KORDSA TEKNİK TEKSTİL A.Ş. - Water Security 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your 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-Turkey in 1973 with Sabancı Holding's tire cord manufacturing plant investment. Through the years, Kordsa became the market leader in Turkey and accumulated great know-how on reinforcement materials. Kordsa now operates in 6 countries, namely, Turkey, Brazil, Indonesia, Thailand, Italy and the US with 4,542 reinforcers at its 13 production facilities. 2 of these production facilities have also R&D activities. Kordsa started 39 new R&D projects in the reporting year. These projects focus on issues like: 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.

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.

"Today, Kordsa, whose story started in Turkey, spread on the whole world with its products. 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 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.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Brazil
Indonesia
Italy
Thailand
Turkey
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	TR-AKORDS9182

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Current: Direct: In our production process we primarily use water for cooling, demineralization (process), water treatment and domestic purposes. Water is also a vital source for our business as the dipping we use to give adhesive properties to our products is water-based. Therefore, sufficient amounts of good quality freshwater resources are rated as “vital” for continuation of our business. If the water quality declines, our operation costs would increase to make sure the water quality is improved. Indirect: Good quality fresh water is used primarily for production of our main purchased raw materials yarn chip and flake, however the unavailability of sufficient amounts of water can be overcome by supplier diversification. Therefore, the importance rating is selected as “important” for our supply chain. Future: Direct: We believe the direct use importance rating will remain vital because the possible water stress in the area will be a significant risk for our operations. Besides, the available water could be more polluted and/or salinated and its adverse effects on water quality may bring us additional costs due to water treatment costs to reduce variations in product quality and to prevent hygiene and health risks. Indirect: We presume the indirect use importance rating will be “VITAL” as the same risks mentioned above in our future direct risks will also be relevant for our value chain; especially for our supply chain. These risks could cause an increase our operational costs; as the global water crisis gets more serious diversification of suppliers may not be an option anymore.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Current: Direct: We use recycled water for soft water and cooling water preparation at our Izmit and Indonesia plants. We have chosen the importance rating as “Important” because using recycled water is beneficial on our environmental performance as it reduces our withdrawal volumes. However, this water source is not vital for us as it is only used in our two major plants. The remaining 9 plants don’t use this type of water. We have installed a reverse osmosis system which we use to treat the water to be suitable for use in processes. Indirect: As we have suppliers all around the world, recycling water has become more important in some regions recently, however, overall, the use is still limited. At the moment the importance of sufficient amounts of recycled water is evaluated to be important for both direct and indirect operations. Future: Direct: As the quantity of freshwater is projected to become scarce in the future, this is likely to increase the need for recycled water. Besides, if the quality of water is adversely affected due to pollution and/or salination, the need for recycling will also increase. Consequently, these may cause additional investment and operational cost. Therefore, we estimate the importance of recycled water to become vital in the future. Indirect: The same risks mentioned for future direct operations are also relevant for our value chain; especially for supply chain. As a result, we foresee the importance of brackish/recycled/produced water to gain more importance and become vital for our indirect operations.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Continuously	The withdrawal amounts are measured continuously via water meters at each facility and the volumes are recorded daily.	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%.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – volumes by source	100%	Continuously	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.	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%.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Daily	Random sampling and laboratory analysis. Analysis method changes depending on the parameter analyzed. Frequency of measurement differs for each facility.	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	100%	Continuously	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.	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	100%	Continuously	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.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.	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	100%	Continuously	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.	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	100%	Daily	Random sampling and laboratory analysis of the samples. Analysis method changes depending on the parameter analyzed.	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)	100%	Yearly	Wastewater analysis for Total- N and Total- P	Total N emissions to water are monitored annually in our Izmit, 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	100%	Continuously	Grab sampling and measurement of temperature	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.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water consumption – total volume	100%	Continuously	Water consumption is calculated using the data from continuous water flow meters. The calculation is made using the withdrawal and discharge data.	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	100%	Continuously	Recycled water volume is monitored continuously via flow meters.	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	100%	Daily	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	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.

W1.2b

(W1.2b) 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?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	3711.05	About the same	Increase/decrease in business activity	About the same	Increase/decrease in business activity	Our total water withdrawal has increased by 1.51% which is classified as “About the same”. The main reason behind this increase is the increase in withdrawal volume in our Indonesia & Izmit-Turkey facilities. The withdrawal volume has also increased in our composite facilities in the US. The facilities where withdrawal volumes have increased are responsible for 34.71% of our total withdrawals for the reporting year. Majority of the increase is due to the increase of production in Türkiye (2.93% increase) and Indonesia (27% increase) plants. Also in our İzmit, Türkiye plant there was a breakdown in the recycling unit for 2 months which increased the withdrawal volumes. Also in 2022 we have acquired Microtex, which is a composites production company in Italy. But the impact of Microtex’s water withdrawals is very small (0.05%) on our total withdrawals. Our facility in Izmit Türkiye is responsible for 19.48% of total withdrawals and 79% of the increase in total withdrawal volumes. In this facility the withdrawal volumes increased by 17.89%, due to the 2.93% increase in production volume. Our facility in Indonesia is responsible for 14.45% of total withdrawals and 13.8% of the increase in total withdrawal volumes. In this facility the withdrawal volumes increased by 3.70% due to the 27% increase in production volume. The rest of the increase comes from our composites production plants which is due to 16 %increase in production activities. The composite plants are responsible for 0.63% of our total water withdrawals by volume. In 3 of our facilities which are responsible for 65.24% of our withdrawals, the withdrawals have decreased. 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 over %25: much higher or lower.
Total discharges	2503.88	Higher	Increase/decrease in business activity	Lower	Investment in water-smart technology/process	Our total water discharge has increased by 8.07% from 2,316.97 megaliters in 2021 to 2,503.88 megaliters in 2022. The major reason behind this increase is our facility in Chattanooga-US which is responsible for 81.92% of our total discharges for the reporting year and 90.88% of the change in discharge volumes. The water discharge at this facility has gone up from 1,875 ML in 2021 to 2,051 ML in 2022, showing an increase of about 9.40%. Discharge volume has decreased slightly in our Izmit, Türkiye plant by 3.05%. This plant is responsible for 10.97% of our total discharges. Discharge volume has also increased in our Indonesia plant by 41.93%. This plant is responsible for 1.80% of our total discharges and 6.85% of the change in discharge volumes. The production tonnage has also increased by 27% in this plant. In the other facilities discharge volumes have also increased but their total impact on our withdrawal volume is minimal. In the future we expect this volume to be lower as we have started implementing a water recycling/reuse plant in our Indonesia plant, which will significantly increase 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, an increase of 8.07% is classified as “Higher”.
Total consumption	1207.17	Lower	Increase/decrease in business activity	About the same	Increase/decrease in business activity	Our consumption volume has decreased by 9.84% from 1,338.94 in 2021 to 1,207.17 in 2022. Our Chattanooga plant is responsible for 13.27% of our consumption and 96.66% of the change in consumption volume. In this facility the consumption volume has decreased by 60.76% due to 7% decrease in production. The consumption figure increased in our Izmit Türkiye plant by 35.87% and although this plant is responsible for 37.13% of our consumption, as the decrease volume in Chattanooga plant is much higher, the resulting change is a decrease. 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.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	26-50	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	WRI Aqueduct	According to the analysis we have made using WRI Aqueduct, 6 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 6 of our locations are rated with High (3-4) Overall Water Risk, where only one location is rated as Extremely High (4-5). For future water stress (2030), the number of facilities rise up to 9 over 13 where 7 of these facilities are rated as Extremely High (>80%) and just 1 rated as High (40%-80%) Therefore, to be on the conservative side, we include these 9 facilities to calculate the amount of water withdrawn from water-stressed areas. The total amount withdrawn from these 9 facilities in the reporting year is: 1,282.38 ML and this volume is equal to 34.56% of our total withdrawals. When compared to the previous year, our withdrawal from water-stressed areas have increased by 11.75% by volume which can be classified as “Higher”. 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 is being 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 over %25: much higher or lower.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	2674.78	About the same	Increase/decrease in business activity	Our US, Chattanooga (CH) & Indonesia facilities use fresh surface water (fsw). The amount of water withdrawal from fsw decreased by 2.22% compared to the withdrawal figure reported for 2021. The main reason behind this decrease is our facility in CH-US which is responsible for 59.59% of our total withdrawals and 79.95% of our fsw withdrawals for 2022. Withdrawal from fsw in this facility decreased by 3.60% due to the 7% decrease in production The use of fresh surface water has increased 3.7% in our Indonesia facilities, which is an expected result of 27% increase in production tonnages. These facilities are responsible for 14.45% 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 or lower over %25: much higher or lower.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not have any operations where we have withdrawal from brackish surface water; therefore, this water source is not relevant.
Groundwater – renewable	Relevant	689.03	About the same	Increase/decrease in business activity	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 increased by 4.81% compared to 2021, which can be classified as “about the same”. In our Izmit facility the withdrawal from groundwater has increased by 6.74% due to 2.93% increase in production. Izmit facility is responsible for 84.13% of our withdrawals from renewable groundwater in 2022.The share of İzmit plant in total withdrawal volume is 19.48%. In our Brazil facility however, this figure decreased by 4.36% because of the 7% decrease in production. The share of Brazil plant in total withdrawal volume is 3.21%. We expect this amount to remain the same in the near future. Overall the withdrawal volume has increased by 4.81%. 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	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not have any operations where we have withdrawal from non-renewable groundwater; therefore, this water source is not relevant.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not have any processes where there is produced or entrained water, therefore this water source is not relevant.
Third party sources	Relevant	347.17	Much higher	Increase/decrease in business activity	We withdraw water from 3rd parties in all of our facilities except our 2 facilities in Indonesia. Our withdrawals from 3rd parties increased by 32.01% which is classified as “Much Higher”. The reason behind this increase is the 6.67% increase in production. Also, in our Izmit plant, there was a breakdown in the recycling unit for 2 months which increased the withdrawal volumes. 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.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	771.67	About the same	Increase/decrease in business activity	We discharge to fresh surface water in our Chattanooga and Indonesia facilities. Discharge to fresh surface water has decreased by 4.01 % in comparison with 2021 which is classified as “About the same”. The major reason behind this decrease is our facility in Chattanooga-US, which is responsible for 95.49 % of our total discharges to fresh surface water for 2022. The freshwater discharge at this facility has decreased by 5.90%, which is a direct result of the 7% decrease in production. In our Indonesia facility, the freshwater discharge volume increased by 41.93% but as this facility is only responsible for4.51% of our freshwater discharges it didn’t reflect to total fsw discharge volume as an increase. The reason for this increase is 27% increase in production. 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	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not discharge to brackish surface water and seawater; therefore, this discharge destination is not relevant.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not discharge to groundwater; therefore, this discharge destination is not relevant
Third-party destinations	Relevant	1732.21	Higher	Increase/decrease in business activity	We discharge to third party destinations in all plants except Indonesia. Discharge to 3rd party destinations have increased by 14.49% which is classified as “Higher”. The reason behind this increase is our Chattanooga-US plant which is responsible for 76.47% of discharges to 3rd Party destinations for 2022. The 3rd party discharge at this facility has increased by 20.11%. In our Izmit plant, which is responsible for 15.86% of 3rd party discharges, there was a slight decrease in discharges because we consumed more water during production. 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.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	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	Relevant	319.61	About the same	Increase/decrease in business activity	21-30	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: Lower with 1.47% 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 1.47% increase is classified as "About the same" Anticipated future trends: We expect this volume to be lower as we are implementing a recycling plant in our Indonesia facility.
Primary treatment only	Relevant	72.5	Lower	Increase/decrease in efficiency	1-10	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 8.81% which is due to 8.81% 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 18.08% increase is classified as "Higher" Anticipated future trends: We expect the volume to remain about the same.
Discharge to the natural environment without treatment	Relevant	726.72	Lower	Increase/decrease in business activity	1-10	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 decreased by 5.90%. Definition of change: 0%- 5% about the same 5%- 25% higher or lower over %25: much higher or lower, hence 5.90% decrease is classified as "Lower" 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	Relevant	1385.05	Higher	Increase/decrease in business activity	61-70	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 increased by 20.42%. 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 20.42% increase is classified as "Higher" Anticipated forward trend: There may be an increase when the new dipping unit is operational in our Chattanooga plant.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	We don't have any other discharge that cannot be classified under previous treatment options.

W1.2k

(W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	List the specific substances included	Please explain
Row 1	0	Nitrates Phosphates	<Not Applicable>	Our nitrate and phosphate emissions in 2022 in 3 plants (İzmit-Türkiye, Indonesia and Thailand) totals 0.00084542 tons. However, the online system only permits two digits after the decimal point therefore the emissions value is reported as zero. These values are way below the legal permits so no other precautions are taken to reduce these emissions.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1154124416	3711.05	310996.730305439	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, and increase in revenues will also reflect as an increase in the efficiency figure.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	None of the raw materials and auxiliary materials we use in our production fall under this category.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)
Supplier dependence on water
Supplier impacts on water availability
Supplier impacts on water quality
Procurement spend

Number of suppliers identified as having a substantive impact

14

% of total suppliers identified as having a substantive impact

1-25

Please explain

Description of the approach taken to assess supplier's impact:
We have first selected our key raw material suppliers which make up 50.5% 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.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement
Providing fully-functioning, safely managed WASH services to all workers

% of suppliers with a substantive impact required to comply with this water-related requirement
100%

% of suppliers with a substantive impact in compliance with this water-related requirement
51-75

Mechanisms for monitoring compliance with this water-related requirement
Grievance mechanism/Whistleblowing hotline
Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement
Retain and engage

Comment
Kordsa has a supplier code of conduct which is a part of our supplier contracts. This document defines our requirements from each of our suppliers.
In line with Kordsa's sustainable supply chain program Kordsa aims to improve water security not only within its own operations but also in its value chain. In the reporting period 57.1% of our suppliers with a substantive impact have been monitored with water related requirements. For the suppliers which were not assessed during the reporting period, a new assessment will be conducted.
Kordsa also has a whistleblowing hotline for all stakeholders. If there is a non-compliance, employees of our suppliers also may use this hotline.
We expect all of our suppliers to provide fully-functioning, safely managed WASH services to all workers.

Water-related requirement
Reporting against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security questionnaire, etc.)

% of suppliers with a substantive impact required to comply with this water-related requirement
100%

% of suppliers with a substantive impact in compliance with this water-related requirement
51-75

Mechanisms for monitoring compliance with this water-related requirement
Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement
Retain and engage

Comment
Kordsa has a supplier code of conduct which is a part of our supplier contracts. The supplier code of conduct also being sent to suppliers with purchase orders. This document defines our requirements from each of our suppliers.
We request our suppliers to comply with our requirements. In line with Kordsa's sustainable supply chain program Kordsa aims to improve water security not only within its own operations but also in its value chain. We request our suppliers to report on their sustainability and water-related performance through online platforms like Ecovadis, supplier annual sustainability survey and supplier annual sustainability audits.
In terms of water related information, we require data on:
- Monitoring methods for their water withdrawals
- Management approach to water-related issues including monitoring
- Provision of fully functioning safely managed WASH services to all workers
- Targets to reduce water withdrawals/consumption
- Waste-water management practices

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement
Information collection

Details of engagement
Collect water management information at least annually from suppliers

% of suppliers by number
1-25

% of suppliers with a substantive impact
100%

Rationale for your engagement
Kordsa has a sustainable supply chain program. Using various tools, Kordsa evaluates the current situation of its suppliers and their performance on sustainability related topics annually. Water security is an important pillar in this assessment. Kordsa uses 3 different evaluation tools all of which have water related indicators;
1- Ecovadis scorecard
2- Kordsa annual supplier sustainability survey
3- Supplier Audit

Sustainability and Supply Chain (SC) Departments conducted a CSR risk mapping of Kordsa's suppliers based on procurement category and total spend to decide which suppliers will be focused on.
As a result of this study, the scope of this Supplier Sustainability Assessment Program (SSAP)was established as follows;

Kordsa's tier 1 suppliers with an annual spent of $500,000 or more, the suppliers with a significant impact on Kordsa's scope 3 targets and the suppliers which have a substantive impact on water security are within the scope of the SSAP.

Kordsa evaluates its suppliers in line with the following criteria;

• Governance
• Social Issues (Ethics - Employee and Human Rights - Occupational Health and Safety - Conflict Minerals)
• Environmental Issues (Environmental Management – Energy & Carbon Management – Waste Management – Material Management- Water Management)
• Sustainable SC

Tier 1 suppliers which has a significant impact on Kordsa's scope 3 emission target are expected to conduct "Ecovadis Sustainability Assessment". Other Tier 1 suppliers with an annual spend of $500,000 or more are required to participate in the "Kordsa Supplier Annual Sustainability Survey".

Sustainability audit of tier 1 suppliers are carried out by Kordsa's authorized personnel within the scope of the "Annual Supplier Audit Plan" created by the Quality Department.

Sustainability results have a weight of 15% in the total supplier audit scoring.

Impact of the engagement and measures of success
We established Kordsa's SSAP to manage supply chain related sustainability risks and engage with our suppliers about sustainability topics including water security. We set ambitious targets and measure success in terms of evaluation sustainable supply chain program's performance and engagement level.
Our targets for supplier sustainability assessment program are;

"100% of targeted tier 1 suppliers who have gone through a sustainability assessment" In 2022, 53% of our targeted tier 1 suppliers have gone through a sustainability assessment. These suppliers account for 46.5% of our total spend volume.

"100% of targeted tier 1 suppliers audited in line with annual scheduled audit plan" In 2022, 100% of targeted tier 1 suppliers were audited in line with annual scheduled audit plan

In terms of water related information, from our targeted tier 1 suppliers we require data on:
- Monitoring methods for their water withdrawals
- Management approach to water-related issues including monitoring
- Provision of fully functioning safely managed WASH services to all workers
- Targets to reduce water withdrawals/consumption
- Waste-water management practices
All of the above-mentioned indicators are awarded points in the supplier assessments.
We use the results of assessment to classify the suppliers according to the points they get, they can be scored as high as an A-Grade Supplier or as low as a D-Grade Supplier.

Minimum level required by Kordsa is B grade. Measure of success is percentage of suppliers with an evaluation score of B or higher. In 2022, 39% of assessed suppliers rating was B grade. Our objective is to have at least 50% of suppliers with B grade by 2025.
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 and how they integrate water resilience their current business strategy.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder
Customers

Type of engagement
Education / information sharing

Details of engagement
Share information about your products and relevant certification schemes

Rationale for your engagement
Tire reinforcement products make up about 86% 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.
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.

Impact of the 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 Team

We use a percentage value to measure success which is calculated as: (b/a)*100

And we expect this percentage to be over 80%.

In 2022 we achieved to respond 100% of our customers' expectations on time and completely. In 2022 3 of our tire customers requested us to respond to CDP Water Security Program and 6 of our customers requested us to provide our Ecovadis scorecard.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

W3. Procedures

W3.1

(W3.1) 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?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	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. 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. Indicators used to identify pollutants: A detrimental impact on water ecosystems are considered not for discharge water contents but for spillage and environmental accidents. Therefore, rather than using discharge metrics to manage pollutants we use number of spills. 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 2022.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category
Oil

Description of water pollutant and potential impacts
Consumed 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.

Value chain stage
Direct operations
Supply chain

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

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 waste water 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 2022, 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.

Water pollutant category
Other synthetic organic compounds

Description of water pollutant and potential impacts
Organic synthetic compounds are consumed organic compounds for production. Those are dipping chemicals which we use during dipping process. Such as latex, formaldehyde, resorsinol. Those organic compounds are toxic for aquatic organisms.

Value chain stage
Direct operations
Supply chain

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

Please explain
How the selected procedures manage the risks of potential impacts:
Kordsa facilities periodically inspect chemical 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 chemical 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 waste water 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 accident and also 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 2022, within the scope of audited suppliers no any environmental accident reported.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage
Direct operations
Supply chain
Other stages of the value chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
More than once a year

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise risk management
International methodologies and standards
Other

Tools and methods used
WRI Aqueduct
Enterprise Risk Management
ISO 14001 Environmental Management Standard
Internal company methods
External consultants
Materiality assessment
Scenario analysis
Other, please specify (Monte Carlo Simulations)

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Impact on human health
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

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

Comment

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	Yarn manufacturing & fabric dipping processes are the 2 most water intense processes in Kordsa's operations. Since Kordsa has operations in wide range of geographies, Global Risk Management department (GRM) includes all Kordsa entities & their supply chain tiers with full coverage. Use of sold products phase is not considered, since there is no significant water use related with that phase. Kordsa utilizes multiple tools to assess water risks. WRI aqueduct is used to identify water stress. GRM's methodology is based on COSO framework. Materiality assessment is performed for both employees & external stakeholders. External consultants' opinions are also included. GRM uses the impact & likelihood scale tables for assessment purposes. The definitions in different categories of impacts are aligned with definitions in ISO 14001 environmental standard. 3 different scenarios are assigned for each risk & monte carlo simulation is applied to calculate overall value at risk of facilities. To calculate the severity of a risk, GRM assigns probability and impact scores for each. There are 6 categories in impact scale Finance, Reputation, People, Business continuity, Legal & Environment. Based on these scores, risks are located on the heat map. If a risk is identified as high and critical in heatmap, risk owner is required to take a mitigation action. For non-severe risks, owners can decide one of the following response types, Transfer, Mitigate, Avoid, Accept.	Some of Kordsa facilities are located nearby a river. Water is a key commodity for Kordsa. It is mixed with other raw materials at certain amounts to ensure the right chemical and mechanical reactions to occur. All the water is treated at treatment plants before discharging to river or any local government piping. Discharged water continued to be monitored to assess the potential impacts of ecosystem and human health. So, water amount, quality, accessibility and preservation of usable water are of paramount importantance for Kordsa. At all sites, Kordsa puts efforts to use water more efficiently, encourages industrial reuse of water. Technological research and investment opportunities are followed to increase the amount of recovered waste water. Some materials may cause bodily injury if contacted without any personal protection equipments. In operation areas, there are water, sanitation and hygene services such as eye wash or body wash areas in place in case an incident occurs. Current and emerging regulatory frameworks of local authorities are also monitored constantly to ensure compliance to water related regulationsat all times. Since our facilities are located in industrail areas, the impact on ecosystem and habitats are very limited. All the efforts are communicated with stakeholders via annual sustainability reports or interim material disclosure statements. So stakeholders are informed regularly to prevent any conflict arising.	Customers and Suppliers: As defined in 2030 and 2050 plans, the automotive and aviation sectors are committed to improve their overall water management. In medium time horizon the water treatment performances, withdrawal and discharge numbers will be closely followed by all tiers in supply chain. (Both customers and suppliers) Employees: Employees are at the center of previous successes and now Kordsa employees are the ones working on the reach 2030 and 2050 targets. Investors: Since Kordsa is a publicly traded company, investor concerns are always prioritized. Local communities and NGO's: Kordsa has many social development investments for the local communities in different geographies. Kordsa is also working with NGOs to increase local awareness and NGO's are also required for Kordsa for their expertise in specialized topics. Regulators: Kordsa is subject to various global and local regulations. Water utilities at a local level: In order to maintain business continuity, water utilities are always considered. Other water users at the basin/catchment level: The last recent years, Kordsa suffered from global supply chain interruptions. Availability of water routes required GRM to consider logistic providers.	Entity Risk responsibles are communicating the risk registers with Entity COOs to discuss the appropriate risk response. (Mitigate, transfer, avoid, accept) For HQ departments, the Executive Member of the department is defined as Risk Owner. Once a risk is identified with substantive 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 a risk is still placed in critical or high categories, risk owners are required to implement further actions until the risk score reduces below High category. (Medium or Low)- For other risks, risk owner can decide on one of the 4 response types. Each action is assigned to an action owner to complete the field work. All actions' status is followed by GRM as well. Water related risk responses are also a part of Kordsa's Transition Plan. So, all actions defined or to be defined are taken from or will be included in Kordsa's roadmap for 2030 and 2050 targets.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Risks are placed in a heat map based on their probability and impact scores. Kordsa defines**substantial financial or strategic impact** if that placement falls within **"Critical" or "High"** categories in Kordsa's risk heat map (App4). Once a risk is identified with substantive 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 a risk is still placed in critical or high categories, risk owners are required to implement further actions until the risk score reduces below High category. (Medium or Low)

Description of the quantifiable indicators used to define substantive financial or strategic impact:

The definitions are based on previous experience or industry/operational standards. The impact level of the risk or opportunity is identified to be substantive if the impact is over 1% of PO EBITDA (2022 PO EBITDA 125M USD) hence for the reporting period risks/opportunities with an impact of over 1.25 Million USD are classified as substantive risks/opportunities.

Substantive impact thresholds are subject to annual review by the Global Risk Management department and any change requires EDRC approval.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	1-25	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. According to the risk assessment we have performed using WRI Aqueduct Water Risk Atlas Tool, 9 out of our 13 facilities are located in locations with High or Extremely High baseline and/or future (2030) water stress. However, in only three of these facilities (2 in Indonesia and 1 in İzmit Türkiye) we have production levels and water withdrawal and 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 2 (Indonesia and Turkey) Total percentage of water withdrawn from water stressed areas is 34.56% and the percentage of water withdrawn from these 3 facilities is 33.93%. The withdrawal figure of the remaining 6 sites, namely our CTCE plant in Türkiye, Microtex, Italy and four US facilities (Advanced Honeycomb Technologies, Fabric Development Inc., Axiom and Textile Products Inc.) makes up 0.63% of our total water withdrawal. Their production levels are also minimal; therefore these 6 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 (3/13 = 23.08 %).

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Turkey	Other, please specify (Black Sea South Coast Major, Kocaeli Minor Basin)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
31-40

Comment
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 19.48% of our total withdrawals, 10.97% of our discharges and 37.13% of our total consumption figures in the reporting year.

Country/Area & River basin

Indonesia	Other, please specify (Java-Timor Major, Cisadane Minor Basin)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
31-40

Comment
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 with low level baseline water stress, however their overall water risk score is High (3-4) and their future (2030) water stress is Extremely High(>80%). 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 31% of our global revenue comes from operations held at these two facilities. These facilities are also responsible for 14.45% of our total withdrawals, 1.8% of our discharges and 40.69% of our total consumption figures in the reporting period.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Indonesia	Other, please specify (Java Timor Major, Cisadane Minor Basin)

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact
Reduced revenues from lower sales/output

Company-specific description

Kordsa's production facility in Indonesia, accounted for 27% of global production and 31% of global revenue in 2022. 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 Nylon 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 25.6 °C. 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 the case of a flash flood the facility may be closed from a few days for up to a few months. The primary potential impact would be reduced revenues from lower sales/output.

There are several steps on mitigation plans since the latest incident happened and the latest major investment was concluded at the end of 2021. However, in the long-term horizon, the threat may increase in frequency and severity. So, Kordsa keeps the long-term impacts of climate change also in its focus.

Timeframe
More than 6 years

Magnitude of potential impact
High

Likelihood
Likely

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
3000000

Potential financial impact figure - maximum (currency)
389125000

Explanation of financial impact
The financial impact figure was determined from the minimum and maximum scenario analysis.
In minimum scenario, public market data is analyzed by Global Risk Management Department and a model is derived assuming minor flash flood during one of the wet seasons. There will be some cleanup expenses, and the plant will be shut down for 2-3 days mostly for cleaning but assume 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 3 m$. Most of the costs are expected to be due to cleaning activities.
PD loss: 3M USD
No BI damage is assumed: $ 0
Total loss (minimum financial impact): 3,000,000 USD

In maximum scenario, a catastrophic flooding is assumed. Catastrophic incidents result in not only Kordsa's loss but the geographical region will be impacted. Even companies outside of the flood zone will be impacted due to interruptions in their supply chain. According to the maximum scenario, a flash flood occurs after record rainfalls during one of the wet seasons. Significant property damage (PD) and business interruption (BI) (loss of sales for 3 months) are assumed.
PD loss: $ 300 Million
BI loss: Annual total revenue:1.15 billion USD
Indonesia revenue (31%) = 356.5M USD
3 months of revenue loss = 356.5 M USD / 4 = 89,125,000 USD

So, in total, Kordsa is subjected to,
300 M + 89.13 M = 389,125,000 USD (Maximum financial impact)

Primary response to risk
Use risk transfer instruments

Description of response
Situation:
Being adjacent to the Cikeas river in its border, our facility in Indonesia was under a risk of business interruption & damage to property due to flash flood during rainy season. Before the actions were implemented there was no barrier between the river & facility. Monitoring devices has not been set up for an early alarm.

Task: To reduce the financial impacts we may face as a result of this risk and to improve the resilience of the facility in Indonesia against a catastrophic flood damage

Actions:
In order to reduce the financial impacts of this risk, our initial action was to transfer this risk by insuring the facility. Our insurance covers flood damage to property & Business interruption as a result of extreme weather events. Kordsa pays around $2M for policy premium annually.

We have also worked on improving the resilience of the facility. Local Engineering department collaborated with local authorities & completed multiple projects in the last couple of years.
1. 5 mt tall concrete fence was constructed around the plant separating the river from facility. Cost: 208,000 USD
2. Manually operated water gates were built in 5 different locations of the premise to prevent high levels of Cikeas river entering facility.
3. 5 Sump pits were also built in low locations. Each of them covers 16m2 of area and have 3 flood pumps to discharge the accumulated water to outside the facility. Gate valves are provided to prevent back flow from Cikeas river.
4. Water level detection system is also provided in the Cikeas river, accessible from the main guard post.
5. Building monitoring systems around the river

There is also an emergency response team present in the facility all time. The team members receive recurring training about climate related threats. Monthly drills are conducted for water gates and pit pumps.

Timeline:
Our insurance policy is renewed every year.
All projects have started in Q4 2021 and completed within that quarter.

Results:
With the insurance, the financial impact is reduced to policy deductibles which is 10% for property damage and 7 days for business interruption. So, the impact range is reduced to $300 k to $38.91 M

Success of the remaining actions is evaluated based on their ongoing performance. Two 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.

Cost of response
2340000

Explanation of cost of response
Our insurance policy costs around 2 M USD.
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

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (Various river basins in the country)

Stage of value chain
Use phase

Type of risk & Primary risk driver

Reputation & markets	Changes in consumer behavior

Primary potential impact
Reduced demand for products and services

Company-specific description
Water is a key commodity in Kordsa's operations. 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 waste water treatment plant and discharged by local regulation standards.
Environmental concerns are increasing among the community. Some stakeholders such as investors, NGOs and especially customers demand from Kordsa to decrease the water withdrawal volumes. Moreover, our leading customers, global tire manufacturers are setting ambitious 2030 and 2050 climate and water related targets and expect Kordsa to support them in achieving these targets. Our tire reinforcement products make up about 86% of our total sales.
Although Kordsa is actively managing and disclosing its ESG performance and conducting R&D activities to improve the water performance of its products, customers are requesting additional information regarding the ongoing projects. If we are unable to keep up with market expectations in terms of responsible water management, this may hinder our ability to market our products where global demand will be towards more sustainable alternatives. The reduction of global customers' orders may affect Kordsa's operational efficiency. The decrease in efficiency may increase Kordsa's unit costs and this may deteriorate our competitive position and deteriorate our advantages against our competitors.

Timeframe
More than 6 years

Magnitude of potential impact
High

Likelihood
Likely

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
9890000

Potential financial impact figure - maximum (currency)
29670000

Explanation of financial impact
The financial impact figure was determined from the minimum and maximum scenario analysis. Sales losses or order postponements occurring time to time for various reasons (customer, supplier or Kordsa related) Actions are taken promptly by sales and manufacturing teams. The majority of the loss is recovered for the same customer within the next month, next quarter or within the year. Alternative local sales are focused to fulfill the short-term capacity. This calculation focuses on non-recoverable losses only.

For Minimum Scenario:
Minimum scenario assumes Kordsa falls behind competition in responsible water management but will be able to reach market averages in short term. In this scenario, it is assumed that Kordsa may lose up to 1% of total sales which is also considered as a non-recoverable loss for Kordsa. This 1% is an illustrative estimate selected in light of uncertainty.
Annual revenue= 1.15 billion USD
Tire reinforcement share in annual revenue= 86%
Revenue from tire reinforcement = 1.15 billion USD x 86% = 989 M USD
1% of sales loss from tire reinforcement= 989 M USD x 1% = 9.89 M USD

For maximum Scenario:
Maximum scenario assumes Kordsa falls behind competition in responsible water management and it is not possible to transform its business in short term. In this scenario, it is assumed that Kordsa may lose up to 3% of total sales which is also considered as a non-recoverable loss for Kordsa. This 3% is an illustrative estimate selected in light of uncertainty.
Annual revenue= 1.15 Billion USD
Tire reinforcement share in annual revenue= 86%
Revenue from tire reinforcement = 1.15 billion USD x 86% = 989 M USD
3% of sales loss from tire reinforcement= 989 M USD x 3% = 29.67 M USD

Primary response to risk

Direct operations	Other, please specify (Dedicated capital budget to increase water efficiency in operations)

Description of response
Situation:
Customers are increasing their efforts towards responsible water management and expecting the same efforts from Kordsa to secure their supply chain. Kordsa is using water in its operations following local regulations in place. However, market expects increasing efforts to optimize water management.

Task: Kordsa needs to review the processes involving water and should conduct optimization studies at required facilities.

Actions & Timeline:
Engineering, environmental and HSE teams are gathered for each location to analyze water usage at Kordsa. Several improvement actions are defined to meet Customer expectations. In order to maintain its position as a reputable brand and to honor its commitment to continually increase water efficiency in operations, Kordsa dedicates budget to invest in water-related capital every year.
For our İzmit Türkiye facility the following projects were scheduled:
1- Water consumption reduction of 5% in the PET waste RO Unit-Completed in Q1 2022
2- Implementation of a closed loop water system instead of open loop for the recovery of L2 Duct: Ongoing in 2022 and expected to be completed in 2023
3- NY Biological treatment water recovery-Finalized in April 2023
4- NY Utility boiler blowdown water recovery- Implementation commenced in 2022, expected to be finalized in 2023
Although country/area is selected as Turkey for this risk, this is a risk that applies to all our facilities, therefore the following projects that increase water efficiency and/or decrease water impacts in our Thailand and Indonesia plants are also identified as actions that help us manage this risk:
Indonesia plant projects:
5- EDI Pre Treatment water to reduce volume of blowdown water – Completed in Q4 2022
6- Automation blowdown project to optimize water balance – Implementation commenced in 2022, expected to be finalized in 2023
7- Implementation of water recycling unit to treat and reuse the discharged waste water –feasibility studies completed in 2022. Implementation started in 2023.
Thailand Plant Projects:
8- Reduction of water used for gardening – Completed in 2022
9- Reduction of drainage water from cooling tower – Completed in 2022.

Results:
Estimated annual water savings for each project is given below:
Project 1: 47.25 ML
Project 2: 9 ML
Project 3: 60 ML
Project 4: 3 ML
Project 5: 5 ML
Project 6: 8.67 ML
Project 7: 70 ML
Project 8: 9.46 ML
Project 9: 1.92 ML

Total amount of estimated water savings:
214.3 ML

Cost of response
374.472

Explanation of cost of response
The cost of the projects that are detailed under “Description of Response" Section are given below:
Project 1: 5% water consumption reduction. Cost: 36,800 USD
Project 2: Recovery of L2 Duct Water. Cost: 15,000 USD
Project 3: NY Biological treatment water recovery. Cost: 230,000 USD
Project 4: NY Utility boiler blowdown water recovery. Cost: 10,000 USD
Project 5: EDI Pre Treatment water to reduce volume of blowdown water- Cost: 11,400 USD
Project 6: Automation blowdown project to optimize water balance. Cost: 58,000 USD
Project 7: Implementation of water recycling unit to treat and reuse the discharged waste water. No capital cost because project is implemented by a 3rd party at their own cost, we will be purchasing the recycled water from them so the costs will be covered from our operational expenses.
Project 8: Reduction of water used for gardening. Cost: 10,272 USD
Project 9: Reduction of drainage water from cooling tower. Cost 3,000 USD

Total cost of response: 374,472 USD

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Situation:In long-term, the geographical area near Indonesia facility shows high water stress. The plant accountedfor 27% of global production and 31% of global revenue &it is also responsible for 14.45% of our total water withdrawals in 2022. In dipping processes, greige fabrics are dipped in a water-based chemical solutions. This water has been treated in waste water treatment plant and discharged by local regulation standards. But, Kordsa may need that water, if severe water stress occurs. Kordsa needs to transforms its water withdrawal and reduce its dependency to nearby river. Potential unplanned stoppages due to unavailability of water will be greatly reduced.
Task: Given high water stress assumption in long term, Kordsa needs to reduce its water withdrawal. Engineers focused on to recycling more discharged water and use it again in operations. Advanced technologies for waste water treatment (WWTP) and water treatment (WTP) plants have been investigated to reduce the discharged waste water.
Actions: For the facility in Indonesia, local team found a solution to increase recycling capacity 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 water distribution system and put some additional filters. The investments are done and paid by the service provider company. Kordsa will pay the company on basis of m3 of treated waste water.
Timeline: Project has been started in 2022 and feasibility studies are concluded at the end of the year. Company selection is completed in early 2023. The field works were started in May and the system will be functional after September and from September to December, for 3 months, the results will be monitored closely.
Result: With the planned WWTP Kordsa will be able to 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. This will also Kordsa improve its resilience against long term physical impacts of climate change.
Upon the completion of the project, 80% waste water recycling ratio will be achieved. 70,080 m3 waste water will be recycled annually. This corresponds to up to 13% of annual water withdrawal reduction (for Indonesian site) and zero water discharge to River.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2970000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

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. Due to unavailability of enough water in 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 total revenue of Kordsa in 2022 = 1.15 billion USD
Share of Indonesian plant in Total Kordsa Revenue = 31%
Annual revenue of Indonesian Plant = 1.15 billion USD x 31% = 356.5 M USD
Average monthly revenue of our Indonesian plant = 356.5 M USD / 12 = 29.70 M USD
Additional 10% sales increase = 29.70 M USD x 10% = 2.97 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. Until that time Kordsa with its global perspective will be able to perform similar projects for other facilities with dipping operations.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Indo Kordsa Production Facilities

Country/Area & River basin

Indonesia	Other, please specify (Java-Timor Major, Cisadane Minor Basin)

Latitude
-6.502395

Longitude
106.876765

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
536.18

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
536.18

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
44.95

Comparison of total discharges with previous reporting year
Much higher

Discharges to fresh surface water
44.95

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
491.23

Comparison of total consumption with previous reporting year
About the same

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 3.7% & 1.21% respectively which are both classified as “About the same”.

Our discharge has increased by 41.93%, which is classified as “Much higher”.

The changes are all due to 27% increase in production.

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 started the implementation of a water recycling facility which will reduce our withdrawals and discharges considerably therefore we would expect both withrawals

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.

Facility reference number
Facility 2

Facility name (optional)
KTR-Turkey Production Facility

Country/Area & River basin

Turkey	Other, please specify (Black Sea South Coast Major, Kocaeli Minor Basin)

Latitude
40.763538

Longitude
30.000097

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
722.83

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
579.68

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
143.15

Total water discharges at this facility (megaliters/year)
274.66

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
274.66

Total water consumption at this facility (megaliters/year)
448.17

Comparison of total consumption with previous reporting year
Much higher

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 withdrawal has increased by 17.89% with respect to the previous year. The reason for increase is the breakdown of water recycling system and the 2.93% increase in the production tonnage.

Our discharge volume has decreased by 3.05% and our total consumption volume has increased by 35.87% again due to increase in production tonnages.

Water withdrawal and discharge levels data are obtained via direct meter readings whereas, water consumption is calculated based on C=W-D formula.

In the future, we expect withdrawal and discharge volumes to be lower as the recycling unit is repaired and fully functional. The consumption figure is expected to remain 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.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used
ISAE3000, 100% of our water withdrawal volumes from these facilities were verified. Verification report is attached in section W-FI of this report.

Please explain
<Not Applicable>

Water withdrawals – volume by source

% verified
76-100

Verification standard used
For the facilities reported in W5.1a, 100% of our water withdrawal volumes by source were verified according to ISAE 3000 Standard. Verification report is attached in section W-FI of this report.

Please explain
<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
We have plans to have this parameter verified within the next two years.

Water discharges – total volumes

% verified
76-100

Verification standard used
For the facilities reported in W5.1a, 100% of our water withdrawal volumes by source were verified according to ISAE 3000 Standard. Verification report is attached in section W-FI of this report.

Please explain
<Not Applicable>

Water discharges – volume by destination

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
We have plans to have this parameter verified within the next two years.

Water discharges – volume by final treatment level

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
We have plans to have this parameter verified within the next two years.

Water discharges – quality by standard water quality parameters

% verified
76-100

Verification standard used
For the facilities reported in W5.1a, 100% of our water discharge quality is monitored by analysis and the analysis results are submitted to and verified by the local authorities.

Please explain
<Not Applicable>

Water consumption – total volume

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
We have plans to have this parameter verified within the next two years.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to prevent, minimize, and control pollution Commitment to reduce or phase-out hazardous substances Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Commitment to water stewardship and/or collective action Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance Reference to company water-related targets Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Kordsa has a company-wide Water Policy which is publicly available, which describes our dependency and impact on water. We recognize water-related issues are also a result of climate change. Kordsa's water policy outlines our overall strategy to protect water as a resource in objectives, scope and target. Kordsa commits to align with global public policy initiatives and supports the United Nation's Sustainable Development Goals (SDG). For this policy, particularly relevant goals are SDG6: Clean Water and Sanitation and SDG 12: Responsible Consumption and Production. Kordsa refers to World Resources Institute (WRI) Aqueduct Water Risk Atlas in determining the water related risk in the regions of operation. Some of the objectives that are outlined in our water policy are as follows: • Committing to water related innovations by installing innovative technologies • Committing to act beyond regulatory compliance • Committing to cooperate with NGO's and public authorities to take collective action for water stewardship • Aiming to reduce waste including carbon footprint that is linked with water scarcity or water pollution. • Considering water-related requirements in product and supplier selection • Offering our customers products and solutions with less impact on water The policy also discloses our water related targets and details on how the progress against these targets will be reported.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board Chair	The Chairman of the Board of Directors has the ultimate overall responsibility at all terms including water-related issues with assistance from the Audit, Risk and Corporate Governance Committees Some of the water-related responsibilities of the Board Chair include: - Reviewing and guiding corporate responsibility strategy including water-security related strategies - Identification of targets and approval and financing of projects that will lead the way to achieving the water management targets - Setting performance objectives and ensuring the company performs within the limits of the pre-determined energy and water management goals - Overseeing the management of water-related risks and opportunities - Reviewing innovation/R&D priorities During the reporting year, our Board Chairman has led many water-related decisions, one example of those decision is to set water targets on Water, Sanitation and Hygiene (WASH) Services and Water Pollution
Board-level committee	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 fulfil 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 Corporate Governance Committee and Early Detection of Risk Committee are: - Application of water-related strategies - Monitoring targets and performance - Assessing and managing water-related risks and opportunities.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing acquisitions, mergers, and divestitures Overseeing and guiding public policy engagement Overseeing major capital expenditures Overseeing the setting of corporate targets Overseeing value chain engagement Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities Setting performance objectives	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 2022 below water-related issues were scheduled agenda items at the Board Meetings: - Progress on water-related targets - Withdrawal volumes increase from water-stressed areas

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	We assess the competence of our Board Members using their CV's and previous experiences. According to this assessment, our HR department prepares a Board Competence Matrix, in which the competence of the whole board is assessed on pre-identified topics. One of these topics is ESG, which includes competence on all environmental issues including climate change and water security. Our board has the highest competence score on ESG related issues with 86% of the board members scoring as competent on ESG matters.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Water-related responsibilities of this position
Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Integrating water-related issues into business strategy
Managing annual budgets relating to water security
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues
Quarterly

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 also the Chair of the Executive Leadership Team (ELT) which consists of Regional COO's who are in charge of plant operations, Chief Strategy Business Development & Integration Officer, CFO, CSCO, CHRO, Legal and Communication Officer, Chief Global Sales and Market Officer and CTO. 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. Regional COO's are ultimately responsible of all water-related issues on a regional 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.

Name of the position(s) and/or committee(s)
Chief Operating Officer (COO)

Water-related responsibilities of this position
Assessing future trends in water demand
Managing water-related risks and opportunities
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Managing value chain engagement on water-related issues
Managing annual budgets relating to water security

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
At Kordsa we have 4 COO's who are responsible for the regions. All COO's are also members of our Executive Leadership Team (ELT) which is chaired by our CEO & is the equivalent of Executive Board in our organization chart. Being a part of the ELT, our 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 in their region

Our COO's report the water-related developments in their regions (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, status of water targets, water-related KPIs & actions of KPIs.

Name of the position(s) and/or committee(s)
Risk committee

Water-related responsibilities of this position
Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
Committee's Structure
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.

DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE COMMITTEE
Water related topics 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 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.

Name of the position(s) and/or committee(s)
Environmental, health, and safety manager

Water-related responsibilities of this position
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Other, please specify (Water related regulatory change follow up)

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
At Kordsa this position is named as "Safety, Health and Environment (SHE) Manager"
SHE Managers of each Kordsa facility/site hold weekly Site Safety Managers' Meetings to which the Global SHE Manager attends monthly. The outcomes are then reported to the Site Directors through monthly BPR Meetings, who then inform the Board.

Name of the position(s) and/or committee(s)
Other, please specify (Head of sustainability)

Water-related responsibilities of this position
Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Managing public policy engagement that may impact water security
Managing value chain engagement on water-related issues
Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
In 2021, the Corporate Communication and Sustainability Department (SD) was split with a new organizational structure, SD started to function as a single department. Head of Sustainability who reports to the BoD & CEO, leads the SD & Regional Sustainability Team (RST). She ensures the coordination between departments & senior management to achieve the relevant goals while coordinating the preparation of the annual sustainability performance report. SD located at our HQ works in harmony with the RST who are located at the different plants in five countries. In 2020 also Sustainability Working Groups structured. Sustainability Working Groups support the implementation of employment, production, products, procurement, and social responsibility projects in line with the company's sustainability strategy.
The head of sustainability reports to the Corporate Governance Committee and the board quarterly on water related issues like future water trends and risks and opportunities.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	In 2019 our CEO has approved a target to reduce water intensity. This target is now included in the KPI's of the CEO and COO's of each Kordsa Region.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Operating Officer (COO)	Reduction of water withdrawals – direct operations Improvements in water efficiency – direct operations Improvements in wastewater quality – direct operations Reduction or phase-out of hazardous substances Increased access to workplace WASH – direct operations Increased access to workplace WASH – supply chain Company performance against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security score, etc.)	This incentive contributes to the achievement of our water target to reduce water withdrawn / sales tonnage of product by 50% (Target1 under W8.1b) through withdrawal efficiency related KPIs set for the CEO and each Kordsa Region's COO. It also contributes our WASH target of 100% of all facilities to maintain access to workplace WASH (Target 2 under W8.1b) through WASH related KPI's.	In 2021 our CEO approved the following 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. 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. This target is also included in the KPI's of our regional 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 regional COO's, we are including the top management of each region in this ambitious water reduction target.
Non-monetary reward	Please select	Please select		

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Kordsa's water policy & commitments are published publicly & 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 policies.

All communication activities to be carried out with individuals, organizations & 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 (CCD).

From Management levels to Board Members, whenever someone is going to represent Kordsa in any kind of event related to sustainability, their presentations are either prepared or approved by the Sustainability Department (SD). The SD & CCD work in harmony for such events or meetings.

Our communications related to sustainability are led by our SD which is responsible for all our sustainability, climate change and water related studies. As all of these communication activities go through both CCD & SD, there is no risk that there will be any kind of activity that conflicts with our water policy/water commitments.

Action taken if an inconsistency is discovered:

If such a conflict occurs, the event is taken to our ethics board & the employee receives a warning from our CEO. Also, a suitable corrective action is implemented immediately upon recognition of such a conflict.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	16-20	The water issues that are integrated into our long-term business objectives are as follows: Baseline water stress, flood occurrence, drought severity, groundwater stress, regulatory and reputational risks, future water stress. These water-related issues are assessed using WRI Aqueduct Water Risk Atlas tool for 2030 and 2040 (16-20 years). Examples of actions taken to integrate the water-related issues to our long-term business objectives: We implemented WRI Aqueduct Risk Atlas Tool to set our 2030 target of 50% reduction of water withdrawal per sales ton of product. This target is also implemented in our long-term business objectives. Our Sustainability Road Map defines a 5-year focused plan which feeds into long-term business objective under "we reinforce life" vision. Our Sustainability Road Map includes our commitment to reduce our water withdrawal intensity. We are also currently working on longer term targets and goals to be prepared for WRI's 2040 projections.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	16-20	To achieve long term objectives and to prepare ourselves for the 2040 projections of WRI, we aim to increase the number of production facilities implementing water recycling and/or reusing measures. We also include our employees in our efforts to achieve water stewardship and encourage behavioural change to improve our water management practices. As an example of actions taken to integrate the water-related issues in our strategy: Our Izmit facility is located in a water stressed area, therefore for water related impacts it is one of the focus plants. We have installed a reverse osmosis system in this facility to increase our water recycling rate, and reduce our long-term risks. We are currently working on our climate transition plan and we are also working on 2040 projections of WRI to understand and assess our water-related risks in the long-term.
Financial planning	Yes, water-related issues are integrated	11-15	We make sure our financial planning process is consistent with our business objectives. With regards to water-related commitments, we allocate an annual CAPEX budget to implement water efficiency projects to achieve our water consumption reduction target. An example of actions taken to integrate the water-related issues in our financial planning: With a recent decision of our CEO, all of our Kordsa facilities are required to present their CAPEX and OPEX requiring water withdrawal reduction projects to the Executive Leadership Team which is led by the CEO. After the long-term strategies are approved by the CEO, detailed planning is required for the successful implementation of those strategies. Especially for the implementation of water related targets we are working hand in hand with our finance department. CAPEX investment plans for our 2030 target which has a base year of 2019 (11 years) has already been integrated in our long-term financial planning. Financial planning for our longer term (2040) targets will be studied after the targets are identified.

W7.2

(W7.2) 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?

Row 1

Water-related CAPEX (+/- % change)
-59.04

Anticipated forward trend for CAPEX (+/- % change)
40

Water-related OPEX (+/- % change)
-2.5

Anticipated forward trend for OPEX (+/- % change)
5

Please explain
Explanation of changes:
Water related CAPEX has decreased by 59.04% in 2022 with respect to 2021, because in 2021 there were more investments related to water.
Water related OPEX has also decreased by 2.5% in the reporting year with respect to 2021, due to the optimization studies carried out in the chemical dosage systems of the treatment plants, there was a 2.5% reduction in water-related OPEX as a result of the consumption of less treatment chemicals.
Description of the expense items:
In 2022 water related CAPEX was for 10 different water projects focused on water efficiency in operations, recovery of used water for Plants in Turkey, Indonesia, Thailand and US.
The OPEX values are related to water bills and chemicals for water conditioning.
Forwards trend:
Water-related CAPEX is expected to increase by 40%, taking into consideration that there are some planned projects in Indonesia and Turkey
Water-related OPEX is expected to increase about 5% due to increase in water prices.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related Socioeconomic	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 2020, 2030, and 2040 for each of two climate scenarios, RCP4.5 and RCP8.5, and two shared socioeconomic pathways, SSP2 and SSP3. When using the tool we include baseline (2020), 2030 and 2040 projections for both optimistic and pessimistic scenarios to get a broader understanding of our water-related risks.	According to the analysis we made using WRI Water Risk Atlas tool, 8 of our facilities are facing serious water-stress in the not-so distant future (2030 and 2040 projections). According to RCP 4.5 Scenario, Turkey will face 2-3 degrees increase in mean temperatures between 2013-2040. Precipitation volumes are also expected to reduce, and with increasing population, this may lead to a groundwater table decline, which is our main source of water for our Turkish operations. In 2022, 28% of tire reinforcement products were produced in our İzmit, Türkiye plant and 80.20% of the water used in this plant is from renewable groundwater.	Description of operational response to the water-related outcomes: With this data at hand in 2019 we have set a target to reduce our water withdrawals per unit sales tonnage by 50% until 2030. We are motivating each Kordsa facility to come up with projects to reduce water withdrawals, and we have also integrated this outcome to our financial strategy by reserving CAPEX to water related investments. In our Türkiye plant, we have planned water efficiency projects also it is planned to recycle the waste water in this plant in order to reduce our dependency to groundwater. Anticipated timescale for our response is between 2019 and 2030.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?
Yes

Please explain
As water cost is a part of our OPEX and we also use this cost while deciding on the feasibility of our water-related CAPEX, we always include water price in our budget planning. As Kordsa operates in very different geographies including Turkey, Indonesia, the United States, Thailand and Brazil, we take into account local water price while planning our budget. Therefore, we don't have a single figure. As the water scarcity is expected to increase in the future, we make sure we plan and initiate efficiency projects to ensure water security and prevent the OPEX increase likely to be caused by increasing water prices

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	CoKoon Dipping Technology Kordsa 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.	<Not Applicable>	

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) 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	Yes	<Not Applicable>
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	Yes	<Not Applicable>
Other	No, and we do not plan to within the next two years	We currently do not have any plans to set other targets.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water withdrawals

Target coverage
Business division

Quantitative metric
Other, please specify (Reduction in withdrawals per tonnage of sales)

Year target was set
2019

Base year
2019

Base year figure
18.51

Target year
2030

Target year figure
9.25

Reporting year figure
13.95

% of target achieved relative to base year
49.244060475162

Target status in reporting year
Revised

Please explain
This target covers all Kordsa global tire-reinforcement production activities which make up 99.37% 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 water withdrawal per tonnage of sales by 50% by the year 2030.

This target has been set in 2019 and our base year is also 2019. This target was revised in 2022, previously it was reported as per tonnage of production.
In 2019 the intensity figure (m3 withdrawal / ton of product) was 18.51 m3/ton.
In 2022, this figure went down to 13.95 m3/ton showing a 24.62% decrease.

Target reference number
Target 2

Category of target
Water, Sanitation and Hygiene (WASH) services

Target coverage
Company-wide (direct operations only)

Quantitative metric
Other, please specify (Maintain100% of our employees have access to safely managed drinking water and sanitation services)

Year target was set
2022

Base year
2022

Base year figure
99.9

Target year
2023

Target year figure
100

Reporting year figure
100

% of target achieved relative to base year
100

Target status in reporting year
New

Please explain
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%.

Target reference number
Target 3

Category of target
Water pollution

Target coverage
Site/facility

Quantitative metric
Increase in water use met through recycling/reuse

Year target was set
2022

Base year
2022

Base year figure
38926

Target year
2024

Target year figure
70000

Reporting year figure
38926

% of target achieved relative to base year
0

Target status in reporting year
New

Please explain
In 2022 we have set a new target in our Indonesia plant to increase water use met by recycling to 70,000 m3 by 2024.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

Kordsa 2023 CDP WS Assurance Report_final.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	93.52% of Total withdrawals 100% of Fresh surface water withdrawals 83.90% of Renewable groundwater withdrawals 62.21 % of withdrawals from 3rd parties	ISAE 3000	2022 water data of Chattanooga-US, Indonesia and Izmit, Turkey plants are verified by PwC. The given verification % values are the volumes of these 3 facilities compared to total withdrawals.

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Not mapped – but we plan to within the next two years	<Not Applicable>	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic goods	Eliminate single-use plastic goods	In 2021 our Turkey plant set a reduction target for single-use plastic goods. Turkey plant aimed to reduce single-use plastics 30% by 2022.Turkey plant achieved to reduce sigle-use plastics usage %32 percentage by 2022.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	Yes	In our Chattanooga plant we produce plastic polymers
Production of durable plastic components	Yes	In our Turkey, Indonesia, Thailand, Chattanooga, Laurel Hill and Brazil plants we produce nylon and polyester yarn and fabric
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W10.6

(W10.6) Provide the total weight of plastic polymers sold and indicate the raw material content.

Row 1

Total weight of plastic polymers sold during the reporting year (Metric tonnes)

Raw material content percentages available to report
% virgin fossil-based content

% virgin fossil-based content
100

% virgin renewable content
<Not Applicable>

% post-industrial recycled content
<Not Applicable>

% post-consumer recycled content
<Not Applicable>

Please explain
The total weight figure cannot be provided because this information is confidential.

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

Raw material content percentages available to report
% virgin fossil-based content

% virgin fossil-based content
100

% virgin renewable content
<Not Applicable>

% post-industrial recycled content
<Not Applicable>

% post-consumer recycled content
<Not Applicable>

Please explain
The total weight figure cannot be provided because this information is confidential.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Verification assurance report is attached.
Kordsa 2023 CDP WS Assurance Report_final.pdf

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms