

KORDSA TEKNİK TEKSTİL A.Ş.

2024 CDP Corporate Questionnaire 2024

C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Publicly traded organization

(1.3.3) Description of organization

Established in 1973 as a subsidiary of Sabancı Holding, Kordsa is a global player in the tire and construction reinforcement as well as composite technologies markets and the leading manufacturer of industrial nylon and polyester yarn, tire cord fabric and single end cord. The success story started in İzmit-Türkiye in 1973 with Sabancı Holding's tire cord manufacturing plant investment. Through the years, Kordsa became the market leader in Türkiye and accumulated great know-how on reinforcement materials. Kordsa now operates in 6 countries, namely, Türkiye, Brazil, Indonesia, Thailand, Italy, and the US with 4,311 reinforcers at its 13 production facilities. 2 of these production facilities have also R&D activities. Kordsa started 53 new R&D projects in the reporting year. These projects focus on issues such as: sustainable product and process technologies, reducing rolling resistance, eco-design, bio-based materials, chemical recycling, reducing the weight of products, reducing water pollution and GHG emissions. In 2023, two technical centers the Asia Pacific Technical Center in Indonesia and the Sabancı Technology Center in Munich were opened. Kordsa supports its sustainability vision with tire reinforcement at the Asia Pacific Technical Center and advanced material development studies at the Sabancı Technology Center. Kordsa provides high quality service and end-to-end solutions with a high level of technical competency. The main objective of the company is to "progress with innovative value-added technologies" by continuously investing in its employees and customers. Worldwide the company is the acclaimed holder of "The Reinforcer" title, thanks to its market leader position, its strong global footprint, its technological leadership and its experience on reinforcement. Every one in three automobile tires and every two in three aircraft tires are globally reinforced by Kordsa. Kordsa aims to create sustainable value for all its key stakeholders and the society by offering high value-added innovative reinforcement solutions to its customers, with a mission to "Reinforce Life." In all the businesses we operate, we develop all our products with a sustainability perspective and aim to grow by creating social, environmental, and economic value. With our technologies in the tire reinforcement sector which reduce fuel consumption through decreased rolling resistance, with our composite technologies which reduce carbon emissions by making vehicles lighter and consume less fuel and also with our more durable and practical construction reinforcement solutions, we work for a sustainable future.

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☒ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☒ Yes

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

As Kordsa we mapped our value chain value chain to effectively identify, assess and manage value chain related to environmental dependencies, impacts, risks, and opportunities. We conducted a sustainability risk mapping of our tier 1 suppliers based on criteria such as procurement category, total spend volume and geographical location. Kraljic Matrix analysis performed by the global supply chain department was also an important input for risk mapping. Kordsa implements sustainable supply chain program in line with the risk mapping study. Starting point of this program is our Supplier Code of Conduct. We defined our requirements and expectations from our suppliers in this document and we request all of our suppliers to comply with this document. Both environmental and social requirements are involved in this document. We use various tools to assess and monitor our suppliers' environmental approach and performance. Ecovadis assessment, Kordsa Annual Supplier Sustainability Survey, and sustainability audits are important tools that we use. With those tools we basically request from our suppliers to disclose their policies, strategies, targets and performances in environmental topics. In the reporting year suppliers corresponding to 99.68 % of total supplier expenditures have been included in the sustainability assessment. In line with suppliers' responses, we assess upstream value chain related environmental risks, impacts and opportunities. We also regularly hold sustainability engagement meetings with our suppliers. Additionally, we conducted WRI (World Resources Institute) Supply Chain Analysis for water-related risks. This analysis was conducted to suppliers with a significant annual spent volume of (500,000 USD or more). These prioritized suppliers constitute a significant portion of Kordsa's purchasing volume. The analysis study covers 73% of purchasing volume. In this analysis, Water-related physical and regulatory risks are considered and defined. We are currently working on our downstream value chain mapping process, because although we directly work with our customers as a part of our downstream value chain, mapping the downstream value chain also includes identification and analysis of all the entities that handle our products after it leaves our premises until the products reaches the end consumer.

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This time horizon aligns with Kordsa's Corporate annual target setting. In short term, Company focuses on below factors, - Sudden environment-related incidents - Improvement areas in energy usage at processes, warehouses or offices aiming lower GHG emission - R&D projects for products with lower emission levels. - Improvement areas in water and waste management - Feasibility studies of long term capital intensive projects - Potential joint development projects within value chain. - Supplier engagement in sustainability Focusing short-term time horizon improves Kordsa's responsiveness and adoptability skills to the rapid changing risk landscape. This increases awareness across the global organization in both risk identification and action planning step. Risk owners are collaborating with action owners to manage the impacts

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This time horizon aligns with Corporate X5 target setting. In medium-term, Company focuses on below factors, - Identify further improvement areas of energy usage at processes, warehouses or offices aiming to achieve medium term GHG emission targets. - Ongoing R&D projects on products with lower emission. -Initiating potential joint development projects with value chain. - Increasing supplier involvement and commitment. - Transition strategies of energy purchasing - Changing macro trends in Automotive, Tire and Aviation Industries. -2030 targets of Kordsa, related global markets and other Companies. Focusing medium term time horizon also improves responsiveness and allows Kordsa to maintain its X5 plan and keep them up to date.

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This time horizon aligns with Kordsa's commitment to become net zero by 2050. For long-term business units focused on below factors, -Physical impacts of climate change for all stages of value chain and direct operations - Transition strategies to Energy purchasing decisions. - Technological limitations to enable further emission reduction. - Monitor and manage suppliers' sustainability commitment. - Follow macro trends in Automotive, Tire and Aviation Industries. Focusing long term time horizon allows Kordsa initiate R&D activities from today and enable know-how development to achieve 2050 targets.

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☒ Yes	Select from: ☒ Both dependencies and impacts

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☒ Yes	Select from: ☒ Both risks and opportunities	Select from: ☒ Yes

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- ☒ Climate change
- ☒ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ EcoVadis
- ☒ WRI Aqueduct
- ☒ Other commercially/publicly available tools, please specify :Thinkhazard

Enterprise Risk Management

- ☒ COSO Enterprise Risk Management Framework
- ☒ Enterprise Risk Management
- ☒ Internal company methods
- ☒ ISO 31000 Risk Management Standard
- ☒ Other enterprise risk management, please specify :Monte Carlo Simulation

International methodologies and standards

- ☒ ISO 14001 Environmental Management Standard
- ☒ Life Cycle Assessment

Other

- ☒ External consultants
- ☒ Materiality assessment
- ☒ Partner and stakeholder consultation/analysis
- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Wildfires
- ☒ Heat waves
- ☒ Cyclones, hurricanes, typhoons
- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

- ☑ Heat stress
- ☑ Water stress
- ☑ Water quality at a basin/catchment level
- ☑ Increased severity of extreme weather events
- ☑ Water availability at a basin/catchment level
- ☑ Changing temperature (air, freshwater, marine water)

Policy

- ☑ Carbon pricing mechanisms
- ☑ Changes to national legislation
- ☑ Increased pricing of water
- ☑ Regulation of discharge quality/volumes
- ☑ Statutory water withdrawal limits/changes to water allocation

Market

- ☑ Availability and/or increased cost of certified sustainable material
- ☑ Availability and/or increased cost of raw materials
- ☑ Changing customer behavior

Reputation

- ☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ☑ Stakeholder conflicts concerning water resources at a basin/catchment level

Technology

- ☑ Data access/availability or monitoring systems
- ☑ Transition to lower emissions technology and products
- ☑ Transition to water efficient and low water intensity technologies and products

Liability

- ☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- | | |
|---|--|
| ☒ NGOs | ☒ Regulators |
| ☒ Customers | ☒ Local communities |
| ☒ Employees | ☒ Water utilities at a local level |
| ☒ Investors | ☒ Other water users at the basin/catchment level |
| ☒ Suppliers | |

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ No

(2.2.2.16) Further details of process

The internal risk management procedure includes dependency, impact, opportunity and risk analysis altogether. Dependencies and impacts are identified at both materiality survey and 1-1 interview stages. They can also be derived from Key Risk Indicators (KRIs) or audit findings. While compiling global risk register, dependencies or impacts are either identified as separate risk titles or explained in detail in risk descriptions. Global Risk Management department (GRM) integrates all identified items into a global list and performs scenario analysis for each. For each scenario, dependencies, with probable impacts, are explicitly explained again in scenario descriptions prior to financial impact calculation step. All of Kordsa's global operational locations and product portfolio are included in the scope. The financial impact calculations are in proportion to the size of the locations and products' share in the global sales portfolio. To perform quantitative analysis, various inputs like sales tonnage, released emissions, water withdrawal, etc are used. For external key data, commercially or publicly available data tools are used. Some of the key external data sources are RCP scenarios assumptions for climate change, flood or water stress, taxation method of upcoming regulations, industry benchmarks for emission intensity factor of raw materials. The external data sources are identified in the Governance Risk Compliance (GRC) system (Pentana) and calculation methods are explained for each item. All items registered in the GRC have been reviewed quarterly with related entity risk responsables. GRM also organizes a separate session with the Sustainability Department for global consolidation and alignment. During the assessment phase all registered items are included in Monte Carlo simulations. All climate change and water related registers are integrated into current entity risk reports which is also generated quarterly. The likelihood is calculated based on the probability of occurrence of such event within given timeframe. There are 5 degrees of probability scores as per its frequency of occurrence starting with point-1 (very rare) to point-5 (very likely). Impact levels are calculated after Monte Carlo simulation is applied. If the calculated financial impact exceeds the defined threshold, which is 1% deviation from budgeted EBITDA, the register is prioritized as defined in internal policy. All prioritized items need to assign with mitigation actions until impact falls below threshold. Each register in GRC is assigned with 3 scenarios (Minimum, Most Likely, Maximum) each having its own financial impact calculation. All calculated scenarios are included in Monte Carlo simulation to calculate Global Value at Risk (VaR). Regular monitoring has been performed via regular quarterly reviews with Business Units. Register list is updated after reviewing all input assumptions, likelihoods and KRIs. In column 3, value stages covered, "end of life management" has not been selected, because the end product sold to customers are integrated with rubber with some

series of chemical and mechanical processes and the technology is not available yet to separate fabric product from rubber before to consider about alternative end of life management approaches. This process has not changed since the last reporting year.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

- ☒ Plastics
- ☒ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- ☒ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ End of life management

(2.2.2.4) Coverage

Select from:

- ☒ Partial

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative only

(2.2.2.8) Frequency of assessment

Select from:

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

International methodologies and standards

- ☒ Environmental Impact Assessment
- ☒ ISO 14001 Environmental Management Standard

Other

- ☒ Materiality assessment
- ☒ Scenario analysis

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Investors
- ☒ Local communities

☒ Regulators

☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

(2.2.2.16) Further details of process

We regularly assess our environmental impacts, and the impacts of plastics and our impacts on biodiversity is included in these environmental impact assessments. These assessments are performed annually, within specific stages of our value chain, specifically targeting direct operations and end-of-life management and is aligned with the ISO 14001 environmental management system. The scope of our analysis is partial, including tire reinforcement business unit only and our upstream and downstream value chain. The assessment is qualitative in nature, incorporating descriptive analysis, stakeholder involvement, and scenario analysis. It is site-specific and evaluates impacts over short and medium-term periods, ensuring a focused and relevant approach. The EIA process utilizes tools and methods such as ISO 14001 standards, materiality assessment, and scenario analysis. Stakeholder engagement plays a crucial role, with active participation from customers, suppliers, regulators, local communities, and investors. Their input is essential for understanding the environmental impacts of our operations, particularly concerning plastic use and biodiversity conservation. By integrating these insights, our EIA process allows us to identify, assess, and manage environmental risks effectively, ensuring our commitment to responsible environmental stewardship.

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

Considering correlations and connections due to Kordsa's global footprint and material transfers between companies is a natural part of GRM processes at Kordsa. In the risks identification and review steps in terms of nature concepts, when there is a dependency, impact, risk or opportunity newly identified by a business, the GRM unit discusses the issue with other business managers and looks for the existence of a similar risk and its correlation with other risks defined for the business. For example, while water-related natural disasters such as flash floods are on the list in the short term, the effects of water stress and drought may increase in the same region in the long term. In this case, correlation between varying time maturities is taken into account. Or, different risks and opportunities may arise at the same time within the scope of a new regulation planned to come into force locally. Although these are written as separate records, it is clearly stated in the definition that they

are linked within the scope of the same regulation. In addition, in terms of sales portfolio, it is predicted that the share of products produced using recycled materials will increase in the long term compared to existing products. As more sustainable products are added to Kordsa's portfolio, sales of some existing products may decrease. This situation also creates an interconnection within the global sales portfolio. In the calculation of financial effects, the multipliers in the correlation matrix created by GRM are used. The correlation matrix is updated every time a new risk is added to the GRC or there is a significant change in the risk landscape. Challenges about interconnections are mainly due to about the uncertainties of impacts of climate change in long term.

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☒ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☒ Direct operations

☒ Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☒ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☒ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

We use WRI Water Risk Atlas Tool to identify the priority locations both in our Direct Operations and Upstream Value Chain. For our direct operations we include all of our sites in this analysis, and we prioritize areas with high water stress and flood risks. We also prioritize our sites where we are highly dependent to fresh water or ground water resources as well as sites where we may have a negative impact on water bodies. We have also made an assessment to identify priority locations in our Upstream Value Chain. The process for identifying the priority locations in the upstream value chain is as follows: We have first selected our key raw material suppliers which make up 73 of our procurement spend. We used WRI Aqueduct Water Risk Atlas tool to identify the water stress levels & impacts on water availability

on their respective basins for these suppliers. We have also used Water Watch CDP Water Impact Index to identify the supplier's dependence on water & their impacts on water quality. Threshold to prioritize the supplier locations: For the WRI analysis, if the Baseline Water Stress and/or Baseline Water Depletion indicator is High or Extremely high the supplier impact is assessed to be substantive & the supplier location is identified as priority location. For the CDP Water Watch Index: If water impact rank for direct operations (withdrawal and/or pollution) is over 2 (Significant or Major damage to freshwater resources) OR Even if the direct impact is ranked below 2, if the total impact is rated "Very High" or "Critical" The impact of the supplier is assessed to be substantive & the supplier location is identified as priority location.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☒ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ EBITDA

(2.4.3) Change to indicator

Select from:

☒ % decrease

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

Risks are assessed based on impact simulation calculations via Monte Carlo analysis. Kordsa defines substantial financial or strategic impact if the risk impact simulation exceeds 1% of consolidated budgeted EBITDA or minimum 1M. Once a risk is identified with substantial financial or strategic impact, it is automatically treated as exceeding the risk appetite or risk threshold. Risk owners are required to come up with an action plan and appoint action owners. Risks are calculated after each action implementation is complete. If the impact simulation for a risk is still calculated as over the threshold, risk owners are required to implement further actions until the impact simulation reduces below the threshold. In case the financial impact is not possible to calculate, there are alternative indicators like reputation, people, legal and environmental.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ EBITDA

(2.4.3) Change to indicator

Select from:

☒ % increase

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

Opportunities are assessed based on impact simulation calculations via Monte Carlo analysis. Kordsa defines substantial financial or strategic impact if the opportunity impact simulation exceeds 1% of consolidated budgeted EBITDA or a minimum 1M. Once an opportunity is identified with substantial financial or strategic impact, it is automatically treated critical. Risk owners are required to come up with an action plan and appoint action owners to realize the opportunity. They are calculated after each action implementation is complete. In case the financial impact is not possible to calculate, there are alternative indicators like reputation, people, legal and environmental.

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☒ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

In line with our water policy, we rely on local and global regulations and standards on water management. We constantly examine the local legal regulations related to water pollutants in the countries where we operate and take the necessary measures within the framework of these regulations. Process we use to identify- classify and manage potential water pollutants: The chemicals used in production are selected by considering local and global regulations such as REACH and CLP Water pollutants are defined as the chemicals that are not allowed in wastewater discharge or that may pose a risk if they are mixed with the water in case of a spillage or an environmental accident. In order to identify, classify and manage any potential water pollutants, Kordsa has a Hazardous Chemical Management procedure, which defines the chemical management systems approvals and controls. We provide trainings to employees and sub-contractors regarding environmental hazards of chemicals and chemical management procedures. Indicators used to identify pollutants: The chemical is not allowed to use if: - it contains any banned or restricted substances according to REACH. - it contains persistent organic pollutants As Kordsa we closely monitor and report any spill incidents or environmental accidents to top management regularly. This is an important key performance indicator and we aim for 0 spills and environmental accidents each year. There were no spills or environmental accidents in 2023.

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☒ Oil

(2.5.1.2) Description of water pollutant and potential impacts

We consume oil products in the facilities such as diesel oil & gasoline. Oil pollution can have a devastating effect on the water environment, it spreads over the surface in a thin layer that stops oxygen getting to the plants and animals that live in the water. Oil on water surfaces is harmful to many forms of aquatic life because it prevents sufficient amounts of sunlight penetrating the surface and it also reduces the level of dissolved oxygen. Moreover, ingested oil can be toxic to affected animals, and damage to their habitat and reproductive rate may slow the long-term recovery of animal populations from the short-term damage caused by the spill itself.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Water recycling
- ☒ Upgrading of process equipment/methods
- ☒ Implementation of integrated solid waste management systems
- ☒ Requirement for suppliers to comply with regulatory requirements
- ☒ Industrial and chemical accidents prevention, preparedness, and response
- ☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- ☒ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

(2.5.1.5) Please explain

How the selected procedures manage the risks of potential impacts: Kordsa facilities periodically inspect oil storage tanks and pipelines, to monitor any leakage or corrosion. Kordsa also has procedures response to environmental accidents, spills and leakages. There are containment measures for oil storage tanks. To be prepared for any emergency Kordsa also has emergency response equipment and teams. Related employees are trained to use emergency equipment and also to act in line with Kordsa's emergency plans. Kordsa also requires from its suppliers to be prepared for any environmental emergency. Suppliers are required to report environmental accidents within past five years to Kordsa during supplier assessments. Kordsa operates in compliance with local and global wastewater discharge legislations and limitations. Regular wastewater tests are conducted. All necessary systems are in place for water discharge compliance. How success is measured and evaluated: Kordsa aims zero environmental accidents and also 100% compliance with legal water discharge parameters within its own operations. Those two parameters are our success metrics. In 2023, there is no environmental accident and 100% compliance with the legal water discharge parameters. For our suppliers we expect to have no any environmental accidents. In the reporting year with in the scope of audited suppliers no any environmental accident reported.

Row 2

(2.5.1.1) Water pollutant category

Select from:

- ☒ Other synthetic organic compounds

(2.5.1.2) Description of water pollutant and potential impacts

We use Synthetic organic compounds (SOCs) in production and they are mainly present in dipping chemicals which we use during dipping process. Some examples of SOC's we use are latex, formaldehyde & resorcinol. These SOC's are toxic for aquatic organisms. SOC's tend to create both acute and chronic health effects and tend to damage the nervous system, kidneys; they may also pose a potential cancer risk both on humans and aquatic life.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Water recycling
- ☒ Upgrading of process equipment/methods
- ☒ Reduction or phase out of hazardous substances
- ☒ Implementation of integrated solid waste management systems
- ☒ Requirement for suppliers to comply with regulatory requirements
- ☒ Industrial and chemical accidents prevention, preparedness, and response
- ☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- ☒ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

(2.5.1.5) Please explain

How the selected procedures manage the risks of potential impacts: Chemical storage tanks and pipelines are periodically inspected, to monitor any leakage or corrosion. There are environmental accidents, spills and leakages procedures and containment measures for chemical storage tanks. Kordsa also has emergency response equipment and teams. Employees are trained on how to use emergency equipment and act in line with Kordsa's emergency plans. Kordsa requires its suppliers to be prepared for environmental emergencies and report any accidents from the past five years to Kordsa during supplier assessments. Kordsa complies with local and global waste water discharge laws, regularly conducts wastewater tests, and has all necessary systems in place to ensure water discharge compliance. How success is measured and evaluated: Kordsa aims zero environmental accident & 100% compliance with legal water discharge parameters within its own operations. Those two parameters are our success metrics. In the reporting year there is no environmental accident and 100% compliance with the legal water discharge parameters. For our suppliers we expect to have no any environmental accidents. In 2023, within the scope of audited suppliers no environmental accident reported. Our R&D team developed Resorcinol and Formaldehyde-Free Overcure Formulations which provides using chemicals more environmentally friendly, compliant with regulations and contribute positively to water security.

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Evaluation in progress

(3.1.3) Please explain

Kordsa is currently in the process of evaluating the potential risks associated with its use of plastics across its operations. Should any significant impacts be identified during this assessment, the company will disclose these risks in its upcoming reporting periods. This initiative reflects Kordsa's commitment to transparency and proactive management of environmental risks related to plastics. Both the PET and nylon (NY)-based products of Kordsa's tire reinforcement business unit, which comprise over 70% of the company's sales portfolio, are classified in the literature as petroleum-based materials, i.e., plastics. The key raw materials for these products are supplied by only a few specialized manufacturers worldwide, resulting in significant barriers to entry in this market. These products are also essential across multiple sectors, increasing pressure on suppliers to develop recycled alternatives. Globally, the technological readiness for PET-based products is more advanced than for NY-based products. In the case of PET, which represents 28% of Kordsa's global turnover, partially recycled versions have already been commercialized, and ongoing R&D efforts aim to increase the proportion of recycled materials. For NY-based products, which account for 62% of global turnover, projects are underway to develop offerings with a higher percentage of recycled content. Kordsa collaborates with suppliers and customers to accelerate commercialization through joint development programs.

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.9) Organization-specific description of risk

Our plant in Izmit, Turkey is under the scope of Turkish Monitoring, Reporting and Verification (MRV) regulation. This regulation was an adoption of the EU MRV of GHG Emissions which is the basis of the EU Emissions Trading Scheme (EU ETS) where the emission intensive sectors are given an emission cap to control and reduce their emissions. As Turkey is following a similar path, there is a very high probability that additional requirements will be implemented in medium term. Turkey has no regulated carbon market yet. But ETS is expected to be operational in pilot phase in 2024. Kordsa's facility in Izmit, Turkey may be included in scope after 2026. This facility in Turkiye generates 33% of global revenue. It is also assumed that unit carbon price may fluctuate heavily that the total allocated budget may be exceeded.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Very likely

(3.1.1.14) Magnitude

Select from:

☒ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Most of the impact comes due to uncertainty in medium term. As company prepares its 2026 Budget, impact variations will be limited on financials.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

300000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

3000000

(3.1.1.25) Explanation of financial effect figure

*Minimum Scenario; With the implementation of several projects that will reduce natural gas consumption, it is assumed that there will be a 5% decrease in the average emission amount of the last 5 years, excluding the base year, in 2026. It is assumed that the unit carbon price of the TR ETS system will be 15% higher than the predicted 65. Expected free allocation of Emission in 2026: 42k tCO₂ Emission amount with the introduction of projects that reduce natural gas consumption: 42k * 95% 40k Unit carbon price: 65 * 1.1 71.5 With a 15% higher price prediction: 71.5 * 1.15 82 40k * 82 3,3M Budgeted cost: 2,7M * 1.1 3M Additional financial impact: 3,3 - 3 300k Maximum Scenario; Since no project to reduce natural gas consumption is planned to be completed by 2026, it is assumed that the average emission amount of the last 5 years, excluding the base year, will be released in 2026. It is assumed that the unit carbon price of the TR ETS system is 15% higher than the 118 valid in the EU ETS, instead of the predicted 65. Expected free allocation of Emission in 2026: 42k tCO₂ unit carbon price: 118 * 1.1 129 With a 15% higher price prediction: 129 * 1.15 149 40k * 149 6M Budgeted cost: 2,7 * 1.1 3,0 Additional financial impact: 6 - 3 3M*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

27000

(3.1.1.28) Explanation of cost calculation

Actions and costs of response: There have been 4 projects completed and 7 projects ongoing as of the reporting year focusing on reducing emissions. The completed projects contributed annual savings of 140k sm3 of natural gas. The estimated monetary saving was around 300k annually. When the ongoing projects are completed, over 100k sm3 of natural gas will be saved each year. The future projects will be aligned as per Kordsa's mid term and long term emission reduction targets and also in line with Kordsa's transition plan.

(3.1.1.29) Description of response

Situation: The regulation is still in the trial phase and Kordsa has not been in the scope of initially selected sectors. Kordsa's facility in Izmit may be included in the scope after 2026. In the meantime, Kordsa is developing projects to reduce emissions as part of its long-term targets. Task: The task is to reduce the GHG emissions by completing the implementation of emission reduction projects assigned for the year. Timeline: Completed Projects: Dow Heater O2 Trim System Implementation, annual saving is 141k sm3 NG, cost is 27k Ongoing Projects: Dipping Oven Waste Heat Recovery Phase 1, estimated annual saving is 100k sm3 and 47k Result: In total, upon completion of these projects, 240,000 sm3 savings is expected. All projects in total contribute over 115k in total monetary savings annually.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Indonesia

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify :Cikeas River Basin

(3.1.1.9) Organization-specific description of risk

Kordsa's production facility in Indonesia accounted for 37% of global production and 14% of global revenue in 2023. This facility serves our global customers' tire production facilities in Asian markets. Kordsa premises are located inland, far away from the coast. So, flood exposure from the rising tide is non-existent, however, the facility is directly adjacent to the Cikeas river on its North-West border. The facility is prone to flood risk as the geography may trigger flash floods and the climate is tropical with significant rainfall in most months of the year. The latest incident occurred in 1990 during the construction of the Nylon Yarn Production Plant. The probability that precipitation will be observed at this location varies throughout the year, the driest month is July, with 216 mm of rainfall. Most precipitation falls in January, with an average of 442 mm. The warmest month of the year is September, with an average temperature of 25.6C. With changing climate patterns, the rain clouds build faster than historically observed and rainfalls occur much faster which causes more significant floods than ever realized. In case of a flash flood, the facility may be closed for a few days for up to a few months. The primary potential impact would be a decrease in revenues due to a reduction of capacity. There have been several steps in mitigation plans since the latest incident happened and the latest major investment was concluded at the end of 2021.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Financial position and cash flow will be partially impacted, limited to deductibles defined in insurance policy.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

1500000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

21500000

(3.1.1.25) Explanation of financial effect figure

In the minimum scenario, a minor flash flood is assumed. 1% of assets are assumed to be lightly damaged that can be fixed. There will be some cleanup expenses, and the plant will be shut down for 2-3 days mostly for cleaning but assuming no sales loss, stocks will cover the customer demand. So, no business interruption (BI) loss will incur and total property damage (PD) is assumed to be 1.5 m. Most of the costs are expected to be due to cleaning activities. In the maximum scenario, catastrophic flooding is assumed. 5% of assets (almost 15M USD) are assumed to be damaged permanently due to flood. Cleaning, repair and restoration works are expected to end in 12 months. During that time, Kordsa will lose the uninsured portion of its BI loss which is around 6.5M USD. So, the total damage would be 156.5 21.5M USD.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Use risk transfer instruments

(3.1.1.27) Cost of response to risk

2340000

(3.1.1.28) Explanation of cost calculation

Our major response to this risk is using risk transfer instruments, our insurance policy is renewed every year and costs around 2 M USD. We have also completed 5 projects details of which are given under column 'Description of Response'. All 5 projects were completed in Q4 2021. Their effectiveness is reviewed annually in case additional mitigation action is required. Cost of project 1: 208k Total cost of projects 2-3 and 4: 113k Cost of project 5: 20k Total cost of response 2.34 M USD

(3.1.1.29) Description of response

Situation: There is a flash flood risk for Indonesian facility during the rainy season. Task: Reduce the physical and financial impacts of floods and improve the resilience of the facility. Actions: To reduce the financial impacts of this risk, the most effective action was to transfer this risk by insuring the facility. Our insurance policy covers flood damage to property and business interruption resulting from extreme weather events. To improve the resilience of the facility, our engineering team collaborated with local authorities and completed several projects in the last couple of years. (1) 5 mt tall concrete fence was constructed around the plant separating the river from the facility. (2) Manually operated water gates were built in 5 different areas of the premise to prevent high levels of Cikeas River from entering the facility. (3) 5 Sump pits were built in low locations each covering 16m2 of area and having 3 flood pumps to discharge the accumulated water. Gate valves are provided to prevent backflow from Cikeas River. (4) A water level detection system is also provided in the Cikeas River & accessible from the main guard post. (5) Building monitoring systems were installed around the river There is also an emergency response team present in the facility at all times. The team members receive recurring training about such threats. Monthly drills also are conducted for water gates and pit pumps. Result: With the insurance policy, the financial impact of this risk is reduced to policy deductibles (Kordsa's share of loss). This way the maximum impact of this risk is reduced from 21.5 M to 1.5M The success of the remaining actions is evaluated based on their ongoing performance. Three rainy seasons have passed since the actions are in place. Heavy rains occurred from time to time but there has been no flood event occurred. Current actions seem to be working in good order.

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

13100000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

500000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

For the climate change category, all entities are included in the scope of risk studies. Most of the impact is from transition risks. Upcoming regulations are on the items with a 5.2M USD impact. This line includes ETS, LCA requirements, and renewable energy certificate price fluctuations in the medium term. Transition to recycled products is the 2nd transition risk with a 5.3M USD calculated risk. Risks related to both upstream and downstream value chains have a calculated impact of 2.6M USD each. Physical risks are mainly categorized under climate change and in long-term duration. In the short term, sudden nat-cat events are considered. The total impact of physical risks is calculated as 500000 USD including extreme heat, cyclone, and wildfire issues.

Water

(3.1.2.1) Financial metric

Select from:

☒ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

10000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

2800000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

Within the water category, all entities are included in the scope of risk studies. Most of the impact is from physical risks with the highest impact of 2.8M USD. This line includes short-term floods and long-term water stress due to climate change. Water-related regulation changes are assumed in the long term and calculated to have a low impact currently.

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Turkey

☒ Other, please specify :Black Sea South Coast Major, Kocaeli Minor Basin

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ 31-40%

(3.2.11) Please explain

1/13 of our facilities are located in Black Sea South Coast Major, Kocaeli Minor Basin, with high level baseline water stress (40-80%) and a potential to pose substantive financial/strategic impact for Kordsa as 31-40% of our global revenue comes from operations held at this facility. This facility is also responsible for 17.36% of our total withdrawals, 15.04% of our discharges and 21.63% of our total consumption figures in the reporting year.

Row 2

(3.2.1) Country/Area & River basin

Indonesia

☒ Other, please specify :Java-Timor Major, Cisadane Minor Basin

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ 11-20%

(3.2.11) Please explain

In our Indonesia site, there are 2 facilities in one site and their water data is collected together. Therefore, in order to be in line with the water data these 2 facilities are reported as 1. However, when we calculate the % company wide facilities this represents column, we use 2/13. These facilities are located in Java-Timor Major, Cisadane Minor Basin, in the previous version of WRI Aqueduct Water Risk Atlas these two facilities were assessed to be under low baseline water stress, however their overall water risk score was High (3-4). In the revised version of WRI Aqueduct, these two facilities are assessed to be under High (40-80%) baseline water stress. The riverine flood risk is also an important indicator which is scored as "Extremely High" for our facilities in Indonesia. These facilities have a potential to pose substantive financial/strategic impact for Kordsa as 14% of our global revenue comes from operations held at these two facilities. These facilities are also responsible for 16.84% of our total withdrawals, 2.59% of our discharges and 42.99% of our total consumption figures in the reporting period.

Row 3

(3.2.1) Country/Area & River basin

Thailand

☒ Chao Phraya

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ 1-10%

(3.2.11) Please explain

Our Thailand facility (1/13 of our facilities) is located in Chao Phraya Major, Noi Minor Basin, with extremely-high level baseline water stress (80%) and a potential to pose substantive financial/strategic impact for Kordsa as 8% of our global revenue comes from operations held at this facility. In the previous years, this facility was not assessed to be exposed to substantive effects of water-related risks, however in 2023 WRI Aqueduct was revised and with the new version this facility is now assessed to be under extremely high baseline water stress. This facility is responsible for 2.28% of our total withdrawals, 2.82% of our discharges and 1.29% of our total consumption figures in the reporting year.

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

☒ No

(3.3.3) Comment

In the reporting year none of our facilities were not subject to any fines, enforcement orders or other penalties for water-related regulatory violations.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized
Water	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

- ☒ Increased demand for certified and sustainable materials

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- ☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ Turkey

(3.6.1.8) Organization specific description

Tire reinforcement is the core business unit for Kordsa and accounts for more than 2/3 of global sales in 2023. Kordsa has 7 facilities manufacturing products for tire customers in Brazil, Indonesia, Thailand, Turkey, and the United States. The market has been showing signals to lean on sustainable product offers and technology has been evolving for some time. During the last decade, the tire sector went down significant challenges. Many key players announced their 2030 and 2050 targets and focused on products with recycled content. In line with customer expectations and Kordsa's 2050 Net Zero targets, Kordsa's production facility in Izmit has been entitled to receive the ISCCP (International Sustainability Carbon Certification) Plus Certificate, which is a certificate that is important in the purchasing processes of tire manufacturers. The certificate ensures that Kordsa's circular polyester products meet all of ISCC's stringent standards for recycled-renewable materials. ISCC Plus Certificate is of critical importance for Kordsa, which moves forward with the aim of both reducing emissions in production processes and making a difference in competition with sustainable products as output.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☒ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Kordsa will benefit from an improved financial position and cash flow situation due to increased sales.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

15000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

75000000

(3.6.1.23) Explanation of financial effect figures

The approach used in the calculation: To calculate the financial impact of this opportunity, the initial approach is to assume that additional certificates will be obtained for other Kordsa sites to cover the entire tire reinforcement business unit and overall sales will increase accordingly. Assumptions made: In the minimum scenario, it is assumed that the EMEA Tire Reinforcement Business Unit may gain up to 3% of additional sales according to current projections. This 3% is an illustrative estimate selected in the light of uncertainty. Figures used in the calculation: EMEA annual revenue in 2023 355M USD Projected increase in sales from tire-reinforcement products 3% Potential financial impact 355M USD x 3% 15 M USD In the maximum scenario, it is assumed that the EMEA tire reinforcement business unit may gain up to 15% of additional sales according to current projections. This 15% is an illustrative estimate selected in the light of uncertainty. Figures

used in the calculation: EMEA annual revenue in 2023 355 M USD Projected increase in sales from tire-reinforcement products 15% Potential financial impact 355 M USD x 15% 75 M USD

(3.6.1.24) Cost to realize opportunity

100000

(3.6.1.25) Explanation of cost calculation

The total cost of obtaining the certificate including the fee and the other process costs.

(3.6.1.26) Strategy to realize opportunity

SITUATION: Global customers are announcing their road map for reaching net zero and increasing their ratio of sustainable materials. There is an increasing demand in the market for recycled or bio-based products. TASK: Without sacrificing quality and safety, enlarging the sustainable product portfolio. ACTIONS: To benefit from this opportunity, we have obtained ISCC (International Sustainability Carbon Certification) Plus Certificate, which is a certificate that is important in the purchasing processes of tire manufacturers. TIMELINE: In Kordsa, sustainable product R&D projects started in 2020. Sustainable nylon and sustainable polyester product roadmaps were defined. For the nylon project, after the completion of lab trials, plant-scale trials were done in 2021 and customer samples were sent in 2022. The project has been followed by an evaluation of samples throughout the year. For the polyester project, we have followed our engagement plan with recycled polyester raw material suppliers since 2020. R&D activities have been progressing since then. We obtained ISCC Plus certification for our recycled polyester (R-PET) production process in September 2023. RESULTS: Capital Market Statement was made upon obtaining the certificate and customers were also informed. There are also future plans to obtain this certificate for other Kordsa facilities like Indonesia and Brazil.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Indonesia

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☒ Other, please specify :Java Timor Major, Cisadane Minor Basin

(3.6.1.8) Organization specific description

Our facility in Indonesia is responsible for 37% of global production and 14% of global revenue in 2023. This facility serves our global customers' tire production facilities in Asian markets. This facility is also responsible for 16.84% of our total water withdrawals. To reduce this facility's dependence on fresh surface water, Kordsa launched a project to optimize its water usage for the dipping plant. The unavailability of water for operations may result in unplanned stoppages at facilities. Advanced technologies for wastewater treatment (WWTP) and water treatment plants (WTP) have been investigated to reduce the discharged wastewater. The water used for yarn operations evaporates while it is discharged slowly. In dipping processes, greige fabrics are dipped in a water-based chemical solutions. This water has been treated in wastewater treatment plant and discharged by local regulation standards. By recycling and treating more water, Kordsa has an opportunity to withdraw less water and reduce its dependency on freshwater resources. Potential unplanned stoppages due to unavailability of water will be greatly reduced. With the WWTP, Kordsa can operate during water shortages in dry seasons. And while that drought will affect competitors' facilities nearby, and cause them to stop their production, our Indonesian facility may have the opportunity to increase its revenues due to increased demand for its products.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Kordsa will benefit with an improved financial position and cash flow situation due to increased sales.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

1700000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

13000000

(3.6.1.23) Explanation of financial effect figures

The potential financial impact scenario assumes significant water stress in near Indonesian facility in long term. Without this strategy, Kordsa would be much more dependent on river water nearby, but now, the facility will be able to operate by increasing its recycling ratio. In the minimum scenario; Due to the unavailability of enough water in the river, a potential unplanned stoppage in one of the dry seasons up to 1 month is assumed and while that drought will affect competitors' facilities nearby, and causing them to lose a month of sales, our Indonesian facility may have the opportunity to increase its sales by 10% for a month to support customers' operations. This 10% is an illustrative estimate selected in light of uncertainty. Annual revenue of Indonesian Plant 208M USD Average monthly revenue of our Indonesian plant 208 M USD / 12 17 M USD Additional 10% sales increase 17 M USD x 10% 1.7 M USD In the maximum scenario; Due to the unavailability of

enough water in the river, a potential unplanned stoppage in one of the dry seasons for up to 3 months is assumed and that drought will affect competitors' facilities nearby, and causing them to lose a month of sales, our Indonesian facility may have the opportunity to increase its sales by 25% for 3 months to support customers' operations. This 25% is an illustrative estimate selected in light of uncertainty. Annual revenue of Indonesian Plant 208M USD Average monthly revenue of our Indonesian plant 208 M USD / 12 17 M USD Additional 25% sales increase 17 M USD x 25% 4.3 M USD 3 months of increased sales 4.3 *3 13 M USD Considering the long-term physical impacts of climate change to occur more often after 2030. There may be disruptions in available water compared to historical averages. By that time Kordsa with its global perspective will be able to perform similar projects for other facilities with dipping operations.

(3.6.1.24) Cost to realize opportunity

23914

(3.6.1.25) Explanation of cost calculation

COSTS: WTP and WTPP investments are completed and paid by the service provider company. Kordsa will pay them on the basis of m3 of treated wastewater. According to system design criteria 70 k m3 of water treatment per year is planned. So, annual OPEX expenditures are estimated at 23,914 USD. Actual billing was started in January 2024. Previously there was no cost related to discharging treated water to river by any local regulators. Although there is an actual cost impact of this project, considering the result of reaching "0" wastewater discharge to the river will have a substantive strategic and reputational impact on Kordsa. Considering the long-term physical impacts of climate change to occur more often after 2030. There may be disruptions in available water compared to historical averages. By that time Kordsa with its global perspective will be able to perform similar projects for other facilities with dipping operations.

(3.6.1.26) Strategy to realize opportunity

SITUATION: Our Indonesian facility is responsible for 16.84% of our total water withdrawals. There are also many competitors' plants in Asia supporting Chinese and other local markets. TASK: Reduce the dependency of the Indonesian plant on nearby water resources. ACTIONS & TIMELINE: For the facility in Indonesia, the local team found a solution to increase water recycling capacity by up to 100% for the facility. A contract is signed with one of the qualified service providers. The company will upgrade the WWTP & WTP technology and make some additional improvements in the water distribution system and put some additional filters. The investments are completed and paid for by the service provider company. Kordsa will pay the company on the basis of m3 of treated wastewater. The project was started in 2022 and feasibility studies are concluded around the end of the year. System design selection was completed in 2023. The installation started in May 2023 and completed in December 2023. RESULTS: When the system starts working, for the first 3 months, the results will be monitored closely. After monitoring, an 80% wastewater recycling ratio will be achieved. 70,000 m3 of wastewater will be recycled annually. This corresponds to up to 13% of annual water withdrawal reduction (for the Indonesian site) and zero water discharge to the River. This project will be able to be adapted to other facilities in the future.

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

8500000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 1-10%

(3.6.2.4) Explanation of financial figures

For the climate change category, all entities are included in the scope of opportunity studies. Most of the impact is from the increased share of recycled raw materials usage with a 5.4M calculated impact. Collaboration with the upstream value chain (3.1M) and internal process improvements (TBC) are other factors of opportunities.

Water

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

3000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

For the water category, all entities are included in the scope of opportunity studies. Most of the impact is from the expected revenue increase due to internal process improvements. (3M)

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Non-executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Having members who possess a diverse range of competencies, knowledge and experience is crucial for strong Boards and enhances better decision making. At Kordsa, during the board nomination processes, we evaluate the competencies of candidates by considering their knowledge of the industry and ESG matters, general and especially crisis management skills, and global work experience. We value diversity and inclusion and do not discriminate against any candidates on grounds of gender, age, ethnicity, religion, language, or race.

(4.1.6) Attach the policy (optional)

Diversity Policy.pdf

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes
Water	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board chair
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Other policy applicable to the board, please specify :Board's accountability for environmental issues are identified in Kordsa's Sustainability Policy.

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|--|---|
| ☒ Reviewing and guiding annual budgets | ☒ Overseeing and guiding public policy engagement |
| ☒ Overseeing and guiding scenario analysis | ☒ Overseeing and guiding public policy engagement |
| ☒ Overseeing the setting of corporate targets | ☒ Reviewing and guiding innovation/R&D priorities |
| ☒ Monitoring progress towards corporate targets | ☒ Approving and/or overseeing employee incentives |
| ☒ Approving corporate policies and/or commitments | ☒ Overseeing and guiding major capital expenditures |
| ☒ Monitoring the implementation of the business strategy | |
| ☒ Overseeing reporting, audit, and verification processes | |
| ☒ Monitoring the implementation of a climate transition plan | |
| ☒ Overseeing and guiding the development of a business strategy | |
| ☒ Overseeing and guiding acquisitions, mergers, and divestitures | |
| ☒ Monitoring supplier compliance with organizational requirements | |
| ☒ Monitoring compliance with corporate policies and/or commitments | |
| ☒ Overseeing and guiding the development of a climate transition plan | |
| ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities | |

(4.1.2.7) Please explain

The chairman of the Board of Directors has the ultimate overall responsibility at all terms including climate change-related issues with assistance from the Audit, Risk, Sustainability and Corporate Governance Committees. Some of the climate-change related responsibilities of the Chairman of the Board of Directors are as follows: -

Reviewing and guiding climate-related strategies - Identification of targets and approval and financing of projects that will lead the way to achieving the climate targets. - Ensuring the company performs within the limits of the pre-determined energy and water management goals - Management of climate-related risks and opportunities. Examples of climate-related decisions of the Chairman of the Board of Directors during the reporting year; - The approval of a renewable energy (Solar PV) investment in our Thailand plant - Approval of SBTi submission for net-zero targets. Corporate Governance and Early Detection of Risk Committees are also responsible for climate-related issues. Both committees are chaired by members of our board. These two committees were established with the purpose of helping the Board of Directors to fulfill their duties and responsibilities in a healthy manner. The Resolutions of the Committees are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on related matters. Some of the climate-related responsibilities of the Corporate Governance Committee and Early Detection of Risk Committee are: - Realization of climate-related strategies and roadmaps - Monitoring climate-related annual budgets and capital expenditures - Monitoring targets and performance - Assessing and managing climate-related risks and opportunities. In 2023 climate-related decisions approved by those committees; - An impact assessment study for the upcoming Carbon Border Adjustment Mechanism will be conducted - A main heading has been added to Kordsa's CAPEX classification, which will include sustainability-related CAPEX projects.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board chair
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Other policy applicable to the board, please specify :Board's accountability for environmental issues are identified in Kordsa's Sustainability Policy.

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding annual budgets
- ☒ Overseeing and guiding scenario analysis
- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Monitoring the implementation of the business strategy
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Monitoring the implementation of a climate transition plan
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Overseeing and guiding acquisitions, mergers, and divestitures
- ☒ Monitoring supplier compliance with organizational requirements
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Overseeing and guiding the development of a climate transition plan
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Overseeing and guiding public policy engagement
- ☒ Overseeing and guiding public policy engagement
- ☒ Reviewing and guiding innovation/R&D priorities
- ☒ Approving and/or overseeing employee incentives
- ☒ Overseeing and guiding major capital expenditures

(4.1.2.7) Please explain

The Board of Directors, our supreme governing body, supervises performance on material sustainability topics including water-related issues. Head of Sustainability, Corporate Governance Committee, and Early Detection of Risk Committee quarterly reports to the Board regarding progress and activities related to sustainability strategy including issues related to water security and mid-term roadmap activities and required budget analysis In 2023 below water-related issues were scheduled agenda items at the Board Meetings: - Progress on water-related targets - Indonesia plant 100% water recycling plant project approval - Withdrawal volumes for the plants which are located at water-stressed areas Corporate Governance and Early Detection of Risk Committees are also responsible for climate-related issues. Both committees are chaired by members of our Board. These two committees were established with the purpose of helping the Board of Directors to fulfill their duties and responsibilities in a healthy manner. The Resolutions of the Committees are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on related matters. Some of the water-related responsibilities of the Corporate Governance Committee and Early Detection of Risk Committee are: - Application of water-related policies&strategies - Monitoring water-related targets and performance - Assessing and managing water-related risks and opportunities - Within the sustainable supply chain program, a supplier letter was prepared which indicates Kordsa's requirements from its suppliers in terms of climate change and water policies.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board chair
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Other policy applicable to the board, please specify :Board's accountability for environmental issues are identified in Kordsa's Sustainability Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Sporadic – agenda item as important matters arise

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|---|---|
| ☒ Reviewing and guiding annual budgets | ☒ Overseeing and guiding public policy engagement |
| ☒ Overseeing and guiding scenario analysis | ☒ Overseeing and guiding public policy engagement |
| ☒ Overseeing the setting of corporate targets | ☒ Reviewing and guiding innovation/R&D priorities |
| ☒ Monitoring progress towards corporate targets | ☒ Approving and/or overseeing employee incentives |
| ☒ Approving corporate policies and/or commitments | ☒ Overseeing and guiding major capital expenditures |
| ☒ Monitoring the implementation of the business strategy | |
| ☒ Overseeing reporting, audit, and verification processes | |

- ☒ Monitoring the implementation of a climate transition plan
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Overseeing and guiding acquisitions, mergers, and divestitures
- ☒ Monitoring supplier compliance with organizational requirements
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Overseeing and guiding the development of a climate transition plan
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The Board of Directors, our supreme governing body, supervises performance on material sustainability topics including biodiversity related issues. Corporate Governance and Early Detection of Risk Committees are also responsible for environmental related issues. Both committees are chaired by members of our Board. These two committees were established with the purpose of helping the Board of Directors to fulfil their duties and responsibilities in a healthy manner.

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Active member of an environmental committee or organization

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: ☒ Yes
Water	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing supplier compliance with environmental requirements
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ Quarterly

(4.3.1.6) Please explain

CEO is the highest management-level position and has the ultimate responsibility for management strategy and overall management including climate-related issues. CEO is also the Chair of the Executive Leadership Team (ELT) which consists of Global Chief Operation Officers (Global COOs) who oversee plant operations, Chief Business Development Officer, Chief Finance Officer, Chief Digitalization & Integration Officer, Chief Human Resources Officer, Chief Global Sales and Market Officer and Chief Technology Officer. ELT is the highest management-level committee in Kordsa. The CEO is assisted by the Head of Sustainability to monitor climate-related issues with a focus on actively putting in place new approaches to low-carbon transition. Global COO's are ultimately responsible for all climate-related issues on a the business line level. They inform the CEO regarding progress on climate-related action plans and targets on the business line level. The Chief Technology Officer reports on research and development, manufacturing and business units, decides on which low-carbon products need to be developed. Global COO's are also report on value chain engagement indicators related to environmental issues.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing supplier compliance with environmental requirements

- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

CEO is the highest management-level position and has the ultimate responsibility for management strategy and overall management including water-related issues. CEO is the highest management-level position and has the ultimate responsibility for management strategy and overall management including climate-related issues. CEO is also the Chair of the Executive Leadership Team (ELT) which consists of Global Chief Operation Officers (Global COOs) who oversee plant operations, Chief Business Development Officer, Chief Finance Officer, Chief Digitalization & Integration Officer, Chief Human Resources Officer, Chief Global Sales and Market Officer and Chief Technology Officer. ELT is the highest management-level committee in Kordsa. The CEO is assisted by the Head of Sustainability to monitor water-related issues with a focus on actively putting in place initiative to realize water related targets. Global COO's are ultimately responsible of all water-related issues on the business line level. They inform the CEO regarding progress on water-related action plans and targets on a regional level. CTO reports on research and development, manufacturing and business units, related to water-related issues. Global COOs report on value chain engagement indicators related to environmental issues.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing supplier compliance with environmental requirements
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments

- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

CEO is the highest management-level position and has the ultimate responsibility for management strategy and overall management including climate-related issues. CEO is also the Chair of the Executive Leadership Team (ELT) which consists of Global Chief Operation Officers (Global COOs) who oversee plant operations, Chief Business Development Officer, Chief Finance Officer, Chief Digitalization & Integration Officer, Chief Human Resources Officer, Chief Global Sales and Market

Officer and Chief Technology Officer. ELT is the highest management-level committee in Kordsa. The CEO is assisted by the Head of Sustainability to monitor biodiversity related issues with a focus on actively putting in place new approaches. Global COO's are ultimately responsible for all biodiversity-related issues on a the business line level. They inform the CEO regarding progress on biodiversity related issues on the business line level. Global COO's also report on value chain engagement indicators related to environmental issues.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing supplier compliance with environmental requirements
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan

- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

Global Chief Operation Officers who oversee plant operations, are also involved in ELT (Executive Leadership Team) which is the highest management-level committee in Kordsa. Global COO's are ultimately responsible of all climate-related issues on a business line level. They inform the CEO regarding progress on climate-related action plans and targets on business line level.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☑ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☑ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☑ Managing engagement in landscapes and/or jurisdictions
- ☑ Managing supplier compliance with environmental requirements
- ☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☑ Monitoring compliance with corporate environmental policies and/or commitments
- ☑ Measuring progress towards environmental corporate targets
- ☑ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

Strategy and financial planning

- ☑ Conducting environmental scenario analysis
- ☑ Managing annual budgets related to environmental issues
- ☑ Implementing the business strategy related to environmental issues
- ☑ Developing a business strategy which considers environmental issues
- ☑ Managing environmental reporting, audit, and verification processes
- ☑ Managing acquisitions, mergers, and divestitures related to environmental issues

- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

Global Chief Operation Officers who oversee plant operations, are also involved in ELT (Executive Leadership Team) which is the highest management-level committee in Kordsa. Being a part of the ELT, Global COO's are naturally a part of the team with the highest responsibility on water-related issues. Their water-related responsibilities include: - Implementing water-related strategies that are decided by the ELT - Monitoring targets & performance - Implementing the risk management framework in their regions to be able to assess and manage their water related risks properly - Assessing future trends in water demands for their business lines - Supply chain engagement on water related issues Global COOs report the water-related developments in their business line (if there are any) in monthly ELT meetings & in the quarterly meetings that they organize with the Board of Directors. Some of the issues that are reported are; current status of water targets, water-related KPIs and implementation of water related roadmaps.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Setting corporate environmental policies and/or commitments

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing annual budgets related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

There is a standard risk management process as well as business continuity management process in KORDSA, which are under the sole leadership of the CFO and the CEO respectively. Climate-related issues are reviewed by Early Risk Detection Committee. (which consists of 4 Board Members, 2 of whom are independent Board Members), under all risk types with different dimensions such as loss of revenue under financial risks, loss of market share due to inability to meet customer expectations under strategic risks, production & supply chain disruption under production risks, inability to meet regulatory requirements under compliance risks, loss of brand credibility as well as customers due to inaction on climate change under brand image risks & all environmental aspects under environment, security, health and safety risks

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

- ☒ Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

Climate-related dependencies, risks and impacts are reviewed by Early Risk Detection Committee. (which consists of 4 Board Members, 2 of whom are independent Board Members), under all risk types with different dimensions such as loss of revenue under financial risks, loss of market share due to inability to meet customer expectations under strategic risks, production & supply chain disruption under production risks, inability to meet regulatory requirements under compliance risks, loss of brand credibility as well as customers due to inaction on climate change under brand image risks & all environmental aspects under environment, security, health and safety risks.

Water

(4.3.1.1) Position of individual or committee with responsibility

Committee

☒ Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ Quarterly

(4.3.1.6) Please explain

There are 4 members of the committee who are appointed by the Company's Board of Directors (BoD) in which two of them (including chairman) are independent members of the BoD. The Company's Assistant General Manager of Finance acts as the Reporter of the Committee. Water related dependencies and risks that may have a substantial impact (as defined in section 4.1) are evaluated by the Committee and reported to the BoD. Any incident such as flood, drought or other water related risks with those criteria are reviewed by Committee. The committee is responsible to identify water related risks and impacts that may endanger the existence and continuation of the Company, to establish detection models, to organize relevant water management systems, to implement necessary precautions and to manage the overall water related risks.

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

	Provision of monetary incentives related to this environmental issue	% of total C-suite and board-level monetary incentives linked to the management of this environmental issue	Please explain
Climate change	Select from: ☒ Yes	3	The management of climate-related issues are included in the KPI's of key decision-makers
Water	Select from: ☒ Yes	3	The management of climate-related issues are included in the KPI's of key decision-makers

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary
- ☒ Salary increase

(4.5.1.3) Performance metrics

Targets

- ☒ Achievement of environmental targets
- ☒ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

- ☒ Board approval of climate transition plan
- ☒ Shift to a business model compatible with a net-zero carbon future

Emission reduction

- ☒ Reduction in absolute emissions

Policies and commitments

- ☒ Increased supplier compliance with environmental requirements

Engagement

- ☒ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The CEO is ultimately responsible of all climate-related issues on a company level. Achievement of business objectives including meeting emission reduction targets and shifting to a business model compatible with a net-zero carbon future. As a result of achievement of defined climate related performance measures, the CEO fulfils his/her targets and becomes entitled to a monetary reward in the form of an enhanced salary and a bonus.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Those incentive related performance indicators defined for CEO are directly generated from Kordsa's near-term and long-term GHG emission reduction target and also includes shifting to a business model compatible with a net-zero carbon future approach and board approval of transition plan, therefore it contributes directly to our climate commitments.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

☒ Salary increase

(4.5.1.3) Performance metrics

Targets

☒ Achievement of environmental targets

Strategy and financial planning

☒ Increased investment in environmental R&D and innovation

Resource use and efficiency

☒ Reduction of water withdrawals – direct operations

- ☒ Improvements in water efficiency – direct operations

Pollution

- ☒ Improvements in wastewater quality – direct operations
- ☒ Reduction or phase out of hazardous substances
- ☒ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

Policies and commitments

- ☒ Increased supplier compliance with environmental requirements
- ☒ Increased access to workplace WASH – direct operations
- ☒ Increased access to workplace WASH – upstream value chain (excluding direct operations)

Engagement

- ☒ Increased engagement with suppliers on environmental issues
- ☒ Increased engagement with customers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

In 2023 our CEO approved the following targets: 1-Reduce water withdrawn by 30% from base year 2019 and the target year is set as 2030. 2-100% of all facilities to maintain access to workplace WASH. As this target is included in the KPI's of our CEO, he/she is entitled to a monetary reward in the form of a bonus or increase in salary, if they show progress to achieve this target. Those targets are also included in the KPI's of Global COO's and they are entitled to a monetary reward in the form of a bonus or increase in salary, if they show progress to achieve this target. By inclusion of this indicator in the KPI's of our Global COO's, we are including the top management of each business unit and region in this ambitious water reduction target

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

This incentive contributes to the achievement of Kordsa's corporate level water target to reduce water withdrawn / sales tonnage of product by 50% through withdrawal efficiency related KPIs set for the CEO and each Kordsa Region's COO. It also contributes Kordsa's corporate level WASH target of 100% of all facilities to maintain access to workplace WASH.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- ☒ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary
- ☒ Salary increase

(4.5.1.3) Performance metrics

Targets

- ☒ Achievement of environmental targets
- ☒ Reduction in absolute emissions in line with net-zero target

Emission reduction

- ☒ Implementation of an emissions reduction initiative

Resource use and efficiency

- ☒ Energy efficiency improvement

Engagement

- ☒ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Global COO's of each business line are ultimately responsible of all climate-related issues on business line level. Performance indicators of Global COOs' are linked to Kordsa's corporate level near-term GHG emission reduction targets., We have a supplier engagement target on climate-related issues and one of the KPI's of our Global COOs is to increase engagement with suppliers

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Those incentive related performance indicators defined for Global COOs are directly generated from Kordsa's near-term and long-term GHG emission reduction targets and also includes implementation of emission reduction initiatives, increase of energy efficiency, increase supplier engagement on climate related topics, therefore it contributes directly to our climate commitments.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- ☒ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary
- ☒ Salary increase

(4.5.1.3) Performance metrics

Targets

- ☒ Achievement of environmental targets

Resource use and efficiency

- ☒ Reduction of water withdrawals – direct operations
- ☒ Improvements in water efficiency – direct operations

Pollution

- ☒ Improvements in wastewater quality – direct operations
- ☒ Reduction or phase out of hazardous substances

Policies and commitments

- ☒ Increased access to workplace WASH – direct operations
- ☒ Increased access to workplace WASH – upstream value chain (excluding direct operations)

Engagement

- ☒ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Kordsa has water related corporate targets; 1-Reduce water withdrawn / sales tonnage of product by 50% Base year for this target is 2019 and the target year is set as 2030. 2-100% of all facilities to maintain access to workplace WASH. Those targets are also included in the KPI's of our Global COO's and they are entitled to a monetary reward in the form of a bonus or increase in salary, if they show progress to achieve this target. By inclusion of this indicator in the KPI's of our Global COO's, we are including the top management of each region in this ambitious water reduction target

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

This incentive contributes to the achievement of our Kordsa's corporate level water target to reduce water withdrawn / sales tonnage of product by 50% through withdrawal efficiency related KPIs set for the CEO and Global COOs. It also contributes our WASH target of 100% of all facilities to maintain access to workplace WASH through WASH related KPI's.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- ☒ Chief Procurement Officer (CPO)

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary
- ☒ Salary increase

(4.5.1.3) Performance metrics

Emission reduction

- ☒ Implementation of an emissions reduction initiative

Engagement

- ☒ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

The position that equals to CPO in our organizational chart is Global COOs. Our Global COOs have supply chain engagement related targets which is also included in their KPIs. If the target is met, our Global COOs become entitled to a monetary reward in the form of an enhanced salary and a bonus

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

This incentive contributes especially to our SBTi approved Scope 3 targets. We have a supplier engagement target and one of the KPI's of our Global COOs' is to increase engagement with suppliers

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☒ Other facility/unit/site manager, please specify :Head of Sustainability

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

☒ Salary increase

(4.5.1.3) Performance metrics

Targets

☒ Achievement of environmental targets

☒ Reduction in absolute emissions in line with net-zero target

Emission reduction

☒ Implementation of an emissions reduction initiative

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Kordsa has a global level Sustainability Roadmap consisting of the Company's medium and long-term sustainability targets and commitments including GHG emissions management, responsible use of raw materials, recycling targets, increase of supplier engagement on climate-change related topics, awareness raising activities on climate-related issues. Head of Sustainability has individual targets in achieving each target in the Sustainability Roadmap. As a result of realization of these targets, Head of Sustainability receives a monetary reward.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

This incentive is linked to KPI's that are closely linked to our organization's climate commitments.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- ☒ Buyers/purchasers

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary
☒ Salary increase

(4.5.1.3) Performance metrics

Engagement

- ☒ Increased engagement with suppliers on environmental issues

☒ Increased value chain visibility (traceability, mapping)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:
☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Buyers/Purchasers have targets related to supply chain engagement and supply chain sustainability monitoring. If the target is met, Buyers/Purchasers become entitled to a monetary reward in the form of an enhanced salary and a bonus

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

This incentive contributes especially to our SBTi approved Scope 3 targets. We have a supplier engagement target and one of the KPI's of our Buyers/Purchasers is to increase engagement level with suppliers regarding environmental topics.

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

(4.6.1.2) Level of coverage

Select from:

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(4.6.1.4) Explain the coverage

Kordsa's Sustainability Policy spans the entire value chain, defining roles and responsibilities across the company. Complemented by a Global Environmental Policy and Water Policy, its purpose is to clearly communicate Kordsa's sustainability philosophy, demonstrate its integration into the business model, and establish a governance framework to ensure compliance with corporate principles. Innovation, technology, and R&D are central to Kordsa's approach, with a strong emphasis on engaging key stakeholders such as employees, customers, shareholders, and investors. The company sets qualitative and quantitative goals for the short, medium, and long term, aiming to meet social, environmental, and legal standards in every country of operation. Collaboration with suppliers and customers is crucial to achieving these goals, driven by the dedication of Kordsa's workforce. Kordsa's commitment to a sustainable environment includes reducing energy consumption, investing in renewable energy, improving air quality, minimizing waste, conserving water, reusing materials, and protecting biodiversity. The company pledges to pursue projects and initiatives that support these objectives, reinforcing its core value of environmental stewardship.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to a circular economy strategy
- ☒ Commitment to comply with regulations and mandatory standards

- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to respect legally designated protected areas
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to net-zero emissions
- ☒ Commitment to not funding climate-denial or lobbying against climate regulations

Water-specific commitments

- ☒ Commitment to reduce water withdrawal volumes
- ☒ Commitment to reduce or phase out hazardous substances
- ☒ Commitment to control/reduce/eliminate water pollution
- ☒ Commitment to safely managed WASH in local communities
- ☒ Commitment to the conservation of freshwater ecosystems
- ☒ Commitment to water stewardship and/or collective action

Social commitments

- ☒ Adoption of the UN International Labour Organization principles
- ☒ Commitment to promote gender equality and women's empowerment
- ☒ Commitment to respect internationally recognized human rights

Additional references/Descriptions

- ☒ Acknowledgement of the human right to water and sanitation
- ☒ Description of impacts on natural resources and ecosystems
- ☒ Description of environmental requirements for procurement
- ☒ Recognition of environmental linkages and trade-offs

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with the Paris Agreement
- ☒ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

☒ Yes, in line with another global environmental treaty or policy goal, please specify :Sustainable Development Goal 12: Responsible Consumption and Production, Sustainable Development Goal 13: Climate Action Sustainable Development Goal 17: Partnerships for the Goals

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

Sustainability & Water Policy.pdf

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ UN Global Compact

☒ Other, please specify :**Alliance of CEO Climate Leaders**

☒ We Mean Business

☒ Race to Zero Campaign

☒ Science-Based Targets Initiative (SBTi)

☒ World Business Council for Sustainable Development (WBCSD)

(4.10.3) Describe your organization's role within each framework or initiative

Through our commitment to SBTi on 02.09.2021 we have also committed to Business Ambition for 1.5C, We Mean Business and UNFCCC Race to Zero Campaign. UN Global Compact: Kordsa is a signatory of UN Global Compact since 2014. Each year we disclose our COP report. We also participate in UN Global Compact's climate change related programs. World Business Council on Sustainable Development: Kordsa is a member of WBCSD Turkey since 2010. Kordsa also actively takes part in WBCSD Turkey's working groups. Alliance of CEO Climate Leaders: Kordsa became a member of WEF's Alliance of CEO climate leaders A CEO-led

community committed to raising bold climate ambition and accelerating the net zero transition by setting science-based targets, disclosing emissions and catalysing decarbonization and partnerships across global value chains.

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☒ Paris Agreement

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

☒ Another global environmental treaty or policy goal, please specify :SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, SDG 17: Partnerships for the Goals

(4.11.4) Attach commitment or position statement

Kordsa-Sustainability Policy.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☒ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

KORDSA TEKNİK TEKSTİL A.Ş. (KORDS) is registered to Public Disclosure Platform (KAP). Registration Number is 26907.

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

Kordsa's climate change and water-related strategies are very well known by our employees, especially the Management Level employees as they are the first to be briefed about any changes/development in the company strategies. All communication activities to be carried out with individuals, organizations and state institutions outside the company are determined by Kordsa's company rules. According to these rules, all the information that will be presented outside of the company is subject to approval of Corporate Communication Department. From Management levels to our Board Members, whenever someone is going to represent Kordsa in any kind of event or meeting sustainability-related topic, their presentations are either prepared or approved by the Sustainability Department. The Sustainability and Corporate Communication Departments work in harmony for such events or meetings. Our communication activities for sustainability-related topics are led by our Sustainability Department which is responsible for all our sustainability, climate change and water related studies, from developing strategies to preparation of our CDP report and water policy. As all of these communication activities go through Sustainability and Communication Department there is very little risk that there will be any kind of activity that conflicts with our environmental, sustainability and water policies and/or commitments. However, if such a conflict occurs, the event is taken to our ethics board, and the employee receives a warning from our CEO. Also, a suitable corrective action is implemented immediately upon recognition of such a conflict.

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- ☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

- ☒ Other trade association in Europe, please specify :Istanbul Chamber of Industry

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- ☒ Climate change
☒ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- ☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- ☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Istanbul Chamber of Industry (ICI) emphasizes the importance of sustainable industrial practices, addressing environmental issues such as climate change and water security. Their policies focus on promoting energy efficiency, reducing carbon emissions, and implementing water conservation measures within the industrial

sector. ICI also engages in projects and initiatives aimed at fostering environmental awareness and compliance among its members, aligning with global standards and regulations. As Kordsa we publicly promote their current position and we take part in ICI's projects related to water, climate change and environment. We also participate in sectoral level legislative trainings and programs.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

930

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The funding figure provided to Istanbul Chamber of Industry only includes membership fees, we do not provide any other funding.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

- ☒ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

TÜSİAD is a voluntary, independent, non-governmental organization dedicated to promote welfare through private enterprise. TÜSİAD's activities are aimed at creating a social cohesion based on the competitive market economy, sustainable development and participatory democracy. TÜSİAD is a member of BusinessEurope which is the leading advocate for growth and competitiveness at European level. TUSİAD has various roundtables including energy, environment and climate change.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- ☒ Climate change
☒ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- ☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- ☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

One of TÜSİAD’s core focus areas is climate change. TÜSİAD has a roundtable called “The Energy, Environment and Climate Change Roundtable. This roundtable aims to contribute to embedding sustainable development principles and to the environmental protection and spreading out the principles of low carbon economy into the business practices. There is a specific Environment and Climate Change working group that works under this roundtable, as Kordsa we involve in this work space. This organization also consolidates opinions of private sector companies and share it with the law makers. This working group has provided feedbacks on current as well as potential emerging climate and energy related regulations. As Kordsa we shares our opinions on legislations via this organization. As Kordsa we publicly promote TÜSİAD’s position on climate change as it is aligned with our approach and goals of the Paris Agreement.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

7372

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The funding figure provided to TÜSİAD only includes membership fees, we do not provide any other funding.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

☒ Kunming-Montreal Global Biodiversity Framework

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

- ☒ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

- ☒ International Governmental Organization (IGO)

(4.11.2.3) State the organization or position of individual

The Business and Sustainable Development Council (BCSD Türkiye) is a business association that only accepts corporate memberships. As the regional network and business partner of the World Business Council for Sustainable Development (WBCSD), BCSD Türkiye shares the sustainability issues that come with this collaboration with its members, which include working groups, and through its various platforms.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- ☒ Climate change
☒ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- ☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Kordsa is a member and also participates BCSD Türkiye's working groups. The Transition to a Low Carbon Economy and Efficiency Working Group at BCSD Türkiye is dedicated to advancing climate change and water security efforts within the business sector. Their goal is to leverage the expertise and regulations in climate policy to foster constructive discussions and guide businesses in adapting to climate change. By drawing on the global framework of WBCSD, the group aims to integrate best practices from around the world into local industries. They also offer masterclasses and translate WBCSD reports into Turkish to support businesses in achieving net zero carbon emissions. Our CEO is the co-chairman of BCSD Türkiye's Transition to a Low Carbon Economy and Efficiency working group. We publicly promote their position on climate change and environmental issues such as water security, biodiversity and plastics.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

2106

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The funding figure provided to BCSD Türkiye only includes membership fees, we do not provide any other funding.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

- ☒ Paris Agreement
- ☒ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- ☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- ☒ GRI

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

(4.12.1.4) Status of the publication

Select from:

- ☒ Complete

(4.12.1.5) Content elements

Select all that apply

- | | |
|---|--|
| ☒ Strategy | ☒ Value chain engagement |
| ☒ Governance | ☒ Water accounting figures |
| ☒ Emission targets | ☒ Water pollution indicators |
| ☒ Emissions figures | |
| ☒ Risks & Opportunities | |

(4.12.1.6) Page/section reference

Governance; 17-18 pages, 24-25 pages Risks, opportunities & impacts management; 26-40 pages Strategy; 13-17 pages Value chain engagement; 66-69 pages Emission Figures; 81, 125-127 pages Emission targets; 80 Water accounting figures; 131-134 pages Water pollution indicators; 134

(4.12.1.7) Attach the relevant publication

2023 Kordsa Sustainability Report Summary.pdf

(4.12.1.8) Comment

Kordsa publishes GRI aligned sustainability report on a yearly basis.

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Not defined

Water

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

☒ Market

☒ Reputation

☒ Technology

☒ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☒ Climate change (one of five drivers of nature change)

Finance and insurance

☒ Cost of capital

Stakeholder and customer demands

☒ Consumer sentiment

Regulators, legal and policy regimes

☒ Global regulation

☒ Level of action (from local to global)

☒ Global targets

☒ Methodologies and expectations for science-based targets

Relevant technology and science

☒ Granularity of available data (from aggregated to local)

Direct interaction with climate

☒ On asset values, on the corporate

☒ Perception of efficacy of climate regime

Macro and microeconomy

- ☒ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

As we have already committed to become net-zero by 2050, we have used IEA NZE2050 scenario to evaluate our climate-related transition risks. This scenario assumes that advanced economies will reach net zero in advance of 2050 and sets out an emissions trajectory consistent with a 50% chance of limiting the global temperature rise to 1.5C without a temperature overshoot. The pathway described in this scenario is designed to maximize technical feasibility, cost-effectiveness and social acceptance while ensuring continued economic growth and secure energy supplies. As we identify our risks and opportunities in short-medium and long-term time horizons, we apply the same time horizons when assessing the climate-related scenarios. All of our operations are included in the scenario analysis. Kordsa operates in 6 countries, all of which have ratified the Paris Agreement. On another level, although we don't have any tire-reinforcement production facilities in Europe and Japan, we have very important customers in those regions, and therefore the transitional policies of these regions are also monitored and included in our climate-related qualitative scenario analysis

(5.1.1.11) Rationale for choice of scenario

NZE2050 Scenario helps us better navigate regulatory, financial and market shifts. Aligning with a net-zero scenario we are able to anticipate shifts in demand for low-carbon materials.

Water

(5.1.1.1) Scenario used

Water scenarios

- ☒ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

- ☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

- ☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical
- ☒ Policy
- ☒ Reputation

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030
- ☒ 2050
- ☒ 2080

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes to the state of nature
- ☒ Number of ecosystems impacted
- ☒ Changes in ecosystem services provision
- ☒ Climate change (one of five drivers of nature change)

Finance and insurance

- ☒ Other finance and insurance driving forces, please specify :Investments in water infrastructure and technologies

Stakeholder and customer demands

- ☒ Consumer sentiment
- ☒ Consumer attention to impact

- ☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Level of action (from local to global)
- ☑ Global targets

Relevant technology and science

- ☑ Granularity of available data (from aggregated to local)

Direct interaction with climate

- ☑ On asset values, on the corporate

Macro and microeconomy

- ☑ Domestic growth
- ☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

We use WRI Water Risk Atlas Tool as a tool for water related scenario analysis. The tool estimates indicators of water demand (withdrawal and consumptive use), water supply, water stress (the ratio of water withdrawal to supply), and intra-annual (seasonal) variability for the periods centered on 2030, 2050, and 2080. We used the optimistic scenario of WRI to assess mainly regulatory and reputational risks. The "optimistic" scenario (SSP1 RCP2.6) represents a future that limits the rise in average global surface temperatures by 2100 to 1.3C to 2.4C compared to preindustrial levels. This scenario assumes significant global efforts to reduce GHG emissions. SSP1 is characterized by sustainable socioeconomic growth: stringent environmental regulations and effective institutions, rapid technological change and improved water use efficiencies, and low population growth. There are of course some uncertainties in WRI Scenarios like climate model variability, policy implementation and behavioral changes. The constraints in the scenario are mainly the availability and quality of data and the temporal and spatial resolution.

(5.1.1.11) Rationale for choice of scenario

WRI Aqueduct is a very comprehensive and well-known tool which we utilize for our future strategies. We use this tool in order to prepare for future challenges and seize opportunities to lead in sustainable water management. We use both optimistic and pessimistic future projections of the tool to analyze our vulnerability for future challenges related to water.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP5

(5.1.1.3) Approach to scenario

Select from:

☒ Quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 4.0°C and above

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2050

☒ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes to the state of nature
- ☒ Number of ecosystems impacted
- ☒ Changes in ecosystem services provision
- ☒ Speed of change (to state of nature and/or ecosystem services)
- ☒ Climate change (one of five drivers of nature change)

Finance and insurance

- ☒ Cost of capital
- ☒ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- ☒ Consumer attention to impact
- ☒ Impact of nature footprint on reputation

Regulators, legal and policy regimes

- ☒ Global regulation
- ☒ Political impact of science (from galvanizing to paralyzing)
- ☒ Level of action (from local to global)
- ☒ Global targets

- ☑ Methodologies and expectations for science-based targets

Relevant technology and science

- ☑ Granularity of available data (from aggregated to local)

Direct interaction with climate

- ☑ On asset values, on the corporate
- ☑ Perception of efficacy of climate regime

Macro and microeconomy

- ☑ Domestic growth
- ☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

As we identify our risks and opportunities in short-medium and long-term time horizons, we apply the same time horizons when assessing the climate-related scenarios. All of our operations are included in the scenario analysis. Kordsa operates in 6 countries, all of which have ratified the Paris Agreement. On another level, although we don't have any tire-reinforcement production facilities in Europe and Japan, we have very important customers in those regions, and therefore the acute and chronic physical impacts of climate-change are also included in our climate-related scenario analysis for those regions. To better understand the worst-case scenarios and physical impacts of climate-change on our operations, we have started using IPCC RCP 8.5 scenario combined with SSP5, which results in a high-emissions, fossil-fueled development pathway. This scenario assumes rapid economic growth, high energy demand, and heavy reliance on fossil fuels, leading to significant greenhouse gas emissions. The uncertainties include the potential for technological breakthroughs that could mitigate emissions, the sensitivity of the climate system, and future policy changes. Constraints involve regulatory pressures, resource availability, and the need for adaptation to extreme weather events and shifting market dynamics. For a company producing reinforcement products for the tire industry, this scenario suggests a challenging environment with increased operational costs and the necessity for sustainable practices to meet regulatory and consumer demands.

(5.1.1.11) Rationale for choice of scenario

RCP 8.5 in conjunction with SSP5 is selected in order to be able to prepare for the worst-case scenarios in terms of physical impacts of climate change.

Water

(5.1.1.1) Scenario used

Water scenarios

☒ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

☒ Policy

☒ Reputation

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2050

☒ 2080

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes to the state of nature
- ☒ Number of ecosystems impacted
- ☒ Changes in ecosystem services provision
- ☒ Climate change (one of five drivers of nature change)

Finance and insurance

- ☒ Other finance and insurance driving forces, please specify :Investments in water infrastructure and technologies

Stakeholder and customer demands

- ☒ Consumer sentiment
- ☒ Consumer attention to impact
- ☒ Impact of nature footprint on reputation

Regulators, legal and policy regimes

- ☒ Global regulation
- ☒ Level of action (from local to global)
- ☒ Global targets

Relevant technology and science

- ☒ Granularity of available data (from aggregated to local)

Direct interaction with climate

- ☒ On asset values, on the corporate

Macro and microeconomy

- ☒ Domestic growth
- ☒ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

We use WRI Water Risk Atlas Tool as a tool for water related scenario analysis. The tool estimates indicators of water demand (withdrawal and consumptive use), water supply, water stress (the ratio of water withdrawal to supply), and intra-annual (seasonal) variability for the periods centered on 2030, 2050, and 2080. We used the pessimistic scenario of WRI to assess mainly physical risks together with regulatory and reputational risks. The "pessimistic" scenario (SSP5 RCP8.5) represents a future where temperatures increase up to 3.3C to 5.7C by 2100. This scenario assumes growth based on fossil fuels and globalization powered by carbon-intensive energy. There are of course some uncertainties in WRI Scenarios like climate model variability, policy implementation and behavioral changes. The constraints in the scenario are mainly the availability and quality of data and the temporal and spatial resolution.

(5.1.1.11) Rationale for choice of scenario

WRI Aqueduct is a very comprehensive and well-known tool which we utilize for our future strategies. We use this tool in order to prepare for future challenges and seize opportunities to lead in sustainable water management. We use both optimistic and pessimistic future projections of the tool to analyze our vulnerability for future challenges related to water.

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management
- ☒ Strategy and financial planning
- ☒ Resilience of business model and strategy
- ☒ Capacity building
- ☒ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

According to NZE 2050, in order to reach the goals of the Paris agreement there has to be a major shift in the transportation industry. Electric car sales would need to be 18 times more in 2030 than it was in 2020, and by 2050 cars on the road worldwide run on electricity or fuel cells. The NZE assumes that air travel, measured in revenue-passenger kilometers, increases by only around 3% per year to 2050 relative to 2020. This compares with about around 6% over the 2010-19 period. The NZE assumes that aviation growth is constrained by comprehensive government policies that promote a shift towards high-speed rail and rein in expansion of long-haul business travel, e.g. through taxes on commercial passenger flights. Kordsa's main clients are tire producers and these kinds of shifts in the transportation industry, may present an opportunity or become a risk, depending on how early we position ourselves in the industry. As a result, it is expected that the demand for sustainable products will increase in the not-so distant future. Description on how the results of the scenario analysis have informed at least one decision or action in relation to target setting and transition planning: In line with scenario analysis Kordsa have decided to get approval from SBTi for its long-term emission reduction goals. Also in the reporting year Kordsa decided to invest in Bpreg company which is developing industrial biocomposites using organic fibers. For the worst-case scenario, we use RCP 8.5 combined with SSP5, which suggests a future with high GHG driven by rapid economic growth and heavy reliance on fossil fuels. The expected physical impacts include but not limited to: - Significant increase in global temperatures leading to more frequent heatwaves, droughts and water shortages - Increased frequency and severity of extreme weather events like storms and floods in some regions - Heightened scarcity of critical resources, driving up costs and necessitating more sustainable practices Description on how the results of the scenario analysis have informed at least one decision or action in relation to resilience of business model and strategy: In order to increase the resilience of our business to climate related physical impacts, as a precaution for an expected scarcity of critical resources, our ELT decided to start 100% wastewater recycling project in our Indonesia facility. The project was completed at the end of December 2023, and the significant benefits are expected to be realized starting in 2024. With this project the wastewater in our Indonesia facility will be recycled and the plant will have near-zero discharge. As another bold effort to increase the resilience of the business model and strategy, solar power panel plants are implemented in Indonesia and Thailand facilities. Given Indonesia's reliance on fossil fuels for energy, there is a potential risk of future energy supply disruptions. The solar power plant operating at our Indonesia facility helps to mitigate these energy dependency risks. With this project, as we will be recycling the water we use; our withdrawal amounts will also decrease. At Kordsa, we have long been focused on sustainable product development activities in our R&D centers to strengthen our capacity-building efforts. In 2023, 61.6% of our total R&D budget was allocated to sustainable product development projects. In 2023 our sustainable product revenue was %13.17

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management
- ☒ Strategy and financial planning
- ☒ Resilience of business model and strategy
- ☒ Capacity building
- ☒ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

We considered the optimistic and pessimistic scenarios for 2030, 2050 and 2080. 2. According to WRI Aqueduct water stress country ratings data set: Türkiye ranks 31st on the industrial water stress (High 40-80%) Italy ranks 40th with High industrial water stress (40-80%) Indonesia ranks 91st with Low-medium industrial water stress (10-20%) United States ranks 78th with Low-Medium(10-20%) Thailand ranks 57th with Medium-high water stress (20-40%) Brazil ranks 105th with Low water stress (

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

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

(5.2.3) Publicly available climate transition plan

Select from:

☒ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☒ No, but we plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

Our process is dependent on natural gas, currently we are researching alternative fuels to be used in our operations, and as technology develops we believe we will be able to shift to more sustainable alternatives. Although an explicit commitment to cease all spending on and revenue generation from fossil fuels is targeted internally, we are waiting to come up with sustainable alternatives. In order to make the necessary commitments, technological developments must be in a direction that will meet our needs for sustainable resources and technologies. Otherwise, we there is a chance of not being able to fulfill our commitments and/or losing our competitive advantage and profitability in the sector.

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

Select from:

☒ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

In the Annual General Meeting, we have shared our low-carbon transition plan and replied the questions of our shareholders. Especially during the AGM held in the reporting year we have received many questions about climate-related performance, our transition plan and also our strategies about the emerging regulation like EU-CBAM, Turkish ETS, etc. Although the transition plan is shared in the AGM's it was not voted in 2023.

(5.2.9) Frequency of feedback collection

Select from:

☒ Annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

KORDSA's climate transition plan relies on several key assumptions and dependencies. It assumes the availability and scalability of alternative and more efficient technologies to reduce natural gas usage and electrify transportation and processes. The plan depends on the successful implementation of renewable energy projects, such as rooftop solar panels and renewable PPAs, and the availability of low GWP cooling gases and heat pumps. Additionally, the plan assumes that suppliers of high-impact raw materials will align with SBTi. The transition plan also depends on the broader context of policy and regulatory support, as well as the decarbonization of the energy grid, as outlined in the International Energy Agency's NZE2050 scenario and IPCC RCP 8.5 Scenario.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

We finalized renewable energy investments in our facilities in Thailand and Indonesia. We have a dedicated budget for purchasing renewable energy attribute certificates. Our low-carbon transition plan relies mainly on renewable energy investments and PPA's with bundled energy attribute certificates. We are investigating renewable energy purchase options in the countries where we operate. To reduce our Scope 1 emissions, we are currently investigating alternative technologies. In 2023, 73,846 MWh of total electricity consumption was from renewable sources, we also saved 70,335 MWh of energy through various energy efficiency projects. We proceeded the Scope 2 in emission reduction actions indicated in our Roadmap for Low-Carbon; rooftop solar panel installation in Indonesia and Thailand and energy efficiency projects. We saved 3,898 MWh of energy through electricity-saving projects and 1,571 MWh with natural gas saving projects in 2023.

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

Kordsa Climate Transition Plan_V2.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☒ No other environmental issue considered

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☒ Products and services

☒ Upstream/downstream value chain

☒ Investment in R&D

☒ Operations

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As awareness is rising and the impacts of climate change are becoming more visual, there is a shift in customer preferences towards more sustainable/ low-carbon products. As a strategic decision influenced by climate-related risks & opportunities, we decided to conduct more R&D projects to transform our existing product portfolio and to create new products including recycled or bio-based materials. Our R&D centers each year start new projects in line with costumers' expectations. These R&D activities mainly focus on; reducing the weight of the final product (which in turn reduces the fuel consumption), usage of recycled or bio-based raw materials and reducing product level carbon footprint. As the GHG emission regulations are becoming stricter throughout the world, these new products will be more attractive for the costumers. Time horizons covered: Short-medium and long term CASE STUDY: Developed products by R&D; Nylon Yarn and Tire Cord Fabric with 40% recycled content: We produce recycled content nylon yarn and nylon tire cord fabric with the recycled raw material obtained by recycling the by-product during Kordsa's yarn production processes. Nylon yarn and cord fabric were produced by using 40% recycled raw materials. We have tested this new product with recycled content, and the test results are very promising. LCA study shows that compared to using 100% virgin raw materials, the 40 % recycled content provides 33% less carbon footprint. In the future, we also plan to evaluate recycled nylon raw material from post-consumer sources. Biobased Honeycomb: The use of phenolic honeycomb structures in aviation applications is quite common. Resin is an important raw material of honeycomb production. We developed a bio-based alternative resin system (furan resin) that is produced from sugar cane waste instead of petroleum-based resins and used it in honeycomb production. We have also implemented circular economy practices by recycling the waste obtained from the field to industry. Thus, we have produced a new generation, bio-based, sustainable product with a very low carbon footprint through its content and production method.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☒ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our whole value chain is always included in our climate-related risk analysis and the results of the risk analysis are always reflected to our short-medium and long-term strategies. We are aware that if we don't maintain a sustainable supply chain, we may be faced with risk to our business continuity and a risk to achieve our scope 3 emission reduction targets. That's why we started supply chain sustainability assessment program in 2020. Time horizons covered: Short-medium and long term A case-study of most important strategic decisions (medium & long-term): In order to effectively manage supply chain related risks, we have developed a Sustainability Supply Chain Assessment Program. Our supply chain department prepared a Kraljic Matrix through which, we request sustainability assessments from the suppliers with high purchasing volume and have substantive impacts on our scope 3 targets. In 2023, we conducted sustainability assessments for 191 of our suppliers using different tools. We use various tools for supplier sustainability monitoring such as Ecovadis, Kordsa annual supplier survey and sustainability audits. The magnitude of this strategic impact is considered to be high as sustainable supply chain is a critical element of our business success. Also in 2021 we started an engagement campaign with our suppliers about GHG emission management. We periodically meet with our suppliers which have a high impact on our Scope 3 Cat: 1 Purchased Goods and Services category emissions.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Kordsa considers R&D investments driven by climate-related impacts as an opportunity to create new markets and extend the presence on the existing market. In order to capitalize on this opportunity, Kordsa dedicates an annual budget to R&D activities. In 2023 our total R&D budget's 61.6% was allocated to sustainable product development projects. Time horizons covered: Short-medium and long term A case-study of most important strategic decisions (short-term): In the reporting period, Kordsa invested around 13.1 million USD in R&D activities to develop low carbon products with lower environmental impact. The magnitude of impact that this area has on our business is considered to be medium.

Operations

(5.3.1.1) Effect type

Select all that apply

☒ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Kordsa aims to reduce Scope 1&2 emissions 46.2% by 2030 compared to 2019 base year in line with our approved science-based targets. These targets are the basis of climate transition roadmap that identify actionable levers, costs and timeframe. It can also be seen in Risk 2 detailed in section 3.1.1 of this report, Kordsa has a transition risk related to the possible implementation of an emission trading scheme in Turkey. The most substantial strategic decisions that were influenced by climate-related risks in our operations was to increase renewable energy installed capacity. We have also made agreements for on-site solar panel production in Indonesia and Thailand facilities. In 2023 Kordsa's renewable electricity usage percentage was 13.46%, Kordsa aims to increase this ratio. Kordsa performs various energy efficiency and water efficiency projects. Kordsa is committed to a 30% reduction in water withdrawal by 2030, actively pursuing water-saving projects annually. Our focus areas encompass rainwater utilization, wastewater recycling, pollution-reducing wastewater technologies, and water-saving methods. In 2024, Kordsa targets to reduce 10% water withdrawal compared to 2023. We have Water, Sanitation, and Hygiene (WASH) target which aims to maintain 100% of our employees have access to safely managed drinking water and sanitation services.

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- | | |
|--|--|
| ☒ Assets | ☒ Capital allocation |
| ☒ Revenues | ☒ Capital expenditures |
| ☒ Liabilities | |
| ☒ Direct costs | |
| ☒ Indirect costs | |

(5.3.2.2) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- ☒ Climate change
- ☒ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Revenues: The demand for low carbon and low water impact products in the market can influence revenues. In terms of opportunities, there are many new and innovative products that we are working on developing, which will in turn give us access to new markets and increase our revenues. As an example electric vehicle market is expected to grow. This presents Kordsa with a new opportunity for our composites business. Lightweight composites are a key element for the development

of electric vehicles and sustainable transport solutions. Our carbon fiber fabrics can be used in battery enclosures of EVs, making the EV batteries lighter and more durable. **Direct & Indirect Costs:** Our direct & indirect costs planning takes the environment-related risks into account as we are already experiencing price increase on energy and water prices, fossil fuel derived raw materials, and trading obligations. As there is a consistent and increasing trend to divest from fossil fuel intensive sectors, we expect the prices of raw materials to become higher. **Capital expenditures & allocation:** To achieve our climate and water related targets we have a time-bound sustainability related CAPEX plan which is also a part of our climate-transition plan. As a direct result of our risk assessment, we have a dedicated R&D and energy efficiency budget. We have allocated a fair amount of capital on various energy efficiency projects. In the reporting year, our Turkey, Indonesia and Thailand plants implemented energy efficiency projects to reduce natural gas and electricity consumptions. We have spent around 415690 USD for the implementation of those projects which resulted in major energy efficiency. This action is also a response to Risk 2 detailed in 3.1.1. **Assets:** Especially climate related physical risks have already impacted some of our facilities, namely Thailand and Turkey production facilities. As a result of a flooding event that took place in both locations, we have experienced damage to our facilities, causing temporary disruption to production increasing capital expenditure as well as operating costs. Also, acute and chronic physical effects of climate change may result in damaging our assets which influenced our long-term financial planning. **Liabilities:** Lenders as well as insurers consider ESG risks and opportunities while determining our liabilities. Due to its location (by a river flood plain) our Izmit production facility has experienced insurance cost increase in recent years.

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition
	Select from: ☒ Yes	Select all that apply ☒ Other methodology or framework

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ Other, please specify :Alignment with our climate transition plan

(5.4.1.5) Financial metric

Select from:

☒ OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

863690

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

0.8

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

1.5

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

10

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Realization of virtual power purchase agreements with our power supply companies is a planned action to realize Kordsa's climate transition plan, in line with 2025 and 2030 emission reduction targets Kordsa allocates budget for extra costs of renewable energy attribute certificates and energy efficiency projects. Kordsa also works with consultancy companies for emission reduction projects and calculations. For this consultancy also Kordsa allocates budget. In Turkey, also an ETS system will be established. Kordsa also allocate budget for costs related to for future CO2 allowances.

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ Other, please specify :Alignment with our climate transition plan

(5.4.1.5) Financial metric

Select from:

☒ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

655433

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

0.6

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

1.7

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

2

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

In line with Kordsa's climate transition plan, planned actions for emission reduction for each facility included in Kordsa's strategic plans. Budget allocation for CAPEX projects are also defined.

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

138

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

10

(5.9.3) Water-related OPEX (+/- % change)

-14

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

10

(5.9.5) Please explain

Explanation of changes: Water related CAPEX has increased by 138% in 2023 with respect to 2022, Water related OPEX has also decreased by 14% in the reporting year with respect to 2022, due to the decrease in water withdrawal. Description of the expense items: In 2023 water-related CAPEX was for 2 different water projects focused on water efficiency in operations, and recovery of used water for Plants in Turkey and USA – Laurel Hill. In 2023, water related OPEX was for 3 different water projects focused on water efficiency in operations, recovery of used water for Plants, and rainwater collecting projects in Turkey, and Thailand. The OPEX values are related to water bills and chemicals for water conditioning. Forwards trends: Water-related CAPEX is expected to increase by 10%, taking into consideration that there are some planned projects in Indonesia and Turkey Water-related OPEX is expected to increase by 10% due to an increase in water prices.

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from:	Select all that apply

	Use of internal pricing of environmental externalities	Environmental externality priced
	☒ Yes	☒ Carbon ☒ Water

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☒ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- ☒ Navigate regulations
- ☒ Drive energy efficiency
- ☒ Drive low-carbon investment
- ☒ Identify and seize low-carbon opportunities
- ☒ Influence strategy and/or financial planning
- ☒ Incentivize consideration of climate-related issues in decision making

(5.10.1.3) Factors considered when determining the price

Select all that apply

- ☒ Alignment with the price of allowances under an Emissions Trading Scheme
- ☒ Alignment with the price of carbon border adjustment mechanism

☒ Existing or pending legislation

☒ Scenario analysis

(5.10.1.4) Calculation methodology and assumptions made in determining the price

We worked with a consultant company to determine internal carbon price. The internal carbon price used is determined based on EU-ETS allowance prices. Also, for potential different economical environments a mathematical model is used. For the EU-ETS mechanism, the mathematical modelling has been executed according to the historical relation regarding the most effective parameters like EU-ETS CAP, free allocations, verified emissions and electricity price on carbon price. 3 Cases were studied (Good, Simple and Weak economic environment)

(5.10.1.5) Scopes covered

Select all that apply

☒ Scope 1

☒ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☒ Differentiated

(5.10.1.7) Indicate how and why the price is differentiated

As Kordsa operates in different regions, the carbon price is differentiated depending on the countries we operate in.

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☒ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

For the EU-ETS mechanism, the mathematical modelling has been executed according to the historical relation regarding the most effective parameters like EU-ETS CAP, free allocations, verified emissions and electricity price on carbon price. 3 Cases were studied (Good, Simple and Weak economic environment) For good economic environment the price effect is expected to be steeper, and the allowance prices are expected to rise up to 223.04 USD/ton by 2030 which is also taken as

our maximum internal carbon price. (These prices are also used to calculate the impacts of EU-CBAM on our operations) We also made a similar analysis for the upcoming Turkish ETS and for a weak economic environment where less steep price effect is expected allowance prices are expected to be around 13.67 USD/ton which is taken as our minimum internal carbon price. Turkish ETS is expected to be effective after 2024

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

13.67

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

223.04

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

- ☒ Capital expenditure
- ☒ Operations
- ☒ Risk management
- ☒ Opportunity management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

- ☒ Yes, for some decision-making processes, please specify :for decisions related to capacity increase, for mergers and acquisitions, for investments related to renewable energy and energy efficiency

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

100

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

- ☒ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The pricing approach is monitored and evaluated regularly in order to be aligned with the changes in the carbon market. The given internal carbon price study was made in more detail with the help of external consultants in 2022. As a result of this study, especially our facility in İzmit, Türkiye was assessed to be high risk, our Thailand facility is assessed to be medium risk. We have seen the risks and financial impacts we may face in our Turkish operations. To reduce this risk we started investigating alternative sources of energy. This way we can both decrease the impact of this risk while also reducing our GHG emissions in order to achieve our emission reduction targets.

(5.10.2) Provide details of your organization's internal price on water.

Row 1

(5.10.2.1) Type of pricing scheme

Select from:

- ☒ Shadow price

(5.10.2.2) Objectives for implementing internal price

Select all that apply

- ☒ Drive water-related investment
- ☒ Drive water efficiency
- ☒ Incentivize consideration of water-related issues in decision making
- ☒ Incentivize consideration of water-related issues in risk assessment
- ☒ Identify and seize low-water impact opportunities

(5.10.2.3) Factors beyond current market price are considered in the price

Select from:

- ☒ Yes

(5.10.2.4) Factors considered when determining the price

Select all that apply

- ☒ Anticipated water tariffs
- ☒ Costs of disposing water
- ☒ Costs of treating water
- ☒ Existing water tariffs

(5.10.2.5) Calculation methodology and assumptions made in determining the price

While deciding on the water price, as Kordsa we focused on 5 biggest water consuming facilities. We analyzed those facilities water withdrawal prices and also discharge water prices.

(5.10.2.6) Stages of the value chain covered

Select all that apply

- ☒ Direct operations

(5.10.2.7) Pricing approach used – spatial variance

Select from:

- ☒ Differentiated

(5.10.2.8) Indicate how and why the price is differentiated

As Kordsa operates in different regions, the water price is differentiated depending on the countries we operate in.

(5.10.2.9) Pricing approach used – temporal variance

Select from:

- ☒ Static

(5.10.2.11) Minimum actual price used (currency per cubic meter)

(5.10.2.12) Maximum actual price used (currency per cubic meter)

2.14

(5.10.2.13) Business decision-making processes the internal water price is applied to

Select all that apply

- ☒ Product and R&D
- ☒ Risk management
- ☒ Impact management
- ☒ Capital expenditure
- ☒ Opportunity management
- ☒ Dependencies management

(5.10.2.14) Internal price is mandatory within business decision-making processes

Select from:

- ☒ Yes, for some decision-making processes, please specify :As Kordsa we use internal water price as an important indicator on capital expenditure investment decisions. We implement the use of internal water price in ROI calculations.

(5.10.2.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

- ☒ Yes

(5.10.2.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

As Kordsa we have ambitious water withdrawal reduction targets. To achieve our water related targets we planned a roadmap. Each year we recalculate our internal water price, and each year we use this price on decision-making process of capital expenditure projects related to water reduction targets.

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Water

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Water

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☒ Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

As Kordsa each year we publish our Sustainability Report in line with GRI guidelines and each year we involve in CDP reporting process to engage with all of our stakeholders including investors and shareholders. We transparently disclose our reports on our website.

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☒ Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

As Kordsa each year we publish our Sustainability Report in line with GRI guidelines and each year we involve in CDP reporting process to engage with all of our stakeholders. We transparently disclose our environmental performance on our website also.

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☒ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☒ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We assessed 100% of our suppliers to identify their impact on Scope 3 Category 1 (C1) GHG emissions as part of our SBTi-approved supplier engagement target. Five key raw materials contribute to 66.44% of total Scope 3 emissions. Suppliers with over 2% share in C1 emissions are classified as having a substantive impact and included in engagement activities. Our target covers 64% of Scope 3 C1 emissions, with continuous engagement for long-term and new suppliers.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☒ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☒ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☒ Basin/landscape condition

☒ Dependence on water

☒ Impact on water availability

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We assessed our key raw material suppliers (73% of procurement spend) using WRI Aqueduct and CDP Water Watch to determine water stress levels, availability, and quality impacts. Impact is deemed substantive if WRI shows High/Extremely High Baseline Water Stress/Depletion, or if CDP ranks direct operations (withdrawal/pollution) as Significant/Major damage to freshwater sources, or if the total impact is rated "Very High" or "Critical" in terms of water withdrawal or pollution.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☒ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

☒ Procurement spend

☒ Strategic status of suppliers

(5.11.2.4) Please explain

According to our SBTi approved supplier engagement target, initially we have assessed 100% of our suppliers to identify their impact on our supplier related Scope 3 Category 1 GHG emissions. To assess the impact of the suppliers on our Scope 3 GHG emissions, we have first identified the Purchased raw materials that have the highest impact on our Scope 3 C1 emissions. There are 5 raw materials which has the highest emissions, contributing to around 66.44% of our total Scope 3 GHG emissions. The suppliers of these 5 raw materials are assessed each year according to their share in our Scope 3 Category 1 emissions. The threshold for classification is 2%, if the supplier's share in our Scope 3 C1 emissions is over 2%, the supplier is classified as having a substantive impact on the environment. Suppliers with substantive impacts are always prioritized and included in the supplier engagement activities. Our supplier engagement target covers 64% of Sc3 C1 GHG emissions. The long-term suppliers are engaged continuously, whereas new suppliers are engaged if their impact on our emissions exceed the threshold.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- ☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water
- ☒ Procurement spend
- ☒ Strategic status of suppliers

(5.11.2.4) Please explain

Description of the approach taken to assess supplier's impact: We have first assessed all of our raw material suppliers according to procurement spend and selected our key raw material suppliers which make up 73% of our procurement spend. We used WRI Aqueduct Water Risk Atlas tool to identify the water stress levels & impacts on water availability on their respective basins for these suppliers. We have also used Water Watch CDP Water Impact Index to identify the supplier's dependence on water & their impacts on water quality. Threshold to identify the impact as substantive: For the WRI analysis, if the Baseline Water Stress and/or Baseline Water Depletion indicator is High or Extremely high the supplier impact is assessed to be substantive. For the CDP Water Watch Index: If water impact rank for direct operations (withdrawal and/or pollution) is over 2 (Significant or Major damage to freshwater resources) OR Even if the direct impact is ranked below 2, if the total impact is rated "Very High" or "Critical" The impact of the supplier is assessed to be substantive. Suppliers with substantive impacts are always prioritized and included in the supplier engagement activities.

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- ☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

As Kordsa we have a supplier sustainability monitoring program. The first step of our program is “Kordsa Statement on Code of Business Ethics” in which we defined our requirements from our suppliers and business partners. This statement outlines the Company’s expectations for the undersigned conduct regarding labor and human rights, personal data protection, health and safety, environmental protection, ethics, and management practices. As Kordsa we inform all of our suppliers and business partners regarding our Statement on Code of Business Ethics document and we request our suppliers and business partners to comply with it. Any non-compliance may result in termination of the business relations by the Company.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

As Kordsa we have a supplier sustainability monitoring program. The first step of our program is “Kordsa Statement on Code of Business Ethics” in which we defined our requirements from our suppliers and business partners. This statement outlines the Company’s expectations for the undersigned conduct regarding labor and human rights, personal data protection, health and safety, environmental protection, ethics, and management practices. As Kordsa we inform all of our suppliers and business partners regarding our Statement on Code of Business Ethics document and we request our suppliers and business partners to comply with it. Any non-compliance may result in termination of the business relations by the Company.

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☒ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ First-party verification

☒ Grievance mechanism/ Whistleblowing hotline

☒ Supplier scorecard or rating

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☒ Providing information on appropriate actions that can be taken to address non-compliance

☒ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

(5.11.6.12) Comment

Kordsa is committed to oversee business in an ethically suitable manner. Kordsa Code of Business Ethics is our fund for trust for our employees, stakeholders, customers, suppliers, business partners, competitors and the society. Kordsa has a Human Right Policy and in this policy we indicated that mentioned international standards and principles and has been prepared accordingly: Universal Declaration of Human Rights, UN Global Compact, UN Child Rights Convention, Fundamental ILO Conventions Child Labor Convention, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights. Adoption of UN International Labour Organization Principles is a pre-requisite for our purchasing process and it is also a part of our supplier contracts. We expect 100% of our suppliers to be in line with these principles and assessment of supplier compliance is a part of our supply chain sustainability monitoring program. Using different assessment and monitoring tools, Kordsa monitors its supply chain's performance on climate change, ethics and water related issues. In case of non-

compliance, we retain our suppliers while engaging them to make sure they are in compliance with all sustainability-related requirements During the reporting period there were no non-compliance incidents detected, therefore %of non-compliant suppliers is given as none.

Water

(5.11.6.1) Environmental requirement

Select from:

☒ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ Grievance mechanism/ Whistleblowing hotline

☒ Supplier scorecard or rating

☒ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☒ Providing information on appropriate actions that can be taken to address non-compliance

☒ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

(5.11.6.12) Comment

Kordsa is committed to oversee business in an ethically suitable manner. Kordsa Code of Business Ethics is our fund for trust for our employees, stakeholders, customers, suppliers, business partners, competitors and the society. Kordsa has a Human Right Policy and in this policy we indicated that mentioned international standards and principles and has been prepared accordingly: Universal Declaration of Human Rights, UN Global Compact, UN Child Rights Convention, Fundamental ILO Conventions Child Labor Convention, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights. Adoption of UN International Labour Organization Principles is a pre-requisite for our purchasing process and it is also a part of our supplier contracts. We expect 100% of our suppliers to be in line with these principles and assessment of supplier compliance is a part of our supply chain sustainability monitoring program. Using different assessment and monitoring tools, Kordsa monitors its supply chain's performance on climate change, ethics and water related issues. In case of non-compliance, we retain our suppliers while engaging them to make sure they are in compliance with all sustainability-related requirements. During the reporting period there were no non-compliance incidents detected, therefore %of non-compliant suppliers is given as none.

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- ☒ Provide training, support and best practices on how to set science-based targets

Information collection

- ☒ Collect GHG emissions data at least annually from suppliers

Innovation and collaboration

- ☒ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- ☒ 51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☒ 51-75%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Rationale for the coverage of our engagement In 2022 we have submitted our targets to SBTi, and within the 2nd quarter of 2023 our targets were approved. In 2023, 70.31% of our Sc3 GHG emissions come from Sc3-C11: Purchased Goods and Services. Therefore, our main Sc3 target is a supplier engagement target where we commit that 64% of our supplier's emissions covering Category 1, will have science-based targets that meet the latest SBTi criteria by 2027. Our supplier engagement strategy is based upon this commitment. Within this category, our strategic raw materials, (adipic acid, HMD, PET chip etc.) have the highest emissions, contributing to 66.44% of our total Sc3 GHG emissions for the reporting year. We procure these raw materials from a very few numbers of suppliers, so, these suppliers are prioritized in our climate change related engagement activities. For 2023, % share of those suppliers within all raw material suppliers by number is 4.31%. We have already started engaging with the suppliers of these raw materials, & our plan is to work with them and support them in their SBTi journey. As a part of our engagement plan, we are organizing trainings to exchange know-how & share our experience on setting science-based targets. We also have a sustainability department that is ready to guide & support them whenever they need assistance. We are planning to include other suppliers in these engagement activities, so that we will have more positive impact towards a low-carbon future. Impact of engagement including measures of success The identified measure of success for this engagement activity is reaching our SBTi approved Sc3 target by 2027. The metric used as a success measure is calculates as follows: (1) # of targeted suppliers that have set a science-based emission reduction target, DIVIDED BY: (2) Total number of targeted suppliers For 2023, 5 of our targeted suppliers have set science-based targets, therefore the ratio is 38.5%. The expected impact of this engagement strategy according to our measure of success is as follows: Considering all of the targeted suppliers commit to having Science Based Targets by 2027, we would expect our Sc3 Category 1 GHG emissions to decrease. Based on an estimated average emission reduction of 20%/supplier involved in this engagement activity achieving their goal, we estimate the absolute emissions impact on our Sc3 GHG inventory would be a reduction of 250,000 tCO2e/year.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ Yes, please specify the environmental requirement :Setting Science Based emission reduction targets

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Total water withdrawal volumes reduction

(5.11.7.3) Type and details of engagement

Capacity building

- ☒ Provide training, support and best practices on how to mitigate environmental impact

Information collection

- ☒ Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

(5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- ☒ 51-75%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

- ☒ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Rationale for the coverage of our engagement We have first assessed all of our raw material suppliers according to procurement spend and selected our key raw material suppliers which make up 73% of our procurement spend. We used WRI Aqueduct Water Risk Atlas tool to identify the water stress levels & impacts on water availability on their respective basins for these suppliers. We have also used Water Watch CDP Water Impact Index to identify the supplier's dependence on water &

their impacts on water quality. Threshold to identify the impact as substantive: For the WRI analysis, if the Baseline Water Stress and/or Baseline Water Depletion indicator is High or Extremely high the supplier impact is assessed to be substantive. For the CDP Water Watch Index: If water impact rank for direct operations (withdrawal and/or pollution) is over 2 (Significant or Major damage to freshwater resources) OR Even if the direct impact is ranked below 2, if the total impact is rated “Very High” or “Critical” The impact of the supplier is assessed to be substantive. Impact of engagement including measures of success We set ambitious targets and measure success in terms of evaluation sustainable supply chain program’s performance and engagement level. “To be able to collect water withdrawal data of targeted tier 1 suppliers. In 2023, the suppliers account for 73% of our total spend volume involved in different assessment tools such as Ecovadis, Online Audit and Annual Sustainability Survey. Also, in the reporting year we send a supplier letter to those suppliers defining Kordsa’s requirement regarding water security. An example of the beneficial water-related outcome of this engagement activity: Through this engagement activity, we are able to have a clear picture on the water management approach of our suppliers.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ Yes, please specify the environmental requirement :Reduction of water withdrawals

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ No

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☒ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 26-50%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Tire reinforcement products make up about 77% of our total sales. Any activity we perform to reduce the climate change impacts of our products, impacts the climate-performance of our costumers. For this engagement activity, we aim to engage with customers which have targets to increase sustainable material ratio in their products. We produced 100% recycled polyester content tire cord fabric. 56% of our Scope 3 emissions are related to products that are produced for these customers. This is why we focus on this group of customers. Scope of engagement: We have developed a new polyester fabric with 100% recycled content and sent these products for tire testing to our customers which would like to test our products. Our R&D team developed this project. With this project we'll be to able to use 100% recycled raw material in our polyester tire cord fabric production. According to LCA results, compared to virgin polyester raw material, recycled raw material has lower product carbon footprint. This innovative product has multiple benefits. Not only helps us to reduce our scope 3 category 1 emissions but also helps us to implement the basis of a circular economy by using the recycled content in the production process as a raw material. Customer related Scope 3 emissions % are estimated according to share of these costumers in our production volumes.

(5.11.9.6) Effect of engagement and measures of success

The new technology needs to be tested to meet customer specifications. In 2023 we have sent samples of this product for testing to our customers. Since this engagement activity is an innovation in our industry, it's not very easy to identify measure of success at that point. At this stage, our most important success indicator is to get technical approval from our customers for this product. In the reporting year we got technical approval from two of our customers. Also product trial phase is ongoing within our two customers. On the other hand, in our İzmit facility we obtained ISCC Plus certification for recycled polyester products.

Water

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 26-50%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Tire reinforcement products make up about 77% of our total sales. We work with global tire manufacturers, and they have very ambitious climate and water-related targets which also include their supply chain. Therefore, our customers of tire-reinforcement products are selected for this engagement activity. Every year we share information about our products including our water-related performance indicators, targets, withdrawal-discharge and consumption volumes, management practices, risks – opportunities, commitments through public platforms like CDP or Ecovadis. Also, each year in our annual sustainability report we disclose our water-related performance. We also perform detailed analysis on our products, in 2022 we have performed an LCA study on our nylon yarn, polyester yarn, nylon tire cord fabric, polyester cord fabric and nylon recycled content tire cord fabric products which also includes water-related impact categories and share the results with our customers.

(5.11.9.6) Effect of engagement and measures of success

To measure the success of this engagement activity we use the following metric: a: Total number of inquiries received from our customers during the reporting year b: Total number of inquiries timely and successfully responded to by the Kordsa Sustainability Department We use a percentage value to measure success which is calculated as: $(b/a) \times 100$ And we expect this percentage to be over 80%. In 2023 we achieved to respond 100% of our customers' expectations on time and completely. In 2023, 6 of our customers requested us to provide our Ecovadis scorecard.

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

☒ Climate change

(5.12.4) Initiative category and type

Relationship sustainability assessment

☒ Align goals to feed into customers targets and ambitions

(5.12.5) Details of initiative

While creating our sustainability strategy we consider our stakeholders requirements and needs. Our customers already have scientific and ambitious targets, as Kordsa we'd like to support our customers in that content. That's why while creating our climate change strategy we always consider our customers' current position and their needs and requirements. That's why we endeavor to align with our customers' climate strategy.

(5.12.6) Expected benefits

Select all that apply

☒ Reduction of own operational emissions (own scope 1 & 2)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

☒ 3-5 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☒ No

(5.12.11) Please explain

As Kordsa we got approval from SBTi for our mid-term and long-term emission reduction targets. We closely monitor our Scope 1&2 and Scope 3 emissions on a quarterly basis with our operational facilities. Main reason for close follow-up our targets to be proactive if there is a risk. We have a climate transition roadmap and each year we review our roadmap in the light of technological developments and current potential emission reduction initiatives that can be included in our roadmap.

Row 2

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

☒ Climate change

(5.12.4) Initiative category and type

Relationship sustainability assessment

☒ Align goals to feed into customers targets and ambitions

(5.12.5) Details of initiative

While creating our sustainability strategy we consider our stakeholders requirements and needs. Our customers already have scientific and ambitious targets, as Kordsa we'd like to support our customers in that content. That's why while creating our climate change strategy we always consider our customers' current position and their needs and requirements. That's why we endeavor to align with our customers' climate strategy.

(5.12.6) Expected benefits

Select all that apply

☒ Reduction of own operational emissions (own scope 1 & 2)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

☒ 3-5 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☒ No

(5.12.11) Please explain

As Kordsa we got approval from SBTi for our mid-term and long-term emission reduction targets. We closely monitor our Scope 1&2 and Scope 3 emissions on a quarterly basis with our operational facilities. Main reason for close follow-up our targets to be proactive if there is a risk. We have a climate transition roadmap and each year we review our roadmap in the light of technological developments and current potential emission reduction initiatives that can be included in our roadmap.

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement
	Select from: ☒ Yes

(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.

Row 1

(5.13.1.1) Requesting member

Select from:

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

☒ Climate change

(5.13.1.4) Initiative ID

Select from:

☒ Ini1

(5.13.1.5) Initiative category and type

Relationship sustainability assessment

☒ Align goals to feed into customers targets and ambitions

(5.13.1.6) Details of initiative

In line with Kordsa's sustainability strategy Kordsa aimed to have science-based targets. Kordsa's customers also have the similar approach, that was a motivation for Kordsa also to apply SBTi's criterias and guidelines. Kordsa got approval from SBTi for its mid-term and long-term targets.

(5.13.1.7) Benefits achieved

Select all that apply

☒ Increased transparency of upstream/downstream value chain

☒ Reduction of own operational emissions (own scope 1 & 2)

☒ Reduction of downstream value chain emissions (own scope 3)

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

☒ No

(5.13.1.11) Please explain how success for this initiative is measured

As Kordsa it is a success to get approval from SBTi for our mid-term and long-term targets.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

☒ Yes

Row 2

(5.13.1.1) Requesting member

Select from:

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

☒ Climate change

(5.13.1.4) Initiative ID

Select from:

☒ Ini1

(5.13.1.5) Initiative category and type

Relationship sustainability assessment

☒ Align goals to feed into customers targets and ambitions

(5.13.1.6) Details of initiative

In line with Kordsa's sustainability strategy Kordsa aimed to have science-based targets. Kordsa's customers also have the similar approach, that was a motivation for Kordsa also to apply SBTi's criterias and guidelines. Kordsa got approval from SBTi for its mid-term and long-term targets.

(5.13.1.7) Benefits achieved

Select all that apply

- ☒ Increased transparency of upstream/downstream value chain
- ☒ Reduction of own operational emissions (own scope 1 & 2)
- ☒ Reduction of downstream value chain emissions (own scope 3)

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

- ☒ No

(5.13.1.11) Please explain how success for this initiative is measured

As Kordsa it is a success to get approval from SBTi for our mid-term and long-term targets.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

- ☒ Yes

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We have chosen operational control as consolidation approach for our GHG inventory, because with 12 sites across 6 countries, this method allows us to focus on the emissions within our direct operational influence, ensuring consistency in environmental management across diverse locations. We also don't have any other investments where we have equity shares but no operational control, therefore this consolidation approach is the most logical one for Kordsa.

Water

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We have chosen operational control as consolidation approach for our water data, because with 12 sites across 6 countries, this method allows us to focus on data that is within our direct operational influence, ensuring consistency in environmental management across diverse locations. We also don't have any other investments where we have equity shares but no operational control, therefore this consolidation approach is the most logical one for Kordsa.

Plastics

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We only assess plastic-related data in facilities that are under our operational control. Therefore, operational control is selected as the consolidation approach.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We only assess biodiversity-related data in facilities that are under our operational control. Therefore, operational control is selected as the consolidation approach.

C7. Environmental performance - Climate Change

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

	Has there been a structural change?
	Select all that apply ☒ No

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ No, but we have discovered significant errors in our previous response(s)

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

There were no changes in our methodology, boundary and/or reporting year definition, however we have discovered that there was a double-counting in diesel consumption in one of our facilities, the same amount of diesel oil was reported both in Scope 1 and Scope 3-Category 7 Employee commuting. Therefore we have revised our past years calculation. Also during verification process in one of our plants, the verification team has discovered that the previous year's data was not correct so we have also revised these data. We have also found mistakes in our previous year's CDP submission in some of Scope 3 categories.

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☒ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☒ Scope 1

☒ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

In case of any significant changes in boundary or methodology that may impact our Scope 1 Scope 2 GHG emissions more than 5% (i.e. change in calculation methods, etc.) we have a policy that involves recalculation of the baseline, in order to keep better track of our targets. However especially in case of acquisitions if we are able to reach reliable data, and in case of divestments to reflect our progress against our targets in a more transparent way, we have a policy to recalculate the base year emissions regardless of the 5% threshold.

(7.1.3.4) Past years' recalculation

Select from:

☒ Yes

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☒ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☒ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

We are reporting a location-based Scope 2 emissions figure, resulting from the use of electricity from the grid. We have also purchased renewable energy from our suppliers through virtual PPAs, therefore we are also reporting a market-based figure.

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

Row 1

(7.4.1.1) Source of excluded emissions

All of our operations, facilities, activities and emissions sources are included in our Scope 1 and Scope 2 GHG emissions calculations. There are only minor exclusions as follows: 1- Scope 3 Category 1-purchased services are excluded 2-Scope 3 Category 2-Capital goods are excluded 3-Scope 3 Category 10-Processing of Sold composite products are excluded

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☒ Scope 3: Purchased goods and services

☒ Scope 3: Capital goods

☒ Scope 3: Processing of sold products

(7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

☒ Emissions are not relevant

(7.4.1.9) Estimated percentage of total Scope 3 emissions this excluded source represents

0.8

(7.4.1.10) Explain why this source is excluded

Emissions are assessed to be not relevant as follows: 1- Scope 3 Category 1: Purchased Services are included in our calculations depending on the service type. If it is a transportation-related service it is included in one of the 3 upstream transportation related categories (C4, C6 or C7). Other services we purchase are the consultation services in general which have negligible impact on our Scope 3 Category 1 GHG emissions profile therefore they are not included in our calculations. Scope 3 Category 1 GHG emissions from purchased services are estimated as 1,176 tons using EPA Supply Chain GHG Emission Factors v1.2_NAICS for the reporting year. This makes 0.07% of our total Scope 3 GHG emissions which is way under our materiality and significance thresholds therefore these emissions are excluded. We do a significance check every year and if these emissions become significant, they will be included in our GHG inventory. 2-Scope 3 Category 2 GHG emissions are estimated as 9,872 tons using EPA Supply Chain GHG Emission Factors v1.2_NAICS. This makes 0.62% of our total Scope 3 GHG emissions which is way under our materiality and significance thresholds (2%) therefore these emissions are excluded. We do a significance check every year and if these emissions become significant, they will be included in our GHG inventory 3-Scope 3 Category 10 Emissions from the processing of sold Composite products are excluded. Composite products make up less than 0.073% of our production by weight. The emissions from the processing of these products are estimated to be around 2,332 tons in the reporting year. This makes 0.15% of our total Scope 3 GHG emissions.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

We have estimated the GHG emissions from each source using using EPA Supply Chain GHG Emission Factors v1.2_NAICS emission factors for Scope 3 category 1 purchased services (0.07%) and Scope 3 Category 2 Capital Goods (0.62%). Scope 3 Category 10 emissions from the processing of sold composite products which have diverse applications and may be used in many different industries. The composite products usually make up an extremely small percentage of the final product, therefore although these products are further processed, their processing emissions cannot be calculated due to complexity of different processing methods. However, composite products may require further processing which can be energy intensive. To manufacture parts from carbon, molds are used that correspond to the shape of the final product. The final stage of production is annealing the carbon fiber parts for several hours at a temperature of about 180C. Once the resin has cured, the parts can then be mechanically processed. This curing process is what makes the process energy intensive. To be able to make a rough estimation we made a calculation with the following assumptions: - All of the composite products are estimated to be carbon fibers which is the product that has the most energy intensive process to turn into the final product - According to an article in Science Direct, the energy requirement of Autoclave Cure is around 20-22 MJ/kg. To be on the conservative side, the calculations are made using the max energy requirement (22 MJ/kg). - We assumed all of this energy is coming from natural gas - We used natural gas emission factors from DEFRA to calculate the emissions. We have calculated the emissions from sold composite products as 2,332 tons CO₂e, which makes 0.15% of our Scope 3 GHG emissions. Final percentage is calculated as 0.07%0.15%0.62%0.84%

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

128767.98

(7.5.3) Methodological details

The Scope 1 emissions figure includes emissions from 12 sites in 5 countries for the base year. The sources of emissions are stationary combustion of fossil fuels, mobile combustion in vehicles that are controlled by our company and fugitive gases from our cooling equipment and fire extinguishers. GHG emissions are calculated using GHG emission factors published by DEFRA and EPA (for US facilities). Fugitive emissions are calculated using GWP's from IPCC AR5. Our gross global Scope 1 GHG emissions are equal to our net global Scope 1 GHG emissions as we have no purchases of offsets in the base year. While calculating the 2023 GHG emissions we have discovered that one of our sites have reported diesel oil consumed in employee shuttles that are not under our operational control under Scope 1. Therefore, we have revised the base-year emissions for Scope 1.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

288773.75

(7.5.3) Methodological details

Scope 2 GHG emissions include emissions from the use of grid electricity in all of our sites (for the base year 12 sites in 5 countries). We use IEA emission factors to calculate location-based GHG emissions. We use EPA Power profiler tool to calculate GHG emissions for our US-Sites.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

281374.79

(7.5.3) Methodological details

Scope 2 GHG emissions include emissions from the use of grid electricity in all of our sites (for the base year 12 sites in 5 countries). We are able to reach market-based GHG emission factors for some of our facilities in US, and we use virtual PPA's in some of our sites to purchase renewable electricity.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

1459457.87

(7.5.3) Methodological details

There is no change in base-year emissions for Scope 3 Category 1. Our raw material purchases are included in this category. The emission factors are taken from Ecoinvent 3.6 database and they include cradle to gate GHG emissions. GHG emissions from purchased services are excluded.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Capital goods purchases for the base year was below our materiality threshold. According to our materiality assessment, if a Capex purchase is over 1% of our total capital and operational expenses. In the base year the highest capital expense made up 0.18% of our total Capex and opex. Therefore, there were no significant capital expenses. We have also made an assessment with Quantis Scope 3 evaluator tool and these emissions are estimated as 18,242 tons which makes 0.87% of our total scope 3 GHG emissions for the base year. This category was assessed to be not relevant and excluded from the base-year calculations

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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

137934.34

(7.5.3) Methodological details

Base Year Scope 3 Category 3 GHG emissions are revised as we have found an error in the calculations. This is due to same mistake that triggered the revision of our Scope 1 GHG emissions. One of our sites have reported diesel oil consumed in employee shuttles that are not under our operational control under Scope 1, therefore the WTT emissions related to this consumption was also reported under Scope 3 category 3. The same amount of consumption was also reported under Scope 3 Category 7 so there was a double-counting of emissions. These emissions are now reported under Scope 3 Category 7 only

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

57573.97

(7.5.3) Methodological details

There is no change in base-year data for Scope 3 Category 4. This category includes all the emissions from transportation of purchased goods and also transportation services purchased by Kordsa for transporting our products to our customers. DEFRA emission factors are used for calculation of transportation related emissions. All calculations include WTT emissions

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

1527.78

(7.5.3) Methodological details

There is no change in base-year data for Scope 3 Category 5. The GHG emissions resulting from the waste produced in all Kordsa facilities are calculated using the “Waste Disposal” emission factors published by DEFRA.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

612.84

(7.5.3) Methodological details

There is no change in base-year data for Scope 3 Category 6. The emission factors for calculation of emissions from business travel are taken from DEFRA's Business Travel-air tab. The EFs with radiative forcing are used for the calculations. All calculations include WTT emissions.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

4985.15

(7.5.3) Methodological details

The base-year GHG emissions for this category has been revised due to an error found in the activity data in one of our production plants. The diesel consumption figures of the employee shuttles that are not under our operational control were reported in Scope 1 which are now revised and reported under Sc3_C7. Therefore we have revised the base-year emissions for Scope 3 Category 7. The GHG emission factors for employee commuting are taken from DEFRA both for personnel shuttles and employees' own vehicles. All calculations include WTT emissions.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

We don't have any upstream leased assets. All GHG emissions for leased assets are reported under Scope 1 and Scope 2 GHG emissions.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

8769.21

(7.5.3) Methodological details

There is no change in base-year data for Scope 3 Category 9. The GHG emissions resulting from the transportation of our products are reported under this category. We collected the average distance, average load and number of shipment data from our sites for the goods that are delivered to our customers. All calculations include WTT emissions.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

360565.43

(7.5.3) Methodological details

There is no change in base-year data for Scope 3 Category 10. We have compiled the production data from all of our plants. Then made research on how much textile is contained in passenger car tires, light trucks, off-road vehicles, aircraft tires and truck tires. In the research we have used published data from US Tire Manufacturers Association, Waste and Resources Action Program, Goodyear and Science Direct. The emission factors are taken from the data published by our

customers. GHG emissions from the processing of sold composite products are excluded. Composite products make up less than 0.6% of our production by weight. The GHG emissions from the processing of composite products were estimated using an internal methodology.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

All our products are intermediate products and need further processing (such as tire manufacturing) to be used. Therefore, this category is not applicable to our products.

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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

57437.82

(7.5.3) Methodological details

vThe emissions for the End-of-life treatment is calculated based on the mass/volume of the intermediate product itself rather than the end product. The calculations are made using EPA Emission Factor. There is a slight revision in the GHG emissions due an activity data revision made by one of our composite production plants.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

1318.36

(7.5.3) Methodological details

There is no change in base-year data for Scope 3 Category 13. There is no change in base-year data for Scope 3 Category 13. To calculate the GHG emissions from downstream leased assets we use the electricity emission factors published by IEA, which we use for our Scope 2 calculations as well. For the natural gas and diesel oil used in downstream leased assets we use GHG emission factors published by DEFRA "Fuels" tab.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Kordsa does not have any franchises.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Kordsa has not made any investments that should be reported under this category in the base year. All of the subsidiaries of Kordsa are included in Scope 1 and Scope2 calculations. We do not have any equity shares in any other company.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

We have no other upstream scope 3 GHG emissions.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

We have no other downstream scope 3 GHG emissions.

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

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

114578.6

(7.6.3) Methodological details

The Scope 1 emissions figure includes emissions from 13 sites in 6 countries. The sources of emissions are stationary combustion of fossil fuels, mobile combustion in vehicles that are controlled by our company and fugitive gases from our cooling equipment and fire extinguishers. GHG emissions are calculated using GHG emission factors published by DEFRA and EPA (for US facilities). Fugitive emissions are calculated using GWP's from IPCC AR5. Our gross global Scope 1 GHG emissions are equal to our net global Scope 1 GHG emissions as we have no purchases of offsets in the reporting year.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

135908.78

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

The Scope 1 emissions figure includes emissions from 13 sites in 6 countries for 2022. The sources of emissions are stationary combustion of fossil fuels, mobile combustion in vehicles that are controlled by our company and fugitive gases from our cooling equipment and fire extinguishers. GHG emissions are calculated using GHG emission factors published by DEFRA and EPA (for US facilities). Fugitive emissions are calculated using GWP's from IPCC AR5. Our gross global Scope 1 GHG emissions are equal to our net global Scope 1 GHG emissions as we have no purchases of offsets in 2022. While calculating the 2023 GHG emissions we have discovered that one of our sites have reported diesel oil consumed in employee shuttles that are not under our operational control under Scope 1. Also during verification stage, a mistake in the reported consumption figures was found in one of our sites.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

133170.2

(7.6.2) End date

12/30/2021

(7.6.3) Methodological details

The Scope 1 emissions figure includes emissions from 12 sites in 5 countries. The sources of emissions are stationary combustion of fossil fuels, mobile combustion in vehicles that are controlled by our company and fugitive gases from our cooling equipment and fire extinguishers. GHG emissions are calculated using GHG emission factors published by DEFRA and EPA (for US facilities). Fugitive emissions are calculated using GWP's from IPCC AR5. While calculating the 2023 GHG emissions we have discovered that one of our sites have reported diesel oil consumed in employee shuttles that are not under our operational control under Scope 1. Therefore the past year figures are revised using the new activity data.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

113357.56

(7.6.2) End date

12/30/2020

(7.6.3) Methodological details

The Scope 1 emissions figure includes emissions from 12 sites in 5 countries. The sources of emissions are stationary combustion of fossil fuels, mobile combustion in vehicles that are controlled by our company and fugitive gases from our cooling equipment and fire extinguishers. GHG emissions are calculated using GHG emission factors published by DEFRA and EPA (for US facilities). Fugitive emissions are calculated using GWP's from IPCC AR5. While calculating the 2023 GHG emissions we have discovered that one of our sites have reported diesel oil consumed in employee shuttles that are not under our operational control under Scope 1. Therefore, the past year figures are revised using the new activity data.

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

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

270727.84

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

224233.24

(7.7.4) Methodological details

We are reporting location-based Scope 2 emissions resulting from electricity purchased and consumed from the grid for 13 plants in 6 countries. For all location-based figures we use national grid emission factors. All the amount of electricity purchased is included in the location-based figure. The amount of electricity for which there are i-Rec purchases is also included and calculated using the grid EF. We are also reporting a market-based figure, where the emissions for the i-Rec certified amounts is calculated with an emission factor of zero. The market-based emissions also include our Chattanooga and Laurel Hill plants where market-based emissions are calculated using residual emission factors that we have received from our electricity suppliers. The rest of the market-based figure is calculated using the national grid EFs as we were not able to reach market-based emission factors.

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1116041.03

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average product method

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

0

(7.8.5) Please explain

Emission Factors: The emission factors are taken from Ecoinvent 3.6 database and they include cradle to gate GHG emissions. Activity Data: The GHG emissions resulting from the production of purchased goods and services are calculated using purchasing data for our raw materials. Raw materials including packaging materials are included in this calculation. GHG emissions from transportation of these raw materials from our tier 1 suppliers to our facilities are reported under Category 4: Downstream transportation and distribution. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The raw material consumption data are taken from our purchasing records, this data is cross-checked by the transportation data obtained from each Kordsa facility. 100% of the GHG emissions in this category have been verified by a third party. Purchased services are excluded from these calculations as they are estimated to be around 0.11% of Scope 3 Category 1 and 0.07% of total Scope 3 GHG emissions. Details of this exclusion is given under section 7.4.1 of this report.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

This category is assessed to be not relevant because there were no significant capital goods purchases during the reporting period. Emissions from the use of capital goods are accounted for in Scope 1. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. According to our materiality threshold, capital expenses that comprise more than 1% of our Capital Operational Expenses are assessed to be material and further assessment is made using Supply Chain Emission Factors v1.2 published by EPA. While estimating the GHG emissions Emission Factors with margins are used. In the reporting year the highest capital expense was 0.062% of our total capital operational expenses so the capital goods purchases were under our materiality threshold. According to our assessment this category is estimated to be 0.62% in our total Scope 3 GHG emissions. The details of the exclusion is given in section 7.4.1 of this report.

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

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

115708.21

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Supplier-specific method

☒ Fuel-based method

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

99

(7.8.5) Please explain

Emission Factors: The GHG emissions resulting from the fuel and energy related activities are calculated using Well to tank emission factors published by DEFRA (Conversion Factors 2023 Full Set for Advanced Users). The fossil fuel consumption figures already compiled for Scope 1 calculations are multiplied with WTT emission factors in order to calculate WTT GHG emissions of the fossil fuels used. Electricity consumption figures already collected for Scope 2 calculations have been multiplied by WTT UK& Overseas Electricity emission factors published by DEFRA (Conversion Factors 2021 Full Set for Advanced Users these values are not published in 2023 dataset therefore 2021 version is used) Emissions from line losses are calculated using IEA emission factors. Activity Data: Activity data compiled includes the fossil fuel and electricity consumption data that is already compiled for Scope 1 and Scope 2 calculations. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The electricity and natural gas consumption figures are taken from the invoices of suppliers. GHG emissions resulting from these 2 emission sources make up 99% of the emissions from this category. 100 % of these emissions are verified by a third party.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

64529.8

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

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

0

(7.8.5) Please explain

Emission Factors: For ground transportation we have multiplied the km data with number of shipments and used emission factors that are published by DEFRA (Conversion Factors 2023 Full Set for Advanced Users) to calculate the GHG emissions. All the trucks that have an average load over 10 tons are assumed to be 100% laden, and the ones below 10 tones are assumed to be 50% laden. For truck shipments below 5 tons, the shipment is assumed to be partial shipment, therefore ton.km emission factors are used. For rail-air and sea transportation we have used the ton.km data multiplied by number of shipments. We have also used DEFRA EFs for these transportation activities. The emission factors are all taken from DEFRA (Conversion Factors 2023 Full Set for Advanced Users), "Delivery Vehicles" tab. The WTT emissions for transportation activities are also included in the calculations. Activity Data: The GHG emissions resulting from the transportation of the products we have purchased and the transportation services that we have purchased during the reporting year, are reported under this category. We collected the average distance, average load and number of shipment data from all of our sites. All the transportation services that are purchased by KORDSA are reported under this category as per the GHG protocol Scope 3 standard. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. As this category includes the transportation services purchased in the reporting year and transportation of raw materials from suppliers to Kordsa facilities, we have used data from our own purchasing/sales records. 100% of the GHG emissions in this category have been verified by a third party.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Not relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1959.04

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Waste-type-specific method

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

0

(7.8.5) Please explain

Emission factors: The GHG emissions resulting from the waste produced in all Kordsa facilities are calculated using the “Waste Disposal” emission factors published by DEFRA (Conversion Factors 2023 Full Set for Advanced Users). Activity data: The total weights of the waste disposed are collected according to the disposal method for each Kordsa facility. This data is then multiplied by corresponding GHG emission factors. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. GHG emissions related to treatment of wastewater in third-party installations is also reported under this category. 100% of the GHG emissions in this category have been verified by a third party. The GHG emissions from waste generated in operations makes up %0.12 of our total Scope 3 GHG emissions therefore this category is assessed to be not relevant, but included in our calculations to assure the completeness of our GHG inventory.

Business travel

(7.8.1) Evaluation status

Select from:

☒ Not relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2536.22

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

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

100

(7.8.5) Please explain

Emission Factors: The emission factors for calculation of emissions from business travel are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users" Business Travel-air tab. The EFs with radiative forcing are used for the calculations. Activity Data: We obtain flight information from our travel agency. (Departure and destination ports, flight class, number of trips). We then use great circle mapper website to calculate flight distance. This category includes business flight data of Kordsa employees and sometimes the data for their families as well if the flight ticket is paid for by Kordsa. No other means of transport is used for business travel. Some employees use company cars for travel and these figures are reported under Scope 1 emissions. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Flight route and class data are taken from our travel agency. 100% of the GHG emissions in this category have been verified by a third party. The GHG emissions from business travel makes up %0.16 of our total Scope 3 GHG emissions therefore this category is assessed to be not relevant, but included in our calculations to assure the completeness of our GHG inventory.

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Not relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

4092.72

(7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Fuel-based method
- ☒ Distance-based method

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

60

(7.8.5) Please explain

Emission Factors: The GHG emission factors for employee commuting are taken from DEFRA (Conversion Factors 2023 Full Set for Advanced Users) both for personnel shuttles and employees' own vehicles. Activity Data: We have collected the km and fuel consumption data for personnel shuttles from the service provider companies. We have also prepared a questionnaire to identify the fuel consumption figures of employees commuting with their own vehicles. The data related to the own consumption figures of the employees are extrapolated according to the questionnaire results. In locations where we were not able to collect any data using the questionnaire, we made an estimation of distance of travel, type of vehicle and all vehicles are assumed to be gasoline powered. All of the activity data required for employee shuttles are taken from the shuttle service providers. As a result, 60% of the emissions are calculated using data obtained from suppliers and employees. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. 100% of the GHG emissions in this category have been verified by a third party. The GHG emissions from employee commuting makes up %0.26 of our total Scope 3 GHG emissions therefore this category is assessed to be not relevant, but included in our calculations to assure the completeness of our GHG inventory.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

- ☒ Not relevant, explanation provided

(7.8.5) Please explain

We don't have any upstream leased assets that needs to be reported under this category. All of the GHG emissions from our leased assets are reported under Scope 1 and Scope 2 GHG emissions as we use operational control approach to compile our activity data.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

7276.06

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

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

0

(7.8.5) Please explain

Activity data: The GHG emissions resulting from the transportation of our products are reported under this category. We collected the average distance, average load and number of shipment data from our sites for the goods that are delivered to our customers. Assumptions & Emission Factors: For ground transportation we have multiplied the km data with number of shipments and used emission factors that are published by DEFRA (Conversion factors 2023 Full Set for Advanced Users) "Freighting goods" tab to calculate the GHG emissions. All the trucks that have an average load over 10 tons are assumed to be 100% laden, and the ones below 10 tones are assumed to be 50% laden. For truck shipments below 5 tons, the shipment is assumed to be partial shipment, therefore ton.km emission factors are used. For rail-air and sea transportation we have used the ton.km data multiplied by number of shipments. We have also used DEFRA EFs for these transportation activities. All the transportation services that are purchased by our customers are reported under this category as per the GHG protocol Scope 3 standard. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. WTT emissions for the fuels used in the transportation activities are also included in the calculations. This category includes the transportation services that are purchased by our customers. 100 % of the GHG emissions in this category are verified by a 3rd party.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

252933.03

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Average product method

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

100

(7.8.5) Please explain

Activity Data: We have compiled the production data from all of our plants. Then made research on how much textile is contained in passenger car tires, light trucks, off-road vehicles, aircraft tires and truck tires. In the research we have used published data from US Tire Manufacturers Association, Waste and Resources Action Program, Science Direct and published data from well known tire production companies. Emission Factors: We have used emissions intensity data published in CDP reports of 6 tire producer companies which are also our customers and found an average emission intensity value. We have also used our customer database to evaluate the percentage of tire types produced with our products. Finally, we have used the ton of products produced by our facilities to estimate the GHG emissions during the processing of our products. 100% of these emissions are verified by a third party. Emissions from the processing of sold Composite products are excluded (Scope 3 Category 10). Composite products make up less than 0.073% of our production by weight. The emissions from the processing of these products are estimated to be around 2,332.49 tons of CO2e. This makes 0.15% of our total Scope 3 GHG emissions and 0.92% of our Scope 3 Category 10 GHG emissions. Processing of sold construction reinforcement products are also excluded from this category. The processing of construction reinforcement products is not energy intensive as it only involves mixing the product with concrete. There is no further energy intensive process after mixing.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

All our products are intermediate products and need further processing (such as tire manufacturing) to be used. Therefore, this category is not applicable to our products.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

20766.89

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Waste-type-specific method

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

0

(7.8.5) Please explain

We calculated the emissions for the End-of-life treatment based on the mass/volume of the intermediate product itself rather than the end product. We relied on EPA EFs directly on the intermediate product, and there was no need to account for the percentage of the intermediate product from end product. We analyzed the disposal practices of each country that we send our intermediate products to using the worldbank data at: <https://datacatalog.worldbank.org/dataset/what-waste-global-database>. We calculated an average EF for each country according to their disposal practices using EPA emission factors for the following intermediate products: - Mixed Plastics - Polypropylene (PP) - Polyethylene (PET) Then we have used the amount and type of intermediate product sold to each country multiplied by the calculated average EF factor for that country to calculate our SC3 C12 GHG emissions. 100% of these emissions are verified by a 3rd party.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1429.67

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Fuel-based method

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

99.85

(7.8.5) Please explain

Emission Factors: To calculate the GHG emissions from downstream leased assets we use the electricity emission factors published by IEA, which we use for our Scope 2 calculations as well. For the natural gas and diesel oil used in downstream leased assets we use GHG emission factors published by DEFRA (Conversion Factors 2023 Full Set for advanced users) "Fuels" tab. Activity data: We only have downstream leased assets in our Turkish sites. In these facilities, the electricity, natural gas and diesel oil (consumed in generators) are paid for by Kordsa and then invoiced to Companies that use Kordsa facilities. Where we have separate meters we use the meter readings for the data, where we don't have separate meters, we allocate the consumption figure according to area. Either way for electricity and natural gas consumption the data are taken from the invoices. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The electricity and natural gas consumption figures are taken from the invoices of suppliers. GHG emissions resulting from these 2 emission sources make up 99.85% of the emissions from this category. The GHG emissions from downstream leased assets

makes up %0.09 of our total Scope 3 GHG emissions therefore this category is assessed to be not relevant, but included in our calculations to assure the completeness of our GHG inventory 100% of the GHG emissions in this category is verified by a 3rd Party.

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Kordsa does not have any franchises, therefore this category is not relevant for us.

Investments

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Kordsa has not made any investments that should be reported under this category in the reporting year. All of the subsidiaries of Kordsa are included in our Scope 1, Scope 2 & Scope 3 calculations. We do not have any equity shares in any other company.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No additional Scope 3 emission sources are identified.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No additional Scope 3 emission sources are identified.

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/30/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

1798520.41

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

109763.5

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

93726.56

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

1613.57

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

1828.8

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

4521.38

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

12650.83

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

282502.73

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

0

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

50887.6

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

1339.62

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

In our 2023 CDP reports there was an error in Categories 5 and 7 where we put in the GHG emission values of the previous reporting period. These values are now revised with the correct versions. There was also a revision in the activity data for one of our plants so the GHG emissions of categories 3, 4 and 9 are also revised. There were also some changes in the 2021 emissions, but these changes are reported in detail per category in section 7.5 of this report as 2021 is the base year for our Scope 3 GHG emissions.

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: ☒ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: ☒ Third-party verification or assurance process in place
Scope 3	Select from: ☒ Third-party verification or assurance process in place

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.1.4) Attach the statement

Kordsa 2024 CDP CC Assurance Report.pdf

(7.9.1.5) Page/section reference

Kordsa 2024 CDP CC Assurance Report Page 2: Verification Standard (Under section 'Our Responsibility' Page 7: Emission values

(7.9.1.6) Relevant standard

Select from:

☒ ISAE 3410

(7.9.1.7) Proportion of reported emissions verified (%)

100

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

Kordsa 2024 CDP CC Assurance Report.pdf

(7.9.2.6) Page/ section reference

Kordsa 2024 CDP CC Assurance Report Page 2: Verification Standard (Under section 'Our Responsibility' Page 7: Emission values

(7.9.2.7) Relevant standard

Select from:

☒ ISAE 3410

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

Kordsa 2024 CDP CC Assurance Report.pdf

(7.9.2.6) Page/ section reference

Kordsa 2024 CDP CC Assurance Report Page 2: Verification Standard (Under section 'Our Responsibility' Page 7: Emission values

(7.9.2.7) Relevant standard

Select from:

☒ ISAE 3410

(7.9.2.8) Proportion of reported emissions verified (%)

100

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- | | |
|---|---|
| ☒ Scope 3: Franchises | ☒ Scope 3: Use of sold products |
| ☒ Scope 3: Investments | ☒ Scope 3: Upstream leased assets |
| ☒ Scope 3: Capital goods | ☒ Scope 3: Downstream leased assets |
| ☒ Scope 3: Business travel | ☒ Scope 3: Processing of sold products |
| ☒ Scope 3: Employee commuting | ☒ Scope 3: Purchased goods and services |
| ☒ Scope 3: Waste generated in operations | |
| ☒ Scope 3: End-of-life treatment of sold products | |
| ☒ Scope 3: Upstream transportation and distribution | |
| ☒ Scope 3: Downstream transportation and distribution | |
| ☒ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) | |

(7.9.3.2) Verification or assurance cycle in place

Select from:

- ☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.3.5) Attach the statement

Kordsa Scope 3 GHG Verification Report.pdf

(7.9.3.6) Page/section reference

Page 1: Verification Standard, Reporting Period, Level of Assurance Page 3: Exclusions Page 5 and 6: GHG emissions per Scope 3 categories and non-relevance statement for categories that are assessed to be not relevant

(7.9.3.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

19.34

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0.0054

(7.10.1.4) Please explain calculation

Our previous year gross global Scope 1&2 emissions were 357,301.51 t CO2. Renewable energy is generated in the solar PV system in our CTCE building in Istanbul, in Microtex, Italy and in our rooftop solar panels in İzmit. In the reporting year we have generated 511.38 MWh of renewable energy (GHG emissions equivalent: 148.29 tons CO2e) of renewable energy in this Solar PV system. In 2022 the total generation was 462.38 MWh which equals to a reduction of 128.95 tCO2e. The resulting change in GHG emissions due to renewable energy generated and consumed $148.29 - 128.95 = 19.34$ tons CO2e The decrease of emissions value (%) is calculated as follows: $(19.34 \text{ tons CO2e} / 357,301.51 \text{ tons CO2e}) \times 100 = 0.0054\%$

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

2709.57

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0.76

(7.10.1.4) Please explain calculation

*Our previous year gross global Scope 1&2 emissions were 357,301.51 t CO₂. As a result of the emissions reduction initiatives implemented in 2023, we achieved 2,709.57 tCO₂ emissions reductions (only for Scope 1 and Scope 2). The stated emissions value (percentage) was calculated with the following formula: $2,709.57 \text{ tCO}_2 / 357,301.51 \text{ t CO}_2 * 100$ 0.76%*

Divestment

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

We didn't have any divestments during the reporting period.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no acquisitions during the reporting period.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

We didn't have any mergers during the reporting period.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

1317.22

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0.38

(7.10.1.4) Please explain calculation

*Our previous year gross global Scope 1&2 emissions were 357,301.51 t CO2. Apart from the above-mentioned changes in the reporting period, we had a slight decrease in our production tonnage which resulted in a decrease of 1317.22 tCO2e in our GHG emissions. The stated emissions value (percentage) was calculated with the following formula: $1317.22 \text{ tCO}_2 / 357301.51 \text{ t CO}_2 * 100$ 0.38%*

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in the methodology.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in the boundary.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

10125.99

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

2.83

(7.10.1.4) Please explain calculation

In 2022 there was a natural gas shortage in Turkey and we had to use lots of diesel oil to produce steam for production. Also during winter we used less natural gas for heating compared to 2022 as it was a very mild winter in 2023 in most of the locations we operate in reducing a total of 10125.99 tons of CO₂e. The stated emissions value (percentage) was calculated with the following formula: $10125.99 \text{ tCO}_2 / 357301.51 \text{ t CO}_2 \times 100$ 2.83%.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO₂e)

4317.45

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

1.21

(7.10.1.4) Please explain calculation

We were not able to get reliable data on the GHG emission reduction projects implemented in some of our facilities. We believe this reduction in GHG emissions are also partially due to the implemented GHG emission reduction projects, however as there is no reliable data these are reported under unidentified changes. The stated emissions value (percentage) was calculated with the following formula: $4317.45 \text{ tCO}_2 / 357301.51 \text{ t CO}_2 \times 100$ 1.21%.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There are no other changes.

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

113874.74

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☒ CH₄

(7.15.1.2) Scope 1 emissions (metric tons of CO₂e)

136.56

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☒ N₂O

(7.15.1.2) Scope 1 emissions (metric tons of CO₂e)

59.69

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

☒ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO₂e)

507.61

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

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

	Scope 1 emissions (metric tons CO ₂ e)	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Brazil	5192.14	5874.51	5874.51
Indonesia	16835.45	149173.01	126838.61
Italy	280.64	599.65	599.65

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Thailand	8878.2	15339.65	15339.65
Turkey	49873.55	67217.52	52797.44
United States of America	33518.64	32253.5	22783.37

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

KTR/Türkiye

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

49612.23

(7.17.2.3) Latitude

40.763538

(7.17.2.4) Longitude

30.000097

Row 2

(7.17.2.1) Facility

CTCE/Türkiye

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

261.33

(7.17.2.3) Latitude

40.91852

(7.17.2.4) Longitude

29.317609

Row 3

(7.17.2.1) Facility

IK/Indonesia

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

16835.45

(7.17.2.3) Latitude

-6.5019

(7.17.2.4) Longitude

106.8716

Row 4

(7.17.2.1) Facility

TIK/Thailand

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

8878.2

(7.17.2.3) Latitude

14.3321

(7.17.2.4) Longitude

100.644429

Row 5

(7.17.2.1) Facility

KBR/Brazil

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

5192.14

(7.17.2.3) Latitude

-12.660985

(7.17.2.4) Longitude

-38.305815

Row 6

(7.17.2.1) Facility

USA/CH

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

28954.23

(7.17.2.3) Latitude

35.1128

(7.17.2.4) Longitude

-85.2476

Row 7

(7.17.2.1) Facility

USA/LH

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3642.06

(7.17.2.3) Latitude

34.807816

(7.17.2.4) Longitude

-79.52417

Row 8

(7.17.2.1) Facility

USA/AXIOM SANTA ANA

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

635.08

(7.17.2.3) Latitude

33.721894

(7.17.2.4) Longitude

-117.840237

Row 11

(7.17.2.1) Facility

USA/TPI

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

20.53

(7.17.2.3) Latitude

33.84857

(7.17.2.4) Longitude

-117.972284

Row 12

(7.17.2.1) Facility

USA/FDI

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

94.07

(7.17.2.3) Latitude

40.444607

(7.17.2.4) Longitude

-75.350456

Row 13

(7.17.2.1) Facility

USA/AXIOM-CARLSBAD

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

172.66

(7.17.2.3) Latitude

33.124491

(7.17.2.4) Longitude

-117.2839

Row 14

(7.17.2.1) Facility

MICROTEX/Italy

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

280.64

(7.17.2.3) Latitude

43.889

(7.17.2.4) Longitude

10.961

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	Stationary Combustion	113220.22
Row 2	Mobile Combustion	850.47
Row 3	Fugitive Emissions from A/C Units and Refrigerators	501.57
Row 4	Fugitive Emissions from Fire Extinguishers	6.35

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

KTR/Türkiye

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

66452.84

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

52797.44

Row 2

(7.20.2.1) Facility

CTCE/Türkiye

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

764.68

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 3

(7.20.2.1) Facility

IK/Indonesia

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

149173.01

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

126838.61

Row 4

(7.20.2.1) Facility

TIK/Thailand

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

15339.65

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

15339.65

Row 5

(7.20.2.1) Facility

KBR/Brazil

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

5874.51

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

5874.51

Row 6

(7.20.2.1) Facility

USA/CH

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

24729.15

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

15807.57

Row 7

(7.20.2.1) Facility

USA/LH

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

6231.64

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

5413.1

Row 8

(7.20.2.1) Facility

USA/AXIOM SANTA ANA

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

714.79

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

714.79

Row 9

(7.20.2.1) Facility

USA/TPI

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

252.42

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

252.42

Row 10

(7.20.2.1) Facility

USA/FDI

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

474.96

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

474.96

Row 11

(7.20.2.1) Facility

USA/AXIOM CARLSBAD

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

120.54

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

120.54

Row 12

(7.20.2.1) Facility

MICROTEX/Italy

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

599.65

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

599.65

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

114578.62

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

270727.84

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

224233.24

(7.22.4) Please explain

We are not including emissions from any other entity that is not included in our financial reports. There are no other entities that are not included in our consolidated accounting group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

We are not including emissions from any other entity that is not included in our financial reports. There are no other entities that are not included in our consolidated accounting group.

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: ☒ Yes
Consumption of purchased or acquired electricity	Select from: ☒ Yes
Consumption of purchased or acquired heat	Select from: ☒ No
Consumption of purchased or acquired steam	Select from: ☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ Yes

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

576245.08

(7.30.1.4) Total (renewable and non-renewable) MWh

576245.08

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

73334.41

(7.30.1.3) MWh from non-renewable sources

474883.43

(7.30.1.4) Total (renewable and non-renewable) MWh

548217.84

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

511.38

(7.30.1.4) Total (renewable and non-renewable) MWh

511.38

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

73845.79

(7.30.1.3) MWh from non-renewable sources

1051128.52

(7.30.1.4) Total (renewable and non-renewable) MWh

1124974.31

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: ☒ Yes
Consumption of fuel for the generation of heat	Select from: ☒ Yes
Consumption of fuel for the generation of steam	Select from: ☒ Yes
Consumption of fuel for the generation of cooling	Select from: ☒ No
Consumption of fuel for co-generation or tri-generation	Select from: ☒ No

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

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

We do not use sustainable biomass in our operations.

Other biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

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

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

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

Coal

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

We do not use coal in our operations

Oil

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

3212.15

(7.30.7.3) MWh fuel consumed for self-generation of electricity

264.8

(7.30.7.4) MWh fuel consumed for self-generation of heat

2947.36

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

We use Diesel oil, Gasoline and Fuel oil in our operations. Diesel oil is used both in generators to generate electricity and in our vehicles (trucks, company cars etc.) which is reported under heat. Gasoline is only used in mobile sources (trucks, company cars etc.) We also use fuel oil in our Chattanooga plant.

Gas

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

573032.93

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

307353.29

(7.30.7.5) MWh fuel consumed for self-generation of steam

265679.64

(7.30.7.8) Comment

Natural gas and LPG consumption is included. Natural gas is used for heat and steam generation in our plants in İzmit-Turkey, Indonesia and Chattanooga-US. In other plants it is used for heat generation only. LPG or Propane is used in Thailand, Brazil and Chattanooga-US plants mainly in forklifts, therefore the LPG and Propane consumption is reported here as “consumption for self-generation of heat”.

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

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

We do not use any other non-renewable fuels

Total fuel

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

576245.08

(7.30.7.3) MWh fuel consumed for self-generation of electricity

264.8

(7.30.7.4) MWh fuel consumed for self-generation of heat

310300.65

(7.30.7.5) MWh fuel consumed for self-generation of steam

265679.64

(7.30.7.8) Comment

All fuels used in all of our plants in stationary and mobile sources are included.

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

Electricity

(7.30.9.1) Total Gross generation (MWh)

776.18

(7.30.9.2) Generation that is consumed by the organization (MWh)

776.18

(7.30.9.3) Gross generation from renewable sources (MWh)

511.38

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

511.38

Heat

(7.30.9.1) Total Gross generation (MWh)

306989.96

(7.30.9.2) Generation that is consumed by the organization (MWh)

306989.96

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

265679.64

(7.30.9.2) Generation that is consumed by the organization (MWh)

265679.64

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

☒ Turkey

(7.30.14.2) Sourcing method

Select from:

☒ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Large hydropower (>25 MW)

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

33000

(7.30.14.6) Tracking instrument used

Select from:

☒ I-REC

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

Select from:

☒ Turkey

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

Select from:

☒ Yes

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

2013

(7.30.14.10) Comment

We have purchased renewable energy attribute certificates as part of our PPA with our energy supplier from Köprü Hydroelectric Power Plant.

Row 2

(7.30.14.1) Country/area

Select from:

☒ Turkey

(7.30.14.2) Sourcing method

Select from:

☒ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Geothermal

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

1847.94

(7.30.14.6) Tracking instrument used

Select from:

☒ I-REC

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

Select from:

☒ Turkey

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

Select from:

☒ Yes

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

2018

(7.30.14.10) Comment

Our CTCE plant in Türkiye is located in a technology park. In this facility our electricity is supplied through the Technology Park Management and all the electricity used in this Technology Park is purchased as renewable energy through a financial PPA with the electricity supplier company.

Row 3

(7.30.14.1) Country/area

Select from:

☒ Indonesia

(7.30.14.2) Sourcing method

Select from:

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

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Solar

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

5498.48

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

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

Select from:

☒ Indonesia

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

Select from:

☒ Yes

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

2022

(7.30.14.10) Comment

Rooftop solar panels were installed in our Indonesia plant. These solar panels are located in our facility and we have a direct line to the production, however the panels are owned by a third-party. We have a PPA with the production company and consume all the renewable electricity produced by the Solar Panels.

Row 4

(7.30.14.1) Country/area

Select from:

☒ Indonesia

(7.30.14.2) Sourcing method

Select from:

☒ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Geothermal

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

28800

(7.30.14.6) Tracking instrument used

Select from:

☒ TIGR

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

Select from:

☒ Indonesia

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

Select from:

☒ No

(7.30.14.10) Comment

In our Indonesia plant we have purchased 28800 MWh of renewable energy through a financial PPA (VPPA) with our power supply company.

Row 5

(7.30.14.1) Country/area

Select from:

☒ Thailand

(7.30.14.2) Sourcing method

Select from:

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

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Solar

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

4188

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

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

Select from:

☒ Thailand

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

Select from:

☒ Yes

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

2023

(7.30.14.10) Comment

Rooftop solar panels were installed in our Thailand plant. These solar panels are located in our facility and we have a direct line to the production, however the panels are owned by a third-party. We have a PPA with the production company and consume all the renewable electricity produced by the Solar Panels.

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Brazil

(7.30.16.1) Consumption of purchased electricity (MWh)

62896.28

(7.30.16.2) Consumption of self-generated electricity (MWh)

1.79

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

0

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

24791.81

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

87689.88

Indonesia

(7.30.16.1) Consumption of purchased electricity (MWh)

197855.66

(7.30.16.2) Consumption of self-generated electricity (MWh)

201

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

0

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

80894.43

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

278951.09

Italy

(7.30.16.1) Consumption of purchased electricity (MWh)

2256.87

(7.30.16.2) Consumption of self-generated electricity (MWh)

426.91

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

0

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

1123.46

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

3807.24

Thailand

(7.30.16.1) Consumption of purchased electricity (MWh)

36366.85

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

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

0

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

42298.5

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

78665.35

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

162439.63

(7.30.16.2) Consumption of self-generated electricity (MWh)

140.89

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

0

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

240004.67

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

402585.19

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

86402.55

(7.30.16.2) Consumption of self-generated electricity (MWh)

5.6

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

0

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

183556.74

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

269964.89

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.000338

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

338811.84

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

1003097702

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

9.1

(7.45.7) Direction of change

Select from:

☒ Increased

(7.45.8) Reasons for change

Select all that apply

- ☒ Other emissions reduction activities
- ☒ Change in revenue

(7.45.9) Please explain

Although our absolute Scope 1 Scope 2 GHG emissions have decreased by 5.17%, our GHG emissions intensity per unit revenue has increased by 9.10% because our revenue has decreased by 13.09%.

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

- ☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

- ☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

KORD-TUR-001-OFF Certificate.pdf

(7.53.1.4) Target ambition

Select from:

- ☒ 1.5°C aligned

(7.53.1.5) Date target was set

11/01/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

☒ Carbon dioxide (CO₂)

☒ Perfluorocarbons (PFCs)

☒ Hydrofluorocarbons (HFCs)

☒ Sulphur hexafluoride (SF₆)

☒ Nitrogen trifluoride (NF₃)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Market-based

(7.53.1.11) End date of base year

12/30/2019

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

128767.98

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

281374.79

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

0.000

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

410142.770

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

46.2

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

220656.810

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

114578.6

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

224233.24

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

338811.840

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

37.64

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target includes 100% of our all operational sites' Scope 1 and Scope 2 GHG emissions and there is no exclusion. In the reporting year during our internal audit process we have discovered that one of our sites have reported diesel oil consumed in employee shuttles that are not under our operational control under Scope 1. Therefore, we have revised the base-year emissions for Scope 1. This revision is also reported under section 7.5 of this report.

(7.53.1.83) Target objective

Climate change is a material topic for Kordsa. During our sustainability materiality assessment process, we analyze that our stakeholders also want us to contribute to the fight for climate change. As a global company we follow up international frameworks. That's why, regarding climate action we decided to follow up SBTi criteria and guidelines. Since we got approval from SBTi for our mid-term and long-term targets, our aim is to comply with our commitments.

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

We have completed renewable energy investments in our facilities in Thailand and Indonesia. We also have a dedicated budget for purchasing renewable energy attribute certificates. We conducted waste heat recovery projects which enabled us to reduce our natural gas consumption. For dipping ovens we also implemented recycling of exhaust air for fresh air inlets which enhanced to reduce our natural gas consumption amounts. Our low-carbon transition plan relies mainly on renewable energy investments and PPA's with bundled energy attribute certificates. We are investigating renewable energy purchase options in the countries where we operate in. In our facilities there are ongoing energy efficiency projects which will contribute to decrease our electricity and natural gas consumption figures.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 2

(7.53.1.1) Target reference number

Select from:

☒ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

KORD-TUR-001-OFF Certificate.pdf

(7.53.1.4) Target ambition

Select from:

- ☒ Well-below 2°C aligned

(7.53.1.5) Date target was set

11/01/2022

(7.53.1.6) Target coverage

Select from:

- ☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- | | |
|---|---|
| ☒ Methane (CH ₄) | ☒ Sulphur hexafluoride (SF ₆) |
| ☒ Nitrous oxide (N ₂ O) | ☒ Nitrogen trifluoride (NF ₃) |
| ☒ Carbon dioxide (CO ₂) | |
| ☒ Perfluorocarbons (PFCs) | |
| ☒ Hydrofluorocarbons (HFCs) | |

(7.53.1.8) Scopes

Select all that apply

- ☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

- ☒ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)
- ☒ Scope 3, Category 10 – Processing of sold products

(7.53.1.11) End date of base year

12/30/2021

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

137934.34

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

360565.43

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

498499.770

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

498499.770

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

100

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

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

23.85

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

25

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

373874.828

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

115708.21

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

252933.03

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

368641.240

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

368641.240

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

104.20

(7.53.1.80) Target status in reporting year

Select from:

☒ Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers all GHG emissions from Category 3: Fuel and Energy Related Activities and Category 10: Processing of Sold products. There are no exclusions. We also have a supplier engagement target for our Category 1 emissions from purchased goods and services. Both targets together cover 68.54% of our Scope 3 GHG emissions. The GHG emissions from Category 10: Processing of Sold products are directly related to our production amounts, therefore the emissions within the scope of this target can vary from year to year with changing production tonnages. Therefore, although the target seems to be achieved in the reporting year we will keep on monitoring the status of this target until the end date of target year.

(7.53.1.83) Target objective

Climate change is a material topic for Kordsa. During our sustainability materiality assessment process, we analyze that our stakeholders also want us to contribute to the fight for climate change. For this topic, we not only focus on our own operations but also entire value chain. As a global company we follow up international frameworks. That's why, regarding climate action we decided to follow up SBTi criteria and guidelines. Since we got approval from SBTi for our mid-term and long-term targets, our aim is to comply with our commitments.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

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

The GHG emissions from Category 10: Processing of Sold products are directly related to our production amounts, therefore the emissions within the scope of this target can vary from year to year with changing production tonnages. Therefore, although the target seems to be achieved in the reporting year, we will keep on monitoring the status of this target until the end date of target year.

Row 3

(7.53.1.1) Target reference number

Select from:

☒ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

KORDSA TEKNİK TEKSTİL A.Ş. - Net-Zero Approval Letter.pdf

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

11/07/2023

(7.53.1.6) Target coverage

Select from:

- ☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- | | |
|---|---|
| ☒ Methane (CH ₄) | ☒ Sulphur hexafluoride (SF ₆) |
| ☒ Nitrous oxide (N ₂ O) | ☒ Nitrogen trifluoride (NF ₃) |
| ☒ Carbon dioxide (CO ₂) | |
| ☒ Perfluorocarbons (PFCs) | |
| ☒ Hydrofluorocarbons (HFCs) | |

(7.53.1.8) Scopes

Select all that apply

- ☒ Scope 1
- ☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

- ☒ Market-based

(7.53.1.11) End date of base year

12/30/2019

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

128767.98

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

281374.79

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

0.000

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

410142.770

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

41014.277

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

114578.6

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

224223.24

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

338801.840

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

19.33

(7.53.1.80) Target status in reporting year

Select from:

☒ Revised

(7.53.1.81) Explain the reasons for the revision, replacement, or retirement of the target

This target was previously reported as a 100% reduction however the target was revised as a 90% reduction from the base year during SBTi validation process as per the calculations made with the SBTi Net-Zero Tool version 1.0.3.

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers 100% of our Scope 1 and Scope 2 GHG emissions and there are no exclusions. In the reporting year we have discovered that one of our sites have reported diesel oil consumed in employee shuttles that are not under our operational control under Scope 1. Therefore, we have revised the base-year emissions for Scope 1. This revision is also reported under section 7.5 of this report.

(7.53.1.83) Target objective

Climate change is a material topic for Kordsa. During our sustainability materiality assessment process, we analyze that our stakeholders also want us to contribute to the fight for climate change. For this topic, we not only focus on our own operations but also entire value chain. As a global company we follow up international frameworks. That's why, regarding climate action we decided to follow up SBTi criteria and guidelines. Since we got approval from SBTi for our mid-term and long-term targets, our aim is to comply with our commitments.

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

We have completed renewable energy investments in our facilities in Thailand and Indonesia. We also have a dedicated budget for purchasing renewable energy attribute certificates. Our low-carbon transition plan relies mainly on renewable energy investments and PPA's with bundled energy attribute certificates. We are investigating renewable energy purchase options in the countries where we operate in. To reduce our Scope 1 emissions, we have implemented waste heat recovery projects. Also we conducted energy optimization project by using AI solutions. We are currently investigating alternative low carbon fuels. Our facilities are reviewing more electrification options and also we closely monitor low-carbon fuels that can be apply in the mid-term or long-term such as hydrogen technology.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 4

(7.53.1.1) Target reference number

Select from:

☒ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

KORDSA TEKNİK TEKSTİL A.Ş. - Net-Zero Approval Letter.pdf

(7.53.1.4) Target ambition

Select from:

- ☒ 1.5°C aligned

(7.53.1.5) Date target was set

11/07/2023

(7.53.1.6) Target coverage

Select from:

- ☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- | | |
|---|---|
| ☒ Methane (CH ₄) | ☒ Sulphur hexafluoride (SF ₆) |
| ☒ Nitrous oxide (N ₂ O) | ☒ Nitrogen trifluoride (NF ₃) |
| ☒ Carbon dioxide (CO ₂) | |
| ☒ Perfluorocarbons (PFCs) | |
| ☒ Hydrofluorocarbons (HFCs) | |

(7.53.1.8) Scopes

Select all that apply

- ☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

- ☒ Scope 3, Category 1 – Purchased goods and services
- ☒ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)
- ☒ Scope 3, Category 4 – Upstream transportation and distribution

☑ Scope 3, Category 9 – Downstream transportation and distribution

☑ Scope 3, Category 10 – Processing of sold products

(7.53.1.11) End date of base year

12/30/2021

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

1459457.87

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

137934.34

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

57573.97

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

8769.21

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

360565.43

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

2024300.820

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

2024300.820

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

99.88

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

100

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

100

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

100

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

99.92

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

96.85

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

202430.082

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

1116041.03

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

115708.21

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

64529.8

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

7276.06

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

252933.03

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

1556488.130

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

1556488.130

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

25.68

(7.53.1.80) Target status in reporting year

Select from:

☒ New

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers 100% of our Scope 3 Category 1: Purchased goods and services, Category 3: Fuel and Energy Related Activities, Category 4: Upstream transportation and distribution, Category 9: Downstream transportation and distribution and Category 10: Processing of Sold products. There are some minor exclusions to the categories which are also reported under section 7.4.1 of this report. As these exclusions are reported separately, the target coverage is given as 100% of the above mentioned Scope 3 categories.

(7.53.1.83) Target objective

Climate change is a material topic for Kordsa. During our sustainability materiality assessment process, we analyze that our stakeholders also want us to contribute to the fight for climate change. For this topic, we not only focus on our own operations but also entire value chain. As a global company we follow up international frameworks. That's why, regarding climate action we decided to follow up SBTi criteria and guidelines. Since we got approval from SBTi for our mid-term and long-term targets, our aim is to comply with our commitments.

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

In the reporting year we were able to reduce our Scope 3 Category 1: Purchased goods and services, Category 3: Fuel and Energy Related Activities, Category 4: Upstream transportation and distribution, Category 9: Downstream transportation and distribution, Category 10: Processing of Sold products emissions by 23.11% compared to base year 2021. Scope 3 Category 1: Purchased goods and services emissions are the biggest proportion within this target, so that the biggest achievement is coming from this category. We were able to decrease our purchase volume in 2023, and this is the major reason why we were able to realize this decrease in emissions. In the mid and long term, we focus on supplier engagement activities to get primary data from our suppliers which is the important metric we use in the calculation of Scope 3 Category 1. On the other hand we have R&D projects to use bio-based and recycled raw materials. This project will also give us a chance to procure more recycled and lower product carbon footprint goods. For transportation related emissions we conduct route optimization studies. Also, we closely monitor technological developments in the transportation activities decarbonization roadmaps.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☒ Low 1

(7.54.1.2) Date target was set

12/30/2019

(7.54.1.3) Target coverage

Select from:

☒ Site/facility

(7.54.1.4) Target type: energy carrier

Select from:

☒ Electricity

(7.54.1.5) Target type: activity

Select from:

☒ Consumption

(7.54.1.6) Target type: energy source

Select from:

☒ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2019

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

0

(7.54.1.9) % share of low-carbon or renewable energy in base year

0

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

15.67

(7.54.1.13) % of target achieved relative to base year

15.67

(7.54.1.14) Target status in reporting year

Select from:

☒ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, it is part of our Abs1, Abs2, Abs 3 and Abs 4 emission reduction targets

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

This target covers our İzmit, Türkiye, Thailand and Indonesia facilities. The target covers both self-generated and purchased renewable energy.

(7.54.1.20) Target objective

Climate change is a material topic for Kordsa. The major emission source is energy consumption for Scope 1&2 emission amounts. To be able to realize our emission reduction targets we need to increase renewable energy consumption ratio in our facilities. Since we got approval from SBTi for our mid-term and long-term targets, to realize our commitments we need to focus on renewable energy consumption.

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

☒ Oth 1

(7.54.2.2) Date target was set

11/01/2022

(7.54.2.3) Target coverage

Select from:

☒ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☒ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

☒ Percentage of suppliers (by emissions) with a science-based target

(7.54.2.7) End date of base year

12/30/2021

(7.54.2.8) Figure or percentage in base year

0

(7.54.2.9) End date of target

12/30/2027

(7.54.2.10) Figure or percentage at end of date of target

64

(7.54.2.11) Figure or percentage in reporting year

15.96

(7.54.2.12) % of target achieved relative to base year

24.9375000000

(7.54.2.13) Target status in reporting year

Select from:

☒ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, this target is part of our Abs4 long-term emission reduction target.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☒ Science Based Targets initiative – approved supplier engagement target

(7.54.2.17) Science Based Targets initiative official validation letter

KORD-TUR-001-OFF Certificate.pdf

(7.54.2.18) Please explain target coverage and identify any exclusions

This target covers all of our operations; however, it only includes Scope 3 Category 1 GHG emissions from purchased goods and services. We commit that 64% of our supplier's emissions covering Scope 3 Category 1 Purchased Goods and Services will have science-based targets that meet the latest SBTi criteria by 2027.

(7.54.2.19) Target objective

Climate change is a material topic for Kordsa. During our sustainability materiality assessment process, we analyze that our stakeholders also want us to contribute to the fight for climate change. As a responsible company we not only focus on our own operations but also entire value chain. we follow up international frameworks. That's why, regarding climate action we decided to follow up SBTi criteria and guidelines. To comply with our commitments aligned with SBTi, we need to increase our supplier engagement level. This target will also be a leverage for our suppliers.

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

For the reporting year, Scope 3 Category 1 GHG emissions from purchased goods and services make up 70.31% of our total Scope 3 GHG emissions. Within this category, 5 raw materials have the highest emissions, contributing to around 66.44% of our total Scope 3 GHG emissions. The number of these raw material suppliers is a small figure among the total raw material suppliers but their impact on our emissions is substantial. In the reporting year we sent a letter to those suppliers and we repeated our requirements regarding SBTi aligned target setting. We have already started engaging with the suppliers of these raw materials, and

established a supplier monitoring system. Our plan is to increase our engagement level with them and support them in their SBTi journey. As a part of our engagement plan, we are organizing trainings and specific meetings regarding sustainability to inform the suppliers about Korda's climate transition plan and targets. Also we listen to the current strategies and future plans of our suppliers. Currently we are in the process of assessing the current situation of our suppliers and in the long term we are aiming to define procurement selection criteria. We have a sustainability department that is ready to guide them whenever they need assistance. We are also planning to include other suppliers in these engagement activities, so that we will have more positive impact towards a low-carbon future.

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☒ NZ1

(7.54.3.2) Date target was set

11/07/2023

(7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Abs1

☒ Abs2

☒ Abs3

☒ Abs4

☒ Low1

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.54.3.7) Science Based Targets initiative official validation letter

KORDSA TEKNİK TEKSTİL A.Ş. - Net-Zero Approval Letter.pdf

(7.54.3.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

☒ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

☒ Carbon dioxide (CO₂)

☒ Perfluorocarbons (PFCs)

☒ Hydrofluorocarbons (HFCs)

☒ Sulphur hexafluoride (SF₆)

☒ Nitrogen trifluoride (NF₃)

(7.54.3.10) Explain target coverage and identify any exclusions

This target covers all of our operations. In 2020, our BoD together with our CEO and ELT, have approved the commitment to a net-zero target. We have a target of reaching net-zero emissions by 2050. In 2022, we have prepared a low-carbon transition plan to help us on our road to Net-Zero. This target has also been approved by SBTi.

(7.54.3.11) Target objective

Climate change is a material topic for Kordsa. During our sustainability materiality assessment process, we analyze that our stakeholders also want us to contribute to the fight for climate change. As a responsible company we not only focus on our own operations but also entire value chain. we follow up international frameworks. That's why, regarding climate action we decided to follow up SBTi criteria and guidelines. Since its our vision to contribute environmental sustainability, in line with our company's values and vision we defined our long-term net zero target.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☒ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☒ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☒ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

We are planning to neutralize all the remaining emissions at the end date of target. We are currently researching the topic in order to be able to plan milestones for neutralization with projects that achieve real emission reductions.

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

We regularly review our progress towards our emission reduction targets. Corporate Governance Committee which is directly reports to Board of Directors review targets on a quarterly basis. Kordsa has a target monitoring system and an online tool which is called "Strategic Planning Process (SPP)". Sustainability related

targets are involved within strategic targets and are defined in the Strategic Planning Process. Authorized departments enter current situation of targets on a quarterly basis. Executive leadership team reviews Strategic Planning Process dashboards in Executive leadership team meetings. Strategic targets cascaded to individual targets. Also there is an individual target monitoring online tool which is called Perfx. Individual emission related targets are also monitored via this tool.

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	`Numeric input
To be implemented	0	0
Implementation commenced	0	0
Implemented	20	56166.36
Not to be implemented	0	`Numeric input

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

60.22

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

Select all that apply

- ☒ Scope 2 (location-based)
- ☒ Scope 2 (market-based)
- ☒ Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.55.2.4) Voluntary/Mandatory

Select from:

- ☒ Voluntary

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

10454

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

8714

(7.55.2.7) Payback period

Select from:

- ☒ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

- ☒ 3-5 years

(7.55.2.9) Comment

2 Lighting improvement projects in our Thailand plant. The payback period and estimated lifetime are given as average figures. Estimated annual savings figure include Scope 2 and Scope 3 Category 3 savings.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☒ Process optimization

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2228.35

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

Select all that apply

- ☒ Scope 1
- ☒ Scope 2 (location-based)
- ☒ Scope 2 (market-based)
- ☒ Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

650000

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

85685

(7.55.2.7) Payback period

Select from:

☒ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 11-15 years

(7.55.2.9) Comment

A total of 12 emissions reduction initiatives were implemented in our plants in Izmit-Türkiye, Indonesia, Chattanooga-US and Thailand as part of the initiative category chosen, achieving both natural gas and electricity savings. The payback period and estimated lifetime are given as average figures. Estimated annual savings figure include Scope 1, Scope 2 and Scope 3 Category 3 savings.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☒ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1225.03

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

Select all that apply

☒ Scope 2 (location-based)

☒ Scope 2 (market-based)

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

109173

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

242107

(7.55.2.7) Payback period

Select from:

☒ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 11-15 years

(7.55.2.9) Comment

We have replaced existing compressors and fans with more efficient versions in our Brazil and Indonesia plants. Estimated annual savings figure include Scope 2 and Scope 3 Category 3 savings.

Row 4

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

3171.1

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

Select all that apply

- ☒ Scope 2 (location-based)
- ☒ Scope 2 (market-based)
- ☒ Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.55.2.4) Voluntary/Mandatory

Select from:

- ☒ Voluntary

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

550450

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

0

(7.55.2.7) Payback period

Select from:

- ☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

- ☒ 16-20 years

(7.55.2.9) Comment

In our Thailand plant, a Solar PV electricity generation system was installed. This investment is made in collaboration with our electricity supplier and we purchase all the renewable electricity generated by this Solar PV plant directly from our supplier through a PPA. Via this project we are able to save from both Market-based and location-based Scope2 GHG emissions and Scope3 Category 3 GHG emissions. The renewable electricity purchased from the solar PV plant on our premises is cheaper than the electricity we purchase from the national grid. This is why we have reported an annual monetary saving value. As there is no investment the payback period is reported as 'No payback'

Row 5

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Large hydropower (>25 MW)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

18819.71

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

Select all that apply

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

0

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

15847

(7.55.2.7) Payback period

Select from:

☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ <1 year

(7.55.2.9) Comment

In our İzmit, Türkiye plant we have purchased 33000 MWh of bundled I-REC certificates from our electricity supplier through a virtual PPA. Reducing our Market based Scope 2 and Scope 3 Category 3 GHG emissions. This is a part of our goal on increasing our renewable energy consumption. Payback period is selected as no-payback as this investment does not cause any monetary savings.

Row 6

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Geothermal

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

29608.08

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

Select all that apply

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

(7.55.2.4) Voluntary/Mandatory

Select from:

- ☒ Voluntary

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

0

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

65904

(7.55.2.7) Payback period

Select from:

- ☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

- ☒ <1 year

(7.55.2.9) Comment

In our Indonesia plant we have purchased 28800 MWh of bundled I-REC certificates from our electricity supplier through a virtual PPA. Reducing our Market based Scope 2 and Scope 3 Category 3 GHG emissions. This is a part of our goal on increasing our renewable energy consumption. Payback period is selected as no-payback as this investment does not cause any monetary savings.

Row 7

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Geothermal

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1053.87

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

Select all that apply

☒ Scope 2 (market-based)

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

0

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

0

(7.55.2.7) Payback period

Select from:

☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ <1 year

(7.55.2.9) Comment

Our CTCE plant in Türkiye is located in a technology park. In this facility our electricity is supplied through the Technology Park Management and all the electricity used in this Technology Park is purchased as renewable energy through a financial PPA with the electricity supplier company. As there is no extra cost for us the investment required is given as zero. As there are no monetary savings and investment associated with this project, the payback period is selected as 'No payback'.

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Dedicated budget for energy efficiency

(7.55.3.2) Comment

Kordsa makes detailed annual budgets including a dedicated budget for continuous implementation of energy efficiency projects. Each Site's Energy Manager presents the feasible potential efficiency projects to the Regional Chief Operating Officer who has the authority to approve project budgets up to 5% of the annual revenue. If the project budget exceeds 5% of the revenue, the project proposal is submitted to the CEO and ELT for approval. In 2023, we have dedicated a total budget of around 728.106 - USD for climate and water-related reduction initiatives.

Row 2

(7.55.3.1) Method

Select from:

☒ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Kordsa prioritizes R&D investment as a natural consequence of its “we reinforce life” approach. Accordingly, a dedicated budget for the R&D of low-carbon and eco-friendly products is approved on an annual basis. In the reporting period, Kordsa dedicated 1.34% of its revenue to R&D projects. In 2023, the share of sustainability-oriented R&D projects in our entire R&D budget is 61.60%.

(7.73.2) Complete the following table for the goods/services for which you want to provide data.

	Requesting member
Row 1	Select from:

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Buildings construction and renovation

☒ Composite materials

(7.74.1.4) Description of product(s) or service(s)

KraTos Macro PP is a high-performance polymer-based monofilament synthetic fiber reinforcement that can be utilized in concrete by directly replacing steel mesh or steel wire applications in infrastructure projects requiring high structural strength in concrete.

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

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :Environmental Product Declaration In accordance with ISO 14025 and EN 15804:2012+A2:2019

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

Select from:

☒ Cradle-to-gate

(7.74.1.8) Functional unit used

1 kg of KraTos Synthetic Fibre Concrete Reinforcement

(7.74.1.9) Reference product/service or baseline scenario used

According to the product life cycle evaluation made within the framework of ISO 14040/44 standards, the carbon footprint of 1 kg of KraTos Synthetic Fiber Concrete Reinforcement is equivalent to 2.9 kg of CO2 eq. Considering the amount of KraTos used to prepare 1 m3 of concrete, the following conclusion is reached. Compared to its equivalent steel reinforcement products, the use of Kratos Synthetic Fiber Concrete Reinforcement reduces the carbon footprint of concrete by approximately 40-70%.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

0.00205

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

The carbon footprint of 1 m² slab with steel mesh reinforcement is 2.92 kg CO₂e which is equal to 0.00292 tCO₂e/functional unit. The carbon footprint of 1 m² slab with Kratos Synthetic Fiber Concrete reinforcement is 0.87 kg CO₂e, which is equal to 0.00087 tCO₂e/functional unit. Therefore, the avoided emissions are equal to: 0.00292-0.00087=0.00205 tCO₂e/functional unit

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

1

Row 2

(7.74.1.1) Level of aggregation

Select from:

☒ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Other

☒ Other, please specify :Ceramix Matrix Composite

(7.74.1.4) Description of product(s) or service(s)

Lightweight composites are a key element for the development of electric vehicles and sustainable transport solutions. Kordsa's Ceramix Matrix Composite products carbon fiber fabrics are being used in the manufacture of fuel cells that can generate combustion-free, emission-free and carbon-free electricity from hydrogen. Also it is used instead of metal parts in aircraft engines.

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

Select from:

☒ No

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

1.09

Row 3

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Other

☒ Other, please specify :Twixtra (Cord Fabric)

(7.74.1.4) Description of product(s) or service(s)

Virtually the lightest hybrid cord product in the world and achieved expected sales volumes, allowing the tire to be produced with fewer raw materials eventually reducing the tire weight and lighter weight tires allow for reduced fuel consumption.

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

Select from:

☒ No

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

0.94

Row 4

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Other

☒ Other, please specify :Nylon Tire Cord Fabric with %40 Recycled NylonPA66 Flake Content

(7.74.1.4) Description of product(s) or service(s)

We transform our production scraps through our recycle machine into chips and reuse them in the production as recycled input. Production of cord fabric with recycled material, reducing the carbon footprint of the product

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

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :Life Cycle Assessment

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

Select from:

☒ Cradle-to-gate

(7.74.1.8) Functional unit used

1 kg of Recycled PA Flake material

(7.74.1.9) Reference product/service or baseline scenario used

Reference product is 100% Virgin raw material product

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

0.00367

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

According LCA results, %100 virgin raw material product GWP of Raw Material Stage is 9.46 kgCO₂e/functional unit 0.00946 tCO₂e/functional unit, our 0% recycled content product's GWP of Raw Material Stage is 5.79kgCO₂e/ functional unit 0.00579 tCO₂e/functional unit. Therefore, the avoided emissions are equal to: 0.00946-0.00579=0.00367 tCO₂e/functional unit

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

0

C9. Environmental performance - Water security

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

The withdrawal amounts are measured continuously via water meters at each facility and the volumes are recorded daily.

(9.2.4) Please explain

As water is a vital source for our operations, we monitor water withdrawal data covering all our locations. The amount of water withdrawn from third parties is taken from monthly water invoices. This amount is cross-checked by daily water meter readings at our facilities. The groundwater/surface water withdrawal is measured daily via meter readings. Therefore, the data coverage is 100%.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

All of the water withdrawn are measured continuously with water flow meters. The flow meter data is recorded daily in all of our facilities. Water from 3rd parties are also cross-checked with monthly invoices.

(9.2.4) Please explain

We monitor all (100%) water withdrawal volumes by source including groundwater, third party (city) water and fresh surface water (river and river dam) covering all our facilities and operations. The amount of water withdrawn from third parties is taken from monthly water invoices which use the measurement data from water flow meters. This amount is cross-checked by daily water meter readings at our facilities. The groundwater/surface water withdrawal is measured daily via meter readings. Therefore, the data coverage is 100%.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

Random sampling and laboratory analysis. Analysis method changes depending on the parameter analyzed. Frequency of measurement differs for each facility.

(9.2.4) Please explain

Various parameters (effluents) are monitored on withdrawn water covering process and potable water withdrawn at our facilities. The period and type of parameters analyzed varies, depending on the usage area and the quality required for that purpose. i.e., If the drinking water comes from a water purifier, the analyses are made more frequently, for bottled water we require analysis results periodically from the suppliers, for water used in processes we send samples to accredited laboratories whenever there is a new equipment installed or there is a system breakdown. Some of our suppliers also publish their own analysis results. For example, in our Thailand facility we receive daily analysis results from our supplier. We monitor parameters like, pH, Conductivity, Turbidity, Chlorine, Hardness, Total Dissolved Solids, Total Suspended Solids.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

96.01% of our withdrawals are monitored via flow meters installed at our facilities to measure the total water discharge continuously. The remaining 3.99% of our discharge, the discharge volumes are monitored via monthly water invoices issued by the municipality and/or third parties.

(9.2.4) Please explain

The facilities reported here are our production sites and our offices. In our offices and some of our production sites, the water is only used for domestic purposes. In the locations where discharge is monitored through invoices, the discharge is only made to 3rd parties.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

In our facilities where we discharge to fresh surface water, we have flow meters that measure the discharge volume continuously, & the discharge volumes are recorded daily.

(9.2.4) Please explain

We have flow meters installed at most of our facilities to measure the total water discharge continuously. In our facilities where the water is only discharged to 3rd party sources, volumes are monitored either via monthly water invoices issued by the municipality &/or 3rd parties or via daily recording of the discharge flow meters. The facilities reported here are our production sites and our offices. In the offices and some of our composite production sites, the water is only used for domestic purposes.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

We have flow meters installed at our facilities, which make up 96.01% of our discharges by volume, to measure the total water discharge continuously. For the remaining facilities the discharges are monitored via invoices from 3rd parties.

(9.2.4) Please explain

When the water is discharged to third party sources it is treated by the water treatment plants of the third parties, which are usually the municipalities. In Indonesia and Izmit, Turkey we have a wastewater treatment plant on site. In US-Chattanooga, for freshwater discharges, the water is discharged without any treatment, because it is only used for cooling and is not contaminated. Therefore, discharge volumes by treatment method is monitored on 100% of our operations.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

Random sampling and laboratory analysis of the samples. Analysis method changes depending on the parameter analyzed.

(9.2.4) Please explain

When discharging water, we pay attention to the local regulations and treat the water and discharge it with standard effluent parameters, complying with the local standards. Various parameters (effluents) are monitored in wastewater and 100 % of our water discharge complies with local regulations. Some of the analysis performed are listed below: • Suspended solids • Zinc • Chemical Oxygen Demand • pH • Total Chromium • Oil and grease The water that is discharged to a 3rd party destination is analyzed by the owners of the 3rd party water treatment plant (i.e. municipality). The analysis frequency changes according to each plant and country's regulations, for some plants the analyses are made daily where for other plants they are made weekly or monthly.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Yearly

(9.2.3) Method of measurement

Wastewater analysis for Total- N and Total- P

(9.2.4) Please explain

Total N emissions to water are monitored annually in our İzmit, Türkiye, Indonesia and Thailand plants. In our other plants we are not required by law to monitor this parameter. Total P emissions to water is only monitored in our İzmit Türkiye plant, in other plants this parameter is not required by law to monitor. Therefore, we monitor this parameter in 100% of our plants that are required by law to do so. The analysis frequency is annual. The samples are taken from waste water and analyzed for Total N and Total P.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Grab sampling and measurement of temperature

(9.2.4) Please explain

In our CH plant the water is used for cooling therefore before it is discharged back to the river. Therefore, before discharge, the temperature of the water is measured continuously. Also, in our Indonesia plant the water is discharged to fresh surface water and the temperature of the water is also measured continuously before

discharging. In other plants the temperature of the water doesn't change therefore it is not required by law to measure the temperature. Hence we monitor this parameter in 100% of our plants that are required by law to do so.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Water consumption is calculated using the data from continuous water flow meters. The calculation is made using the withdrawal and discharge data.

(9.2.4) Please explain

100% of the water consumption volume is regularly calculated using the CDP mass balance, the formula being; Water Consumption (C) = Water Withdrawal (W) – Water Discharge (D). We monthly calculate and record the site-based consumption figures. The monthly consumption figures per site are also cross-checked with the figures from the previous year.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Recycled water volume is monitored continuously via flow meters.

(9.2.4) Please explain

We have reverse osmosis systems both in our Izmit, Turkey and Indonesia facilities. We are monitoring 100% of the water recycled and reused in these facilities with water flow meters. The recycling volumes are recorded daily.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

The sanitation facilities are monitored and cleaned several times per day. In all of our facilities, when we use purified water for drinking purposes, the water is regularly tested for suitability. In locations where natural spring water is used, we always ask for analysis results from the suppliers.

(9.2.4) Please explain

We provide fully-functioning, safely managed WASH services for all our employees covering 100% of our operations. The sanitation facilities are also monitored and cleaned several times each day.

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

3566.35

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

(9.2.2.6) Please explain

The volumetric data for water withdrawals from each facility is monitored via water meters in 100% of our facilities. Our total water withdrawal has decreased by 3.25% which is classified as “About the same”. The main reason behind this decrease is the decrease in withdrawal volume in our Izmit-Turkey, Thailand and Chattanooga-US facilities. The facilities where withdrawal volumes have decreased are responsible for 82.8% of our total withdrawals for the reporting year. One major exception is our Indonesia plants where the withdrawal volume has increased by 12.02%, this plant is responsible for 16.84% of our total water withdrawals.

The increase is primarily due to higher production tonnages. Additionally, water demand increase for maintenance and cleaning activities beyond the routines and cleaning the solar panels at the power plant, which was commissioned in 2023, also contributed to this increase. Our facility in Izmit Türkiye is responsible for 17.36% of total withdrawals and the withdrawals in this facility have decreased by 14.34% with respect to the previous year, which is due to decrease in production. We do not have any planned changes that can impact the water withdrawals in the future, therefore, we expect the volumes to be about the same. Defined thresholds for chosen limits are: 0% - 5% about the same 5%- 25% higher or lower, a change over %25: much higher or much lower.

Total discharges

(9.2.2.1) Volume (megaliters/year)

2308.51

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☒ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☒ Investment in water-smart technology/process

(9.2.2.6) Please explain

The volumetric data for water discharges are continuously monitored via flow meters and/or invoices in all of our facilities. Our total water discharge has decreased by 7.78% from 2,503.14 megaliters in 2022 to 2308.51 ML in 2023. The major reason behind this decrease is our facility in Chattanooga-US which is responsible for

76.97% of our total discharges for the reporting year. The water discharge at this facility has gone down from 2,051 ML in 2022 to 1,771 ML in 2023, showing a decrease of about 13.38%. In the other facilities discharge volumes have also increased or decreased but their total impact on our withdrawal volume is minimal when compared to our Chattanooga plant. In the future we expect this volume to be lower as the water recycling/reuse plant in our Indonesia plant becomes operational, which will significantly decrease their discharge volumes. Defined thresholds for chosen limits are: 0% - 5% about the same 5%- 25% higher or lower over %25: much higher or lower. Therefore, a decrease of 7.78% is classified as “Higher”

Total consumption

(9.2.2.1) Volume (megaliters/year)

1257.84

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

(9.2.2.6) Please explain

The consumption figures are calculated individually for each plant using the following formula: Consumption (C)Withdrawal (W) – Discharge(D) Our consumption volume has increased by 4.13% from 1,207.91 in 2022 to 1,257.84 in 2023.This increase is classified as “About the same” Our Chattanooga plant is responsible for

27.23% of our consumption and our Indonesia plant is responsible for about 43% of our consumption. The consumption figures in these two facilities have increased while the consumption in our facility in İzmit-Türkiye has decreased by 39%. We do not expect any capacity increase or any major change that may impact our consumption figures in the future, therefore 5 year forecast is selected as "About the same". Defined thresholds for chosen limits are: 0% - 5% about the same, 5%-25% higher or lower over %25 much higher or lower. Therefore an increase of 4.13% is classified as "About the same"

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☒ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

1328.26

(9.2.4.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☒ Investment in water-smart technology/process

(9.2.4.5) Five-year forecast

Select from:

☒ Lower

(9.2.4.6) Primary reason for forecast

Select from:

☒ Investment in water-smart technology/process

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

37.24

(9.2.4.8) Identification tool

Select all that apply

☒ WRI Aqueduct

(9.2.4.9) Please explain

We have revised the analysis of our sites using the revised version of “WRI Aqueduct Water Risk Atlas Tool”. According to this analysis, 9 out of 13 sites are located in areas with High (40-80%) or extremely high (80%) water stress levels. When we look at baseline-overall water risk 4 of our sites are rated with High (3-4) Overall Water Risk and 3 of our sites are rated as Extremely High (4-5). For future water stress in pessimistic scenarios for 2080, the number of facilities rise up to 11 over 13 where 7 of these facilities are rated as Extremely High (80%) and 4 rated as High (40%-80%) Therefore, to be on the conservative side, we include these 11 facilities to calculate the amount of water withdrawn from water-stressed areas. The total amount withdrawn from these 11 facilities in the reporting year is: 1328.26 ML and this volume is equal to 37.24% of our total withdrawals. When compared to the previous year, our withdrawal from water-stressed areas have decreased by 3.78% by volume which can be classified as “About the same”. In 2022, 37.20% of water we have withdrawn was from these sites, so when we make the comparison, it has only increased by 0.12% which also classifies as about the same. We have chosen to use WRI Aqueduct's global water risk mapping tool, because it helps companies, investors, governments, and other users understand where and how water risks and opportunities are emerging worldwide. The Atlas uses a robust, peer reviewed methodology and the best-available data to create high-resolution, customizable global maps of water risk. It is also practical because when analyzing you can enter the exact geographical locations of the plants and either make an overall risk assessment or you can make specific risk assessments according to the business type like riverine flood risk, drought risk, physical risks. We set the threshold as locations having above medium to high level baseline water stress. (Medium-High not included) We expect the withdrawal volumes to be lower in the future as we have targets to reduce our water withdrawal volumes. We also have a water recycling/reuse project which was implemented in our Indonesia plant, which will also reduce the withdrawals from fresh surface water. When comparing with the previous reporting year, the defined thresholds for chosen limits are: 0% -5% about the same 5%- 25% higher or lower, change over %25: much higher or lower.

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

2618.4

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.7.5) Please explain

Our US, Chattanooga (CH) & Indonesia facilities use fresh surface water (fsw). The amount of water withdrawal from fsw decreased by 2.11% compared to the withdrawal figure reported for 2022. The main reason behind this decrease is our facility in CH-US which is responsible for 59.43% of our total withdrawals and 77.06% of our fsw withdrawals for 2022. Withdrawal from fsw in this facility decreased by 5.65% due to decrease in production. The use of fresh surface water has increased 12% in our Indonesia facilities, which is an expected result of 27% increase in production tonnages. The reasons of this increase are; more water demand for maintenance and cleaning activities and cleaning the solar panels of the power plant which was commissioned in 2023. These facilities are responsible for 16.84% of our withdrawals. We expect this amount to be about the same in the near future. Defined thresholds for chosen limits are: 0%- 5% about the same 5%- 25% higher/lower over %25: much higher/lower

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not have any operations where we have withdrawal from brackish surface water; therefore, this water source is not relevant.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

602.56

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.7.5) Please explain

We have 2 facilities (Izmit, Türkiye and Brazil) where we withdraw water from renewable groundwater. The amount of water withdrawn from renewable groundwater sources has decreased by 12.55% compared to 2022, which can be classified as “Lower”. In our Izmit facility the withdrawal from groundwater has decreased by 15.14% due to decrease in production. Izmit facility is responsible for 81.64% of our withdrawals from renewable groundwater in 2023. The share of Izmit plant in total withdrawal volume is 17.36%. In our Brazil facility however, this figure increased by 1.18%. The share of Brazil plant in total withdrawal volume is 3.33%. We expect this amount to remain the same in the near future. Overall, the withdrawal volume has decreased by 12.55%. Defined Thresholds for chosen limits are: 0%- 5% about the same 5%- 25% higher or lower over %25: much higher or lower.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not have any operations where we have withdrawal from non-renewable groundwater; therefore, this water source is not relevant.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not have any processes where there is produced or entrained water, therefore this water source is not relevant.

Third party sources

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

345.39

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.7.5) Please explain

We withdraw water from 3rd parties in all of our facilities except our 2 facilities in Indonesia. Our withdrawals from 3rd parties decreased by 0.51% which is classified as "About the same". The reason behind this decrease is the decrease in production. In the future we expect these volumes to remain about the same as we do not plan any major changes. Defined Thresholds for chosen limits are: 0- 5% about the same 5- 25% higher or lower over 25%: much higher or lower.

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☒ Relevant

(9.2.8.2) Volume (megaliters/year)

1017.24

(9.2.8.3) Comparison with previous reporting year

Select from:

☒ Much higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.8.5) Please explain

We discharge to fresh surface water in our Chattanooga and Indonesia facilities. Discharge to fresh surface water has increased by 31.82 % in comparison with 2022 which is classified as “Much Higher”. The major reason behind this increase is our facility in Chattanooga-US, which is responsible for 94.11 % of our total discharges to fresh surface water for 2023. The freshwater discharge at this facility has increased by 31.74%, due to a malfunction that occurred with the water withdrawal pump. In our Indonesia facility, the freshwater discharge volume increased by 33.18%. This facility is only responsible for 5.89% of our freshwater discharges. The reason for this increase is due to increased cleaning demand for waste water treatment plant. Defined thresholds for chosen limits are: 0%- 5% about the same 5%- 25% higher or lower over %25: much higher or lower.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

We do not discharge to brackish surface water and seawater; therefore, this discharge destination is not relevant.

Groundwater

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

We do not discharge to groundwater; therefore, this discharge destination is not relevant

Third-party destinations

(9.2.8.1) Relevance

Select from:

☒ Relevant

(9.2.8.2) Volume (megaliters/year)

1291.28

(9.2.8.3) Comparison with previous reporting year

Select from:

☒ Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.8.5) Please explain

We discharge to third party destinations in all plants except Indonesia. Discharge to 3rd party destinations have decreased by 25.42% which is classified as “Much Lower”. The reason behind this decrease is our Chattanooga-US plant which is responsible for 63.46% of discharges to 3rd Party destinations for 2023. The 3rd party discharge at this facility has decreased by 38.13%. In our Izmit plant, which is responsible for 26.88% of 3rd party discharges, there was a 26.38% increase in 3rd party discharges. In other facilities there are slight changes in discharge, however their total impact is very low. Thresholds for chosen limits are: 0- 5% about the same 5- 25% higher/lower, 25%: much higher/lower.

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

We don't have tertiary treatment in any of our facilities because there is no such need in our processes for tertiary treatment. According to relevant national laws and regulations, we are not required to have tertiary treatment in our facilities.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

406.99

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 21-30

(9.2.9.6) Please explain

Rationale for level of treatment: We have secondary treatment in our Türkiye and Indonesia plants (2 plants at one site, sharing the waste water treatment plant). These 3 plants represent 23.07% of our facilities by number. All of the water discharged is treated in the WWTP before being discharged to 3rd party destinations (Türkiye) and fresh surface water (Indonesia). Change in volume: Much higher with 27.34% increase. Compliance with regulatory standards: The wastewater is treated according to local regulations for discharge, the compliance is monitored periodically via laboratory analysis. Definition of change: 0%- 5% about the same 5%- 25% higher or lower over %25: much higher or lower, hence 27.34% increase is classified as "Much higher" Anticipated future trends: We expect this volume to be lower as we are implementing a recycling plant in our Indonesia facility.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

65.04

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 1-10

(9.2.9.6) Please explain

Rationale for the level of treatment: We have primary treatment in our Thailand plant where the waste water is discharged to a 3rd Party and before discharge the suspended solids and floating material are removed via a sedimentation pool. The discharged water is then further treated in the 3rd party waste water treatment plant. Compliance with regulatory standards: According to local regulations this plant can directly discharge to 3rd parties after primary treatment, therefore we are in full compliance with the local regulations. This plant makes up 7.7% of our plants by number (1/13) Change in volume: A decrease of 10.29% which is due to 10.29% decrease in withdrawal volumes due to efficiency measures. Definition of change: 0%- 5% about the same 5%- 25% higher or lower over %25: much higher or lower, hence 10.29% decrease is classified as "Lower" Anticipated future trends: We expect the volume to remain about the same.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

957.37

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ Much higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 1-10

(9.2.9.6) Please explain

Relevance: We discharge to Tennessee river in our plant in Chattanooga without any treatment. Rationale for the level of treatment: Only cooling water is discharged to the river, which is not contaminated because it is not used in the process. This plant makes up 7.7% of our plants by number (1/13) Compliance with regulatory standards: The discharge of cooling water to the Tennessee river is in line with the local discharge regulations. Change in volume: When compared to the previous year the volume has increased by 31.74%. Definition of change: 0%- 5% about the same 5%- 25% higher or lower over %25: much higher or lower, hence 31.74% increase is classified as "Much higher" Anticipated forward trend: As there is a planned capacity increase in our Chattanooga plant we expect this volume to increase in the future.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

879.12

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 61-70

(9.2.9.6) Please explain

Relevance: In all our plants except our four plants in Indonesia (2 plants at one site), Turkiye and Thailand plants we discharge to third parties without treatment. All these plants make up 69.23% of our facilities by number (9/13). Compliance with regulatory standards: The 3rd parties (municipal sewage treatment plants) apply a conventional secondary treatment, and the treatment plants publicly states compliance with local water regulations. Change in volume: When compared to the previous year the volume has decreased by 36.49%. Rationale for the level of treatment: These facilities discharge to 3rd parties without treatment because there is no legal requirement to treat the water further before discharging to 3rd parties. Definition for change: 0%- 5% about the same 5%- 25% higher or lower over %25: much higher or lower, hence 36.49% decrease is classified as "Much lower" Anticipated forward trend: There may be an increase when the new dipping unit is operational in our Chattanooga plant.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

We don't have any other discharge that cannot be classified under previous treatment options.

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

14.58

(9.2.10.2) Categories of substances included

Select all that apply

☒ Nitrates

☒ Phosphates

(9.2.10.4) Please explain

We have nitrate and phosphate emissions in 3 of our plants (İzmit-Türkiye, Indonesia and Thailand). In the reporting year, the total nitrate and phosphate emissions from these 3 plants equaled to 14.58 tons. The emission values of each plant are way below the legal permits so no other precautions are taken to reduce these emissions. In the previous reporting period this figure was 43.71 tons however it was reported much lower than it actually was, due to a human error.

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

3

(9.3.3) % of facilities in direct operations that this represents

Select from:

☒ 26-50

(9.3.4) Please explain

We define facilities as our production and/or R&D sites. In Indonesia we have 2 production facilities in one site, however, the water data for these two facilities are collected as 1 facility. In the reporting year, we have revised our assessment using the revised version of “WRI Aqueduct Water Risk Atlas Tool”. According to the revised risk assessment we have performed using, 9 out of our 13 facilities are located in locations with High or Extremely High baseline water stress. For the future water stress, the number of sites rise up to 11 considering the pessimistic scenarios of WRI for the year 2080. However, in only four of these facilities (2 in Indonesia, 1 in Thailand and 1 in İzmit Türkiye) we have production capacity, water withdrawal and water consumption figures that may have substantive financial or strategic impact on our business. Although there are 2 facilities at Indonesia site, as their water data is collected as 1 facility, the total number of facilities exposed to water risk is given as 3 (Indonesia, Thailand and Turkey) Total percentage of water withdrawn from water stressed areas is 37.24 including the sites that are not currently under water stress but are expected to be by the year 2080. The percentage of water withdrawn from the facilities that may have a substantive impact on our business is 36.48%. The withdrawal figure of the remaining 7 sites, namely our CTCE plant in Türkiye, Microtex, Italy and 5 US facilities (Laurel Hill, Axiom Santa Ana, Axiom Carlsbad, Fabric Development Inc., and Textile Products Inc.) makes up 0.76% of our total water withdrawal. Their production levels are also minimal; therefore these 7 facilities are not assessed to have a substantive water-related impact on our business. When calculating the % company-wide facilities they represent, we used the number of facilities (4/13 30.77 %).

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

32

(9.3.4) Please explain

In 2023 we have revised our assessment to identify priority locations in our Upstream Value Chain. The process for identifying the priority locations in the upstream value chain is as follows: We have first selected our key raw material suppliers which make up 73% of our procurement spend. We used WRI Aqueduct Water Risk Atlas tool to identify the water stress levels & impacts on water availability on their respective basins for these suppliers. We have also used Water Watch CDP Water Impact Index to identify the supplier's dependence on water & their impacts on water quality. Threshold to prioritize the supplier locations: For the WRI analysis, if the Baseline Water Stress and/or Baseline Water Depletion indicator is High or Extremely high the supplier impact is assessed to be substantive & the supplier location is identified as priority location. For the CDP Water Watch Index: If water impact rank for direct operations (withdrawal and/or pollution) is over 2 (Significant or Major damage to freshwater resources) OR Even if the direct impact is ranked below 2, if the total impact is rated “Very High” or “Critical” the impact of the supplier is assessed to be substantive & the supplier location is identified as priority location. Details of the suppliers cannot be disclosed due to confidentiality concerns.

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☒ Facility 1

(9.3.1.2) Facility name (optional)

Indo Kordsa Production Facilities

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Indonesia

☒ Other, please specify :Java-Timor Major, Cisadane Minor Basin

(9.3.1.8) Latitude

-6.502395

(9.3.1.9) Longitude

106.876765

(9.3.1.10) Located in area with water stress

Select from:

☒ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

600.62

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ Higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

600.62

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

59.87

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☒ Much higher

(9.3.1.23) Discharges to fresh surface water

59.87

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

540.76

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ Higher

(9.3.1.29) Please explain

Water withdrawal data from each source is obtained via direct meter readings. Discharge data is obtained via meter readings. Indo Kordsa Facility is the only location in Indonesia where Kordsa operates. There are 2 facilities in the same site and their water data is collected together. Our withdrawal and consumption have increased by 12.02% & 10.08% respectively which are both classified as "Higher". Our discharge has increased by 33.18%, which is classified as "Much higher". The changes are all due increased water demand in maintenance and cleaning activities and the solar panel cleaning consumption Water withdrawal and discharge levels data are obtained via direct meter readings whereas, water consumption is calculated based on Consumption Withdrawal - Discharge formula. We have implemented a water recycling facility which will reduce our withdrawals and discharges considerably therefore we would expect both withdrawals and discharges to be lower in this facility. Defined thresholds for chosen limits are: 0% - 5% about the same 5%-25% higher or lower over %25: much higher or lower.

Row 2

(9.3.1.1) Facility reference number

Select from:

☒ Facility 2

(9.3.1.2) Facility name (optional)

KTR-Turkey Production Facility

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☒ Other, please specify :Black Sea South Coast Major, Kocaeli Minor Basin

(9.3.1.8) Latitude

40.763538

(9.3.1.9) Longitude

30.000097

(9.3.1.10) Located in area with water stress

Select from:

☒ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

619.14

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ Lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

491.93

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

127.21

(9.3.1.21) Total water discharges at this facility (megaliters)

347.13

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☒ Much higher

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

347.13

(9.3.1.27) Total water consumption at this facility (megaliters)

272.01

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ Much lower

(9.3.1.29) Please explain

Water withdrawal data for each source is obtained via direct meter readings and for 3rd party sources the data is being crosschecked via monthly water invoices. 3rd party sources represent the water withdrawn from municipal utilities. The discharge data is also obtained via meter readings. KTR Production Facility represents the

only production facility (1 plant) Kordsa operates in Türkiye. In the reporting period, our total water withdrawals in this facility has decreased by 14.34% with respect to 2022. The reason for this decrease is the decrease in production tonnages. Our discharge volume has increased by 26.38% and our total consumption volume has decreased by 39.31% again due to decrease in production tonnages. Water withdrawal and discharge levels data are obtained via direct meter readings whereas, water consumption is calculated based on CW-D formula. In the future, we expect withdrawal and discharge volumes to be slightly higher as the production tonnages increase. Defined thresholds for chosen limits are: 0% - 5% about the same 5%-25% higher or lower over %25: much higher or lower.

Row 3

(9.3.1.1) Facility reference number

Select from:

☒ Facility 3

(9.3.1.2) Facility name (optional)

TIK-Thailand Production Facility

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Thailand

☒ Chao Phraya

(9.3.1.8) Latitude

14.332175

(9.3.1.9) Longitude

100.644289

(9.3.1.10) Located in area with water stress

Select from:

☒ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

81.29

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ Lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

81.29

(9.3.1.21) Total water discharges at this facility (megaliters)

65.04

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☒ Lower

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

65.04

(9.3.1.27) Total water consumption at this facility (megaliters)

16.26

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ Lower

(9.3.1.29) Please explain

This facility only uses water from 3rd parties and water withdrawal data is obtained via direct meter readings and crosschecked via monthly water invoices. TIK Production Facility represents the only production facility (1 plant) Kordsa operates in Thailand. In the reporting period, our total water withdrawal, discharge and consumption figures in this site has decreased by 10.29% with respect to the previous year. The reason for this decrease is the decrease in production volume. Water withdrawals are obtained by direct meter readings, whereas discharge volumes are obtained from invoices. Water consumption is calculated based on CW-D formula. In the future, we expect withdrawal, discharge and consumption volumes to increase slightly as the production volume increases. Defined thresholds for chosen limits are: 0% - 5% about the same 5%-25% higher or lower over %25: much higher or lower.

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

ISAE3000 100% of the water withdrawal volumes for the facilities reported under 9.3.1 are verified. The verification report is attached under section 13.1.1 of this report.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

ISAE3000 100% of the water withdrawal volumes by source for the facilities reported under 9.3.1 are verified. The assurance report is attached under section 13.1.1 of this report.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

We have plans to have this parameter verified within the next two years.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

ISAE3000 100% of the water discharge volumes for the facilities reported under 9.3.1 are verified. The assurance report is attached under section 13.1.1 of this report.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

ISAE3000 100% of the water discharge volumes by destination for the facilities reported under 9.3.1 are verified. The assurance report is attached under section 13.1.1 of this report.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

We have plans to have this parameter verified within the next two years.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

ISAE 3000 100% of the water discharge quality by standard effluent parameters for the facilities reported under 9.3.1 are verified. The assurance report is attached under section 13.1.1 of this report.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

We have plans to have this parameter verified within the next two years.

(9.4.1) Indicate which of the facilities referenced in 9.3.1 could impact a requesting CDP supply chain member.

Row 1

(9.4.1.1) Facility reference number

Select from:

☒ Facility 1

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

1003097702.61

(9.5.2) Total water withdrawal efficiency

281267.32

(9.5.3) Anticipated forward trend

In the mid-term we expect the water intensity value to be higher as a result of the water efficiency programs we are working on. As the intensity figure is calculated dividing the revenue by withdrawal volume, an increase in revenues will also reflect as an increase in the efficiency figure and vice-versa.

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: ☒ No	None of our products fall under this category.

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☒ Yes

(9.14.2) Definition used to classify low water impact

CoKoon Dipping TechnologyKordsa developed CoKoon by joining R&D forces with Continental. CoKoon is an eco-friendly dip technology which replaces both resorcinol and formaldehyde by an environmentally friendly solution without sacrificing any safety or performance criteria according to the results of the current development status.CoKoon changed the 100-year rubber-based formula with an eco-friendlier one, after a 10-year R&D work. CoKoon is positioned to be the new industry standard which offers innovation in both product and business model.Environmental Gains: In the new technology, more environmentally friendly chemicals that are compatible with REACH regulations are used. In 2022 with COKOON we eliminated 1 ton of resorcinol and 1 ton formaldehyde usage during our production.

(9.14.4) Please explain

CoKoon Dipping Technology Kordsa developed CoKoon tire reinforcement fabric which is an eco-friendly dip technology which replaces both resorcinol and formaldehyde by an environmentally friendly solution. CoKoon changed the 100-year rubber-based formula with an eco-friendlier one, after a 10-year R&D work. CoKoon is positioned to be the new industry standard. Unlike conventional production methods that involves resorcinol and formaldehyde, this formulation prevent water pollution reducing the pollutants in the waste water discharge. The threshold value we use to classify products as low aquatic impact is the substitution of chemicals with the hazard class of “H412 Harmful to aquatic life with long lasting effects” with another chemical which is not labeled as “H412 Harmful to aquatic life with long lasting effects”. In Cokoon product we achieved to substitute resorsinol (which is classified as H12) with another chemical which is not classified as H412.

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Select from: ☒ Yes	Rich text input [must be under 1000 characters]
Water withdrawals	Select from: ☒ Yes	Rich text input [must be under 1000 characters]
Water, Sanitation, and Hygiene (WASH) services	Select from: ☒ Yes	Rich text input [must be under 1000 characters]

	Target set in this category	Please explain
Other	<i>Select from:</i> ☒ No, and we do not plan to within the next two years	<i>We currently do not have any plans to set other targets.</i>

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☒ Target 1

(9.15.2.2) Target coverage

Select from:

☒ Business division

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☒ Reduction in total water withdrawals

(9.15.2.4) Date target was set

09/08/2019

(9.15.2.5) End date of base year

12/30/2019

(9.15.2.6) Base year figure

4085721.39

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

2860004.97

(9.15.2.9) Reporting year figure

3566349

(9.15.2.10) Target status in reporting year

Select from:

☒ Revised

(9.15.2.11) % of target achieved relative to base year

42

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☒ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

This target was previously reported as withdrawal/ton of sales. However, in the reporting period we reviewed this target and decided to revise it in order to be able to monitor the absolute impact of water reduction initiatives we implement. This target was revised as an absolute withdrawal target which is also more ambitious for our line of work. This target covers all Kordsa global tire-reinforcement production activities which make up 99.31% of our total withdrawals by volume. The target coverage is selected as business division because this target covers only tire-reinforcement facilities. Our target is to reduce our absolute water withdrawal volume by 30% with respect to a 2019 base year until the end of 2030. This target has been revised in 2023. In 2019 the absolute water withdrawal was 4,085,721.39 m3 In 2023, this figure was 3,566,349 m3 showing a 12.7% decrease, which means we have achieved 42% of our target relative to the base year.

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

We have a plan to implement water saving initiatives in our tire-reinforcement plants. We have started with the Indonesia plant, a new water recycling project was commissioned in 2023, which will basically will recycle the waste water from WWTP to WTP. Overall amount of water recycled is expected to be 46,000 m3 annually with this project. As the plant starts using this recycled water, it will also reduce their water withdrawals from fresh surface water resources. In the reporting year, In the İzmit-Turkey plant, a closed-loop water system was implemented instead of open-loop system for L2 duct water. With this project 9,000 m3 water efficiency achieved. In İzmit-Turkey also there are approved water recycling and efficiency projects that will be implemented between 2025-2027, expected water efficiency amount is about 60.000 m3 when those projects realized.

(9.15.2.16) Further details of target

Although there are planned investments for our plants in Indonesia and İzmit, Turkey, we are also at the feasibility assessment stage for some other projects in our Chattanooga, US plant which is responsible for around 59% of our withdrawals for the reporting period. Plants in Turkey and Indonesia are prioritized because they are located in high to extremely high water-stressed locations, whereas our plant in Chattanooga US is located in a low water stress location.

Row 2

(9.15.2.1) Target reference number

Select from:

☒ Target 2

(9.15.2.2) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water, Sanitation, and Hygiene (WASH) services

☒ Other WASH, please specify :Maintain 100% of our employees have access to safely managed drinking water and sanitation services

(9.15.2.4) Date target was set

09/08/2022

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

99.9

(9.15.2.7) End date of target year

12/30/2023

(9.15.2.8) Target year figure

100

(9.15.2.9) Reporting year figure

100

(9.15.2.10) Target status in reporting year

Select from:

☒ Achieved

(9.15.2.11) % of target achieved relative to base year

100

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☒ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

This is a year on year rolling target to maintain 100% of our employees have access to safely managed drinking water and sanitation services in Kordsa premises. WASH related services, especially access to clean water and a sanitation facility is of utmost importance to us. Each year we have a target to make sure 100% of our employees have access to clean drinking water and sanitation services. We also provide regular hygiene trainings to 100% of our employees to ensure their safety. The online response system gave an infinity error when we tried to enter the base year figure as 100%, therefore we have given the figure as 99.9%.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

The water quality analysis for drinking and domestic water is conducted monthly by occupational physicians and the administrative affairs department. If needed, appropriate actions are taken based on the results of the analysis. The administrative affairs department performs cleaning and maintenance of water dispensers monthly. Kordsa HSE departments conduct periodically hygiene audits, in this audit adequate water for sanitation and hygiene conditions are audited.

(9.15.2.16) Further details of target

We set this target since it's an important element of our water policy. During our sustainability materiality analysis stakeholders have also emphasized the importance of adequate water for sanitation and hygiene conditions.

Row 3

(9.15.2.1) Target reference number

Select from:

☒ Target 3

(9.15.2.2) Target coverage

Select from:

☒ Site/facility

(9.15.2.3) Category of target & Quantitative metric

Water pollution

☒ Increase in water use met through recycling/reuse

(9.15.2.4) Date target was set

09/08/2022

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/30/2025

(9.15.2.8) Target year figure

46000

(9.15.2.9) Reporting year figure

3172

(9.15.2.10) Target status in reporting year

Select from:

☒ Revised

(9.15.2.11) % of target achieved relative to base year

7

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☒ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

This target only covers our production plant in Indonesia. The target was set in 2022 and aims to increase the water use met by recycling via the implementation of a new treatment plant. In the design phase it was projected that we would be able to use up to 70,000 m³ of water through recycling, however due to local regulatory restrictions this amount was revised as 46,000 m³. Hence the target was also revised in the reporting year. Also in our 2023 CDP report, the base-year figure for this target was mistakenly reported as 38,926 m³ which was actually the amount of water processed in the existing WWTP.

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

In the Indonesia plant, a new water recycling project commissioned in 2023, basically Indonesia plant will recycle water from WWTP to WTP. Overall water recycle amount is expected to be 46.000 m³ water annually with this project.

(9.15.2.16) Further details of target

As an integral part of our water withdrawal decrease target we set this target. At the design phase of this target total water recycling assumption was 70.000 m³. The current capacity for water recycling can't reach up to 70,000 m³, due to regulatory constraints imposed by the Indonesian government, this capacity is limited. This means that only half of the recycled water can be utilized, while the other half must adhere to specific regulations. That why we needed to revise our target from 70.000 m³ to 46.000 m³.

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

	Targets in place
	Select from: ☒ Yes

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☒ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☒ Education & awareness

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: ☒ No, we do not use indicators, but plan to within the next two years

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

Environmental Impact Assessments are carried out during the establishment of new facilities and capacity increases of existing ones, and biodiversity is also addressed as a topic in these assessments. None of our facilities are located in or near to protected areas.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

Environmental Impact Assessments are carried out during the establishment of new facilities and capacity increases of existing ones, and biodiversity is also addressed as a topic in these assessments. None of our facilities are located in or near to UNESCO World heritage sites.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

Environmental Impact Assessments are carried out during the establishment of new facilities and capacity increases of existing ones, and biodiversity is also addressed as a topic in these assessments. None of our facilities are located in or near to UNESCO Man and the Biosphere Reserves

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

Environmental Impact Assessments are carried out during the establishment of new facilities and capacity increases of existing ones, and biodiversity is also addressed as a topic in these assessments. None of our facilities are located in or near to Ramsar sites.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

Environmental Impact Assessments are carried out during the establishment of new facilities and capacity increases of existing ones, and biodiversity is also addressed as a topic in these assessments. None of our facilities are located in or near to key biodiversity areas.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

Environmental Impact Assessments are carried out during the establishment of new facilities and capacity increases of existing ones, and biodiversity is also addressed as a topic in these assessments. None of our facilities are located in or near to other areas important for biodiversity.

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☒ Yes

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☒ Water consumption– total volume

☒ Water discharges– total volumes

☒ Water withdrawals– total volumes

☒ Volume withdrawn from areas with water stress (megaliters)

- ☒ Water withdrawals – volumes by source
- ☒ Emissions to water in the reporting year

(13.1.1.3) Verification/assurance standard

General standards

- ☒ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

As Kordsa every year we conduct third-party verification/assurance process for our sustainability related indicators. In the reporting year, the third-party assurance process is conducted for emissions to water, volume withdrawn from areas with water stress (megaliters), water consumption– total volume, water discharges– total volumes, water withdrawals– total volumes, and water withdrawals – volumes by source metric are audited.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Kordsa 2024 CDP WS Assurance Report.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- ☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

- | | |
|---|--|
| ☒ Waste data | ☒ Energy attribute certificates (EACs) |
| ☒ Fuel consumption | ☒ Electricity/Steam/Heat/Cooling consumption |
| ☒ Product footprint | ☒ Renewable Electricity/Steam/Heat/Cooling generation |
| ☒ Target-setting methodology | ☒ Renewable Electricity/Steam/Heat/Cooling consumption |
| ☒ Emissions breakdown by country/area | |

(13.1.1.3) Verification/assurance standard

General standards

- ☒ ISAE 3000
- ☒ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

Climate change-related standards

- ☒ IRECS (International Renewable Energy Certificate services)
- ☒ ISO 14064-1
- ☒ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

As Kordsa every year we conduct third-party verification/assurance process for our sustainability related indicators. In the reporting year, the third-party verification/assurance process is conducted for electricity/Steam/Heat/Cooling consumption, emissions breakdown by country/area, energy attribute certificates (EACs), fuel consumption, renewable Electricity/Steam/Heat/Cooling consumption, renewable Electricity/Steam /Heat/Cooling generation and waste data. The mid-term and long-term emission reduction targets were verified by the Science-Based Targets initiative (SBTi). The mid-term target for 2030 received approval in 2023, while the long-term target was approved in 2024. SBTi Validation Letters are uploaded to sections 7.53.1 and 7.54.2 and 7.54.3 of this report Life Cycle Assessment (LCA) analyses for certain products were verified by an independent third party verifier.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Assurance+Verification Reports+LCA Verification+iRecs.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- ☒ Climate change
- ☒ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

☒ Other data point in module 4, please specify :Sustainability Report Contents

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

As Kordsa we get assurance for our Sustainability report every year for the following indicators: - Social indicators - Business ethics - Occupational health and safety - Environmental indicators - Energy consumption - Scope 1&2 emissions - Water management - Waste management - Raw and other materials management - Economic indicators - Sustainable procurement

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Kordsa Assurance EFR ENG Opinion-2023.pdf

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Executive Officer (CEO)

(13.3.2) Corresponding job category

Select from:

☒ Chief Executive Officer (CEO)