkiye and Euro 500 million in Romania.

Türkiye Automotive Market

In 2024, the Turkish automotive market achieved a new historical peak. The market's robust performance was driven by several factors, including a competitive pricing environment facilitated by GSR, an increase in the upper price limit of SCT-exempt vehicles for disabled individuals, and heightened domestic demand ahead of local elections. Additionally, fleet renewal activities and tax incentives for electric vehicles further bolstered demand. As a result, total automotive sales in Türkiye rose by 0.1%, reaching 1,279,267 units in 2024.


Ford Otosan's total domestic retail sales remained stable at 113,538 units, maintaining the company's third-place position with an 8.9% market share.

Passenger vehicle sales increased by 1.3%, reaching 980,341 units. In line with Ford Otosan's continued focus on profitability in this segment, sales decreased by 4.1% to 29,662 units, resulting in a 3.0% market share.

Light commercial vehicle sales declined by 12% to 137,278 units due to limited availability. Ford Otosan's sales in this segment fell by 21% to 28,346 units, as the production shift to the Courier took longer than anticipated. The company's market share stood at 20.6%.

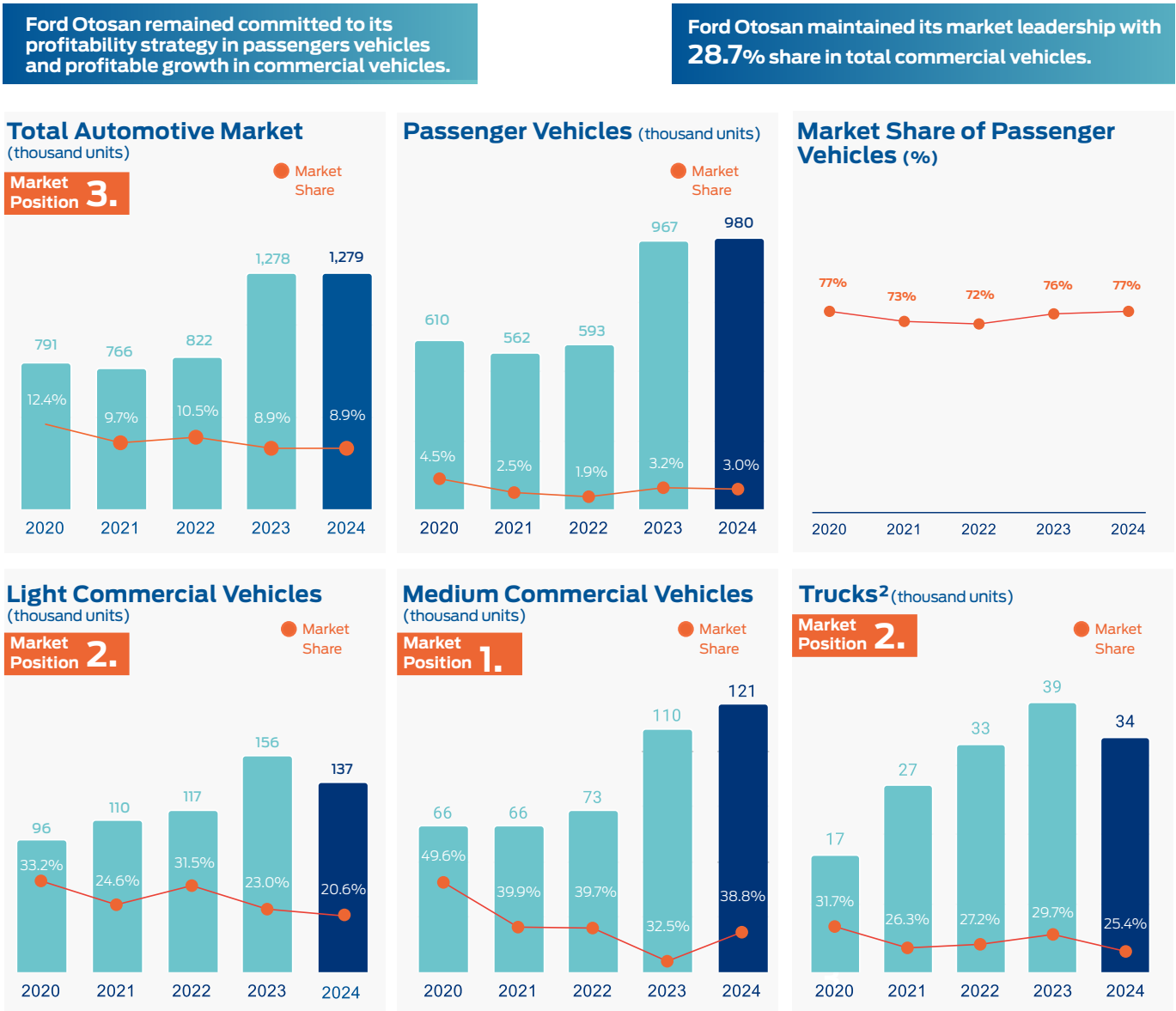
Medium commercial vehicle sales grew by 10% to 120,890 units. Ford Otosan outperformed the market with a 32% increase in sales to 46,899 units, reinforcing its leadership in the segment with a 38.8% market share.

Heavy commercial vehicle sales decreased by 9.9% to 40,758 units. Ford Trucks' domestic sales dropped by 26% to 8,631 units, resulting in a market share of 25.42%. This decline was primarily due to a competitive pricing environment influenced by advanced drive systems (ADAS) becoming mandatory under EU safety regulations.



Ford was named “Best Selling Commercial Vehicle Brand of the Year” and Ford Transit “Best Selling Van of the Year” according to Automotive Distributors and Mobility Association (ODMD) data .

(1) Sources: ODMD, TAİD and TURKSTAT. Excluding buses, midibuses and tractors.
(2) Based on 16-ton and higher truck/tractor truck data. TURKSTAT data was taken as basis for non-TAİD member brands.



Exports

In 2024, Türkiye's automobile exports decreased by 1.4% to 654,115 units, while commercial vehicle exports increased by 1.1% to 358,919 units. Consequently, total automotive export volume declined by 0.5%, reaching 1,013,034 units. Despite this, the value of automotive exports rose by 3% to USD 37.2 billion, reaffirming its position as Türkiye's largest export sector.

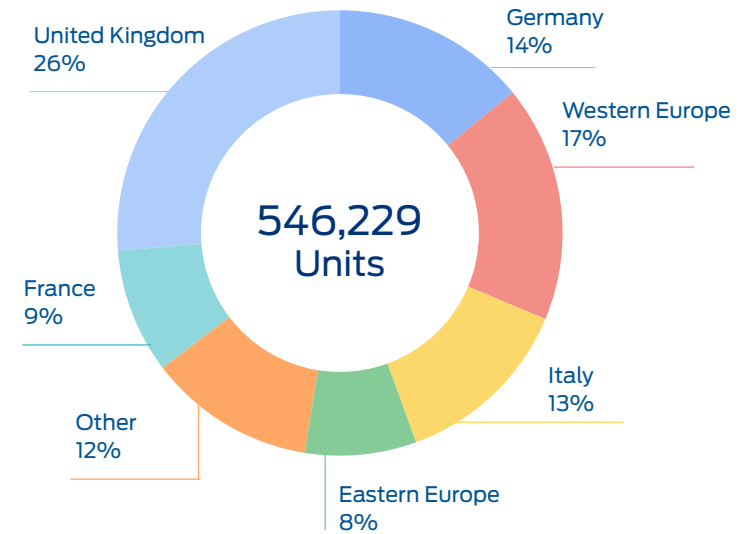
According to European Automobile Manufacturers Association (ACEA) data, the passenger vehicle market expanded by 1.1%, driven by growing demand for electric vehicles, particularly hybrids. The light and medium commercial vehicle market—Ford Otosan's largest export segment—grew by 7.2%, benefiting from economic supply, the continued expansion of e-commerce, and fleet renewals to support fast delivery services. Meanwhile, the heavy commercial vehicle market contracted by 5.7% due to regulatory changes, economic volatility, and fluctuating freight rates.

Due to all of these factors and despite the high base effect of the previous year, the total European market grew by 1.6% YoY, reaching 14.9 million units.

During the reporting period, Ford Otosan's total exports from Türkiye and Romania increased by 11% to 546,229 units, generating USD 13 billion in sales revenues. Ford Otosan continued its leadership of the Turkish automotive industry since 2011 and retained its title as Türkiye's goods export champion for the ninth consecutive year.

Ford Otosan's total export revenues rose by 5% to TL 456.9 million. The successful launch of the new Custom and new Courier models in 2024 led to significant growth in exports, with the 1-ton van and Courier exports increasing by 46% and 188%, respectively. However, the 2-ton van and Puma exports declined by 17% and 10%, respectively, while lower demand in the European market resulted in a 47% contraction in Ford Trucks' exports.

Main Export Markets (by units)



Distribution of exports from Türkiye and Romania by markets. All exports are €-denominated and volume-guaranteed.

Ford has maintained its leadership in the European commercial vehicle market for 10 years with a market share of 15.4%. With its flexible and high quality production capabilities, Ford Otosan plays a key role in this success.

European Passenger Vehicle Market				European Commercial Vehicle Market			
2024	2023	%		2024	2023	%	
EU + UK	12,585,159	12,451,219	%1.1	EU + UK	2,321,723	2,214,212	4.9%
European Van Market				European Truck Market			
2024	2023	%		2024	2023	%	
EU + UK	1,940,953	1,810,404	7.2%	EU + UK	380,770	403,808	-5.7%

Source : European Automobile Manufacturers Association (ACEA). 26 EU countries and UK included.

Ford'un Avrupa'da Ford Otosan's Share in Ford's Commercial Vehicle Sales in Europe



Vehicle and spare parts exported from Türkiye to 86 countries



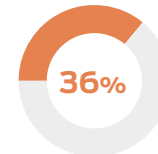
Ford Otosan's share in Türkiye's Total Vehicle Exports



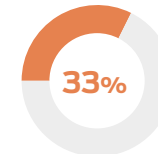
Ford Trucks Operates in 53 Countries



Ford Otosan's Share in Ford's Passenger Vehicle Sales in Europe



Ford Otosan's Share in Türkiye's Total Vehicle Exports



Ford Otosan's Share in Romanian Vehicle Production





INDUSTRY OVERVIEW AND TRENDS

Global and Turkish Industry Overview

Global Overview	European Union and United Kingdom – Overview	Türkiye - Overview
<p>The World Economic Forum's Global Risks Report 2025 identifies environmental challenges as the most pressing global risks over the next decade. The top four risks of the ten most significant risks —extreme weather events, biodiversity loss and ecosystem collapse, critical changes in the Earth's system, and depletion of natural resources—are expected to drive transformation across industries, including the automotive industry.¹</p> <p>As of 2023, China has reinforced its position as the world's largest automotive market, with 25.8 million vehicle registrations. Meanwhile, North America, Eastern Europe, and Asia are among the fastest-growing regions in the industry. The expansion of the Chinese market is primarily driven by increasing demand, a trend expected to continue due to the country's relatively low levels of motor vehicle ownership.²</p> <p>¹ (2025). Global Risks Report 2025 – WEF</p> <p>² (2024). Number of Cars Sold Worldwide from 2010 to 2023, with a 2024 Forecast – Statista</p> <p>³ (2024). New Car Registrations, European Union – ACEA</p> <p>⁴ (2025). Automotive Distributors' and Mobility Association, Heavy Commercial Vehicles Association and Turkish Statistical Institute, excluding tractors</p> <p>⁵ (2025). Press Release, Uludag Exporters' Association</p>	<p>In 2024, new vehicle registrations in the European Union (EU) rose by 0.8%, reaching nearly 10.6 million units. Among major markets, Spain stood out with a 7.1% growth rate, while France, Germany, and Italy experienced contractions.</p> <p>In terms of fuel type distribution, gasoline vehicles remained the market leader with a 33.3% share, followed by hybrid electric vehicles (HEVs), which captured 30.9% of the market. Battery electric vehicles (BEVs) ranked third, accounting for 13.6% of new registrations. Meanwhile, in the United Kingdom (UK), new vehicle registrations increased by 2.6% in 2024, rising from 1,903,054 to 1,952,778 units. That year, the UK automotive industry retained its position as the country's largest export sector, with a total trade volume of Pound 115 billion.³</p>	<p>In 2024, total automotive production in Türkiye declined by 7% year-on-year, reaching 1,365,296 units. During this period, automobile production fell by 5% to 904,513 units, while light commercial vehicle production decreased by 9% and heavy commercial vehicle production dropped by 25%. Türkiye's total automotive market size stood at 1,279,267 units, maintaining a trend similar to the previous year.⁴</p> <p>The Turkish automotive industry remained the country's leading export sector, with a volume of USD 37.2 billion in 2024, accounting for 17.3% of total exports. Holding the title of export champion for 18 of the past 19 years, the industry recorded a 6.3% year-on-year growth. Despite global economic challenges, the industry sustained its strong performance, achieving a 19% increase in exports of passenger vehicles and motor vehicles for goods transportation.⁵</p>

Developments Impacting the Industry

The global automotive industry has faced a series of challenges in recent years, including the chip crisis, geopolitical tensions, and trade restrictions. Temporary production shutdowns, disruptions in global logistics, and weakened consumer demand have contributed to declines in both automotive production and sales. Additionally, tariffs and import/export restrictions have disrupted supply chains, limiting the cross-border movement of auto parts.

The global chip crisis, which began during the COVID-19 pandemic in 2020, has persisted for more than three years, affecting industries such as automotive and consumer electronics. While recovery efforts continued in 2024—with increased production capacity and stabilizing demand—new concerns emerged. China's restrictions on exports of critical materials, such as gallium and germanium, and the United States' new chip export controls to China in September 2024 raised fears of a potential resurgence of a similar chip crisis.^{6,7} Meanwhile, new regulatory measures are reshaping the industry.

The Euro 7 Emission Standards, set to take effect in 2025, align with the EU's commitment to reducing environmental pollution and promoting sustainability. The regulation introduces stricter limits on carbon emissions, nitrogen oxide (NOx), and particulate matter (PM) from passenger vehicles, vans, and heavy vehicles. Covering internal combustion, hybrid, and electric vehicles, the new standards also address particle emissions from brake systems and microplastic pollution from tires, further encouraging the adoption of environmentally friendly technologies.⁸

⁶ (2024). [The Semiconductor Crisis – Forbes](#)

⁷ (2024). [Global Chip Shortage – TechRepublic](#)

⁸ (2024). [Euro 7: Council adopts new rules on emission limits for cars, vans and trucks – European Commission](#)

Electric Vehicles

Global Overview

In 2024, global electric vehicle (EV) sales reached nearly 17 million, representing one in every five vehicles sold. Despite challenges such as tight profit margins and high inflation, global sales continued to rise.⁹ By the end of November 2024, sales of all-electric and plug-in hybrid vehicles had increased by 32% compared to the same period in 2023.¹⁰ The global EV market share surpassed 45% in China, 25% in Europe, and 11% in the United States. Key drivers of this growth include declining battery and vehicle prices, sustained policy support, and lower fuel costs, all of which continue to bolster EV demand.¹¹ Global EV sales have grown significantly over the past decade, rising from approximately 770,000 units in 2016 to an estimated 13.4 million in 2023. Sales remained strong in 2024, reaching nearly 13.7 million units by November, reinforcing the steady upward trend in demand.¹²

⁹(2024). [Global EV Outlook 2024 – IEA](#)
¹⁰(2024). [Global EV Sales Hit Third Consecutive Record High – Reuters](#)
¹¹(2024). [Global EV Outlook 2024 – IEA](#)
¹²(2024). [Electric Vehicles – Worldwide – Statista](#)

European Union and United Kingdom – Overview

In 2024, new vehicle registrations in the European Union (EU) increased by 0.8%, reaching nearly 10.6 million units. Electric vehicles (EVs) accounted for 13.6% of total registrations, surpassing diesel vehicles (11.9%) to become the third most popular choice. However, battery electric vehicle (BEV) registrations declined by 5.9% compared to 2023, with particularly sharp decreases in Germany (-38%) and France (-20%).¹³

Among newly registered vehicles in the EU, 33.3% were gasoline, 30.9% hybrid, 13.6% electric, 11.9% diesel, 7.1% plug-in hybrid, and 3.1% other fuel types. As a result, all-electric, hybrid, and plug-in hybrid vehicles collectively accounted for 51.6% of total new registrations. However, compared to 2023, new electric vehicle registrations declined by 5.9% and plug-in hybrid sales fell by 6.8%. In the United Kingdom, 63.2% (1,239,121) of the 1,952,778 newly registered vehicles in 2024 were hybrid and electric models. All-electric vehicle registrations increased by 21.4% year-on-year, while plug-in hybrids grew by 18.3% and hybrid electrics by 14.8%.¹³

¹³(2024). [New Car Registrations, European Union – ACEA](#)

Türkiye - Overview

In 2024, gasoline vehicles accounted for 60.8% of the 1,014,830 automobiles registered in Türkiye, followed by hybrids (16.7%), diesel (11.3%), and electric vehicles (10.2%). The combined share of hybrid and electric automobiles increased from 16.2% in 2023 to 26.9% in 2024, reflecting a significant shift in market dynamics. Hybrid vehicle sales saw a 92.8% year-on-year increase, while electric vehicle sales grew by 58.4%.¹⁴

¹⁴ (2025). [Road Motor Vehicles-December 2024-TSI](#)



Global and Turkish Industry Overview

Developments Impacting the Industry

Rising sustainability awareness and the implementation of new global regulations are making alternative fuel vehicle production essential for the automotive industry. While manufacturers have been rapidly transitioning toward alternative fuel technologies, consumer adoption has been more gradual due to factors such as charging times, driving range, and the relative novelty of the technology. Although recent advancements in battery technology have alleviated many of these concerns, infrastructure improvements remain critical for widespread adoption. In this context, economic factors also play a key role in influencing consumer preferences, particularly in the medium and long term.

Total ownership costs, economic factors, and social perceptions are significant drivers of EV adoption by consumers, particularly in the medium and long term.

According to a study, 84% of automotive industry leaders believe the electric vehicle market will continue to grow even without government incentives. Additionally, 66% of industry experts predict that EVs will achieve cost parity with internal combustion engine (ICE) vehicles by 2030, while 46% expect EVs to become cost-competitive with ICE vehicles even without subsidies by that time.¹⁵

The growing demand for electric vehicles is driving an increased need for critical raw materials, such as lithium, cobalt, and nickel, which are essential for battery production. However, heavy reliance on these resources poses supply chain challenges, making recycling and resource recovery crucial for long-term sustainability. Efficient battery recycling methods can help reduce dependence on virgin materials while preserving natural resources and partially meeting industry demand for raw materials.

In response to these challenges, the EU introduced a new Battery Regulation in 2024, replacing the 2006/66/EC directive as part of its climate neutrality strategy. The regulation sets ambitious targets, including: raising lithium-based battery recovery rates to 50% by 2027 and 80% by 2030, and increasing collection rates for portable batteries to 65% by 2025 and 70% by 2030. Additionally, the Digital Battery Passport, which will become mandatory in 2026, aims to enhance transparency across the entire battery lifecycle. This electronic tracking system will facilitate the monitoring of battery production, usage, and recycling processes, making key data accessible to manufacturers, consumers, recyclers, and regulatory authorities.¹⁶



¹⁵ (2024). [24th Annual Global Automotive Executive Survey – KPMG](#)

¹⁶ (2023). [Regulation 2023/1542 Concerning Batteries and Waste Batteries](#)



Autonomous Vehicles

Global Overview

Autonomous vehicles have emerged as a key focus in global transportation, driving a radical transformation in mobility systems. In 2024, the global autonomous vehicle market exceeded USD 41 billion, with projections indicating significant growth to approximately USD 115 billion by 2029.¹⁷

Equipped with artificial intelligence, sensor technology, high-speed communication networks, and advanced software, autonomous vehicles have the potential to reduce traffic accidents, improve travel efficiency, and lower transportation-related emissions. While many countries are actively developing, testing, and deploying these technologies in limited-use cases, their adoption and regulatory approaches vary across regions.

The United States is a leader in autonomous vehicle development, with extensive testing areas and technology-driven companies. Federal and state-level regulations support testing in urban traffic and highway environments, facilitating industry growth. Meanwhile, Canada is increasing investment in autonomous infrastructure and supporting pilot projects, encouraging strong public-private sector collaboration to accelerate technology development.

In the Asia-Pacific region, China is leveraging state support and expansive test areas to integrate autonomous vehicles into urban transportation and logistics, aiming for global leadership in this field.

South Korea has announced its Future Vehicle Industry Development Strategy, targeting the completion of autonomous driving infrastructure and the commercialization of Level 4 autonomous vehicles by 2027.¹⁸

The United Nations Economic Commission for Europe (UNECE) has introduced globally binding regulations to ensure the safe integration of autonomous vehicles. UN Regulation No. 155 establishes cybersecurity and management system requirements, mandating protection against cyber threats. UN Regulation No. 156 governs vehicle software updates and management systems, particularly for remote updates. UN Regulation No. 157 defines human-machine interface standards, safety protocols, and minimum risk maneuvers for Automatic Lane Keeping Systems.^{19,20,21}

Autonomous vehicle technologies are expected to become more accessible and widely adopted in the coming years. As investments accelerate, regulatory frameworks evolve, and technological advancements continue, these vehicles are poised to redefine public and individual transportation, logistics, and urban mobility. Additionally, autonomous technology is anticipated to play a critical role in shaping future transportation systems, contributing to sustainable cities and a low-carbon economy.

European Union - Overview

The development of autonomous vehicle technologies is progressing rapidly across Europe, driven by artificial intelligence, sensor technologies, Light Detection and Ranging (LIDAR), and radar. The perception, planning, and decision-making capabilities of autonomous vehicles are being tested under real-world conditions through various pilot projects and test zones across EU countries.

The European Union (EU) considers autonomous vehicle technologies a key component of its strategy for sustainable and connected mobility. Under the framework of the European Green Deal, autonomous vehicles are expected to enhance energy efficiency, reduce traffic congestion, and minimize carbon emissions.²² To support this transition, the EU provides both regulatory frameworks and financial incentives, allocating substantial resources to research and development through the Horizon Europe program. Additionally, initiatives aimed at integrating connected and autonomous vehicles into existing infrastructure seek to ensure that roads and traffic systems can adapt to these emerging technologies.²²

The EU has implemented several regulations to support vehicle safety and the integration of autonomous driving technologies. EU/2019/2144 mandates that all vehicles sold in the EU be equipped with advanced safety systems, including emergency braking, lane-keeping assistance, and speed limiters. EU/2022/1426 establishes cybersecurity standards for autonomous and connected vehicles, requiring software updates, data protection measures, ➤

¹⁷(2024). [Size of the Global Autonomous Car Market in 2024, with a Forecast Through 2029 – Statista](#)

¹⁸(2024). [Autonomous Vehicles Current Status Analysis Report.- Ministry of Transport and Infrastructure of the Republic of Türkiye](#)

¹⁹(2021). [UN Regulation No 155 – Uniform provisions concerning the approval of vehicles with regards to cybersecurity and cybersecurity management system 2021/387 – European Union](#)

²⁰(2021). [UN Regulation No 156 – Uniform provisions concerning the approval of vehicles with regards to software update and software updates management system 2021/388 – European Union](#)

²¹(2021). [UN Regulation No 157 – Uniform provisions concerning the approval of vehicles with regards to Automated Lane Keeping Systems 2021/389 – European Union](#)

²²(2024). [Autonomous Vehicles Current Status Analysis Report.- Ministry of Transport and Infrastructure of the Republic of Türkiye](#)

Global and Turkish Industry Overview

European Union Overview

➤ and resistance to cyber threats. These regulations represent important milestones in the EU’s efforts to create a safe, efficient, and sustainable transportation ecosystem^{23,24}

To accelerate the development of autonomous vehicles, dedicated test areas have been established in countries such as Germany, France, the United Kingdom, and Spain. These test zones assess vehicle performance in complex traffic scenarios. In Germany, autonomous driving systems are being tested in various conditions, including urban traffic, highways, and parking facilities. France focuses on autonomous public transport solutions in city centers.²²

Türkiye - Overview

In December 2024, Türkiye took a significant step toward aligning national standards with autonomous vehicle technologies. The Regulation on the Autonomous Driving System of Fully Autonomous Vehicles, which came into effect on December 1, 2024, under the supervision of the Turkish Ministry of Industry and Technology, defines the technical requirements and testing procedures for autonomous vehicles in passenger and freight transport categories. The regulation applies to dual-mode vehicles, fully autonomous vehicles operating on fixed routes, and vehicles equipped with autonomous parking systems. Designed to align with EU regulations (EU/2019/2144 and EU/2022/1426), the regulation allows manufacturers to apply for type approval for autonomous systems while requiring them to provide technical documentation verifying compliance.²⁵

This new regulatory framework is expected to accelerate the testing and adoption of autonomous vehicles, fostering greater public acceptance and broader implementation. Over the coming years, Level 3 (Conditional Automation) and Level 4 (High Automation) autonomous vehicles—where technology assumes most driving functions—are anticipated to become increasingly common. These advancements are expected to drive wider adoption in logistics, public transportation, and individual mobility.²²

Developments Impacting the Industry

Autonomous vehicle technologies are advancing rapidly, driving innovation across multiple sectors, from the automotive industry to smart city infrastructure. These advancements have led to significant technological, economic, social, and regulatory changes. Enhanced sensor technologies (LIDAR, radar, and cameras), along with artificial intelligence and machine learning algorithms, have greatly improved vehicles' ability to perceive their surroundings and make real-time decisions. Additionally, high-speed communication technologies such as 5G have facilitated major progress in vehicle-to-vehicle and vehicle-to-infrastructure communication.

For autonomous vehicles to be successfully deployed, integrating them into smart city infrastructure is essential. This requires the digitalization of traffic management systems and the adaptation of roadside units, smart traffic lights, and sensor networks to autonomous vehicle technologies. Such integration provides numerous benefits, including real-time traffic analysis to optimize routes, enhanced pedestrian safety through interactive communication, and reduced carbon emissions through efficient traffic flow. However, developing this infrastructure is costly and demands long-term planning and collaboration. Despite the challenges, these investments hold the potential to create safer, more sustainable, and more efficient cities.

Despite rapid technological advancements, several challenges must be addressed before autonomous vehicles achieve widespread adoption. Cybersecurity risks are a serious concern, given the highly connected nature of autonomous vehicles, ensuring secure data exchange between vehicles and protecting against malicious cyber threats is critical. Data privacy concerns are high therefore transparency and user privacy protection are essential, particularly in the handling of personal data. Ethical decision-making mechanisms should be in place. Autonomous vehicles must be equipped with ethical algorithms to make appropriate decisions in complex scenarios, such as traffic accidents. In addition, infrastructure and network optimization should be addressed for autonomous vehicles to operate efficiently. Additionally, raising public awareness and trust is crucial for fostering broader acceptance of autonomous vehicles. Pilot programs and educational initiatives can help familiarize the public with these technologies and encourage engagement with autonomous transportation systems.²⁶

²³ (2019). [EU/2019/2144 Regulation –European Union](#)

²⁴ (2022). [EU/2022/1426 Regulation – European Union](#)

²⁵ (2024). [The Regulation on the Type Approval of Motor Vehicles Regarding the Autonomous Driving System of Fully Autonomous Vehicles - Official Gazette of the Republic of Türkiye](#)

²⁶ (2021). [All You Need to Know About Automated Vehicles – UNECE](#)

Trends - People

The automotive industry holds a 5% market share in the global economy and has a significant impact on employment and economic development. In recent years, the industry has moved beyond technological innovations, prioritizing people-centric strategies such as workforce diversity, female employment, and employee well-being, all of which have become key aspects of sustainability initiatives.

Employees' physical and mental well-being is now considered essential to corporate success. As a result, flexible work arrangements, health programs, and training opportunities are being integrated into human resources strategies. Additionally, advancements in Internet of Things (IoT) systems and data-driven artificial intelligence applications are reshaping employee skill requirements, reinforcing the need for continuous upskilling and reskilling programs.

The rapid evolution of the global automotive industry has placed workplace flexibility at the center of modern business practices. According to McKinsey's 2024 report, approximately 80% of employees reported an increase in workplace flexibility over the past decade. The key benefits of this shift include higher productivity and reduced burnout. Flexible work arrangements enable employees to manage workloads more efficiently and maintain a healthier work-life balance.^{27,28} In addition to flexible working hours and environments, the adoption of agile work practices has gained importance. However, while flexibility enhances productivity, the success of hybrid work models also relies on maintaining strong interpersonal connections and fostering in-person collaboration.

Diversity, equity, and inclusion are critical drivers of organizational success. Increased female participation in the workforce and leadership roles contributes to a more balanced and productive workplace. However, in 2024, women held only 29% of senior management positions,



²⁷(2023). [The State of Organizations 2023 – McKinsey & Company](#)

²⁸(2023). [2024 Trends Report – Ford Motor Company](#)

Trends - People

highlighting persistent gender disparities. In Türkiye, gender inequality in the workforce remains a challenge, placing the country behind European rankings. This underscores the need for companies to set clear employment targets and actively monitor progress.²⁷

Female participation in the automotive industry continues to rise globally, though disparities remain across regions. In Germany, female employment in the industry stands at 25%, while the rate is 20% in Japan, 23% in the United States, and 18% in South Korea. In Türkiye, female employment in the automotive industry remains at 15%, with female representation in the automotive supply industry at approximately 19%.

The EU's Corporate Sustainability Due Diligence Directive (CSDDD) aims to enhance corporate transparency and accountability by requiring businesses to uphold human rights, environmental sustainability, and ethical business practices throughout their supply chains. Given the complexity of supply chains and the high environmental impact of the automotive industry, companies must take proactive steps to mitigate environmental, social, and governance (ESG) risks across their value chains. As the industry undergoes technological transformation and green transition, attracting and retaining young talent is becoming increasingly critical. The World Economic Forum's "Good Work Alliance" identifies five key elements essential for a sustainable and resilient workforce: fair wages, social protection, responsible use of technology, workforce well-being, and human capital development.²⁹

A study has found that human resources sustainability and employee talent development are critical for a successful business model. Companies that adopt a people-centric approach gain a competitive advantage.³⁰

Leadership also plays a crucial role in this transformation. Self-aware and inspirational leaders can effectively guide their teams by understanding both internal company dynamics and broader industry trends.

As technological advancements and the green transition reshape the industry, companies must redesign workforce strategies to ensure future-readiness. The World Economic Forum's "Good Work Alliance" framework reinforces the importance of aligning workforce policies with sustainability goals, emphasizing: equitable wages, social protections, ethical and responsible technology adoption, enhanced workforce well-being, and improved employability through skill development.

A global survey found that 60% of respondents experience mental health issues, a trend observed across all demographic groups and industries. Mental health has become a critical workforce concern, with many employees directly or indirectly affected. While 80% of HR leaders prioritize mental health and 90% of organizations offer wellness programs, many employees still report feeling overwhelmed. This is largely because existing initiatives tend to focus on symptom relief rather than addressing underlying causes. Investing in employee mental health leads to higher engagement, improved talent attraction, and increased productivity.²⁷

As industries evolve, employee protection strategies must adapt accordingly. Industrial safety trends in 2024 emphasize a technology-driven approach, incorporating smart technologies such as IoT and AI, new regulatory frameworks, and a strong workplace safety culture. The automotive industry is classified as hazardous under the Workplace Hazard Classes Communiqué on Occupational Health and Safety. According to the International Labor Organization (ILO), while workplace safety and worker protection have improved, the industry remains within the "hazardous"

classification.³¹ Setting clear targets to identify and mitigate risks is crucial for ensuring employee safety. The industry has made significant progress (2023) in occupational health and safety, particularly through technological advancements. For instance, robotic welding and automated paint spraying processes help protect workers from exposure to harmful substances while increasing productivity. Standards like ISO 45001 continue to guide the industry in implementing best practices for workplace safety.

Artificial intelligence (AI) is playing a pioneering role in workforce transformation, introducing new opportunities and efficiencies for employees. By automating routine and time-consuming tasks, AI enables employees to focus on more strategic, creative, and value-added work. In recruitment, AI is widely used to screen résumés for relevant keywords, match candidates with job requirements based on skills and experience, and reduce biases in the hiring process. These advancements enhance efficiency, improve hiring accuracy, and save companies valuable time.³²



²⁹(2024). [Global Gender Gap 2024 Report – WEF](#)

³⁰(2024.) [2024 Global Human Capital Trends Report – Deloitte](#)

³¹(2023). [5 HR Automotive Industry Trends Firms Need to Follow - Randstad](#)

³²(2024). [The Future of Hiring: The Role of AI in Modern Recruitment Strategies – SHRM](#)

Trends - Environment

With an annual production of approximately 80 million vehicles, the automotive industry consumes 112 million tons of raw materials and accounts for around 10% of global greenhouse gas emissions.³³ These figures underscore the urgent need to reduce the industry's environmental impact. In response, governments and policymakers are implementing stricter regulations to reduce carbon emissions and promote sustainability.

The European Union (EU) has set ambitious targets to reduce emissions in the automotive industry: zero CO₂ emissions for light commercial vehicles by 2035, a 90% reduction in emissions from heavy commercial vehicles by 2040, and inclusion of road transport in ETS 2 (Emissions Trading System) from 2027. Additionally, the Carbon Border Adjustment Mechanism (CBAM) will introduce emission certification requirements for imported products, a move expected to significantly impact Germany's automotive industry.

In March 2024, the Science Based Targets initiative (SBTi) released updated guidance for road vehicles, aligning the largest source of automotive manufacturers' emissions, Scope 3 Category 11 'in-use' emissions from sold vehicles, with the 1.5°C climate target for the first time. The guidance includes a commitment to phase out new internal combustion engine (ICE) vehicles by 2035 in leading markets (Europe, China, the US, Canada, the UK, South Korea, Japan, and Australia), and achieving a global phase-out of ICE vehicles by 2040. Companies can demonstrate their commitment to these targets by signing the Zero Emission Vehicles (ZEV) Declaration.

The circular economy is playing an increasingly vital role in the automotive industry, particularly in battery recovery and recycling. This approach extends beyond batteries to include the recycling of vehicle components such as body structures, electronics, and plastics. The EU is well-positioned to lead this transition, leveraging its existing regulatory framework, collection networks, and technical expertise.



³³(2024). [How to Navigate Sustainability in the Automotive Industry – WEF](#)

Trends - Environment

By 2030, a significant portion of Europe’s raw material demand is expected to remain unmet by domestic supply chains. According to the International Energy Agency (IEA), China dominates lithium-ion battery production and processing, accounting for over 70% of global battery cell production capacity and 90% of cathode material production.³⁴ This dependence on Chinese supply chains could undermine brand value and customer loyalty for European companies in the electric vehicle (EV) market, potentially leading to a decline in market share for European Original Equipment Manufacturers (OEMs).

To enhance supply chain security and sustainability, the EU adopted the Critical Raw Materials Act on March 18, 2024. This legislation classifies 34 raw materials as “critical” and 17 as “strategic”, targets domestic production of 10% of the EU’s annual raw material consumption, and aims to process 40% and recycle 25% of these materials within the EU.³⁵

Additionally, the EU introduced a new Battery Regulation in 2024, repealing Regulation 2006/66/EC, underscoring the importance of batteries in the transition to a climate-neutral continent. This regulation sets ambitious goals for battery sustainability, safety, and waste management, along with collection, recycling, and reuse of battery waste. The targets include increasing lithium-based battery recovery rates to 50% by 2027 and 80% by 2030, raising collection rates for portable batteries to 65% by 2025 and 70% by 2030, and extending regulatory oversight to electric vehicle (EV) batteries.

As part of the regulation, the Digital Battery Passport will become mandatory in 2026. This electronic tracking system enhances transparency across the battery lifecycle, allowing manufacturers, consumers, recyclers, and regulatory authorities to monitor production, usage, and recycling processes. The initiative aims to improve supply chain accountability, ensure

responsible sourcing of critical materials, and promote ethical and sustainable raw material procurement.

To further mitigate environmental and social risks, mandatory supply chain standards have been introduced, requiring companies to uphold ethical sourcing practices for critical raw materials such as lithium, cobalt, nickel, and graphite.

Sustainability-focused regulations are placing increasing pressure on the automotive industry to decarbonize supply chains and manage Scope 3 emissions. Key regulations include: Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), and German Supply Chain Act. These directives require companies to monitor and mitigate environmental and social impacts not only within their own operations but

also across their upstream and downstream supply chain. Non-compliance can lead to hefty financial penalties and exclusion from public tenders.

The automotive industry is the world’s second largest consumer of steel, accounting for 12% of total steel consumption in 2023. However, conventional steel production remains carbon-intensive. The transition to green steel, produced using renewable energy, green hydrogen, or recycled steel, is seen as a key step in reducing carbon emissions and contributing to the decarbonization of the automotive industry.^{36,37}



³⁴(2024). [Global EV Outlook 2024 – IEA](#)

³⁵(2024). [The European Critical Raw Materials Act has been Adopted – The Directorate for EU Affairs of the Ministry of Foreign Affairs of the Republic of Türkiye.](#)

³⁶(2024). [Green Steel in Cars – T&E](#)

³⁷(2024). [Which Automakers are Shifting to Green Steel? – International Council of Clean Transportation \(ICCT\)](#)

Trends - Technology and Innovation

The automotive industry is undergoing a radical transformation, driven by global dynamics and evolving consumer expectations. This transformation is reshaping not only vehicle design and production but also business models, mobility solutions, and sustainability strategies. Modern mobility solutions go beyond facilitating transportation and aim to seamlessly integrate into users' daily lives. In response, the industry is leveraging its mechanical expertise while embracing digitalization and emerging technologies to shape the transportation ecosystem of the future. The ongoing transition is characterized by the rise of digitalization and connected vehicles, advancements in autonomous driving technologies, and infrastructure investments and evolving regulations for electric vehicles (EVs). Leveraging such innovations, the automotive industry is accelerating its transition toward a more sustainable and technology-driven future.³⁸

Alternative Fuel Technologies

A sustainable transportation future requires the adoption of multiple fuel types and technologies. According to the European Commission's 2050 Long-Term Climate Strategy, there is no single fuel solution for achieving low-emission mobility and all major alternative fuel options will be necessary.³⁹ In March 2023, the European Commission introduced mandatory national targets for alternative fuel infrastructure for vehicles. The Commission also plans to establish a centralized database by 2027, providing real-time information on alternative fuel availability, waiting times, and prices at different stations.⁴⁰

Hydrogen is emerging as a key alternative fuel, particularly in sectors where electrification is more challenging. Early adoption is expected in public transportation buses, commercial vehicle fleets, and rail networks where electrification is not feasible. The 2025–2029 and 2030–2034 targets outlined in the Carbon Emission Standards



³⁸(2024). [Spotlight on Mobility Trends – McKinsey & Company](#)

³⁹(2024). [Alternative Fuels – European Commission](#)

⁴⁰(2022). [How to Increase the Use of Alternative Fuels for Cars – European Parliament](#)

Trends - Technology and Innovation

Directive will be instrumental in establishing a lead market for hydrogen-powered solutions, once fuel cell technology becomes sufficiently mature and cost-effective. Additionally, the Horizon 2020 Fuel Cells and Hydrogen Joint Initiative aims to accelerate Europe's leadership in hydrogen technology, driving further innovation in zero-emission mobility.⁴¹

Connected Vehicle Technologies and Cybersecurity

As software continues to play an increasingly central role in the automotive industry, the concept of the "software-defined vehicle" (SDV) has emerged. The SDV software and electronics market is projected to exceed USD1 trillion by 2035.⁴² underscoring the growing significance of software in vehicle design, engineering, and performance optimization. By facilitating seamless data sharing and advanced automation, software is transforming engineering processes and accelerating vehicle innovation. These developments demonstrate how software will be instrumental in shaping the future of the automotive industry.⁴³

5G technology serves as a foundational infrastructure for the development of autonomous and connected vehicles, and plays a key role in the transformation of the industry. This technology offers ultra-low latency (as low as 1 ms), high bandwidth for continuous data flow, and reliable and secure communication capabilities. Innovations such as multi-access edge computing (MEC), when integrated with 5G, enable real-time object and obstacle detection, enhancing vehicle awareness and safety. As 5G technology advances, autonomous vehicles are expected to reach full operational potential, further revolutionizing the mobility

landscape.⁴⁴ The Internet of Things (IoT) plays a crucial role in enhancing vehicle performance and driving safety by enabling real-time data collection and analysis. IoT systems monitor key vehicle parameters such as engine temperature, tire pressure, and speed and performance metrics. They also support traffic management and congestion reduction, while vehicle-to-vehicle and vehicle-to-infrastructure communication systems significantly enhance road safety and traffic efficiency. Additionally, IoT devices such as Radio Frequency Identification (RFID) tags are widely used in inventory management and production planning, helping manufacturers streamline and optimize operations.

However, increased connectivity of vehicles raises significant cybersecurity and data privacy concerns, requiring advanced cybersecurity regulations, robust data protection measures, and ongoing technological innovations to addressing these challenges.⁴⁵ Recognizing the importance of collaboration, 96% of automotive industry executives believe that strategic partnerships are essential for driving innovation and mitigating cybersecurity risks. Autonomous vehicles rely on highly sophisticated systems-on-a-chip (SoC) to process sensor data, while manufacturers are investing in virtual reality and simulation technologies to enhance the user experience and vehicle safety.⁴⁶

As technological integration accelerates, autonomous and connected vehicles are poised to play an increasingly prominent role in everyday mobility, shaping the future of transportation.

With the increasing adoption of artificial intelligence and data-driven systems, industries worldwide are experiencing rapid advancements in production optimization and diversification. In the automotive industry, one of the most

transformative technologies is the Internet of Things (IoT), which is widely applied in areas such as fleet management, autonomous vehicles, live vehicle tracking, cellular vehicle-to-everything (C-V2X) communication, and driver health monitoring. According to research, the global automotive IoT market, valued at USD 154.44 billion in 2024, is projected to grow at a compound annual growth rate (CAGR) of 21.71%, reaching USD 1,094.12 billion by 2034.⁴⁷

While fleet management costs are decreasing, thanks to predictive maintenance and real-time monitoring, IoT sensors detect driver fatigue and provide alerts to enhance road safety. Cellular vehicle-to-everything technology improves traffic flow and prevents accidents by enabling vehicle-to-vehicle and vehicle-to-infrastructure communication. IoT-enabled health monitoring systems track driver well-being, providing valuable data for safety enhancements and insurance applications.⁴⁸ As vehicles become increasingly smart, cybersecurity risks are escalating because internet-connected vehicles are susceptible to data breaches, sensor manipulation, and remote hacking threats. To counter these risks, automotive cybersecurity measures are evolving.⁴⁹

The automotive cybersecurity market, valued at USD4.33 billion in 2024, is expected to reach USD22.94 billion by 2034, reflecting the industry's heightened focus on data security and vehicle protection. Therefore, vehicle manufacturers and technology providers are implementing solutions such as advanced security protocols, threat detection systems, and regular software updates to protect vehicles from such threats. Regulatory bodies are also actively working to develop standards and frameworks that support automotive cybersecurity.⁵⁰

⁴¹(2023). [CO₂ Emission Performance Standards for Cars and Vans – European Commission](#)

⁴²(2024). [Driving the Future: 10 Automotive Industry Trends and Predictions – Autodesk](#)

⁴³(2022). [Mobility Vehicles and Technologies Roadmap – Ministry of Industry and Technology of the Republic of Turkiye.](#)

⁴⁴(2023). [Autonomous Vehicles in 5G and Beyond: A Survey – Hakak et. al.](#)

⁴⁵(2021). [Evolution of IoT-enabled Connectivity and Applications in Automotive Industry: A Review – Rahim et. al.](#)

⁴⁶(2024). [Autonomous Vehicles Moving Forward: Perspectives from Industry Leaders – McKinsey & Company](#)

⁴⁷(2025). [Automotive IoT Market Size, Share, and Trends 2025 to 2034 – Presedence Research](#)

⁴⁸(2024). [Application Of IoT In Automotive Industry – Vrinsoft](#)

⁴⁹(2021). [UN Regulation No. 156 – United Nations](#)

⁵⁰(2024). [Automotive Cybersecurity Market Size, Share, and Trends 2024 to 2034 – Presedence Research](#)



VALUE CREATION JOURNEY

Value Creation Journey

Achieving economic success is just one facet of a company's overarching goals in today's dynamic world. We firmly believe that true success also lies in the ability to make add value to society, the environment, and employees. As a leading Turkish industrial company, Ford Otosan has consistently strived to be a **responsible social stakeholder that creates value, transcending the boundaries of the automotive and mobility industry** since its inception. Embracing this ethos, we have reinforced our sustainability approach, encapsulated in our 2022 narrative: Future. Now For Technology, For Environment, For People, and For Community. Building upon this foundation, we introduced Ford Otosan's Value Creation Model in 2023, signifying a strategic restructuring of our business approach. We remain committed to evolving toward a more sustainable future, continuously striving to reshape the Ford Otosan ecosystem.

The relevant teams monitor our **sustainability performance metrics on the digital dashboard**. By digitally monitoring these metrics throughout the year, we take swift action to address issues and we quickly find their root causes using our facility- and category-based control system for each metric.

We operate in two countries and five sites: Gölcük, Yeniköy, Eskişehir Facilities and Sancaktepe R&D Center in Türkiye and Craiova Plant in Romania. With our annual production capacity of 934,500 units, three R&D centers and a Technocity office, the largest automotive spare parts distribution center in Türkiye and 25,718 employees, we are positioned as an industry leader. In addition to being Türkiye's second largest industrial enterprise with USD 17 billion in revenues as of year-end 2024, we also rank third with an 8.9% market share and the leader of the Turkish commercial vehicle market with a 28.7% share. Accounting for 83% of Türkiye's vehicle production and 92% of commercial vehicle exports, we stand as Ford's largest commercial vehicle production hub in Europe. Our Turkish and Romanian operations generated USD 13 billion in export revenues in 2024. According to 2024 data, we are Romania's second

largest automotive manufacturer. Furthermore, we remain Türkiye's goods export champion for the last nine years and the 'export champion' of the Turkish automotive industry for the last 13 years as of 2024.

At Ford Otosan, we are not only driven by our commercial successes but also our aspiration to become a pioneer in innovation and technology. By successfully integrating **Industry 4.0 and smart factory applications** into our operations in Türkiye, we became the first Turkish automotive company to enter the **World Economic Forum's Global Lighthouse Network**. Our Yeniköy Plant, redesigned and reopened in 2023 with a covered area of 255,000 m2, created over 3,000 new jobs. In 2024, the plant's capacity surged to 405,000 units, bolstered by the addition of the next-generation Volkswagen one-ton van to our production lineup as part of our strategic alliance with Ford and Volkswagen. With ongoing investments in this period, we also increased the production capacity of our Craiova Plant to 300,000 units. As a result, the total production capacity of all of our

facilities, capable of manufacturing both internal combustion and electric vehicles with 100% capacity transfer when necessary, rose to 934,500 units. With this capability, we currently stand as Türkiye's leading integrated production facility.

We are advancing with the aim of being a pioneer by integrating the pace of transformation in the global automotive and mobility industry. Innovation lies at the core of our business model, and we consider R&D, digitalization, and innovation as key drivers of sustainable growth. To meet evolving customer expectations and strengthen our competitive edge, we prioritize developing creative solutions, fostering an entrepreneurial mindset, managing transformation processes effectively, and embracing collaboration-driven innovation.

We view our R&D, innovation, and digitalization efforts as critical priorities in achieving our long-term sustainability goals. Our R&D activities are carried out by 2,381 colleagues



Value Creation Journey

across our three R&D Centers—Sancaktepe, Gölcük, and Eskişehir—registered with the Turkish Ministry of Industry and Technology, as well as our METU Technocity Center. We take pride in being the industrial organization that has received the highest level of funding in Türkiye, with a total of 41 projects supported under the **European Union's Horizon 2020 and Horizon Europe programs**.

At Ford Otosan, we conduct the most extensive and comprehensive R&D activities in the Turkish automotive industry. Through our wide-ranging R&D efforts, we not only drive the growth of our company but also contribute to the advancement of the industry.

Beyond our vision of **leading the transformation of the automotive industry in the fight against global climate change**, we recognize our responsibility to lead the sector. We set our short-, medium-, and long-term strategies and actively work toward our goals in carbon transition, waste management, the circular economy, and water stewardship. In 2024, we completed the first phase of our Afyonkarahisar Ocaklı and Köprülü Village Solar Power Plant (SPP) investment, commissioning 10 MWh of installed capacity across 145 decares of land. In 2025, we plan to commission the Afyonkarahisar Hasandede and Çiçektepe SPP projects with a combined installed capacity of 6.1 MWh, as well as our Aydıncık-1 and Aydıncık-2 projects in Kütahya province with a total installed capacity of 5.9 MWh. By 2026, our solar investments will reach a total of 22 MWh.

Our Yeniköy Factory stands out with its environmentally friendly and quiet structure, while being recognized as the **"Factory of the Future"**, incorporating innovative and efficient technologies as well as Industry 4.0 applications. The factory meets its energy needs through sustainable energy solutions such as **Photovoltaic Glass Walls, Solar Tracking Systems, Rooftop Solar Power Plants (GES), and Solar Walls**. At the same time, it elevates the smart factory concept to the highest level with **advanced robotics, high levels of automation, data analytics, AI-driven end-to-end**

management, multi-level workshops, and noise-reducing assembly lines. Additionally, as part of our **efforts to increase the use of renewable energy across our facilities**, we successfully completed a 10 MWe portion of our SPP projects, launched in February 2025, to meet the energy needs of our Eskişehir Plant.

At Ford Otosan, we foster a work environment grounded in human rights, diversity, equity, and inclusion to ensure that our colleagues feel valued and safe. This approach enables us to unlock the full potential of every individual. Our North Star strategy is built on four pillars: **a people-focused culture, a future-ready organization, inspiring leadership, and attracting the right talent**. While prioritizing health and safety, we also encourage continuous development through innovative business models. Our diversity policy extends beyond our workforce to encompass all stakeholders, aiming to create sustainable value. With the contributions of our colleagues and leaders, we take meaningful steps to reinforce an inclusive culture and drive transformation in key areas such as gender equality and neurodiversity.

As of 2024, by increasing the proportion of female employees, we have successfully reached a workforce where 29.91% of total employees in Turkey and Romania are female. We are proud to be the first and only Turkish automotive company included in the **Bloomberg Gender-Equality Index** with 7,691 female employees. Through our initiatives to increase the representation of women in STEM, we are working toward doubling this ratio within our dealer network. Our diversity and inclusion strategies not only empower our employees but also drive transformation across our entire ecosystem. To strengthen our DEI approach in our dealerships, we signed vocational high school cooperation agreements, launched a scholarship program with the Vehbi Koç Foundation (VKF) to increase the number of female students receiving scholarships in vocational high schools, provided gender equality training with dealer leaders and vocational high schools, delivered process trainings for women seeking employment with NGOs

and local governments, and ensured that they are employed as technical staff in our dealerships. We also added a women's locker room and a nursing room to our dealership facility standards.

In 2024, we also provided Gender Equality training to our critical suppliers and started to pay visits to disseminate the Ford Otosan DEI policy.

In line with the Sustainable Development Goals, we prioritize expanding equal opportunities in education, encouraging women's participation in the workforce, and developing solutions to environmental challenges. We create a broad and lasting impact by integrating social responsibility into our operations and collaborating with our business partners, dealers, and suppliers. Our efforts include raising awareness about responsible water use in the fight against the climate crisis and supporting women's entrepreneurship to advance gender equality. We adopt a collaborative approach with our stakeholders, focusing on long-term value creation for society.

In 2024, we allocated **over TL 456.9 million** to social investments, driving impactful projects across multiple areas. As part of our commitment to empowering women, we reached **39,794 women** and awarded scholarships to **190 vocational high school students** through our training programs. To strengthen our engagement with local communities, we increased employee participation in volunteering initiatives, organizing awareness events with the involvement of **over 1,000 colleagues**. Additionally, we provided **more than 700 hours of psychosocial support through our Hope Cities and Dream Future Centers** in earthquake-affected regions. To enhance our contribution to society, we continuously measure our social impact and analyze the returns of each investment in detail. Through this approach, we remain committed to creating meaningful value for both society and our company.

Ford Otosan Sustainability Milestones

2023

Board of Directors Diversity Policy published

Biodiversity Strategy published

Anti-Retaliation Policy published

Supplier Sustainability Manifesto published

Conflict Minerals and Whistleblowing Policies updated

Short- and medium-term ESG actions to be implemented together with critical suppliers determined

Included in BIST Corporate Governance Index.

2024

Next-generation Transit Custom named 2024 International Van of the Year (IVoTY)

First Integrated Annual Report published

First double materiality assessment conducted

Human Rights Due Diligence covering operations and value chain conducted

Occupational Health and Safety Policy, Diversity, Equity and Inclusion Policy, and Customer Satisfaction Policy updated

Supplier Sustainability Committee established

Third-party limited assurance audit of environmental and social data of Romanian plant

Included in S&P 2024 Sustainability Yearbook

2018

Ethics Policy approved by the BoD and published

Ethics Coordinator position established

Whistleblowing channels created and implemented

Included in S&P Global and MSCI indices

2019

Included in the Global Lighthouse Network

Diversity Policy published

Ford Custom plug-in hybrid (PHEV) launched and named 2020 International Van of the Year

2020

ACEA's joint statement on the transition to zero-emission road freight transport signed

Transit and Custom received Euro NCAP Safety Award

2021

First independent assurance of Scope 3 emission data

Became a signatory of UN Global Compact

Included in the Bloomberg Gender- Equality Index as the first and only industrial company from Türkiye

Tax Strategy and Ethical Marketing guidelines published

2022

Guide to tackling domestic violence published

First Supplier Sustainability assessment

First independent assurance of the Sustainability Report

Committed net zero to SBTi (Science Based Targets initiative)

All-electric E-transit van launched and received gold rating in Euro NCAP Safety

Equal Pay for Equal Work independent audit

Human Rights Due Diligence Report published

First risk study compliant with TCFD methodology published

Supplier Code of Conduct published

Long-term sustainability ambitions published

1959

Ford Otosan founded

1986

Ford Otosan IPO with 18% shares publicly traded

1997

Equal partnership of Koç Holding and Ford Motor Company, each holding 41% of shares

First ISO 9001 certification obtained

1998

First ISO 14001 certification obtained

2002

Operating Principles document published

2004

Ranking among the top 3 exporters in Türkiye

2009

First independent assurance of Scope 1 & 2 emission data

2011

First independent financial assurance of the Annual Report

First ISO 14064 Greenhouse Gas Validation certification obtained

2013

First sustainability report published in GRI standards

2014

First ISO 27001 Information Security Management System certification obtained

Became a signatory of UN WEPs

First sustainability report published in GRI standards

2015

First ISO 50001 Energy Management System certification obtained

Yeniköy Plant opened as a disability-friendly facility

Included in the BIST Sustainability Index

2016

First CDP Climate Change and Water Security reporting

Gender Equality Program launched with the suppliers

2017

First Sustainability Report published digitally

Sustainability Management

At Ford Otosan, **the Board of Directors holds the highest level of responsibility for sustainability management.** The Sustainability Committee, chaired by the Ford Otosan Leader and composed of business area leaders, is responsible for overseeing the company’s sustainability performance.

Guided by the Sustainability Committee, the **Sustainability Hub** ensures that annual business plans and investments align with the sustainability strategy approved by the Board of Directors. It monitors progress throughout the year and presents updates, project proposals, and high-impact sustainability risks and opportunities to the Sustainability Committee on a quarterly basis. Additionally, the Sustainability Hub develops policies aimed at enhancing the company’s social, environmental, economic, and corporate governance performance and ensures their effective implementation across departments. This structured and systematic approach enables us to drive sustainability progress efficiently.

The **Sustainability Committee** directly reports to the Board of Directors on progress, development areas, and investment approvals related to sustainability goals. Central Sustainability Leadership, specializing in sustainability reporting, ESG index analysis, and risk assessment, coordinates these efforts with contributions from working groups experienced in sectoral and regulatory matters. These groups include representatives from logistics, purchasing, environment, social investment, diversity, equity and inclusion (DEI), product sustainability, and dealer development. Operating within an agile structure, these teams form smaller project-based groups, drawing support from different departments as needed. They also collaborate with investor relations, risk management, and finance teams to take necessary steps toward achieving Ford Otosan’s sustainability goals.

The Sustainability Committee convenes at least four times a year to evaluate the goals, high risks, opportunities, regulations, and planned strategic investments and projects

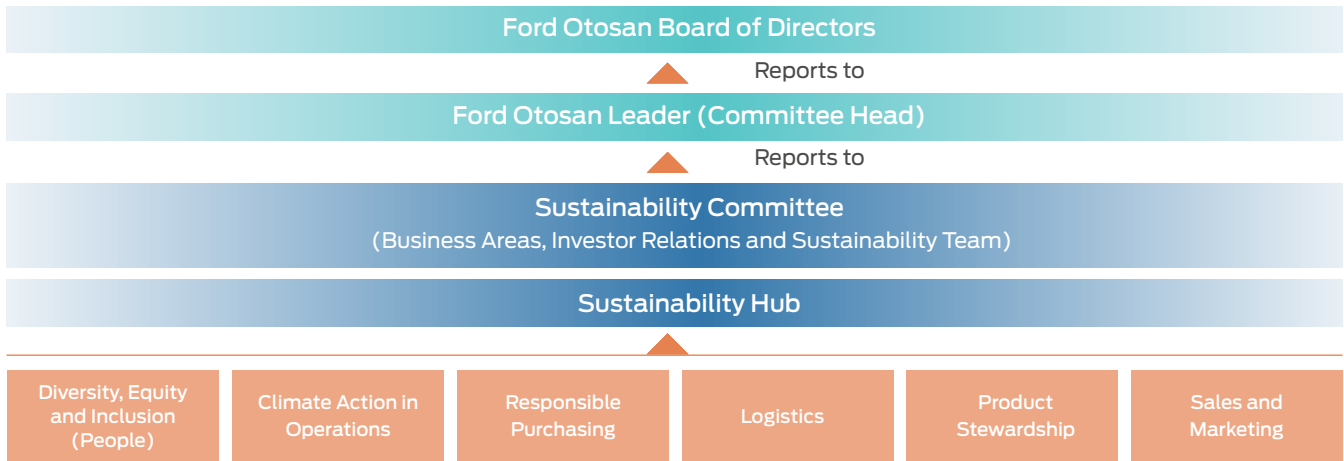
of the sustainability field teams. During these meetings, the committee approves necessary actions or identifies new measures as needed. Meeting outcomes are documented by the Central Sustainability team and shared with all participants, ensuring that teams take appropriate actions and implement their strategies accordingly.

Sustainability risks and opportunities are determined within the scope of corporate risk management. In this context, risk management is applied for elements such as climate change and environmental risks, ethical risks, inequality of opportunity risk, occupational health and safety risks, human rights risks, talent not being ready for the future, talent acquisition and management risks, information security and cybersecurity risks, business continuity risk, supply chain risk, dealer employee talent transformation risk, compliance risks, bribery and corruption risk, personal data protection risk, competition law risks, sanctions and export control risks, and regulatory risks restricting and prohibiting the use of harmful chemicals.

Detailed information about the risks is provided in the [Risks and Opportunities](#) table.

Sustainability Committee’s Duties

- Defining Ford Otosan’s sustainability strategy, objectives and actions.
- Monitoring the management of risks with potential negative impact on Ford Otosan’s reputation and activities in environmental, social and governance (ESG) areas.
- Determining the strategies and policies to improve the company’s ESG and sustainability performance, and ensuring their implementation.
- Providing the necessary strategic guidance, sharing expertise, and ensuring that the best practices to achieve the company’s sustainability goals are spread across the organization.
- Regularly monitoring the progress toward the targets and actions defined in this strategy.
- Reviewing the sustainability strategy and roadmap based on the latest changes in global and industry trends.
- Following the international developments, new regulations and global sustainability trends, and offering improvement recommendations to the working groups as needed.
- Offering suggestions and approvals regarding the issues raised by the working groups.



Sustainability Management

Team/Individual	Roles and Responsibilities in the Sustainability Organization	Sustainability Competencies
Board of Directors	<ul style="list-style-type: none"> Improving the company's economic and environmental, social and governance performance Reviewing R&D performance based terms of energy, environment and product, and the strategic plan from a holistic perspective Incorporating sustainability and climate issues into resource disbursement 	<ul style="list-style-type: none"> More information on the Board of Directors' sustainability competencies is provided under Board of Directors and Committees.
Ford Otosan Leader (General Manager and Deputy General Manager)	<p>The Sustainability Committee, headed by the Ford Otosan Leader, is responsible for all sustainability-related issues. The Ford Otosan Co-Leader reviews the Sustainability Committee's decisions.</p> <ul style="list-style-type: none"> Reporting the Committee's progress toward the targets and development areas, implementing relevant investments with the approval of the Board of Directors Assessing and managing climate and water-related risks and opportunities. Communicating emerging global sustainability trends to the Board of Directors Determining long-term sustainability goals and obtaining approval from the Board of Directors Discussing the risks, performance improvements and obstacles identified each year with the Early Identification and Management of Risk Committee and seeking the Board of Directors' approval for necessary actions <ul style="list-style-type: none"> Comparing the company strategy with the current situation and revising it where needed Appointing appropriate leaders for each working group Submitting the investment and financing requirements for sustainability performance improvement projects and initiatives to the Board of Directors for the final decision Overseeing the corporate water strategy related to operations and supply chain activities across the company Securing the necessary human resource, technological investment and financial resources to ensure efficient use of natural resources 	<ul style="list-style-type: none"> As the head of the Sustainability Committee, he has sufficient knowledge and six years of experience in sustainability strategy, risks and regulations. The Deputy General Manager has received general sustainability training as part of the Ford Global Executive Leadership (GEL) training program and has served on the Sustainability Committee for three years.
Corporate Communications and Sustainability Executive Leader (CSO)	<ul style="list-style-type: none"> Monitoring progress toward targets and reporting to the General Manager four times a year and to the Board of Directors twice a year, managing the reporting and auditing processes Developing the company's sustainability strategy and plans Developing the sustainability field team system and enhancing business processes Ensuring compliance with sustainability regulations 	<ul style="list-style-type: none"> Has 15 years of experience in sustainability regulations, strategy, targets, risks and reporting.
Engineering and Technology Development Executive Leader	<ul style="list-style-type: none"> Managing sustainability-related activities and targets throughout the life cycle of products 	<ul style="list-style-type: none"> Has been responsible for the sustainability of Ford Otosan products throughout their life cycle since 2023. Has served on the Sustainability Committee since starting in this role.

Sustainability Management

Team/Individual	Roles and Responsibilities in the Sustainability Organization		Sustainability Competencies
Commercial Vehicles Executive Leader	Leading the actions taken to mitigate and prevent climate change impacts on production		<ul style="list-style-type: none"> Has served on the Sustainability Committee for 10 years.
Supply Chain Executive Leader	<ul style="list-style-type: none"> Ensuring the decarbonization transformation of the supply chain, measuring and categorizing the sustainability performance of suppliers 		<ul style="list-style-type: none"> Has served on the Sustainability Committee for 5 years.
Human Resources and Transformation Executive Leader	<ul style="list-style-type: none"> Reviewing and monitoring Ford Otosan's Diversity, Equality and Inclusion and Occupational Health and Safety programs and targets, and taking action 		<ul style="list-style-type: none"> Has 18 years of experience in the fields of DEI and OHS.
Sustainability Committee	<ul style="list-style-type: none"> The Sustainability Committee, headed by the Ford Otosan Leader, is responsible for all sustainability-related issues Determining and implementing strategies and policies to improve ESG and sustainability performance Providing strategic guidance, sharing expertise and best practices Monitoring progress toward goals and actions specified in the strategy Systematically planning and implementing activities to improve 	sustainability performance in social, environmental and governance areas <ul style="list-style-type: none"> Monitoring the management of risks with potential negative impact on Ford Otosan's reputation and activities Reviewing the sustainability strategy and roadmap in light of changes in global and industry trends Offering recommendations and approvals on other issues directed by the working groups 	<ul style="list-style-type: none"> Committee members have experience in sustainability regulations, strategy, targets, risks and reporting.
Early Detection and Management of Risk Committee	<ul style="list-style-type: none"> Managing the company's strategic, operational, financial and all ESG risks and opportunities Evaluating the risk management system and reporting principles, reviewing periodic risk reports, and offering opinions on measures regarding situations exceeding limits Assessing information security practices. 	<ul style="list-style-type: none"> Monitoring sustainability risks and opportunities Submitting reports to the Board of Directors six times a year, including four at board meetings 	<ul style="list-style-type: none"> Committee members have experience in sustainability risks. The committee chair is also the Founder of the Independent Women Directors Platform and a Board Member of 30% Club Türkiye.

Sustainability Management

SOME OF THE KEY DECISIONS REACHED BY THE SUSTAINABILITY COMMITTEE IN 2024

Publishing the first Integrated Annual Report.

Revision of the strategic short-, medium- and long-term periods as 5, 10, 15 years, respectively

Timely compliance with the Carbon Border Adjustment Mechanism (CBAM) and forest regulations, appointing individuals to relevant roles.

Updating the carbon neutral interim target for production operations to include the Romanian facility according to the new methodology introduced by the Science Based Targets Initiative (SBTi) for the automotive industry.

Conducting a Human Rights Due Diligence study on operations and the value chain.

Performing a double materiality assessment.

Increasing the number of sustainability risks and opportunities to align with global trends and development areas by consulting with departments and setting the review frequency as two months.

Establishing the Supplier Sustainability Committee.

Determining the sustainability performance measurement metrics for logistics providers and conducting a survey on this topic.

Conducting an awareness measurement survey to increase the sustainability performance of dealers and hosting a Dealer Sustainability Summit.

Sustainability Ambassadors Program

Ford Otosan launched the **Sustainability Ambassadors Program** in 2023 to enhance employees' knowledge and skills in sustainability while encouraging them to consider their personal contributions toward a more sustainable future.

Through monthly challenges, we engage our volunteer employees in various **events, training sessions, and workshops**. At each stage of the program, our Ambassadors, under the leadership of our volunteer Ford Otosan Champion Leader, encourage those around them to change their behavior by developing habits that will contribute to the United Nations Sustainable Development Goals. As of 2024, we have launched the second phase of the program, continuing our commitment to empowering employees as

pioneers of positive change. Our goal is to raise sustainability awareness among our colleagues and their communities while expanding the program's scope and increasing participation in the coming years.

Our ambassador candidates engage in individual actions to drive meaningful change, such as taking steps against climate change, watching movies on this subject with their children, donating books to primary schools, high schools and universities, telling the children and their friends around them about the Sustainable Development Goals, donating to associations working in the field of Quality Education instead of buying gifts, covering the education expenses of children as volunteers, providing vocational mentoring and coaching to students, and extending scholarships to students.



Sustainability Management

Sustainability Policies and Indices

The UN Global Compact and the Equality at Work Declaration, which we have committed to uphold as part of Sustainability Policies, and all the policies in effect, including The Guide to Fighting Domestic Violence and Abuse, Donation and Sponsorship, Information Security, Disclosure, Biodiversity Strategy, Code of Conduct and Ethical Rules, Conflict Minerals, Diversity, Equity and Inclusion, Environmental and Energy, Disciplinary, Ethics and Whistleblowing, Ethical Marketing Guide, Gifts and Entertainment, Protection of Inside Information and Prevention of Insider Trading, Human Rights, Occupational Health and Safety, Quality, Dividend Distribution, Personal Data Protection and Processing, Prevention of Retaliation, Customer Satisfaction Management, Competition Law Compliance, Anti-bribery and Corruption, Water, Prevention of Laundering the Proceeds of Crime, Financing of Terrorism And Weapons of Mass Destruction, Compensation, Supply Chain Compliance, Community Investment, Material Community Investment Topics and Key Issues to Address, Compliance, Remuneration, Tax Strategy, Sanctions and Export Controls, and Board of Directors Diversity, can be viewed [here](#).

We disclose all policies publicly with the **approval of the Board of Directors** and review them at regular intervals. In 2024, we updated our Occupational Health and Safety Policy, Diversity, Equity and Inclusion Policy, and Customer Satisfaction Policy.

We are listed in several national and international sustainability indices that allow our environmental, social and corporate governance efforts to be visible to existing and potential investors and stakeholders. We are a signatory of United Nations Global Compact (UNGC) and UN Women's Empowerment Principles (UN WEPs), a member of the Automotive Supply Manufacturers Association (TAYSAD) and a partner with the People Management Association of Türkiye (PERYÖN), which all guide us in expanding the scope of our Human Rights and Diversity and Inclusion practices. We adopt the guidelines of the **European Automobile Manufacturers Association (ACEA)** as a principle for producing zero-emission vehicles. Partnerships with industry associations and international specialist initiatives helps us improve our sustainability expertise.

We leverage the information we amass to enhance our sustainability performance across the value chain. As a result of our sustainability efforts and our transparent and consistent reporting, we are listed in Borsa İstanbul Sustainability Index, **Borsa İstanbul Sustainability 25 Index**, **Borsa İstanbul Corporate Governance Index** and **FTSE4Good Emerging Markets Index**. Additionally, we have actively responded to **CDP's Climate Change and Water Security Programs**.

In addition to being the first industrial company from Türkiye included in the Bloomberg Gender-Equality Index, we rank among the **top 100 in the Refinitiv Global Diversity & Inclusion Index**, confirming our commitment to becoming one of the world's most inclusive automotive companies. Furthermore, we continuously work to improve our ratings on platforms like S&P, MSCI, FTSE4GOOD, Refinitiv, and Sustainalytics. At Ford Otosan, we are committed to continually monitoring and elevating our sustainability performance.

PERSONAL DATA PROTECTION HEALTH & SAFETY QUALITY
SANCTIONS AND EXPORT CONTROLS COMPETITION LAW SUPPLY CHAIN CONFLICT MINERALS
INFORMATION DIVERSITY EQUITY AT WORK COMPENSATION REMUNERATION BIODIVERSITY
ENVIRONMENT AND ENERGY WATER MARKETING TAX ETHICS FIGHTING DOMESTIC VIOLENCE AND ABUSE
QUALITY ETHICS RAPPORT INFORMATION SECURITY CODE OF CONDUCT AND ETHICAL RULES GIFT AND ENTERTAINMENT
DISCIPLINARY CUSTOMER SATISFACTION HUMAN RIGHTS DONATION AND SPONSORSHIP DIVIDEND DISTRIBUTION
PREVENTION OF RETALIATION COMPLIANCE ANTI-BRIBERY AND CORRUPTION

Future. Now

As global dynamics evolve rapidly, sustainable approaches and decisive actions become cornerstones of a new world order. At Ford Otosan, we are committed to spearheading the sustainability journey of the Turkish automotive and mobility industry in this period of transformation. Therefore, we aim to adapt to this evolution, driven by the **European Green Deal**.

We are dedicated to supporting both our organization and all our stakeholders along the Ford Otosan value chain throughout this process. As we shape our long-term value creation vision with collaborations and innovative solutions, we aim to reinforce our ESG (Environmental, Social, Governance) performance.

We define our sustainability approach by considering climate change, industry requirements, global trends, and best practices, enhancing it with risk and opportunity analyses to align with our commitments. We plan to review, update and evolve this strategy every year.

We integrate our sustainability goals into our company strategy with a **short-, medium- and long-term** perspective. As we work toward these goals, we aim to create value for both the environment and also society and the economy. On this journey, we move forward with decisive steps to build a more livable future with all our stakeholders.

As the driver and technology leader of the Turkish automotive industry, we have always followed our mission of offering products and services beneficial to the environment and society since the very beginning. At Ford Otosan, we have now started a new era to meet our stakeholders' sustainability expectations by setting and committing to clear and achievable environmental, social and governance targets. Our **"Future. Now" vision**, which we introduced in 2022, guides us as we involve Ford Otosan employees, suppliers,

dealer network and business partners in our sustainability efforts to charge ahead with strong and determined steps toward becoming the leader of transformation in the entire ecosystem. As we lead our industry's transformation

in the focus areas of environment, people, community, technology and innovation, we declare our commitment with the narrative, **Future. Now For Environment, People, Community, and Technology & Innovation**.



Future. Now

Our sustainability approach is built on reducing our environmental impact, being a corporate citizen, leading the ecosystem, and being transparent and accountable. Accordingly, we pioneer several sustainability, accountability and transparency practices in the automotive industries of the countries where we operate. We also strive to be one of the first net zero plants and rank among the automotive companies with the highest female employment ratio in our territories.

We integrate sustainability into all the governance mechanisms at Ford Otosan, top to bottom. Focusing on sustainable business practices, we adopt expanded reporting methodologies, while seeking sustainability-linked loan options. Moreover, we aim to develop a sustainable business model with enhanced performance on the indices through expanded reporting practices. Such efforts enable us to elevate our own sustainability levels and continue to adopt best sustainability practices as a pioneer in the industry.

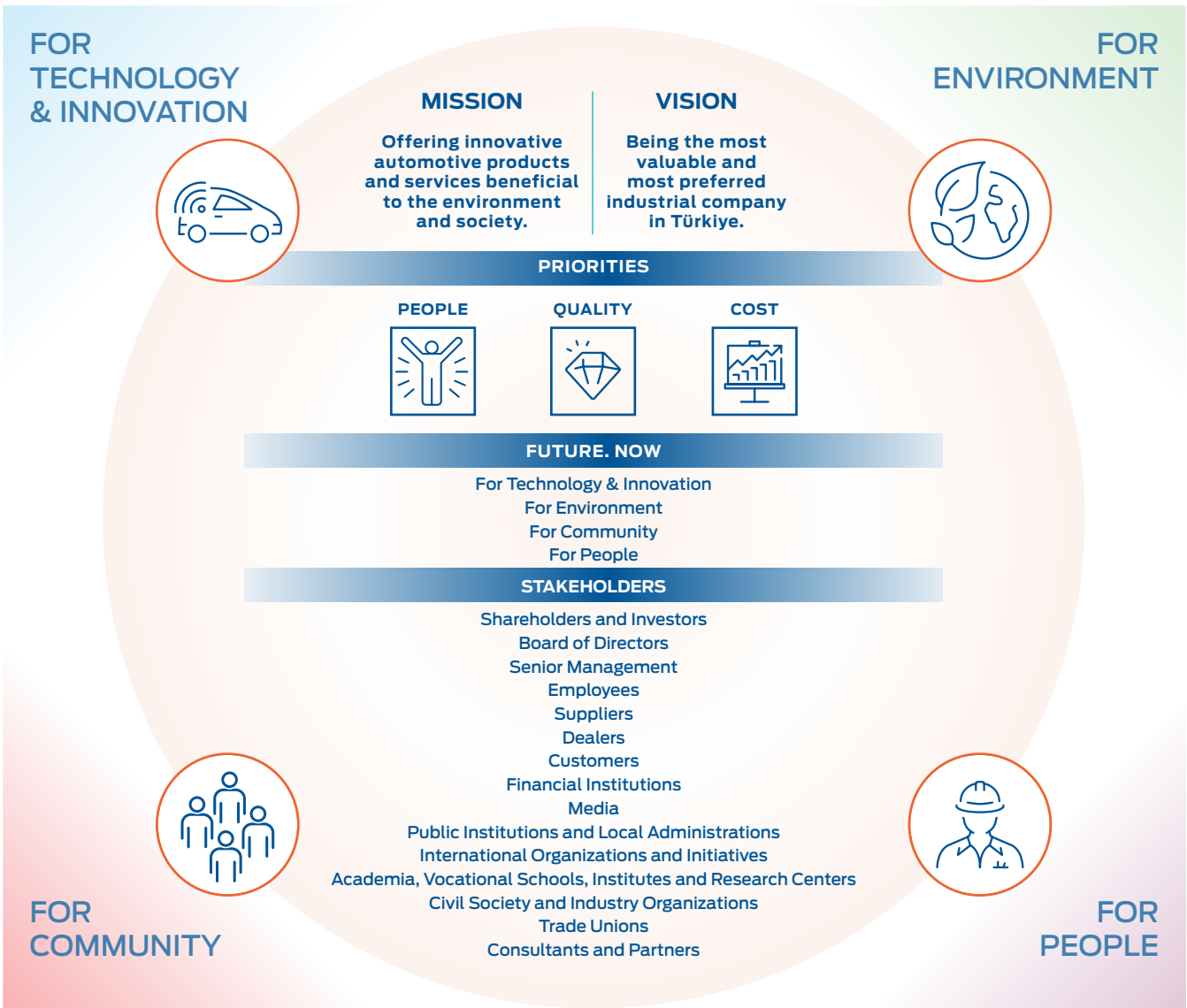
FUTURE. NOW			
			
FOR TECHNOLOGY AND INNOVATION	FOR ENVIRONMENT	FOR PEOPLE	FOR COMMUNITY
R&D Management Innovation Management Digitalization Cybersecurity Data Analytics and Automation	Climate Risks Product Sustainability Environmental Impact of Operations Value Chain Management	Employee and Human Rights Diversity, Equity and Inclusion Occupational Health and Safety Agile and Cultural Transformation Employer Brand and Talent Acquisition Customer Experience and Dealers Vehicle Quality and Safety	Community Investment Areas Social Investment Projects






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. To report on our business model and the integrated approach we have adopted, we follow the **International Integrated Reporting Framework (IR)** proposed by the Value Reporting Foundation.











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 transformation constitute our value areas. Drawing from this integrated approach, we address Ford Otosan’s business model together with each of these capital topics alongside the inputs, **“Future. Now”** and related strategies, vision and mission, directly impacted stakeholder groups, outputs, and contributions to the Sustainable Development Goals. Our goal is to communicate our sustainability efforts and value creation potential to all our stakeholders in a holistic manner.



Value Creation Model

	Inputs	Value Areas	Outputs	SDGs
Intellectual Capital	<p>2,381 qualified R&D and innovation employees</p> <p>TL 124.6 million invested in startups working on the future of mobility</p> <p>USD 263.1 million R&D budget</p> <p>Innovative, accessible and sustainable mobility solutions</p> <p>54 startups supported (since 2022)</p> <p>9 startups within the intrapreneurship initiatives through Ford Otosan Innovation Program (Fikirhane)</p> <p>EU-funded projects</p>	<p>We shape the future of mobility.</p> <p>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.</p>	<ul style="list-style-type: none"> - 32,403 sustainable products - 110,035 connected vehicles in the product portfolio - 19 awards in R&D, digitalization and technology - Euro 8.6 million in cost savings through innovation - Number one industrial company in Türkiye to receive the highest funding from the EU's Horizon Europe and Horizon 2020 research and innovation programs 	
Natural Capital	<p>Life cycle assessments on 96% of products</p> <p>Sustainable production practices</p> <p>1,893,011 m³ water withdrawal</p> <p>Raw materials used for products and services</p> <p>10 MWe GJ solar power plant investment</p> <p>TL 546 million environmental investment and expenses</p>	<p>We minimize our environmental impact to zero.</p> <p>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.</p>	<ul style="list-style-type: none"> - GHG emissions per vehicle produced: 0.26 tons CO₂e/product - 176,817 GJ saved in 2024 through 150 energy efficiency projects - Energy procured from 100% renewable sources for electricity consumption in Türkiye sites - Total recovered water 50,594 m³ - Total recovered waste 149,606 tons 	
Social Capital	<p>34% increase in employees volunteering for activities</p> <p>“Gönülüm Senle” internal volunteering platform</p> <p>TL 456.9 million social investments</p> <p>Partnerships with 10+ NGOs, community collaborations with 4 industry associations and startups</p> <p>3,227 suppliers, 177 dealers</p> <p>Strong supplier relationships and engagement</p>	<p>We expand our sphere of impact.</p> <p>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.</p>	<ul style="list-style-type: none"> - 1,576 employees actively participating in volunteering platforms - Engaged with 39,794 women through social investment projects - Reached 35,351 women through technology and innovation projects - 232 vocational high school students benefiting from Ford labs - 3 My Dream Future Centers within Hope Cities - TL 18 million granted in scholarships to 224 students - 68% local sourcing ratio - Sustainability assessments at 19 logistics providers, 289 suppliers received 3,580 hours of sustainability training. - 957 students from vocational high schools and junior colleges interned at Ford Otosan, 96 students were hired as employees 	

Value Creation Model

	Inputs	Value Areas	Outputs	SDGs
Produced Capital	<p>4 manufacturing sites in Türkiye and Romania</p> <p>3 R&D Centers, 1 Technocity office</p> <p>Broad product portfolio</p> <p>Spare parts warehouses and assembly plants</p> <p>Industry 4.0 manufacturing applications</p>	<p>We spearhead transformation in the industry.</p> <p>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.</p>	<ul style="list-style-type: none"> - 633 thousand vehicles manufactured - 22 thousand electric vehicles produced - A Ford Otosan manufacturing site named a WEF Global Lighthouse - Flexible production lines across all manufacturing sites in Türkiye and Romania - 10,000+ new spare parts introduced - Net Promoter Score (NPS) of 64.8% in Heavy Commercial Vehicles, 81.35% in Passenger and Commercial Vehicles - 13% decrease in customer complaints - 127 local, 50 abroad dealers - 33% share in Turkish automotive exports - ODMD named Ford “Best Selling Commercial Vehicle Brand of the Year” and Ford Transit “Best Selling Commercial Vehicle of the Year.” Transit family won Platinum Safety award. Custom named “International Van of the Year.” 	   
Financial Capital	<p>Robust financial structure and prudent risk management</p> <p>TL 33,214 million CAPEX</p> <p>Effective debt management</p> <p>TL 115,223 million shareholders' equity</p> <p>Broad financing pool</p>	<p>We create added value through robust growth plans and strategic investments.</p> <p>As the export champion of Türkiye for 9 consecutive years and of the automotive industry for the last 13 years, we create high added value for the automotive ecosystems and our shareholders through sustainable mobility solutions by developing products, services and advanced technologies, driven by our robust financial management.</p>	<ul style="list-style-type: none"> - TL 38,864 million net profit and 6.5% net profit margin - TL 42,702 million EBITDA and 7.2% EBITDA margin - TL 37,007 million Profit before Tax and 6.2% Profit before Tax margin - Euro 1,758 EBITDA and Euro 1,524 Profit before Tax per vehicle - 33.7% return on equity (ROE) - 594,995 million TL net sales revenue - TL 1,258 million tax - 23,530 million dividends - 27% increase in share price and 13% increase relative to BIST Industrial - Sales volume 661,007 vehicles (546,229 units exported and 114,778 units sold locally) - Net financial debt/EBITDA ratio: 2.38 - 33% share in Turkish automotive exports with TL 456,908 million export revenues - Balanced foreign exchange position - First bond issuance of USD 500 million 	 
Human Capital	<p>43.43% of workforce under 30, 46% between 30-50, 10.46% over 50, total 25,718 employees</p> <p>Projects promoting equal opportunity</p> <p>TL 157.16 million invested in employee development and training</p> <p>10,754 hours of ethics training in Türkiye provided to 5,765 employees</p>	<p>We embrace people-centric transformation.</p> <p>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.</p>	<ul style="list-style-type: none"> - 81.86% of the workforce in Türkiye and Romania covered by collective labor agreements - 14.35% employee turnover rate - 59% employee engagement rate - 25% women's representation on the Board of Directors - 29.91% female employment ratio and 24.73% female representation in management positions - 29.20% ratio of female working in STEM - First and only automotive company included in Bloomberg GEI - 3,824,863 hours of training - 5 OHS and 9 HR awards in 2024 - 12,396 hours of training to support talent transformation and development in dealers - 47 ethics incidents confirmed and sanctions imposed 	   


Value Chain



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

 Ford Otosan boasts a global presence with a pioneering, competitive and competent R&D organization in the field of commercial vehicles, with a total of 2,381 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 CO₂ 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 concept of **Design for Sustainability**. While 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 3,227 suppliers in total, with local suppliers making up 68%, for sourcing 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

Value Chain

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.

4. Production



With an annual production capacity of 934,500 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 delivers its end products and services, including vehicles, spare parts and other products and services, to the dealers, authorized service centers and customers through logistics operations. Throughout the process, inventory management, transportation planning, storage, optimization of the distribution network, and partnering with

logistics providers are all managed effectively. As part of the responsible supply chain, the logistics providers are required to take sustainability training and undergo performance assessments.

6. Sales and Distribution



Services: Ford Otosan provides a variety of 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 nine consecutive years, exports vehicles and spare parts from Türkiye to 86 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. With warehouses in Sancaktepe, Gebze, and Ankara, the 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 127 dealers in Türkiye and 49 dealers abroad. 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. Aftersales 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 in response to evolving needs and expectations.

8. Customer Feedback and Suggestions



We monitor customer experience tracking metrics such as **Net Promoter Score (NPS) and customer satisfaction (C-SAT)** end-to-end across all customer journeys (discovery, purchase, delivery, use, service and maintenance, vehicle replacement, request and complaint), touchpoints, and channels. These actions contribute to continuous improvement efforts and product development processes. We complete the feedback loop by communicating customer insights to the relevant functions to address development areas. Furthermore, vehicles with potential safety or quality issues may be recalled if manufacturing errors are detected.

Stakeholder Communications

We focus on creating benefit for and leading the entire Ford Otosan ecosystem. We believe that maintaining **the close and open two-way communication** with our stakeholders is essential. Furthermore, we aim to strengthen our relationships, improve our processes and create more value for our stakeholders by seeking the opinions of diverse stakeholder groups. Therefore, we forge relationships built on mutual trust and integrity in line with the company policies and guidelines, starting with **Ford Otosan Code of Conduct and Ethical Rules**.

We engage with various stakeholder groups, including our key stakeholders:

Investors and Analysts
Employees
Suppliers
Customers
Dealers
Public institutions
Academic institutions
Non-governmental organizations
International organizations

to create value for society, environment, and the industry.

In addition to collaborating with our stakeholders, we also involve our **dealers and suppliers in the corporate social responsibility projects** as part of our community investments.

To meet evolving reporting and transparency requirements, we conducted our first **double materiality assessment** in 2024. This process allowed us to evaluate both financial and environmental-social priorities simultaneously. While considering our employees as a distinct group, we categorized our other stakeholders into three main groups based on their level of interaction and priority. This structured approach enabled us to analyze expectations and priorities from Ford Otosan in greater detail, further strengthening our sustainability strategy. Through this analysis, we are developing a more robust, future-focused approach by gaining deeper insights into the needs of both internal and external stakeholders.

Ford Otosan **Stakeholder Communication Map** is provided in the **Annexes** section of this report.

At Ford Otosan, we implement various strategies to forge strong and transparent relationships with our stakeholders who are directly affected by our activities and to support sustainable success. Therefore, we effectively engage with our shareholders, investors and analysts, employees, customers, suppliers, dealers and business partners.

We host regular meetings and maintain open communication channels with our shareholders to transparently share our performance and provide detailed insights into our strategic goals. In our engagement with investors and analysts, we clearly communicate our sustainability strategies and financial targets, emphasizing our future growth potential. The satisfaction, development, and engagement of our employees are fundamental to our success. Recognizing that our colleagues are key contributors to every achievement, we design our processes to enhance employee satisfaction and loyalty. By collaborating with both internal and external

stakeholders, we continuously refine our processes to attract future talent and strengthen employee commitment. Through annual surveys and feedback mechanisms, we assess and share insights with our business partners and stakeholders, ensuring continuous improvement.

In 2024, we launched the **You Are the Experience** process as a key initiative to enhance the employee experience and foster leadership ownership. This process follows a structured approach, including action-taking, tracking, monitoring, implementation, and celebration. Additionally, we conduct ethnographic research, one-on-one interviews, focus group discussions, and workshops. Through the **FOCEP Instant Survey Status Notification** function, we collect real-time satisfaction feedback, complaints, and suggestions from employees and ensure timely responses from the relevant Human Resources teams.

Through agile transformation, we accelerate the value we deliver to our stakeholders while adopting a holistic approach that integrates leadership, customer experience, corporate culture, and organizational development. At Ford Otosan, we prioritize the personal, professional, technical, and leadership growth of our employees through our human resources practices. We strive to create an environment where employees can realize their full potential, evolve, and drive transformation within the company. We recognize that organizational transformation at Ford Otosan is only possible through the transformation of our employees. In line with this, we offer a fair and supportive work environment, reinforced by an open communication policy that fosters trust and collaboration.

More information on stakeholder engagement activities with our colleagues is provided in the **For People** section of the report.

Stakeholder Communications

With the **Diversity, Equity and Inclusion Playbook**, published on our website in 2023 and available to all our stakeholders, we aim to enable each individual within Ford Otosan to contribute to our goals in this area. This playbook not only brings more visibility to our work in the field of diversity, equity and inclusion but also ensures that all our stakeholders consciously focus on these goals.

You can access the Ford Otosan Diversity, Equity and Inclusion Playbook [here](#).

Customer satisfaction and loyalty are among our core priorities. We continuously strive to understand customer expectations and enhance our product and service quality through frequent surveys and feedback mechanisms. Our marketing strategy is guided by ethics and equity, ensuring responsible and inclusive communication with our customers. In this context, we adhere to the **Ford Otosan Ethical Marketing Guide** and the **Koç Holding Gender Equality in Communication Guide**. In 2024, we updated the Ford Otosan Ethical Marketing Guide, reaffirming our commitment to designing advertising activities that respect religious, ethnic, cultural, gender, sexual orientation, age, disability, and minority status. We ensure that our marketing efforts remain non-discriminatory, fostering inclusivity across all segments of society.

To view the Ford Otosan Ethical Marketing Guide, please click [here](#).

To view the Koç Holding Gender Equality in Communication Guide, please click [here](#).



Stakeholder Communications

Effective Governance with Stakeholders

We consider our relationships with our suppliers, dealers and business partners as long-term collaborations and aim for all to succeed by creating an ethical and transparent business environment built on mutual trust.

We recognize that transforming our supply chain is critical to building a sustainable future. To enhance communication with our suppliers and address their needs while sharing our sustainability best practices, we established the **Supplier Sustainability Committee** in 2024.

Through this committee, we collaborate with critical suppliers to evaluate action plans aligned with our sustainability roadmap, encourage knowledge-sharing of best practices, and provide targeted training—leveraging both our corporate expertise and insights from external specialists.

At the end of 2023, we hosted a Sustainability Workshop with our key suppliers, developing a **Sustainability Roadmap** covering Environmental, Social, Governance (ESG), and Supply Chain priorities over **6-month, 1-year, and 2-year periods**. In 2024, we launched quarterly Supplier Sustainability Committee events to strengthen supplier awareness, foster collaboration, and track progress on the Sustainability Roadmap. These events also helped identify development needs and provided quarterly sustainability training for our Purchasing teams, who directly interact with suppliers. In 2024, at a Diversity, Equity, and Inclusion (DEI) Leadership conference, we shared our best sustainability practices with suppliers and hosted an interactive session, where five suppliers presented their initiatives.

We actively monitor the emission values, targets, and reduction efforts of our Tier 1 vehicle parts suppliers through sustainability performance measurement surveys. In 2024, we extended these surveys with the **first sustainability performance measurement survey** conducted with our

logistics providers, enabling us to track their sustainability performance and assess progress toward emission reduction goals.

To further align sustainability assessments with logistics activities, we adapted our existing supplier evaluation framework in 2024 and gathered insights from logistics providers. During this period, we organized the **Sustainability Workshop with Logistics Providers**, where we raised awareness, shared our long-term sustainability goals, and ultimately had our logistics providers sign the Sustainability Manifesto.

We also hosted our business partners at the **13th Ford Otosan Suppliers Summit**. At the 2024 Suppliers Summit, we engaged with suppliers to evaluate Ford Otosan’s current position, new projects, and future plans. This summit provided a platform to discuss innovative and sustainable supply chain practices, marking a significant step toward our shared sustainability ambitions.

For more information on our **stakeholder engagement** with suppliers and logistics providers, please refer to the **Value Chain Management** section of this report.

At Ford Otosan, we continued our efforts in 2024 to strengthen our collaboration with dealers, a key stakeholder group in our value chain, with the goal of fostering a sustainable ecosystem. As part of this commitment, we took significant steps to enhance dealer culture, sustainability, digitalization, and education. Through the **Sendeyiz Cultural Ambassadors Program**, launched in 2022, we engaged with sales and after-sales managers from our dealer network. In 2024, our focus was on building a strong communication culture, fostering teamwork, and reinforcing cooperation, ensuring that our dealer network thrives within a culture of shared values and collaboration.

At the **Dealer Sustainability Summit 2024**, we brought together company employees, external stakeholders, and

volunteer dealers to provide insights on water consumption efficiency, energy management, renewable energy financing, and women’s employment in STEM. The summit aimed to enhance dealers’ sustainability awareness and support the integration of sustainable practices into their business operations.

We also shared our sustainability strategy, medium- and long-term goals, and expectations through the Dealer People and Culture Committee. More details on our stakeholder engagement with dealers can be found in the **Dealer Culture** section of this report.

Aligned with our **“Future. Now”** strategy, we recognize that collaborations with stakeholders are essential for achieving our sustainability goals and continuously improving our performance. Through our Internal **Stakeholder Sustainability Workshops**, we assess external stakeholder expectations, evolving regulations, risks, opportunities, and sustainability indices. By integrating these insights into our business processes, we deepen stakeholder engagement and continuously strengthen our sustainability strategies.

Through **Internal Stakeholder Sustainability Workshops**, we provide sustainability training to our departments and communicate stakeholder expectations effectively. Since 2023, we have delivered these trainings to teams across Purchasing, Sales & Marketing, Dealer Development, Material Planning & Logistics, Occupational Health & Safety (OHS), Human Resources (HR), and Environment & Maintenance. These sessions cover critical topics such as our sustainability strategy, goals, key achievements, materiality topics, the importance of sustainability, reporting gaps, data verification processes, and global sustainability trends.

Additionally, we provide sustainability training to all Ford Otosan leaders, conducted by our Sustainability Leader. These sessions offer an in-depth explanation of our sustainability strategy, goals, key achievements, and materiality topics, fostering awareness and accountability

Stakeholder Communications

across the organization. By embedding sustainability into our leadership framework, we strengthen cross-functional collaboration and accelerate progress toward our sustainability goals.

In 2023, we organized a **Stakeholder Workshop to enhance two-way communication with our external stakeholders**.

This event brought together NGOs, international organizations, industry associations, academia, suppliers, dealers, investors, private sector representatives, and our colleagues. With more than 40 participants, we engaged in a comprehensive evaluation of Ford Otosan's sustainability strategy, performance, and future steps, ensuring alignment with stakeholder expectations.

More information on the 2023 Stakeholder Workshop is provided in the **Stakeholder Communication** section of the 2023 Integrated Annual Report.

In 2024, as part of our **double materiality assessment**, we engaged with stakeholders through interviews and surveys, enabling a more comprehensive analysis of their expectations and priorities. This process played a key role in shaping our sustainability goals, allowing us to develop more effective and responsible strategies based on stakeholder feedback. We plan to continue conducting internal and external stakeholder studies and one-on-one meetings in the coming periods.

We are committed to **understanding and addressing stakeholder needs** while integrating their expectations and demands into our **decision-making processes**. We actively collect feedback through institutional investor

meetings, individual investor calls, feedback emails, and general assembly meetings. To further enhance stakeholder engagement, we plan to implement an **interactive voice response system** with our **Investor Relations team**, enabling **faster and more efficient feedback collection** from individual investors. We systematically analyze stakeholder feedback and proposed actions, working to integrate them

into our **Stakeholder Communication** sustainability roadmaps. These suggestions are classified into **short-, medium-, and long-term** actions, with clear implementation timelines. Throughout the process, we maintain transparency by keeping stakeholders informed of progress. Below, we share the **actions we have implemented** based on stakeholder feedback from the past three years:



Stakeholder Communications

Stakeholder Group	Feedback received in the last 3 years	Actions
Investors and Analysts	Involving suppliers in the ESG due diligence processes Guiding and supporting the sustainability efforts and work of suppliers	We launched the Supplier Sustainability program in 2023 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. In 2024, we established the Supplier Sustainability Committee and started to training programs and workshops to enhance their performance. More information is provided in the Value Chain Management section.
	Expanding the scope of responsible purchasing program policies with the addition of lithium, a battery raw material	In 2023, Ford Otosan Conflict Minerals policy was updated with the addition of lithium.
	Defining and announcing the company's biodiversity commitments	The Biodiversity strategy was published in 2023.
	Dividend expectations (Koç Holding, Ford Motor Company, Individual and Institutional Investors)	Despite going through an intensive investment period, we paid out dividends in two instalments in 2024 in accordance with the dividend distribution policy.
	Capital increase with bonus shares (Local Investors)	Drawing from recent stakeholder feedback and during the General Assembly, we evaluated our financial structure and started the procedure for capital increase with bonus shares in 2024 and disclosed this decision publicly.
	Increasing C-Suites' meeting attendance (Institutional Investors)	In response to investors' requests to see more C Suite executives in meetings, the CEO and CFO began to attend more investor and analyst meetings.
	Detailing targets (Investor and Main Shareholder)	Feedbacks from investors and main shareholders indicated that the targets related to our carbon neutral supply chain, STEM, female employment and women's representation in management were not clear enough in scope. In 2023, we disclosed STEM position descriptions. Based on this feedback, we detailed our supply chain target in 2024 and started working to include our Romania Plant in our targets in 2025.
Sustainability Indices	Adopting the Equal Opportunity principle top to bottom, starting from the BoD	Since 2022, gender pay gap is monitored and reported by job level and geography. The reason for the gap has been identified as years of service. This metric is now measured by comparing years of service. 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.
	Creating an incentive mechanism to support internal volunteering	Annual leave is granted to employees who engage in volunteering work. A target has been set to increase the volunteering rate of company employees to 35%
	Women entrepreneurs to constitute a specific ratio of suppliers	In 2023, field visits were paid to pilot suppliers and equal opportunity workshops were organized.
	Sharing more information regarding Corporate Governance	In 2024, the Board Members' areas of expertise and experience were included in more detail in the reports. Furthermore, the frequently asked questions (FAQ) section was added to our website, allowing our stakeholders to access the information they need more quickly.

Stakeholder Communications

Stakeholder Groups	Feedback received in the last 3 years	Actions
Dealers	Launching projects to increase female employment ratio at dealers	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 Customer Experience and Dealers .
	Launching projects to address dealers' talent requirements	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 newer equipment. In 2023, the equipment and infrastructure in the Ford classroom at Borsa İstanbul 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.
	Dealer Sustainability Council and addressing financing needs	In 2024, we created a draft roadmap to the Dealer Sustainability Council and identified development areas using the opinions of our dealers. We started working on financing needs.
Suppliers	Meeting more frequently with stakeholders	A dedicated communication plan has been developed for each stakeholder group. In 2023, we met with all stakeholders periodically. As of 2024, we continue to engage with each stakeholder group separately on different platforms.
	Sharing more information and best practices with the suppliers	In 2024, we started to host webinars and committee meetings to communicate our best internal practices, management processes and financial contributions to our suppliers.
Suppliers, Academia and NGOs	Designing special programs for young women graduating from STEM fields	Keeping the focus on the earthquake-affected region in 2023, projects were launched to empower women in STEM. These projects continued in 2024 with NGO collaborations. We aim to increase the number of women we reach to 100,000 by the end of 2026 through community training, awareness and financial support projects. More information on all the activities is provided in the For Community section.
	Communication with NGOs and sharing supplier assessment criteria	In 2024, our industry stakeholder, the Turkish Heavy Commercial Vehicles Association (TAID), requested information on our supplier assessment criteria. Upon this request, we provided them with the necessary information regarding our supplier evaluation processes.
Employees, Public, Suppliers, Investors and Academia	Sharing talent management data more transparently	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 Employee Experience section.
	Promotion processes in talent management and opening more technical leadership positions	In 2024, we revised the promotion processes with our Human Resources and Transformation Leader and added more technical leadership positions.
	Encouraging open and effective communication between the employees and senior management	We started to host online webinars called "Biz Bize" with our CEO open to all employees. During these webinars, we share the developments within the company transparently and listen to the opinions and expectations of our colleagues. Our Senior Leaders also answer questions in their respective fields, building closer communication with our colleagues. More information on these webinars is provided under Employee Experience .

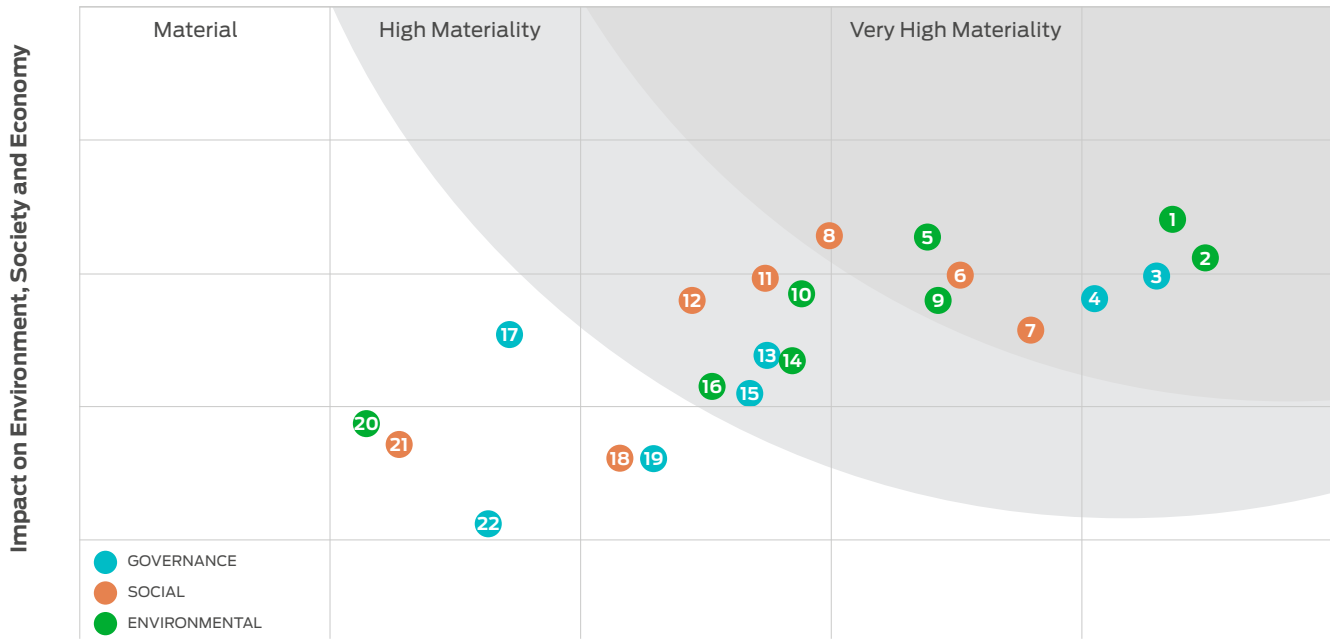
Material Topics

To determine our materiality topics, we conducted a double materiality assessment, incorporating global developments, international standards, stakeholder expectations, and the business and future strategies of Ford Otosan and our key partners—Ford Motor Company and Koç Holding. This assessment marked our first step toward early compliance with the **European Corporate Sustainability Reporting Directive (CSRD)**, which we will be subject to in 2026. With the support of our sustainability consultant, we evaluated the environmental, social, and economic impacts of our company’s activities from an outside-in materiality perspective. This analysis included stakeholder engagement, impact assessments, external trend reviews, and industry peer comparisons, ensuring a comprehensive understanding of our broader impact.

In parallel, we assessed the **financial materiality (inside-out)** of environmental, social, and economic factors on our business operations. This evaluation was conducted using **Strategy and Financial Analyses** from Ford Otosan, Ford Motor Company, and Koç Holding, along with insights from our management team, investors, and shareholders. Our Financial Analysis considered risks and opportunities based on their potential financial impact and likelihood of occurrence, with contributions from our **Finance and Risk Management** teams. The findings were then integrated into our Enterprise Risk Management (ERM) process, reinforcing our strategic approach to sustainability.

Our 2024 Double Materiality Assessment Results were approved by Ford Otosan Senior Management and reported to the Board of Directors.

Our findings highlight both established and emerging issues, shaped by regulatory developments, market dynamics, and evolving social expectations. This comprehensive assessment enables us to identify our materiality topics, align our business decisions with stakeholder expectations and industry trends, enhance our resilience, and strengthen long-term value creation. At Ford Otosan, we update our materiality assessment every two to three years to ensure continued relevance and adaptability to changing conditions.



Very High Materiality

- 1 Climate Change and Resilience
- 2 Low-Carbon Products and Services
- 3 Responsible Supply Chain
- 4 Risk Management and Regulatory Compliance
- 5 Smart and Innovative Mobility
- 6 Occupational Health, Safety and Employee Well-being
- 7 Talent Acquisition, Development and Retention
- 8 Vehicle Quality and Safety
- 9 Clean Technology Opportunities and Alternative Fuels

Impact on Ford Otosan

High Materiality

- 10 Circular Economy and Waste
- 11 Human Rights
- 12 Equal Opportunity, Diversity, and Inclusion
- 13 R&D Capacity
- 14 Water and Wastewater
- 15 Corporate Governance
- 16 Air Quality

Material

- 17 Ethics and Transparency
- 18 Customer Experience
- 19 Data Privacy and Cybersecurity
- 20 Biodiversity
- 21 Local Development and Community Investments
- 22 Cultural and Agile Transformation

Determining Material Topics

1. Creating the List of Material Topics

When creating our list of potential material topics, we utilized various resources, including the **European Green Deal**, the materiality assessments we conducted in previous years, the opinions of our internal and external stakeholders, the **European Sustainability Reporting Standards (ESRS) Double Materiality Guidelines**, the **TSRS 2 Sector-Specific Implementation Guidelines (related to SASB)** and the **Automotive Industry Standards**, international and local standards such as the **MSCI ESG Industry Materiality Map**, the **S&P Sustainability Index Criteria** and the **World Economic Forum’s (WEF) Global Risks Report**.

As a result, we identified a total of 22 material topics for Ford Otosan and categorized them as **very high priority (1-9)**, **high priority (10-16)**, and **priority (17-22)**.

2. Stakeholder Participation

For our stakeholder analysis, we followed the “Stakeholder Engagement” guidelines outlined in **EFRAG’s Materiality Assessment Implementation Guidance**. Stakeholders were categorized based on their level of impact on the company’s activities and how significantly they were affected by the company’s operations.

As part of the stakeholder engagement process, we gathered responses from various stakeholder groups and conducted in-depth interviews with selected individuals. To ensure the reliability of the analysis, we prioritized participants with valuable insights, focusing on quality over quantity rather than simply increasing participation numbers. In total, we conducted 67 stakeholder interviews, achieving a 23% response rate. Of these responses, **81%** were collected

through **online surveys**, while **19%** were obtained through **one-on-one interviews**.

3. Financial Impact Analysis

Utilizing the **SASB Four-Step Impact Analysis methodology**, we examined the risks and opportunities of the material topics in terms of financial and legal aspects, innovation and competition. We examined the material topics in terms of impact size, probability of occurrence and time frame.




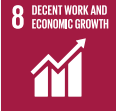




As a result of the materiality assessment, we categorized the topics as very high priority, high priority and priority. Accordingly, the **nine topics of very high materiality** were: climate action and resilience, low-carbon products and services, responsible supply chain, risk management and regulatory compliance, smart and innovative mobility, occupational health, safety and employee well-being, talent acquisition, development and retention, vehicle quality and safety, and clean technology opportunities and alternative fuels.

Compared to the previous Materiality Assessment, the list of material topics has evolved to reflect emerging issues. These changes align with shifting business priorities, regulatory expectations, and societal concerns for both our company and stakeholders. However, certain topics remained consistent across assessments, reaffirming their ongoing importance over time. While climate action and resilience and low-carbon products and services continue to be our primary focus areas, several topics have gained greater significance due to regulatory changes, stakeholder expectations, and strategic shifts. As a result, the material topics of responsible supply chain, risk management and regulatory compliance, and talent acquisition, development, and retention have been categorized under very high priority in this assessment.






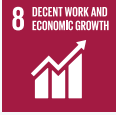





Additionally, talent management rose from 13th place in the previous assessment to 7th place. Its scope has been expanded to include suppliers and dealer employees, leading to its renaming as talent acquisition, development, and retention.



Material Topics

Material Topic	Related SDGs	Materiality for Ford Otosan 	Positive Impacts 	Negative Impacts 
Climate Action and Resilience		Climate-change-related impact, risk and opportunity management (meeting emission standards, maintaining competitive position against risks arising from lower demand for conventional vehicles, etc.), ensuring business continuity against climate change	<ul style="list-style-type: none"> Mitigating the effects of climate change in line with the carbon transition roadmap Implementing projects to reach our SBTi 2050 net zero emission target 	<ul style="list-style-type: none"> Ford Otosan's energy consumption in its own operations and across its value chain may cause negative environmental impacts
Low-Carbon Products and Services	 	Monitoring the environmental impacts of products and services throughout their life cycles from vehicle design to use and end-of-use, informing stakeholders about the impacts, reducing carbon emissions throughout the life cycle, and supporting suppliers to mitigate carbon emissions	<ul style="list-style-type: none"> Manufacturing alternative fuel and low-carbon variants of vehicles in the product range through R&D investments Minimizing the environmental impacts of products across their life cycle through Life Cycle Assessments 	<ul style="list-style-type: none"> Currently lacking a widespread and proven feasible recycling technology for end-of-life batteries in electric vehicles
Responsible Supply Chain	 	Monitoring economic, environmental, social and ethical conditions across the supply chain. Managing access to critical raw materials and sourcing minerals from conflict-free zones, validating purchasing processes with traceability and certification. Optimizing the supply chain and enhancing operational agility	<ul style="list-style-type: none"> Assessing by ESG criteria and improving suppliers performance Implementing measures to promote sustainable supply chains 	<ul style="list-style-type: none"> Negative environmental and social impacts during the extraction of raw materials
Risk Management and Regulatory Compliance	 	<p>Designing strategies to prepare for financial and non-financial risks (natural disasters, emergencies, climate crisis, digital transformation, cybersecurity, etc.) and enhancing resilience, adopting a proactive approach and developing a company risk culture</p> <p>Full and timely compliance with national and international regulations and protection of intellectual property rights, avoiding monopolistic and anti-competitive practices</p>	<ul style="list-style-type: none"> Enhancing the trust of consumers, investors and stakeholders by complying with national and international regulations Building a resilient and agile business model against non-financial risks Long-term continuity of the company's financial performance 	<ul style="list-style-type: none"> May be faced with the need to constantly revise risk management strategies to comply with changing ESG standards
Smart and Innovative Mobility		Developing mobility and transportation solutions that shape sustainable mobility of the future, enabling the transformative shift toward electric vehicles and systems. Leveraging innovations such as artificial intelligence, the internet of things, smart vehicles, navigation systems, connected and autonomous vehicles to shape the interaction of vehicles with each other and urban infrastructure as part of a broader transportation ecosystem	<ul style="list-style-type: none"> Developing safe and efficient transportation solutions with connected and autonomous vehicles Contributing to sustainable mobility with connected and autonomous products and services 	<ul style="list-style-type: none"> Failure to sufficiently include disadvantaged groups with low ability to adapt to changes in new technologies The need to equip the workforce with new competencies as automation applications become more widespread

Material Topics

Material Topic	Related SDGs	Materiality for Ford Otosan 	Positive Impacts 	Negative Impacts 
Occupational Health, Safety and Employee Well-being	 	Ensuring the health, well-being and safety of all employees across the value chain; monitoring and preventing occupational health and safety risks	<ul style="list-style-type: none"> Expanding and monitoring occupational health and safety practices in the value chain Expanding training and development programs that promote employee well-being 	<ul style="list-style-type: none"> Employees may be at risk of potential accidents and injuries Constant changes and uncertainty due to digitalization and transformation can create stress and job dissatisfaction among employees
Talent Acquisition, Development and Retention	 	Attracting new talent to Ford Otosan, retaining talent by improving employee loyalty and satisfaction, and building a workforce equipped with the competencies of the future by developing personal development and career planning practices	<ul style="list-style-type: none"> Developing talent through training programs and talent development processes for employees Attracting young talent that will drive our strategy to Ford Otosan through partnerships with educational institutions 	<ul style="list-style-type: none"> People working in traditional manufacturing jobs may have difficulty adapting to new skills Difficulties in managing evolving expectations in line with changing trends and a younger workforce
Vehicle Quality and Safety	 	Designing and offering products and/or services that meet all legal safety and quality requirements, and respond to (and exceed) customers' quality, health, safety, comfort and innovative feature expectations through continuous development and improvement. Developing and deploying safety technologies to ensure traffic safety, and promoting safe driving practices	<ul style="list-style-type: none"> Maintaining customer satisfaction by elevating product quality and safety Reducing traffic collisions thanks to advanced safety features 	<ul style="list-style-type: none"> Higher safety and quality standards may increase production and maintenance costs for users Lack of widespread access due to relatively high costs of safer and smarter vehicles
Clean Technology Opportunities and Alternative Fuels	 	Increasing clean technology innovation capabilities, using clean technologies for transitioning to a low-carbon economy, supporting and increasing products powered by green energy such as hydrogen	<ul style="list-style-type: none"> Developing vehicles powered by alternative fuels Creating new business areas and more jobs for hydrogen, battery technologies and sustainable production 	<ul style="list-style-type: none"> Difficulty in consistently adapting to diversifying customer expectations



CORPORATE GOVERNANCE

Board of Directors and Committees

Ford Otosan's Board of Directors consists of 12 members, including 2 independent directors.

The duties of Chairman and Ford Otosan Leader are assumed by different individuals. Board members are elected for a term of 1 year, and 10 members do not serve in executive roles.

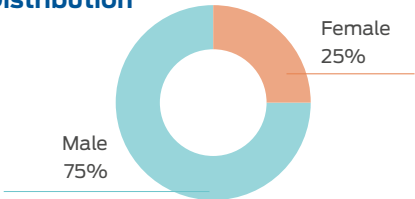
During the nomination process for Board members, we consider the knowledge, expertise and competencies required for the position in accordance with the principles stated in our **Board of Directors Diversity Policy**, and we prioritize having a Board composed of members with diverse experiences and skills. We also aim to achieve diversity in terms of age, gender, race, nationality, and ethnicity by focusing on key areas such as inclusion, gender equality and equal pay for equal work, which are all emphasized in our policy. We believe that diversity on the Board of Directors is a key factor for elevating the company's success in the eyes of its shareholders and other stakeholders. We share summary information about the members of the Board of Directors members applying the Glass Lewis methodology.

Please click [here](#) for the Board of Directors Diversity Policy.

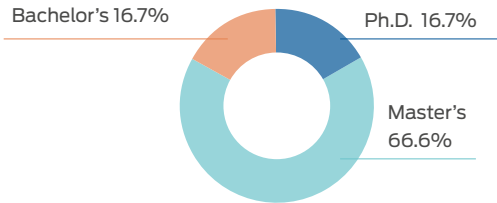
The Board of Directors has formed four committees to assist in its duties: **Audit Committee, Remuneration Committee, Early Detection and Management of Risk Committee, and Corporate Governance Committee**. At least one Board member serves on each committee. The outputs of the committee meetings during the year are addressed at the Board level. Each committee reporting directly to the Board of Directors focuses on different areas within their expertise and plays an active role in decision-making processes. For more information on the committees, please click [here](#).

Board of Directors

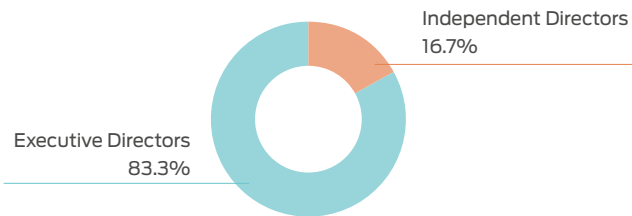
Gender Distribution



Education Level



Independence Status



Average Years of Experience

37.7 years

Average Age

60.5

Field of Expertise	
Finance/Audit/Risk	8 members
Automotive	10 members
Cybersecurity/IT	4 members
Communications/Marketing /Customer Services	9 members
Environment/Social	7 members
International Markets	4 members
Technical/Engineering	6 members
Production/Supply Chain	10 members
Mergers & Acquisitions/Capital Markets	6 members



Board Committees



RAHMÎ M. KOÇ
Honorary Chairman
Honorary Chairman, Koç Holding



ALİ YILDIRIM KOÇ
Chairman
Vice Chairman,
Koç Holding Board of Directors



KIERAN CAHILL
Vice Chairman
Vice President - Industrial Operations
Europe and IMG, Ford Blue



JOHAN EGBERT SCHEP
Member
General Manager - Ford Pro Europe



DAVE JOHNSTON
Member, Ford Europe-Vice President,
Transformation and Partnerships



LEVENT ÇAKIROĞLU
Member
Board Member & CEO, Koç Holding



JOHN DAVIS
Member, Ford Pro- Global Director,
Electric Vehicle Van and Bus Programs



HAYDAR YENİGÜN
Member
Automotive Group President, Koç Holding



FÜSÜN AKKAL BOZOK
Independent Director



Prof. KATJA WINDT, Ph.D.
Independent Director



GÜVEN ÖZYURT
Member
Ford Otosan Leader



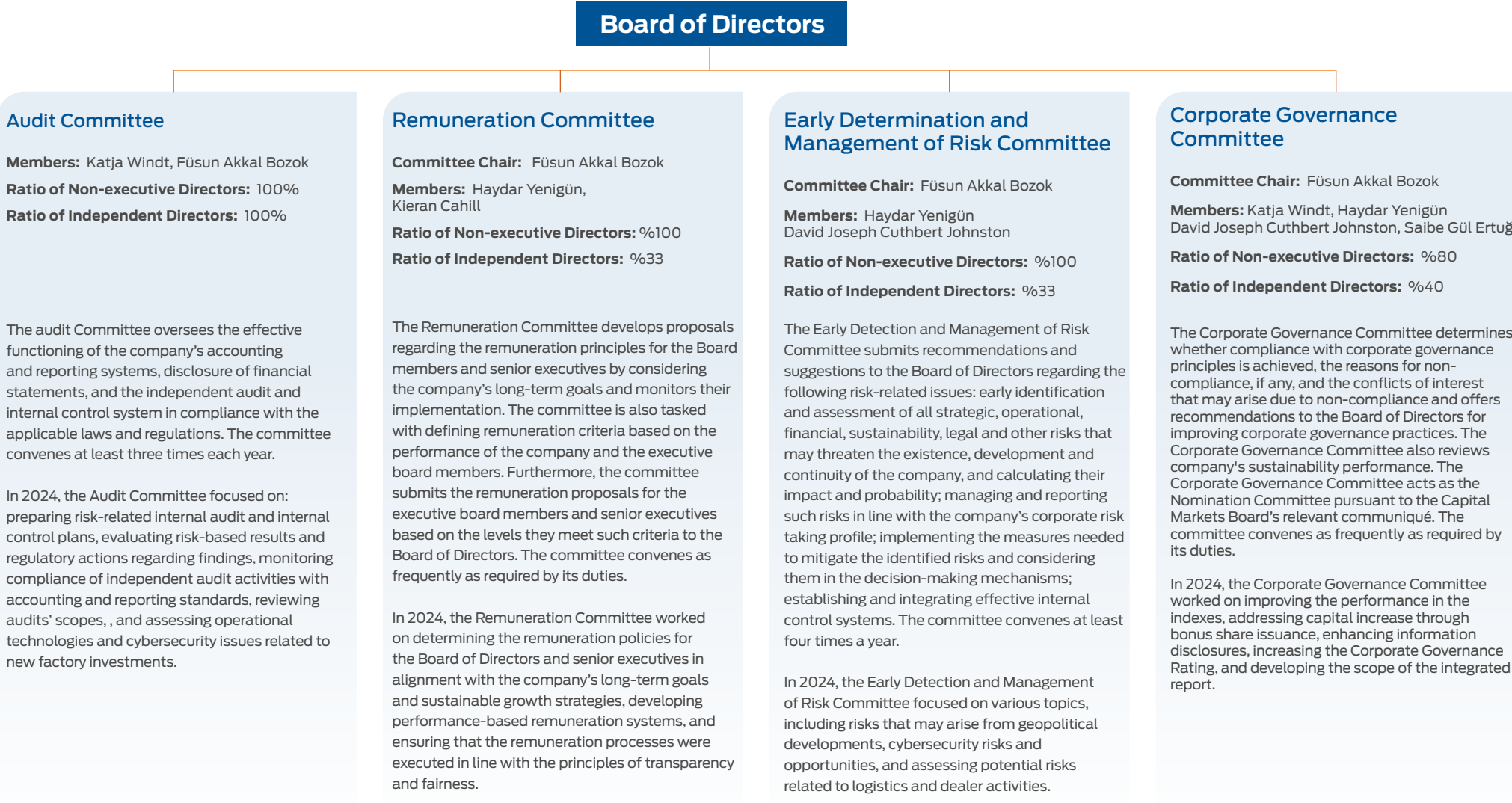
JOSEPHINE M. PAYNE
Member
Ford Otosan Leader

Please click here to view the Board members' résumés.

Please click here to view the Remuneration Policy for Members of the Board of Directors and Senior Executives.

For more information on the Board of Directors candidates, please click here.

Board Committees



For more information on Ford Otosan's Board Committees, please click [here](#).

Corporate Governance

We adopt a corporate governance approach that focuses on responsibility, fairness, transparency and accountability for the entire Ford Otosan ecosystem, starting with the stakeholders and shareholders. Our governance model, which considers the interests and benefits of all stakeholders to ensure the continuity of our robust financial performance, forms the foundation of our business processes, providing a framework for strengthening the value creation initiatives.

The accuracy and transparency of our financial and non-financial data is ensured through independent audit processes. Independent audit firms apply various auditing techniques such as reconciliation, invoice checks, analytical controls and recalculations in accordance with national and international standards, including IFRS, TFRS, TSRS, IAS and BDS. We review the audit results based on reports prepared according to BDS and address key audit issues in these reports. We apply the findings after making the necessary corrections to the financial and non-financial data and present them with comparisons of at least two reporting periods.

We present the calculation methods of the metrics that have passed the verification in detail in our reports and clearly indicate that the verification process has been completed by adding a green check mark next to these metrics in the relevant tables. Additionally, we disclose the difficulties experienced during the audit process and recommendations for the relevant departments with the executive summary and ensure that remedial actions are taken. These comprehensive processes enable us to strengthen our corporate governance approach as we maintain a sustainable and transparent reporting approach.

More information is provided under the [Corporate Governance Principles Compliance Report](#) section.

Senior Management

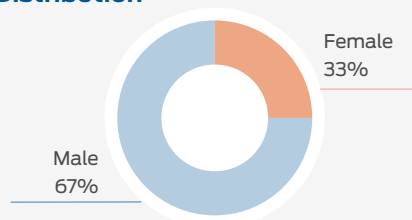
The company's senior management operates with 15 executives, including five women. The senior management roles consist of: the General Manager, Assistant General Managers, and directors reporting directly to the General Manager and the Deputy General Manager. The senior management is responsible for the following business areas: Legal and Compliance, Supply Chain, Corporate Communications and Sustainability, Commercial Vehicles, Engineering and Technology Development, Ford Trucks Business Area, Growth and Smart Mobility, Finance and Accounting, Digital Products and Services, Human Resources and Transformation, Ford Türkiye Business Area, Quality, and New Projects and Investments.

Please click [here](#) for the résumés of the Senior Executives.

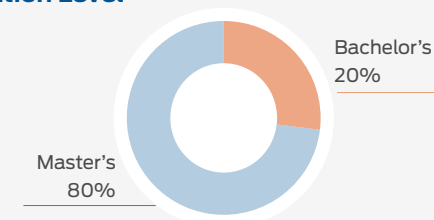
In the reporting period, our Corporate Governance Rating rose from 9.42 to 9.57 out of 10.

Average Years of Experience **36.5 years**

Gender Distribution

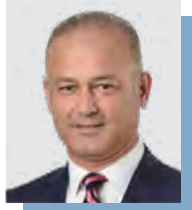


Education Level



Corporate Governance

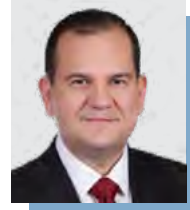
Senior Management



GÜVEN ÖZYURT
Ford Otosan Leader
Member, Board of Directors



JOSEPHINE M. PAYNE
Ford Otosan Leader
Member, Board of Directors



A. SERDAR KAYHAN
Legal and Compliance
Leader



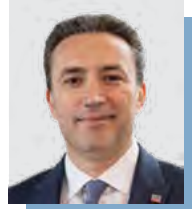
BAŞAK ÇALIKOĞLU AKYOL
Supply Chain Leader



BURÇAK TÜRKERİ
Corporate
Communications and
Sustainability Leader



CEM TEMEL
Commercial Vehicles
Leader



EMRAH DUMAN
Ford Trucks
Business Area Leader



ERHAN KÖSEOĞLU
Growth and Smart
Mobility Leader



GÜL ERTUĞ
Finance and Accounting
Leader - CFO



IAN R. FOSTON
Engineering
and Technology
Development Leader



İLKER ERDİM
Digital Products and
Services Leader



MÜJDAT TIRYAKI
New Projects and
Investments Leader



OSMAN ÖZDEMİR
Human Resources and
Transformation Leader



ÖZGÜR YÜCETÜRK
Ford Türkiye Business
Area Leader

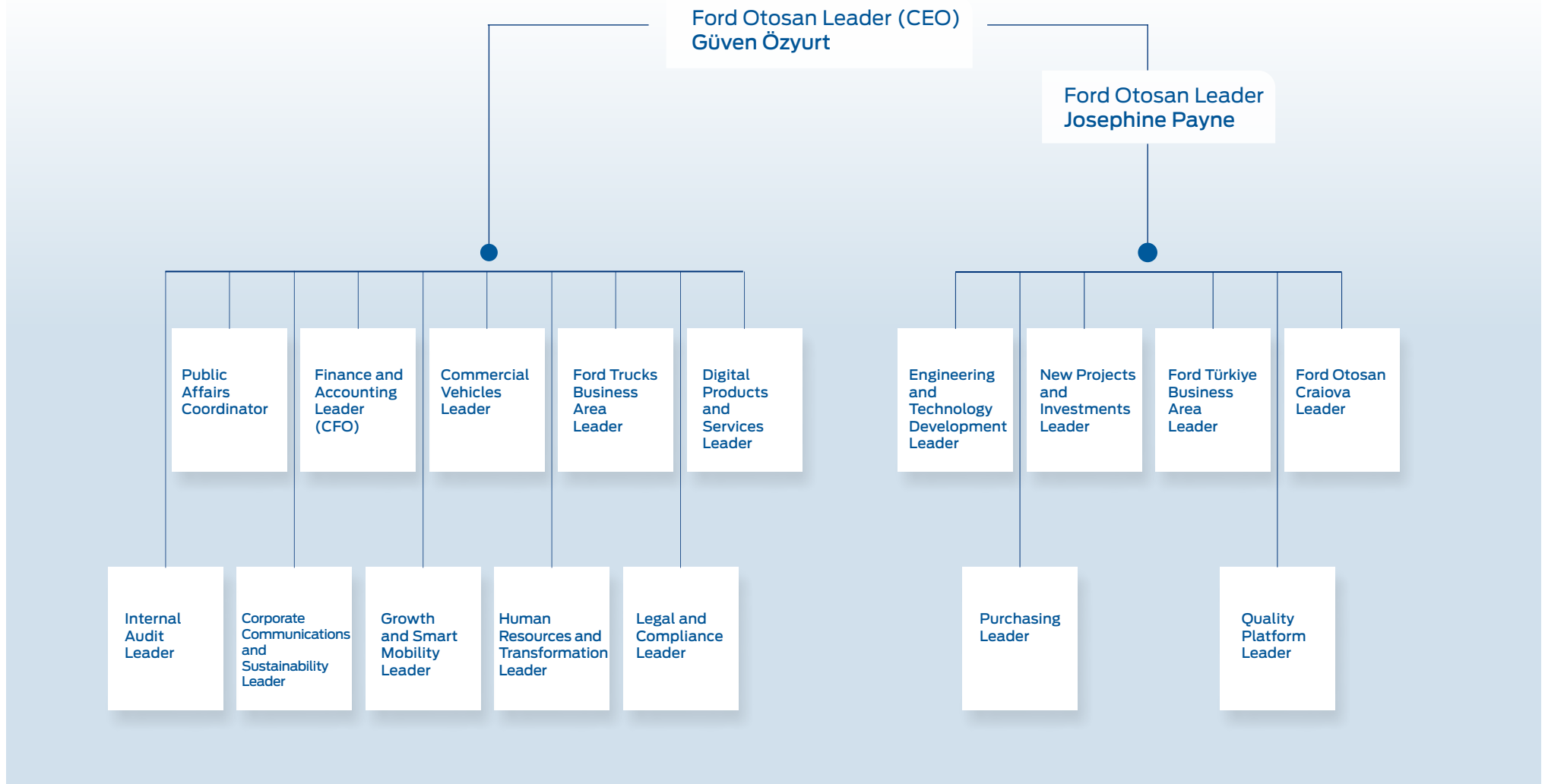


PINAR KILING TOPÇU
Quality Platform Area
Leader

Please click here for the résumés of the Senior Executives.

Corporate Governance

Summary Orgazational Chart



Remuneration for Senior Executives

At Ford Otosan, **the remuneration system for the Board members and senior executives** is determined according to the **Remuneration Policy for Members of the Board of Directors and Senior Executives**. The fixed salaries of the Board members are approved by the General Assembly annually and disclosed publicly. On the other hand, the **salaries of the senior executives** consist of two components: **fixed and performance based**.

The fixed salaries of senior management are determined in alignment with **international standards and legal obligations** by considering the macroeconomic conditions, prevailing market practices, the company’s scale and long-term targets, and the respective positions of the individuals. The performance-based bonuses consist of three components: bonus base, company performance and individual performance.

We believe that the relevant targets should be integrated into the performance scorecards of the senior management for the company to implement its long-term strategies and achieve the annual targets. The **key performance indicators (KPIs)**, defined according to the sustainability policies and strategies, are binding on all the employees, including the Ford Otosan Leader and senior management. In 2024, 25% of the incentives awarded were related to sustainability issues.

Furthermore, the year-end bonuses and pay raises for all the employees are determined by considering these performance indicators. We conduct performance appraisals based on business results and the methods applied to achieve them. We also take disciplinary actions, if any, into consideration. In such cases, our colleagues may not be considered in the promotion and career progression processes for a year.

In 2024, we added the following ESG KPIs to **Ford Otosan Leader’s performance scorecard** in alignment with the Future. Now sustainability strategy, implemented in line with the company strategy and our long-term goals:

Achieving carbon emission reduction targets set for Ford Otosan operations.

Full compliance with the European Union Carbon Border Adjustment Mechanism (CBAM)

Including sustainability performance in purchasing decisions

Achieving Diversity, Equity and Inclusion (DEI) targets.

Engaging with 37,500 women as part of My Dream Future initiative

Increasing the number of women in science, technology, engineering and mathematics (STEM) at Ford Otosan by 3%, and reducing the gender gap ratio at the management level by 10%

Ethics, Transparency, Internal Control and Internal Audit

At Ford Otosan, we abide by the laws, the international conventions to which the Republic of Türkiye is a party, United Nations Global Compact, and our internal policies. Accordingly, we are committed to protecting and spreading an ethical culture across the organization, and uphold highest ethical standards and principle of integrity in all our activities. We also promote a culture of **“open communication”** and **“accountability”** to prevent unethical or unlawful actions.

Therefore, we expect our employees or partners to express their concerns if they directly or indirectly witness any illegal activity or unethical event, or suspect or learn about such an incident through legal channels. We also encourage our stakeholders to act accordingly.

These principles were formalized through the Ethics Policy, approved by the Board of Directors in 2018. The Ethics Board, the Internal Audit and Ethics Committee and the Ethics Assessment Board have been formed within the redesigned governance structure to ensure compliance with the Ethics Policy across the company. The Audit Committee, which reports to the Board of Directors, assumes the duties of the Ethics Board, the highest body responsible for ethics at Ford Otosan. Furthermore, an Ethics Coordination Unit, which reports to Internal Audit Leader, has been established to effectively address and follow through the reported ethics violations.

The Audit Committee is responsible for high-level supervision of the drafting and implementation of the company's Ethics and Whistleblowing Policy, evaluating the decisions and actions of the Internal Audit and Ethics Committee, communicating their opinions, requests and recommendations to the Internal Audit and Ethics Committee, and briefing the Board of Directors as needed.

Ford Otosan's “Ethics and Whistleblowing Policy” and “Code of Conduct and Ethical Rules” form the basis of our Ethics and Compliance culture. With the Ethics and Whistleblowing Policy, we aim to encourage reporting of actions suspected of violating the policies related to the Code of Conduct and Ethical Rules or

legislation. We inform our employees and external stakeholders about our codes of conduct and ethical rules via various communication channels, including email, company portal, company TVs, training videos, SMS messages, posters, strategic leadership meetings, classroom trainings and webinars. We also include all procedures related to our ethical processes in our internal digital systems accessible to our employees.

To view Ford Otosan's Ethics and Whistleblowing Policy, updated in 2023, on the corporate website, please click [here](#).

To view Ford Otosan Code of Conduct and Ethical Rules, please click [here](#).

In 2024, a total of 515 incidents were reported to ethics channels, 107 of them were confirmed as violations through investigations.

Types of Incidents Reported to the Ethics Line	2024
Violation of Company Rules and Procedures	87
Mobbing	2
Harassment / Discrimination	3
Conflicts of Interest	2
Bribery / Theft / Corruption	4
Money Laundering	-
Other	9
Total	107

Ford Otosan employees and all stakeholders may communicate all violations of the Ethics and Whistleblowing Policy and the Code of Conduct and Ethical Rules through the following channels.

- **Ethics Line: 0850 305 50 10**
- **Ethics Email Addresses: fordotosan.ethicspoint.com or fordotosanmobile.ethicspoint.com**
- **Ethics Communication Form**
- **Koç Holding Ethics Line**
- **Ford Motor Company SpeakUp**
- **Human Resources and Transformation Leader**
- **Internal Ethics Representatives (Human Resources Leaders at each location)**
- **Internal Audit Leader**
- **Ethics Coordinator**
- **Legal and Compliance Leader**
- **Compliance and Litigation Leader**

Ethics, Transparency, Internal Control and Internal Audit

The incidents reported through our notification channels are reviewed, investigated, and stored in accordance with the Ethics Review and Reporting Procedure. We use the EthicsPoint system to submit the notifications received via email and call center to the Internal Audit Leader and Ethics Coordinator and evaluate them in the Ethics Review Board. If employees and all management levels (including Board members) are directly or indirectly informed of an Incident, these notifications must be reported for review in accordance with the Ethics and Whistleblowing Policy. Accordingly, we expect incidents to be reported to the relevant units through the notification channels defined in the Ethics and Whistleblowing Policy, and to Ford Otosan Legal and Compliance Leadership without delay in cases of non-compliance with or violation of applicable legislation.

In 2024, a total of 515 incidents were reported to the ethics line. As a result of investigations, 107 incidents were confirmed and 47 employees were imposed disciplinary sanctions in relation to these incidents. Based on these cases, we implemented process improvement actions.

We ensure that all our employees and dealers receive Ethical Principles Training, which includes the Code of Conduct and Ethical Rules adopted by Koç Holding and Ford Otosan and expected to be adopted by business partners, the United Nations Declaration of Human Rights, the UN Global Compact, and other compliance principles. We also require all employees to receive Ethical Principles Training as mandatory upon their start and annually. The HR Training Leadership monitors the attendance status and frequency of trainings. In 2024, a total of 10,754 hours of ethics training was delivered within the scope of Ethics Reporting Channels Training, Code of Conduct and Ethical Rules, Importance of Ethical Principles, Ethics and Human Resources Information Trainings, and 5,765 employees took these trainings.

Similarly, our dealers are required to take Ethical Principles Training every year. In 2024, the Ethical Principles Training completion rate was 63% with 2,507 dealer employees.

Our policies and procedures apply to all our employees and other stakeholders across the value chain. Accordingly, we provide Ethics and Compliance Training to stakeholders in our value chain, hold briefings in Supplier Sustainability Committees, communicate messages through Ford Otosan Senior Management. Additionally, we gather feedback about the availability of Ethics Lines, third party verification, and policies through the sustainability performance assessment surveys we conduct with suppliers throughout the year.

Anti-Bribery and Anti-Corruption Practices

As a signatory to the UN Global Compact, we embrace all the principles of UN Global Compact, including the principle of “standing against all forms of corruption”, and expect all our employees and business partners to uphold these principles. At Ford Otosan, we operate with a zero tolerance approach to bribery and corruption. As laid out in our policies, we do not tolerate any kind of bribery, corruption, influence for corruption, improper favors, facilitation payments, giving or receiving inappropriate gifts by our business partners.

To view Ford Otosan Anti-Bribery and Corruption Policy, please click [here](#).

To access Ford Otosan Gifts and Entertainment Policy, please [here](#).

Any bribery and corruption incidents communicated to the Ethics Line are reviewed and reported by the Internal Audit Leadership. If an act contrary to our policies is detected, we convene the Disciplinary Committee and impose sanctions based on the rules specified in the Code of Conduct and Ethical Rules, the Personnel Regulation, and the Labor Law No. 4857 for office employees and field workers. These sanctions include Human Resources Warning, Disciplinary Committee Warning, one- or two-day pay cuts, Termination of Employment Contract for field workers, and Human Resources Warning, Disciplinary Committee Warning,

Reprimand, and Termination of Employment Contract for office employees. The Disciplinary Committee determines the appropriate sanction to be imposed depending on the type of incident.

Then, we review the situations that may have caused such an incident and conduct a root cause analysis. Once the conditions are identified, improvement actions are recommended to the relevant units and we monitor their implementation with audit follow-ups.

We also create risk-based audit programs in alignment with International Internal Audit standards. The areas with suspected system vulnerabilities are included in the audit plan during the year. If a possible bribery or abuse, etc. is detected, we identify system gaps in the company’s essential functions through the Audit Committee and introduce corrective action plans.

We provide internal training to our employees on combating bribery and corruption. We also regularly inform our employees about the sources and policies, including the Anti-Bribery and Corruption Policy, through awareness campaigns and announcements.

The employees are required to complete training on relevant subjects within the mandatory Anti-Bribery and Anti-Corruption and Leader Orientation Training Program upon starting the job and in two-year intervals. During trainings, we inform our employees about national and international regulations, the rules introduced by these regulations and the implementation steps in company policy. In 2024, a total of 1,128 employees completed the anti-bribery and corruption training.

We involve other stakeholders in our value chain in our approach to tackling bribery and corruption. Accordingly, we expect them to adhere to the laws and policies regarding combating bribery and corruption, as detailed in our Supply Chain Compliance Policy and Preliminary Qualification Assessment Procedure.

Ethics, Transparency, Internal Control and Internal Audit

In 2024, we provided a one-hour training titled “Compliance Program and Supplier Compliance Actions” through our Compliance Team in the Supplier Sustainability Committee. In this training, we provided information on our Anti-Bribery and Corruption, Gift and Hospitality, Donation and Sponsorship Policies and global regulations.

example to instill compliance as a part of Ford Otosan culture and ingrain it into the attitudes and behaviors of employees.

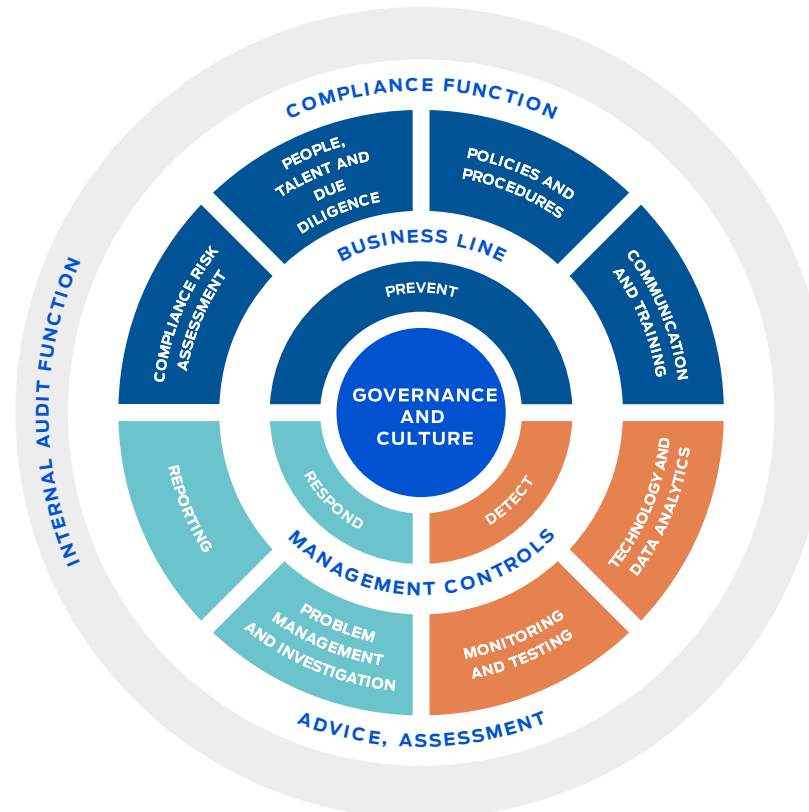
Ford Otosan’s Compliance Program is built on three pillars: Prevention, Identification, Response. These are shown in detail in the chart below.

In 2024, as part of the Leader Orientation Program designed for Ford Otosan leaders, training on topics such as corporate structure, compliance policies, sustainability, corporate risk, internal audit, ethics, internal control, investor relations, disciplinary processes, intellectual and industrial property rights, internal approval, supplier disputes, compliance/

Compliance Program

At Ford Otosan, we comply with applicable legislation, contractual commitments, organizational standards such as policies and procedures, ethical principles and voluntary compliance commitments in line with our principles of integrity, honesty, respect, accountability and transparency. Therefore, we strive to fulfill our compliance obligations to the maximum, identify and prevent the related risks and implement corrective measures. Accordingly, we have run a comprehensive Compliance Program since 2021, while reviewing and expanding the relevant policies. Through these policies, approved by the Board of Directors, we aim to provide guidance for all Ford Otosan stakeholders. The Compliance Program is implemented by the Compliance Leadership and Compliance Officers under the Ford Otosan Legal and Compliance Leadership, which reports directly to the Ford Otosan Leader and indirectly to the Board of Directors through the Early Determination and Management of Risk Committee.

The Compliance Committee is tasked with ensuring alignment with the Compliance Program on the Ford Otosan senior management level. The Compliance Committee, consisting of the Legal and Compliance Leader, Ford Otosan Leader, CFO, Human Resources and Transformation Leader and other department leaders as needed, functions as an advisory board that supports the Legal and Compliance Leader in the decision-making process when required. On the other hand, Ford Otosan senior management serves as a role model for the entire organization and leads all employees by



Ethics, Transparency, Internal Control and Internal Audit

sanctions, contract management, recruitment, company representation, privacy, competition law, and cultural transformation.

We also launched a comprehensive companywide due diligence study on Human Rights Compliance, one of the key compliance risks in 2024 and expanded its scope to include our suppliers.

For our Compliance Policy and other compliance policies, please click [here](#).



Internal Control System and Internal Audit

At Ford Otosan, the Internal Control Leadership, which directly reports to the Finance Leadership, coordinates the efforts to achieve the targets for operational effectiveness and efficiency, reliable financial reporting and compliance with legislation, policies and procedures at adequate levels. In addition to following the policies, procedures and guidelines included in process flows as key parts of the internal control system, we also apply an annual internal control plan that covers all the company operations.

Koç Holding and Ford Motor Company, the main shareholders, and the Internal Audit Leadership perform regular annual audits within the company. Ford Otosan's authorized dealers and service centers are also audited for their transactions with Ford Otosan periodically by the dealer audit function of the Internal Control Leadership. Reports and complaints communicated regarding Ford Otosan's activities are audited by the dealer audit function within the Internal Audit department with the participation of the relevant units.

All the notifications and complaints about Ford Otosan-related operations are reviewed, investigated and resolved by the Internal Control Leadership in cooperation with the relevant units. The Audit Committee, positioned under the Board of Directors, regularly monitors the internal control and internal audit activities and also reviews and approves the annual audit plans. Furthermore, the Committee submits recommendations when needed and opinions on the financial reports to the Board of Directors for approval. The Audit Committee convened three times in 2024 and submitted seven reports about its decisions to the Board of Directors.

In 2024, we forwarded a total of 1,680 control questions regarding company procedures and processes, including 1,297 in Türkiye and 383 in Romania, to the relevant business units. Upon the instructions of the Audit Committee, we evaluate and report our Internal Audit processes through an independent consultancy firm every five years. The most recent evaluation and reporting process was completed in 2022.

Homologation, Regulation Management and Legal Obligations

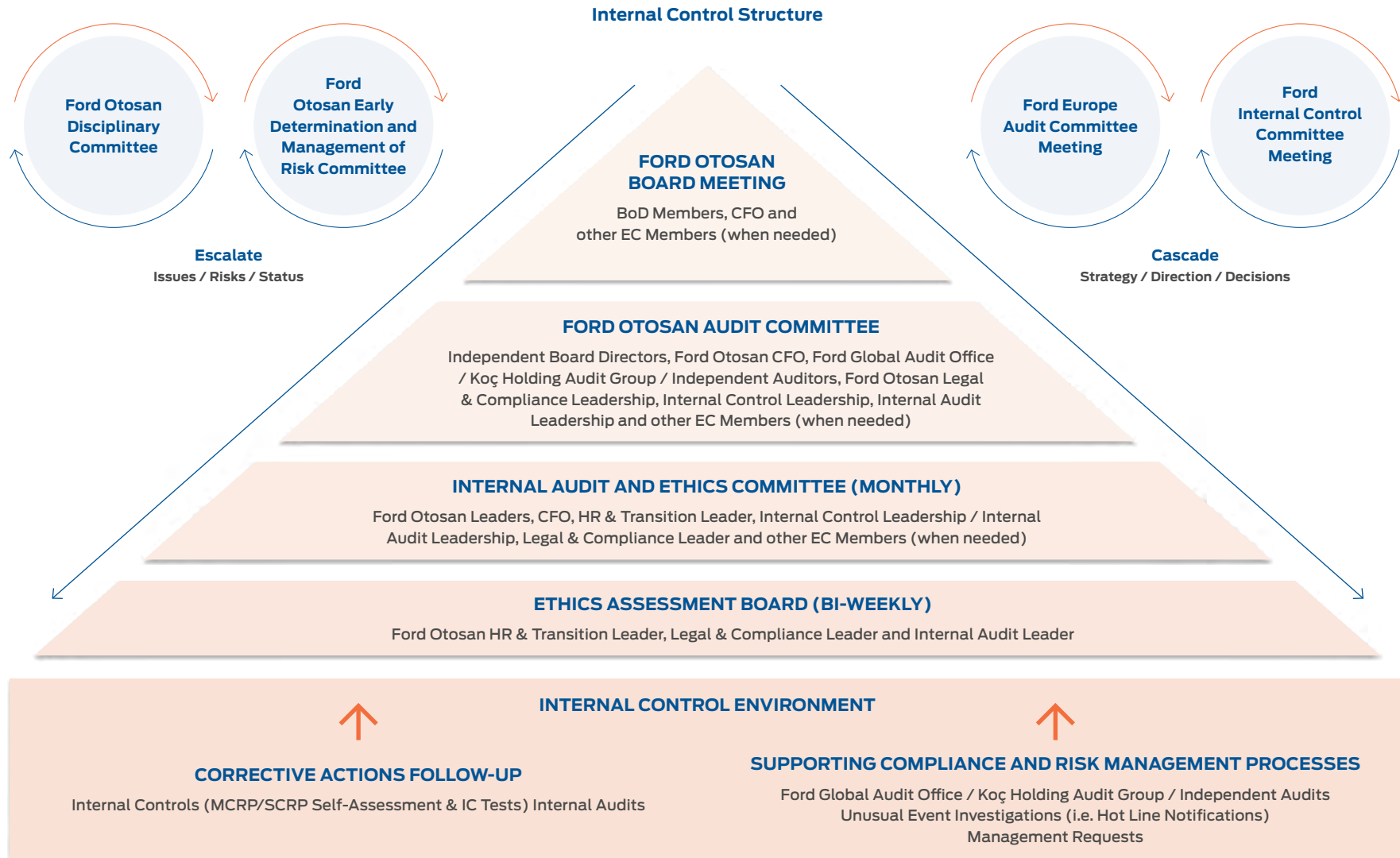
In Ford Otosan's operations, we follow a comprehensive Regulation Management and Legal Compliance system to ensure the legal compliance of our products and to be prepared for upcoming regulations. Through the **Homologation Digital Screen platform** designed by our Homologation and Regulation Compliance Team and accessible by all relevant teams, we provide information about upcoming regulations, the content of such regulations, transition dates, and the vehicle projects they address, and update our work monthly. We also share information and current statuses regarding sustainability and material compliance legislation via this platform, which allows us to effectively inform the relevant units and ensure coordination among them.

We follow the technical regulations related to the product through the **EU** and **Turkish Official Gazettes, EU Commission and Parliament decisions, consultations opened to opinion** and **the meeting decisions of the EU Commission working groups**.

We actively participate in working groups of vehicle manufacturers' associations such as the European Union, European Automobile Manufacturers Association (ACEA), United Nations, International Organization of Motor Vehicle Manufacturers (OICA), Automotive Manufacturers Association (OSD), and Automotive Distributors and Mobility Association (ODMD) for local legislation.

By serving in these groups, we evaluate draft regulations, analyze their impact on our products, and add them to our product plans at the right time. These activities not only ensure our legal compliance but also contribute our industry perspective and experience.

Ethics, Transparency, Internal Control and Internal Audit



Risk and Opportunity Management

We manage our risks and opportunities in accordance with the ISO 31000 Risk Management Standard to anticipate, manage and monitor potential risks that may affect our company in alignment with our corporate strategies and goals and to create the necessary action plans for risk and crisis management.

The Early Determination and Management of Risk Committee was formed pursuant to the provisions of the Capital Markets Board’s Corporate Governance Principles and Article 378 of the Turkish Commercial Code and upon the Board of Directors’ resolution no 2012/18 on July 10, 2012 to provide advice and recommendations to the Board to anticipate the risks, take necessary mitigation measures and establish an effective risk management system. The Committee is headed by the independent Board member Füsün Akkal Bozok, and the other members are Haydar Yenigün and Dave Johnston, both Board members.

The committee, which convened four times in 2024, evaluates Ford Otomotiv A.Ş. Risk Management System and risk reporting principles, examines the periodic Risk Reports, presents its opinions on the measures to be taken for issues that do not comply with the limits determined in the Risk Management System, reviews the Risk Management System, and oversees the implementation of the practices in the

relevant departments responsible for managing the risks in accordance with the committee decisions. In addition to evaluating information security applications, the committee also monitors compliance risks, follows relevant activities, and assesses sustainability risks. Reports and committee evaluations are submitted to the Board of Directors. For more information on the committee’s responsibilities in the Early Detection and Management of Risk Committee Working Principles published on our website, please click [here](#).

Activities related to the determination, management and supervision of strategic, operational, financial, legal, ESG risks, technology - innovation and external risks that may affect our company are carried out by the Corporate Risk Management Leadership, under the Finance Platform Area Leadership, and are reported to the Risk Committee.

Risk management activities are led by the Corporate Risk Management department and implemented across the company by risk coordinators from each department, ensuring integration into business processes. These coordinators are responsible for coordinating and executing risk-related activities within their respective departments. Risks and opportunities are regularly reviewed in meetings with senior managers and department leaders, where emerging risks are proactively monitored, their long-term

impacts on Ford Otosan are assessed, and updates are routinely provided to Ford Otosan Leaders and the Risk Committee.

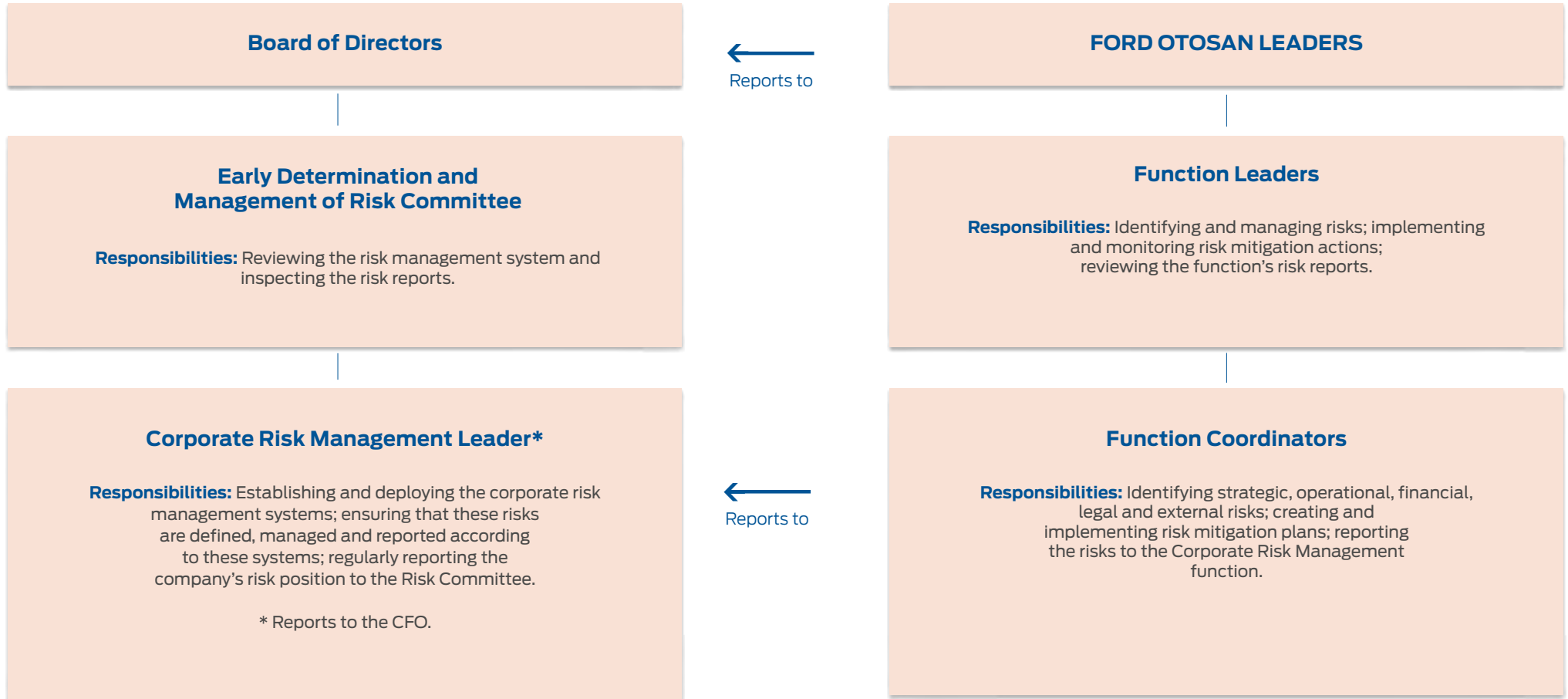
As part of our risk management framework, established in accordance with the ISO 31000 Risk Management standard and incorporating emerging long-term risks, we systematically identify risks, conduct root cause and impact analyses, determine controls, and implement actions to mitigate both impact and likelihood. Risks are assessed using the Impact and Probability Table, a 5x5 matrix, along with the Impact Intensity Measurement Table. Similarly, opportunities are identified alongside their financial impacts, with necessary actions taken for implementation and reported to the Early Detection and Management of Risk Committee. To enhance monitoring and safeguard corporate memory, we utilize risk management software to track risks and opportunities more effectively.

In 2024, we conducted 11 hours of risk management training, including business continuity planning, to promote a strong risk culture and raise awareness across the company. Additionally, we reinforced our corporate risk management framework through risk review meetings with departments and senior management, where we demonstrated its application in practice.

Impact and Probability Table

		IMPACT (ETKİ)					
		Insignificant 1 (Önemsiz 1)	Impact Minor 2 (Etki Küçük 2)	Moderate 3 (Orta 3)	Major 4 (Major 4)	Catastrophic 5 (Feci 5)	
POSSIBILITY (OLASILIK)	Almost Certain (Neredeyse Kesin) 5	M	H	E	E	E	L: Low Risk (Düşük Risk)
	Likely (Olması Muhtemel) 4	M	H	H	E	E	M: Moderate Risk (Orta Risk)
	Possible (Olabilir) 3	L	M	H	H	E	H: High Risk (Yüksek Risk)
	Unlikely (Muhtemel Olmayan) 2	L	M	M	H	H	E: Extreme Risk
	Rare (Neredeyse İmkansız) 1	L	L	L	M	M	(Aşırı Yüksek Risk)

Risk and Opportunity Management



Risk and Opportunity Management

Throughout 2024, we held regular meetings with senior department managers and leaders to assess risks across various areas, including supply chain risks—covering financial risks, domestic and international suppliers, domestic dealers, and Ford Trucks overseas dealers. Additionally, we reviewed cybersecurity, human resources (including occupational health and safety risks), regulatory, legal, and compliance risks, as well as sustainability risks, such as the depletion of natural resources. These meetings also evaluated the effectiveness of risk mitigation measures and identified potential opportunities. Furthermore, we provided the Committee with updates on the company’s earthquake preparedness efforts and the progress of Business Continuity Plans. In 2024, we introduced the departmental Operational Risk Review process, conducted in collaboration with departments, Internal Audit, and Internal Control under the leadership of Corporate Risk Management. Departments were informed about this process and its implementation.

We closely monitor supply chain risks under four main categories: delivery, capacity, quality, and financial, and report our findings to the Early Detection and Management of Risk Committee. Depending on the severity of a risk, we request suppliers to take swift action to mitigate its impact. As part of this approach, we conduct earthquake risk analyses for critical suppliers and encourage them to implement remedial measures based on the results. Similar earthquake analyses and mitigation processes are also carried out for our domestic dealers.

Since 2013, we have provided regular training on Business Continuity Plans (BCP) to ensure the continuity of critical processes until normal operations are restored following a disruption. We continually update these plans and assess their effectiveness through internal tests and drills conducted across our three locations. In the 2024 process audit conducted by our Internal Audit team, our Business Continuity process received the highest rating of 1 = Good. Beyond BCP, we introduced the Normalization Plan (NP) in 2024, outlining the steps to be followed in response to risks

and designing the relevant processes accordingly. As of 2025, we plan to execute BCP and NP processes simultaneously as part of our annual review cycle. Additionally, we regularly assess natural disaster risks through dedicated workshops at our three sites, actively monitoring risk mitigation actions. To further safeguard the company against natural disasters, we maintain coverage through both local and Ford global insurance within defined policy limits.

As we conduct our activities to support the sustainable development of society, contribute to social welfare, and prioritize the needs of future generations, we place the highest importance on environmental, social, and governance (ESG) risks. Our corporate risk management system also plays a key role in managing climate change and other ESG-related risks. Accordingly, we focus on issues such as climate change, employee engagement and development, diversity, human rights, and gender equality while simultaneously implementing risk mitigation measures. Additionally, we identify occupational health and safety (OHS) risks through

OHS committees within the framework of the ISO 45001 Occupational Health and Safety Management System. These risks are effectively managed by setting targets and programs, reviewing progress, and reporting outcomes to the Risk Committee.

In 2024, we aligned our strategic timeframes with Ford Motor Company, defining short-term as 0–5 years, medium-term as 5–10 years, and long-term as 10–15 years. We categorize risks and opportunities accordingly and integrate them into our strategic planning process.



Risk and Opportunity Management

TCFD (Task Force On Climate-Related Financial Statements) Descriptions



Core Recommendation	Description	Ford Otosan's Actions
Governance	Disclose the organization's governance around climate-related risks and opportunities.	Ford Otosan monitors TCFD risks among its material topics and regularly reviews them within the Risk Committee.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	As part of our risk management approach, we mapped our climate change risks. During the reporting period, we started a study to measure climate-related risks. Progress is reported to the Early Determination and Management of Risk Committee.
Risk management	Disclose how the organization identifies, assesses and manages climate-related risks.	Ford Otosan defines, evaluates and manages climate-related risks within the Corporate Risk Management system.
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	We set the relevant targets and performance tracking metrics.

Risk and Opportunity Management

Managing Climate-Related Risks and Opportunities

According to the [2025 Global Risks Report](#) published by the World Economic Forum (WEF), four of the ten most critical risks over the next decade are environmental. Recognizing this, we integrate climate-related risks into our corporate strategy and business plans to minimize potential impacts on our operations and value chain.

Climate-related risks and opportunities are reviewed in Sustainability Risk Meetings held six times a year, with participation from relevant functions, the Corporate Risk Management Team, and Sustainability teams. Additionally, these risks are reviewed quarterly in Internal Sustainability Committee meetings, where they are evaluated by senior management and presented by the relevant senior managers. Risks identified as High or Extremely High during these meetings are reported to the Early Identification and Management of Risk Committee six times a year through the Corporate Risk Management Team. Climate-related risks are further evaluated in the committee's quarterly meetings, where the senior leader of the relevant department

provides a presentation. Finally, the risks classified as High or Extremely High by the committee are presented to the Board of Directors three times a year.

We closely monitor resource consumption in our operational processes to identify, assess, prioritize, and track climate-related risks and opportunities. This includes detailed tracking of water, electricity, natural gas, and steam consumption, along with the associated carbon emissions at each location. Relevant data is collected and monitored by our Maintenance Strategies Leadership department. Additionally, we work with our technical teams to monitor upcoming regulations, ensuring that relevant departments are informed and can take timely action. To assess the impacts of climate change, we utilize various scenario models.

We evaluate transition risks using the IEA Sustainable Development Scenario (SDS) published by the International Energy Agency and assess physical risks through the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios from the Intergovernmental Panel on Climate Change (IPCC). These models help us anticipate future climate-related risks and develop strategies to mitigate their impact.

We classify transition risks within our supply chain as High Risk and report them, along with mitigation actions, to the Early Detection and Management of Risk Committee.

For water-related risks, we use the WRI Aqueduct tool to assess potential threats such as flooding, drought, and water stress. This tool enables us to identify high-risk areas, evaluate their potential impact on our operations, and develop targeted risk mitigation strategies.

We have determined that all our facilities in Türkiye are located in areas of high water stress, specifically within the Marmara and Sakarya basins. The Marmara Basin, where our Kocaeli and Sancaktepe facilities are located, is classified as High Risk (40–80%), while the Sakarya Basin, home to our Eskişehir facility, is categorized as Extremely High Risk

(>80%). In contrast, our Craiova facility in Romania falls into the Low Risk (<10%) category. According to the World Resources Institute (WRI) moderate scenario (above 2°C), water supply in the Gölcük and Yeniköy regions is projected to decline by approximately 20% by 2040 compared to current levels, while water demand, including domestic, industrial, irrigation, and livestock use, is expected to rise by more than 40% compared to the 2010 baseline.

As with all risks, climate-related risks are assessed and prioritized within Ford Otosan's risk management framework. Our process focuses on Extreme and High risks, for which we develop targeted action plans in collaboration with all company functions under the leadership of Corporate Risk Management.

In 2024, we disclosed the management and details of our climate-related risks and opportunities as part of the CDP Climate Change and Water Program, receiving a B score.

You can access our CDP 2024 Corporate Report [here](#).





**FUTURE. NOW
FOR TECHNOLOGY
AND INNOVATION**

Technology and Innovation

We strive to be a pioneer by integrating the rapid transformation of the global automotive and mobility industry, viewing our **R&D, innovation, and digitalization** efforts as key drivers of sustainable growth. To address evolving customer needs and enhance our competitive strength, we embrace **innovation, entrepreneurship, change management**, and **open innovation approaches**.

Guided by our vision, “**Future. Now for Technology and Innovation**”, we prioritize technology not only in our products and services but also across our organizational structure and processes.

At Ford Otosan, our R&D, innovation, and digitalization initiatives play a critical role in achieving our strategic objectives, while the policies we implement further reinforce our path toward these goals.

We meticulously plan resource allocation for R&D, innovation, and digitalization projects in alignment with our strategic priorities and sustainability commitments. **During this process, we assess the commercial viability of projects, their contribution to market competitiveness, and their long-term financial impact.**

As part of our sustainability-driven approach, we evaluate projects based on criteria such as **minimizing environmental impact, optimizing resource efficiency, and delivering long-term value**. At the same time, we prioritize initiatives that align with customer expectations and market dynamics.

We strive to make a meaningful impact in the industry by developing innovative technological solutions. In **risk and cost management**, we assess the technical and financial risks of projects and enhance cost efficiency through the optimal use of resources. As part of our strategic alignment efforts, we plan projects in accordance with our long-term objectives and prioritize those that best support these goals.

We enhance our business model with innovative and sustainable solutions to adapt to evolving global dynamics and shifting industry needs. Aligned with our strategic objectives, we continue to strengthen our **eight key focus areas in technology**, taking decisive steps to support sustainable growth in these domains.



Technology and Innovation

Our Focus Areas in Technology

Smart Mobility

We offer sustainable, integrated and user-focused products and services that cater to the changing demands and habits in freight and human transportation and can provide solutions to all mobility needs, including micro mobility.

Connected Vehicle Technologies

To provide a safer and more efficient driving experience, we offer a wide range of in- and out-of-car connectivity systems, such as navigation, smart engine systems integrated with mobile communication channels, fleet management systems, and in-car information and entertainment systems. We develop data analytics and in-car connectivity systems by integrating advanced technologies such as 5G. In all these processes, we aim to maximize customer satisfaction and trust by prioritizing data security and privacy.

Electrification

We are developing electric vehicles and building an ecosystem that supports customer-centric, digital, and connected electric vehicle solutions, incorporating various ownership models. To deliver the best possible electric vehicle experience, we consider the transformation of our dealer network, the unique requirements of electric commercial vehicles, and the development of charging infrastructure and networks.

Customer Experience in Automotive

As vehicle technologies advance and online communication channels become more prevalent, customer expectations regarding vehicle ownership and usage continue to evolve. In response, we are committed to implementing innovative approaches to enhance the customer experience.

Autonomous Technologies

We strive to create safe and efficient driving experiences through autonomous vehicle technologies. By leveraging advanced sensors, AI-driven decision-making systems, and autonomous control mechanisms, we enhance vehicle reliability. Throughout this process, we integrate data security and communication technologies to maximize customer satisfaction and road safety.

Industry 4.0

At Ford Otosan, we are transforming our production processes to become more competitive and flexible through smart and efficient manufacturing, material management, planning, and logistics systems. To achieve this, we integrate key technologies such as the Internet of Things (IoT), Smart Factories, Cyber-Physical Systems, and the Industrial Internet of Things (IIoT).

Generative AI

We are also committed to leveraging artificial intelligence to advance our sustainability and innovation goals. From smart assistants powered by generative AI to energy consumption forecasting and predictive maintenance using machine learning, we aim to harness AI technologies effectively across multiple areas.

Sustainability

Committed to our sustainability perspective, we strive to reduce the negative impacts on both society and nature.

Through **Circular Economy**, we aim to reduce the environmental impacts of our products, use raw materials with low environmental impact, create recyclable designs, and offer second life opportunities to products. We increase resource efficiency and contribute to our sustainability goals through traceability with digital product passports.

Advancing toward our goal of **Reducing Our Carbon Footprint**, we work on energy efficient systems and low emission powertrains, increase the use of renewable energy by optimizing our production processes, and continuously monitor the environmental impacts of our products and processes with advanced life cycle assessment methods.

In line with our **Alternative Fuel Vehicles (Hydrogen Studies)** approach, we develop application areas for various alternative fuel vehicle technologies such as electric, hybrid and fuel cell vehicles. We also aim to increase the performance and range of hydrogen vehicles, reduce their costs, and thus offer environmentally friendly mobility solutions.

Guided by our **Lightweighting** approach, we work on structural integration techniques by using lightweight and durable materials in our vehicles, thus aiming to reduce emissions.

R&D Management

We carefully manage our R&D management processes in line with the requirements specified in Law No. 5746 on Support for Research, Development and Design Activities and related regulations. This process ensures legal compliance while also allowing us to focus on developing innovative and sustainable solutions in line with our strategic and sustainability goals.

At Ford Otosan, we boast the most established and comprehensive R&D competence in the Turkish automotive industry.

As a leading product development center with the global Ford organization, we carry out our activities and R&D projects within the scope of product programs. In 2024, our total R&D expenditure regarding various product development projects amounted to TL 9,268 million before capitalization and TL 6,170 million TL after capitalization.



Ford Otosan boasts the capability to design, develop and test a vehicle end-to-end, including the engine and engine systems, supported by a strong infrastructure. We lead the industry by bringing our advanced engineering know-how and technological competencies to our R&D activities. We operate with three R&D Centers and METU Technocity Office, registered by the Turkish **Ministry of Industry and Technology**.

Sancaktepe R&D Center

- Center of excellence for trucks and their diesel engines
- Türkiye's first Virtual Reality Lab (CAVE)
- Embedded Systems and Software Development Laboratory (HIL)
- Design Studio

Gölcük R&D Center

- Engine and vehicle tests
- Development workshops

Eskişehir R&D Center

- Prototype engine production and testing, transmission tests
- The only facility in Türkiye for testing 13-liter engines
- Türkiye's largest vehicle test track

ODTÜ Technocity

- Development of cybersecurity, functional safety, software, connected vehicle technologies, electric operation and autonomous driving systems.

With **2,381 R&D employees** across four centers as of 2024, we operate a globally leading, competitive and competent R&D organization in commercial vehicles.

R&D Management

We owe our success to the global expertise and innovative approach of our R&D team. To support their continuous growth, we regularly offer training and development programs. Details on the technical training provided to our R&D employees can be found in the [Learning and Development](#) section.

We are also committed to shaping the future of the automotive industry by designing our products and services responsibly and innovatively. To this end, we actively file patent applications at both national and international levels. **In 2024, we expanded our patent portfolio with 16 new registrations, including 9 national and 7 international patents.**

R&D Project Planning and Approval Process

Our R&D efforts focus on eight key technological areas, with an increasing emphasis on **circular economy, green transformation, and product life cycle assessments**. We develop detailed roadmaps and reinforce them with national and international R&D incentive projects, participating as partners and assuming key roles.

We plan our medium- and long-term R&D projects by benchmarking them against previous years' data in alignment with our R&D center performance criteria, ensuring a structured project application process.

We assess national and international funding calls, particularly those from the European Union (EU), alongside global strategic developments, technological advancements, and industry trends. Our technical teams incorporate these insights into our application and collaboration processes.

Working in coordination with our technical teams, we conduct detailed evaluations of potential project outcomes, integrating both patentability and commercialization projections into our application processes.

Risk Management in R&D Projects

We prioritize the early detection and effective management of risks in our R&D processes.

Economic uncertainties, particularly exchange rate fluctuations and inflation, pose significant risks to project budgets. To mitigate these impacts, we plan **annual budgets with a long-term perspective, factoring in macroeconomic conditions for projects, including University-Industry collaborations.**

By managing projects through structured phases and critical milestones, we achieve our goals in a planned and efficient manner, ensuring both flexibility and sustainability in our budget planning.

EU Funded Projects

At Ford Otosan, our achievements in EU-funded projects reinforce our vision of leading the automotive industry.

As announced on the official website of **TÜBİTAK** in 2024, we are proud to be the industrial organization in Türkiye that has secured the highest amount of EU funding, with a total of **41 projects under the European Union Horizon 2020 and Horizon Europe programs**. These projects not only help us reduce environmental risks but also enable us to capitalize on new opportunities.

Our success in EU-supported projects strengthens our commitment to environmental responsibility while enhancing our ability to develop innovative technologies. This remains a key driver in our journey toward achieving net-zero emissions.

Project Titles: Eight technological focus areas.

EU Horizon Europe (Horizon Europe, 2021-2027) Program

- Participation in 21 Projects
- Euro 8.45 million funding

EU Horizon 2020 (Horizon, 2014-2020) Program

- Participation in 20 Projects
- Euro 7.73 million funding



R&D Management

Ford Tourneo/Transit Custom GSR-C

We launched the Ford Tourneo/Transit Custom GSR-C project in 2023 to comply with Level C of the EU General Safety Regulation (EU GSR) and to **increase the safety standards** of Transit vehicles. Within the scope of this project, we plan to integrate Ford BlueCruise, a level 2 autonomous driving feature, into the vehicles produced at the Yeniköy Plant.

With this feature, we can monitor driver behavior with a special camera and communicate fatigue warnings, and we aim to reduce accident rates with safer driving. In addition, we developed and integrated software that can regularly measure battery life and durability in accordance with Euro 7 regulations into the vehicles.

Within the scope of the project, we developed and tested many components, from camera modules to lens filters, from the vehicle front panel to the new generation radio and amplifier. We completed the necessary tests on the prototype vehicles for the problems we encountered and generated permanent solutions to address all the problems that emerged. We continue our work to start serial production in 2026 by completing the vehicle tests and taking all the necessary corrective actions.

Stakeholder Opinion

"We collaborate with Ford Otosan to develop advanced solutions through high-value R&D projects funded by international and national platforms, including the EU Commission and TÜBİTAK. Our focus areas include smart transportation, mobility, autonomous driving, connectivity, and remote driving/control, providing a foundation for 5G and next-generation communication technologies that will shape global technological trends. These innovative projects, born from our strategic partnership with Ford Otosan, enhance Türkiye's global R&D expertise and strengthen the competitiveness of the industry. At the same time, they drive environmental, economic, and social benefits by fostering the development of sustainable transportation solutions."

Mustafa KARAKOÇ – Access Network and R&D Director, Turkcell

Autonomous Technologies Horizon 2020 Projects

Project Title

Project Activities and Technology Outcomes

BEYOND5

Ford Otosan participates in the 54-month BEYOND5 project, coordinated by SOITEC, with 36 partners from 10 countries.




We are a partner of the BEYOND5 Project, a part of Horizon 2020, along with 36 stakeholders. This project involves **the integration of central control systems with autonomous construction trucks.**

Leveraging our learnings from NEWCONTROL, a Horizon 2020 project that we previously completed, we use 5G technology the BEYOND5 Project to achieve high-speed data transfer in communication between connected autonomous vehicles. In the NEWCONTROL Project, we had conducted foundational studies and developed innovative solutions for the automotive industry to create new control architectures for autonomous driving and advanced driver assistance systems.

In the BEYOND5 Project, after successfully completing the development of automated construction trucks, we are currently focusing on the integration of these systems into the central infrastructure management system.



R&D Management


Autonomous Technologies Horizon Europe Projects	
Project Title	Project Activities and Technology Outcomes
<p>ROADVIEW</p> <p>Ford Otosan is one of the 14 project partners of ROADVIEW, a project, coordinated by Halmstad University and planned to last 48 months and due to end in 2026.</p> 	<p>So far, most automated vehicles have been primarily trained and tested under optimal weather and road conditions with clear visibility. However, the systems must prove that they are equally reliable and accurate under any weather and road condition before they can see widespread acceptance and adoption. The challenges for automated driving systems caused by harsh weather conditions are substantial, as these affect the functioning of their key technologies and their development: sensors, detection, control and system testing. There is currently a strong push globally for automated vehicles in general and toward solving harsh-weather-related challenges.</p> <p>The overall aim of ROADVIEW is to develop robust and cost-efficient in-vehicle perception and decision-making systems for connected and automated vehicles with enhanced performance under harsh weather conditions and different traffic scenarios. These include adaptive sensor fusion, early noise filtering, and digital twin technologies for collaborative infrastructure-based perception and simulation-based testing. Test vehicles are prepared to collect data under challenging environments. As more data is collected in harsh weather conditions, AI-assisted solutions will increase the accuracy of the proposed solutions and generalize the results.</p> <p>One of the key targets is to achieve communication between the vehicles and their surroundings and with each other, providing the necessary data even under difficult conditions and driving safely. The developed functions are intended to be a solution for a wide range of vehicle types by testing on both passenger vehicles and trucks.</p>
<p>HAL4SDV</p> <p>Ford Otosan is among the 61 project partners from 12 countries of 36-month HAL4SDV project, coordinated by TTTECH COMPUTERTECHNIK AG.</p>	<p>The mission of the HAL4SDV project, launched in 2024, is to advance European solutions in software-defined next-generation vehicles. By focusing on unifying software interfaces and development methodologies, HAL4SDV will enable software configuration that abstracts from vehicle hardware, paving the way for a “software-defined vehicle (SDV)” approach for both safety-critical and non-safety-critical applications in future vehicles.</p> <p>Safety-related platform extensions will address issues such as real-time performance, scheduling, mixed-criticality applications and shared memory access. Ford Otosan aims to contribute to the requirements for the Advanced Driver Assistance Systems (ADAS) feature and a hardware-independent software layer. We will also support the HAL4SDV project by testing the ADAS feature on a planned truck.</p>



As an active participant in World Economic Forum’s (WEF) Autonomous Vehicles Working Group, we contribute to the development of autonomous vehicle technologies.



R&D Management

Connected Vehicle Technologies Horizon Europe Projects	
Project Title	Project Activities and Technology Outcomes
<p>HICONNECT</p> <p>Ford Otosan is part of a consortium of 61 partners from 15 countries for the three-year HICONNECTS project, coordinated by NXP SEMICONDUCTORS GMBH.</p> <div>  </div>	<p>Launched in 2023, the HICONNECTS (Heterogeneous Integration for Connectivity and Sustainability) Project focuses on developing next-generation electronic components and systems through heterogeneous integration (HI) core technologies. These solutions enhance energy efficiency and high-performance wireless/wired cloud and edge computing, as well as automotive radar, supporting the evolution of next-generation radio frequency and IT technologies. The overarching goal of HICONNECTS is to address major societal and industrial challenges by advancing HI core technologies for wireless/wired cloud and edge computing and automotive radar. The project tackles two critical roadblocks in state-of-the-art technology: the transmission of Internet of Things (IoT) data over IT networks and the detection and sensing of objects for Highly Automated Driving (HAD). By applying these technologies to key sectors such as automotive and smart city applications, the project supports advancements in new sensor systems, IoT chips, and machine and vehicle control systems.</p> <p>At Ford Otosan, we aim to enhance our expertise through joint R&D activities with industry stakeholders as part of the ongoing digitalization of manufacturing in the era of “Dark Factories.” Through this project, we seek to optimize our production processes by integrating advanced mobility technologies into our vehicles while addressing production disruptions, system failures, and quality improvements. Within the project scope, we are working towards achieving fully autonomous smart production with the highest quality and efficiency standards. To achieve this, we plan to develop high-resolution radar detection systems and implement high-performance artificial intelligence (AI) algorithms. We contribute to the project by providing the Operation Technology-Information Technology connection in the press workshop at the Gölcük Plant, storage in big data environments, and preparing the speed optimization module with artificial intelligence algorithms. We create a digital twin by integrating the prepared optimization algorithm into the real-time system.</p>



R&D Management

Generative AI

Our vision is to lead the industry by harnessing the power of artificial intelligence (AI) to contribute to a more sustainable and safer future. At Ford Otosan, we strive to enhance operational efficiency and develop **customer-centric, innovative solutions by leveraging AI and machine learning (ML)** to strengthen business decision-making. We aim to integrate AI effectively across various domains, from intelligent assistants powered by generative AI to energy consumption forecasting and predictive maintenance driven by machine learning.

Ford Trucks Connected Vehicles Predictive Failure and Maintenance Project

Through the Ford Trucks Connected Vehicles Predictive Failure and Maintenance Project, we aim to **anticipate and prevent vehicle failures before they occur**. By applying AI and ML algorithms to Big Data collected from connected vehicles, we process real-time vehicle data to detect potential failures in advance. With this project, we aim to maximize vehicle uptime for Ford Trucks and ensure customer satisfaction. In addition, thanks to early detection of failures, we resolve failures before they grow and significantly reduce warranty costs. With the early detection of failures, we also prevent costs such as vehicle towing and roadside assistance operations and carbon emissions. To date, we prevented nearly 1,000 vehicles from being stranded on the road, **saved over USD 1 million in warranty costs**, shortened the service time of over 25 thousand hours for our customers and prevented more than 60 tons of carbon emissions.

Artificial Intelligence Horizon Europe Projects

Project Title

Project Activities and Technology Outcomes

FLEXIndustries

Ford Otosan is part of 34 partners from nine countries for the 48-month FLEXIndustries project, coordinated by RINA CONSULTING SPA.



FLEXIndustries is one of our Horizon projects, designed to implement the most effective energy efficiency measures and process flexibility methods for energy-intensive industries worldwide. Through this initiative, we aim to develop a Dynamic Energy and Process Management Platform, powered by multi-level decision-making intelligence, to enhance the adaptability and efficiency of industrial operations. As part of the project, we are developing an AI-assisted digital twin for the paint shop line—the most energy-intensive area at the Ford Otosan Gölcük Plant. Additionally, we are integrating solar panel-powered charging solutions and a **Battery Energy Storage System (BESS)** to optimize the charging process for electric vehicles.

Detailed information is provided under the [Product Sustainability](#) section.

More project information on Circular Economy, Carbon Footprint Reduction, Alternative Fuel Vehicles (Hydrogen Studies) and Lightweighting studies is provided under the [Product Sustainability](#) section of this report.

University Collaborations

As of 2024, eight commissioned projects continue as part of University-Industry collaborations with Ford Otosan’s own resources and Koç University, Sabancı University, METU, ITU, and Kocaeli University. These projects focus on hydrogen research, autonomous and internal combustion engine vehicle technologies, artificial intelligence studies and reducing greenhouse gas emissions.

Four projects are ongoing with Koç University, Sabancı University, and Kocaeli University within the scope of TÜBİTAK 2244 - Industrial PhD Fellowship Program.



Innovation Management

Rapid technological advancements and environmental factors necessitate a dynamic strategy management approach that prioritizes adaptability and flexibility. To respond swiftly to these changes and capitalize on emerging opportunities, we continuously review our strategies and refine them with **innovative approaches**. We integrate innovation management into our operations through close collaboration with our Growth and Smart Mobility Team, ensuring strategic alignment from development to implementation. By systematically analyzing environmental factors, we assess their impact on our business processes and ensure their strategic compatibility with our long-term objectives. In 2024, we enhanced our workflow and governance structure by establishing our Growth Strategies Team to drive sustainable growth and long-term success.

When designing our innovation strategies, we apply a two-stage evaluation process. In the first stage, we evaluate **global factors**, which include international trade balances, global technological trends, macroeconomic developments, global political and regulatory changes, and total market assessments. In the second stage, we analyze our company's **business area and environmental factors**. This stage involves macroeconomic data from Europe and Türkiye, total market information, profitability analyses, innovative technologies, socio-political developments, and Ford Otosan's dynamics. This comprehensive, two-stage approach ensures that our strategies remain aligned at both global and local levels.

In 2025, we initiated a major transformation in production planning and optimization through the implementation of Quantum Computing technology and became **the first automotive manufacturer globally to be accepted to the World Economic Forum's (WEF) Quantum Application Hub**.

Electrification Initiatives

At Ford Otosan, we are committed to rapidly adapting to the electrification trends shaping the automotive and mobility industry. Our electrification efforts serve as a key pillar of our sustainability strategy, reinforcing our focus on environmental impact and carbon reduction. We are making significant investments in the development, production, and commercialization of electric and hybrid vehicles. To strengthen our competitive advantage in the electric vehicle market, we are modernizing our production facilities through technological transformation. Our electrification initiatives are further enhanced by strategic investments, innovative approaches, and industry collaborations, allowing us to diversify our product portfolio while advancing sustainable mobility solutions.

Startup Ecosystem

Since 2016, we have been running the **Ford Otosan Innovation Program** to foster a culture of innovation across our organization and encourage stakeholders to systematically create value.

Throughout our innovation and intrapreneurship processes, we provide idea owners with opportunities to test and implement solutions using **design thinking and lean startup** methodologies, ensuring a customer-centric approach to innovation.

Number of Main Campaigns	1
Number of Intrapreneurs	30
Number of Projects	9
Number of Projects Implemented Internally	7
Number of Projects Commercialized to External Clients	1
Number of Projects Incorporated as a Business	1

As we shape the technologies of the future, we continue to invest in innovation projects. In 2024, we allocated a total of TL 12 million to innovation initiatives, spanning activities from innovation camps to early-stage idea development, market analyses, prototype creation, and commercialization trials.

Mini Innovation Campaign

To enhance our innovation-driven mindset and develop rapid solutions, we have launched internal campaigns across our organization. While data-driven applications were developed from production to marketing with the **“Generative AI Campaign”**, we redesigned our accessory development processes using Systematic Inventive Thinking (SIT) and Design Thinking methods within the scope of the “Accessory Ideation Campaign.” We conducted field interviews with more than 40 customers, tested their prototypes, and improved them according to their feedback. These campaigns have strengthened our internal innovation culture, fostering competitive, forward-thinking solutions.

Cost Reduction Campaign

At Ford Otosan, we strive to enhance internal collaboration while driving innovation through process improvements. To support this, we launched a cost reduction campaign, inviting employees across all departments to contribute ideas for in-car cost optimization. Guided by agile working principles, **we shaped product development initiatives based on the suggestions of our colleagues regardless of their duties and responsibilities**. Out of the 626 ideas we collected, 43 ideas with a cost reduction potential of Euro 20 or more were escalated to the jury stage, four ideas were prioritized 4 ideas after the jury evaluation, one idea was implemented.

Robust Growth Plan

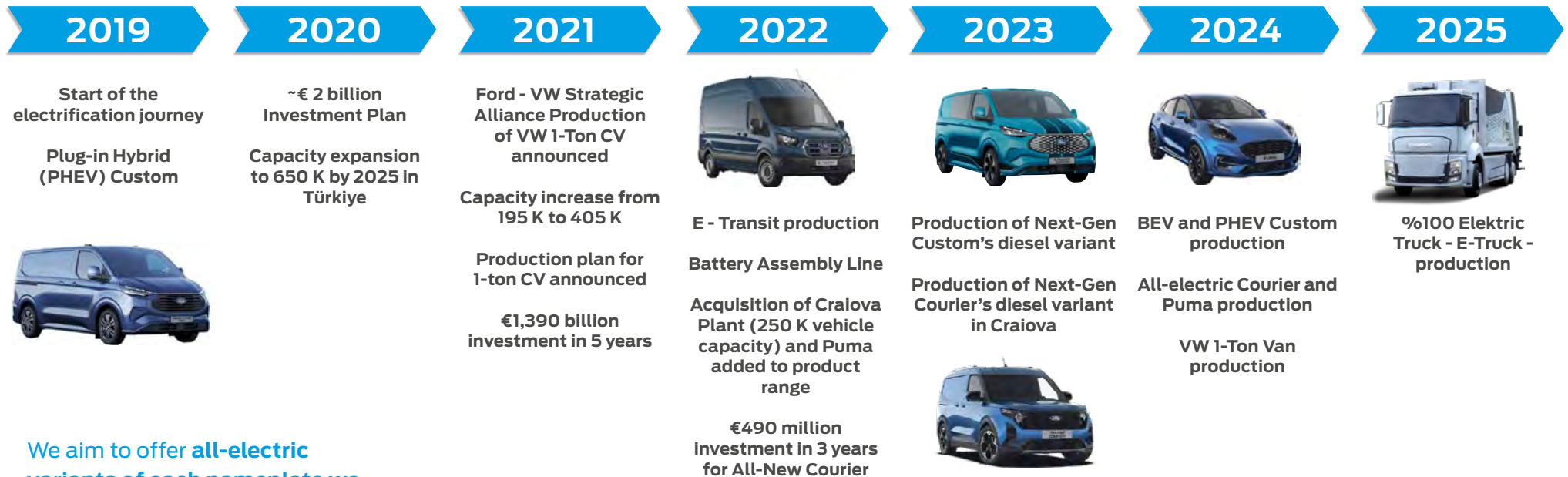
The future of mobility is driven not only by technological advancements but also by a sustainability-focused approach. As part of our strong growth strategy, we are undertaking a comprehensive transformation to better meet evolving user needs. Electrification and hydrogen technologies are at the core of the transition to a sustainable future in the

automotive industry, and Ford Otosan is actively contributing to this transformation. From 2025 onward, we will produce and offer electric variants of all our nameplates, reinforcing our commitment to zero-emission mobility. Additionally, we continue to develop innovative hydrogen projects through strategic collaborations, driving the industry toward a cleaner, more sustainable future.

Please see the [Product Sustainability](#) section of this report for information about our work on electrification and hydrogen and learn more about our projects and targets.

AMBITIOUS GROWTH PLANS & ELECTRIFICATION JOURNEY

Annual production capacity increased to **934,500** units by the end of 2024.



We aim to offer **all-electric variants of each nameplate we manufacture by 2025.**

*Part of the €2 billion investment plan. As of the year it was announced.
Please [click](#) for more information.

Innovation Management

Autonomous Technologies

At Ford Otosan, our autonomous vehicle technologies provide long-term solutions not only for individual users but also for the logistics and transportation sectors. By addressing key challenges in logistics, we aim to develop safe, sustainable, and efficient transportation solutions. A key part of this vision is the **Level-4 Highway Pilot** function, which will enable driverless transportation between logistics centers outside major cities. Given the rapid rise in e-commerce-driven logistics demand, the shortage of truck drivers, increasing labor costs, and the narrow profit margins in logistics, we anticipate that Level-4 autonomous functions will have a significant impact on the global logistics market and become widely adopted by the 2030s. To support this transition, we are actively developing remote driving (tele-operation), automatic parking, and infrastructure-supported autonomous driving solutions for ports and logistics hubs, including the Level-4 Highway Pilot function, at our R&D centers.

In addition to fully autonomous functions, we continue to advance Level-1 and Level-2 driver assistance systems, integrating them into our Ford Trucks product range in compliance with regulatory requirements and customer expectations.

Ford Trucks vehicles launched in 2024 provide our customers with a safer and more comfortable journey by offering features such as advanced emergency braking system, lane keeping assistant, adaptive cruise control (with stop-start assistant), blind spot warning system and smart speed limiting assistant.



Level-4 Highway Pilot

As part of our collaboration with ICA, we successfully conducted the first-ever Level-4 Highway Pilot test in Türkiye in 2024, using our Ford Trucks heavy commercial vehicle on a highway closed to traffic. This milestone marks a transformative step in the heavy commercial vehicle industry. Designed for highway transportation, the Level-4 Highway Pilot autonomously executes critical driving functions, including: lane keeping, speed and distance adjustment, side lane control and lane change when necessary, and stop-and-start maneuvers. The system leverages advanced technology sensors mounted on the truck unit to perceive its surroundings, plan movements, and execute driving actions seamlessly along its route. Its robust software infrastructure comprises detection, localization, environment modeling, decision-making, driving planning, and controller algorithms.

Level-4 Highway Pilot delivers significant **efficiency, safety and sustainability** advantages. While reducing the costs due to increasing demand in logistics, we deliver higher efficiency by increasing the daily vehicle uptime. We optimize operations by minimizing accidents caused by human errors and aim to reduce fuel consumption by up to 10%. At the same time, we aim to provide a solution to the logistics supply problem caused by the shortage of heavy commercial vehicle drivers.



Our Level-4 Highway Pilot technology was awarded **the first place prize** in the **“Traffic Management and Intelligent Transportation Systems”** category at the 2024 International Road Federation’s (IRF) World Congress. This achievement reinforces our leadership in innovation and technology, bringing global recognition to our advancements in transportation and traffic management solutions.

Autonomous Guided Vehicle (AGV) Technologies

Autonomous Guided Vehicles (AGVs) developed by Ford Otosan engineers are **innovative automation solutions designed to streamline material handling processes in manufacturing facilities, eliminating the need for human intervention**. By enhancing logistics operations, AGVs significantly reduce time and costs while minimizing error rates, contributing to higher operational efficiency.

The Ford Otosan AGV project delivers end-to-end logistics solutions, introducing autonomy to material movements within our plants. In 2023, we deployed 26 AGVs in Eskişehir and 100 AGVs in Yeniköy, further automating our in-plant logistics.

Building on our success in AGV technologies, we took a major step toward commercialization with the launch of **Bluepath Robotics** at the end of 2023. Emerging from an internal innovation initiative, **Bluepath Robotics became an independent company in 2024, focused on optimizing in-plant operations with autonomous guided vehicle (AGV) solutions**. Bluepath Robotics manufactures intelligent autonomous mobile robots in-house and develops core system software and image processing solutions to support these robots. More details about the award won at Corporate Startup Day 2024, organized by Fast Company, can be found in the Data Analytics and Automation section.

More information about the award we won at Corporate Startup Day 2024 organized by Fast Company with Bluepath Robotics is provided under the **Data Analytics and Automation** section.

In 2024, we expanded our AGV product portfolio, incorporating field data and market insights to introduce four new models with a customer-centric approach. Looking ahead to 2025, we aim to achieve profitability targets by continuing domestic and international customer engagements.

Additionally, in 2024, we successfully implemented 30 projects leveraging Robotic Automation.

Innovation Management

SDG Innovation Accelerator for Young Professionals

Ford Otosan participated in the UN Global Compact's (UNGC) **SDG Innovation Accelerator for Young Professionals**. In the program, young talents within participating companies are supported by industry professionals from UN Global Compact to approach sustainability issues in an innovative way. The program aims to mobilize young professionals working in companies that are members of the UN Global Compact to use the Sustainable Development Goals (SDGs) as a driving force when developing new products and services. Ford Otosan successfully completed the program with a project that aims to reduce the emissions of our vehicles during the usage phase with digital solutions and user awareness.



Synergy Mobility Innovation Program

We aim to make a positive contribution to the automotive and mobility industry with the new business models and products we will develop.

Ford Otosan launched the **Synergy Mobility Innovation Program as part of intrapreneurship** in cooperation with Otokoç Otomotiv in 2024. With this innovative program, we aim to accelerate the future of smart mobility with new business models and products in the automotive and mobility fields. Ford Otosan also plans to create sustainable business models by combining its competencies with Otokoç Otomotiv. Within the scope of the program, we aim to create synergy in the entrepreneurial ecosystem and to be a role model in cooperation by collecting innovative ideas on electrification, digitalization of mobility services and new mobility solutions.

In 2024, we successfully completed the "Ideathon" stage of the Synergy Mobility Innovation Program with 54 participants. At the event, our teams worked on electrification, digital mobility services and new business models and developed innovative solutions.

At the end of the Ideathon, 24 intrapreneurs were qualified to move to the acceleration stage. During this process, our entrepreneurs formed teams and conducted digital campaigns and field studies to verify the main problems they identified. Acting with the "build-measure-learn" cycle, the teams continuously improved their solution proposals according to the feedback they received from the field.

After the evaluation process, two standout ideas were entitled to receive grant support and proceed to the prototyping stage by mutual decision.

Driventure

In 2019, Ford Otosan established Driventure, its venture capital company, to actively engage with the startup ecosystem in Türkiye and worldwide. Through Driventure, we track emerging technologies, evaluate innovative ideas, and explore new business models and potential collaborations to stay at the forefront of industry transformation. Through Driventure, we are implementing new ideas and technologies with startups focused on autonomous vehicles, connected vehicles, automotive customer experience, smart mobility, industry 4.0, electric vehicles, and sustainability.

Increasing its contribution to the startup ecosystem every day, Driventure established partnerships with 16 startups by engaging with a total of 571 startups in 2022. In 2023, it connected with over 750 startups and established partnerships with over 30 startups. In 2024, we connected with over 1,000 startups and established partnerships with over 60 startups. As part of its commitment to advancing new technologies and business models, Driventure invested USD 700,000 in collaborative projects in 2024.



Innovation Management

In 2024, Driventure hosted the **“Future of Mobility”** event at the Rahmi Koç Museum, bringing together diverse stakeholders from the mobility ecosystem. The event featured key participants, including established automotive companies, suppliers, mobility-focused startups, entrepreneurs, investment fund representatives, and venture capital firms. With both local and international participation, attendees explored emerging industry trends, shaped the vision for future mobility, established new connections, and discussed collaboration opportunities with global leaders such as the World Economic Forum (WEF).

We hosted talks and panel sessions where many topics were discussed, **from smart cities to the future of mobility**. Additionally, we provided a platform for startups to showcase their innovative solutions, facilitating new partnerships and collaborations.

At the event, Driventure's investments in Türkiye, including **Delivers.AI**, **Optiyol** and **Saha Robotics**, as well as **Bluepath Robotics**, a Ford Otosan entity, introduced the mobility solutions they developed. Through Driventure and other strategic investments, Ford Otosan is committed to encouraging innovation, developing more active partnerships with startups, gaining insights from the market, and creating new business models.

As part of our broader innovation strategy, we actively participate in industry conferences and events, both as speakers and contributors, to shape discussions on automotive technologies and the startup ecosystem. Additionally, we support industry advancements through our involvement in the **World Economic Forum's (WEF) Autonomous Vehicles Working Group**.

Develop Your City Ankara Program

At Ford Otosan, we are committed to developing smart mobility solutions that address the evolving needs of urban populations, create connected mobility models, and enhance local ecosystems. In 2024, we launched the **“Develop Your City Ankara” startup program themed ‘Smart Transportation and Mobility Solutions’** under the joint management of Ankara Metropolitan Municipality, our corporate venture capital company Driventure and Bilkent CYBERPARK. This initiative provided entrepreneurs with a platform to engage with local administrations and the mobility sector, fostering innovation in urban transportation.

Innovative, accessible and sustainable mobility solutions competed in six main categories: public transportation, micromobility and multimodal mobility, shuttle services, commercial fleets, smart freight transportation, and municipal services. During the program, we provided technical training to entrepreneurs in sub-verticals such as electrification, connected vehicles, share models, sharing economy and autonomous vehicles. Additionally, industry experts offered mentorship support, guiding participants in refining their solutions.

The program's top three projects will receive partnership opportunities from Ankara Metropolitan Municipality, Driventure, and Ford Otosan in the incubation and prototyping stages. Bilkent CYBERPARK also extends office and communication network opportunities to the program's finalist, giving them a chance to implement their projects and test them in real conditions.



Digitalization

Through our digitalization strategies, we ensure that our company progresses toward its **digital transformation goals in a strategic, transparent, and effective manner**. Our approach prioritizes project management, data security, risk mitigation, and standardization, continuously enhancing digital transformation maturity across the organization. By implementing company-wide standards, we foster seamless collaboration between business units and ensure that digital transformation projects advance in a measurable and effective way. With the involvement of all business functions, particularly our Digital Products and Services Team, we embed digitalization approaches at every level of the organization.

Digital Transformation Strategy

By focusing on digitalization, we aim to strengthen communication throughout our value chain, increase operational efficiency, and respond swiftly to evolving consumer habits. High-tech vehicles, smart driving systems, connected vehicles, and digital customer experience applications form the foundation of this transformation in the automotive industry.

We continue our digital transformation efforts in **seven main focus areas**, with artificial intelligence at the center of all our initiatives. Additionally, we approach cybersecurity with a holistic perspective across each focus area, ensuring that emerging risks are managed effectively.

Digital Transformation Monitoring Mechanism

At Ford Otosan, we actively follow **digital transformation, digital products and services at the Board level under the Digital Products and Services organization and treat them as a strategic priority**. We present comprehensive reports on the progress of our digital projects at Board meetings. In line with these reports, we review our strategic digitalization targets annually.

We assess project-based risks and opportunities, review these processes in cases such as critical market changes, technological breakthroughs or regulatory innovations, and make our decisions quickly.

Focusing on advanced technology, we constantly update our strategies with global peer analysis studies, sector analyses and feedback, creating a competitive and sustainable structure.

Monitoring Digital KPI and Targets

Maturity Levels:

We regularly analyze our digitalization maturity levels and progress roadmaps.

Digital Product Performance:

We monitor the performance metrics of our digital products based on indicators such as user satisfaction, revenue growth and number of users.

Employee Training and Development:

We evaluate the participation rates in digital transformation training programs and the development metrics of our colleagues.

Agility and Flexibility Metrics:

We closely monitor the metrics that measure our organization’s agility level and capacity to adapt to change.

Digitalization

Key Digitalization Focus Areas

1. Connected Customer and Dealer

Regarding the connected customer, we offer personalized content and campaigns to our customers via our digital channels and introduce self-service options.

3. Connected Product

In the process of designing new products, we use the analyses, drawn from customer feedback. We build connected vehicles and focus on value-added services using the collected data. In addition to simplifying the processes and migrating them to the digital environment, we also work to centralize company data for easier access.

5. Connected Supply Chain

We connect our suppliers to our centralized data and management center to optimize our inventory orders. We also implement digitalization projects in the storage and logistics systems.

7. Cybersecurity

As part of Ford Otosan's agile transformation approach and digital journey, we constantly improve ourselves regarding cyber security to ensure that we provide all our internal and external stakeholders with safer products and services that comply with the applicable regulations and global standards.

2. Connected Manufacturing

We aggregate all available data on a single big data platform to process our IoT and production data more easily. We constantly and dynamically reprogram our production dynamically by considering all factors.

4. Connected Employees

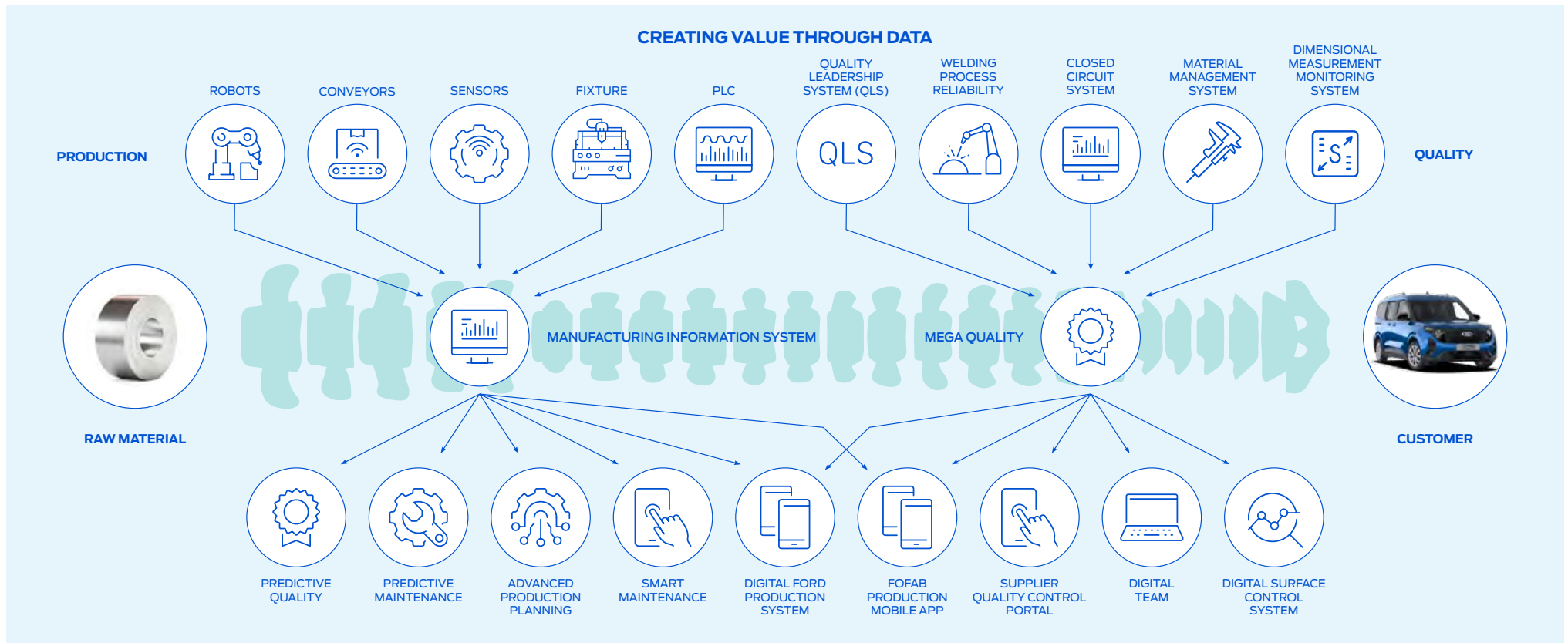
We provide the necessary infrastructure for our employees to perform their tasks in a digital work environment and on mobile platforms. We aim to increase their happiness levels and improve our retention rates by analyzing employee data. We also work to automate routine tasks with low added value so that our employees can contribute creatively, effectively and efficiently.

6. Artificial Intelligence

Ford Otosan's goal is to elevate the competencies of our colleagues by effectively implementing our data management organization and processes and to have an exemplary global data management structure by developing our data technologies. At Ford Otosan, we aim to democratize artificial intelligence and offer innovative automotive products and services that benefit society by creating our ethics manifesto.

Digitalization

The Backbone of Digitalization



Digitalization

Digitalization Practices

Homologation, Digitalization in Regulation Management

Ford Otosan adopts a pioneering approach to complying with the rapidly evolving legal and regulatory landscape. Through the detailed monitoring mechanisms we have established, we ensure full compliance with industry laws and regulations while responding swiftly and effectively to regulatory changes.

We continuously develop innovative solutions to address potential challenges, enhancing and transforming our operational processes to align with evolving requirements.

By integrating advanced technological infrastructure and optimizing process management, we reinforce our commitment to regulatory compliance. To ensure transparency and efficiency, we manage all regulatory processes through the Homologation Dashboard, a platform designed by our Homologation and Regulatory Compliance Team. This system provides real-time access to accurate regulatory information, enabling all relevant teams to stay informed and act in a timely manner. Through these efforts, we aim to maintain sustainable growth and a competitive edge while fulfilling our legal responsibilities.

More information on our compliance efforts is provided under the [Homologation, Regulation Management and Legal Obligations](#) section of our report.

Ford Tourneo/Transit Courier GSR-C Projesi

At our **Ford Otosan Craiova Plant**, we launched the Ford Tourneo/Transit Courier GSR-C project to enhance collision safety and mitigate driver distraction and fatigue, proactively working to prevent accidents. This initiative focuses on ensuring compliance with both internal combustion engine (ICE) and electric (BEV) versions under General Safety Regulation C (GSR-C) requirements. As part of the project, we are integrating 5G GSM technology into our vehicles, strengthening our engineering partnership with global Ford vehicles, and preparing an infrastructure that is future-ready for the 5G network.

Throughout the project, we have advanced component development for critical systems, including camera modules, lens filters, crime scene data collection software, camera mounting bezels, and vehicle front panels. Additionally, we are modernizing installations related to 5G GSM-compatible modems, antennas, and software updates, as well as making refinements to fuel pumps, hoses, and exhaust systems. We continue to implement Permanent Solution Actions to resolve potential issues that may arise during prototype vehicle production and testing. Serial production is scheduled to begin in 2026.

Digital Plant Project

Ongoing since 2021, the **Digital Plant Project** is designed to integrate production operators into our **next-generation manufacturing technologies and systems**. This mobile application, primarily used in assembly areas, enhances efficiency and quality in production by enabling: real-time operator-operation matching, traceability, data-driven performance tracking, paperless workflows, and right-first-time production. Through this initiative, we continue to optimize manufacturing precision and operational excellence.



Digitalization

We manage the correct task assignment processes by ensuring that operators undertake tasks customized according to vehicle features. We organize processes with an uninterrupted flow thanks to the sequential presentation of jobs. We adopt a data-based management approach by monitoring and optimizing operational processes in real time. Our system, which works fully integrated with production, ensures that operators have instant access to the necessary information while also ensuring vehicle quality.

Thanks to our **Digital Plant application**, which includes vehicle production dynamics, we have provided many positive effects to our company as a continuously developing product and achieved **TL 102 million in total gains**. In addition, in

2024, we achieved a 0.5% decrease in repair processes, a 40% decrease in process steps, a significant decrease in non-value-added times and a process time gain per vehicle. Our Digital Plant application ensures fully integrated production management in our Gölcük, Yeniköy and newly commissioned Eskişehir plants. Our operators contribute to the increase in quality and efficiency by taking an active role in vehicle production processes.

Octopus Project - Smart Warehouse and Material Movement Management Digital Product

In 2023, we developed the Octopus Application, a fully integrated logistics management system launched at the Yeniköy Plant using our internal resources. In 2024, we successfully implemented the system at the Gölcük Plant, and we are currently working on its commissioning at our Eskişehir Plant, aiming for completion in 2025. Through the Octopus Application, we **identify the dynamic part requirements for the vehicles on the line by connecting the objects, people and technologies within the factory**. This ensures that the right materials reach the right station for the right vehicle, improving efficiency in material flow and logistics processes. By integrating automatic shelf systems, the application coordinates key stakeholders, including Autonomous Guided Vehicles (AGVs) and operators, who collect sub-materials at designated stations based on real-time data. **With the Octopus Application, we are driving efficiency gains in production, quality, and logistics operations while supporting our zero-stock strategy**. In 2024, we invested Euro 400 thousand in location installations at our Yeniköy and Gölcük Plants. With the commissioning of the locations, we reduced our maintenance costs and saved **Euro 100 thousand**. At the same time, we saved Euro 50 thousand in operational costs annually with the operational automatic part call structure. We aim to increase these gains with the widespread use of our automatic parts call processes.

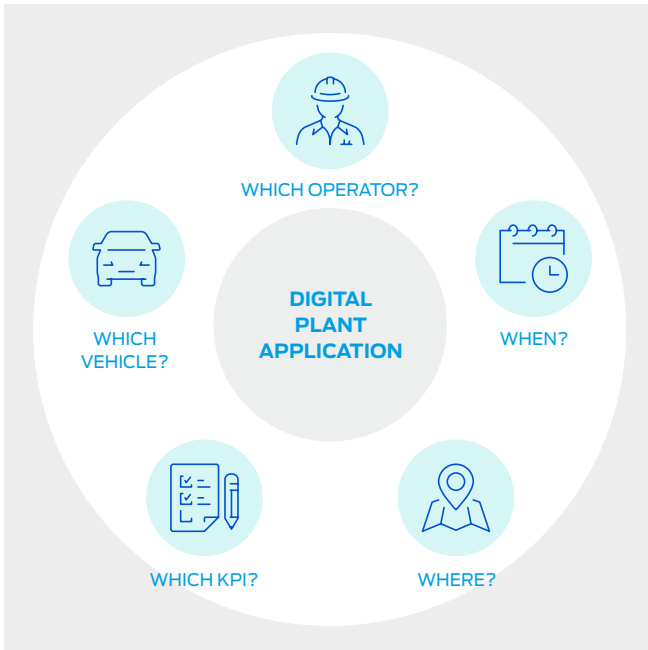
In 2024, our Octopus Project **won First Place among 138 projects in the Most Successful Ford Otosan Awards**.



Stakeholder Opinion

"Throughout 2024, we managed material movement and warehouse processes, which are vital to our operations, with a strong team spirit, seizing the opportunity to optimize these processes through industry-first digital solutions. By integrating our system with Automated Guided Vehicles (AGVs) in parts retrieval and shipment processes, we successfully enhanced efficiency through seamless teamwork. With the contributions of all stakeholders, we took significant steps toward managing the vehicle-specific parts sorting process entirely in a digital environment. This transformation not only reduced operator workload but also minimized error rates, creating a more efficient and reliable system. The expertise and dedication of each team member played a crucial role in this achievement. The collaboration and innovative approach demonstrated across these projects were recognized with an award, further reinforcing our commitment to excellence and technological advancement in logistics and material management."

Sinan PEHLİVAN
Business Analysis and Process Design Leader,
Ford Otosan



Digitalization

Technology and Customer Center

At our Technology and Customer Center, located in our Sancaktepe R&D Center, we monitor the health status of light, medium, and heavy commercial vehicles using connectivity technologies, enabling us to proactively address potential issues. By implementing our proactive solution model, we have enhanced customer satisfaction and successfully **reduced the number of customers applying to the Solution Center for complaints by 13% in 2024 compared to the previous year.**

To further enhance the digital experience, we are transitioning to paperless digital applications across our dealership network, integrating smart workshop planning functions, and enabling centralized access to all reports through the **Dealer Reporting Portal**. As part of our Workshop Form project, we are digitizing vehicle entry processes, streamlining operations, and optimizing efficiency. Through these initiatives, we aim to maximize workshop productivity, increase vehicle uptime, and eliminate the use of **two million sheets of paper** annually. Additionally, we continuously monitor the real-time status of vehicles in our authorized service network, leveraging live data to minimize waiting times through daily operational meetings.



With our On-Site Service Vehicles, we provide on-site maintenance and repair services for our fleet customers, ensuring greater efficiency and convenience. These initiatives enhance customer satisfaction through digitalization in our dealership network while also reducing environmental impact and optimizing resource efficiency.

By integrating live data tracking, we monitor every connected and unconnected vehicle entering our authorized service network, identifying which dealership and vehicle are waiting and for what purpose. We assess vehicles waiting for diagnosis, repair, or spare parts during daily meetings attended by the Solution Center, Technical Field, and Warranty experts, enabling us to take immediate action. This approach has resulted in significant reductions in vehicle waiting times at our service centers. Thanks to our proactive, agile teams, the average solution time for customers applying to the Solution Center decreased by 22% in 2024, from 7.7 days to 6.1 days. Our On-Site Service Vehicles also offer pre-scheduled maintenance and simple repair services for light and medium commercial fleet vehicles, further improving customer convenience.

With our **Vehicle Health Alert (VHA)** system, we analyze Diagnostic Trouble Codes (DTCs) from vehicles, detecting error conditions and determining appropriate responses. Based on the criticality level, we trigger one of four automated notifications, including dispatching a tow truck, sending a utility vehicle, directing the vehicle to service, or providing customer-specific action recommendations.

Our Command feature, **available through the FordPass mobile application, allows Ford vehicle owners to personalize their driving experience by remotely sending commands to their vehicles.** The “remoteStart” function enhances comfort by pre-conditioning the cabin temperature in hot or cold weather, while the “lock” and “unlock” commands offer greater flexibility and security. Additionally, the “startPanicCue” function provides rapid assistance in emergency situations, ensuring driver safety.



In 2024, we enhanced the **FordPass** mobile application with a faster, more user-friendly interface, creating an ecosystem of **over 60,000** connected Ford vehicles. By leveraging connected vehicle data, we provided simultaneous action recommendations to 8,762 Ford users regarding errors detected in their vehicles. Our advanced oil life calculation algorithm enabled us to offer maintenance recommendations to 1,210 users based on their remaining oil life estimates. The **FordPass app was chosen by 49,000 users in 2024**, reinforcing its role in delivering a smarter, more efficient driving experience. Beyond our connectivity projects, we introduced a chatbot powered by Co-Pilot AI on the Ford Türkiye website, designed to enhance the digital customer experience. This chatbot provides round-the-clock assistance, ensuring we meet the needs of all customers visiting our website 24/7.

Cybersecurity

At Ford Otosan, we proactively assess cybersecurity risks throughout our **agile transformation and digitalization journey**, recognizing cybersecurity as a fundamental pillar of all our digitalization initiatives. We continuously assess potential risks that may arise during our agile transformation journey and conduct our cybersecurity efforts in close collaboration with both internal and external stakeholders.

We secure our production networks and vehicle data transmission systems in compliance with global standards, including **ISO 21434**. By conducting **Threat Analysis and Risk Assessment (TARA)**, we identify potential cybersecurity

threats and develop proactive mitigation strategies. To enhance vehicle security, we utilize the Vehicle Security Operations Center (VSOC), which monitors security incidents and employs the Intrusion Detection and Prevention System (IDPS) to prevent cyberattacks. Additionally, we conduct **attack simulations, manual security analyses, and regular internal audits** to strengthen our risk assessments.

Our production and vehicle security activities align with UN Regulation No. 155 (Cybersecurity and Cybersecurity Management System) and No. 156 (Software Update and Software Update Management System). Through our

Operational Technologies Security Project, we continue to elevate our security maturity levels in production. In 2023, we obtained Cybersecurity Management System (CSMS) and Software Update Management System (SUMS) certifications and remain committed to securing R155/ R156 regulation approvals for each new vehicle program. By deploying our **Software Update Management System**, we ensure full compliance with current regulatory requirements while continuously refining our processes. To protect data security during software updates, we implement secure communication protocols and encryption methods, such as Transport Layer Security (TLS), during software transfers. All software files stored in the vehicle remain encrypted, and remote updates or installations at authorized service centers use secure connections and hardware-stored software keys. Our cybersecurity measures include secure flash and secure boot, ensuring software integrity during and after installation.

We also prioritize user awareness regarding software updates. Before an over-the-air (OTA) update, we display in-car messages detailing update content, estimated completion time, and required steps. During the update, users receive real-time progress updates and error/success notifications, while post-update information is provided via mobile application support, including software version history and content details. Users requiring additional assistance are encouraged to contact authorized service centers. Our cybersecurity strategies are fully aligned with our digitalization objectives.

By implementing digital solutions such as Identity and Access Management, network security, data loss prevention, and secure software development, we minimize cybersecurity risks and maintain the highest security standards across all operations.



Cybersecurity

In 2024, we implemented a range of advanced security measures to further strengthen the security of our computer networks and systems. We continued to actively use **Endpoint Protection (EPP)**, **Endpoint Threat Detection and Response (EDR)**, and **Hybrid Proxy** (Zero Trust Network Access) applications and further strengthened network security. At our Eskişehir facility, we launched a comprehensive security project that integrated Endpoint Security, Network Segmentation, Vulnerability Management, and Operational Technologies Security Policies. Additionally, we introduced advanced data leakage prevention policies and auto-labeling applications, further reinforcing data security across all digital assets.

To enhance cyber incident response efficiency, we launched the **SOAR** (Security Orchestration, Automation, and Response) project. By automating security workflows and minimizing human intervention, this initiative enables faster and more precise responses to cyber threats. With the introduction of automated security systems, our cybersecurity team has streamlined manual processes, allowing our staff to focus on strategic security initiatives and proactive threat mitigation.

We follow the Secure Product Development Process in new vehicle programs and carry out the process in 5 steps: **Cybersecurity Vulnerability Assessment, Threat Analysis and Risk Assessment (TARA), Design and Development of Cyber Security Components, Cybersecurity Component Validation Test Processes and Vehicle Level Penetration Testing.**

Cybersecurity and AI Risk Management

At Ford Otosan, we proactively identify cybersecurity risks in collaboration with all stakeholders, considering factors such as IT assets, projects, business processes, industry standards, legal regulations, applications, industrial control systems, suppliers, and emerging cybersecurity vulnerabilities both globally and in Türkiye. To ensure operational resilience, we have developed a **Disaster Recovery Master Document**, which outlines the structural framework, system procedures, and action plans to be executed in the event of a disaster. This document serves as a critical guide for maintaining business continuity and minimizing disruptions across our operations. Supporting our business continuity strategy, we have also established Business Continuity documents, which include a prioritized process table, business impact analyses, and risk mitigation strategies. As part of our annual business continuity drills, we rigorously review departmental Business Continuity Plans and their dependencies on IT systems, using the Ford Otosan Application and Infrastructure Disaster Recovery Classification Table. During our 2024 recovery drills, no significant issues were identified that could

compromise the effectiveness or relevance of our current business continuity and disaster recovery plans. These results reaffirm our readiness and resilience in the face of potential cybersecurity threats and operational disruptions.

We monitor the principles we have determined to manage cybersecurity and artificial intelligence risks through Security and Risk Management Leadership. We have established certain monitoring mechanisms to ensure compliance with these principles within the organization. We regularly perform vulnerability analysis and conduct cyberattack simulations with our third-party stakeholders. In line with the simulations and analyses we have conducted, we carry out our work to quickly close the points where security vulnerabilities arise. In addition, we periodically review and update our risks with the policies we have created on cybersecurity and artificial intelligence. With these processes, we effectively manage both cybersecurity and artificial intelligence risks and make our organization more resilient to potential threats.

To view Ford Otosan Information Security Policy please click [here](#).



Data Analytics and Automation

In our digitalization strategy, we recognize data as a critical asset for optimizing and enhancing Ford Otosan’s operational activities. We prioritize systematic and reliable data collection, ensuring that the information obtained from production line sensors serves as a fundamental building block for **process optimization, error reduction, and product quality enhancement**.

Our data analytics capabilities enable us to make informed, rapid decisions across various domains, from operational processes to strategic planning. By effectively analyzing big data sources, we optimize decision-making mechanisms and continue to create long-term value for our stakeholders.

Automation technologies play a crucial role in both production processes and supporting business functions.

With our innovation-focused projects, we accelerate processes, minimize error rates, and generate significant resource savings. By integrating AI-assisted process automation and Internet of Things (IoT) applications, we enhance operational flexibility and agility in our business processes. We view data and automation not only as technological advancements but as a strategic approach to creating value and awareness.

Through the **VECTO** process, we ensure compliance with fuel consumption regulations for vehicle sales in Europe. As vehicles reach a certain sales threshold, the VECTO robot determines fuel consumption through mathematical calculations, and the output documents are securely stored in the Digital Corporate Memory environment.

As part of the **Data Governance** project, developed in collaboration with Koç Holding, we aim to ensure accurate data storage, improved data quality, and a strong organizational data management culture while enhancing data accessibility and security.

We establish defined and responsible data structures, monitor data flows, and enable cross-source tracking. By leveraging accurate data analytics, we improve production performance, sales, and customer profitability, transforming decision-making mechanisms into data-driven systems. We also promote effective customer management, data security, and a company-wide data culture.

Through our **Data as a Service (DaaS)** approach, we integrate data from multiple sources to create a comprehensive data library, ensuring seamless access for our stakeholders and

We achieved a total of TL 100 million in annual labor savings by delegating 30 of our processes to robotic process automation in 2024. We also achieved an annual cost savings of Euro 653 thousand by migrating robotic operations to cloud technology in 2024.

business teams. To support this data-driven transformation, we have implemented 21 different APIs, automating business processes to reduce effort and eliminate errors. Under the DaaS framework, we digitized the spare parts pricing process, replacing manual calculations with automated systems that enhance accuracy and efficiency. This initiative has enabled real-time, per-part data access, as well as streamlined sales and risk tracking.

With our data monitoring platforms, we provide real-time visualization and analysis of business processes, ensuring transparency and traceability in decision-making processes.

Data Tracking Platform Name	Description
Control Tower	It is an advanced platform that provides end-to-end traceability of all processes from order to delivery for vehicles manufactured in Ford Otosan Kocaeli plants. This system provides strategic insights for operational excellence by tracking vehicle information and critical metrics in real time.
Manufacturing	It is an information screen that provides real-time monitoring of the most critical metrics related to production processes in all production facilities of Ford Otosan. It accelerates decision-making processes and increases operational efficiency by providing valuable insights to senior management and operations teams on a daily basis.
Energy Management	It is a digital platform that allows real-time monitoring of the consumption of resources such as electricity, water, natural gas and compressed air in all Ford Otosan plants. It provides AI-assisted insights (e.g. consumption forecasting) in sustainability and energy management by performing efficiency analyses, thus maximizing the effectiveness in resource management.
Sustainability	We digitally track our emissions, waste, water, energy, HR, ethical demographics and equal opportunity metrics. As part of the risk management mechanism, we review important metrics on the data monitoring platform on a quarterly basis.

Data Analytics and Automation

Awards

IDC Future Enterprise Awards

We won two awards in the “Future Enterprise of the Year” and “Best in Future of Connectedness” categories at the IDC DX 2024 Awards. We received awards for the projects developed in data analytics, operational efficiency and cost advantage.



Corporate Startup Day

We brought home awards from Corporate Startup Day 2024 organized by Fast Company.

We won the Best Intrapreneurship Program Award with our “Synergy Mobility Innovation Program” and the Special Jury Award with our “Bluepath Robotics” brand.

Gartner Data Analytics Summit 2024

We attended the session titled “Democratization of Digital Delivery at Ford Otosan – Breaking the Rules with Data Analytics” at the Gartner Data Analytics Summit 2024. During the session, the topics of expanding the analytics vision and developing new areas of use, enhancing the analytics center of excellence model and integrated data platforms, enabling the data-driven organization, and preparing for the future were addressed in detail.



AUS SUMMITS 2024

We returned with two awards from the 7th Way of Reason in Transportation Awards at SUMMITS'24, the only international event in Türkiye in the field of Intelligent Transportation Systems (ITS). We won the Motion Technology Award with our project “Connected Vehicle Ex-Factory and Compatible with National Security Infrastructure of Türkiye” and shared the ITS Türkiye Special Award with ICA Yatırım ve İşletme A.Ş. for the development of intelligent transportation systems for autonomous vehicles.

The Hammers Awards

We won 5 awards at The Hammers Awards 2024, which recognizes the most successful marketing teams in our country; 2 Gold Hammers for the Ford Dealers Video Competition, 1 Gold Hammer for the Virtual Alin project, the first virtual influencer in the automotive industry in Türkiye, 1 Silver Hammer for the Best Social Responsibility Team My Dream Future Center, and 1 Bronze Hammer for the Ford Tourneo Courier – Eda Erdem Role Model campaign.



ITEA Excellence Award

We are proud to be recognized with the 2024 ITEA Excellence Award for our AITOC project. As part of this project, we are developing tools that contribute to process planning, the creation of factory-specific models and the design of more efficient production layouts using AI technologies in production engineering.



**FUTURE. NOW
FOR
ENVIRONMENT**

For Environment

According to the **World Economic Forum’s (WEF) 2025 Global Risks Report**, environmental risks have intensified and gained momentum in recent years, with their impacts on the global system becoming increasingly evident.

As Earth systems undergo critical changes, risks such as natural resource scarcity and pollution have grown more severe in the current decade and are now among the greatest global threats. The frequency and cost of extreme weather events are rising due to global warming, and the communities most affected by these events are often those that are socioeconomically vulnerable. As global temperature records continue to be broken year after year, pressure on ecosystems mounts.

At Ford Otosan, we identify our environmental and societal impacts through a double materiality assessment and manage these material topics under our **“Future. Now”** strategy. Guided by our responsibility to future generations, we continue to develop and implement effective solutions in the fight against climate change.

Transition to a Low-Carbon Economy

At Ford Otosan, we are working to increase the weight of greenhouse gas emissions in decision-making processes related to our operations and the evaluation of new investments. In addition to addressing emissions from our products and services, we continue to pursue our goal of becoming net zero in our activities. Aligned with our **“Future. Now”** sustainability vision, we became a signatory to the Science Based Targets initiative (SBTi) in 2022. We announced our long-term sustainability goals, which support our Net Zero# commitment and align with the objective of limiting global warming to 1.5°C, as outlined in the Paris Agreement. As we work toward these goals, we promote practices that encompass Ford Otosan’s entire value chain and prioritize collaboration with all our stakeholders, particularly our suppliers.

We actively follow, implement, and support global sustainability initiatives such as the **Task Force on Climate-related Financial Disclosures (TCFD)**. We consider TCFD-related risks as key issues and regularly review them through the Early Determination and Management of Risk Committee. As part of our risk management approach, we map our climate change risks accordingly.

Sustainability is embedded in our corporate philosophy, and we uphold our commitment through fair, transparent, and accountable management practices. As a signatory to the **UN Global Compact (UNGC)**, we manage all our business processes with the aim of contributing to the Sustainable Development Goals.

Environment and Energy Management

Ford Otosan Environment Committee and Energy Management Team operate under the oversight of senior management. Monthly Environment and Energy Committee meetings are held at our production facilities with the participation of senior plant management team members, Environment and Energy Leadership teams, and environment and energy officers assigned to represent each department. In line with the **ISO 14001** standard, we evaluate environmental and energy processes at the Board of Directors level during annual Management Review meetings, which are attended by plant managers, department managers, and environment and energy teams. During these evaluations, we review the environmental performance metrics of our production facilities—including water consumption, energy consumption, and waste amounts—as well as compliance obligations and improvement opportunities, and we establish roadmaps to guide environmental and energy initiatives at our locations.

***Net Zero:** A state in which anthropogenic greenhouse gas (GHG) emissions are balanced by removing an equivalent amount of emissions from the atmosphere within a specific timeframe.

Carbon Disclosure Project (CDP)

We have been reporting our performance to CDP (formerly the Carbon Disclosure Project) since 2018. In 2024, we received a score of **“B”** for both our Climate Change and Water Security disclosures.

We remain committed to transparently sharing our performance data while intensifying efforts to reduce our environmental footprint.

To view our CDP 2024 report, which covers our activities in 2023, please click [here](#).

Science-Based Targets initiative (SBTi)

In 2024, we updated our targets based on the revised methodology changes by SBTi for our industry. We aim to complete the verification process of our short- and long-term targets by SBTi in the first quarter of 2025.

Our short-term SBTi targets:

- We commit to reduce our Scope 1 and 2 greenhouse gas emissions by 77% by 2034, compared to the 2017 baseline, including our locations in Türkiye and Romania, and
- We commit to reduce our absolute Scope 3 greenhouse gas emissions from the use of vehicles sold by 58.8% by 2034, compared to the 2021 baseline.

Our long-term SBTi targets:

- We commit to net zero across our entire value chain by 2050.

For Environment

Our transition to low-carbon economy roadmap focuses on three key areas:

1. Analyzing the climate-related risks and opportunities and creating action plans based on the outputs.

2. Setting targets to reach the net zero emission commitment by 2050 and creating detailed targets and roadmaps by developing strategies.

3. Following the climate-focused policies and practices, starting with the European Green Deal, achieving compliance, and engaging in partnerships.

Our long-term Carbon Transition roadmap framework:

- Selling only zero-emission vehicles by: 2035 for passenger cars and light/medium commercial vehicles, and 2040 for heavy commercial vehicles.
- Achieving carbon neutrality at 300+ suppliers* and across logistics operations by 2035.

* Scope 1 and 2 emissions of our suppliers.

Ford Trucks & Iveco Cabin Development Collaboration

In 2024, Ford Trucks and Iveco continued exploring opportunities to collaborate on the development of new products and technologies for heavy commercial vehicles. The non-binding memorandum of understanding (MoU) signed to assess the potential for collaboration was extended through an additional agreement. The aim of this intended collaboration is to develop solutions that comply with the EU Direct Vision Standard and to improve aerodynamics, thereby reducing carbon emissions.

Awards

Automotive Main Industry Environment Award

We were honored with the “**Automotive Main Industry Environment Award**” in the Large-Scale Enterprise category at the Şahabettin Bilgisu Environment Awards, presented by the Kocaeli Chamber of Industry. The award recognized our environmental and sustainability projects and environmental investments aimed at carbon management.



FO&US Awards

Our FO&US (Ford Otosan & Used Storage) project, developed by the Product Sustainability, Innovation, and Maintenance teams, received the **Henry Ford Technology Award** (HFTA)—the highest technical distinction granted by Ford Motor Company. The project also earned recognition in the **Circular Economy Transition** category at the Türkiye Sustainable Business Awards, represented by Sustainability Academy.



For more information on our FO&US Project, please see [Page 117](#).

Energy Management System Project Special Jury Award

We were recognized with the **Special Jury Award** for our Energy Management System project in the Turkish Ministry of Energy and Natural Resources' “SENER 2023, Industrial Energy Efficiency Project Competition.” The award was presented during the launch of Türkiye's Energy Efficiency 2030 Strategy and the 2nd National Energy Efficiency Action Plan 2024–2030.

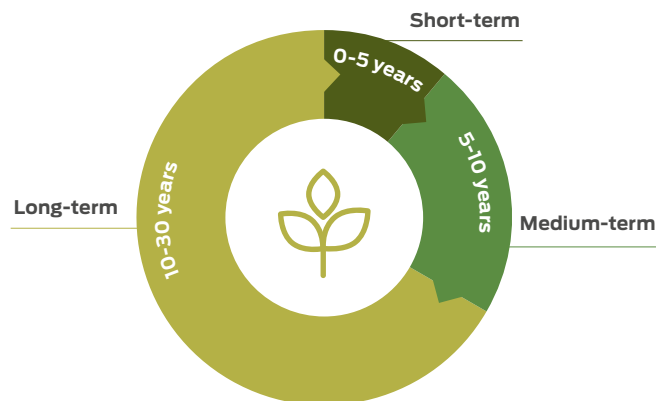


Climate Risks

We continue to identify, manage, and quantify the potential risks and opportunities brought about by climate change and implement initiatives to address them. We assess climate-related risks and opportunities that may affect our operations, products, and value chain, and we evaluate their potential short-, medium-, and long-term impacts. As with our enterprise-level corporate risks and opportunities, we manage climate risks and opportunities through the Risk Management Leadership, under the responsibility of the relevant departments, the Early Detection and Management of Risk Committee, and the Corporate Governance Committee. **We disclose our climate risk management approach and related details annually through our reporting to the CDP Climate Change and CDP Water Security programs.**

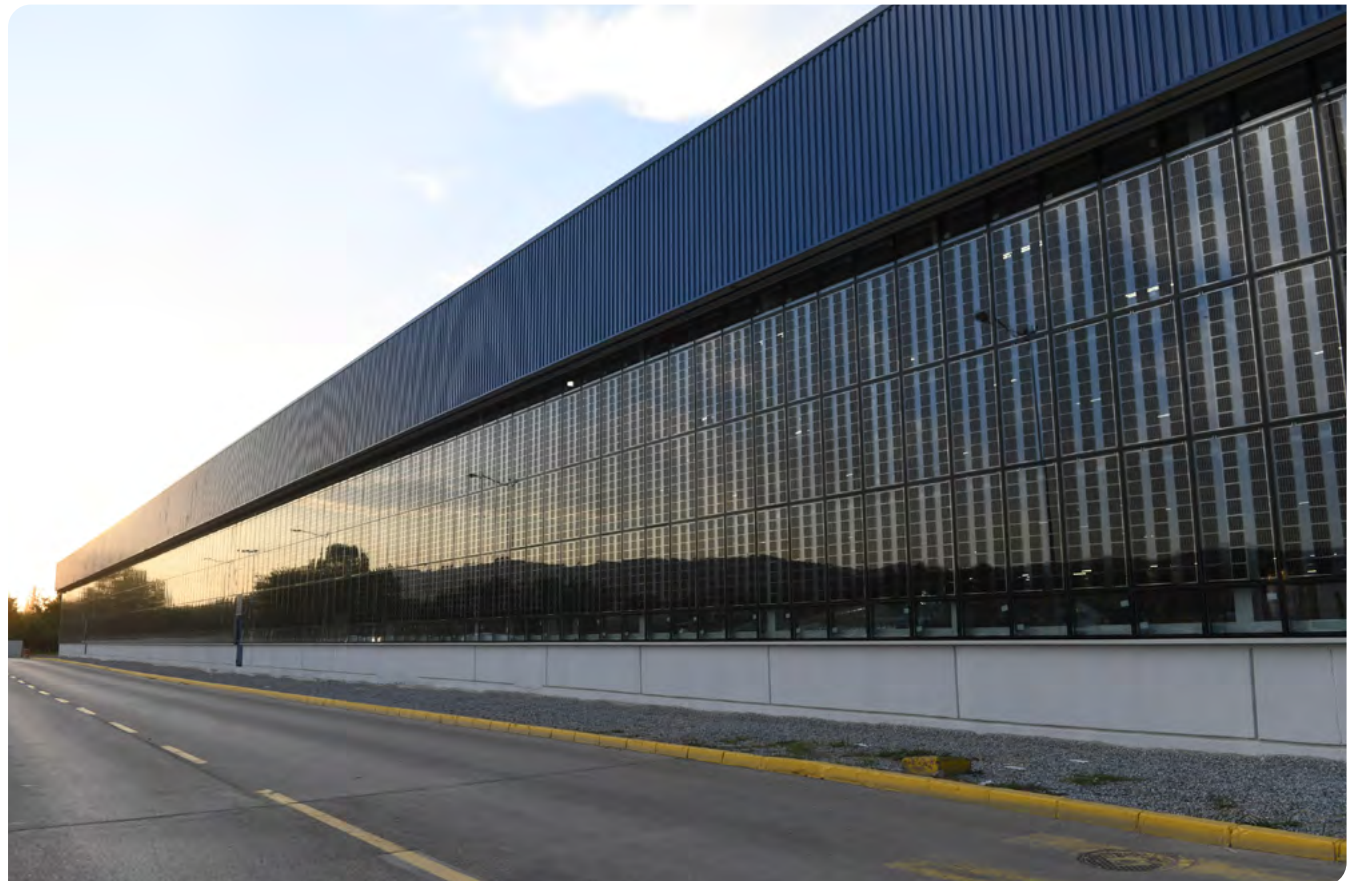
We classify climate risks and opportunities as short-term (0-5 years), medium-term (5-10 years), and long-term (10-30 years), and we develop our strategic plans accordingly.

Climate Risks and Opportunities



Ford Otosan did not accumulate or purchase any carbon credits during the reporting period. We continue our efforts to reduce our carbon footprint through R&D activities and projects at our plants.

In 2024, we conducted a **double materiality assessment** to review and update our sustainability risks and opportunities, defined in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD). More information on risks and opportunities identified in this process is provided in the **Risks and Opportunities** section.



Product Sustainability

Ford Otosan embraces a comprehensive sustainability approach to reduce the environmental impact of its products. By aligning with circular economy principles, we aim to increase the use of sustainable materials and minimize environmental impact throughout the entire product life cycle. Our goal is to design innovative products and services that drive transformation in the automotive industry and contribute to the development of smart cities of the future.

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	2024 TR + RO
Number of sustainable products and services	32,403 units
Revenues from sustainable products and services	TL 39 billion
Share of revenues from sustainable products and services in total revenues	6.6%

Our sustainable product definition is based on the European Parliament and Council’s definition.

According to the EU Regulation governing CO₂ emission standards for passenger and light commercial vehicles, a low-emission vehicle is defined as a vehicle with exhaust emissions between 0 and 50g CO₂/km.



Product Sustainability

ReCube

We leverage the **ReCube (Recycle, Reuse, Reduce) project**, which is guided by the **Design for Sustainability** principle, to **analyze the products' environmental impact throughout the raw material, manufacturing, usage and recycling processes** and continue to integrate Ford Otosan's sustainability approach into all the R&D activities in alignment with circular economy principles. Under the ReCube umbrella, we conduct environmental impact analyses by calculating greenhouse gas emissions at each stage of the product life cycle-raw material, production, use, and recycling-and identify the processes with the highest environmental impact.

Based on the analysis results, we introduce the necessary improvements. Through these efforts, we aim to ensure that our products are long-lasting, reusable, recyclable, and end-of-life products are recycled and reintroduced into the manufacturing process. More information on our ReCube activities in 2024 is provided under the **Environmental Impact-Driven R&D** section.

Using the **Life Cycle Assessment (LCA)** method, we evaluate our products' environmental impact by assessing inputs and outputs throughout their life cycle and measuring their contribution to global warming in terms of carbon dioxide equivalent. The critical points of the LCA methodology are guided by **ISO 14040 and ISO 14044 standards**. At Ford Otosan, LCA studies encompass the full life cycle of products and processes, including components, vehicles, and end-of-life (EoL) products. Results are assessed across 11 impact categories, including global warming, stratospheric ozone depletion, acidification, eutrophication, terrestrial toxicity, aquatic toxicity, human health, resource depletion, and freshwater, marine, and soil ecotoxicity.

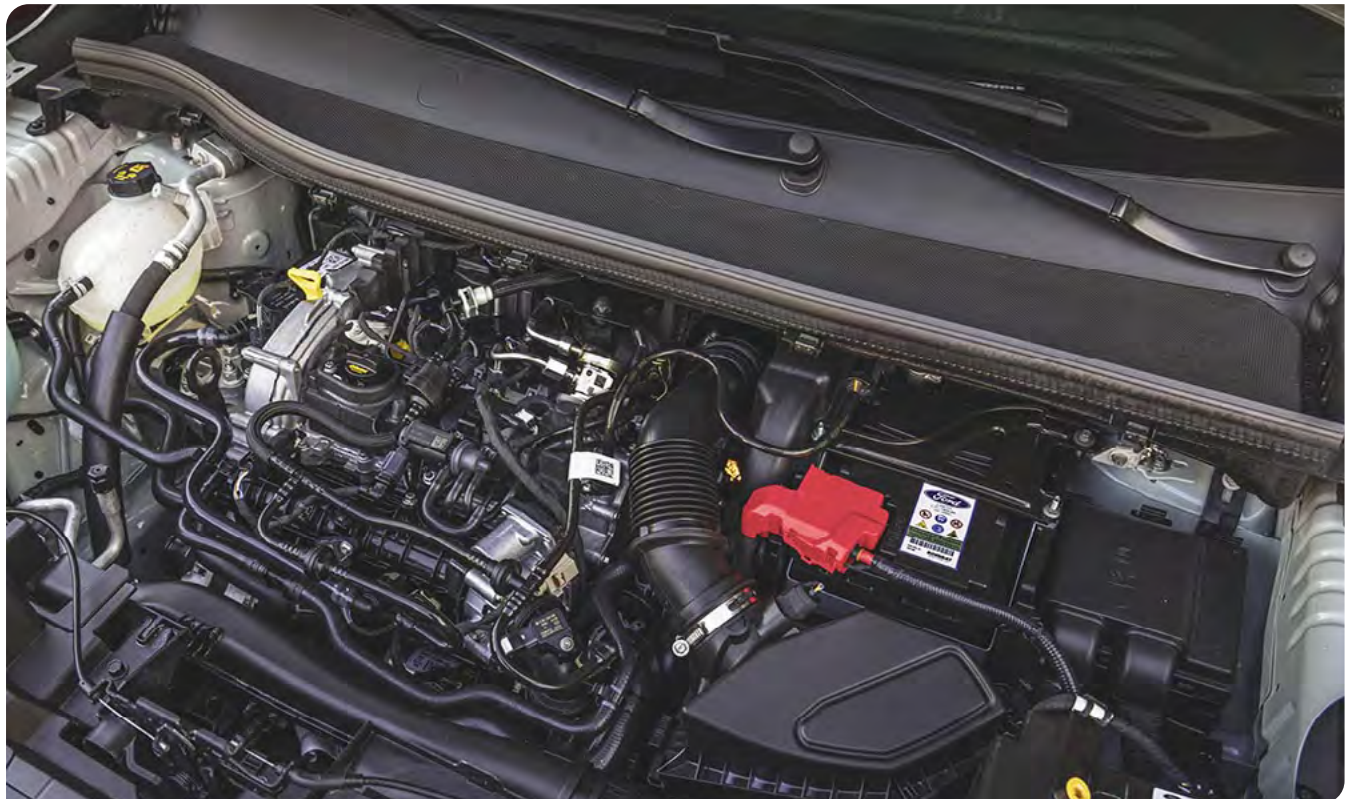
In 2024, we completed a full LCA of the battery in E-Transit, **Ford Otosan's first all-electric commercial vehicle** produced at the Kocaeli Plant, and identified key impact

areas by comparing it to an internal combustion engine (ICE) vehicle. The analyses were conducted in line with the automotive industry's scope and impact areas, and results were evaluated under the global warming potential (GWP) category, using CO₂ equivalent values.

Furthermore, we became the first company within the Ford Motor Company organization to have its LCA efforts verified by a third party. This milestone was a significant achievement not only for Ford Otosan but also across the broader Ford

Motor Company. The LCA verification of the F-MAX truck was conducted by TÜV Rheinland using reliable data, in accordance with the ISO 14040 and ISO 14044 international standards.

More information on the LCA of our F-MAX truck is provided under the **F-MAX Life Cycle Assessment Results** section in the 2023 Integrated Annual Report.



Product Sustainability

Environmental Impact-Driven R&D Studies

We prioritize the critical role of R&D in our journey toward a sustainable future. We see R&D not only as a driver of technological innovation but also as a key enabler of our environmental responsibility. Through R&D, we contribute to our long-term sustainability goals by piloting projects that support the transition to electric and alternative fuel vehicles, increasing resource efficiency through solutions grounded in circular economy principles, improving waste management, and reducing dependency on critical raw materials. **By enabling the sustainable recovery and reuse of critical raw materials and batteries, we enhance our competitiveness while minimizing environmental impact.**

As part of our R&D strategy, we focus on product and infrastructure development with investments in areas such as fuel optimization, carbon emission reduction, development of connected and autonomous vehicles, electric vehicle production, electrification, and lightweight vehicle technologies. EU-funded programs such as Horizon 2020 and Horizon Europe make significant contributions to our sustainability efforts. **These projects also allow us to apply the Design for Sustainability principle to analyze the environmental impact of our products in detail—from raw material sourcing to production, usage, and recycling stages.**

We will continue to apply for new projects under the Horizon Europe framework program, which runs through 2027. In line with the European Emission Trading System (ETS), we implement multiple R&D projects focused on reducing fuel consumption and integrating alternative fuels, to comply with both draft and existing legislation that imposes legal restrictions and financial constraints on vehicle carbon emissions.

We introduce scientific innovation and creative solutions to mitigate environmental risks such as emissions and resource consumption. With projects in strategic areas such as alternative fuel technologies, battery development, and hydrogen technologies, we continue to improve energy efficiency, reduce carbon emissions, and move closer to our environmental sustainability targets. These initiatives enable us to minimize our environmental footprint while delivering innovative, sustainable, and competitive products to our customers.

Remanufacturing practices play a significant role in reducing greenhouse gas emissions and minimizing waste generation, helping to lower environmental pollution. As part of Ford Otosan's journey toward its net zero emissions target, we support suppliers and manufacturers in contributing to the circular economy and delivering environmentally friendly, cost-effective products to end users.

Our Warranty Cost Reduction Leadership manages 31 different remanufacturing projects for both passenger and commercial vehicles. In these projects, components such as automatic transmissions, turbochargers, alternators, exhaust silencers, and steering systems stand out for their cost efficiency and environmental impact. Through our remanufacturing practices, we restore the quality of products to original levels while implementing continuous improvements to increase customer satisfaction.

To date, the remanufacturing method has enabled the reintegration of 56 different parts into the vehicle life cycle for both passenger and commercial vehicles. In 2024 alone, these efforts reduced our total carbon footprint by more than 300 tons and generated cost savings of TL 436 million.

We aim to use recycled and renewable resources in the design, engineering and production processes of our vehicles.

Ford Otosan signed the **European Automobile Manufacturers' Association's (ACEA) 'Transition to zero-emission mobility' statement** in 2022, demonstrating its commitment to transitioning to non-fossil fuel technologies in the heavy commercial fleet by 2040 and reducing its carbon footprint to zero by 2050 in compliance with the "Green Deal" strategy of the European Union.

In compliance with the European Union's **Euro 7 Heavy-Duty Vehicle Emission Regulation**, we are developing innovative solutions under the Ford Trucks brand to reduce emissions from heavy commercial vehicles. Lightweighting is one of our key strategies for lowering emissions resulting from fuel consumption, and we aim to take this approach further by increasing the use of renewable materials in our new vehicle projects. In the heavy commercial vehicle segment, we continue testing plastic materials made from recycled and bio-based sources. In collaboration with our partner suppliers, we are also developing materials reinforced with natural fibers and additives such as jute, rice husks, and walnut shells. These projects aim to expand the use of sustainable plastics in our trucks and showcase **Ford Trucks' leadership in innovative materials and sustainable design in the heavy commercial vehicle market.**

We focus on material and color development studies for more than 10 visible and non-visible parts, totaling 15 kilograms, to create cost advantages. These efforts support our commitments in this area through annual targets and action plans, aiming to reduce the use of high-emission plastic products and transition to sustainable plastics. At the same time, we are shaping a significant roadmap to reduce environmental impacts and contribute to a more sustainable automotive industry.

Product Sustainability

Circular Economy

Circular Economy – Critical Raw Materials Horizon 2020 Projects

Project Title

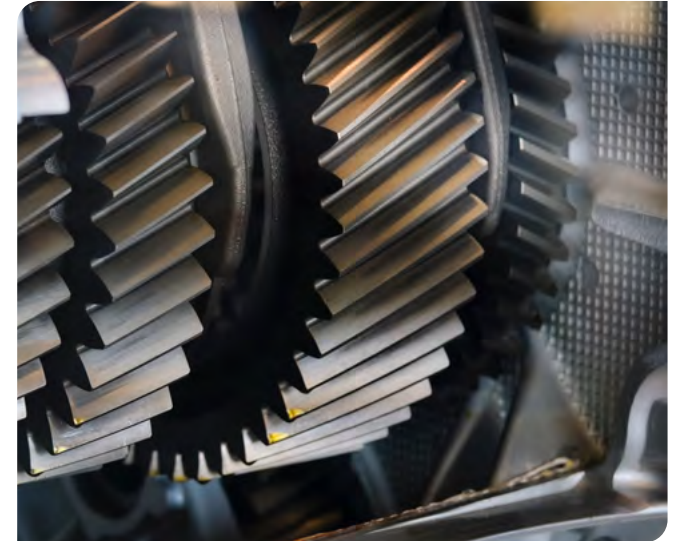
PEACOC

Ford Otosan participates in the four-year PEACOC project, coordinated by Tecnalia Research & Innovation and slated to end in 2025, with a total of 19 partners from eight European countries and Türkiye.



Project Activities and Technology Outcomes

PEACOC aims to recover gold, silver, and platinum group metals from end-of-life autocatalysts, photovoltaic panels, printed circuit boards, and electrical and electronic waste—materials that are widely available across Europe. The project focuses on applying economically and environmentally sustainable recovery methods to reintroduce these critical materials into production. As a project outcome, it is planned to recover 50 tons of precious metals annually by scaling up laboratory-level recovery technologies (TRL 5) previously identified through the innovation radar of the PLATIRUS project—another Horizon 2020 initiative in which Ford Otosan also participated—to a pre-commercial pilot scale (TRL 7). The project will be completed by the end of 2025, including an approved extension to accommodate the installation and operational needs of the pilot plant.



Product Sustainability

Circular Economy – Critical Raw Materials Horizon 2020 Projects

Project Title

Project Activities and Technology Outcomes

CRUSADE

Monolithos Katalites Ford Otosan participates in the four-year CRUSADE project, coordinated by MONOLITHOS Catalysts and Recycling Ltd and slated to end in 2028, with 19 partners from eight European countries.



The project aims to recover precious metals by recycling end-of-life automotive components. Within the scope of CRUSADE, Ford Otosan focuses on applying blockchain and machine learning technologies for automotive waste management, material tracking, and classification. The project also provides an opportunity to gain experience in verifying recycled materials in battery and Diesel Oxidation Catalysis (DOC) recycling processes. Through these efforts, we recover waste batteries and eliminate associated recycling and storage costs. We ensure that our partners fulfill their responsibilities for the reuse of recycled raw materials in the production of automotive catalysts, fuel cells, and printed circuit boards. In addition, we carry out battery performance testing and reporting, create the Life Cycle Assessment (LCA) framework, gather inventory data, establish costing models, and report the resulting analyses. As part of this task, we will define a comparative framework by analyzing academic literature and industry research related to projects similar in scope to CRUSADE. Based on this framework and international standards, we will develop life cycle models and assess them in terms of environmental impact and cost.

PERMANET

Ford Otosan participates in the four-year PERMANET project, coordinated by Técnicas Reunidas and slated to end in 2028, with 32 partners from 12 countries.



Launched in 2024, the PERMANET project aims to establish a supply and innovation network across Europe for the sustainable sourcing and recovery of permanent magnets containing rare earth elements (REEs), which are increasingly used in high-tech applications. The project seeks to reduce external dependency by meeting 24% to 48% of Europe's REE demand through recycling. It is expected to contribute to the EU's Critical Raw Materials Act (CRM Act) and ERMA targets, prevent 327,000 tons of carbon emissions by 2050, and create 11,600 new jobs. At Ford Otosan, under the leadership of our Product Sustainability Team, we contribute by examining the potential of the REE value chain in permanent magnets used in electric motors, establishing a framework for recycling processes, and ensuring REE recovery from e-motors. We also evaluate the environmental impact of the recovery process through Life Cycle Assessment (LCA) and assess the performance of new magnets produced using recovered REEs. In addition, we define automotive-specific quality and performance requirements for magnet production, conduct performance testing of the recovered magnets, and carry out LCA studies to assess the environmental impacts of the overall project. Within the framework of PERMANET's 2050 business model, we aim to strengthen partnerships and further expand a sustainable and resilient supply chain for critical raw materials.

Circular Economy - Battery Technologies

Global battery demand and advancements in battery technologies are increasing rapidly. **Demand is expected to rise from 282 GWh in 2020 to approximately 2,623 GWh by 2030.** This surge will significantly drive up the demand for raw materials, making battery production more costly and energy-intensive.¹ As a result, the need to evaluate batteries more efficiently through second-life applications-such as reuse and remanufacturing-has become increasingly important. The EU's goal of reducing greenhouse gas emissions by 55% by 2030 makes the widespread adoption of e-mobility and energy storage systems essential. Additionally, batteries must be designed to be more sustainable, durable, and safe throughout their entire life cycle, in line with the European Green Deal.

We are closely monitoring the EU Battery Regulation (EU 2023/1542), published in July 2023. To ensure compliance, we have assessed its regulatory requirements and submitted feedback to align Türkiye's Waste Batteries and Accumulators Control (APAK) Regulation accordingly. As part of the carbon footprint calculation and disclosure requirements under the Battery Regulation, **we conducted a Life Cycle Assessment (LCA) for the battery used in our Ford E-Transit-the first all-electric commercial vehicle produced in Türkiye-and identified the key hotspots impacting the carbon footprint of our batteries at the cell, module, and pack levels.**

(1)(2023). Assessing Offshore Wind System Integration - Hansson ve Niileksela

Product Sustainability

FO&US Project

In line with our sustainability goals, we launched our intrapreneurship project **FO&US (Establishing an Energy Storage System from Second Life Electric Vehicle Batteries)** on the Talent-Up platform in 2022. The objective of the FO&US project as the first of the second-life storage projects of Ford Otosan and Ford Motor Company facilities, is to recycle waste batteries in a way to contribute to circular economy. Our goal is **to develop and reuse an Energy Storage System (ESS) using green scrap from production, creating a holistic value chain for electric vehicle batteries.** The FO&US ESS was designed using 18 battery strings from Ford E-Transit commercial vehicle produced in Gölcük, with a total energy capacity of 142.2 kWh. The system is configured to optimize energy costs by charging with low-cost electricity from the grid. In terms of safety, the system incorporates advanced features such as fire-retardant materials, a fire extinguishing system, and gas detectors. We successfully completed the first version of the project in 2023 and held the press launch in 2024.

Stakeholder Opinion

"At Ford Otosan, I had the opportunity to lead the FO&US project, which transforms waste batteries into energy storage systems—a tangible example of our efforts to build a circular business model from design through post-use. As a result, I had the honor of achieving a first within the Ford world by winning the Henry Ford Technology Award (HFTA), which celebrates extraordinary innovation and engineering accomplishments among nearly 200,000 employees worldwide. Bringing this award to Türkiye was a great source of pride for me. This entire journey showed me that with exceptional effort and determination, it is possible to be recognized and valued within one of the most established and prestigious companies in the automotive industry."

Özak DURMUŞ,
Product Sustainability Leader, **Ford Otosan**

More information about our FO&US project and related activities is provided under the **Battery Technologies** section in the 2023 Integrated Annual Report.

As part of the FO&US project, we carried out key activities throughout 2024 and achieved significant gains both financially and environmentally. Following the press launch, we successfully implemented the first prototype of the project. The completion of this prototype validated the technical infrastructure of the energy storage system and laid the groundwork for future technical advancements. For more information about the awards received by the project, please refer to the **Awards** section.

The second phase of the project is currently underway, with completion planned for 2025. In this next stage, we aim to reintegrate electric vehicle batteries into the circular economy. We also plan to rebrand FO&US with a unique name and officially begin commercialization under this new brand. Additionally, we intend to integrate solar panels into the system, enabling it to generate 100% green energy. We are collaborating with other Koç Group companies to develop home and mobile versions of the system.

Battery Energy Storage System Project

The Battery Energy Storage System (BESS) project, launched in 2023 in collaboration with Mutlu Akü and Sakarya Elektrik Dağıtım A.Ş. (SEDAŞ) as part of the FLEXIndustries project, aims to repurpose end-of-life electric vehicle batteries by designing a 500 kWh storage system that extends their usability through second-life applications.

In 2024, we identified the installation site and infrastructure requirements for BESS at Ford Otosan facilities and jointly developed the system's design and hardware components with our project partners. As part of the project, which is

scheduled for completion in 2026, we plan to monitor the energy market in real time using **AI-assisted electricity price forecasting**. This will enable us to optimize energy costs and improve the efficiency of energy resource usage.

Project for Assessing the Potential for Transitioning to Circular Economy

Ford Otosan regularly submits its opinions to the Project for Assessing Türkiye's Potential for Transitioning to Circular Economy (DEEP), led by the Turkish Ministry of Environment, Urbanization and Climate Change. We share our opinions on Türkiye's harmonization with the **EU Battery Regulation and the End-of-Life Vehicles Directive (ELVD)** and the actions that need to be taken for these legislations. As a member of the **TOBB Plastics Working Group**, we contribute to the efforts for identifying the recycled plastics requirements of the Turkish automotive industry and the gaps in legislation regarding waste collection and recycling.

As a member of the Automotive Manufacturers Association (OSD), we actively participate in and contribute to these efforts. We are also involved in the **"Critical Raw Materials and Strategic Materials from Domestic Resources and Waste Working Group"** and share our opinions on Türkiye's alignment with the EU Battery Passport Regulation.



Product Sustainability

Circular Economy - Battery Technologies Horizon Europe Projects

Through our participation in EU-funded projects, we contribute to the development of circular economy models for electric vehicle batteries. These projects focus on reintegrating valuable metals—such as cobalt, nickel, and manganese—found in battery cells back into the production cycle. One key innovation supported by these initiatives is the blockchain-based **Battery Passport**, which enables transparent tracking of batteries across the entire supply chain.

Stakeholder Opinion

“Minespider and Ford Otosan have partnered in a number of projects, and we truly value their approach. The team is highly professional, responsive, and committed to advancing sustainability, circularity, and transparency. Their deep understanding of their products, passion for data and circularity, and strong relationships with their

suppliers make Ford Otosan a valuable partner for us as we implement Digital Battery and Product Passports on the Minespider Platform.”

Volker KRUMPEL, Co-founder, **Mine Spider**

Project Title

BATRAW

Ford Otosan is a partner in the four-year BATRAW project, coordinated by Technological Centre LEITAT, which brings together 17 partners from seven countries and is scheduled to conclude in 2026.



Project Activities and Technology Outcomes

Launched in 2022, the BATRAW project aims to develop innovative and sustainable solutions for the recycling of electric vehicle and household batteries. The project supports the EU’s goals of reducing dependence on imported raw materials, increasing battery recycling rates, and minimizing environmental impact by fostering a circular economy. It also seeks to address key challenges in waste battery management—such as inefficient recycling processes, safety concerns, and raw material traceability—through the development of a blockchain-based traceability system and the dissemination of best practices. At Ford Otosan, our objectives within BATRAW include improving waste battery management, reducing our environmental footprint, and establishing a sustainable recycling framework alongside an efficient circular economy plan. Through this project, we also aim to gain a competitive edge in Türkiye’s emerging battery recycling market.

In 2024, we continued the design and integration of core components essential to building a battery circular economy under the BATRAW framework. We conducted a Life Cycle Assessment (LCA) to evaluate the economic and environmental performance of the process, enhance its efficiency, and make precious metal recovery more sustainable. We organized training sessions in collaboration with competent authorities to increase awareness among plant employees directly working with batteries, focusing on reuse, recycling, and circularity practices. We also carried out second-life applications and testing for electric vehicle batteries. Additionally, we supported the development of a policy inventory to identify regulatory barriers to advancing circularity in the battery sector. To ensure transparency throughout the battery value chain, we contributed to the use and development of the blockchain-based Battery Passport system, enabling comprehensive tracking of battery-related processes during the project.

RHINOCEROS




Ford Otosan is a partner in the four-year RHINOCEROS project, coordinated by Tecnalia Research & Innovation, which brings together 16 partners from nine countries and is scheduled to conclude in 2026.



The RHINOCEROS project focuses on developing a system for the reuse and recycling of end-of-life electric vehicle batteries, with an emphasis on enhancing the usability and competitiveness of recycled battery materials. As part of the project, the battery modules of Ford Otosan’s electric vehicles have been made compatible with the targeted cell types to support integration into the recycling process.

In the area of Automated Battery Disassembly, the University of Agder (UiA) introduced the first physical prototype, which includes a robotic arm system and software capable of handling battery modules—following earlier virtual development stages. This has accelerated advancements in robotic disassembly capabilities. Drawing on our extensive experience in waste battery management, Ford Otosan contributes to the project by supporting the development of recycled cell formulations and providing recommendations for safety measures during the automated disassembly process. The knowledge generated through the project’s work on Automated Battery Maintenance is expected to support Ford Otosan in the medium and long term by informing future strategies for battery maintenance and extending battery life.

Product Sustainability

Project Title	Project Activities and Technology Outcomes
<p>RECIRCULATE</p> <p>Ford Otosan is a partner in the three-year RECIRCULATE project, coordinated by Centria University of Applied Sciences, involving 11 partners from various countries. The project was launched in 2023 and is scheduled to conclude in 2026.</p> 	<p>RECIRCULATE aims to enable safe logistics and rapid analysis of batteries through an AI-assisted, fully automated robotic battery disassembly system and a blockchain-based battery passport. The project will allow battery data to be digitally traceable, facilitate the creation of a virtual battery market, and support the development of circular business models.</p> <p>As part of the RECIRCULATE project, studies have been initiated on MHEV, PHEV, and BEV batteries provided by Ford Otosan. Notable progress has been made in AI-controlled, fully automated robotic disassembly and the evaluation of batteries for secondary use. Research on second-life applications, recycling, and battery sustainability has been conducted in close coordination with the work package leader. Ford Otosan's end-of-life battery operations were used as the base case scenario for a Life Cycle Assessment (LCA), which was compared to the RECIRCULATE model. In this context, the scope, objectives, and boundary conditions of the study were defined, and the LCA report for the base case was completed and delivered under the leadership of Ford Otosan.</p>
<p>BASE</p> <p>Ford Otosan is a partner in the three-year BASE project, coordinated by Fraunhofer, involving 19 partners from twelve countries. The project began in 2024 and is scheduled to conclude in 2027.</p> 	<p>As part of the EU-funded BASE project, we are contributing to the development of the Digital Battery Passport (DBP) to enhance traceability and sustainability across battery production processes. This digital passport aims to support more efficient battery life cycle management, ultimately optimizing recycling processes. Extending battery life enables more efficient use of resources while minimizing environmental impact. The project also seeks to ensure transparency across the entire value chain by making the environmental, social, and governance (ESG) performance indicators of batteries fully traceable.</p> <p>As the automotive industry partner, Ford Otosan is conducting the project at its Sancaktepe and Gölcük facilities, in close collaboration with various EU-based companies and research institutions. As part of our role, we utilize simulation-based testing methods to optimize battery aging cycles, assess environmental impact, and evaluate the potential for reuse and recycling. By 2027, the project aims to deliver a prototype of an efficient electric vehicle platform equipped with a Digital Battery Passport.</p>
<p>iBattMan</p> <p>Aarhus Universitet tarafından koordine edilen 3 yıl sürecek ve bitiş yılı 2027 olan iBattMan projesinde Ford Otosan olarak 6 farklı ülkelerden 11 ortakla birlikte yer alıyoruz.</p> 	<p>Ford Otosan is a partner in the three-year iBattMan project, coordinated by Aarhus Universitet, involving 11 partners from six countries. The project was launched in 2024 and is scheduled to conclude in 2027.</p> <p>The iBattMan project aims to design an innovative, modular, and scalable Battery Management System (BMS) suitable for a broad range of vehicles—from small passenger vehicles to electric buses and trucks. This advanced system is being developed to enhance battery performance and reduce the total cost of ownership in electric vehicle (EV) applications. At Ford Otosan, we are leveraging this project to further strengthen our expertise in electric vehicle battery management systems. Our contributions include conducting literature reviews, analyzing data provided by project stakeholders, carrying out attribute extraction studies on sample datasets, and performing preliminary modeling of battery state-of-charge.</p>

Product Sustainability

Circular Economy - Use of Bio-Based Plastics in Products

In line with our sustainability goals, we are prioritizing the use of bio-based plastics to make our production processes more environmentally friendly. In the F-Trucks projects, we contribute to the European Green Deal targets by developing bio-based polyamide (PA) materials derived from castor oil plant waste. During this process, we ensure traceability of the waste source while carefully considering critical factors such as “food chain competition.”

We are also implementing a key innovation in the IP Cluster Bezel component. By incorporating isosorbide-based polycarbonate (PC) derived from industrial corn waste, we

have achieved a bio-based material ratio of over 50%. This advancement helps us reduce both our carbon footprint and production costs.

Additionally, by eliminating the dyeing process, we save water and energy and reduce emissions by 2.44 kg CO₂ equivalent per kilogram of material. Through these initiatives, we aim to reach our environmental sustainability targets while realizing financial gains and strengthening our position with sustainability-driven marketing advantages.



Carbon Footprint Reduction

Carbon Footprint Reduction Horizon Europe Projects

Project Title

FLEXIndustries

Ford Otosan is a partner in the four-year FLEXIndustries project, coordinated by RINA CONSULTING S.p.A., with 34 partners from nine countries. The project was launched in 2022 and is scheduled to conclude in 2026.



Project Activities and Technology Outcomes

FLEXIndustries aims to support the adoption of energy efficiency measures and process flexibility solutions for energy-intensive industries worldwide. As part of the project, we are collaborating with international partners as well as TÜBİTAK BİLGEM, Mutlu Akü, and SEDAŞ from Türkiye. At Ford Otosan, our focus is on reducing greenhouse gas emissions by increasing the share of renewable energy at our Gölcük plant and decreasing electricity and natural gas consumption. We are developing a battery energy storage system to ensure the sustainable reuse of batteries that have reached the end of their first life. In addition, we are working on AI-assisted solutions to optimize energy use by improving traceability in the paint shop—one of our most energy-intensive areas.

The objectives of the FLEXIndustries project include:

- Reducing paint shop electricity consumption by 2%
- Increasing thermal renewable energy use as a primary energy source in production by 5 times
- Generating 3.5 GWh of electricity annually (We completed the installation of a 3.68 MW photovoltaic (PV) power plant in 2024)
- Reducing CO₂ emissions by 1,818 tons
- Lowering total energy costs by 1.37%

Product Sustainability

Electrification

Our electric vehicle journey began with the production of PHEV (Plug-in Hybrid) commercial vehicles and advanced significantly with the launch of the E-Transi- Europe's most powerful all-electric van-off the production line in 2022. Following the introduction of the Courier BEV, Puma BEV, Ford E-Transit, and E-Custom, we unveiled our first 100% electric truck at the International Commercial Vehicles (IAA) exhibition. This milestone represents a significant step forward in Türkiye's electric transformation. Developed and manufactured entirely in Türkiye-from design to testing- this 100% electric truck marks Ford Otosan's entry into next-generation electrification in heavy commercial vehicles, following our success in the light and medium commercial segments. We plan to begin production of this electric truck at our Eskişehir Plant in 2025.



Electrification – Horizon 2020 Projects

Project Title

ALBATROSS

Ford Otosan is a partner in the three-year ALBATROSS project, coordinated by Yeşilova Holding A.Ş., with 21 partners from various countries. The project began in 2021 and is scheduled to conclude in 2025..



Project Activities and Technology Outcomes

The ALBATROSS project focuses on Battery Thermal Management and Cooling Method Development, Battery Aging Correlation, and Method Improvement. Its goal is to accelerate the adoption of electric vehicles by developing lightweight, safe, and environmentally friendly battery systems that offer extended range and fast-charging capabilities. By reducing fossil fuel dependency, the project aims to minimize environmental impact while making electric vehicles more accessible and cost-effective.

At Ford Otosan, our work within the project centers on the development of a high-tech battery pack designed for battery electric vehicles (BEVs) intended for urban use. This advanced battery pack is designed to help automotive original equipment manufacturers (OEMs) lower battery pack costs, enhance performance, and strengthen competitiveness. It also supports value creation through second-life applications and is built to comply with global legal requirements by reducing emissions across the entire life cycle.

Product Sustainability

Electrification - Horizon 2020 Projects

Project Title

Project Activities and Technology Outcomes

HIPE

Ford Otosan is a partner in the three-year HIPE project, coordinated by Virtual Vehicle Research GmbH, with 13 partners from seven countries. The project was launched in 2022 and is scheduled to conclude in 2025.



HIPE is part of the 2ZERO partnership, focusing on the integration of advanced power electronics and related control systems. The project aims to develop high energy-efficiency, cost-effective, modular, and integrated wide-bandgap power electronics solutions for next-generation battery electric vehicles (BEVs). It seeks to enhance in-house capabilities in power electronics design, build technical know-how for BEV programs, and establish the necessary infrastructure for producing power electronics systems internally—specifically for heavy commercial vehicles. By applying innovative power electronics design techniques, the project targets the development of a power converter prototype to be tested in a system capable of achieving up to 98% efficiency.

Upon project completion, the goal is to transition the prototype into a serial product tailored to the power and voltage requirements of electric heavy commercial vehicles slated for serial production. The resulting designs are also intended to be adaptable for both on-board systems and off-board power electronics, such as charging stations and external energy storage systems.

NextETRUCK

Ford Otosan is a partner in the three-year NextETRUCK project, coordinated by TNO and involving 17 partners from eight countries. The project was launched in 2022 and is scheduled to conclude in 2025.



With the NextETRUCK project, Ford Otosan is developing a new vehicle platform specifically for all-electric trucks with lower payloads—distinct from traditional internal combustion vehicle platforms. Our objective is to design a lightweight, efficient, and fully electric truck platform that delivers the best-in-class ratio of unladen weight to payload capacity. The project aims to support the decarbonization of vehicle fleets and demonstrate next-generation e-mobility concepts through an innovative, holistic, and cost-effective approach to zero-emission vehicles and their ecosystems. Concept and infrastructure demonstrators for fast charging are also being developed. As part of this initiative, Ford Otosan is accelerating work on the EU-funded NextETRUCK (Efficient and Low-Cost Logistics with Next-Generation Zero-Emission Electric Trucks) project to shape the future of zero-emission transportation for Ford Trucks, our global heavy commercial vehicle brand.

We are focused on designing an electric truck platform that stands out with reduced weight, advanced thermal management, and integration of an Acoustic Vehicle Alerting System (AVAS). The vehicle is being developed to meet key performance targets: 200 km of daily range for 6 months, a 10% increase in energy efficiency, a 15% improvement in thermal energy efficiency, and a 20% reduction in total cost of ownership. As part of these efforts, we have achieved a 50% weight reduction in the ladder chassis. Combined with improvements across other systems, the vehicle's unladen weight has been reduced by approximately 1,500 kg—enhancing payload capacity and reducing ownership costs. Electric vehicle technologies with a focus on energy efficiency have been selected, and enhancements to the thermal management system—critical for electric vehicles—have been implemented. As of 2024, the vehicle design phase is complete, part-level testing and supplier manufacturing have begun, and vehicle assembly is scheduled for early 2025.

The financial and environmental contributions achieved include:

- Approximately 2,000 kg of total vehicle weight reduction, enabling increased payload and reduced energy consumption
- A 10% increase in electric powertrain efficiency, lowering energy use and operating costs
- Up to 40% improvement in thermal management system efficiency, extending battery and motor life and reducing maintenance costs
- Significant reductions in operating costs through improved efficiency and lighter weight, resulting in a lower total cost of ownership
- Notable reductions in carbon emissions, supporting sustainable urban transportation
- Adoption of an aluminum platform and advanced powertrain systems specific to electric trucks—an innovation that sets a new benchmark for future electric vehicle designs

The NextETRUCK project is making a meaningful contribution to the sector by enabling urban distribution trucks to become more efficient, environmentally friendly, and cost-effective.

Product Sustainability

Electrification - Horizon 2020 Projects

Project Title

ZEV-UP

Ford Otosan is a partner in the three-year ZEV-UP project, coordinated by ERTICO and involving 17 partners from 11 countries. The project was launched in 2024 and is scheduled to conclude in 2027.



Project Activities and Technology Outcomes

The Frugal Zero-Emission Vehicles for Urban Passenger Challenge – ZEV-UP project represents a significant step toward a sustainable and innovative future of mobility. It aims to develop an affordable, user-centric, and environmentally sustainable Battery Electric Vehicle (BEV) designed for both passenger and freight transport. The ZEV-UP vehicle will be a versatile, multi-purpose solution featuring a swappable battery system—reducing user costs while improving energy efficiency and enabling greener urban transportation.

At Ford Otosan, we are leading key technical aspects of the ZEV-UP project, including defining vehicle system requirements, developing brake, suspension, and steering systems, and conducting crash safety analyses. In addition to our technical leadership, we are also serving as the project's technical coordinator, helping to shape sustainable mobility solutions for the future.

We plan to carry out full vehicle-level verification tests on our test track at the Ford Otosan Eskişehir Plant. The ZEV-UP project reflects Ford Otosan's strong commitment to innovation, sustainability, and the global transformation of mobility. Through this initiative, we are working not only to meet today's urban mobility challenges but also to anticipate and respond to the needs of tomorrow.



Product Sustainability

Alternative Fuel Vehicles (Hydrogen Studies)

The EU's Hydrogen Strategy, introduced under the European Green Deal, plays a critical role in reducing emissions from the energy sector by advancing and scaling the use of hydrogen technologies. At Ford Otosan, we are building significant expertise in hydrogen technologies, which are recognized as one of the key enablers for decarbonizing the transportation sector.

Hydrogen Internal Combustion Engine and Vehicle Development Program

As part of our Hydrogen Internal Combustion Engine and Vehicle Development Program, we are developing **zero-emission hydrogen internal combustion engine applications for F-MAX trucks**. These engines are designed to deliver performance comparable to that of diesel engines, while significantly reducing emissions. Our work includes the development of hydrogen storage systems, engine and vehicle control software, and the necessary adaptations to

the vehicle platform. In 2024, **we successfully completed the first ignition of the multi-cylinder hydrogen engine, H2-Ecotork**, which is scheduled to be commissioned in January 2032. We plan to begin vehicle testing in 2025. Through this program, we are enabling the use of our domestically developed heavy-duty commercial transmission in zero-emission vehicles and aim to reinforce the technological and supply infrastructure needed to support the transportation and industrial sectors in Türkiye.

Alternative Fuel Vehicles - Horizon 2020 Projects

Project Title

COACHYFIED

Ford Otosan participates in the four-year COACHYFIED project, coordinated by FEV Europe GmbH and slated to end in 2025, with 14 partners from various countries.



Project Activities and Technology Outcomes

The Demonstration of Fuel Cell Coaches for Regional Passenger Transport – COACHYFIED project, launched in 2021, aims to reduce CO₂ emissions by at least 50% by 2030 and achieve net zero emissions by 2050, in alignment with the targets set by the European Green Deal. The project focuses on demonstrating the feasibility of using fuel cell systems in medium- and long-distance passenger transport by developing and operating six fuel cell-powered coaches. Building on previous advancements in fuel cell (FC) and urban bus systems, COACHYFIED aims to address the more demanding requirements of coach operations, while also strengthening the European vehicle manufacturing base and the supply chain for hydrogen components. At Ford Otosan, we are contributing to the project by evaluating efficiency improvements and cost reduction opportunities through system-level optimization. We are also engaged in the development of thermal management infrastructure and control strategies, supporting the broader goal of integrating fuel cell technologies into real-world passenger transport applications.



Product Sustainability

Alternative Fuel Vehicles – Horizon 2020 Projects

Project Title

ZEFES

Vrije Universiteit Brussel
Ford Otosan participates in the 3.5-year ZEFES project, coordinated by Vrije Universiteit Brussel and slated to end in 2026, with 30 partners from 14 countries.



Project Activities and Technology Outcomes

ZEFES (Zero Emission Freight EcoSystem) supports the European Green Deal and 2ZERO partnership goals by contributing to Europe's ambition of becoming the first climate-neutral continent by 2050. The project focuses on developing Battery Electric Vehicles (BEVs) and Fuel Cell Electric Vehicles (FCEVs) for long-haul transport—an essential component of the zero-emission roadmap. ZEFES aims to prepare these vehicle platforms for serial production and ensure end-to-end integration of zero-emission solutions across the logistics ecosystem.

At Ford Otosan, we are intensifying efforts to achieve net zero emissions in our heavy commercial vehicle segment. As part of the ZEFES project, we began developing the FCEV F-MAX in 202- **the first fuel cell concept vehicle to be designed and manufactured by Ford Trucks in Türkiye**. This initiative marks a significant milestone in our pursuit of innovative, sustainable transportation solutions, while also strengthening our competencies in hydrogen technologies.

We are conducting the research and demonstration of this hydrogen-powered fuel cell electric truck, with the goal of eventually including FCEVs in our serial production roadmap. Market insights gained through the project will help guide the future integration of fuel cell vehicles into our product portfolio to support long-term net zero targets.

More information on the project activities is provided under the Hydrogen Technologies section of our 2023 Integrated Annual Report. Following development testing scheduled to begin in 2025, the F-MAX FCEV will enter demonstration trials in 2026 under real logistics conditions in the European TEN-T transportation corridor, in line with project objectives.

Ford Otosan is responsible for the development and commissioning of one F-MAX FCEV under the project. The vehicle features two fuel cells delivering 120 kW of power, a 58 kg 700-bar hydrogen storage system, and a 200 kWh battery—enabling a targeted range of 700 km. The vehicle will be tested in real-world logistics operations across Türkiye, Italy, and Austria. To achieve the targeted performance and range, we first conducted power-scaling analyses and defined the specifications for the fuel cell, battery, hydrogen storage, and electric powertrain systems. We also designed the vehicle's low- and high-voltage electrical architecture end-to-end and updated its electronic systems. In parallel, we are developing the vehicle's control software entirely in-house at Ford Otosan.

ESCALATE

Ford Otosan participates in the three-year ESCALATE project, coordinated by FEV EUROPE GMBH and slated to end in 2026, with 33 partners from 13 countries.



The ESCALATE project, launched in 2023, supports the EU's net zero target by focusing on the development and demonstration of high-efficiency powertrain systems for long-distance, zero-emission heavy-duty vehicles. The project aims to accelerate the adoption of advanced powertrain technologies and intelligent logistics solutions in commercial transportation. ESCALATE targets powertrain systems capable of delivering an 800 km range without the need for refueling or recharging, and achieving at least 500 km of daily average operation under real-world conditions. These advancements are essential to ensuring the viability of zero-emission technologies in demanding long-haul applications.

Product Sustainability

Lightweighting

Lightweighting is a key focus area for Ford Otosan in achieving its sustainability and energy efficiency goals. **Reducing vehicle weight contributes directly to lower fuel consumption, reduced emissions, and improved overall energy efficiency.** Our lightweighting strategies encompass a range of approaches, including the use of recycled materials, high-strength composites, aluminum laminates, and thermoplastic materials. We further expand the scope and application of our weight reduction initiatives through our participation in EU-funded projects.

Metal Additive Manufacturing Project, funded by the TÜBİTAK 1704 Industrial Innovation Network Mechanism (SAYEM)

The Metal Additive Manufacturing Project is part of the TÜBİTAK 1704 Industrial Innovation Network Mechanism (SAYEM) and includes 25 stakeholders under the Technology and Innovation Support Program (TEYDEB). Launched in 2021, the project consists of several sub-projects aimed at developing a nationally produced metal additive manufacturing device. At Ford Otosan, we led one of these sub-projects after confirming that the domestically developed device met the requirements of the automotive industry. Through this initiative, we enhanced Ford Otosan's internal capabilities in additive manufacturing and contributed to the competitiveness of the national device at the international level. A key objective of the project was to develop in-house design capabilities for parts suitable for metal additive manufacturing, particularly for applications where lightweighting is critical. We completed the development of a metal additive manufacturing material that can serve as a replacement for traditional cast materials. Instead of relying on aluminum and iron cast components -commonly used in the automotive sector- we conducted successful verification tests using parts produced with aluminum alloys and stainless steel materials compatible with additive

manufacturing processes. Leveraging the design flexibility of additive manufacturing, we aimed to reduce **part weight by at least 30% and enable rapid prototyping without the need for molds.** Within Ford Otosan, we carried out sample designs, material characterization tests, new part designs, and prototype testing using aluminum and stainless steel components developed through additive manufacturing techniques.

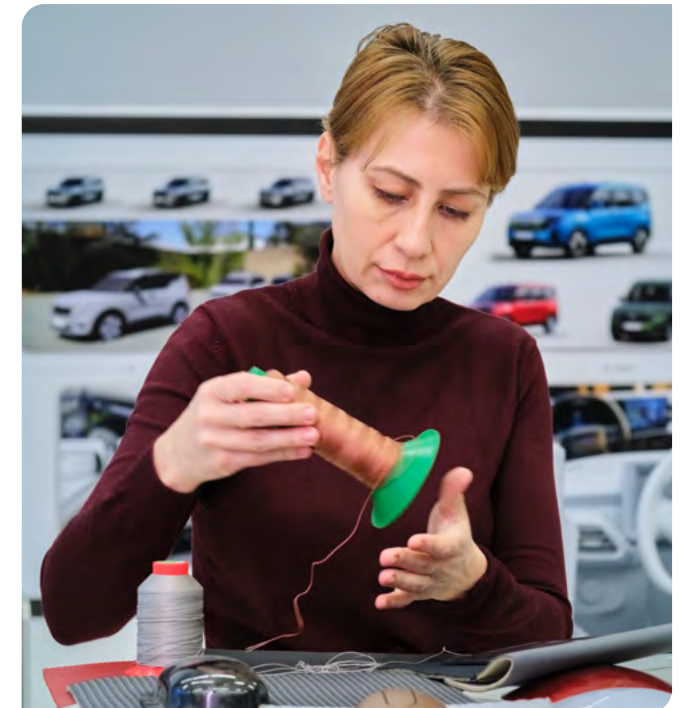
Composite Leaf Spring Project

As part of the TÜBİTAK 1501 Composite Leaf Spring Project, we are developing polymer matrix composite leaf springs to replace the conventional steel leaf springs used in heavy commercial vehicles (HCVs). The new composite design has enabled **a weight reduction of up to 200 kg per vehicle and up to 82% per part.** Following the start of integration into serial production processes in 2023, we redesigned the steel leaf springs -each weighing 90 kg- in 2024 using polymer matrix composite materials. With this redesign, we achieved **a total weight reduction of 140 kg per vehicle by reducing the weight of each leaf spring by approximately 77.8%.** This significant lightweighting enabled us to bring vehicle weight below 10 tons, making the solution especially well-suited for construction series vehicles targeting the European market.



Aluminum Suspension Bracket (H625 Lightweighting Project)

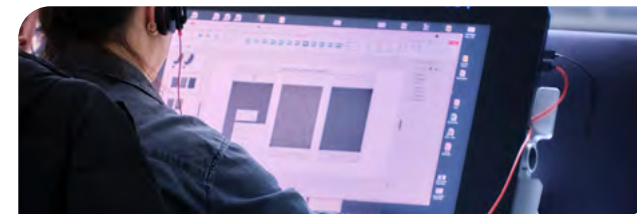
Within the scope of the TÜBİTAK 1511 Aluminum Suspension Bracket Project, we redesigned the steel suspension brackets—originally weighing 28 kg each—using aluminum materials. As a result, we reduced the weight of each bracket to 11 kg, achieving a 60.7% weight reduction per piece. This transformation resulted in **a total weight reduction of 34 kg per vehicle, leading to improved fuel efficiency and lower emissions. The project delivered both economic and environmental benefits, supporting our broader sustainability and performance goals.**



Product Sustainability

Sustainable Multi-Material Lightweight Design and Manufacturing - M-ERA.NET Project

M-ERA.NET is an EU-funded network established to coordinate and optimize funding for research programs in materials science and engineering, in alignment with the objectives of the European Green Deal. The network plays a vital role in the transformation of the European Research Area by supporting the development of sustainable materials and battery technologies. Through its focus on reducing environmental impact, increasing resource efficiency, and advancing circular economy principles, M-ERA.NET contributes to the development of innovative solutions in lightweight design and manufacturing.



Project Title	Project Activities and Technology Outcomes
<p>OPTIPUL</p> <p>Ford Otosan is a partner in the three-year OPTIPUL project, coordinated by the Luxembourg Institute of Science & Technology, with a total of three partners. The project began in July 2024 and is scheduled to conclude in 2027.</p>	<p>OPTIPUL is a TÜBİTAK 1071-supported project focused on increasing the efficiency and sustainability of composite leaf spring used in some of our commercial vehicles. Traditionally, leaf springs are manufactured by layering and compressing multiple materials in a time-consuming and complex process. OPTIPUL aims to replace this with pultrusion technology, which allows for the continuous production of glass fiber-reinforced composites at lower cost and with higher speed. The project focuses on producing composite leaf springs using variable cross-section profiles to enhance structural strength and durability while significantly reducing weight—by up to 80% compared to steel leaf springs. The planned efforts aim to produce composite leaf springs with equivalent quality while extending their lifespan by 150% compared to steel springs. Under the leadership of Ford Otosan, the project includes material selection, testing, and simulation studies. Emphasis is placed on incorporating sustainable and recyclable materials based on these test results and analyses. By reducing the overall weight of the vehicle, the project is expected to lower production costs, fuel consumption, and carbon emissions. At the conclusion of the project, the developed technology and know-how are intended to be implemented in serial production and leveraged for similar future applications.</p>

Project Title	Project Activities and Technology Outcomes
<p>MatDeMa</p> <p>Lüksemburg Bilim ve Ford Otosan participates in the three-year MatDeMa project, coordinated by MatDeMa Luxemburg Science and Technology Institute and slated to end in 2025, with four partners from three countries.</p>	<p>MatDeMa is a multi-stakeholder project, which started in 2022 and is supported by TÜBİTAK’s Research Funding Programs (ARDEB). Ford Otosan serves as the sole industrial contributor and executor, collaborating with three universities that are recognized as experts in their respective fields. The primary goal of the project is to develop sustainable and lightweight material technologies. At Ford Otosan, the objective is to create a material and production process that matches the performance of conventional steel while being 50% lighter. Another critical aim is to measure the carbon emissions associated with traditional steel production and use Life Cycle Assessment (LCA) studies to develop more sustainable alternatives. Riga Technical University led the modeling and simulation of a new production process, with Ford Otosan ensuring that the workflow aligned with serial production requirements. In parallel, we conducted in-depth LCA studies focusing on material-level emissions and supported the design of new lightweight components. As a continuation of the project, prototype production is planned to be carried out at Chemnitz University of Technology, with testing and validation to be completed at Ford Otosan.</p>

Environmental Impact of Operations

Our production processes are influenced by a wide range of environmental factors, including greenhouse gas emissions, other air pollutants, energy consumption, water and material use, and waste generation. A significant portion of our environmental footprint is also attributed to the fuel consumption and greenhouse gas emissions of the vehicles we produce over their lifecycle. We continue to invest in sustainable and innovative solutions to minimize our environmental impact through targeted environmental and innovation initiatives.

Environmental Management

We manage all our products and services across our facilities in Türkiye in compliance with the ISO 14001 Environmental Management System and ISO 50001 Energy Management System standards. To maintain these certifications, we undergo annual ISO 14001 and ISO 50001 audits.

Greenhouse gas emissions from our operations in Türkiye and Romania have been calculated up to 2024 in accordance with the ISO 14064 Greenhouse Gas Calculation and Verification Management System Standard. Our 2024 greenhouse gas emissions were calculated using the GHG Protocol, and limited assurance for the data was obtained. The assurance statement can be found on [page 393](#).

We continuously improve all our environmental processes under the framework of ISO 14001 audits. In addition to Koç Group's biennial environmental audits, we are regularly subject to both planned and unplanned inspections conducted by the Ministry of Environment, Urbanization and Climate Change, as well as other relevant institutions and authorities. Ford Otosan's Kocaeli and Eskişehir Plants fall under the scope of the "Greenhouse Gas Emissions Monitoring Regulation." As in previous years, we successfully completed MRV (Monitoring, Reporting, Verification)

inspections in 2024 and submitted our emission reports to the Ministry of Environment, Urbanization and Climate Change.

To view all the certifications we hold, please click [here](#).

To view the Ford Otosan Environment and Energy Policy, please click [here](#).

In 2024, Ford Otosan's total environmental investments and expenditures, including measurement and analysis costs, waste costs, chemical expenses, personnel expenses, certification and permit expenses, consultancy and training expenses, and maintenance and repair expenses for environmental management, amounted to TL 546 million.

Environmental Trainings

We organize trainings to increase the awareness and competence of our employees in environmental management and to disseminate the sustainability approach.



Environmental Training	2023 TR	2023 RO	2023 TR+RO	2024 TR	2024 RO	2024 TR+RO
Participants (Employees)	8,571	1,475	10,046	7,057	645	7,702
Participants (Subcontractors)	1,769	1,698	3,467	2,750	2,347	5,097

Environmental Impact of Operations

Lean Production

We successfully implement the Ford Production System (FPS), which consolidates and advances Ford Motor Company's global production systems under a single framework, with a focus on reducing waste and enhancing sustainability in manufacturing processes.

FPS applications help us progress steadily toward our sustainability goals by eliminating waste and promoting continuous improvement. Through digitalization initiatives, we also **reduce paper usage and improve vehicle quality using operator-independent error prevention systems**. Within the FPS framework, we apply lean production techniques such as target deployment, visual factory (5S), process verification, standard work, competency-based organization, and continuous improvement processes. This system enables us to align organizational goals at every level, maintain station order and process discipline, define role-specific competencies, and manage KAIZEN initiatives effectively. Guided by the principle of "doing it right the first time," FPS applications allow us to minimize environmental impacts by reducing scrap and industrial material consumption. Scrap and material consumption targets are assigned to each workgroup and disseminated organization-wide to encourage accountability and shared ownership.

At our Gölcük Plant, we continued to advance end-to-end digitalization through initiatives such as Mega Quality, Digital Factory, Digital Ford Production System, and Digital Energy Management, all of which are focused on delivering right-first-time production and enhancing customer satisfaction.

Our Yeniköy Plant is recognized for its innovative, efficient, environmentally friendly, and low-noise operational model. It also stands out for its inclusive workforce, with a high number of female employees, disabled-friendly infrastructure, employee-centered practices, and a strong emphasis on occupational safety. Spanning 255,000 m² of enclosed space, the plant features Türkiye's most highly automated

end-to-end paint shop. **We use "Sun Tracker" technology to maximize natural daylight for production area lighting and "Solar Walls" to meet heating needs using renewable energy instead of natural gas.** In 2024, we expanded the paint booth capacity in the Yeniköy Plant paint shop and increased the number of robots to 48. As a result of our efforts in 2024, we achieved an energy efficiency gain of 47,455 GJ at the Yeniköy Plant.

Our Ford Otosan Craiova Plant now supports a dual production portfolio—including both internal combustion engine (ICE) and battery electric vehicle (BEV) options—for the Puma passenger vehicles and the multi-purpose Courier commercial vehicle as of 2024.

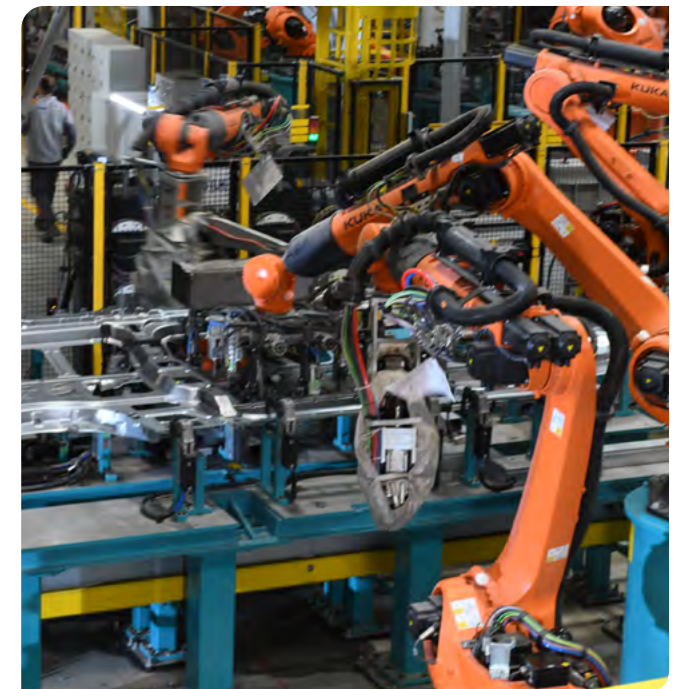
Meanwhile, at our Eskişehir Plant, we achieved a 2.3% improvement in energy consumption compared to the targeted budget in 2024, thanks to the efficiency projects we implemented throughout the year.

Energy and Emission Management

As part of our Science Based Targets initiative (SBTi) commitments, we continue to improve our production processes, enhance energy efficiency practices, and expand the use of renewable energy sources. **We are also working toward more tangible goals such as transitioning from fossil fuel-based systems to electric systems, selecting electric vehicles for our company fleet, and investing in renewable energy infrastructure.** Following the SBTi methodology update in 2024, we aim to complete the verification process of our short- and long-term targets by the first quarter of 2025, in line with the Science-Based Target Setting Guide for Land Transportation.

Our Scope 1 emissions have been verified under the MRV (Monitoring, Reporting, Verification) framework, which is part of our engagement with national and international emissions trading systems. We have also conducted greenhouse gas emission calculations to determine which

emissions can be included under the Emissions Trading System (ETS). We actively monitor carbon tax regulations and have implemented **internal carbon pricing within the company**. Working with external consultants, we assessed the financial risk implications of this internal pricing model. **For 2024, we set the internal carbon price at USD 61.3 per ton of CO₂, based on the dynamics of the previous year's EU ETS.** To strengthen climate-conscious decision-making, we are working to integrate carbon impact more visibly into investment evaluations and aim to **embed carbon pricing into our CAPEX purchasing system**. In the initial phase, this integration will focus on operational investments, with plans to expand into the supply chain and other scopes. Currently, we reflect the total cost of emissions to our suppliers through internal carbon pricing mechanisms.



Environmental Impact of Operations

Energy Consumption

To achieve our goals of increasing energy efficiency and reducing greenhouse gas emissions, we procure all of the electricity used in all of our facilities in Türkiye from 100% renewable energy sources with I-REC certification.

We have made progress in line with our energy and greenhouse gas reduction targets through energy efficiency and renewable energy projects in all of our facilities in 2024.

Energy Consumption (GJ)	2023 TR	2023 RO	2024 TR	2024 RO	2024 TR + RO
Direct Renewable Energy Consumption	0	0	0	0	0
Direct Non-Renewable Energy Consumption	1,679,004.12	656,548.08	1,606,492.89	64,140.85	1,670,633.74
Indirect Renewable Energy Consumption	1,240,909.26	398,099.15	1,297,350.36	460,216.06	1,757,566.42
Indirect Non-Renewable Energy Consumption	0	0	0	279,469.08	279,469.08
Total	2,919,913.38	1,054,647.23	2,903,843.25	803,825.99	3,707,669.24

Tracking Areas

Greenhouse Gas Emissions per Vehicle Produced (tonCO ₂ e/vehicle)		Energy Consumption per Vehicle Produced (GJ/vehicle)	
2023	0.28	2023	3.96
2024	0.26	2024	6.25

Greenhouse Gas Emissions

We calculated our emission values, for which we received limited assurance audits in the previous periods, in accordance with the GHG Protocol (Greenhouse Gas Protocol) based on the operational control approach for the first time in 2024.

Total Emissions (tCO ₂ e)	
2023	108,263,844
2024	103,235,285
Emissions by Scope (tCO ₂ e) - 2024	
Scope 1	129,507
Scope 2	31,886
Scope 3	103,073,892

Environmental Impact of Operations

Energy and GHG Emission Reduction Projects

We continue to implement a range of projects to reduce operational energy consumption and expand our renewable energy footprint. Our efforts include investments in solar walls and solar power plants across all facilities. In 2024 alone, we completed 150 energy efficiency projects, resulting in €2.86 million in savings and preventing 16,100 tons of CO₂ emissions. Looking ahead to 2025, we plan to launch additional energy efficiency initiatives. Key upcoming projects include the installation of a rooftop solar power plant at the Sancaktepe R&D Center, as well as thermal wall systems at both the Gölcük and Yeniköy plants. Across all facilities, we are targeting a minimum 10% improvement in energy efficiency.

Photovoltaic Glass Wall and Rooftop SPP:

Ford Otosan has equipped the Yeniköy Plant with pioneering innovations, including the **Photovoltaic Glass Wall**, marking a first both in Türkiye and across the Ford global network. Designed to maximize the use of sunlight for energy efficiency, solar panels installed on the roof of the Welding Workshop and the Photovoltaic Glass Wall on the workshop's front facade generate electricity from renewable energy sources for in-plant use.

The Photovoltaic Glass Wall, with an installed capacity of 83 kW_e, not only produces renewable energy but also provides **natural lighting to the work areas along the building's facade**. Combined with the 2,897 kW_e rooftop solar power plant (SPP), these systems meet approximately 3% of the plant's total energy needs through renewable sources.



Environmental Impact of Operations

We successfully completed the 10 MWe capacity phase of our Solar Power Plant project for the Eskişehir Plant in February 2025.

This investment not only represents a significant step toward meeting the plant's energy demands through renewable sources but also reinforces our commitment to environmentally responsible and sustainable production.

Land SPP Project: In line with our renewable energy targets, we launched our land-based Solar Power Plant projects in 2024, with plans to complete them by 2027. These investments are being carried out with careful consideration of evolving market conditions, aiming to optimize costs.

Yeniköy Plant Rooftop - Facade SPP Project: At the Yeniköy Plant, we will commission a rooftop and facade Solar Power Plant at the beginning of 2025. This installation is expected to generate 3.8 million kWh of electricity annually, meeting approximately 3% of the plant's electricity needs through solar energy. With this project, we aim to achieve cost savings of approximately TL 10.4 million annually.

Gölcük Assembly Workshop Thermal Wall Units Project:

At our Gölcük facility, we installed 2,600 m² of thermal wall units in the assembly building to improve energy efficiency. This project is expected to reduce natural gas consumption for space heating by 7.8%, contributing to both environmental and economic gains.

Ultrasonic Air Leak Detection Devices: In 2024, we commissioned a quadratic robot equipped with an acoustic air leak detection system and thermal cameras in the Gölcük Plant welding workshop. This system enables the identification of compressed air leaks and equipment anomalies, allowing us to combat energy losses more effectively and enhance operational efficiency.



Environmental Impact of Operations

LED Conversions: The LED lighting conversions at our Gölcük, Yeniköy, and Eskişehir Plants resulted in energy savings of 9,284 GJ.

Finished Vehicle Logistics by Ferry Project: Launched in January 2023, this initiative represents the first of its kind in Türkiye's automotive transportation sector and serves as a model for sustainable logistics. The Finished Vehicle Logistics by Ferry project was designed to address the reduced vehicle storage capacity at our Yeniköy Plant and ensure uninterrupted production. To meet this challenge, we integrated Port Yarımca and Autoport alongside Yeniköy Port, transitioning from road-based logistics to sea transport using three dedicated ferries. Each ferry shipment accommodates **70–90 vehicles** and completes the journey in just **three hours**, significantly reducing reliance on road transport, easing traffic congestion, and eliminating associated inefficiencies. This shift to maritime logistics enabled a 96% reduction in carbon emissions, delivered cost savings, and received positive recognition from government authorities for its contribution to process efficiency and environmental impact.

Stakeholder Opinion

"Throughout 2024, I had the opportunity to contribute to key renewable energy projects at Ford Otosan. During this time, we launched rooftop solar power plant (SPP) projects with a capacity of 4 MWe at our Yeniköy and Gölcük facilities, and successfully completed projects totaling 10 MWe—equivalent to the electricity consumption of our Eskişehir Plant. Managing these projects end-to-end was both a source of pride and personal fulfillment. By reducing our energy costs and carbon footprint, we made meaningful progress toward a more sustainable future. As a team, we take great pride in strengthening Ford Otosan's leadership in the automotive industry through the decisive steps we've taken in renewable energy."

Gülnur Ayşe KAYMAK
Electrical Systems Team Member, **Ford Otosan**

Block Train Project: To manage emissions from logistics and expand our sustainable transport network, we completed railway connection infrastructure works at our Ford Otosan Craiova Plant in 2024. This project aims to establish a direct railway link between our Craiova and Gölcük Plants.

More information about the project is provided in the [Purchasing and Logistics](#) section.

Ecotorq-GEN2 Regulation Transition Project: To increase our competitiveness in the European market and ensure compliance with the 2025 VECTO regulation targets, we

launched the Ecotorq-GEN2 Regulation Transition Project. As part of this initiative, we developed a new 13-liter diesel engine, which achieves a more than 11% reduction in CO₂ emissions and fuel consumption at the vehicle level. The new system incorporates a range of innovative features, including front air suspension, active ride height adjustment, mirror cameras, and an active front grille. These enhancements not only contribute to regulatory compliance but also improve overall vehicle performance and efficiency. We are continuing preparations for the installation of GEN2-compatible production lines and integration of these new systems.



Environmental Impact of Operations

Air Quality

At Ford Otosan, we take a comprehensive approach to protecting and improving air quality across our production facilities. We utilize advanced filtration systems, emission control technologies, and effective waste management practices to minimize our environmental impact. By adopting the best available environmentally friendly technologies in our production processes, we aim to reduce emissions and uphold our commitment to clean air. Beyond our facilities, we also contribute to improved air quality through the integration of eco-friendly technologies into our products, reflecting our broader commitment to sustainability.

We conduct legal emission measurements at our facilities every two years, assessing pollutants such as nitrogen oxides (NOx) and sulfur oxides (SOx). The resulting emission values are shared with all authorized authorities upon request, based on the specific pollutant types. In addition, at our Kocaeli

Plants, we continuously monitor emissions through the online monitoring system of the Turkish Ministry of Environment, Urbanization and Climate Change, using Continuous Emission Monitoring Systems (CEMS) installed at boiler outlets. In line with the **Integrated Pollution Prevention and Control (IPPC) Directive**, which governs industrial emissions within the EU, we aim to expand the implementation of best available techniques in the automotive sector—such as 3Wet paint technologies and dry scrubber systems in our paint shops. We also actively participate in ministry-led meetings to share insights and support regulatory progress.

We are also working to ensure that our heavy commercial vehicles comply with the upcoming **European Euro 7 Heavy Commercial Vehicle Exhaust Emission Regulation**. This regulation is expected to cut emissions of NOx, hydrocarbons, carbon monoxide, particulate matter (PM), and ammonia by approximately half compared to Euro 6 standards. It will also expand particle number (PN) limits to cover smaller particles and, for the first time, include greenhouse gases such as

nitrous oxide (N₂O) and methane (CH₄). The introduction of on-board monitoring (OBM) systems under Euro 7 will use NOx and PN sensors to monitor real-time exhaust emissions, ensuring compliance with emission limits throughout the vehicle's lifecycle.

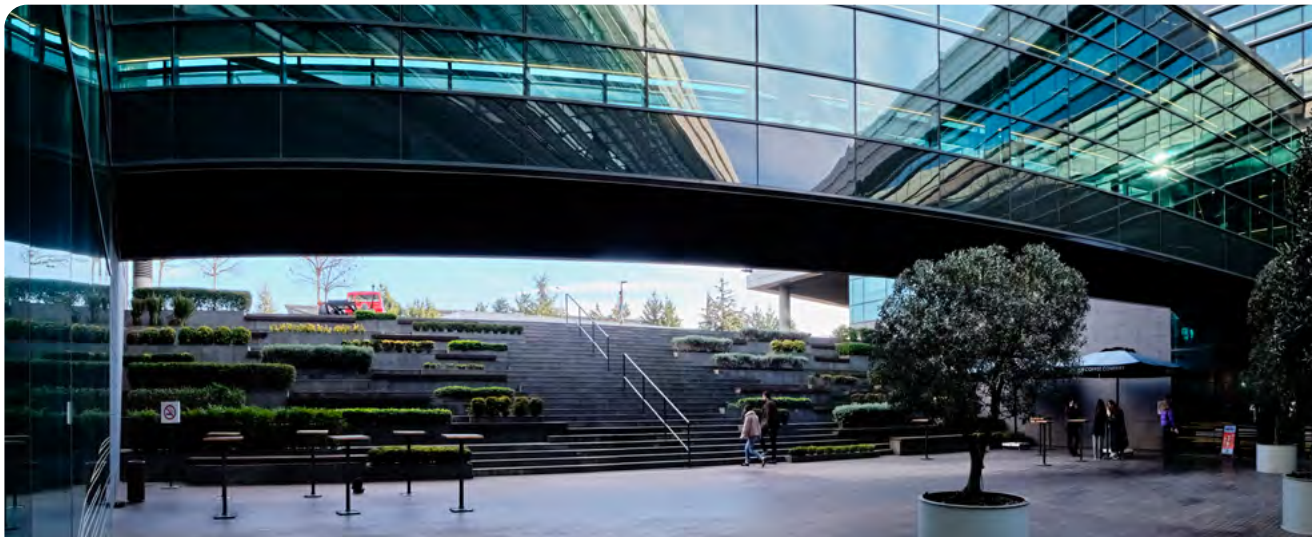
With the collaboration of our R&D and engineering teams, we continue to develop new concepts and technological innovations to meet the ambitious targets of the Euro 7 regulation.

● Ford Transit EU7 Emission Project:

To comply with the upcoming EU Euro 7 emission standards and gain a competitive edge through technological innovation, **we launched the Ford Transit EU7 Emission Project in 2024**. Conducted at our Gölcük Plant, the project focuses on significantly reducing harmful emissions, including nitrogen oxides (NOx) and particulate matter (PM). It also aims to cut brake emissions by at least 50% compared to current Euro 6 vehicles. We continue to progress toward our goal of transitioning this vehicle to serial production in 2027, with prototype testing currently underway.

● Ford Tourneo/Transit Custom EU7 Emission Project:

In parallel, **we initiated the Ford Tourneo/Transit Custom EU7 Emission Project in 2024 at our Yeniköy Plant** to ensure our 1-ton commercial vehicles meet the stringent EU Euro 7 emission regulations. This project not only targets a reduction in NOx and PM emissions, but also seeks to lower brake emissions by at least 50% below current Euro 6 levels, thereby enhancing environmental performance. The project involves comprehensive innovations across multiple systems, including the exhaust, brake, battery, and cooling systems. Significant upgrades are also being made to the powertrain, chassis, and overall vehicle architecture to further reduce emissions and boost performance. We aim to complete prototype testing and begin serial production in 2027, aligning with our commitment to cleaner and more efficient mobility solutions.



Environmental Impact of Operations

● Ford Tourneo/Transit Courier EU7 Project:

In 2024, we launched the Ford Tourneo/Transit Courier EU7 Project to comply with the EU’s Euro 7 emission regulations and to advance the development of environmentally friendly vehicles in the light commercial vehicle segment. The project is being carried out at our Ford Otosan Craiova Plant and focuses on reducing harmful emissions such as nitrogen oxides (NOx) and particulate matter (PM), including brake-related particle emissions.

As part of the project, we enhanced engine performance by incorporating larger turbochargers, and introduced comprehensive innovations in the fuel system, exhaust sensors, and vehicle calibrations. We also laid the foundation for regulatory compliance by implementing the vehicle passport application, which ensures traceability and alignment with upcoming legal frameworks. Following the completion of prototype testing, we are continuing our efforts in a structured and systematic manner, with all necessary corrective actions underway to prepare for serial production in 2027.

VOC

At Ford Otosan, we continuously explore and implement new technologies to reduce volatile organic compound (VOC) emissions across our production operations. We prioritize the selection of materials that are recyclable and have low VOC content, helping to minimize both our emissions and environmental impact.

● South Booth Interior Painting Automation Project:

As part of our ongoing **VOC reduction** efforts, we launched this project at the Ford Otosan Craiova Plant. This project involves the use of robotic systems to paint the interior surfaces of Puma and Courier vehicle bodies, significantly improving process efficiency. Through this initiative, we have achieved a VOC reduction of 2.34 g/m³.



Waste Management

According to the **UN Environment Program’s Global Waste Management Outlook 2024 Report**, the circular economy model offers a net earning potential of USD 108.5 billion per year through waste prevention, sustainable business practices, and effective waste management. This approach enhances the efficiency and environmental performance of industrial production processes.

At Ford Otosan, we conduct research and implement practices focused on waste minimization at the source, efficient resource use, and the reuse or repurposing of waste as alternative raw materials—all in alignment with the integrated waste management hierarchy. We are also actively working to reduce the amount of waste sent to landfills through a variety of projects and applications. **All our facilities in Türkiye have achieved Zero Waste Basic Certification.** We manage our waste processes in line with our Environmental and Energy Policy, fully complying with both national and international waste management regulations.

We monitor and report waste generated by our operations using platforms such as the **MOTAT (Mobile Waste Tracking System)**, the **Zero Waste Information System**, and **Waste Declaration Forms**. Hazardous waste reduction targets and reductions in landfill-bound waste are tracked by Factory Directorates and relevant departments. Waste management processes are conducted in compliance with the Waste Management Regulation, and we prioritize working with licensed recycling companies, especially those with experience in the automotive industry and a cost advantage.

All chemicals entering our facilities are checked against the Ford Restricted Substance List (RSL). Materials listed as prohibited are not permitted. Material Safety Data Sheets (MSDS) for all chemicals are obtained, logged in the relevant database, and approved by multiple departments including occupational health and safety, medical, fire safety, warehousing, and environmental units.

As we move toward the goal of “zero waste to landfills by 2030”, we are conducting various studies and establishing partnerships. Since the traditional landfill method does not comply with our goals, we evaluate recycling and waste-to-energy options depending on the conditions of the landfills where our household waste is sent. We organize **waste management seminars attended by our dealer employees** to raise awareness in the entire ecosystem. We replace single-use products with options that allow multiple uses.

We evaluate methods such as including household waste in recycling processes and using it in energy production in accordance with regional conditions. In 2024, we diverted 70% of household waste from all our locations to recycling facilities for recovery, while only 30% was sent to landfills, demonstrating significant progress toward our zero-waste goals.

Environmental Impact of Operations

At our Eskişehir Plant, all waste—excluding medical waste—is diverted from landfills and sent to the Eskişehir Metropolitan Municipality's biomethanization facility, where it is used for energy production. Through this collaboration, we have successfully reached our Zero Waste to Landfill target for the facility.

We continue to progress toward our 2030 zero landfill goal with a structured action plan for our Kocaeli Plants, aiming to reduce the amount of waste sent to landfills by 20% each year.

At our Yeniköy Plant, calcite waste is sent to cement factories to be used as an alternative raw material, supporting our industrial symbiosis efforts. This initiative targets the reuse of a waste stream that accounts for 55% of all hazardous waste generated in our Kocaeli Plants. We plan to continue and expand this practice annually as part of our circular economy strategy.

In 2024, our Ford Otosan Craiova Plant significantly reduced waste by reusing Intermediate Bulk Containers (IBCs) and diluting used solvents. Through these measures, we reused 3,200 kg of packaging waste and 4,620 kg of solvent, contributing to our broader environmental sustainability objectives.

Aligned with our goal to completely eliminate single-use plastics for personal use by 2030, we have discontinued the general use of such plastics on our facilities—excluding occupational health and safety (OHS) requirements or exceptional cases such as special events. We are actively exploring biodegradable alternatives and, starting in 2025, will continue working with waste recycling companies that specialize in the recovery of biodegradable materials and energy production.

Waste Quantity (tons)	2023 TR	2023 RO	2023 TR + RO	2024 TR	2024 RO	2024 TR + RO
Hazardous Waste - Recovered	12,107.52	2,421	14,528.52	20,779.86	2,762.98	23,542.84
Non-Hazardous Waste - Recovered	101,693.36	40,694	142,387.36	114,136.72	11,926.48	126,063.20
Hazardous Waste - Disposed	1.54	102.95	104.49	2.12	55.34	57.46
Non-Hazardous Waste - Disposed	0	28.45	28.45	0	0.33	0.33
Hazardous Waste Sent to Intermediate Storage	321.22	0	321.22	52.20	0	52.20
Non-Hazardous Waste Sent to Intermediate Storage	0	2,084	2,084	0	39,850.34	39,850.34
Total	114,124.63	45,330.40	159,454.04	134,970.90	54,595.47	189,566.37

Environmental Impact of Operations

Circular Economy and Waste Management Projects

We achieved a carbon emission reduction of 17.2 kg per vehicle in our truck programs by incorporating over 50% recycled plastic in interior and exterior plastic body parts. In our Special Vehicle Operations (SVO) vehicles within the Medium Commercial Vehicle (MCV) group, we used 90% recycled materials in 12 interior body parts, resulting in a 34.4 kg reduction in CO₂ emissions per vehicle and lowering production costs.

For the electric Ford Courier vehicles to be launched in 2025, we eliminated petroleum-based raw materials in the front console parts by using bio-based polymers. This transition reduced water consumption by removing the need for the painting process. We also achieved cost advantages with the transition to bio-based polymers and reduced process steps.

Lower Leg Stiffener Recycled Plastic Usage Project: Launched in July 2022, this project marked the **first use of 50% recycled plastic** in the **Lower Leg Stiffener**, a critical safety component in mid-segment commercial vehicles. This change **reduced the carbon footprint by 22.2%, preventing 571.8 tons of CO₂ emissions, equivalent to the environmental benefit of 22,874 trees.** By switching to domestically produced and recycled Mafill CR HT 6344 material, we also reduced import dependency, **cut costs by 14%, and generated €280,000 in annual savings.** The part is now in serial production for V710 and J74 vehicles, and the project was named a finalist in the Plastics Recycling Show Europe 2024, highlighting its impact on our sustainability goals.

Packaging Optimization Project: At our Sancaktepe location, we launched a packaging optimization project for gearbox cases, truck cylinder block cases, and Transit rear axle cases. By switching from wooden crates to plywood packaging, **we saved 402.1 tons of CO₂ emissions in 2024.**

Waste Solvent Recovery Project: Through the Plastic Paint Shop Solvent Recovery Project, **we now recover 65% of solvent waste generated in the paint shop.** This initiative has been successfully implemented at the Yeniköy Plant and is planned to be rolled out at the Plastic Paint Shop and Gölçük Plant paint shop in the next phase.

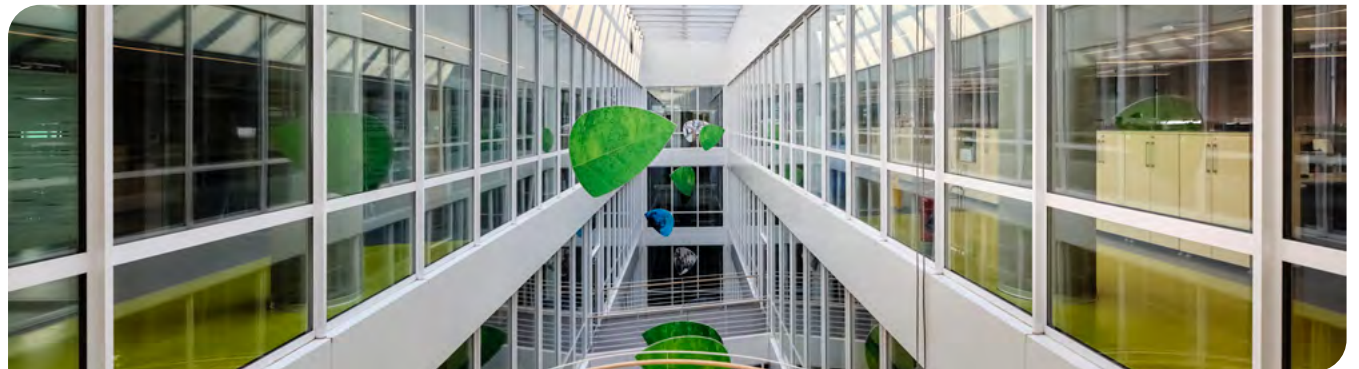
Eskişehir Compost Unit: At our Eskişehir Plant, we have installed a compost machine to process food preparation waste, working in collaboration with factory departments. The compost produced is used for landscaping and green area maintenance, contributing to tree growth and soil health. To ensure consistent composting performance in cold weather, we repurpose waste heat from the wastewater treatment plant blower unit, supporting energy efficiency while maintaining optimal composting conditions.

Water Stewardship

According to the UN World Water Development Report, approximately 2.2 billion people around the world still lack access to safe drinking water. At the same time, water scarcity and pollution pose significant threats to global prosperity and peace.

Recognizing that water is a vital natural resource, we adopt responsible water management practices across all stages of our operations. We prioritize the development of innovative solutions to optimize water use, protect water resources, and support the continuity of ecosystems. By regularly assessing the environmental impacts of our water consumption and managing associated risks, we work to improve water efficiency in all our processes. In addition, we engage with stakeholders to raise awareness on the protection and sustainable use of water resources.

As part of our water stewardship efforts, we are actively working to reduce freshwater consumption across all Ford Otosan locations. We developed a Water Sourcing Action Plan to mitigate drought-related risks. **We assessed the water stress levels at each site using the WRI Aqueduct's Global Water Risk Mapping Atlas**, which provides a forward-looking view of global water risks.



Environmental Impact of Operations

As outlined in our Water Policy, published in 2021, we are committed to:

- Reducing water consumption per product from operational processes.
- Prioritizing innovative and sustainable water management systems in all new investments and projects.
- Focusing water management efforts on sites identified as high-risk through regional water stress assessments.

To view our Water Policy, please click [here](#).

We monitor processes related to water management through our Environmental Leadership, Maintenance Strategies and Systems Leadership, and Maintenance Engineering and Construction Leadership teams.

- Our Maintenance Engineering and Construction Leadership Team manages the determination of targets, strategy development and project planning issues in parallel with Ford Motor Company and Koç Holding regarding water.
- Our Environmental Team provides support in carrying out legal processes and monitoring water-related metrics regarding environmental and environmental sustainability issues within the scope of water management.
- Our Maintenance Services Leadership Team manages issues such as processing water in the water center and monitoring water wells.

In our operations in Turkey and Romania, we aim to act in compliance with existing national and international regulations. In line with our long-term commitment to water conservation, we are working toward our goal of reducing fresh water use per vehicle by 40% by 2030, using 2019 as the baseline year. To support this target, we are launching wastewater recovery projects and planning the installation of systems that will integrate with treatment facilities to enable the reuse of various wastewater streams.

In 2025, we aim to obtain the ISO 14046 Water Footprint Verification Certificate, which will support the review of our water strategy and help us identify the production stages with the greatest water consumption impact.

At our Gölcük and Yeniköy Plants, we are implementing projects to recover multiple types of wastewater, including treated water from existing facilities, domestic wastewater, backwash water, and blowdown water from cooling towers. These recovery systems are designed to reuse treated water directly in production processes, reducing overall demand for fresh water.

We aim to recover 40% of the wastewater per vehicle at our Kocaeli Plants, with plans to invest in new technologies such as the Grey Water Recovery System at the Yeniköy Plant. Wastewater recovery projects initiated in the Gölcük, Yeniköy, and Eskişehir Plants are planned to be completed by 2025.

Water Stewardship Projects

Ford Otosan takes a proactive approach to managing water-related risks by implementing a range of measures to support the efficient and sustainable use of water resources. These include cleaning water wells, continuously monitoring water levels, and investing in water recovery technologies. Our energy and water efficiency initiatives are designed to mitigate risks associated with climate change, drought, and water stress.

We continue to assess the financial impacts of water-related risks and allocate budgets accordingly for investments, maintenance, and new project development.

In our risk and opportunity assessments, we evaluate not only environmental factors but also the potential financial consequences, ensuring that all actions are monitored and managed under the broader sustainability business plan. We continue to implement measures and investment plans to use water resources efficiently. **In recognition of our efforts, we earned a “B” score in the 2024 CDP Water Security Program, reflecting our commitment to water stewardship and transparent reporting.**

In 2024, we allocated approximately TL 16.9 million to water stewardship projects. The key initiatives implemented or planned in the near term include:

- Supplying treated wastewater through the treatment system to ensure fresh water availability at the Kocaeli-Gölcük Plant, managed by our Public Services Department in case of regional water scarcity.
- Ensuring continuity of water supply with the recycling facility project that was put into operation in 2024.
- Contacting Eskişehir Water and Sewage Administration (ESKİ) for the Eskişehir Plant and implementing the **recycling project** in 2025
- **Purchasing recycled water** from Kocaeli Water and Sewage Administration (İSU) as an alternative water source for Kocaeli Plants in 2025 and **reducing fresh water usage project**
- Completing the gap analysis within the scope of **ISO 14046 Water Footprint Verification Certificate** in 2025

Environmental Impact of Operations

Water Stewardship Projects

Project Name	Project Outcomes
Gölcük and Yeniköy Wastewater Recycling Project	This project utilizes advanced treatment technologies such as reverse osmosis and membrane bioreactor (MBR) systems to optimize water use. Once complete, it will enable the treatment and reuse of various wastewater sources, including treated effluent, domestic wastewater, recycled process water, and cooling tower blowdown water. In addition, we plan to install a Grey Water Recycling System at the Yeniköy Plant as part of our future investment plans.
Yeniköy Wastewater Treatment Plant Capacity Increase Project	To support our growing production needs, we are constructing a new treatment facility with a capacity of 2,760 m³/day, supplementing the existing 1,080 m³/day capacity of our industrial wastewater treatment plant at Yeniköy. This expansion will meet the rising demand for effective wastewater treatment in parallel with increased manufacturing activities.
Eskişehir Remote Monitoring of Well Water Level Project	In 2024, we launched a project to digitally monitor well water levels at the Eskişehir Plant. Using advanced level sensors, we now perform real-time remote monitoring of groundwater levels. This system allows for faster response to potential water supply risks, enhancing our water management efficiency.
Yeniköy Plant Wet & Dry Scrubber Project	The Wet & Dry Scrubber Project eliminated the use of toxic chemicals, replacing them with lead-free paints and chrome-free phosphating agents. This initiative significantly reduced environmental impact by eliminating water and chemical use in the process and preventing paint sludge waste, offering a more environmentally responsible surface treatment method.
Water Mapping Project	Through this project, we conducted a comprehensive assessment of water consumption and wastewater generation across all facilities, focusing on creating a mass balance and facility-level water map. The work was completed in our Kocaeli locations in 2024. As a next step, we are developing a methodology for internal water pricing to encourage more efficient water use.
Ford Otosan Craiova Plant Water Recycling Project	At our Craiova Plant, we saved approximately €170,000 by recycling 63,677 m³ of water in the Paint Shop and Wastewater Treatment Plant between January and October 2024. These efforts contributed to environmental sustainability and cost efficiency by significantly increasing the plant's water recycling rate.

Environmental Impact of Operations

Recycled Water and Wastewater (m³)	2023 TR	2023 RO	2023 TR + RO	2024 TR	2024 RO	2024 TR + RO
Recycled Water	199,661	55,657	255,318	50,594	0	50,594
Total Water Discharge Excluding Rainwater and Domestic Waste	300,278	112,228	412,506	305,410	386,286	691,696
Total	499,939	167,885	667,824	356,004	386,286	742,290

Water Withdrawal (m³)	2023 TR	2023 RO	2024 TR	2024 RO	2024 TR + RO
Groundwater	1,313,453	0	1,357,467	0	1,357,467
Municipal Water	9,498	503,372	8,382	408,686	417,068
Rainwater	N/A	N/A	0	118,476	118,476
Total	1,322,951	503,372	1,365,849	527,162	1,893,011

Environmental Impact of Operations

Biodiversity

According to the World Economic Forum's Global Risks Report, biodiversity loss and ecosystem collapse are among the most critical global risks projected for the next decade. At Ford Otosan, we recognize the essential role that biodiversity plays in sustaining ecosystem health and resilience. As part of our environmental responsibility, we prioritize the protection of ecosystem services and integrate biodiversity considerations into the planning, operational, and capacity development stages of our projects. We are committed to the sustainable use of natural resources and to raising awareness about biodiversity conservation by collaborating with stakeholders.

Ford Otosan Gölçük Plant



Biodiversity Strategy

With the Ford Otosan Biodiversity Strategy, introduced in 2023, we aim to conserve biodiversity across all our operations and ensure the sustainable management of natural resources. Our approach focuses on preventing and reducing threats to biodiversity, aligning with the International Union for Conservation of Nature (IUCN) guidelines, and integrating biodiversity considerations into our decision-making processes.

The strategy includes evaluating facility locations, conducting environmental risk analyses, and implementing site-specific **Biodiversity Action Plans**. It emphasizes increasing interaction with stakeholders, raising awareness, and encouraging sustainable practices among our colleagues and suppliers.

To view our Biodiversity Strategy, please click [here](#).

Biodiversity Risk Assessment

We assess biodiversity risks and opportunities in the Environmental and Energy Risk Assessment for our current operations or projects.

- We conducted a preliminary risk assessment study using two tools - SBTN (Science-Based Targets Network) and IBAT (Integrated Biodiversity Assessment Tool), specific to Ford Otosan locations. We created Ford Otosan's Biodiversity Strategy. While we measure our impact on factors related to biodiversity and the magnitude of this impact with the SBTN Materiality Tool, we can analyze location-specific species and their habitats on a global scale by obtaining data from local data providers with IBAT.

We aim to implement the following practices with the support of the Senior Management against the risk of biodiversity loss due to factory growth and other investment plans:

- Identifying risks using biodiversity tools,
- Establishing and implementing biodiversity monitoring and control methods,
- Preparing and implementing a biodiversity policy.

Value Chain Management

In line with our vision for supply chain management, we collaborate closely with all stakeholders across our complex and multi-stage value chain, from raw material sourcing and vehicle production to customer delivery and after-sales services. Our goal is to ensure that each step is managed in a systematic, transparent, and controlled manner.

We expect all our stakeholders to integrate sustainability into their business activities and corporate culture, not only in our own operations but also within our value chain. In line with this, in our Supply Chain Compliance Policy, we expect our suppliers to act appropriately on issues such as prohibiting child labor and forced labor, preventing discrimination, encouraging the fight against bribery and corruption, responsible sourcing of conflict minerals, continuous improvement of environmental performance and ethical business practices.

You can access the **Ford Otosan Supply Chain Compliance Policy** [here](#).

You can access the **Ford Otosan Supplier Sustainability Manifesto**, published in 2023 and signed by our critical suppliers, [here](#).

We also work closely with our suppliers to promote equal opportunity, support diversity, and foster an inclusive working environment within our supply chain.

Starting in 2025, we incorporated sustainability metrics to our supplier selection criteria. While we gain competitive advantage by ensuring early compliance of our suppliers with sustainability regulations, we also support the development of our local suppliers with our sustainability committee.

Purchasing and Logistics

As of 2024, work with a total of 3,227 suppliers, including 2,188 local suppliers, which account for 82.7% of payments made to all suppliers.

At Ford Otosan, in line with our long-term sustainability goals;

- We aim to make the Scope 1 and 2 emissions of more than 300 suppliers in our supply chain and our logistics operations carbon neutral by 2035.
- We plan to connect Craiova and Istanbul via railway with the **Block Train Project** to reduce our downstream and upstream emissions from transportation.

In 2024, we successfully completed our test run by completing the railway connection infrastructure work at our Ford Otosan Craiova Plant. With the transition to railway transportation completed from Craiova to Istanbul this year, we are reducing our carbon emissions by 63% for the transportations to be made on this line. We plan to reduce 15 thousand tons of emissions annually with this project, where we will actively start block train shipments as of 2025. **We plan to reduce our emissions from logistics activities by 2035 with electric and hydrogen-fueled vehicles in road transportation.** We plan to reach a 95% emission reduction in our emissions from maritime and air transportation with the use of alternative fuel vehicles expected to develop in the sector. We plan to balance our remaining emissions with carbon credits.

As part of the activities we have initiated toward our goal of becoming carbon neutral in the supply chain by 2035, we are following a comprehensive roadmap that includes sustainability assessments, awareness-raising activities and audit processes with our suppliers.

With the **Supplier Sustainability Committee** we established in 2024, we encourage our suppliers to share their best

practices and provide training with external experts in development areas and with our corporate knowledge sharing. We follow the current emission values, targets and reduction efforts of all our Tier-1 suppliers with the sustainability performance measurement surveys sent. **Starting from 2025, we will also monitor sustainability metrics in our supplier selection criteria.**

Green Steel Trial

Green steel significantly reduces the carbon footprint of automotive production by utilizing environmentally friendly and sustainable methods. Compared to conventional steel manufacturing, green steel enables the use of renewable energy sources, reduces CO₂ emissions, and minimizes and recycles waste generated during production.

In 2024, we successfully conducted our first green steel trial in collaboration with Hyundai Steel, achieving a 20% reduction in greenhouse gas emissions.



Value Chain Management

Stakeholder Opinion

“Hyundai Steel’s low-emission steel trial with Ford Otosan not only demonstrates our progress toward internal sustainability goals and the clear advantages of our innovative integrated process, but also our leadership in delivering innovative solutions to the automotive industry.

We are proud to be the company that conducted Ford Otosan’s first low-emission steel trial. We believe the success of this trial is a testament to Hyundai Steel’s technological leadership in low-emission steel production.

The resulting reduction in Ford Otosan’s product carbon footprint provides a strong example of how the automotive industry can advance toward its sustainability goals. We look forward to continuing our collaboration with Ford Otosan and partnering on future sustainability-focused initiatives.”

Hoon Dong SHIN
CEO, **Hyundai Steel Türkiye**

Supplier Development

At Ford Otosan, we are committed to promoting our sustainability approach across the entire value chain by encouraging our business partners to align with our environmental, social, and governance goals.

In 2024, we continued to enhance supplier engagement through the Supplier Suggestion System on FOSN (Ford Otosan Supplier Network). We implemented 17 project suggestions submitted by our suppliers and recognized the top three contributors on the FOSN home screen. To further incentivize participation, we awarded bonus points to suppliers who submitted and actively supported the implementation of impactful ideas. We aim to expand and strengthen this system with new initiatives in 2025.

We also publish the Supplier Management Newsletter via the Supply Chain Platform, where we share updates relevant to both local and global suppliers. Based on insights from the newsletter, we take supplier-specific actions or conduct broader surveys and inquiries as needed. In response to supply chain risks in 2024, we conducted 154 supplier surveys, including 140 globally and 14 locally, to assess risk exposure and operational resilience.

Additionally, we made 615 supplier visits in 2024 to support performance development, new supplier onboarding, capacity analysis, risk assessment, and Q1 certification audits. These visits ensure that our suppliers are equipped to meet both global supply chain requirements and Ford’s quality expectations.

Supplier Quality Certification (Q1)

We expect all Tier-1 suppliers who supply parts to the vehicle to comply with ISO 14001, ISO 50001, ISO 16949, Q1 Quality Management System Requirements.

The Q1 certification represents a comprehensive set of quality and manufacturing disciplines. Suppliers must meet defined performance levels, apply the necessary tools to ensure consistency, and commit to continuous improvement. Q1 status is awarded based on third-party certification against international standards and includes a mandatory MMOG/LE self-assessment with a required Level A achievement. Compliance with these standards is essential to obtain and maintain Q1 certification, which signifies Ford Otosan’s confidence in a supplier’s systemic, administrative, and operational competencies.

Value Chain Management

Supplier Sustainability Committee

At the end of 2023, we held a Sustainability Workshop with our critical suppliers, where we jointly developed a Sustainability Roadmap outlining actions under the themes of Environmental, Social, Governance, and Supply Chain. The roadmap was structured with 6-month, 1-year, and 2-year implementation milestones, and was supported by formal commitments from our supplier network.

In 2024, we established the Supplier Sustainability Committee to formalize collaboration with our key suppliers and ensure continued progress on the roadmap. We convene quarterly Supplier Sustainability Workshops to review action plans related to the roadmap and encourage our suppliers to share their best practices. In the committee meetings, we discussed topics such as ethics management, talent management, environmental good practices, LCA study, supply chain management in financing, Science-Based

Targets, energy efficiency digital solutions and digital sustainability performance monitoring.

To further strengthen sustainability awareness across our supply base, we offer training programs led by internal and external experts in our Supplier Sustainability Committee. In 2024, we organized various trainings for a total of 1,681 hours on environmental issues, 451 hours on social issues, 1,158 hours on governance and 289 hours on ethics. In May 2024, we co-hosted an interactive conference with TAYSAD (Vehicle Supply Manufacturers Association), where we shared our best practices on Diversity, Equality, and Inclusion (DEI). Five of our suppliers also presented their DEI initiatives during the event.

In December, we held an information session with our suppliers regarding the details of the Green Transformation Support Program of the Ministry of Trade by the Ministry officials.

Stakeholder Opinion

"Our sustainability journey began as global awareness and developments in the field of sustainability started gaining momentum. The Ford Otosan Supplier Sustainability Workshop became a key catalyst in this process. It made us realize the need for reliable data and structured information to meet the Environmental, Social, Governance (ESG) and supply chain targets we identified during the workshop. As a result, we established dedicated working groups for responsible purchasing, people, and the environment. Ford Otosan's Sustainability Reports also served as an inspiration for our efforts. Perhaps the most valuable outcome of this journey has been the ability to define carbon reduction projects and targets that guide our strategy."

İbrahim POLAT
Continuous Improvement and Sustainability Manager,
LINDE OPSAN

Stakeholder Opinion

"The momentum created by Ford Otosan through the 'Supplier Sustainability Workshop' in 2024 and the valuable perspective and knowledge it shared significantly advanced the sustainability efforts across our entire Beyçelik Gestamp Supply Chain. The initiative had a transformative effect on our corporate culture, facilitating key internal changes."

Aligning with the sustainability expectations defined by Ford Otosan strengthened our long-term collaboration and enabled us to take many proactive steps ahead of legal requirements. These actions have not only enhanced our brand image in the automotive industry but also allowed us to demonstrate a strong ESG performance."

Yusuf TOPALOĞLU
Sustainability Leader & EOSH Manager, **Beyçelik Gestamp**



Value Chain Management

Logistics Suppliers Sustainability Conference

At the Logistics Suppliers Sustainability Conference we organized on April 18, we shared our long-term sustainability goals and the work we carry out in this direction with our logistics service providers At Ford Otosan. **We came together with our logistics service providers in 2024, determined the question sets to be conveyed within the scope of the sustainability assessment and sent a survey to 19 logistics service providers for the first time.** According to the assessment results, we determined that the sustainability score of one of our seven high-volume logistics service providers, which is critical for Ford Otosan, is open to improvement. Following the conference, we published the Sustainability Manifesto for Logistics Service Providers.

In 2025, we plan to jointly conduct the survey processes of our suppliers and logistics service providers.

2024 Ford Otosan Supplier Summit and Award Ceremony

We held the Ford Otosan 2024 Supplier Summit in July with the participation of 400 people. In the 13th edition of the Summit, we discussed Ford Otosan's current situation, new projects and future plans with our business partners, and evaluated innovative and sustainable practices in the supply chain. We presented awards to our suppliers who showed superior performance in the categories of cost reduction, performance in supporting new projects, purchasing, supporting data of factory and MP&L operations, R&D and innovation studies, and operational and financial risk management.

In total, we honored our suppliers with 14 awards: 5 Gold, 4 Silver, 4 Bronze, and 1 Incentive Award, based on their success metrics.

Conflict Minerals Management

At Ford Otosan, we are committed to ensuring that minerals used in our supply chain are sourced responsibly and ethically. As part of the Supplier Sustainability Assessment and Development Program, we require suppliers to complete a Conflict Minerals Questionnaire. Conflict minerals—including tin, tungsten, tantalum, gold (3TG), lithium, and their derivatives—are commonly used in components such as electronic parts, fuel cells, sensors, batteries, sound systems, and electric seat modules. We firmly believe that the trade of such minerals must not contribute to armed conflict, forced labor, human rights violations, or corruption. Therefore, **we pledge not to work with suppliers who commit human rights violations in the sourcing of these minerals.**

To avoid any action that may contribute to the financing of conflicts, we require our suppliers to comply with the same principles. Accordingly, we expect them to adhere to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas standards and the applicable United Nations sanctions or local laws applying such resolutions.

To view Ford Otosan Conflict Minerals Policy, please click [here](#).





**FUTURE. NOW
FOR PEOPLE**

For People

At Ford Otosan, our working principles are based on human rights, diversity, equity, inclusion, and effective talent management. We are committed to providing our colleagues with a work environment where every individual feels valued and safe. Our goal is to help them reach their full potential by fostering a culture that offers equal opportunities, respects differences and ethical values, and supports personal and professional development. With this approach, we cultivate an inclusive culture that drives high performance and innovation. By shaping the employee experience around health, safety, and continuous growth, we strive to enhance employee satisfaction and ensure sustainable success.

Guided by our North Star vision—**“Together, we are building a bright future by unlocking the potential of our people”**—we have built our Human Resources strategy around four main focus areas:

- **People-centric Approach at Every Step**
- **Future-Ready Organization and Work Model**
- **Inspiring and Empowering Leadership**
- **Turning Employee Potential into Value by Attracting the Right Talent**

With this strategy, we at Ford Otosan are continuously evolving and striving to create sustainable value for our colleagues and all stakeholders through human-centered systems. Embracing the motto **“Future. Now for People,”** we are advancing step by step toward becoming a more inclusive, equitable, and empowered organization. In this journey, we carefully manage every interaction with our stakeholders, who are at the core of our human and social capital, and move forward with determination to achieve our goals. Our ambition is to become the **employer of choice**, recognized for strong employee loyalty.

Guided by our clearly defined short-, medium-, and long-term goals, we focus on sustainable success through well-planned strategic initiatives.

Employee and Human Rights

At Ford Otosan, we are firmly committed to upholding human rights and fostering an inclusive environment. Our goal is to provide a fair, transparent, equitable, and inclusive experience for our employees, customers, business partners, and all stakeholders. Guided by our **Human Rights Policy and Ford Otosan Code of Conduct and Ethical Rules**, we continuously strengthen our commitments in this area. Our practices are shaped by international frameworks and standards, including the **UN Global Compact (UNGC)**, **UN Women’s Empowerment Principles (WEPs)**, the **Universal Declaration of Human Rights**, 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**.

As part of our Human Rights Policy, we clearly define our commitments and implementation principles toward our employees and all stakeholders. This policy is structured around ten key areas:

1. Diversity and Equal Recruitment Opportunities
2. Non-Discrimination
3. Zero Tolerance to Child/Forced Labor
4. Freedom of Organization and Collective Agreement
5. Health and Safety
6. Zero Tolerance to Harassment and Violence
7. Working Hours and Compensation
8. Personal Development
9. Data Privacy
10. Political Activities



Human Resources and Transformation Leadership is responsible for the implementation of this policy.

All our employees and business partners at Ford Otosan are required to act in accordance with the Human Rights Policy. As Ford Otosan, we aim to create a fair, sustainable, and human rights-respecting work environment together with our business partners.

To view **Ford Otosan Human Rights Policy**, please click [here](#).

In line with our policy, we uphold and protect employee rights in all areas, including recruitment, promotion, career development, wages, benefits, and diversity. We respect the right of every employee **to freely establish or join civil society organizations** of their choice. Alongside our business partners, we maintain a **strict zero-tolerance policy against forced labor, child labor, discrimination, and any form of harassment**.

We are committed to ensuring that our employees can exercise their freedom of association and collective bargaining rights without fear of retaliation. We actively support this process by fostering open and constructive dialogue with employee representatives freely elected by our colleagues.

Employee and Human Rights

We are committed to upholding the rights and meeting the expectations of our employees by engaging in close cooperation with legal union representatives. In our human rights due diligence efforts, we prioritize the perspectives and experiences of our colleagues. Reports submitted to Human Resources and Transformation Leadership, Internal Audit Leadership, and Ethics Coordination are examined in detail. Throughout this process, we gather feedback on our human rights policies and practices through surveys and one-on-one interviews.

In 2024, we conducted a **Human Rights Due Diligence** study encompassing both our employees and suppliers. Anonymous surveys were distributed via email and SMS to gather feedback. A total of 1,385 employees and 842 suppliers responded to the survey. The results will be evaluated in 2025 to inform future improvements.

We regularly assess risks and opportunities related to human rights, taking into account both industry and global developments. High-impact and high-probability **human rights risks** are reported to the Early Determination and Management of Risk Committee through the Sustainability Committee. We then define and implement risk mitigation actions to minimize these risks.



In collaboration with our **Human Resources and Transformation Leadership**, we maintain continuous communication and coordination with all departments to address the needs of our employees and enhance business processes. Our key focus areas include enriching our **workplace culture and employee experience**, improving **suggestion, recognition, and rewarding** systems, supporting **performance and organizational development**, strengthening **talent management**, and conducting **employee engagement** research and surveys. In addition to engagement surveys, we also carry out **Diversity, Equity, and Inclusion (DEI) surveys and human rights due diligence studies**. These tools help us better understand how inclusive our colleagues perceive the company to be and whether they are informed about available resources such as the ethics line. Based on the insights gathered, we develop targeted action plans at both departmental and company-wide levels.

We also incorporate feedbacks through **Open Door and Leadership Meetings**, and continue to advance our organizational development with **agile working** methods. Through all these efforts, we support the company in achieving its strategic objectives.

We monitor key indicators such as employee demographics, turnover rates, number of employees, job security reports, compliance with laws and regulations, and rest periods through a centralized dashboard. Regular reports are prepared to inform senior management, supporting data-driven decision-making. To ensure process transparency, we also share initiatives from the Human Resources and Transformation Leadership team via our web-based internal portal, which is easily accessible to all employees.

Monthly People Day meetings, organized by the Human Resources and Transformation Leadership team, provide a strategically important platform for dialogue. With the participation of senior leaders, these meetings address topics intended to be cascaded throughout



the organization and serve as a valuable opportunity to gather feedback. This **strategic structure** enables a **two-way flow of information** across all levels of the company. Furthermore, biweekly meetings held by the Head Office, with the participation of senior executives, further encourage open discussion on critical issues and support consistent communication.

We also provide clear information on our human resources policies through comprehensive orientation programs for newly hired office and field employees, as well as newly appointed leaders. These programs are delivered by our Industrial Relations Leadership team. In addition, all relevant HR processes and policies are published and made openly accessible to our colleagues.

We implement **Workplace Harassment and Sexual Harassment Training** as a mandatory component of onboarding for all field employees, and repeat it every two years for office employees. In 2024, a total of 3,880 employees completed this training. Additionally, **Ford Otosan Code of Conduct and Ethical Rules**, and **Anti-Bribery and Anti-Corruption Training** are also mandatory for all colleagues.

Further details on these and other mandatory trainings can be found in the **Learning and Development** section of this report.

Diversity, Equity and Inclusion

At Ford Otosan, we treat all individuals equally, regardless of gender, sexual orientation, ethnicity, age, marital status, beliefs and opinions, lifestyle and expression, or physical differences, and we apply a robust equality policy across all our business processes. We maintain a zero-tolerance stance on discrimination and are committed to fostering an **inclusive work environment that creates shared value**. This principle is central to our Human Resources approach. **As a signatory to the United Nations Global Compact, we integrate the principle of “valuing equal opportunity and respecting differences and ethical values”** into all our HR policies and practices.

We do not tolerate the use of gendered, homophobic, racist, ethnic, discriminatory, or stereotypical language in the workplace. We take necessary action against all forms of violence, bullying, oppression, and harassment that violate our principles. We view the diversity of our employees,

suppliers, customers, and stakeholders not only as a goal but as a core component of our value creation process. Our Diversity, Equity, and Inclusion (DEI) efforts are guided by our **Human Rights Policy** and **Diversity Policy**.

In 2024, we updated the Ford Otosan Diversity, Equity, and Inclusion Policy, which can be accessed [here](#).

At Ford Otosan, we are committed to advancing our leadership in Diversity, Equity, and Inclusion (DEI) both within the automotive industry and across the broader Turkish business landscape. Guided by our Human Rights and Diversity Policy, we focus on key areas including **human rights, health, education, gender equality, science and technology, and the empowerment of disadvantaged groups**. Through our DEI strategy, we aim to increase representation across all roles, foster a fair, equitable, and respectful workplace, provide equal development opportunities for all employees, and build an inclusive culture that values creativity and authenticity.

To better understand and enhance our DEI efforts, we conducted our first **DEI survey** in 2021. This survey allowed us to assess how our employees perceive and experience our DEI policies, and to evaluate the overall effectiveness of our diversity and inclusion practices. The insights gathered helped shape the improvements we made in subsequent years. In 2024, we conducted the survey again to track progress against the 2021 baseline and further inform our DEI initiatives.

In 2024, we conducted our second DEI survey with the support of a third-party firm, open to participation from all employees. The aim was to assess the current state of our DEI efforts and identify areas for improvement. A total of 1,806 employees responded to the survey, which included 49 questions designed to evaluate perceptions related to employee demographics, diversity, and inclusion. The survey explored perceptions and attitudes across five core areas that reflect the pillars of our Ford Otosan Diversity Declaration: **Belonging and Feeling Valued, Leadership and Inclusion, Diversity, Affinities and Retaliation, and Work–Life Balance**. In addition, comprehensive demographic questions were included to gain deeper insight into the diversity of our workforce.

We analyzed the survey results under three main topics: making the strengths and weaknesses of Ford Otosan’s DEI areas visible, identifying the key issues that need to be addressed first, and conducting a comparative development analysis with the 2021 survey.

Based on the 2024 survey results, in line with our proposed actions, we will focus on Work-Life Balance, Proximity and Retaliation, and Diversity in 2025. We will continue to develop strategies to advance DEI areas further in alignment with these recommendations. Taking into account the feedback from our colleagues, we will keep striving to foster a more inclusive culture.

The core principles of this strategy:

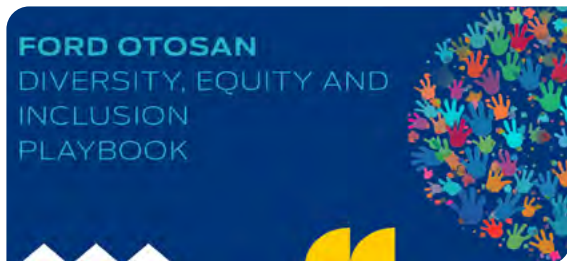
- A workforce with diversity across all positions and teams
- DEI in personal and professional development and career processes
- Inclusive leadership
- Inclusion in work-life integration and employee well-being
- Building a DEI ecosystem encompassing dealers, suppliers and stakeholders

Diversity, Equity and Inclusion

In line with our commitment to creating shared value and fostering inclusion, we embrace the principle of providing safe and equitable conditions where every individual can thrive. As part of this approach, we established a formal DEI governance structure in 2023 and appointed a dedicated **DEI Leader** to spearhead our efforts in this area. Working in close coordination with the Sustainability Committee and supported by a network of volunteer employees, the DEI Leader is responsible for developing Ford Otosan’s Diversity, Equity, and Inclusion (DEI) policies and building a roadmap aligned with our sustainability goals. This role also involves promoting a culture of inclusion across the organization, designing training programs for employees and stakeholders, and tracking the progress of leadership in achieving DEI objectives.

To further support these efforts, we published the **Ford Otosan Diversity, Equity and Inclusion Playbook** on our website. The playbook offers practical insights into what diversity, equity, and inclusion mean, why they matter, and how these values can be embedded into our broader ecosystem. Through this guide, we aim not only to share our evolving practices but also to help shape a more inclusive future.

You can access the Ford Otosan Diversity, Equity and Inclusion Playbook [here](#).



With the **Guidelines for Tackling Domestic Violence and Abuse**, published in 2022, we adopted a zero-tolerance policy toward domestic violence and abuse. These guidelines outline the support mechanisms we offer to employees, provide essential information, and aim to raise awareness on the issue.

You can access the Ford Otosan Guidelines for Tackling Domestic Violence and Abuse [here](#).

In 2024, as a member of the **Business Against Domestic Violence** (BADV) Network, we participated in a workshop attended by 25 companies, where we shared our experiences and practices related to gender equality and the fight against domestic violence. Through this platform, we aimed to raise awareness among both internal and external stakeholders and contribute to creating a more inclusive workplace by exchanging knowledge and best practices with peer organizations.

In 2024, our Ford Otosan Craiova plant **became a signatory of the Romanian Diversity Declaration**, which offers a collaborative platform for action, dialogue, and the exchange of best practices in diversity management. The Declaration fosters diversity across companies, public institutions, and NGOs, engaging a network of approximately 300,000 employees.

As part of this commitment, our Craiova plant also participated in the **NICE (Neutral and Inclusive Communication in Corporate Environments) program**, funded by the European Union’s Citizens, Equality, Rights and Values Program (CERV). This initiative enabled us to further develop our diversity management strategies and embed neutral, inclusive communication practices into our business processes.

The program is built on the foundation of five Diversity Declarations, which address key needs in diversity management and aim to cultivate inclusive, tolerant environments. As a signatory, we have made meaningful progress in enhancing our organizational knowledge, skills, attitudes, and culture through innovative training sessions and capacity-building activities.

As part of the Romanian Diversity Declaration framework, we also participated in the **Workplace Inclusion Champion (WIC) regional certification program**. This program offers comprehensive training and resources to help professionals across various business functions—such as human resources, corporate social responsibility, sustainability, communications, and diversity management—develop effective workplace inclusion strategies.

“We Are Equal in Our Work” Project: We implemented this European Union-funded project in collaboration with the Yanındayız Association and with the support of the Swedish Consulate. The project aimed to raise awareness of equality and occupational safety among employees in production-focused companies. As part of the initiative, 300 of our colleagues received training, and a training the trainer session was completed in partnership with our Ethics Coordinator. We plan to continue delivering these trainings internally.



Diversity, Equity and Inclusion

Gender Equality

As a signatory of the **UN Women’s Empowerment Principles** (UN WEPs) and the **Equality at Work Declaration**, we are taking firm steps to promote greater participation of women in the workforce and to strengthen gender equality. In 2024, we joined the Faster Forward initiative launched by **UN Global Compact** (UNGCC). Through this initiative, we continue to support efforts aimed at accelerating progress toward the Sustainable Development Goals, particularly in the area of Gender Equality.

At Ford Otosan, we aspire to be a leader in gender equality within the automotive industry through our internal initiatives and the global platforms we support.



We are proud to be the **first and only automotive company in Türkiye to be included in the Bloomberg Gender-Equality Index**, which we entered in 2020. Since then, we have steadily improved our performance and continue to increase our score every year.

To view the Equal Pay for Equal Work Independent Audit Report, please click [here](#).

We are committed to providing equal opportunities to our female colleagues across all areas—from recruitment and performance evaluation to career development and compensation. We also design and manage all business processes with an inclusive perspective, taking into account the diverse needs of different groups.

As part of our commitment under the **Equality at Work Declaration**, we ensure that our recruitment policies are based solely on matching the right skills and motivation to

Employees by Category

Employees by Category	2023 TR		2023 RO		2024 TR		2024 RO		2024 TR+RO	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Field Employees	2,525	10,175	2,721	2,942	3,217	11,248	2,914	3,200	6,131	14,448
Office Employees	1,389	3,290	184	475	1,435	3,230	125	349	1,560	3,579

the right role. Our hiring practices are shaped exclusively by the requirements of each position. We manage the entire recruitment process with a strong emphasis on equality and inclusion, using robust measurement and evaluation tools to support objective, data-driven decision-making.

To view Ford Otosan Equality at Work Declaration, please click [here](#).

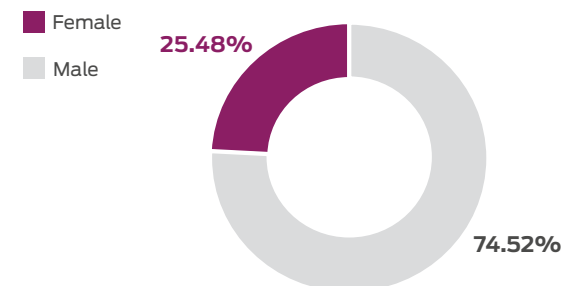
For more information about equality in wages, please see the **Equal Pay for Equal Work** section of this report.

We increased our total female employment ratio from 28.77% in 2023 to 29.91% in 2024 across our operations in Türkiye and Romania. Of our newly hired employees, 27.78% were women. Notably, at the Ford Otosan Craiova plant, 46.13% of employees in 2024 were women.

At Ford Otosan, we are aware of our leading role in promoting women’s employment within the automotive industry. Our commitment to gender equality extends beyond our organization to include our suppliers, dealers, and all stakeholders. With this vision, we prioritized **Gender Equality in Technology and Innovation** as a priority topic and published our related goals in 2022.

One of our key targets is to increase the ratio of women in management positions at our Türkiye facilities to 50% in 2030. This target also encompasses women in leadership roles across **revenue-generating functions** such as R&D, production, and sales and marketing. As of 2024, we reached 25.48%,falling short of our interim goal of 28%. However, we continue to advance toward our long-term goal by monitoring female leadership appointments by department, encouraging the recruitment of experienced women, and supporting potential female leaders through targeted training and development programs.

Executives by Gender (Türkiye)



Diversity, Equity and Inclusion

In 2024, we conducted a series of DEI seminars and training programs to raise awareness among employees at all levels of the organization. As part of these efforts, DEI orientation was introduced as mandatory training, resulting in 418 training hours delivered to 400 participants.

Since 2021, we have offered the **Unconscious Bias Seminar** on a recurring basis to all newly appointed leaders. In 2024, a total of 112 seminar hours were delivered to 16 leaders. Additionally, we expanded the Unconscious Bias Training program to our Ford Otosan Craiova plant. These training sessions help our leaders recognize subconscious and unconscious biases, understand how such biases can influence their relationships and how they can avoid such biases in decision-making processes. We support our managers in cultivating a more inclusive mindset and fostering a fairer, more equitable work environment.

Since we launched the **Women’s Development Journey Training** program in 2023, 208 women leaders received 4,160 hours of training. The Employee Engagement Survey (EES) First Manager Score of program graduates increased by 6 points. We also introduced **Inclusive Leadership Training** in 2023, open to all managers at Ford Otosan. In 2024, a total of 334 leaders completed the training. The program was also incorporated as a module into our Leaders Shaping the Future Program.



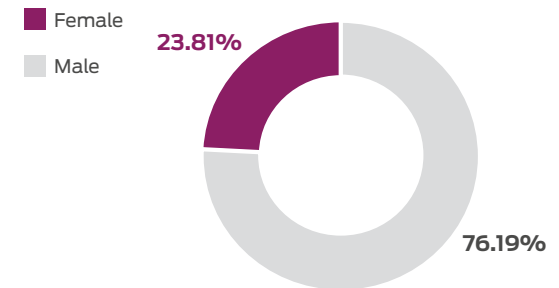
The **Women Leader Development Program**, which we launched in 2023 to empower women in business and promote the employment of more women leaders, reached a total of 100 participants, including 97 actively employed or recently unemployed women, through the Women Leaders in the Office Development Program in 2024. During the year, we also launched the Women Leaders in the Field Development Program for our field employees. 108 participants successfully completed the program.

We recognize that women remain significantly underrepresented in the automotive industry—particularly in **STEM (Science, Technology, Engineering, and Math)** fields—both locally and globally. At Ford Otosan, we are committed to addressing this imbalance and working with determination to eliminate the inequalities it creates.

Inclusive Leadership Training Program	Participants
Leaders Shaping the Future - Number of Trainings	277
LeaderYou – Number of Trainings	57
Total Participants	334

We have set clear targets to increase female representation in STEM (Science, Technology, Engineering, and Mathematics) roles. Based on a 2022 baseline of 20%, our goal is to increase the ratio of women working in STEM positions on our Türkiye facilities to 30% by 2026. Similarly, we aim to double the ratio of women working in STEM roles across our entire dealer network from a 2022 baseline of 11.54% to 23% by 2026. The ratio of women in STEM roles reached 23.81% on our Türkiye facilities and 14% across all Ford dealerships (Ford Türkiye and Ford Trucks). At Ford Otosan Craiova Plant, 48.52% of STEM roles are held by women.

Employees in STEM by Gender (Türkiye)*



* The Number of Employees in STEM is defined in the [Annexes](#) section.

In 2024, we implemented several initiatives to increase the number of women employees and leaders in field roles. To support this goal, we reorganized certain production processes **to improve workplace ergonomics for our female colleagues**. These improvements aim to encourage greater participation of women in field operations and enhance their active involvement in business processes. As part of our broader strategy, we also supported 66 women in obtaining forklift operating certificates in 2024, expanding their access to new roles and responsibilities in the field.

In 2024, we provided Gender Equality training for all of our dealers.

Diversity, Equity and Inclusion

To strengthen the DEI approach across our dealership network:

- We established vocational high school cooperation protocols with our dealerships, focusing on employment support and talent pipeline development.
- To raise awareness among dealers, we organized gender equality training sessions for dealership leaders and vocational high school students.
- In collaboration with the Vehbi Koç Foundation, we launched a new scholarship program to increase the number of female students in vocational high schools, complementing our existing scholarship initiatives.
- Through partnerships with NGOs and local administrations, we delivered technical training programs—such as in painting and mechanics—for women seeking employment. As a result, several participants were hired as technical staff in our dealerships.
- To further support female employment, we revised our dealership facility standards to include dedicated women's dressing rooms and nursing rooms, which are now being implemented in dealerships as part of project rollouts.

More information on our efforts to reinforce the DEI approach at our dealers and women's employment is provided in the [Dealer Transformation](#) section of this report.

In 2024, we began visiting our critical suppliers to promote and extend the Ford Otosan Diversity, Equity, and Inclusion (DEI) Policy across our supply chain. We plan to continue these visits in 2025. We also provided **Gender Equality training to our suppliers** and organized an **Unconscious Bias Workshop** with a selected pilot supplier. In addition, we partnered with TAYSAD (Automotive Supply Manufacturers Association) to host an interactive conference where we shared Ford Otosan's best practices in DEI. During the event, five suppliers also presented their own DEI initiatives.

At Ford Otosan, we continue to collaborate with NGOs, public institutions, the private sector, academics, and universities to advance women's employment in STEM fields.

Until the end of 2026, we aim to reach 100,000 women through our awareness, education, and financial support initiatives. As part of this commitment, we actively contribute to **equal representation** by participating in the **Gender Equality Action Group under the UN Women Generation Equality Forum**.

Aligned with our goal of reaching 100,000 women, we continue to implement the **My Dream Future** project, launched in 2022, to offer awareness, education, and mentoring programs in the STEM field. The project targets university students, recent graduates, women returning to the workforce, and those currently employed. As of 2024, we have reached a total of 35,351 people through a variety of initiatives, including awareness-raising events, personal leadership training, professional development programs, job preparation webinars, and mentoring programs.

More information about the My Dream Future project is provided in the [Future. Now for Communities](#) section of this report.

Information about the social investment projects we implemented in 2024 to foster a culture of Diversity, Equity, and Inclusion is also [Future. Now for Communities](#) section.

At Ford Otosan, we adopt a holistic approach to DEI issues and promote gender equality, while also addressing cognitive diversity, disability diversity and generational differences.



Inclusive Work Environment

At Ford Otosan, we are committed to supporting the equal participation of individuals with disabilities in the workforce and to helping them tap into their potential through accessible workplaces and dedicated programs. To ensure our disabled colleagues can thrive in their roles, we continuously assess and adapt work processes and environments in collaboration with our workplace physicians, psychologists, and department leaders.

As of 2024, we employ a total of 415 individuals with disabilities, including colleagues with Down syndrome, Asperger syndrome, autism, and moderate intellectual disabilities.

We strive to make all our plants and offices accessible to employees with disabilities. Our Yeniköy Plant has been specifically designed as an accessible, **disability-friendly environment**, enabling colleagues from different disability groups to work in suitable roles. Our internal procedures clearly define the roles and conditions under which disabled employees can work. We also provide flexible working hours and offer administrative leave as needed to support individual needs.

Diversity, Equity and Inclusion

To support effective internal communication for our hearing-impaired colleagues, we organize **sign language training** sessions. In 2024, we provided sign language training to 69 employees and to the children of 6 colleagues. Also in 2024, we began holding **DEI Talks** with our colleagues with disabilities. These meetings provide a platform for listening to their needs and ideas, enabling us to take concrete action toward building a work environment that prioritizes diversity and inclusion.

Within the scope of the **Together We Can** project, launched in 2023, we provide psychological and hospital transportation support to our colleagues with disabilities as well as those undergoing cancer treatment. For field employees affected by cancer and returning to the workforce, we offer access to psychological support and ensure they are reassigned to roles that accommodate their needs, helping to improve their overall working conditions. With this initiative, we aim to foster a healthier and more productive work environment that considers both the physical and emotional well-being of our colleagues. As of 2024, 20 employees have benefited from the program.

At Ford Otosan, we are proud to have joined the **IMPACT2030 Türkiye** platform in 2024. This initiative promotes employee volunteering and aims to create social impact. We actively contribute to the platform's **Disability and Neurodiversity Committee**, where we share insights and experiences related to disability inclusion and neurodiversity.

As part of our involvement, we organized an awareness event focused on disability and accessibility within the workplace. The event brought together representatives from nearly 10 different companies. During the event, we highlighted the valuable contributions of our colleagues with disabilities in daily business processes and shared our best practices.



Intergenerational Engagement

At Ford Otosan, we recognize that diverse ideas, perspectives, and competencies contribute to creativity and effective problem-solving. With multiple generations now coexisting in the workplace, we create opportunities for dialogue and collaboration to strengthen intergenerational engagement.

One of our key initiatives in this area is the **Reverse Mentoring Program**, which is implemented annually. In this program, experienced employees are paired with colleagues who have 0–2 years of experience, with the newer employees taking on the role of mentors. This format creates a valuable learning environment where senior employees are exposed to new cultures, trends, technologies, and evolving workplace expectations.



Occupational Health and Safety

At Ford Otosan, we are committed to creating a safe and healthy working environment by fully complying with all legal and corporate occupational health and safety (OHS) requirements. We continuously work to eliminate risks that threaten life and property, such as illness, injury, or fire, and we approach this process in close collaboration with our employees.

In our operations, we identify occupational health and safety risks in alignment with the **ISO 45001 Occupational Health and Safety Management System Certification** and aim to implement an effective risk management process through clearly defined targets and programs. In addition to applicable laws and regulations, we follow the **Ford Motor Company's International Safety Standard and the Koç Group Occupational Health and Safety Standard** when identifying and defining OHS risks. We regularly review and update our targets and programs, taking into account

technological advancements in the automotive industry as well as our company's ongoing investments, and determine necessary strategies.

We regularly review the **Ford Otosan Occupational Health and Safety Policy**, which was first established in 2021 to ensure a safe and healthy working environment across all our operations. In 2024, based on our annual evaluations, we revised the policy to align fully with the ISO 45001 Occupational Health and Safety Standard and to ensure full compliance with the Koç Group Occupational Health and Safety Policy. This policy is binding for all our business processes, employees, and business partners, and it reflects our ongoing commitment to providing a safe and secure workplace.

To view **Ford Otosan Occupational Health and Safety Policy**, please click [here](#).

The OHS Board, responsible for Occupational Health and Safety issues, consists of the Department Leaders at our Plants, Occupational Health and Safety Leadership, Workplace Physician, Fire and Emergency Leader, Employee (Union) Representative and Foreman.

We believe that the active participation and collective effort of all Ford Otosan employees are essential to the success of our occupational health and safety (OHS) initiatives. To support this, we hold regular meetings with our **OHS Board**, where workplace observations are reviewed, actions are planned to improve current processes, and strategic steps are outlined for future enhancements.

Our OHS activities are guided by our **Occupational Safety Leadership**. We set annual targets based on lost time accident (LTA) data and monitor progress in coordination with relevant departments. In the event of an accident or incident at any of our facilities, we follow the procedures outlined in our **Incident and Accident Reporting Directive**. Each incident is thoroughly investigated to identify root causes, and **corrective and preventive actions** are planned accordingly. **Incident and accident reports** are prepared electronically, and actions are followed in collaboration with field leadership through completion. We regularly assess our OHS performance in leadership meetings and provide weekly updates to senior management. Additionally, key OHS performance indicators are presented in board meetings.

At Ford Otosan, we continued to carry out our occupational health and safety (OHS) efforts actively and effectively in 2024, guided by clearly defined responsibilities within our expert OHS team. We conduct comprehensive risk assessments, conduct regular field inspections, and manage legal and administrative processes. All employees, subcontractors, and relevant stakeholders receive health and safety training in accordance with OHS regulations and standards. We also regularly report OHS metrics arising from our operations and develop action plans based on these insights. Through these efforts, we remain committed to maintaining **a safe work environment** across all our facilities.

OHS Performance (Employees)	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 TR + RO
Occupational Disease Rate	0.37	0	0.27	0	0.2	0	0.16
Incident Rate	4.38	0	4.95	1.42	7.36	0.3	5.89
Total OHS Training Hours	210,343	19,020	478,904	6,264	404,964	14,469	419,433

OHS Performance (Subcontractors)	2022 TR	2022 RO	2023 TR	2023 RO*	2024 TR	2024 RO	2024 TR + RO
Incident Rate	3.78	0	4.42	0	6.89	1.05	5.85
Total OHS Training Hours	8,643	1,254	32,563	0	15,786	2,347	18,133

*OHS trainings include FOME Academy Vocational Trainings, Process and Technical Trainings, Mandatory and Legal Compliance Trainings, and mandatory OHS trainings for high-risk workplaces, delivered by TISK Academy.

Occupational Health and Safety

We conduct annual **internal audits** across our facilities with the involvement of audit representatives and our Quality team. Occupational health and safety (OHS) checks performed at the start and end of shifts are monitored digitally through the Digital Ford Production System (DFPS) using Foreman and Process Coach reviews. Additionally, weekly OHS Walks—led by Field Leaders—are conducted to identify potential risks in the workplace. These observations are tracked through our digital system, allowing for swift implementation of necessary improvements and contributing to a safer, healthier work environment.

We apply a comprehensive OHS risk management process at all our Türkiye facilities in alignment with the ISO 45001 Occupational Health and Safety Management System. Each year, we undergo **third-party audits** for certification renewal or interim reviews. In the 2024 ISO 45001 audit, no major nonconformities were identified.

Beyond audit-related findings, we actively identify, evaluate, and manage occupational health and safety risks as defined in our **Risk Analysis Directive**. Risk analyses are reviewed annually or whenever a significant change occurs that may introduce new risks. We also collect and evaluate employee feedback via the Risk Non-Compliance System on the Digital Ford Production System (DFPS), ensuring issues are resolved promptly by the relevant departments. Every two months, we assess the impact and probability of identified risks in collaboration with relevant teams led by the Risk Management Leadership. Any risks categorized as “high” are escalated to the Early Detection of Risk Committee for further action.

We integrate occupational health and safety (OHS), environmental, and energy management compliance expectations into all contractor agreements. The OHS performance of our business partners is evaluated and monitored in accordance with the **Occupational Health and Safety Directive in Contractor Works**. Performance assessments are conducted through field inspections and unsafe behavior observations. Companies that fall short of

expectations are reported to the OHS Board, and appropriate warnings are issued in line with internal procedures. We also use the Contractor OHS Report Form to track and monitor contractors’ occupational health and safety practices. Identified nonconformities are forwarded to the accounting unit, and sanctions are applied as outlined in our internal directives.

Additionally, we require all suppliers to sign a commitment to comply with the **Occupational Safety, Environment, and Energy Specification for Contractor Companies**. Compliance is monitored and reported through audits. Through these processes, we strive to consistently uphold the highest standards in occupational health and safety.



OHS Trainings

We organize various trainings and awareness-raising events to inform our employees about occupational health and safety (OHS) and foster a culture of safe working practices. Legally mandated OHS trainings are repeated every two years, while **technical/process-specific and vocational trainings** are provided before employees begin their roles and following any changes in work location. These programs ensure that our colleagues are equipped with the knowledge

required to perform their duties safely and in accordance with defined procedures.

To build a strong safety culture, we apply internal awareness practices. As part of OHS campaigns, we use visual materials—such as posters and banners—to draw attention to critical safety issues. We also encourage active participation through safety talks and OHS-focused events that engage employees directly.

We maintain transparent and effective communication with our suppliers and business partners on occupational health and safety and environmental matters. In this context, we provide regular updates through our **Occupational Health and Safety in Contractor Work – Environmental Information** training sessions for suppliers and subcontractors.

We provide a minimum of two hours of **On-the-Job Training** as part of our occupational health and safety program for newly hired drivers of shuttle operators. This training covers detailed information about our workplace, organizational structure, working hours, and job descriptions. It also includes an overview of shuttle routes, vehicle operation guidelines, and designated drop-off and pick-up points. In addition, we communicate OHS instructions, emergency response and evacuation procedures, and fire safety precautions. Job-specific training sessions emphasize on safe driving techniques and identifying potential risks, helping to ensure that employees perform their duties with awareness and care. To assess the effectiveness of the training, we conduct exams as part of the evaluation process. We also proactively develop action plans for emergency scenarios to ensure that employees are adequately prepared for a range of situations.

Through all these efforts, we continue to prevent potential risks, reduce the probability of occupational diseases, and contribute to a safer, healthier working environment.

Occupational Health and Safety

Healthcare

At Ford Otosan, we are committed to providing holistic, accessible, high-quality, and standardized healthcare services in line with our Health Policy.

Our health-related decisions and strategies are shaped by the Ford Otosan Health Board, which evaluates company-wide health practices, case reviews, and Occupational Health and Safety (OHS) regulations. In alignment with our agile transformation, the Health Board operates with a multidisciplinary approach. Its members must be certified OHS specialists (at least Class C), and all workplace physicians are required to hold medical degrees. Through this structure, we aim to ensure that employee health and safety are always maintained at the highest level.

Our healthcare team holds weekly meetings with all workplace physicians to conduct general assessments, review case studies, and discuss specific case presentations in detail. The decisions reached during these meetings are shared with health center staff, enabling us to continuously improve our processes and deliver better health outcomes across the organization.

Healthcare Center Programs

At Ford Otosan, our healthcare centers employ full-time **dietitians, physiotherapists, audiometrists, and psychologists**. We provide comprehensive services, including health-related recruitment procedures, routine check-ups, and outpatient care. With fully equipped laboratories and necessary infrastructure, our healthcare centers are capable of performing ECG, X-ray, respiratory function testing, hearing tests, and eye examinations. We offer both in-person and online **spine health** training programs and provide **psychological and hospital transportation support** to colleagues with disabilities and those undergoing cancer treatment. Our **Follow-up and Evaluation Unit** continuously monitors employees on long-term sick leave, those recovering from surgery, individuals with chronic conditions,

and pregnant employees to ensure their well-being.

We carried out detailed health assessments for colleagues identified as morbidly obese, in collaboration with internal medicine specialists. In addition, we continue to prioritize heart health by conducting **cardiac risk analyses** as part of routine periodic examinations, which we have conducted consistently for the past two years.

We ensure that colleagues identified as being at health risk are promptly referred to specialist physicians for further evaluation and care. To promote health awareness, particularly among women, we regularly organize festivals and events focused on women's health. To encourage participation, we also offer online webinars. We provide tailored support to our female employees through **Pregnancy Awareness Events**. Additionally, in cooperation with the District Health Directorate, we implemented the HPV Screening Program at our healthcare center.

We raise awareness on smoking cessation, starting from the onboarding training. At certain intervals, we activate our Smoking Cessation Polyclinic to support colleagues who wish to quit smoking.

Since launching our Substance Addiction Seminars in 2022, we have trained 800 production leaders as of 2024. These seminars aim to raise awareness among our colleagues about substance addiction and equip them with the knowledge needed to take preventive measures. The seminars cover key topics such as measures for combating addiction, applicable laws and regulations, and effective intervention methods.

We carry out comprehensive occupational health assessments through our digital platform, the **Ergonomics and Industrial Hygiene Operating System (ERGOHİS)**. This system allows us to conduct physical posture evaluations, functional ergonomic risk analyses, industrial hygiene assessments, and chemical risk analyses across all processes. These assessments are reviewed and updated every two years. Through our **Job Card** application, we

evaluate the occupational risks that employees are exposed to throughout their careers and maintain a detailed archive of historical working conditions. To prevent occupational illnesses, we focus on early detection of work-related health impacts, make role or location adjustments when necessary, and do not allow assignment to areas deemed unsuitable. This model also allows us to determine process-specific suitability for each employee.

Ergonomics and Industrial Hygiene Operating System (ERGOHİS)

Department/Area Ergonomics and Industrial Hygiene Committee

The Ergonomics and Industrial Hygiene Committee is responsible for identifying ergonomics and hygiene-related risks in workshops and operational areas, developing effective solutions, and driving continuous improvement. The committee manages key processes such as the creation of hygiene maps, performing exposure measurements, and tracking ongoing issues through the Performance, Tracking, Hazard and Risk (PTTR) system. The committee convenes twice a month to evaluate identified issues, conduct **ergonomic risk analyses** for new processes and equipment, and revise occupational safety risk assessments as needed.

Ergonomics and Industrial Hygiene Board

The Ergonomics and Industrial Hygiene Board is responsible for promoting ergonomics and industrial hygiene practices across all workshops, offices, and operational sites. It actively monitors and addresses issues that arise during daily operations and escalates unresolved matters to senior management for further action.

The Board continuously conducts ergonomic improvement activities and training programs in alignment with Ford Europe standards and regulations across the organization.

To maintain alignment and consistency, the Board convenes every three months with departmental ergonomics and hygiene committees and conducts annual reviews of ergonomic risk analyses.

Occupational Health and Safety

Emergency Response Plans

At Ford Otosan, we prioritize the health, safety, and well-being of our employees and the broader community. While ensuring a safe working environment, we also encourage the active participation of our colleagues in occupational health and safety processes to integrate these values into our organizational culture. As part of our **emergency response plans**, we conduct a wide range of drills, including general evacuation, natural gas leak, flood, fire, rescue and evacuation, and environmental incident drills. These exercises are designed to strengthen our emergency response capabilities and are carried out throughout the year with the participation of Crisis Desk members.

Our **facility-wide emergency response plans** include comprehensive elements such as emergency organization charts, communication chains, role definitions, measures to be taken during both peacetime and wartime, as well as post-incident damage assessment and return-to-work processes. The effectiveness of these plans is regularly tested through annual general evacuation drills and localized fire and environmental incident drills. All emergency response plans are accessible to employees via our internal portal. For each drill, we develop detailed scenarios tailored to the potential impact areas and share them with relevant participants in advance. To further enhance preparedness, we also provide training through Koç Academy to help our colleagues build their emergency response capabilities.

Occupational Health and Safety Program External Stakeholder Analysis Workshop

In 2024, our Occupational Health and Environment Leadership team participated in the Occupational Health and Safety Program External Stakeholder Analysis Workshop held at Kocaeli University. During the workshop, the existing course plans for the Occupational Health and Safety Program were reviewed, and recommendations were made to update course content and improve competency development.

Earthquake Awareness Seminar: We organize earthquake awareness and evacuation drill seminars for public and private educational institutions, including kindergartens, primary schools, middle schools, high schools, and universities. In 2024, the Ford Otosan Rescue Team delivered an Earthquake Awareness Seminar to 43 teachers and 550 students at Başiskele Servetiye Cephesi Anatolian High School, and actively supported the school's evacuation drill.

Psychosocial Support: We provide **psychosocial support services** to our employees and their children through in-house psychologists across all Ford Otosan facilities in Türkiye, as well as via the Koç Healthcare digital platform.

At our Ford Otosan Craiova Plant, we prioritize mental health through a comprehensive **psychosocial support program** managed by our Medical Center. Colleagues identified as needing support during annual health screenings are included in a structured **one-on-one counseling program** and receive regular follow-up to ensure continuous care and well-being.

Well-being Trainings: As part of our internal volunteer training platform, Kindness Map, we regularly organize wellbeing workshops covering a variety of topics including body awareness, breathwork, yoga, meditation, and stress management. These sessions are offered weekly, with some designed as 1–2 day programs. To encourage consistent participation, training sessions are added directly to employees' calendars. We also provide personal development support through **stress management and mindfulness trainings** delivered by external trainers. To help participants integrate what they learn into daily life, we provide handbooks and practical guides at the end of the trainings.

Sports Centers: Gölçük Vehbi Koç Foundation Wellness Center features a wide range of facilities, including an indoor gym, tennis court, football field, Pilates and dance studio, and a fitness center. Every year, we also run summer school programs for employees' children, ensuring that they can also benefit from the center's amenities. Additionally, our Sancaktepe R&D Center features an indoor gym staffed with trainers, available for use by all employees.



Occupational Health and Safety

Application	Term	Objective	Relevant Stakeholders	2023 Actual	2024 Current
Safe (Defensive) Driving Project for Professional/Non-Professional Drivers	2026	Managing driving risks in vehicles used for company activities and preventing driver-related accidents that may cause injury or death.	<ul style="list-style-type: none"> - Koç Group Shuttle Operators - Logistics Providers - Ford Otosan Leaders 	We provided defensive driving safety training to 700 people across the company.	We identified 377 leaders who did not receive safe driving training from 2021 onward as the target audience of the 2024 program. As part of the program, we provided 'Defensive Driving Techniques' training to 159 leaders in 2024.
Safe Behavior Monitoring with All/Image Processing Technology	2025	Preventing fatal accidents that may occur due to unsafe behaviors at automation lines.	<ul style="list-style-type: none"> - Intenseye Information Technologies - Press Leadership 	We monitor the press shop line with 60 cameras and the automation area with 21 cameras,observing unsafe behaviors with image processing technology.	The press shop's Line 60 automation area is monitored by 21 cameras. We observe unsafe behaviors with image processing technology.

Our Occupational Health and Safety Awards

At Ford Otosan, occupational health and safety (OHS) is a key priority in all our operations. Our dedication to creating a safe and healthy workplace continues to be recognized within the global Ford network. In 2024, we were honored with five awards for our outstanding projects at the Ford Motor Company President's Health and Safety Awards (PHSA).

Our PHSA Europe awards:

1

Special Contribution Award

2

Best Occupational Safety Metric Award

3

Life Saving Award

Our PHSA Global awards:

4

Ergonomics Innovation Award

5

Industrial Hygiene Excellence Global Award

Ford Otosan Craiova is the winner of the Best of Ford award.

Ford Otosan Craiova Plant once again won the prestigious **Best of Ford Award**, presented by Ford Motor Company to recognize exceptional achievements in health and workplace safety across its global manufacturing operations.

Agile and Cultural Transformation

In today’s rapidly evolving business landscape, technological advancements, global market dynamics, and employee expectations are driving companies to adopt cultures rooted in agility and collaboration. Traditional business models often struggle to adapt to these conditions, whereas agile transformation enables faster decision-making, improved customer satisfaction, greater efficiency, and a more innovative organizational structure. It also enhances employee engagement by fostering creativity and strengthening internal dynamics.

At Ford Otosan, we aim to boost organizational efficiency, drive effective business practices, and deliver innovative solutions. To achieve these goals, we structure our agile transformation processes around clearly defined strategies. Since launching our **Agile Transformation Strategy** in 2019, we have steadily integrated a culture of feedback and continuous improvement across the company. By 2024, we reached a key milestone, implementing a robust evaluation and learning approach organization-wide. As part of this approach, we reviewed our **business practices, governance models, and cross-functional processes** to align with agile working principles. We identified development opportunities in 43 different areas, introduced iterative development cycles, and significantly enhanced our overall business agility.

As part of our Human Capital Transformation, we are also continuously developing the competencies of our workforce to align with the skills and capabilities of the future.

Agile Transformation

We view agile transformation as a critical step toward implementing our strategic goals and achieving sustainable growth. Under the leadership of our Human Resources and Transformation team, we are working on an end-to-end, holistic agile transformation strategy. Our approach focuses on key pillars including agile transformation, organizational and cultural sustainability, and change management. By fostering customer-centricity, decision-making capability,

and forming strong cross-functional teams, we break down barriers and empower teams with end-to-end responsibility, autonomy, and authority. This structure enables us to become more agile and flexible, creating greater value for all our stakeholders.

When designing our agile transformation journey, we prioritized four key areas: **organizational transformation, cultural transformation, change management, and business structure transformation.**

We shaped our agile transformation approach to reflect Ford Otosan’s unique needs and the specific dynamics of the automotive industry.

The system we designed focuses on five key goals:

- Achieving sustainable growth and efficiency
- Fostering high employee engagement and happiness
- Ensuring that suppliers, customers, and dealers experience the positive impact of our agile transformation
- Becoming a leader in attracting, retaining, and developing talent
- Advancing our organizational maturity in agile implementation

Based on these goals, we addressed every aspect of agile transformation and its impact on all stakeholders.

We reduce interdepartmental barriers within the organization by giving end-to-end responsibility, authority and autonomy through customer orientation, the ability to make quick decisions and the creation of strong, cross-functional teams.

In this way, we aim to create value for all our stakeholders by establishing a more efficient and flexible structure.

By prioritizing roles over titles, we eliminated hierarchy and minimized communication failures between teams and departments. This change fostered transparent communication across all units.

We adopted a multidisciplinary approach by bringing together colleagues with diverse skill sets, encouraging expertise-based diversity within teams. This structure allowed team members from different disciplines to co-create and deliver innovative solutions.

We also formed creative and efficient teams willing to take initiative. By equipping our colleagues with new competencies, we helped them unlock and maximize their full potential.

As of 2024, all of our office employees are **fully integrated into the agile working model** company-wide. To ensure alignment and harmony across agile teams, we implemented a strategy deployment process in line with agile principles. Through our Annual Unity of Purpose (UoP) events, we cascaded senior leadership strategies and decisions into daily workflows. We further reinforced alignment and resource planning through Quarterly Business Reviews (QBR), creating a “cause chain” that strongly links strategic targets with day-to-day operations.

Ford Otosan’s agile working and mindset maturity was recognized by the **Business Agility Institute (BAI)**, an independent organization. In this global agile management systems study measuring businesses’ agility levels, we became the first in our industry to receive the **“4-Star Organization” rating and title**. Among 1,800 companies evaluated worldwide, Ford Otosan placed within the top 11%, ranking as the **highest-scoring automotive manufacturer** in our region.

Agile and Cultural Transformation

Agile Teams and Our Agile Working Practices in the Field

At Ford Otosan, we invest in talent transformation and commit to helping our colleagues acquire new competencies. Through our agile working model, we create value in areas such as operational efficiency, revenue generation, customer satisfaction, process improvement, and speed. As part of our agile transformation journey, we enrolled our employees in agile training programs available through Koç Holding and other platforms. In addition engaging trainings like “Gamified Kanban”, we facilitated participation in specialized development programs such as **“Kanban Master Empowerment”** and **“Scrum Master Empowerment”** for team members in agile roles.

To ensure the long-term sustainability of our agile mindset, we developed a tailored **New Employee Program** for newly onboarded office colleagues.



By providing onboarding training on company culture, agile principles, and mindset to 572 new office employees in 2024, we created an environment where newcomers could quickly adapt and work in harmony with their teams.

We continue to enhance and enrich the agile working experience for different roles. As part of this effort, we delivered Empowerment Programs to 321 Kanban Masters across 12 sessions in 2024, strengthening their competencies in agile practices. To support the application of agile principles within teams, we also offered **Kanban System Design training—certified by Kanban University**—to 159 graduate-level employees, helping them facilitate stronger collaboration and improve problem-solving processes. In parallel, 93 function leaders participated in role-specific empowerment programs in four sessions. In total, we trained 502 leaders as part of our broader leadership development initiatives. Additionally, 130 leaders received coaching through our **Leaders Shaping the Future** program. Overall, we delivered 7,848 hours of agility-based training in 2024, including onboarding programs.

We also extended our agile practices to the field, implementing Ford Production System priorities within the Kanban system at our Gölcük plant, spreading them across all workshops. By increasing visibility in shift lists, we improved prioritization, teamwork, and intra-team feedback mechanisms, enabling continuous improvement and enhanced operational efficiency. During the commissioning of our new Transit model, these improvements helped us **meet delivery targets within just four months**. As a result, we **reduced the number of unsold vehicles at the plant by 91%**.

Cultural Transformation

At Ford Otosan, we foster a team culture grounded in core values such as mutual trust and respect, appreciation, openness to change, innovation, open communication, and transparency.

Through the **Common Culture Perspective** initiative, we engaged employees at all levels in a participatory process to define concrete actions that promote our cultural principles. Based on the insights, we developed a cultural roadmap and shared our commitments openly with our colleagues. In 2024, we continued to implement and communicate these actions.

Our Cultural Principles



Employee Engagement

At Ford Otosan, we are committed to creating a respectful, fair, peaceful, and enjoyable work environment that supports work–life balance and personal development. We continuously strive to design all our processes in a way that enhances the end-to-end employee experience. As one of our key focus areas in 2024, **we launched the You Are the Experience process to ensure that every employee concern is acknowledged and addressed at the leadership level.**

Based on the feedback received through You Are the Experience initiative, we began redesigning our HR processes with an experience-oriented approach. We also develop processes for colleagues with 0–1 year of tenure in response to their unique expectations. As part of this effort, we host **Inspiring Beginnings Meet-ups** with Ford Otosan leaders and senior management. In 2024, we implemented a dedicated orientation process for field employees for the first time, taking a comprehensive approach to this experience. The process will continue to be improved in 2025. We launched the Human Resources Department (HRD) With You platform to provide digital access to all Human Resources processes. Additionally, through the HR On the Line application and one-on-one meetings with our HR area teams, we are strengthening our presence on the field, listening to employee needs and continuously improving our processes. We also support employee engagement with personalized messages on special occasions and by expanding the scope of orientation processes to instill a stronger sense of belonging.

To maintain transparent and open communication across the company, we host regular “Biz Bize” webinars led by our General Manager throughout the year. These sessions serve as a platform to share company updates, gather employee feedback, and respond directly to questions with the active participation of senior leaders.

Employee Experience

Ford Otosan is powered by a team of 25,718 employees, with 80% working in the field and 20% in office roles. Recognizing the vital role of our employees in every success we achieve, we design our business processes with a strong focus on employee satisfaction and engagement.

Beyond legal entitlements, we provide a wide range of **additional benefits to support the development** of our colleagues. These include private pension contributions, membership in the Koç Pension Foundation, holiday and fuel allowances during the year, and meal vouchers for remote working days. Employees also benefit from exclusive discounts at Koç Holding companies, along with offers at partner restaurants, apparel brands, gas stations, supermarkets, events, and hotels through the KoçAilem application. We further offer employees advantageous pricing when purchasing vehicles from Ford Otosan. To personalize these benefits, our office employees can manage and customize their packages through Flextra, a system designed to align benefits with individual and family needs. Our Office Free application enables flexible working from any city or office location. We continue to improve rest and break areas based on employee feedback. Furthermore, we are expanding our range of healthy snack options across cafeterias, kiosks, and vending machines.

We aim to support our colleagues in achieving **a healthy work–life balance while expanding flexible working opportunities**. By balancing overtime when necessary, we allow employees to manage their own schedules flexibly outside of core working hours. Through our **“No Meeting Wednesday” initiative**, we reserve Wednesday mornings for personal development.

In addition to annual leaves, we also **extend extra financial support** in situations such as marriage, childbirth, or education. To further support our colleagues through parenting and family-building processes, we ensure their



needs are met during maternity and parental leave periods. To protect against the impact of economic changes, we apply salary increases and bonuses simultaneously to all employees on maternity leave—both in Türkiye and at our Ford Otosan Craiova Plant—ensuring that no one is disadvantaged during their time away.

To support our female colleagues who are parents, we offer **administrative leave on the first day of school and on report card day** during their children's four-year primary school period. New mothers are also entitled to **work half of their normal working hours** if they notify the company within 30 days following the end of their 16-week maternity leave. This right is granted for 60 days for the first child, 120 days for the second, and 180 days for three or more children. We also grant five days of legal paternity leave to our colleagues who become fathers.

At Ford Otosan, we value our employees' personal well-being and development as much as their professional success. In this context, we provide access to **adult and child psychologist support** for working mothers and their children. Additionally, we organize seasonal parenting seminars on important topics such as exam anxiety and substance use among youth. In 2024, we hosted separate seminars addressing these subjects.

Employee Engagement

In addition to providing nursery services, we offer a **net nursery allowance** for children aged 0–66 months to support mothers working at Ford Otosan. This allowance is updated annually in line with the inflation rate. We also take into account the expectations of our employees during collective bargaining processes and work collaboratively with the union to reach a mutual agreement. In 2024, the number of female employees benefiting from our nursery services and financial support reached 826.

Aligned with our company strategy, we aim to enhance employee satisfaction, well-being, and motivation by developing Human Resources practices that are grounded in equal opportunity, respect for differences and ethical values, a focus on development, and high performance. As part of this approach, we conduct Employee Bonding Surveys with newly hired employees 90 days after their start date, collecting feedback under 15 different categories. The overall

evaluation score across all leadership teams is 85 out of 100.

We also hold one-on-one meetings on topics such as open door communication, coffee chats, psychological safety, and well-being.

Through our annual **Employee Engagement Survey and Work Experience Survey** (Interim Pulse Survey), we measure our employees’ experiences in areas such as job satisfaction, happiness, stress, and motivation. The results are analyzed by an independent organization, reviewed by our Human Resources team, and shared with relevant business partners and stakeholders. We develop action plans with the participation of leaders at all levels and ensure their implementation and follow them through our “You Are the Experience” initiative. Additionally, we leverage instant feedback tools to take swift action in areas that require immediate attention, continuously enhancing employee satisfaction.



In 2025, employee engagement will remain one of our top priorities. With a focus on the themes of People, Context, and Technology, we aim to implement targeted initiatives that place the well-being of our employees at the forefront. Throughout this process, we will take meaningful steps to unlock the full potential of each individual and foster strong, sustainable engagement.

People First Index

Guided by the People First Index for formulating our employee engagement survey questions, we focus on three key dimensions: well-being, connection, and unlocking potential.

Well-being: Assesses employees’ happiness, peace of mind, and work-life balance within the organization. Focuses on benefits, the value placed on employees, and holistic well-being.

Connection: Evaluates employees’ sense of purpose within their roles. It explores how the organization’s goals, social and environmental responsibility, business ethics, and ethical values resonate with employees.

Unlocking Potential: Measures the organization’s capacity for innovation. It focuses on how quickly new ideas are supported, the areas of initiative extended to employees, openness to different perspectives, and the availability of learning and development opportunities.

In 2024, our Employee Engagement Survey achieved an 83% participation rate, rising by 5 percentage points compared to 2023. According to the Interim Pulse Survey conducted within the year, the engagement rate increased by 3 percentage points, reaching 59%. Employee engagement scores by gender, level, and age group are available on page 164.

Employee Engagement

In 2024, we also conducted the **first Employee Engagement Survey at our Ford Otosan Craiova Plant**, where we recorded an engagement rate of 69%. In the coming period, together with our leaders, we will identify and implement actions to enhance the overall employee experience.

Employee Engagement Rate %	2024 TR	2024 RO	2024 TR + RO
Total	55.6	69	59

Suggestion and Improvement System and Digitalization

,With the adoption of next-generation working models, we offer a flexible and open environment that enhances employee participation, motivation, and job satisfaction. Encouraging our colleagues to take initiative not only enables them to add value to business processes through their creativity but also supports our company’s drive for innovation.

At Ford Otosan, we established the **Suggestion and Improvement System to encourage both field and office employees to take initiative**. This system allows employees to document the improvements they implement in their work processes and share the suggestions they develop. Through the Improvement System, employees contribute enhancements in areas such as line balancing, tool and apparatus development, energy efficiency, industrial material usage, robot and equipment acquisition, and paint savings. Within the Suggestion System, they also generate ideas related to localization, occupational health and safety, human resources, cost reduction, and packaging.

All viable suggestions and improvements submitted through the system are recognized and rewarded. **In 2024, we rewarded 299 employees for the improvements they contributed through the Suggestion and Improvement System.**

Ford Otosan Sports and Social Clubs

We value the importance of creating opportunities for our colleagues to come together around shared interests and hobbies, and fostering social interaction. We believe that such activities strengthen employee engagement, enhance

communication, and promote collaboration. We also aim for our social clubs to help **reduce work-related stress, boost motivation, and support a healthy work-life balance.**

Through our Sports and Social Clubs, we aim to develop our employees’ teamwork skills while encouraging personal growth in their areas of interest. **Ford Otosan Social Activity Clubs** offer a wide range of engaging, dynamic, and educational activities across 24 different hobby areas.



Employee Engagement

Ford Otosan Sports Clubs aim to integrate sports as a core part of our colleagues' lifestyles. In addition to organizing in-house tournaments, we stood out in 2024 by winning numerous awards in inter-company competitions within Koç Group. We value the well-being of our employees and encourage sports and social activities.

As of 2024, our social clubs reached approximately 8,300 followers across our internal communication platforms.

At the 35th Koç Group Sports Festival, Ford Otosan secured first place among Koç Holding companies, earning 51 trophies with 60 teams competing across 19 different branches. We also maintained our title as the company with the highest number of female athletes. In addition, the Ford Otosan Craiova Plant teams represented the company in international competitions.



Digitalization in Human Resources Processes

We prioritize digitalization across our Human Resources processes and **develop Robotic Process Automation (RPA) projects** to enhance efficiency. By adopting agile approaches and delivering solutions in incremental stages, we effectively address challenges encountered throughout project implementation. Through the digitalization of routine HR processes, we automate numerous tasks, saving time and minimizing potential errors. With the support of data analytics and reporting tools, we are able to instantly monitor and analyze HR-related business processes at every level of the company.

Our digital HR systems are managed in full compliance with the **Personal Data Protection Law (GDPR) and our Information Security Policy**. We take comprehensive measures to ensure the confidentiality and security of our employees' data. In accordance with legal requirements, we inform our colleagues about the purpose of data collection, how their data is stored, and obtain their explicit consent.

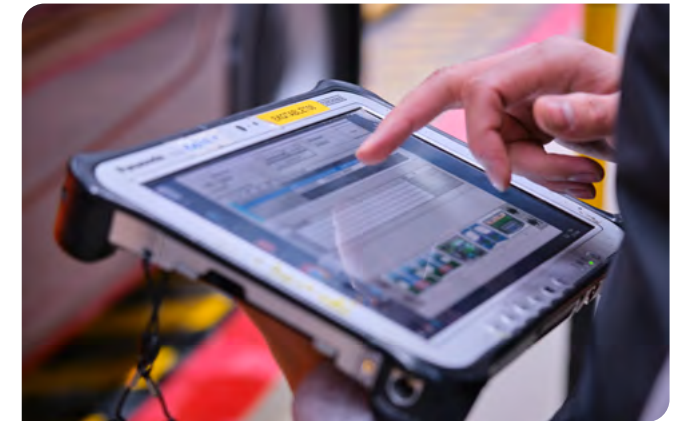
Through our digitalization projects, we enhance the quality of our business processes, reduce error rates, and make significant contributions to our sustainability efforts. Looking ahead, we aim to further elevate the employee experience by expanding the use of artificial intelligence and robotic automation technologies within our HR processes.

The key projects we implemented in 2024 as part of our Human Resources digitalization efforts are as follows:

HRD With You: Launched in 2024, our HRD With You digital platform provides employees with easy access to all Human Resources and Transformation Leadership processes and related information through a single portal.

Digitalization of Authorization Processes: As part of our efforts to digitalize authorization processes within HR systems and applications, we effectively leveraged our existing infrastructure. By creating position-specific role definitions, we eliminated potential authorization errors, simplified the experience for end users, and enhanced the overall security of our systems.

Recruitment, Training, and Termination Processes: We streamlined recruitment processes by integrating multiple systems and applications into a single platform, creating a more efficient structure for both HR teams and all employees involved. In training and development, the enhancements we introduced have significantly contributed to our colleagues' career growth. The digitalization of these processes improves the overall employee experience while saving time and resources.



Employer Brand and Talent Acquisition

Ford Otosan's Employer Brand Strategic Roadmap

At Ford Otosan, we are more than a leading force in technology and production, we are a community that inspires its people, supports their development, and celebrates success together. To ensure that our employer brand incorporates our brand recognition and visibility and accurately reflects our vision, values, employee experience and opportunities, and collective impact, **we redefined our employer brand in 2024.**

Our employer brand strategy is guided by the belief that “Together, we are building a brighter future by unlocking our potential today, a principle that lies at the heart of our people strategy, both for current employees and future talent. Building on this foundation, we developed a three-phase strategic roadmap at the beginning of 2024. This roadmap aims to clearly articulate the elements that **prioritize people, reflect our shared culture of Dynamic Balance, and position Ford Otosan as an employer of choice** for our target talent audiences. Our goal is to go beyond traditional brand communication to highlight both existing and newly introduced experiences and practices that distinguish Ford Otosan, and enabling candidates and employees to experience them firsthand. We also strive to ensure that our employer brand is embraced and represented by our employees, resonating across generations and enabling a deeper connection with Ford Otosan.

In line with our competitive position in the talent market, we initiated a comprehensive research phase in the first half of 2024 to strengthen our appeal as an employer and ensure

long-term talent sustainability. Our objective was to reach and engage the talent who will help shape the future of our business, while also becoming a more preferred employer. As part of this effort, we conducted an in-depth analysis of a broad and diverse sample group, including university students across Türkiye, young professionals with 1–3 years of experience, current Ford Otosan employees, and former employees to explore multiple dimensions in detail.

We re-evaluated our employer brand identity to reflect both our current position and our future aspirations. This process allowed us to clearly define the elements that differentiate Ford Otosan from competing employers in the talent market. Based on these insights, we clarified the cultural foundations of our employer brand and launched a refreshed brand identity that captures the essence of who we are with a simple and powerful motto: **“Ford Otosan | On the way”**



Employer Brand and Talent Acquisition

The meaning of “Ford Otosan | On the way”

Ford Otosan On The Way represents continuous progress. With this narrative, we emphasize that **everyone who joins Ford Otosan will find a world of opportunities to advance on the way of innovation, development, career, life, and success.** As part of our employer brand's strategic roadmap, Ford Otosan On The Way was officially introduced to all Ford Otosan employees and to the wider Turkish ecosystem. In the third and most critical phase of our employer brand strategy—activation and strengthening brand perception—dedicated teams were established under five sub-brands, each representing a distinct path within the Ford Otosan journey: Innovation, Development, Career, Life, and Success. These teams are working on initiatives within Ford Otosan to bring to life the valuable products, applications, and processes already in place, which will be conveyed through a strong and consistent communication strategy. We will continue to enrich and expand the experiences Ford Otosan offers to its existing and future employees.

Talent Acquisition

Through our employer brand and talent acquisition processes, we aim to attract new talent to the industry while strengthening the engagement and loyalty of our current employees. One of our key goals is to offer full-time opportunities to candidates who complete their internships through our long-term programs, by coordinating directly with relevant departments. In this context, **44 of the 346 interns, including 156 short-term and 190 long-term participants, who completed their internships in 2024 were hired as full-time employees.**

We make effective use of digital platforms such as LinkedIn, Kariyer.net, and Peoplise in our recruitment processes. Candidates participating in the process receive comprehensive employee guides. Through Peoplise, we

administer the İTEP English test and case studies, and we collaborate with Korn Ferry to conduct personality inventories. Final interviews are conducted jointly by Human Resources and relevant department managers. To ensure a continuously improving candidate experience, we measure the Net Promoter Score (NPS) based on candidate feedback. In 2024, our candidate experience NPS reached +71.

Working closely with both internal and external stakeholders, we continue to improve our processes to attract future talent and strengthen employee loyalty. Our career management strategies are designed to provide comprehensive programs that develop the skills and competencies of our colleagues. Beginning with the recruitment stage, we support new hires in adapting quickly to Ford Otosan's culture through structured orientation and career coaching processes. Our active orientation program ensures that new colleagues make the most of their first 90 days, helping them embrace Ford Otosan's agile working approach through site visits, culture sessions, and one-on-one meetings.

With our refreshed employer brand and Employee Value Proposition (EVP), we aim to deliver a distinctive experience to both current and prospective employees. The EVP reflects the total value—both tangible and intangible—that we offer, communicating a clear and compelling message for choosing Ford Otosan. It plays a central role in strengthening employee engagement and reinforcing the power of our employer brand.

As part of our efforts to attract young talent, we regularly bring experienced leaders together with students, offering valuable opportunities for students to hear directly from experts in their fields and gain insights to guide their career planning. In addition to these engagements, we host events twice a year to integrate new graduate candidates into Ford Otosan's recruitment pipeline. We also provide internship and dissertation opportunities to help young engineers shape their career paths and collaborate with universities to integrate these offerings into academic programs.

FORD OTOSAN | On the way



Employer Brand and Talent Acquisition

Programs & Projects	
Future Designers Internship Program	Through the “Future Designers Summer and Long-Term Internship” program, we offer internship and career development opportunities to third and fourth year engineering students at universities. The interns explore various functions in the industry by becoming involved in vehicle, engine and battery technologies. We prefer students who successfully complete the program in employment at Ford Otosan after graduation and facilitate the start of their professional careers.
KOOP	We have partnered with Yıldız Technical University for the KOOP program to offer fourth-year undergraduate students internship opportunities at Ford Otosan five days a week in the spring semester. The project that we started with a focus on Engineering & Technology Development (ETD) continues to evolve. In 2024, we extended internship opportunities to five students and hired three of them as full-time employees.
Dissertation	We are running a two-term graduation dissertation project for fourth-year undergraduate students. As part of this project, we expect seniors to present a project on a topic determined during field visits in the first term and to submit their dissertations in the second term by focusing on solution proposals. In 2024, we supported the dissertations of two students.
Innovolt Engineering Challenge	<p>We organize the Innovolt Engineering Challenge, which includes university collaborations and physical case studies, to attract young talents to our company. Within the scope of this program, we identify the needs and expectations of the candidates by communicating face to face and encourage them to apply to our current internship programs. We aim to employ the candidates who complete long-term internship programs in our company full-time based on departmental needs.</p> <p>In 2024, we organized two Innovolt Engineering programs. The first edition was carried out with our Engineering, Technology and Development ADAS teams and included 24 students. The candidates were selected after the evaluation of applications received via social media with filtering questions, English proficiency tests and personality inventories. While 9 leaders from our ADAS and Driventure teams and 2 leaders from our Human Resources teams participated in the event, 4 of our leaders contributed as members of the jury.</p> <p>The second edition involved our Next-Generation Battery teams and 20 students. We again followed the same selection steps along with online case studies. 13 leaders, including 5 senior executives and 8 leaders, participated in the event and 8 of these served as members of the jury. With our Human Resources, Innovation and Digital Products and Services teams contributing to the program, we successfully completed two editions.</p>
Ford Otosan Business and Production Academy	In 2024, we launched the Ford Otosan Business and Production Academy project to support the technical development of our new colleagues and facilitate their onboarding. We completed the training of our new colleagues with a comprehensive package consisting of 36 technical trainings to contribute to their professional development.
Technical Trips	We organize technical trips for students to become familiarized with production and R&D departments and see the industry up close. In 2024, we hosted 546 undergraduate students at our Gölcük facilities.
Leaders Participating in Classes at Universities	To offer a closer look into Ford Otosan better, our leaders deliver lectures on various topics for different departments at universities. The program helps students gain a better understanding of the industry over a week. In 2024, 17 leaders from Ford Otosan participated in these university events.

Talent and Career Management

At Ford Otosan, one of our key priorities is to support our colleagues throughout their career journeys, helping them find clarity in their aspirations, identify their development needs, and embrace the belief: **“As a Ford Otosan employee, I am the Leader of My Own Business.”**

In line with our agile organizational structure, we developed a new framework that presents holistic career paths for our

office employees, introducing three distinct tracks within this scope. We aligned the competency sets of our office employees with this agile structure and ensured effective communication of these updates. As part of the competency revisions, we standardize our leadership track selection processes for mid- and first-level leadership roles through assessment center practices. To enhance the internal mobility experience, we also prepare internal job posting experience

guides. As part of our Ford Otosan Craiova Plant integration, we have initiated a human resources planning process for our Craiova office colleagues. For our field employees, we ensure equal opportunity and support competency development in leadership selection processes. In this context, we adopt a newly designed approach to identify and build a robust pool of future field leaders.



Talent and Career Management

Career Management

At Ford Otosan, we design our career management processes to help our colleagues discover their potential, strengthen their competencies, and navigate their career journeys in a sustainable way. As part of our **Human Resources Planning** framework, we identify critical roles aligned with our strategic goals, establish **succession plans** for leadership positions, and define career and development actions for our employees. Throughout this process, we prioritize equal opportunity and support the individual goals of our colleagues.

Our career management approach supports employee development through multiple pathways. The three distinct career paths we offer—**Deepening in Your Role, Diversifying in Your Role, and Changing Your Role**—enable our colleagues to expand their expertise, acquire new skills, and gain experience in diverse positions. Through our internal mobility processes, we make it easier for employees to explore different opportunities within the organization. The career paths we offer both in Türkiye and across our global operations play a key role in supporting the personal and professional growth of our people.

We use the **Koç Dialogue System** to identify the strengths and development areas of our colleagues, support their career aspirations, and regularly assess performance. This system offers full transparency, allowing all employees to view the goals of their peers—including senior management and facilitates ongoing feedback through regular one-on-one meetings between employees and their leaders. The insights gathered from these sessions help guide actionable steps for development.

As part of our commitment to offering diverse career paths, we introduced the **Technical Excellence Journey** (formerly FTEM), which provides an alternative track for employees to advance their careers through technical expertise without taking on a team leadership role.

Both the Koç Career and Koç Dialogue systems are integral to our career management approach. **With Koç Career, we promote equal opportunity by transparently sharing all open positions with our employees.** The Koç Dialogue System supports forward-looking performance management. Guided by the Objectives and Key Results (OKR) approach, we conduct regular feedback sessions throughout the year. These meetings help our colleagues refine their career goals, recognize their strengths, and focus on areas for improvement, ultimately enhancing their overall performance.

At Ford Otosan, we empower our colleagues to express themselves fully, in line with our commitment to business agility and continuous development. By designing individual career journeys aligned with our company's strategic goals, we support both organizational success and personal growth.

We utilize our Career Mobility process as a key talent management tool to foster internal agility. This process enables employees to take on new responsibilities, explore different work experiences, and broaden their professional perspectives.

Through job rotations, we create opportunities for our colleagues to experience various roles, responsibilities, and working principles. This not only strengthens their skillsets and competencies but also enhances their contributions to both personal and organizational goals. **To prevent talent attrition, we analyze Career and Talent Movements and our Strategic Human Resources Planning efforts.** Based on these analyses, we develop tailored action and development plans, outlining personalized roadmaps for employees as part of their talent transformation journey.

With our Career and Talent Meetings process, we aim to support colleagues and leaders in continuously elevating their knowledge levels, skills, and competencies at every stage of their careers. These efforts help individuals reach their full potential and become the best version of themselves. By increasing awareness of personality traits, capabilities, and professional skills, we enhance career planning and provide a distinctive employee experience, helping our people internalize the belief: "We are the Leader of Our Business." As part of this process, we conduct one-on-one interviews with employees to implement development actions identified during Human Resources Planning meetings.



Learning and Development

At Ford Otosan, we place learning and development at the heart of our corporate culture to foster individual competencies while supporting the achievement of our organizational goals. Guided by the motto **“Transform the Potential of Employees into Value with the Power of Attracting the Right Talent,”** one of the four main focus areas of our North Star, we implement a comprehensive learning strategy designed to enhance the **personal, leadership, technical, and professional capabilities** of our colleagues. This strategy is aligned with employees’ career goals and plays a key role in driving our sustainable growth and long-term success.

In identifying learning and development needs, we leverage various tools, including assessments and performance analyses conducted during recruitment and internal role transitions. We also evaluate our colleagues’ strengths and development areas by considering their competency sets, strategic priorities, leadership manifesto, employee engagement survey results, and individual development plans. We continuously update and enrich our training content by following evolving trends and best practices in learning and development.

We prepare **annual development plans** for all our colleagues, supporting them through various internal and external training programs, online courses, and certification opportunities. Our leadership selection processes are standardized, grounded in clearly defined competency sets aligned with our agile organizational structure, and built on the principle of equal opportunity.

Through our company’s Learning and Development page, we provide access to a rich digital library and a wide range of e-learning resources from multiple platforms. We offer a hybrid learning experience that combines remote learning with interactive e-learning programs. In addition, we host classroom trainings and monthly webinars for all levels within the organization, and assign mentors based on individual development needs.

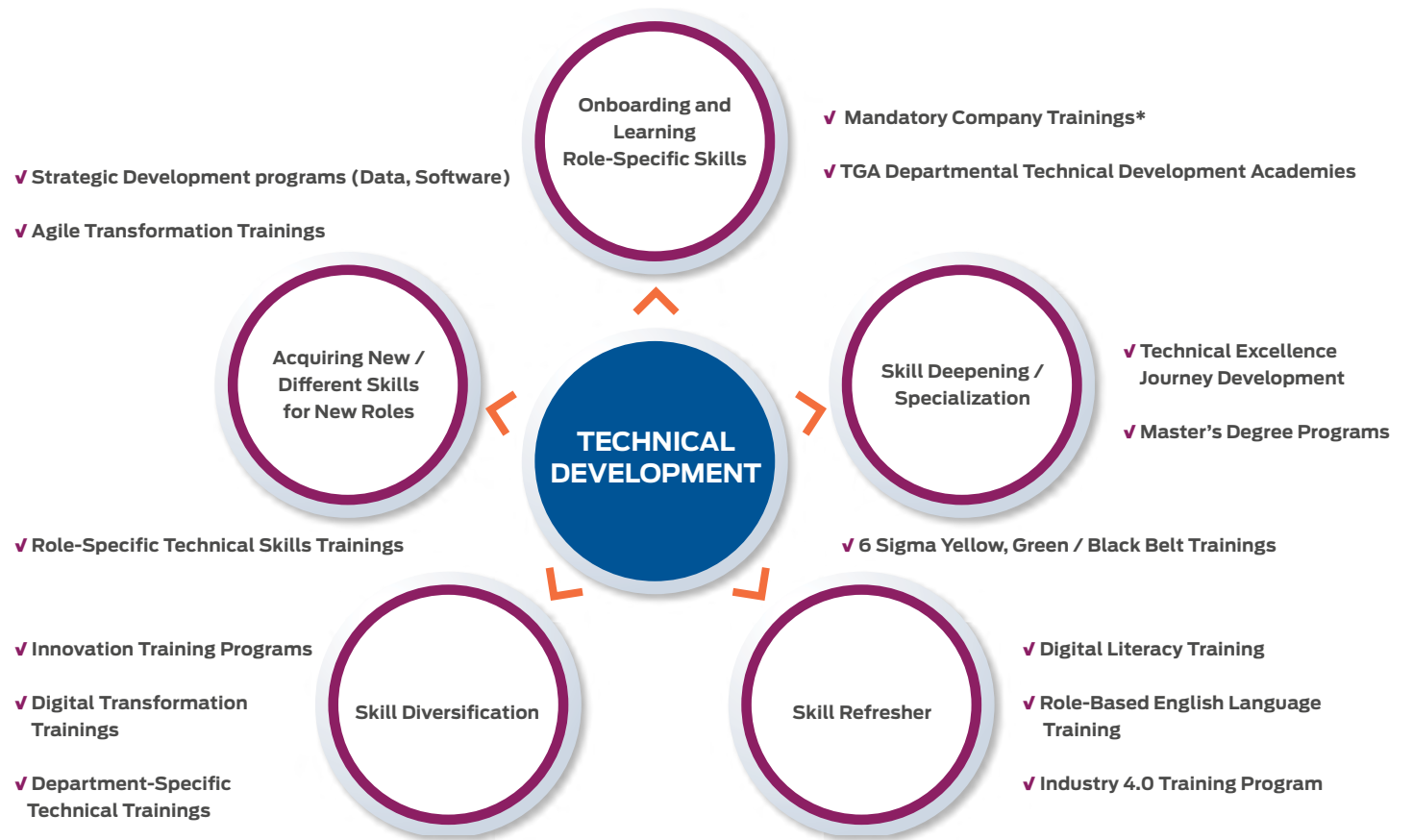
Competency and Social Skill Development Trainings



Personal Development Programs	Coaching and Mentoring Programs	Koç Holding Leadership Development Programs	Leadership Development Trainings
Competency and Social Skills Classroom Training <i>(Stress Management, Resilience, Persuasion Techniques, Presentation Skills)</i>	Classic Mentoring Program	Lead Management Programs	Grow Development Program
	Reverse Mentoring Program	Lead Leadership Programs	LeaderYOU Program
	Peer Mentoring	Lead Digital Programs	Women Leaders Development Program <i>(Office + Field)</i>
Webinars & Seminars <i>(Performance Appraisal System, Renewed Ranking Process, Technical Excellence Journey, Pension Foundation Information and Privileges and Evaluation Center processes)</i>	Bridge Together Mentoring Program (TR & RO)	Udemy Education Programs	FordTrucks Academy
	SparkUs Online Coaching Program	Emeritus Education Programs	Ford Türkiye Leader Academy
	1-1 Leadership Coaching	Unlock Program	Leadership Agility Program
Outdoor Training Program	Team Coaching	You Are The Leader Program	
Field Employee Seminars		PDP (Personal Development Program)	Agile Leadership Program
Diversity, Equity and Inclusion Trainings		Harvard AMP & PLD Program	Business Coaching Advantage Development Program
Field Employee Competency Transformation Program		Women in Board Association Mentorship Program	Leaders Shaping the Future Program
		Koç University MBA-EMBA	Mastering Leadership Program <i>(Field)</i>
			Meridyen: Leadership Beyond Authority Program

Learning and Development

Technical Skill Development Trainings



*Occupational Health and Safety, Emergency, Code of Conduct and Ethical Rules, Environmental Legislation and Management System, Ethical Reporting Channels, Information Security System, Quality Management System, Energy Management System, Chemical Spill Emergency Response, Contract Processes, Harassment and Sexual Harassment in the Workplace, Dynamic Balance Our Common Culture Values and Principles, Mobbing, Ethical Principles, Sanctions and Export Controls, Combating Bribery and Corruption, GDPR, Competition Law.

Learning and Development

Professional Development Trainings

At Ford Otosan, we consider vocational training a strategic priority and continue to take significant steps in this area. Demonstrating our firm commitment, we established the Ford Otosan Vocational Training Academy to advance our efforts.

We recognize that achieving the automotive industry's quality production and export targets requires a highly skilled and qualified workforce equipped with strong knowledge, technical abilities, and competencies.

With this approach, we launched the Business Partnership Vocational Education Model—a first in Türkiye—in collaboration with Kocaeli University in 2014. Through this model, we aimed to bring professionally qualified, knowledgeable, and skilled young talent into the industry. We raised our ambitions year after year, delivering vocational training to approximately 18,000 field employees between 2014 and 2024.

Building on this foundation of knowledge, experience, and needs, we introduced the Ford Otosan Vocational Education Model (Skill Development Ecosystem) in 2024. This model is designed to develop the critical skills of both current and future employees, ensure the sustainability of our production capabilities, and foster a culture of continuous learning.

Our ecosystem is built around three strategic priorities: People, Quality, and Cost. By identifying current and future critical roles within this framework, we continue to strengthen our workforce and implement tailored recruitment plans to meet our long-term needs.

Our Specialization Programs



Electric Vehicles (EV) and Battery Technologies Training Program (EV)



Engineer Specialization Program (MUP)



MUP + (Ventilation, Transfer Equipment, Energy Efficiency)



Training the Trainer Program



Maintenance (BUP) Specialization Program



Industrial Robotic Programming



Aluminum Welding Training



VR-assisted Vocational Training

Our Legal / Mandatory / Vocational Trainings and Certifications



Vocational Trainings (CNC, Mold, Automotive, Engine etc.)



Occupational Health and Safety Trainings (OHS)



Basic First Aid Trainings



Vocational Training in Businesses (IME)



Vocational High School (MTAL) and Junior College (MYO)



Construction Machinery Operator Trainings



Vocational Qualification Certificates Master Certificates



SRC and Driver's Licenses

Learning and Development

Leaders Shaping the Future Program

At Ford Otosan, we launched the Leaders Shaping the Future program to ensure that all leaders are guided by the values and principles of our Dynamic Balance culture. Through this program, we aim for our leaders to lead by example within the organization and to embody Ford Otosan's values in their representation of the company. The program integrates various learning methods, including creative coaching sessions, group coaching, leadership webinars, and classroom training. Among the leaders who completed the Future Shaping Leader Program, the EES First Manager Score increased by 2 percentage points. We successfully concluded the program in 2024 with 252 graduates and an overall satisfaction rate of 4.6 out of 5.



Mastering Leadership Program

The Mastering Leadership Program is designed to further develop the leadership capabilities of our field leaders, including Workshop Team Leaders, Team Leaders, and Working Group Leaders. The program covers a wide range of topics, including Coach-like Leadership, Meaning and Purpose, Inspiration, Emotional Resilience, Case Studies, Agile Transformation at Ford Otosan, Diversity, Equity and Inclusion, Effective Communication Skills in Leadership, and Employee Experience. Delivered across three locations, the program consisted of seven modules and was completed by a total of 395 field leaders with a high satisfaction rate of 4.9 out of 5.

Data Science Training Program

With the Data Science Training Program, which focuses on data literacy, data analytics, and machine learning methods, we aim to enhance the digital capabilities of participants and support the development of value-creating projects in their respective fields. In 2024, we held the sixth edition of our Data Citizenship program—covering both Data Science and Data Analytics—with a total of 141 participants enrolled.

Electric Vehicles and Battery Technologies Training Program

Level	Objective
Level 1	To create expertise in the design and production of electric vehicles and battery systems, basics of electricity and electronics, engine/power electronics, battery chemistry technologies.
Level 2	To create an infrastructure for testing, verification, design and electric vehicle and battery production studies on electric vehicles and batteries and to deepen expertise over Level 1.
Level 3	To train our own Functional and Technical Excellence Model 3 and to create our expert pool. To increase the depth of expertise, design and innovation in electric vehicle and battery design, testing, verification and production, Systems Engineering, Electrical Machines, Power Electronics and Vehicle Thermal Management System. To create a Functional and Technical Excellence Model and master's candidates.

We launched the Electric Vehicles and Battery Technologies Training Program with awareness-level training sessions and made all training materials accessible to KoçAkademi members through the platform. While Level 1 training sessions continued throughout the year, Level 2 sessions began in November 2024 with selected participants. In 2024, a total of 571 individuals completed the Electric Vehicles Awareness Training, and 535 completed the Battery Technologies Awareness Training. We also delivered Level 1 training to 97 participants across 5 groups. To support practical learning, we established an Application Laboratory equipped with the necessary tools and technologies at the Sancaktepe R&D Building.

Learning and Development

Software Academy Training Program

As part of the Software Academy Training Program, we organized Low Code/No Code training sessions and hackathon events. The program is designed to equip employees outside of IT departments with the skills to address their own challenges using minimal coding. This approach empowers business units to develop independent solutions without relying on IT support. In 2024, we reached a total of 300 participants through training sessions held at various levels.

Bridge Together Mentoring Program

We launched the Bridge Together Mentoring Program as a pilot in 2024 to foster mutual learning, strengthen connections, and enhance collaboration between our colleagues in Türkiye and those at the Ford Otosan Craiova Plant. The program brought together a total of 27 participants. At the end of the program, we conducted a satisfaction survey and achieved a high score of 4.88 out of 5.00. Based on the strong results of this pilot, we plan to continue the program in the coming year.



Digital Literacy and Digital Leadership Training Programs

Through our Digital Literacy and Digital Leadership Training Programs, we aim to transform our workforce into digitally proficient teams that can effectively use digital platforms, generate value from real-time data, self-manage, and adapt to future needs. In 2024, we organized training for a total of 50 groups, reaching 1,096 participants—representing a 145% increase in the number of programs compared to the previous year.

Master's Programs

We support our colleagues in pursuing master's degrees to enhance their technical expertise and contribute more effectively to the company. In 2024, our support focused on priority areas such as data science and software engineering. This year, 9 colleagues began their studies in the Koç University Data Science program, while 2 colleagues enrolled in the Boğaziçi University Software Engineering program.



Recognition, Appreciation and Rewarding

We place great importance on the fair recognition and rewarding of the attitudes, behaviors, and efforts demonstrated by our colleagues. To this end, we implement a range of appreciation and reward systems designed to boost motivation and acknowledge contributions to both business processes and internal communication. Our performance management system is built on the principles of fairness and transparency, enabling a consistent evaluation of individual success. We reward projects developed in line with **Objectives and Key Results (OKRs)**, as well as the improvements achieved, through **bonus payments, spot bonuses, and instant rewards**. By aligning individual goals with our OKRs and integrating them into the performance management process, we actively support and encourage continuous performance improvement.

1. Culture of Appreciation

We foster a culture of appreciation through a variety of channels, including verbal recognition, email, internal communication platforms, and team events. These practices help create a positive workplace atmosphere and strengthen mutual trust and appreciation among colleagues.

2. Instant Reward System

Through our instant reward process, which covers all field and office employees, we immediately recognize successful actions and outcomes. This system is a powerful tool for reinforcing motivation by quickly acknowledging valuable contributions.

3. Spot Bonus

We use the Spot Bonus system to reward the outstanding efforts and achievements of our office employees. This initiative focuses on recognizing projects and processes that create measurable impact, further boosting employee motivation.

4. The Most Successful Ford Otosan Employees

Each year, based on employee nominations, we recognize the top three projects that deliver the highest savings in

cost, labor, and time. These awards are determined by a jury composed of leaders from various functions and cover the categories of Smart Factory, People / Employee Experience, Innovation, Digitalization, Automation, Sustainability & Diversity and Inclusion, and Customer Centricity.

In 2024, the first prize was awarded to the **Octopus – Smart Warehouse and Material Movement Management Digital Product** project. The second prize went to the **100% Hydrogen-Fueled Single Cylinder Research Engine Project**, while the third prize was given to the **BTS – Battery Production & Tracking System** project. The winning project, Octopus, was developed to automate warehouse and material movement management across all Ford Otosan plants, in alignment with lean production principles. By consolidating processes previously managed across three

separate systems—and replacing manual, non-digital workflows—the Octopus system was built from the ground up as a single, fully digital product. In our Yeniköy plant alone, the project delivered a financial gain of Euro550,000, directly impacting the company's balance sheet. Through full integration of logistics processes, Octopus connects objects, people, and technologies to dynamically identify material needs for vehicles on the production line. This ensures that the right materials reach the right station for the right vehicle at the right time. In addition, the system enables end-to-end monitoring of all operations between the warehouse and the production line, offering new efficiencies and enabling in-depth data analysis. As a result, we are now able to manage our material movement processes more dynamically and efficiently than ever before.



Recognition, Appreciation and Rewarding

Equal Pay for Equal Work

Toplumsal cinsiyet eşitliği kapsamında kadın istihdamını artırıl addition to promoting women's employment as part of our commitment to gender equality, we actively address compensation disparities and share our performance in this area. At Ford Otosan, we uphold the principles of diversity, equity, and inclusion, and stand firmly against discrimination in all aspects of employment and compensation. We are committed to the principle of **equal pay for equal work** and strive to ensure fairness in salaries and employee rights for all our colleagues—regardless of gender, language, race, or other personal characteristics. Our level changes, year-end pay raises, career planning decisions, and access to critical training programs are all guided by objective criteria, particularly the performance results of our employees. At the end of each year, performance assessments are conducted across two key dimensions: business results and the way those results were achieved. These form the basis for year-end performance-based raises.



Gender Pay Gap by Positions (Average Female Salary/Average Male Salary) over 1	2023 TR	2023 RO	2024 TR	2024 RO	2024 TR + RO
Senior executives (base salary)	1.01	0*	1.03	0*	1.03
Senior executives (base salary + benefits)	0.91	0*	1.00	0*	1.00
Managers (base salary)	0.89	1.21	0.97	1.15	1.11
Managers (base salary + benefits)	0.86	1.21	0.96	1.00	0.99
Non-managerial positions (base salary)	0.99	0.91	0.93	0.86	0.88
Non-managerial positions (base salary + benefits)	0.99	0.91	0.97	0.90	0.92

We do not tolerate any form of discrimination within our operations and act with a firm commitment to equal pay for equal work and equal rights for all employees.

* At our Ford Otosan Craiova Plant, currently, all senior management positions are held by male colleagues, with no female executives in leadership roles.

Employees by Tenure	2023 TR		2023 RO		2024 TR		2024 RO		2024 TR+RO	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Average tenure of senior executives	16	21	0	34,5	14	21	0	4	14	25
Average tenure of mid-level managers	13	15	25	24	13	15	5	4	18	19
Average tenure of first-level managers	10	10	25	24	9	10	7	5	16	15
Average tenure of specialists	4	6	19	19	4	5	3	3	7	8

Customer Experience and Dealers

At Ford Otosan, meeting customer expectations and maximizing satisfaction are among our highest priorities. Guided by our vision—“To be the most preferred mobility brand that offers a unique customer experience with connected products and services”—we design our products based on customer needs and expectations, and deliver our services with honesty, expertise, and care. We aim to build long-term relationships with our customers and support them through **agile customer loyalty teams**, particularly when challenges arise.

As part of our Customer Satisfaction Management policy, we commit to the following principles: providing free application processes to address customer issues, ensuring 24/7 accessibility through open communication channels, protecting personal data and using it only for its intended purpose, and offering timely and effective solutions to application-related concerns.

To view Ford Otosan Customer Satisfaction Policy, please click [here](#).

We adopt an ethical and equality-focused marketing strategy in all customer-facing communication materials and videos. In this context, we adhere to the **Koç Holding Gender Equality in Communication Guide** and the **Ford Otosan Ethical Marketing Guide**.

To view Ford Otosan Ethical Marketing Guide, please click [here](#).

You can access Koç Holding Gender Equality in Communication Guide [here](#).

We are committed to providing an experience that aligns with our customers' lifestyles and expectations across all communication channels, including digital platforms, dealerships, and call centers. Our goal is to optimize the customer journey with the Ford Otosan brand and deliver a seamless, end-to-end experience. To support this, we measure customer satisfaction and effort at every touchpoint. This allows us to transform real-time feedback



into concrete actions, enabling us to address pain points and continuously improve the customer experience. We measure **Brand Health** both locally and globally four times a year. These evaluations guide the development of our brand strategy and annual goals. Looking ahead to 2025, we plan to include sustainability-related topics in our Brand Health measurements

Customer Complaint Governance

By bringing together our Agile Customer Loyalty Teams with our Customer Relations, Spare Parts, Warranty, and Service Engineering teams, we adopt a proactive approach to identifying potential customer issues, developing effective solutions, and improving customer processes across our dealer network. We also conduct on-site visits, host informative webinars, and share updated process documentation as part of our specialized teams' efforts to monitor unresolved dealership issues and address regional complaints. In 2024, we achieved a 13% reduction in customer complaints and a 22% decrease in average resolution time compared to 2023.

2024

5,288,024

Total Number of Customers

140,512

Number of Customers Actively Using Online Sales/Service Channels

TL 406,995,617

Revenues Generated Through Online Sales/Service Channels

Customer Management and Dealers

Connected Vehicles Predictive Failure and Maintenance Project

Through Ford Trucks Predictive Failure Diagnosis, we anticipate vehicle failures before they occur and offer proactive solutions. By processing vehicle data using Artificial Intelligence (AI) and Machine Learning (ML) algorithms applied to Big Data from connected vehicles, we are able to detect potential issues early. This project extends the uptime of Ford Trucks vehicles and significantly improves the customer experience. It also reduces warranty costs by addressing faults before they escalate into more serious problems. Additionally, by identifying failures in advance, we help prevent the financial and environmental costs associated with vehicle towing and roadside assistance. To date, **we have prevented nearly 1,000 vehicles from becoming stranded, resulting in over USD 1 million in warranty cost savings.** We have also generated more than 25,000 hours of additional uptime for our customers and prevented over 60 tons of CO₂ emissions.

On our Voice of the Customer (VoC) platform, we conduct more than 40 surveys - journey stage, channel, and touchpoint, with question sets customized to each specific service area - that cover key stages of the customer journey—including Discovery, Purchase, Sales Delivery, Usage, Service & Maintenance, Renewal, and Request & Complaint. Our current **Customer NPS (Net Promoter Score)** results can be accessed under the [Performance Indicators](#).

To continuously enhance our customer interactions and deliver an exceptional experience, we also crown our achievements with industry awards. In the field of Customer Experience, we were honored with the **“CX Leader of the Year”** award in Türkiye at the globally recognized Customer Experience (CX) Awards. In addition, based on our strong

performance in the automotive industry on the Şikayetvar.com platform, we placed second in the **Excellent Customer Satisfaction Achievement** Awards in February 2024.

At the **Hammers Awards 2024**, we received two Gold Hammers for the Ford Dealers Award-winning Video Competition, one Gold Hammer for our innovative virtual influencer project “Virtual Alin”—a first in the Turkish automotive industry—and one Bronze Hammer for the “Role Model Campaign” featuring the Ford Tourneo Courier. In addition, at the **Crystal Apple Awards**, one of the most prestigious advertising awards in Türkiye, we won the Bronze Apple for our “Not a New Model, Role Model” campaign and the Crystal Apple for our “Business Grows with Transit” campaign. We were named the “Best-Selling Light Commercial Vehicle Brand” at the 14th ODMD Sales and Communication Awards.

Net Promoter Score (NPS) (%) – Passenger and Commercial Vehicles

	2023 TR	2024 TR		Total
	Total	Women	Men	
Türkiye	84	81.95	81.95	81.35
Sales	89.2	84.4	86	85.3
Service	78.9	79.5	77.9	77.4

Net Promoter Score (NPS) (%) – Heavy Commercial Vehicles

	2023 TR	2024 TR		Total
	Total	Women	Men	
Türkiye	78	39.2	56.7	64.8
Sales	88	N/A	N/A	72.9
Service	68	39.2	56.7	56.7

Customer Experience Training

Development Program (CX Academy)
With the Customer Experience (CX) Training Development Program, we aim to increase the competencies of our colleagues in customer experience. In 2024, 209 of our employees attended first level training and 73 of our employees attended second level training. The CX Team successfully completed customer experience and design thinking training and **Customer Experience Professional (CCXP) training**. Six groups of head office employees completed customer experience orientation training.

Voice of the Customer Platform (VoC)

Through the Voice of the Customer Platform (VoC), we collect and analyze customer feedback across different stages of the customer journey, channels, and touchpoints. This platform enables us to address and resolve issues for customers who have had negative experiences. We gather insights at every stage—from dealers, services, contact centers, web pages, and mobile applications—and take appropriate action based on the feedback received.

We track key metrics such as NPS (Net Promoter Score), Overall Satisfaction, and Effort indicators using machine learning-based analytics across our dealers, solution centers, and service departments. These results are shared with Senior Management on a monthly basis. Additionally, we monitor the Customer Retention Rate daily to ensure continued customer loyalty. This continuous feedback loop allows us to track overall satisfaction and identify areas for improvement. In critical cases, we promptly notify the relevant teams and follow up on corrective actions.

In 2024, we did not meet our NPS targets of 87% for Passenger and Commercial Vehicles and 72% for Heavy Commercial Vehicles. We are committed to overcoming the challenges and plan to achieve our goals in the future.

Customer Management and Dealers

Ford Trucks Care

With our Ford Trucks Care business model, developed to enhance the customer experience in the heavy commercial vehicle segment, we focus on understanding our customers' needs and priorities. Our goal is to identify their expecta-

tions, develop tailored solutions that meet those expectations, and create added value throughout the customer journey. Standing out with customizable offerings that address a wide range of use cases across our entire product portfolio, Ford Trucks Care encompasses five main business lines:

Software	We take a holistic approach to operations management, aiming to increase vehicle uptime and reduce costs. By combining hardware and software services—such as connected vehicle systems, smart telematics, and remote software updates—we boost efficiency and optimize operations using systems enhanced by real-time data.
Uptime	We maximize uptime by ensuring vehicles remain on the road with minimal interruption. Through advanced analytics, we monitor critical systems like the engine, battery, and air components in real time. We develop failure prediction models and proactively plan vehicle servicing.
e-Mobility	We offer end-to-end support for electric vehicle adoption, including consultancy services, charging products, financing solutions, and EV-specific software. Our comprehensive fleet charging solutions cover hardware, installation, and software management tailored to customer needs.
Finance	We consolidate all financial services under one roof—including branded loans, financial leasing, insurance, and financing for electric vehicles, services, and charging infrastructure—ensuring a seamless customer experience.
Customization	We offer both technical and visual customization of vehicles in line with customer preferences. From designing and developing functional accessories for interiors and exteriors to delivering tailor-made branded products, we help drivers feel truly special with bespoke solutions.

FordPass and Ford My Account Portal

The FordPass application allows Ford vehicle owners to manage their vehicles more easily, securely and efficiently. With connected vehicle technologies, our customers can access vehicle information instantly, track the location of their vehicles and control their vehicles with remote commands.

Through **My Ford Account portal**, we provide the customers with the means To digitally view stock information and receive offers for the Ford vehicles they are interested in. Our customers who verify their license can view the service history of their vehicles, review maintenance packages and prices for their vehicles, and receive notifications about sales and after-sales campaigns.

Ford Pro

Ford Pro is a comprehensive business model and platform designed to deliver integrated solutions to Ford's commercial customers. By leveraging connected technologies, Ford Pro aims to provide uninterrupted and seamless services that enhance operational efficiency and ensure maximum business continuity.

Through Ford Pro, we offer not only the right vehicles and body configurations tailored to commercial needs, but also a wide range of support services, including maintenance and repair, charging infrastructure for electric vehicles, and digital tools that enable effective fleet management.

• Ford Pro Vehicles

Commercial vehicles, including gas, diesel, hybrid and electric versions, that can be upfitted to meet the needs of almost any business. E-Transit is the latest example of Ford Otosan's continuing commercial vehicle innovation.

• Ford Pro Charging

Integrated and end-to-end solutions for home, public and depot charging for customers make a seamless transition to electric vehicles.

• Ford Pro Software

Business productivity tools that link gas, diesel and electric vehicles together to manage fleets holistically, on Ford or non-Ford vehicles, to improve uptime and cut costs.

• Ford Pro Service

This new, productivity driven service approach works toward 100% uptime for CV customers. Mobile vans for servicing on location, extended/managed maintenance intervals, smart maintenance and servicing guidance are among the new services planned to be introduced.

Customer Management and Dealers

Dealer Culture

At Ford Otosan, we recognize our dealers as key stakeholders in our value chain. In 2024, we organized training programs on a wide range of topics, primarily sustainability and digitalization, to strengthen our collaboration, deepen engagement, and support the development of a sustainable ecosystem.

We also completed our 2024 **Dealer Employee Engagement and Experience Survey**. The results showed an engagement rate of 73% among our passenger and commercial vehicle dealers, and 77% among our Ford Trucks dealers.

To ensure that our dealers and authorized service centers operate in alignment with our standards and policies, we

	2024
Total Number of Dealers and Distributors	127
Total Number of External Dealers and Distributors	50
Number of Regularly Audited External Distributors/Dealers in the Product/Service Network	52 Türkiye + International Dealers
Number of External Distributors Regularly Audited Externally within the Scope of ISO 9001 or a Similar Quality Management System	124 Türkiye Dealers
Number of Dealers and Distributors Participating in Official Training Programs	127
Number of Participants in Sustainability Training for Dealers (Dealer or Dealer Employee)	98

conduct independent and objective audits. These audits are designed to support the implementation and monitoring of control processes within our corporate governance framework, provide assurance to management, contribute to risk management, improve the reliability of financial and operational information, and enhance our sales, after-sales, and warranty processes. All dealers are audited on a three-year cycle.

In addition to our internal audits, **all our dealers undergo third-party audits**. We incorporate audit processes into our evaluation criteria, covering both documentation and facility standards.

Ford Development Academy

We offer the Ford Development Academy, a fully digital and comprehensive training platform designed to support the professional development of our dealer employees. With approximately 8,000 registered users across 50 countries, the platform enables participants to access position- and role-based technical and behavioral training. Employees are encouraged to continuously improve by engaging in courses aligned with their specific development needs.

Vocational and Technical Anatolian High School Ford Laboratories

In collaboration with the Turkish Ministry of National Education, we carry out vocational and technical education initiatives aimed at enhancing the competencies of both students and teachers. Our goal is to help train the qualified workforce needed by the industry through programs delivered at six Ford Laboratories established within Vocational and Technical Anatolian High Schools. To promote gender equality in STEM fields, we prioritize female students in our Ford Laboratory selection process. We also offer extensive e-learning content to help students expand their knowledge and gain experience beyond the classroom.

Through contributions from Ford Otosan and our dealers, we supply laboratory sets, equipment, engines, and vehicles to support hands-on learning. Within the scope of our industry-school cooperation protocols, we continue our partnerships with 2 Vocational Education Centers, 3 Vocational and Technical Anatolian High Schools, and 4 Vocational Junior Colleges. In 2024, we provided internship opportunities to 290 vocational high school students and 202 vocational junior college students.

Through the Vehbi Koç Foundation, we award educational scholarships to students who meet academic performance and attendance criteria. In the 2024/2025 academic year, we supported 190 students with scholarships.



Customer Management and Dealers

Dealer Transformation

We are committed to supporting our dealers as an integral part of our ecosystem on their sustainability-focused transformation. In 2024, we conducted an online survey to assess **dealers' awareness of sustainability-related topics**, including ethics, human rights, governance, diversity and inclusion, and environmental responsibility. Based on the findings, we presented recommendations for improvement at the Dealer Council and gathered feedback on their needs and expectations.

At the Sustainability Summit organized for our dealers, we shared insights on water efficiency, energy management, renewable energy financing, and promoting women's employment in STEM fields. To strengthen awareness around ethical conduct, we assigned Ethics training to 3,980 dealer employees, and 2,507 of these employees successfully completed the program. Additionally, we communicated our sustainability strategy, medium- and long-term goals, and related expectations through our Dealer People and Culture Committee.

To support the sustainability-focused transformation of our dealers, we **completed the installation of Solar Power Plants**

(SPPs) at 23 additional dealer locations in 2024. We plan to continue promoting this transformation through awareness initiatives and pilot applications across other dealerships. As part of our efforts to reduce the carbon footprint of facilities, we achieved energy savings of 20% through glass façade applications and 80% through the use of LED lighting. Additionally, we completed the installation of electric vehicle infrastructure and commissioned EV charging stations at all dealerships.

We are also making comprehensive improvements to increase women's employment within our dealer network. Updates to our dealership facility standards now include the addition of women's changing rooms and nursing rooms. We display posters featuring female dealership employees working in STEM fields to inspire greater participation and visibility. These enhancements are applied both in existing facilities and as standard requirements for new projects. In 2024, we extended a **total of TL 16 million in incentives to our dealers through our women leaders incentive program**. Furthermore, we are launching a pilot program in the Thrace region, in collaboration with İŞKUR, to train and employ housewives in the bodywork and paint segment. Through this initiative, we aim to support and encourage women's participation in the workforce.



Stakeholder Opinion

"At Doğanlar Otomotiv, we further strengthened our commitment to clean energy and sustainability with the Solar Power Plant (SPP) project launched in September 2023. Implemented in collaboration with Ford Otosan, the project has prevented 224 tons of CO₂ emissions as of January 2025, equivalent to the environmental benefit of planting 307 trees, while also improving our energy efficiency. Our ongoing efforts to obtain LEED certification further demonstrate our dedication to environmental responsibility and sustainable practices. Through initiatives like these, we remain committed to building a more sustainable and livable world in partnership with Ford Otosan."

Erol DOĞANER - Owner, **Doğanlar Oto**

Stakeholder Opinion

"Ford Otosan's sustainability-focused, multi-faceted approach addresses key areas such as environmental and climate action, employee rights, social responsibility, and ethical business conduct. This holistic perspective inspires us as dealers to embed a culture of sustainability more deeply into our operations. At Çetaş Otomotiv, we are excited to join forces with Ford Otosan on projects that contribute to a better future, guided by our shared sense of responsibility."

Murat GÖNÜL - Deputy General Manager, **Çetaş**

Vehicle Quality and Safety

At Ford Otosan, we continue to prioritize vehicle safety as we expand our product range.

We closely monitor industry trends and regularly update our safety strategies and criteria to stay ahead of emerging risks and technologies. With the growing importance of high-voltage systems and accident prevention technologies in electric vehicles, we optimize our vehicle designs to mitigate these risks and implement additional protective measures for batteries and electrical components. We also evaluate potential scenarios involving autonomous systems and leverage industry experience to continuously review and improve our vehicle designs, updating safety criteria as needed.

At Ford Otosan, **our approach to vehicle safety is built on both active and passive systems. By integrating innovative technologies and data-driven design processes, we develop customer-focused safety solutions.**

In the field of active safety systems, our goal is to prevent accidents through radar, camera, and artificial intelligence-based analyses. We equip our vehicles with technologies such as automatic emergency braking, lane-keeping assistance, and adaptive cruise control—developing smarter and more effective safety solutions by leveraging our extensive data pool. A notable example of our achievements in this area is the Transit Courier, which outperformed all competitors in its segment and received the highest rating, “Platinum,” in the **Euro NCAP** commercial vehicle assessment. We are committed to delivering superior active safety performance while minimizing cost impacts through optimized equipment packages that provide maximum value to our customers.

Passive safety systems, activated during an accident, are designed to protect occupants through vehicle body integrity and integrated safety components. We manufacture these systems using innovative materials such as ultra-high-strength steel, high-strength aluminum castings, and composite materials, all of which help maximize occupant protection in the event of a collision. Our vehicles are equipped with advanced safety belts, airbags, and reinforced structures. As part of our commitment to safety innovation, we developed front seat center airbags in accordance with the latest Euro NCAP protocols. These airbags reduce the risk of passenger-to-passenger injury during a collision. This pioneering technology was developed in collaboration with our suppliers and introduced in our **Transit Courier and Transit Custom models, the first commercial vehicles in their segment to offer this level of passive safety.**

We optimize safety systems starting from the concept design stage using advanced **Computer-Aided Design (CAD)** tools. With the help of simulation technologies, we continuously enhance the depth and accuracy of our analyses in each new project. Additionally, our server-based data analysis methods have improved operational efficiency, enabling us to complete daily tasks 20–30% faster. Through these analyses, we monitor variability and repeatability in vehicle performance, allowing us to identify critical parameters for developing reliable designs.

In preparation for the second phase of the **General Safety Regulations (GSR Batch 2), which came into effect in the European Union** in 2024, we have made comprehensive vehicle-specific updates and improvements, which can be summarized as follows:

Vehicle	Description
Transit	In 2024, we completed homologation tests for Transit in accordance with GSR Batch 2, and renewed and launched our current models. We standardized key accident prevention systems such as automatic emergency braking, lane-keeping assistance, speed control, and camera/radar systems across our vehicle range. For enhanced collision safety, curtain and side airbags are now also standard.
Transit/Tourneo Custom	We maximize uptime by keeping vehicles constantly on the road and use advanced analytics to monitor engine, battery, air and similar systems in real time. We create failure prediction models and plan vehicle service in advance.
Transit/Tourneo Courier	We fully redesigned our Transit and Tourneo Custom models, equipping them with standard camera/radar systems, front passenger, curtain, and side airbags, as well as seat belts and center airbags for rear passengers. Following the successful completion of verification and homologation processes, these new models have been launched.
Ford Trucks	For our heavy commercial vehicles, we integrated camera and radar systems compatible with GSR Batch 2 and introduced optional safety packages that offer enhanced performance, exceeding customer expectations in safety and reliability.

Vehicle Quality and Safety

We test technological innovations at both the concept design and virtual design stages. Using a combination of commercial computer-aided software, Ford Motor Company's proprietary software, and its internal material library, we optimize designs to achieve final part and system configurations. Performance and usability validations are then carried out through physical testing at the part, system, and vehicle levels. Throughout this process, we collaborate closely with technology-enabled suppliers, combining their technical expertise with our in-depth vehicle knowledge to develop optimal product designs.

We strive to exceed regulatory requirements by leveraging technological innovations that enhance vehicle safety. Our focus is on optimizing vehicle performance while meeting customer expectations for cost-effectiveness and product availability. We prioritize the development of safety technologies that are user-friendly, aligned with customer needs, and compatible with everyday driving experiences. As we meet increasingly stringent safety protocols, we also work to deliver balanced, rational solutions—ensuring that safety targets are met without compromising **in-vehicle comfort, usability, or overall cost.**

All vehicles produced at Ford Otosan are subject to performance standards defined by the United Nations Economic Commission for Europe (UNECE). Depending on vehicle classification, testing includes frontal impact (ECE 94/137), side impact (ECE 95/135), and rear impact (ECE 153). Electric vehicles are also evaluated in accordance with ECE 100 regulations. For the US market, we ensure compliance with Federal Motor Vehicle Safety Standards (FMVSS) in applicable projects.

In 2024, we **successfully obtained ECE 100 certification** for the new electric versions of our **Transit/Tourneo Custom and Courier** models, in addition to existing ECE approvals.

Our F-MAX heavy commercial vehicle completed ECE 29 crash testing for heavy trucks in 2023 and renewed its certification. Beyond regulatory requirements, we evaluate all vehicles in line with the **Ford Motor Company Vehicle Safety Design Guide**, which includes additional test scenarios and stricter safety criteria not defined by regulations. This approach ensures that our vehicles consistently perform above and beyond legal safety standards.

We actively participate in the Euro NCAP program, one of the world's leading vehicle safety assessment protocols. In 2024, **we completed the Euro NCAP tests for the new models of our Tourneo Courier and Tourneo Custom vehicles**, whose passenger versions were previously evaluated in 2012 and 2014, respectively. In addition, the commercial versions of our Transit Courier and Transit Custom vehicles were tested under the Euro NCAP commercial vehicle protocol in 2024. As a result of the evaluations, the **Transit Courier earned the highest rating—Platinum—in the commercial vehicle category, achieving an unprecedented 93% score, the highest ever recorded in this segment.** The Tourneo Custom (passenger version) received 3 stars for the standard configuration and 4 stars for versions equipped with the Safety Package, aligning with our performance targets for the Euro NCAP passenger vehicle assessments.

Please click [here](#) to access the Euro NCAP report for the Transit Custom and Transit Courier.

Please click [here](#) to access the Euro NCAP report for the Tourneo Custom.

Since Ford Otosan does not have an in-house crash test facility, we conduct these tests at the accredited Ford test center in Germany, in full compliance with applicable regional standards, including European (ECE), North American (FMVSS), Gulf Countries (GCC), and Chinese (GB) regulations.

We continuously invest in technological infrastructure to enhance vehicle quality, comfort, and safety. In this context, we also view cybersecurity as an integral part of vehicle safety and have identified it as a strategic priority. For more information on our cybersecurity practices across operations and products, please refer to the **Cybersecurity** section.



Vehicle Quality and Safety

Quality Management

At Ford Otosan, we adopt a customer-centric approach and view quality as our main priority in all processes from the design of our products to after-sales services. Therefore, all our quality management activities are shaped around with a continuous development approach in line with international standards and internal excellence targets.

Quality Management System

Certificates	Craiova	Eskişehir	Yeniköy	Gölcük	Sancaktepe
ISO 9001 – Quality Management System	✓	✓	✓	✓	✓
ISO 50001 – Energy Management System	-	✓	✓	✓	✓
ISO 27001 – Information Security Management System	-	-	-	✓	✓
ISO 14001 – Environmental Management System	✓	✓	✓	✓	✓
ISO 45001 – Occupational Health and Safety Management System	-	✓	✓	✓	✓
ISO 10002 – Customer Satisfaction and Complaint Management System	-	-	-	-	✓

We maintain and continuously enhance the effectiveness of our management systems across all our facilities, which operate in compliance with internationally recognized standards such as ISO 9001, ISO 14001, and ISO 45001. In 2024, we successfully completed all related audit processes, ensuring the continued validity of our certifications. In addition, we continue to advance our efforts in energy efficiency, environmental impact reduction, and data security through the implementation of ISO 50001 and ISO 27001 standards.

Our quality control processes are guided by the principles of the Quality Operating System (QOS), ISO 9001, and the Ford Production System (FPS). Within production, we classify our quality control practices into three main categories.

1. We aim to ensure quality at the source by implementing In-Station Process Control (ISPC).

2. Once production processes are completed, vehicles undergo water and road tests. Using detailed checklists, we verify that each vehicle meets customer expectations.

3. We conduct sampling inspections through observation audits, in which selected vehicles are subjected to in-depth evaluations and precise measurements at scheduled intervals. These audits are carried out from the customer’s perspective, allowing us to identify areas for improvement.

We implement Ford Motor Company’s Lean Production System across our manufacturing facilities, applying lean production techniques to minimize waste throughout our production processes.

By moving quality management to digital platforms, we build a more effective and agile structure. Through the Mega Quality Platform, we enable rapid access to quality data and

facilitate knowledge sharing among our teams. Additionally, **the Quality Customer Experience Portal (QUXP) consolidates customer feedback into a single platform, providing valuable insights to guide the development of future vehicle models.**

To ensure the highest level of quality in new projects, we utilize Ford Otosan’s globally recognized **Failure Mode Analysis (FMA) module**, helping us implement systems and features with a proactive, preventive approach to potential risks.

We issue voluntary recalls by identifying potential manufacturing defects or issues that may arise during vehicle use. Through updates or replacements of affected parts and systems, we enhance vehicle performance and safety. These proactive recall activities go beyond legal obligations and reflect our commitment to maintaining the highest levels of customer satisfaction and product reliability.

Through our **Warranty Analysis Project**, we proactively monitor parts that are frequently replaced at dealerships across different vehicle models. Working in close collaboration with our engineering teams, we conduct **root cause analyses** to identify and address underlying issues. The resulting improvements help increase customer satisfaction and reduce repeat service visits. We use the data generated to lower warranty costs and enhance operational efficiency. Thanks to the project, we enhance vehicle quality and proactively solve potential issues, contributing to long-term improvements.

For the Ford Trucks product range, we schedule periodic maintenance based on predefined service content and either mileage or engine operating hours. When a maintenance reminder is displayed to the driver on the vehicle screen, service is performed upon the customer’s request.



FUTURE. NOW
FOR COMMUNITY

For Community

At Ford Otosan, we contribute to the development of our country by creating added value and support the efforts to align with the UN Sustainable Development Goals through our social investment projects. Guided by our **“Future. Now for Community”** vision, we embrace our responsibility for leaving a better world for future generations and prioritize social benefit in all our activities.

We determine our social investment projects in line with our **Social Investment Policy, Human Rights Policy, Ethical Principles and Sustainability Goals**. In 2024, we prioritized projects focused on education and equal opportunity.

We aim to create a wide sphere of impact by involving our business partners, dealers, suppliers and other

stakeholders in our projects. We generate solutions for social and environmental issues such as equal opportunities in education, women's participation in the workforce, accessible mobility solutions, and climate crisis. With our corporate citizenship approach, **we aim to create higher value for both our stakeholders and our communities, while contributing to social development at scale.**

In 2024, we allocated more than TL 456.9 million to donations, grants and projects for community investments, and implemented several environment, education, health, culture and other initiatives.

We aim to maximize the benefits of our community investment projects. To measure the impact of these

investments and the social value they create for communities, we plan to conduct social impact analyses in the coming years. This approach will enable us to monitor our social impact transparently and to disclose more data to our stakeholders.

Total amount
allocated to community
investments in 2024

456.9
Million TL

Ford Otosan Community Investment Budget Allocation (TL)

300,760,095

Vehbi Koç Foundation

74,146,507

Social Aid and Other

76,978,632

Education

5,048,594

Healthcare

456,933,828

TOTAL



Community Investment Areas

At Ford Otosan, we follow our **Community Investment Policy** in implementing community investments. Working with the Corporate Communications Leadership, we continuously apply and update our climate crisis, equal opportunity and diversity, and mobility policies. To view the Community Investment Policy, please click [here](#).

Our community investments are structured dynamically to enable quick action. In community investment projects implemented under extraordinary circumstances such as force majeure or crisis situations, we consider additional evaluation criteria. During crises, we adopt two key strategies.

We allocate our resources effectively and conduct regular risk assessments with our crisis management teams to increase sensitivity to crises. We prioritize projects that increase resilience and provide long-term benefits by collaborating with our business partners and local administrations. This approach allows us to **develop support programs for the communities most affected by crises**.

Community Investment Principles:






- The community investments should be clearly linked to Ford Otosan's activities and business strategy.
- The purposes of the community investments should be in alignment with the social and environmental objectives of the United Nations Sustainable Development Goals.
- The investments should be within the scope of Ford Otosan's material sustainability topics.
- The investments' objectives and outcomes should be measurable.
- The community investments should meet the needs and priorities of the regions where Ford Otosan operates.
- The investments should be designed in a such way that they could be scaled and deployed in different organizations and regions.
- The investments should allow for collaborations with institutions or individuals such as NGOs, international organizations and universities for viable solutions.



Community Investment Areas

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 Safety**.

Priority Community Investment Area	Related Sustainable Development Goals	Our Approaches and Commitments
Climate Change	   	<ul style="list-style-type: none"> - We aim to instill a sense of responsibility and raise awareness about the environment and energy by organizing training activities for stakeholders. - We constantly engage with the stakeholders to raise awareness about responsible water consumption and to involve them in conserving and recycling water resources. - 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.
Equal Opportunity and Diversity	   	<ul style="list-style-type: none"> - We support women in taking a more active role in professional life. - We aim to increase the ratio of women on the Board of Directors and in senior management roles. - We aim to create more and diverse jobs for people with disabilities. - We engage in activities to support women in technology and innovation. - We lead the way in increasing women's employment in the automotive industry and encourage our dealers and suppliers to do the same.
Mobility Solutions	 	<ul style="list-style-type: none"> - 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. - We aim to offer safer, smarter and more accessible mobility solutions.
Vehicle Quality and Safety		<ul style="list-style-type: none"> - We aim to take the lead in vehicle safety and driver assist technology, R&D and innovation. - We continue to provide training programs to spread knowledge about safe driving techniques.

Community Investment Projects

In 2024, we focused our community investments primarily on **equal opportunity** and **quality education**. Therefore, we intensified our efforts on increasing women's participation in the workforce, promoting gender equality and encouraging women to take more active roles in STEM (science, technology, engineering, and maths) fields. We also highlighted employee volunteering projects. We aimed to improve the living standards of women, youth, and disadvantaged groups through education projects. **We utilize online platforms for our community-focused education, awareness, and financial support projects, and aim to reach 100,000 women until the end of 2026.** As of the year-end 2024, we reached **39,794** women toward this target. In 2025, we will continue to work as planned and involve more stakeholders in the process.

Since the earthquakes that devastated 11 provinces, Ford Otosan has remained committed to contributing to the redevelopment of the region and supporting the people in the affected cities. We partner with NGOs and local stakeholders to support the post-traumatic recovery processes of the affected people and generate solutions to help them prepare for the future on a stronger footing.

We are dedicated to make meaningful contributions to our communities through various projects and programs. In 2025, we will continue our work in line with our detailed plans by involving more stakeholders in the process..



My Dream Future Project

My Dream Future Project is a comprehensive social investment initiative that aims to support women in pursuing careers in STEM fields and promote gender equality. **We offer technology and innovation-focused training and mentoring opportunities for university students, new graduates, and women seeking a career change.** We are running the project on online platforms and aim to reach 100,000 women participants until the end of 2026. We reached a total of **35,351** women participants through the Awareness Events, Personal Leadership Trainings, Professional Qualification Trainings, Job Readiness Webinars, and Mentee and Mentor programs in 2024.



The project is made possible with the support of Vehbi Koç Foundation and led by Mikado in collaboration with business partners such as KAGİDER, Kodluyoruz, Microfon, Sisterslab, Wtech and Upschool. By providing a platform where women can realize their potential, we contribute to building a more inclusive and sustainable future in STEM.

As part of the My Dream Future Project, which aims to empower women in STEM, **"My Dream Future: The Path to Equality Beyond Technology Summit"** was held online in

December 2024, featuring inspiring stories and exploring the place of women in technologies that shape the future, with the participation of Ford Otosan leaders and representatives from the project stakeholders.

My Dream Future Project Trainings	Number of Trainings
Awareness Training	68
Personal Leadership Training	25
Professional Qualification Training	72
Job Readiness Training	3

Ford Otosan Hope City My Dream Future Centers

We continue to support the Hope Cities, which consist of a total of 5 thousand containers, built in Adıyaman, Hatay, İskenderun, Kahramanmaraş and Malatya with the coordination of Koç Group companies and AFAD and home to approximately 20 thousand people. Our work at My Dream Future Centers located in Hatay, Kahramanmaraş and Adıyaman is supported by **Vehbi Koç Foundation, the Innovative Solutions Association for Sustainable Development (SYKÇD), and the El Ele Education and Culture Association.** In 2024, we allocated TL 16,271,909 of our community investments to our activities in Hope Cities.

We organize various social, cultural and educational activities for high school and university students between the ages of 15-24 in cooperation with the Innovative Solutions Association for Sustainable Development at My Dream Future Centers in Adıyaman and Kahramanmaraş.

Community Investment Projects

During the International Week of Deaf People, we held workshops such as “Creative Drama with Sign Language” at My Dream Future Center in Kahramanmaraş Hope City, aiming to raise awareness. **In addition to supporting the physical and mental development of young people with our social, cultural and sports activities, we also address their needs with trainings on topics such as peer bullying, conflict management, and coping with stress.** We provide psychosocial support to help them cope with the trauma of the earthquake and allow them to express their creativity in workshops on themes such as cooking, newspaper, and dance.

Our academy program is designed to strengthen their skills career planning, CV preparation and interviews, while increasing their self-awareness and social skills during group sessions. With trainings such as **“People and Process Management”** delivered by our volunteers, **we support young people to unlock their own potential and look to the future with confidence.**

Activities in My Dream Future Centers	Adıyaman and Kahramanmaraş
Social Events	321 Events
Individual Therapy	424 Events
Social Service Interviews	364 Events
Workshops	72 Events
Academy Programs	24 Events
Group PSS (Psycho Social Support)	32 Events



At My Dream Future Center in Hatay, we organize various social and educational programs for preschool and primary school children aged 4 - 12, young people aged 18 and above, as well as mothers and other female family members in cooperation with the El Ele Education and Culture Association. We also provide game-based learning activities for preschoolers, psychosocial support sessions that develop social skills, and STEM-focused technology workshops.

Activities at Hope City My Dream Future Center

	Hatay
Kindergarten Play Program (4-6 Years)	77 Events
Social Improvement Program (7-18 Years)	75 Events
Group PSS (Psycho Social Support) (7-12 Years)	150 Events
STEM and Technology Workshops (7-12 Years)	124 Events
Educational Activities (13-18 Years)	23 Events
Psychosocial and Social Support Program for Women	92 Events

We also contribute to increasing women's resilience with social improvement activities and psychological support sessions. With these projects, we support the improvement of the quality of life of individuals in disaster areas and their participation in society with stronger ties.

Ford Trucks Female Truck Driver Academy

At Ford Trucks, we launched the **Female Truck Driver Academy** project to promote gender equality in the heavy commercial vehicle sector. With the project, we aim to increase the employment of women drivers, break down gender biases in the sector and close the gap in qualified drivers. We partnered with HED Academy and Otokoç for the project to offer an intensive six-week training program. In addition to theory, we provide women candidates with comprehensive practical training on truck driving and equip them with general information about the sector. We also support the candidates in their driver's license acquisition processes prior to the training. At the end of the project, we offer graduates the opportunity to work in our partnering logistics providers.

Community Investment Projects

Grants and Scholarships

We are committed to standing in solidarity with young people across the country, supporting quality education, contributing to socioeconomic development and pioneering next-generation businesses focused on social benefit. In line with our equal opportunity and diversity principles, we prioritize gender equality as one of our material sustainability topics. We strive to foster women's employment, especially in the automotive or technology industries, and aim to empower women.

• Gender Equality in the Startup Ecosystem

Through our investments, we also aim for gender equality and generate social impact. For this purpose, we started by investing in Arya Venture Capital Investment Fund, founded in partnership with the Arya Women's Investment Platform and Türkiye İş Bank. With our investment in we support early-stage startups that have at least one female founder or offer products and services that improve the lives of women. With such initiatives, we aim to empower women in taking more active roles business life, while contributing to building a more inclusive industry ecosystem.

As part of our Driventure initiative, we analyzed gender inequality in the mobility entrepreneurship ecosystem with an in-depth approach and found that women are not sufficiently represented in entrepreneurship and leadership roles, particularly in verticals such as mobility, Industry 4.0 and smart manufacturing technologies. To address these structural gaps in the industry and create a more inclusive entrepreneurship ecosystem, we shape our investment strategies based on the principles of diversity and equal opportunity. We work on providing gender equality training for startups, increasing funding for female entrepreneurs, taking a more active role in platforms that empower women, and creating opportunity areas for female entrepreneurs.

Our efforts are ongoing to support startups with at least 50% women in leadership roles until 2026. Beyond

serving as a measurement metric, this target also signifies a long-term strategic commitment to addressing social and structural inequalities in the entrepreneurship ecosystem. To support female entrepreneurs, we introduced mechanisms that prioritize diversity in incentive programs, educational initiatives, collaborations, and investment processes.

As of 2024, 18 of the 54 startups in our Driventure portfolio that we support with funding have at least 50% female representation in their senior management teams. We shape our investment decisions by considering commercial viability and prioritizing social impact and take steps to encourage the growth of startups that support women's leadership. Our efforts will continue to increase equal opportunities in the ecosystem in the coming period.

We continue to contribute to transforming the startup ecosystem in Türkiye and to participate in various platforms. This year, we made direct investments in Evreka, Robolaunch, and Büyütech. We took part in the **Big Bang Start-up Challenge**, the largest startup event in our country, and granted financing support for the **"Best Female Entrepreneur" award**. As part of the event, led by Driventure, we prioritize the business models of women entrepreneurs who are in the mobility vertical, focused on technology and innovation, scalable and have global growth potential. We extend financing (investment or grant) and mentoring support to entrepreneurs, provide strategic guidance, and offer networking and collaboration opportunities. To empower women entrepreneurs, we participate in the **Women Entrepreneurship Initiative** established by the Ministry of Industry and Technology through Driventure and advance our work.

During Drivevent, we featured Pomeco and Nanoterial, whose cofounders are female entrepreneurs. We actively continue our collaboration development efforts within our company with these innovative startups. We continue to support innovative projects that provide solutions to social challenges. We partnered with Evreka, a startup focused on

sustainability, environmental technologies, mobility and energy efficiency, and developing digital waste management solutions.

• Anatolian Scholars

At Ford Otosan, we support young people from underserved regions in the country who prepared for the university with limited educational means and passed the placement exam with high scores. As part of the Anatolian Scholarships program that we have supported since 2011, 40 students benefited from scholarships. In 2024, we granted scholarships to 23 students.

• Ford Otosan Let the Girls Attend School Fund

We have partnered with Turkish Education Foundation's (TEV) Kocaeli Branch since 2014. In 2024, Turkish Education Foundation Ford Otosan Let the Girls Attend School Fund granted scholarships to 100 female students.

• Women Elevating Women

The Women Elevating Women, run in partnership with Young Guru Academy (YGA) and UpSchool with support from Ford Otosan and Ford Philanthropy, was designed for female engineering students of Turkish universities who are determined to improve themselves in technology. **In 2024, we exceeded our target of 1,200 female university students by 123%, reaching a total of 1,480 participants.** 20 female university students who successfully completed the case study sent to the most active 100 students throughout the program participated in various physical activities offered by the program as well as the online field preparation training. During the 9-week program, participants completed their **technical and social skills training** in parallel. As part of the program, we provided introductory courses on different technology areas such as "Potential of Learning," "Programming Fundamentals," "Mobile App Development,"

Community Investment Projects

“Cloud Engineering 101,” “Data Management,” “Artificial Intelligence 101,” “Entrepreneurship,” and “Professional Career”. Within the scope of YGA’s Double-Winged Social Impact Training, participants completed their training on topics such as the culture of cooperation and achieving together, dealing with uncertainty, creating a vision and establishing an effective communication network. With this program, we supported female university students in strengthening both their technical and social skills.

• Vocational High School Scholarships

With the Vocational High School Scholarship Programs, we extend scholarships to select students from the 10th and 11th grades throughout their vocational high school education. As part of this program, we granted scholarships to 101 students in 2024.

Vocational High School Scholarships - Scholars	2024
Anatolian Scholars	23
Turkish Education Foundation Ford Otosan Let the Girls Attend School Fund	100
Vocational High School Scholarships	101

• Enhancing Vocational Education

At Ford Otosan, we are aware of the importance of supporting qualified vocational training. Therefore, **we continue to donate the vehicles and equipment used in the testing stages at the plants to the vocational high schools and vocational junior colleges.** Students of the motor and technical departments of the vocational high schools improve their practical knowledge by working on such equipment.

In Gölcük, Kocaeli, we are retrofitting a primary school building with 35 classrooms and an old school building as part of the “100% Support for Education Campaign.” In 2024, we opened the **Vocational Education and Maintenance Laboratory** in collaboration with Eskişehir Technical University to train new qualified field workers needed by the industry and upskill our current employees.

With our E-Graduate project, which we aim to complete in 2025, we will monitor the development processes of students interning at Ford Otosan on a digital platform and facilitate their transition into employment, further strengthening the education-employment relationship.

As the agreement between the Turkish Ministry of National Education and Ford Otosan is ongoing, we continue to cooperate with 2 Vocational Training Centers, 3 Vocational and Technical Anatolian High Schools, and 4 Vocational Schools. In the 2023-2024 and 2024-2025 academic years, 387 vocational junior college students and 570 vocational high school students completed their internships at Ford Otosan through the **“Vocational Training in Business”** program, and 96 interns were hired as employees.



In 2023 and 2024, nine students from vocational high schools and vocational junior colleges took Industrial Robot Programming training and earned the **“Industrial Robot Programmer”** vocational training certificate.

With our Master Trainer training and certification process, we ensure that our team members who are qualified in their field of expertise receive the legally valid document required to train the next generation of professionals. The Master Trainer Certificate is obtained from Vocational Training Centers affiliated with the Ministry of National Education. To earn this certificate, the applicant is required to hold a qualification certificate or a business opening certificate or to have received at least an associate's degree level vocational training. Our colleagues who successfully complete the 40-hour Master Trainer course, which we organize in Vocational Training Centers, receive the master trainer certificate from us. Through this program, we aim to contribute to the qualified workforce by sharing our professional know-how and expertise.

Community Investment Projects

The number of our master trainers increased by 40% to 350, demonstrating our commitment to supporting the professional development of our field workers.

As part of the **Qualification Refresher Program**, we helped 1,910 employees, including 598 in Eskişehir and 1,312 in Gölcük and Yeniköy, complete their qualifications and receive their certifications in 2024.

Since 2020, we have granted scholarships by partnering with vocational high schools in Romania to support the students' education and school attendance. In 2024, we extended scholarships to 46 students and hired 20 of our former scholars to date. This program allows students to complete their education and create opportunities for themselves in the labor market, contributing to the training of qualified individuals with vocational education.

We continue to strengthen qualified vocational education and increase the quality of our workforce with our projects.

• Bike Parks on Campus

On the campus of the University of Medicine and Pharmacy in Craiova, our volunteer teams installed bicycle shelters fitted with solar panels where electric bikes can be charged. With this practice, we promote sustainable mobility and provide a safe and environmentally friendly charging area for young people.

• “A Workplace for All” Program

We collaborate with local schools, associations and organizations to ensure that people with disabilities participate more actively in society and increase their autonomy. We create an environment that promotes diversity and encourages participation in the workplace for people with disabilities.

Advanced Driving Training

For 2024, we defined the target audience of the program as our leaders who have not received safe driving training. We created content for the Defensive Driving Techniques and the Anti-Skid Driving Techniques Training Programs.

With the Defensive Driving Techniques Training Program, we aim for the participants to be aware of the dangers and risks in traffic, develop safe driving habits, create defensive driving awareness, and reach **"Zero Accident Target"** with a safe driving approach.

With the Anti-Skid Driving Techniques Training Program, we aim for the participants to learn their own and their vehicles' limits and skid dynamics, and to develop a defensive driving awareness through exercises during the practical training.

In 2024, 159 leaders took the **“Defensive Driving Techniques”** and **“Anti-Skid Driving Techniques”** programs. With Advanced Driving Training, we aim to improve traffic safety, prevent accidents, and develop defensive driving awareness among participants.



Community Investment Projects

TURMEPA Ford Otosan Waste Collection Boat Project

Ford Otosan partnered with TURMEPA for the **“Sustainable Marine Tourism”** initiative designed to reduce the environmental impact of coastal tourism using the TURMEPA Ford Otosan Waste Collection Boat. During the summer of 2024, we collected 814,468 liters of effluents from 2,044 boats, with the waste collection boat calling to the bays in Göcek, Muğla, helping keep **6.5 million liters of sea water clean.**

TURMEPA boats collect the effluents at source and treat them through a high-quality purification process, preventing polluted water from mixing with nature and negatively impacting health. By preventing the collected effluents from being discharged to the sea, we contributed to conservation of life under water and the continuity of life on land.

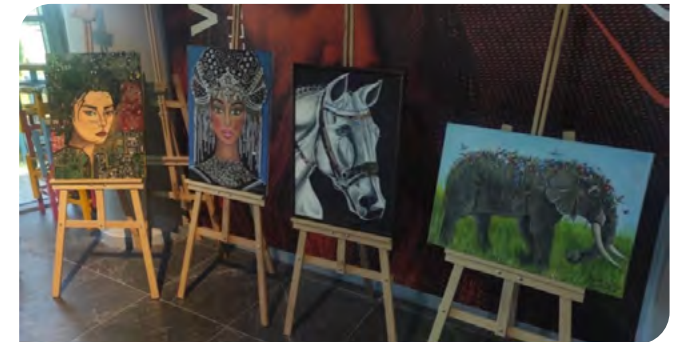


Eskişehir Technical University – National and International Environmental Legislation Course: In the 2023-2024 fall and spring semesters at the Environmental Engineering Department of Eskişehir Technical University, the National and International Environmental Legislation (ÇEV321) course was taught by environmental engineers from our Eskişehir Plant. ÇEV321, offering the students an opportunity to learn environmental legislation with practical information from the automotive industry, has been a required course since 2021.



Applied Waste Management Trainings: To mark World Environment Day, we organized applied waste management training, “shake-fold-dry” activities, and Zero Waste presentations for the Vehbi Koç Middle School students.

Recycling for My Future Event: During the event, organized in collaboration with Eskişehir Science Experiment Center, Ford Otosan Environment Team and our volunteer teams hosted an upcycling workshop for children. The employees and their families had a great time in the design workshop using waste samples generated at our plant. The compost from the composting machine at the Eskişehir Plant was also displayed. Furthermore, the electronic waste provided by the partnering electronic waste recycling company was upcycled to create a painting.



World Environment Day Activities: The activities organized on June 5 World Environment Day were presented to the members of the Automotive Industry Association Environment Board as a best practice.



Community Investment Projects

"My Heart is With You" Employee Volunteering Platform

Working toward **our goal of increasing the “ratio of volunteers participating in social activities among all employees” to 35% by 2030**, we manage our employee volunteering activities on the “Gönlüm Senle” platform. We provide an inclusive and accessible workplace conditions to encourage our employees to volunteer. We facilitate our colleagues’ access to volunteering platforms and offer equal participation opportunities for all. To build a more systematic and sustainable structure for our volunteering activities in the coming period:

- We will measure and evaluate the impact of volunteering activities more effectively through situational analysis and strategy developments.
- We will promote the “Gönlüm Senle” Platform through internal communications to elevate its potential.
- We will strive to maximize our employees’ contribution to society and the environment by diversifying our volunteering activities and stakeholders.

For these purposes, we will draw a comprehensive roadmap to increase participation and create a greater social impact. In total, 1,576 employees, including 1,267 in 2023 and 309 people in 2024, volunteered for various social activities.

• İyilik Haritası (Kindness Map)

İyilik Haritası (Kindness Map) provides a platform that brings together volunteer trainers from Ford Otosan trainers, who want to share their knowledge and skills with our colleagues and their families. Through this project, we aim to create opportunities where our employees can demonstrate their talents and achieve personal fulfillment, strengthen team bonds by fostering social connections across different locations, establish a collaborative learning environment where everyone can learn from each other.

In 2024, we supported the professional development of nearly 1,000 employees and their families in more than 100 sessions with our volunteering colleagues on the Kindness Map Platform.

In training programs, we offer our participants rich learning experiences in a wide range of topics, including health and well-being, personal development, history and culture, arts and entertainment, and technical and professional development, all led by our dedicated volunteers.



Community Investment Projects

Our employees' children may choose various topics and content, from origami to sign language, while our employees may prefer other themes from somatic experiencing to women's/men's health and diseases, breath awareness, stress management, and first aid. A diverse range of personal development content such as meditation, mindfulness, nonviolent communication, and creative writing or history from ancient Rome to the Ottoman Empire, 3D printer, and smart investing. All these training sessions are available both in-person and online, tailored to different levels and designed with flexible content.

For more information on the Kindness Map Program, please click [here](#).



• “Ekim’de Bir İyilik Var” Project

Ford Otosan volunteers participated in the Early Intervention Program, a project executed in partnership with Cerebral Palsy Türkiye, to help children aged 0-6 with developmental challenges and their families.

Our employees, including 128 volunteers in 32 teams, also took 10,000 steps every day to promote well-being, while giving hope to children with cerebral palsy by raising a total of 532,000 TL in donations. Throughout the project, we enhanced the employee experience by hosting events and contributed to the fundraising.



• First Robotics Mentors

Ford Otosan employees volunteer as mentors for high school students in the annual FRC First Robotics competition, designed to inspire young people for engineering and technology. By encouraging participation in this prestigious competition, focused on engineering, robotics, and social skills among Turkish high schools, we aim to create interest in science and technology. **Our colleagues provide guidance in various topics areas from engineering projects to social skill development, supporting students to unlock their potential.** Through the project coordinated by the Fikret Yüksel Foundation, we aim to gather mentoring requests before the competition and match the mentors and mentees so our colleagues can share their professional expertise with young people.

• Craiova Playground Project

A group of our colleagues organized a volunteering event to renovate the playground of Școala Gimnazială Middle School in Craiova. The playground, which had fallen into disrepair, was restored by our volunteers who partnered with local NGOs and secured funding and materials and transformed into a joyful space for children.

Community Investment Projects

Vehbi Koç Foundation and Ford Otosan Contributions

We have long partnered with Vehbi Koç Foundation, established in 1969 by Vehbi Koç, for projects that aim to create social benefit. In 2024, we continued to support the **educational, cultural and healthcare** projects of **Vehbi Koç Foundation**. Our contributions this year included My Dream Future Project, Gölcük Donanma Primary School Reconstruction, and collaborations with Koç University in the field of education, Sadberk Hanım Museum, Arter, Meşher, Gölcük Cultural and Community Center, and Cultural Heritage Digitalization Projects in the field of culture.

• Education

Gölcük Donanma Primary School Reconstruction

Ford Otosan is partnering with Vehbi Koç Foundation as part of a project for renovating and retrofitting school buildings against the risks of earthquakes and disasters. The 35-classroom Gölcük Donanma Primary School will be rebuilt and renamed Vehbi Koç Foundation Semahat Arsel Primary School. Ford Otosan plans to complete the construction work in 2025 and offer children an earthquake-resistant school building and a modern learning environment.

Koç University at a Glance

Koç University ranks among the most prominent research universities in Türkiye and the region.

- Prof. Daron Acemoğlu, Ph.D., the recipient of the Koç University Rahmi M. Koç Science Medal in 2017, won the 2024 Nobel Prize in Economics with Simon Johnson and James Robinson.

- Zone, a communication campaign aiming to raise awareness about gender-based violence around the Koç University campus, was recognized with the Best Award in the “Environmental Graphics” category by CASE (Council for Advancement and Support of Education Europe Region).

- According to the latest university rankings of 2024, Koç University climbed up from 432nd to 401st place in the QS world rankings, while maintaining its first place in URAP Türkiye rankings.

• Culture

Gölcük Cultural and Community Center

Vehbi Koç Foundation Ford Otosan Gölcük Cultural and Community has contributed to the **social and cultural** development of the people in the region since it was established. In addition to providing a natural environment with gardens and an award-winning architectural building, we offer a rich selection of cultural events such as personal development activities, courses, exhibitions and performances. We provide a creative space where arts inform, unify, and facilitate cultural exchanges. The center hosts a wide range of free events, including classical music concerts, jazz concerts, plays, children’s performances, and art workshops, welcoming an average of **10,000 visitors** and art fans every month.

Sadberk Hanım Museum (SHM)

Sadberk Hanım Museum contributed 13 artifacts of ceramics, tiles, porcelain, metal and textiles with horse motifs from different periods from the museum’s Archaeology and Turkish-Islamic Works collections to the “Horsepower” exhibition, curated for the 30th anniversary of Rahmi M. Koç Museum. A horse-riding outfit, handkerchief and tie pin belonging to Vehbi Koç, preserved in the Sadberk Hanım Museum, were also showcased in the exhibition.

The exhibition “Anatolian Kilims and Weaving Tools from the Josephine Powell Collection”, held on the occasion of the 15th International Conference on Oriental Rugs in Istanbul, opened with an exclusive reception at the Büyükdere Vehbi Koç House in 2024.

The Büyükdere Vehbi Koç House was first opened to visitors in 2018. The temporarily closed venue is once again hosting Josephine Powell’s collection of Anatolian rugs and weaving tools. A collector and photographer, Powell donated her collection of Anatolian rugs, weaving tools, ethnographic objects, and Central Asian textiles to the Vehbi Koç Foundation. The exhibition opened after two weeks of preparations at the Vehbi Koç Büyükdere House.

Sadberk Hanım Museum hosted two exhibitions to mark the centennial of the Republic: “Elegance from Past to Future: Women’s Costume from the Late Ottoman Period to the Early Years of the Turkish Republic” and “Adorable & Precious - Children’s Costumes in the Sadberk Hanım Museum Collection,” which remained open in 2024.



Community Investment Projects

• Meşher

In 2024, Meşher continued to host the exhibition “Istanbul as Far as the Eye Can See: Views across Five Centuries,” which opened in 2023. Featuring various rare works from the Ömer M. Koç Collection, the exhibition provided a look into a period spanning the 15th century, when Istanbul was the capital of the Ottoman Empire, to the first quarter of the 20th century.

In addition to holding several events for adults and children in parallel with the exhibition, Meşher produced original podcast content.



• Arter

In 2024, Arter organized six new exhibitions showcasing works from its own collections as well as select works from artists or other collections. In addition to exhibitions, Arter also features various other events like music and film festivals, and learning programs throughout the year, contributing significantly to Istanbul's culture and art life. This year, Arter brought the tenth edition of the world's leading photography and sustainability award, Prix Pictet, to Istanbul and continued to be a vibrant cultural hub, hosting performances from various disciplines of art, learning opportunities such as interpretation events and workshops, alongside guided tours.



Measuring And Communicating Impact

We are dedicated to measuring and evaluating the impact of our community investment initiatives, ensuring that our projects contribute effectively to sustainable development and are accessible to those they aim to benefit. Through social impact assessments, we analyze the outcomes of our

projects and gather feedback from stakeholders to inform our decisions on project continuation.

When deciding on whether to continue projects with social benefit, we evaluate the impact measurements and also consider stakeholder opinions.

My Dream Future STEM Project, which aims to empower women in technology and innovation, represents an important part of our efforts. In 2024, the first implementation period of the project, featured two key programs for women: the Long-Term Holistic Empowerment Program and the Awareness Program. The social impact of these activities is measured by both the project stakeholders and Mikado Sustainable Development Consultancy. We plan to disclose the social impact report of the project in the first quarter of 2025.

We also started to analyze the impact of the Dream Future Centers (DFC), which aim to empower young people affected by the earthquake individually and socially. First, the activities carried out at the centers to date and the focus group discussions were reviewed. Next, a Change Theory for DFCs was prepared based on the data. According to the Change Theory, we mapped the ultimate objective of DFCs, the targeted changes in young people, and the actions needed to create those changes. Then, we determined the metrics to measure these changes and the tools to collect these metrics.

In 2024, various activities were carried out based on the identified needs at the My Dream Future Centers within Adiyaman, Hatay and Kahramanmaraş Hope Cities. With the initial analyses already conducted using impact measurement tools, the social impact of these activities and a comprehensive evaluation report will be shared with our stakeholders in the first quarter of 2025.

A wide-angle photograph of a two-lane asphalt road stretching straight into the distance. The road is flanked by green grass and fields. In the far distance, a range of mountains is visible under a sky with scattered clouds. The sun is positioned directly on the horizon, creating a strong lens flare effect that illuminates the entire scene.

GENERAL ASSEMBLY

Agenda of Ford Otomotiv Sanayi A.Ş. Ordinary General Assembly Meeting Dated March 26, 2025

1. Opening and election of Chairmanship Panel,
2. Reading, discussion and approval of the Annual Report of year 2024 prepared by the Board of Directors,
3. Reading of the summary report of the Independent Audit Firm of 2024 Fiscal Period,
4. Reading, discussion and approval of the Financial Statements of 2024 Fiscal Period,
5. Release of the members of the Board of Directors separately for year 2024 activities,
6. Approval, or approval with amendments or refusal of the Board of Directors' proposal for dividend distribution for the year 2024 and the distribution date which prepared in accordance with the Company's Dividend Distribution Policy,
7. Determination of the number and the term of duty of the members of the Board of Directors and election of the members base on the determined number, election of the Independent Board Members,
8. As per the Corporate Governance Principles, informing the shareholders regarding the "Remuneration Policy" for members of the Board of Directors and the senior executives and payments made under this policy and approval of the "Remuneration Policy" and related payments,
9. Determination of the annual gross fees to be paid to the members of the Board of Directors,
10. As per the regulations of the Turkish Commercial Code and Capital Markets Board, approval of the Board of Directors' election for the Independent Audit Firm,
11. Giving information to the shareholders regarding the donations made by the Company in 2024 and determination of a upper limit for donations to be made in 2025,
12. In accordance with the Capital Markets Board regulations, presentation to the shareholders of the securities, pledges and mortgages granted in favor of the third parties in the year 2024 and of any benefits or income thereof,
13. Under Articles 395 and 396 of the Turkish Commercial Code, authorizing: shareholders with management control, members of the Board of Directors, senior executives and their spouses and relatives related by blood or affinity up to the second degree; and also informing the shareholders regarding the transactions made in this extent in 2024 pursuant to the Capital Markets Board's Communiqué on Corporate Governance,
14. Informing the shareholders about the Company's target and progress towards transitioning to a low-carbon economy and the activities carried out in 2024 within this scope,
15. Wishes and opinions.

Independent Auditor's Report on the Board of Directors (Convenience translation of a report originally issued in Turkish)



To the Shareholders of Ford Otomotiv Sanayi A.Ş.

1) Opinion

We have audited the annual report of Ford Otomotiv Sanayi A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2024-31/12/2024.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated 17 February 2025 on the full set consolidated financial statements of the Group for the period of 1/1/2024-31/12/2024.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting in Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Ferzan Ülgen.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali
Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ferzan Ülgen, SMMM
Partner

4 March 2025
İstanbul, Türkiye

Dividend Distribution Policy

Our Company conducts a dividend policy within the framework of the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulations and other relevant legislation as well as the provisions of the Articles of Association governing the distribution of profits.

In distribution of profit, a consistent and balanced policy is followed between shareholders and Company requirements in line with Corporate Governance Principles.

In principle, subject to be covered by the resources existing in legal records, and subject to the decision of the Ordinary or Extraordinary General Assembly Meeting, excluding periods of large investment or severe economic downturn, by taking into consideration other legislation, financial and market conditions, long-term strategy, investment and financing policies, profitability and cash position, minimum 50% of the distributable profit for the period calculated within the framework of the Capital Markets Legislation is distributed in the form of cash or stock.

There is no concession in the distribution of dividends. The dividend shall be distributed equally to all existing shares as of the date of distribution, regardless of their issuance and acquisition dates.

The dividend distribution date is determined by General Assembly and targeted to be within one month after General or Extraordinary Assembly Meeting date. General Assembly, or if authorized Board of Directors, could decide to pay dividend in installments within the framework of Capital Markets Legislation.

According to Company's Articles of Association, Board of Directors can distribute advance dividend with the condition of being authorized and compliant with Capital Markets Legislation.

Dividend Distribution Proposal

As per the attached Profit Distribution Proposal, which has been prepared in accordance with the Capital Markets Board (CMB) regulations, Article 19 of the Articles of Association of the Company, and the investment and financing policies stated in the Dividend Distribution Policy approved by the shareholders at the General Assembly held on April 3, 2024, while also considering the cash flow position, it is resolved to propose the following to the General Assembly:

- Not allocating the statutory legal reserve of 5% required by Article 519 of the Turkish Commercial Code for the year 2024, as the statutory legal reserves recorded in accordance with the Tax Procedure Law as of December 31, 2024, have reached the 20% threshold of the capital.
- Distributing a gross cash dividend of TL 6,000,561,000 to shareholders from the net profit of TL 38,863,566,166 recorded in the financial statements prepared in accordance with TFRS, and allocating TL 598,301,550 to the statutory legal reserves. Accordingly, for each share with a nominal value of TL 1.00, a gross dividend of TL 17.10 (net TL 14.5350, as stated in the Profit Distribution Proposal table) shall be paid, corresponding to a gross dividend yield of 1,710% (net 1,453.50%). The remaining TL 32,264,703,616 shall be allocated as extraordinary reserves.
- From the net profit of TL 18,592,413,512 recorded in the financial statements prepared in accordance with the Tax Procedure Law, allocating TL 598,301,550 to the statutory legal reserves, distributing TL 6,000,561,000 as gross cash dividends, and allocating the remaining TL 11,993,550,962 as extraordinary reserves.
- Determining the dividend distribution date as April 3, 2025. Additionally, shareholders shall be informed that if the Company's application for a bonus share capital increase is approved by the CMB and the capital increase processes are completed before the actual distribution of dividends, the total amount of dividends to be distributed (TL 6,000,561,000) shall remain unchanged, but the profit distribution table and proposal shall be updated based on the newly increased capital amount. to the General Assembly's approval,



Dividend Distribution Proposal

Ford Otomotiv Sanayi A.Ş. 2024 Dividend Distribution Proposal Table (TL)			
1.	Paid-in / Issued Capital (*)	350,910,000	
2.	Total Legal Reserves (According to Tax Book) (**)	2,193,195,752	
	If there is dividend privilege in the Articles of Association, information regarding this privilege: No	-	
		According to CMB	According to Tax Book
3	Current Period Profit	37,007,235,448	18,782,143,621
4	Taxes Payable (-)	1.856,330,718	(189,730,109)
5	Net Current Period Profit (***)	18,863,566,166	18,592,413,512
6	Losses in Previous Years (-)	0	0
7	Primary Legal Reserve (-)	0	0
8	NET DISTRIBUTABLE CURRENT PERIOD PROFIT	38,863,566,166	18,592,413,512
9	Donations Made during the Year (+)	473,673,942	
10	Donation-Added Net Distributable Current Period Profit on which First Dividend Is Calculated	39,337.240.108	
11	First Dividend to Shareholders		
	-Cash	6,000,561,000	17,545,500
	-Stock	0	0
	-Total	6,000,561,000	17,545,500
12	Dividend Distributed to Owners of Privileged Shares	0	
13	Other Dividend Distributed	0	
	-To the Employees	0	
	-To the Members of the Board of Directors,	0	
	-To None Shareholders	0	
14	Dividend to Owners of Redeemed Shares	0	
15	Second Dividend to Shareholders	0	5,983,015,500
16	Statutory Legal Reserves	598,301,550	598,301,550
17	Statutory Reserves	0	0
18	Special Reserves	0	0
19	EXTRAORDINARY RESERVES	32,264,703,616	11,993,550,962
20	Other Distributable Resources	0	0
	-Retained Earnings	0	0
	-Extraordinary Reserves	0	0
	-Other distributable reserves in accordance with the Law and the Articles of Association	0	0

Ford Otomotiv Sanayi A.Ş. 2024 Dividend Rates Table						
	SHARE GROUP	DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT (TL) / NET DISTRIBUTABLE CURRENT PERIOD PROFIT	DIVIDEND TO BE PAID FOR SHARE WITH PAR VALUE OF 1TL	
		CASH (TL)	STOCK (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET	A	1,010,195,976	0	2.5993	14.5350	1,453.50
	B	2,359,580,940	0	6.0714	17.1000	1,710.00
	C	2,339,231,862	0	6.0191	16.2450	1,624.50
	TOTAL	5,709,008,778	0	14.6899		

- 1) There is no privileged share group in the profit.
- 2) The calculations have been based on the assumption that other A Group shareholders are subject to withholding tax.
- 3) The 0% withholding tax rate is used when calculating net dividend for all of group B shares which belong to our taxpayer legal entity partners Koç Holding A.Ş and Temel Ticaret A.Ş.
- 4) The 5% withholding tax rate is used when calculating net dividend for all of group C shares which belong to our limited taxpayer partner Ford Deutschland Engineering GmbH.

* The amount is the registered nominal capital, and there is a capital inflation adjustment difference of 10,942,031,808 TL in the records prepared according to the Tax Procedure Law.

** The amount is the nominal general legal reserve, and there is an inflation adjustment difference of 3,369,878,977 TL related to the general legal reserves, which consist of statutory reserves and share premiums, in the records prepared according to the Tax Procedure Law after the application of inflation accounting.

NOTE: Additionally, shareholders shall be informed that if the Company's application for a bonus share capital increase is approved by the CMB and the capital increase processes are completed before the actual distribution of dividends, the total amount of dividends to be distributed (TL 6,000,561,000) shall remain unchanged, but the profit distribution table and proposal shall be updated based on the newly increased capital amount.

Remuneration Policy for the Board of Directors and Executive Management

This policy determines the remuneration system for the Board of Directors and key executives composed of Ford Otosan Leaders and Leaders reporting directly to Ford Otosan Leaders. In accordance with the Turkish commercial code and Article 12 of Ford Otomotiv San. A.Ş. Articles of Association, a fixed remuneration is determined for the board membership functions of all members of the Board at the Annual General Meeting of the Company.

Besides, Executive members of the Board are compensated in accordance with the policy established for senior executives, as outlined below.

In addition to the fixed remuneration that is determined by the Board of Directors for their board membership, additional payment can be granted to the Board members who have been assigned specific duties to support the activities of the Company, the amount of which is to be determined in consultation with the Nomination and Remuneration Committee.

In respect of remuneration of the Independent Members of the Board of Directors, a payment plan based on the performance of the Company may not be used.

Expenses incurred by the members of the Board of Directors on account of making contributions to the Company (e.g. transportation, telephone, insurance) can be paid by the Company.

The remuneration of senior executives consists of two components, which are fixed and performance based. Our remuneration management systems are established and applied in line with fair, objective, competitive, rewarding and motivating criteria and primary goals that recognize high performance.

Fixed salaries of executives are determined in accordance with international standards and legal obligations by taking into account the prevailing macroeconomic data in the market, the salary policies prevailing in the market, the size and long-term targets of the Company and the positions of the persons. With the remuneration policy, the main goals are to increase employee motivation and engagement by taking into consideration internal equity in the company and market compatibility, and to attract employees that

have competencies capable of achieving our strategic business goals.

Bonuses for executives are calculated according to the bonus base, the performance of the Company and the individual performance in a way that will support companies to exceed business goals encourage high performance and reward sustainable success. A summary of the criteria is as follows:

Bonus Base

Bonus Bases are updated at the beginning of each year. They vary depending on the work volume of the executives' positions. When updating the bonus bases, senior management bonus policies in the market are taken into account.

Company Performance

The performance of the Company is determined at the end of the year by measuring the financial and operational targets (i.e. market share, exports, overseas operations, productivity) assigned to the Company at the beginning of each year. In determination of the Company's targets, the sustainability of success and the degree to which it incorporates improvements over previous years are the principles taken into account.

Individual Performance

In the determination of individual performance, the individual and collective objectives and key results determined by senior executives together with their teams and executives are taken into account. In the measurement of individual performance, the principle of achieving long-term sustainable improvement in areas and compliance with Environmental, Social and Governance (ESG) policies apart from the financial dimension are also observed.

Severance payments may be granted to the key executives by taking into account total term of service, term of service as an executive, as well as contributions made to the Company, the recent bonus base, and the salaries and bonuses paid in the last year of service.Total amounts determined by the above principles and paid to the members of the Board of Directors during the year are submitted for shareholder approval at the next General Meeting.

Board of Directors Member Candidates

- RAHMİ MUSTAFA KOÇ
- YILDIRIM ALİ KOÇ
- JAMES KIERAN VINCENT CAHILL
- DAVID JOSEPH CUTHBERT JOHNSTON
- HAYDAR YENİGÜN
- JOHAN EGBERT SCHEP
- LEVENT ÇAKIROĞLU
- JOHN DAVIS
- KATJA WINDT
- UMRAN SAVAŞ İNAN
- GÜVEN ÖZYURT
- JOSEPHINE MARY PAYNE

The resumes of our Board of Directors candidates are provided in the [Annexes](#) section.

Sustainability targets followed in the performance of senior management are provided in the [Remuneration Policy](#) section.

Ordinary General Assembly Information Document

1. Invitation to the 26 March 2025 Ordinary General Assembly Meeting

Ford Otomotiv Sanayi A.Ş.'s Ordinary General Assembly Meeting shall be convened on 26 March 2025 Wednesday at 10:00 at the address of "Divan İstanbul Hotel - Asker Ocağı Caddesi No:1 34367 Şişli / İstanbul (Tel: +90 212 315 55 00, Faks: +90 212 315 55 15)". At the meeting, the activities of the Company for the fiscal year 2024 will be reviewed, the following agenda will be discussed, and a resolution regarding the agenda will be reached.

In accordance with the legal requirements, 2024 Financial Statements, the Independent Auditor's Report, the Corporate Governance Compliance Report, and the Board of Directors' Annual Report, including the dividend distribution proposal of the Board of Directors, along with the following agenda and the Memorandum containing the information required by Capital Markets Board regulations shall be made available to the shareholders at Company Headquarters in Sancaktepe İstanbul, Kocaeli Gölcük Plant, Eskişehir Plant, on the Company's corporate website at www.fordotosan.com.tr, and in the Electronic General Meeting System of the Central Registry Agency (CRA) three weeks prior to the meeting.

Shareholders unable to attend the meeting in person, save for the rights and obligations of the ones participating electronically via the Electronic General Assembly System, shall prepare their proxy documents as per the legislation, or shall obtain a proxy sample form from Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza / Levent-İstanbul), our Company, or from the corporate website at www.fordotosan.com.tr and shall submit to the Company the notarized proxy documents issued in accordance with the requirements of the Communiqué No. II-30.1, Use of Proxy Vote and Proxy Collection through Invitation, enacted on 24 December 2013 and published in Official Gazette No. 28861. A proxy document is not required from a proxy appointed electronically through the Electronic General Meeting System. The proxy documents which do not comply with the requirements of the aforementioned Communiqué, and the

sample form attached within the invitation to the general assembly meeting document shall not be accepted, given our legal liability.

Shareholders intending to vote via the Electronic General Meeting System are requested to obtain information from the Central Registry Agency, our Company's website at www.fordotosan.com.tr or from the Company Headquarters (Tel: 0 216 564 71 00) to ensure that they comply with the provisions of the by-laws for the Electronic Shareholders Meeting.

Pursuant to Paragraph 4 of Article 415 of Turkish Commercial Code No. 6102 and Paragraph 1 of Article 30 of the Capital Markets Law, the right to attend the General Assembly and voting rights shall not be conditional on depositing the share certificates. Accordingly, shareholders participating in the General Assembly do not need to block their shares.

At the Ordinary General Assembly Meeting, the voters shall use open voting system by raising hands, without prejudice to the provisions of electronic voting regarding the voting of each item on the agenda.

In accordance with the Law No.6698 on Protection of Personal Data, you can access detailed information on processing of your personal data by our Company in Ford Otomotiv Sanayi A.Ş. Policy on the Protection and Processing of Personal Data published at www.fordotosan.com.tr.

All right holders and stakeholders as well as the press are invited to the General Assembly Meeting.

Pursuant to the Capital Markets Law, shareholders holding registered shares that are traded on the stock exchange will not receive a separate registered invitation letter for the meeting.

All rights and stakeholders and media organs are invited to our General Assembly meeting.

It is submitted to the shareholders with due respect.

FORD OTOMOTİV SANAYİ A.Ş. BOARD OF DIRECTORS

Company Address: Akpınar Mah. Hasan Basri Cad. No:2
34885 Sancaktepe /İstanbul
Trade Registry and Number: İstanbul / 73232-0
Mersis ID Number: 0649002036300014

2. Additional Explanations in view of CMB Regulations

The additional explanations required pursuant to Capital Markets Board (CMB) Corporate Governance Communiqué No. II-17.1, enacted 3 January 2014, are made in the related articles of the agenda below. Other mandatory general explanations are provided in this section.

2.1. Capital Structure and Voting Rights:

As of the date of publication of this information document, the total number of shares and voting rights reflecting the partnership structure of the company, the number of shares and voting rights representing each privileged share group, if any, in the company's capital, and the nature of the privileges are presented below:

Ordinary General Assembly Information Document

Shareholding Structure	Share Group	Amount of Share (TL)	Percentage of Share (%)	Vote	Percentage of Vote (%)
Koç Holding A.Ş.	B	135,631,304	38.65%	13,563,130,447	38.65%
Temel Ticaret ve Yatırım A.Ş.	B	2,355,885	0.67%	235,588,500	0.67%
Vehbi Koç Foundation	A	2,880,501	0.82%	288,050,137	0.82%
Koç Holding Pension and Assistance	A	3,259,202	0.93%	325,920,232	0.93%
Ford Deutschland Engineering GmbH	C	143,997,037	41.04%	14,399,703,676	41.04%
Publicly Held	A	62,786,071	17.89%	6,278,607,008	17.89%
Total		350,910,000	100.00%	35,091,000,000	100.00%

According to Article 10 of our Articles of Association titled 'Board of Directors, Election of Members and Board Decisions,' half of the members of the Board of Directors are elected from among the candidates nominated by the holders of Group B shares, and the other half are elected from among the candidates nominated by the holders of Group C shares. However, it is mandatory that one of the candidates nominated by the holders of Group B and Group C shares must meet the independence qualifications defined in the CMB regulations. There is no privilege regarding the use of voting rights in our Articles of Association.

2.2 Managerial and Operational Changes in Our Company or our Subsidiaries' which may Significantly Affect the Activities of our Company:

There are no managerial or operational changes that has or that will substantially affect the Company's activities in the previous accounting period, or planned for the upcoming accounting periods. Material disclosures made by our company and associated companies within the scope of the relevant legislation can be accessed at www.kap.org.tr.

2.3. Information regarding demands of shareholders for placing an article on the agenda:

No such request is made for the Ordinary General Assembly Meeting for 2024 activities.

3. Announcements Pertaining to the Agenda Articles of the Ordinary General Assembly Meeting Dated 26 March 2025

1. Opening and election of Chairmanship Panel,

Within the framework of the provisions of "Turkish Commercial Code (TCC) no. 6102" and "The Regulation of the Ministry of Customs and Commerce regarding Principles and Procedures of General Assembly Meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Commerce to be Present in these Meetings" ("Regulation" or "General Assembly Regulation"), and General Assembly Principles Article 7, a Chairman shall be elected to chair the General Assembly meeting. Within the framework of the General Assembly Principles, at least one person will be appointed as Secretary. The Chairman may also appoint adequate number of vote-collectors.

2. Reading, discussion and approval of the Annual Report of year 2024 prepared by the Board of Directors,

Within the framework of the TCC, the Regulation and the Capital Markets Law and related regulations, information shall be given on the 2024 Annual Report that includes the Corporate Governance Compliance Report, which has been announced at the Headquarters of our Company, on the Electronic General Assembly system of the Central Registry

Agency and on the corporate website of the Company at www.fordotosan.com.tr for review of our shareholders three weeks before the General Assembly meeting and it shall be presented for perusal and approval of our shareholders.

3. Reading of the summary report of the Independent Audit Firm of 2024 Fiscal Period,

Independent Audit Report created as per TCC, Regulation and Capital Markets Board legislation and made available at Company Headquarters, Electronic General Assembly System of the CRA and Company website www.fordotosan.com.tr, three weeks prior to the General Assembly meeting, will be submitted to the information of our shareholders in General Assembly meeting.

4. Reading, discussion and approval of the Financial Statements of 2024 Fiscal Period,

Information about our financial statements and legal statutory accounts, which, pursuant to the TCC, bylaws and Capital Markets Law are posted three weeks prior to the General Assembly meeting at our Company Headquarters, on the Electronic General Assembly System of the CRA, and on the Company website www.fordotosan.com.tr for review of our shareholders, shall be provided to our shareholders for their evaluation and approval.

5. Release of the members of the Board of Directors separately for year 2024 activities,

Pursuant to the TCC and Bylaws, the release of our Board of Directors members for the activities, transactions and accounts for the year 2024 shall be submitted to the General Assembly for its approval.

6. Approval, or approval with amendments or refusal of the Board of Directors' proposal for profit distribution for the year 2024 and the distribution date which prepared in accordance with the Company's Profit Distribution Policy,

According to our financial statements, prepared by our Company within the framework of the Turkish Commercial Code and Capital Markets Law and related regulations in

Ordinary General Assembly Information Document

compliance with Turkish Financial Reporting Standards and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi covering the accounting period between 01.01.2024 – 31.12.2024; net profit amount of TL 38.863.566.166 has been obtained. The dividend payment proposal drawn up in accordance with the Dividend Distribution Table format provided in the Dividend Communiqué numbered II-19.1 and the Dividend Manual announced in accordance with the said Communiqué, and taking into account the Company's Dividend Distribution Policy, long-term strategy, investment and financing policies, profitability and liquidity, is provided in Appendix 1.

7. Determination of the number and the term of duty of the members of the Board of Directors and election of the members based on the determined number, election of the Independent Board Members,

In accordance with the CMB regulations, TCC, and the Regulation, new members will be elected to replace the Board of Directors members whose terms have expired, taking into account the principles of Board member selection stated in our Articles of Association. Additionally, an independent member will be elected to comply with the CMB's Corporate Governance Communiqué No. II-17.1.

According to Article 10 of our Articles of Association, our Company is managed by a Board of Directors consisting of at least 8 members, with an even total number of members, elected by the General Assembly for a maximum of 3 years under the provisions of the Turkish Commercial Code. The General Assembly may decide to renew the Board of Directors even if its term has not expired.

According to Article 10 of our Articles of Association titled 'Board of Directors, Election of Members and Board Decisions,' half of the members of the Board of Directors are elected from among the candidates nominated by the holders of Group B shares, and the other half are elected from among the candidates nominated by the holders of Group C

shares. However, it is mandatory that one of the candidates nominated by the holders of Group B and Group C shares must meet the independence qualifications defined in the CMB regulations.

Based on the recommendation of our Corporate Governance Committee, which evaluated the candidates submitted to it, our Board of Directors decided on 28.01.2025 to nominate Ms. Katja Windt and Mr. Umrhan Savaş İnan as Independent Board Member candidates and submitted them to the Capital Markets Board for its opinion. The Independent Board Member candidates, for whom no contrary opinion was received from the CMB, will be submitted to the approval of the General Assembly.

The resumes of our Board of Directors members and the independence declarations and resumes of the independent member candidates are presented in Annex/2."

8. As per the Corporate Governance Principles, informing the shareholders regarding the "Remuneration Policy" for members of the Board of Directors and the senior executives and payments made under this policy and approval of the "Remuneration Policy" and related payments,

According to CMB's mandatory Corporate Governance Principle No. 4.6.2, the principles for the remuneration of Board of Directors' members and senior management shall be made available in writing and included as a separate article on the General Assembly Meeting agenda to enable the shareholders to share their opinions on the same. Remuneration Policy created for this purpose is attached as Appendix 3. As specified by footnote No. 27 of 2024 Financial Statements, benefits were provided for senior management of Ford Otomotiv Sanayi A.Ş. in 2024.

9. Determination of the annual gross fees to be paid to the members of the Board of Directors,

The annual gross remuneration to be paid to the members

of the Board of Directors in 2025 shall be determined by the shareholders as per our Remuneration Policy submitted for the approval the shareholders as per item 8 of the agenda.

10. As per the regulations of the Turkish Commercial Code and Capital Markets Board, approval of the Board of Directors' election for the Independent Audit Firm,

In accordance with the Turkish Commercial Code and Capital Markets Board regulations, and taking into consideration the opinion of the Audit Committee, the Board of Directors resolved at their 17.02.2025 meeting to have Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi serve as the independent auditors of the Company's financial reports for the financial year 2025 and to let it conduct the other activities that fall within its purview within the context of the regulations. This decision shall be submitted to the General Assembly for ratification.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. has been authorized to conduct independent audit activities in the field of sustainability by the decision of the Public Oversight, Accounting and Auditing Standards Authority dated 18.02.2025.

11. Giving information to the shareholders regarding the donations made by the Company in 2024 and determination of a upper limit for donations to be made in 2025,

The Donation and Sponsorship Policy of Ford Otomotiv Sanayi A.Ş., which was accepted by our company's board of directors on 16/03/2021 and publicly announced, was approved by our shareholders at the general assembly held on 17/03/2021 within the framework of the provision "A policy regarding donations and aids is created and submitted to the approval of the general assembly" in the Corporate Governance Principle numbered 1.3.10.

In accordance with Article 6 of the Dividend Communiqué No. II-19.1 of the Capital Markets Board, the limit of the

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donation to be made should be determined by the general assembly in cases not specified in the articles of association, and the donations and payments made should be presented to the information of the shareholders at the ordinary general assembly. The total amount of donations made to foundations and associations in 2024 is 456,933,828 TL based on nominal values (the total amount calculated according to the purchasing power as of 31 December 2024 is 473,673,942 TL). Of this nominal amount of 456,933,828 TL, 300,760,095 TL was donated to Vehbi Koç Foundation, 72,657,467 TL to Koç University, 44,675,311 TL to Kocaeli Metropolitan Municipality, 11,433,754 TL to the Association for Innovative Solutions for Sustainable Development, and the remaining 27,407,201 TL consists of various other donations made to other institutions and organizations, each of which is 3,665,082 TL or less and not considered significant information for investors. Additionally, the upper limit for donations to be made in 2025 will be determined by the general assembly.

12. In accordance with the Capital Markets Board Regulations, presentation to the shareholders of the collaterals, pledges, mortgages and sureties granted in favor of the third parties in the year 2024 and of any benefits or income

Pursuant to Article 12 of the Capital Markets Board Corporate Governance Communiqué No. II-17.1, income or benefits derived by our Company and/or its subsidiaries from collaterals, pledges, mortgages and sureties against third parties must be stipulated in a separate article of the agenda of the General Assembly. This is indicated in footnote No. 13 of our financial statements dated 31 December 2024.

13. Under Articles 395 and 396 of the Turkish Commercial Code, authorizing: shareholders with management control, members of the Board of Directors, senior executives and their spouses and relatives related by blood or affinity up to the second degree; and also informing the shareholders

regarding the transactions made in this extent in 2024 pursuant to the Capital Markets Board's Communiqué on Corporate Governance,

The members of the Board of Directors can do business only with the approval of the General Assembly, as stipulated in the first subsection of Articles 395 and 396 of the TCC entitled Competition Ban and Ban on doing Business with the Company and Borrowing for the Company.

Pursuant to the Capital Markets Board Mandatory Corporate Governance Principles No. 1.3.6, the General Assembly shall be informed in the event that shareholders having managerial control, shareholder board members, senior management and relatives up to the second degree of blood or affinity engaged in a significant business transaction creating a conflict of interest with the Company or its subsidiaries, competed with the company in the same line of business on their own behalf or on the behalf of others, or was involved in the same business as that of the Company as unlimited partner in another company. Information about said transactions must be included as a separate article on the agenda and recorded into the minutes of the General Assembly.

To fulfill the requirements of these regulations, permission shall be sought from the shareholders at the General Assembly. Some of the shareholders having managerial control, shareholder board members, senior management and relatives up to the second degree of blood or affinity are also board members at several Koç Group and Ford Group companies including those with similar operations to our Company. In 2024, there has not been any material transaction which requires notification in accordance with Corporate Governance Principle No. 1.3.6 of the Corporate Governance Communiqué.

14. Informing the shareholders about the Company's target and progress towards transitioning to a low-carbon economy and the activities carried out in 2024 within this scope,

As part of our company's transition plan to a low-carbon economy, we have committed to reducing our emissions through the Science Based Targets Initiative (SBTi) and are sourcing 100% of the electricity used in all our facilities from renewable sources. The company is also continuing its investments in renewable energy to ensure that its ecosystem aligns with its emission reduction commitments.

Informing shareholders about the company's transition plan to a low-carbon economy and its actions at the General Assembly is important for all our stakeholders. Therefore, shareholders will be informed about the latest developments at the General Assembly meeting.

15. Wishes and opinions.

APPENDICES:

Appendix 1

The Proposal of the Board of Directors on the Distribution of Profits for 2024 and the Proposed Dividend Distribution Table (Page [204](#))

Appendix 2

CVs of Board of Directors (page [381](#), [382](#), [383](#) and [384](#)) and Independence Declarations of Independent Board Member Candidates (page [314](#) and [315](#))

Appendix 3

Remuneration Policy for Board of Directors and Executive Management (page [205](#))



**RISKS AND
OPPORTUNITIES**

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Macroeconomic and Geopolitical Risks	<p>Volatility in Energy Prices</p> <p>Natural gas and electricity prices have also increased, particularly driven by the exchange rate volatilities in the middle of the year. However, natural gas spot prices demonstrated an upward movement due to the effects of the Israeli-Palestinian war. The volatility in energy prices throughout the year was felt both directly in Ford Otosan's energy costs and indirectly in the products procured.</p>	<ul style="list-style-type: none"> ▪ Negative impact on cash flow. ▪ Failure to perform healthy financial projections. 	<ul style="list-style-type: none"> ▪ Energy efficiency projects such as efficient engines and LED conversion projects in production areas are prioritized to achieve higher energy efficiency in production. ▪ Renewable energy resource investments such as solar panel applications, heat walls and solar fields are ongoing. ▪ Efficiency projects are monitored monthly through energy workshops. ▪ We have successfully completed 10 MWe of the Solar Power Plant (SPP) projects we initiated at our Eskişehir Plant. ▪ Yeniköy rooftop solar power plant 3 MW has been commissioned. ▪ 6 MW solar power plant investment is planned for 2025. ▪ Gölcük solar wall commissioned in 2024. ▪ We have planned a total of 12 MW solar power plant investments in Afyonkarahisar and Kütahya for 2025 and 2026. 	<p>Once the projects are commissioned, energy consumption will decrease, leading to lower carbon emissions from production.</p> <p>As solar energy fields are commissioned, energy sourcing diversity will increase.</p>
	<p>Raw Material Price Increase Risk</p> <p>As of 2024, upward changes in raw material prices in Türkiye have been observed. The main reasons for these changes include global economic conditions, local inflation rates, exchange rate fluctuations, supply chain issues and the impact of energy prices. The excess capacity in China and the efforts of sheet metal manufacturers, whose profits have declined due to the lower global steel demand, to compensate for this through OEMs are other reasons for the price increase.</p>	<ul style="list-style-type: none"> ▪ Disruptions in the global supply chain due to the extended supply times of several main materials used in automotive production, such as sheet metal, plastics, aluminum, chemicals, and rubber, etc. ▪ Steel manufacturers on annual contracts becoming more expensive due to the variable USD/EUR parity after the source decision. ▪ Disruptions in the supply chain due to geopolitical risks. ▪ Failure to meet profitability targets due to price increases. 	<ul style="list-style-type: none"> ▪ We are expanding our supplier portfolio to reduce the impact of price volatilities by including new approved suppliers and new projects. 	<ul style="list-style-type: none"> ▪ An expanded and diversified supplier portfolio increases our ability to quickly respond to sudden and unexpected production changes and leverage our competitive advantage.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Environmental Risks	Climate Change and Environmental Risks (Short-, Medium- and Long-Term Risks)	<ul style="list-style-type: none"> ▪ Damages due to natural disasters and extreme weather events ▪ Resource crisis due to biodiversity loss and ecosystem collapse ▪ Slowdown or halt of production activities due to resource insufficiency ▪ Reputation damage in case of failure to achieve long-term goals, ▪ Physical damage to our facilities and the vehicles we produce due to extreme climate events ▪ Failure to fully comply with national and international regulations ▪ Risk of failure to fulfill commitments made to International Environment and Sustainability Initiatives 	<ul style="list-style-type: none"> ▪ Risks and opportunities are identified according to the Corporate Risk Management systematic in line with the ISO14001 Environmental Management System standard. Actions are planned and managed by integrating them into all processes to align with the Company's strategies and goals. ▪ Guided by our "Future. Now" vision, we assume responsibility for not only contributing to the transformation in the automotive industry in combating climate change but also for spearheading initiatives. As part of our "Future. Now" vision, long-term sustainability targets have been set to also contribute to our Net Zero commitment in alignment with the 1.5°C target, while work is ongoing to meet short-term targets. ▪ Under Climate Crisis and Energy Management, the compaby is working toward 'net-zero in carbon management' in production facilities, zero emissions in vehicles, and in all supply chain and logistics operations. ▪ We are developing engine and vehicle technologies to reduce our carbon footprint, aiming to reduce heavy commercial fleet CO₂ emissions by 15% in 2025 and 30% in 2030 compared to the 2019 baseline in line with the European Union heavy commercial vehicle emission standards. ▪ Under Waste Management and Circular Economy, we strive to achieve zero waste to landfills and completely eliminate single-use in personal consumption. ▪ We prepared our Water Supply Action Plan against Drought Risk. We determined the water stress risk values of our locations using the WRI Aqueduct "Global Water Risk Mapping Atlas", which enables the mapping of future water risks. ▪ In water management, we work to reduce the use of fresh water in all our locations. We continued to launch water recovery projects across all our production facilities in Türkiye in 2024. ▪ We set our short-term and long-term targets by considering the approach to limit global warming to 1.5°C as defined in the SBTi and Paris Agreement. After starting the target validation process in 2023, we revised our targets with the SBTi's methodology updates in March 2024. We aim to have our targets approved in the first quarter of 2025. ▪ We conducted a preliminary risk assessment using two tools, SBTN (The Science Based Targets for Nature) and IBAT (Integrated Biodiversity Assessment Tool), specific to Ford Otosan locations. We published Ford Otosan's Biodiversity Strategy. ▪ The Craiova plant is considered in the low (<%10) category in terms of water risk. Ford Otosan takes various measures to address water risks: a basin-specific current situation analysis against five-year drought risk projections, groundwater projections, legal authority declarations against the risk and short-medium-long term five-year water supply plans. 	<ul style="list-style-type: none"> ▪ We reduce energy consumption and related costs through renewable energy investments in our facilities. ▪ We achieve operational efficiency through process and facility improvements to support our net-zero vision. ▪ Projects for reducing waste at the source, reclaiming waste within the scope of circularity or researching their use as alternative raw materials deliver financial savings. ▪ We aim to reduce freshwater withdrawal with our plan to commission treatment plants capable of 40% wastewater recovery across all Turkish locations.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
People, Culture and Transformation Risks	Inequality of Opportunity Risk	<p>In case the risk is realized;</p> <ul style="list-style-type: none"> Lower employee satisfaction rates Higher employee turnover Failure to attract new talent Reputation Damage Administrative fines Damage to employer brand 	<ul style="list-style-type: none"> We provide an inclusive work environment based on equal opportunities, respectful of differences and ethical values. We place the right candidate in the right position at the right time, without tolerating any discrimination in our recruitment processes, and by considering equal opportunities. In line with this approach, we aim to increase the number of our disabled and female employees. Our Diversity Policy was updated in 2024 as the Diversity, Equality and Inclusion Policy. We are a signatory of Women's Empowerment Principles (WEP's), an initiative of UN Women. We published our "Zero Tolerance to Violence" policy in 2021. Every year between November 25 and December 10, we organize awareness-raising activities and seminars on violence and human rights in support of the Orange the World campaign. We implement programs, the first of their kind in Türkiye and the world, aimed at the employment and personal development of individuals with autism and Down syndrome in the hazardous sector. In talent management, we consider a balanced distribution of age and gender distribution to promote inclusion in succession plans and candidates from different functions to increase representation. The "Field Leaders Development Program" for female field workers aims to increase women's employment in production, contribute to the development of our colleagues and ensure equal representation of women candidates in appointment/promotion processes. We organize Women Leadership Development workshops for women leaders. We support our potential employees to increase our female manager ratios. We also provide career coaching for those who want to discover their potential. We organize Inclusive Leadership Trainings and workshops to ensure that leaders avoid unconscious biases in hiring decisions. We launched our GROW leadership development program for young professionals who are advancing on the path to leadership. We are committed to our long-term sustainability goals in line with our 'Future. Now' vision and prioritize creating social benefit in all our activities. As part of our gender equality commitments, declared by Koç Holding as a leader in UN Women's Generation Equality Forum, we determined 'Gender Equality in Technology and Innovation' as our top priority. Our Reverse Mentorship program, ongoing for the past five years, aims to develop a management approach focused on development by sharing intergenerational experiences and to ensure that the voices of each generation are heard equally, eliminate age-based discrimination, and listen to young people with equal representation. It also paves the way for young people to observe our leaders in relevant sessions and question them with an inclusive leadership perspective and provide feedback. "Profession Has No Gender" awareness sessions were held in partnership with MESS and TAP (Turkish Family Health Planning Foundation) to encourage the employment of female students by the automotive industry. The objective of the "MESS Tomorrow" project is to design skill-building programs for female employees and increase the number of talents in STEM. 	<ul style="list-style-type: none"> We aim to increase company's performance by developing the right recruitment strategies. We reinforce our talent attraction and retention goals with our new employer brand. We regularly monitor our female employment ratio and employee count in STEM fields and work toward increasing the ratio. Our female employees working in STEM field s drive our technology and innovation efforts. We strive to monitor the needs of our colleagues and aim to create the ultimate employee experience. We seize the opportunities to increase happiness and productivity by launching a well-being platform that supports work-life balance and prioritizes the health and well-being of our employees.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
People, Culture and Transformation Risks	Occupational Health and Safety Risks	<ul style="list-style-type: none"> Workforce loss. Reputation damage. Loss of employees' trust in the company. 	<ul style="list-style-type: none"> In our operations, occupational health and safety risks, defined within the scope of ISO 45001 Occupational Safety and Health certification, are identified and managed effectively, and targets and programs related to these risks are set and reviewed. We embrace the mission of creating a safe and healthy working environment by meeting all legal and organizational requirements for occupational health and safety. We carry out continuous improvements to eliminate all dangers to life and property such as illness, injury, fire and work in cooperation with our employees in this process. In addition to laws and regulations, we determine, define and eliminate occupational health and safety risks in alignment with Ford Motor Company's International Safety Standard and Koç Group Occupational Health and Safety Standards. We set targets and create programs to address such risks and review them regularly. We set annual targets based on lost time accident and near-miss data and ensure that these targets are followed up and achieved in collaboration with the relevant departments. When an accident or incident related to occupational health and safety occurs at our plants, we follow the Incident and Accident Reporting Directive. In accident and incident investigations, we assess the root causes of the incident and prepare the report by planning corrective-preventive actions. We follow these actions with field leadership and conclude them. We regularly assess our OHS performance in leadership meetings and report it to senior management every week. We present and follow up on OHS performance criteria in board meetings. OHS trainings are delivered to all employees, subcontractors and related parties. We ensure that our employees internalize the OHS culture, manage risks and work according to the safe zone requirements. Through the Kindness Map Volunteer Training Platform launched in 2023, we organize regular weekly mindfulness and self-compassion training and meditation sessions. Using the Copenhagen Psychosocial Risk Assessment Questionnaire we apply to all employees, we aim to better identify the functions, lines and shifts where problems occur. Working with the Industrial Hygiene and Ergonomics committees in our facilities, we identify process and/or function-based problems, report the issues to the OHS Board and strive to resolve them. The risks of ongoing construction work at Ford Otosan Gölcük, Yeniköy, Eskişehir Plants, accident risks that may arise due to higher number of new employees during new model launches and rapid increase in production, and risk mitigation actions are also regularly reported to the Risk Committee and reviewed. 	<ul style="list-style-type: none"> Occupational health and safety activities, efforts to improve the work environment and best practice awards drive the employees' trust in the company and the work environment, while improving their performance and engagement by focusing on the work.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
People, Culture and Transformation Risks	Risks of Failure to Futureproof of Talent	<ul style="list-style-type: none"> ▪ Loss of profitability. ▪ Reputation damage. ▪ Decline in employee engagement and motivation. 	<ul style="list-style-type: none"> ▪ Personal development and career plans are developed for all our employees. ▪ Succession plans are created for all leadership positions with immediate, short-, medium- and long-term options. ▪ We use the FO TalentUP platform, which allows our office employees to choose the best options for their happiness among different career paths and alternatives, where they can view all opportunities using an algorithm to match their competencies, to realize our strategy of unlocking the potential of our office employees. ▪ We offer job rotation opportunities to contribute to the development of our employees (project-based, among group companies, among our internation companies, among departments, etc.). Our employees benefited from various local and international rotation opportunities during the year. ▪ The Reverse Mentoring Program aims to strengthen two-way learning and development by facilitating knowledge sharing and synergy between the younger generation and the previous generation managers. ▪ The Ford Otosan Vocational Training Model (FOMEM) was launched in 2023. Based on FOMEM, a talent development ecosystem was created to develop the critical skills of field workers and to maintain production capabilities for a continuously learning organization. Our "Vocational Training in Business" protocols were expanded with Vocational High Schools under the Ministry of National Education and Kocaeli University and Eskişehir Technical University Vocational Junior Colleges. ▪ In addition to our successful programs for future -readiness and functional capability building within the scope of talent continuity, we also designed and implemented new learning and development programs in 2024. ▪ In 2024; <ul style="list-style-type: none"> -we delivered 60 Digital Literacy Training sessions to 1,201 field employees. -we delivered 25 Mastering Leadership Programs sessions to total of 452 people. ▪ As part of Vocational Skill Development Programs, 880 people participated in 64 Maintenance Specialist Trainings sessions, 49 people in 5 Industrial Robot Programming Training sessions, and 19 people participated in 3 Aluminum Welding Technology Skills training sessions. ▪ 68 new master trainers were trained, while we started to work on establishing an Industry- Integrated Vocational High School to help the students gain vocational high school level education with key professional skills. ▪ In 2024, we carried out various activities to develop the skills of our office employees, including: <ul style="list-style-type: none"> -Departmental Technical Development Academies were migrated to the Digital Platform -We started to work on identifying critical roles and skills. -Technical Excellence Journey was enhanced. -The EV Battery Technologies Learning and Application Laboratory was opened. -The first group of 25 people started the GROW program for young leaders. ▪ In 2024, 78 people participated in the Reverse Mentoring Program, which aims to strengthen two-way learning and development by encouraging knowledge sharing and synergy between the younger generation and previous generation managers. ▪ In Leadership Development, 671 leaders and 309 team members, and 483 field leaders took a total of 1463 (non-unique) trainings while 549 leaders, 281 team members and 458 field leaders, took a total of 1288 (unique) trainings in 2024. ▪ In 2024, the Maintenance Specialist Development and Vocational Training Application Laboratory was opened at Eskişehir Technical University, which supports professional and technical development. The Lab is open to all employees. 	<ul style="list-style-type: none"> ▪ Initiatives and opportunities drive employee satisfaction and loyalty. ▪ We support employee development across various fields career areas and expand our pool of qualified talent. ▪ As employee satisfaction increases, motivation for production and work performance also increase. ▪ As our fields of expertise expand, we take more active roles in Ford projects. ▪ We design training programs for future-proofing our organization and attract qualified workforce. ▪ With FOMEM, we continuously and sustainably support our upskilling priorities and strategies, close skill gaps and attract the talent we need, offer effective reskilling and upskilling for our existing employees, and contribute to rapid growth through new product launches.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
People, Culture and Trans- formation Risks	Dependency on business from Ford Motor Company to maintain the talent pool	<ul style="list-style-type: none"> ▪ The majority of product development projects in the Engineering and Technology Development department involve projects owned by Ford Europe (Transit, Custom, Courier), Ford Otosan provides engineering and project management services to Ford Motor Company. Any disruptions in Ford Motor Company's work may cause delays in the project flow. ▪ Talent attrition 	<ul style="list-style-type: none"> ▪ Ford Trucks vehicle projects such as domestic internal combustion engine, domestic electric truck, domestic transmission, battery design and other powertrain projects under Ford Otosan's ownership significantly reduce risk. ▪ Ford Otosan finds opportunities to work on new technologies and innovative projects through local and international projects in which it acts as an executive or partner, and creates resources for its R&D activities. Ford Otosan is the highest funded industrial organization and private company in Türkiye with a total of 43 projects accepted to the EU's funded programs such as Horizon 2020 and Horizon Europe. 	<ul style="list-style-type: none"> ▪ Such projects ensure internal engineering workflow, while the company also leverages the developed technologies.
	Talent Acquisition and Management Risks	<ul style="list-style-type: none"> ▪ Delays in projects. ▪ Loss of profitability. ▪ Reputation damage. ▪ Decrease of employee engagement and motivation. ▪ Higher employee turnover. 	<ul style="list-style-type: none"> • We develop personal development and career planning practices for all our employees. • We create succession plans for all leadership positions, structured to address immediate, short-, medium-, and long-term needs. • To support our strategy of unlocking the potential of our office employees, we leverage the FO TalentUP platform. This platform enables employees to view all available opportunities through a competency-based algorithm and make career choices aligned with their aspirations among various career paths and alternatives at Ford Otosan. • Through rotation opportunities we have designed to support our employees' development—whether project-based, across Koç Group companies, between our domestic and international operations, or among departments—we enable employees to benefit from both local and international rotation programs throughout the year. • With our Reverse Mentoring Program, we aim to strengthen two-way learning and development by fostering knowledge-sharing and synergy between younger generations and senior leaders. • To encourage more female students to pursue careers in the automotive industry, we held awareness sessions under the “Professions Have No Gender” initiative in collaboration with MESS and the TAP Foundation. Through the “MESS Yarınım” (My MESS Future) project, we aim to design skill-building programs for women and increase the number of talents in STEM fields. • In 2023, we launched the Ford Otosan Vocational Education Model (FOMEM). With FOMEM, we established a talent development ecosystem 	<ul style="list-style-type: none"> ▪ Through the initiatives we implement and the increasing opportunities we offer, we enhance employee satisfaction and strengthen loyalty to our company. ▪ By supporting the development of our employees across different areas, we continue to expand our pool of qualified talent. ▪ As employee satisfaction grows, we boost our production motivation and overall work performance. ▪ As our areas of expertise broaden, we take on more active and strategic roles in Ford projects. ▪ The training programs we have introduced to prepare for the future help us attract highly skilled talent into our organization. ▪ Through FOMEM (Ford Otosan Vocational Education Model), we continuously and sustainably support our upskilling priorities and strategies, close skill gaps, attract the right talent, and provide effective

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
People, Culture and Transformation Risks	Talent Acquisition and Management Risks <i>(continued)</i>		<p>to build a continuously learning organization and enhance the critical skills of our shop floor employees, aiming to sustain our manufacturing capabilities. We expanded our “Workplace Vocational Training” protocols in collaboration with vocational high schools under the Ministry of National Education, as well as vocational schools of Kocaeli University and Eskişehir Technical University.</p> <ul style="list-style-type: none"> ▪ In order to reduce the turnover rate of new graduates—particularly those newly joining the company—we monitor the conversion rate of our interns to full-time hires. ▪ We are planning actions to rapidly implement digital platforms through Koç Holding’s infrastructure or external vendors (e.g., Koç Akademi, Koç Kariyerim, AI tools & Training Tracking tools). 	<p>reskilling and upskilling for our current workforce — all while enabling rapid growth in line with new product launches.</p> <ul style="list-style-type: none"> ▪ With our Koç Kariyerim (Koç Career) opportunities, we prioritize internal candidates, making them feel valued and supporting their career development. At the same time, we enable our employees to explore career opportunities within the broader Koç Group.
	Dealer Employee Talent Attrition Risk Failure to retain competent and qualified dealer employees or to employ the number of staff required by Ford Otosan	<ul style="list-style-type: none"> ▪ Failure to retain technical expertise, experience and knowledge as a result of the competent dealer employees leaving the company. ▪ Placing excess workload on the existing employees due to failure to employ the required number of staff; the employees leaving the dealer because of the excessive workload, leading to decline in work quality and consequently in customer satisfaction. 	<ul style="list-style-type: none"> ▪ To increase training accessibility for our dealer employees, we automatically enroll team members with lower training qualifications into relevant training programs. This allows us to streamline training registrations and support their development. Additionally, in 2025, we plan to expand our regional training programs to further boost participation rates. ▪ We provide Qualified Dealer Employment Support to our dealers. As part of this support structure, we raised the precondition threshold for employment support above 50%, further reinforcing the requirements for organizational alignment and training completion. ▪ We implemented competency-based interviews and technical assessments to ensure promotions are based on objective competency evaluations. ▪ We share real-time, interactive reports with our regional sales and after-sales leaders, highlighting staff training needs and corresponding training opportunities. Furthermore, for dealers with less than 50% training competency, difficulties in adapting to organizational culture, or development potential in customer satisfaction metrics, we have established action teams to provide coaching support. ▪ In collaboration with the service and sales managers at our dealerships, we share potential lists of employees in need of training. These lists are sourced through the Ford Development Academy, enabling us to more effectively support their development journey. 	<ul style="list-style-type: none"> ▪ We sign agreements with our dealers and the vocational high schools and colleges in their vicinities to support the recruitment of employees to work in the mechanical/body workshops. Opportunity to attract qualified employees aligned with the brand. ▪ Opportunity to attract employees to our brand through the newly designed exemption assessment center application for mechanical workshop staff with experience in different companies in the industry. ▪ Creating a required internship team in all units, primarily in After Sales, to bring young talents into the industry and increase loyalty to the brand.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
External Risks	Business Continuity Risk	<ul style="list-style-type: none"> ▪ Disruption in production and service processes. ▪ Decline in customer satisfaction. ▪ Disruption in cash flows. ▪ Decline in the employees' trust in the company due to the uncertainties in extraordinary situations. 	<ul style="list-style-type: none"> ▪ Business continuity plans are prepared to streamline production and operations. These plans include emergency response to disaster scenarios with predefined strategies and procedures in case of natural disasters such as earthquakes, wild fires, flash floods and hail, and risks such as machinery damages. All departments receive training on defined procedures and forms to raise awareness. The plans are tested for accuracy with annual drills. In the business continuity process audit conducted by our Internal Audit team in 2024, we received the highest score of 1=GOOD. ▪ The natural disaster risks are identified for all our facilities. The impact of such risks is regularly monitored and mitigated. ▪ 8 different task teams have been established for earthquake preparedness. They regularly work on the necessary processes. ▪ We have conducted earthquake analyses for our critical manufacturers and dealers and encourage our manufacturers and dealers for remedial measures. ▪ We hold insurance policies with extensive coverage against the potential losses that earthquakes, fires, flash floods, etc. may cause. 	<ul style="list-style-type: none"> ▪ Pre-defined strategies, process descriptions and the organizational structure are in place to be prepared for adverse situations and minimize losses.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
External Risks	Supply Chain Risks	<ul style="list-style-type: none"> ▪ Failure to support complete and timely production. ▪ Disruptions in increasing production and new projects; negative financial impact due to supply issues. ▪ Reputation damage due to quality and delivery issues with suppliers. ▪ Risk of regulatory non-compliance. 	<ul style="list-style-type: none"> ▪ We closely monitor areas such as natural disasters, fires, and union risks by visiting suppliers when necessary, and implement actions such as introducing alternative parts and alternative manufacturers, expediting shipments, and increasing safety stocks to prevent possible risks. ▪ Regarding national or international supply risks, surveys are conducted with suppliers to determine the scope and size of the risk and plan actions. The adequacy of suppliers is regularly questioned with weekly surveys in terms of supporting future production needs. ▪ In addition to supplier risk management, a separate supplier risk assessment is conducted based on criteria such as deliveries, quality performance, capacity adequacy and financial status, and necessary actions are taken. ▪ A system has been introduced to identify suppliers' financial risks more precisely. ▪ We conduct comprehensive analyses to protect our suppliers against cybersecurity risks and provide information and warnings when necessary. ▪ We conduct annual surveys to increase awareness and encourage information sharing about natural disaster risks. Based on survey findings, we encourage physical earthquake analyses to be conducted in the buildings of our priority suppliers and we follow the process diligently. ▪ The suppliers of certain product groups that may be cumbersome, especially in terms of logistics and storage, completed their investments in locations in proximity to the Gölcük and Craiova plants for timely and sequential delivery. ▪ We launched the Supplier Sustainability Assessment and Development Program to support our long-term sustainability goals. ▪ The purchasing teams were restructured as cross-functional units to take end-to-end responsibility for the light, medium and heavy commercial vehicle projects carried out with our suppliers. 	<ul style="list-style-type: none"> ▪ We use a shared platform with our suppliers where we review and consider commercial and technical efficiency ideas to stay ahead of the industry with innovative ideas and practices. ▪ We configure our projects as autonomous and fast decision-making structures that promote collaborative work between our suppliers and project teams. ▪ We ensure traceability of supplier risks by implementing new systems and achieving supplier integration, both specifically for Ford Otosan and with our business partner Ford Motor Company. ▪ We aim to facilitate the sustainability transformation of the Turkish automotive supply industry.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Compliance Risks	Compliance Risks	<ul style="list-style-type: none"> ▪ Administrative fines. ▪ Imprisonment. ▪ Revocation of certificates and permits. ▪ Reputation loss in the eyes of the public. ▪ Negative impact on company financials. 	<ul style="list-style-type: none"> ▪ Our Legal and Compliance Leadership regularly informs the “Independent Board Members,” “Audit Committee,” “Early Detection and Management of Risk Committee” about significant disputes and compliance risks faced by the Company, ensuring that legal and compliance risks are managed at the highest level. ▪ In 2024, we expanded our Compliance Policies by introducing the Prevention of Retaliation Policy and the Intellectual Property Rights (IPR) Policy, both approved by the Board of Directors. We also updated and published our Diversity, Equity, and Inclusion (DEI) Policy. ▪ In Q1 2025, we will implement our Policy on the Protection of Insider Information and Prevention of Information Misuse. ▪ As part of the “Leader Orientation Training Program” launched t in 2022, we provide training to our leaders on 24 core topics, including compliance policies, sustainability, and corporate practices. In 2024, we held the program across all four quarters. ▪ In 2024, we repeated our human rights due diligence, this time including our suppliers. The results will be published in 2025. ▪ Compliance trainings for dealers were updated. Two training sessions were delivered to dealer employees on sanctions and export controls and prevention of money laundering legislation. ▪ Ford Otosan Romania started to introduce compliance policies in 2023. In 2024, Ethics and Whistleblowing Policy and Anti-Retaliation policies were added. To date, Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Gift and Entertainment Policy, Sanctions and Export Controls Policy, Conflict Minerals Policy, Human Rights Policy, Supply Chain Compliance Policy, Competition Law Policy, Ethics and Whistleblowing Policy have been approved and implemented. ▪ Disclosure Policy and AML-CFT Policy (fighting money laundering and financing of terrorism) will be implemented for Romania in 2025. ▪ One session of online compliance training was provided to relevant leaders in Romania in Q4 2024 in the areas of competition, GDPR, sanctions and export controls, and combating corruption. ▪ Koç Holding Compliance Training in Romania will be launched in 2025. 	<ul style="list-style-type: none"> ▪ Improving the company’s reliability and reputation in the eyes of our employees and stakeholders.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Compliance Risks	Bribery and Corruption Risks	<ul style="list-style-type: none"> ▪ Administrative fines. ▪ Imprisonment. ▪ Revocation of certificates and permits. ▪ Reputation loss in the eyes of the public. ▪ Negative impact on company financials. 	<ul style="list-style-type: none"> ▪ In 2024, Koç Holding Anti-Bribery and Anti-Corruption Training was completed by 1,149 employees. We regularly monitor training completion rates with our Compliance Leadership team. ▪ In 2025, we plan to conduct a Due Diligence Assessment on Combating Bribery and Corruption. 	<ul style="list-style-type: none"> ▪ Improving the company's reliability and reputation in the eyes of our employees and stakeholders.
	Protection of Personal Data	<ul style="list-style-type: none"> ▪ Administrative fines or imprisonment. ▪ Reputation loss in the eyes of the public. 	<ul style="list-style-type: none"> ▪ In 2024, Koç Holding Personal Data Protection Training was completed by 1,002 employees. We regularly monitor training completion rates with our Compliance Leadership team. ▪ We monitor our operations where personal data is processed with the GDP Committee, which meets regularly with the participation of our Department GDP Officers. We also ensure that personal data processes are managed in accordance with the legislation through internal department audits. ▪ We prepared an internal application to obtain GDP Information and Consent digitally. We plan to announce and launch this application in the first quarter of 2025. ▪ In 2024, we established a working group to comply with the changing GDP legislation and completed our compliance project on private data and data transfer abroad. We regularly monitor the process in case a need arises for personal data transfer abroad. ▪ We publish monthly GDP Newsletters on the latest developments within the company. 	<ul style="list-style-type: none"> ▪ Elevating the company's prestige and value in the eyes of investors. ▪ Becoming a trusted company preferred by customers.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Compliance Risks	Competition Law	<ul style="list-style-type: none"> • Administrative fines or imprisonment. • Reputation loss in the eyes of the public. 	<ul style="list-style-type: none"> • In 2024, Koç Holding Competition Law Training was completed by 1,150 employees. We regularly monitor training completion rates with our Compliance Leadership team. • In 2024, we organized Competition Law training specifically for HR Departments. • In 2024, we organized Competition Law Training specifically for the Ford Volkswagen Alliance Project and trained 892 employees. • In 2024, we launched Competition Law Training specifically for the joint cabin project to be developed with Iveco. • We publish a monthly Competition Newsletter on the latest developments within the company. 	<ul style="list-style-type: none"> • Elevating the company's prestige and value in the eyes of investors. • Becoming a trusted company preferred by customers.
	Sanctions and Export Controls	<ul style="list-style-type: none"> • Imprisonment or administrative fines imposed on Ford Otosan, the employees and/or Board members for violating certain sanctions. • Reputation damage. • Business loss. • Termination of agreements. • Challenges in access to international financing. • Recall of loans. • Seizure of Ford Otosan assets. 	<ul style="list-style-type: none"> • In 2024, Koç Holding Sanctions and Export Controls Training was completed by 1,224 employees. We regularly monitor training completion rates with our Compliance Leadership team. • We continue to perform regular sanctions screening checks since 2023 with our business partners. We also perform sanctions checks for Romanian Factory suppliers through the relevant system with our Compliance Leadership team. We replaced the service provided for sanctions screening with Koç Diligence and completed the integration into the new system. • In 2024, we integrated the "Sanction Search Interface" screen, which all company employees can access and scan, with Koç Diligence. • We regularly monitor sanction regulations and publish a "Sanctions Newsletter" when needed. 	<ul style="list-style-type: none"> • Elevating the company's prestige and value in the eyes of the public and investors, starting with the international business community. • Becoming a preferred company for international business partnerships and loan applications.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Regulatory Risks	<p>For products falling within the scope of the EU 2023/1115 Deforestation Regulation, which ws introduced in 2023 and will be implemented in 2026, the obligation of care must be fulfilled and product declarations must be filed and reported. The first reporting is expected to be made in 2025.</p> <p>Ford Otosan Craiova Factory operates in collaboration with the Germany and Poland Spare Parts Warehouses.</p> <p>Risks anticipated due to the regulation; Failing to collect the data required for environmental and human rights obligation analyses and product declarations for the suppliers in the scope.</p> <p>Failing to report at every border crossing as of 2026, the risk of the product not passing through customs due to lacking the relevant declaration from the supplier, and the risk of affecting production.</p>	<ul style="list-style-type: none"> • Fines and sanctions due to failure to meet regulatory obligations. • Imposing sanctions due to products failing to pass through customs, causing production stops, financial loss, loss of reputation and damage to the brand. 	<p>We identify suppliers that fall within the scope and aim to increase their awareness by informing them.</p> <p>We have a plan in place to meet regulatory obligations in with year-end reporting.</p>	Supporting the conservation of biodiversity.
	<ul style="list-style-type: none"> • The EU Carbon Border Adjustment Mechanism (CBAM) Regulation entered into force in 2023, with a transitional period in place until the end of 2025. Ford Otosan is conducting CBAM reporting activities for products imported from outside the EU within the scope of its Craiova Plant and Spare Parts Warehouses in Germany and Poland. Risks anticipated under the regulation include: <ul style="list-style-type: none"> • An increase in CBAM certificate costs for the company due to the gradual phase-out of free allowances starting in 2026, with full removal by 2034. • Potential penalties arising from non-compliance or inaccurate reporting. • Inclusion of new product categories under the regulation, resulting in a broader range of affected parts. 	<ul style="list-style-type: none"> • The company's CBAM certification cost will increase as free allocations decrease starting in 2026 and are completely eliminated in 2034. • Fines and sanctions will be imposed due to non-reporting or incorrect reporting. • The negative impact of the increase in product prices on the customer, as the certification costs reflected prices will increase over the years. 	<ul style="list-style-type: none"> • We receive consultancy to guide suppliers and prepare reporting, while raising awareness through suppliers trainings on CBAM (Carbon Border Adjustment Mechanism). • We monitor the sustainability performances of our suppliers through surveys and audits conducted as part of the Supplier Sustainability Assessment and Development Program. • We continue to work on temporary exports from Craiova Plant for packaging materials. This will eliminate the need for regulatory reporting for packaging materials. We plan to develop a tracking mechanism to track material movements in temporary exports. We also monitor the sustainability performances of our suppliers in line with our carbon neutrality target in scope 1 and 2 emissions across in the Ford Otosan supply chain by 2035. More information is provided Value Chain in the section. 	Increasing awareness among suppliers, achieving emission reductions, supporting the 2035 carbon neutrality target in the supply chain.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Regulatory Risks	<p>VECTO</p> <p>The heavy-duty fleet CO₂ regulation requires all OEMs to reduce the total TP CO₂ emissions (Tank-to-Wheel) of all HCV vehicles sold in Europe by 15% compared to the European baseline of 2019 (average). The average CO₂ of all Ford Trucks HCV vehicles including VECTO sold in Europe will be calculated for the 2025 VECTO reporting year, starting in July 2025 and continuing until July 2026.</p>	<p>There is a risk of having to pay a fine of Euro 4,250 per vehicle sold in the European Union for each g/tkm of excess CO₂ emissions above the 2025 European Union CO₂ target. The period for which the target will be calculated and the fine amount will be based on is from July 2025 to July 2026 for the 2025 VECTO reporting year.</p>	<p>The Vecto process is run by a robot designed to meet the fuel consumption regulations required for vehicle sales in European countries. When vehicles reach a certain sales status, fuel consumption is calculated using Vecto's mathematical calculations based on their own characteristics. Input and output documents are securely stored in the Digital Corporate Memory (DCM) environment that the robot can communicate with, eliminating manual uploading processes. We apply nine processes to manage penalty risks against scenarios such as Vecto's incorrect calculations or malfunctions.</p> <p>We have developed two major projects to meet fleet CO₂ emissions targets in Europe for 2025 and beyond. We launched the Gen2 project to minimize this risk and also for it to play an important role in the fuel economy competitiveness of our Diesel trucks.</p> <p>We expect our Rigid BEV Truck project to play a key role in Ford Trucks' market readiness for the zero-emission transition, as this project is the first BEV product in Ford Trucks' product range.</p> <ul style="list-style-type: none"> • We aim to start Ecotorq Gen2 and BEV projects on time and in high quality. • We aim to sell the required number of BEVs in VECTO 2025 to register a sufficient number of BEVs for the monitoring period. • We plan to establish our inventory management and sales strategy to reach fleet targets. (Minimization of Gen1.5 registrations as of 07/2025). • We plan to establish our pricing strategy that directs to low CO₂ products in 2025. • We aim to develop the online CO₂ projection Panel for fleet emissions monitoring throughout 2025. 	<p>The latest CO₂ regulation introduced by the European Commission allows heavy commercial vehicle manufacturers to purchase zero-emission vehicle (ZEV) CO₂ credits from other manufacturers up to 5% of their total vehicle sales within the European Union. The vehicle transfer mechanism permitted by this provision offers an alternative solution to reduce the risk of penalties in the event of exceeding the target in the 2025 VECTO reporting year. We are closely following vehicle credit purchase or cooperation opportunities.</p>

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Regulatory Risks	Vehicle Safety	<ul style="list-style-type: none"> • Failure to comply with ECE collision safety regulations for Europe and FMVSS collision safety regulations for the US resulting in failure to sell the vehicle and financial loss. 	<ul style="list-style-type: none"> • We evaluate vehicle safety regulations in depth while the vehicle is still in the project phase. We identify the regulations that the vehicle must comply with until commencement of production and add the equipment that the vehicle must feature to the project financials. Throughout the product development process, we guide the technical design of the vehicle with computer-aided analyses and physical tests. • Before the vehicle starts serial production, we prove compliance with legal regulations with physical tests and obtain approval from the relevant legal authorities. We also verify compliance with the crash safety performance criteria determined by Ford with physical tests and simulations. • We regularly follow the regulatory updates that will be introduced in the coming years and, when necessary for subsequent projects, we perform preliminary studies before starting product development processes and confirm that the necessary technology is available when product development processes begin. 	<p>The vehicle safety targets set by Ford Motor Company for its vehicles exceed legal requirements and applied to the entire product range without distinguishing between passenger and commercial vehicles. Therefore, the vehicle safety performance achieved is superior to its competitors, especially in the commercial vehicle segment. We consider this an opportunity in the vehicle preferences of potential customers.</p>
	Vehicle Quality	<ul style="list-style-type: none"> • Failure to comply with regulations • Vehicles' primary and secondary features falling below customer expectations <p>Higher warranty costs and increased vehicle costs</p>	<ul style="list-style-type: none"> • During vehicle production, we evaluate country regulations and compliance requirements together with homologation and conduct CoP (Conformity of Production) inspections in a common standard with Ford Motor Company to address these requirements. • To meet customer expectations, we monitor Customer Warranty Data as repair quantity and cost in 0 MIS (Months in Service) and 3 MIS (Months in Service) time periods. We analyze this data, plan corrective and preventive actions and monitor at the management level. • We monitor FRC (First Run Capability) and RTY (Rolled Throughput Yield) by shifts to reflect customer metrics during the production process. We also regularly monitor the measures taken for failure modes at the management level. • To better reflect customer expectations, we perform sample vehicle checks and monitor the results at the management level. • From a system perspective, we hold ISO 9001 Quality Management System certification and as a requirement, we regularly conduct internal system audits, and continuously monitor our quality management system through audits performed by competent auditors. <p>We transfer the lessons learned to the new model design/commissioning teams and ensure that errors are prevented proactively in the design stages.</p>	<ul style="list-style-type: none"> • We provide problem solving training, 6 sigma Black Belt and Green Belt training to accelerate problem solving . We aim to adopt a systematic approach to problems and take quick action. <p>We consistently share the lessons learned between Romania and Türkiye and prevent errors from occurring in different locations.</p>

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Regulatory Risks	<p>Battery Regulation and Due Diligence Requirements</p> <p>Meeting the duty of care throughout the battery supply chain for compliance with battery regulation</p> <p>Criminal sanctions and suspension of sales to the EU in case of failure to meet the duty of care EU 2023/1542</p>	<ul style="list-style-type: none"> * Non-compliance with regulation * Reputation loss * Financial loss * Production losses 	<p>We shared the regulatory requirements with the relevant stakeholders. It is necessary to establish a company policy and a battery supply chain map, a monitoring mechanism, and a risk management system. We have initiated work to implement the system by August 2025 at the latest.</p> <p>We are creating an internal governance model for monitoring the Battery Regulation requirements, a duty of care policy, establishing a supply chain monitoring and risk management system, conducting third-party audits and verifications, and fulfilling the requirements that need to be added to the annual sustainability report.</p>	<p>Compliance with Forced Labor regulation.</p> <p>We will complete the preliminary pilot study for the upcoming CS3D Due Diligence regulation compliance that will affect all company stakeholders and product network. We are creating the value chain map and working to identify the gaps.</p>

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Financial Risks	Receivables Risks	<ul style="list-style-type: none"> ▪ Failure to collect receivables may negatively impact the company's cash flow and profitability. 	<ul style="list-style-type: none"> ▪ Most of the export sales are made to Ford Motor Company and its affiliates with an average term of 14 days. ▪ Exports to parties other than Ford Motor Company are secured through letters of credit, guarantee letters, export receivable insurance, bank limits or advance payments. 	<p>Given that most of the export sales are made to Ford Motor Company (FMC) with an average term of 14 days, the liquidity management is generally strong. The FO business model contains an opportunity in terms of liquidity management (receivables risk).</p>
	Liquidity Risks	<ul style="list-style-type: none"> ▪ May disrupt continuity of operations. ▪ Reputation damage due to failure to honor payment obligations on time. 	<ul style="list-style-type: none"> ▪ In order to manage the liquidity risk, the company holds cash, committed credit lines and factoring capacity to meet the cash outflow of at least 21 days. ▪ We have a committed credit line for Euro 100 million with the banks that can be utilized when needed. 	
	Interest Rate Risks	<ul style="list-style-type: none"> ▪ Sharp interest rate hikes may have a negative impact on the profitability performance of the company due to the higher interest burden of variable rate loans. 	<ul style="list-style-type: none"> ▪ Managing interest bearing assets and liabilities with natural hedges by balancing the maturities is essential. Interest bearing assets are utilized as short-term investment instruments. ▪ According to policy, an equal split of 50%/50% between fixed and floating interest rate for long-term credits is targeted. 	
	FX Risk	<ul style="list-style-type: none"> ▪ Due to the mismatch between the foreign currency (FX) liabilities and the volume of the foreign currency assets, the profitability of the company may be affected as a result of sharp spikes in exchange rates. 	<ul style="list-style-type: none"> ▪ The ratio of the net foreign exchange position to equity is targeted within +/- 10% in the balance sheet. ▪ FX risks due to some long-term Euro loans utilized to finance company investments are offset by export agreements with Ford Motor Company. ▪ Investment loans are associated with purchases of fixed assets, and a portion of the exchange rate and interest amounts related to these loans is included in the asset costs. ▪ As of December 31, 2023, net FX position stands at negative TL 4,166 million. In 2023, total exports amounted to TL 219,087 million, and imports to TL 150,723 million. 	

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Technology and Innovation Risks	Risk of Failure to Keep up with the Pace of Innovation: Electric Vehicle, Connected Vehicle, Autonomous Vehicle Technologies, Smart Mobility, Digitalization	In the Automotive and Mobility industry, the effects of disruptive dynamics (Connected, Autonomous, Shared, Electric), new players, new or existing commodities and systems with changing order of importance are disruptively changing the value pool of the industry and posing significant risks for business models.	<ul style="list-style-type: none"> • In response to the evolving customer behavior and transformation in the automotive industry, advanced R&D activities are carried out on a wide array of topics including connected vehicles, autonomous vehicles, electric vehicles, electrification, smart manufacturing methods, improving customer experience, digital transformation, and smart mobility solutions. As of 2024, most of the new vehicles we sell are equipped with connectivity features. • Fikirhane Workshops include activities to integrate the innovative ideas of our employees into our processes to spread the internal innovation culture, build on know-how and transfer the acquired experience. This year, we developed specific projects focused on cost and internal needs, and also partnered with Otokoç through the Synergy program for ecosystem collaboration. • We continue to invest in new technologies and entrepreneurs through Driventure. In 2024, we made a total investment of USD 1.87 million in the ecosystem through Driventure. • To determine the priorities of the Growth & Smart Mobility Business area, to calibrate its priority with both the industry and the internal dynamics, and to maximize benefit, we updated the organizational structure and established the Growth Strategies unit. • We continue to invest in the vertical of ecosystem collaboration and disruptive technologies, while aiming to manage potential developments. 	<ul style="list-style-type: none"> • Each innovation project is seized as a growth opportunity. You can access the projects we implemented in 2024 in the Innovation Management section. • We also created a strategy hub within the business unit to identify the latest trends early on and start initiatives
	Information Security and Cybersecurity Risks (Short-, Medium- and Long-Term Risk)	<ul style="list-style-type: none"> • Cybersecurity vulnerabilities such as hardware, software or process control deficiencies, uncontrolled access, vulnerability to traffic attacks aimed at stopping service, authority abuse, data leakage in Ford Otosan Information Technologies and Operational Technology systems, interruptions may occur in the entire company network and critical business processes (production, sales) leading to financial losses, brand and reputation damage. 	<ul style="list-style-type: none"> • Through our Digital Products and Services department, we follow Ford Otosan Information Security Policy and related procedures and directives. By fully complying with regulations and Ford Otosan, Ford Motor Company and Koç Holding policies, we maintain the highest level of information security and cybersecurity in our products and services. We ensure protection against all internal and external threats for the information technology infrastructure, products, data and services that support company business operations, and create, develop and maintain services that will support business continuity. • Our activities are also audited by Ford Motor Company General Auditor's Office, Koç Holding Audit team and independent audit firms. • We provide internal training to increase cybersecurity within the company and to raise awareness. 	<ul style="list-style-type: none"> • The new technologies and control processes we implement enable us to meet information security requirements of our information systems and to achieve efficiency gains by reducing the time spent on manual control and commissioning processes through increased automation.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION AND DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Technology and Innovation Risks	Information Security and Cybersecurity Risks (Short-, Medium- and Long-Term Risk) <i>(Continued)</i>	<ul style="list-style-type: none"> • Information security breaches and cyber incidents that may occur due to violations of regulations and standards may lead to penalties and sanctions being imposed on the company, resulting in financial losses, brand and reputation damage. • Cyber incidents due to suppliers' cybersecurity vulnerabilities may cause Ford Otosan to suffer financial losses and reputation damage. • Operational risks may occur in vehicles. These are considered from the perspective of safety, customer data privacy and financial risks. • If a possible remote cyberattack on a customer vehicle cannot be detected and prevented, vehicle security may be compromised, leading to electronic system malfunctions in the vehicle or leakage of stored customer data. 	<p>In line with the requirements of ISO 27001 Information Security Management System certification, we manage information technology process risks with a structured risk management approach.</p> <ul style="list-style-type: none"> • Cybersecurity risks and risk mitigation actions are regularly submitted to the Risk Committee. • Our Security and Risk Department conducts preliminary cybersecurity assessments of our critical suppliers through their open sources. With these assessments, we determine the cybersecurity risk levels of the companies from low to high. • The Security and Risk Department similarly conducts preliminary cybersecurity assessments of dealers through their open sources. With these assessments, we determine the cybersecurity risk levels of dealers from low to high. For dealers that are identified as risky based on the preliminary assessment and do not take action against these risks, we conduct cybersecurity audits by the Security Team. In these audits, we evaluate the cybersecurity status of dealers in terms of identity and access management, network security, information security, business continuity and change management. • For companies that are identified as risky in preliminary assessments and do not take action to address these risks, we conduct on-site audits of the cybersecurity status of the suppliers by the Security Team in terms of identity and access management, network security, information security, business continuity and change management. • To mitigate cybersecurity risks related to electronic module suppliers used in our Ford Trucks vehicles: <ul style="list-style-type: none"> - At the beginning of each vehicle program, we analyze critical electronic modules in terms of cybersecurity. - With these suppliers, we document our work outputs by following the steps described in the “secure product development” process throughout the Ford Global Product Development System process. - For our module suppliers, we perform threat and risk analyses, implementation of cybersecurity requirements, cybersecurity tests and reporting. • As part of digitalization efforts that support our company's production processes, we ensure the security of operational technology (OT) and internet of things (IoT) infrastructures and follow through the necessary actions with a separate committee. 	<ul style="list-style-type: none"> • To ensure compliance with regulations and management system standards, we equip our expert teams with new competencies through trainings and awareness activities. • We aim to increase the cyber security awareness of all our employees and make all our business units an integral part of cybersecurity. • In line with the newly enacted UN-R155 “Cybersecurity Management System” regulation, we have more in-depth technical information about the possible cyber risks in our current vehicles. We will not only ensure regulatory compliance, but also minimize operational risks related to vehicle cybersecurity.

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Technology and Innovation Risks	Information Security and Cybersecurity Risks (Short-, Medium- and Long-Term Risk) (Continued)		<ul style="list-style-type: none"> ▪ We initiated projects to proactively detect threats, take the necessary precautions and implement cyber-resistant enhancements. ▪ This year, we automated various security processes using the security automation platform and significantly increased operational efficiency. We accelerated incident response processes by automatically processing alerts received via Security Information and Event Management (SIEM) on the automation platform. We also contributed to more effective management of processes by calculating SLA (Service Level Agreement) periods. ▪ We developed various playbooks to automatically receive alerts communicated to the Cyber Threat Intelligence platform and implement the necessary actions. With the integration of the endpoint security solution, we further strengthened our proactive security measures by implementing automated response processes for security incidents. ▪ We developed an automation playbook triggered via email so that users can analyze suspicious files, simplifying the processes and increasing the level of security. By integrating suspicious file control into the SiberAI platform, we began using AI and automation capabilities together. As a result, we increased the effectiveness of the Security Operations Center (SOC) and reduced the manual workload, improving operational efficiency. ▪ We are taking all necessary high-level measures regarding end-user security, end-user security of data traffic between connected vehicles and the SOC, security of data traffic between connected vehicles and the SOC, cyber security of vehicles and operational technologies, and GDPR. ▪ We receive consultancy from a company specialized in automotive electronics cyber security. ▪ We use a central security control unit in all Ford Trucks vehicles to improve in-vehicle communication security. ▪ We have established a vehicle security monitoring platform to detect potential cyberattacks that our Ford Trucks vehicles may be exposed to in the field. ▪ We are using a cyber security technical requirement set that will be valid for all electronic system suppliers that provide parts for Ford Trucks products. ▪ We obtained the “Cybersecurity Management System” certificate to continue selling vehicles in all countries subject to the UN-R155 “Cybersecurity Management System” regulation. 	

Short and Medium Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Technology and Innovation Risks	Dependency on Ford Motor Company for electronic module engineering	<ul style="list-style-type: none"> If the company lacks sufficient know-how in new technology electronic modules, it will become dependent on large suppliers and/or Ford Motor Company and lose its project flexibility. 	<ul style="list-style-type: none"> We collaborate with companies located or operating in Türkiye to jointly develop and produce various electronic modules. In addition to using these modules in projects that are entirely under Ford Otosan's responsibility, such as Ford Trucks, we plan to make them suitable for use in Transit and other vehicle projects. 	<ul style="list-style-type: none"> Increasing technological know-how of domestic manufacturers in Türkiye and producing higher quality products Increasing competence of Ford Otosan engineers on existing technologies and creating opportunities for them to build future technologies Addition of new companies to the Turkish startup ecosystem Significant product and investment cost savings through domestic production and original design products
	Intellectual Property Rights Infringement Risks	<ul style="list-style-type: none"> Criminal sanctions Sanctioning product sales 	<ul style="list-style-type: none"> We organize mandatory training programs and events to raise awareness about intellectual property rights among our employees and our stakeholders. We conduct comprehensive studies on the Freedom to Operate regarding the latest emerging technologies. The review of innovations at various stages of the projects is now standard procedure. <p>Activities completed in 2024:</p> <ul style="list-style-type: none"> As part of the Freedom to Operate activities related to newly emerging technologies, procedures and forms were simplified for patents and designs for agility. In 2024, we delivered 18 awareness training sessions, particularly for our new employees and teams related to new technologies. <p>We organized 2 trainings for our local suppliers and provided information to a total of 302 participants about patent risks and their prevention.</p>	<p>As we raise awareness about new technologies, we enable more inventions with high commercialization potential.</p>

Emerging Risks (Long-Term Risks)

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
External Risks	<p>Chronic Physical Water Stress</p> <p>Decrease or depletion of water withdrawal due to negative impact on water resources as a result of climate change</p> <p>Drought due to the continued increase in global average temperature.</p>	<ul style="list-style-type: none"> • Production continuity cannot be ensured or it may be interrupted due to the locations of production sites in regions (basins) with high and very high water stress • Disruption of production continuity due to the decrease or depletion of the amount of water drawn because of water scarcity as a result of climate change - Production stoppage • Production continuity cannot be ensured due to the high water stress of Kocaeli Plant and the very high water stress of Eskişehir Plant • Interruption in production capacity • Declining revenues due to lower production capacity • Cost increases 	<ul style="list-style-type: none"> • We completed the feasibility study for reverse osmosis (RO) and ultra-filtration (UF) systems. • We are evaluating the feasibility of methods such as seawater intake, RO and UF treatment, storage and distribution to process and auxiliary operation departments to provide an alternative water source. • We recycle water in cooling towers in our Gölcük and Yeniköy facilities, and we recycle it at our Yeniköy facility with reverse osmosis. • Our feasibility studies for a new wastewater recovery facility in Eskişehir are ongoing and we plan to start this project in 2025. • Through water recovery projects implemented in Gölcük, Yeniköy and Eskişehir Facilities, we aim to reduce the use of fresh water per vehicle by 40% by 2030. • We plan to complete the domestic water line connection to ISU's Kocaeli Facility water line as an emergency measure in the first quarter of 2025. • We continue to work on using water from the ISU wastewater recovery system. We are conducting the feasibility study together with ISU and plan to complete it in the second quarter of 2025 for Kocaeli. 	<ul style="list-style-type: none"> • Reducing water stress in basins

Long-Term Risks

RISK CATEGORY	RISK DEFINITION and DESCRIPTION	RISK IMPACT	RISK MITIGATION STRATEGY	OPPORTUNITIES
Regulatory Risks	<p>Fulfilling the duty of care along the entire value chain under the EU 2024/1760 Corporate Sustainability Due Diligence Directive</p> <p>Risk of data collection challenges in performing due diligence analysis in terms of environment and human rights along the value chain</p>	<ul style="list-style-type: none"> • Non-compliance with regulations, reputation, damage, financial loss • Fines up to 5% of the net revenues generated worldwide may be imposed in cases of non-compliance. 	<ul style="list-style-type: none"> • A management model is required for supplier monitoring, determining the company's due diligence policy, conducting due diligence audits and verification processes in the supply chain, establishing a monitoring mechanism and incorporating all these processes to the annual sustainability report. • At Ford Otosan, we are currently mapping suppliers. We plan to conduct on-site inspections of suppliers operating in risky regions after this mapping. • We continue to work on the Supplier Code of Conduct. • We are in the process of developing our Due Diligence policy. 	<ul style="list-style-type: none"> • Compliance with Forced Labor regulation and using CSRD reporting. • Creating a value chain map and ensuring its traceability



PERFORMANCE INDICATORS

Economic Performance Indicators

Economic and Operational Indicators (TL million)	2023	2024
Sales Revenues	594,705	594,995
EBITDA	73,243	42,702
Net Profit	70,826	38,864
Employee Salaries and Benefits	29,372	34,482
Dividends	25,852	23,530
Taxes and Liabilities Paid Directly to the State as a Taxpayer	3,956	1,257
Total R&D Budget	5,315	6,170
Total Supplier Expenditure	107,889	185,744
Total Local Supplier Expenditure	92,562	153,595

Environmental Performance Indicators

Environmental Training Programs	2022 TR	2022 RO	2022 Total (TR+RO)	2023 TR	2023 RO	2023 Total (TR+RO)	2024 TR	2024 RO	2024 Total (TR+RO)
Number of Participants (Employees)	12,491	30	12,521	8,571	1,475	10,046	7,057	645	7,702
Number of Participants (Subcontractors)	12,463	1,433	13,896	1,769	1,698	3,467	2,750	2,347	5,097

Environmental Expenditures And Fines (TL Million)	2022 TR	2022 RO	2022 (TR+RO)	2023 TR	2023 RO	2023 (TR+RO)	2024 TR	2024 RO	2024 (TR+RO)
Environmental Investments and Expenditures	101.88	50.94	152.82	166.43	88.15	254.58	348	198	546
Environmental Fines	0	0	0	0	0	0	0.35	0	0.35

TR: Türkiye RO: Romania Verified Data

Environmental Performance Indicators

Greenhouse Gas Emissions (tonCO ₂ e)	2022 TR	2022 RO	2022 Total (TR+RO)	2023 TR	2023 RO	2023 Total (TR+RO)	2024 TR*	2024 RO*	2024 Total (TR+RO)*
Scope 1	92,464	22,460	114,924	108,011	23,780	131,791	102,850	26,657	129,507
Scope 2	0	36,406	36,406	0	34,900	34,900	0	31,886	31,886
Scope 3	78,263,847	12,962,446	91,226,293	91,902,566	16,194,587	108,097,153	86,116,268	16,957,624	103,073,892
Total (Scopes 1, 2, and 3)	78,356,311	13,021,312	91,377,623	92,010,577	16,253,267	108,263,844	86,219,118 	17,016,167 	103,235,285

*Türkiye and Romania facilities' Scope 1, 2 and 3 emissions in 2024 (shown in this table) are calculated accordance with the GHG Protocol.

Energy Consumption (GJ)	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Direct Renewable Energy Consumption	6,357.87	0	0	0	0	0	0
Direct Non-Renewable Energy Consumption	1,437,737.90	644,738.71	1,679,004.12	656,548.08	1,606,492.89	64,140.85	1,670,633.74
Indirect Renewable Energy Consumption	1,035,149.74	386,314.24	1,240,909.26	398,099.15	1,297,350.36	460,216.06	1,757,566.42
Indirect Non-Renewable Energy Consumption	0	0	0	0	0	279,469.08	279,469.08
Total	2,479,245.51	1,031,052.96	2,919,913.38	1,054,647.23	2,903,843.25 	803,825.99 	3,707,669.24

TR: Türkiye RO: Romania Verified Data

Environmental Performance Indicators

Tracking Area	2022 TR	2022 RO	2022 Total (TR+RO)	2023 TR	2023 RO	2023 Total (TR+RO)	2024 TR	2024 RO	2024 Total (TR+RO)
GHG Emissions per Vehicle Produced (Tons CO ₂ e/Vehicle)	0.25	0.3	0.27	0.27	0.31	0.28	0.27	0.23	0.26
Energy Consumption per Vehicle Produced (GJ/Vehicle)	3.85	3.3	3.66	4.21	3.44	3.96	7.60	4.19	6.25

Waste Amount (Tons)	2022 TR	2022 RO	2022 Total (TR+RO)	2023 TR	2023 RO	2023 Total (TR+RO)	2024 TR	2024 RO	2024 Total (TR+RO)
Hazardous Waste – Recovered	9,678.69	2,484.31	12,163.00	12,107.52	2,421	14,528.52	20,779.86	2,762.98	23,542.84
Non-Hazardous Waste – Recovered	91,593.81	39,451.40	131,045.21	101,693.36	40,694	142,387.36	114,136.72	11,926.48	126,063.20
Hazardous Waste – Disposed	24.19	19.46	43.65	1.54	102.95	104.49	2.12	55.34	57.46
Non-Hazardous Waste – Disposed	0.097	56.82	56.92	0	28.45	28.45	0	0.33	0.33
Hazardous Waste – Sent to Interim Storage	310.35	0	310.35	321.22	0	321.22	52.2	0	52.20
Non-Hazardous Waste – Sent to Interim Storage	0.049	0	0.05	0	2,084	2,084	0	39,850.34	39,850.34
Total	101,607.19	42,011.99	143,619.18	114,124.63	45,330.40	159,454.04	134,970.90 	54,595.47 	189,566.37

TR: Türkiye RO: Romania Verified Data

Environmental Performance Indicators

Recovered Water and Waste Water Amount (m³)	2022 TR	2022 RO	2022 Total (TR+RO)	2023 TR	2023 RO	2023 Total (TR+RO)	2024 TR	2024 RO	2024 Total (TR+RO)
Recovered Water	102,721	2,000	104,721	199,661	55,657	255,318	50,594 ✓	0 ✓	50,594 ✓
Total Water Discharge Except Rainwater and Domestic Waste	334,508	110,103	444,661	300,278	112,228	412,506	305,410 ✓	386,286 ✓	691,696 ✓
Total	437,229	112,103	549,332	499,939	167,885	667,824	356,004 ✓	386,286 ✓	742,290 ✓

Water Withdrawal (m³)	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Underground Water	1,181,669	0	1,313,453	0	1,357,467 ✓	0 ✓	1,357,467 ✓
Municipal Water	7,597	322,122	9,498	503,372	8,382 ✓	408,686 ✓	417,068 ✓
Rainwater	N/A	N/A	N/A	N/A	0 ✓	118,476 ✓	118,476 ✓
Total	1,189,266	322,122	1,322,951	503,372	1,365,849 ✓	527,162 ✓	1,893,011 ✓

Sustainable Product	2022 Total (TR + RO)	2023 Total (TR + RO)	2024 Total (TR + RO)
Sustainable Products and Services (Number)	-	16,638	32,403
Revenues from Sustainable Products and Services (TL Thousand)	-	19,234,716	39,091,898
Ratio of Revenues from Sustainable Products and Services to Total Revenues (%)	-	4.7	6.6

TR: Türkiye RO: Romania ✓ Verified Data

Social Performance Indicators

OHS Performance (Employees)	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Occupational Disease Rate	0.37	0	0.27	0	0.2	0	0.16
Number of Accidents*	N/A	N/A	184	5	319	10	329
Number of Fatal Accidents	0	0	4**	0	0	0	0
Lost Day Rate	3.35	0	4.68	0.1	6.9	0.70	5.61
Incident Rate	4.38	0	4.95	1.42	7.36	0.30	5.89
Total Members in Active OHS Committees	170	11	179	22	188	22	210
Employee Representatives in Active OHS Committees	36	11	20	11	25	11	36
OHS Training Hours per Employee	14.66	3.75	32.82***	0.99	21	2.54	16.31
Total OHS Training Hours	210,343	19,020	478,904****	6,264	404,964 	14,469	419,433

*Reporting started in 2023.
 **Accidents have occurred during transportation outside the company boundaries.
 ***The increase is related to the legal and process-based OHS training provided to the employees who were rotated due to the opening of the Yeniköy plant.
 ****Training programs such as legal, process-based OHS training, fire and chemicals management are included.

Social Performance Indicators

OHS Performance (Subcontractors)	2022 TR	2022 RO	2023 TR	2023 RO*	2024 TR	2024 RO	2024 Total (TR + RO)
Occupational Disease Rate	0.36	0	0	0	0 ✓	0	0
Number of Accidents*	N/A	N/A	22	0	49 ✓	2	51
Number of Fatal Accidents	0	0	1**	0	0 ✓	0	0
Lost Day Rate	3.78	0	4.42	0	6.90 ✓	0.53	5.73
Incident Rate	3.78	0	4.42	0	6.89 ✓	1.05	5.85
Total OHS Training Hours	8,643	1,254	32,563	0	15,786 ✓	2,347	18,133
Average OHS Training Hours per Subcontractor Employee	N/A	N/A	N/A	N/A	22.33 ✓	N/A	N/A

*Reporting started in 2023.

**The individual collapsed at the workplace because of existing health conditions and died at the healthcare facility due a hospital-acquired infection.

OHS Performance (Employees + Subcontractors)	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Number of Accidents*	N/A	N/A	206	5	368 ✓	12	380
Lost Day Rate (Total)*	N/A	N/A	4.65	0.1	6.9 ✓	0.67	5.59
Incident Rate*	N/A	N/A	4.89	1.42	7.29 ✓	1.20	8.23

*Reporting started in 2023.

TR: Türkiye RO: Romania ✓ Verified Data

Social Performance Indicators

Employee Demographics	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees	3,118	12,442	2,409	3,036	3,914	13,465	2,905	3,417	4,652	14,478	3,039	3,549	7,691	18,027
Total Number of Employees	15,560*		5,445*		17,379		6,322		19,130		6,588		25,718	
Number of Subcontractor Employees	642	1,798	0	0	711	1,455	N/A	N/A	868	1,765	278	2,160	1,146	3,925
Total Number of Subcontractor Employees	2,440		0		2,166		1,698		2,633		2,438		5,071	

*Total number of employees revised following the independent assurance during the publication period of the 2022 Sustainability Report.

Employees by Category	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Field Employees	1,923	9,493	2,243	2,586	2,525	10,175	2,721	2,942	3,217	11,248	2,914	3,200	6,131	14,448
Office Employees	1,195	2,949	166	450	1,389	3,290	184	475	1,435	3,230	125	349	1,560	3,579

TR: Türkiye RO: Romania

Social Performance Indicators

	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
Employees by Agreement Type	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Permanent Employment Contract	2,759	11,605	2,181	2,866	3,735	12,553	2,229	2,859	3,932	12,451	2,178	2,772	6,110	15,223
Fixed-Term Employment Contract	359	837	228	170	179	912	676	558	720	2,027	861	777	1,581	2,804
Employees Covered by Collective Labor Agreement	11,363		5,445		12,698		6,322*		14,465		6,588		21,053	

*All employees at the Romania site are covered by collective labor agreement.

Unionized Employees	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Number of Unionized Employees	11,363	5,100	12,700	5,832	14,041	5,553	19,594

TR: Türkiye RO: Romania Verified Data

Social Performance Indicators

Employees by Age Groups - Number of Employees	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
30 and Younger	1,655	4,695	220	470	2,110	5,999	275	551	2,720	7,476	315	658	3,035	8,134
30-50	1,444	7,187	1,360	1,418	1,786	7,173	1,600	1,594	1,908	6,736	1,629	1,586	3,537	8,322
50 and Over	19	560	829	1,148	18	293	1,030	1,272	24	266	1,095	1,305	1,119	1,571

Employees by Employment Type - Number of Employees	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Full-Time Employees	3,116	12,427	2,409	3,034	3,914	13,458	2,905	3,412	4,651	14,477	3,037	3,543	7,688	18,020
Part-Time Employees	2	15	0	2	0	7	0	5	1	1	2	6	3	7

TR: Türkiye

RO: Romania

Verified Data

Social Performance Indicators

	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
Equal Opportunity - Number of Employees	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Board Members	3	9	****		3	8	****		****				3	9
Senior Executives	5	29	0	2	6	28	0	2	7	26	0	3	7	29
Mid-Level Managers	52	229	4	8	117	456	5	10	122	433	5	13	127	446
First-Level Managers	162	484	8	48	141	344	8	52	151	360	8	57	159	417
Specialists	976	2,207	24	115	1,125	2,462	105	273	1,155	2,411	112	276	1,267	2,687
Employees in STEM Field	1,953	8,116	N/A	N/A	3,455	12,472	2,721*	2,942*	4,462	14,277	2,535	2,690	6,997	16,967
Employees with Disabilities	70	369	9	26	70	351	13	33	78	331	4	38	82	369
Employees in Revenue Generating Functions**	N/A	N/A	N/A	N/A	3,252	12,454	2,426	2,582	4,029	13,638	2,991	3,427	7,020	17,065
Managers in Revenue Generating Functions***	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	142	621	17	49	159	670

*Reporting for Romania started in 2023.

**Reporting started in 2023. R&D, production, sales & marketing are defined as revenue generating functions.

***Reporting Started in 2024. R&D, production, sales & marketing are defined as revenue generating functions.

****There is a single, Shared Board of Directors.

TR: Türkiye RO: Romania

Social Performance Indicators

Number of Employees By Nation	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Turkish	15,534	N/A	17,341	N/A	19,086 ✓	7 ✓	19,093 ✓
Romanian	N/A	5,100	N/A	4	2 ✓	6,577 ✓	6,579 ✓
Other	26	5,445	38	6,318	42 ✓	4 ✓	46 ✓

Parental Leaves	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees on Parental Leave	131	524	44	7	141	547	56	12	304 ✓	606 ✓	45 ✓	12 ✓	349 ✓	618 ✓
Number of Employees Returning from Parental Leave	116	524	4	1	143	547	31	11	210 ✓	577	20 ✓	9	230 ✓	586

Return from Maternity Leave	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Return-to-Work Rate of Female Employees from Maternity Leave*	100%	N/A	87.80%	100%	80.46% ✓	88.89%	81.25%

*Indicates the retention rate of female employees who remain in the workforce for at least one year after returning from their maternity leave.

TR: Türkiye RO: Romania ✓ Verified Data

Social Performance Indicators

	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
Employee Turnover	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of New Employees	800	2,205	5	24	1,215	3,397	818	646	1,303	3,731	275	371	1,578	4,102
Number of Employees Leaving	267	926	87	124	418	2371	267	303	558	2,663	179	290	737	2,953
Number of Employees Leaving (Voluntary)	201	713	36	73	257	910	45	81	328	933	72	111	400	1,044
Number of Employees Leaving (Involuntary)	66	213	51	51	161	1461	222	222	230	1,730	107	179	337	1,909
Employee Turnover	8.56%	7.44%	36.12%	40.84%	10.68%	17.61%	9.19%	8.87%	11.99%	18.39%	5.89%	8.17%	9.58%	16.38%
Total	N/A		N/A		16.05%		9.02%		16.84%		7.12%		14.35%	
Employee Turnover (Voluntary)*	N/A	N/A	N/A	N/A	6.57%	6.76%	1.55%	2.37%	7.05%	6.44%	2.34%	3.13%	5.20%	5.79%
Total	N/A		N/A		6.72%		1.99%		6.59%		2.78%		5.61%	
Employee Turnover (Involuntary)*	N/A	N/A	N/A	N/A	4.11%	10.85%	7.64%	6.5%	4.94%	11.95%	3.52%	5.04%	4.38%	10.59%
Total	N/A		N/A		9.33%		7.02%		10.25%		4.34%		8.73%	







*Reporting in this level of detail started in 2023.

TR: Türkiye RO: Romania

Social Performance Indicators

	2022 TR		2022 RO		2023 TR		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
Promotions and Rotations	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Promotions (Number of Office Employees)	76	242	33	99	54	126	71	135	51	116	118	233	169	349
Number of Employees in Rotation	201	496	35	94	136	260	71	135	183	333	111	211	294	544

*Reporting in this level of detail started in 2023.

Employees Subject to Performance Management	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Office Employees	3,748	395	4,469	641	4,549 	474 	5,023 
Field Employees	7,439	5,147	8,939	639	11,750 	650 	12,400 

TR: Türkiye RO: Romania  Verified Data

Social Performance Indicators

Employee Engagement (%)	2022 TR	2023 TR	2024 TR	2024 RO	2024 Total (TR + RO)
Total	62.8	51.4	55.6	69	59
Female	72.8	60.6	60.9	72.2	-
Male	60.7	49	54	66	-
Senior Executives	100	100	100	100	-
Mid-Level Managers	91.9	86.5	85	100	-
First-Level Managers	78.9	75.3	68	80.4	-
Specialists	61.5	58.1	47	74.6	-
25 and Younger	73	52.2	60	71	-
25-29	62	49.6	48.7	64.8	-
30-34	61	51.6	52.5	70.3	-
35-44	60	49.4	57.8	65.7	-
45-54	67	59.5	65.5	72.4	-
55 and Over	91	94.3	79.5	69.4	-

TR: Türkiye

RO: Romania

Verified Data

Social Performance Indicators

Employee Tenure (Years)	2023		2023 RO		2024 TR		2024 RO		2024 Total (TR + RO)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Average Tenure of Senior Executives	16	21	0	34.5	14	21	0	4	14	25
Average Tenure of Mid-Level Managers	13	15	25	24	13	15	5	4	18	19
Average Tenure of First-Level Managers	10	10	25	24	9	10	7	5	16	15
Average Tenure of Specialists	4	6	19	19	4	5	3	3	7	8

Gender Pay Gap by Positions (Ratio of Average Women's Pay to Average Men's Pay) 1	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Senior Executives (Base Salary)	1.05	0	1.01	0*	1.03	0*	1.03
Senior Executives (Base Salary + Benefits)	1.01	0	0.91	0*	1.00	0*	1.00
Managers (Base Salary)	0.9	1.14	0.89	1.21	0.97	1.15	1.11
Managers (Base Salary + Benefits)	0.86	1.14	0.86	1.21	0.96	1.00	0.99
Non-Managerial Positions (Base Salary)	0.99	0.95	0.99	0.91	0.93	0.86	0.88
Non-Managerial Positions (Base Salary + Benefits)	0.99	0.96	0.99	0.91	0.97	0.90	0.92

*Romania site only has male senior executives, there is no female senior executives.

TR: Türkiye RO: Romania Verified Data

Social Performance Indicators

Trainings	2022 TR			2022 RO		
	Female	Male	Total	Female	Male	Total
Total Training Time (Hours)	316,779	817,197	1,133,976	5,581	26,507	32,088
Total Training Time, Including OHS (Hours)	364,479	998,007	1,362,486	5,585	26,515	32,100
Total Training Time per Employee (Person*Hours)	116.89	80.32	87.65	2.26	18.25	5.77
Total Training Time (Hours) – Office Employees	92,816	231,689	324,505	356	3,547	3,903
Average Training Time (Person*Hours) – Office Employees	77.8	78.91	78.59	2.22	8.11	6.53
Total Training Time (Hours) – Field Employees	271,663	766,318	1,037,981	5,229	22,968	28,197
Average Training Time (Person*Hours) – Field Employees	141	80.75	90.93	2.26	8.63	5.67
Leadership Training (Hours)	6,544	14,951	21,495	0	0	0

TR: Türkiye RO: Romania  Verified Data

Social Performance Indicators

	2023 TR			2023 RO		
Trainings	Female	Male	Total	Female	Male	Total
Total Training Time (Hours)	625,238	1,376,395	2,001,633	26,452	66,682	93,134
Total Training Time, Including OHS (Hours)	748,841	1,753,571	2,502,412	29,892	69,506	99,398
Total Training Time per Employee (Person*Hours)	191.4	130.3	144.1	10.29	20.34	14.73
Total Training Time (Hours) – Office Employees	115,428	218,570	333,998	2,896	7,727	10,623
Average Training Time (Person*Hours) – Office Employees	83.1	66.4	71.3	15.74	16.27	16.12
Total Training Time (Hours) – Field Employees	633,413	1,535,000	2,168,413	26,996	61,779	88,775
Average Training Time (Person*Hours) – Field Employees	251	151	170.9	9.92	21	15.68
Leadership Training (Hours)	9,047	26,816	35,863	176	1,232	1,408

TR: Türkiye
RO: Romania
 Verified Data

Social Performance Indicators

Trainings	2024 TR			2024 RO			2024 Total (TR + RO)		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Training Time (Hours)	969,361	2,362,651	3,332,012	20,307	64,657	84,964	989,667	2,427,309	3,416,976
Total Training Time, Including OHS (Hours)	1,070,475	2,666,500	3,736,975	21,563	66,325	87,888	1,092,038	2,732,826	3,824,863
Total Training Time per Employee (Person*Hours)	230	184	195	7	19	13	142	152	149
Total Training Time (Hours) – Office Employees	66,208	113,310	179,519	3,632	12,305	15,937	69,841	125,615	195,456
Average Training Time (Person*Hours) – Office Employees	46	35	38	29	35	34	45	35	38
Total Training Time (Hours) – Field Employees	1,004,267	2,553,190	3,557,457	17,930	54,021	71,951	1,022,197	2,607,211	3,629,407
Average Training Time (Person*Hours) – Field Employees	312	227	246	6	17	12	167	180	176
Leadership Training (Hours)	7,618	51,217	58,835	1,184	5,284	6,468	8,802	56,501	65,303

TR: Türkiye RO: Romania

Social Performance Indicators

Total Training Expenditures (TL)	2022 TR	2022 RO	2023 TR	2023 RO	2024 TR	2024 RO	2024 Total (TR + RO)
Total Expenditures	30,482,124	990,913	62,021,823	1,609,126	147,648,417 ✓	9,507,680 ✓	157,156,097 ✓

Reports Reaching Ethical Communication Channel	2022 TR	2023 Total (TR + RO)	2024 Total (TR + RO)
Total Incidents	231	378	515
Total Incidents – Confirmed	43	82	107
Violation of Company Rules and Procedures	27	57	87
Mobbing	5	4	2
Harassment/Discrimination	3	8	3
Conflict of Interest	N/A	N/A	2
Fraud/Theft/Bribery	5	5	4
Money Laundering	N/A	N/A	-
Other	3	8	9

Employees Subjected to Disciplinary Sanctions upon Investigation of Reported Violations	2022 TR	2023 Total (TR + RO)	2024 Total (TR + RO)
Total Employees	27	33	47

TR: Türkiye RO: Romania ✓ Verified Data

Social Performance Indicators

Social Investment Budget Allocations (TL)	2022 TR	2023 TR	2024 TR
Total	260,551,821	576,928,003	456,933,828
Vehbi Koç Foundation	250,775,600	354,055,837	300,760,095
Education	7,677,621	10,653,631	76,978,632
Healthcare	242,400	431,797	5,048,594
Social Aid and Other	1,816,200	211,787,738	74,146,507

Net Promoter Score (NPS) (%) - Passenger and Commercial Vehicles

	2023 TR	2024 TR		
	Total	Female	Male	Total
Türkiye	84	81.95	81.95	81.35
Sales	89.2	84.4	86	85.3
Service	78.9	79.5	77.9	77.4

Net Promoter Score (NPS) (%) - Heavy Commercial Vehicles

	2023 TR	2024 TR		
	Total	Female	Male	Total
Türkiye	78	39.2	56.7	64.8
Sales	88	N/A	N/A	72.9
Service	68	39.2	56.7	56.7

Romania operations are limited to production and the domestic market, sales and after-sales customer activities are managed centrally by the Ford brand. Customer satisfaction is monitored by Ford Europe.

TR: Türkiye
RO: Romania
 Verified Data



CORPORATE STATEMENTS

Corporate Governance Compliance Report

Declaration of Compliance

“Corporate Governance Principles” enacted by the Capital Markets Board (CMB) is an area of priority for Ford Otosan. Our Company fully complies with the compulsory principles within the scope of the Corporate Governance Communiqué n.II-17.1 (the Communiqué) that was in force in 2024, and Ford Otosan has also widely implemented most of the non-mandatory principles. However, Ford Otosan has not yet achieved full compliance due to the challenges encountered in the implementation of some principles; ongoing discussions in Turkey and internationally regarding compliance with certain principles, and the failure of the current market and corporate structure to comply with such principles in a proper manner. We are continuously working on the principles not yet implemented with maximum effort and we plan to evaluate them once the administrative, legal and technical infrastructure for the effective governance of our company has been investigated.

In this context, our company has embraced the principles of corporate governance that constitute the foundation of "equality," "transparency," "accountability," and "responsibility" in its operations, and it takes maximum care and effort to comply with the Capital Markets Law and the secondary regulations of the Capital Markets Board.

The Corporate Governance Compliance Rating study conducted in 2024 was carried out under the main headings of Shareholders, Public Disclosure and Transparency, Stakeholders, and the Board of Directors. As of June 21, 2024, our Corporate Governance Rating, which was determined to be 9.42 out of 10 (94.2%) for 2023, has increased to 9.57 (95.7%). With this improvement, Ford Otosan continues to be listed on the BIST Corporate Governance Index.

The corporate governance activities in 2024 have been carried out in compliance with the Capital Markets Law, which includes the Capital Markets Board's new regulations on Corporate Governance Principles, as well as the communiqués prepared based on this Law.

Our Board of Directors and Board Committees have been established in accordance with the provisions of the Corporate Governance Communiqué. The process for identifying and publicly announcing independent board member candidates prior to the General Assembly was carried out, and the elections were completed in compliance with the regulations. The established Board Committees are actively carrying out their functions. Our company held its Ordinary General Assembly Meeting on April 3, 2024, and its Extraordinary General Assembly Meeting on November 20, 2024.

The General Assembly information document included mandatory disclosures such as privileged shares, voting rights, organizational changes, resumes of Board member candidates, the Board members and senior executives' remuneration policy, reports to be prepared regarding related-party transactions, and other necessary disclosures. These details were made available to our investors three weeks prior to the General Assembly. Additionally, the company's corporate website and annual report were reviewed, and necessary revisions were made to ensure full compliance with the principles.

Pursuant to Article 6 of the Communiqué, our company requested the Capital Markets Board's (CMB) opinion on January 17, 2012, via letter 2012/30, regarding the acceptance of our company as a joint venture and the determination that having two (2) independent members on the Board would be sufficient. Based on the received approval, two independent members have been appointed to the Board of Directors since 2012.

Since March 2018, our independent board member, Fatma Füsün Akkal Bozok, has completed a total of six years of service over the past ten years, and as of March 2024, she has reached the end of her one-year temporary term granted by the CMB for 2024, in accordance with Article 5 of the Communiqué.

In place of Fatma Füsün Akkal Bozok, the independent board member candidate proposed by Koç Holding A.Ş., a Group (B) shareholder, is Umran Savaş İnönü, and the independent board member candidate proposed by Ford Motor Company, a Group (C) shareholder, is Katja Windt. In order for the independent board member candidates to be presented for approval at the upcoming General Assembly, an application has been made to the Capital Markets Board (CMB). Following the CMB's approval, the candidates will be submitted for approval at the General Assembly.

On February 13, 2025, the Board of Directors of our company decided to approve the "Protection of Insider Information and Prevention of Insider Trading Policy," which was prepared as an integral part of the Ford Otosan Ethical Principles, in order to establish the principles and guidelines regarding the obligations of Ford Otosan employees, managers, business partners, and all other stakeholders with access to insider information concerning the use and protection of such information. Additionally, with the aim of creating an equal, free, and inclusive work environment where Ford Otosan employees feel valued and secure, the "Diversity, Equity, and Inclusion Policy," which defines the responsibilities and principles related to equal opportunity and inclusion practices and serves as a guiding framework for the selection and monitoring processes of Ford Otosan's business partners, was also approved by the Board of Directors on February 13, 2025. Both policies have been published on the corporate website.

The key principles of the Corporate Governance Principles, which are not mandatory for implementation under the regulation and have not yet been fully complied with, are outlined below. Further details on this matter can be found in the relevant sections of the Integrated Annual Report. There is no conflict of interest that our company has encountered due to the non-compliance with the non-mandatory principles.

Compliance Report

Regarding Principle 1.3.10, a separate agenda item was included in the General Assembly agenda for the donations made, and details of the high-value donations were disclosed in the General Assembly information document. The total amount of donations made to foundations and associations in 2024, based on nominal values, is 456,933,828 TL (the total amount calculated according to the purchasing power as of December 31, 2024, is 473,673,942 TL). Of this 456,933,828 TL nominal amount, 300,760,095 TL was donated to the Vehbi Koç Foundation, 72,657,467 TL to Koç University, 44,675,311 TL to the Kocaeli Metropolitan Municipality, and 11,433,754 TL to the Sustainable Development for Innovative Solutions Association. The remaining 27,407,201 TL consists of various smaller donations, each below 3,665,082 TL, made to other institutions and organizations, which are not considered material information for investors. Furthermore, the upper limit for donations to be made in 2025 will be determined by the General Assembly.

Regarding Principle 1.5.2, minority rights have not been granted to those holding less than one-twentieth of the capital, as stipulated in the Articles of Association. In line with general practices, minority rights have been provided within the framework of the general provisions in the regulations. No requests have been made from investors regarding this matter, and no changes are anticipated in short term.

Regarding Principle 1.7.1, the transfer principles of shares are regulated under Article 8 of our Articles of Association. While restrictions have been placed on the transfer of non-listed B and C Group shares, there are no practices that hinder the free transfer of listed A Group shares, nor are there provisions restricting share transfers. Since the existing restrictions apply to non-listed privileged shares, no changes are anticipated in the future.

Regarding Principle 4.2.8, the responsibilities of our Board of Directors members during their tenure and any damage they may cause to the company are covered by umbrella Executive Liability insurances separately provided by Koç Holding

and Ford Motor Company. Considering the company's high capital, the current insurance coverage is deemed sufficient for foreseeable risks, and insurance limits are regularly reviewed. If necessary, the umbrella insurance amount may be increased in the future.

Regarding Principle 4.4.7, given that the work experience and industry expertise of the Board of Directors members significantly contribute to the effectiveness of the Board, there are no restrictions on the members holding positions outside of the company. The biographies of our Board members are provided on pages xx-xx of the Integrated Annual Report. Considering the effective work of the Board, no changes to the current practice, which is deemed not to create any negative implications from a corporate governance perspective, are anticipated in the short term.

Regarding Principle 4.5.5, the committees are formed in accordance with relevant regulations, taking into account the knowledge and experience of our Board members. Some of our Board members serve on multiple committees. Members serving on more than one committee facilitate communication between committees handling related matters and increase collaboration opportunities. Given the contribution of the Board members' knowledge and experience to the effective functioning of the committees, the current committee structure is considered to enable efficient operation, and no changes are anticipated in the near future.

Regarding Principle 4.6.5, payments made to Board members and executives with administrative responsibilities are disclosed to the public in aggregate at the Ordinary General Assembly and in the footnotes of our financial statements, in line with general practices. Market practices regarding this matter, which are considered important for the confidentiality of personal information, are closely monitored, and it is intended to align with widespread industry practices.

There is no conflict of interest that our company has been exposed to due to the non-compliance with certain non-mandatory principles. The 2024 Corporate Governance Compliance Report (CGCR) and the Corporate Governance Information Form (CGIF), prepared in accordance with the CMB's decision dated January 10, 2019, and approved by our Board of Directors, are located on pages xx and xx of the Integrated Annual Report. The relevant documents can be accessed via the Corporate Governance page of Ford Otomotiv Sanayi A.Ş. on the Public Disclosure Platform website (www.kap.org.tr).

Board Of Directors' Activities

Except for two members (Ford Otosan Leaders Güven Özyurt and Josephine M. Payne), all other members are non-executives as defined in the CMB's Corporate Governance Principles. The résumés of the Board members are provided in the Integrated Annual Report on pages [381](#) to [384](#).

The list of the Board of Directors as of 31.12.2024 is presented below.

BoD Member Full Name	Independence	Election/ Appointment Date	Term	Membership in Board Committees	External Engagements
Mustafa Rahmi Koç	No	03.04.2024	12 months		Honorary Chairman - Koç Holding
Yıldırım Ali Koç	No	03.04.2024	12 months		Vice Chairman - Koç Holding
James Kieran Vincent Cahill	No	03.04.2024	12 months	• Remuneration Committee	Executive-Ford Motor Co.
Johan Egbert Schep	No	03.04.2024	12 months		Executive-Ford Motor Co.
Dave Johnston	No	01.10.2024	12 months	• Corporate Governance Committee • Early Determination and Management of Risk Committee	Executive-Ford Motor Co.
Levent Çakıroğlu	No	03.04.2024	12 months		Board Member & CEO - Koç Holding
John Davis	No	03.04.2024	12 months		Executive-Ford Motor Co.
Haydar Yenigün	No	03.04.2024	12 months	• Early Determination and Management of Risk Committee • Corporate Governance Committee • Remuneration Committee	Automotive Group President - Koç Holding
Fatma Füsun Akkal Bozok	Yes	03.04.2024	12 months	• Audit Committee • Early Determination and Management of Risk Committee - Chair • Corporate Governance Committee - Chair • Remuneration Committee - Chair	Independent Board Member - Bizim Toptan, Tat Gıda Sanayi, and Gözde Venture Capital
Katja Windt	Yes	03.04.2024	12 months	• Audit Committee • Corporate Governance Committee	Board member - CDO, Düsseldorf SMS Group GmbH; Supervisory Board member, Deutsche Post AG and Fraport AG
Güven Özyurt	No	03.04.2024	12 months		
Josephine Mary Payne	No	03.04.2024	12 months		

Board Of Directors' Activities

Duties of the Chairman and Ford Otosan Leader are assumed by different individuals. The Board members allocate adequate time for the company-related activities, and they are not restricted in terms of assuming external duties. Especially considering the business and industry experience that the independent members bring to the Board, such a restriction is not deemed necessary. The résumés of all Board members and the external positions, if any, they hold are made available for the shareholders to view. Achieving diversity on the Board of Directors in terms of know-how, experience and perspective is seen as a positive contribution to the Company's operations and effective functioning of the Board.

Additionally, in line with our Board Diversity Policy published in 2023, the nomination process for Board members considers only their knowledge and expertise, with a strong emphasis on ensuring that the Board is composed of members with diverse experiences and skills Accordingly, achieving diversity on the Board of Directors is seen as a positive contribution to the company's operations and the effective functioning of Board, which currently reflects this view in its structure. In the nomination process for Board members, female candidates are favored among candidates with the same qualifications in terms of knowhow, experience and competence. In principle, the goal is to maintain a minimum ratio of 25% for female members on the Ford Otosan Board of Directors at all times. Currently, female representation on the Ford Otosan Board of Directors stands at 25%.

The working principles of the Board of Directors have been set out in Articles 10,11 and 12 of the Articles of Incorporation and explained in detail in the internal "Board of Directors' Working Principles" document. In summary, the Board of Directors is authorized to reach resolutions on all matters other than the procedures that require the General Assembly's resolution according to the Turkish Commercial Code and the provisions of the Articles of Incorporation.

The Board of Directors convenes regularly at least three times or more if needed to review the Company's activities. During the meetings, the recent developments are addressed and operational strategies are considered.

The Chairman, Vice Chairman or the executive members may set the agenda of the Board meetings. Regarding the regular meetings, the agenda and the relevant information note are communicated to all Board members one week before the meeting date. All Board resolutions passed in between regular Board meetings are communicated to the Board members one week before the next regular meeting date in an information note that contains the resolution date and number and the relevant agenda topic. The agenda topics are discussed openly and broadly at the Board meetings.

The Board of Directors convenes with the majority of the members in attendance. At least one non-independent member, nominated and elected separately by Group B and Group C shareholders, must also be present at the meeting. The quorum for resolutions is the simple majority of the members in attendance. However, the resolutions require the 'aye' votes of the majority of non-independent members nominated and elected by Group B shareholders present at the meeting and the majority of non-independent members nominated and elected by Group C shareholders present at the meeting is required. If the Board members fail to reach a resolution due to a tie in votes, the matter is postponed to the next meeting for a decision.

Pursuant to the applicable provisions of the Turkish Commercial Code and the Company's Articles of Incorporation, the Board of Directors may pass resolutions in meetings, unless one Board member requests deliberation, or by obtaining the written agreement of the other members on a motion submitted by one member on a specific topic. Such resolutions are passed with the written approval of the majority of all members. Furthermore, such a resolution requires the written agreement of at least one nonindependent member nominated by Group B

shareholders and at least one non-independent member nominated by Group C shareholders. The same motion must be submitted to all Board members in order for the resolution to pass.

In the 2024 calendar year, the Board of Directors passed 37 resolutions, including 27 resolutions (circulars) reached without physically convening.

The Board Secretary is responsible for organizing and coordinating the Board meetings. Finance and Accounting Leader - CFO serves as the secretary at the Board meetings. Since no member has opposed to resolutions passed in the meetings in recent years, no opposition note has been mentioned in the minutes and therefore no such note has been reported to the auditors.

In overseeing the Company's operations, the Board of Directors considers potential conflicts of interest, assesses their consequences for the company if such conflicts exist and reaches resolutions to ensure acting in the company's interests. The Board of Directors also monitors regulatory compliance in related party transactions, considers fraud risks and addresses related party transactions prudently. The agenda of the regular Board meetings is drafted by the Board secretary by considering previous resolutions and matters that require resolutions and by consulting with the Board members. Agendas for other meetings are informed by matters that need the Board's decisions as required by law.

The Corporate Governance Committee has been formed to enhance the corporate governance practices within the company and to provide recommendations to the Board of Directors. The **Corporate Governance Committee**, which also assumes the responsibilities of the **Nomination Committee**, as specified in the Communiqué, consists of five members: Füsün Akkal Bozok (Chair), Haydar Yenigün, Prof. Dr. Katja Windt, Dave Johnston, and Saibe Gül Ertuğ. The committee's working principles are laid out in writing.

Board Of Directors' Activities

In 2024, the committee has made 4 Board of Directors decisions and effectively fulfilled its duties.

All independent board members have submitted their declarations of independence to the Corporate Governance Committee for the 2024 activity period. Fatma Füsün Akkal Bozok, who has been an independent board member of our Company since March 2018, has completed her 6-year term of office in the last 10 years as of March 2024 and has been granted a one-year temporary term for 2024 with the approval of the CMB in accordance with the 5th paragraph of the Communiqué. The declarations of independence of the independent members are provided on page [314](#) of the Integrated Activity Report.

The **Audit Committee**, comprising Fatma Füsün Akkal Bozok and Katja Windt, convenes before the regular Board meetings or as needed to discuss matters per regulations. The Audit Committee reviews the quarterly earnings releases and submits its opinion to the Board of Directors. The committee's working principles are laid out in writing. Duties of the Audit Committee include monitoring the company's financial status, independent audits and all internal control and internal audit activities, reviewing and approving the annual audit plans and presenting all views and draft resolutions to the Board of Directors. The Committee has carried out its relevant activities in 2024 and eight physical meetings have been held.

The Early Determination and Management of Risk Committee, comprising three members, has been formed to advise the Board of Directors on early identification of the potential risks that the company may be exposed to and establishing an effective risk management system. Fatma Füsün Akkal Bozok is the Chair, and Haydar Yenigün and Dave Johnston are members of the Early Determination and Management of Risk Committee, which convened four times in 2024. The committee's working principles are laid out in writing.

The Remuneration Committee, which consists of three members, has been formed to submit recommendations and proposals to the Board for determining the remunerations to be provided to the Board of Directors and senior executives. Fatma Füsün Akkal Bozok has been named the chair of the Remuneration Committee and Haydar Yenigün and James Kieran Vincent Cahill as members. The committee's working principles are laid out in writing. The duties, working principles, and members of the Board committees have been announced through a Material Event Disclosure and published on the corporate website.

The executive members of the Board have not served on the abovementioned committees.

In the internal audits, no cases of fraud or corruption were identified.

Risk Management and Internal Control

In risk management, Ford Otosan's primary objectives are to anticipate, manage, mitigate and monitor the potential risks in each area and to prepare action plans for risk and crisis management in advance. The Board of Directors, Early Determination and Management of Risk Committee, Audit Committee and Executive Management of the Company are regularly advised about the risks. Detailed information on Risk Management and Internal Control systems can be found in the Risk Management section on pages [79](#), through [83](#), of the Integrated Annual Report.

Corporate Governance Information Form

1. Shareholders

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year	38 Roadshow&Conference / 840 Investor Meetings including financial results webcast
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1.2. Right to Obtain and Examine Information

The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1256108
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Presented.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1397832

Corporate Governance Information Form

1.3. General Assembly

The name of the section on the corporate website that demonstrates the donation policy of the company	It is available on our corporate website with the title of Corporate - About Ford Otosan - Compliance Policies : https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/fo_donation_and_sponsorship_policy.pdf The PDP link: https://www.kap.org.tr/en/Bildirim/918522
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	The PDP link related to the General Shareholder's Meeting where the upper limit for donations and grants is determined: https://www.kap.org.tr/en/Bildirim/1266510
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 15
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	The General Assembly was held publicly, including stakeholders and media, without the right to speak

1.4. Voting Rights

Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	In accordance with our articles of association, there is no privilege in the voting rights; however, the shares of our joint venture company consist of groups with the privilege of nominating candidates.
The percentage of ownership of the largest shareholder	41.04%

1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-

Corporate Governance Information Form

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	It is available on our corporate website with the title of Corporate - About Ford Otosan - Compliance Policies. https://www.fordotosan.com.tr/documents/Politikalar/kar-dagitim-politikasi_divedend-distribution-policy.pdf
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Dividend is distributed.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

General Assembly Meetings

General Meeting Date	03.04.2024 / 20.11.2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	-
Shareholder participation rate to the General Shareholders' Meeting	88% / 87%
Percentage of shares directly present at the GSM	0.02% / 0.005%
Percentage of shares represented by proxy	88% / 87%

Corporate Governance Information Form

General Assembly Meetings

Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	It is available on our corporate website with the title of Investors - Announcements - General Assembly. https://www.fordotosan.com.tr/en/investors/announcements/general-assembly
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	It is available on our corporate website with the title of Investors - Announcements - General Assembly. https://www.fordotosan.com.tr/en/investors/announcements/general-assembly
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	-
The number of declarations by insiders received by the board of directors	0
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/en/Bildirim/1266510 https://www.kap.org.tr/en/Bildirim/1359213

2. Disclosure and Transparency

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Corporate Governance - Board of Directors, Executive Team, Policies, Shareholder Structure, Code of Conduct, Articles of Incorporation, Corporate Governance Reports, Trade Registry; Announcements - Material Disclosures, General Assembly, Financial Announcements
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	It is available on our corporate website with the title of Investors -Corporate Governance - Shareholder Structure https://www.fordotosan.com.tr/en/investors/corporate-governance/shareholder-structure
List of languages for which the website is available	Turkish and English

Corporate Governance Information Form

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

- a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members
- b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure
- c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings
- ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation
- d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof
- e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest
- f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%
- g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results

- a) “Board of Directors and Committees” and “Declaration of Independence”
- b) “Board of Directors and Committees”
- c) “Board of Directors and Committees”
- ç) “Material Developments Regarding Company Operations”
- d) “Material Developments Regarding Company Operations”
- e) “Material Developments Regarding Company Operations”
- f) “Material Developments Regarding Company Operations”
- g) “Future.Now. For People”, “Talent and Career Management” and “Future.Now. For Community”

Corporate Governance Information Form

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.fordotosan.com.tr/documents/Politikalar/compensation-policy-decision-paper_2023_06_09_exec_web.pdf
The number of definitive convictions the company was subject to in relation to breach of employee rights	44
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Audit Leader, HR and Transformation Leader, Legal Leader, Company Ethics Coordinator
The contact detail of the company alert mechanism	https://www.fordotosan.com.tr/en/corporate/about-ford-otosan/ethics https://secure.ethicspoint.eu/domain/media/en/gui/109880/index.html

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	There is no public link to internal regulations.
Corporate bodies where employees are actually represented	Both unionized and non-unionized colleagues participate in the management with different methods and share their views. With the Employee Engagement Survey conducted every year, the opinion of each of our colleagues is taken anonymously in the form of questionnaires and open-ended responses. Information about the company is shared with employees, dealers and other stakeholders through various communication meetings and questions and comments of these stakeholders are also taken.

Corporate Governance Information Form

3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The Board of Directors is monitoring the effective implementation of this function. Information regarding the Succession Plan is included in the Career Management section of the Integrated Annual Report.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	It is available on our corporate website with the title of Corporate - About Ford Otosan - Compliance Policies - Declaration on Equality at Work. https://www.fordotosan.com.tr/documents/Documents/Surd_Raporlari/FO_DECLARATION_ON_EQUALITY_AT_WORK.pdf
Whether the company provides an employee stock ownership programme	There is not an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	It is available on our corporate website with the title of Corporate - About Ford Otosan - Compliance Policies - Code of Conduct and Ethical Rules. https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/calisma-lkeleri-ve-etik-kurallari.pdf
The number of definitive convictions the company is subject to in relation to health and safety measures	4

Corporate Governance Information Form

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	It is available on our corporate website with the title of Corporate - About Ford Otosan - Compliance Policies - Code of Ethics. https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/Code_of_Ethics_EN.pdf
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	It is available on our corporate website with the titles of "Compliance Policies" and "Sustainability". The company has been publishing an integrated report since 2023. https://www.fordotosan.com.tr/documents/Documents/Surd_Raporlari/ford-otosan-cevre-ve-enerji-politikasi-EN.pdf https://www.fordotosan.com.tr/en/sustainability/sustainability-reports
Any measures combating any kind of corruption including embezzlement and bribery	It is available on our corporate website with the titles of Corporate - About Ford Otosan - Compliance Policies - "Anti-Bribery and Corruption Policy" and "Gifts and Entertainment Policy". https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/anti-bribery-and-corruption-policy.pdf https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/antetli_gifts-and-entertainment-policy.pdf

4. BOARD OF DIRECTORS-I

Activity of the Board of Directors

Date of the last board evaluation conducted	27.12.2024
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	All board members are released form their duties.
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegation has been made among the members of the Board of Directors.

Corporate Governance Information Form

Activity of the Board of Directors

Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	8
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Internal Control System and Internal Audit
Name of the Chairman	Ali Y. Koç
Name of the CEO	Güven Özyurt
If the CEO and Chair functions are combined; provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	In Article 10 of the Diversity Policy, it is stated that We consider only the knowledge and expertise of the board members in the nomination process. We attach importance to the diversity of experiences and talents of the board members. We aim for a minimum of 25% female membership on the Ford Otosan Board of Directors. https://www.fordotosan.com.tr/en/investors/corporate-governance/policies?page=2
The number and ratio of female directors within the Board of Directors	3 (25%)

Corporate Governance Information Form

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Ali Y. KOÇ	Non-executive	Not independent director	24.07.1997				
Rahmi M. KOÇ	Non-executive	Not independent director	11.02.1961				
David Joseph Cuthbert JOHNSTON	Non-executive	Not independent director	1.10.2024				
Johan Egbert SCHEP	Non-executive	Not independent director	15.11.2019				
Haydar YENİGÜN	Non-executive	Not independent director	15.02.2012				
James Kieran Vincent CAHILL	Non-executive	Not independent director	21.03.2022				
Levent ÇAKIROĞLU	Non-executive	Not independent director	21.03.2022				
Güven ÖZYURT	Executive	Not independent director	21.03.2022				
Josephine M. Payne	Executive	Not independent director	9.03.2023				
Katja WINDT	Non-executive	Independent director	1.06.2022	https://www.kap.org.tr/en/Bildirim/1266510	Considered	No	No
Fatma Füsün AKKAL BOZOK	Non-executive	Independent director	19.3.2018	https://www.kap.org.tr/en/Bildirim/1266510	Considered	No	Yes

Corporate Governance Information Form

4. Board of Directors -II

4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period.	8
Director average attendance rate at board meetings	78%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	The agenda and related briefing note for periodic meetings are communicated to all Board members one week before the Board meeting.
The name of the section on the corporate website that demonstrates information about the board charter	The working principles of the Board of Directors are an internal regulation of the company and are not published on the Corporate Website.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no upper limit set on this matter, but it is expected that the Board of Directors allocate sufficient time for company affairs, attend Ford Otosan's Board of Directors meetings regularly, ask questions and make suggestions at these types of meetings, and make dissenting opinions when they believe the decisions taken are not in the best interests of Ford Otosan.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Board of Directors and Committees
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/1267706 https://www.kap.org.tr/en/Bildirim/1340302 The working principles are also available on our website's Board Committees page. https://www.fordotosan.com.tr/en/investors/corporate-governance/board-committees

Corporate Governance Information Form

Names of the Board Committees	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	Fatma Füsün Akkal Bozok	No	Board member
	Katja Windt	No	Board member
Corporate Governance Committee	Fatma Füsün Akkal Bozok	Yes	Board member
	Haydar Yenigün	No	Board member
	David Joseph Cuthbert Johnston	No	Board member
	Saibe Gül Ertuğ	No	Not board member
Early Determination and Management of Risk Committee	Fatma Füsün Akkal Bozok	Yes	Board member
	Haydar Yenigün	No	Board member
	David Joseph Cuthbert Johnston	No	Board member
Remuneration Committee	Fatma Füsün Akkal Bozok	Yes	Board member
	Haydar Yenigün	No	Board member
	James Kieran Vincent Cahill	No	Board member

Corporate Governance Information Form

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is available on our corporate website with the title of Investors - Corporate Governance - Board Committees. https://www.fordotosan.com.tr/documents/komite/audit_committee_working_principles_2020.pdf In our integrated annual report the respective information is under Board of Directors and Committees section
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is available on our corporate website with the title of Investors - Corporate Governance - Board Committees. https://www.fordotosan.com.tr/documents/komite/corporate_governance_committee_working_principles_2020.pdf The relevant section is included in Our Integrated Annual Report under the section "Board of Directors and Committees".
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Its duties are fulfilled by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is available on our corporate website with the title of Investors - Corporate Governance - Board Committees. https://www.fordotosan.com.tr/documents/komite/risk_committee_working_principles_2020.pdf The relevant section is included in Our Integrated Annual Report under the section "Board of Directors and Committees".
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is available on our corporate website with the title of Investors - Corporate Governance - Board Committees. https://www.fordotosan.com.tr/documents/komite/remuneration_committee_working_principles_2020.pdf The relevant section is included in Our Integrated Annual Report under the section "Board of Directors and Committees".

Corporate Governance Information Form

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Board of Directors' Report, Chairman's Message, Ford Otosan Leader's Message
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	It is available on our corporate website with the title of Corporate - About Ford Otosan - Compliance Policies. https://www.fordotosan.com.tr/documents/Documents/yatirimci_iliskileri/RemunertionPolicy.pdf
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Remuneration Policy for the Board of directors and Senior Executives Notes to the Financial Statements - Note 27 (n)

Composition of Board Committees-II

Names of the Board Committees	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	100%	100%	8	5
Corporate Governance Committee	80%	40%	1	4
Early Determination and Management of Risk Committee	100%	33%	4	6
Remuneration Committee	100%	33%	1	1

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There is no such a process notification.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.3. GENERAL ASSEMBLY						
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				Donations and aids were included with a separate article in the agenda of the General Assembly . The total amount of donations made to foundations and associations in 2024, based on nominal values, is 456,933,828 TL (the total amount calculated according to the purchasing power as of December 31, 2024, is 473,673,942 TL). Of this 456,933,828 TL nominal amount, 300,760,095 TL was donated to the Vehbi Koç Foundation, 72,657,467 TL to Koç University, 44,675,311 TL to the Kocaeli Metropolitan Municipality, and 11,433,754 TL to the Sustainable Development for Innovative Solutions Association. The remaining 27,407,201 TL consists of various smaller donations, each below 3,665,082 TL, made to other institutions and organizations, which are not considered material information for investors. Furthermore, the upper limit for donations to be made in 2025 will be determined by the General Assembly.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Ford Otomotiv San. A.Ş does not have any financial asset (shareholding) relationship which brings domination.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not granted to those who have less than 1/20th of the share capital by the Articles of Association. Rights are provided within the framework of the general regulations in the legislation. There was no demand from the investors regarding this issue.

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividends are distributed.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.		X				Transfer of unlisted shares and some regulations about the usufruct rights' of shares are regulated in the Company's articles of association (rule number 8) which is also accessible from the corporate website. There are no provisions that complicate or restrict the transfer of Group A shares traded on the stock exchange.
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					The shareholding structure is described on the Company's corporate website. There is no real person who has more than 5% of the share.
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					Information regarding the succession plan can be accessed in the Career Management section.
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2- Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				The faults of the board members during their duties and the damage they may cause to the company are secured by separate umbrella Managerial Liability insurances commissioned by Koç Holding and Ford Motor Company. Given the company's substantial capital, the current insurance coverage is considered adequate in relation to foreseeable risks. Insurance limits are reviewed on a regular basis, and the umbrella insurance amount may be increased as necessary in subsequent periods.

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					Our current rate of female members in YK is 25%. We only consider knowledge and experience during the nomination process for board members. We prioritize having a diverse range of members with different experiences and talents on the board. We aim for a minimum of 25% female members on the Ford Otosan Board of Directors. https://www.fordotosan.com.tr/documents/Politikalar/board-of-directors-diversity-policy_exec_eng.pdf
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person or electronically.	X					All members of the board of directors participated in the strategic meetings, and the majority of board members attended most of the meetings either physically or electronically
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					The agenda of the Board of Directors meetings may be determined by the Chairman of the Board of Directors, Vice Chairman of the Board of Directors, or the executive members of the Board of Directors. In periodic meetings, the Agenda and related information note are communicated to all Board of Directors members one week prior to the Board of Directors meeting
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	There is an opportunity to provide feedback; however, no such notification has been made by our board members who were unable to attend the meeting.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					In our company, how board of directors meetings should be conducted are specified in the internal regulations called Board of Directors Working Principles
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.4. BOARD MEETING PROCEDURES						
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Although there is no upper limit on the outside responsibilities of board members, it is expected that they allocate sufficient time for company affairs, attend Ford Otosan board meetings regularly, ask questions and make suggestions at such meetings, and issue a dissenting opinion if they believe that the decisions taken are not in the best interests of Ford Otosan. Our annual report includes the resumes of our board members.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			The assignments of the committees are made by taking into consideration the knowledge and experience of our Board members under the rules of the relevant regulations. Some of our Board members are assigned to more than one committee. Members who are involved in more than one committee ensure communication and increase cooperation opportunities. The annual report includes information on which committees our Board members are involved in.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					According to the working principles of committees, it is possible for committees to benefit from independent expert opinions on the issues they deem necessary for their activities. However, there was no such need expressed by committee members last year
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	The committees did not receive any consultancy services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					

Corporate Governance Compliance Report

Company Compliance Status

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			The payments made to the members of the Board of Directors and senior executives are publicly disclosed in the footnotes of financial statements and General Assembly meeting in parallel with the general practices. Market practices regarding this matter, which is deemed important for the confidentiality of personal information, are closely monitored, and it is intended to align with prevailing industry norms.

Sustainability Principles Compliance Statement

Ford Otosan follows the best sustainability practices, including those specified in the Capital Markets Board’s (CMB) Sustainability Principles Compliance Framework and works to align its activities with the widely accepted best practices in this field. Several topics that Ford Otosan manages as part of its sustainability efforts are already in compliance with the Sustainability Principles Compliance Framework, introduced by the CMB in 2020. Accordingly, Ford Otosan is in compliance with all of the non-mandatory principles within the Sustainability Principles Compliance Framework that the CMB has issued on a “comply or explain” basis.

Ford Otosan’s sustainability practices that comply with CMB’s Sustainability Principles Compliance Framework are described in detail in the Integrated Annual Report and CDP reporting.

In 2024, the material topics were revisited in light of the latest developments with a view to their financial impact on Ford Otosan and the company’s influence on its stakeholders in terms of these topics. The results of these evaluations have been disclosed in the 2024 Integrated Annual Report. Moreover, environmental, social and governance sustainability risks have also been included in Ford Otosan's risk management system and they are regularly reviewed for further action.

- Ford Otosan has been following key ESG Performance Indicators since 2011, and the set of indicators is reviewed in line with the latest trends and expectations by researching best local and international practices. Accordingly, the changes over the last three years are included in the data sets. However, the disclosed indicators do not include any local or international industry benchmarks yet.

- In 2024, Ford Otosan continued to receive assurance from independent third parties in terms of the environmental and social indicators to improve the reliability of the sustainability data it discloses. Furthermore, the scope of the metrics has been expanded.

- In addition to providing information on how the company manages environmental and social governance topics in its direct operations and across the value chain, Ford Otosan also discloses how its dealers, suppliers and customers are integrated into its strategies. The goal is to disclose more information on this subject in future reports.

In the reporting period, there were no accumulated or purchased carbon credits. Ford Otosan’s work to reduce its carbon footprint continues through R&D activities as well as projects implemented in the plants. Our goals are to mitigate the impact of climate change by minimizing our carbon footprint and to promote safe and sustainable production and consumption.

The sustainability-related **data and disclosures** in this report **have not been prepared in accordance with the provisions of the Turkish Sustainability Reporting Standards (TSRS)** under Public Oversight, Accounting, and Auditing Standards Authority (POA) regulations, and **have not been subject to the assurance audit required by POA**. A report that the company will prepare in accordance with POA regulations to include the required data and disclosures under TSRS 1 and TSRS 2 will be disclosed publicly within the statutory timeframe after undergoing sustainability assurance auditing by an independent auditor.

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
A. GENERAL PRINCIPLES								
A1. Strategy, Policy and Goals								
A1.1.	The Board of Directors should determine ESG priority issues, risks and opportunities, and form relevant ESG policies in accordance with them.	X				Ford Otosan identifies its material sustainability issues by conducting a double materiality assessment and seeking the opinions of its internal and external stakeholders. The company monitors the risks and opportunities related to these topics throughout the year.	https://www.fordotosan.com.tr/en/sustainability/reports	Ford Otosan 2024 Integrated Annual Report, Value Creation Journey
	Should determine a Corporation Strategy in compliance with ESG policies, risks and opportunities.	X				Ford Otosan Sustainability Committee determines the company's sustainability policies in ESG areas and ensures their implementation. The process is ongoing to have all the policies approved by the Board of Directors. The published policies are available on the corporate website.	https://www.fordotosan.com.tr/en/sustainability/reports https://www.fordotosan.com.tr/en/corporate/about-ford-otosan/compliance-policies	Ford Otosan 2024 Integrated Annual Report, Sustainability Management
A1.2.	Should determine and publicly disclose its short- and long-term goals in line with its ESG policies.	X				Ford Otosan's short- and long-term targets for ESG policies are determined with the approval of the Board of Directors. The Sustainability Hub team and agile teams monitor them monthly and report the progress to the Sustainability Committee every quarter. The Sustainability Committee is headed by Ford Otosan Leader. Ford Otosan determined its long-term goals in 2022 in line with its "Future. Now" vision. These are categorized into the main headings of "Climate Crisis and Energy Management," "Waste Management and Circular Economy," "Water Stewardship," "Social Benefit" and "Gender Equality." Progress regarding these goals and short-term targets are disclosed through the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/reports	Ford Otosan 2024 Integrated Annual Report, For People, For Community, For Environment

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		YES	NO	PARTIAL	N/A			
A. GENERAL PRINCIPLES								
A2. Implementation/Monitoring								
A2.1	Should appoint and publicly disclose its committees/ units in charge of implementation of ESG policies.	X				<p>Ford Otosan Sustainability Hub Team and Agile Teams are responsible for publishing and updating policies. The Sustainability Committee determines the company's sustainability policies in ESG areas and ensures their implementation.</p> <p>The Committee consists of the Operations and Investments Leader, Engineering and Technology Development Leader, Purchasing Leader, Finance Leader, Human Resources and Transformation Leader, Engineering and Technology Development Leaders, Corporate Communications Leader, Investor Relations Leader, Occupational Health and Safety & Environment Leader and the Public Affairs Coordinator. The Sustainability Committee is headed by Ford Otosan Leader and coordinated by the Sustainability Hub.</p> <p>The process is ongoing to have all the policies approved by the Board of Directors. The published policies are available on the corporate website.</p> <p>Sustainability Department under the Corporate Communications Leader, who reports to Ford Otosan Leader, is responsible for implementing the ESG strategy and coordination with different functions within the organization.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Sustainability Management
	Committees/units in charge should report the activities carried out under the policies to the Board of Directors at least once a year and in any case, within the maximum periods of time stipulated for disclosure of annual reports in the regulations of the Board pertaining thereto.	X				<p>The Sustainability Committee convenes at least four times a year. As the chair of the Sustainability Committee, Ford Otosan Lead is responsible for reporting the company's sustainability performance, the current status with regard to the strategy, and the global sustainability agenda developing during the year to the Board of Directors.</p> <p>The Board of Directors is advised about the Sustainability Principles Compliance efforts through the Corporate Governance Committee and the Early Determination and Management of Risk Committee.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Sustainability Management

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		YES	NO	PARTIAL	N/A			
A. GENERAL PRINCIPLES								
A2. Implementation/Monitoring								
A2.2	Should formulate and publicly disclose the implementation and action plans in line with the short- and long-term goals determined as above.	X				<p>Ford Otosan determined its long-term goals in 2022 in line with its “Future. Now” vision. These are categorized into the main headings of “Climate Crisis and Energy Management,” “Waste Management and Circular Economy,” “Water Stewardship,” “Social Benefit” and “Gender Equality.” Progress regarding these goals and short-term targets are disclosed through the Integrated Annual Report.</p> <p>With the issue of combating climate crisis gaining prominence for the stakeholders and European Green Deal, Ford Otosan has set its target as achieving net zero emissions by 2050. The relevant targets, which were submitted to SBTi in 2022, will be audited in the first quarter of 2025. The roadmap for transitioning to a lower carbon economy to reach this target has been expanded to include the suppliers.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, For People, For Community, For Environment, Value Chain Management
A2.3.	Should determine ESG Key Performance Indicators (KPIs) and declare them comparatively on an annual basis.	X				The progress regarding key ESG performance indicators determined in line with Ford Otosan’s sustainability strategy is disclosed with tear-on-year comparisons in the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, For People, For Community, For Environment, Performance Indicators
A2.4.	Should declare innovation activities aimed to improve the sustainability performance in relation with business processes or products and services.	X				Innovation activities to improve the sustainability performance of business processes or products and services are disclosed to the public along with best practices through the integrated annual reports.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, For Environment, For Technology and Innovation, Occupational Health and Safety, Vehicle Quality and Safety

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		YES	NO	PARTIAL	N/A			
A. GENERAL PRINCIPLES								
A3. Reporting								
A3.1.	Should report and publicly disclose its sustainability performance, goals and actions at least once a year. Should provide information about its sustainability activities within its annual report.	X				<p>Ford Otosan reports and publicly discloses its sustainability performance, targets and actions at least once a year. Information on sustainability activities is provided within the Integrated Annual report.</p> <p>Ford Otosan discloses its actions and plans for each sustainability target in the relevant sections of this report. Detailed information related to sustainability performance is provided in the Annexes.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, For People, For Community, For Environment, Performance Indicators
A3.2.	Should provide information as to with which of the United Nations (UN) 2030 Sustainability Development Goals its activities are related.	X				<p>Ford Otosan discloses each Sustainable Development Goal impacted by its activities defined in the Integrated Value Creation Model through the Integrated Annual Report.</p> <p>The relationship between the community investment principles and the UN SDGs is also shared in this report.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Value Creation Model, Community Investment Areas
A3.3.	Should disclose information about lawsuits filed and/or completed against it in environmental, social and corporate governance issues.	X				Ford Otosan provides information regarding the lawsuits filed and/or concluded against the company in environmental, social and corporate governance issues within the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Performance Indicators, Material Developments Regarding Company Operations

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		YES	NO	PARTIAL	N/A			
A. GENERAL PRINCIPLES								
A4. Verification								
A4.1.	If verified by independent third parties (independent sustainability assurance providers), it should disclose its sustainability performance measures, and should endeavor to increase said verification actions.	X				All key ESG performance indicators that Ford Otosan discloses to the public are assured by an independent third party.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Assurance Statement for Non-Financial Data
B. ENVIRONMENTAL PRINCIPLES								
B1.	Should declare its policies and practices, action plans, and environmental management systems (known as ISO 14001 standard) and programs.	X				<p>Ford Otosan has in place an Environment and Energy Policy, Biodiversity Strategy, and Water Policy.</p> <p>Ford Otosan manages all its products and services within the framework of the ISO 14001:2015 Environmental Management System. All its facilities are ISO 14001 certified. Environmental management policy, ISO 14001 environmental management system certification and other certifications confirming compliance with environmental laws and other applicable regulations are also disclosed on the corporate website.</p>	https://www.fordotosan.com.tr/en/corporate/about-ford-otosan/certificates https://www.fordotosan.com.tr/en/sustainability/sustainability-policies https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, For Environment, For People
B2.	Should disclose limitations to the environmental report that will be prepared under the Sustainability Principles, reporting period, reporting date, data collection process and restrictions in reporting conditions.	X				<p>Ford Otosan discloses information regarding environmental management in the Integrated Annual Report, which also includes the reporting period, scope and limitations.</p> <p>In CDP reporting, the company also shares reporting scope, period, conditions and limitations along with information on environmental management.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, About the Report , 2024 CDP Corporate Questionnaire pp: 9, 11, 12

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B3.	Provided in A2.1.	X						
B4.	Should disclose the incentives it offers for management of environmental issues, including the achievement of goals.	X				<p>In line with our Future. Now sustainability strategy and long-term goals that we have implemented at Ford Otosan, we are adding ESG metrics to the performance scorecards of Ford Otosan Leaders and senior management. Information about the addition of targets to improve efforts to tackle the Climate Crisis in 2024 is provided in the Integrated Annual Report.</p> <p>Furthermore, the scorecards of the Sustainability Hub members include the target of developing a roadmap for their respective fields in line with Ford Otosan's sustainability targets.</p> <p>Ford Otosan focuses on four primary environmental sustainability targets: reducing the use of fresh water per vehicle by 40% by 2030, eliminating single-use plastics from personal consumption, and zero waste to landfills. These targets are also disclosed in publicly accessible reporting, websites, press releases, and indices such as SBTi and DJSI.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/sustainability-approach	<p>2024 Integrated Annual Report, <u>Sustainability Management</u></p> <p>2024 CDP Corporate Questionnaire pp: 101-109</p>
B5.	Should disclose how environmental issues are integrated into business objectives and strategies.	X				<p>Ford Otosan discloses the outputs, strategies and targets related to its environmental issues in its Integrated Value Creation Model.</p> <p>Additionally, we include a table in the Integrated Annual Report to demonstrate how we manage the very high and high priority issues identified as a result of the materiality assessment.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	<p>2024 Integrated Annual Report, <u>For Environment, Value Creation Model</u></p>

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B6.	Provided in A2.4.	X				Ford Otosan includes its sustainability performance regarding its business processes or products and services and its activities to improve this performance within the Integrated Annual Report, along with examples of its best practices.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>For Environment, For Technology and Innovation, Occupational Health and Safety, Vehicle Quality and Safety</u>
B7.	Should disclose how it manages environmental issues and integrates suppliers and customers into its strategies, not only in terms of direct operations, but also along the corporation value chain.	X				Ford Otosan discloses how it manages environmental issues and integrates suppliers and customers into its strategies, not only in terms of direct operations, but also across the value chain within the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>Value Chain Management</u>
B8.	Should disclose whether it is included in the policy formulating processes on environmental issues, as well as associations it is a member of, its environmental cooperation initiatives entered into with related institutions and non-governmental organizations.	X				Ford Otosan discloses in its annual and sustainability reports whether it is involved in policy formulating processes on environmental issues (sectoral, regional, national and international) and provides information on memberships in environmental organizations, partnerships with relevant associations and NGOs, and its duties, if any, in such organizations, and the activities it promotes.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>For Environment, Circular Economy</u>
B9.	Should periodically report in a comparable manner, information about environmental effects in the light of environmental indicators [Greenhouse gas emissions {Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)}], air quality, energy management, water and waste water management, waste management, biodiversity effects].	X				As required by the GHG Protocol, all carbon emission measurements at Ford Otosan are assured by an independent third party in accordance with ISO 14064-1 and disclosed to the public. Similarly, energy consumption is verified by an independent third party in accordance with ISO 50001 and disclosed with comparative figures.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>For Environment, Performance Indicators, Reporting Principles</u>

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B10.	Should disclose details in relation to standards, protocols, methodologies and base year employed for collection and calculation of its data.	X				Ford Otosan discloses the details of the standards, protocols, methodologies and base year employed to collect and calculate its data.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>Assurance Statement for Non-Financial Data Reporting Principles</u>
B11.	Should declare the status of environmental indicators for the reporting year in comparison with past years (increase or decrease).	X				Ford Otosan declares the status of environmental indicators for the reporting year compared to previous years (increase or decrease).	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>Performance Indicators</u>
B12.	Should determine and disclose short and long-term goals for reduction of its environmental impact. If an improvement is detected in the reporting year over the previously determined goals, it should provide information thereabout.	X				The long-term targets for reducing the company's environmental impact were determined in 2022. The short-term targets and progress toward the long-term terms are disclosed within the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>For Environment,</u>
B13.	Should disclose its strategy and actions for fight against climate crisis.	X				Ford Otosan discloses its strategy and actions to tackle climate crisis and transition to lower carbon economy within the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>For Environment, Shift to Low-Carbon Economy</u>

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B14.	Should disclose its programs or procedures aiming to prevent or minimize the potential negative effects of its products and/or services, and should also declare the actions of third parties aiming to reduce greenhouse gas emissions.	X				<p>Ford Otosan discloses the programs or procedures to prevent or minimize the negative impact of its products in the relevant sections of the Integrated Annual Reports. The company also declares the actions of third parties to reduce greenhouse gas emissions.</p> <p>Ford Otosan has conducted Life-Cycle Assessments for 96% of its products.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, Product Sustainability , 2024 CDP Corporate Questionnaire pp: 125
	Should disclose actions taken to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.).	X				A supplier sustainability committee has been formed to increase sustainability awareness among our suppliers. Environmental, social and governance training is provided within the year to share best practices. We also monitor the sustainability performance of our suppliers through surveys and audits. Working with our suppliers, we created 6-month, 1-year and 2-year sustainability roadmaps. We conducted a sustainability survey to determine the development areas of our dealers. We also provided an online sustainability training and prepared a roadmap for 2025.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Value Creation Model
B15.	Should declare the total number of actions taken, projects implemented and initiatives entered into for reduction of its environmental impact, as well as their environmental benefits and cost savings.	X				Ford Otosan publicly discloses the actions taken, and the projects and initiatives implemented to reduce its environmental impact along with their environmental benefits and cost savings through the Integrated Annual Report and CDP reporting.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, For Environment , 2024 CDP Corporate Questionnaire pp: 27, 41-46, 50, 56, 64- 69, 72, 73, 77, 81, 117,132, 140, 211-217, 226-237

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B16.	Should report total energy consumption data (with the exception of raw materials), and disclose its energy consumptions as Scope-1 and Scope-2.	X				As part of the sustainability efforts, Scope 1 and Scope 2 greenhouse gas emissions are calculated regularly, assured by an independent third party as required by the GHG Protocol, and disclosed to the public. Similarly, energy consumption data is reported by “renewable/non-renewable” energy categories to align with the expectations of international sustainability indices.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>Assurance Statement for Non-Financial Data, Performance Indicators</u>
B17.	Should provide information about electricity, heat, steam and cooling produced and consumed in the reporting year.	X				Ford Otosan discloses information about the electricity, heat, steam and cooling generated and consumed each year.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>Performance Indicators</u> , 2024 CDP Corporate Questionnaire pp: 189, 193, 197-200

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B18.	Should carry out and disclose works on increasing the use of renewable energy sources, and transition to zero or low carbon electricity.	X				<p>Ford Otosan submitted its target of achieving net zero emissions by 2050, as set by European Green Deal to combat climate crisis, to SBTi.</p> <p>The company works on increasing the use of renewable energy and transitioning to net zero emission production and discloses these activities to the public through Annual and Sustainability reports, along with detailed targets.</p> <p>All the electricity used in all Ford Otosan sites in Türkiye is procured from 100% renewable energy sources. The innovative Yeniköy Plant, which features 'Solar Tracking Systems' and 'Solar Wall', was opened in 2023.</p> <p>In 2024, a rooftop solar power plant was installed at the Yeniköy plant. Solar power plant installation work started in Afyon and Burdur.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>For Environment,</u>
B19.	Should disclose its renewable energy generation and consumption data.	X				<p>Ford Otosan discloses its renewable energy generation and consumption data.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>Performance Indicators</u> 2024 CDP Corporate Questionnaire pp: 189,190, 200
B20.	Should conduct energy efficiency projects, and disclose the resulting reduction in energy consumption and emission due to its projects.	X				<p>Ford Otosan carries out energy efficiency projects both in its own operations and across the value chain and discloses the resulting energy consumption and emission reduction figures.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>For Environment,</u> 2024 CDP Corporate Questionnaire pp: 155, 235, 236

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B21.	Should report quantities, sources and procedures of water extracted from underground or ground waters, used, recycled and discharged.	X				Ford Otosan reports the quantities, sources and procedures regarding underground or ground water, used, recycled and discharged water (Total water withdrawal by resource, water sources affected by water withdrawal, percentage and total volume of recycled and reused water, etc.) .	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>Performance Indicators, Reporting Principles,</u> 2024 CDP Corporate Questionnaire pp: 247-271, 273
B22.	Should disclose whether its operations or activities are included in any carbon pricing system or not (Emission Trade System, Cap & Trade or Carbon Tax).	X				As part of its Corporate Risk Management System, Ford Otosan assesses and manages the financial and non-financial risks by developing scenario analyses and tests, including the carbon pricing scenario under the 1.5°C target, foreign currency fluctuations, SCT, parts availability, the impact of fuel price increases on the market and sales, changes in the Turkish economy, raw material availability, and volatility in loan rates.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>For Environment, Risk and Opportunity Management,</u> 2024 CDP Corporate Questionnaire pp: 20, 32, 52-54, 68, 142
B23.	Should disclose its carbon credit data accumulated or bought in the reporting period.	X				Data regarding the carbon credit accumulated or purchased in each reporting period is disclosed to the public through the Integrated Annual Report and CDP reporting.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, <u>For Environment,</u> 2024 CDP Corporate Questionnaire pp: 232, 240

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		YES	NO	PARTIAL	N/A			
B. ENVIRONMENTAL PRINCIPLES								
B24.	If carbon pricing is applied in the corporation, it should disclose details relating thereto.	X				As part of the Shift to Lower Carbon Economy and Climate Risks approach, information on carbon pricing is disclosed to the public through the Integrated Annual Report and CDP reporting.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/en/sustainability/cdpcarbon-disclosure-project-reports	2024 Integrated Annual Report, For Environment, Risk and Opportunity Management , 2024 CDP Corporate Questionnaire pp: 20, 32, 52-54, 68, 142
B25.	Should disclose all mandatory and voluntary platforms where its environmental data are disclosed.	X				Ford Otosan provides information regarding all mandatory and voluntary platforms where it discloses its environmental data through the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, About the Report

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		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C1. Human Rights and Employee Rights								
C1.1	Should establish a Corporate Human Rights and Employee Rights Policy covering its commitment of full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and legal framework and legislation regulating human rights and labor issues in Turkey. Should disclose the aforesaid policy and the roles played and responsibilities assumed in the implementation of the policy.	X				Ford Otosan takes the Universal Declaration of Human Rights as a global guide for providing a professional and healthy work environment for all its employees and making it sustainable. Ford Otosan and all its partners adopt a zero-tolerance policy against slavery and human trafficking in accordance with the conventions and recommendations of the International Labor Organization, the Universal Declaration of Human Rights and UN Global Compact.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/documents/Sertifikalar/antetli-human-rights-policy.pdf https://www.fordotosan.com.tr/documents/Kurumsal-Politikalar/antetli-calisma-lkeleri-ve-etik-kurallari(1).pdf	2024 Integrated Annual Report, <u>Ethics, Transparency, Internal Control and Internal Audit, For People</u>
C1.2	Should provide equal opportunities in recruitment processes. Includes fair labor, improvement of working standards, employment of women and social inclusion issues (such as nondiscrimination towards women, men, religious beliefs, language, race, ethnical origin, age, disablement, refugees, etc.) in its policies by also considering the supply and value chain effects.	X				<p>At Ford Otosan, human and employee rights are protected across the entire value chain. Discrimination is strictly prohibited. In addition, Ford Otosan guarantees fair work conditions for all employees.</p> <p>Guided by the Human Rights Policy and the Universal Declaration of Human Rights, Ford Otosan protects employee rights in recruitment, promotion, career development, wages, benefits and diversity. Together with all our business partners, we adopt a zero tolerance policy against forced labor, child labor, and all kinds of discrimination and harassment.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/documents/Kurumsal-Politikalar/antetli_supply-chain-compliance-policy(1).pdf https://www.fordotosan.com.tr/documents/Documents/Surd_Raporlari/FO_DECLARATION_ON_EQUALITY_AT_WORK.pdf	2024 Integrated Annual Report, <u>Diversity, Equity and Inclusion, Value Chain Management</u>

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C1. Human Rights and Employee Rights								
C1.3	Should disclose measures taken along the value chain for the sake of supervision and protection of rights/ equal opportunities for minorities or certain population segments vulnerable to particular economic, environmental and social factors (low-income segments, women, etc.).		X			<p>In line with its diversity and inclusion approach, Ford Otosan places its Equality at Work, Diversity Policy and Human Rights policy, all created by considering its corporate culture and values to provide a work environment based on equal opportunity, respectful of differences and ethical values, at the core of its activities.</p> <p>According to UN Women's Empowerment Principles Declaration of Equality at Work, signed in 2013, the company is committed to tackling gender inequality.</p> <p>Ford Otosan's diversity, equality and inclusion efforts are focused on human rights, health, education, empowerment of disadvantaged groups, science and technology and gender equality.</p> <p>The results of the first Human Rights Due Diligence study conducted in 2024 with our employees and suppliers will be disclosed in 2025. Additionally, the sustainability performance survey with our suppliers includes questions about their current practices according to the principles stated in our Human Rights and Diversity Policy.</p>	<p>https://www.fordotosan.com.tr/documents/Documents/Surd_Raporlari/FO_DECLARATION_ON_EQUALITY_AT_WORK.pdf</p> <p>https://www.fordotosan.com.tr/documents/Sertifikalar/antetli_human-rights-policy.pdf</p> <p>https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/antetli_supply-chain-compliance-policy(1).pdf</p> <p>https://www.fordotosan.com.tr/en/sustainability/sustainability-reports</p>	2024 Integrated Annual Report, Value Chain Management, Diversity, Equity and Inclusion

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C1. Human Rights and Employee Rights								
C1.4	Should report developments relating to applications aiming to prevent and correct discrimination, inequality, breaches of human rights and forced labor, and disclose its regulations and measures aiming to prevent employment of child labor.	X				<p>Ford Otosan reports on developments regarding practices to eliminate and remedy discrimination, inequality, human rights violations, and forced labor. The company also discloses its regulations to prevent the use of child labor.</p> <p>Ford Otosan's diversity, equity and inclusion efforts are focused on human rights, health, education, empowerment of disadvantaged groups, science and technology and gender equality.</p> <p>The results of the first Human Rights Due Diligence study conducted in 2024 with our employees and suppliers will be disclosed in 2025.</p>	https://www.fordotosan.com.tr/documents/Sertifikalar/antetli-human-rights-policy.pdf https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/antetli_supply-chain-compliance-policy(1).pdf https://www.fordotosan.com.tr/documents/Documents/Surd_Raporlari/FO_DECLARATION_ON_EQUALITY_AT_WORK.pdf https://www.fordotosan.com.tr/en/sustainability/reports	2024 Integrated Annual Report, Value Chain Management, Diversity, Equity and Inclusion
C1.5	Should disclose its policies regarding investments in employees (training and development policies), compensations, fringe benefits, unionization rights, work/life balance solutions and talent management.	X				<p>Ford Otosan expressly states in its policies that it acts in accordance with global ethical principles in matters such as recruitment, promotions, career development, wages, benefits and diversity, offers its employees opportunities to develop their skills and potential, and ensures that the employees take regular breaks and leaves and establish a productive work-life balance.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/documents/Sertifikalar/antetli_human-rights-policy.pdf https://www.fordotosan.com.tr/documents/Politikalar/diversity-equity-and-inclusion-policy.pdf	2024 Integrated Annual Report, Diversity, Equity and Inclusion

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C1. Human Rights and Employee Rights								
C1.5	Should determine dispute resolution processes through the establishment of mechanisms for resolution of employee complaints and disputes, and determine its dispute resolution processes.	X				<p>Ford Otosan does not tolerate any action in violation of the Code of Conduct and Ethical Rules or relevant policies, or behavior (mobbing, harassment and sexual harassment, etc.), that may endanger the safe and peaceful working environment. The ethics reporting received via the Ethics Line is carefully investigated, and if violation are detected, the necessary sanctions are imposed and corrective measures are implemented.</p> <p>The Ethics Coordinator is tasked with overseeing the implementation of the Whistleblowing Policy to the maximum, evaluating the decisions and actions of the Internal Audit and Ethics Committee, communicating their opinions, requests and suggestions to the Internal Audit and Ethics Committee, and advising the Board of Directors as needed.</p> <p>Ford Otosan's Compliance Program and Disciplinary Committee are other tools deployed to ensure our employees' compliance with company policies and procedures.</p>	https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/antetli_calisma-lkeleri-ve-etik-kurallari(1).pdf https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/antetli_ethics-and-whistleblowing-policy.pdf https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Ethics, Transparency, Internal Control and Internal Audit
	Regularly declares its activities aimed at employee satisfaction.	X				<p>Ford Otosan measures the maturity level of employee engagement and works on a new roadmap through surveys and focus group studies.</p> <p>Information on activities aimed at elevating employee satisfaction through programs such as social clubs, department-specific outdoor activities, and mindfulness club, etc. is disclosed in the Integrated Annual Report.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Employee Engagement

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C1. Human Rights and Employee Rights								
C1.6	Should formulate and disclose its occupational health and safety policies.	X				Ford Otosan identifies and monitors OHS risks and implements corrective measures in accordance with ISO 45001 Occupational Health and Safety certification.	https://www.fordotosan.com.tr/documents/Politikalar/fohsepolicy.pdf https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>Occupational Health and Safety</u>
	Should disclose actions and measures taken for protection of health and against occupational accidents, and occupational accident statistics.	X				Ford Otosan identifies and monitors OHS risks and implements corrective measures in accordance with ISO 45001 Occupational Health and Safety certification. OHS incident statistics encompassing its employees and subcontractors are disclosed in the Integrated Annual Report.	https://www.fordotosan.com.tr/documents/Politikalar/fohsepolicy.pdf https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>Occupational Health and Safety, Performance Indicators</u>
C1.7	Should formulate and disclose to public its personal data protection and data security policies.	X				All Ford Otosan employees and managers are required to comply with the Personal Data Protection Policy, implement and support the relevant procedures and controls in line with the provisions in this Policy. The company also expects all its partners to act in accordance with this Policy. Any action or incident that might violate this Policy, applicable legislation or Ford Otosan's Code of Conduct and Ethical Rules must be reported to the leaders and channels specified in the Policy.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/information-security-policy.pdf https://www.fordotosan.com.tr/documents/Politikalar/antetli_ford-otosan_personal-data-protection-and-processing-policy(1).pdf	

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C1. Human Rights and Employee Rights								
C1.8	Should formulate and disclose its ethics policy.	X				<p>Ford Otosan does not tolerate any action in violation of the Code of Conduct and Ethical Rules or relevant policies, or behavior (mobbing, harassment and sexual harassment, etc.), that may endanger the safe and peaceful working environment. The ethics reporting received via the Ethics Line is carefully investigated, and if violation are detected, the necessary sanctions are imposed and corrective measures are implemented.</p> <p>The Ethics Coordinator is tasked with overseeing the implementation of the Whistleblowing Policy to the maximum, evaluating the decisions and actions of the Internal Audit and Ethics Committee, communicating their opinions, requests and suggestions to the Internal Audit and Ethics Committee, and advising the Board of Directors as needed.</p> <p>Ford Otosan's Compliance Program and Disciplinary Committee are other tools deployed to ensure our employees' compliance with company policies and procedures.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar_antetli_calisma-likeleri-ve-etik-kurallari(1).pdf	2024 Integrated Annual Report, <u>Ethics, Transparency, Internal Control and Internal Audit</u>
C1.9	Should disclose initiatives focused on social investment, social responsibility, financial inclusion and access to finance.	X				<p>Ford Otosan works to shape the automotive industry and its future, while focusing on creating social benefit as a key objective with the belief that businesses thrive with their communities. Accordingly, the company follows its Community Investment policy in its activities to contribute widely to social development and discloses its efforts in the Integrated Annual Report.</p>	https://www.fordotosan.com.tr/documents/Politikalar_community-investment-policy_exec_eng.pdf https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>For Community</u>

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C1. Human Rights and Employee Rights								
C1.10	Should organize information meetings and training programs for employees with respect to ESG policies and applications.	X				We regularly share our sustainability principles with our employees through mandatory training and other communications. Through the Ford Otosan Leader Orientation Program, our new and existing leaders are informed about our ESG strategy, policies and practices. The Sustainability Hub conducts department-specific sustainability workshops and training. The internal Sustainability Ambassadors program has been launched to elevate the knowledge levels and skills of Ford Otosan employees on sustainability.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, Value Creation Journey
C2. Stakeholders, International Standards and Initiatives								
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				Within the scope its Customer Satisfaction Management policy, Ford Otosan has declared its commitment to providing its customers with free processes to communicate their problems, offering 24/7 accessible channels to express their opinions, ensuring that their personal information will not be used for purposes other than their intended purposes, and generating effective to the issues they have asked to be resolved.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/musteri_memnuniyeti_politikasi_en.pdf	2024 Integrated Annual Report, Customer Experience and Dealers

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
C. SOCIAL PRINCIPLES								
C2. Stakeholders, International Standards and Initiatives								
C2.2	Should handle stakeholder communications continuously and transparently, and disclose with which stakeholders, for which purposes, on which issues and in which frequency it communicates.	X				<p>With the Integrated Value Creation Model, Ford Otosan focuses on creating value for stakeholder groups in all its activities and seeks their opinions when determining its business strategy.</p> <p>In 2024, we conducted a double materiality assessment to determine Ford Otosan's sustainability strategy with the participation of our stakeholders. The results of this assessment are disclosed in the Integrated Annual Report.</p> <p>Ford Otosan works in collaboration and partnership with various stakeholder groups, including investors, employees, dealers, public institutions, NGOs, and international organizations to create value in the social, environmental and sectoral fields. Dealers and suppliers are included in the corporate social responsibility projects as part of community investments. Appropriate communication methods are determined for each stakeholder group, which are reached as frequently as needed.</p>	https://www.fordotosan.com.tr/en/sustainability-reports	2024 Integrated Annual Report, Stakeholder Communications Chart, Value Creation Journey
C2.3	Should disclose international reporting standards it has adopted.	X					https://www.fordotosan.com.tr/en/sustainability-reports	2024 Integrated Annual Report, About the Report
C2.4	Should disclose the international organizations or principles it has signed or enrolled in.	X					https://www.fordotosan.com.tr/en/sustainability-reports	2024 Integrated Annual Report, About the Report
C2.5	Should concretely endeavor to be included in the Borsa İstanbul Sustainability Index and international sustainability indices.	X				Ford Otosan endeavors to be included in the leading national and global sustainability indices, including Borsa İstanbul, or improve its performance therein, and discloses the indices in which it is listed.	https://www.fordotosan.com.tr/en/sustainability-reports	2024 Integrated Annual Report, About the Report

Sustainability Principles Compliance Statement

KAP TEMPLATE		COMPANY COMPLIANCE STATUS				DISCLOSURE RECOMMENDATIONS & REMARKS FOR FORD OTOSAN, POSSIBLE RESPONSES	RELATED REPORT/LINK	REPORT, SECTION, PAGE NUMBER
		YES	NO	PARTIAL	N/A			
D. CORPORATE GOVERNANCE PRINCIPLES								
D1	Should consult with stakeholders in determination of measures and strategies in sustainability field.	X				In 2024, we conducted a double materiality assessment to determine Ford Otosan's sustainability strategy with the participation of our stakeholders. The methodology, results, and the positive and negative impact of material topics are disclosed in the Integrated Annual Report.	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>Material Topics</u>
D2	Should endeavor to raise awareness on sustainability and the importance thereof through social responsibility projects, awareness activities and trainings.	X				<p>Ford Otosan works in collaboration and partnership with all stakeholder groups, including investors, employees, dealers, public institutions, NGOs, and international organizations to carry out social responsibility projects, awareness raising activities, and training programs to promote the topic of sustainability and its importance.</p> <p>Ford Otosan organizes Leader Webinars to elevate the knowledge levels and skills of its employees on sustainability and runs the Sustainability Ambassadors program. Ford Otosan also hosts a Sustainability Conference and online training sessions for its dealer and supplier business partners, disclosing this information in the Integrated Annual Report.</p>	https://www.fordotosan.com.tr/en/sustainability/sustainability-reports	2024 Integrated Annual Report, <u>Value Chain Management, Customer Experience and Dealers, For Community</u>

Legal Disclosures

A. Capital

Issued/Paid-in Capital:
TL 350,910,000

Registered Capital Ceiling:
TL 500,000,000

B. Shareholder Structure

Shareholders	Group	Number of Shares (%)	Total Amount (TL)	Share in Capital (%)	Type of Privilege	Publicly Traded
Vehbi Koç Foundation	A	288,050,137	2,880,501	0.82%	-	No
Koç Holding Pension and Assistance Foundation	A	325,920,231	3,259,202	0.93%	-	No
Free Float	A	6,278,607,009	62,786,070	17.89%	-	Yes
A GROUP TOTAL		6,892,577,377	68,925,773	19.64%	-	
Koç Holding A.Ş.	B	13,563,130,447	135,631,304	38.65%	Management Privilege	
Temel Ticaret ve Yatırım A.Ş	B	235,588,500	2,355,885	0.67%	Management Privilege	
B GROUP TOTAL		13,798,718,947	137,987,189	39.32%		
Ford Deutschland Engineering GmbH*		14,399,703,676	143,997,037	41.04%	Management Privilege	
C GROUP TOTAL		14,399,703,676	143,997,037	41.04%		
TOTAL		35,091,000,000	350,910,000	100%		

* Ford Deutschland Holding GmbH: 100% owned by Ford Motor Company.
The company does not grant privileged voting rights to any shareholders, while Group B and Group C shares have the privilege to nominate members to the Board of Directors. The relevant conditions are regulated in paragraph 15.3 of the Articles of Incorporation, available on the corporate website.

C. Stock Information

List of Other Exchanges or Organized Markets where the Company's Capital Market Instruments Are Listed or Traded				
Type of Traded Instrument	First Trading Date	Country	Stock Exchange	Market
Stock	13/01/1986	Türkiye	Borsa İstanbul A.Ş.	Star Board – Group 1
Ford Otosan Shares Listed in These Indices:	BIST SUSTAINABILITY / BIST KOCAELİ / BIST METAL PRODUCTS, MACH. / BIST 30 / BIST 50 / BIST 100 / BIST ALL / BIST INDUSTRIALS / BIST STARS / BIST DIVIDEND / BIST DIVIDEND 25 / BIST CORPORATE GOVERNANCE			

D. Organizational Changes Within the Reporting Period

Lisa Katherine King, who was elected to the Board of Directors as member at the Ordinary General Assembly Meeting on March 9, 2023, resigned from this role on January 31, 2024 after she left her position within Ford Motor Company. The resignation was announced on February 1, 2024, with a [material event disclosure](#).

Fahrettin Canalp Gündoğdu, the Innovation and New Initiatives Leader at our company, was appointed as Vehicle Equipment Systems Engineering Leader effective March 1, 2024, and Erhan Köseoğlu, the Transformation Leader at our company, was appointed as Growth and Smart Mobility Business Area Leader effective March 1, 2024. The appointments were announced on February 16, 2024, with a [material event disclosure](#).

Pursuant to the resolution approved at the Ordinary General Assembly Meeting on April 3, 2024 regarding the election of the Board members, the Board roles were assigned at the Board of Directors meeting on April 4, 2024. Accordingly,

Yıldırım Ali Koç was named the Chairman and James Kieran Vincent Cahill the Vice Chairman of the Board of Directors. The appointments were announced on April 4, 2024, with a [material event disclosure](#).

Pursuant to the Capital Markets Board's Corporate Governance Communiqué II-17.1., the Board of Directors resolved to make the following Committee appointments: Fatma Füsun Akkal Bozok and Katja Windt as members in the Audit Committee; Fatma Füsun Akkal Bozok as Chair and Haydar Yenigün, William Richard Periam, Katja Windt and Saibe Gül Ertuğ as members in the Corporate Governance Committee, which is also tasked with the duties of the Nomination Committee; Fatma Füsun Akkal Bozok as Chair and Haydar Yenigün and William Richard Periam as members in the Early Detection and Management of Risk Committee; Fatma Füsun Akkal Bozok as Chair and Haydar Yenigün and James Kieran Vincent Cahill as members in the Remuneration Committee. The appointments were announced on April 4, 2024, with a [material event disclosure](#).

Murat Senir, the Purchasing Leader, retired from his role at the company effective May 31, 2024. It was resolved to merge the Purchasing Leadership and the Material Planning and

Logistics Leadership under the Supply Chain Platform Area Leadership.

It was further resolved to appoint Oya Başak Akyol, the Human Resources & Transformation Platform Area Leader, as Supply Chain Platform Area Leader, and Osman Özdemir as Human Resources & Transformation Platform Leader, both effective May 31, 2024. The decisions were announced on May 10, 2024, with a [material event disclosure](#).

David Joseph Cutbert Johnston, Ford Otosan Leader – Battery and Partnerships, left his position in the company effective June 30, 2024 due to organizational changes within Ford Motor Company. The organizational change was announced on June 27, 2024 with a [material event disclosure](#).

The Board of Directors announced that William Richard Periam, who was elected to the Board of Directors at the Ordinary General Assembly on April 3, 2024 had resigned from this role and David Joseph Cuthbert Johnston was appointed to the vacated membership to serve until the next General Assembly. The decision was announced on October 2, 2024, with a [material event disclosure](#).

Legal Disclosures

E. Material Developments in Company Operations

Lawsuits with Material Impact on the Company's Financial Position and Activities and Their Potential Consequences

No lawsuits that could materially affect the company's financial position and activities, including environmental, social and corporate governance practices, were filed against the Company within the reporting period.

Some Legislative Changes with Material Impact on the Company's Activities

There were no legislative changes within the reporting period that could materially impact the company's activities.

Information on the transactions of the Members of the Board of Directors with the Company on behalf of themselves or others and their activities subject to the Competition Ban

No such transaction has taken place.

Information on Special Audits and Public Audits within the Reporting Period

The right to request a Special Auditor is regulated by Article 438 of the Turkish Commercial Code. The article stipulates that every shareholder may request the General Assembly to clarify certain events – even if they are not included in the agenda – by way of a special audit, if doing so is necessary for exercising shareholders' rights, provided that the right to obtain information or review has been previously exercised. If the General approves such a request, the company or any shareholder may file an application with the Commercial Court of the First Instance in the district of the company's head office within thirty days to appoint a special auditor. Shareholders have not put in such a request within the statutory timeframe. Furthermore, the company has not undergone any public audits within the reporting period.

Conflicts of Interest Between the Company and Service Providers

The company does not procure investment consultancy services from any firm. There has been no conflict of interest with the rating services firm.

Amendments to the Articles of Incorporation within the reporting period

There were no amendments to the Articles of Incorporation in 2024.

Disclosure Regarding Application to CMB for Capital Increase With Bonus Shares

The Board of Directors resolved to increase the company's issued capital from TL 350,910,000 TL to TL 3,158,190,000 TL (900%) to 3,509,100,000 TL and to distribute the amount of TL 3,158,190,000 TL to be used in the capital increase in bonus shares to the shareholders in proportion to their shares on the increase date. The resolutions were announced on PDP with material event disclosure on **November 19, 2024** and **November 27, 2024**. Once the certified public accountant certified and reported that the TL 3,158,190,000 added to the capital on **January 15, 2025** was transferred from the relevant accounts under the company's capital account and the capital increase transaction was completed, an application was filed with the CMB for approval of the issuance document regarding the shares representing the increased capital of TL 3,158,190,000 and positive opinion on the amended form of the article on capital in the articles of incorporation.

Information on Subsidiaries and Affiliates with more than 5% Direct Equity

Gembox Teknoloji Girişimleri A.Ş. was established with 100% Ford Otosan capital to carry out research, development, consultancy, engineering and incubation activities and invest in companies and startups operating in these areas. Ford Otosan Netherlands BV was founded with 100% Ford Otosan capital for the management of the Company's Ford Trucks operations' export market organization.

Rakun Mobilite A.Ş. was established with %100 Ford Otosan capital to develop and sell mobility products, technologies and solutions. The capital of Rakun Mobilite A.Ş. was increased from TL 47,5000,000 to TL 140,000,000 on November 14, 2024.

Investments in subsidiaries as of December 31, 2024 are listed below:

	31 Aralık 2024		December 31, 2023	
Investments in Subsidiaries	Ownership Ratio (%)	Amount	Ownership Ratio (%)	Amount
Rakun Mobilite A.Ş.	100	235,579	100	94,139
Gembox Teknoloji Girişimleri Anonim Şirketi	100	159,930	100	86,966
		395,509		181,105

These investments are carried at cost and are not included within the scope of consolidation since their financial statements do not have material impact on the financial statements of the Company.

Report on Related Party Transactions For 2024

Ford Otomotiv Sanayi A.Ş. Board Of Directors’ 2024 Report on Related Party Transactions Prepared Per Article 199 of The Turkish Commercial Code Conclusion

CONCLUSION

Pursuant to Article 199 of the Turkish Commercial Code no. 6102 (“TCC”), enacted on July 1, 2012, Ford Otomotiv Sanayi A.Ş. Board of Directors is obligated to annually prepare an affiliation report stating the relationship between the company and the parent company and other subsidiaries of that parent company in the first quarter of the year. The necessary explanations about all of the transactions of Ford Otomotiv Sanayi A.Ş., made with the relevant parties, are cited in note 27 to the financial statements.

The Report prepared by Ford Otomotiv Sanayi A.Ş. Board of Directors on February 17, 2025 states, “In all transactions made between Ford Otomotiv Sanayi A.Ş. and the parent company and other subsidiaries of that parent company in 2024, it has been concluded that, in the event that the transactions were made, or the measures were taken or not taken, a counter action was applied to each transaction. There were no measures taken or not taken that caused losses to the company, and there were no transactions made or measures taken that required compensation within this frame.”

To access the Related Party Transactions Report, which provides information on the common and continuous transactions specified in CMB’s Corporate Governance Communiqué, please click [here](#).

Statement of Responsibility

STATEMENT OF RESPONSIBILITY PREPARED PER CMB'S FINANCIAL REPORTING COMMUNIQUE SERIES NO: II-14.1., ARTICLE 9

BOARD OF DIRECTOR'S RESOLUTION REGARDING THE ANNUAL REPORT RESOLUTION DATE: 04/03/2025 RESOLUTION NUMBER: 2025/07

As per CMB regulations; attached Integrated Annual Report for 2024 , prepared by Company management and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. that has been prepared under Turkish Code of Commerce and CMB's Communiqué Series No: II.14.1 "Communiqué On Principles of Financial Reporting in Capital Markets" ("Communiqué")

Within the framework of the information we have in our field of duty and responsibility in our company, Integrated Annual Report for 2024 which includes The Corporate Governance Compliance Report and the Corporate Governance Information Form and the explanations within the scope of the CMB's Sustainability Principles Compliance Framework;

- Has been analyzed,
- To the best of our knowledge and in line with our Company roles and responsibilities, in all material respects, does not contain any untrue representations or any omissions that would lead to misleading conclusions as at disclosure date,
- To the best of our knowledge and in line with our Company roles and responsibilities, the bilgilerinize sunar, yapılan açıklamalardan dolayı sorumlu olduğumuzu beyan ederiz.

Integrated Annual report prepared in line with the Communiqué, fairly reflect the Company's progress and performance, financial position and possible significant risk and uncertainty, and we hereby represent and state that we are responsible over the disclosures.

Best Regards,

FORD OTOMOTİV SANAYİ A.Ş.

Fatma Füsun Akkal Bozok
Audit Committee Member

Katja Windt
Audit Committee Member

Saibe Gül Ertuğ
Finance and Accounting Leader- CFO

Declaration of Independence

I hereby declare that I am a candidate for independent board membership at the Board of Directors of **Ford Otomotiv Sanayi A.Ş.** (“Company”) under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board’s (“CMB”) Communique on Corporate Governance, except for the criteria of “qualifying as a Turkish resident under the Income Tax Law. In that regard I also confirm that;

1. In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.

2. In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,

3. My CV indicates that I have skills, knowledge and expertise relevant to the Company’s business and extensive experience to fulfill my duties as an independent board member,

4. After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,

5. I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

6. I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,

7. In the last 10 years, I have not served as the Independent Board Member of Ford Otomotiv Sanayi A.Ş. more than 6 years.

8. I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.

9. I am not registered in the name of any legal entity elected as a board member.

Katja Windt

Declaration of Independence

I hereby declare that I am a candidate to serve as an ‘independent member’ on the Board of Directors of **Ford Otomotiv Sanayi A.Ş.** (‘Company’) within the scope of the criteria set forth in the legislation, articles of association and the Capital Markets Board’s (‘CMB’) Corporate Governance Communiqué; In that regard I also confirm that;

1. In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.

2. In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,

3. My CV indicates that I have skills, knowledge and expertise relevant to the Company’s business and extensive experience to fulfill my duties as an independent board member,

4. After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,

5. I am regarded as a resident in Turkey according to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193,

6. I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

7. I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,

8. In the last 10 years, I have not served as the Independent Board Member of Ford Otomotiv Sanayi A.Ş. more than 6 years.

9. I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.

10. I am not registered in the name of any legal entity elected as a board member.

Umran Savaş İnan



FINANCIAL STATEMENTS

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AT 1 JANUARY - 31 DECEMBER 2024 TOGETHER WITH AUDITOR'S REVIEW REPORT (ORIGINALLY ISSUED IN TURKISH)



Shape the future
with confidence

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To the General Assembly of Ford Otomotiv Sanayi A.Ş.,

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Ford Otomotiv Sanayi Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Emphasis of Matter

We draw your attention to Note 27 of the accompanying consolidated financial statements, where the Company's revenue and trade receivables are disclosed. As of December 31, 2024, 80% of the revenue (31 December 2023: 75%) is made to related parties and accordingly, 65% of the trade receivables (31 December 2023: 55%) consist of trade receivables from related parties. Our opinion is not modified in respect of this matter.

4) Other Matter

The consolidated financial statements of the Group prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") as of December 31, 2023, were audited by another audit firm whose independent auditor's report thereon dated March 5, 2024 expressed an unqualified opinion.

5) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report



Key Audit Matter	Audit procedures in relation to key audit matter	Recoverability of trade receivables	
Application of TAS 29 financial reporting in hyperinflationary economies <p>As noted in footnote 2.1, the Group continues to apply the "TAS 29 Financial Reporting in Hyperinflationary Economies" standard since the Group's functional currency is considered as the high-inflation economy currency as of December 31, 2024.</p> <p>In accordance with TAS 29, the financial statements and the comparative financial information for prior periods have been restated to reflect the changes in the general purchasing power of the Turkish Lira, and as a result, are presented in terms of the purchasing power of the Turkish Lira at the reporting date.</p> <p>In accordance with TAS 29, the Group used Turkish consumer price indices to prepare inflation-sensitive financial statements. The principles applied for inflation adjustment are explained in footnote 2.1.</p> <p>Given the significant impact of TAS 29 on the Group's reported results and financial position, hyperinflation accounting was considered a key audit matter.</p>	<p>During our audit, the following audit procedures were applied with respect to the implementation of TAS 29 "Financial Reporting in Hyperinflationary Economies":</p> <p>Verification that the classification of monetary and non-monetary items by the Company's management was performed in accordance with TAS 29,</p> <ul style="list-style-type: none"> - Obtaining detailed listings of nonmonetary items and performing samplebased testing to ensure that the historical costs and purchase dates were accurately included in the calculations by cross-referencing with supporting documentation, - Checking the indexation factors used in the calculations against the coefficients derived from the Consumer Price Index published by the Turkish Statistical Institute (TSI), - Checking the financial statements and related financial information prepared in accordance with TMS 29 - Assessing the completeness of the disclosures in the financial statement notes regarding the application of TAS 29. 	<p>Trade receivables are considered as a significant balance sheet item since they represent 21% of total assets in the statement of financial position. Furthermore, the collectability of trade receivables is a significant item of the Group's credit risk and working capital management and includes significant judgments and estimates of management.</p> <p>As of December 31, 2024, there is impairment amounting to TL 520.609 thousand on trade receivables amounting to TL 68.227.262 thousand in the statement of financial position.</p> <p>Determining the collection risk and provision for trade receivables or determining whether a specific trade receivable is collectible requires significant management judgment. In this regard, the Group management evaluates the aging of trade receivables, examination of ongoing litigation risks by receiving letters from company lawyers, guarantees received within the scope of credit risk management and the qualities of such guarantees, collection performances in the current period and the period after the balance sheet date, as well as all other information.</p> <p>The Company has adopted TFRS 9 "Financial Instruments" standard as of January 1, 2018 and as of this date, expected credit losses for financial assets are recognized in the financial statements in accordance with the related standard.</p> <p>Due to the size of the amounts and the reasoning required in the assessment of collectability of trade receivables and TFRS 9's applications are complex and comprehensive; the existence and collectability of trade receivables are considered as the key audit matter.</p> <p>Explanations on trade receivables are disclosed in Note 2.4 and 7.</p>	<p>The following procedures have been applied to audit the amount of provision for trade receivables:</p> <ul style="list-style-type: none"> - Evaluation of the Company's trade receivable process related to collections, - Analytical analysis of the receivable aging tables and comparison of the trade receivable collection ratio with the previous year, - Testing of trade receivable balances by sending confirmation letters via sample, - Testing of subsequent collections made in the following period by sampling method, - Testing of the collaterals received for the receivables through sampling and evaluating of the convertible ability of cash, - Evaluation of the compliance of the accounting policies applied to TFRS 9, the Company's past history performance, local and global practices, - Investigation of disputes and lawsuits related to receivables for the purpose of checking the appropriateness of specific provisions for trade receivables, and obtaining confirmation letter regarding the proceedings from legal counsel, - Evaluation of the adequacy of disclosures on impairment of trade receivables and trade receivables to TFRS.

Independent Auditor's Report



Cash Flow Hedge Accounting		Deferred tax assets recognized under investment incentives	
<p>Based on the manufacturing agreements with Ford Motor Company, the Group associates' sales of specific models of commercial vehicles subject to export by the end of 2031 with long term loans denominated in Euros and borrowed for investments related to the manufacturing of such vehicles.</p> <p>Sales subject to the agreement are denominated in Euro and are affected by TRY/EUR exchange rate fluctuations. The Group hedges the foreign exchange rate risk against borrowings obtained in the Euro currency. Vehicle profit margins and sales volumes, which are the basis of the forward budget estimates used by the Group, affect cash flow risk hedge accounting.</p> <p>The cash flow hedge losses classified under equity as of December 31, 2024 amount to TL 24.833.723 thousand. This amount is material in terms of the consolidated financial statements. Cash flow hedge accounting is structurally complex, and its audit requires professional expertise. Calculation and recognition mistakes that might occur related to this subject could significantly affect the consolidated financial statements. Calculations made when testing the effectiveness of the Group's cash flow hedges consider important judgments and management estimations such as vehicle profits and sales volumes.</p> <p>Therefore, cash flow hedge accounting is a key matter for our audit.</p>	<p>The following procedures have been applied to audit the amount of cash flow hedge accounting:</p> <ul style="list-style-type: none"> - We understood the recognition process of cash flow hedge transactions. - With the support of our internal experts, we tested the official definition and documentation of the risk management target and strategy, which causes the Group to hedge against cash flow risk, and vehicle profit margins and sales amounts, which are the basis of the forward looking budget estimates used in the efficiency test, by comparing them with past performance and independent data sources. - We checked the recovery probability of the Group's future revenues for the loans that form the basis of cash flow hedging by comparing it with performance in previous years. - We checked the sales numbers and prices of the vehicles subject to the cash flow hedge by comparing them with the budget approved by management. - We reviewed repayment plans for the borrowings denominated in Euros by reviewing the loan agreements and obtaining bank confirmations. - We checked to what extent monthly borrowing payments cover monthly sales. - We assessed the sufficiency of the consolidated financial statement disclosures related to the cash flow hedge accounting in terms of TFRS. 	<p>The Company has received investment incentive certificates within the scope of "Council of Ministers Decision on State Aid in Investments".</p> <p>As of December 31, 2024, deferred tax asset amounting to TL 26.134.839 thousand in the current period has been capitalized. As of December 31, 2024, the management of the Company recognized the deferred tax asset on the assumption that all of the expenses incurred within the scope of the investment incentive certificate will be accepted in the closing visa of the related investment incentives.</p> <p>Since, the extent to which such assets will be accounted for depends on the Company's significant estimate and assumptions, deferred tax assets recognized related with investment incentive are considered as a key audit matter.</p> <p>Explanations on deferred tax assets are disclosed in Note 2.4 and 25.</p>	<p>The following procedures have been applied to audit the amount of deferred tax assets recognized under investment incentives:</p> <ul style="list-style-type: none"> - During the audit of deferred tax assets recognised related with investment incentive, the tax experts of another firm in our audit network were involved. The measurement of the related deferred tax assets was made for the review and evaluation by those tax experts. - The taxable profit estimates based on business plans approved by the management have been questioned for the recoverability of the related deferred tax asset. - Within the scope of our audit, the key assumptions used by the Company management in the business plans related to the subject have been examined and its reasonableness has been evaluated. - The amounts of investment expenditures within the current period that constitute the basis of deferred tax asset calculations are verified by accounting records. - In addition, the disclosures in the notes to the financial statements are evaluated in accordance with TAS 12.

Independent Auditor's Report

6) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

7) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 17 February 2025.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2024 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Ferzan Ülgen.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ferzan Ülgen, SMMM
Partner

17 February 2025
Istanbul, Turkey

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

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Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

	Notes	Current period audited 31 December 2024	Previous period audited 31 December 2023
Assets			
Current assets		153,968,320	148,595,390
Cash and cash equivalents	4	22,330,114	21,980,984
Trade receivables			
- Due from related parties	27	44,379,203	36,466,844
- Due from third parties	7	23,847,312	29,355,092
Other receivables			
- Due from related parties	27	2,886,661	1,724,132
- Due from third parties	8	113,457	293,417
Assets arising from customer contracts	35	154,518	1,635,349
Inventories	9	39,938,955	42,378,541
Prepaid expenses	12	4,470,895	2,776,750
Derivative financial instruments	28,29	-	43,819
Other current assets	16	15,847,205	11,940,462
Non-current assets		172,801,844	164,717,188
Financial investments	5	558,853	502,474
Trade receivables			
- Due from third parties	7	747	24,098
Other receivables			
- Due from related parties	27	17,141,045	14,258,290
Property, plant and equipment	10	97,281,991	82,581,132
Intangible assets			
- Other intangible assets	11	20,914,993	25,929,104
- Goodwill	923,477	1,182,549	
Right of use assets	32	2,074,127	1,408,560
Prepaid expenses	12	11,563,503	19,347,576
Deferred tax assets	25	21,589,248	18,788,566
Investments in subsidiaries, joint ventures and affiliated companies	34	395,509	181,105
Derivative financial instruments	28,29	358,351	513,734
Total assets		326,770,164	313,312,578

Consolidated financial statements for the period ended 1 January - 31 December 2024 were approved for issue by the Board of Directors on 17 February 2025. Consolidated financial statements will be finalized after the approval at the General Assembly.

The accompanying notes form an integral part of these consolidated financial statements.

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

	Notes	Current period audited 31 December 2024	Previous period audited 31 December 2023
Liabilities			
Current liabilities		123,401,142	135,909,592
Short-term borrowings			
- Bank borrowings	6	16,501,009	28,361,037
Short-term portion of long-term borrowings			
- Bank borrowings	6	19,696,230	20,424,089
- Issued debt instruments	6	1,205,836	-
- Lease liabilities	6	334,068	251,547
- Short-term portions of other long-term debts	6	7,120,434	-
Trade payables			
- Due to related parties	27	15,615,769	14,220,169
- Due to third parties	7	50,533,088	61,672,711
Other payables			
- Due to related parties	27	515,380	903,260
- Due to third parties	8	1,406,991	1,448,950
Deferred income	31	4,083,453	845,187
Short-term provisions			
- Other short-term provisions	13	2,471,882	1,839,055
Employee benefit liabilities	15	3,421,520	5,837,021
Current tax liabilities	25	495,482	106,566
Non-current liabilities		88,145,534	71,995,422
Long-term borrowings			
- Bank borrowings	6	55,807,753	43,950,076
- Issued debt instruments	6	16,609,899	-
- Lease liabilities	6	1,339,961	996,414
- Other long-term debts	6	5,141,481	15,391,196
Long-term provisions			
- Provision for employment termination benefits	15	2,269,748	2,660,971
- Other long-term provisions	13	2,055,418	1,985,128
Deferred income	31	3,443,888	5,427,344
Deferred tax liabilities	25	1,311,878	1,348,677
Derivative financial liabilities	28,29	165,508	235,616
Equity	17	115,223,488	105,407,564
Paid-in capital		350,910	350,910
Inflation adjustments on capital		8,559,919	8,559,919
Share premium		8	8
Other comprehensive income/(loss) not to be reclassified under profit or loss			
- Losses on remeasurements of defined benefit plans		(2,396,406)	(1,928,428)
Other comprehensive income/(loss) to be reclassified in profit or loss			
- Gains from financial assets measured at fair value through other comprehensive income		201,709	162,825
- Losses on cash flow hedges		(24,833,723)	(26,999,559)
- Exchange differences on translation		(8,146,211)	(891,688)
Restricted reserves		9,283,317	8,493,002
Retained earnings		93,340,399	46,834,490
Net profit for the period		38,863,566	70,826,085
Total liabilities and equity		326,770,164	313,312,578

The accompanying notes form an integral part of these consolidated financial statements.

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

The accompanying notes form an integral part of these consolidated financial statements.

	Notes	Current period audited 31 December 2024	Previous period audited 31 December 2023
Continuing operations			
Revenue	18	594,995,138	594,705,176
Cost of sales (-)	18	(540,390,710)	(514,938,796)
Gross profit		54,604,428	79,766,380
Marketing expenses (-)	19	(10,479,845)	(9,910,037)
General administrative expenses (-)	19	(8,799,018)	(9,282,832)
Research and development expenses (-)	19	(6,170,064)	(7,664,912)
Other income from operating activities	21	12,818,008	22,889,377
Other expenses from operating activities (-)	21	(12,989,018)	(12,246,901)
Profit from operating activities		28,984,491	63,551,075
Income from investing activities	30	6,934,094	4,149,642
Expenses from investing activities (-)	30	(609,654)	(106,949)
Operating income before financial income/(expense)		35,308,931	67,593,768
Financial income	22	14,357,203	21,624,626
Financial expenses (-)	23	(35,349,681)	(43,205,414)
Net monetary position gains	24	22,690,782	22,463,573
Profit from continuing operations before tax		37,007,235	68,476,553
Tax income/(expense) from continuing operations		1,856,331	2,349,532
Tax expenses for the period (-)	25	(1,257,689)	(3,955,882)
Deferred tax income	25	3,114,020	6,305,414
Profit for the period		38,863,566	70,826,085
Earnings per share with a nominal value Kr	26	110.75 Kr	201.84 Kr

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

The accompanying notes form an integral part of these consolidated financial statements.

	Notes	Current period audited 31 December 2024	Previous period audited 31 December 2023
Profit for the period		38,863,566	70,826,085
Other comprehensive income/(expense)			
Not to be reclassified to profit or loss			
(Losses)/gains on remeasurements of defined benefit plans	15	(623,971)	150,802
Other comprehensive income taxes not to be reclassified to profit or loss			
Taxes relating to remeasurements of defined benefit plans	17,25	155,993	(30,161)
To be reclassified to profit or loss			
Gains/(losses) from financial assets measured at fair value through other comprehensive income	17	44,439	19,257
Taxes relating to cash flow hedges	17,29	2,887,781	(18,556,320)
Currency translation differences	17	(7,254,523)	(955,989)
Other comprehensive income taxes to be reclassified to profit or loss			
Taxes relating to gains/(losses) from financial assets measured at fair value through other comprehensive income	17,25	(5,555)	(963)
Taxes relating to cash flow hedges	17,25	(721,945)	5,969,246
Other comprehensive loss		(5,517,781)	(13,404,128)
Total comprehensive income		33,345,785	57,421,957

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FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

The accompanying notes form an integral part of these consolidated financial statements.

	Other comprehensive income not to be reclassified in profit or loss				Other comprehensive income to be reclassified						
	Paid in capital	Inflation adjustments on capital	Share premium	Losses on remeasurements of defined benefit plans	Gains from financial assets measured at fair value through other comprehensive income	Gain/ (losses) on cash flow hedges	Exchange differences on translation	Restricted reserves	Accumulated profit		Total equity
									Retained earnings	Net profit for the period	
Balances at 1 January 2023	350,910	8,559,919	8	(2,049,069)	144,531	(14,412,485)	64,301	7,744,838	33,398,647	40,036,191	73,837,791
Profit for the period	-	-	-	-	-	-	-	-	-	70,826,085	70,826,085
Other comprehensive income/(loss)	-	-	-	120,641	18,294	(12,587,074)	(955,989)	-	-	-	(13,404,128)
Total comprehensive income	-	-	-	120,641	18,294	(12,587,074)	(955,989)	-	-	70,826,085	57,421,957
Transfers	-	-	-	-	-	-	-	-	40,036,191	(40,036,191)	-
Dividends	-	-	-	-	-	-	-	748,164	(26,600,348)	-	(25,852,184)
Balances at 31 December 2023	350,910	8,559,919	8	(1,928,428)	162,825	(26,999,559)	(891,688)	8,493,002	46,834,490	70,826,085	105,407,564
Balances at 1 January 2024	350,910	8,559,919	8	(1,928,428)	162,825	(26,999,559)	(891,688)	8,493,002	46,834,490	70,826,085	105,407,564
Profit for the period	-	-	-	-	-	-	-	-	-	38,863,566	38,863,566
Other comprehensive income/(loss)	-	-	-	(467,978)	38,884	2,165,836	(7,254,523)	-	-	-	(5,517,781)
Total comprehensive income	-	-	-	(467,978)	38,884	2,165,836	(7,254,523)	-	-	38,863,566	33,345,785
Transfers	-	-	-	-	-	-	-	-	70,826,085	(70,826,085)	-
Dividends	-	-	-	-	-	-	-	790,315	(24,320,176)	-	(23,529,861)
Balances at 31 December 2024	350,910	8,559,919	8	(2,396,406)	201,709	(24,833,723)	(8,146,211)	9,283,317	93,340,399	38,863,566	115,223,488

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FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

		Current period audited	Previous period audited
	Notes	31 December 2024	31 December 2023
Cash flows generated from/(used in) operating activities		33,608,162	72,268,433
Net profit for the period		38,863,566	70,826,085
Adjustments to reconcile profit or loss		11,051,974	15,395,526
Adjustments for depreciation and amortisation expense	10,11,32	10,712,444	8,756,155
Adjustments for impairment loss of inventories	9	707,828	16,495
Adjustments for provisions related with employee benefits		726,076	619,429
Adjustments for lawsuit and/or penalty provisions	13	204,990	135,923
Adjustments for warranty provisions	13	3,905,867	4,013,098
Adjustments for other provisions		224,811	426,301
Adjustments for dividend income	27,30	(5,129)	-
Adjustments for interest income	22	(4,325,415)	(4,731,989)
Adjustments for interest expense	23	12,381,344	8,145,707
Adjustments for tax expenses	25	(1,856,331)	(2,349,532)
Adjustments for unearned financing income	21	(8,006,975)	(5,790,489)
Adjustments for deferred financing expense	21	10,441,783	7,298,833
Adjustments for loss on sales of property, plant and equipment	30	576,349	93,200
Unrealized foreign currency translation differences		2,823,759	(1,500,298)
Other adjustments for which cash effects are investing or financing cash flow		13,434,101	15,352,766
Monetary (gain)/loss adjustments		(30,893,528)	(15,090,073)
Changes in working capital		(10,227,621)	(7,245,315)
(Increase) / decrease in trade receivable		(2,341,951)	(4,965,536)
(Increase) / decrease in inventories		1,731,282	(8,793,588)
(Increase) / decrease in prepaid expenses		(1,577,834)	220,835
Increase / (decreases) in trade payable		(9,704,329)	4,608,853
(Increase) / decrease in other assets		3,453,588	(4,319,670)
Increase / (decrease) in other liabilities		(1,788,377)	6,003,791
Cash flows used in investing activities		39,687,919	78,976,296
Interest paid		(9,544,062)	(6,643,242)
Interest received		8,905,935	5,357,317
Payments related with provisions for employee benefits	15	(1,142,135)	(906,985)
Payments related with other provisions	13	(3,430,722)	(2,054,781)
Taxes paid	25	(868,773)	(2,460,172)
Cash flows used in investing activities		(32,539,073)	(46,304,601)
Proceeds from sales of property, plant and equipment		884,392	1,278,229
Purchase of property, plant and equipment	10	(36,753,720)	(38,611,938)
Purchase of intangible assets	11	(4,128,232)	(7,676,715)
Cash advances given and payables		7,667,762	(1,208,459)
Dividend income received	27,30	5,129	-
Cash outflows from capital increase/share purchase of subsidiaries		(214,404)	(85,718)
Cash flows (used in)/generated from financing activities		8,245,231	(11,626,190)
Proceeds from borrowings	6	81,057,420	42,965,986
Cash outflows related to borrowings	6	(40,159,496)	(26,631,350)
Dividends paid		(23,529,861)	(25,852,184)
Interest paid		(12,791,615)	(6,504,340)
Interest received		4,361,596	4,699,740
Cash outflows on debt payments from leasing agreements	6	(692,813)	(304,042)
Net (decrease) / increase in cash and cash equivalents before the effect of currency translation differences		9,314,320	14,337,642
Monetary (loss) on cash and cash equivalents		(8,973,680)	(17,173,520)
Effect of foreign currency translation differences on cash and cash equivalents		44,671	721,966
Net (decrease)/increase in cash and cash equivalents		385,311	(2,113,912)
Cash and cash equivalents at the beginning of the period		21,936,638	24,050,550
Cash and cash equivalents at the end of the period	4	22,321,949	21,936,638

The accompanying notes form an integral part of these consolidated financial statements.

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

1. ORGANIZATION AND NATURE OF THE OPERATIONS FOR THE YEAR ENDED 1 JANUARY - 31 DECEMBER 2024

Ford Otomotiv Sanayi A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") is incorporated and manufactures, assembles and sells motor vehicles, primarily commercial vehicles, imports and sells passenger cars and manufactures and imports and sells spare parts of those vehicles. The company was established in 1959 and currently operates under the joint management and control of Koç Group and Ford Group companies. The Company is listed on the Borsa İstanbul ("BIST") where 17.89% of its shares are currently quoted. The registered office address of the Company is Akpınar Mahalas, Hasan Basri Cad. No: 2 Sancaktepe, İstanbul.

In its Kocaeli compound, the Company has a Gölcük plant in which the 2 tons of commercial vehicles are manufactured and a Yanika plant in which the 1 tons of commercial vehicle is manufactured and in its Eskişehir Inonu compound; a Ford Trucks truck and engines and powertrain plant which manufactures for trucks and Transit vehicles and Romania Craiova factory in which produces Puma and EcoSport model vehicles and EcoBoost engines. Holding activities related to foreign structuring are carried out in the partnership of the Company with Ford Otosan Netherlands BV in the Netherlands.

Additionally, the Group has a spare part distribution warehouse, sales and marketing departments and a research and development (R&D) centre located in Sancaktepe, İstanbul.

The number of the personnel employed with respect to categories by the Group as of period ends are as follows:

	Average		Period End	
	2024	2023	2024 December	2023 December
Hourly	19,433	17,558	20,579	18,363
Salaried	5,158	4,881	5,139	5,338
	24,591	22,439	25,718	23,701

Research and development operations which are also subject to service export is conducted with, in totally 2,381 employees as of 31 December 2024 (31 December 2023: 2,298).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The Company maintain its legal books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation.

The financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676.

The consolidated financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on July 3, 2024 and the Financial Statement Samples and User Guide published by the CMB.

Subsidiaries operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations applicable in the countries in which they operate. The consolidated financial statements have been prepared on the historical cost basis, except for the revaluations arising from the differences between the book value and the fair value of the derivative instruments and financial investments that are expressed at fair value.

Financial reporting in hyperinflationary economy

In accordance with the decision numbered 81/1820 dated December 28, 2023 by the Capital Markets Board of Turkey (CMB), it has been decided to apply inflation accounting by applying the provisions of TAS 29 starting from the annual financial reports of issuers subject to the financial reporting regulations applying Turkish Accounting/Financial Reporting Standards and capital market institutions for the fiscal periods ending December 31, 2023. The Group has prepared its consolidated financial statements for the year ended December 31, 2024 in accordance with the provisions of TAS 29 "Financial Reporting in Hyperinflation Economies," based on the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, and the "Implementation Guide on Financial Reporting in Hyperinflation Economies" published by POA. According to this standard, financial statements prepared in the currency of a high inflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date and comparative information of the previous period financial statements is also presented in the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Group has presented its consolidated financial statements as of December 31, 2023 based on the purchasing power as of December 31, 2024.

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

The adjustments made in accordance with TAS 29 were made using the adjustment coefficients derived from the Consumer Price Index ("CPI") published by the Turkish Statistical Institute ("TSI"). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of consolidated financial statements are as follows:

Date	Index	Correction Coefficient	Three-Year Compound Inflation Rate
31 December 2024	2,684.55	1,00000	291%
31 December 2023	1,859.38	1,44379	268%
31 December 2022	1,128.45	2,37897	156%

The main elements of the adjustment process carried out by the Group for financial reporting in hyperinflation economies are as follows:

- Consolidated financial statements for the current period prepared in Turkish Lira (TRY) are stated in terms of the purchasing power at the balance sheet date, and the amounts for previous reporting periods are also adjusted to reflect the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already stated in terms of the current purchasing power at the balance sheet date. When the inflation-adjusted values of non-monetary items exceed their recoverable amounts or net realizable values, the provisions of TAS 36 and TAS 2 are applied accordingly.
- Non-monetary assets and liabilities, as well as equity items not stated in terms of the current purchasing power at the balance sheet date, are adjusted using the respective adjustment coefficients.
- All items in the comprehensive income statement, excluding those affecting

non-monetary items in the balance sheet, have been indexed using coefficients calculated based on the periods in which income and expense accounts were initially recognized in the financial statements. The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position gains/(losses) account in the income statement (Note 24).

Functional Currency and Financial Statement Presentation Currency

Each item in the financial statements of the companies within the group is accounted for using the currency that is functional in the basic economic environment in which the companies operate ("functional currency"). Consolidated financial statements are represented in Ford Otomotiv San. A.Ş.'s current financial statement presentation currency of the Group, Turkish Lira.

Financial Statements of Subsidiaries Operating in Foreign Countries

Financial statements of Subsidiaries operating in foreign countries have been prepared in accordance with TAS/IFRS published by POA, reflecting the necessary adjustments and classifications in order to make the correct presentation. The assets and liabilities of the related foreign partnerships are translated into Turkish Lira using the foreign exchange rate, income and expense average exchange rate at the balance sheet date. Currency differences resulting from the use of closing and average exchange rates are accounted for under the foreign currency translation differences item in shareholders' equity. Indexation was made to bring income and expenses to the purchasing power of the end of the current period.

Consolidation Principles

- Consolidated financial statements are prepared by the parent company Ford Otomotiv San. A.Ş. and its Subsidiaries, prepared according to the principles set forth in items (b) to (d) below. During the preparation of the financial statements of the companies included in the consolidation, necessary adjustments and classifications were made in terms of compliance with the TAS/IFRS, which was put into effect by the POA in accordance with the provisions of the Communiqué Serial II, No. 14.1, and compliance with the accounting policies and presentation formats applied by the Group.
- Subsidiaries, Ford Otomotiv San. A.Ş. means companies in which it is exposed to or has rights to variable returns due to its relationship with the investee, and over which it has control because it has the ability to affect these returns through its power over the investee.
- Subsidiaries are included in the scope of consolidation from the date on which control over their operations is transferred to the Group and are excluded from the scope of consolidation on the date that control ceases. Financial position statements and profit or loss statements of Subsidiaries are consolidated using the full

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FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Consolidation Principles (Continued)

consolidation method and Ford Otomotiv San. A.Ş.’s registered values and shareholders’ equity of the Subsidiaries are mutually offset. Intra-group transactions and balances between the Group and Subsidiaries are deducted during consolidation. The book values of the shares owned by the Group and the dividends arising from them have been netted off from the related equity and profit or loss statement accounts.

As of 31 December 2024, and 31 December 2023, Ford Otomotiv San. A.Ş.’s direct and indirect voting rights and effective shareholding ratios (%) and functional currencies according to the countries of operation are shown below:

	Functional currency	31 December 2024		31 December 2023	
		Suffrage	Effective Partnership rate	Suffrage	Effective Partnership rate
Ford Romania SRL	Romanian Leu	100.00	100.00	100.00	100.00
Ford Otosan Netherlands BV	EUR	100.00	100.00	100.00	100.00

- (d) Financial assets at fair value through other comprehensive income for which the Group has less than 20% of the total voting rights or for which the Group has no significant influence and which have quoted market prices in active markets and whose fair value can be reliably calculated. are reflected in the consolidated financial statements at their fair values.

Going concern

The consolidated financial statements of the Group are prepared on the basis of a going concern assumption.

Comparatives of prior periods’ financial statements

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The statement of financial

position of the Group at 31 December 2024 has been provided with the comparative financial information of 31 December 2023 and the statement of profit or loss, the statement of other comprehensive income, the statement of cash flows and the statement of changes in equity for the year-end period between 1 January - 31 December 2024 have been provided with the comparative financial information, for the period between 1 January - 31 December 2023.

2.2 Amendments and interpretations in the standards

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

a. Standards, amendments, and interpretations applicable as of 31 December 2024:

- **Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. This change has no impact on the financial position and performance of the Group.

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FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Amendments and interpretations in the standards (Continued)

The new standards, amendments and interpretations (Continued)

a. Standards, amendments, and interpretations applicable as of 31 December 2024 (Continued)

• Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. This change has no impact on the financial position and performance of the Group.

• Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.

The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. This change has no impact on the financial position and performance of the Group.

b. Standards issued but not yet effective and not early adopted;

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

• Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. This change has no impact on the financial position and performance of the Group.

• TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

• Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to

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FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Amendments and interpretations in the standards (Continued)

The new standards, amendments and interpretations (Continued)

b. Standards issued but not yet effective and not early adopted (Continued)

affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

c. The amendments which are effective immediately upon issuance

• Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. Its impact has been evaluated and reflected in the financial statements.

d. The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IFRS 9 and IFRS 7, Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will

make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

• Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

• Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.*
- *IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.*
- *IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to "transaction price".*

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Amendments and interpretations in the standards (Continued)

d. The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (Continued)

▪ Annual Improvements to IFRS Accounting Standards – Volume 11 (Continued)

- *IFRS 10 Consolidated Financial Statements – Determination of a ‘De Facto Agent’: The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.*
- *IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of “cost method” following the prior deletion of the definition of ‘cost method’.*

▪ IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

▪ IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public

use, which comply with IFRS accounting standards may elect to apply IFRS 19. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

▪ Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. This change has no impact on the Group’s financial position and performance.

2.3 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value (Note 4).

Trade receivables, provision for impairment and expected credit losses

Trade receivables as a result of providing goods or services by the Group directly to a debtor are carried at amortized cost. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. Foreign exchange gain/loss and credit finance income of trade receivables are classified under “other operating income/expense”.

The Group uses a provisioning matrix to measure the expected credit losses on trade receivables. Depending on the number of days the maturities of trade receivables are exceeded, certain maturity ratios are calculated, and these ratios are reviewed at each reporting period and revised where necessary. In the calculation of expected credit losses, the Group takes into account past credit loss experience as well as forecasts for the future. Expected credit losses are accounted for under “other income/expense from operating activities” in the income statement.

The Group measures the allowance for trade receivables at an amount equal to the “expected life-time credit losses” (except for realized impairment losses) where the trade receivables are

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Trade receivables, provision for impairment and expected credit losses (Continued)

not impaired for some reason. Expected credit losses are a weighted estimate of the likelihood of credit losses over the expected life of a financial instrument.

The Group collects receivables arising from domestic vehicles and spare parts sales through the "Direct Debit System" (DDS). Within this system which is also named as Direct Collection System; the contracted banks warrant the collection of the receivables within the limits granted to the dealers. Trade receivables are transferred by the contracted banks to the Group's bank accounts at the due dates (Notes 7 and 27).

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the moving monthly average basis. Cost elements included in inventories are materials, labour and an appropriate amount of factory overheads and exclude the cost of borrowing. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Idle time expenses arising from the ceases in production other than planned in the factory's annual production plan are not associated with inventories and are recognized as cost of sales (Note 9).

Trade payables

Trade payables are recognized at initial cost and subsequently measured at amortized cost using effective interest rate method (Notes 7 and 27). Foreign exchange gain/loss and credit finance charges of trade payables are classified under "other operating income/expense".

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided using the straight-line method based on the estimated useful lives of the assets. The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Land improvements	14.5- 30 years
Buildings	14.5- 36 years
Machinery and equipment	5- 25 years
Moulds and models	Project lifetime
Furniture and fixtures	4- 14.5 years
Motor vehicles	9- 15 years

Land is not depreciated as it is deemed to have an indefinite useful life.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in income/expense from investing activities. Repair and maintenance expenses are charged to the statement of profit or loss as they are incurred. Repair and maintenance expenditures are capitalized if they result in an enlargement or substantial improvement of the respective asset (Notes 10, 30).

Intangible assets

Intangible assets comprise computer software, rights, leasehold improvements and development costs.

Intangible assets are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over a period depending on the project's lifetime.

Development costs, comprising of engineering design incurred for the production of new commercial vehicles, are capitalized as discussed in Note 2 Research and development expenses (Note 11).

The estimated useful lifetimes of such assets are as follows:

Rights	3- 5 years
Capitalized improvement expenses	Project lifetime
Other intangible assets	5 years
Customer contracts	22 years

Impairment of long-lived assets

All assets are reviewed for impairment losses including property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Impairment of long-lived assets (Continued)

If the booked value of the asset in question or any cash-generating unit of that asset is higher than the amount to be recovered through use or sale, impairment has occurred. Impairment losses are recognized in the statement of profit or loss. Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

Financial assets

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through other comprehensive income, financial assets carried at fair value through profit or loss. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

“Financial assets carried at amortized cost”, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost.

The Group’s financial assets carried at amortized cost comprise “trade receivables” and “cash and cash equivalents” in the statement of financial position. The aforementioned assets are initially measured at fair values and measured at amortized cost using the effective interest rate method in subsequent reporting. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the income statement.

“Financial assets carried at fair value through profit or loss”, they consist of financial assets that are measured at amortized cost and whose fair value changes are reflected in other comprehensive income. Gains and losses arising from the valuation of such assets are recognized in the income statement.

“Financial assets carried at fair value through other comprehensive income”, are the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on the related financial assets are recognized in other comprehensive income, except for impairment losses or gains or losses. If the assets whose fair value difference is recognised under consolidated other comprehensive income statement are sold, valuation differences classified under consolidated other comprehensive income statement are classified under “Retained Earnings/(Losses)”.

The group, at initial recognition, an entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument. If an entity makes the election, it shall recognize in profit or loss dividends from that investment.

Share premium

Share premium represents differences resulting from the sale of the Group’s subsidiaries and associates’ shares at a price exceeding the face values of those shares or differences between the face values and the fair value of shares issued for acquired companies.

Share capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which they are declared. Dividends payable is recognized as an appropriation of profit in the period in which they are declared (Notes 17 and 30).

Taxes on income

The tax liability on profit or loss for the period includes current tax and deferred tax.

Current period income tax

Current year tax liability consists of tax liability on the taxable income calculated according to currently enacted tax rates and to the effective tax legislation as of statement of financial position date.

Deferred tax

Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will affect the future period tax charges based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred tax assets will be utilized or deferred tax liabilities will be settled, are used to determine deferred income tax.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Taxes on income (Continued)

Deferred tax liability is calculated on all taxable temporary differences whereas deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporarily differences can be utilized. Carrying values of deferred tax assets are decreased to the extent necessary if future taxable profits are not expected to be available to utilize deferred tax assets partially or fully.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities (Note 25).

Current and deferred tax

Current and deferred taxes except those which are either related to the items directly recognized in the equity as receivable or payable (which, in such cases, the deferred tax regarding the related items is also recognized directly in the equity) or those which result from the initial recognition of an enterprise merger are recognized as income or expense in the income statement.

Revenue recognition

The Group adopted which proposes a five-step model framework mentioned below for recognizing the revenue.

- Identification of customer contracts,
- Determination of performance obligations in contracts,
- Determination of transaction price in the contract
- Allocating the transaction price to the performance obligations in the contracts,
- Recognition of revenue when the performance obligations are fulfilled

The Group recognized revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- Group can define the rights of each party regarding the goods or services to be transferred,
- Group can identify the payment terms for the goods or services to be transferred,
- The contract has commercial substance,
- It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Goods & services sales

Revenue comprises the invoiced value for the sale of goods and services. Revenues are recognized on an accrual basis at the fair values incurred or to be incurred when the goods are delivered, the risks and rewards of ownership of the goods are transferred, when the amount of revenue can be reliably measured, and it is probable that the future economic benefits associated with the transaction will flow to the entity.

For domestic vehicle and spare parts sales, significant risk and rewards are transferred to the buyer when goods are delivered and received by the buyer or when the legal title is passed to the buyer. But if the Group makes a sales agreement with buyback commitment, which shall most likely be applied, the sales made in this scope are not recognized as revenue and monitored under "Other Non-Current Liabilities". Sales, which are subject to buyback commitment, are evaluated as operating lease and monitored as deferred income through allocating the difference between the price paid by the customers and their buyback price to leasing period (Note 31).

The revenue recognised on lease revenue for the periods over 1 year is recognized as "Long-term deferred revenue" (Note 31).

The vehicles with repurchase commitments are classified in tangible assets (Note 10). The vehicles are amortised during the repurchase commitment period. For export sales significant risk and rewards in foreign vehicle sales to Ford Motor Company are transferred to the buyer on FAS, "Final Assignment to Ship" terms. Revenue is recorded when the vehicles ready for sale are matched with ship shipments and invoices. Exported service sales are recorded when the service is delivered and the amount of revenue can be measured reliably.

Net sales represent the invoiced value of goods shipped less sales returns. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income on an accrual basis (Notes 18, 21).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Revenue recognition (Continued)

When another party is involved in providing goods or services to a customer, the group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The Group is a principal if it controls a promised good or service before the Group transfers the good or service to a customer. When a Group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party.

The Group is an agent if the performance obligation is to act as an intermediary for the provision of goods or services by other parties and does not reflect the revenue for the performance obligation to the financial statements.

The Group pays customer premiums to its dealers based on their performance results. Amounts calculated as of the balance sheet date are recognized in other payables in the balance sheet and in revenue as discounts in revenue in the statement of profit or loss.

The Group provides legal warranty commitment to its customers depending on the type of goods and the location of sale between 2-3-4 years. These legal warranty commitments are mandatory by regulations, have not a separate price apart from the good and are not separately sold.

Revenue from extended warranty and maintenance package

The Group sells extended warranty to its customer for the period after the termination of legal warranty provided for all goods. The price of extended warranty and maintenance package are determined separately from the price of the goods and it is a separate performance obligation in the contract. Therefore, the Group treats the service that will be provided due to the sale of extended warranty as a separate performance obligation.

The Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. The Group delivers the

control of services related to the sale of extended warranty and maintenance packages over time and it fulfils the performance obligation of those over time. Therefore, Group measures the delivery status of its performance obligation and recognize revenue in the consolidated financial statements accordingly.

Dividend and interest income

Dividend income from the stock investments are recorded when the stockholders become entitled to receive a dividend.

Interest income is realized on a time period basis and the accrued income is determined by taking into account the valid interest rate and the interest rate that is to be effective until its maturity date.

Foreign currency transactions and balances

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the Central Bank of Turkey exchange rates prevailing at the statement of the financial position dates. Foreign currency exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized under the other operating income/expenses and financial income/expense in the statement of profit or loss (Notes 21, 22, 23 ve 28).

Financial instruments and financial risk management

Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. All trade receivables are due mainly from dealers and related parties. The Group has established effective control procedures over its dealers and the credit risk arising from transactions with such dealers is regularly monitored by management and the aggregate risk to any individual counterparty is limited. The Group covered its credit risk from domestic vehicle sales to dealers by setting credit limits for dealers through arranged banks and collects its trade receivables from banks at the due date through the use of Direct Debit System. The use of DDS for receivables from dealers is an effective way to decrease the credit risk.

Bank letters of collaterals received from dealers for the exceeding part of DDS limit, regarding domestic vehicle sales and spare part sales is another method in the management of the credit risk (Note 7).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Financial instruments and financial risk management (Continued)

Most of the foreign sales are made to Ford Motor Company and its subsidiaries. Conditions are specified in the business agreements with Ford Motor Company. Receivables from Ford Motor Company and its subsidiaries are collected in 14 days, Ford Romania SRL is 30 days for export vehicle sales regularly. Receivables from Ford Motor Company and its subsidiaries, except vehicle sales, are collected in 45 days in average. The collection of receivables resulting from export sales to customers other than Ford Motor Company is secured with letter of credit, letter of guarantee or cash payment.

Price risk

The Group is exposed to equity securities price risk because of investments classified on the statement of financial position as financial assets at fair value through other comprehensive income. The Group limits the financial assets at fair value through other comprehensive income in order to manage the price risk arising from investments in equity securities.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The risk of funding current and future debt requirements is managed by having an adequate number of quality loan providers constantly available. The Group management keeps cash, credit commitment and factoring capacity to maintain 21 days cash outflows to manage the liquidity risk. The Group maintains a credit commitment amounting to EUR100 million and factoring agreement amounting to EUR120 million in case a requirement for use arises.

Interest rate risk

Management uses short-term interest bearing financial assets to manage the maturities of interest bearing assets and liabilities The Group makes limited use of interest rate swaps, to hedge its floating rate borrowings, if needed.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the "net financial debt to earnings before interest tax and depreciation". This ratio is calculated as net financial debt divided by EBITDA (earnings before interest tax and depreciation) of four quarters. Net financial debt is calculated as total short and long-term borrowings minus cash and cash equivalents. Group management, this ratio is expected not to exceed 3.5.

	31 December 2024	31 December 2023
Net financial debt	101,426,557	87,393,375
EBITDA (*)	42,701,778	73,243,235
Net financial debt / EBITDA (*)	2.38	1.19

(*) EBITDA (Earnings before tax depreciation and interest) covering the last four quarters. The EBITDA amount also includes the straight-line expenses of the fixed assets that the Group rented to Ford Motor Company under financial leasing method in accordance with TFRS 16 and classified from its tangible assets to other receivables from related parties.

Fair value of financial instruments

The Group measures derivatives and financial assets whose fair value changes reflected into other comprehensive income at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Fair value of financial instruments (Continued)

Financial assets

Foreign currency balances are translated into TRY at the exchange rates prevailing at the balance sheet date. These balances are estimated to be close to the book value. Certain financial assets, including cash and cash equivalents, are carried at cost and are considered to approximate their respective carrying values due to their short-term nature. The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

Financial liabilities

Bank borrowings are recorded over their fair value of which the transaction costs are discounted. In the following periods, they are evaluated and recognized with their discounted costs by using the effective rate of interest method. The fair values of other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Cash flow hedge accounting

Hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit and loss are designated as cash flow hedges by the Group.

Changes in the fair value of derivatives, designated as cash flow hedges and qualified as effective, are recognised in equity as “hedging reserves”. Where the forecasted transaction or firm commitment results in the recognition of a non-financial asset or of a liability, the gains and losses previously recognised under equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts recognised under equity are transferred to the income statement in the period in which the hedged firm commitment or forecasted transaction affects the income statement. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or losses previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other

comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

The Group has entered into swap transactions in order to manage its interest rate risk. Swap transactions are initially recognized at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. The fair value of interest swap contracts is determined by using valuation methods based on observable data in the market.

Derivative instruments are initially recognized at the transaction cost reflecting the fair value at the date of the contract is entered into and are subsequently measured at fair value. Derivative financial instruments are recognized as assets if the fair value is positive and as liabilities when the fair value is negative. The fair value differences of the Group are reflected in derivative financial instruments and consist of forward foreign currency purchase and sale contracts. Fair value is determined using valuation methods based on observable market data.

Borrowings and borrowing costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings (Note 6). With respect to assets which take long time to get ready for use and sale, borrowing costs related to production or construction are integrated to the cost of the asset. The borrowing costs include other costs incurred due to borrowing and interest.

Provision for employee benefits

a) Defined benefit plan

Provision for employee benefits represent the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees or reasons except for resignation and behaviours stated in labour law, calculated in accordance with the Turkish Labour Law (Note 15). According to the amendments on TAS 19 “Employee Benefits”, the actuarial (gain)/loss of employee benefits are recognized under other comprehensive income.

b) Defined contribution plan

The Group is obliged to pay social insurance contributions to the Social Security Institution. No other obligation exists as long as the Group pays these premiums. These premiums are reflected to the personnel expenses when they are accrued (Note 15).

c) Other employee benefit

Long- term provisions for employee benefits” are composed of the unused vacation days accrued in the period incurred and if the impact is material, it is also discounted.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the provision amount decreases, in the case of an event occurring after the provision is accounted for, the related amount is classified as other income in the current period.

Provisions for sales premium

Provision for dealer stock sales premium expenses is accounted based on the last approved sales premium programme (Note 13).

Warranty provisions

Warranty expenses are recognized on an accrual basis for amounts estimated based on prior periods' realization. The Group has reclassified warranty reserves to be expected to be realized in one year as current provision (Note 13).

Research and development expenses

Research expenditure is recognized as an expense as incurred. Costs, except for listed below are classified as development expenditures and recognized as expense as incurred:

- If the cost related to the products can be defined and only if the cost can be measured reliably,
- If the technological feasibility can be measured
- If the good will be sold or will be used within the Group,
- If there's a potential market or can be proved that it is used within the Group,
- If necessary technological, financial and other resources can be provided to complete the project.

Development costs previously recognized as expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis over the project lifetime. Impairment test for the assets is performed annually within the recognition

period of the development expenditures in progress (Note 11).

Related parties

Parties are considered related to the group (reporting entity) if;

(a) A person or close member of that's person's family is related to a reporting entity: If that person,

- (i) has control or joint control over the reporting entity,
- (ii) has significant influence over the reporting entity or,
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following condition applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party,
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Group defines its key management personnel as board of directors' members, general managers, assistant general managers and directors reporting directly to the general manager (Note 27).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Earnings per share

Earnings per share disclosed in the statement of profit or loss are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related year concerned. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and the revaluation surplus. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year (Note 26).

Reporting of cash flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group’s operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment. Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid assets with less than three months to maturity (Note 4).

Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the financial statements and treated as contingent assets or liabilities (Note 13).

Subsequent events

Subsequent events and announcements related to net profit or even declared after other selective financial information has been publicly announced; include all events that take place between the statement of financial position date and the date when the statement of financial position is authorized for issue. In the case that events requiring an adjustment to the financial statements occur subsequent to the statement of financial position date, the Group makes the necessary corrections on the financial statements (Note 37).

Offsetting

Financial assets and liabilities are offset when there is a legal basis, intention to disclose net amount of related assets and liabilities or obtaining an asset that follows the settlement its liability.

Government grants and incentives

Government grants and incentives are recognized at fair value when there is assurance that these grants and incentives will be received and the Group has met all conditions required. Government grants and incentives regarding the capitalized projects, costs are recognized by netting from costs of property, plant and equipment and intangible assets. Incentives which are not subject to assets are shown as other income in the income statement (Note 33).

Leases

Group- As Lessor

If the Group transfers substantially all the risks and rewards of ownership of an underlying asset, it is classified as a finance lease. Whether a lease is a finance lease depends on the substance of the transaction rather than the form of the contract. At the commencement date of the lease, the Group recognizes a receivable equal to the net lease investment in the statement of financial position instead of the assets granted as finance leases. The implicit interest rate on the lease is used to measure the net lease investment. The Group recognizes financing income over the lease term on a basis that reflects a constant periodic rate of return on the net lease investment. The effective interest rate approach is utilised to measure subsequent recognition at amortised cost.

Group- As a Lessee

At inception of a contract, the Group shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Leases (Continued)

Group - As a Lessee (Continued)

- The contract includes an identified asset (identification of an asset in a clear or implicitly specified form in the contract),
- A capacity portion of an asset is an identified asset if it is physically distinct and represents substantially all of the capacity of the asset (the asset is not an identified asset if the vendor has a fundamental right to substitute the asset for the duration of its use and obtain an economic benefit from it),
- The Group has the right to obtain almost all of the economic benefits that will be derived from the use of the identified asset.
- The right to direct the use of the identified asset. The Group has the right to direct the use of an identified asset throughout the period of use only if either:
 - a) The Group has the right to direct how and for what purpose the asset is used throughout the period of use
 - b) The relevant decisions about how and for what purpose the asset is used are predetermined and:
 - i. The Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions or
 - ii. The Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use

The Group recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criteria's.

Right of use asset

At the commencement date, the Group shall measure the right-of-use asset at cost (Note 32). The cost of the right-of-use asset shall comprise:

- a) The amount of the initial measurement of the lease liability
- b) Any lease payments made at or before the commencement date, less any lease incentives received
- c) Any initial direct costs incurred by the Group,
- d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

To apply a cost model, the Group shall measure the right-of-use asset at cost:

- a) Less any accumulated depreciation and any accumulated impairment losses and
- b) Adjusted for any remeasurement of the lease liability.

The Group shall apply the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

The Group shall apply TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined incremental borrowing interest rate shall be used for discounting.

At the commencement date, Group's the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or Rate as at the commencement date,
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Leases (Continued)

Lease liability (Continued)

After the commencement date, the Group shall measure the lease liability by:

- Increasing the carrying amount to reflect interest on the lease liability,
- Reducing the carrying amount to reflect the lease payments made and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. The Group reflects the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its consolidated financial statements.

Extension and early termination options

The lease liability is determined by considering the extension and early termination options in the contracts. Most of the extension and early termination options included in the contracts are composed of the options that are jointly applicable by the Group and the lessor.

The Group determines the lease term by the extension of the lease, if such extension and early termination options are at the Group's discretion and the use of the options is reasonably certain. If there is a significant change in the circumstances, the evaluation is reviewed by the Group

Variable lease payments

Lease payments arising from some of the Group's lease agreements consist of variable rent payments. These variable lease payments, which are not included in TFRS 16, are recorded as rent expense in the related period in the income statement.

Practical expedient

Contracts for short-term lease agreements with a rental period of less than 12 months and information technology equipment leases (mainly printers, laptops, mobile telephones, etc.), which are determined as low value by the Group, have been evaluated under the exception of the TFRS 16 Leases Standard and these payments are recognized as an expense in the period in which they are incurred.

2.4 Significant accounting estimates and decisions

The preparation of financial statements require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

- In calculation of the employee benefit provision actuarial assumptions relating to turnover ratio, discount rate and salary increase are used. The details regarding the calculation are disclosed under provision for employee benefit (Note 15).
- In determination of the impairment of trade receivables, the factors such as debtor credibility, historical payment performance and debt restructuring is considered. The expected credit loss of trade receivables has been measured and no significant effect has been found (Note 7).
- Discounted inventory price list is used to calculate inventory impairment. Where the sales price cannot be predicted, technical personnel's opinion and inventory waiting time is considered. If expected net realizable value is less than cost, the Group should allocate provisions for inventory impairment (Note 9).
- In determination of the legal case provisions, the possibilities of losing the case and the liabilities that will arise if the case is lost is evaluated by the Group's Legal Counsellor and by the Management team taking into account expert opinions. The Group management determines the amount of the provisions based on the best forecasts.
- In calculation of the warranty provision, the Group considers the historical warranty expenses incurred addition to planned technical and financial improvements to estimate the possible warranty expense per vehicle. Provision calculations are realistically performed and based on vehicle quantity, warranty period and historical claims (Note 13).
- Deferred tax assets are recognized when the occurrence of taxable profit is probable in the forthcoming years. Deferred tax asset is calculated over any temporary differences in cases when the occurrence of taxable profit is probable, taken into consideration of tax advantages obtained within the context of investment incentive certificates. Deferred tax asset is recorded as of 31 December 2024 and 31 December 2023 since presumptions that the Group will have taxable profit in the forthcoming periods are found to be sufficient (Note 25).
- The Group recognizes depreciation and amortization for its property, plant and equipment and intangibles by taking into account their useful lives that are stated in Note 2 (Notes 10 and 11).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Significant accounting estimates and decisions (Continued)

- (h) The Group capitalizes ongoing development expenditures and evaluates whether there is an annual depreciation of these capitalized assets. As of 31 December 2024 and 31 December 2023, there is no impairment of capitalized development expenses (Note 11).
- (i) In accordance with the accounting policies regarding goodwill, the amounts in question are reviewed for impairment by the Group annually or more frequently if there are conditions indicating the existence of impairment. The recoverable value of cash-generating units was determined based on value-in-use calculations. Certain estimates have been made for these calculations. As a result of these studies, no impairment was detected.

3. SEGMENT REPORTING

The Group, has primary operation of manufacturing, assembling, importing and selling motor vehicles and spare parts. The Group's operating segments, nature and economic characteristics of products, nature of production processes, classification of customers in terms of risk for their products and services and methods used to distribute their products are similar. Furthermore, the Group structure has been organized to operate in one segment rather than separate business segments. Consequently, the business activities of the Group are considered to be in one operating segment and the operating results, resources to be allocated to the segment and assessment of performance are managed in this respect.

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4. CASH AND CASH EQUIVALENTS

There are no blocked or deposits with a maturity of more than three months included in cash and cash equivalents. The weighted average interest rate for foreign currency time deposits is 1.08% (31 December 2023: 1.96%), and the weighted average interest rate for TRY time deposits is 47.49% (31 December 2023: 39.66%)

	31 December 2024	31 December 2023
Bank - Foreign currency time deposits	17,905,718	12,709,620
Bank - TRY time deposits	3,619,350	7,801,082
Bank - Foreign currency demand deposits	262,285	614,591
Bank - TRY demand deposits	534,596	811,345
Cash and cash equivalents in the cash flow statement	22,321,949	21,936,638
Accrued interest income	8,165	44,346
	22,330,114	21,980,984

5. FINANCIAL INVESTMENTS

	31 December 2024		31 December 2023	
	Ownership rate (%)	Amount	Ownership rate (%)	Amount
Financial assets at fair value through other comprehensive income				
Otokar Otomotiv ve Savunma Sanayi A.Ş. (Otokar) (*)	0.59	340,601	0.59	431,874
Assets recorded at fair value through profit or loss				
Venture capital investment funds		218,252		70,600
		558,853		502,474

(*) The Company’s shareholding in Otokar was stated at market value at 31 December 2024 and 31 December 2023 which is assumed to approximate its fair value.

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6. FINANCIAL LIABILITIES

Short-term financial liabilities

Bank borrowings

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- TRY	39.43	6,079,486	44.97	9,294,937
- EUR	5.95	10,421,523	7.03	19,066,100
		16,501,009		28,361,037

Short-term portion of long-term financial liabilities

Bank borrowings

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- TRY	-	-	47.35	3,114,696
- EUR	5.85	19,696,230	5.56	17,309,393
		19,696,230		20,424,089

Issued debt instruments (*)

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- USD	7.13	1,205,836	-	-
		1,205,836		-

Lease liabilities

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- TRY	44.80	107,021	39.47	135,063
- EUR	7.47	227,047	7.29	116,484
		334,068		251,547

Other short-term portions of long-term debts (**)

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- EUR	2.00	7,120,434	-	-
		7,120,434		-
		28,356,568		20,675,636

Total short-term financial borrowings **44,857,577** **49,036,673**

Long-term financial liabilities

Bank borrowings

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- EUR	5.95	55,807,753	8.92	43,950,076
		55,807,753		43,950,076

Issued debt instruments (*)

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- USD	7.13	16,609,899	-	-
		16,609,899		-

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6. FINANCIAL LIABILITIES (Continued)

Lease liabilities

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- TRY	48.92	579,326	46.73	543,227
- EUR	7.49	760,635	7.46	453,187
		1,339,961		996,414

Other long-term financial liabilities

	31 December 2024		31 December 2023	
	Effective interest rate (%)	TRY Amount	Effective interest rate (%)	TRY Amount
- EUR	2.00	5,141,481	2.00	15,391,196
		5,141,481		15,391,196
Total long-term financial borrowings		78,899,094		60,337,686

(*) The short-term portion of long-term financial borrowings and the amount of issued debt instruments included in long-term financial borrowings consist of the bond issuance of USD 500,000,000 by the Group on April 25, 2024.

(**) The amount classified under the short-term portion of other long-term payables and other long-term payables consists of the contingent and deferred acquisition costs that the Group has to pay in 2025 and 2028 when it acquired Ford Romania SRL's shares on 1 July 2022. This amount has been determined according to the best estimation of the Group management as of 31 December 2024.

The payment schedules of long-term bank borrowings as of 31 December 2024 and 31 December 2023 are as follows:

Payment Period	31 December 2024	31 December 2023
2025	-	19,432,471
2026	27,623,956	13,874,953
2027	16,324,682	4,844,647
2028	7,963,276	4,256,663
2029	17,193,317	820,961
2030	2,586,017	720,381
2031	726,404	-
	72,417,652	43,950,076

The letters of bank guarantee given to financial institutions in connection with borrowings amounting to TRY 11,164,624 (31 December 2023: TRY 2,841,019) (Note 13).

The movement of financial liabilities as of 31 December 2024 and 2023 is as follows:

Payment Period	31 December 2024	31 December 2023
2025	-	8,937,591
2028	5,141,481	6,453,605
	5,141,481	15,391,196

The movement of financial liabilities as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
1 January	93,983,163	74,964,537
Cash inflows from borrowing	61,311,483	42,965,986
Cash inflows from debt instruments issued	19,745,937	-
Cash outflows from borrowing	(40,159,496)	(26,631,350)
Cash outflows related to debt payments arising from lease agreements	(692,813)	(304,042)
Unrealised foreign exchange differences	7,366,942	35,826,533
Change in accrual of interest	(410,271)	1,641,367
New lease agreements/impact of contract changes	1,463,607	1,030,151
Monetary gain/(loss)	(31,113,796)	(35,510,019)
31 December	111,494,756	93,983,163

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7. TRADE RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short term trade receivables		
Trade receivables	24,558,503	30,139,783
Doubtful receivables (*)	520,609	751,623
Less: provision for doubtful receivables	(520,609)	(751,623)
Less: unearned credit finance income	(711,191)	(784,691)
	23,847,312	29,355,092

The average turnover of receivables related to vehicle sales to domestic distributors is 30 days (31 December 2023: 30 days), domestic sales of spare parts turnover is 70 days (31 December 2023: 70 days) and discounted by 4.32% monthly effective interest rate (31 December 2023: 3.18%).

The collection of receivables from export sales other than Ford Motor Group kept under guarantee with letter of credit, letter of guarantee, export credit insurance or upfront cash collection.

	31 December 2024	31 December 2023
Long term trade payables		
Deposits and guarantees given	747	24,098
	747	24,098

	31 December 2024	31 December 2023
Trade payables		
Trade payables	51,371,274	62,497,299
Less: unearned credit finance expense	(838,186)	(824,588)
	50.533.088	61.672.711

The Group's average turnover of trade payables is 60 days (31 December 2023: 60 days) and discounted by 4.32% monthly effective interest rate (31 December 2023: 3.18%).

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7. TRADE RECEIVABLES AND PAYABLES (Continued)

The maximum exposure of the Group credit risk as of 31 December 2024 and 31 December 2023 is as follows:

31 December 2024	Trade receivables		Other receivables		Deposit in bank
	Related party	Other	Related party	Other	
The maximum of credit risk exposed at the reporting date (Note 4, 7, 8, 27)	44,379,203	23,848,059	20,027,706	113,457	22,321,949
- The maximum of credit risk covered by guarantees	8,391,226	23,848,059	-	-	-
Net book value of the financial assets that are neither overdue nor impaired	43,301,865	23,272,239	20,027,706	113,457	22,321,949
Net book value of financial assets that are overdue but not impaired	1,077,339	575,820	-	-	-
- Amount of risk covered by guarantees	-	575,820	-	-	-
Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	520,609	-	-	-
- Provision for impairment (-)	-	(520,609)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

31 December 2023	Trade receivables		Other receivables		Deposit in bank
	Related party	Other	Related party	Other	
The maximum of credit risk exposed at the reporting date (Note 4, 7, 8, 27)	36,466,844	29,379,190	15,982,422	293,417	21,936,638
- The maximum of credit risk covered by guarantees	7,412,142	29,379,190	-	-	-
Net book value of the financial assets that are neither overdue nor impaired	35,797,904	28,972,141	15,982,422	293,417	21,936,638
Net book value of financial assets that are overdue but not impaired	668,940	407,049	-	-	-
- Amount of risk covered by guarantees	-	407,049	-	-	-
Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	751,623	-	-	-
- Provision for impairment (-)	-	(751,623)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

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7. TRADE RECEIVABLES AND PAYABLES (Continued)

Aging table of the Group's overdue but not impaired assets is as follows:

31 December 2024	Trade Receivables	
	Related parties	Third parties
Overdue 1-30 days	379,625	480,355
Overdue 1-3 months	93,019	11,028
Overdue 3-12 months	568,114	18,991
Overdue 1-5 years	36,581	65,446
	1,077,339	575,820
Portion secured by collateral	-	575,820

The Group's overdue receivables from related parties arise from long-term engineering service invoices and parts export receivables with Ford Motor Company.

31 December 2023	Trade Receivables	
	Related parties	Third parties
Overdue 1-30 days	309,105	322,562
Overdue 1-3 months	108,649	13,568
Overdue 3-12 months	248,187	51,008
Overdue 1-5 years	2,999	19,911
	668,940	407,049
Portion secured by collateral	-	407,049

8. OTHER RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Other receivables		
Other miscellaneous receivables	113,457	293,417
	113,457	293,417
Other payables		
Taxes and funds payable	646,624	705,629
Accrued sales premiums	139,998	269,214
Other	620,369	474,107
	1,406,991	1,448,950

9. INVENTORIES

	31 December 2024	31 December 2023
Raw materials	17,220,858	20,599,128
Finished goods	8,997,531	8,174,218
Goods in transit	7,812,941	3,406,742
Vehicle spare parts	2,879,357	2,718,505
Import vehicles	1,527,393	5,401,021
Spare parts	886,609	721,749
Other	1,400,010	1,434,618
	40,724,699	42,455,981
Less: provision for impairment of finished goods and vehicle spare parts	(785,744)	(77,440)
	39,938,955	42,378,541

Fixed production costs on the product are allocated according to the normal capacity of the production facilities.

The Group classifies the expenses arising from the impairment of inventory under cost of sales. The movement in the balance of this account within the year is as follows:

	2024	2023
1 January	77,440	58,193
Change within the period	707,828	16,495
Exchange differences on translation	476	2,752
31 December	785,744	77,440

The Group has provided a provision for impairment on the inventories when their net realizable values are lower than their costs or when they are classified as slow-moving inventories. The reversal of provisions has been accounted under cost of sales.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

10. PROPERTY, PLANT AND EQUIPMENT

1 January 2024	Land	Land improvements	Buildings	Machine and equipment	Models and moulds	Fixture and furniture	Vehicles	Constructions in progress	Total
Cost	892,499	5,294,062	27,247,078	67,171,142	50,682,321	8,678,158	196,127	16,001,823	176,163,210
Accumulated depreciation	-	(2,822,063)	(13,785,448)	(30,894,544)	(40,258,522)	(5,735,891)	(85,610)	-	(93,582,078)
Net book value	892,499	2,471,999	13,461,630	36,276,598	10,423,799	2,942,267	110,517	16,001,823	82,581,132
For the period ended 31 December 2024									
Opening net book value	892,499	2,471,999	13,461,630	36,276,598	10,423,799	2,942,267	110,517	16,001,823	82,581,132
Additions	-	285,930	277,260	13,057,030	10,988,179	1,342,733	41,448	10,761,140	36,753,720
Transfers	28	988,502	12,011,380	8,543,865	1,040,433	121,367	9,117	(20,743,039)	1,971,653
Disposals (*)	-	(158,539)	(570)	(7,299,320)	(7,208,084)	(440,012)	(22,482)	-	(15,129,007)
Exchange differences on translation	-	(287,450)	(1,170,663)	(3,765,206)	-	-	134	(358,229)	(5,581,414)
Depreciation charge	-	(118,165)	(698,069)	(4,763,400)	(1,493,520)	(579,110)	(18,014)	-	(7,670,278)
Disposals from accumulated depreciation	-	131,481	241	2,197,453	1,664,086	352,057	10,867	-	4,356,185
Closing net book value	892,527	3,313,758	23,881,209	44,247,020	15,414,893	3,739,302	131,587	5,661,695	97,281,991
31 December 2024									
Cost	892,527	6,122,505	38,364,485	77,707,511	55,502,849	9,702,246	224,344	5,661,695	194,178,162
Accumulated depreciation	-	(2,808,747)	(14,483,276)	(33,460,491)	(40,087,956)	(5,962,944)	(92,757)	-	(96,896,171)
Net book value	892,527	3,313,758	23,881,209	44,247,020	15,414,893	3,739,302	131,587	5,661,695	97,281,991

(*) In the classification of disposals of property, plant, and equipment, the Group has leased certain fixed assets at its Kocaeli and Craiova plants to Ford Motor Company through financial leasing in accordance with IFRS 16 and has reclassified this amount from property, plant, and equipment to other receivables from related parties.

The Group has compared the borrowing costs incurred on foreign currency investment loans with TRY-denominated market loan interest rates.

According to the cumulative method under IAS 23, there is no capitalized interest expense for the period ending as of 31 December 2024 (31 December 2023: None).

As of 31 December 2024 and 2023, there are no collaterals, pledges, or mortgages on property, plant, and equipment.

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10. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land improvements	Buildings	Machine and equipment	Models and moulds	Fixture and furniture	Vehicles	Constructions in progress	Total
1 January 2023									
Cost	737,111	4,978,042	23,467,709	63,422,637	46,364,392	7,619,303	162,808	11,346,992	158,098,994
Accumulated depreciation	-	(2,715,005)	(13,173,492)	(28,538,370)	(38,973,995)	(5,442,345)	(76,202)	-	(88,919,409)
Net book value	737,111	2,263,037	10,294,217	34,884,267	7,390,397	2,176,958	86,606	11,346,992	69,179,585
For the period ended 31 December 2024									
Opening net book value	737,111	2,263,037	10,294,217	34,884,267	7,390,397	2,176,958	86,606	11,346,992	69,179,585
Additions	155,388	123,869	516,376	7,274,503	13,635,039	1,696,094	46,211	15,164,458	38,611,938
Transfers	-	210,259	3,373,066	6,789,077	278,932	6,688	-	(10,749,614)	(91,592)
Disposals	-	-	(21,901)	(10,091,770)	(9,596,042)	(643,927)	(12,892)	-	(20,366,532)
Exchange differences on translation	-	(18,108)	(88,172)	(223,305)	-	-	-	239,987	(89,598)
Depreciation charge	-	(107,058)	(632,423)	(4,255,936)	(1,293,536)	(438,387)	(15,430)	-	(6,742,770)
Disposals from accumulated depreciation	-	-	20,467	1,899,762	9,009	144,841	6,022	-	2,080,101
Closing net book value	892,499	2,471,999	13,461,630	36,276,598	10,423,799	2,942,267	110,517	16,001,823	82,581,132
31 December 2023									
Cost	892,499	5,294,062	27,247,078	67,171,142	50,682,321	8,678,158	196,127	16,001,823	176,163,210
Accumulated depreciation	-	(2,822,063)	(13,785,448)	(30,894,544)	(40,258,522)	(5,735,891)	(85,610)	-	(93,582,078)
Net book value	892,499	2,471,999	13,461,630	36,276,598	10,423,799	2,942,267	110,517	16,001,823	82,581,132

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(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

11. INTANGIBLE ASSETS

1 January 2024	Rights	Development costs	Development costs in progress	Other	Total
Cost	2,087,260	22,266,399	5,181,747	8,913,848	38,449,254
Accumulated amortisation	(1,535,380)	(10,469,584)	-	(515,186)	(12,520,150)
Net book value	551,880	11,796,815	5,181,747	8,398,662	25,929,104
For the period ended 31 December 2024					
Opening net book value	551,880	11,796,815	5,181,747	8,398,662	25,929,104
Additions	407,767	1,052,265	2,664,845	3,355	4,128,232
Transfer	33,776	(1,370,799)	(719,747)	85,117	(1,971,653)
Disposals	(868)	(249,612)	-	-	(250,480)
Exchange differences on translation	-	(2,756,719)	-	(1,854,256)	(4,610,975)
Amortisation charge	(303,023)	(1,701,399)	-	(327,833)	(2,332,255)
Disposals from accumulated depreciation	727	22,293	-	-	23,020
Closing net book value	690,259	6,792,844	7,126,845	6,305,045	20,914,993
31 December 2024					
Cost	2,527,935	18,941,534	7,126,845	7,148,064	35,744,378
Accumulated amortisation	(1,837,676)	(12,148,690)	-	(843,019)	(14,829,385)
Net book value	690,259	6,792,844	7,126,845	6,305,045	20,914,993

As of 31 December 2024, there are no intangible assets that have reached the end of their economic life. According to IAS 23, there are no capitalized interest or exchange rate differences for the period ending on 31 December 2024 (31 December 2023: None).

The cost of the "Customer Contracts" amount classified under "Other" in the Group's Ford Romania SRL acquisition accounting is TRY 6,819,325, with the current period amortization amounting to TRY 306,257.

1 January 2023	Rights	Development costs	Development costs in progress	Other	Total
Cost	1,823,707	14,383,446	5,327,693	8,818,802	30,353,648
Accumulated amortisation	(1,228,955)	(9,336,144)	-	(249,036)	(10,814,135)
Net book value	594,752	5,047,302	5,327,693	8,569,766	19,539,513
For the period ended 31 December 2023					
Opening net book value	594,752	5,047,302	5,327,693	8,569,766	19,539,513
Additions	214,825	2,789,830	4,579,267	1,201	7,585,123
Transfer	49,355	4,686,394	(4,725,213)	81,056	91,592
Disposals	(627)	(183)	-	-	(810)
Exchange differences on translation	-	406,912	-	12,789	419,701
Amortisation charge	(306,966)	(1,133,623)	-	(266,150)	(1,706,739)
Disposals from accumulated depreciation	541	183	-	-	724
Closing net book value	551,880	11,796,815	5,181,747	8,398,662	25,929,104
31 December 2023					
Cost	2,087,260	22,266,399	5,181,747	8,913,848	38,449,254
Accumulated amortisation	(1,535,380)	(10,469,584)	-	(515,186)	(12,520,150)
Net book value	551,880	11,796,815	5,181,747	8,398,662	25,929,104

12. PREPAID EXPENSES

Short-term prepaid expenses	31 December 2024	31 December 2023
Advances given for inventories	4,048,262	2,276,876
Other prepaid expenses	422,633	499,874
	4,470,895	2,776,750
Long-term prepaid expenses	31 December 2024	31 December 2023
Advances given for investments (*)	11,495,641	19,163,403
Other prepaid expenses	67,862	184,173
	11,563,503	19,347,576

(*) The investment advances given are related to the Group's new vehicle investments, with TRY 4,598,906 (31 December 2023: TRY 9,464,230) consisting of tooling advances provided to local suppliers for these vehicles and TRY 6,896,735 (31 December 2023: TRY 9,699,179) consisting of investment advances related to new projects.

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13. PROVISION, CONTINGENT ASSETS AND LIABILITIES

The Group recognizes 2, 3 and 4 years of warranty provision for the vehicles sold by dealers for malfunctions described in the sales agreements. Warranty expense provision is estimated by considering vehicles under warranty as of the balance sheet date and warranty claims of vehicles sold in previous years on a model basis.

Short-term provisions

	31 December 2024	31 December 2023
Warranty expense provision	917,541	1,283,838
Provisions for sales premium (*)	717,397	492,586
Provisions for lawsuits	-	24,036
Other short-term provisions	836,944	38,595
	2,471,882	1,839,055

(*) Provisions for sales premium is composed of expense accruals related with dealer vehicle stock at the reporting date (Note 2).

Long-term provisions

	31 December 2024	31 December 2023
Warranty expense provision	1,643,716	1,606,261
Provisions for lawsuits	316,548	253,736
Other short-term provisions	95,154	125,131
	2,055,418	1,985,128

The movement of provisions for lawsuits during the period is as follows:

	2024	2023
1 January	277,772	301,084
Paid during the period	(62,480)	(40,877)
Additions during the period	204,990	135,923
Currency translation differences	(3,982)	(1,484)
Monetary gain/(loss)	(99,752)	(116,874)
31 December	316,548	277,772

A movement in the warranty expense provision during the period is as follows:

	2024	2023
1 January	2,890,099	2,680,968
Paid during the period	(3,368,242)	(2,013,904)
Additions during the period	3,905,867	4,013,098
Monetary gain/(loss)	(866,467)	(1,790,063)

31 December	2,561,257	2,890,099
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Letters of guarantee and letters of credit 31 December 2024 31 December 2023

Letters of guarantee given to financial institutions due to bank loans	11,164,624	2,841,019
Letters of guarantee given to customs	367,429	476,824
Letters of guarantees given to other parties	197,617	472,547
	11,729,670	3,790,390

Letters of guarantee given

	31 December 2024		31 December 2023	
	Original currency	TRY amount	Original currency	TRY amount
TRY	6,279,345	6,279,345	465,609	465,609
EUR	141,601	5,202,845	68,996	3,244,873
Romanian Leu	33,710	247,480	8,500	79,908
		11,729,670		3,790,390

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13. PROVISION, CONTINGENT ASSETS AND LIABILITIES (Continued)

The allocation of collaterals, pledges and mortgages as of 31 December 2024 and 31 December 2023 as follows:

Collaterals, pledges and mortgages given by the Company	31 December 2024	31 December 2023
A. Total amount of collaterals/pledges/mortgages given for its own legal entity	11,711,437	3,779,183
B. Total amount of collaterals/pledges/mortgages given for participations included in entire consolidation	-	-
C. Total amount of collaterals/pledges/mortgages given to assure debts of third parties, for the purpose of conducting the business activities (*)	18,233	11,207
D. Total amount of other collaterals/pledges/mortgages given		
i, Total amount of collaterals/pledges/mortgages	-	-
ii, Total amount of collaterals/pledges/mortgages given for other related companies that do not fall into B and C sections	-	-
iii, Total amount of collaterals/pledges/mortgages given for third parties that do not fall into C section	-	-
	11,729,670	3,790,390

(*) Relevant amounts are related to CPCs (non-cash loans) given by the Group in favour of its domestic dealers within the scope of warranty obligations.

As of 31 December 2024 and 31 December 2023, total amount of the collaterals, pledges and mortgages obtained by the Group are as follows:

Letters of guarantee taken

	31 December 2024		31 December 2023	
	Original Currency	TRY amount	Original currency	TRY amount
TRY	3,986,891	3,986,891	8,457,784	8,457,784
EUR	147,951	5,436,145	212,029	9,971,696
USD	6,161	217,201	1,469	62,437
		9,640,237		18,491,917

Other

The long-term bank borrowing agreements related to the investments require the Group to comply with certain financial ratios. Such financial ratios are met by the Group as of 31 December 2024 and 31 December 2023.

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14. COMMITMENTS

None.

15. EMPLOYEE BENEFITS

Liabilities for employee benefit obligations

	31 December 2024	31 December 2023
Salaries and social charges payable	1,451,145	2,989,538
Social security premiums	1,117,162	1,940,688
Income tax withholdings payable	757,269	841,444
Other	95,944	65,351
	3,421,520	5,837,021

Long-term provision for employee benefits

	31 December 2024	31 December 2023
Provision for employment termination benefits	1,687,139	2,202,845
Provision for unused vacation pay liability	582,609	458,126
	2,269,748	2,660,971

Provision for employee benefits:

There are no agreements for pension commitments other than the legal requirement as explained below.

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of full TRY 41,828.42 for each year of service as of 31 December 2024 (31 December 2023: Full TRY 23,489.83).

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

TAS requires actuarial valuation methods to be developed to estimate the Group's obligation under defined benefit plans, accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2024	31 December 2023
Net discount rate (%)	3.38	2.90
Turnover rate to estimate the probability of retirement (%)	92.40	94.56

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employee benefits once a year, the maximum amount of full TRY 46,655.43 which was effective as of 1 January 2025 (1 January 2024: Full TRY 35,058.58) has been used in the calculations.

Movements in the provision for employee benefits during the year are as follows:

	2024	2023
1 January	2,202,845	4,109,337
Interest cost	439,588	337,369
Current period service cost	162,005	282,060
Payments made during the period	(1,142,135)	(906,985)
Remeasurement (gains)/losses on defined benefit plans	623,971	(150,802)
Foreign currency translation difference	(30,037)	(57,500)
Monetary (gain)/loss	(569,098)	(1,410,634)
31 December	1,687,139	2,202,845

The sensitivity analysis of the assumptions which was used for the calculation of provision for employee benefits as of 31 December 2024 is below:

Sensitivity level	Net discount rate		Turnover rate related to the probability of retirement	
	0.5% base decrease	0.5% base increase	0.5% base decrease	0.5% base increase
Rate (%)	(2.9)	(3.9)	91.9	92.9
Change in provision for employee benefits	127,267	(114,958)	(44,649)	46,083

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16. OTHER CURRENT ASSETS

	31 December 2024	31 December 2023
VAT to be deducted (*)	15,172,731	10,959,741
Prepaid taxes and withholding	212,778	200,893
Other	461,696	779,828
	15,847,205	11,940,462

(*) The VAT deductible subject to refund includes the export VAT refund for October, November, and December 2024. The refunds for October and November were collected in January 2025.

17. EQUITY

The composition of the Company's paid-in capital as of 31 December 2024 and 31 December 2023 is as follows:

Shareholders	Share group	31 December 2024	Shareholders percentage (%)	31 December 2023	Shareholders percentage (%)
Koç Holding A.Ş.	B	135,63	138.65	135,631	38.65
Temel Ticaret ve Yatırım A.Ş.	B	2,356	0.67	2,356	0.67
Ford Deutschland Engineering GmbH	C	143,997	41.04	143,997	41.04
Vehbi Koç Vakfı	A	2,881	0.82	2,881	0.82
Koç Holding Emekli ve Yardım Sandığı Vakfı	A	3,259	0.93	3,259	0.93
Other (Public)	A	62,786	17.89	62,786	17.89
Paid in capital		350,910	100	350,910	100
Inflation adjustment to share capital		8,559,919		8,559,919	
Inflation adjusted paid in capital		8,910,829		8,910,829	

According to the articles of association, half of the members to be elected to the Board of Directors will be selected from candidates nominated by Group B shareholders, and the other half will be selected from candidates nominated by Group C shareholders. The General Assembly is authorized to determine the number of Board members and to select the members. It is mandatory for one candidate nominated by both Group B and Group C shareholders to meet the independent criteria defined in the CMB regulations.

Capital adjustment differences refer to the total amounts of cash and cash-equivalent additions made to the paid-in capital, adjusted for inflation, and the difference before inflation adjustment.

There are 35,091,000,000 unit of shares (31 December 2023: 35,091,000,000 unit) with a nominal value of Kr 1 each.

According to the Turkish Commercial Code, legal reserves are divided into first and second-order legal reserves. According to the Turkish Commercial Code, first-order legal reserves are set aside as 5% of the legal net profit until they reach 20% of the company's paid-in capital. Second-order legal reserves are 10% of the distributed profit exceeding 5% of the paid-in capital. According to the Turkish Commercial Code, legal reserves can only be used to offset losses as long as they do not exceed 50% of the paid-in capital. The aforementioned legal reserves are classified under "Restricted Reserves from Profit" in accordance with the provisions of the Communiqué issued by the CMB. As of 31 December 2024, the amount of restricted reserves from profit is TRY 9,283,317 (31 December 2023: TRY 8,493,002).

According to the "Principles on Financial Reporting in the Capital Markets" Communiqué Serial: II-14.1 No. 1, published in the Official Gazette on 13 June 2013, and which came into effect, "Paid-in capital", "Restricted reserves from profit", and "Share premium" must be presented based on the amounts recorded in the legal records. During the application of this communiqué, differences arising from valuations (such as differences due to inflation adjustment) should be:

- If arising from "Paid-in capital" and not yet added to the capital, it should be associated with the "Capital adjustment differences" account to be opened following the "Paid-in capital" line.
- If arising from "Restricted reserves from profit" and "Share premium" and not yet subject to profit distribution or capital increase, it should be associated with "Retained earnings/accumulated losses."

Other equity items are presented at their values as per TAS. Capital adjustment differences have no other use except for being added to the capital.

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17. EQUITY (Continued)

Public companies distribute dividends in accordance with the Capital Markets Board (CMB) Communiqué II-19.1 on Dividend Distribution, which became effective as of 1 February 2014. Companies distribute their profits in accordance with the profit distribution policies determined by their general assemblies and in compliance with the relevant legal provisions. Under this communiqué, no minimum distribution rate has been specified. Companies distribute dividends as stipulated in their articles of association or profit distribution policies. In addition, dividends may be paid in equal or different instalment amounts, and a cash dividend advance may be distributed from the profit reflected in the consolidated financial statements.

According to the Turkish Commercial Code (TCC), unless the required reserves are set aside and the dividends determined for shareholders in the articles of association or profit distribution policy are allocated, no additional reserves may be allocated, profit may not be transferred to the following year, and no dividend may be distributed to the usufruct holders, board members, employees, or individuals who are not shareholders. Additionally, no dividend may be distributed to these individuals unless the dividend set for shareholders is paid in cash.

At the Ordinary General Assembly held on 25 March 2024, the Group decided to distribute a gross cash dividend of TRY 43.30 per share (net TRY 38.97), representing a gross distribution rate of 4.330% (net 3.897%) and a total cash dividend of TRY 15,194,403 from the 2023 profit, with the payment to be made in April 2024. At the Extraordinary General Assembly held on 20 November 2024, the Group decided to distribute a gross cash dividend of TRY 14.25 per share (net TRY 12.83), representing a gross distribution rate of 1.425% (net 1.283%) and a total cash dividend of TRY 5,000,467, with the payment made in November. As of 31 December 2024, the total amount of dividend payments calculated on the basis of purchasing power is TRY 23,529,861.

In accordance with Communiqué No: II-14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets", equity schedule at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Issued capital	350,910	350,910
Inflation adjustments on capital	8,559,919	8,559,919
Share premium	8	8
Gains from financial assets measured at fair value through other comprehensive income	201,709	162,825
Losses on cash flow hedge	(24,833,723)	(26,999,559)
Losses on remeasurements of defined benefit plans	(2,396,406)	(1,928,428)
Exchange differences on translation	(8,146,211)	(891,688)
Restricted reserves	9,283,317	8,493,002
- Legal reserves	9,283,317	8,493,002
Retained earnings	93,340,399	46,834,490
- Inflation adjustment to equity	57,476,057	35,562,312
- Extraordinary reserves	35,864,342	11,272,178
Net income for the period	38,863,566	70,826,085
Total equity	115,223,488	105,407,564

The adjusted values of the items shown at historical costs above and the equity inflation adjustment differences as of the year-end 2003, in accordance with TFRS and TPL financial statements, as of 31 December 2024 and 31 December 2023 are as follows:

31 December 2024 (TFRS)	Historical values	Adjusted values	Equity inflation adjustment differences
Issued capital	350,910	8,910,829	8,559,919
Legal reserves	2,193,188	9,283,317	7,090,129
Share premium	8	189 1	81
	2,544,106	18,194,335	15,650,229

31 December 2024 (TPL)	Historical values	Adjusted values	Equity inflation adjustment differences
Issued capital	350,910	11,292,942	10,942,032
Legal reserves	2,193,188	5,562,808	3,369,620
Share premium	8	267	259
	2,544,106	16,856,017	14,311,911

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17. EQUITY (Continued)

The inflation adjustment differences for equity can only be used for non-cash capital increases or offsetting losses; the recorded values of extraordinary reserves can be used for non-cash capital increases, cash dividend distributions, or offsetting losses.

The shares of Otokar, traded on the Borsa Istanbul, are valued based on the market prices at the end of the last trading day as of 31 December 2024 and 31 December 2023. As of 31 December 2024, the deferred tax effect of TRY 38,884 (31 December 2023: TRY 18,294) arising in the current period has been netted with the fair value difference and is shown under other comprehensive income.

The effects of the changes under other comprehensive income, net of deferred tax, and the changes in accumulated income and expenses under equity are as follows:

	2024	2023
1 January	(29,656,850)	(16,252,722)
Gains/(losses) from financial assets measured at fair value through other comprehensive income	38,884	18,294
Actuarial gains/(losses)	(467,978)	120,641
Gains/(losses) on cash flow hedges	2,165,836	(12,587,074)
Exchange differences on translation	(7,254,523)	(955,989)
31 December	(35,174,631)	(29,656,850)

18. REVENUE AND COST OF SALES

Revenue	2024	2023
Export sales (*)	456,907,894	435,486,956
Domestic sales	150,969,473	170,507,139
Other sales	4,020,860	3,557,100
Less: discounts	(16,903,089)	(14,846,019)
	594,995,138	594,705,176

(*) International sales and sales figures include Ford Romania SRL's sales as well as the Company's exports.

Units of vehicle sales

	2024			2023		
	Domestic sales	Export sales	Total sales	Domestic sales	Export sales	Total sales
1 ton commercial vehicle	7,991	203,705	211,696	29,034	148,445	177,479
2 ton commercial vehicle	34,630	122,628	157,258	5,902	139,353	145,255
Puma	9,121	158,749	167,870	6,760	176,890	183,650
Transit Courier	28,384	57,206	85,590	36,502	19,884	56,386
Passenger vehicles	20,214	20	20,234	25,380	120	25,500
Ford Trucks	8,571	3,919	12,490	11,699	7,384	19,083
Ranger	5,516	-	5,516	1,744	-	1,744
Tourneo Connect	351	2	353	561	6	567
	114,778	546,229	661,007	117,582	492,082	609,664

Summaries of cost of production as of 31 December 2024 and 2023 are as follows:

	2024	2023
Cost of raw material	(444,912,013)	(447,247,125)
Production overhead cost	(39,608,006)	(35,437,130)
Amortization expenses (Notes 10, 11 and 32)	(9,699,010)	(8,338,229)
Changes in finished good	3,335,892	7,063,978
Total production cost	(490,883,137)	(483,958,506)
Cost of trade goods sold	(49,507,573)	(30,980,290)
Total cost of sales	(540,390,710)	(514,938,796)

19. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	2024	2023
Research and development expenses		
Personnel expenses	(3,508,220)	(3,249,758)
Project costs	(1,119,161)	(3,705,728)
Mechanization expenses	(654,300)	(439,137)
Depreciation and amortization expenses (Notes 10, 11 and 32)	(291,332)	(82,703)
Other	(597,051)	(187,586)
	(6,170,064)	(7,664,912)

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19. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (Continued)

	2024	2023
Marketing expenses		
Warranty expenses (Note 13)	(3,905,867)	(4,013,098)
Vehicle transportation expenses	(2,201,419)	(1,850,396)
Personnel expenses	(1,614,697)	(1,403,910)
Advertising expenses	(833,005)	(764,159)
Mechanization expenses	(489,918)	(198,104)
Export expenses	(322,264)	(341,152)
Spare parts transportation and packaging expenses	(226,791)	(390,674)
Depreciation and amortization expenses (Note 10, 11 ve 32)	(114,611)	(53,503)
Dealer meeting and service development expenses	(97,948)	(38,419)
Other	(673,325)	(856,622)
	(10,479,845)	(9,910,037)
	2024	2023
General administrative expenses		
Personnel expenses	(5,200,327)	(4,467,968)
Depreciation and amortization expenses (Notes 10, 11, and 32)	(607,491)	(281,720)
Legal, consultancy, and audit expenses	(556,272)	(632,288)
Donations and aids	(473,674)	(1,192,547)
New project management expenses	(530,511)	(590,937)
Mechanization expenses	(174,148)	(884,849)
Taxes, duties, and fees expenses	(152,426)	(112,273)
Organization expenses	(94,531)	(156,228)
Repair, maintenance, and energy expenses	(66,028)	(84,202)
Transportation and travel expenses	(50,954)	(139,513)
Other	(892,656)	(740,307)
	(8,799,018)	(9,282,832)

20. EXPENSES BY NATURE

The classification of expenses by nature for the periods ended at 31 December 2024 and 2023 is as follows:

	2024	2023
Raw materials and supplies expenses	(444,912,013)	(447,247,125)
Cost of goods sold	(49,507,573)	(30,980,290)
Financing expenses	(35,349,681)	(43,205,414)
Personnel expenses	(34,481,622)	(29,371,597)
Other general production expenses	(15,449,628)	(15,187,167)
Other expenses from main operations	(12,989,018)	(12,246,901)
Depreciation and amortization expenses	(10,712,444)	(8,756,155)
Other operational expenses	(14,112,249)	(17,318,221)
Expenses from investment activities	(609,654)	(106,949)
Changes in inventories	3,335,892	7,063,978
Total	(614,787,990)	(597,355,841)

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21. OTHER OPERATING INCOME/EXPENSES

	2024	2023
Other income and gains from main operations		
Financial income from sales on credit	8,006,975	5,790,489
Foreign exchange gains on trade receivables and payables	3,705,749	15,562,539
Rental income	153,939	161,449
Commission income	99,341	51,551
Price difference and compensated damage amounts	35,338	259,362
Provisions no longer required	25,684	10,482
Licensing income	2,626	45,624
Other	788,356	1,007,881
	12,818,008	22,889,377

	2024	2023
Other expenses and losses from main operations		
Financial expenses from credit purchases	(10,441,783)	(7,298,833)
Foreign exchange losses on trade receivables and payables	(774,373)	(3,819,734)
Other	(1,772,862)	(1,128,334)
	(12,989,018)	(12,246,901)

22. FINANCIAL INCOME

	2024	2023
Foreign exchange gains	9,534,236	16,732,993
Interest income	4,325,415	4,731,989
Other	497,552	159,644
	14,357,203	21,624,626

23. FINANCIAL EXPENSES

	2024	2023
Foreign exchange losses	(22,968,337)	(34,272,893)
Interest expenses	(12,381,344)	(8,145,707)
Other	-	(786,814)
	(35,349,681)	(43,205,414)

24. NET MONETARY POSITION GAINS/(LOSSES) DISCLOSURES

Non-Monetary Items	31 December 2024
Financial statement items	23,121,629
Inventories	13,173,825
Prepaid expenses	5,369,869
Investments accounted for using the equity method, financial investments, subsidiaries	10,727,084
Tangible fixed assets	15,480,789
Intangible assets	2,202,203
Right-of-use assets	334,432
Deferred tax assets	2,575,472
Deferred revenues	(251,568)
Paid-in capital	(2,738,983)
Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	955,850
Accumulated other comprehensive income/(expenses) to be reclassified to profit or loss	11,439,944
Restricted reserves from profits	(2,927,791)
Retained earnings	(33,219,497)
Income Statement Items	(430,847)
Revenue	(53,928,479)
Cost of sales	50,138,534
Marketing expenses	1,221,032
General administrative expenses	1,043,516
Research and development expenses	807,047
Other income/expenses from operating activities	(252,387)
Income/expenses from investing activities	(425,014)
Finance income/expenses	933,216
Income tax expense	31,688
Net monetary position gains	22,690,782

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25. TAX ASSETS AND LIABILITIES

Corporate Tax Law was amended by the Law No, 5520 dated 13 June 2006. Law No, 5520 came into force as of 21 June 2006, but many of the provisions came into force effective from 1 January 2006. Accordingly, the corporate tax rate for 31 December 2024 is 25% in Turkey (31 December 2023: 25%). The Romanian Corporate Tax rate is 16% (31 December 2023: 16%). Corporate tax is payable on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment incentive, etc.) and corporate income tax deductions (e.g. research and development expenditures deduction). No further tax is payable unless the profit is distributed.

15% withholding tax rate applies to dividends distributed by resident corporations resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations in Turkey. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

The temporary tax paid during the year belongs to that year and is deducted from the corporation tax that will be calculated over the tax declaration of the institutions to be given in the following year. If the temporary tax amount paid remains in spite of the indictment, this amount can be refunded or any other financial debt to the state can be deducted.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax declarations to the Tax Office within the 25th of the fourth month following the close of the financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. Romanian tax legislation similarly allows deducting financial losses shown on the declaration from corporate income for a period not exceeding 7 years.

There are many exceptions to the Institutions Tax Law. These exceptions to the Group are explained below:

Dividend gains from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

The Group capitalizes the R&D expenses made within the scope of the Code no 5746 in its legal books. According to the provisions of the same Code, the Group makes calculation within the framework of the related legislation over the R&D expenses incurred and utilizes R&D deduction exemption at the rate of 100% for the portion of expenses allowed by the Code.

As of 31 December 2024 the Group utilised R&D incentive exemption amounting of TRY 8,549,381 (31 December 2023: TRY 6,269,882) in return for the legal tax.

As of the reporting date, TRY 7,234,300 (31 December 2023: TRY 7,234,300) under the Large-Scale Investment Incentive Certificate, completed and investment in progress, TRY 52,469,454 (31 December 2023: TRY 50,146,579) within the scope of Priority Investment Incentive Certificates and TRY 66,312,954 (31 December 2023: TRY 45,119,510) within the scope of Project Based State Aid investment expenditure and within the scope of the Regional Investment Incentive Certificate, an investment expenditure of TRY 269,631(31 December 2023: None) was made.

The Group utilized discounted corporate taxation amounting to TRY 2,066,867 (31 December 2023: TRY 10,257,975) in the current year and this amount has been deducted from the total deferred tax asset.

Tax Advantages Obtained within the Scope of Investment Incentive System

Gains obtained from the investments of the Group, which are subject to the incentive certificate, are subject to corporate tax at reduced rates from the accounting period in which the investment is started to be operated partially or completely, until it reaches the amount of contribution to the investment. In this context, as of 31 December 2024, the tax advantage amounting to TRY 26,134,839 (31 December 2023: TRY 17,384,779) that the Group will benefit from in the foreseeable future is reflected in the consolidated financial statements as a deferred tax asset. As a result of recognizing the mentioned tax advantage as of 31 December 2024, deferred tax income amounting to TRY 14,093,987 (current period effect of 1 January-31 December 2024) has occurred in the consolidated profit or loss statement for the period 1 January - 31 December 2024.

Periods in which deferred tax assets arising from investment incentives are expected to be used:

As of the balance sheet period, the Group has associated the reduced corporate tax advantage it has achieved through investment expenditures with the tax base. It defines the amount of incentive that the Group can benefit from in this process for the next 10 year period, which the management team has determined as the foreseeable future, as deferred tax asset. In this context, as of 31 December 2024, the Group has 38 Billion TRY of investment incentive assets. As a result of the estimations it has prepared, the Group has accounted for 26 Billion TRY as a deferred tax asset for the relevant period.

The periods during which the deferred tax assets arising from investment incentives are expected to be used/recovered are as follows:

	31 December 2024	31 December 2023
0-5 year	15,628,369	15,557,041
5-10 year	10,506,470	1,827,738

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans, and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models that include taxable profit estimations. These deferred tax assets are expected to be recovered within 10 years from the balance sheet date.

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25. TAX ASSETS AND LIABILITIES (Continued)

Periods in which deferred tax assets arising from investment incentives are expected to be used (Continued)

In the sensitivity analysis carried out as of 31 December 2024, when the inputs (such as growth rate and profitability) in the basic macroeconomic and sectoral assumptions that make up the business plans are evaluated by increasing/decreasing 10%, the amount of deferred tax assets related to investment incentives and the recovery periods foreseen as 10 years are significantly increased. there has been no change.

The Group's net tax position as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Current year corporate tax expense	(1,257,689)	(3,955,882)
Prepaid tax and withholding	762,207	3,849,316
Current tax related assets/(liabilities)	(495,482)	(106,566)
Deferred tax assets	21,589,248	18,788,566
Deferred tax liabilities	(1,311,878)	(1,348,677)
Net deferred tax assets/(liabilities)	20,277,370	17,439,889

The taxation on income for the periods ended 31 December 2024 and 2023 are as follows:

	2024	2023
Current year corporate tax expense	(1,257,689)	(3,955,882)
Current year tax effect of cash flow hedge (*)	721,945	(5,969,246)
Other deferred tax	2,392,075	12,274,660
Deferred tax (expense)/income	3,114,020	6,305,414
Continuing operations tax income/(expense)	1,856,331	2,349,532

(*) The amount represents the tax effect of the reclassification made between the statement of income and other comprehensive income relating to the cash flow hedge transactions.

Calculation of the tax expense reconciliation using the current period tax expense in the statement of profit or loss as at 31 December 2024 and 2023 and current tax ratio based on income before tax is as follows:

	31 December 2024	31 December 2023
Income before tax	37,007,235	68,476,553
Effective tax rate	25%	25%
Current year tax expense	(9,251,809)	(17,119,138)
Research and development deductions	2,137,345	1,567,471
Investment incentive exemption	16,160,854	21,382,468
Monetary gain/(loss) and other	(7,190,059)	(3,481,269)
	1,856,331	2,349,532

The Group calculates deferred income tax assets and liabilities by taking into account the effects of temporary differences arising from the different assessments between TFRS and statutory financial statements.

The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of December 31, 2024 and December 31, 2023, using the applicable tax rates, is as follows:

	Cumulative temporary differences		Deferred tax assets / (liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred tax assets				
Investment incentive tax asset	(102,611,712)	(39,440,143)	26,134,839	17,384,779
Expense accruals and other provisions	(13,114,854)	(6,953,052)	3,288,304	1,907,815
Warranty expense provision	(2,561,257)	(2,890,099)	640,314	722,524
Employee benefits provision	(1,687,139)	(2,202,845)	415,050	543,965
Inventories	6,683,665	(812,887)	(1,671,191)	206,071
Carry forward tax losses	-	(2,131,606)	-	352,571
	(113,291,297)	(54,430,632)	28,807,316	21,117,725
Deferred tax liabilities				
Tangible and intangible assets	17,588,971	4,541,740	(3,638,020)	(132,101)
Income accruals and other	19,498,084	15,037,603	(4,891,926)	(3,545,735)
	37,087,055	19,579,343	(8,529,946)	(3,677,836)
Net deferred tax asset		20,277,370		17,439,889

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25. TAX ASSETS AND LIABILITIES (Continued)

The deferred tax movement table of 31 December 2024 and 31 December 2023 are presented below:

	2024	2023
1 January	17,439,889	5,704,546
Charged to statement of profit or loss as income/(expense)	3,114,020	6,305,414
Deferred tax income reflected in equity	(571,507)	5,938,122
Foreign currency translation difference	294,968	(508,193)
31 December	20,277,370	17,439,889

26. EARNINGS PER SHARE

	2024	2023
Net profit for the year	38,863,566	70,826,085
Weighted average number of shares with nominal	35,091,000,000	35,091,000,000
Earnings per share with nominal value of Kr 1 each	110.75 Kr	201.84 Kr

27. RELATED PARTY DISCLOSURES

Related party can be defined according to whether one of the companies has control over the others or has significant effect on its financial and administrative decisions. The Group is controlled by Koç Holding A.Ş. and Ford Deutschland Engineering GmbH, a subsidiary of Ford Motor Company. In the financial statements, shareholder companies, shareholders and financial fixed assets and other group companies' assets are shown as related parties.

The related party balances at 31 December 2024 and 31 December 2023 and the transactions with related parties during the year are as follows:

a) Receivables from related parties

i) Trade receivables from related parties

	31 December 2024	31 December 2023
Due from shareholders		
Ford Motor Group and subsidiaries	36,812,523	30,148,875
	36,812,523	30,148,875
Due from group companies (*)		
Otokoç Otomotiv Ticaret ve Sanayi A.Ş.	7,750,103	6,458,611
Other	44,040	52,598
	7,794,143	6,511,209
Less: unearned credit finance income	(227,463)	(193,240)
	44,379,203	36,466,844

(*) The Company's shareholders' subsidiaries and affiliate

Export sales mainly consist of sales to Ford Motor Company. Payments terms and conditions are specified in the business agreements with Ford Motor Company. Export vehicle receivables from the Ford Motor Company are due in 14 days and for Romanian 30 days and receivables are collected regularly.

Per the domestic dealership agreement between Ford Otomotiv Sanayi A.Ş. and Otokoç Otomotiv Ticaret ve Sanayi A.Ş., the Companies have a vehicle and spare parts trade connection. As mentioned in Note 6, the Company's vehicle sales receivables from Otokoç Otomotiv Ticaret ve Sanayi A.Ş. is due in 30 days on average and sales of spare parts is due in 70 days on average.

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27. RELATED PARTY DISCLOSURES (Continued)

a) Receivables from related parties (Continued)

ii) Other receivables from related parties (*)

	31 December 2024	
31 December 2023		
Due from shareholders		
Ford Motor Group and subsidiaries	2,886,661	1,724,132
	2,886,661	1,724,132

iii) Long-term other receivables from related parties (*)

Due from shareholders

	31 December 2024	31 December 2023
Ford Motor Group and subsidiaries	17,141,045	14,258,290
	17,141,045	14,258,290

(*) All of the amounts shown in other receivables from related parties consist of receivables arising from the Group's accounting by leasing certain fixed assets in Craiova and Kocaeli factories to Ford Motor Company in accordance with TFRS 16.

b) Payables to related parties

i) Trade payables to related parties

	31 December 2024	31 December 2023
Due from shareholders		
Ford Motor Group and subsidiaries	11,864,736	10,821,880
	11,864,736	10,821,880

Due to group companies (*)

	31 December 2024	31 December 2023
Ram Dış Ticaret A.Ş.	1.456.949	789.508
Zer Merkezi Hizmetler ve Ticaret A.Ş.	1.327.929	1.473.741
Otokoç Otomotiv Ticaret ve Sanayi A.Ş.	471.273	104.198
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	153.455	113.235
Ark İnşaat A.Ş.	107.901	283.777
Ram Sigorta Aracılık Hizmetleri A.Ş.	52.291	85.036
Ingage Dijital Pazarlama Hizmetleri	51.469	55.841
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş.	44.296	89.856
Opet Petrolcülük A.Ş.	27.975	50.674
Setur Servis Turistik A.Ş. 2	3.286	197.376
Koçtaş Yapı Marketleri Sanayi ve Ticaret A.Ş.	12.862	14.786
Divan Turizm İşletmeleri A.Ş.	4.613	43.965
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	3.155	4.044
Other	112.391	164.968
	3.849.845	3.471.005
Less: unaccrued finance expense arising from forward purchases	(98.812)	(72.716)
	15.615.769	14.220.169

(*) The Group's shareholders' subsidiaries, joint ventures and affiliates.

ii) Other payables to related parties

	31 Aralık 2024	31 Aralık 2023
Koç Finansman A.Ş.	306.801	180.648
Koç Holding A.Ş.	187.953	224.200
Yapı ve Kredi Bankası A.Ş.	20.626	498.412
	515.380	903.260

c) Sales to related parties

	2024	2023
Ford Motor Company (*)	443.788.966	408.090.809
Otokoç Otomotiv Tic. ve San. A.Ş. (**)	34.096.059	38.737.972
Other	151	114
	477.885.176	446.828.895
Less: financial income from credit sales	(1.801.640)	(1.443.512)
	476.083.536	445.385.383

(*) The Company, exports vehicle, spare parts and engineering service to Ford Motor Company.

(**) The Group has a vehicle and spare parts trade in accordance with domestic dealer agreement with Otokoç Otomotiv Ticaret ve Sanayi A.Ş.

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27. RELATED PARTY DISCLOSURES (Continued)

d) Material, service and fixed asset purchases from related parties

	2024			
	Material	Service	Fixed assets	Total
Domestic purchases				
Zer Merkezi Hizmetler ve Ticaret A.Ş. ⁽¹⁾	439,634	7,820,361	5,663	8,265,658
Ram Dış Ticaret A.Ş.	5,229,090	-	-	5,229,090
Ark İnşaat Sanayi ve Ticaret A.Ş. ⁽²⁾	-	-	1,119,613	1,119,613
Eltek Elektrik Enerjisi İth. İhr. ve Toptan Tic. A.Ş.	-	1,073,500	-	1,073,500
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	515,694	505,981	1,021,675
Ram Sigorta Aracılık Hizmetleri A.Ş. ⁽³⁾	-	942,203	-	942,203
Otokoç Otomotiv Ticaret ve Sanayi A.Ş.	-	529,913	174,276	704,189
Setur Servis Turistik A.Ş.	-	360,223	-	360,223
Koç Holding A.Ş. ⁽⁴⁾	-	330,347	-	330,347
Opet Petrolcülük A.Ş.	324,999	-	-	324,999
Ingage Dijital Pazarlama A.Ş.	-	258,457	-	258,457
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş.	195,465	-	-	195,465
AKPA Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	69,534	-	-	69,534
Koçtaş Yapı Marketleri Ticaret A.Ş.	57,972	-	2,798	60,770
Other	2,795	290,549	513,215	806,559
	6,319,489	12,121,247	2,321,546	20,762,282
Less: Financial expense from credit purchases	(442,824)	-	-	(442,824)
	5,876,665	12,121,247	2,321,546	20,319,458

(1) The Group primarily receives services from Zer Merkezi Hizmetler ve Ticaret A.Ş. within the scope of the central purchasing function.

(2) The Group's purchases from Ark İnşaat are related to mechanical, construction, and electrical works for the new project investments at the Kocaeli and Eskişehir Factories.

(3) It includes the premiums paid and accrued under the policies signed between unrelated insurance companies through Ram Sigorta Aracılık Hizmetleri A.Ş., which operates as an insurance agency.

(4) The costs incurred for services provided by Koç Holding A.Ş. to the companies under its umbrella, including services related to finance, law, planning, tax, senior management, and other areas, including personnel and senior management expenses, are included in the service fees invoiced to the Group as a result of the distribution in accordance with the "11-Group Services" regulation in the Transfer Pricing and Hidden Profit Distribution General Communiqué No. 1.

d) Material, service and fixed asset purchases from related parties

	2023			
	Material	Service	Fixed assets	Total
Domestic purchases				
Zer Merkezi Hizmetler ve Ticaret A.Ş.	413,657	6,048,032	7,242	6,468,931
Ram Dış Ticaret A.Ş.	992,152	-	-	992,152
Ark İnşaat Sanayi ve Ticaret A.Ş.	-	-	2,153,273	2,153,273
Eltek Elektrik Enerjisi İth. İhr. ve Toptan Tic. A.Ş.	-	1,191,424	-	1,191,424
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	47,470	292,099	339,569
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	528,400	-	528,400
Otokoç Otomotiv Ticaret ve Sanayi A.Ş.	-	284,341	112,785	397,126
Setur Servis Turistik A.Ş.	-	425,078	-	425,078
Koç Holding A.Ş.	-	362,661	-	362,661
Opet Petrolcülük A.Ş.	318,605	-	-	318,605
Ingage Dijital Pazarlama A.Ş.	-	176,535	-	176,535
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş.	259,926	-	-	259,926
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	59,330	-	-	59,330
Koçtaş Yapı Marketleri Ticaret A.Ş.	45,518	-	602	46,120
Other	22,145	251,368	130,239	403,752
	2,111,333	9,315,309	2,696,240	14,122,882
Less: Financial expense from credit purchases	(146,676)	-	-	(146,676)
	1,964,657	9,315,309	2,696,240	13,976,206

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27. RELATED PARTY DISCLOSURES (Continued)

Material, vehicle and service purchases from abroad

	2024	2023
Ford Motor Group and Subsidiaries	182,366,485	181,003,142

e) License fees paid to Ford Motor Group included in cost of sales

	2024	2023
	3,043,598	2,923,676

f) License fees received from Jiangling Motors Corporation, a subsidiary of Ford Motor Group, included in other income

	2024,	2023
	2,626	45,622

g) Donations to related parties, establishments and foundations, included in general administrative expenses

	2024	2023
	389,272	654,041

Deposits placed by the Group in related banks

h) The details of deposits in related banks

	31 December 2024	31 December 2023
Yapı ve Kredi Bankası A.Ş.		
- Foreign currency time deposits	6,721,171	4,701,074
- TRY time deposit	853,742	1,444,819
- TRY demand deposit	291,655	319,579
- Foreign currency demand deposits	141,534	62,915
	8,008,102	6,528,387

i) Related party bank loans

	31 December 2024	31 December 2023
Yapı ve Kredi Bankası A.Ş.	518,101	-
	518,101	-

i) Other short-term and long-term liabilities

	31 December 2024	31 December 2023
Ford Motor Company and subsidiaries (Note 6)	12,261,915	15,391,196
	12,261,915	15,391,196

j) Advances received

	31 December 2024	31 December 2023
Ford Motor Company and its subsidiaries	5,503,790	4,009,532
	5,503,790	4,009,532

k) Commission income

	2024	2023
Koç Finansman A.Ş.	70,899	8,861
Yapı ve Kredi Bankası A.Ş.	25,860	42,723
Otokoç Otomotiv Ticaret ve Sanayi A.Ş.	19	263
	96,778	51,847

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27. RELATED PARTY DISCLOSURES (Continued)

l) Commission expense

	2024	2023
Koç Finansman A.Ş.	2,734,583	380,072
Yapı ve Kredi Bankası A.Ş.	799,796	761,738
	3,534,379	1,141,810

Commissions paid to Koç Finansman A.Ş. and Yapı ve Kredi Bankası A.Ş. are credit commissions related to sales to end user customers by dealers and are recorded as sales discounts in the statement of profit or loss.

m) Interest income

	2024	2023
Yapı ve Kredi Bankası A.Ş.	507,233	468,417
	507,233	468,417

n) Dividends income

	2024	2023
Otokoç Otomotiv Ticaret ve Sanayi A.Ş.	5,129	-
	5,129	-

o) Compensation of key management personnel

The Group defines its key management personnel as board of directors' members, general manager, assistant general managers and directors reporting directly to the general manager.

Compensation of key management personnel includes salaries, premiums, Social Security Institution employer's contribution, employer's contribution of unemployment insurance and the attendance fees.

The total benefits provided by the Group to its top executives in 2024 amount to TRY 465,773 as of 31 December 2024 with the purchasing power (31 December 2023: TRY 533,784). Of this amount, TRY 52,779 relates to payments made due to separations, while the remaining portion consists of short-term benefits.

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The table below summarizes the Group 's exposure to foreign currency exchange rate risk at 31 December 2024 and 31 December 2023. The carrying amount of the Group 's foreign currency denominated assets and liabilities, categorized by currency have been presented below:

31 December 2024	TRY equivalent (Functional currency)	USD	EUR	Other
1. Trade receivables	41,159,309	29,203	1,092,126	63
2. Monetary financials assets (including cash and cash equivalents)	18,088,788	7,011	483,306	50
3. Other	8,142,365	81,261	143,680	19
4. Current assets (1 + 2 + 3)	67,390,462	117,475	1,719,112	132
5. Monetary financial assets	2,556,782	-	69,586	-
6. Non-current assets (5)	2,556,782	-	69,586	-
7. Total assets (4 + 6)	69,947,244	117,475	1,788,698	132
8. Trade payables	22,995,015	176,790	437,576	16,711
9. Financial liabilities (*)	38,611,685	34,234	1,018,043	-
10. Other monetary liabilities	3,481,342	-	94,749	-
11. Short term liabilities (8 + 9 + 10)	65,088,042	211,024	1,550,368	16,711
12. Financial liabilities (*)	78,154,018	471,560	1,674,994	-
13. Other monetary liabilities	2,457,329	-	66,879	-
14. Long term liabilities (12+13)	80,611,347	471,560	1,741,873	-
15. Total liabilities (11 + 14)	145,699,389	682,584	3,292,241	16,711
16. Net foreign currency (liabilities)/ assets position (7 - 15)	(75,752,145)	(565,109)	(1,503,543)	(16,579)
17. Net monetary foreign currency (liabilities)/assets (1 + 2 + 5 - 8 - 9 - 10 - 12 - 13)	(83,894,510)	(646,370)	(1,647,223)	(16,598)

(*) The Group's net foreign exchange position is mainly due to long-term EUR denominated loans obtained to fund its investments. The Group is hedging for the foreign currency exchange risk arising from its EUR denominated long-term loans with export agreements signed with Ford Motor Company. The TRY equivalent of such loans amount to TRY 54,081,611 as of 31 December 2024 (31 December 2023: TRY 36,341,915). As of 31 December 2024, the Group has a total of TRY 18,677,491 (31 December 2023: TRY 22,220,675) of the finished goods to be used in vehicles to be exported

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2023	TRY equivalent (Functional currency)	USD	EUR	Other
1. Trade receivables	40,592,384	14,028	1,233,482	3
2. Monetary financials assets (including cash and cash equivalents)	13,280,058	2,234	404,045	6,773
3. Other	6,405,937	-	196,624	29
4. Current assets (1 + 2 + 3)	60,278,379	16,262	1,834,151	6,805
5. Monetary financial assets	2,533,548	-	77,778	-
6. Non-current assets (5)	2,533,548	-	77,778	-
7. Total assets (4 + 6)	62,811,927	16,262	1,911,929	6,805
8. Trade payables	28,172,601	120,061	712,730	38,886
9. Financial liabilities (*)	36,491,980	-	1,120,283	-
10. Other monetary liabilities	522,535	182	15,876	-
11. Short term liabilities (8 + 9 + 10)	65,187,116	120,243	1,848,889	38,886
12. Financial liabilities (*)	44,403,263	-	1,363,154	-
13. Other monetary liabilities	19,423,925	296	596,035	-
14. Long term liabilities (12+13)	63,827,188	296	1,959,189	-
15. Total liabilities (11 + 14)	129,014,304	120,539	3,808,078	38,886
16. Net foreign currency (liabilities)/ assets position (7 - 15)	(66,202,377)	(104,277)	(1,896,149)	(32,081)
17. Net monetary foreign currency (liabilities)/assets (1 + 2 + 5 - 8 - 9 - 10 - 12 - 13)	(72,608,314)	(104,277)	(2,092,773)	(32,110)

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign exchange risk

The Group is exposed to foreign exchange risk primarily against EUR and partly against USD. The foreign exchange risk of the Group arises from long-term EUR investments.

31 December 2024

	Profit/(loss)/ before taxation	
Appreciation/depreciation in foreign currency	Increase by 10 (%)	Decrease by 10 (%)
Change in USD against TRY		
USD net assets/(liabilities)	(1,990,500)	1,990,500
USD net hedged amount	-	-
USD net- gain/(loss)	(1,990,500)	1,990,500
Change in EUR against TRY		
EUR net assets/(liabilities)	(5,524,449)	5,524,449
EUR net hedged amount	5,408,161	(5,408,161)
EUR net- gain/(loss)	(116,288)	116,288
Change in other foreign currency against TRY		
Other foreign currency denominated net (liabilities)/assets	(60,265)	60,265
Other foreign currency denominated- hedged amount	-	-
Other foreign currency denominated net - (loss)/gain	(60,265)	60,265

31 December 2023

	Profit/(loss)/ before taxation	
Appreciation/depreciation in foreign currency	Increase by 10 (%)	Decrease by 10 (%)
Change in USD against TRY		
USD net assets/(liabilities)	(306,974)	306,974
USD net hedged amount	-	-
USD net- gain/(loss)	(306,974)	306,974
Change in EUR against TRY		
EUR net assets/(liabilities)	(6,176,499)	6,176,499
EUR net hedged amount	5,247,009	(5,247,009)
EUR net- gain/(loss)	(929,490)	929,490
Change in other foreign currency against TRY		
Other foreign currency denominated net (liabilities)/assets	(136,762)	136,762
Other foreign currency denominated- hedged amount	-	-
Other foreign currency denominated net - (loss)/gain	(136,762)	136,762

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The comparative amounts for total export and import amounts for the year ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Total export amount	331,556,974	316,315,376
Total import amount	214,304,644	217,611,861

The Group's net assets are exposed to foreign exchange risk which arises from export sales. To minimize its foreign currency risk, the Group follows a balanced foreign currency position policy. The Group manages the currency exposure arising from foreign currency denominated borrowings and trade payables with its foreign currency assets.

Interest rate risk

The Group's interest rate sensitive financial instruments are as follows:

	31 December 2024	31 December 2023
Fixed interest rate financial instruments		
Financial assets	12,479,653	20,510,702
Financial liabilities	80,170,404	58,671,661
Floating interest rate financial instruments		
Financial liabilities	43,586,267	50,702,698

If the interest rates of floating interest-bearing EUR denominated borrowings were 100 basis points higher/lower with all other variables held constant, profit before tax for the year would have been lower/higher by TRY 89,679 at 31 December 2024 (31 December 2023: TRY 134,107) due to higher/lower interest expense.

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

The table below shows the liquidity risk arising from financial liabilities of the Group:

31 December 2024	Book value	Total contractual cash outflow	Up to 3 moths	Between 3-12 moths	Between 1-5 years	Longer than 5 years
Non-derivative financial instruments						
Financial liabilities	109,820,727	127,697,953	8,764,117	30,834,621	83,188,510	4,910,705
Long term other liabilities	12,261,915	13,168,881	-	7,438,041	5,730,840	-
Lease liabilities	1,674,029	2,543,681	206,916	569,062	1,767,703	-
Trade payables						
-Related party	15,615,769	15,714,581	15,714,581	-	-	-
-Other	50,533,088	51,371,274	51,371,274	-	-	-
Other payables						
-Related party	515,380	515,380	515,380	-	-	-
-Other	1,406,991	1,406,991	1,406,991	-	-	-
Derivative financial liabilities						
Derivative financial liabilities	165,508	165,508	-	-	165,508	-

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

The table below shows the liquidity risk arising from financial liabilities of the Group:

31 December 2023	Book value	Total contractual cash outflow	Up to 3 moths	Between 3-12 moths	Between 1-5 years	Longer than 5 years
Non-derivative financial instruments						
Financial liabilities	92,735,202	105,640,467	7,939,585	46,078,223	49,270,365	2,352,294
Long term other liabilities	15,391,196	16,290,462	-	-	9,201,171	7,089,291
Lease liabilities	1,247,961	1,977,096	124,602	373,804	1,377,075	101,615
Trade payables						
-Related party	14,220,169	14,292,885	14,292,885	-	-	-
-Other	61,672,711	62,497,299	62,497,299	-	-	-
Other payables						
-Related party	903,260	903,260	903,260	-	-	-
-Other	1,448,950	1,448,950	1,448,950	-	-	-
Derivative financial liabilities						
Derivative financial liabilities	235,616	235,616	-	235,616	-	-

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Fair value hierarchy table

The Group classifies the fair value measurement of financial instruments reported at fair value according to their source of valuation inputs, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted).

Level 2: Other valuation techniques that includes direct or indirect observable inputs.

Level 3: Valuation techniques that does not contain observable market inputs.

As of 31 December 2024 and 31 December 2023, the Group's hierarchy table for its assets and liabilities recorded at fair value are as follows:

31 December 2024	Level 1 (*)	Level 2 (**)	Level 3
Assets at fair value			
Derivative financial assets	-	358,351	-
Financial assets at fair value through OCI -Otokar	340,601	-	-
Financial assets at fair value through profit or loss - Other	218,252	-	-
Total assets	558,853	358,351	-
Liabilities at fair value			
Derivative financial liabilities	-	165,508	-
Total liabilities	-	165,508	-

31 December 2023	Level 1 (*)	Level 2 (**)	Level 3
Assets at fair value			
Derivative financial assets	-	557,553	-
Financial assets at fair value through OCI -Otokar	431,874	-	-
Financial assets at fair value through profit or loss - Other	70,600	-	-
Total assets	502,474	557,553	-
Liabilities at fair value			
Derivative financial liabilities	-	235,616	-
Total liabilities	-	235,616	-

(*) Fair value is calculated at market prices per the Stock Exchange market at the reporting date.

(**) Fair value is calculated from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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29. CASH FLOW HEDGE OPERATIONS

Derivative financial instruments

The Group uses long-term floating rate foreign currency loans from international markets. The Group hedges interest rate risk by securing a portion of the floating rate loans from international markets through long-term swap transactions.

As of 31 December 2024, the Group has hedged the interest rate risk arising from the cash flows of the loan amounting to EUR 150,000,000 with a maturity of 16 December 2030, by using interest swaps. The critical conditions of the swap contract, such as maturity, payment and interest change dates, are in line with the critical conditions of the TRY loan, which is the subject of financial protection as of 31 December 2023. The fair value of the said swap transaction as of 31 December 2024 is TRY 138,906 and it is shown under long-term liabilities in the statement of financial position.

As of 31 December 2024, the Group has hedged the interest rate risk arising from the cash flows of the loan amounting to EUR 100,000,000 with a maturity of 21 August 2028, by interest swap. The critical conditions of the swap contract, such as maturity, payment and interest change dates, are in line with the critical conditions of the foreign currency loan, which is the subject of financial protection as of 31 December 2024. As of 31 December 2024, the fair value of the said swap transaction is TRY 26,602 and is presented under non-current assets in the statement of financial position.

	31 December 2024	31 December 2023
Derivative financial liabilities	165,508	235,616
	165,508	235,616

As of 31 December 2024, the Group bears the interest risk arising from the cash flows of the loans used, amounting to EUR 100,000,000 with a maturity of 5 November 2026 and EUR 100,000,000 with a maturity of 6 November 2028, has been subject to financial protection with interest ceiling (cap) options. The critical conditions of the swap contract, such as

maturity, payment and interest change dates, are in line with the critical conditions of the foreign currency loan that is the subject of financial protection as of 31 December 2024. The fair value of the related swap transaction as of 31 December 2024 is TRY 194,163 and is presented under non-current assets in the financial position statement.

Considering that a significant portion of the sales revenues are in EUR, the Group has hedged the exchange rate risk that may arise from the changes in the USD - EUR parity originating from the bond issuance of USD 500,000,000 on April 25, 2024, with USD - EUR cross currency swap transactions. The critical terms such as maturity and payment dates of the USD - EUR cross currency swap contracts, which are 4 in total and have a total nominal amount of USD 500 million, are compatible with the critical terms of the bond subject to financial protection as of December 31, 2024. The fair value of the said swap transaction calculated as of December 31, 2024 is TRY 164,188 and is shown under non-current assets in the statement of financial position.

	31 December 2024	31 December 2023
Derivative financial assets	358,351	557,553
	358,351	557,553

There is an effective foreign currency cash flow hedge relationship between foreign currency long-term financial borrowings related with investment expenditures (non-derivative hedging instrument) and highly probable forecast transaction export sales receivables (hedged item). In the frame of the manufacturing agreement signed with Ford Motor Group, the Group will associate a portion of estimated export revenue from 1 December 2019 to December 2031 with long-term financial borrowings.

	31 December 2024	31 December 2023
Cash flow hedge reserve		
Amount classified in other comprehensive income during the year	5,924,487	27,570,244
Amount classified in profit or loss	(8,812,268)	(9,013,924)
	(2,887,781)	18,556,320

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30. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	2024	2023
Income from investing activities		
Foreign exchange gain (*)	6,820,066	4,135,893
Profit on sale of fixed assets	33,305	13,749
Dividend income	5,129	-
Other	75,594	-
	6,934,094	4,149,642
Expense from investing activities		
Loss on sale of property, plant and equipment	(609,654)	(106,949)
	(609,654)	(106,949)

(*) The Group's receivables arising from financial lease arrangements under TFRS 16 with Ford Motor Company are based on their valuations.

31. DEFERRED INCOME

	31 December 2024	31 December 2023
Advances received	3,221,680	204,787
Short-term deferred revenue (*)	861,773	640,400
	4,083,453	845,187

(*) TRY 773,355 of short-term deferred revenue is from the sales of extended warranty and maintenance packages.

	31 December 2024	31 December 2023
Advances received	2,457,328	4,009,532
Long-term deferred revenue (*)	769,594	1,417,812
Other non-current liabilities	216,966	-
	3,443,888	5,427,344

(*) TRY 769,594 of long-term deferred revenue is from the sales of extended warranty and maintenance packages.

32. RIGHT OF USE ASSETS

The right of use assets and expenses of depreciation and amortization as of 31 December 2024 and 2023 are as follows:

	Buildings	Machinery and equipments	Vehicles	Total
As of 1 January 2024	429,684	608,833	370,043	1,408,560
For the period ended 31 December 2024				
Additions	622,135	654,102	120,190	1,396,427
Disposals	-	(2,669)	-	(2,669)
Exchange differences on translation	-	(18,280)	-	(18,280)
Period depreciation and amortization expenses	(382,476)	(158,822)	(168,613)	(709,911)
As of 31 December 2024	669,343	1,083,164	321,620	2,074,127

	Buildings	Machinery and equipment's	Vehicles	Total
As of 1 January 2023	134,216	136,064	206,657	476,937
For the period ended 31 December 2023				
Additions	304,399	663,686	312,205	1,280,290
Disposals	-	(3,557)	-	(3,557)
Exchange differences on translation	-	(38,464)	-	(38,464)
Period depreciation and amortization expense	(8,931)	(148,896)	(148,819)	(306,646)
As of 31 December 2023	429,684	608,833	370,043	1,408,560

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

33. GOVERNMENT INCENTIVES AND GRANTS

It is realized with incentives within the scope of "Decisions of the Council of Ministers on State Aids in Investments".

The investment projects for which the Group has completed their investment processes and continue to benefit from the deserved investment contribution amounts are as follows;

- An investment incentive certificate of TRY 500,640 (the historical price on the document) was received on March 30, 2020 for the renewal investments of the machinery and equipment used for the manufacturing and assembly of the engine and transmission parts of the F-Trucks (truck, tractor), Transit and Transit Custom vehicles produced in Eskişehir Factories, line installation investments for the manufacturing of the Brake Disc and Front Alignment Assembly, which will be newly produced for use in Transit vehicles, and the machinery and equipment investments to be made to domestically produce the transmission of the F-Trucks, a product in the heavy commercial vehicle segment. The contribution rate of this project to the investment is 40%.
- A Project Based Incentive of a total of TRY 20,501,206 (the historical amount on the document) for product diversification and expansion investments covering the production of new generation commercial vehicles and batteries in Kocaeli Factories was published in the Official Gazette with the Presidential Decree dated December 4, 2020 and numbered 3273. The contribution rate to the investment to be utilized for this project is 100%.

As of the balance sheet period, the Group has associated the reduced corporate tax advantage it has obtained regarding to its investment expenditures with the tax base. It defines the amount of incentive that the group can benefit from in this process for the next 10-year period, which the management team has determined as the foreseeable future, as deferred tax asset. In this context, the group has a well-deserved investment incentive asset of TRY 38 billion for 2024. The Group has estimated this amount as TRY 26 billion as a deferred tax asset for the related period as a result of the estimations it has prepared.

34. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND AFFILIATED COMPANIES

Gembox Teknoloji Girişimleri A.Ş. was established with 100% Ford Otosan capital in order to carry out research and development, consultancy, engineering and incubation activities, and to invest in companies established in these fields and initiatives carried out.

Ford Otosan Netherlands BV was established with 100% Ford Otosan capital in order to centrally manage the Group's Ford Trucks export market structures.

Rakun Mobilite A.Ş. was established with 100% Ford Otosan capital to develop and sell products, technologies and solutions in the field of mobility.

Investments in subsidiaries as of 31 December 2024 and 31 December 2023 are as follows:

31 December 2024		
	Ownership rate (%)	Amount
Investment in subsidiaries		
Rakun Mobilite A.Ş.	100	235,579
Gembox Teknoloji Girişimleri A.Ş.	100	159,930
		395,509

31 December 2023		
	Ownership rate (%)	Amount
Investment in subsidiaries		
Rakun Mobilite A.Ş.	100	94,139
Gembox Teknoloji Girişimleri A.Ş.	100	86,966
		181,105

These investments are carried at cost and are not included in the scope of consolidation since their financial statements do not have a significant effect on the financial statements of the Group.

Independent Auditor's Report

FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

35. ASSETS ARISING FROM CUSTOMER CONTRACTS

	31 December 2024	31 December 2023
Contract assets arising from sales of goods and services	154,518	1,635,349
	154,518	1,635,349

36. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITORS

The explanation regarding the fees for the services rendered by the independent audit firms, which was prepared pursuant to the POA's Board Decision published in the Official Gazette on March 30, 2021, and the preparation principles of which were based on the letter of the POA dated August 19, 2021 are as follows:

	2024 (*)	2023 (*)
Independent audit fees for the reporting period	7,168	5,426
Fees for tax advisory services	4,717	4,632
Fees for services other than independent auditing	153	328
	12,038	10,386

(*) The fees above have been determined by including the statutory audit and other related service fees of all subsidiaries.

37. SUBSEQUENT EVENTS

None.



ANNEXES

Board Of Director’s Curriculum Vitae

RAHMI M. KOÇ

Honorary Chairman

Honorary Chairman of Koç Holding

Mr. Rahmi M. Koç earned a Bachelor's Degree in Business Administration from Johns Hopkins University (USA). Rahmi M. Koç started his active career at Otokoç Ankara in 1958. He then became Chairman of the Executive Committee of Koç Holding in 1970, Vice President of the Board in 1975, and Chairman of the Managing Committee in 1980. He was elected as Chairman of Koç Holding in 1984. He handed over his position to Mustafa V. Koç on 4 April 2003. Rahmi M. Koç has remained a Board Member and assumed the title of Honorary Chairman. Mr. Koç, who has been a Member of the Ford Otosan Board of Directors since 1961 and Chairman of the Board since 1972, is currently Honorary Chairman of the Ford Otosan Board of Directors since 10 December 2012. Rahmi M. Koç is or has been affiliated with many institutions and organizations including:

The Metropolitan Museum of Art, New York City, Honorary Trustee / Former President of the International Chamber of Commerce / Co-Chairman of the Business Advisory Council for South East Europe / Vice Chairman of the Board of Trustees of the Vehbi Koç Foundation / Honorary Chairman of the Board of Trustees of the Koç University / Founder and Chairman of the Board of the Rahmi M. Koç Museum and Cultural Foundation / Chairman of the Board of the Vehbi Koç Foundation American Hospital / Honorary Chairman and Founding Member of TURMEPA, The Turkish Marine and Environment Protection Association / Honorary Chairman of the Advisory Board of the Turkish Industry and Business Association / Member of the Advisory Board of the Turkish Employers Association / Founding Chairman of the Global Relations Forum / Former President of the Turkish Greek Business Council / Former Member of the Allianz Aktiengesellschaft International Advisory Board / Former Member of the JP Morgan International Council / Former Member of the International Advisory Board of the US Council on Foreign Relations. Honorary Doctorate Degrees: Johns Hopkins University, Eskişehir Anadolu University, İzmir Ege University, Ankara Bilkent University, Constanta Ovidius University and Aydın Adnan Menderes University. Merits and Degree: "Outstanding Service Award" by the President of Türkiye, "Grosses Verdienst Kreuz" (Germany Great Service) by the German government, "Order of High Merit of the Italian Republic" by Italy, "the Order of Merit" by the Presidency of the Republic of Austria, Hadrian Award by the World Monuments Fund, Carnegie Medal of Philanthropy, BNP Paribas Philanthropy Award, "Outstanding Service Award in Decorative Arts" at "Iris Foundation Awards", "(Honorary) Commander of the Most Excellent Order of the British Empire (CBE)", "Responsible Capitalism Lifetime Achievement Award" from FIRST, "Officier dans L'Ordre National de la Legion D'Honneur" which is the most prestigious order of French government, and medal of the US-based Foreign Policy Association.

ALİ YILDIRIM KOÇ

Chairman

Vice Chairman - Koç Holding Board of Directors

Mr. Ali Y. Koç capped his undergraduate studies at the Management Faculty of Rice University (USA) with an MBA from Harvard Business School. He started his career at American Express Bank as a Management Trainee and continued as an Investment Analyst at Morgan Stanley Investment Bank. Mr. Ali Y. Koç joined Koç Holding in 1997 and held senior level positions until 2010 including new business development and information technologies. He was the President of Corporate Communications and IT Group. He has been serving as a Board Member at Koç Holding since 2008 and was elected as Vice Chairman in February 2016. Ali Y. Koç has been serving on the Board of Directors at Ford Otosan since 1997 and was elected as Chairman on 10 December 2012. Currently, Ali Y. Koç is the Chairman of Ark İnşaat, Bilkom, Digital Panorama, Koç Financial Services, Koçtaş, Otokar, Otokoç, Setur and Yapı Kredi Bank. Ali Y. Koç also contributes to the country's social and economic development at Fenerbahçe as Chairman, URAK – National Competition Research Association as President, Executive Board Member of European Club Association, Endeavor Association and TUSİAD, Foreign Economic Relations Board as Board Member. He is a member of the Global Advisory Council of Bank of America, Harvard University and CFR. He is also an advisor at Chatham House and representative of Türkiye in Confederation of British Industry.

KIERAN CAHILL

Vice Chairman

Vice President – Industrial Operations Europe and IMG, Ford Blue

Mr. Cahill has a Bachelor of Engineering degree in Mechanical and Automotive Engineering from the University of Hertfordshire, and a Master of Science degree in Automotive Engineering, Design and Management from the same university. Cahill has held a number of other senior management roles in Ford of Europe, including director, Powertrain Operations, from 2016 to 2018.

He has also led the Powertrain Manufacturing Engineering and European FPS organizations and held several plant operational senior leadership positions. In 2020, Mr. Cahill was Director, Manufacturing, Strategic Projects, Ford of Europe and was Director, Manufacturing, U.K. and Romania. Mr. Cahill was vice president, Manufacturing, Ford of Europe, and he was named Board Chair for Ford Motor Company Limited.

Mr. Cahill has served as vice president, Industrial Operations Europe & IMG, effective March 2022. Mr. Cahill is a Member of the Board of Directors of Ford Otosan since March 21, 2022. He has also served as the member of the Remuneration Committee since December 1, 2022.

Board Of Director’s Curriculum Vitae

JOHAN EGBERT SCHEP

Member

General Manager – Ford Pro Europe

Mr. Schep earned a master’s degree in Industrial Engineering and Management Science from Eindhoven University of Technology.

Mr. Schep joined Ford in 1995 and his experience at Ford includes roles as Regional Director of European Sales Operations – responsible for Marketing, Sales and After-Sales in North, Central and Eastern Europe, North Africa and Central Asia – and as Managing Director, Ford Netherlands. He served as Director, Product Marketing, Ford of Europe, beginning in February 2015. Mr. Schep was General Manager, Commercial Vehicles, Ford of Europe between 2016 and 2021 and in this role, he was responsible for leading Ford’s Commercial Vehicles business line in Europe. Currently, he is General Manager of Ford Pro Europe, the global business and brand within Ford dedicated to delivering the most comprehensive solutions to commercial customers. Mr. Schep was appointed as Ford Otosan Board Member on December 1, 2022.

LEVENT ÇAKIROĞLU

Member

Koc Holding Board Member, CEO

Levent Çakiroğlu graduated from Ankara University Faculty of Political Sciences, Business Administration Department and received his master’s degree from University of Illinois.

He started his career as an Assistant Auditor at the Ministry of Finance in 1988, where he worked as a Senior Auditor between 1991 and 1997. He was appointed as Assistant Manager of Financial Crimes Investigation Board between 1997 and 1998, meanwhile he taught as a Part Time Instructor at Bilkent University. Çakiroğlu, joined Koç Group in 1998 as Koç Holding Financial Group Coordinator. He was the General Manager of Koçtaş between 2002 and 2007 and the CEO of Migros between 2007 and 2008. He was assigned as the CEO of Arçelik in 2008 and also became President of the Durable Goods Group of Koç Holding in April 2010.

Çakiroğlu has been appointed as the CEO of Koç Holding in April 2015 and currently serves as the CEO of Koç Holding. Levent Çakiroğlu who has been a Koç Holding Board Member since April 2016, has been assigned as the Member of the Board of Directors at Ford Otosan on March 21, 2022. He is also Chairman of the Board of Directors of Arçelik- LG and TürkTraktör, the Vice Chairman of Yapı Kredi Bank and Otokar and Member of the Board of Directors at various Koç Holding companies.

HAYDAR YENİĞÜN

Member

Automotive Group President - Koç Holding A.Ş.

Haydar Yenigün graduated from Yıldız Technical University in Mechanical Engineering and joined Ford Otosan in 1987. He served to the Company in many different departments in production and worked as a Project engineer between 1992 and 1997. Once Ford Motor Company and Koç Holding decided to equalize the shares in Ford Otosan, he continued serving in different positions during the initiation of the Kocaeli Plant. In 1998, he was appointed as Project Leader for the Kocaeli Plant. He worked as Body Construction Area Manager in the Kocaeli Plant between 1999 and 2007 and served as Kocaeli Plant Manager and Assistant General Manager from 2007 to 2012. He was appointed as Ford Otosan General Manager and Board Member in 2012. He was assigned as the President of Automotive Group of Koç Holding as of April 1, 2022. Currently, Mr. Yenigün is a member of the Istanbul Chamber of Industry (ISO), a member of the Turkish Industry and Business Association (TUSIAD), and Vice Chairperson of the Turkish-American Business Council Executive Committee (TAK). Besides, he served as the Chairperson of the Automotive Manufacturers Association (OSD) Board of Directors between March 2018 and March 2022 and a member of the European Automobile Manufacturers' Association (ACEA) Board of Directors between 2020 and 2022.

Board Of Director’s Curriculum Vitae

DAVE JOHNSTON

Member

Vice President - Transformation and Partnerships

Mr. Johnston began his career at Ford UK in 1995, holding various finance and leadership roles across such as Asia Pacific and Europe. He joined Ford Otosan in 2019 as Deputy General Manager in 2019, and as of July 1st, 2024, he serves as Vice President of Transformation and Partnerships at Ford in Europe.

Johnston started working at Ford UK in 1995 and held various finance positions in areas such as Production, Product Development, Profit Analysis, and Marketing and Sales until 2003. From 2003 to 2010, he took on various leadership roles within Ford's Premier Automotive Group. He then returned to Ford as Finance Manager for Asia Pacific Passenger Vehicle Product Development. Between 2011 and 2013, Johnston served as CFO in Bangkok, followed by finance leadership roles at Ford Europe and Germany from 2013 to 2016. From 2017 to 2018, he was the CFO of Ford Asia Pacific based in Shanghai. In 2019, Johnston joined Ford Otosan as Deputy General Manager. He holds a degree in Economics from the University of Cambridge and a Master's in Manufacturing Leadership. As of July 1st, 2024, he currently serves as Vice President of Transformation and Partnerships at Ford in Europe.

JOHN DAVIS

Member

Director - Electric Vehicle, Van and Bus Programs - Ford Pro

John Davis holds a Master of Science in Engineering Management from Wayne State University and a Bachelor of Science in Mechanical Engineering from the University of Illinois.

Mr. Davis is based at Ford's Dunton Technical Center in the United Kingdom, where he manages Ford Pro's global electric commercial vehicle product lines.

He has served on the Industry Advisory Board for the Engineering Technology Department at Lawrence Technological University since 2018. He also serves on the Oversight Committee of the Michigan Transformational Research and Commercialization for Advanced Transportation (MTRAC) Innovation Center.

Davis joined Ford in 1989 and has a held a series of positions within Ford and Lincoln, including Global Chief Program Engineer for Lincoln's Aviator, Chief Program Engineer for Ford's North American commercial vehicles and Chief Program Engineer of North American small cars. He also led Ford's commercial autonomous vehicle development, integration with Argo AI, integration of autonomous driving systems, and development of related technologies.

He held several management positions within Ford's Product Development division, including product planning, vehicle engineering and program management.

Prof. Dr. KATJA WINDT

Independent Member

Katja Windt is a member of the Managing Board of SMS Group, based in Germany, and responsible for global services, electrical and automation, digital business and digital transformation, and for the regional business of China and Americas.

Following her degree, in 1995, in mechanical engineering at Leibniz University Hannover – including a stay at the Massachusetts Institute of Technology (MIT) as a visiting scholar – she completed her doctorate at the Institute for Production Systems and Logistics in 2000 and subsequently took up the position of head of department at the Institute for Production and Logistics (BIBA) at the University of Bremen. In 2008, Windt was appointed as Associate Professor of "Global Production Logistics" at Jacobs University (renamed Constructor University) and in 2009 as Full Professor of "Global Production Logistics". Before joining SMS group in 2018, she was appointed as President of Jacobs University Bremen and served as Provost and Acting President between 2013-2014. She is currently an honorary professor at Constructor University and gives guest lectures at Carnegie Mellon University in Pittsburgh, US as well as at RWTH Aachen University in Germany.

Katja Windt is a member of the German National Academy of Sciences and Engineering (acatech) and the National Academy of Sciences Leopoldina in Germany. She is active in various supervisory boards in the business and commerce sector (Since 2012, Supervisory Board Fraport AG, since 2022 Ford Otosan Board of Directors, from 2011-2023 Supervisory Board Deutsche Post DHL group).

Board Of Director's Curriculum Vitae

Prof. Dr. UMRAN SAVAŞ INAN
 Independent Member

Prof. Dr. Umran Inan completed his undergraduate and graduate education in Electrical and Electronic Engineering at Middle East Technical University and received his Ph.D. in Geophysics and V Low Frequency Radio Science from Stanford University in 1977. He worked as a faculty member at Stanford University for many years and was appointed Director of the Space, Telecommunications and Radio Science Laboratories (STAR) in 1997, serving in this position until 2009. He served as rector of Koç University from 2009 until August 31, 2021. He currently conducts various satellite observations at more than 50 locations around the world with his research group at Stanford University. In his academic career, he has conducted major studies on geophysics, space, ionosphere and atmospheric physics and has graduated more than 50 doctoral students.

GUVEN OZYURT
 Member
 Ford Otosan Leader

Mr. Özyurt graduated from the Mechanical Engineering Department of Istanbul Technical University in 1989 and completed an MBA at Istanbul University in 1990.

The same year, he joined Ford Otosan as a Method Engineer. After taking on various positions in the fields of Product Development Service and Quality Engineering, Export and Sales Planning, he became a Project Engineer in the Kocaeli Plant Project Team in 1997. He worked as Project Leader of the same team from 1998 to 1999. In 2000, he was appointed Material Planning Manager. He was appointed as Assistant General Manager - Material Planning and Logistics in 2010 and as Assistant General Manager – Purchasing on June 1, 2014. He served as Assistant General Manager - Operations between 2019 and 2022. He has been appointed as Ford Otosan Leader as of April 1, 2022. He has been serving as corporate coach at Koç Group since 2013 and he is a member of the Board of Directors at Ford Otosan since March 2022.

JOSEPHINE M. PAYNE
 Member
 Ford Otosan Leader

Ms. Payne joined Ford Otosan as Ford Otosan Craiova President after the transfer of ownership of the Craiova Plant from Ford of Europe to Ford Otosan in 2022. She graduated from the University of Southampton's Electronic Engineering Department, and received her master's degree in Electronic Engineering from the University of Karlsruhe.

She joined Ford of Europe in 1996 and, through 2013, held many manufacturing responsibilities in Liverpool, Cologne and Dunton. She served as Global Powertrain Assembly Manager in Ford North of America between 2013 and 2017. She returned to Ford of Europe as Production Area Manager (Dagenham) in 2017. Payne, who was appointed as Craiova Engine Plant Manager in 2018, held the positions of Assistant Plant Manager - Craiova Vehicle Operations and Ford Romania President & Craiova Site Director in Ford Romania between 2018-2022. As of May 1, 2023; she is the Deputy General Manager of Ford Otosan.

Executive Team’s Curriculum Vitae

GÜVEN ÖZYURT

Ford Otosan Leader
Member Board of Directors

Mr. Özyurt graduated from the Mechanical Engineering Department of Istanbul Technical University in 1989 and completed an MBA at Istanbul University in 1990. The same year, he joined Ford Otosan as a Method Engineer. After taking on various positions in the fields of Product Development, Service and Quality Engineering, Export and Sales Planning, he became a Project Engineer in the Kocaeli Plant Project Team in 1997. He worked as Project Leader of the same team from 1998 to 1999. In 2000, he was appointed Material Planning Manager. He was appointed as Assistant General Manager - Material Planning and Logistics in 2010 and as Assistant General Manager – Purchasing on June 1, 2014. He served as Assistant General Manager - Operations between 2019 and 2022. He has been appointed as Ford Otosan Leader as of April 1, 2022. He has served as corporate coach at Koç Group since 2013 and he is a member of the Board of Directors at Ford Otosan since March 21, 2022.

JOSEPHINE M. PAYNE

Ford Otosan Leader
Member Board of Directors

Ms. Payne joined Ford Otosan as Ford Otosan Craiova President after the transfer of ownership of the Craiova Plant from Ford of Europe to Ford Otosan in 2022. She graduated from the University of Southampton's Electronic Engineering Department, and received her master's degree in Electronic Engineering from the University of Karlsruhe. She joined Ford of Europe in 1996 and, through 2013, held many manufacturing responsibilities in Liverpool, Cologne and Dunton. She served as Global Powertrain Assembly Manager in Ford North of America between 2013 and 2017.

She returned to Ford of Europe as Production Area Manager (Dagenham) in 2017. Payne, who was appointed as Craiova Engine Plant Manager in 2018, held the positions of Assistant Plant Manager - Craiova Vehicle Operations and Ford Romania President & Craiova Site Director in Ford Romania between 2018-2022. As of May 1, 2023; she is the Deputy General Manager of Ford Otosan.

A. SERDAR KAYHAN

Legal and Compliance Leader

Mr. Kayhan graduated from Ankara University Faculty of Law in 1995. He joined Otosan Pazarlama A.Ş. in 1996 as Legal Consultant. He continued his career at Ford Otosan, after Otosan Pazarlama A.Ş. merged into Ford Otosan. He was appointed as Chief Legal Advisor in 2008 and Legal and Compliance Leader as of December 1, 2021.

BAŞAK ÇALIKOĞLU AKYOL

Supply Chain Leader

Mrs. Akyol graduated from the Mechanical Engineering Department of Middle East Technical University in 1999. The same year, she joined Ford Otosan as a Quality Engineer. She earned a master's degree in Financial Economics from Bahçeşehir University in 2012. After taking on various positions in the Quality Assurance, she worked as a Quality and Vehicle Evaluation Manager at Yeniköy Plant between 2013-2015. She was appointed as the Quality Manager in 2016 and between 2018-2019 she served as Human Resources and Industrial Relations Manager of Kocaeli Plants. She served as Total Quality Director between 2020 and 2021 and later appointed as Assistant General Manager - Human Resources and Transformation as of March 1, 2022. Having held this role for over two years, Başak has been appointed as the Supply Chain Leader starting June 1, 2024. The Supply Chain Leader leads managing responsible supply chain and logistics transition.

BURÇAK TÜRKERİ

Corporate Communications and Sustainability Leader

Burçak Türkeri graduated from Koç University in 2004 with a degree in International Relations. She then completed a Master's Program in European Studies at Boğaziçi University and graduated from Harvard University's Leadership Development Program in 2024.

During her nearly 20 years of professional experience, she has worked in communications across various industries. Most recently, she served as the Corporate Communications Group Manager of a global brand with operations in 10 countries. After joining Ford Otosan as the Corporate Communications Leader in 2020, she was appointed as Corporate Communications and Sustainability Leader as of April 2024, responsible for managing the company's material sustainability topics and improving its sustainability performance. In addition, she leads Ford Otosan's corporate communications strategy, internal and external communications, media relations and social media management processes, as well as corporate social responsibility projects.

CEM TEMEL

Commercial Vehicles Leader

Mr. Temel graduated from İstanbul Technical University in 1991 and completed a Master's degree at İstanbul University in 1992. He joined Ford Otosan in 1993 as an engineer in Quality department. He worked on launching the Press Area between 1998-2008 and served as Press and Tool & Die Group Manager between 2008-2012. He became Gölçük Assistant Plant Manager in 2012 and Gölçük Plant Manager in 2013. Mr. Temel was Assistant General Manager – Kocaeli Plants and New Initiatives from 2016 to 2019 and he served as Assistant General Manager – New Projects between 2019 and 2022. After his role as Industrial Operations and Investments Leader from April 1, 2022, he has served as Commercial Vehicles Leader since October 1, 2022. He leads the actions to reduce and prevent climate change impacts in production.

Executive Team's Curriculum Vitae

EMRAH DUMAN

Ford Trucks Business Area Leader

Mr. Duman graduated from Istanbul Technical University, Department of Mechanical Engineering in 1997. After earning his master's degree from the same department in 2001, he completed Koç University Executive MBA Program in 2004 and Harvard University Advanced Management Program in 2023. Since joining Ford Otosan in 1997, he has held various positions as service engineer, export and business development manager, and truck operations manager, and later serving in various director positions between 2014 and 2023. After his most recent position as Ford Trucks International Markets Director, he was appointed as Ford Trucks Business Area Leader in March 2023.

ERHAN KÖSEOĞLU

Growth and Smart Mobility Business Area Leader

Mr. Köseoğlu graduated from Yıldız Technical University with a bachelor's degree in Electronics and Telecommunications Engineering in 2003, and later completed his master's degree in Engineering Management at Marmara University in 2007. He has been actively involved in the industry since 2004, gaining extensive experience in various leadership roles in the telecommunications sector, as well as in FMCG, white goods, and automotive sectors. He has served in performance and quality management, IT operations, transformation programs, and coaching in various companies. Most recently, Erhan Köseoğlu managed transformation programs at Ford Otosan, achieving significant success in IT transformation, solution and application leadership, CRM, and digital transformation throughout his career. Additionally, he specializes in individual coaching, design thinking coaching, and corporate transformation coaching.

GÜL ERTUĞ

Finance and Accounting Leader - CFO

Ms. Ertuğ graduated from Boğaziçi University, Engineering Faculty, Industrial Engineering Department in 1997. The same year, she started working in Ford Otosan MP&L Production Planning Department. She earned her MBA degree from Boğaziçi University in 2000, an Executive MBA degree from Koç University in 2006 and a PLDA degree from Harvard Business School in 2019. In her Ford Otosan career, she worked in several different functions in the positions of MP&L Team Leader (CMMS3 Launch and R/C Coordination), Technical Assistant to General Manager, PD Finance Manager and Senior Manager, Ford Asia Pacific Finance Controller for CD Car & Lincoln (Shanghai) and Business Strategies Finance Manager. She served as Innovation and New Ventures Director between 2019 and 2011. She was appointed as Chief Financial Officer (CFO) of Ford Otosan on April 1, 2022.

IAN R. FOSTON

Engineering and Technology Development Leader

Ian Foston graduated in Engineering Management from the University of Hertfordshire in 1994, and he earned his Master's degree in Quality Management from Nottingham Trent University in 2000. Mr. Foston, who is a licensed engineer in three different fields on two continents, has received two merit awards for his contributions to his profession throughout his career. An experienced manager in off-road, pickup and SUV new product development, Ian has gained extensive experience in product creation, production, quality, purchasing, finance and sales & marketing. Since July 01, 2023, he serves as the Engineering and Technology Development Leader at Ford Otosan, is responsible for the sustainability of Ford Otosan products throughout their life cycle.

İLKER ERDİM

Digital Products and Services Leader

İlker Erdim graduated from the Control and Computer Engineering Department at Istanbul Technical University in 2000. The same year he joined Ford Otosan in the Information Technologies Department. He completed his Master's Degree in Management and Organization at Marmara University in 2002.

Mr. Erdim, who introduced our brand to our customers on the internet in 2000, led the implementation of many digital products and made significant contributions to our company in his subsequent roles. In addition, he has been a key stakeholder in our company's transformation journey with his active role in the agile transformation team between 2020 and 2022. On January 1, 2025, he was appointed as Digital Products and Services Leader- Chief Information Officer & Chief Digital Officer.

MÜJDAT TİRYAKI

New Projects and Investments Leader

Müjdat Tiryaki holds an Industrial Engineering degree from Middle East Technical University in 2000 and a Master's degree from Kocaeli University, Faculty of Science Master's Degree in 2004.

He started as an Industrial Engineer at Ford Otosan Gölcük Plant in 2000 and after serving in different positions within the production organization, he was appointed as Director - Gölcük Factory Manager between 2016-2022. Müjdat Tiryaki, who worked as ISE- Body Production Area Manager at the Romania Craiova Plant between 2010-2012, served as Commissioning Leader and Ford Otosan Romania President in Romania, respectively, when the Craiova factory joined Ford Otosan in 2022. Since June 2024, he has served as New Projects and Investments Leader.

Executive Team's Curriculum Vitae

OSMAN ÖZDEMİR

Human Resources and Transformation Leader

Mr. Özdemir graduated from Boğaziçi University, Department of Industrial Engineering in 2002, and started his professional career as a Purchasing Specialist at Brilliant and Beko Elektronik.

After his role as a Procurement Specialist at Arçelik A.Ş./Beko LLC, he moved to the Human Resources field and implemented important projects as an HR Manager. He served as the Human Resources Director at Türk Traktör and Ziraat Makineleri A.Ş. for seven years, improving HR processes. In 2023, he was appointed as the Senior Director of Human Resources (Europe) at Arçelik A.Ş. and joined Ford Otosan in June 2024 as the Human Resources and Transformation Leader. Mr. Özdemir brings extensive HR experience and success in transformation projects.

The Human Resources and Transformation Leader is responsible for reviewing the Diversity, Equity and Inclusion and Occupational Health and Safety programs and targets implemented at Ford Otosan, and for following up and taking action.

ÖZGÜR YÜCETÜRK

Ford Türkiye Business Area Leader

Mr. Yücetürk graduated from Mechanical Engineering Department at Boğaziçi University in 1995, completed his Executive MBA degree at Koç University in 2002 and completed AMP of Harvard University in 2018. He joined Ford Otosan Marketing Department in 1995 as a Product Specialist. After holding various positions in Marketing & Sales departments as Marketing Strategy Manager, Passenger Car Brand Manager and Sales Support Manager, he served as the Technical Assistant to the General Manager. He was appointed as Marketing Manager in 2002. He worked as the European Sales Operations Coordinator at Ford of Europe in 2006. He returned to Ford Otosan in 2007 as Marketing Director and became the Sales and After Sales Field Operations Director in 2009. He served as the Assistant General Manager of Marketing, Sales and Aftersales from October 1, 2014. Since April 2022, he has served as Ford Türkiye Business Area Leader.

PINAR KILINÇ

Quality Platform Area Leader

Ms. Topçu graduated from the Middle East Technical University's Department of Mechanical Engineering in 2010 and completed the Koç University Executive MBA program in 2022. In 2010, she began her career as a Design Quality Engineer at Ford Otosan. Following her successful contributions in Engineering & Technology Development, Ford Otosan Leadership, and Next-Generation Manufacturing Leadership, she was appointed as the Quality Platform Area Leader in October 2023.

Memberships and Affiliations

Organizations With Ford Otosan in Management Level Roles		
Organization (NGO)	Representation	Ford Otosan's Contributions
Automotive Manufacturers Association (OSD)	Technical Legislation Committee/Chair	The Automotive Manufacturers Association (OSD) Technical Legislation Committee, chaired by Ford Otosan Homologation & Regulation Compliance Leader Advanced Regulations Team Leader, convenes once a month and works on drafting national technical legislation for the automotive sector within the framework of harmonization with EU legislation. The committee's activities in 2024 included evaluating the developments in international regulations such as new general safety regulations, type approval framework regulations implementation legislation, local implementation regulations related to vehicle registration, highway traffic regulations, infrastructure for alternative fuel vehicles and new environmental regulations and their effects on products and reflection in national legislation. The committee also followed technical legislation activities of NGOs such as the World Automotive Manufacturers Association (OICA) and the European Automotive Manufacturers Association (ACEA), of which OSD is a member, and contributed insights as needed, ensuring coordination to reflect the association's shared opinion in the regulations by cooperating with public institutions in policymaking efforts.
Foreign Economic Relations Board (DEIK)	Poland Business Council / Chair	In 2024, the Türkiye-Poland Business Council, joined by Ford Trucks Business Area Leader, took firm steps to strengthen trade relations between the two countries. The Council established connections with Koç University to develop cooperation between Polish and Turkish universities. The Council also worked on enhancing economic cooperation between the two countries by holding meetings with the Polish Ambassador to Ankara and the Polish Consul General in Istanbul.
Heavy Commercial Manufacturers Association (TAID)	Board of Directors / Chair	<p>Ford Trucks Western Europe Leader is the Chair of TAID Heavy Commercial Vehicles Association. Some of the Association's activities in 2024 included:</p> <ul style="list-style-type: none"> • Heavy Commercial Vehicles Summit was held with Treder on February 22, bringing together industry representatives to share key information. • During the summit, the association hosted a panel session moderated by the chair. The panel session titled "Future of Heavy Vehicles and Trends" addressed topics such as climate change, circular economy, decarbonization, production facilities, electric vehicles, alternative fuels, batteries, connected vehicles, green logistics, and digitalization. • Views were exchanged with other industry associations on issues such as end-of-line vehicle sales and changes in motor vehicle regulations, and consensus opinions were communicated to the relevant to the ministries. • Sustainability Committee was established. The Sustainability Report prepared by the Committee was announced in a press release. The committee also prepared training content on traffic awareness, which will be submitted to the Turkish National Police first. • The committee started to share weekly social media posts on important information and developments concerning the industry. • The newly formed Technical Committee started by working on the regulations on the obligation of electronic registration of vehicles.
Automotive Manufacturers Association (OSD)	After Sales Services Committee / Başkan	The Automotive Manufacturers Association (OSD) After-Sales Services Committee, chaired by Ford Otosan Spare Parts Marketing and Business Development Leader, aims to hold regular meetings throughout the year to identify the industry's primary concerns regarding automotive after-sales and takes initiatives on these issues. In 2024, the committee followed national and international legislation and implementation developments, starting with spare parts legislation, voluntary recall campaigns, customer service standards, development of service infrastructures, electrification and its effects, and repair processes of damaged vehicles. The committee also evaluated the effects of products on after-sales service processes and planned to introduce improvements in these areas. The committee collaborates with public institutions to reflect the association's opinion in the regulations.
ACAROM	Vice Chair	Acarom is a key dialogue partner for the Romanian government, with a dedicated working group under the auspices of the Prime Minister of Romania. Ford Otosan Romania President represents the company on this dialogue platform, which has addressed several important issues in 2024 with tangible results for business (such as delayed implementation of fines for e-transport reporting obligations, simplification of procedures for customs clearance at the Port of Constanta, and ongoing discussions to establish a positive legal framework that encourages the development of charging infrastructure and supports fleet renewal incentives). Other key issues included the Emissions Trading System (ETS) and the integration of the European Union Renewable Energy Directive (RED III) into national legislation.

Memberships and Affiliations

Organization (NGO)	Platform	FO's Representation
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	R&D Committee	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Legal Committee	Member
CORPORATE COMMUNICATIONS ASSOCIATION (KİD)	General Assembly	Member
AUTOMOTIVE DISTRIBUTORS ASSOCIATION (ODD)	Sustainability Committee	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Localization Committee	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEİK)	US Business Council	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEİK)	Germany Business Council	Member
TÜRKİYE LEARNING AND DEVELOPMENT ASSOCIATION (TEGEP)	General Assembly	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEİK)	General Assembly	Member
AUTOMOTIVE DISTRIBUTORS ASSOCIATION (ODD)	Information and Technology Committee	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	Commercial Vehicle Joint Committee	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	CV-BOD Sherpa	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEİK)	UK Business Council	Member
AUTOMOTIVE DISTRIBUTORS ASSOCIATION (ODD)	Information and Technology Committee	Member
AUTOMOTIVE DISTRIBUTORS ASSOCIATION (ODD)	Legal Committee	Member
INTERNATIONAL INVESTORS ASSOCIATION (YASED)	Legal Committee	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Energy Committee	Member
TURKISH INDUSTRY AND BUSINESS ASSOCIATION (TÜSİAD)	General Assembly	Member
KOCAELİ CHAMBER OF INDUSTRY (KOSANO)	Board of Directors	Member
TURKISH INVESTOR RELATIONS SOCIETY (TÜYİD)	Publishing Group and Education Group	Member
TURKISH PEOPLE MANAGEMENT ASSOCIATION (PERYÖN)	General Assembly	Member
PORTABLE BATTERY MANUFACTURERS AND IMPORTERS ASSOCIATION (TAP)	General Assembly	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Smart Mobility Systems Committee	Member
ULUDAĞ EXPORTERS' UNION (UİB)	Board of Directors	Member

Memberships and Affiliations

Organization (NGO)	Platform	FO's Representation
INTERNATIONAL CHAMBER OF COMMERCE TÜRKİYE NATIONAL COMMITTEE (ICC Türkiye)	Board of Directors	Member
AUTOMOTIVE DISTRIBUTORS ASSOCIATION (ODD)	Board of Directors	Member
WOMEN IN TECH ASSOCIATION	Board of Directors	Vice Chair
FOREIGN ECONOMIC RELATIONS BOARD (DEİK)	Poland Business Council	Chair
WORLD ECONOMIC FORUM (WEF)	Manufacturing and Value Chains - Global Lighthouse Network (GLN) Committee	Member
UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TÜRKİYE (TOBB)	Automotive Industry Assembly	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Board of Directors	Member
TURKISH MARINE ENVIRONMENT PROTECTION ASSOCIATION (TURMEPA)	General Assembly	Member
INTERNATIONAL INVESTORS ASSOCIATION (YASED)	General Assembly	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Human Resources Committee	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Technical Legislation Committee	Chair
AmCham	General Assembly	Member
AUTOMOTIVE DISTRIBUTORS AND MOBILITY ASSOCIATION (ODMD)	Foreign Trade Committee	Chair
PORT OPERATORS ASSOCIATION OF TÜRKİYE (TÜRK LİM)	Logistics Committee	Member
BATTERY AND RECYCLING MANUFACTURERS ASSOCIATION (AKÜDER)	General Assembly	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Logistics Committee	Member
ETHICS & REPUTATION SOCIETY (TEİD)	General Assembly	Member
INTELLIGENT TRANSPORT SYSTEMS AND SERVICES - EUROPE (ERTICO)	General Assembly	Member
INTERNATIONAL INVESTORS ASSOCIATION (YASED)	Automotive and Supply Industry Working Group	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Public Affairs Committee	Member
TURKISH QUALITY ASSOCIATION (KALDER)	General Assembly	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	After Sales Service Committee	Chair
INTERNATIONAL INVESTORS ASSOCIATION (YASED)	Technology and Innovation Working Group	Chair
TURKISH BUSINESS AND INDUSTRY ASSOCIATION (TÜSİAD)	European Green Deal	Member
INTERACTIVE ADVERTISEMENT BUREAU (IAB TÜRKİYE)	General Assembly	Member
ISTANBUL CHAMBER OF INDUSTRY (İSO)	Land Vehicles Main Industry and Vehicle Body Industry Professional Committee	Member

Memberships and Affiliations


Organization (NGO)	Platform	FO's Representation
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	Commercial Vehicle Board of Directors	Member
TURKISH QUALITY ASSOCIATION (KALDER)	Eskişehir Branch	Vice Chair
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Environmental Committee	Member
FOREIGN TRADE ASSOCIATION OF TÜRKİYE (TURKTRADE)	General Assembly	Member
TECHNOLOGY DEVELOPMENT FOUNDATION OF TÜRKİYE (TTGV)	General Assembly	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	General Assembly	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEIK)	Logistics Business Council	Member
HEAVY COMMERCIAL VEHICLES ASSOCIATION (TAID)	Board of Directors	Vice Chair
INTERNATIONAL ASSOCIATION FOR THE PROTECTION OF INTELLECTUAL PROPERTY –(AIPPI Türkiye)	General Assembly	Member
INTERNATIONAL INVESTORS ASSOCIATION (YASED)	Foreign Trade Working Group	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEIK)	France Business Council	Member
AUTOMOTIVE MANUFACTURERS ASSOCIATION (OSD)	Education Working Group	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEIK)	Ukraine Business Council	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEIK)	United Arab Emirates Business Council	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEIK)	Netherlands Business Council	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEIK)	Hungary Business Council	Member
FOREIGN ECONOMIC RELATIONS BOARD (DEIK)	Morocco Business Council	Member
TÜSİAD	Training Working Group Member, Vocational Education Sub-Working Group Chair	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	CV-SHERPA – Commercial Vehicles SHERPA	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	CV-BoD – Commercial Vehicles Board of Directors	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	CV-BARS – Commercial Vehicles Brussel Representatives	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	CV-JC – Commercial Vehicles Joint Committee	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	WG CVR – Commercial Vehicle Regulation	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	WG CE – Circular Economy	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	WG SU – Sustainability	Member
EUROPEAN AUTOMOBILE MANUFACTURER'S ASSOCIATION (ACEA)	WG MS – Material Substance	Member

Membership Fees Paid to Associations


Top Five Membership Fees Paid to Associations in 2024

	Turkish Employers' Association of Metal Industries (MESS)	TL 8,001,000.00
	Automotive Manufacturers Association (OSD)	TL 7,499,334.70
	European Automobile Manufacturers Association (ACEA)	TL 2,251,396.89
	ERTICO – ITS Europe	TL 1,010,586.23
	Automotive Distributors and Mobility Association (ODMD)	TL 660,000.00

Assurance Statement for Non-Financial Data

(Convenience translation of an integrated annual report and non-financial independent assurance report originally issued in Turkish)	
 Shape the future with confidence	Güney Bağımsız Denetim ve SMMM A.Ş. Maslak Mah. Eski Büyükdere Cad. Orjin Maslak İş Merkezi No: 27 Daire: 57 34485 Sarıyer İstanbul - Türkiye
	Tel: +90 212 315 3000 Fax: +90 212 230 8291 ey.com Ticaret Sicil No: 479920 Mersis No: 0-4350-3032-6000017
Independent Assurance Report To General Assembly of Ford Otomotiv Sanayi Anonim Sirketi İstanbul, Türkiye	
<p>This report is intended solely for the management of Ford Otomotiv Sanayi Anonim Sirketi for the purpose of reporting of Selected Sustainability Information ("Selected Information") listed below in its 2024 Integrated Annual Report that has been prepared for the period running from January 1, 2024, to 31 December 2024.</p> <p>Subject Matter Information and Applicable Criteria</p> <p>In line with the request of Ford Otomotiv Sanayi Anonim Sirketi, our responsibility is to provide limited assurance in accordance with Global Reporting Initiative Standards ("GRI Standards") and Selected Information listed below within the scope of the reporting approach of Ford Otomotiv Sanayi Anonim Sirketi, specified in Ford Otosan 2024 Integrated Annual Report - Reporting Guidelines ("Reporting Guidelines") included in pages 415-428 of 2024 Integrated Annual Report.</p> <p>The Scope of Our Assurance</p> <p>The scope of our assurance is limited to the examination of financial and operational indicators, social indicators and environmental indicators marked with ✓ listed in the Selected Information shown below, which are reported in pages 236-255 of the 2024 Integrated Annual Report.</p> <p>Social Performance Indicators</p> <ol style="list-style-type: none">Employee Demographics<ul style="list-style-type: none">Total Female employeesTotal Male employeesTotal EmployeesTotal Female subcontractor employeesTotal Male subcontractor employeesTotal subcontractor employeesEmployees by Category<ul style="list-style-type: none">Female Field employeesMale Field employeesTotal Field EmployeesFemale Office employeesMale Office employeesTotal Office EmployeesEmployees by Agreement Type<ul style="list-style-type: none">Female employees by Permanent employment contractMale employees by Permanent employment contractFemale employees by Fixed-term employment contractMale employees by Fixed-term employment contractEmployees covered by collective labor agreementUnionized Employees<ul style="list-style-type: none">Total unionized employeesEmployees by Age Groups<ul style="list-style-type: none">30 and younger female employees30 and younger male employees30-50 female employees30-50 male employees50 and over female employees50 and over male employeesEmployees by Employment Type<ul style="list-style-type: none">Full-time Female employeesFull-time Male employees	<ol style="list-style-type: none">Part-time Female employeesPart-time Male employees <ol style="list-style-type: none">Equal Opportunity<ul style="list-style-type: none">Female Senior executivesMale Senior executivesFemale Mid-level managersMale Mid-level managersFemale First-level managersMale First-level managersFemale SpecialistsMale SpecialistsFemale employees in revenue generating functionsMale employees in revenue generating functionsFemale Managers in revenue generating functionsMale Managers in revenue generating functionsFemale Employees in STEM fieldMale Employees in STEM fieldFemale Employees with disabilitiesMale Employees with disabilities <ol style="list-style-type: none">Employees by Nation<ul style="list-style-type: none">Turkish employeesRomanian employeesOther nationalities employees <ol style="list-style-type: none">Parental Leaves<ul style="list-style-type: none">Female employees on parental leaveMale employees on parental leaveFemale employees returning from parental leaveReturn to work rate from parental leave (%) for Female <ol style="list-style-type: none">Employee Turnover<ul style="list-style-type: none">New female employeesNew male employeesFemale employees leavingMale employees leavingFemale employees leaving (voluntary)Male employees leaving (voluntary)Female employees leaving (involuntary)Male employees leaving (involuntary)Total employee turnover rate (%)Female employee turnover rate (%)Male employee turnover rate (%)Total employee turnover rate (voluntary) (%)Female employee turnover rate (voluntary) (%)Male employee turnover rate (voluntary) (%)Total employee turnover rate (involuntary) (%)Female employee turnover rate (involuntary) (%)Male employee turnover rate (involuntary) (%) <ol style="list-style-type: none">Employees Subject to Performance Management<ul style="list-style-type: none">Total office employees subject to performance managementTotal field employees subject to performance management <ol style="list-style-type: none">Employee Engagement (%)<ul style="list-style-type: none">Total employee engagement (%) <ol style="list-style-type: none">Social Investment Budget Distribution<ul style="list-style-type: none">Total (TL)Vehbi Koç Foundation (TL)Education (TL)Healthcare (TL)Social Aids and Other (TL) <ol style="list-style-type: none">Gender Pay Gap by Positions (Ratio of Average Women's Pay to Average Men's Pay) out of 1<ul style="list-style-type: none">Senior executives pay gap (base salary)Senior executives pay gap (base salary + benefits)Managers pay gap (base salary)Managers pay gap (base salary + benefits)
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<div><div><div>Shape the future with confidence</div></div><div><p>(Convenience translation of an integrated annual report and non-financial independent assurance report originally issued in Turkish)</p><p>Güney Bağımsız Denetim ve SMMM A.Ş. Maslak Mah. Eski Büyükdere Cad. Orjin Maslak İş Merkezi No: 27 Daire: 57 34485 Sarıyer İstanbul - Türkiye</p><p>Tel: +90 212 315 3000 Fax: +90 212 230 8291 ey.com Ticaret Sicil No : 479920 Mersis No: 0-4350-3032-6000017</p></div></div>	
<div><div><div><div><div><div>• Non-managerial positions pay gap (base salary)</div><div>• Non-managerial positions pay gap (base salary + benefits)</div></div></div><div>16. OHS Performance Data</div><div><div><div>• Total OHS training time (hours) (Subcontractors)</div><div>• OHS training time per subcontractor employee (person*hours)</div><div>• Occupational disease rate (employee)</div><div>• Occupational disease rate (Subcontractors)</div><div>• Number of accidents (employee)</div><div>• Number of accidents (Subcontractors)</div><div>• Number of accidents (Employee + Subcontractors)</div><div>• Number of fatal accidents (employee)</div><div>• Number of fatal accidents (Subcontractors)</div><div>• Lost day rate (Employee)</div><div>• Lost day rate (Subcontractors)</div><div>• Lost day rate (Employee + Subcontractors)</div><div>• Incident rate (Employee)</div><div>• Incident rate (Subcontractors)</div><div>• Incident rate (Employee + Subcontractors)</div></div></div><div>17. Net Promoter Score</div><div><div><div>• Türkiye Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Türkiye Female, Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Türkiye Male, Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Sales Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Female Sales Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Male Sales Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Service Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Female Service Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Male Service Passenger Cars and Commercial Vehicles Net Promoter Score (NPS) (%)</div><div>• Türkiye Heavy Commercial Vehicle Net Promoter Score (NPS) (%)</div><div>• Türkiye Female's, Heavy Commercial Vehicle Net Promoter Score (NPS) (%)</div><div>• Türkiye Male's, Heavy Commercial Vehicle Net Promoter Score (NPS) (%)</div><div>• Sales Heavy Commercial Vehicle Net Promoter Score (NPS) (%)</div><div>• Service Heavy Commercial Vehicle Net Promoter Score (NPS) (%)</div><div>• Female Service Heavy Commercial Vehicle Net Promoter Score (NPS) (%)</div><div>• Male Service Heavy Commercial Vehicle Net Promoter Score (NPS) (%)</div></div></div><div>18. Training Programs</div><div><div><div>• Total training time (hours)</div><div>• Total female employee training time (hours)</div><div>• Total male employee training time (hours)</div><div>• Total OHS training time (hours) (Employees)</div><div>• OHS training time per employee (person*hours)</div><div>• Total training time, including OHS (hours)</div><div>• Total female employee training time, including OHS (hours)</div><div>• Total male employee training time, including OHS (hours)</div><div>• Total training time per employee (person*hours)</div><div>• Total training time per female employee (person*hours)</div></div></div></div></div></div>	<div><div><div>• Total training time per male employee (person*hours)</div><div>• Total training time office employees (hours)</div><div>• Total training time female office employees (hours)</div><div>• Total training time male office employees (hours)</div><div>• Training time per office employees (person*hours)</div><div>• Training time per female office employees (person*hours)</div><div>• Training time per male office employees (person*hours)</div><div>• Total training time field employees (hours)</div><div>• Total training time female field employees (hours)</div><div>• Total training time male field employees (hours)</div><div>• Training time per field employees (person*hours)</div><div>• Training time per female field employees (person*hours)</div><div>• Training time per male field employees (person*hours)</div><div>• Total Leadership training time (hours)</div><div>• Leadership training time for female employees (hours)</div><div>• Leadership training time for male employees (hours)</div><div>• Total Training Expenditures (TL)</div></div></div> <div><div><div><div><div><div>Environmental Performance Indicators</div><div>1. Energy Consumption (GJ)</div><div><div><div>• Direct Non-Renewable Energy Consumption</div><div>• Direct Renewable Energy Consumption</div><div>• Indirect Renewable Energy Consumption</div><div>• Indirect Non-Renewable Energy Consumption</div><div>• Total Energy Consumption (Direct + Indirect)</div></div></div></div><div>2. Water Withdrawal (m³)</div><div><div><div>• Amount of Mains Water</div><div>• Amount of Groundwater</div><div>• Amount of Rainwater</div><div>• Total Withdrawal</div></div></div><div>3. Amount of Recycled Water and Wastewater</div><div><div><div>• Amount of Recycled Water</div><div>• Total Amount of Water Discharge Excluding Rainwater and Domestic Waste</div><div>• Total Amount of Recycled Water and Wastewater</div></div></div><div>4. Water consumption (m³)</div><div>5. Amount of Waste (tons)</div><div><div><div>• Recovered Hazardous Waste</div><div>• Recovered Non-Hazardous Waste</div><div>• Disposed Hazardous Waste</div><div>• Disposed Non-Hazardous Waste</div><div>• Hazardous Waste Sent to Intermediate Storage</div><div>• Non-Hazardous Waste Sent to Intermediate Storage</div></div></div><div>6. Environmental Trainings (Employees and Subcontractors)</div><div><div><div>• Number of Participating Employees</div><div>• Number of Participating Subcontractors</div></div></div><div>7. Environmental Expenditures and Fines (Million TL)</div><div><div><div>• Environmental Investments and Expenditures (Million TL)</div><div>• Environmental Fines (Million TL)</div></div></div><div>8. Total annual greenhouse gas emissions (CO₂e) reported according to Scope 1 of the Greenhouse Gas Protocol (2015)</div><div>9. Total annual greenhouse gas emissions (CO₂e) reported according to Scope 2 of the Greenhouse Gas Protocol (2015)</div><div>10. Total annual greenhouse gas emissions (CO₂e) reported according to Scope 3 of the Greenhouse Gas Protocol (2015)</div><div>- Category 1,2,3,4,5,6,7,9,10,11,12,14,15</div><div>11. Metrics per Vehicle</div></div></div></div></div>

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Assurance Statement for Non-Financial Data

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EY
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Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

- Greenhouse Gas Emissions per Vehicle Produced (tonCO₂e/vehicle)
- Energy Consumption per Vehicle Produced (GJ/vehicle)

Ford Otomotiv Sanayi Anonim Sirketi Responsibilities

Ford Otomotiv Sanayi Anonim Sirketi's management is responsible for the preparation, collection, and presentation of the information for the Selected Information. In addition, the Ford Otomotiv Sanayi Anonim Sirketi's management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the 2024 Integrated Annual Report, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 and 3410 which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

Procedures Applied

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of the Ford Otomotiv Sanayi Anonim Sirketi to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information with online communications covering Yapi Kredi locations; as well as reviewed pertaining to the Ford Otomotiv

Sanayi Anonim Sirketi's other locations in Turkey, against evidence, on a sample basis;

3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used the Ford Otomotiv Sanayi Anonim Sirketi's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
7. Evaluated the disclosure and presentation of the Selected Information in the 2024 Integrated Annual Report.


Our Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Ford Otomotiv Sanayi Anonim Sirketi has not prepared, in all material respects with GRI Standards and Selected Information for the year ended in December 31, 2024, the relevant requirements of the criteria as defined in Reporting Guidelines.

Limitations

We permit this report to be disclosed in addition to Ford Otomotiv Sanayi Anonim Sirketi 2024 Integrated Annual Report for the year ended on December 31, 2024; to enable the management of Ford Otomotiv Sanayi Anonim Sirketi to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Ford Otomotiv Sanayi Anonim Sirketi for our work, for this independent limited assurance report, or for the conclusions we have reached.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali
Musavirlik Anonim Sirketi
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Zeynep Okuyan Özdemir, SMMM
Partner
4 Mart 2025
İstanbul, Türkiye

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Stakeholder Communications Chart

Stakeholder Group	Communication Methods	Communication Reasons	Communication Frequency	Related Material ESG Topic	Team in Charge
Shareholders Investors and Analysts	<ul style="list-style-type: none"> Investor meetings General Assembly meetings Investor presentations Analyst meetings Analyst presentations Quarterly earnings meetings Website Public Disclosure Platform (PDP) Conferences and roadshows Factory visits Financial statements and footnotes Integrated Annual Report 	Sharing developments about the company's strategic, financial, operational and sustainability performance, receiving feedback and questions and sharing them with the Board of Directors and Senior Management. Preventing asymmetrical information sharing with the investment community. Ensuring that Ford Otosan (FROTO) stock reaches fair market value.	Conferences and roadshows more often than 4 times a year	Low-carbon products and services R&D activities Corporate governance Ethics and transparency Diversity and inclusion Healthy supply chain management	Investor Relations Sustainability
Board of Directors	<ul style="list-style-type: none"> Board of Directors meetings Early Determination and Management of Risk Committee Corporate Governance Committee (Nomination Committee) Audit Committee Remuneration Committee 	Determining strategy, disclosing our financial, operational and sustainability performance results, informing about the activities, obtaining their opinions and approvals, defining action plans.	4 times a year	All material sustainability topics of Ford Otosan	Sustainability Risk Management Investor Relations Legal Internal Audit/ Internal Control Human Resources
Senior Management	<ul style="list-style-type: none"> Sustainability Committee Senior Management Review Meetings 	Providing information about our financial, operational and sustainability performance results and receiving their opinions and decisions.	More often than 4 times a year	All material sustainability topics of Ford Otosan	Sustainability Risk Management Investor Relations All Leadership Functions

Stakeholder Communications Chart

Stakeholder Group	Communication Methods	Communication Reasons	Communication Frequency	Related Material ESG Topic	Team in Charge
Employees	<ul style="list-style-type: none"> • Ford Otosan Code of Conduct • Internal portal • Internal broadcasts • Suggestion, appreciation and rewarding system • Working groups and committees • Internal publications such as newsletters and General Manager's Message, announcements and advertisements • Social events • Performance Management System • Integrated Annual Report • Employee engagement research and surveys • Open Door and Leadership Meetings 	<ul style="list-style-type: none"> • Raising their awareness, improving governance, informing them about our company strategy, getting their opinions 	Weekly	Risk management and regulatory compliance Occupational health and safety and employee well-being Attracting, developing and retaining talent Human rights Equal opportunity, diversity and inclusion Cultural and agile transformation	Employee Experience Internal Communications Total Reward and Performance Management Compliance Learning and Development
Suppliers	<ul style="list-style-type: none"> • Integrated Annual Report • Ford Otosan Code of Conduct • Trainings • Supplier Summit • One-on-one meetings • Supplier Sustainability Committee • FOSN (Ford Otosan Supplier Network) • Audits • OHS Committees 	Raising their awareness, improve governance, informing them about our company strategy, measuring their performance.	More often than 4 times a year	Responsible supply chain	Purchasing Material Planning and Logistics Contractor Relations Sustainability Compliance Engineering and Technology Development

Stakeholder Communications Chart

Stakeholder Group	Communication Methods	Communication Reasons	Communication Frequency	Related Material ESG Topic	Team in Charge
Dealers	<ul style="list-style-type: none"> • Integrated Annual Report • Dealer meetings, Dealer Council and one-on-one interviews • Dealer and customer satisfaction surveys • Dealer portal • Dealer training 	Raising their awareness, improving governance, informing them about our company strategy, measuring and rewarding their performance.	4 times a year	Climate action and resilience Vehicle quality and safety Circular economy and waste Equal opportunity, diversity and inclusion Water and wastewater Customer experience	Dealer Development Sustainability
Customers	<ul style="list-style-type: none"> • Integrated Annual Report • Surveys • Launches • Social media • Customer communication channels 	Measuring satisfaction, product communications, responding to requests	4 times a year	Smart and innovative mobility Vehicle quality and safety Clean technology opportunities and alternative fuels Customer experience Data security and cybersecurity	Marketing Customer Experience
Financial Institutions	<ul style="list-style-type: none"> • Integrated Annual Report • CDP Reporting • Meetings and interviews • News coverage • Website • Public Disclosure Platform • Financial results announcements • Quarterly earnings calls • Investor/analyst presentations • Conferences and roadshows • Factory visits • Financial statements and footnotes 	Sharing developments about the company's strategic, financial, operational and sustainability performance, receiving feedback and questions, sharing them with the Board of Directors and Senior Management. Accessing appropriate financing for investments and business continuity, regulatory compliance.	4 times a year	Climate action and resilience Responsible supply chain Occupational health and safety Clean technology opportunities and alternative fuels Human rights Equal opportunity, diversity and inclusion Ethics and transparency Corporate governance	Sustainability Investor Relations Finance

Stakeholder Communications Chart

Stakeholder Group	Communication Methods	Communication Reasons	Communication Frequency	Related Material ESG Topic	Team in Charge
Media	<ul style="list-style-type: none"> • Integrated Annual Report • Interviews • Meetings and talks • Press releases • Material event disclosures • Launches 	Announcing company developments and providing information about products and projects.	More often than 4 times a year	Low carbon products and services Responsible supply chain Smart and innovative mobility Vehicle quality and safety R&D capabilities Corporate governance Local development and social investments	Corporate Communications
Public Institutions and Local Administrations	<ul style="list-style-type: none"> • Integrated Annual Report • Audits • Meetings and interviews 	Expressing opinions on draft regulations, collaborations.	Periodic	Climate action and resilience Low carbon products and services Circular economy and waste	Sustainability Environment Public Affairs Regulatory Compliance
International Organizations and Initiatives	<ul style="list-style-type: none"> • Integrated Annual Report • CDP Reporting • Policies • Joint projects • Regular reporting • Social media • Various events such as conferences, webinars, workshops, fairs etc. 	Partnerships, integrating into international frameworks, increasing knowledge levels within the organization, launching projects focused on scientific and engineering activities by embracing a shared R&D culture and approach. Exchanging knowledge and experience in events and conferences.	Periodic	Climate action and resilience Low carbon products and services Responsible supply chain Human rights Equal opportunities, diversity and inclusion Circular economy R&D capabilities Smart and innovative mobility Vehicle quality and safety	Environment Diversity, Equity and Inclusion Product Sustainability R&D and Intellectual Property Leadership

Stakeholder Communications Chart

Stakeholder Group	Communication Methods	Communication Reasons	Communication Frequency	Related Material ESG Topic	Team in Charge
Academia, Vocational Schools, Institutes and Research Centers	<ul style="list-style-type: none"> • Integrated Annual Report • CDP Reporting • Academic congresses and seminars • Articles and publications, academic research • Joint projects • University-industry collaboration projects • Training and technical support • Sponsorships • Meetings and interviews 	<p>Collaborations, providing training to stakeholders, employment of young talent, organizing internal training.</p> <p>Commercializing scientific activities through joint projects with universities.</p> <p>Accessing postgraduate researchers in universities.</p> <p>Establishing long-term research centers by entering into strategic collaborations with universities, conducting studies in thematic R&D areas.</p>	Periodic	<p>Climate action and resilience</p> <p>Low-carbon products and services</p> <p>Responsible supply chain</p> <p>Attracting, developing and retaining talent</p> <p>Clean technology opportunities and alternative fuels</p> <p>Circular economy</p> <p>R&D capabilities</p> <p>Smart and innovative mobility</p> <p>Vehicle quality and safety</p>	<p>Engineering and Technology Development</p> <p>Professional Development</p> <p>Diversity, Equity and Inclusion</p> <p>Sustainable Supply Chain</p>
Civil Society and Industry Organizations	<ul style="list-style-type: none"> • Integrated Annual Report • Working Groups, Committees and Memberships in Boards of Directors • Memberships • Joint projects and initiatives • Meetings and interviews 	<p>Measuring the impact of community projects, to society, launching projects that contribute to society, providing feedback on upcoming regulations, providing data and information for strategic roadmaps prepared by public institutions and NGOs, sharing experience, and leading the transformation of the ecosystem.</p>	More often than 4 times a year	<p>Local development and social investments</p> <p>Equal opportunity, diversity and inclusion</p> <p>Circular economy</p> <p>R&D capabilities</p> <p>Smart and innovative mobility</p> <p>Biodiversity</p>	<p>Environment</p> <p>Diversity, Equity and Inclusion</p> <p>Corporate Communications</p> <p>R&D and Intellectual Property Rights</p>
Unions	<ul style="list-style-type: none"> • Meetings 	Hearing demands.	Monthly	<p>Occupational health and safety and employee well-being</p> <p>Human rights</p>	Industrial Relations
Consultants and Partners	<ul style="list-style-type: none"> • Meetings • Joint projects • Audits • Trainings 	Developing projects, complying with standards and regulations, and receiving training.	Periodic On Demand	All material sustainability topics of Ford Otosan	All functions

Abbreviations & Acronyms

Organizations and Institutions

EU: European Union
ACEA: European Automobile Manufacturers’ Association
AFAD: Disaster and Emergency Management Authority
BAI: Business Agility Institute
BIST: Borsa İstanbul
CASE: Council for Advancement and Support of Education Europe Region
ECE: Economic Commission for Europe
ESKİ: Eskişehir Water and Sewage Administration
GCC: Gulf Cooperation Council
GRI: Global Reporting Initiative
IEA: International Energy Agency
ILO: International Labour Organization
IPCC: Intergovernmental Panel on Climate Change
İSU: Kocaeli Water and Sewage Administration
İTÜ: Istanbul Technical University
PDP: Public Disclosure Platform
POA: Public Oversight, Accounting and Auditing Standards Authority
ODMD: Automotive Distributors and Mobility Association
METU: Middle East Technical University
OECD: Organisation for Economic Co-operation and Development
OICA: International Organization of Motor Vehicle Manufacturers
OSD: Automotive Manufacturers Association
NICE: Neutral and Inclusive Communication in Corporate Environments
PERYÖN: People Management Association of Türkiye
SBTi: Science Based Targets initiative
SBTN: Science Based Targets Network
CMB: Capital Markets Board
SYKÇD: Innovative Solutions for Sustainable Development Association
TAYSAD: Automotive Suppliers Association of Türkiye
TEV: Turkish Education Foundation
UNECE: United Nations Economic Commission for Europe
UNG: United Nations Global Compact
WEF: World Economic Forum
WRI: World Resources Institute

VKV: Vehbi Koç Foundation
YGA: Young Guru Academy

Indices

BIST Sustainability Index: Borsa İstanbul Sustainability Index
Bloomberg GEI: Bloomberg Gender-Equality Index
DJSI: Dow Jones Sustainability Index
FTSE4Good: Financial Times Stock Exchange For Good Index
MSCI: Morgan Stanley Capital International Index
S&P: Standard & Poor’s Index
SASB: Sustainability Accounting Standards Board

Organizations and Institutions

USA: United States of America
ABR: Annual Business Review
BADV: Business Against Domestic Violence
UN: (United Nations)
R&D: Research & Development
CCXP: Certified Customer Experience Professional
CDP: Carbon Disclosure Project (formerly)
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CoT: Cloud of Things
CIO and CDO: Chief Information Officer & Chief Digital Officer
CPS: Cyber-Physical Systems
CSA: Corporate Sustainability Assessment)
CSDDD: Corporate Sustainability Due Diligence Directive
CX: Customer Experience
DEI: Diversity, Equity and Inclusion
ESG: Environmental, Social and Governance
ELVD: End of Life Vehicles Directive
ESRS: European Sustainability Reporting Standards
GB: National Standards of the People’s Republic of China
IAA: International Commercial Vehicles Germany
ICA: Yavuz Sultan Selim Bridge and Northern Ring Motorway
IDM: Identity Management
IDC: International Data Corporation

IoT: Internet of Things
IIoT: Industrial Internet of Things
IIRC: International Integrated Reporting Council
IR: Integrated Reporting <IR> Framework
IRF: International Road Federation
IVOTY: International Van of the Year Award
OHS: Occupational Health and Safety
HR: Human Resources
BCP: Business Continuity Plans
KPI: Key Performance Indicators
KVKK: Turkish Personal Data Protection Law
ML: Machine Learning
OEM: Original Equipment from Manufacturer
OKR: Objectives and Key Results
QBR: Quarterly Business Review
RCP: Representative Concentration Pathways
REE: Rare Earth Elements
SIT: Systematic Inventive Thinking
SDG: Sustainable Development Goals
CBAM: Carbon Border Adjustment Mechanism
STEM: Science, Technology, Engineering, Mathematics
NGO: Non-Governmental Organizations
TCFD: Task Force on Climate-Related Financial Disclosures
TFRS: Turkish Financial Reporting Standards
TSRS: Turkish Sustainability Reporting Standards
UN WEPS: UN Women’s Empowerment Principles
VOC: Volatile Organic Compound
VoC: Voice of Customer
VSOC: Vehicle Security Operation Center)
WIC: Workplace Inclusion Champion
BoD: Board Of Directors

Technical Abbreviations

AI: Artificial Intelligence
AGV: Autonomous Guided Vehicle
AITOC: Artificial Intelligence supported Tool Chain in Manufacturing Engineering
WBAR: Waste Batteries and Accumulators Regulations

Abbreviations & Acronyms

ITS: Intelligent Transport Systems	FCEV: Fuel Cell Electric Vehicle	OBM: On-Board Monitoring
AVAS: Acoustic Vehicle Warning System	FMA: Failure Mode Analysis	OTA: Over-the-air Software Update
BESS: Battery Energy Storage System	FO&US: Ford Otosan & Used Storage	PA: Polyamide
BEV: Battery Electric Vehicle	FOSN: Ford Otosan Supplier Network	PC: Passenger Car
BMS: Battery Management System	FRC: First Run Capability	PC: Polycarbonate
IT: Information Technologies	FROTO: Ford Otosan Stocks	PHEV: Plug-in Hybrid Electrical Vehicle
C-SAT: Customer Satisfaction	GES: Solar Energy Plant	PHSA: President's Health and Safety Award
CAGR: Compound Annual Growth Rate	GHG: Greenhouse Gas Emission	PM: Particulate Matter
CAV: Connected Autonomous Vehicles	GSR Batch 2: European Union General Safety Regulation Batch 2	PN: Particle Number
CAVE: Computer Assisted Virtual Environment	GWP: Global Warming Potential	PPAP: Production Part Approval Process
CERV: Citizens, Equality, Rights and Values	HCV: Heavy Commercial Vehicles	QUXP: Quality Customer Experience Portal
CO₂: Carbon dioxide	HIL: Hardware-In-the-Loop	RFID: Radio Frequency Identification
ELS: Employee Loyalty Survey	IBAT: Integrated Biodiversity Assessment Tool	RPA: Robotic Process Automation
DBP: Digital Battery Passport	IBC: Intermediate Bulk Container	SDS: Sustainable Development Scenario
DCM: Digital Corporate Memory	ICE: Internal Combustion Engine	SDV: A Software-Defined Vehicle
DEEP: Technical Assistance for Assessment of Türkiye's Potential on Transition to Circular Economy	IDPS: Intrusion Detection and Prevention System	SOAR: Security Orchestration, Automation and Response
DFPS: Digital Ford Production System	I-REC: International REC Standard	SoC: Systems-on-a Chip
DOC: Diesel Oxidation Catalyst	ISPC: In-Station Process Control	SOC: Security Operations Center
DTC: Diagnostic Trouble Code	HRD: Human Resources Department	SOx: Sulfur Oxide
EDR: Endpoint Detection and Response	LCV: Light Commercial Vehicle	SUMS: Software Update Management System
IPPC: Integrated Pollution Prevention and Control Directive	LLS: Lower Leg Stiffener	SSS: Frequently Asked Questions
EoL: End of Life	LIDAR: Light Detection and Ranging	TARA: Threat Analysis and Risk Assessment
EPP: Endpoint Protector	MEC: Multi-Access Edge Computing	TLS: Transport Layer Security
ERGO HIS: Ergonomics and Industrial Hygiene Operating System	MCV: Medium Commercial Vehicle	VHA: Vehicle Health Alert
ERM: Enterprise Risk Management	MHEV: Mild Hybrid Electrical Vehicle	ZEFES: Zero Emission Freight EcoSystem
ESS: Energy Storage System	MOTAT: Mobile Hazardous Waste Transportation	ZEV: Zero Emission Vehicles
EU GSR: European Union General Safety Regulations	ETD: Engineering and Technology Development	
Euro NCAP: The European New Car Assessment Programme	NDP: Normalization Plan	
EV: Electrical Vehicle	NextETRUCK: Efficient and Low-Cost Logistics with New Generation Zero Emission Electric Trucks	
EVP: Employee Value Proposition	NOx: Nitrogen Oxide	
FC: Fuel Cell	NPS: Net Promoter Score	

GRI Content Index

Statement of use

Ford Otosan has reported in accordance with the GRI Standards for the January 1–December 31, 2024 period.

GRI 1 Standard

GRI 1: Foundation 2021

GRI 1: FOUNDATION 2021			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 2 General Disclosures 2021	2-1 Organizational details	About the Report	P. 3 P. 12
	2-2 Entities included in the organization’s sustainability reporting	About Ford Otosan	P. 3
	2-3 Reporting period, frequency and contact point	About the Report	P. 3
	2-4 Restatements of information		GRI Content Index: No statement from the previous reporting period has been restated.
	2-5 External assurance	Assurance Statement of Non-Financial Data	P. 393
	2-6 Activities, value chain and other business relationships	Value Creation Journey Value Chain Management	P. 40
	2-7 Employees	Employee and Human Rights Employee Engagement Social Performance Indicators	P. 147 P. 162 P. 240
	2-8 Workers who are not employees	Social Performance Indicators	P. 240
	2-9 Governance structure and composition	Board of Directors and Board Committees Corporate Governance	P. 67 P. 70
	2-10 Nomination and selection of the highest governance body	Board of Directors and Board Committees Corporate Governance Compliance Report	P. 67 P. 257
	2-11 Chair of the highest governance body	Board of Directors and Board Committees	P. 67
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors and Board Committees Corporate Governance Compliance Report	P. 67 P. 257
	2-13 Delegation of responsibility for managing impacts	Board of Directors and Board Committees Sustainability Management Risk Management	P. 67 P. 44 P. 79
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management	P. 44
	2-15 Conflicts of interest	Board Committees Corporate Governance Compliance Report	P. 67 P. 257
	2-16 Communication of critical concerns	Ethics, Transparency, Internal Control and Internal Audit	P. 74
	2-17 Collective knowledge of the highest governance body	Board of Directors and Board Committees	P. 67
	2-18 Evaluation of the performance of the highest governance body	Board of Directors and Board Committees Remuneration Policy for Board of Directors and Senior Executives	P. 67 P. 205

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GRI 1: FOUNDATION 2021			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 2 General Disclosures 2021	2-19 Remuneration policies	Corporate Governance Remuneration Policy for Board of Directors and Senior Executives Recognition, Appreciation and Rewarding	P. 70 P. 205 P. 176
	2-20 Process to determine remuneration	Corporate Governance Recognition, Appreciation and Rewarding Remuneration Policy for Board of Directors and Senior Executives	P. 70 P. 176 P. 205
	2-21 Annual total compensation ratio	Recognition, Appreciation and Rewarding Social Performance Indicators	P. 176 P. 240
	2-22 Statement on sustainable development strategy	Future. Now Material Sustainability Topics	P. 49 P. 62
	2-23 Policy commitments	Ethics, Transparency, Internal Control and Internal Audit	P. 74
	2-24 Embedding policy commitments	Ethics, Transparency, Internal Control and Internal Audit	P. 74
	2-25 Processes to remediate negative impacts	Stakeholder Communications Risk Management	P. 56 P. 79
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communications	P. 56
	2-27 Compliance with laws and regulations	Ethics, Transparency, Internal Control and Internal Audit	P. 74
	2-28 Membership associations	Memberships Affiliations	P. 388
	2-29 Approach to stakeholder engagement	Stakeholder Communications Material Sustainability Topics	P. 56 P. 62
	2-30 Collective bargaining agreements	Social Performance Indicators	P. 240
MATERIAL TOPICS			
	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-1 Process to determine material topics	Material Sustainability Topics	P. 62
	3-2 List of material topics	Material Sustainability Topics	P. 62

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Climate Action and Resilience			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Environmental Impact of Operations Energy Consumption Water Stewardship Greenhouse Gas Emissions Environmental Performance Indicators	P. 62 P. 128 P. 236
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Consumption, Environmental Performance Indicators	P. 128, P. 236
	302-2 Energy consumption outside of the organization	Energy Consumption, Environmental Performance Indicators	P. 128, P. 236
	302-3 Energy intensity	Energy Consumption, Environmental Performance Indicators	P. 128, P. 236
	302-4 Reduction of energy consumption	Energy Consumption, Environmental Performance Indicators	P. 128, P. 236
	302-5 Reductions in energy requirements of products and services	Energy Consumption	P. 128
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Stewardship	P. 128
	303-2 Management of water discharge-related impacts	Water Stewardship	P. 128
	303-3 Water withdrawal	Water Stewardship, Environmental Performance Indicators	P. 128, P. 236
	303-4 Water discharge	Water Stewardship, Environmental Performance Indicators	P. 128, P. 236
	303-5 Water consumption	Water Stewardship, Environmental Performance Indicators	P. 128, P. 236
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, Environmental Performance Indicators	P. 128, P. 236
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions, Environmental Performance Indicators	P. 128, P. 236
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions, Environmental Performance Indicators	P. 128, P. 236
	305-4 GHG emissions intensity	Greenhouse Gas Emissions, Environmental Performance Indicators	P. 128, P. 236
	305-5 Reduction of GHG emission	Greenhouse Gas Emissions, Environmental Performance Indicators	P. 128, P. 236
Low-Carbon Products and Services			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Low-Carbon (Alternative Fuel) Production Journey Product Sustainability	P. 62 P. 112

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Responsible Supply Chain			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Value Chain Management Employee and Human Rights	P. 62 P. 142 P. 147
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Value Chain Management	P. 142
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Value Chain Management	P. 142
	308-2 Negative environmental impacts in the supply chain and actions taken		Negative environmental impact was not observed in the supply chain within the reporting year.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Employee and Human Rights	P. 147
	414-2 Negative social impacts in the supply chain and actions taken		Negative social impact was not observed in the supply chain within the reporting year.
Risk Management and Regulatory Compliance			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Risk and Opportunity Management	P. 79
Smart and Innovative Mobility			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Innovation Management	P. 62 P. 93

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Occupational Health, Safety and Employee Well-being			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Occupational Health and Safety Social Performance Indicators	P. 62 P. 155 P. 240
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	P. 155
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Social Performance Indicators	P. 155 , P. 240
	403-3 Occupational health services	Occupational Health and Safety	P. 155
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	P. 155
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, Social Performance Indicators	P. 155 , P. 240
	403-6 Promotion of worker health	Occupational Health and Safety	P. 155
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	P. 155
	403-9 Work-related injuries	Occupational Health and Safety, Social Performance Indicators	P. 155 , P. 240
	403-10 Work-related ill health	Occupational Health and Safety, Social Performance Indicators	P. 155 , P. 240
Talent Acquisition, Development and Retention			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Talent and Career Management Learning and Development Social Performance Indicators	P. 62 P. 169 P. 171 P. 240
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Learning and Development Social Performance Indicators	P. 171 P. 240
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent and Career Management Learning and Development Social Performance Indicators	P. 169 P. 171 P. 240
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent and Career Management Learning and Development Social Performance Indicators	P. 169 P. 171 P. 240

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Vehicle Quality and Safety			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI 3: GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Vehicle Quality and Safety	P. 62 P. 183
GRI 416: Müşteri Sağlığı ve Güvenliği 2016	416-1 Assessment of the health and safety impacts of product and service categories	Vehicle Quality and Safety	P. 183
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Incidents of non-compliance concerning the health and safety impacts of products and services were not observed within the reporting year.
Clean Technology Opportunities and Alternative Fuels			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Low-Carbon (Alternative Fuel) Production Journey	P. 62 P. 112
Circular Economy and Waste			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Product Sustainability Environmental Impact of Operations	P. 62 P. 112 P. 128
	301-2 Recycled input materials used	Product Sustainability Environmental Impact of Operations	P. 112 P. 128
	301-3 Reclaimed products and their packaging materials	Product Sustainability Environmental Impact of Operations	P. 112 P. 128

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Circular Economy and Waste			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Impact of Operations	P. 128
	306-2 Management of significant waste-related impacts	Environmental Impact of Operations	P. 128
	306-3 Waste generated	Environmental Impact of Operations Environmental Performance Indicators	P. 128 P. 236
	306-4 Waste diverted from disposal	Environmental Impact of Operations Environmental Performance Indicators	P. 128 P. 236
	306-5 Waste directed to disposal	Environmental Impact of Operations Environmental Performance Indicators	P. 128 P. 236
Human Rights			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Employee and Human Rights Diversity, Equity and Inclusion Employee Engagement Social Performance Indicators	P. 62 P. 147 P. 149 P. 162 P. 240
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity, Equity and Inclusion Social Performance Indicators	P. 149 P. 240
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee and Human Rights Employee Engagement Social Performance Indicators	P. 147 P. 162 P. 240
	401-3 Parental leave	Employee Engagement Social Performance Indicators	P. 162 P. 240
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Operations or suppliers in which the right to freedom of association and collective bargaining may be at risk were not observed within the reporting year.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		There are no operations or suppliers at significant risk for incidents of child labor.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		There are no operations or suppliers at significant risk for incidents of forced or compulsory labor.

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Equal Opportunity, Diversity and Inclusion			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Board of Directors and Board Committees Ethics, Transparency, Internal Control and Internal Audit Material Sustainability Topics Recognition, Appreciation and Rewarding Diversity, Equity and Inclusion	P. 67 P. 74 P. 62 P. 176 P. 149
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors and Board Committees Diversity, Equity and Inclusion	P. 67 P. 149
	405-2 Ratio of basic salary and remuneration of women to men	Recognition, Appreciation and Rewarding	P. 176
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Ethics, Transparency, Internal Control and Internal Audit	P. 74
R&D Capacity			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Innovation Management R&D Management	P. 62 P. 93 P. 87
Waste and Wastewater			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Environmental Impact of Operations Environmental Performance Indicators	P. 62 P. 128 P. 236
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Impact of Operations	P. 128
	303-2 Management of water discharge-related impacts	Environmental Impact of Operations	P. 128
	303-3 Water withdrawal	Environmental Impact of Operations Environmental Performance Indicators	P. 128 P. 236
	303-4 Water discharge	Environmental Impact of Operations Environmental Performance Indicators	P. 128 P. 236
	303-5 Water consumption	Environmental Impact of Operations Environmental Performance Indicators	P. 128 P. 236

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Corporate Governance			
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GRI: 3 Material Topics 2021	3-3 Management of material topics	About the Report	P. 3
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		Value Creation Model	P. 51
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		Material Sustainability Topics	P. 62
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		Employee and Human Rights	P. 147
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GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Shareholder Structure and Investor Relations	P. 16
		Ford Otosan Through the Years	P. 18
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	201-2 Financial implications and other risks and opportunities due to climate change	Risk and Opportunity Management	P. 79
		Risks and Opportunities	P. 211
	201-3 Defined benefit plan obligations and other retirement plans	Employee Engagement	P. 162
	205-1 Operations assessed for risks related to corruption	Ethics, Transparency, Internal Control and Internal Audit	P. 74
		Risks and Opportunities	P. 211
GRI 205: Anti- Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Transparency, Internal Control and Internal Audit	P. 74
		Employee and Human Rights	P. 147
		Risks and Opportunities	P. 211
	205-3 Confirmed incidents of corruption and actions taken	Ethics, Transparency, Internal Control and Internal Audit	P. 74
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	207-2 Tax governance, control, and risk management	About the Report	P. 3
Air Quality			
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Ethics and Transparency			
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GRI 205: Anti- Corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics, Transparency, Internal Control and Internal Audit Risks and Opportunities	P. 74 P. 211
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Customer Experience			
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GRI: 3 Material Topics 2021	3-3 Management of material topics	Vehicle Quality and Safety Material Sustainability Topics Customer Experience and Dealers	P. 183 P. 62 P. 178
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Vehicle Quality and Safety	P. 183
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		There were no substantiated complaints concerning breaches of customer privacy and losses of customer data within the reporting year.
Data Privacy and Cybersecurity			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics Cybersecurity	P. 62 P. 104
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		There were no substantiated complaints concerning breaches of customer privacy and losses of customer data within the reporting year.

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Local Development and Social Investments			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Material Sustainability Topics For Community Social Investment Areas Social Investment Projects	P. 62 P.187 P. 188 P.190
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Investment Areas Social Investment Projects	P.188 P. 190
GRI 411: Local Communities 2016	411-1 Incidents of violations involving rights of indigenous peoples		There were no incidents of violations involving rights of indigenous peoples within the reporting year.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Investment Areas Social Investment Projects	P. 188 P.190
	413-2 Operations with significant actual and potential negative impacts on local communities		There are no operations with significant actual and potential negative impacts on local communities.

GRI Content Index

Cultural and Agile Transformation			
GRI Standard	Disclosure	Section	Page No, Source and/or Direct Answers
GRI: 3 Material Topics 2021	3-3 Management of material topics	Board of Directors and Board Committees	P. 67
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		Talent and Career Management	P. 169
		Diversity, Equity and Inclusion	P. 149
		Learning and Development	P. 171
		Recognition, Appreciation and Rewarding	P. 176
		Agile and Cultural Transformation	P. 160
		Social Performance Indicators	P. 240
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Learning and Development	P. 171
		Social Performance Indicators	P. 240
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent and Career Management	P. 169
		Learning and Development	P. 171
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	404-3 Percentage of employees receiving regular performance and career development reviews	Talent and Career Management	P. 169
GRI 405: Diversity and Equal Opportunity 2016		Learning and Development	P. 171
		Social Performance Indicators	P. 240
	405-1 Diversity of governance bodies and employees	Board of Directors and Board Committees	P. 67
		Diversity, Equity and Inclusion	P. 149
	405-2 Ratio of basic salary and remuneration of women to men	Recognition, Appreciation and Rewarding	P. 176
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Ethics, Transparency, Internal Control and Internal Audit	P. 74

Reporting Principles

This reporting guideline (“Guideline”) provides information on the data preparation and reporting methodologies of indicators within the scope of limited assurance in Ford Otosan 2024 Integrated Annual Report (“2024 Integrated Report”) of Ford Otomotiv Sanayi A.Ş. (“Company”). The indicators include social and environmental indicators. It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guide.

The data included in this guideline is for the fiscal year ending on December 31, 2024, and as detailed in the “Key Definitions and Reporting Scope” section comprises the Eskişehir, Yeniköy and Gölcük plants in Türkiye, the Sancaktepe R&D center, Spare Parts Warehouse campuses, and the Craiova plant in Romania, which are all under the umbrella of Ford Otomotiv Sanayi A.Ş. The indicators, which include contractors within the scope, are specified in the “Basic Definitions and Reporting Scope” section, while contractors are not included in the indicators that are not specified.

General Reporting Principles

In preparing this guidance document, the following principles have been considered:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information.
- Information Reporting – to highlight the primary principles of comparability/consistency with other data including prior data and understandability/transparency providing clarity to users.

Key Definitions and Reporting Scope

For the purpose of this report, the Company has defined the following:

Type	Indicator	Scope
Environmental	Greenhouse Gas Emissions (tonsCO₂e)	
	Scope 1 Emissions	This indicator refers to the emissions from direct consumption in line with the GHG Protocol from the Company’s Türkiye and Romania operations during the reporting period.
	Scope 2 Emissions	This indicator refers to indirect consumption-related emissions in line with the GHG Protocol from the Company’s Türkiye and Romania operations during the reporting period.
	Scope 3 Emissions	This indicator refers to indirect greenhouse gas emissions from external sources other than the company’s direct activities in line with the GHG Protocol during the reporting period.
	Total	This indicator refers to the Company’s total Scope 1, 2 and 3 emissions during the reporting period.
	Energy Consumption (GJ)	
	Direct Renewable Energy Consumption	This indicator refers to the Company’s renewable energy consumption from renewable sources in its Türkiye and Romania operations in GJ during the reporting period.
	Direct Non-Renewable Energy Consumption	This indicator refers to the sum of the following consumptions in GJ units within the scope of direct non-renewable energy consumption for the Company’s Türkiye and Romania operations during the reporting period, followed by invoices and internal meters: Stationary Combustion (Natural Gas (Sm ³); Diesel (L); LPG (kg); Propane (kg); Methanol (kg) and Mobile Combustion (Diesel (L); Gasoline (L), Stationary Air Conditioning Leaks (HFC-134a, HFC-407C, R-410A etc. (kg), Mobile Air Conditioner Leaks (HFC-134a, 1234YF (kg), Welding and Fire Extinguishing Cylinder Leaks (HB 212, HB 220, HB 205, CO ₂ , CO ₂ Fire Extinguishers (kg), Greenhouse Gas Emissions from Process Gases Oil Vapor (Opet Fuchs Anticorit RP, cutting fluid, lapping oil, washer fluid, heat treatment fluid & oil, degreasing (kg) and VOC (kg). The data includes Türkiye and Romania operations.

Reporting Principles

Type	Indicator	Scope
Environmental	Energy Consumption (GJ)	
	Indirect Renewable Energy Consumption	This indicator refers to the sum of Electricity (MWh) and Steam (MWh) consumption in GJ units, which are tracked with invoices within the scope of indirect renewable energy consumption for the Company's Türkiye and Romania operations during the reporting period. Türkiye locations purchase 100% renewable electrical energy (I-REC). The Romania location also procure its electricity supply from 100% renewable energy. The data includes Türkiye and Romania operations.
	Indirect Non-Renewable Energy Consumption	This indicator refers to the renewable energy consumption from external sources for the Company's Türkiye and Romania operations in GJ during the reporting period.
	Total	This indicator refers to the sum of the Company's direct renewable energy, direct non-renewable energy, indirect renewable energy, and indirect non-renewable energy consumption amounts during the reporting period.
	Tracking Areas per Vehicle	
	Greenhouse Gas Emissions per Vehicle Produced (tonCO ₂ e/ vehicle)	This indicator represents the ratio of total emissions covering the Company's operations in Türkiye and Romania and the supply chain per total vehicle produced in the Company's facilities in Türkiye and Romania during the reporting period.
	Energy Consumption per Vehicle Produced (GJ/vehicle)	This indicator represents the ratio of total renewable and non-renewable energy consumption per total vehicle produced in the Company's Türkiye and Romania locations during the reporting period.
	Water Withdrawal (m ³)	
	Municipal Water	Raporlama döneminde, Şirket'in servis sağlayıcı kurumlardan aldığı faturalardan takip edilen (12 aylık) ve finansal raporlama sistemleri ile haritalandırılabilen, This indicator refers to the amount of municipal water consumed during the reporting period, which is tracked from the invoices received by the Company from service providers (12 months) and can be mapped with financial reporting systems. The data includes Türkiye and Romania operations.
	Underground Water	This indicator refers to the underground water consumption amount monitored monthly by the Company's internal meters during the reporting period. The data includes Türkiye and Romania operations.
	Rain Water	This indicator refers to the rainwater consumption amount monitored monthly by the Company's internal meters during the reporting period. The data includes Türkiye and Romania operations.
	Total	This indicator refers to the total of the Company's municipal water, underground water and rainwater consumption amounts during the reporting period.
	Recovered Water and Wastewater (m ³)	
	Recovered Water	This indicator refers to the amount of water recycled by the Company in its operations in Türkiye and Romania during the reporting period.

Reporting Principles

Type	Indicator	Scope
Environmental	Recovered Water and Wastewater (m³)	
	Total Amount of Water Discharge Excluding Rainwater and Domestic Waste	This indicator refers to the amount of water discharged by the Company in its Türkiye and Romania operations, excluding rainwater and domestic water, during the reporting period.
	Total	This indicator includes the total amount of wastewater recovered and discharged by the Company during the reporting period.
	Waste (tons)	
	Recovered Hazardous Waste	This indicator refers to the amount of hazardous waste recovered by licensed waste processing facilities with the code “R” during the reporting period, which is declared to the Integrated Environmental Information System of the Turkish Ministry of Environment, Urbanization and Climate Change with the Waste Declaration for the Company’s Türkiye operations, and to the relevant unit at the Romanian Trade Registry Office for its Romania operations. The data includes Türkiye and Romania operations.
	Recovered Non-Hazardous Waste	This indicator refers to the amount of non-hazardous waste recovered by licensed waste processing facilities with the code “R” during the reporting period, which is declared to the Integrated Environmental Information System of the Turkish Ministry of Environment, Urbanization and Climate Change with the Waste Declaration for the Company’s Türkiye operations, and to the relevant unit at the Romanian Trade Registry Office for its Romania operations. The data includes Türkiye and Romania operations.
	Hazardous Waste – Disposed	This indicator refers to the amount of hazardous waste subjected to recycling by the Company during the reporting period, which is declared to the Integrated Environmental Information System of the Turkish Ministry of Environment, Urbanization and Climate Change and followed by the “R” and “D” recycling codes determined by the Ministry of Environment from the invoices received from licensed waste processing facilities for the Company’s Türkiye operations, and to the relevant unit at the Romanian Trade Registry Office for its Romania operations. The data includes Türkiye and Romania operations.
	Non-Hazardous Waste – Disposed	This indicator refers to the amount of non-hazardous waste subjected to recycling by the Company during the reporting period, which is declared to the Integrated Environmental Information System of the Turkish Ministry of Environment, Urbanization and Climate Change and followed by the “R” and “D” recycling codes determined by the Ministry of Environment from the invoices received from licensed waste processing facilities for the Company’s Türkiye operations, and to the relevant unit at the Romanian Trade Registry Office for its Romania operations. The data includes Türkiye and Romania operations.
	Total	The total amount of Hazardous and Non-Hazardous waste recycled, disposed of and sent to interim storage by the Company during the reporting period.
	Environmental Training	
	Number of Participants (Employees)	This indicator refers to the number of Company employees who participated in environmental trainings, which are monitored and recorded on the Company’s training tracking platform of Human Resources during the reporting period. The data includes Türkiye and Romania operations.
	Number of Participants (Subcontractors)	This indicator refers to the number of subcontractor employees who participated in environmental trainings, which are monitored and recorded on the Company’s training tracking platform of Human Resources during the reporting period. The data includes Türkiye and Romania operations.

Reporting Principles

Type	Indicator	Scope
Environmental	Environmental Expenditures and Fines (TL Million)	
	Environmental Investments and Expenditures	This indicator refers to the expenses related to the measurement and analysis for environmental management, waste disposal, chemical substance disposal, personnel expenses, certification and permit expenses, consultancy and training expenses, maintenance and repair expenses, contract fees with service provider companies, and investments and expenses to protect the environment during the reporting period, which can be mapped with the Company's financial reporting systems. The data includes Türkiye and Romania operations.
	Environmental Fines	This indicator refers to the total amount of environmental fines in TL, which can be mapped by the Company's financial reporting systems during the reporting period, issued and communicated to the company by the Turkish Ministry of Environment, Urbanization and Climate Change for its operations in Türkiye, and to the European Commission for its Romania operations. The data includes Türkiye and Romania operations.
Social	OHS Performance (Employees and Subcontractors)	
	Occupational Disease Rate	This indicator refers to the ratio of the number of Company and subcontractor employees who fall within the definition of "occupational disease" within the scope of the Occupational Health and Safety Law No. 6331 and are followed up with notifications made to the Social Security Institution, to the total working hours of the reporting period. Data regarding Türkiye operations is reported separately for employees and subcontractors.
	Number of Accidents	This indicator refers to the number of lost time accidents caused by injuries that occurred to Company and subcontractor employees during a work-related activity and prevented them from coming to the workplace on the next shift or the next working day and are tracked with notifications submitted to the Social Security Institution during the reporting period. Data regarding Türkiye operations is reported separately for employees, subcontractors and in total.
	Number of Fatal Incidents	This indicator refers to the number of fatal lost time accidents that occurred to Company and subcontractor employees during a work-related activity within the reporting period. Data for Türkiye operations is reported separately for employees, subcontractors and in total.
	Lost Day Rate	This indicator refers to the ratio of the number of lost time accidents caused by injuries that occur to company and subcontractor employees during a work-related activity and prevent them from coming to the workplace on the next shift or the next working day and are tracked with notifications submitted to the Social Security Institution during the reporting period, to the total working hours. Data regarding Türkiye operations is reported separately as employees, subcontractors and total.
	Incident Rate	This indicator refers to the ratio of the number of injury incidents that occurred to Company and subcontractor employees during a work-related activity and prevented them from coming to the workplace on the next shift or the next working day and are tracked with notifications submitted to the Social Security Institution during the reporting period, to the total working hours. Data regarding Türkiye operations is reported separately as employees, subcontractors and total.
	Average OHS Training Time per Employee	For Türkiye locations, the indicator refers to the ratio of the total number of compulsory or non-compulsory Occupational Health and Safety training hours to the total number of participants, which are monitored by Human Resources on the Company's training tracking platform, attended by Company employees, and given according to hazard class within the scope of the Occupational Health and Safety Law No. 6331. Subcontractor employees are not included.

Reporting Principles

Type	Indicator	Scope
Social	OHS Performance (Employees and Subcontractors)	
	Total OHS Training Time	The indicator refers to the total number of hours of Occupational Health and Safety training, compulsory or non-compulsory, provided to the Company's employees according to the hazard class within the scope of the Occupational Health and Safety Law No. 6331, and which is monitored on the training tracking platform of the Company by Human Resources during the reporting period. Data regarding Türkiye operations is reported separately as employees and subcontractors.
	Employee Demographics	
	Total Number of Employees	This indicator represents the total number of employees, broken down by female and male, who were tracked through the Company's Human Resources data platform during the reporting period and whose Statements of Employment were submitted to the Social Security Institution. Interns are not included in the total number of employees. The number includes operations in Türkiye and Romania.
	Total Number of Subcontractor Employees	This indicator refers to the total number of subcontractor employees working for the Company, broken down by female and male, who are tracked with the Human Resources Subcontractor company employee list for the Company's Türkiye operations during the reporting period and matched with the Social Security Institution's Statements of Employment. Interns are not included in the total number of subcontractor employees. The number includes Türkiye and Romania operations.
	Employees by Category	This indicator refers to the total number of office and field employees, broken down by female and male, who are tracked through the Company's Human Resources data platform and whose Statements of Employment were submitted to the Social Security Institution within the reporting period. Interns are not included in the number of employees by category. The number includes operations in Türkiye and Romania.
	Employees by Contract Type	This indicator refers to the total number of employees, broken down by female and male, who work under fixed-term and indefinite-term contracts in the Company, as defined in the Labor Law No. 4857 for Türkiye operations and 53/2003 for Romania operations, and who are tracked through the Company's Human Resources data platform during the reporting period. Interns are not included in the number of employees by contract type. The number includes Türkiye and Romania operations.
	Employees Covered by Collective Labor Agreements	This indicator refers to field employees who are monitored via the Company's Human Resources platform and monitored with the Unions within the reporting period. Interns are not included. The number includes Türkiye and Romania operations.
	Number of Unionized Employees	This indicator refers to the employees of the Company who are members of any labor union within the reporting period. Interns are not included. The number includes operations in Türkiye and Romania.
	Employees by Age Groups	This indicator refers to the number of employees of the Company who were tracked through the Company's Human Resources data platform and whose Statements of Employment were submitted to the Social Security Institution within the reporting period, according to the age groups of under 30, between 30-50, over 50, and with a gender breakdown of female and male. Interns are not included. The numbers include operations in Türkiye and Romania.
	Number of Employees by Employment Type	This indicator refers to the number of employees working in the Company in the reporting period, classified as Full Time and Part Time, as defined in the Labor Law No. 4857 for Türkiye operations and No. 53/2003 for Romania operations, tracked through the Company's Human Resources data platform, and broken down by female and male. Interns are not included in the number of Full Time and Part Time employees. The numbers include Türkiye and Romania operations.

Reporting Principles

Type	Indicator	Scope
Social	Equal Opportunity	
	Senior Executives	This indicator refers to the number of employees, male and female, in director and above positions, tracked through the Company's Human Resources data platform, during the reporting period. The data includes Türkiye and Romania operations.
	Mid-level Managers	This indicator refers to the number of employees, male and female, in manager and assistant manager positions, tracked through the Company's Human Resources data platform during the reporting period. The data includes Türkiye and Romania operations.
	First Level Managers	This indicator refers to the number of employees, male and female, in team leader positions, tracked through the Company's Human Resources data platform during the reporting period. The data includes Türkiye and Romania operations.
	Specialists	This indicator refers to the number of office employees, male and female, who are not working in managerial positions and are tracked through the Company's Human Resources data platform during the reporting period. The data includes Türkiye and Romania operations.
	Number of Employees in the STEM Field	This indicator refers to the number of employees who conduct analyses in accordance with the definition of STEM (Science, Technology, Engineering, Math) in their job descriptions, monitored via the Company's Human Resources data tracking platform, during the reporting period. The data includes Türkiye and Romania operations.
	Number of Disabled Employees	This indicator refers to the number of employees who are defined as disabled in the Law No. 5378 on Disabled Persons for the Company's Türkiye operations and in the Law No. 448/2006 on the Protection and Development of Disabled Rights for its Romania operations during the reporting period. The data includes Türkiye and Romania operations.
	Number of Employees in Revenue Generating Functions	This indicator refers to the number employees in revenue generation functions, who are tracked through the Company's Human Resources data platform during the reporting period. The data includes Türkiye and Romania operations.
	Number of Managers in Revenue Generating Functions	This indicator refers to the number managers in revenue generation functions, who are tracked through the Company's Human Resources data platform during the reporting period. The data includes Türkiye and Romania operations.
	Number of Employees by Nationality	This indicator refers to the total number of employees of Turkish, Romanian and other nationalities who are followed by the Company's Human Resources data platform and whose Statements of Employment were submitted to the Social Security Institution during the reporting period. Interns are not included in the number of employees by nationality. The data includes Türkiye and Romania operations.
	Parental Leave	
	Number of Employees on Parental Leave	This indicator refers to the number of female employees who went on maternity leave within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave for the Company's Türkiye operations during the reporting period, and the number of male employees who went on parental leave within the scope of the Company's Labor Law No. 4857. For the Company's Romania operations, the indicator refers to the number of female employees on maternity leave and the number of male employees on parental leave within the scope of the Labor Law No. 53/2033.

Reporting Principles

Type	Indicator	Scope
Social	Parental Leave	
	Number of Employees Returning from Parental Leave	This indicator refers to the number of female employees returning from maternity leave within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave for the Company's Türkiye operations during the reporting period, and the number of male employees returning from parental leave within the scope of the Company's Labor Law No. 4857. For the Company's Romania operations, the indicator refers to the number of female employees returning from maternity leave and the number of male employees returning from parental leave within the scope of the Labor Law No. 53/2033.
	Number of Female Employees Returning from Maternity Leave	This indicator refers to the number of female employees tracked through the Company's Human Resources platform who returned to work after maternity leave and met the 12-month working condition during the reporting period.
	Employee Turnover	
	Number of New Employees	This indicator refers to the number of male and female employees recruited by the Company for its Türkiye operations during the reporting period and declared to the Social Security Institution and the relevant Ministry for Romania operations with the Statements of Employment during the reporting year. Interns are not included in the number of employees hired. The data includes Türkiye and Romania operations.
	Number of Employees Leaving	This indicator refers to the number of voluntary and non-voluntary male and female employees left by the Company for its Türkiye operations during the reporting period and declared to the Social Security Institution and the relevant Ministry for Romania operations with a Statement of Termination during the reporting year. Interns are not included in the number of employees who left their jobs.
	Employee Turnover	This indicator refers to the ratio of the number of employees who left their jobs voluntarily and non-voluntarily, declared by the Company to the Social Security Institution with the Statement of Termination during the reporting period, to the Total Number of Female and Male Employees. It is followed by gender and voluntary/non-voluntary breakdown. Interns are not included in the number of employees who left their jobs.
	Employees Subject to Performance Appraisal	This indicator refers to the number of employees, male and female, subjected to performance appraisals by meeting the criteria determined by the management during the reporting period, and who were followed through the Human Resources platform for the Company's Türkiye and Romania operations. Interns are not included.
	Employee Engagement Total	Employee Engagement is measured with surveys by an external company. The survey evaluates employee engagement, and team performance and collaboration as part of our agile working methodology. First Leader's Impact Index, Net Promoter Score, Wellbeing, Connection and Talent categories are also measured with scored. The number are reported separately for Türkiye and Romania.

Reporting Principles

Type	Indicator	Scope
Social	Gender Pay Gap by Positions (Ratio of Average Female Salary to Male Salary) out of 1	
	Senior Executive (Base Salary)	This indicator refers to the ratio of the average base salary of female senior executives to the average base salary of male senior executives in the reporting period. The figures are reported for Türkiye and Romania and in total.
	Senior Executive (Base Salary + Other Benefits)	This indicator refers to the ratio of the average base salary + other benefits of female senior executives to the average base salary + other benefits of male senior executives in the reporting period. The figures are reported for Türkiye and Romania and in total.
	Manager (Base Salary)	This indicator refers to the ratio of the average base salary of female managers to the average base salary of male managers in the reporting period. The figures are reported for Türkiye and Romania and in total.
	Manager (Base Salary + Other Benefits)	This indicator refers to the ratio of the average base salary + other benefits of female managers to the average base salary + other benefits of male managers in the reporting period. The figures are reported for Türkiye and Romania and in total.
	Non-Managerial Employee (Base Salary)	This indicator refers to the ratio of the average base salary of female non-managerial employees to the average base salary of male non-managerial employees in the reporting period. The figures are reported for Türkiye and Romania and in total.
	Non-Managerial Employee (Base Salary + Other Benefits)	This indicator refers to the ratio of the average base salary + other benefits of female non-managerial employees to the average base salary + other benefits of male non-managerial employees in the reporting period. The figures are reported for Türkiye and Romania and in total.
	Training	
	Total Training Time (hours)	This indicator refers to the total training hours, excluding OHS, attended by Company employees, which are monitored and recorded through the training tracking platform of Human Resources during the reporting period. Interns are not included. The data includes Türkiye and Romania operations.
	Total Training including OHS (hours)	This indicator refers to the total training hours during the reporting period, including the OHS trainings attended by the Company's employees, which are tracked and recorded through the training tracking platform of Human Resources. Interns are not included. The data includes Türkiye and Romania operations.
	Average Training Time per Employee (person*hours)	This indicator refers to the ratio of the total training hours, including OHS, attended by the Company's employees, which are monitored through the training tracking platform of Human Resources during the reporting period, to the Total Number of Employees. Interns are not included. The data includes Türkiye and Romania operations.
	Office Employee Training (hours)	This indicator refers to the total training hours, including OHS, attended by the Company's office employees, which are monitored through the training tracking platform of Human Resources during the reporting period. Interns are not included. The data includes Türkiye and Romania operations.
	Average Training Time per Office Employee (person*hours)	This indicator refers to the ratio of the total training hours, including OHS, attended by the Company's office employees, which are monitored through the training tracking platform of Human Resources during the reporting period, to the Total Number of Office Employees. Interns are not included. The data includes Türkiye and Romania operations.

Reporting Principles

Type	Indicator	Scope
Social	Training	
	Field Employee Training (hours)	This indicator refers to the total training hours, including OHS, attended by the Company's field employees, which are monitored through the training tracking platform of Human Resources during the reporting period. Interns are not included. The data includes Türkiye and Romania operations.
	Average Training Time per Field Employee (person*hours)	This indicator refers to the ratio of the total training hours, including OHS, attended by the Company's field employees, which are monitored through the training tracking platform of Human Resources during the reporting period, to the Total Number of Field Employees. Interns are not included. The data includes Türkiye and Romania operations.
	Leadership Training (hours)	This indicator refers to the total training hours provided for first-level and above managers to develop Leadership and Management Skills during the reporting period. Interns are not included. The data includes Türkiye and Romania operations.
	Total Training Expenditure (TL)	
	Training expenditure	This indicator refers to the Company's spending mapped as training expenditure in the accounting system and followed up with invoices during the reporting period.
	Social Investment Budget Allocations (TL)	
	Total	This amount represents all social investments recorded in the Company's accounting systems during the reporting period.
	Vehbi Koç Foundation	This amount represents all social investments made in Vehbi Koç Foundation and recorded in the Company's accounting systems during the reporting period.
	Education	This amount represents all social investments made in education and recorded in the Company's accounting systems during the reporting period.
	Healthcare	This amount represents all social investments made in healthcare and recorded in the Company's accounting systems during the reporting period.
	Social Aid and Other	This amount represents all social investments made in social aid and other and recorded in the Company's accounting systems during the reporting period.
	Net Promoter Score (%)	
	NPS (Passenger and Commercial Vehicles)	This indicator refers to the satisfaction rate, which is shared with all customers receiving sales and services for passenger and commercial products, and calculated according to the answers received from the customers, which the Company follows through the survey tracking system during the reporting period.
	NPS (Heavy Commercial Vehicles)	This indicator refers to the satisfaction rate, which is shared with all customers receiving sales and services for heavy commercial products, and calculated according to the answers received from the customers, which the Company follows through the survey tracking system during the reporting period.

Reporting Principles

Data Preparation

1. Environmental Indicators

Greenhouse Gas Emissions (tonCO₂e)

Scope 1:

The company's Stationary Combustion (Natural Gas (Sm³); Diesel (L); LPG (kg); Propane (kg); Methanol (kg) and Mobile Combustion (Diesel (L); Gasoline (L)), Fixed Air Conditioning Leaks (HFC-134a, HFC-407C, R-410A etc. (kg)), Mobile Air Conditioning Leaks (HFC-134a, 1234YF (kg)), Welding and Fire Extinguisher Cylinder Leaks (HB 212, HB 220, HB 205, CO₂, CO₂ Fire Extinguishers (kg)), Greenhouse Gas Emissions from Process Gases Oil Vapor (Opet Fuchs Anticorit RP, cutting fluid, lapping oil, washer fluid, heat treatment fluid & oil, degreasing (kg)) and VOC consumption amount (kg) are calculated.

Scope 2 :

Electricity (MWh) and Steam (MWh) are calculated for Scope-2 Indirect Greenhouse Gas Emissions for the Company's Türkiye and Romania operations.

Scope 3 :

The company's greenhouse gas emissions (tCO₂e) from purchased raw materials and services, capital goods, fuel and energy-related activities, transportation and distribution for production (upstream & downstream), waste generated in operations, business trips, transportation of employees, processing of products sold, use of products sold, dealers and investments are calculated.

Total = Scope 1 emissions (tons CO₂e) + Scope 2 emissions (tons CO₂e) + Scope 3 emissions (tons CO₂e)

Energy Consumption (GJ)

The Company's direct non-renewable energy consumption in Türkiye and Romania - including Fixed Combustion (Natural Gas (Sm³); Diesel (L); LPG (kg); Propane (kg); Methanol (kg) and Mobile Combustion (Diesel (L); Gasoline (L)), Fixed Air Conditioning Leaks (HFC-134a, HFC-407C, R-410A etc. (kg)), Mobile Air Conditioning Leaks (HFC-134a, 1234YF (kg)), Welding and Fire Extinguisher Cylinder Leaks (HB 212, HB 220, HB 205, CO₂, CO₂ Fire Extinguishers (kg)), Greenhouse

Gas Emissions from Process Gases Oil Vapor (Opet Fuchs Anticorit RP, cutting fluid, lapping oil, washer fluid, heat treatment fluid & oil, degreasing (kg)) and VOC consumption (kg) - is calculated.

The Company's direct non-renewable energy consumption includes natural gas consumption and emissions from mobile combustion as primary fuel sources.

IPCC 5th assessment document is taken as reference in calculation GWP coefficients and emission factors.

Natural gas data has been converted from cubic meter to gigajoule (GJ) according to the Intergovernmental Panel on Climate Change (IPCC) 2006 National Greenhouse Gas Inventory Guidelines.

After natural gas consumption data is obtained from invoices as Sm³, the density (kg/m³) and lower calorific value (TJ/kg) received from the locations' natural gas providers are multiplied and calculated to TJ value and then to GJ with unit conversion.

Diesel consumption from fixed combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

LPG consumption from fixed combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Propane consumption from fixed combustion is taken from the system in kg; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Methanol consumption from fixed combustion is taken from the system in kg; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Dieses consumption from mobile combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Gasoline consumption from mobile combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Reporting Principles

DIRECT GHG EMISSIONS

GREENHOUSE GAS EMISSIONS FROM FIXED COMBUSTION

Fuel Type	Density	Conversion Coefficient	Lower Calorific Value	Emission Factor - CO ₂	Emission Factor - CH ₄	Emission Factor - N ₂ O
		kg/lt - kg/m ³	TJ/kg	ton/TJ	ton/TJ	ton/TJ
Diesel (lt)		0.83	0.000043	74.1	0.003	0.0006
Fuel Oil No:6 (lt)		0.94	0.00004	77.4	0.003	0.0006
LPG (kg)		N/A	0.000047	63.1	0.001	0.0001
Natural Gas (Sm ³)		Kocaeli-0,726297260273972	0.000048	56.1	0.001	0.0001
		Eskişehir-0,732				
		Sancaktepe-0,735				
		Romania-0,77				
Propane (kg)		NA	0.000047	63.1	0.001	0.0001
Metanol (kg)		NA	0.000027	70.8	0.003	0.0006

Reporting Principles

DIRECT GHG EMISSIONS

GREENHOUSE GAS EMISSIONS FROM MOBILE COMBUSTION

Fuel Type	Density Conversion Coefficient kg/lt	Lower Calorific Value TJ/kg	Emission Factor - CO ₂ ton/TJ	Emission Factor - CH ₄ ton/TJ	Emission Factor - N ₂ O ton/TJ
Kocaeli Assembly Line -Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Assembly Line - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Kocaeli Port fuel filling Diesel (lt.)	0.83	0.000043	74.1	0.0039	0.0039
Port fuel filling Gasoline (lt.)	0.735	0.000044	69.3	0.025	0.008
Kocaeli Facility Vehicles On-site Filling - Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Kocaeli Facility Vehicles On-site Filling - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Kocaeli Facility Vehicles External Filling (Otobil) Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Kocaeli Facility Vehicles External Filling (Otobil) Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Eskişehir Assembly Line -Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Eskişehir Facility Vehicles On-site Filling - Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Eskişehir Facility Vehicles On-site Filling - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Eskişehir Facility Vehicles External Filling (Otobil) Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Eskişehir Facility Vehicles External Filling (Otobil) Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Sancaktepe Facility Vehicles On-site Filling - Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Sancaktepe Facility Vehicles On-site Filling - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Sancaktepe Facility Vehicles External Filling (Otobil) Diesel (lt)	0.83	0.000043	74.1	0.004	0.0039
Sancaktepe Facility Vehicles External Filling (Otobil) Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Craiova- Diesel for first filling	0.83	0.000043	74.1	0.004	0.0039
Craiova- Gasoline for first filling	0.735	0.000044	69.3	0.025	0.008
Craiova- company cars- diesel	0.83	0.000043	74.1	0.004	0.0039
Craiova- company cars- gasoline	0.735	0.000044	69.3	0.025	0.008

Reporting Principles

Indirect Renewable Energy Consumption

Electricity (MWh) and Steam (MWh) are calculated within the scope of the Company's indirect renewable energy consumption in Türkiye and Romania. Türkiye locations purchase 100% renewable electrical energy (I-REC). The Romania location also provides its electricity supply from 100% renewable energy.

Electricity and steam are reported as primary fuel sources within the scope of the Company's indirect renewable energy consumption.

After electricity consumption is obtained from electricity bills and I-REC and other renewable energy certificates in MWh, it is first converted to kWh and then to GJ. (1 GJ: 277,7778 kWh; 1kWh: 0,0036 GJ)

Energy Resource	kg CO ₂ e/kWh	Reference
Electricity	0.4331	IEA
Steam	0.4107	IEA

Tracking Areas Per Vehicle

Greenhouse Gas Emissions per Vehicle Produced (tonCO₂e/vehicle) = Scope 1,2 and 3 emissions (tonCO₂e) / Total number of vehicles produced (units) Energy Consumption per Vehicle Produced (GJ/ vehicle) = Total energy consumption (GJ) / Total number of vehicles produced (units)

Water Withdrawal (m³)

Municipal water: Water consumed by the facility and used through the municipal grid

Groundwater: The facility's use of underground water resources

Rainwater: The amount of harvested rain water used by the facility

Formula:

Water Withdrawal-Total (m³) = Municipal water (m³) + Groundwater (m³) + Rainwater (m³)

Amount of Recovered Water and Wastewater (m³)

Recovered Water: The amount of water that the facility treats for reuse

Total Water Discharge Excluding Rainwater and Domestic Waste: Total amount of water generated by the discharge of water originating from business operations, excluding rainwater and domestic waste, into the environment without any intended use

Formula:

Total Recovered and Discharged Water (m³) = Recovered Water (m³) + Total Water Excluding Rainwater and Domestic Waste (m³)

2. Social Indicators

Occupational Health and Safety Data

The following definitions and formulas are used in the calculation of occupational health and safety indicators.

The workplace accidents recorded during the reporting period, fatal cases in these accidents, and the number of employees reported as occupational diseases are taken into account.

Number of accidents means the total number of work accidents. It was tracked and calculated with the table listing SSI notifications. The following ratios are calculated and reported according to the KTS 4.1 Occupational Health and Safety Performance Indicators Standard shared by Koç Holding.

Occupational Disease Rate

Formula – TR (Employees – Subcontractors)

(Total Occupational Disease Incidents * 1,000,000) /Total Working Hours)

Lost Day Rate

Formula – TR (Employees – Subcontractors)

(Total Number of Accidents * 1,000,000) / Total Working Hours)

Incident Rate

Formula – TR (Employees – Subcontractors)

(Total Number of Accidents * 1,000,000) / Total Working Hours)

Average OHS Training Time per Employee

Formula:

TR - Total OHS Training Hours / Total Number of Participants

Employee Demographics

The total number of employees refers to the total number of employees employed by the companies as of the end of the reporting year and based on the information in their human resources systems as of December 31, 2024.

The following definitions and formulas are used in the calculation of occupational health and safety indicators.

Equal Opportunity Metrics

Number of Employees in the STEM Field

Within the Company's Türkiye operations, employees working in the “Growth & Smart Mobility Business Area, Digital Products and Services Leadership, Factory Leadership (Eskişehir), Finance Platform Area Leadership, Finance- Accounting, Finance-Accounting Deputy General Manager, Ford Trucks Business Area, Quality Platform Area, Engineering and Technology Development, Supply Chain Platform Area and Commercial Vehicle Product Leadership” departments and employees whose position descriptions are included in the definitions given below, are reported as working in the STEM field.

Within the Company's Romania operations, STEM fields include: company management, Industrial Engineering, Financial, Stamping & Body, Paint, TC Final, Central Maintenance, Vome, Environment, Quality, PTO, Launch, IT, Material Planning & Logistics, PVT.

Employees working in STEM fields are defined as follows: Among field teams, employees whose position descriptions include one or more of the following duties: measurement techniques and instruments, basic data analysis, material science, business management (Science); computer technologies, vehicle technologies, machine technologies, manufacturing/assembly technologies, automation (Technology); quality control, maintenance, lean manufacturing, total quality management, tool and mold work, work-process flow management, OHS, drawing, 3D solid modeling (CAD), electric vehicles, battery (Engineering); and problem solving and root cause analysis, logic, basic statistics, statistical process control and FMEA (Math).

Among office teams, employees whose position descriptions include one or more of the following duties: data science, data analysis, business analysis, business management, finance, accounting, health and medicine (Science); computer technologies, machine technologies, manufacturing and assembly technologies, automation (Technology); mechanical engineering, materials science and engineering, chemical engineering, physics engineering, computer engineering, software engineering, civil engineering, mechatronics engineering, industrial engineering (Engineering);and problem solving and root cause analysis, logic, statistics and FMEA (Math).

Reporting Principles

Number of Employees in Revenue Generating Functions

For TR: Consists of production, sales-marketing, next-gen manufacturing, R&D departments. Represents the total number of employees in Ford Trucks, Ford Türkiye, Commercial Vehicles, Engineering and Technology Development Leaderships.
For RO: Consists of tc final, stamping and body, pvt, pto, paint, launch departments.

Number of Managers in Revenue Generating Functions

For TR: Consists of production, sales-marketing, next-gen manufacturing, R&D departments. Represents the total number of managers in Ford Trucks, Ford Türkiye, Commercial Vehicles, Engineering and Technology Development Leaderships.
For RO: Consists of tc final, stamping and body, pvt, pto, paint, launch departments.

Rate of return to work after maternity leave

Formula:

*Number of female employees who continued to work for 12 months after returning from maternity leave in the previous reporting year / Number of female employees who returned from maternity leave in the previous reporting year * 100*

Employee Turnover

The number of employees leaving their jobs is tracked as voluntary and non-voluntary. The number of employees who leave voluntarily is defined as undesirable exits by the Company, and people who leave their jobs due to resignation, underage retirement and marriage are reported. The number of employees who leave involuntarily is defined as the expected exits by the Company, and cases of retirement, death, military service, Koç Group transfer, resignation with performance evaluation result of “should be better” or whose 9box score is 1 are reported.

Employee Turnover (Voluntary) (%) – Formula:

Number of Female Employees Who Left Voluntarily / Total Number of Female Employees

Number of Male Employees Who Left Voluntarily / Total Number of Male Employees

Employee Turnover (Non-voluntary) (%) – Formula:

Number of Female Employees Who Left Involuntarily / Total Number of Female Employees

Number of Male Employees Who Left Involuntarily / Total Number of Male Employees

Employee Engagement

Employee Engagement is calculated based on their responses to six engagement questions (on a 6-point scale).

- 1 - Strongly disagree.
- 2 - Disagree.
- 3 - Somewhat disagree.
- 4 - Somewhat agree.
- 5 - Agree.
- 6 - Strongly agree.

In the Integrated Annual Report, these values were converted to ratios out of 100 and limited assurance was obtained.

A score of 4.5 and above out of 6 is considered “Engaged”, 4.5-3.5 is “Almost Engaged”, 3.5-2 is “Not Engaged”, and a score below 2 is “Definitely Not Engaged.”

Formula:

Engagement Score =

Question1+Question2+Question3+Question4+

Question5+Question6)/6

Gender Pay Gap (Ratio of Average Female Salary to Male Salary) out of 1

Senior Executive (Base Salary) = (Female senior executive average base salary) / (Male senior executive average base salary)

Senior Executive (Base Salary + Other Benefits) = (Female senior executive average base salary + other benefits) / (Male senior executive average base salary + other benefits)

Manager (Base Salary) = (Female manager average base salary) / (Male manager average base salary)

Manager (Base Salary + Other Benefits) = (Female manager average base salary + other benefits) / (Male manager average base salary + other benefits)

Non-Managerial Employee (Base Salary) = (Female non-managerial employee average base salary) / (Male non-managerial employee average base salary)

Non-Managerial Employee (Base Salary + Other Benefits) = (Female non-managerial employee average base salary + other benefits) / (Male non-managerial employee average base salary + other benefits)

Average salaries for each position are calculated by dividing them by the number of female and male employees in the reporting year.

Training

Formulas:

Average Training Hours per Person = Total Training Hours Including OHS / Total Number of Employees

*Average Training per Office Employee (person*hours) = Office Employees Training Hours Including OHS / Total Number of Office Employees*

*Average Training per Field Employee (person*hours) = Field Employees Training Hours Including OHS / Total Number of Field Employees*

Customer Net Promoter Score (%)

Customer NPS (Net Promoter Score) is calculated on a five-point scale by vehicle segments based on the answers to the recommendation question by customers who receive passenger, commercial and heavy commercial sales and service.

3,2,1 – Customers who would not recommend

4 - Neutral

5 – Customers who would recommend

*Formula: (Ratio of customers who rated 5 points to total customers) – (Ratio of customers who rated 1-2-3 points to total customers) * 100*

Trade Name

FORD OTOSAN

TRADE NAME

Ford Otomotiv Sanayi A.Ş.

TRADE REGISTRY NO.

73232

MERSİS

0649002036300014

REGISTERED CAPITAL

TL 500,000,000

PAID-IN CAPITAL

TL 350,910,000

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
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T: 0216 664 90 90

Craiova Plant

Strada Henry Ford 29 Craiova/Romanya
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