Sustainability Report 2024

We Reinforce Life
by Empowering Ecosystems
for a Sustainable Future

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ABOUT THE REPORT

This report has been prepared to transparently share Kordsa's sustainability performance, strategy, and forward-looking risk and opportunity management with all stakeholders. As a company that regularly publishes a Sustainability Report on an annual basis, 2024 report covers the period from January 1 to December 31, 2024, in alignment with the financial reporting cycle.

The report presents non-financial information regarding Kordsa's environmental, social, and governance (ESG) impacts in an integrated manner. It covers all regions where Kordsa operates, based on the operational control approach. Environmental indicators such as energy and water consumption, and greenhouse gas emissions are included within this scope.

Kordsa, being subject to the Capital Markets Board of Türkiye and meeting the defined thresholds, is required to implement the TSRS 1: General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2: Climate-related Disclosures standards, as published in the Official Gazette dated December 29, 2023 (No. 32414/M), and has prepared its report accordingly. This report includes references to Kordsa's **TSRS Report** prepared for the year 2024.

The Principles

This report has been prepared in accordance with the **GRI Standards.** In the process of identifying our strategic sustainability topics, we took into consideration Reporting Principles of GRI Standards, materiality, stakeholder inclusiveness, sustainability context and completeness. Our report also covers the 10 principles of the **UN Global Compact** that we signed in 2014. UNGC Content Index is located **here.** With our targets on material topics, we address eight of the UN Sustainable Development Goals directly and the other eight of them indirectly. Our report also covers the **International Finance Corporation** IFC's Performance Standards on Environmental and Social Sustainability that were established to pinpoint, assess, and manage social and environmental risks in project finance.

External Audit and Verification

Selected 2024 performance indicators are audited by **Deloitte.**

Throughout the report, you can reach the relevant topic link by clicking on the bold and underlined texts.

All items in the table of contents page are linked to relevant headings. You can simply click on the heading in the contents page to directly go to the relevant topic in the report.

You can reach any part of the report by using the navigation pane on top of each page.

Verified data

Related video on pages with play button, you can watch the content.

BURAK ORHUN
Chair

MESSAGES TO OUR STAKEHOLDERS

Messages from Our Chair

Our long-standing culture of innovation has been one of our key competitive advantages since our founding. Through our power in R&D, we continuously reinforce our capabilities in materials to create not only present-day solutions but lasting value for future generations.

Dear Stakeholders,

We are navigating a time of profound transformation. The global economy and regulatory landscape are being reshaped by the urgency of climate action, rapid technological transformation, and shifting stakeholder expectations. Sustainability imperatives are compelling companies to make strategic decisions that go beyond the present and secure long-term value. In this evolving landscape, the resurgence of localization and the restructuring of global supply chains are not only redefining industries but also reshaping societies. Material technologies and sustainable solutions have moved beyond operational necessities, they are now strategic imperatives.

Aligned with Sabancı Group's "Sabancı of the World" vision, Kordsa continues to leverage over five decades of expertise in materials to create global impact. We do not merely develop technology, we position ourselves as a key enabler in building a more sustainable future. At Kordsa, our mission of "Reinforcing Life" extends beyond our products; it permeates our ways of working, our ecosystem partnerships, and our social contributions. We embrace responsibility across the value chain and create positive impact across diverse industries through our sustainable material technologies. This commitment is also reflected in the recognition we received in 2024, including the EcoVadis Gold Medal and our inclusion in the CDP Global A List for Climate Change and Water themes. Our ISCC Plus certifications in Izmit and Indonesia further highlight our leadership in sustainable innovation and our long-term vision to lead in materials. We are continuously evolving our business model around the core pillars of sustainability, innovation, and digitalization. Guided by this framework, we have identified our strategic priorities as Sustainable Employment, Sustainable Production, Sustainable Materials, a Sustainable Supply Chain, and creating a lasting Social Impact.

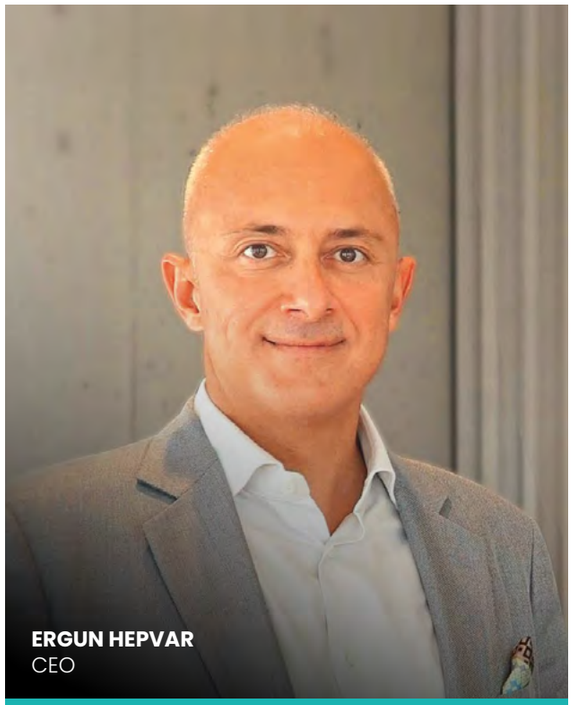
Our long-standing culture of innovation has been one of our key competitive advantages since our founding. Through our power in R&D, we continuously reinforce our capabilities in materials to create not only present-day solutions but lasting value for future generations.

At Kordsa, we look back on 2024 as a year in which we deepened our commitment to sustainable value creation. It is also with pride that we present our first report aligned with the Türkiye Sustainability Reporting Standards (TSRS), offering a transparent and integrated view of our performance. Despite the challenges posed by global market fluctuations, particularly the geographical shift in demand within the tire reinforcement segment towards Asia, and the volatility in the aerospace industry that impacted our composite business, 2024 was a year of resilience and transformation for Kordsa. We successfully maintained our leadership in this core business line through our technological strength and customer-centric approach, while staying committed to our long-term strategic roadmap.

Beyond our own operations, we strive to drive sustainability transformation across our supply chain. We remain committed to a transparent, science-aligned roadmap that addresses climate-related risks and leverages technology and innovation as the cornerstones of sustainable growth.

Best Regards,

BURAK ORHUN
Chair



ERGUN HEPVAR
CEO

Message from Our CEO

At the heart of all these achievements lies the Kordsa culture, a culture that values innovation, sustainability, proximity to the customer, uncompromising quality, and most importantly, empowering people. These principles have guided us throughout our journey of more than 50 years and continue to shape the path to our future.

Dear Stakeholders,

The year 2024 was marked by ongoing global uncertainties and intensifying competitive dynamics across our industry. At Kordsa, we remain firmly committed to our long-term vision by relying on our resilient, and sustainability-driven business model.

With a geographically diversified operational structure, we reinforced our adaptability against global market fluctuations. Despite contraction in the tire reinforcement sector, we maintained our leadership in this core business while accelerating progress in composite technologies. Guided by our vision to become an advanced materials company, we continued to shape our roadmap around three core pillars: Sustainability, Innovation, and Digitalization.

Our continued investments in R&D and product development remained pivotal in enhancing our competitive edge. In 2024, we maintained our momentum in R&D and innovation. We launched 17 new R&D projects, filed 57 new patent applications, and allocated 352 million TL to R&D expenditures. Notably, 44.33% of these investments focused on sustainability-related projects. These efforts are not only expanding our material capabilities, but also deepening our commitment to circularity, efficiency, and next-generation mobility.

We also made significant strides in circular economy practices. By expanding our use of recycled polyester-based products, we successfully obtained ISCC Plus certification for our Izmit and Indonesia plants, reinforcing our commitment to responsible production and resource efficiency. In 2024, Kordsa successfully implemented the production of 100% mechanically recycled yarn in Brazil. Through these efforts, Kordsa optimizes the performance of its cord fabrics and yarns in tires, ensuring access to reliable and sustainable raw material sources for our customers.

Complementing these advancements, our determination on the path to net zero remained strong. Our carbon reduction targets, validated by the Science Based Targets initiative (SBTi), commit us to reducing Scope 1 and Scope 2 emissions by 46.2% by 2030. In recognition of our climate actions, we were proud to be listed on the 2024 Global A List of the Carbon Disclosure Project (CDP) for both Climate Change and Water themes.

In 2024, our brand and sustainability performance were acknowledged by both national and international institutions, underscoring the credibility of our long-term commitments. We received the EcoVadis Gold Medal, ranking us in the top 5% of companies evaluated within our sector. This recognition is a testament to our transparency, ethical practices, and dedication to integrating sustainability principles across all business functions.

At the heart of all these achievements lies the Kordsa culture, a culture that values innovation, sustainability, proximity to the customer, uncompromising quality, and most importantly, empowering people. These principles have guided us throughout our journey of more than 50 years and continue to shape the path to our future. As we look ahead, we remain committed to advancing sustainability, fostering innovation, and accelerating digitalization—three pillars that continue to guide our transformation.

I extend my sincere thanks to all our employees, partners, and stakeholders for their continued trust and support. Together, we will continue to Reinforce Life—today and into the future.

Sincerely,

ERGUN HEPVAR
CEO

CORPORATE PROFILE

Inspiring sustainability, shaping the future through our achievements.

In 2024, we continued to expand our global presence and impact across our diversified business lines, driven by innovation and sustainability. Our journey reflects a steadfast commitment to shaping a better future - for our customers, communities. and the planet.

Kordsa At a Glance

Kordsa develops innovative, value-added reinforcement technologies for a safer, more efficient, and sustainable world.

Operating at the intersection of technology, engineering, and sustainability, we design advanced reinforcement technologies that support safer mobility, resilient infrastructure, and a decarbonized future.

With our footprint spanning Tire Reinforcement, Composite Technologies and Construction Reinforcement businesses, our products are embedded in everyday life - from the tires of vehicles to the aircraft and automotives.

Our technologies are found in:

• 1 out of every 3 car tires

• 2 out of every 3 aircraft tires

produced globally - a testament to our global scale and trusted expertise.

Innovation is at the heart of everything we do. With two global R&D centers and a growing portfolio of projects, we are redefining what reinforcement means in a world that demands both performance and responsibility.

Through collaboration, curiosity, and purpose-driven innovation, we're shaping a stronger, lighter, and more sustainable tomorrow.

Awards and Achievements

Awards

In 2024, Kordsa received significant recognition for its leadership in sustainability, innovation, and workplace culture. We were awarded the EcoVadis Gold Medal, included in the global CDP A List for both Climate Change and Water Programs, and secured an A rating in the CDP Supplier Engagement Assessment (SEA), placing us once again on the Supplier Engagement Leader Board. We also earned the ISCC PLUS certification at our Indo Kordsa facility. We were named Turkish Champion of the Year by AmCham and listed among Fast Company's Most Innovative 50 Companies. Kordsa also earned 13 Stevie Awards, maintained its position in the Brand Finance Top 100, Fortune 500, and ISO 500, and received several other national and international honors throughout the year.

In addition, our Brazil facility was recognized with Pirelli's Supplier Award in the Sustainability category for its "Reverse Logistics for Packaging Materials" project, which won first place among 44 projects from 13 suppliers. Furthermore, Kordsa was awarded first place in the "Large-Scale Enterprise Category" at the Kocaeli Chamber of Industry's 2024 Sustainable Performance Awards, recognizing our success in integrating environmental, social, and governance factors into our operations and contributing to the spread of sustainability awareness in industry.

Achievements

In addition to these awards, 2024 was marked by important milestones that further reinforced our leadership in advanced materials and sustainability: we inaugurated the Sustainable Advanced Materials Frontier R&D Laboratory in collaboration with TÜBİTAK and with the support of the Ministry of Industry and Technology; we opened the Kordsa Advanced Materials Inc. Technical Center in California, USA to design future-ready aerospace and mobility solutions; our long-term targets were validated by the Science Based Targets initiative (SBTi); and we launched the Kordsa Technology and Impact Center at Kocaeli University to cultivate the next generation of material science talent.

SCIENCE BASED TARGETS

Facts & Figures

	Corporate Profile	Sustainability Profile
ECONOMIC	Turnover **30.4 Billion TL**	EBITDA **1.78 Billion TL**
	Global Footprint	**Regional Revenue Split**
	4 Continents **7** Countries **13** Factories **2** R&D Centers **3** Technical Centers	**36%** EMEA **24%** Asia Pacific **30%** North America **10%** South America
SOCIAL	**4,600+** Employees (Including Sub-contractors)	**37.7 %** Female* **62.3%** Male*
	50 Years	**0** Fatal Occupational Accidents and Diseases
	241,118 Hours Total Training	**52.13** Hours Average Training
ENVIRONMENTAL	**4.8 Million** USD Total savings resulting from the reuse of materials	**2.7 Million** Pieces Number of reused materials **24%** Global reuse ratio
	4,145,266 USD Total amount of our environmental investments and expenditures	**6.9%** Emission Management **21.1%** Waste Recycling **14.9%** Waste Disposal **24.6%** Consultancy **31.9%** Project Investments **1%** Training

* Data represents white-collar employees. Among all employees, the rate of female employees is 16%

Products, Industries, Markets

Tire Reinforcement Technologies

SINGLE-END CORD

AUTOMOTIVES INDUSTRY

MECHANICAL RUBBER GOODS

NYLON AND POLYESTER CORD

PASSENGER VEHICLES

AVIATION

LIGHT COMMERCIAL VEHICLES

CONSTRUCTION EQUIPMENT

AGRICULTURAL EQUIPMENT

HEAVY-DUTY VEHICLES

INDUSTRIAL FABRICS

MECHANICAL RUBBER GOODS

HYBRID CORD FABRICS

LUXURY ELECTRIC VEHICLE

RACE CARS

Composite Technologies

FABRICS AND PREPREGS*

SPACE AND AVIATION

AUTOMOTIVE

MARINE

INDUSTRIAL APPLICATIONS

SPORTS EQUIPMENT

MEDICAL APPLICATIONS

* Resin impregnated fabric

Construction Reinforcement Technologies

SYNTHETIC FIBER REINFORCEMENT

INFRASTRUCTURES

SUPERSTRUCTURES

MINES

RAIL SYSTEMS

PRECAST

STRUCTURAL REINFORCEMENT SYSTEMS

INDUSTRIAL FACILITIES

BRIDGES AND VIADUCTS

HISTORICAL BUILDINGS

HOUSES

HEALTH BUILDINGS

GOVERMENT BUILDINGS

Compounding

AUTOMOTIVE

ELECTRICS & ELECTRONICS

WHITE-GOODS

INDUSTRIAL APPLICATIONS

TRANSPORTATION

AVIATION

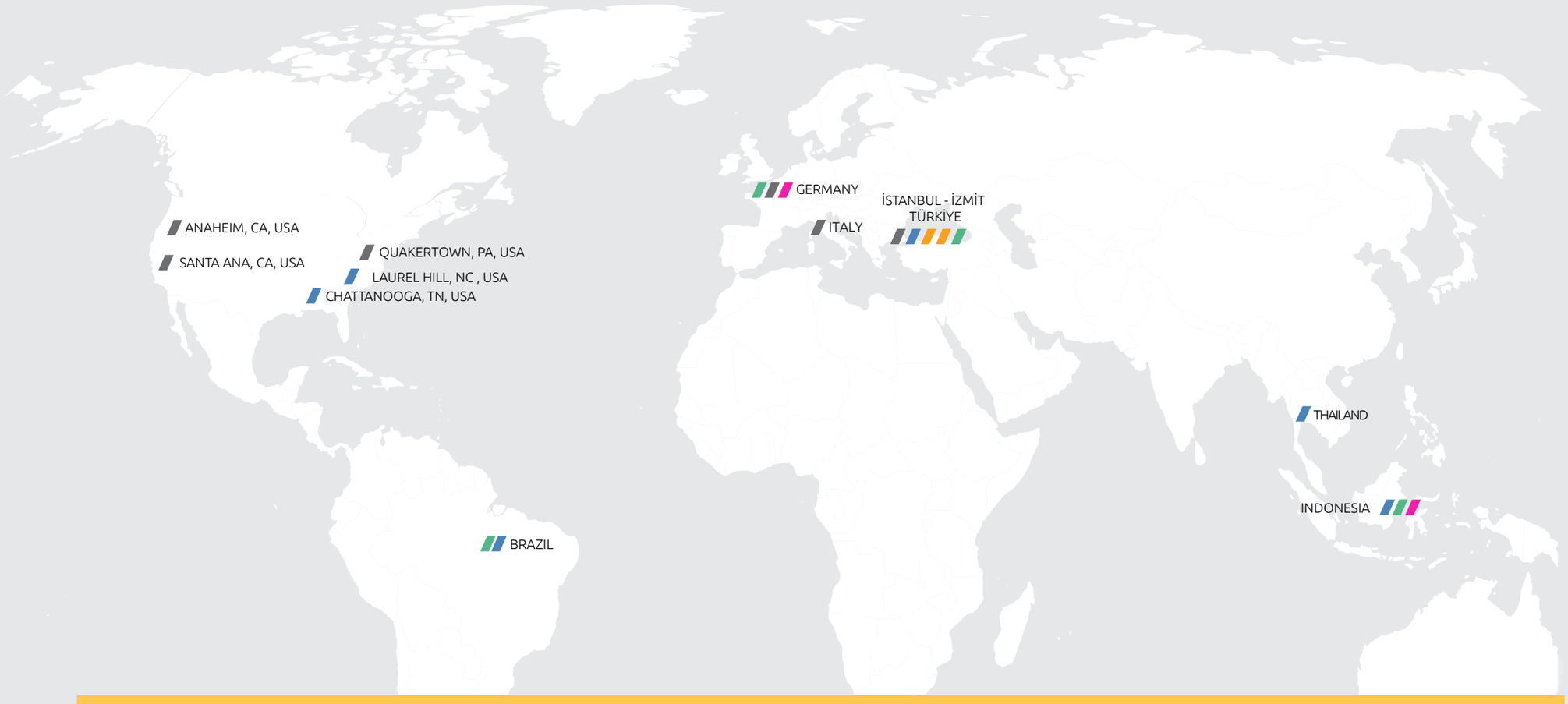
With a legacy of over 50 years and a presence in five continents, Kordsa develops material technologies that reinforce industries from the ground up, supporting the future of mobility, infrastructure, and manufacturing.

In the tire industry, we supply single cords and high-tenacity fabrics that bring strength and flexibility to a wide range of vehicles, including passenger cars, aircraft, and industrial fleets. Our deep expertise makes us a trusted partner to major global tire brands.

Through our composite technologies, we deliver tailored intermediate materials - fabrics, prepregs, resins, slittapes, towpregs, and honeycomb panels - for aerospace, automotive, marine, rail, sports and medical applications.

Our construction reinforcement portfolio includes synthetic fiber reinforcements and strengthening systems designed to optimize durability, application speed, and resource efficiency in projects spanning infrastructure to mining.

In the field of compounding, we formulate high-performance thermoplastics - such as Nylon 6,6, PBT, PA6, PP, and bio-based options - to serve the evolving needs of automotive, electronics, and industrial sectors with flexible and forward-looking solutions.



NORTH AMERICA

BUSINESS AREAS
Tire Reinforcement
Composite

TURNOVER
TL 9,501 MILLION

PRODUCTS
NY6,6, TCF, Fabric, Prepreg, Honeycomb Core

SOUTH AMERICA

BUSINESS AREAS
Tire Reinforcement

TURNOVER
TL 2,986 MILLION

PRODUCTS
PET, SEC, TCF

EMEA

BUSINESS AREAS
Tire Reinforcement
Composite
Construction Reinforcement
R&D Centers

TURNOVER
TL 11,700 MILLION

PRODUCTS
NY6,6, PET, SEC, TCF, Kratos, Fabric, Prepreg, Slittape, Towpreg, Sandwich Panel

ASIA PACIFIC

BUSINESS AREAS
Tire Reinforcement

TURNOVER
TL 6,246 MILLION

PRODUCTS
NY6,6, PET, TCF

Composite
Construction Reinforcement
Tire Reinforcement
R&D Centers
Technical Center

TURNOVER DISTRIBUTION BY REGIONS

30%	10%	36%	24%
North America	South America	EMEA	Asia Pacific

CORPORATE GOVERNANCE

Our governance structure ensures compliance with regulations and adherence to corporate ethical standards, positioning us as a model for ethical excellence in every geography we operate.

We are committed to a robust corporate governance structure that serves as the cornerstone of our operations, emphasizing transparency, fairness, responsibility, and accountability.

Corporate Governance

The strong governance framework of Kordsa empowers us to advance through strategic R&D and technology investments across our four business areas, fosters the continual development of our talented workforce, ensures the responsible use of natural resources, and drives sustainable value creation for all stakeholders and society through innovative initiatives.

By leveraging this governance strength, we believe we enable sustainable growth while creating meaningful value for our suppliers, customers, industry stakeholders, and the countries where we operate. In line with our commitment to enhancing value creation, we have taken an important step by incorporating the Value Creation Model in this year's report, providing deeper insights into how we generate and distribute value.

Business Conduct, a critical aspect of our governance, has also been identified as a key material topic in the 2024 **Double Materiality Analysis,** conducted as part of our regularly reviewed materiality assessment process, underscoring its continued significance for our company and stakeholders alike.

Board Structure

The strength of a board lies in its diversity, encompassing a wide array of competencies, knowledge, and experience, which are essential for robust decision-making. At Kordsa, we prioritize these qualities during the board nomination processes by assessing candidates' industry expertise, knowledge of ESG matters, crisis management skills, and global work experience.

Our commitment to diversity and inclusion ensures that we embrace candidates from all backgrounds without discrimination based on gender, age, ethnicity, religion, language, or race, thereby enriching our decision-making capabilities and strengthening our governance.

Our Board of Directors consists of six members, and we have two independent members. One of the independent members is the chair of both the Early Risk Identification Committee and Audit Committees and member of Corporate Governance Committee. The second independent member is the chair of Corporate Governance Committee and member of both Early Risk Identification Committee and Audit Committees. Our chair of the board of directors is in charge of execution.

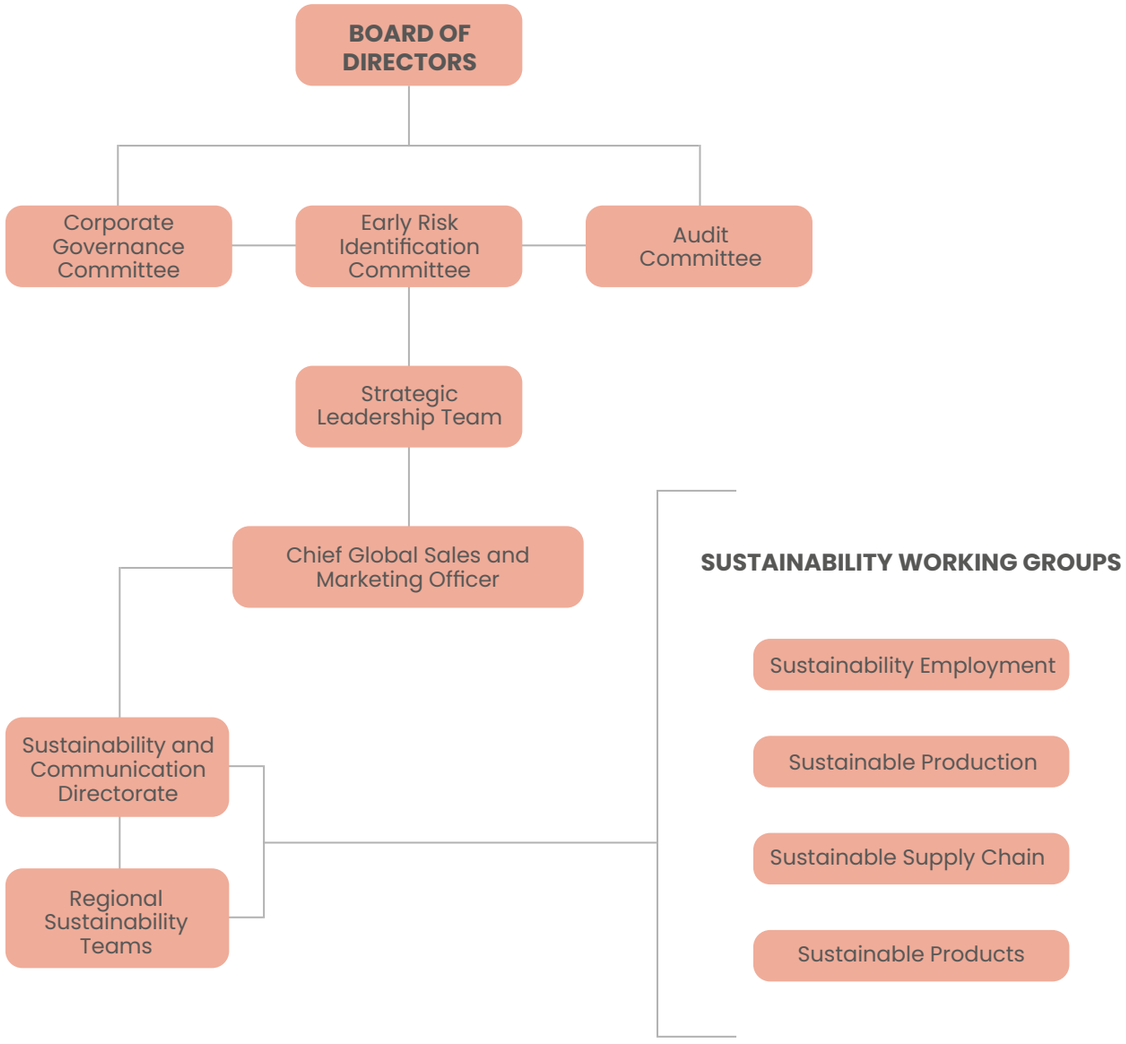
Kordsa Board of Directors Skills Matrix	Ratio %
Term (15+ yrs)	100
Audit Experience	33
Financial Service Experience	33
Non-Financial Real Sector Experience	69
Risk Management Experience	100
Environmental Social and Corporate Governance Experience	33
International Multi Geographical Experience	100
Research and Development Experience	21
M&A Experience	33
Industry Experience	83
Digital Technologies Experience	17

Composition of Board of Directors at Kordsa (2024)	Member's Number	Ratio (%)
Total Number of Board Members	6	100
Male	4	67
Female	2	33
Under 30 years old	0	0
30 - 50 years old	2	33
Above 50 years old	4	67
Minority or vulnerable groups	0	0
Executive	1	17
Independent	2	33

Sustainability Governance

Board Committees	Responsibility of the Committee
Early Risk Identification Committee	Identification & classification of sustainability and climate-related risks in terms of ESG perspective
Corporate Governance Committee	Evaluation of Strategy and Performance Metrics
Audit Committee	Confirmation that auditing and protective measures are in alignment with Kordsa's ethical standards and policies

Note: For detailed information regarding the authorities and responsibilities of our committees, and our governance mechanism in sustainability, please refer to our **first TSRS Report.**



At Kordsa, responsibility and performance management regarding material sustainability issues are overseen by the Board of Directors, the highest governing body. The Board of Directors considers the environmental-social-economic impacts of the company's activities and the principles in this regard when determining the corporate governance strategy. The Kordsa Sustainability Policy can be accessed **here.**

The sustainability governance is facilitated through the Corporate Governance Committee. Starting from the Board of Directors, which is the highest governance body, continues with the Strategic Leadership Team(including the CEO),the Chief Global Sales and Marketing Officer, the Director of Sustainability and Corporate Communications, and the Regional Sustainability Teams. The Directorate of Sustainability and Communication, operating under the Chief Global Sales and Marketing Officer, collaborates harmoniously with the Sustainability Working Groups and Regional Sustainability Teams at various facilities worldwide, ensuring coordination between departments and upper management to realize sustainability strategy of the company.

Regional Sustainability Teams, responsible for reporting sustainability performance indicators through the Quarterly Sustainability Performance Tracking Program, play a pivotal role in closely monitoring the indicators established to achieve the sustainability targets outlined in our strategic plans. Their duties include the detailed tracking and execution of projects aimed at realizing these objectives, in collaboration with pertinent regional departments. The Sustainability and Communication Directorate meticulously compiles these quarterly reports, relying on comprehensive monitoring and evaluation of the established targets.

Kordsa's Strategic Leadership Team organizes quarterly reviews of our sustainability targets and roadmap. The Sustainability Working Groups, reporting to this team, are responsible for supporting the establishment of these targets and roadmap, as well as closely monitoring and auditing the implementation of the action plans. In this context, our working groups, that are Sustainable Employment, Sustainable Production, Sustainable Products, and Sustainable Supply Chain, execute projects and initiatives aligned with their respective objectives and have reviewed their performance indicators on a quarterly basis in 2024.

At Kordsa, we actively monitor our sustainability performance through established key performance indicators, integrating these metrics into the company's strategic initiatives. Sustainability objectives are cascaded to individual targets across all management levels, starting from the general manager level. These individual targets are wBased Variable Bonus System, directly linking sustainability achievements to the incentive structure.

Business Ethics and Compliance

Kordsa is committed to overseeing business in an ethically suitable manner. We run all our operations in accordance with the corporate governance principles, transparency, fairness, responsibility and accountability. Kordsa closely monitors increasingly stringent regulatory expectations, global trends, new approaches, and developments in compliance.

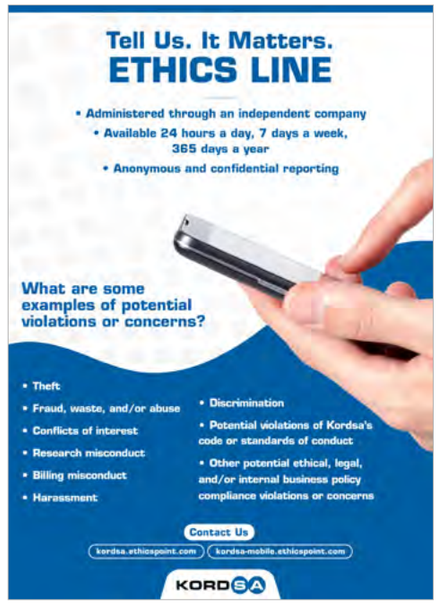
Kordsa Code of Business Ethics

The Code of Business Ethics that regulates Kordsa's relationships with its customers, employees, shareholders, suppliers, business partners, competitors, the environment, and society covers four main topics: obligations, integrity, confidentiality, and conflict of interest. The Kordsa Code of Business Ethics is available in multiple languages, including Turkish, English, Indonesian, Thai, Spanish, and Portuguese, and can be accessed on our official **website.** Kordsa Strategic Leadership Team and Ethics Board are the central bodies responsible for implementing the Kordsa Code of Business Ethics.

The Global/Local Ethics Compliance Officers are responsible for informing employees about ethical standards and delivering training to ensure that the relevant policies and rules are understood and communicated regularly with employees. Once hired, all employees sign the Business Ethics Compliance Form stating that they have read and understood it and participate in the ethics survey at the end of each year. The ethics questionnaire includes questions that raise awareness and address the possible risks. New employees receive online and/or classroom training on ethics through a training platform supported with videos, cases, and questions.

The processes of ethics management are explained on our **website.**

Kordsa Ethics Line



Kordsa has a third-party anonymous ethics hotline. When reaching out to the Ethics Hotline, a comprehensive report is generated for the raised issue, and it is managed by Kordsa swiftly, discreetly, and confidentially. Communication with the Ethics Hotline can be conducted verbally or in writing, using the language preferred by the individual reporting, and its confidentiality is upheld to the extent permitted by the law.

Employees also have the option to approach their supervisors, the Global Legal and Compliance team, or the Human Resources Department. At Kordsa, we are dedicated to ensuring the safety and protection of our employees who report suspected ethics violations in good faith, express their concerns, or cooperate in ethics violation investigations and have a zero-tolerance policy against any kind of retaliation.

The Ethics Committee, operating under the CEO, investigates, evaluates, and resolves complaints and reports concerning violations of ethical rules and associated policies, adhering to principles of independence and impartiality. Kordsa considers the sincerity and accuracy of an individual's intention when reporting a concern, even if the report is later found to be baseless. Consequently, any form of adverse treatment or retaliation against the reporter will lead to disciplinary measures, which may extend to termination of employment and/or contractual agreements. Comprehensive details about the Kordsa Ethics Hotline are available on our official **website.**

Whistleblowing Procedure

Kordsa's Whistleblowing Procedure is an integral part of the Kordsa Code of Business Ethics. This procedure is designed to set out the principles of whistleblowing, establish the process within Kordsa, clarify how and what types of concerns can be raised, and provide guidance on the protection of whistleblowers.

Whistleblowing Procedure can be accessed **here.**

Anti-Corruption and Anti-Bribery Policy

The details of our anti-corruption and anti-bribery management approach are explained on our **website.**

Explanations on how to report an incident through Kordsa Ethics Hotline can be found on our **website.**

Compliance Management

The objectives and targets of compliance management are based on ensuring that the company and its affiliates comply with local and international legislation and standards, and internal policies and procedures. We conduct all our domestic and international operations and transactions in line with national and international law and promptly provide accurate, complete, and clear information to the official authorities and institutions.

The processes of compliance management are explained on our **website.**

Three years performance data of business ethics, antibribery and anti-corruption and compliance are given **here.**

2024 Highlights of Business Ethics and Compliance

A total of 1760 employees underwent ethics training, incorporating a dedicated section on human rights awareness.

Legal and Compliance Department Activities in 2024

- As part of our competition law compliance program, we prepared Competition Compliance Booklets and provided competition law training for employees worldwide.
- We organized Compliance Week workshop in our US Composites Business and provided face-to-face, Harassment and Discrimination Training, Meal and Rest Periods Training, Data Protection Training, Information Security Training, Competition Law Training, Export Control Training, Business Ethics Training and Contract Management Training to all employees.
- We conducted an employment compliance project in Kordsa US Composites Business to ensure full compliance with employment laws.
- We held training sessions and a workshop for selected Kordsa employees to enhance their understanding of our export control compliance processes and their role in supporting them.
- We successfully passed ISO 27001:2022 interim audit with zero non-compliance findings.
- We provided Business Ethics training worldwide.
- We conducted a legal audit at Kordsa sourcing department to ensure their processes are fully compliant with internal policies and applicable legislation and reviewed the standard sourcing agreements.

Sustainable Growth and Value Creation

As Kordsa, we believe that economic growth is achievable through the value we create for our stakeholders. Therefore, we continue to support local and global economic prosperity through the solutions we produce and the technologies we develop across our four business segments: tire reinforcement, composite, construction reinforcement, and compounding.

Value Creation Model

	INPUTS	OUTPUTS	CREATED VALUE	ASSOCIATED SDGs
Financial Capital	• Effective management of operating capital • Ability to generate cash flow • Development of a value-added product portfolio	• Revenue: 929 million USD EBITDA: 56 million USD • Operating Profit: 12.29 million USD	• Preservation of competitive strength • Ensuring sustainable profitability	
Manufactured Capital	• Tire Reinforcement Technologies • Composite Technologies • Construction Reinforcement Technologies • Compounding	• Number of countries with operational activities: 7 • R&D innovation investment amount: 18.69 million USD • Number of sustainable products: 105	• High production capacity • Extensive export network • Market leadership	
Human Capital	• Education and development programs • Employee health and safety • Employee engagement and motivation • Diversity and inclusion • Digitalization and human resources technologies	• Total time of education provided for employees: 241,118 hours • The rate of female employees: 16%	• Organization culture based on high engagement and inclusivity	
Social & Relational Capital	• Social investment projects • Active participation in international and sectoral initiatives	• Total investment on social projects: 55,000 USD • Total number of people to be reached out: 120	• Increasing stakeholder trust • Increasing customer satisfaction	
Natural Capital	• Carbon and emissions management • Water management and efficiency • Waste management and circular economy • Biodiversity and ecosystem conservation • Green procurement and sustainable production	• Percentage of renewable electricity: 21.33% • Total amount of environmental investments 4.15 million USD • Percentage of water recovered: 16% • Total energy savings: 11,351 MWh	• Contribution to combating climate change • Efficient use of natural resources	
Intellectual Capital	• R&D and innovation projects • R&D and innovation collaborations • Innovation and digitalization	• Patent Applications:1020 • Number of Registered Patents: 546 • 2 R&D Centers and 3 Technical Centers • Total number of team members: 126	• Operational efficiency • Technology-driven business model	

We aim to maintain our market leadership in tire reinforcement technologies, strengthen our position in construction reinforcement technologies, and become one of the world's leading advanced materials companies with our enriched product portfolio through composite and compounding investments.

We are committed to maintaining business continuity and enhancing profitability across all geographies where we operate, utilizing strategic decisions and reinforcement technologies. In 2024, we invested 41 million USD in machinery and product sustainability. We continued our efforts to ensure our business continuity and create profitability in all the geographies we were operational in with our strategic decisions and reinforcement technologies. Due to price and volume competition from the lack of supply-demand in the tire reinforcement market and slowdown in the European automotive sector, Kordsa's sales revenue decreased by 7% and closed the year with 929 million USD turnover in 2024. In 2024, EBITDA was realized as 56 million USD which includes 15 million USD negative impact of write-off expenses relating to the inventories with high feedstock costs coming from mainly Covid-19 periods. Under these effects, net loss was 26 million USD.

Sustainable Supply Chain Management

Our commitment to supply chain sustainability strengthens our resilience, mitigates environmental and regulatory risks, and supports long-term value creation of Kordsa. We integrate environmental, social, and governance (ESG) criteria across our supplier network, starting from sourcing to delivery.

Sustainable Supply Chain Management approach enhances our brand reputation and fosters innovation through collaboration. We are aware that sustainable procurement drives cost efficiencies, enables us to meet stakeholder expectations, and positions us competitively in increasingly regulated markets.

Supply Chain Sustainability Risk Management Approach

With our supply chain sustainability risk management approach, we created a sustainability risk mapping for our suppliers. The risk mapping process considered criteria such as the geographical location of our suppliers, the categories of products we procure, and the total expenditure, along with input from the Kraljic matrix analysis conducted by the Global Supply Chain department. The risk map, covering our first-tier suppliers, is periodically reviewed by the Sustainable Supply Chain Working Group.

At Kordsa, we implement a sustainable supply chain monitoring program based on our risk mapping study, which allows us to identify priority issues for our supply chain strategy concerning sustainability.

Supply Chain Sustainability Monitoring Program

We require our suppliers and business partners to operate in accordance with the principles in the **Statement on Code of Business Ethics** we prepared based on **Kordsa Code of Business Ethics.** This code outlines our company's expectations for the undersigned conduct regarding labor and human rights, health and safety, environment, energy, GHG emissions, ethics, and governance practices.

We have integrated the evaluation of our suppliers' sustainability performance into our existing supplier assessment system as a criterion. By doing so, we encourage our suppliers, who are a crucial link in our value chain, to improve their sustainability performance. As a rewarding outcome of this effort, we maintained a leadership rating of 'A' for the CDP Supplier Engagement Assessment score in 2024.

In 2024, we prioritized maintaining our target, "percentage of suppliers assessed for sustainability (%)" at 75% by expanding our Sustainable Supply Chain Monitoring Program to include different sectors. We directed our efforts in line with this objective to broaden the program's scope.

We use a variety of tools to evaluate and oversee the sustainability performance of our suppliers, guided by our risk analysis findings. We conduct the "Kordsa Annual Supplier Sustainability Survey" each year and perform quality and sustainability audits for our raw material suppliers as part of the "Annual Supplier Audit Program." After completing the performance evaluations and system audits, we initiated engagement activities with the suppliers to evaluate their current assessment results.

The sustainability issues we focus on through the assessment are as follows:

- Sustainability Governance
- Social Impacts (Ethics, Labor and Human Rights, Occupational Safety, Conflict Minerals)
- Environmental Impacts (Environmental Management, Energy and Emission Management, Waste Management, Materials Management)
- Sustainable Supply Chain practices

We encourage the creation of improvement plans with specific practices to enhance performance if a supplier's performance falls short of our criteria. The effectiveness of the supply chain sustainability program is monitored through established indicators, which the Sustainable Supply Chain Working Group reviews quarterly.

In 2024, we continued our engagement activities in line with our program. We organized one-to-one sustainability meetings with our suppliers to engage especially for the areas that we can collaborate to achieve our sustainability targets. Focus areas of those meetings were product carbon footprint, water security policies and strategies and preparation for upcoming legislative changes. We're also aiming to provide online training for our suppliers which can contribute to their awareness on sustainability topics and contribute to enhance their performance on sustainability.

In 2024, we invited more than 80 global and local suppliers in the Kordsa Annual Supplier Sustainability Survey. We provided training on sustainable procurement to 40% of all supply chain employees across all locations.

Sustainable Supply Chain Program Indicators	2022	2023	2024
Ratio of targeted suppliers who have gone through a sustainability assessment survey	53%	38%	39%
Ratio of targeted raw material suppliers audited in line with annual scheduled audit plan	100%	100%	100%
Number of suppliers evaluated in the scope of Human Rights	63	191	81

The details on the processes of supplier evaluation and selection are **here**.

DOUBLE MATERIALITY ASSESSMENT (DMA) & IMPACTS, RISKS AND OPPORTUNITIES (IRO) MANAGEMENT

Double Materiality Analysis (DMA) is conducted in 2024 in alignment with the **Corporate Sustainability Reporting Directive (CSRD)** and **European Sustainability Reporting Standards (ESRS)**, that thoroughly evaluates the interconnections between our impacts and dependencies on natural, human, and social resources, as well as the associated risks and opportunities. Based on the methodology of this assessment, material topics are defined as shown in the figure.

Double Materiality Analysis (DMA) is conducted in alignment with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)

Double Materiality Assessment

At Kordsa, we conducted a comprehensive Double Materiality Assessment (DMA) to identify and prioritize the most significant sustainability topics and related impacts, including both potential and actual effects on people and the environment as well as the risks and opportunities, that may financially impact our operations.

Value Chain Mapping and Stakeholder Analysis

We began the process by mapping Kordsa's entire value chain focusing on two main business segments, that are tire reinforcement and composites, including upstream, downstream, and own operations in the value chain, in addition to the operational sites in detail. Further, we conducted a stakeholder analysis to classify both internal and external stakeholders and to determine which groups are most affected by, or have the greatest influence over, Kordsa's ESG performance.

We identified key stakeholder groups and constructed site-level vulnerability assessment for environmental and social impacts to ensure that materiality outcomes are grounded in local realities and stakeholder expectations.

Stakeholder Engagement on Impact Materiality

To assess **impact materiality,** a structured stakeholder survey was conducted aligned with the ten topical categories (5 in environmental, 4 in social, and 1 in governance) defined by the European Sustainability Reporting Standards (ESRS).

Stakeholders were asked to evaluate:

- The relevance and importance of each ESRS topic and its subtopics in relation to Kordsa's actual and potential impacts,
- The expected time horizons of these impacts (short, medium, or long term).

Key stakeholders identified within the scope of the Double Materiality Assessment include employees, suppliers, customers, senior management, shareholders and investors, as well as civil society organizations and relevant communities.

A total of 665 stakeholders were surveyed, with a participation rate of 39%, resulting in 258 active respondents contributing to Kordsa's materiality study. Of these participants, 63% were employees, who are considered Kordsa's most important stakeholders, while suppliers, another key stakeholder group, accounted for 19% of respondents. Customers followed with the third-highest participation at 11%.

As Kordsa, we normalized and analyzed the responses against a predefined threshold to determine whether each topic and subtopic represented a high, moderate, or low impact. This approach enabled us to identify impact material topics with precision, reflecting stakeholder perspectives and the perceived consequences of our operations on people and the environment.

Identification of Impacts

As part of the Double Materiality Assessment (DMA), our impact materiality analysis involved the prioritization of 10 ESRS topics along with 4 Kordsa-specific subtopics defined under each, resulting in the evaluation of a total of 40 subtopics. For each ESRS topic, Kordsa identified potential positive and negative impacts and assessed the expected time horizon in which these impacts may occur.

Through our stakeholder engagement, we presented these topics to our key stakeholders for materiality assessment. Based on their feedback, we refined the scale and scope of our most significant impacts according to the materiality ranking constructed in the survey.

Identification of Risks and Opportunities

Our risk inventory defined according to the Corporate Risk Management Procedure has been analyzed and financial impact of each risk has been considered. Our procedures encompass the evaluation of climate-related physical and transitional risks across our own operations and throughout the upstream, downstream, and own operations in the value chain. We conducted a thorough assessment to identify climate-related hazards and vulnerabilities that may pose physical and financial risks to Kordsa. In addition to the risk inventory, we also defined climate-related opportunities such as resource efficiency, products and services, and market etc. for our other reporting processes (i.e. CDP).

In parallel to our Risk Management Procedure, we developed a comprehensive risk and opportunity (R&O) inventory in collaboration with risk and sustainability teams within the context of DMA. This inventory was informed by:

- Internal scenario analyses,
- Site-specific physical risk modeling,
- Market trend insights, and
- Sector-specific risks aligned with SASB Standards.

We identified climate-related hazards across short-, medium-, and long-term horizons, consistent with the expected lifetime of our assets, strategic planning periods, and capital allocation plans. The time horizons are defined as follows: short-term (up to 1 year), medium-term (1 to 5 years), and long-term (5 years and beyond).

Our screening process assessed the extent to which assets and business activities are exposed and sensitive to these hazards within each time horizon. This evaluation considered the likelihood, magnitude, and duration of hazards, incorporating geospatial data specific to our locations and supply chains.

Each risk and opportunity was evaluated based on its financial impact and likelihood, producing a final score. Those exceeding the financial materiality threshold were classified as financially material, enabling us to prioritize actions accordingly.

Financially material risk and opportunities, linked to the defined potential impacts, are demonstrated in the following table.

ESRS Topics	Location in Value Chain	Time Frame	Operations Considered	Impact	Risk / Opportunity
E1 – Climate Change W	Own Operations	Long-term	Operational activities carried out at Kordsa's production facilities in Indonesia, Thailand, Chattanooga, Brazil, Axiom, and FDI	Extreme weather events may contribute to the vulnerability of infrastructure and natural systems in regions exposed to **flooding,** particularly in the context of climate change.	Operational disruptions, damage to physical assets, and rising insurance costs are projected as key risks associated with flood events.
E1 – Climate Change	Own Operations	Long-term	Operational activities carried out at Kordsa's production facilities in the United States (Laurel Hill) and FDI	Changing weather patterns driven by climate change may increase **cyclone** risk in certain regions. This highlights the need for enhanced risk mitigation measures at facility level, particularly regarding environmental hazards.	Due to climate change, the rising risk of cyclones may lead to financial losses through narrower insurance coverage, higher premiums, and operational disruptions.
E1 – Climate Change	Own Operations	Long-term	Operational activities carried out at Kordsa's production facilities in Chattanooga, Laurel Hill, Thailand, Brazil, FDI, and TPI	Increasing temperatures and prolonged droughts may elevate the likelihood of **wildfires**—posing further environmental challenges and health-related risks.	The increased risk of wildfires due to climate change may result in higher insurance deductibles and operational disruptions.
E1 – Climate Change	Own Operations	Medium-term	Kordsa's operations in Türkiye that fall within the scope of the Emissions Trading System (ETS)	Emissions resulting from natural gas consumption in Kordsa's production activities may need to comply with evolving **transition policies** and may require targeted improvements in emission reduction and energy efficiency.	With the implementation of Türkiye ETS system, additional costs are expected to arise for Kordsa's emissions related to natural gas consumption.
E1 – Climate Change	Downstream	Medium-term	Kordsa's product development efforts utilizing recycled raw materials at its facilities in Türkiye, Brazil, and Indonesia	Kordsa's products, made from **recycled materials** such as r-PET and r-NY, contribute to conserving natural resources by reducing the need for virgin raw materials. These climate-friendly solutions lower carbon emissions and deliver lasting benefits for both the environment and communities, supporting sustainable development and resilience.	Sales of r-PET reinforced products developed by Kordsa Türkiye are expected to contribute to the total revenue, driven by growing customer demand for sustainable content.
E1 – Climate Change	Upstream	Medium-term	Kordsa's research and development activities on recycling carried out in Türkiye	**Advanced recycling process** enables the recovery of multi-layer plastics, reducing waste volumes and decreasing the demand for raw materials.	The commercialization of advanced recycling is expected to expand Kordsa's customer base and partnerships in sustainable material markets, generating additional revenue and strengthening its position in the circular economy in the medium term.

Double Materiality Assessment Results and Material Topics

Materiality Mapping and Matrix Construction

The core of Kordsa's Double Materiality Assessment (DMA) involved aligning each European Sustainability Reporting Standards (ESRS) aligned impacts with its associated financially material risks and opportunities. Through the integration of impact materiality and financial materiality assessments, Kordsa identified its double material topics, those that are both highly relevant from stakeholder, environmental, and social perspectives, and significant in terms of financial impact for the company.

As a result, six topics were classified as double material:

- Pollution Management
- Climate Change
- Water Management
- Resource Use and Circular Economy
- Own Workforce
- Business Conduct

These topics are supported by clearly defined Impacts, Risks, and Opportunities (IROs), each linked to:

- Specific ESRS topics and subtopics
- Value chain positions (e.g., own operations, upstream, downstream)
- Business segments and geographic locations
- Estimated financial impacts
- Expected time horizons

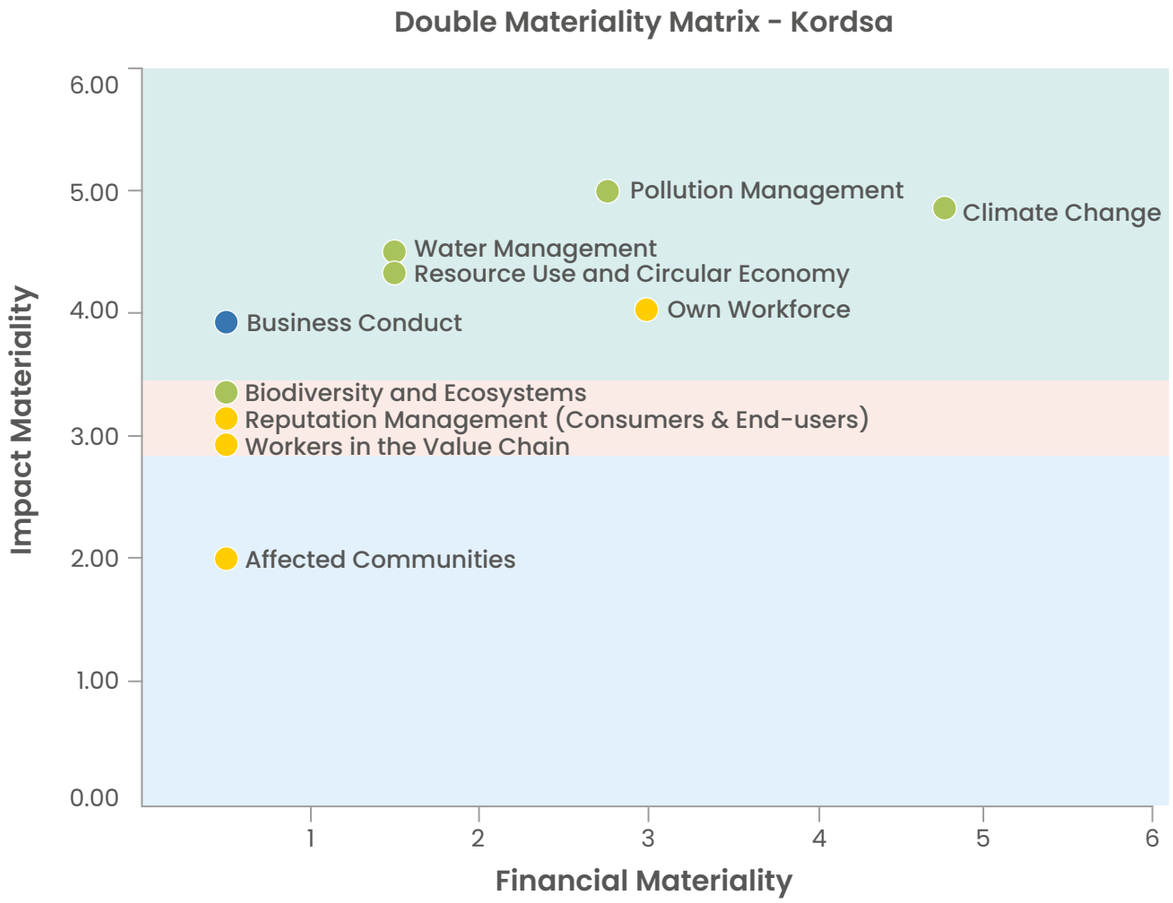
This comprehensive mapping enables Kordsa to prioritize sustainability efforts effectively, addressing both stakeholder concerns and financial risks.

Integration with Strategy and Reporting

The Double Materiality results have been visualized in a custom **Double Materiality Matrix,** where the Y-axis reflects stakeholder/environmental impact, and the X-axis reflects financial materiality. This matrix supports Kordsa's broader sustainability strategy and provides a structured foundation for ESRS-aligned disclosure under CSRD.

According to the results of the Double Materiality Assessment (DMA), Pollution Management, Climate Change, Water Management, and Resource Use and Circular Economy were identified as high-impact topics from an environmental perspective, reflecting their significant impact and financial relevance. Additionally, Own Workforce and Business Conduct were determined as high double material topics within the social and governance perspectives, respectively.

Following these, other topics with medium to low double materiality scores include Biodiversity and Ecosystems, Reputation Management, Workers in the Value Chain, and Affected Communities, with the former two evaluated as medium material topics, while the latter two were assessed as low material topics.

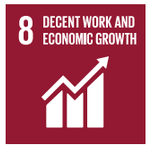


ESRS Topic	Double Materiality Score
Pollution Management	High
Climate Change	High
Water Management	High
Resource Use and Circular Economy	High
Own Workforce	High
Business Conduct	High
Biodiversity and Ecosystems	Medium
Reputation Management (Consumers & End-users)	Medium
Workers in the Value Chain	Low
Affected Communities	Low

Material Topics and UN 2030 Global Goals

Our Approach Aligned to UN Sustainable Development Goals

Based on our commitment to sustainable development, we have been a signatory of the UN Global Compact since 2014, supporting the vision of a sustainable and inclusive global economy. Over the years, driven by our progress and achievements in key focus areas, we have expanded our support to directly advance eight Sustainable Development Goals (SDGs). These include SDG 12, which aligns with our double material topics in high level of Pollution Management and Resource Use and Circular Economy; SDG 13 and SDG 6, directly linked to the second and third double material topics in high level, Climate Change and Water Management, respectively. These also include SDG 8, which is relevant to our targets related to high-priority topics in the social and governance matters such as our Own Workforce and Business Conduct.

UN 2030 SDGs	UN Targets Supported by Kordsa	Related Disclosure Topics
	**4.1:** By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Community Development
	4.c: By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries	Community Development
	**5.1:** End all forms of discrimination against all women and girls everywhere	Fair Employment and Labor Practices
	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Diversity, Equity, and Inclusion
	**6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity **6.5:** By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	Water and Wastewater Management
	**8.2:** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors **8.8:** Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Sustainable Growth Fair Employment and Labor Practice Talent Development and Organizational Growth Human Rights Occupational Health and Safety

Material Topics and UN 2030 Global Goals

UN 2030 SDGs	UN Targets Supported by Kordsa	Related Disclosure Topics
	**9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	R&D and Innovation Technology & Digitalization
	9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1M people and public and private research and development spending	R&D and Innovation
	**12.2:** By 2030, achieve the sustainable management and efficient use of natural resources	Energy Management Water and Wastewater Management
	12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	Raw and Other Materials Management Emissions (Carbon) Management
	12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Waste Management
	**13.2:** Integrate climate change measures into national policies, strategies, and planning **13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Emissions (Carbon) Management
	**17.6:** Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, at the United Nations level, and through a global technology facilitation mechanism **17.17:** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	R&D and Innovation

Risks and Opportunity Management

World Economic Forum (WEF) Global Risks Report

The World Economic Forum's annual Global Risks Report identified six environmental and social risks among the top ten priorities for 2024. The Risk Management Department at Kordsa conducted a thorough assessment of these risks to evaluate their potential impact on our operations. Based on this assessment, we developed proactive plans to mitigate risks that could have a significant effect on the company. Additionally, we implemented targeted actions alongside our insurance management activities to address these risks effectively.

Throughout the year, we identified several significant emerging risks. These include the potential escalation of the regional conflicts, the slowdown of the EU automotive and tire sector due to increased competition from Asian companies, and ongoing challenges related to climate change-driven transition risks. We also recognize evolving customer expectations in the context of sustainability as an important area of focus.

Kordsa's risk management framework is carefully designed in alignment with internationally recognized standards, including COSO (Committee of Sponsoring Organizations) and ISO 31000. At the highest level of this framework is the Early Detection of Risk Committee, which reports directly to the Board of Directors. In 2024, this committee convened six times to advise the Board by identifying potential threats that could affect the company's viability, operations, and continuity. It also provides recommendations on measures to reduce the likelihood and impact of these risks.

Supporting this governance structure, the Global Risk Management Department, operating under the Finance and Investor Relations and overseen by the CFO, plays a vital role in identifying and managing risks across the organization. In collaboration with business units assigned responsibility for entity-level risk, the department prioritizes identified risks based on assessments of their impact and likelihood. The Global Risk Management Department is also responsible for implementing consistent control and monitoring procedures throughout all business units, coordinating and overseeing these activities to ensure alignment with corporate risk policies.

To assess the financial impact of critical emerging risks worldwide, the department utilizes advanced techniques such as scenario modeling and Monte Carlo analyses, tailoring evaluations to the specific requirements of each business unit. Identified risks are communicated to relevant units to enable internal stakeholders to incorporate risk analysis into their decision-making processes. By embedding risk awareness into operational and financial decisions, Kordsa ensures that its strategic objectives are supported by a robust approach to risk management.

In our 2024 evaluation based on Double Materiality Assessment, we identified four critical climate-related risks. These have been classified as high criticality risks that could potentially affect Kordsa's ability to achieve its long-term ESG targets and global objectives.

Physical Risk Factors (flood, wildfires, and cyclones)

Kordsa's production facilities in various regions face potential risks from extreme weather events, such as floods, wildfires and cyclones (tropical storms). These risks have a potential effect on our facilities as well as direct operations. We take concrete actions to minimize the impacts of physical risks that have potential to be faced.

Measures Taken and Control Activities

- As Kordsa, we are implementing physical measures to strengthen our facilities especially in Indonesia, Thailand, and Chattanooga, which we identify as potentially exposed to flood risks in the short term. These measures include the installation of concrete barriers, manual water gates, drainage pits, and pump and valve systems.
- In addition to implementing physical measures to minimize the potential impacts of climate and water related physical risks, we engage expert risk engineers to conduct annual site visits focused on such risks. These visits, facilitated by our insurance partners, ensure thorough risk evaluation.
- Each year, we maintain property damage and business interruption insurance and renew regularly. Notably, in 2024, no significant issues were identified across our business units.
- In parallel, we regularly conduct detailed assessments of existing security measures and identify necessary actions. We also promote knowledge sharing among our facilities to disseminate the best practices and lessons learned, thereby strengthening our collective resilience.

Transitional Risk Factors: Emission Trading System (ETS)

The upcoming implementation of the emissions trading system (ETS) in Türkiye may affect operational expenses. As our İzmit facility falls under Türkiye's Monitoring, Reporting and Verification (MRV) regulation, which sets emission caps for emission-intensive sectors to ensure emission control and reduction, the implementation of this system in Türkiye is expected to introduce certain compliance obligations for our operations in the medium term. With the inclusion under the Emissions Trading System (ETS), operations subject to carbon pricing are expected to incur additional carbon costs in cases where the annual emission allowances fall short of covering direct emissions. In the medium and long term, addressing this risk will require a coordinated effort through Research & Development projects focused on production processes and energy efficiency.

Measures Taken and Control Activities

- We have planned and implemented various projects aimed at reducing emissions across all Kordsa facilities.
- We are researching alternative energy sources for production to help achieve our emissions targets.
- We actively explore opportunities for collaboration with other stakeholders to strengthen our sustainability efforts.
- Our Research & Development focuses on enhancing product performance, energy-efficiency, and reducing environmental impact, while also implementing lean manufacturing principles and flexible production lines to respond to evolving market demands and consumer preferences.
- We validated our emissions reduction targets with the Science Based Targets initiative (SBTi) in 2024 to demonstrate our commitment.
- We remain committed to the implementation of our 2050 Net Zero Roadmap.

Opportunity Factors: Products and Services

In 2024, our Tire Reinforcement business unit, which accounts for a significant portion of our global sales, served customers through our manufacturing facilities located in Thailand, Indonesia, Türkiye, Brazil, and the United States. In response to recent changes in the tire industry, we have observed a growing market demand for sustainability-oriented products and are accelerating our R&D and innovation efforts accordingly.

In this context, introducing products made with recycled polyester and recycled nylon into the market and integrating environmentally friendly chemicals into our tire cord fabric production technologies position Kordsa as a preferred supplier among customers aiming to reduce their environmental footprint is providing us with a significant market advantage in the long-term.

Our compounding business unit, on the other hand, represents an emerging area of focus for our company, particularly in the development of sustainable products through technological advancements. As part of our efforts to advance chemical recycling initiatives for the sustainable management of plastic waste, we have launched a recycling project that presents significant opportunities by enabling the reuse of these materials. A key advantage of this project lies in the method used, which not only transforms plastic waste into higher quality materials that closely resemble virgin raw materials but also enables the infinite recycling of even multilayer plastics, which are not compatible with conventional mechanical recycling methods. As a result, the project contributes to improving the quality of materials that can be reused across the industry.

The major steps taken to realize these opportunities are based on financial planning to invest in innovation-led development of sustainable products and services. We review and adjust our budgets and investments in R&D activities each year. In addition, we have integrated our sustainable and environmentally friendly product development strategy into our core business model.

STRATEGY

At Kordsa, we closely track global trends, shifting customer demands, and sectoral challenges to identify ESG and financial risks and opportunities that matter most. We turn these insights into concrete actions through dedicated R&D and innovation, our expanding portfolio of sustainable solutions in tire reinforcement, composites, construction reinforcement, and compounding, and targeted investments in technology and digitalization. Together, these sustainability facilitators strengthen our ability to deliver sustainable materials, smarter production, and resilient growth for a low-carbon future.

Sectoral and Global Trends

Kordsa actively monitors global megatrends that are reshaping industries - from the rise of smart and sustainable materials to advancements in smart mobility, nanotechnology, automation, and AI. Increasing regulatory pressure, such as the EU Green Deal, is accelerating the shift toward circularity and low-carbon operations. Electrification and e-mobility are transforming transportation, while lightweighting and durability remain critical across sectors. Simultaneously, digital transformation is revolutionizing manufacturing with data-driven, agile systems. These developments inform Kordsa's innovation roadmap and guide our efforts to deliver next-generation materials aligned with the needs of a rapidly evolving world.

Emerging Trends

Sustainability in Materials and Manufacturing

With growing focus on sustainability and resource efficiency, the technical textiles industry is increasingly shifting toward reducing carbon emissions and adopting more sustainable raw materials. This includes the use of recycled or bio-based inputs and lower-impact production processes.

Kordsa's Response:

Kordsa is expanding its use of sustainable materials and investing in cleaner production technologies. Our low-carbon innovation efforts are integrated across our product development pipeline and supply chain operations.

Electric Vehicle (EV) Tire Requirements

The fast-growing EV market is creating new performance expectations for tires, such as lower rolling resistance, greater load endurance, and reduced noise. These evolving demands are reshaping reinforcement technologies in tire manufacturing.

Kordsa's Response:

As the automotive industry shifts towards electric vehicles (EVs) and performance tires, next-generation tires emphasize features such as higher strength, lower rolling resistance, lightness, high wear resistance, low noise levels, and sustainability. To meet these demands, Kordsa offers innovative solutions under the REV brand.

Ultra-High Performance (UHP) Tire Trends

UHP tires are gaining traction in premium and performance vehicle segments, requiring reinforcement solutions that can withstand extreme stress, speed, and heat conditions-without compromising safety or durability.

Kordsa's Response:

Kordsa is advancing its high-tenacity yarns and specialized fabric constructions to meet the demanding standards of UHP tire applications, enabling enhanced grip, control, and thermal resilience.

Localization of Supply Chains

As global supply chains face increasing complexity and sustainability expectations, many companies are prioritizing localized sourcing to reduce emissions, improve agility, and strengthen operational resilience.

Kordsa's Response:

With production hubs across six countries, Kordsa supports regional sourcing strategies and continues to strengthen its local presence to better serve global customers with agile, low-footprint solutions.

Value-Driven Expectations

Tire Reinforcement Technologies

Tire reinforcement customers expect more environmentally responsible materials and processes throughout the value chain. This includes increased use of recycled and bio-based raw materials, improved traceability, lower carbon footprints, and credible third-party reporting on emissions, water use, and supply chain sustainability. Lifecycle assessments, circularity, sustainability certification and transparency around sustainability roadmaps are becoming key evaluation points.

Composite Technologies

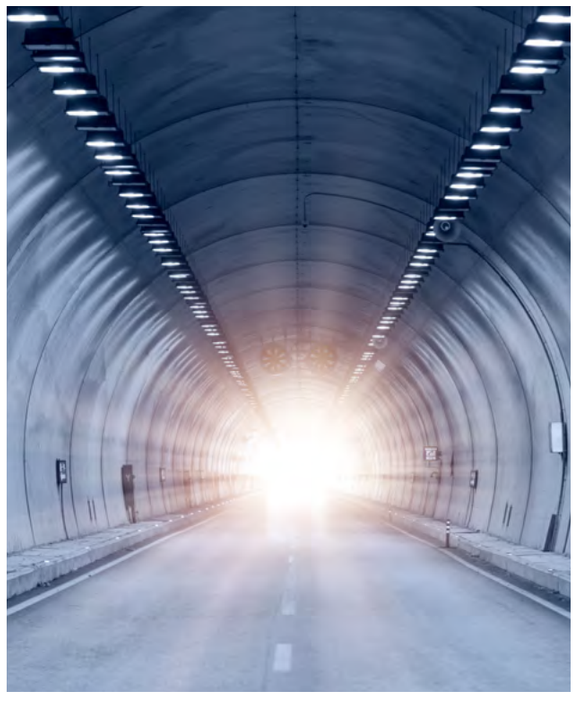
The composites market demands high-performance solutions that are also aligned with global sustainability goals. Customers seek lighter, stronger materials for aerospace and e-mobility, thermoplastic alternatives, recyclable or bio-based resins and fibers, and carbon footprint transparency. There is also growing interest in end-of-life strategies, reduced curing energy, and repairable composite structures.

Construction Reinforcement

Clients in the construction sector increasingly prioritize solutions that reduce environmental impact, shorten application time, and maintain structural performance without compromising space or durability. Lighter materials with lower carbon footprints, magnetic neutrality, corrosion resistance, and EPD-certified products are key differentiators. Expectations also include effective reinforcement methods for aging or non-compliant structures.

Compounding Technologies

Customers expect compounded materials to meet sustainability, regulatory, and performance standards simultaneously. This includes low-VOC and REACH-compliant additives, use of recycled or renewable content, and support for lighter, more durable plastic parts. The push for localization, traceability of ingredients, and alignment with sector-specific environmental targets (e.g. in mobility or electronics) is increasing.



Kordsa's Strategic Actions

R&D and Innovation

Innovate Everywhere

At Kordsa, R&D strategy is a cornerstone of our commitment to sustainability and innovation. We operate a global network of research centers, including two R&D centers in Türkiye (İzmit and İstanbul) and three Technical Centers in APAC, Europe and USA, where we integrate advanced research with industrial application.
Our R&D roadmap is aligned with our sustainability goals, focusing on the development of eco-friendly materials, energy-efficient processes, and circular economy solutions across our business lines. We embrace an open innovation model, collaborating with universities, startups, and industry partners to co-develop technologies that address global challenges. Kordsa collaborates with many national, international universities and institutions in the field of R&D and conducts joint projects in the qualified expertise areas of these universities.

Through a hybrid intellectual property strategy and smart portfolio management, we ensure that our innovations deliver long-term value. This integrated approach reinforces not only our materials but also our vision for a more sustainable world.

R&D and Innovation Management at Kordsa

Pioneering Future Technologies through Technology Roadmaps

We develop Technology Roadmaps for short, medium and long-term which act as a guide for future technologies by aiming to deliver more competitive and innovative products to our customers, differentiate our products and services, expand our sustainable product portfolio, optimize material, process and equipment efficiency in production and lead the way in emerging technologies. These roadmaps are crafted by aligning global technology trends, Kordsa's strategies, and customer input. We focus on sector-specific trends emphasizing sustainability and digitalization to drive future technological advancements.

Value Generation through Efficient Project Portfolio Management

We categorize R&D projects into three distinct groups: customer-focused projects, operational excellence development projects, and know-how development projects.

Customer-Focused Projects	Operational Excellence Projects	Know-How Development Projects
Customer-focused projects target a Technology Readiness Level (TRL) of 7 or above and involve adapting to changing customer expectations to meet their needs.	Operational excellence projects aim to enhance our infrastructure to deliver high-value products, with a focus on tracking technological trends in production methodologies.	Know-how development projects involve initiatives with a lower TRL, concentrating on monitoring and adopting emerging technologies.

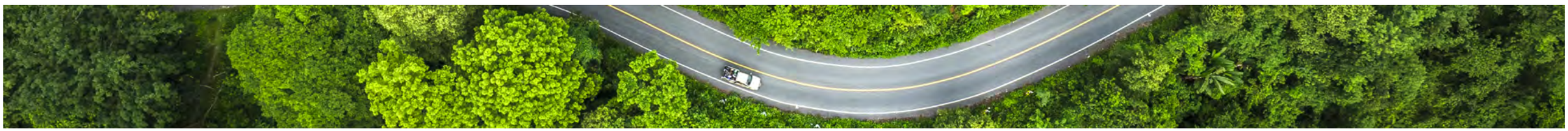
In line with our technology roadmaps, we conduct project portfolio review workshops annually.

Intellectual Property Rights

Kordsa firmly believes that intellectual property (IP) is a crucial management resource for any innovative organization, essential for sustainable growth and competitive advantage in today's business landscape.

We protect our product intellectual rights using a hybrid method that combines patent and trade secret strategies, while also respecting the intellectual property of external parties.

We manage our projects and patent portfolio using an integrated portfolio management approach. During our regular portfolio review workshops, we develop project-specific intellectual property strategies through cross-functional communication. These strategies are implemented seamlessly at every stage of a project, from inception to product realization.



2024 Facts and Figures on R&D and Innovation

89 (İzmit R&D Center)

16 (İstanbul R&D Center)

Approved R&D Projects ✓
(Ministry of Industry and Technology)

57 New
Patent Applications

101
Personnel
(İzmit R&D Center)

25
Personnel
(İstanbul R&D Center)

TRY **352**
Million
R&D Expenditures Including Capex and Opex

44.33% ✓
Sustainability Focused * R&D Expenditure Ratio

14.23% ✓
Ratio of sustainable products revenues to total revenue (%)

Defined 105 sustainable products of which 31 are developed by Tire Reinforcement, 29 Composites and 45 Construction Reinforcement Business ✓

*Less weight, eco-friendly adhesive technology, lower CO_2, lower rolling resistance, chemical recycling, eco-design, recycling.

Horizon Projects Supported By The European Commission

WhiteCycle Project: WhiteCycle project supported by the European Commission, Kordsa continues to work on polyester yarn and tire cord fabric production using advanced biotechnological methods for recycling polyester from tire and textile waste as a partner of this project. Kordsa's R&D Center continues its product development efforts focused on reducing rolling resistance and fuel consumption through studies on enzymatic recycling and bio-based materials.

EcoPlast: In 2024 Kordsa joined the EcoPlast project, officially titled Empowering Circular Operations in the Automotive Plastics Value Chain. Within this project Kordsa will focus on innovative recycling technologies and value-added product development. The 14 project partners seek to enhance circularity in automotive plastics, increase recycling rates, and foster sustainable product development, creating innovative solutions for the industry.

Tübitak-Supported Project

Technology-Oriented Industrial Move: In 2024, Kordsa completed the "Production of Bio-Based Polyamide Compounds and Compounds of the Blends of Bio-Based Polyamides and Polyamide 66 for Automotive, Electrical & Electronics, and White Goods Applications in Line with Türkiye's and Europe's Sustainability Goals". The Company has taken significant steps toward commercialization.

1515 Frontier R&D Laboratory: Opened in 2023, Kordsa's "Sustainable Advanced Materials Laboratory" is supported under the TÜBİTAK 1515 Frontier R&D Laboratory Support Program. The laboratory conducts research on polymer recycling technologies, biopolymers, sustainable composites, eco-friendly construction materials and smart mobility solutions. In 2024, the laboratory continued to generate important publications, patents, European Commission funded projects, and collaborations with universities and startups.

NANOSIS 1004 – Center of Excellence: The NANOSIS Platform aims to enhance monitoring and diagnostics in healthcare through the development of fast, cost-effective, and innovative nanotechnology-based components, products, and systems. Kordsa makes significant contributions to this field with its program "Development of Nanotechnological Sensors for Health Data Monitoring with Wearable Technologies". Launched under the TÜBİTAK 1004 Program, the project represents a significant step in the advancement of healthcare technologies. Led by Sabancı University's Nanotechnology Research and Application Center (SUNUM), the program spans four years and involves eight universities, twelve private sector companies, and various institutions, with a strong scientific foundation and high commercialization potential.

2244 – Industrial PhD Program: As part of the TÜBİTAK 2244-Industrial PhD Program, Kordsa employed a PhD student in 2024 for the projects conducted in collaboration with Sabancı University. This employment aligns with the program's goal of encouraging the recruitment of PhD researchers in the industry and strengthening university-industry collaboration. Driven with the involvement of industry advisors at Kordsa and PhD students, these projects successfully contribute to the development of a highly skilled workforce for the sector.

Our Sustainable Products

As Kordsa, we focus on developing products that support our customers sustainability goals under the motto of Reinforcing Life.

Guided by our robust R&D and innovation strategy rooted in collaborative partnerships, we persistently strive to create cutting-edge products and technologies. Kordsa's product development processes vary between 5 to 10 years due to the mandatory security tests in the sectors where Kordsa is serving. Our objectives encompass sustainable materials and the application of circular economy practices.

Tire Reinforcement Technologies

Sustainability features of Tire Reinforcement Products Developed at Kordsa:

Economically, high quality, efficient, and optimized production process

Environmentally, less material usage opportunity, fuel savings by reducing rolling resistance, opportunity to implement circular economy approach

Socially, safer and more comfortable driving

COKOON

COKOON Dipping Technology

Developed by Kordsa in collaboration with Continental, the CoKoon Dipping Technology has reshaped a century old paradigm in the tire reinforcement industry by offering a sustainable and innovative alternative. This technology eliminates the use of formaldehyde and resorcinol in bonding textile reinforcement materials to the surrounding rubber matrix, making it a pivotal advancement in both environmental and economic terms.

CoKoon can be implemented across existing production lines with no additional equipment or investment required, making it readily accessible to all manufacturers. Through an open licensing pool established in partnership with Continental, Kordsa aims to drive the widespread adoption of CoKoon across the industry, setting a new global standard for sustainable tire production.

Economic Gains: A sustainable solution is provided for rubber-textile dipping systems without an additional cost.

Social Gains: The formaldehyde and resorcinol free formulation of CoKoon sets a new benchmark for the industry, improving occupational health and safety standards across the supply chain.

Environmental Gains: With its REACH compliant formulation, CoKoon supports the reduction of the environmental footprint of tire manufacturing.

REV

REV Technology;

Kordsa has introduced its REV brand in 2024 to respond to the rapid changes in the mobility sector and to meet the evolving demands of next generation tires. As electric vehicles (EV) and performance tires gain increasing prominence, Kordsa's REV brand delivers advanced reinforcement solutions built upon the pillars of high durability, low rolling resistance, lightweight construction, enhanced wear resistance, and reduced noise; all while aligning with the industry's shift toward greater sustainability. REV strengthens Kordsa's role as a global innovation and sustainability leader, providing tailored solutions for the tires of the future.

Ultra-High Tenacity Polyester Cord Fabric

Use of ultra-high strength polyester cord fabrics; by allowing the use of thinner cords, it contributes to a reduction in the use of compound on the customer side and therefore to lower rolling resistance with lighter tires. By reducing rolling resistance, it allows fuel savings or more efficient use of energy in electric vehicles. Compared to 3rd generation PET products, it offers a 10% increase in strength. This advantage allows achieving high strength and better dimensional stability values with a lighter product.Therefore, UHT PET cord fabric enables achieving reduced material usage and lower fuel consumption with better performance.

Aramid/Nylon Hybrid Cords: The Perfect Balance of Strength and Endurance

Developed by Kordsa, Aramid/Nylon Hybrid Cords combine strength, durability, and low elongation with a lightweight design, making them an ideal solution for electric vehicles and performance tires alike. By extending tire lifespan and reducing rolling resistance, these hybrid cords enable both long term reliability and improved energy efficiency.

Heavy Dtex PET: Leading the Way in Single Ply Tire Construction

Kordsa's Heavy Dtex PET solution allows the tire industry to move from a traditional two ply structure to a more efficient, single ply design. This approach significantly reduces the quantity of reinforcing material and carcass compound required, yielding a lighter tire with lower hysteresis. As a result, it delivers improved rolling resistance and energy efficiency, providing a robust foundation for next generation tire designs

High Modulus Nylon

Modulus, in simple terms, in tire universe, is a measure of the resistance against elongation under a load. The increase in the cord fabric modulus value has positive direct and indirect contributions to all properties of tire. For this reason, high modulus yarn and cord fabric development studies have gained a lot of value over time and there have been requests from tire manufacturers. In this project, high modulus nylon products were developed.

Next-Generation Polyester Yarn and Cord Fabric

Polyester is a material used within the tire reinforcement industry, particularly in passenger car tires. Key features encapsulating our overarching objectives included:

- Utilizing advanced PET with heightened strength and exceptional durability and create lighter tires.
- Introducing products that enhance dimensional stability, resulting in prolonged tire lifespan, decreased fuel consumption, and heightened puncture resistance.

Paired Cord

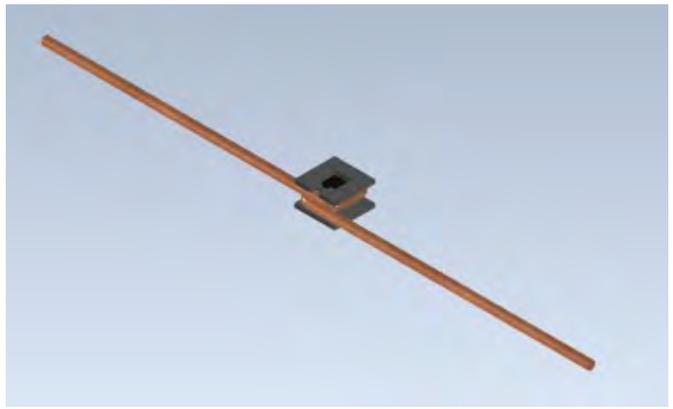
Paired cord is produced by using two matched cords with opposite twist directions instead of single cords used as the warp in cord fabric production. Thanks to the opposite twist direction of the matched two cords, these cords act as a whole. At the same time, it is possible to decrease cord diameter by keeping tensile strength and rivet same. This situation can make the tires lighter without sacrificing the ply strength.

Single End Cord

As Kordsa, we have extensive experience in the single end cord product, which stands out as a critical component in the tire industry, enhancing the durability and performance of tires. With our NY66, PE, and Hybrid single end cord production, we maintain our leading position in the tire industry and continue to grow with our investments. The use of single-end cord in tire manufacturing increases durability, ensuring longer lifespan, while also enhancing tire uniformity to improve performance, driving comfort, and grip. For all these reasons, it stands out as a solution that contributes to more efficient resource utilization, driving safety, and fuel efficiency.

Smart Mobility - RFID

At Kordsa, we are pioneering the integration of RFID (Radio Frequency Identification) technology into tire identification and tracking, enabling contactless tracking of tires from production to end-of-life.



Our RFID tags are embedded in tires before they are cured, making them an integral part of the tire throughout its lifespan. RFID tags can withstand harsh conditions such as high temperatures and mechanical stress, ensuring durability and functionality. With this technology, original equipment manufacturers (OEMs), distributors, and fleet management companies can track, monitor, and manage tires throughout their lifecycle. The result is a comprehensive automated identification and tracking solution, providing real time visibility and actionable data across the tire's production, utilization, and end of life phases.

Developed in collaboration with SES RFID Solutions GmbH, Kordsa's patented RFID antenna is designed with a flexible hybrid cord structure that allows it to be seamlessly integrated into the tire's internal layers. This approach eliminates the need for any additional processing, making the implementation both cost effective and highly efficient across the tire supply chain. This technology enables the comprehensive tracking of tires from production to end of life, fostering transparency within the tire recycling process. Supports improved tire waste management and recycling efficiency, making a significant contribution to resource optimization and environmental protection.

Sustainable Polyester Tire Reinforcement Products;

Kordsa continues to implement projects on the production of PET cord fabric using recycled raw materials. These studies are expected to result in a solution that will take the performance of tire products to the highest level after the approval of the raw yarns produced with various recycling technologies. Kordsa optimizes the performance of cord fabrics and yarns in tires through R&D activities and offers its customers the superior products from sustainable raw material sources.

We conducted pilot trials and industrial-scale production with yarns containing polymer that was 100% chemically recycled. In 2024, following its adoption in the Indonesian factory, other facilities also began manufacturing 100% chemically recycled polyester yarn. Moreover, Brazil plant successfully completed the production of 100% mechanically recycled yarn.

TIRE REINFORCEMENT PROJECTS IN 2024

Project Name	Chemically Recycled PET for Technical Textile*	Mechanically Recycled PET for Technical Textile*
Place	Kordsa Global Technology R&D Center	Kordsa Global Technology R&D Center
Objectives and Actions	This project focuses on the fundamentals in chemical recycling technology for polyethylene terephthalate (PET), making an assessment to produce sustainable tire cord products, where mainly the impact of the current technology and processes on the product performance is evaluated. Kordsa serves as a technology validator, assessing the viability of chemically recycled PET feedstocks through comprehensive study of recycling systems. By engaging with the technology providers and evaluating process maturity and TRL, a raw material designation scheme aligned with product targets is being effectively implemented. Our investigation encompassed the identification of both local and global suppliers specializing in recycled PET materials. Samples of recycled PET material are procured in chip form and fundamental laboratory-scale analyses are conducted to assess the material properties. Yarn and tire cord fabric trials conducted at different plants were followed by tire simulation tests on shipped products to customers, with results confirming successful performance.	This project focuses on the fundamentals in mechanical recycling technology for polyethylene terephthalate (PET), making an assessment to produce sustainable tire cord products, where mainly the impact of the current technology and processes on the product performance is evaluated. Kordsa serves as a technology validator, assessing the viability of mechanically recycled PET feedstocks through a comprehensive study of recycling systems. By engaging with the technology providers and evaluating process maturity and TRL, a raw material designation scheme aligned with product targets is being effectively implemented. Our investigation encompassed the identification of both local and global suppliers specializing in recycled PET materials. Samples of recycled PET material are procured in chip form and fundamental laboratory-scale analyses are conducted to assess the material properties. Yarn and tire cord fabric trials conducted at different plants were followed by tire simulation tests on shipped products to customers, with results confirming successful performance.
Results	These projects advance the use of recycled PET in tire cords, significantly contributing to the circular economy. Beyond environmental benefits, the initiative promotes recycling awareness, supports workforce development, and creates new business opportunities. Kordsa has been selected as a finalist in the “Circular Economy” category of the Sustainable Business Awards for its innovative use of recycled PET in tire reinforcement materials, contributing to sustainability, the circular economy, and broader socio-economic benefits.	
Plans for Future	With the successful implementation of the project outcomes, our roadmap extends towards the integration of recycling technology within our own production processes and product portfolio.	

**These are ongoing projects to closely follow the developing issues in recycling technologies as well as the products we produce.*

Sustainable Nylon 6,6 Tire Reinforcement Products;

At Kordsa, we remain committed to supporting our customers' sustainability objectives by focusing on the development of products that enable a more responsible and resilient future. Kordsa introduced yarn and cord fabrics containing 40% mechanically recycled Nylon 6,6, achieving performance levels remarkably close to totally virgin products.

Name of Project	Recycled Nylon 6,6 Chip Usage for Nylon 6,6 Tire Grade Yarn &Fabric Production
Place	Kordsa Global Technology R&D Center
Objectives and Actions	The recycled nylon chip usage project was initiated to implement circular economy practices. We transform our production/technological nylon scraps through our recycle machine into nylon chips and reuse them in production as recycled nylon material input for our yarn and fabric products. The main aim of the project is to spin 40% recycled content including Nylon 6,6 tire grade yarn and manufacture its tire cord fabric comparable to 100% virgin nylon 6,6 properties.
Results	As one of the leading nylon 6,6 tire cord manufacturers, adopting 40% recycled nylon yarn supports sustainable production and sets a positive example for the industry. LCA analysis shows that using 40% recycled content yarn reduces the carbon footprint of tire cord significantly compared to 100% virgin material.
Plans for Future	We are currently investigating potential supply options for post-consumer recycled nylon materials. We also have initiated the necessary preparations to obtain the globally recognized ISCC Plus certification.

Innovative research and development activities are also ongoing at our R&D plants for further improvement and testing;

Chemically Recycled Nylon 6,6 : Driving the Circular Economy in Tire Reinforcements

Kordsa is currently reviewing and evaluating the potential of chemically recycled Nylon 6,6 as part of its commitment to circular economy principles. Derived from end-of-life automotive and textile waste, this solution offers 100% sustainability content. Life Cycle Assessment (LCA) studies indicate up to an 88% reduction in carbon footprint compared to virgin-based products.

Enzymatically Recycled Nylon 6,6: An Innovative Bio-Based Alternative

Kordsa is exploring enzymatically recycled Nylon 6,6 as a promising biotechnological recycling method for the tire industry. With the goal of achieving 100% sustainability content, this approach targets the recovery of mixed textile waste. The technology is currently under evaluation as part of Kordsa's broader sustainability roadmap, offering potential for future innovation in low-impact material solutions.

Biomass Balanced Nylon 6,6: Reducing the Environmental Impact of Tire Cords

The biomass balanced Nylon 6,6 concept is being evaluated by Kordsa for its ability to reduce environmental impact through the use of renewable raw materials. With up to 50% sustainability content and a 25% reduction in carbon footprint compared to conventional products, this solution is under strategic review as an alternative for tire cord applications.

Composite Technologies

Sustainable Solutions for Composite Materials

Kordsa successfully continues its certification and approval processes for advanced composite materials developed for the aerospace industry. These efforts enable the delivery of lighter, stronger, and more durable solutions for aerospace applications, including sandwich panels used in cabin interiors, flame retardant prepreg materials with low fire and smoke toxicity properties that comply with the FAR 25.853 standard, Nomex® honeycomb cores, and other structural components.

Kordsa's traditional advanced composite materials, based on resin and reinforced with carbon and glass fiber, play a pivotal role in reducing weight, enhancing fuel efficiency, and lowering carbon emissions. In line with its sustainability objectives, Kordsa aims to further reduce its environmental impact by introducing composite materials strengthened with natural fibers and utilizing biobased resin matrices. In 2024, to further enhance its expertise in composite technologies, covering both natural fiber thermoset and thermoplastic product ranges, Kordsa invested in BPREG, a sustainable advanced materials company founded in Türkiye in 2017, which develops natural fiber-reinforced industrial biocomposites and offers eco-friendly alternatives to synthetic composites. BPREG's biocomposite solutions reduce the carbon footprint of product and component manufacturing in industries such as automotive, mobility, aerospace, sports equipment, and consumer goods while providing high performance and lightweight advantages, thus accelerating the transition to sustainable materials.

Water Based Phenolic Honeycombs

Kordsa produces honeycomb cores for a wide range of applications from aerospace and aviation industries to construction and consumer level sporting and leisure products, and aramid honeycomb cores are made of Nomex® paper coated with water-based heat insulating phenolic resin which exhibits extraordinary flame-resistant properties that make them suitable for the aerospace and aviation standards, making them suitable for aviation applications. The key distinction of the water-based phenolic honeycomb production process from the industry norm lies in its specially formulated solvent-free approach. This innovation significantly reduces volatile organic compound (VOC) emissions, contributing to a safer production process. Water based technology decreases the risk of hazardous solvent release to the environment.

Out of Autoclave Prepregs

Kordsa developed out of autoclave prepregs. With this product our customers will be able to eliminate the autoclave process. In terms of energy efficiency, vacuum bag curing systems have an advantage in comparison to autoclave curing systems. The Out-of-Autoclave production method is an eco-friendly method and provides energy savings of up to 80%.

Biobased System for Honeycomb

Kordsa developed a sustainable product that is harmless to nature and people. Kordsa became the first company to develop composite material that has a biobased resin system and which we call the new generation honeycomb. We have produced a new generation, biobased, sustainable product with a very low carbon footprint thanks to both its content and production method.

Name of Project	Development of Sustainable Composite Materials
Place	İstanbul Composite R&D Center
Objectives and Actions	The goal is to develop sustainable composites made from renewable resources such as biobased resins and natural fibers. This project aims to create eco-friendly materials that minimize carbon emissions by focusing on biobased and recyclable resins and fibers instead of traditional chemicals, ensuring mechanical integrity while adhering to sustainability principles. Each component will be thoroughly characterized by mechanical, thermal, physical and chemical tests and the performance compared to existing products through competitive analysis. Funded by TÜBİTAK 1515 Leading R&D Laboratories Support Program, this initiative aims to advance sustainable composite solutions.
Results	Lab-scale formulations were developed using various biobased and recyclable thermoset resins sourced from multiple suppliers, and the resulting materials were evaluated for performance and compatibility with the existing production process. Based on these results, the most promising formulations were selected for large-scale prepreg trials, the findings were presented at the Polymer Science and Technology Congress, and discussions with suppliers for further sustainable formulation development are ongoing.
Plans for Future	Expand research into additional applications of biobased composites beyond aircraft interiors, such as automotive and marine industries. • Explore advanced processing methods to improve scalability and versatility of biobased prepreg systems. • Establish collaborations with academic and industrial partners to further innovate and publish patents, papers and give conference talks.

Name of Project	Type 4 Hydrogen Storage Tank Development
Place	İstanbul Composite R&D Center
Objectives and Actions	The project's primary aim is to produce and test a composite hydrogen storage tank by using Towpreg that is developed by Kordsa. The project seeks to create a competitive edge by entering the hydrogen storage tank market. Assessing the suitability of the Towpreg product for Type 4 tanks positions Kordsa to leverage increased market demand for sustainable hydrogen solutions. Hydrogen storage solutions support renewable energy systems while reducing carbon emissions. This innovation aligns with environmental goals by enabling cleaner energy storage and distribution, contributing to reducing greenhouse gas emissions.
Results	A trial production was carried out with our Towpreg product.
Plans for Future	To build on the project's achievements, future plans could include scaling up production capabilities of Towpreg for hydrogen storage tanks, which would address growing market demand and maximize profitability. Additionally, expanding partnerships with renewable energy firms could further integrate these tanks into clean energy ecosystems.

Name of Project	Flaxcycle
Place	İstanbul Composite R&D Center
Objectives and Actions	This project aims to address a strategic gap in Kordsa's portfolio by developing flax fiber-reinforced thermoplastic composites as environmentally friendly alternatives to conventional thermoset-based materials. Flax fiber composites offer a biobased and reprocessable structure, making them well-suited to meet these demands. This project focuses on the development of natural fiber-reinforced thermoplastic prepregs using a polypropylene (PP) and polylactic acid (PLA) based matrix. Flax fibers are used as reinforcement due to their renewable, lightweight, and biodegradable nature. The resulting prepregs are converted into slittapes, making them suitable for automated manufacturing using Automatic Fiber Placement (AFP) technology. This advanced method allows for high-speed, precise, and repeatable fabrication, offering a significant advantage over manual lay-up techniques. Targeted at the automotive and aerospace industries, particularly for visual and non-structural applications, the project addresses the growing demand for greener materials and automation-compatible production systems. By combining bio-based reinforcements with thermoplastic matrices and advanced AFP processing, the project supports both environmental sustainability and industrial efficiency.
Results	In collaboration with Bpreg, we developed EcoRein a high-performance composite made by combining natural flax fibers with recyclable and biodegradable plastics. Designed for automotive, aerospace, and industrial applications, EcoRein offers a lightweight, durable solution with a strong sustainability profile. Its key advantages include 60% lower energy consumption, 40% lighter weight, and 100% recyclability, highlighting its circular and eco-friendly nature
Plans for Future	Commercialization of this product for new applications.

Sustainability Features of Composite Products Developed at Kordsa

- Materials produced using resin systems and natural fibers are more environmentally friendly and can provide competitive mechanical values with currently used fibers.
- Biobased resin systems that offer better mechanical and fire-resistant properties than their counterparts. They are referred to as 'materials of future' as they are entirely natural materials and have low product level carbon footprint.
- The carbon fiber fabrics we produce at Kordsa which are used to produce composite battery cases for electric vehicles contribute significantly to the essential transition to sustainable transportation solutions.
- E-glass prepreg, our flame-retardant low FST Epoxy formulation, which we have offered to the aviation industry to be used instead of commonly used E-glass/phenolic prepregs, is environmentally friendly due to the absence of solvent content and its flame-retardant feature with additives.
- Our flame-retardant resin products offer fire resistance and delay the emission of harmful gases during fires.
- Our ceramic matrix composite products are used in airplane jet engine blades and improve fuel save engine fan blades and enable higher fuel burning temperatures thus improves fuel saving.
- We have reduced energy usage with the new resin mixer system by preventing the resins from being heated repeatedly.
- Kordsa develops recyclable thermoplastic glass fiber supported polypropylene prepreg for various industries.
- Kordsa towpreg products are for hydrogen storage tanks. Thus, enabling green transition in automobility.
- Kordsa recently developed 3rd generation out of autoclave (oven curing) structural prepreg to reduce CO2 emissions related to autoclave use in its composite part producer customers.

Construction Reinforcement Technologies

Kratos Synthetic Fiber Reinforcements

Kratos, an advanced and innovative synthetic fiber reinforcement, is applied in concrete reinforcement solutions for infrastructure, superstructure, and mining projects. It makes a difference in the global construction market by being preferred in prestigious projects with its high performance.

Kratos Synthetic Fiber Reinforcements are the first product group in the Kratos product family. Offering speed, labor cost savings, equipment, and energy efficiency, as well as long-lasting durability and low carbon emission for successful and sustainable construction projects, Kratos stands out with synthetic fiber technologies that provide more efficient and sustainable solutions in concrete reinforcement.

A new production line has been established to improve fiber performance and quality while increasing overall production capacity. In addition, a modern testing laboratory is in operation to support product development activities and to provide project-based testing services tailored to customer needs.

Kratos Structural Reinforcement Product Group

Kratos Structural Reinforcement products are the second group of Kratos portfolio. These products are primarily used to strengthen structures. Structural reinforcement involves improving a structure's performance against loads and external factors. It is applied not only to repair damage caused by events such as earthquakes, but also to increase load-bearing capacity in cases where the building's intended use changes after completion. Additionally, reinforcement may be used to extend the service life of a structure.

For more information: *Kratos Reinforcement*

To overcome the challenge of floating fibers in applications, a high density, alkali resistant fiber has been successfully developed. At the same time, research on the use of synthetic micro and macro fibers in prefabricated systems is ongoing, with the potential in different regions being investigated and evaluated. Furthermore, the potential of sustainable reinforcement alternatives and materials, including various natural fibers, is investigated and evaluated to ultimately increase the sustainability of our product portfolio.

In the area of seismic strengthening, in order to increase bond strength, ductility, and durability in seismic retrofitting projects, Kratos has developed a solvent-free, high-performance epoxy-based primer that is perfectly compatible with carbon textiles. As part of the strategy to develop complementary products to offer fully integrated solutions, efforts are being made to maximize customer satisfaction and optimize concrete performance through the development of epoxy- and polyurethane-hybrid-based solutions for industrial flooring applications.

In addition, ongoing studies focus on reducing the carbon footprint of fiber-reinforced construction materials through the utilization of recycled raw materials, a new generation product that does not contain cement and will be used in the renovation and repair of historical monuments has also been developed. Through its advanced technologies and strategic collaborations, Kratos is shaping the future of the construction sector by delivering innovative, sustainable solutions that drive progress across the built environment.

Name of Project	Development of innovative complementary products for structural reinforcement
Place	Kordsa Global Technology R&D Department
Objectives and Actions	In line with the growing interest in and regulations on sustainable and environmentally friendly materials in recent years, the demand for cement-free, alkali- and chloride-resistant, non-corrosive materials made from natural components that contribute to reducing CO_2 emissions are rapidly increasing. The main approach is to provide our customers with value-added and complementary system solution products to increase our efficiency in reinforcement and renovation projects in line with the Kratos brand strategy. In this context, our second goal is to develop a 100% cement-free, sustainable, natural lime-based repair mortar enhanced with pozzolanic additives that works in harmony with Kratos Mesh and is widely used in renovation, repair, reinforcement projects of historical structures.
Results	Advanced test collaborations with Gazi University and Istanbul Technical University will provide scientific validation of the product not only in the field but also in the laboratory environment.
Plans for Future	Within the cooperation to be carried out with Istanbul Technical University and Gazi University, the performance of the natural hydraulic lime-based product with carbon mesh will be tested in a laboratory environment and scientific validity will be ensured by completing mechanical tests. In addition to existing customer segments, it is aimed to create new market opportunities by addressing niche areas such as historical structure reinforcement.

COMPOUNDING

Sustainable Engineering Plastics Formulations

In 2024, Kordsa introduced its engineering compounds developed through intensive R&D efforts under the EXENCO brand, reinforcing its vision of delivering high performance and innovative material solutions across a range of industries. These advanced formulations, including PA66, PA6, PP, PBT, and bio based alternatives, enable the design of lightweight, durable, and eco friendly products for automotive, electronics, and other applications.

exenco
Excellence in Engineering Compounds

With over fifty years of expertise in polymer engineering, Kordsa develops high performance compounds that reduce carbon emissions, save weight, and optimize durability. This approach emphasizes Kordsa's dedication to aligning environmental responsibility with operational efficiency across all its markets. Considering the eco-design demands and potential upcoming legislative changes, it is anticipated that Kordsa's pioneering approach will gradually increase. Kordsa's compounding business unit also adds the capacity to compound bio-based polyamide products to its formulation competencies. Kordsa currently focuses on developing compound products by using bio-based polyamides that can be used instead of petroleum-based polyamides. With these efforts, it is aimed to provide an additional alternative to our customers who request to achieve their sustainability goals. We continue to develop bio-based polyamide products, especially to meet the demands in the white goods industry.

Name of Project	Recycling Technology for Polyolefin
Place	Kordsa Global Technology R&D Center
Objectives and Actions	Developed in collaboration with Sabancı University, the“Solvent-Based Polyolefin Recycling Pilot Line” enables the recovery of pure, high-quality polyolefins from various Polyolefin-containing waste materials that are difficult to process through traditional mechanical recycling. Using eco-friendly solvents, this innovative process facilitates the recycling of composite, laminated, and additive-containing waste, which is challenging to recover using conventional methods, thus contributing significantly to waste management and the circular economy.
Results	Throughout 2024, engineering and process development efforts were carried out for the establishment of the pilot line, and the necessary infrastructure was successfully completed. In addition, various types of polypropylene (PP) waste were successfully recycled under laboratory conditions, resulting in the recovery of high-purity PP. This demonstrated the effectiveness of the solvent-based recycling approach for complex and heterogeneous waste streams. The commissioning of the line was completed in the second quarter of 2025. As part of the pilot line activities, trials were conducted on both recycled PP and textile-grade PP, and process compatibility was successfully validated.
Plans for Future	Business models for this technology will be explored after finalization of proof of concept.

Technology and Digitalization

With its sustainable digital transformation strategy, Kordsa is taking firm steps towards becoming the "Digital Company of the Future" through the right investments and the right talent, aiming to create value for all stakeholders through its digital products and services.

Following the repeated digital maturity assessment in 2024, Kordsa has shared its new strategy with all stakeholders. In line with its roadmap, Kordsa monitors all digital initiatives under four key pillars:

- Data-Driven Business Management
- Cyber Resilience
- Generative AI & Kordsa GPT
- HUMAN 6.0

Kordsa has long placed digital transformation at the core of its corporate culture and continues to strengthen this vision through technology- and innovation-driven investments, taking firm steps towards becoming the "Digital Company of the Future." Kordsa combined its digitalization efforts with the Kordsa 5.0 strategy, successfully implementing new applications that contribute to growth and sustainability. By collecting production data on a global scale, Kordsa has transformed all its facilities into smart and standardized production systems. The company integrates next-generation technologies with analytical intelligence to enable faster and more accurate decision-making across its operations.

Viewing digital transformation as a journey rather than a one-time project, Kordsa has been regularly measuring its digital and cyber security maturity levels with independent international organizations since 2018. Based on the results of these assessments, Kordsa evaluates new technology and development opportunities and invests in the right technologies. After repeating its digital maturity assessment in 2024, Kordsa shared its new strategy with stakeholders and continues to advance its digital transformation roadmap under four key pillars.

Data-Driven Business Management:

In 2024, significant progress was achieved with Project Janus, aimed at redesigning and standardizing ERP systems across all countries using the latest technologies. This initiative has enhanced flexibility in production processes, enabling faster integration of new products into production lines without lengthy preparation phases. Kordsa also leveraged data analytics and AI technologies to improve energy efficiency and took concrete steps to reduce its carbon footprint.

Cyber Resilience:

In 2024, Kordsa strengthened its leadership in cyber resilience by developing comprehensive and proactive strategies against cyber risks. Advanced threat detection, rapid response, and automation solutions were implemented, while business continuity and disaster recovery plans were reviewed and updated to ensure uninterrupted operations. The company also collaborated with global partners and industry leaders to continuously update its strategies in line with the latest cybersecurity trends and threats.

Generative Artificial Intelligence & Kordsa GPT:

Kordsa implemented natural language processing and generative AI technologies to enhance internal process efficiency and improve customer experience. Kordsa GPT enabled faster and more accurate responses to customer requests while supporting quicker decision-making through improved internal communication. AI-supported quality control and forecasting models enhanced operational efficiency and helped reduce costs. Additionally, Kordsa initiated the ISO/IEC 42001 Artificial Intelligence Management Systems process, aiming for certification in 2025.

HUMAN 6.0:

Placing people at the center of its digital transformation strategy, Kordsa implemented comprehensive programs to enhance employees' digital skills and overall well-being. Throughout the year, various training programs, development opportunities, and the activities of the Generative AI Committee-composed of young employees-helped strengthen capabilities, support work-life balance, and boost motivation. Collaborations within the digital ecosystem enabled the combination of academic knowledge and industrial experience, driving the development of human-centered innovative solutions.

CYBER SECURITY & INFRASTRUCTURE (INFORMATION-DATA SECURITY AND PRIVACY)

Kordsa places information security and data privacy at the heart of its digital transformation and sustainability journey. In 2024, we strengthened our digital infrastructure by implementing advanced technologies and modern process improvements designed to ensure the confidentiality, integrity, and accessibility of information across all operations.

We successfully completed the ISO/IEC 27001:2022 Information Security Management System audit, demonstrating our commitment to international best practices in information security. Our approach emphasizes continuous monitoring, rapid response, and ongoing improvement, supported by regular ITGC (Information Technology General Controls) and asset management audits. These initiatives ensure that our data management and IT systems remain robust and resilient.

Employee engagement is a key element of our strategy. We deliver regular awareness and training programs that foster a culture of data privacy and information security across the organization. We also update our business continuity and disaster recovery plans to guarantee uninterrupted operations under all conditions.

Aligned with our **Information Security and Data Privacy Policy,** available on our corporate website, Kordsa fully complies with global data privacy frameworks such as KVKK and GDPR. We continue to leverage innovative, AI-integrated solutions and strategic collaborations to enhance the efficiency, agility, and security of our digital systems.

Through these initiatives, Kordsa reinforces stakeholder trust while supporting a secure, transparent, and sustainable digital future.

METRICS AND TARGETS

At Kordsa, we ensure that specific and measurable targets support each of our key sustainability topics. These targets are monitored under the oversight of our Board of Directors and integrated into the strategic objectives of our executive leadership. Starting from the CEO, sustainability performance is embedded into individual goals and linked to our variable remuneration system, reinforcing accountability across the organization.

2024 ESG Scorecard

2024 ESG Scorecard

Related SDG	Explanation of Target	Indicator	2024 Performance	2025 Target	2030 / 2050 Target	Target Owner
13 CLIMATE ACTION	Reducing GHG emissions (Base year: 2019) *	Percentage of scope 1&2 GHG emissions reduction compared to the base year (%)	21%	25.2%	46.2% / 100%	Chief Operation Officers (COOs)

Related SDG	Explanation of Target	Indicator	2024 Performance	2025 Target	2030 Target	Target Owner
6 CLEAN WATER AND SANITATION	Reducing water withdrawal (Base year: 2019) *	Percentage of water withdrawal reduction per production tonnage (%)	6%	24%	30% (compared to the base year)	COOs and Sustainability Leaders

Related SDG	Explanation of Target	Indicator	2024 Performance	2025 Target	2030 Target	Target Owner
12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 17 PARTNERSHIPS FOR THE GOALS	Sustainable Supply Chain Program	Percentage of targeted suppliers that have undergone sustainability assessment (%)	39%	75%	100%	Supply Chain and Sustainability

Related SDG	Explanation of Target	Indicator	2024 Performance	2025 Target	2026 Target	Target Owner
	Improving accident ratio in operations	Number of fatal injuries High-consequence injuries Recordable injuries	Fatal injuries: 0 High-consequence injuries: 0 Recordable injuries: 18	Zero accident	Zero accident	COOs and HSE
	Reducing complaints on human rights violations	Number of complaints on human rights violations	Zero complaint	Zero complaint	Zero complaint	Human Resources
8 DECENT WORK AND ECONOMIC GROWTH	Increasing employee satisfaction	Rate of employee satisfaction (%)	Since the employee satisfaction survey is conducted periodically, there are no measurement results for 2024.	70%	In progress	Human Resources
	Continuing employee development trainings	Sabancı of New Generation competencies	65% of the planned trainings have been completed in 2024	The completion of 90% of the planned trainings	In progress	Human Resources

Related SDG	Explanation of Target	Indicator	2024 Performance	2025 Target	2026 Target	Target Owner
5 GENDER EQUALITY	Increasing women employment (Office staff)	Ratio of women employees (%)	37.7%	45%	In progress	Human Resources

Related SDG	Explanation of Target	Indicator	2024 Performance	2025 Target	2026 Target	Target Owner
	Kordsa Kocaeli University Technology and Impact Center Studies	Participation rate	Opening of the center and engagement with more than 120 young people.	Participation of 1,000 students in the program	In progress	Sustainability and Communications Directorate
4 QUALITY EDUCATION	Izmit Sabancı Vocational and Technical Anatolian High School technical textile education	Competencies of Sabancı of New Generation	The protocol was signed in July 2024, and the textile program will commence during the 2025–2026 period.	Continuous development	In progress	

ENVIRONMENT AND CLIMATE

Protecting the environment and addressing climate-related impacts are central to our sustainability vision and essential for building a low-carbon, resilient future. In accordance with this vision, we have set both near-term and long-term emissions reduction targets, submitted them to the Science Based Targets initiative (SBTi), and received approval reaffirming our commitments.

In line with the ESRS, our 2024 double materiality analysis identified six environmental topics of high significance, four of which are addressed in this section. Guided by ISO 14001 and other relevant standards, we extend our environmental management approach beyond our own operations to our entire supply chain, aiming to reduce impacts, use resources responsibly, and strengthen resilience across the value chain.

Environmental Management

At Kordsa, we view environmental stewardship as an integral component of our commitment to a sustainable future. We have embedded the ISO 14001 Environmental Management System, alongside applicable national and international standards, into our environmental management practices.

In 2024, we invested a total of 4.15 million USD in initiatives focused on optimizing energy use, recycling materials, preventing pollution, and minimizing emissions and water consumption. Through our sustainable supply chain program, we extend our environmental management approach beyond our own operations; working in collaboration with our suppliers to embed these principles across the entire value chain and create a shared positive environmental impact. These initiatives underscore our dedication to minimizing environmental impacts and advancing our sustainability objectives.

Our R&D and production teams are also actively engaged in projects to boost the use of recycled and sustainable materials, further extending our environmental efforts through innovation and practical application.

In 2024, none of our facilities incurred fines or penalties for environmental non-compliance, and half of them possess ISO 14001 certifications. We enhanced our team's proficiency by dedicating 37,872 man-hours to training in occupational health, safety, and environmental subjects. This training covered upcoming legislative changes and various management practices, including GHG and air emissions, water and waste management, chemical management, Life Cycle Assessment (LCA) methodology, ISCC Plus Standard. Additionally, it addressed the management of environmental risks and impacts throughout the value chain. We systematically conduct annual environmental risk and impact assessments at all facilities, maintaining a record free of environmental accidents or spills for 2024.

We have robust systems for monitoring air emissions, equipped with control technologies to prevent atmospheric pollutants, and these are routinely verified by accredited companies to ensure adherence to regulations. Furthermore, our Safe Chemical Management System underscores our commitment to protecting both the environment and human health, with comprehensive protocols governing all aspects of chemical usage and disposal.

At Kordsa, we recognize the importance of biodiversity as a material topic and remains committed to minimizing its environmental footprint across all operations. While past Environmental Impact Assessments (EIAs) have indicated no significant negative impact on biodiversity at our sites, we continue to integrate biodiversity considerations into our broader sustainability strategy. In this context, we are planning to further enhance our approach through future initiatives that support the conservation of biological diversity and the sustainable use of ecosystems in alignment with our HSE Policy.

Our comprehensive Global Environmental Policy can be accessed on our official **website.**

Raw and Other Materials Management

Effective material management is not merely an operational requirement; it is a cornerstone of our dedication to sustainable manufacturing. In the ever-changing industrial landscape, we understand that every material we source, store, and utilize affects the environment, our communities, and the long-term success of our business.

In 2024, **30% of our suppliers were sourced locally,** while **70% were sourced globally,** reflecting our balanced approach to supply chain resilience and regional engagement. Approximately **73% of our total procurement expenditure is dedicated to raw and other materials,** and we rigorously monitor our material usage to ensure optimal efficiency. Therefore, we prioritize intelligent and responsible material management practices throughout all our operations.

Our chemical management strategy at Kordsa aligns with the EU's REACH regulation, which focuses on the Registration, Evaluation, Authorization, and Restriction of Chemicals. We are committed to upholding a high level of protection for human health and the environment, assessing the safety of chemicals in use, and implementing comprehensive systems for their safe handling, transportation, storage, and disposal.

We are devoted to promoting resource efficiency through collaborative projects that extend beyond our operations to include our customers. We place great importance on developing products that align with our sustainability objectives while enhancing material efficiency in our customers' processes. Numerous ongoing operational and R&D projects focus on the reuse, recovery, and reduction of material usage. We meticulously document these efforts and showcase them in the **Our Sustainable Products** section of our report.

In the **Environmental Performance Indicators** section of our report, we provide detailed information on the ratios of reused materials at our plants, underscoring our commitment to sustainability.

Additional information regarding our approach to Raw and Other Materials Management (Implementation and Control) is **here.**

Reuse of Packaging Materials

We reuse our packaging materials so that we can conserve resources and extend the life cycle of the packaging materials used throughout the supply chain.

Project started with paper tubes reusage in Türkiye plant, and then we continued with carton separators, steel shells and wooden pallets reuse and extended it gradually to our other facilities. We take back the steel shells, which are the packaging of our product, from our customers, and we reuse them. We also maintain material efficiency by reusing packaging materials such as tubes, paper separators, and wooden pallets in our operations.

In 2024, we reused 2.7 million pieces of materials in our facilities. In the upcoming years, we will continue to deploy this project to the rest of our sites. Additionally, we achieved savings of 4.8 million USD through this initiative.

Name of Project	Recycled Nylon 6,6 Chip Usage for Nylon 6,6 Tire Grade Yarn &Fabric Production
Place	Kordsa Global Technology R&D Center
Objectives and Actions	Integrating high-quality recycled inputs to decrease reliance on virgin raw materials, preserving natural resources and reducing environmental degradation. Recycled nylon chip usage project was initiated to implement circular economy practices. We transform our production/technological nylon scraps through our recycle machine into nylon chips and reuse them in production as recycled nylon material input for our yarn and fabric products.
Results	According to Life Cycle Analysis (LCA) compared to using 100% nylon virgin raw materials, 40% recycled nylon content provides 33% less carbon footprint in tire cord fabric product.
Plans for Future	We are currently investigating potential options to use post-consumer recycled materials as our raw material.

Energy Management

As a forward-thinking company, we recognize that the energy choices we make today profoundly impact the future of our planet. Committed to sustainability, we prioritize enhancing energy efficiency and minimizing energy consumption per unit of production.

At Kordsa, electricity, natural gas, and steam are the primary energy sources powering our operations, all of which are managed rigorously in alignment with our **Energy Management Policy.**

Our Energy Committee, composed of representatives from key departments, rigorously measures and monitors energy usage in accordance with ISO 50001 standards. The committee develops detailed energy reports and leads initiatives focused on improving energy efficiency and reducing consumption, aiming for at least a 1% annual efficiency improvement compared to previous years.

By proactively complying with energy regulations and standards, we demonstrate leadership in responsible manufacturing and strengthen our competitiveness in the global market. We conduct comprehensive training programs on energy efficiency and conservation for employees at all facilities. Additionally, our energy management teams participate in consultancy sessions and training on emerging technologies to remain informed about the latest advancements. In 2024, external energy experts performed energy audits at our facilities in İzmit and Thailand, identifying opportunities for further efficiency gains.

At the beginning of each year, our facilities initiate projects aligned with our energy efficiency goals. In 2024, we rolled out energy training programs across all locations to deepen employees' understanding and application of energy-saving practices. During the quarterly Sustainable Production Working Group meetings, attended by representatives from all global facilities, we review the progress of annual energy efficiency projects and monitor overall energy consumption. We also assess renewable energy usage rates annually.

We meticulously track energy consumption patterns at both the facility and manufacturing process levels, recognizing that product diversity and production planning directly influence energy use. Key performance metrics, such as Dtex, speed, scrap rates, and unit production, are reviewed monthly and discussed during facility-level Business Planning Review Meetings with relevant departments. Maintaining and prioritizing energy efficiency remains a steadfast commitment for us year after year.

Performance in 2024

- Our electricity consumption slightly increased by 3.8% compared to 2023. Similarly, our natural gas consumption increased by 6.2%.
- Kordsa's overall renewable energy consumption rate was 21.33%; this includes 111,148 MWh of I-REC certified electricity that we purchased and 10,306 MWh of electricity that we generated in our renewable electricity generation facilities.
- Indonesia and Thailand facilities solar electricity production plants collectively generated 9,831 MWh of electricity through on-site solar power systems

Throughout 2024, Kordsa successfully implemented 17 energy efficiency projects, comprising 15 electricity-saving initiatives that achieved annual savings of 6,198 MWh of electricity, and 2 natural gas-saving initiatives that resulted in annual savings of 5,123 MWh of natural gas.

Details of our Environmental Management Approach (Implementations and Control) are **here.**

Details of Energy Management Approach (Implementations and Control) are **here.**

Detailed insights into our energy consumption data are **here.**

Electricity Consumption (MWh)

2022	629,300
2023	548,729
2024	✓569,311

Diesel Oil Consumption (liter)

2022	533,765
2023	137,005
2024	✓154,727

Natural Gas Consumption (Million Sm^3)

2022	63.7
2023	55.1
2024	✓58.5

Gasoline Consumption (liter)

2022	143,533
2023	198,096
2024	✓209,970

LPG Consumption (kg)

2022	1,861,073
2023	1,165,005
2024	✓32,667

Energy Saving Projects

Selected Energy Saving Projects (Electricity)

Project Details	Site Name	Estimated Annual Savings	Savings Unit
Energy Consumption Improvement in Line #2	Türkiye	4,074,130	kWh/year
Pack Pre-Heater Optimization	Indonesia	368,964	kWh/year
Reducing Shilled Water Usage in SEC Sites via Free Cooling	Türkiye	308,675	kWh/year
Efficiency Cooling Tower	Thailand	292,000	kWh/year
Optimization APR Energy PET	Indonesia	281,324	kWh/year
Improve efficiency AHU K-125 NYP	Indonesia	210,240	kWh/year
PET Utility Compressor Renewal	Türkiye	202,000	kWh/year
Inverter for Glycol Utility	Indonesia	181,072	kWh/year
Total Saving		**5,918,405 kWh/year**	

Selected Energy Saving Projects (Natural Gas)

Project Details	Site Name	Estimated Annual Savings	Savings Unit
Power meter of NG for Oven and Water	Thailand	5,064,000	kWh /year
Oven Burner Trip Reduction	Thailand	89,000	kWh /year
Total Saving		**5,153,000 kWh /year**	

Project Name	Energy Consumption Improvement in Line #2
Place / Date	Türkiye / 2024
Objectives and Actions	To enhance energy efficiency and reduce emissions, all climate and exhaust controls on the field were switched to a drive-based control system, resulting in measurable gains. Additionally, quench feed air was redirected from the outside environment to the interior to lower cooling water and steam consumption, and gaskets in the pack heating equipment were replaced to prevent heat loss.
Results	The project's contribution of emission reduction is estimated at 1,800 tCO_2e (4,074,130 kWh) per year.

Project Name	Power meter of NG for Oven and Water project
Place / Date	Thailand / 2024
Objectives and Actions	This project is implemented to monitor and analyze real-time Natural Gas (NG) consumption for all oven and water systems, aiming to improve energy efficiency and identify potential energy-saving opportunities. The initiative replaces all existing meters with an online system capable of data processing and historical tracking.
Results	The project's contribution of emission reduction is etimated at 240 tCO_2e (480,000 kWh) per year.

Emissions Management

As Kordsa, we recognize that climate change is one of the most urgent challenges facing our planet. That's why we have made the decision to set ambitious Science-Based Targets, that align our emissions reduction goals with the latest climate science to help limit global warming to 1.5°C. We are targeting to reach net zero greenhouse gas emissions across the value chain by 2050 to limit global warming to 1.5°C. We are committed to the Science-Based Targets Initiative, and our near-term and long-term targets are approved in July 2024.

Overall Net-Zero Target:

Kordsa commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

Near-Term Targets:

Kordsa commits to reduce absolute scope 1 and 2 GHG emissions 46.2% by 2030 from a 2019 base year. Kordsa also commits to reduce absolute scope 3 GHG emissions from fuel and energy related activities and processing of sold products 25% by 2030 from a 2021 base year. Kordsa further commits that 64% of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027.

Long-Term Targets:

Kordsa commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2019 base year. Kordsa also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, downstream transportation and distribution, and processing of sold products 90% by 2050 from a 2021 base year.

We achieved **21%** reduction in scope 1&2 GHG emissions in 2024 compared to the 2019 base year as targeted. We have reduced absolute Scope 3 GHG emissions from fuel and energy related activities and processing of sold products by **29.7%** in 2024 compared to 2021 base year.

Responsibility

Climate action is a strategic priority at the highest levels of our organization. Within Kordsa's governance structure, all bodies starting from the Board of Directors assume duty and responsibility for the decisions on strategies and taking the necessary actions to combat climate change. We believe that climate leadership starts at the top and requires action at every level. With clearly defined responsibilities and bold targets, we are advancing with purpose toward a net-zero future.

Risk Management

We monitor the climate change related risks within the integrated risk approach that is run by the Early Detection of Risk Committee under The Board of Directors. We systematically assess possible legislative changes that may take place in the transitional period to a low carbon economy as well as the risks and opportunities that may arise from extreme weather conditions due to climate change or the changes in customer preferences. A detailed analysis of our risks and opportunities regarding climate change is available in **2024 CDP Report.**

The Steps We Took in Combatting Climate Change

In 2021, we committed to the Science Based Targets Initiative to support the limiting of global warming to 1.5°C.

In 2022, we provided external assurance for our Scope 1, 2, 3 emission data for all our facilities.

In 2023, we received an 'A-' leadership level rating for our CDP Climate Change Program. We secured our score 'A' in the CDP Supplier Engagement Rating.

In 2024, we received 'A' leadership level rating in CDP Climate Change Program.

Our approach to emissions management is an integral component of our overarching **Sustainability Policy.**

A detailed overview of our environmental management strategy, encompassing both implementation and control mechanisms, is available **here.**

A detailed overview of our emissions management strategy, encompassing both implementation and control mechanisms, is available **here.**

For detailed insights into our emissions performance and reporting, please refer to the data provided **here.**

CDP Climate Change Scores by Years

GHG EMISSIONS (tCO_2e)	2022	2023	2024
Scope 1	135,908.78	114,578.60	✓121,151.63
Scope 2	221,392.73	224,233.24	✓202,418.36
Total*	**357,301.51**	**338,811.84**	✓**323,569.99**

*In 2024, we achieved 21% reduction in scope 1&2 emissions compared to the 2019 base year. Scope 2 emissions are market-based.

GHG EMISSIONS (tCO_2e)	2022	2023	2024
Scope 3	2,357,354.99	1,587,272.68	✓1,583,672.69
Total*	**2,357,354.99**	**1,587,272.68**	✓**1,583,672.69**

* Data from all Kordsa facilities are included.

The calculations were conducted according to the methodology outlined in the GHG Protocol.

Scope 3 Data Includes:

C1- Purchased Goods and Services
C3- Fuel and Energy Related Activities (not reported under Scope 1 and 2)
C4- Upstream Transportation and Distribution
C5- Waste Generated in Operations
C6- Business Travel
C7- Employee Commuting
C9- Downstream Transportation and Distribution
C10- Processing of Sold Products
C12- End-of-Life Treatment of Sold Products
C13- Downstream Leased Assets

Waste Management

At all our sites, we uphold a comprehensive waste management strategy that is pivotal to our commitment to sustainability, efficiency, and responsible operation. Our foremost aim is to curb waste generation directly at its source within our operations.

Through meticulous waste mapping studies, we identify waste origins and develop clear, actionable plans to meet our objectives.

We manage to dispose of all waste generated, employing methods such as recycling, reclamation, landfill, incineration, and direct disposal, ensuring compliance with national regulations. Continually striving for excellence, we actively pursue opportunities to enhance our waste recycling and recovery ratios, demonstrating our unwavering dedication to pioneering efficient waste management practices.

At Kordsa, we have been dedicated for many years to reducing absolute waste and waste intensity across all our facilities. However, after thorough evaluations with our Sustainable Production Working Group, we decided to revise our waste intensity reduction target, but we still continue to monitor our waste intensity figures internally. Despite the decision to halt the current target, we successfully reduced our total waste tonnage by 4% compared to 2023. In 2024, our waste intensity figure also decreased by 4% compared to 2023.

We are actively engaging with our stakeholders to explore viable waste-related targets for future implementation.

Throughout 2024, we proactively executed diverse waste reduction projects and emphasized waste mapping studies to curtail waste generation within our facilities. In this reporting period, we continued to reuse some of the materials that could otherwise be wasted, hence not only we used our corporate resources effectively, but also prevented environmental pollution. The percentage of waste being recycled increased from 64.4% in 2023 to 66% in 2024.

The principles guiding our waste management practices are embedded in our Sustainability Policy, accessible **here.**

Comprehensive information on the implementation and control mechanisms of our environmental management approach can be found **here.**

Details of the implementation and oversight of our waste management practices are presented **here.**

Our waste data, classified by disposal method, are available **here.**

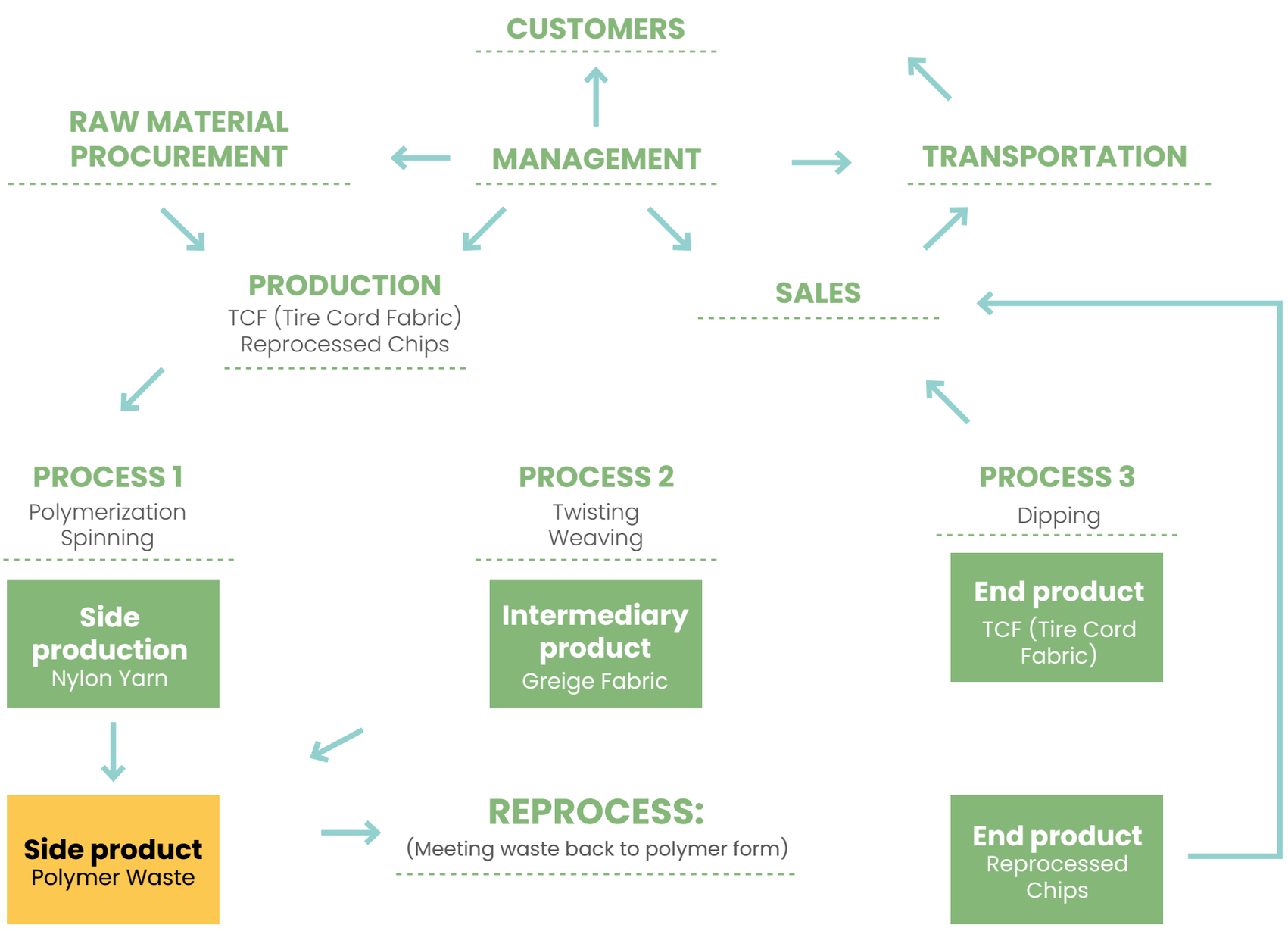
Waste Intensity	Year	TOTAL
Total Waste Amount / Production Tonnage (ton/ton)	**2024**	0.049
	2023	0.051
	2022	0.044
	2021	0.042
	2020	0.037
	2019	0.033

Data scope: All tire reinforcement plants.

Our Contribution in Advancing the Circular Economy

At our Kordsa Türkiye facility, we are pioneers in implementing circular economy practices by converting nylon production scraps into recycled nylon raw materials. This innovative process enables us to reintroduce low-carbon raw materials into multiple sectors, thereby contributing to the regeneration of resources within the broader economy.

In 2024 alone, we successfully reintegrated approximately 1,420 tons of nylon waste into the global circular economy. This achievement highlights our leadership in sustainable resource management and underscores our dedication to minimizing environmental impact.



Water and Wastewater Management

Water is a vital resource, and we recognize the escalating global challenges posed by scarcity and pollution. By prioritizing efficient water management, we aim to protect the environment while building a resilient and responsible foundation for our manufacturing operations.

Across all our sites, every drop of water used undergoes thorough treatment at our water treatment facilities before discharge into rivers or municipal systems, in full compliance with local regulations. Our strategic investments ensure that water treatment capacity will meet the demands of future expansions without interruption.

At each plant and office, we are committed to optimizing water use and actively promoting the reuse of treated water. We perform regular wastewater analyses to ensure compliance with legal standards, maintaining rigorous monitoring and control. To foster continuous improvement, we provide trainings focused on responsible water consumption and empower them to promptly report leaks or inefficiencies to our workforce. Furthermore, our Sustainable Supply Chain Program includes comprehensive assessments of water safety and management risks throughout our supply chain, underscoring our holistic approach to water stewardship.

At Kordsa, we are committed to achieving a 30% reduction in water intensity by 2030 from a base year 2019 and actively pursue water-saving projects each year. Our focus areas include the utilization of rainwater, recycling of wastewater, pollution-reducing wastewater technologies, and water-saving methods. In 2024, we revised our water target after reassessing our technological capabilities and planning strategies.

Responsibility

Aligned with Kordsa's governance structure, every level of the organization, beginning with the Board of Directors, carries the responsibility for defining strategies and implementing essential actions related to water management. Our management team ensures that water security is seamlessly woven into our comprehensive sustainability and risk management frameworks. They are dedicated to allocating ample resources to meet our objectives, reinforcing our commitment to responsible water stewardship and sustainable operations.

Risk Management

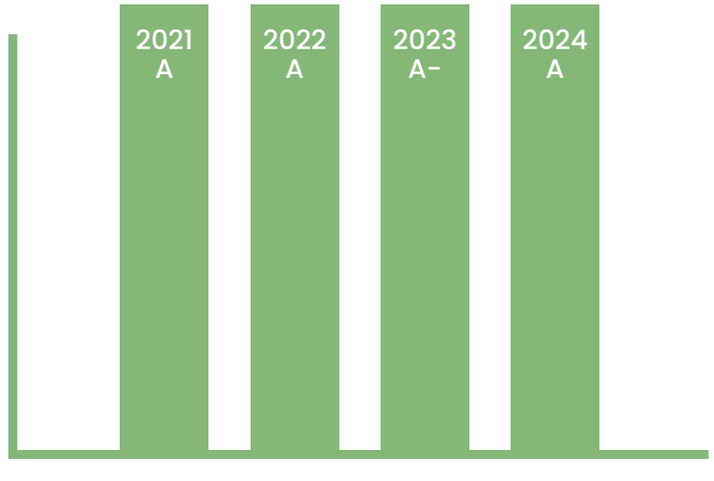
Within our corporate risk management framework, we diligently monitor water-related risks across all our facilities. Throughout the year, we conduct frequent evaluations of water risks, focusing on potential impacts in the short-term (0-1 years), medium-term (1-5 years), and long-term (5-35 years). Our robust assessment process leverages advanced tools including the World Resource Institute (WRI) Aqueduct water risk mapping application, the COSO Corporate Risk Management Framework, and the ISO 31000 Risk Management Standard. These tools enable us to systematically identify and address potential challenges, ensuring proactive and comprehensive water risk management.

The details of all risk areas are available in **2024 CDP Report.**

Our 2024 Performance

We are proud to be included in the CDP 2024 A List for the water theme. As of 2024, we have established our water management performance indicator as the water withdrawal per production tonnage. This indicator showed a 19% reduction compared to the 2019 base year. Moreover, our total water withdrawal amount in 2024 decreased by 10% compared to 2023.

CDP Water Security Program Scores by Years



WATER WITHDRAWALS	2019 (m^3)	2020 (m^3)	2021 (m^3)	2022 (m^3)	2023 (m^3)	2024 (m^3)
Fresh Surface Water	3,166,771.64	2,035,366.39	2,735,498	2,674,782	2,618,402	✓2,170,006
Groundwater-Renewable	658,350.00	633,601.00	657,425	689,092	602,562	✓ 680,929
Third Party Sources	260,599.75	231,408.91	262,813	347,172.37	345,385	✓ 357,222
TOTAL WITHDRAWALS	**4,085,721.39**	**2,900,376.30**	**3,655,736**	**3,711,047.58**	**3,566,349**	**✓ 3,208,158**

RECYCLED WATER (m^3)	2019 (m^3)	2020 (m^3)	2021 (m^3)	2022 (m^3)	2023 (m^3)	2024 (m^3)
	181,671.00	184,101.00	219,127	263,697	115,832	✓ 154,773

Data from all Kordsa facilities are included.

Water Withdrawal Intensity	Year	Total
Water Withdrawal / Production Tonnage (m^3) / ton)	**2024**	10.82
	2023	13.75
	2022	11.18
	2021	11.20
	2020	11.53
	2019	13.38

Data from all Tire Reinforcement plants are included.

Information on our water management approach is available **here.**
Our Water Policy can be found **here.**
Our Sustainability Policy is available **here.**

Selected 2024 Water Efficiency Projects

Selected 2024 Water Efficiency Projects

Project Name	Place/Date	Objectives and Actions	Results
Water Recycle & Zero Liquid Discharge Project	Indonesia	Recycle Water of WWTP to WTP	41,109 m^3 water saving
Nyyarn biological treatment water recovery	Türkiye	A water treatment system will be implemented for the NY yarn biological treatment wastewater.	40,000 m^3 water saving
Efficiency Cooling Tower	Thailand	Additional install at no.6 area preparation	The project is completed in the last quarter of 2024, and it is expected to save 7,000 m^3 water annually.
Replace water pipe of dip roll cooling water	Thailand	Replace water pipe of dip roll cooling water	5 m^3 water saving
Reduce water for gardener	Thailand	Collecting rainwater for gardening purpose	30 m^3 water saving

EMPLOYEES AND COMMUNITY

We consider our own workforce as the most valuable capital of Kordsa and as one of the most important stakeholder groups within our value chain, for their critical role in driving our transformation. The 2024 double materiality analysis further validates this focus. In line with our ESRS-compliant DMA study, **"Own Workforce"** has been identified as a topic of high double materiality. Social topics related to our workforce are addressed in this section.

Human Rights

Our commitment at Kordsa is to uphold the Universal Declaration of Human Rights and ensure full compliance with the legal frameworks of each country in which we operate.

- We protect the employees' rights by aligning with international declarations, conventions, and principles to which our country is a signatory.

Our approach to people is grounded in honesty, fairness, and respect.

- We are dedicated to providing a non-discriminatory working environment where all employees can fully and freely exercise their rights. While we do not have a standalone human rights due diligence process, such assessments are integrated into the internal audit practices of our Human Resources and Compliance&Legal departments.

Our dedication to promoting and protecting human rights extends throughout our value chain, including subcontractors and suppliers, through our Sustainable Supply Chain Program and contractual obligations.

- We enforce a zero-tolerance policy towards child labor, forced labor, and all forms of discrimination, while maintaining a strong and unwavering commitment to upholding freedom of association.

We communicate our Diversity, Equity & Inclusion (DE&I) approach and ongoing initiatives throughout the reporting year using various tools. **Find out more** from the relevant section of the report.

To ensure transparency and accountability, our **Whistleblowing Procedure** is available for review.

Topics Covered by Collective Labor Agreement	Türkiye	Indonesia	Brazil
Occupational Health and Safety	✓	✓	✓
Working Conditions (work-rest hours, leaves)	✓	✓	✓
Training	✓	✓	-
Career Management	-	✓	-
Employee Representatives' Tasks and Responsibilities	✓	✓	-
Additional Work Payments	✓	✓	✓

Employees with Collective Labor Agreement	Number	Percentage
Türkiye	845	40.4%
Indonesia	932	44.6%
Brazil	314	15%

- Details of our Human Rights Management Approach, including Implementations and Control mechanisms, can be reached through the **link.**
- Our commitment is further outlined in the **Kordsa Human Rights Policy.**
- Our ethical framework is governed by the **Kordsa Code of Business Ethics.**

2024 Performance

Throughout 2024, we received no complaints related to human rights violations or discriminatory practices at any of our locations.

- We successfully delivered ethics training to 1,760 employees, which included a dedicated module on human rights.

Collective Bargaining

In 2024, employees covered by collective bargaining agreements in Türkiye, Indonesia, and Brazil made up 61.5% of our total blue-collar workforce, reaching a total of 2,091 employees. Our employees in the United States, Thailand, and China are not members of any union. There were no reported cases of violations of the right to unionize or bargain collectively in the current reporting year, and we do not have any operations with significant risks related to these matters.

Kordsa's Commitment to Human Rights under the UN Global Compact

Since becoming a signatory of the UN Global Compact in 2014, Kordsa has consistently reaffirmed its commitment to promoting and respecting human rights across all operations. Guided by the Compact's principles, we adopt a responsible business approach that places human dignity, fairness, and ethical conduct at the core of its corporate culture. In line with this, Kordsa has updated its Human Rights Policy and included Human Rights Day and other observances in the list of special days celebrated under our Diversity, Equity, and Inclusion (DE&I) framework.

Fair Employment and Labor Practices

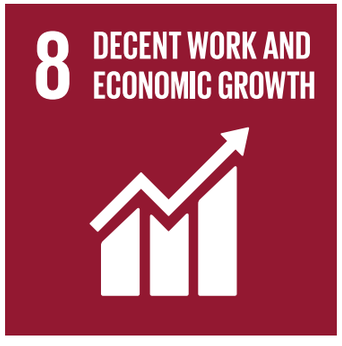
At Kordsa, we regard our human resources to be our most valuable asset. From recruitment through to retirement, we are committed to safeguarding the health and safety of our employees, supporting their personal and professional development, and fostering a positive work environment where both employee rights and fundamental human rights are fully respected and protected.

Sustainable Employment Policy

Our Human Resources department reviewed and published the Sustainable Employment Policy in alignment with global HR commitments and internationally recognized human and labor rights frameworks.

The new policy covers the following topics:

- Comparable Terms and Conditions
- Working and Living Conditions
- Freedom of Association
- Reasonable Working Hours
- Grievance Mechanisms
- Local Legal Compliance & Kordsa Requirements
- Capability Building
- Equal Opportunities and Ensuring Gender Equality
- Prohibitions of Forced and Child Labor



Future-Oriented Transformation of Our Work Culture

As part of our transformation journey toward becoming an advanced materials technology company, we have swiftly embraced Sabancı Holding's "Future of the Business" project across Kordsa. Our approach goes far beyond hybrid work, focusing on agility, work-life-health balance, new leadership models, skill and performance development. We are preparing both our people and our organization for the future with initiatives that reshape our work culture on multiple levels.

Over the past few years, beginning with the pandemic, when the Remote Work Procedures were put into action, we have deepened our focus on agile working models and flexible organizational structures. With the launch of a new flexible work model, we aimed to strengthen work-life balance, enhance employee satisfaction, and empower our people with greater autonomy over their schedules. This model aligns particularly well with the expectations of younger generations, such as Gen Y and Gen Z, supporting higher levels of engagement and motivation.

In parallel with these efforts, we placed strong emphasis on physical and mental well-being, strategic workforce planning, and reskilling/upskilling. A comprehensive workforce planning initiative was completed across all Kordsa sites, identifying the current talent landscape and forecasting skill requirements for the next five years.

Since 2020, we have remained confident that these forward-thinking practices will continue to create meaningful, long-term value across multiple dimensions of our business and workforce development, including:

- Increased employee satisfaction and engagement,
- Enhanced competitiveness and employer branding,
- Improved recruitment and retention of qualified talent,
- Empowered employees with greater autonomy and motivation.

We consolidated and renewed our people-related initiatives under five strategic dimensions in 2024;

- ► Orchestrated Leadership,
- ► Accountable Talent,
- ► Being Plural,
- ► Digital Workforce,
- ► Global Employee Experience

Project Name	Digital Global HR Report	Strategic Workforce Planning SWP
Place and Time	Global Operations-2024	Global Operations-2024
Objectives and Actions	In the project in which we collaborated with Peopleoma, we aimed to eliminate the high risk of errors resulting from manual execution of human resources data sharing and reporting processes and the extra workload on employees and to ensure rapid access to up-to-date data from all facilities. With this project, we aimed to update and analyze daily HR data of all facilities on 5 continents and make them accessible on a single platform.	We embarked on a project aimed at transforming the manual headcount budgeting process into a data driven, analytically robust foundation for future workforce planning. We aim to ensure that the budget and Kordsa's 5-year HR strategy are carried out utilizing this platform. In partnership with Boston Consulting Group, our project's framework encompassed several strategic steps. We undertook activities encompassing talent pool classification into competency-oriented job families, numerical data transformation of factors, and their assimilation into simulations for supply-demand analysis of the future workforce. Collaborative analysis with managers followed, culminating in the formulation of actionable plans.
Results	Digitalization ensured that managers were informed about their teams easily so that they could make people-oriented decisions. Analyzing social metrics, like the ratio of female employees, paves the way for strategic actions that align with Diversity, Equality, and Inclusion objectives. Managers are armed with up-to-the-minute analysis and recommendation modules, bolstering their decision making with data-backed insights.	By proactively forecasting and catering to talent needs, we mitigate the risk of overburdening our existing staff due to talent scarcity. Employees' career and development plans will be arranged more clearly and quickly in line with the company's future talent needs. Our financial resource management seamlessly aligns with the evolution of our current workforce and talent reservoir
Plans for Future	Integrations are completed in all countries. Our next goal is to increase usage and support our company's decision-making processes by using predictive analytics models.	Currently, the project is operationally completed for Kordsa sites. We're observing and taking necessary actions on the output results.

Internship Programs

G.O. Reinforcers is our short-term internship program where both Turkish and foreign students step into business life with the remote working model and various development programs in different countries where Kordsa operates.	**Future Reinforcers** is a 6-month project-based internship program. Within the scope of the program, interns are assigned to projects in different departments of Kordsa and have the opportunity to participate in training that contributes to their career development.
In 2024, the program started with the participation of interns from 5 different countries. During the process, 17 interns had the opportunity to work with different cultures and get to know Kordsa better.	In 2024, 25 young talents have successfully started their internships in various departments of Kordsa after passing through the evaluation process among 4000+ applicants. While working in their assigned departments, they are also participating in orientation sessions organized by the HR Team.

Employee Satisfaction

We continuously monitor employee satisfaction through multiple channels, including employee engagement surveys, roundtable meetings with the CEO and the Strategic Leadership Team (SLT), and regular employee interaction sessions. These platforms allow senior leaders to listen to employees' views, gather feedback, and strengthen mutual dialogue.

In addition, we conduct a comprehensive Employee Engagement and Experience Survey periodically in collaboration with an external consulting firm and carry out pulse checks in the intervening years. According to the most recent survey conducted in 2023, our global employee engagement scores further rose to 85%, reflecting significant progress in fostering a more engaged and satisfied workforce

Although our 2023 engagement score reached 85%, a consolidated score of 66% was recorded in 2024 following regional-level surveys. This decline was influenced by changes in survey methodology, as well as broader global economic conditions, sector-specific contraction, and a shift in strategic priorities. As a result, the previously stated target was re-evaluated and revised accordingly. Moving forward, we remain committed to enhancing employee experience and engagement, while aligning our targets with evolving internal and external dynamics.

In 2024, we regained our "Great Place to Work" certifications in Indonesia, Thailand, and Brazil regions.

8 DECENT WORK AND ECONOMIC GROWTH

5 GENDER EQUALITY

Great Place to Work Program – Thai Indo Kordsa

At Kordsa, we are committed to creating a positive and inclusive workplace environment that fosters employee well-being, strengthens relationships, and upholds fair labor practices. Our initiatives are designed to promote equitable working conditions while enhancing employee engagement as a key driver of organizational success.

Throughout the year, we organized a variety of activities, including employee engagement programs, sports days, CSR projects, team trips, and office renovations. These efforts were met with highly positive feedback from our employees, who appreciated the opportunity to participate and contribute suggestions. Their involvement reinforced our belief that Kordsa is truly a great place to work, where people feel motivated, valued, and empowered to do their best every day.

Project Name	My Work is Complete
Targeted Date	Kordsa Türkiye-2024
Objectives and Actions	This project aimed to improve communication with field employees and provide them with faster and more efficient access to HR services. In collaboration with the IT office of Kocaeli University, we identified suitable students to contribute to the development process. The project began with a needs assessment of field employees and a benchmarking study against industry peers. Based on these insights, we designed and implemented the application with the support of the selected university students. Completed the SOS modules and, in emergency situations, employees can provide information about their own well-being.
Results	This initiative has significantly improved communication with field employees, resulting in increased employee engagement, satisfaction, and loyalty, in line with our initial objectives.
Plans for Future	Moving forward, we plan to expand the application's use across the entire Kordsa organization. New features under development include: • Tracking Positive Vibes points and understanding the corresponding rewards • Submitting annual leave requests via the "My Work is Complete" system and uploading documents for various types of leave, such as excuse leave, social leave, maternity/paternity, or bereavement • Tracking the status of health insurance applications related to major life events (e.g., childbirth, marriage, divorce)

Project Name	Online Leave, Shift Change and OT Requisition
Targeted Date	Thai Indo Kordsa - 2024
Objectives and Actions	This project aimed to eliminate paper-based HR processes in order to reduce delays, enhance data confidentiality, and minimize paper consumption. It was designed as part of our broader commitment to digital transformation and operational efficiency, and was implemented through the following key actions: • Launching e-pay slips for office employees • Implementing online systems for leave, shift change, and OT requests • Providing guidance, particularly for older employees, to ease the transition
Results	• 100% of employees now use the online system for relevant HR requests • Reduced printing and administrative costs • Improved confidentiality of personal and payroll data • Decreased paper usage and easier digital data access
Plans for Future	To introduce an online welfare platform for all employees-aiming to reduce waiting times, enhance data protection, and further support paperless operations.

Internal Career Opportunities

We offer international assignment opportunities to support the personal and professional development of our employees while fostering a unified corporate culture across all Kordsa locations. As of now, 20 employees, four of whom are women, are on long-term overseas assignments.

Performance Evaluation

At Kordsa, we conduct performance and career development evaluations for all employees and align our reward mechanisms with the overall company performance. We actively support the career growth of our people, regularly assess the leadership styles of our managers, and monitor the organizational climate they help create.

Through international assignments across our seven countries of operation, we offer our employees valuable opportunities to work in multicultural environments and broaden their professional perspectives. We use various incentive systems to evaluate performance and ensure that recognition and rewards are delivered fairly and transparently.

We view performance culture as an integral part of our working life. To support this, we use Perfx, our performance management platform created and designed by SabancıDx. We have been implementing the Objectives and Key Results (OKR) framework within this system since 2022.

Guided by our strategic objectives, the OKR (Objectives and Key Results) framework brings agility and adaptability to help us respond effectively to the evolving demands of a dynamic business environment. It strengthens the alignment between individual goals and organizational priorities, while fostering transparency, focus, and accountability at all levels. By clearly connecting individual contributions to broader business outcomes, the OKR approach supports a result-oriented culture and enhances our long-term performance management capabilities.

Recognition and Rewarding

At Kordsa, we implement a fair and motivating recognition and reward strategy to retain skilled talent across all levels.

All Stars Awards

All Stars Awards is a global recognition and rewarding program. By the evaluations of the jury teams established, we reward successful projects and employees who take part in these projects annually, since 2006.

Each employee is encouraged to participate in any projects. The process starts at the end of each year. Submission of projects and evaluation process takes approximately four months. All employees are invited to the awards ceremony that takes place in the following year and the ceremony is broadcast live through video conference.

At the “2023 All Stars Awards”, 139 projects were submitted. A total of 36 winning projects across 12 categories led to the recognition of 264 employees.

Regular Employee Engagement Meetings

Location	Name	Frequency	Target Group	Participation	Aim
Brazil	Engagement, Organizational Climate & Leadership Styles	Biannually	Representatives of each department	About 70 people	Share the engagement results and build together an action plan to get better results.
Thailand	Employee Engagement Driver Meeting and Chatroom	Quarterly	All employees	50-70 people	To share employees’ opinions about any issue in the company and find solutions together.
Indonesia	HR Roadshow Engagement, Organizational Climate & Leadership Styles	Quarterly	All employees	Over 1,000 people	To inform all updates of HR or related-HR information or company in general and available open positions.
US/ Composites US	HR Roadshow Engagement, Organizational Climate & Leadership Styles	Annually	All employees	500+	Business Information and team building
Türkiye	Townhall, HR Roadshow, Engagement, Organizational Climate & Leadership Styles	Quarterly, biannually	All Employees	Over 1,000 people	To inform all updates of HR or related-HR information or company in general.

Occupational Health and Safety

At Kordsa, our unwavering commitment to eliminating workplace injuries across all our locations is structured around two main pillars: workplace safety and behavioral safety.

At Kordsa, the health and safety of our employees is one of our top priorities within our sustainability strategy. As a reflection of this commitment, every strategic meeting and report we prepare begins with a focus on safety. We believe that creating a safe and healthy workplace is a shared responsibility and a fundamental element of sustainable success.

Access our Kordsa Global Occupational Health and Safety Policy **here.**

We implement the ISO 45001 Occupational Health and Safety Management System across all our operations to ensure a consistent and preventive approach to managing health and safety risks. Currently, 25% of our facilities are certified under the ISO 45001 standard.

At each facility of Kordsa we have experienced health, safety and environment teams, also we have established health and safety committees that report directly to management. Site EHS teams aim to support the company's environment, health, and safety system by providing leadership, guidance, and empowering employees through training, knowledge, and experience. Occupational Health and Safety Committees, established across all our facilities and engaged 100% of our workforce, adopt a unified approach toward achieving our shared zero-incident goal. They lead proactive initiatives and foster full participation and ownership among employees, reinforcing a culture of collective responsibility for safety at every level of the organization.

Across all departments and employees responsible for occupational safety, we share a single common goal: zero workplace accidents and zero occupational diseases. To achieve this, we focus on building a strong culture of occupational health and safety that is rooted in behavior-based awareness and shared responsibility.

Our commitment includes not only our direct employees but also visitors and suppliers such as contractors and subcontractors, whom we include in our systems and policies. To ensure full accessibility and understanding, we provide our occupational health and safety procedures in multiple languages across all our locations.

We leverage advanced technologies and embrace a continuous improvement mindset to enhance working conditions, while also fostering a preventive safety culture through effective communication and comprehensive training programs.

We highly value employee involvement in occupational health and safety matters and actively prioritize improvement projects initiated by our workforce. Through our risk management approach and preventive activities such as kaizens and targeted projects, we continuously take measures to prevent accidents. To ensure strict compliance with legal regulations, our workplace health units closely monitor employee health checks and follow-ups. Additionally, we rigorously manage all measurement and analysis procedures related to occupational health and safety in our facilities, meticulously aligning with regulatory requirements. As part of its emergency management practices, Kordsa conducts proactive risk assessments across all facilities and enhances employee preparedness through regular drills. Our emergency plans also include measures aimed at ensuring business continuity while minimizing environmental impacts. Our competent occupational health and safety teams conduct internal audits in line with the annual audit plans, while line management performs daily and weekly health and safety walkthroughs across all sites.

Occupational health and safety is not a stand-alone function, rather, it is an essential component of our change management processes. We conduct regular risk assessments to identify, evaluate, and address occupational risks. In 2024, 100% of our facilities conducted health and safety risk analysis. Each year, we define and resolve thousands of potential hazards, ensuring that we manage change with safety as a top priority. **Building on this approach, our Sustainable Supply Chain Program actively promotes awareness and oversees occupational health and safety practices throughout our supply chain, ensuring that these standards extend beyond our own operations.**

2024 Performance

Throughout 2024, no fatal accidents and/or occupational disease occurred at any Kordsa facility or among its subcontractors.

Our total recorded accidents were 16, all of which were from among our employees. In all our plants, the Lost Time Injury Rate Total (LTIR) was 0.37, Employees Lost Time Injury Rate was 1.86 and Contractors Lost Time Injury Rate was 1.26.

- We manage health and safety aligned with the ISO 45001 management system and our İzmit-Türkiye and Thailand facilities have the certification.

Our Occupational Health and Safety Management Approach, including its implementation and control mechanisms, is further detailed **here.**

Occupational Health and Safety performance data by country can be found **here.**

Details of Occupational Health and Safety Committees are also can be found **here.**

Total OHS Training Hours	Kordsa	Contractor
Türkiye - İzmit	14,449.5	12,178
Türkiye - CTCE	444	485.5
Brazil	4,920	1,020
Indonesia	2,970	1,782
Thailand	2,749	114
USA - Chattanooga	3,635.2	84
USA - Laurel Hill	546.5	0
USA - Quakertown (FDI)	464	13
USA - Anaheim (TPI)	197	21
USA - Carlsbad (Axiom)	226	1
USA - Santa Ana (Axiom)	1,592	51
Microtex- Italy	1,236	NA

CTCE: Composite Technologies Center of Excellence

OHS TRAININGS

In 2024, our comprehensive occupational health and safety training program covered a broad range of essential topics. Employees received training across general, health-related, and technical modules. In addition, more than 20 specialized subjects were addressed, including working at height, machine safety, Lock Out Tag Out (LOTO), safe chemical management, hazardous chemical labelling, storage, handling, and transportation, safe driving, fire extinguishing, emergency search and rescue operations, and first aid.

Employee Suggestions for Operational Excellence

The employee suggestion system transformed by TPM integration has been available on the Kaizen portal since 2019. We've implemented constraints and acceptance criteria to optimize our suggestion (Kaizen) system. This strategic approach has yielded a noticeable enhancement in Kaizen quality, alongside a decline in total Kaizens in line with error reduction goals. In 2024, we received 3,767 improvement suggestions from our employees.

Diversity, Equity, and Inclusion (DE&I)

We are committed to fostering a workplace culture rooted in diversity, inclusion, and continuous employee development. Our goal is to cultivate an environment where every individual feels genuinely valued, respected, and empowered to contribute to their fullest potential.

In addition to providing a fair working environment for hiring and career planning for women, we also offer private health insurance that covers childbirth, and lactation rooms for their convenience. We provide health services, health insurance, and retirement plans for all our full-time employees.

We added increasing the female employment among our sustainability goals in 2019. In 2024, the ratio of women employees stood at around 16% and the ratio of women in management positions reached 31.1%. The female employment rate declined slightly, from 38.7% in 2023 to 37.7% in 2024, indicating a slight deviation from our goal. This was mainly due to internal restructuring driven by global and sectoral developments, during which operational continuity was prioritized. Our commitment to gender balance remains, and we aim to re-integrate diversity and inclusion into our strategic focus moving forward.

In 2024, 17 female and 168 male employees used their maternity and paternity leaves and 100% of them returned their job. In 2024, the rate of disabled employees at all Kordsa facilities was 2%.

At Kordsa, we proudly embrace our identity as part of a global community, living in the spirit of “We Are the Sabancı of the World” by fostering knowledge sharing and collaboration across borders. Our Global Rotation Program provides employees with the opportunity to gain hands-on experience at Kordsa locations around the world, enhancing their capabilities through real-world projects in diverse cultural and business environments. With flexible durations of three, six, or twelve months, and the option to work on-site or in a hybrid format, the program offers a tailored and agile development journey. By promoting intercultural exchange, building critical competencies, and encouraging adaptive work models, this initiative strengthens both individual growth and Kordsa’s global synergy.

- In 2022, in collaboration with the Sabancı University Gender and Women’s Studies Center of Excellence (SU Gender), we conducted Diversity and Inclusion training programs to raise awareness and foster an inclusive workplace culture.
- In 2023, our Global Rotation Program won first place in the “Sabancı of New Generation” category at the Sabancı Golden Collar Awards, recognizing our efforts in global talent mobility and development.
- In 2023, Kordsa was deemed eligible for the Gender Equality Certification, the Equal Opportunities Model (FEM), designated by the Women Entrepreneurs Association of Türkiye (KAGİDER).
- In 2024, within the framework of our Unistars project, which offers internship opportunities to university students, we provided inclusive language training to promote equality and inclusive communication among young talents.

Our Vision for DE&I

We aim to foster a culture of inclusion by providing an equitable work environment where every individual is first and foremost respected as a human being, and where differences are embraced as opportunities across all areas of our business.

Our Diversity, Equity, and Inclusion strategy is closely aligned with our overall corporate goals and is designed to support our long-term success. Through this strategy, we aim to:

- Drive innovation
- Provide a better understanding of customers
- Increase employee engagement
- Acquire high-potential talent
- Create synergy with multicultural organizations
- Strengthen employer branding
- Strengthen organizational performance

DE&I Committees

At Kordsa, DE&I Committees offer a platform for employees to convene based on shared characteristics, experiences, or goals. These groups are empowered to form a united community and express their perspectives. They contribute to learning and development by providing formal and informal leadership opportunities while also elevating the visibility of proactive employees. Their expertise and experience are instrumental in promoting equality within the company. The work of their own Employee Resource Groups (ERG) for DE &I Committees is now conducted in all our regions.

Women Impact: Strives to increase the employment and representation of women.

Reinforcers with Disabilities: Aims to enhance employment and representation of workers with disabilities.

Identities @Kordsa: Raises awareness for the acceptance of diverse identities within the organization.

Roots @Kordsa: Focuses on promoting diversity in terms of religion, ethnicity and race.

Well-being Manifestors: Concentrates on sustaining employees' physical and mental health.

DE&I Newsletter

We are compiling a newsletter that highlights our quarterly DE&I studies with our employees. Each edition features DE&I activities and news, collaboratively organized by ERG groups in each region with the support of HR. Additionally, the newsletters contain a variety of informative and educational articles tailored to different issues and themes. These newsletters serve as a platform to showcase the ongoing efforts and achievements in fostering diversity, equity, and inclusion across our organization.

Collaborative Initiatives with Universities for DE&I at Kordsa

In collaboration with Kadir Has University Gender and Women's Studies Research Center and Sabancı University Gender and Women's Studies Center of Excellence, we have undertaken the following activities:

- Organized awareness sessions for all employees
- Method researching on Gender Pay Gap assessment
- Ensured equitable career opportunities
- Reviewed end-to-end recruitment processes
- Crafted new policies and revised existing ones (such as the Sustainable Employment Policy and the Human Rights Policy, etc.)
- Established Employee Resource Groups
- Developed and shared a calendar of significant days related to diversity, equity, and inclusion (Human Rights Day, Women's Day, etc.)
- Integrated women into production lines
- Implemented well-being initiatives to safeguard the physical and mental health of the organization
- Within the framework of our Unistars project where we offer internship opportunities to university students, cultural bias and inclusive language training was provided
- Conducted an accessibility analysis to increase the recruitment of employees with disabilities

Embracing the VUCA World at Kordsa

At Kordsa, we grow stronger through the diversity and individuality of our people. We are committed to building teams that reflect a wide range of skills, backgrounds, and experiences. We believe that this diversity is essential for fostering innovation and creating a high-performing workplace. We value each employee's unique career journey and take pride in supporting their growth. By bringing together different perspectives, we enhance our ability to adapt, lead, and succeed in an ever-changing, complex world. Embracing this inclusive mindset enables us to navigate the realities of the VUCA world with confidence, while shaping a resilient and forward-thinking organization where both people and performance thrive.

Accessibility Analysis for our Employees with Disabilities

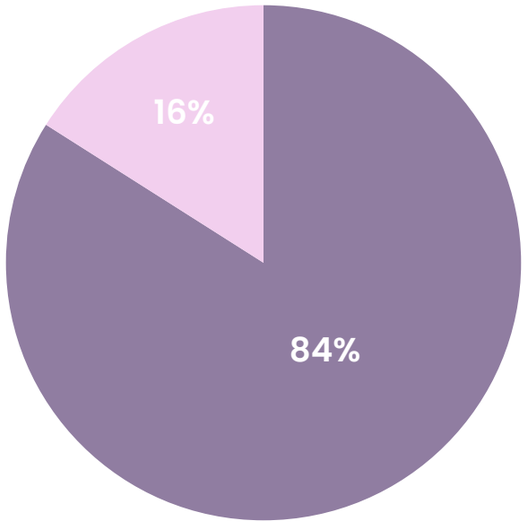
Accessibility means enabling individuals with disabilities to access buildings, public areas, transportation, information, and communication technologies safely and independently. At Kordsa, we recognize that inaccessible physical environments can hinder the full participation of employees with disabilities in business processes. As a first step in addressing this, we initiated comprehensive accessibility assessments across our facilities to ensure that our physical spaces are inclusive for all. In line with this commitment, we conducted detailed analyses across Kordsa's operations in Türkiye, identifying both physical and digital improvements needed to remove barriers and promote equal access throughout our workplaces.

Inclusive Recruitment

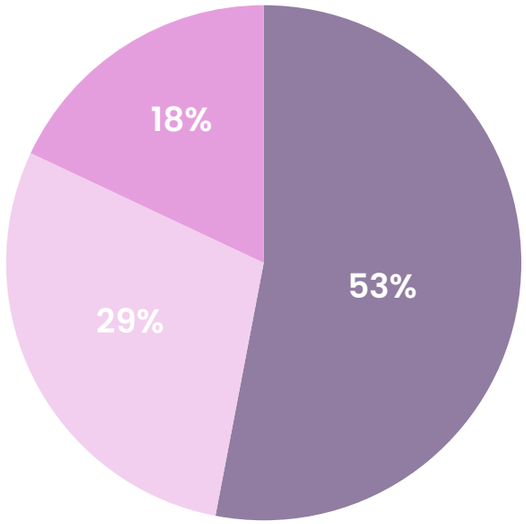
At Kordsa, we are committed to building inclusive hiring practices that reflect our values of fairness, equity, and opportunity for all. We actively work to eliminate bias from our assessment and selection processes, while purposefully expanding access for underrepresented talent groups. Our efforts are supported by a clear accountability framework that places diversity at the heart of our recruitment strategy. By broadening our talent pipeline and focusing on inclusive outreach, we aim to attract top-tier candidates who bring diverse perspectives and experiences to our organization. Through this approach, we not only enhance our ability to engage and retain talent but also strengthen our employer brand as a company where everyone has the chance to thrive.

Details of our management approach on equal opportunities and diversity are **here.**

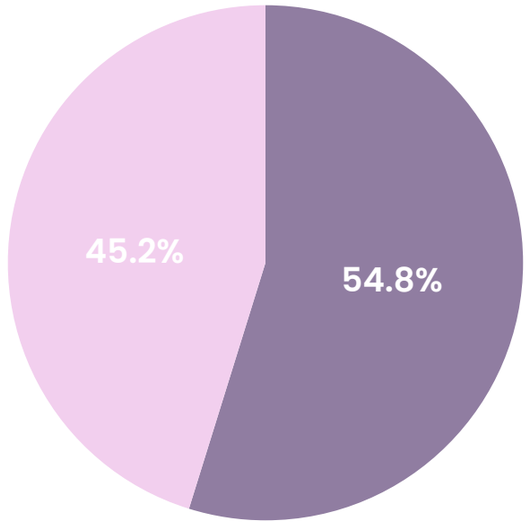
Employees by Gender



Employees by Age Group



R&D Center Employees by Gender



Number of Employees by Region	
EMEA	1,768
Asia Pacific	1,483
South America	382
North America	683

Average Tenure (Years) by Gender	
Female	8.3
Male	10.2

Average Tenure (Years) by Country	
All Kordsa	9.9
Türkiye	8.0
Indonesia	12.5
Thailand	12.7
Brazil	11.1
USA	9.3

Average Tenure (Years) by Employee Type	
White Collar	10.1
Blue Collar	9.9

Reinforcing Family Bonds in Kordsa Brazil

As part of our commitment to employee well-being and gender equality, the Reinforcing Family Bonds program supports employees and their families, especially during the transition to parenthood.

The initiative supports holistic employee well-being and promotes greater participation of women in the workforce. It offers inclusive support to all expectant parents, including biological, adoptive, and legal guardians, regardless of gender identity or family structure.

Key program features:

- Pregnancy monitoring via Kordsa's Medical Service or a specialized app
- Expert-led sessions on pregnancy and parenting
- 8 days of paid leave to accompany pregnant partners to appointments
- Full reimbursement for prenatal vitamins and related health plan copayments
- Family gift package
- Extended maternity and paternity leave
- Flexible work arrangements

Social and economic impact:

- Lower neonatal ICU admissions
- Higher employee satisfaction and post-leave retention
- Reduced health insurance costs
- A stronger, more inclusive workplace culture

This program reflects Kordsa Brazil's ongoing dedication to supporting families and fostering an equitable work environment.

Talent Acquisition with Social Responsibility

In 2024, Kordsa Brazil carried out a Talent Acquisition process for its internship program with a focus on creating value beyond selection. The aim was to offer all candidates a memorable and enriching experience regardless of the final outcome.

Candidates participated in a group dynamic where they built wooden toy furniture, such as stoves, fridges, and sinks, to be donated to children at Novo Horizonte Community School. Throughout the activity, managers observed collaboration, creativity, adherence to safety, quality awareness, and customer focus. At the end, the children, the true "clients", were invited to test and enjoy the toys, turning the evaluation process into a heartwarming social experience.

This Talent Acquisition approach reflects Kordsa Brazil's commitment to inclusive recruitment and community contribution.

Inclusive Language Across the Organization

In 2024, we launched a Diversity, Equity, and Inclusion (DE&I) initiative focused on fostering inclusive language across the organization.

- Throughout the year, a series of carefully crafted video content on inclusive language was shared with employees to raise awareness and spark conversation.
- To further engage our teams, the Human Resources team organized in-person sessions using inclusive language-themed Tabu game cards, creating an environment where employees could both reflect and have fun together.
- On March 8th, International Women's Day, a special event was held at the İzmit Plant, where we celebrated the contributions of women in the workplace and promoted a culture of equality. The event featured an expert-led talk titled "Equality in Language", reinforcing our belief in inclusivity, respect for differences, and the power of language in shaping a more equal work environment.

Celebrating Diversity and Culture: Year-End Event at Indo Kordsa

Indo Kordsa closed 2024 with a vibrant Year-End Celebration under the theme "Together We Thrive: Building a Great Place to Work in a Changing World." Reflecting the company's commitment to diversity and inclusion, the event featured a performance by Jamaica Café, an a cappella group including a singer with disabilities, demonstrating how talent and harmony transcend limitations. In a tribute to cultural heritage, all employees wore Ikat woven traditional garments, showcasing the richness and pride of Indonesia's weaving traditions. The celebration served as a powerful reminder that embracing differences can bring people together and strengthen our sense of belonging.

Talent Development and Organizational Growth

Training And Development

Across all Kordsa facilities, we implement a wide range of initiatives to align learning activities with local needs and regulatory requirements. Our goal is to empower employees to perform their roles safely and effectively while advancing their career aspirations.

We continue to embrace the 70:20:10 development model, which emphasizes experiential learning as a key driver of personal and professional growth. We believe that development is most impactful when it is experience-based. In this context, we support employee growth through initiatives such as cross-functional rotations, international assignments, project involvement, and opportunities to lead or create new projects.

To support the 20% social learning component of the model, we provide coaching and mentoring programs, facilitate participation in assessment centers, encourage personal development planning, and foster awareness through stakeholder feedback. Our Global Mentorship Program, running since 2013, is a cornerstone of interpersonal learning at Kordsa. In 2024, 24 mentors and 24 mentees participated in a six-month journey of experience sharing and development, supported by our HR teams.

In addition to these experiential and social learning opportunities, we also strengthen knowledge, skill, and competency development through in-class, online, and offline training programs.

2024 Performance

In 2024, we invested about 16.7 million TL in training.

- The total hours of training our employees received in 2024 reached 241,000 hours. We provided 52.1 hours of training per person on average.

Average Training Hours By Gender	
Men	48.96
Women	45.47

Trainings Provided by Category

70% Career Development

15% Safety, Health and Environment

10% Personal Development

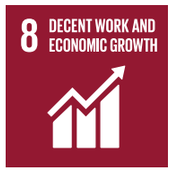
5% Other

For details on our Training and Development Management Approach (Implementations and Control) and Global Development Programs, please click **here.** Detailed training data, on the other hand, can be found in the corresponding **section** of this report.

The HUB is our centralized online learning management system, accessible across all our locations. It enables us to support and monitor the development of our employees globally, in their local languages.

Through the HUB, we manage a wide range of training materials, including videos, assessments, surveys, reports, and other learning materials. Our employees can either be assigned or choose from a diverse selection of topics such as technical skills, personal development, hobbies, leadership, well-being, and mandatory compliance training.

Since launching the system, we have kept our employees informed through regular communications, videos, and engaging activities, while encouraging participation through various recognition and reward mechanisms.



Global Alignment

Global Alignment is a strategic leadership development initiative designed by our Global HR team in to foster unity and coherence among leaders across Kordsa's international operations. The program is built on the foundation of our business strategy, core values, leadership competencies, and a deeply rooted culture of collaboration. In 2023, the initiative engaged 36 leaders from Indonesia, 12 from Thailand, 16 from Brazil, and 50 from the United States, bringing together diverse perspectives under one aligned vision. Building on the themes explored in 2023, leadership reflection sessions for 2024 have been carried out globally, reinforcing shared direction, collective insight, and a cohesive leadership mindset across all regions.

APAC & KBR

- Living and Leading Through Kordsa's Core Values
- Boundary Spanning Leadership for Boosting Synergy
- Leading with Influence: Inspiring, Empowering, and Driving Impact
- Building Personal Resilience to Lead in Dynamic and Evolving Organizations

USA

- Leading with Kordsa's Values & Visions
- Foundation of Leadership
- Inclusion-Driven Leadership for a Connected Culture

Participation in Sabancı Holding Development Programs

Kordsa actively participates in Sabancı Holding's development programs each year, with employees from all operating countries taking part. In 2024, global participation was distributed as follows.

Program & the Number of Participants	
TPX; 2	XCELERATE; 3
INLEAD; 2	XPOSURE; 1
IVAA; 2	Generative AI; 1

Leadership Development Programs at Kordsa Türkiye

In 2024, Kordsa launched two key initiatives to strengthen leadership capabilities across the organization. **The Supervisor Development Program** kicked off with a comprehensive session attended by supervisors, managers, and our COO, focusing on shared goals, core training content, and the roadmap ahead. This meeting set the foundation for collective learning and growth.

The Manager's Backpack training program provided an immersive two-day learning experience, exploring Kordsa's leadership philosophy, the role of leaders in HR processes, and essential leadership competencies. Through interactive sessions and real-life scenarios, participants developed practical skills to become more effective leaders.

Star Talks & Expertise Spotlight Sessions

In 2024, Kordsa launched Star Talks, an internal conversation series aimed at strengthening employee connections to the company's culture, strategy, and values.

The sessions focused on updates to Kordsa's reward and recognition program All Stars, building Future-Ready leaders, inclusive language and encouraging respectful and mindful communication. Through these sessions, Star Talks created space for shared learning, open dialogue, and cultural alignment across the organization.

In parallel, the Expertise Spotlight sessions at Kordsa offered employees the chance to learn from experts on current and practical topics. These sessions supported continuous learning, knowledge sharing, and professional development across Kordsa.

Our Human Resources Practices

Title	Practice	Contents
Orientation	BBF	During their first three months at Kordsa, newly hired colleagues are paired with Buddies from within the organization to help them integrate into the company.
Orientation	Journey App	Online Orientation Application
Recruitment and Orientation	Peoplise	Online Recruitment and Orientation Application
Talent Development	Global Alignment	Leadership and management training series tailored for senior management roles across all Kordsa global operations
Talent Development	Sabancı Holding Development Programs	Talent development series (TP-X, In-Lead, IVAA, X-Celerate, X-Posure, Generative AI) encompassing all Sabancı Holding group companies yearly, including international collaborations and trending topics for Hypo employees.
Talent Development	E-MBA	E-MBA program featuring designated quotas for Sabancı Group employees.
Talent Development	E-Learning	Providing technical, personal development, and legal training through the Kinde & Talent LMS (the HUB) system, our Kordsa digital development platform is based on lifelong learning principles. This platform, updated with state-of-the-art technology, offers Mandatory, Personal Skills, Technical training, and enriched content covering hobbies, well-being, as well as leadership development.
Talent Development	Global Rotation and Collaborations with Foreign Universities	Kordsa implements a project-based employee exchange program, allowing team members to work in different countries for 6 months to 1 year, fostering collaboration and project execution with local teams.
Talent Development	Global Job Posting	Internal Cross-Country Vacancy Platform: This mechanism enables employees to discover and apply for job openings in company branches.
Talent Development	Global Mentoring Program	Employees participate in a 6-month mentoring initiative, partnering with experienced mentors from various countries and departments.
Communication	Yammer	Corporate Social Network
Communication	Sabancı Social	This digital platform unites Sabancı Group staff, boosting interaction, communication, and collaboration as well as strengthening the shared 'Sabancı' identity.
Communication	Star Talks	An internal speaker series at Kordsa that creates space for meaningful conversations around company culture, values, and personal experiences.
Communication	Expertise Spotlight	A knowledge-sharing program at Kordsa that highlights the expertise of employees through focused sessions on technical and professional topics.
Communication	Social Clubs	Women's, Club, Sports & Travel Club, Photography Club, Help for Stray Animals Club, Music Club, and Social Responsibility Club
Performance	Perfx	Performance Management App
Recognition and Rewarding	Positive Vibes	Instant Recognition and Rewarding Platform
Recognition and Rewarding	Seniority Award	At Kordsa, we value our employees' dedication and recognize their long service. As part of our Positive Vibes system, we reward employees for 5, 10, 15, 20, and 30 years of service. For employees who have completed 25 years of service, we are offering a special vacation package for 2 people in a beautiful seafront 5-star hotel.
Recognition and Rewarding	All Stars	Managed by Global Human Resources, the Global Recognition and Rewarding initiative acknowledges exceptional projects and high-performing teams, enhancing employee engagement and success.
Equal Opportunity	Paternity Leave	We provide fathers with a 3-week leave that they can use any time before their child's first birthday.
Equal Opportunity	Maternity Leave	We provide new mothers with up to 1-year leave that they can be with their babies in their first months.
DE&I	Global Diversity, Equity & Inclusion (DE&I) Committees	5 DE&I committees structured
Back Ups	Talent Forum	Sessions where Kordsa Global white collar employee performance and competencies are discussed, and development plans are created.
Fringe Benefits	Fringe Benefits	Life Insurance, Private Pension Plans, Health Insurance, Premium, Flexible Benefits - Social Assistance Utility and Internet payments, Daily Meal Support, and Ergonomic Assistance through Avansas vouchers.
Wellbeing	Leaves	Kordsa has expanded its leave policies to enhance employees' work-life balance, offering various types of leave applicable under different circumstances and conditions, including 5 days of annual leave in the first year, birthday leave, menstrual leave, maternity leave, paternity leave impact day, and first day of school leave.

Wellbeing Initiatives

Kordsa Brazil

Health Marathon: Kordsa Brazil organized activities to increase Reinforcers' awareness about health. On Yellow September theme the activities were held related to Appreciation for Life. During Pink October theme we focused on the prevention of breast cancer. On Blue November theme prostate cancer prevention was the focused topic, while in Red December we focused on how to prevent transmitted infections.

APS (Atenção Primária à Saúde): This program is designed to promote a proactive approach to health by encouraging individuals to prioritize their well-being before urgent care becomes necessary. During program healthcare professionals (a nutritionist, a doctor and a psychologist) scheduled appointments to response personalized support needs.

Thai Indo Kordsa

Thai Indo Kordsa organized Mini Maraton to promote a healthy work-life balance and to cultivate a positive and vibrant workplace culture.

Indo Kordsa

In 2024, Indo Kordsa organized quarterly Morning Walks for office employees, integrating Diversity, Equity, and Inclusion (DE&I) themes into each event. Activities included an Inspire Inclusion campaign on International Women's Day, basic sign language learning for World Day of Cultural Diversity and Dialogue, a love letter tribute from families for National Father's Day, tree seed distribution on World Tree Day, and a national hero costume competition on Indonesia's Independence Day.

To promote ongoing physical and mental wellbeing, Indo Kordsa continued offering access to a gym and multisport field for all employees. Additionally, on-site psychological counseling services were made available in collaboration with a mental health consultant, covering topics such as personal development, financial planning, parenting, and family relationships.

In celebration of Women's Health & Fitness Month, female employees participated in a Pound Fit workout session led by an external coach. The session supported both physical and cognitive wellbeing, with benefits including stress reduction, improved immunity, and better overall mental health.

Also, Indo Kordsa hosted a multi-phase Family Gathering event at Safari Park Bogor. Employees and their families were invited to strengthen their bonds with the company.

In collaboration with a consultancy firm, Indo Kordsa provided on-site psychological consultation and online webinars focused on DE&I and Wellbeing. In 2024, sessions were held on the topics of Career Has No Gender, Managing Multiple Roles, and Conflict Resolution at Work, supporting employees' personal and professional development.

Empowering Communities and Social Impact

At Kordsa, we undertake various social responsibility projects under our "We Reinforce Life" vision across all the regions where we operate.

Launched in Türkiye in 2016 and now expanding to other countries, the "Future Reinforcers" project is rooted in the UN Sustainable Development Goals, aiming to provide accessible, high-quality, and equitable education. This initiative serves as the guiding framework for our efforts to support education.

In 2024, we launched a new phase of the project we have been running for the past years. We signed a protocol with the Ministry of National Education's Directorate General for Vocational and Technical Education to provide comprehensive technical textile training to students and teachers in vocational high schools, primarily in the İzmit region. Under this protocol, vocational high school students and teachers in the İzmit region receive comprehensive training in technical textiles. The pilot implementation began at Sabancı Vocational and Technical Anatolian High School, where 11th and 12th grade students will be trained in environments that reflect real-world professional conditions. Over the five-year duration, student development and field training will be continuously evaluated. Graduates who demonstrate strong performance may be offered employment opportunities at Kordsa.

Kordsa Technology and Impact Center

The Sabancı Youth Mobilization, launched in 2024, is part of Sabancı Holding and Group companies' mission to contribute to social development and invest in young people. It is a continuation of the Republic Mobilization campaign, which Sabancı Holding and Group companies initiated in 2021 and have sustained for three years. The project aims to support youth development in entrepreneurship, innovation, and sustainability through Sabancı Technology and Impact Centers, which will expand across Türkiye.

This project is directly focused on education and aims to establish a network bringing all Sabancı subsidiary companies together. Inspired by the words of Atatürk Founder of Republic of Türkiye, who said, "All my hope is in youth," this project aims to bring hope to young people in the second century of the Republic. By placing youth at its core, the Sabancı Youth Mobilization seeks to contribute to long-term development by investing in young people's skills and leadership growth, ultimately transforming brain drain into brain power.

The Sabancı Technology and Impact Center's network aims to provide an environment where young people can develop new ideas, receive training to enhance their skills, interact with Sabancı Group companies, and work on projects that create sustainability and social impact.

These centers are designed to nurture young leaders, entrepreneurs, and researchers by offering various training and development programs. The training programs cover topics such as artificial intelligence, cloud systems, energy technologies, the Internet of Things (IoT), and embedded systems. The Technology and Impact Center's network was initially established within universities and open to young people across the region.

In this regard, as Kordsa, we inaugurated our own center on December 2024, within Kocaeli University as the fifth Technology and Impact Center. As a company within Sabancı Holding's "Materials Technologies" group, we have established a network that will serve various engineering disciplines at the university, including electric & electronics, chemical, and civil engineering.

At the Kordsa Technology and Impact Center, activities will be structured under five different models:

- **Project-Based Participation:** Students collaborate on projects in specialized fields such as sustainable advanced materials.
- **Training Programs:** In addition to technical training on advanced materials, students receive operational excellence and personal development training, equipping them with the knowledge and leadership skills they will need in the future.
- **Mentorship Programs:** Kordsa employees share their industry knowledge and experience with students, providing mentorship support.
- **Innovation Programs:** Designed to encourage entrepreneurial spirit and creativity, these programs support the commercialization and productization of ideas developed by students and academics in the field of materials technologies.
- **"Kampüs IT":** Students specializing in computer engineering and software development have the opportunity to collaborate on Kordsa projects, gaining valuable hands-on experience.

Target Group and Project Activities:

At Kocaeli University's Faculty of Engineering, more than 9,000 students are currently pursuing their education. Over the next three years, during which the Kordsa Technology and Impact Center is set to operate, the primary goal is to reach all these students.

Meanwhile, the Sabancı Youth Mobilization project aims to engage a total of 30,000 young people across Türkiye. As part of this initiative, a dedicated website will be launched in 2025, where Kordsa and other Sabancı Group companies will add their training programs. This will enable the project to reach students not only at universities hosting Technology and Impact Centers but also across the entire country.

Established with the goal of developing innovative solutions in material technologies and connecting young people with the technologies of the future, Kordsa Technology and Impact Center aims to equip students with the knowledge and leadership skills they will need through technical training, operational excellence programs, and personal development initiatives. Through our training and programs, students will have the opportunity to generate ideas that will shape the future of material technologies while also contributing to Kordsa's sustainability and innovation-focused efforts.

Supported by Sabancı Group's technology infrastructure and expertise, this center continues its operations with the vision of becoming a successful example of industry-university collaboration. We are creating an environment where Kordsa employees share their industry knowledge and experience with students, providing mentorship support. This allows students to learn critical skills and expertise directly from industry professionals, preparing them for the business world.

This experience helps students gain hands-on skills and prepares them for industry. In a short time since its opening in 2024, more than 120 young people have been engaged. Our goal is to reach 1,500 young people by the end of 2025.

PERFORMANCE INDICATORS

In line with our company's sustainability approach, we regularly monitor our performance in economic, environmental, and social areas. By integrating these indicators into our decision-making processes, we aim to create long-term value.

Economic Performance Indicators

Economic Value Created & Distributed ('000 TL)	2022	2023	2024
Economic Value Generated (Net Revenues)	19,475,864	24,668,189	31,892,250
Economic Value Distributed to Stakeholders	**2022**	**2023**	**2024**
Operating Expenses	16,050,872	21,008,869	28,084,969
Benefit to Employees	1,828,431	3,304,849	4,888,004
Benefit to Government	87,414	309,714	254,361
Benefit to Providers of Capital	57,000	0	0
Benefit to Community	42,377	106,623	3,726
Economic Value Retained (Profit)	1,452,148	394,467	-855,696
Financial Assistance Received from Government	**2022**	**2023**	**2024**
Turquality	221	4,332	6,820
Tax Reliefs	57,600	47,452	68,136
Incentives	3,410	0	0

Social Performance Indicators

KORDSA EMPLOYEE DIVERSITY

Employees by Gender	2022	2023	2024
Female	729	741	676 ✓
Male	3,813	3,570	3,640 ✓
Total	**4,542**	**4,311**	**4,316 ✓**

Employees By Type of Employment and Gender	2022	2023	2024
White-collar - Female	372	385	346 ✓
White-collar - Male	623	612	572 ✓
Blue-collar - Female	357	356	330 ✓
Blue-collar - Male	3,190	2,958	3,068 ✓
Total	**4,542**	**4,311**	**4,316 ✓**

Employees By Location and Gender	2022	2023	2024
Türkiye - Female	232	204	190
Türkiye - Male	1,570	1,324	1,467
Indonesia - Female	103	112	107
Indonesia - Male	1,048	1,026	1,012
Thailand - Female	107	110	106
Thailand - Male	274	260	257
Brazil - Female	66	62	63
Brazil - Male	333	307	319
USA - Female	221	228	182
USA - Male	587	577	501
Italy-Female	-	24	27
Italy-Male	-	72	79
Germany-Female	-	1	1
Germany-Male	-	3	4
China - Female	0	0	0
China - Male	1	1	1
Total	**4,542**	**4,311**	**4,316**

Employees By Age Group and Gender	2022	2023	2024
Below 30 Years - Female	210	211	171 ✓
Below 30 Years - Male	1,170	1,058	1,088 ✓
30 - 50 Years - Female	356	359	337 ✓
30 - 50 Years - Male	1,991	1,901	1,956 ✓
Above 50 Years - Female	163	171	168 ✓
Above 50 Years - Male	652	611	596 ✓
Total	**4,542**	**4,311**	**4,316 ✓**

Employees - STEM-related positions	2022	2023	2024
Female	40	38	65
Male	57	72	124

Employees By Gender (%)	2022	2023	2024
Female	16.05%	17.19%	16%
Male	83.95%	82.81%	84%

Employees By Age Group and Gender (%)	2022	2023	2024
Below 30 Years - Female	4.62%	4.89%	4%
Below 30 Years - Male	25.76%	24.54%	25%
30 - 50 Years - Female	7.84%	8.33%	8%
30 - 50 Years - Male	43.84%	44.10%	45%
Above 50 Years - Female	3.59%	3.97%	4%
Above 50 Years - Male	14.35%	14.17%	14%

Employees By Region and Gender (%)	2022	2023	2024
APAC - Female	4.62%	5.15%	5%
APAC - Male	29.11%	29.85%	29%
EMEA - Female	5.11%	5.31%	5%
EMEA - Male	34.57%	32.45%	36%
NA - Female	4.87%	5.29%	4%
NA - Male	12.92%	13.38%	12%
SA - Female	1.45%	1.44%	2%
SA - Male	7.33%	7.12%	7%

Employees by Management Category and Gender (%)	2022	2023	2024
STEM-related positions - Female	41.24%	34.55%	34.39%
STEM-related positions - Male	58.76%	65.45%	65.61%
Management Positions - Female	31.30%	30.74%	31.10%
Management Positions - Male	68.70%	69.26%	68.90%
First Level Management Positions - Female	29.13%	27.87%	27.27%
First Level Management Positions - Male	57.83%	57.79%	58.85%
Top Management Positions - Female	2.17%	2.87%	3.83%
Top Management Positions - Male	10.87%	11.48%	10.05%

Employees at Manager and Above Management Level by Region (%)	2022	2023	2024
APAC	24.78%	23.77%	23.92%
EMEA	41.74%	44.67%	46.41%
NA	26.96%	25.41%	22.49%
SA	6.52%	6.15%	7.18%

Governance Bodies (Board of Directors and SLT) By Age Group and Gender	2022	2023	2024
Female	16.67%	33%	36%
Male	83.33%	67%	64%
Below 30 years	0%	0%	0%
30 - 50 years	16.67%	17%	29%
Above 50 years	83.33%	83%	71%
Expats	5.26%	20%	7%
Employees with disabilities	0%	0%	0%

KORDSA EMPLOYEE TURNOVER

Recruitment and Dismissals by Gender and Age Group	2022	2023	2024
Recruitment – Female	231	116	61 ✓
Recruitment - Male	486	317	436 ✓
Recruitment – Female (Below 30 Years)	116	51	24 ✓
Recruitment – Male (Below 30 Years)	332	200	323 ✓
Recruitment – Female (30-50 Years)	94	51	28 ✓
Recruitment – Male (30-50 Years)	125	90	99 ✓
Recruitment – Female (Above 50 Years)	21	14	9 ✓
Recruitment – Male (Above 50 Years)	29	27	14 ✓
Total - Recruitment	717	433	497 ✓
Total - Dismissals	741	512	833 ✓

Ratio of Total Recruitment by Gender	2022	2023	2024
Recruitment – Female	32.22%	26.79%	12.27%
Recruitment – Male	67.78%	73.21%	87.73%

Ratio of Total Dismissals by Gender	2022	2023	2024
Dismissals - Female	25.78%	23.05%	18.25%
Dismissals - Male	74.22%	76.95%	81.75%

Internal Human Capital Allocation	2022	2023	2024
Open Positions	235	36	308
Open Positions closed with internal candidates	20	9	35

Turnover Rate	2022	2023	2024
Total Employee Turnover	16%	12%	19.06% ✓
Voluntary employee turnover rate	5.60%	4.20%	9.11%

EMPLOYEE TENURES

Average Length of Service (Years)	2022	2023	2024
All Kordsa	10.32	10.4	9.9
Türkiye	8.98	8.3	8.0
Indonesia	13.28	13.2	12.5
Thailand	13.65	13.7	12.7
Brazil	10.4	11.5	11.1
USA	7.51	8.6	9.3
China	15.27	16.27	17.3
Germany	-	-	4.5
Italy	-	-	3.4

Average Length of Service (Years)	2022	2023	2024
White Collar	9.49	9.7	10.1
Blue Collar	10.56	10.6	9.9

Average Length of Service (Years)	2022	2023	2024
Female	7.8	8.1	8.3
Male	10.81	10.9	10.2

KORDSA TRAINING DATA

	2022	2023	2024
Total Number of Trained Employees	4,827	4,572	4,625
Total Training Hours Per Person	58.15	48.51	52.13
Total training costs (TL)*	15,842,620	22,240,585	16,659,148

Trainings provided to subcontractors are included.

Average Training Hour (By Gender)	2022	2023	2024
Annual training hours for per employee (women)	57.95	48.45	45.47
Annual training hours for per employee (men)	59	48.79	48.96

Average Training Hour (By Training Type)	2022	2023	2024
Career Development	55.33	61.12	48.09
Personal Development	29.79	17.77	26.01
Health, Safety and Environment	11.38	18.4	8.64

Training Hours	2022	2023	2024
Career Development	152,051	135,538	168,426 ✓
Personal Development	53,681	39,401	23,717 ✓
Health, Safety and Environment	44,978	40,816	37,872 ✓
Total Training Hours	**281,409**	**221,766**	**241,118 ✓**

Contractor Trainings	2022	2023	2024
Total Number of Trained Contractors	160	257	349
Total Training Hours	4,200	5,342	9,042

KORDSA ETHICS

	2022	2023	2024
Total Number of notifications/complaints on ethics hotline	10	17	37
Number of notifications/complaints resolved within the year	8	17	36
Number of discrimination incidents	1	0	0
Number of harassment (Mobbing) incidents	4	0	5
Number of information security incidents	2	1	0
Total training hours on ethics provided to employees (including human rights)	2,028	5,891	5,152
Total number of employees trained on ethics within the year	1,017	2,611	1,760 ✓
Average number of ethics training hours per employee	1.99	2.26	2.93
Coverage of ethics trainings within the company	North America: 34% Brazil: 88% Indonesia: 7% Thailand: 22%	North America: 5% Brazil: 92% Indonesia: 89% Thailand: 44%	North America: 23% Brazil: 76% Indonesia: 94% Thailand: 44%
Coverage of Ethics Training Topics	Bribery /Corruption / Fraud / Human Rights Discrimination / Mobbing / Harassment / Confidentiality / Antitrust / Trade restrictions / Conflict of Interests		

KORDSA COMPLIANCE

	2022	2023	2024
Non-compliance fines for customs, taxes, and social security regulations (TR)	233,909 TL	1,053,004 TL	1,637,751 TL

No public cases on compliance occurred and/or finalized on environmental, social or governance topics, against Kordsa.

KORDSA ANTI-BRIBERY AND ANTI-CORRUTION

	2022	2023	2024
Number of bribery and corruption cases occurred	1	0	4
Number of disciplinary penalties to employees because of these cases	2	0	3
Number of criminal cases to Kordsa because of these cases	0	0	0

No contract with business partners that was terminated or failed to be renewed due to violations related to corruption; no public lawsuit opened against our company or our employees because of corruption.

KORDSA OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (1)

Plants			Türkiye			Thailand		
Accidents	Group	Unit	2022	2023	2024	2022	2023	2024
The number and rate of fatalities as a result of work-related injury	Kordsa Employee	Number	0.00	0.00	0.00 ✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00 ✓	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00 ✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00 ✓	0.00	0.00	0.00
The number and rate of high-consequence work-related injuries (excluding fatalities)	Kordsa Employee	Number	0.00	0.00	0.00 ✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00 ✓	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00 ✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00 ✓	0.00	0.00	0.00
The number and rate of recordable workrelated injuries	Kordsa Employee	Number	1 LWC	2 LWC	1 LWC ✓	0.00	0.00	3
		Rate	0.0560	0.12	0.31 ✓	0.00	0.00	3.84
	Contractor	Number	0.00	0	1 ✓	0.00	0.00	0
		Rate	0.00	0	1.57 ✓	0.00	0.00	0
The number of hours worked	Kordsa Employee	Number	3,568,076	3,252,208	3,192,172 ✓	828,734	784,025	781,993
	Contractor	Number	770,839	660,227	636,932 ✓	203,320	200,511	167,843
Occupational disease	Kordsa Employee	Number	0.00	0.00	0.00✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00

KORDSA OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (2)

Plants			Indonesia			Brazil		
Accidents	Group	Unit	2022	2023	2024	2022	2023	2024
The number and rate of fatalities as a result of work-related injury	Kordsa Employee	Number	0.00	0.00	0.00✓	0.00	0.00	0.00✓
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00✓
	Contractor	Number	0.00	0.00	0.00✓	0.00	0.00	0.00✓
		Rate	0.00	0.00	0.00 ✓	0.00	0.00	0.00 ✓
The number and rate of high-consequence work-related injuries (excluding fatalities)	Kordsa Employee	Number	0.00	0.00	0.00✓	0.00	0.00	0.00✓
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00✓
	Contractor	Number	0.00	0.00	0.00✓	0.00	0.00	0.00✓
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00✓
The number and rate of recordable workrelated injuries	Kordsa Employee	Number	1 LWC	0.00	0.00✓	2 LWC+1 RWC	0.00	1✓
		Rate	0.0847	0.00	0.00✓	0.00	0.00	1.36✓
	Contractor	Number	0.00	0.00	1✓	0.00	0.00	0.00✓
		Rate	0.00	0.00	3.16✓	0.00	0.00	0.00✓
The number of hours worked	Kordsa Employee	Number	2,360,203	2,126,867	2,015,460✓	780,410	775,617	736,858✓
	Contractor	Number	397,978	392,336	316,037✓	191,172	195,168	300,528 ✓
Occupational disease	Kordsa Employee	Number	0.00	0.00	0.00✓	0.00	0.00	0.00✓
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00

KORDSA OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (3)

Plants			USA - Chattanooga			USA – Laurel Hill		
Accidents	**Group**	**Unit**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
The number and rate of fatalities as a result of work-related injury	Kordsa Employee	Number	0.00	0.00	0.00✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00
The number and rate of high-consequence work-related injuries (excluding fatalities)	Kordsa Employee	Number	0.00	0.00	0.00✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00
The number and rate of recordable workrelated injuries	Kordsa Employee	Number	1 MTC	1 MTC	2 MTC✓	1 MTC	1 LCW	2
		Rate	0.357	0.57	4.43✓	0.56	3.90	9.67
	Contractor	Number	0.00	0.00	0.00✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00✓	0.00	0.00	0.00
The number of hours worked	Kordsa Employee	Number	559,493	348,323	451,643✓	354,109	255,635	206,887
	Contractor	Number	18,598	31,353	30,003✓	0.00	14,728	16,356
Occupational disease	Kordsa Employee	Number	0.00	0.00	0.00✓	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00

KORDSA OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (4)

Plants			Composite Technologies Center of Excellence (CTCE)			USA - Anaheim (TPI)		
Accidents	**Group**	**Unit**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
The number and rate of fatalities as a result of work-related injury	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number and rate of high-consequence work-related injuries (excluding fatalities)	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number and rate of recordable work-related injuries	Kordsa Employee	Number	0.00	0.00	1	0.00	2LWC- 4RWC	0.00
		Rate	0.00	0.00	3.67	0.00	47.9	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number of hours worked	Kordsa Employee	Number	216,549	202,065	272,784	161,854	125,236	113,379
	Contractor	Number	81,382	60,960	86,776	15,197	16,054	1,809
Occupational disease	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00

KORDSA OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (5)

Plants			USA - Quakertown (FDI)			USA - Carlsbad (Axiom)		
Accidents	**Group**	**Unit**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
The number and rate of fatalities as a result of work-related injury	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number and rate of high-consequence work-related injuries (excluding fatalities)	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number and rate of recordable workrelated injuries	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number of hours worked	Kordsa Employee	Number	214,923	255,085	264,996	91,368	42,824	39,804
	Contractor	Number	11,147	15,527	12,789	4,017	6,978	2,550
Occupational disease	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00

KORDSA OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (6)

Plants			ABD - Santa Ana (Axiom)			Microtex (Italy)		
Accidents	**Group**	**Unit**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
The number and rate of fatalities as a result of work-related injury	Kordsa Employee	Number	0.00	0.00	0.00	0.00	2	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number and rate of high-consequence work-related injuries (excluding fatalities)	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
The number and rate of recordable workrelated injuries	Kordsa Employee	Number	0.00	0.00	0.00	1 LWC	1 LWC-1 MTC	6
		Rate	0.00	0.00	0.00	19.1	15.8	33.9
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	N/A
		Rate	0.00	0.00	0.00	0.00	0.00	N/A
The number of hours worked	Kordsa Employee	Number	289,308	333,214	291,308	52,140	126,246	176,814
	Contractor	Number	38,336	10,079	11,631	3,679	N/A	N/A
Occupational disease	Kordsa Employee	Number	0.00	0.00	0.00	0.00	0.00	0.00
		Rate	0.00	0.00	0.00	0.00	0.00	0.00
	Contractor	Number	0.00	0.00	0.00	0.00	0.00	N/A
		Rate	0.00	0.00	0.00	0.00	0.00	N/A

KORDSA OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (7)

OHS TRAINING HOURS (Employees)	2022	2023	2024	OHS TRAINING HOURS (Employees)	2022	2023	2024
Türkiye - İzmit	16	10.7	9.3	Türkiye - İzmit	8	8	8
Türkiye - CTCE	2.5	6.45	4.2	Türkiye - CTCE	6	8.88	14.3
Brazil	16	19.6	12.3	Brazil	3	2.1	9
Indonesia	3.6	4.2	2.7	Indonesia	3	3	1.4
Thailand	3.8	9.6	7.8	Thailand	7.7	7.9	1.94
USA - Chattanooga	7.7	14.3	17	USA - Chattanooga	0	0	6
USA - Laurel Hill	5.5	8	5	USA - Laurel Hill	0	0	0
USA - Quakertown (FDI)	5	4.9	3.2	USA - Quakertown (FDI)	5	5	3.2
USA - Anaheim (TPI)	3.81	7	1.7	USA - Anaheim (TPI)	3.81	7	7.42
USA - Carlsbad (Axiom)	2.95	1.5	10	USA - Carlsbad (Axiom)	2.95	1.5	10
USA - Santa Ana (Axiom)	7.1	9.89	10	USA - Santa Ana (Axiom)	4.6	9.89	10
Italy - Microtex	1.11	2	11	Italy - Microtex	1.6	1	NA

Explanations for OHS Data:

Lost Workday Case (LWC): When the worker cannot return to work the first workday following an occupational accident resulting in injury.

Medical Treatment Case (MTC): When an accident occurs that requires medical treatment and the injured person can return to work the first workday following injury.

Restricted Workday Case (RWC): When the injured can return to work the first workday after injury. but is asked to work on another task, as he cannot perform his/her regular task.

Rate of fatalities as a result of work-related injury: (Number of fatalities as a result of work-related injury/Number of hours worked) x 1,000,000

Rate of high-consequence work-related injuries (excluding fatalities): (Number of high-consequence work-related injuries (excluding fatalities) / Number of hours worked) x 1,000,000

Rate of recordable work-related injuries: (Number of recordable work-related injuries/Number of hours worked)) x 1,000,000

ENVIRONMENTAL TOTAL TRAINING HOURS (EMPLOYEES)	2024 Total Training Hours	ENVIRONMENTAL TOTAL TRAINING HOURS (CONTRACTORS)	2024 Total Training Hours
Türkiye - İzmit	566	Türkiye - İzmit	128
Türkiye - CTCE	20.5	Türkiye - CTCE	22.5
Brazil	1,040	Brazil	236
Indonesia	1,550	Indonesia	764
Thailand	294	Thailand	150
USA - Chattanooga	579.4	USA - Chattanooga	0
USA - Laurel Hill	205.8	USA - Laurel Hill	0
USA - Quakertown (FDI)	0	USA - Quakertown (FDI)	0
USA - Anaheim (TPI)	0	USA - Anaheim (TPI)	0
USA - Carlsbad (Axiom)	22	USA - Carlsbad (Axiom)	1
USA - Santa Ana (Axiom)	166	USA - Santa Ana (Axiom)	5
Microtex- Italy	0	Microtex- Italy	NA
TOTAL	**4,443**	**TOTAL**	**1,306**

Employees with Collective Bargaining Agreement	2022	2023	2024
Türkiye	922	778	845
Indonesia	960	942	932
Brazil	325	297	314
USA	0	0	0
China	0	0	0
Thailand	0	0	0
Total	**2,207**	**2,017**	**2,091**
Ratio of employees with collective bargaining agreement to total blue-collar employees (%)	62%	61%	61.5%

Topic Covered by Collective Labor Agreement	2023			2024		
	Türkiye	Indonesia	Brazil	Türkiye	Indonesia	Brazil
Occupational Health and Safety	✓	✓	✓	✓	✓	✓
Working Conditions (work-rest hours, leaves)	✓	✓	✓	✓	✓	✓
Training	✓	✓	-	✓	✓	-
Career Management	-	✓	-	-	✓	-
Employee Representatives' Tasks and Responsibilities	✓	✓	-	✓	✓	-
Additional Work Payments	✓	✓	✓	✓	✓	✓

Sustainable Procurement Performance Report			
Performance Indicator	**2022**	**2023**	**2024**
Ratio of targeted suppliers who have gone through a sustainability assessment survey	53%	38%	39%
Ratio of targeted raw material suppliers audited in line with annual scheduled audit plan	100%	100%	100%
Number of suppliers evaluated in the scope of Human Rights	63	191	81

Environmental Performance Indicators

KORDSA ENERGY CONSUMPTION			
Electricity (kWh)	**2022**	**2023**	**2024**
Türkiye - İzmit	213,481,160	160,645,697	✓ 185,546,504
Türkiye - İstanbul (CTCE)	2,324,992	1,878,410	1,578,658
Indonesia	206,844,274	197,855,660	✓ 194,574,787
Thailand	42,451,961	36,366,848	36,138,445
Brazil	70,866,394	62,896,284	✓ 67,559,188
USA - Chattanooga	55,146,982	58,077,093	✓ 52,691,413
USA - Laurel Hill	30,092,182	21,937,203	21,531,863
USA - Quakertown (FDI)	1,413,840	1,585,779	1,521,966
USA - Anaheim (TPI)	1,047,500	1,114,440	1,275,768
USA - Carlsbad (Axiom)	424,021	532,201	570,902
USA - Santa Ana (Axiom)	2,723,796	3,155,830	3,358,761
Italy – Microtex	2,483,162	2,683,777	2,962,917
TOTAL	**629,300,264**	**548,729,222**	**✓ 569,311,173**

KORDSA ENERGY CONSUMPTION			
Natural Gas (Sm^3)	**2022**	**2023**	**2024**
Türkiye – İzmit	24,087,168	22,309,837	✓ 24,606,803
Türkiye - İstanbul (CTCE)	136,616	125,557	96,865
Indonesia	8,525,202	8,046,975	✓ 7,867,238
Thailand	3,924,897	4,207,644	4,581,532
Brazil	2,952,286	2,466,166	✓ 2,986,038
USA - Chattanooga	20,470,379	15,337,577	✓ 16,068,028
USA - Laurel Hill	2,941,083	1,937,300	1,953,427
USA - Quakertown (FDI)	39,822	37,033	33,994
USA - Anaheim (TPI)	4,395	5,163	6,063
USA - Carlsbad (Axiom)	89,082	82,442	105,775
USA - Santa Ana (Axiom)	476,354	395,806	169,017
Italy- Microtex	98,151	111,756	43,148
TOTAL	**63,745,436**	**55,063,256**	**✓ 58,517,928**

KORDSA ENERGY CONSUMPTION

Other Fuels	Diesel Oil (liter)			Gasoline (liter)			LPG (kg)		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Türkiye – İzmit	392,573	43,652	✓ 41,032	82,230	146,827	✓ 154,078	1,826,438	1,133,305	✓ 0
Türkiye - İstanbul (CTCE)	1,412	1,227	604	0	0	0	0	0	0
Indonesia	79,641	48,388	✓ 59,477	17,431	11,107	✓ 10,051	0	0	✓ 0
Thailand	13,871	15,146	12,483	7,873	9,055	8,325	12,555	12,270	11,985
Brazil	2,687	1,535	✓ 1,585	9,444	8,047	✓ 7,345	21,720	19,110	✓ 20,090
USA – Chattanooga	12,142	5,076	✓ 9,456	7,620	6,069	✓ 11,674	0	0	✓ 172
USA - Laurel Hill	558	795	0	652	503	443	0	0	0
USA - Quakertown (FDI)	0	227	908	11,023	9,448	5,799	0	0	0
USA - Anaheim (TPI)	4,562	3,271	2,658	2,952	918	491	0	0	0
USA - Carlsbad (Axiom)	4,785	3,780	2,723	2,526	2,991	2,512	360	320	420
USA - Santa Ana (Axiom)	1,148	1,203	908	1,781	1,437	1,464	0	0	0
Italy – Microtex	20,385	12,703	22,892	0	1,693	7,788	0	0	0
TOTAL	**533,765**	**137,005**	**✓ 154,727**	**143,533**	**198,096**	**✓ 209,970**	**1,861,073**	**1,165,005**	**✓ 32,667**

Explanations for Data:
CTCE: Composite Technologies Center of Excellence
In 2024, 3,437 L of fuel oil was used in the Chattanooga facility. ✓

KORDSA EMISSIONS (Scope 1)

Kordsa Plants (tCO_2e)	2022	2023	2024
Türkiye – İzmit	56,067.29	49,612.23	✓ 53,987.13
Türkiye - İstanbul (CTCE)	935.49	261.33	✓ 232.81
Indonesia	17,618.33	16,835.45	✓ 16,415.47
Thailand	8,939.98	8,878.20	✓ 9,640.37
Brazil	6,766.46	5,192.14	✓ 6,377.62
USA - Chattanooga	38,547.22	28,954.22	✓ 30,119.81
USA - Laurel Hill	5,548.96	3,642.06	✓ 3,572.70
USA - Quakertown (FDI)	102.43	94.07	✓ 81.51
USA - Anaheim (TPI)	27.46	20.53	✓ 19.31
USA - Carlsbad (Axiom)	187.01	172.66	✓ 207.83
USA - Santa Ana (Axiom)	901.31	635.08	✓ 315.43
Italy – Microtex	266.85	280.64	✓ 181.64
TOTAL	**135,908.78**	**114,578.60**	**✓ 121,151.63**

KORDSA EMISSIONS (Scope 2)

Kordsa Plants (tCO_2e)	2022	2023	2024
Türkiye - İzmit	8,102.93	52,797.44	✓ 59,027.55
Türkiye - İstanbul (CTCE)	948.93	0.00	✓ 0.00
Indonesia	159,538.71	126,838.61	✓ 102,184.05
Thailand	20,236.85	15,339.65	✓ 15,753.93
Brazil	6,618.92	5,874.51	✓ 3,681.98
USA - Chattanooga	15,860.03	15,807.57	✓ 14,341.68
USA - Laurel Hill	8,080.55	5,413.10	✓ 5,313.08
USA - Quakertown (FDI)	433.59	474.96	✓ 412.16
USA - Anaheim (TPI)	253.57	252.42	✓ 253.57
USA - Carlsbad (Axiom)	111.44	120.54	✓ 113.47
USA - Santa Ana (Axiom)	659.34	714.79	✓ 667.59
Italy – Microtex	547.86	599.65	✓ 669.30
TOTAL	**221,392.73**	**224,233.24**	**✓ 202,418.36**

We purchased **International Renewable Energy Certificate (I-REC)** of 52,000 MWh for our Türkiye İzmit plant and 57,600 MWh for our Indonesia plant. In addition, we produced 10,306 MWh of electricity in our Istanbul CTCE, Indonesia, Thailand and Microtex facilities. Thus, we obtained 21.33% ✓ of our electrical energy from renewable energy sources.

KORDSA EMISSIONS (Scope 3)

Categories (tCO_2e)		2022	2023	2024
C1	Purchased Goods and Services	1,798,520.41	1,116,041.03	✓ 1,120,895.74
C2	Capital Goods	0.00	0.00	✓ 0.00
C3	Fuel and Energy Related Activities	109,763.50	115,708.21	✓ 100,862.63
C4	Upstream Transportation and Distribution	93,726.56	64,529.80	✓ 75,142.24
C5	Waste Generated in Operations	1,613.57	1,959.04	✓ 1,630.29
C6	Business Travel	1,828.80	2,536.21	✓ 1,250.80
C7	Employee Commuting	4,521.38	4,092.72	✓ 4,571.45
C8	Upstream Leased Assets	0.00	0.00	✓ 0.00
C9	Downstream Transportation and Distribution	12,650.83	7,276.06	✓ 10,133.91
C10	Processing of Sold Products	282,502.73	252,933.03	✓ 249,598.59
C11	Use of Sold Products	0.00	0.00	✓ 0.00
C12	End-of-Life Treatment of Sold Products	50,887.60	20,766.89	✓ 18,246.61
C13	Downstream Leased Assets	1,339.62	1,429.67	✓ 1,340.42
C14	Franchises	0.00	0.00	✓ 0.00
C15	Investments	0.00	0.00	✓ 0.00
TOTAL		**2,357,354.99**	**1,587,272.68**	**✓ 1,583,672.69**

KORDSA EMISSIONS (Total) — Scope 1&2

Kordsa Plants (tCO_2e)	2022	2023	2024
Türkiye - İzmit	64,170.22	102,409.67	✓ 113,014.69
Türkiye - İstanbul (CTCE)	1,884.42	261.33	✓ 232.81
Indonesia	177,157.04	143,674.05	✓ 118,599.52
Thailand	29,176.83	24,217.86	✓ 25,394.29
Brazil	13,385.38	11,066.65	✓ 10,059.60
USA - Chattanooga	54,407.24	44,761.79	✓ 44,461.49
USA - Laurel Hill	13,629.51	9,055.15	✓ 8,885.78
USA - Quakertown (FDI)	536.02	569.03	✓ 493.67
USA - Anaheim (TPI)	281.03	272.95	✓ 272.88
USA - Carlsbad (Axiom)	298.44	293.20	✓ 321.30
USA - Santa Ana (Axiom)	1,560.65	1,349.87	✓ 983.02
Italy – Microtex	814.72	880.29	✓ 850.93
TOTAL	**357,301.51**	**338,811.84**	**✓ 323,569.99**

KORDSA EMISSIONS (Total)	Scope 1&2&3		
Kordsa Plants (tCO_2e)	2022	2023	2024
TOTAL	2,714,656.51	1,926,084.52	✓1,907,242.67

REUSED MATERIALS (Reuse Ratio)

Materials	Plants	2022	2023	2024
Steel Shells	Türkiye - İzmit	49%	46%	83%
	USA -Laurel Hill	56%	100%	86%
	Indonesia	89%	94%	100%
	Thailand	81%	85%	76%
	Brazil	93%	85%	93%
Tubes	Indonesia	21%	18%	23%
	USA - Chattanooga	0%	19%	24%
	Brazil	84%	79%	65%
Carton Separators	Türkiye - İzmit	12%	13%	28%
	Indonesia	7%	11%	7%
	USA - Chattanooga	46%	25%	25%
Wooden Pallets	Türkiye - İzmit	32%	25%	48%
	Indonesia	15%	21%	25%
	USA - Chattanooga	53%	35%	38%

KORDSA WASTE MANAGEMENT DATA

Waste By Type (tonnes)		Hazardous Waste	Non-Hazardous Waste	Total Waste	Waste By Disposal Method (tonnes)		Recycle	Landfill	Energy Recovery	Incineration	Total Disposed Waste
Türkiye – İzmit	**2022**	2,280.78	4,897.85	7,178.63	Türkiye – İzmit	**2022**	4,542.91	724.86	1,907.35	1.97	7,177.09
	2023	2,080	4,091	6,171		**2023**	3,888	498	321	1,464	6,171
	2024	✓ 1,811.94	✓ 4,299.48	✓ 6,111.42		**2024**	✓ 3,971.05	✓ 505.87	✓ 196.90	✓ 1,437.61	✓ 6,111.42
Türkiye - İstanbul (CTCE)	**2022**	84.22	1.92	86.14	Türkiye - İstanbul (CTCE)	**2022**	1.92	0	0	84.22	86.14
	2023	113.39	236.23	349.62		**2023**	236.23	0	0	113.39	349.62
	2024	52.36	13.32	65.68		**2024**	13.98	0	0	51.80	65.78
Indonesia	**2022**	797.02	2,780.78	3,577.80	Indonesia	**2022**	2,839.20	0.70	463.18	274.72	3,577.80
	2023	816	2,485	3,301.40		**2023**	2,514.64	0.54	496.46	289.76	3,301.40
	2024	✓ 849.26	✓ 2,293.15	✓ 3,142.41		**2024**	✓ 2,314.94	✓ 0.26	✓ 559.24	✓ 267.96	✓ 3,142.40
Thailand	**2022**	64.81	1,682.98	1,747.79	Thailand	**2022**	1,600.38	122.42	25.71	0	1,748.51
	2023	73.76	1,582.97	1,656.73		**2023**	1,488.06	140.78	28.00	0	1,656.84
	2024	106.47	1,621.26	1,727.73		**2024**	1,474.14	126.05	127.54	0	1,727.73
Brazil	**2022**	33.27	1,342.21	1,375.48	Brazil	**2022**	1,166.75	92.46	116.26	0	1,375.47
	2023	9.81	765.55	775.36		**2023**	640.46	73.02	62.80	0	776.28
	2024	✓ 39.91	✓ 838.25	✓ 878.16		**2024**	✓ 666.69	✓ 158.99	✓ 52.48	✓ 0	✓ 878.16

KORDSA WASTE MANAGEMENT DATA

Waste By Type (tons)		Hazardous Waste	Non-Hazardous Waste	Total Waste	Waste By Disposal Method (tonnes)		Recycle	Landfill	Energy Recovery	Incineration	Total Disposed Waste
USA - Chattanooga	**2022**	1.42	227.05	228.47	ABD - Chattanooga	**2022**	108.67	118.83	0.30	0.67	228.47
	2023	2	463	464.64		**2023**	347.08	117.24	0.16	0.16	464.64
	2024	✓ 0.52	✓ 334.14	✓ 334.66		**2024**	✓ 273.35	✓ 61.02	✓ 0.29	✓ 0	✓ 334.66
USA - Laurel Hill	**2022**	1.76	497.19	498.95	ABD - Laurel Hill	**2022**	16.19	47.59	0	435.16	498.94
	2023	0.28	659.48	659.76		**2023**	47.07	612.58	0.05	0.06	659.76
	2024	0.14	242.24	242.38		**2024**	13.80	228.47	0	0.11	242.38
USA - Quakertown (FDI)	**2022**	0	110.01	110.01	ABD - Quakertown (FDI)	**2022**	45.06	64.95	0	0	110.01
	2023	0	140.08	140.08		**2023**	69.38	70.70	0	0	140.08
	2024	0	125.37	125.37		**2024**	63.46	61.91	0	0	125.37
USA - Anaheim (TPI)	**2022**	0	360.90	360.90	ABD - Anaheim (TPI)	**2022**	0	360.90	0	0	360.90
	2023	0	419.00	419.00		**2023**	48.13	373.75	0	0	421.88
	2024	0	328.7	328.7		**2024**	0	328.70	0	0	328.70
USA - Carlsbad (Axiom)	**2022**	0	15	15	ABD - Carlsbad (Axiom)	**2022**	5.25	13.38	0	0	18.63
	2023	0	48.40	48.40		**2023**	12.00	37.60	0	0	49.60
	2024	155.48	88.10	243.58		**2024**	39.70	55	0	0	94.70
USA - Santa Ana (Axiom)	**2022**	35.59	478.63	514.22	ABD - Santa Ana (Axiom)	**2022**	48.19	441.29	16.12	8.62	514.22
	2023	46.75	406.52	453.27		**2023**	34.00	379.72	23.53	16.01	453.26
	2024	51.81	431.32	483.13		**2024**	32.97	416.35	19.82	14	483.13
Italy – Microtex	**2022**	80.04	263.36	343.40	Italy – Microtex	**2022**	182.02	0	0	160.71	342.73
	2023	98.42	271.62	370.04		**2023**	209.60	0	0	43.76	253.36
	2024	108.34	439.03	547.36		**2024**	533.57	6.12	0	10.10	549.79

KORDSA TOTAL GLOBAL WASTE DATA

Waste By Type (tonnes)	**2022**	**2023**	**2024**
Hazardous Waste	3,379	3,240	3,176
Non-Hazardous Waste	12,658	11,569	11,054
Total Waste	**16,037**	**14,809**	**14,231**
Waste By Disposal Method (tonnes)	**2022**	**2023**	**2024**
Recycle	10,557	9,535	9,398
Landfill	1,987	2,304	1,949
Energy Recovery	2,529	932	956
Incineration	966	1,927	1,782
Total Disposed Waste	**16,039**	**14,698**	**14,084**

KORDSA WATER MANAGEMENT DATA

Water Withdrawals (m^3)	Years	Fresh Surface Water	Groundwater-Renewable	Third-Party Sources	TOTAL WITHDRAWALS
Türkiye – İzmit	**2022**	0	579,681	143,145	722,826
	2023	0	491,925	127,214	619,139
	2024	✓ 0	✓ 588,370	✓ 119,104	✓ 707,474
Türkiye - İstanbul (CTCE)	**2022**	0	0	8,448	8,448
	2023	0	0	6,555	6,555
	2024	0	0	5,396	5,396
Indonesia	**2022**	536,181	0	0	536,181
	2023	600,622	0	0	600,622
	2024	✓ 387,128	✓ 0	✓ 0	✓ 387,128
Thailand	**2022**	0	0	90,619	90,619
	2023	0	0	81,294	81,294
	2024	0	0	81,749	81,749
Brazil	**2022**	0	109,350	9,847	119,197
	2023	0	110,637	8,096	118,733
	2024	✓ 0	✓ 92,559	✓ 37,740	✓ 130,299
USA – Chattanooga	**2022**	2,138,601	0	72,821	2,211,422
	2023	2,017,779	0	101,577	2,119,356
	2024	✓ 1,782,878.17	✓ 0	✓ 91,528	✓ 1,874,406
USA - Laurel Hill	**2022**	0	61.81	7,366	7,428
	2023	0	0	2,786	2,786
	2024	0	0	1,242	1,242
USA - Quakertown (FDI)	**2022**	0	0	1,159	1,159
	2023	0	0	2,585	2,585
	2024	0	0	1,256	1,256
USA - Anaheim (TPI)	**2022**	0	0	5,182	5,182
	2023	0	0	7,815	7,815
	2024	0	0	7,628	7,628
USA - Carlsbad (Axiom)*	**2022**	0	0	1,929	1,929
	2023	0	0	1,246	1,246
	2024	0	0	721	721
USA - Santa Ana (Axiom)	**2022**	0	0	4,845	4,845
	2023	0	0	3,687	3,687
	2024	0	0	4,063	4,063
Italy – Microtex	**2022**	0	0	1,810	1,810
	2023	0	0	2,530	2,530
	2024	0	0	6,795	6,795

KORDSA WATER MANAGEMENT DATA

Water Discharges (m³)	Years	Fresh Surface Water	Third-Party Destinations	Other	TOTAL DISCHARGES
Türkiye – İzmit	**2022**	0	274,658	0	274,658
	2023	0	347,125	0	347,125
	2024	✓ 0	✓ 367,138	0	✓ 367,138
Türkiye - İstanbul (CTCE)	**2022**	0	7,603	0	7,603
	2023	0	5,900	0	5,900
	2024	0	4,856	0	4,856
Indonesia	**2022**	44,951	0	0	44,951
	2023	59,866	0	0	59,866
	2024	✓ 32,855	✓ 0	✓ 0	✓ 32,855
Thailand	**2022**	0	72,495	0	72,495
	2023	0	65,035	0	65,035
	2024	0	65,399	0	65,399
Brazil	**2022**	0	31,950	0	31,950
	2023	0	35,012	0	35,012
	2024	✓ 0	✓ 39,993	0	✓ 39,993
USA – Chattanooga	**2022**	726,723	1,324,557	0	2,051,280
	2023	957,372	1,016,895	0	1,974,267
	2024	✓1,079,058	✓ 622,106	✓ 0	✓ 1,701,163
USA - Laurel Hill	**2022**	0	7,428	0	7,428
	2023	0	2,507	0	2,507
	2024	0	1,117	0	1,117
USA - Quakertown (FDI)	**2022**	0	1,124	0	1,124
	2023	0	2,508	0	2,508
	2024	0	1,161	0	1,161
USA - Anaheim (TPI)	**2022**	0	4,663	0	4,663
	2023	0	7,033	0	7,033
	2024	0	6,865	0	6,865
USA - Carlsbad (Axiom)	**2022**	0	1,736	0	1,736
	2023	0	1,122	0	1,122
	2024	0	676	0	676
USA - Santa Ana (Axiom)	**2022**	0	4,360	0	4,360
	2023	0	3,318	0	3,318
	2024	0	3,657	0	3,657
Italy – Microtex	**2022**	0	1,629	0	1,629
	2023	0	2,277	0	2,277
	2024	0	6,116	0	6,116

Recycled Water (m³)	Years	Amount	Total 2022	Total 2023	Total 2024
Türkiye – İzmit	**2022**	224,769	**263,697**	**115,832**	**✓ 154,773**
	2023	76,904			
	2024	✓ 102,771			
Indonesia	**2022**	38,928			
	2023	38,928			
	2024	✓ 52,002			

By Location	Compliance with wastewater discharge limits of local regulations*
Türkiye - İzmit	✓
Indonesia	✓
Thailand	✓

*For the location-based discharge parameters realized during the reporting period, the regulations of the specified regulator organizations were taken as basis;
Türkiye - Regulation on Water Quality Control Table 10.1 Textile Industry (Open Fiber Yarn Production and Finishing), Table 10.7 Textile Industry (Synthetic Textile Finishing etc.), Table 20.1 (Industrial Cooling Waters and Similar) and Table 20.7 (Water Softening, Demineralization and Regeneration, Activated Carbon Washing and Regeneration Plants), Indonesia - Indonesia Ministry of Environment and Forestry effluent quality limit standards,
Thailand - Organized Industrial Zone limit discharge parameters standards in which the facility is located.

ADDITIONAL ENVIRONMENTAL DATA

Other Emissions	Year	Unit	Türkiye - İzmit	Türkiye - İstanbul (KTMM)	Indonesia	Thailand	Brazil	USA - Chattanooga	USA - Laurel Hill	USA - Quakertown (FDI)	USA - Anaheim (TPI)	USA - Carlsbad (Axiom)	USA - Santa Ana (Axiom)
NOx Emissions	2024	Tons	29.94	-	52.22	17.19	8.32	50.43	3.84	0	0	1.51	1.32
	2023	Tons	49.5	-	98.08	19.93	13.73	26.56	3.42	No measurement	0	0.18	0.86
	2022	Tons	54.75	-	9.33	24.29	11.00	35.23	5.19	No measurement	No measurement	No measurement	0.94
Sox Emissions	2024	Tons	2.30	-	2.67	6.37	1.62	0.31	0.02	0	0	0.01	0.01
	2023	Tons	3.51	-	10	6.13	2.94	0.16	0.02	No measurement	0	0.0008	0.004
	2022	Tons	3.88	-	1.37	6.42	0.19	0.22	0.031	0	0	0	0.0041
VOC Emissions	2024	Tons	1.97	-	No measurement	25.42	11.19	2.77	1.53	0	0	3.93	8.07
	2023	Tons	2.42	NA	No measurement	23.71	10.92	1.46	3.64	No measurement	0	0	3.23
	2022	Tons	0.70	0.00014	0	27.41	0.07	1.94	8.28	0	0	0	1.66
Environmental Fines	2024	USD	0	0	0	0	0	0	0	0	0	0	0
	2023	USD	0	0	0	0	0	0	0	0	0	0	0
	2022	USD	0	0	0	0	0	0	0	0	0	0	0

E-Wastes	Year	Unit	Türkiye - İzmit	Türkiye - İstanbul (KTMM)	Indonesia	Thailand	Brazil	USA - Chattanooga	USA - Laurel Hill	USA - Quakertown (FDI)	USA - Anaheim (TPI)	USA - Carlsbad (Axiom)	USA - Santa Ana (Axiom)
E-wastes collect separately	2024	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
	2023	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
	2022	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
E-wastes send to recycle	2024	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
	2023	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
	2022	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
E-waste amount*	2024	Tons	4,167.94	0	0	1.50	1.36	0		0	0.025	0	0.02
	2023	Tons	4,208.72	0	0	0.23	0.92	0.3		0	0	0	0.064
	2022	Tons	4,922.40	0	0.7	0.08	1.56	0.23		0	0	<1	0.04

*Managing the end-of-life of our e-waste is one of our environmental priorities since those wastes are strictly harmful to both the environment and people's health. According to the act, e-waste requires proper disposal through an accredited treatment and recycling facility. We have implemented E-waste initiatives for Kordsa's facilities. During 2024, we recycle 4,170.85 tons of e-waste.

ADDITIONAL ENVIRONMENTAL DATA

Water Pollutants	Year	Unit	Türkiye - İzmit	Türkiye - İstanbul (KTMM)	Indonesia	Thailand	Brazil	USA - Chattanooga	USA - Laurel Hill	USA - Quakertown (FDI)	USA - Anaheim (TPI)	USA - Carlsbad (Axiom)	USA - Santa Ana (Axiom)
Wastewater treatment system	**2024**	Yes/ No	Yes	No	Yes	Yes	No	No	No	No	No	No	No
	2023	Yes/ No	Yes	No	Yes	Yes	No	No	No	No	No	No	No
	2022	Yes/ No	Yes	No	Yes	Yes	No	No	No	No	No	No	No
Conduct analysis on wastewater	**2024**	Yes/ No	Yes	No	Yes	Yes	No	No	No	No	No	No	No
	2023	Yes/ No	Yes	No	Yes	Yes	No	N/A	N/A	No	No	No	No
	2022	Yes/ No	Yes	No	Yes	Yes	No	No	No	No	No	No	No
BOD	**2024**	Tons	No measurement	-	4.5	8.11	-	-	-	-	-	-	-
	2023	Tons	No measurement	-	9.16	4.8	-	-	-	-	-	-	-
	2022	Tons	No measurement	-	8.32	4.26	-	-	-	-	-	-	-
COD	**2024**	Tons	54.49	-	15.15	19.34	-	-	-	-	-	-	-
	2023	Tons	22.23	-	30.36	12.72	-	-	-	-	-	-	-
	2022	Tons	20.12	-	27.03	10.48	-	-	-	-	-	-	-
Total suspended solids (TSS)	**2024**	Tons	19.59	-	2.43	4.7	-	-	-	-	-	-	-
	2023	Tons	7.18	-	3.53	4.85	-	-	-	-	-	-	-
	2022	Tons	6.87	-	4.12	2.76	-	-	-	-	-	-	-
T-N	**2024**	Tons	10.84	-	4.23	3.84	-	-	-	-	-	-	-
	2023	Tons	8.23	-	3.12	2.78	-	-	-	-	-	-	-
	2022	Tons	8.63	-	12.1	3.25	-	-	-	-	-	-	-
T-P	**2024**	Tons	0.497	-	No measurement	No measurement	-	-	-	-	-	-	-
	2023	Tons	0.45	-	No measurement	No measurement	-	-	-	-	-	-	-
	2022	Tons	0.31	-	No measurement	No measurement	-	-	-	-	-	-	-

Total Water Pollutant Emission: 142.72 tons

ANNEXES

Sustainability Engagement with Stakeholders

As part of our Double Materiality Assessment (DMA), we conducted a stakeholder survey covering all ESRS topics relevant to Kordsa. Each topic comprises four subtopics, all of which are considered material to our sustainability agenda, and stakeholders were asked to indicate which ones they see as top priorities. The table below presents the full list of subtopics, highlighting those identified as most significant based on stakeholder input.

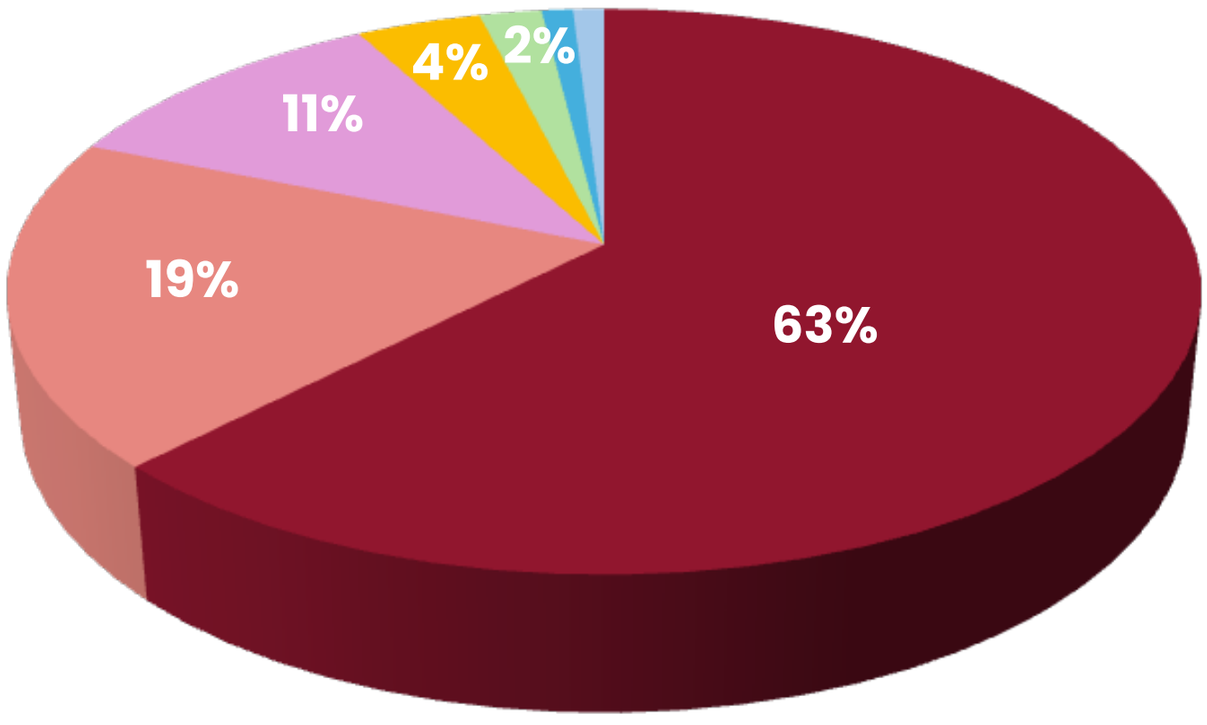
Climate Change	**Emissions reduction and energy efficiency**
	Physical risks (e.g., Acute or physical risks)
	Transition risks (e.g., regulation, market, reputation etc.)
	Climate-related opportunities (e.g., low-carbon products, resource efficiency)
Pollution Management	Air pollutants and air quality impacts
	Waste management and recycling
	Prevention of water and soil contamination
	Pollution reduction technologies
Water Management	**Water use efficiency**
	Wastewater management and discharge
	Environmental impacts (e.g., scarcity, pollution)
	Water-related sustainability risks and opportunities
Biodiversity and Ecosystems	Impact of operations on local ecosystems
	Use of sustainable materials or alternatives to reduce biodiversity impact
	Impact of supply chain processes on local ecosystems (including supplier activities)
	Strategic planning to minimize biodiversity impacts
Resource use & Circular Economy	**Raw material efficiency and sustainable sourcing**
	Circular product design and recyclability
	Waste reduction and material recovery
	Life-cycle assessment of products

Own Workforce	**Occupational health and safety**
	Talent development and training
	Equal opportunity and diversity
	Employment continuity and working conditions (e.g., long-term contracts, fair hours, safe work environment)
Workers in the Value Chain	Human rights in the supply chain
	Decent working conditions
	Social audit across the value chain
	Fair wages and labor practices
Affected Communities	**Accessibility to Kordsa for local communities (e.g., ease of communication, availability of resources)**
	Negative impacts of Kordsa operations on local communities (e.g., environmental, social, and health risks)
	Positive contributions to local communities (e.g., economic growth, employment opportunities)
	The long-term commitment of Kordsa to the well-being of local communities
Reputation Management	**Product quality, innovation and sustainability performance**
	Commitment to ethical business practices
	Stakeholder satisfaction and feedback
	Transparency in supply chain and operations
Business Conduct	Anti-bribery and corruption
	Data privacy and cybersecurity
	ESG risk management and compliance
	Responsible business practices in own operations and supply chain

Since 2015, Kordsa has strengthened its sustainability journey by systematically engaging its critical stakeholders through regular surveys and feedback channels. In 2024, we deepened this dialogue with our Double Materiality Assessment, inviting 665 stakeholders identified as strategically significant, and achieving a 39% participation rate with 258 respondents and a 68% completion rate.

Respondents covered a broad range of internal and external groups, including employees, suppliers, customers, leadership, shareholders, NGOs, and representatives from universities and related communities. This collective input helps us align our sustainability roadmap with stakeholder expectations and reflect these priorities throughout this report.

Kordsa Stakeholder Sustainability Survey Participation



"Other" refers to respondents who are among the key stakeholders to whom the questionnaire was directed but were unable to check any of the stakeholder group selections.

Key Stakeholder Communication Platforms

Key Stakeholder Communication Platforms

Stakeholders	Communication Platforms	Objective/Content of Communication	Communication Frequency
Employees	Sustainability Evaluation Survey	Materiality and Performance	Once a year
	Sustainability Report	Sustainability Performance	Once a year
	Plant newsletters such as the Kordsa Magazine	To announce important developments about the company	Several times a year
	Yammer	To enhance CEO communication and sharing developments about the Kordsa with employees	As needed
	Strategy Meeting	During this meeting, the CEO provided employees with insights into Kordsa's strategic direction and roadmap	Once a year
	All Stars	To select the best projects and most successful activities within the company	Once a year
	Global Leadership Summit (Kordsa GLS)	To review the previous year and share the vision of the next year	Once a year
	Social media	To share news about the company, products, and developments	Continuous
	+Vibes - Empactivo	Communication with employees, recognition & reward platform	Continuous
	Human Resources Employee Meetings	Communicating developments in human resources, remuneration, and fringe benefits	Several times a year
Customers	Sustainability Survey	Sustainability Strategy	Once a year
	Sustainability Report	Sustainability Performance	Once a year
	Annual Report	To review the performance of the company in the previous year	Once a year
	Press Section on Website	To announce new developments about the company through press releases	Continuous
	Magazines and Newspapers	To announce new developments about the company through press releases and interviews in both national and international publications	Continuous
	Social Media	To share news about the company, products and developments	Continuous
	E-mailing	To share developments about the company or collaborations exclusive to stakeholders	As needed
	Trade Fairs	To establish contact with existing and new customers	Several times a year
Shareholders	Earning Calls	To announce mid-year results	Two times a year
	General Assembly	To announce annual results	Once a year
	E-mail by request	To convey information on e-mail for those shareholders who request	Several times a year
Investors	Newsletters	To announce important developments about the company through the media	Continuous
	TV Programs	To announce important developments about the company	Several times a year
	Magazines and Newspapers	To announce important developments about the company	Several times a year
	Web Site	To announce important information	Continuous
	Public Disclosure Platform	To publish the report of the Capital Markets Board To announce special situations	Four times a year As needed
	Telephone/E-mails	To respond to investors' request for information about the company	Upon request from the investors
	Social Media	To share news about the company, products and developments	Continuous

OHS Committees

Management-Worker Health and Safety Committees

Name of Committee	Definition	Legal / Voluntary	Participants
OHS Committee	Official meeting of the representatives of the employer and employees. All legal decisions are made by this committee.	Legally required	Employer representatives, union representatives, managers, subcontractor representatives
Emergency Response Team	Organized for all shifts in the plant.	Legally required	Blue and white-collar employees
Electrical Safety Committee	Lays down all rules and standards on electricity hazards in the plant; makes inspections and provides training.	Company initiative	Mostly white-collar and also blue-collar employees
Process Safety Management	Carries out activities and inspections for explosions, fires, leaks and occupational accidents that may arise from the production process.	Company initiative	White-collar employees
Hazardous Chemicals Committee	Identifies hazards where chemicals are used, conducts risk analyses, sets safety markings properly and provides training on chemical hazards.	Company initiative	White and blue-collar employees
Ergonomics Committee	Oversees the identification of ergonomic risks and improvement works.	Company initiative	White-collar employees
Occupational Health & Safety Management Committee	Works to improve OHS performance, disseminate OHS culture, manage improvement and development activities, and review performance.	Company initiative	All department managers and representatives, and Operations Director as Chair

Memberships

NGO / ASSOCIATION NAME	
BORSA ISTANBUL SUSTAINABILITY INDEX	KOCAELI CHAMBER OF INDUSTRY
CENTRAL SECURITIES DEPOSITORY & TRADE REPOSITORY OF TÜRKİYE	LES TÜRKIYE TECHNOLOGY AND LICENSE EXECUTIVES' SOCIETY
CHAMBER OF MECHANICAL ENGINEERS	MACRO SYNTHETIC FIBRE ASSOCIATION
COMPOSITE MANUFACTURERS ASSOCIATION	SUSTAINABILITY ACADEMY
CORPORATE COMMUNICATIONS ASSOCIATION	TAYSAD AUTOMOTIVE VEHICLES SUPPLIERS' ASSOCIATION
DEGÜDER (EARTHQUAKE AND STRENGTHENING ASSOCIATION)	TEDAR SUPPLY CHAIN MANAGEMENT ASSOCIATION
DEİK FOREIGN ECONOMIC RELATIONS BOARD	TEGEP TRAINING AND DEVELOPMENT PLATFORM
DEİK TÜRKIYE - BRAZIL BUSINESS COUNCIL	TEID ETHICS AND REPUTATION ASSOCIATION
DEİK TÜRKIYE - INDONESIA BUSINESS COUNCIL	THBB TURKISH READY MIXED CONCRETE ASSOCIATION
DEİK TÜRKIYE - THAILAND BUSINESS COUNCIL	TIDE TÜRKIYE INTERNAL AUDIT INSTITUTE
EQUALITY IN BUSINESS PLATFORM	TTSIS TURKISH TEXTILE INDUSTRY EMPLOYERS' UNION
ERTA INTEGRATED REPORTING TÜRKIYE ASSOCIATION	TUNNELING ASSOCIATION
FIBER REINFORCED CONCRETE ASSOCIATION	TÜRKIYE EARTHQUAKE FOUNDATION
ISTANBUL CHAMBER OF COMMERCE	TÜSİAD TURKISH INDUSTRY AND BUSINESS ASSOCIATION
ISTANBUL CHAMBER OF INDUSTRY	TÜYİD TURKISH INVESTOR RELATIONS SOCIETY
KAGIDER THE WOMEN ENTREPRENEURS ASSOCIATION OF TÜRKIYE	UN GLOBAL COMPACT
KALDER QUALITY ASSOCIATION	UNDP
KOCAELI CHAMBER OF COMMERCE	

UNGC Content Index

UN Global Compact Principles		
Human Rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.	**Employees and Community**
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	**Employees and Community**
Labor	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	**Employees and Community**
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	**Employees and Community** **Business Ethics and Compliance**
	Principle 5: Businesses should uphold the effective abolition of child labor.	**Employees and Community** **Business Ethics and Compliance**
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	**Employees and Community** **Business Ethics and Compliance**
Environment	**Principle 7:** Businesses should support a precautionary approach and environmental challenges;	**Environment and Climate**
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	**Environment and Climate**
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	**Environment and Climate**
Anti-Corruption	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.	**Business Ethics and Compliance**

GRI Content Index

Statement of use	Kordsa has reported in accordance with the GRI Standards for the period 01.01.2024-31.12.2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 118	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*			
	2-2 Entities included in the organization's sustainability reporting	Page 118				
	2-3 Reporting period, frequency and contact point	Page 3				
	2-4 Restatements of information	No restatements				
	2-5 External assurance	Page 116-117				
	2-6 Activities, value chain and other business relationships	Page 9-10				
	2-7 Employees	Page 79-80				
	2-8 Workers who are not employees	Page 8				
	2-9 Governance structure and composition	Page 13-14				
	2-10 Nomination and selection of the highest governance body	Page 13				
	2-11 Chair of the highest governance body	Page 4				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 13, 20				
	2-13 Delegation of responsibility for managing impacts	Page 14				
	2-14 Role of the highest governance body in sustainability reporting	Page 14				
	2-15 Conflicts of interest	Code of Ethics				
	2-16 Communication of critical concerns	Code of Ethics				
	2-17 Collective knowledge of the highest governance body	Page 13				
	2-18 Evaluation of the performance of the highest governance body	Page 14				
	2-19 Remuneration policies	Renumeration Policy				
	2-20 Process to determine remuneration	Renumeration Policy				
	2-21 Annual total compensation ratio	Renumeration Policy				
	2-22 Statement on sustainable development strategy	Page 27-42				
	2-23 Policy commitments	Page 15, 20, 42, 46, 48, 51, 53, 56, 59, 60, 65.				
	2-24 Embedding policy commitments	Page 15, 20, 42, 46, 48, 51, 53, 56, 59, 60, 65.				
	2-25 Processes to remediate negative impacts	Page 27-41, 45-57				
	2-26 Mechanisms for seeking advice and raising concerns	Page 15				
	2-27 Compliance with laws and regulations	Page 15-16				
	2-28 Membership associations	Page 104				
	2-29 Approach to stakeholder engagement	Page 20				
	2-30 Collective bargaining agreements	Page 59, 81				

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 20				
	3-2 List of material topics	Page 22				
Business Conduct						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 15-16, 22				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 15-16				
	205-2 Communication and training about anti-corruption policies and procedures	Page 16				
	205-3 Confirmed incidents of corruption and actions taken	Page 81				
Resource Use and Circular Economy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 47				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 47, 91				
	301-2 Recycled input materials used	Page 31, 36, 47				
Climate Change						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 48, 51				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 48, 87-88				
	302-4 Reduction of energy consumption	Page 48, 87-88				
	302-5 Reductions in energy requirements of products and services	Page 24				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 52, 89				
	305-2 Energy indirect (Scope 2) GHG emissions	Page 52, 89				
	305-3 Other indirect (Scope 3) GHG emissions	Page 52, 90				
	305-5 Reduction of GHG emissions	Page 51				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 97				
Water Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 55				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 55				
	303-2 Management of water discharge-related impacts	Page 55				
	303-3 Water withdrawal	Page 56, 94				
	303-4 Water discharge	Page 95				
Pollution Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 53				
GRI 306: Waste (2020)	306-1 – Waste generation and significant waste-related impacts	Page 53				
	306-2 – Management of significant waste-related impacts	Page 53				
	306-3 – Waste generated	Page 92-93				
	306-4 – Waste diverted from disposal	Page 92-93				
	306-5 – Waste directed to disposal	Page 92-93				
Biodiversity and Ecosystems						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 100				
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	Page 46				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 18				
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 18				

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Own Workforce						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 58				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 79-80				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 79-80				
	401-3 Parental leave	Page 70, 74				
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational health and safety management system	Page 65				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 82-85				
	403-3 Occupational health services	Page 65				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 65-66				
	403-5 Worker training on occupational health and safety	Page 82-85				
	403-6 – Promotion of worker health	Page 65-66				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 65-66, 82-85				
	403-8 Workers covered by an occupational health and safety management system	Page 65-66, 82-85				
	403-9 Work-related injuries	Page 82-85				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 80, 81				
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 76				
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 64, 72				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 13-14, 67-69				
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 79, 81				
Workers in the value chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 18, 22, 59				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 59				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 59				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 18				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 18				
	414-2 Negative social impacts in the supply chain and actions taken	Page 18				
Affected Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 58				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 58-76				
Consumers and End Users						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22, 78				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 78				
	201-4 Financial assistance received from government	Page 78				

Kordsa 2024 Reporting Guidance

Kordsa Sustainability Report 2024 - Reporting Principles

This reporting principle ("Principle") contains information about the data collection and calculation methodologies of Kordsa Teknik Tekstil A.Ş.'s ("Kordsa", "the Company") indicators included in the Kordsa Sustainability Report 2024. Unless otherwise stated, the indicators within the scope of the assurance include data from all Kordsa locations.

These indicators cover environmental, social, and economic indicators. It is the responsibility of the company management to ensure that appropriate procedures are in place to prepare these indicators specified below, in all material respects, in accordance with the principle.

The information contained in this guide covers the fiscal year ended 31 December 2024 and the global operations under Kordsa's responsibility as detailed in the "Key Definitions and Scope of Reporting" section. The indicators where contractor companies are included in the scope are specified in the "Key Definitions and Reporting Scope" section, and contractor companies are not included in the indicators that are not specified.

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasize the basic principles of relevance and reliability of information to users of information,
- In the reporting of information - emphasizing the principles of comparability/consistency of information with other data, including the previous year, and the principles of understandability/transparency providing clarity to users.

Key Definitions and Scope of Reporting
For this report, the Company makes the following definitions:

Type	Indicator	Scope
Social Indicators	Number of Employees by Gender (#)	Represents the total number of employees at all locations of the company in the reporting period, by male and female employees.
	Number of Employees by Age & Gender (#)	Represents the number of employees under the age of 30, between the ages of 30-50 and over the age of 50, and the number of men and women for each age group during the reporting period.
	Number of Employees Recruited by Age Group & Gender (#)	Represents the numbers of male and female employees in the total number of employees recruited during the reporting period and age groups (under 30, between 30-50 and over 50).
	Number of Employees Dismissed (#)	Represents the total number of employees who quit their jobs during the reporting period, along with a breakdown by gender (male and female).
	Total Employee Turnover Rate (%)	Represents the ratio of employees who left the organization—regardless of whether the termination was initiated by the employee or the employer—to the average number of employees during the reporting period.
Business Ethics	Number of Employees Trained on Ethics (#)	Represents the total number of employees who received business ethics training during the reporting period.
	Total Training Hours (hour)	Represents the total duration of trainings provided to the Company employees during the reporting period. Trainings are reported in 5 main categories: Career Development, Personal Development, Health Safety and Environment, Ethics and Other Trainings.

Type	Indicator	Scope
Occupational Health and Safety	The Number and Rate of Fatalities as a Result of Work-Related Injury (#)	Represents the number of fatal accidents that occurred in all Kordsa locations during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities).
	The Number and Rate of High-Consequence Work-Related Injuries (Excluding Fatalities) (#)	Represents the number of high-severity (excluding fatal accidents) occupational accident incidents that occurred in the all Kordsa locations during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities).
	The Number and Rate of Recordable Case (#)	Represents the number of all registered occupational accidents that occurred during the reporting period for all Kordsa locations (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities).
	Working Hours (hour)	Represents the total number of hours worked by the Company's employees at all Kordsa locations during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities). Working hour ratio represents the ratio of working hours of the company employees and subcontractor employees to total working hours during the reporting period.
	Occupational Disease	It refers to temporary or permanent illness, physical or mental disability that employees suffer from due to a recurring reason or the conditions of the work they do during the reporting period. It is monitored through notifications made to the Social Security Institution during the reporting period.
Environmental Indicators	**Energy Consumption**	
	Electricity (kWh)	Represents the total amount of electrical energy purchased for all Kordsa locations during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities). This energy is monitored through invoices received from service provider institutions and is used in the relevant locations for air conditioning, lighting, electrical device usage, and other operations requiring electricity.
	Natural Gas (sm3)	Represents the total amount of natural gas (by volume - standard cubic meters) used in heating, kitchen and other operations requiring natural gas for all Kordsa locations during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities) , which is purchased and tracked from the invoices received from the service providers.
	Diesel (liter)	Represents the amount (by volume-liter) of diesel fuel purchased for all Kordsa locations (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities) and consumed by the generators and vehicles belonging to the Company during the reporting period, which is monitored from the invoices received from the service provider institutions.
	Gasoline (liter)	Represents the total amount (by volume-liter) of gasoline used in the Company's vehicles purchased for all Kordsa locations during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities). and tracked from the invoices received from the service provider institutions.
	Fuel Oil (liter)	Represents the total amount (by volume-liter) of fuel oil consumed for production of steam and dowtherm needs USA-Chattanooga during the reporting period and tracked from the invoices received from the service provider institutions.
	LPG (kg)	Represents the total amount (weight-kilograms) of LPG consumed for all Kordsa locations during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities), which was purchased and monitored from the invoices received from the service provider organizations.
	Ratio of Electricity Consumption from Renewable Sources to Total Electricity Consumption (%)	Represents the Company's electricity consumption from renewable sources (I-REC certificate purchases and direct consumption from renewable energy sources) as a percentage of total electricity consumption during the reporting period.
	Scope 1 & 2 & 3 Emissions	
	Scope 1 Emissions (tCO_2e)	Represents to the greenhouse gas emissions caused by the consumption of energy resources such as natural gas, LPG, diesel, propane, fuel-oil and gasoline, and the use of cooling gas and fire extinguishers for the Company's locations in the reporting period.

Type	Indicator	Scope
Environmental Indicators	Scope 2 Emissions – Market Based (tCO_2e)	Represents the greenhouse gas emissions arising from the consumption of electricity from non-renewable sources that are not certified with renewable energy certificates within the amount of electricity purchased for the Company's locations in the reporting period.
	Scope 3 Emissions (tCO_2e)	Represents emissions include all indirect emissions (other than those in Scope 2) that take place across the reporting company's value chain, covering both upstream and downstream activities.
	Water Management	
	Water Withdrawal (m3)	For **all Kordsa locations** during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities); – Surface Water, – Groundwater and – means the total water withdrawal (by volume - cubic meters) supplied from 3rd party service providers and monitored by meter readings and water bills.
	Wastewater Discharge (m3)	Represents the discharges (by volume - cubic meters) of wastewater produced by the Company's Türkiye-Izmit, Brazil and Indonesia locations to the receiving environment (surface water) and wastewater channel during the reporting period, and the discharges are monitored through meter reading records.
	Recycled Water	Represents water that was recycled in the Company's Türkiye-Izmit and Indonesia locations.
	Compliance with Water Discharge Limits (-)	Represents compliance that the pollutant parameter values in the wastewater discharge analysis report of the Company's Türkiye-Izmit, Indonesia and Thailand facilities during the reporting period are below the relevant local regulatory receiving environment quality limit values.
	Waste Management	
	Waste by Type (tons)	Represents the total amount of solid and liquid wastes generated at the relevant locations of **all Kordsa locations** during the reporting period (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities) , according to their hazardous nature (hazardous or non-hazardous).
	Waste by Disposal Method (tons)	Represents the total amount of solid and liquid wastes generated **at all Kordsa locations** (Türkiye-İzmit, Indonesia, Brazil, and Chattanooga-USA were selected as auditing scope in facilities) according to the disposal method (recycling, landfilling, energy recovery and incineration) during the reporting period.
Economic Indicators	**Sustainable Business Model**	
	Ratio of Sustainable Products Revenues to Total Revenue (%)	Represents the percentage of the Company's revenue from products and services produced during the reporting period, which are defined as sustainable (the methodology based on the European Union Sustainable Finance Taxonomy study is taken into consideration), to the total reporting year revenue.
	Number of Sustainable Products (#)	Represents the total number of products and services produced by the Company during the reporting period that are defined as sustainable (the methodology based on the European Union Sustainable Finance Taxonomy study is taken into consideration).
	R&D Expenditures Including CapEx and OpEx(TL)	Represents the total expenditures (Turkish Lira) made by the Company within the scope of R&D activities during the reporting period.
	Ratio of Sustainability-Oriented R&D Budget to Total R&D Budget (%)	Represents the ratio of the Company's sustainable-focused R&D projects budget to the total R&D budget in the reporting period.

Data Preparation

Social Indicators

Employee Turnover Rate:

The following formulas are used in the calculation of employee turnover rates. While calculating the number of total working hours, the average number of employees in the reporting period is taken into consideration.

Formulas:

Total Employee Turnover Rate

= (Total number of employees who left the company, including voluntary resignations and employer-initiated terminations) / Average number of employees × 100

Occupational Health and Safety (OHS):

The following definitions and formulas are used in the calculation of OHS data.

The average number of employees in the reporting period is considered when calculating total number of working hours. Number of accidents means the total number of occupational accidents. For Türkiye-Izmit location, it was followed up with Social Security Institution (SSI) notifications. In Indonesia, Brazil and USA-Chattanooga locations, it was followed up with accident notification forms.

- High severity accidents (excluding fatal accidents and registered accidents): Recorded accidents resulting in permanent incapacity for work or loss of limb.
- Registered occupational accidents: The sum of accidents classified as Lost Time Incidents (LTI), Medical Treatment Incidents (MCI) and Restricted Work Incidents (RWI).
- Lost Time Incident (LTI): A lost workday incident is defined as an occupational accident that results in an injury and the employee is unable to return to work on the first working day following the day of injury.
- Medical Intervention Incident (MCI): When events requiring medical intervention occur, if the injured person can return to work on the first working day following the injury, it is considered in this class.
- Restricted Work Event (RWE): The injured person can return to work on the first working day following the day of injury, but if it is decided that he/she cannot fully perform his/her own job due to his/her condition and is asked to work temporarily in another task, it is evaluated in this class.

Formulas:

Number of Registered Occupational Accidents = Number of accidents with lost time + Number of accidents requiring medical intervention + Number of accidents causing restricted work

Registered Work Accident Severity Rate = (Absenteeism due to Accident / Total Working Hours) x -1,000,000

Registered Work Accident (Frequency) Rate: (Number of registered work accidents / Total working hours) x -1,000,000

Death Rate due to Occupational Accidents = (Number of deaths due to occupational accidents / Hours worked) x -1,000,000

High Severity Occupational Accident Rate (excluding fatal accidents and recorded accidents) = Number of high severity occupational accidents (excluding fatal accidents and recorded accidents) / Hours worked) x -1,000,000

Environmental Indicators

Energy Consumption by Fuel Type:

Within the scope of energy consumption data, primary energy and fuel sources including electricity, natural gas, LPG, diesel, and gasoline are reported. Electricity consumption and natural gas consumption data are obtained from the meters and invoices of service providers. LPG and diesel consumption data are obtained from service providers' invoices for generators and company-owned vehicles. Gasoline consumption is obtained from the invoices of service providers for company-owned vehicles.

Türkiye-Izmit electricity consumption excludes common area consumption from Kordsa electricity consumption, since common area consumption is included in the total amount in the shared invoices for electricity consumption. In the invoices shared for electricity consumption in Chattanooga-USA, electricity consumption of other businesses is excluded from Kordsa electricity consumption since there are businesses other than Kordsa in the location.

The Company uses the following conversion factors in its energy consumption calculations:

- At the Indonesia location, since the refrigerant gas weight unit is invoiced in pounds, a conversion factor of [1 lb*(0.4536) * kg/ lb] is used for conversion to kg.
- At the Chattanooga (USA) location, since diesel and gasoline supply units are invoiced in gallons, a conversion factor of [1 gallon*(3.7854) * liter/gallon] is used for conversion to liters.

Scope 1 and Scope 2 Emissions:

Scope 1 and Scope 2 emissions are calculated in accordance with ISO 14064-1 and Greenhouse Gas Protocol: Corporate Calculation and Reporting Standard. In the calculations, CO_2, CH_4, N_2O, HFCs (refrigerant gas), and CO_2 equivalent factors from the emissions of fire extinguishers were used. The emission factors used are detailed in the table below. For CO_2, CH_4, and N_2O conversion factors, "DEFRA (UK Department for Environment, Food and Rural Affairs) 2024 Emission Factors" (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024) published by the UK government for Izmit-Türkiye and Indonesia locations were taken as a basis. "Emission Factors for GHG Inventories" published by the US EPA (United States Environmental Protection Agency) for the natural gas conversion factors of the USA-Chattanooga plant was taken as a basis. "Emission Factors for Corporate Inventories" published by the Federal Government of Brazil (https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/cgcl/paginas/fator-medio-inventarios-corporativos) for Brazil location was taken as a basis. The carbon emission factors arising from the emissions of HFCs (refrigerants) and fire extinguishers are based on the 5th Assessment Report (AR5) published by the International Panel on Climate Change (IPCC).

Electric energy emissions consumed from the grid: calculated using CO_2 emission factors published by the International Energy Agency in 2022 for the Indonesia and Italy locations. For Türkiye location, the GHG emissions are calculated using Emission factors data sheet published by The Ministry of Energy and Natural Resources in 06.12.2024.

For Thailand location, the GHG emissions are calculated using emission factors published by Thai National LCI Database on April 2022.

For Brazil location, the GHG emissions are calculated using emission factors for corporate inventories 2024 edition, published by Brazilian Ministry of Science, Technology and Innovation.

For the US-Chattanooga and US-Laural Hill locations, the "EPA Power Profiler Zipcode Tool" published by the EPA (United States Environmental Protection Agency) was used.

Emission Factors - Scope 1	kg CO_2 e of CO_2 per unit	kg CO_2 e of CH_4 per unit	kg CO_2 e of N_2O per unit	kg CO_2e per unit
Diesel – (liter)	2.628	0.00029	0.03308	2.66155
Gasoline (liter)	2.33955	0.00820	0.00597	2.35372
Natural Gas (m^3)	2.05916	0.00307	0.00095	2.06318
LPG (ton)	2,935.18	2.55	1.63	2,939.36
Fuel Oil (liter)	3.16262	0.00530	0.00701	3.17493
Propane (ton)	2,993.4	2.5872	1.6451	2,997.63
Refrigerant gases– R22		N/A		1,760
Refrigerant gases– R123		N/A		79
Refrigerant gases– R134A		N/A		1,300
Refrigerant gases– R410A		N/A		1,923.5
Fire extinguisher– CO_2				1

Emission Factors - Scope 2 (kg/kWh)	$kgCO_2$-e/kWh
Electricity (renewable energy)	0.00
Electricity (Türkiye)	0.4420
Electricity (Thailand)	0.4999
Electricity (Brazil)	0.0545

Electricity emission factors for our operations in Italy and Indonesia are taken from IEA data, as this data is licensed it cannot be shared on this document.

Scope 3 Emissions:

Scope 3 emissions are calculated in accordance with ISO 14064-1 and Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. All 15 categories listed in the Standard are evaluated and various emission factors and calculation methods are selected depending on the requirements of each category and the activity data.

Scope 3 Category 1-Purchased Goods and Services (ton CO_2 eq./year) represents the total amount of emissions resulting from the purchase of raw materials, intermediate products, final products, and services required for the production operations carried out by the Company during the reporting period. The emissions from this category are calculated using the emission factors published by Ecoinvent and DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024. The activity data (in tons of goods purchased) for this category is collected from internal purchasing and delivery records.

Scope 3 Category 2-Capital Goods (ton CO_2 eq./year) represents the total amount of emissions resulting from extraction, production and transportation of capital goods purchased or acquired by the reporting company during the reporting period. This category is estimated using "EPA Supply Chain Emission Factors v1.3". The activity data (cost of goods purchased in USD) for this category is collected from internal purchasing records. This category is excluded from the inventory as the emissions related to this category is assessed to be below the materiality threshold.

Scope 3 Category 3-Fuel and Energy-related Activities (ton CO_2 eq. /year) - represents the total amount of emissions resulting from the extraction, production and transportation of fuels and energy consumed by the Company to carry out its production operations during the reporting period. The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024. The activity data (in amount of fuels and electricity used) for this category is collected from supplier invoices.

Scope 3 Category 4-Upstream Transportation and Distribution (ton CO_2 eq. /year) represents the total amount of emissions resulting from the transportation of raw materials, intermediate products, final products, and services purchased due to the Company's production operations, as well as the transportation services purchased by the Company to transport its own products during the reporting period. The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024. The activity data (transportation modes, tons of goods transported and transportation km's) for this category is collected from internal records.

Scope 3 Category 5-Waste Generated in Operations (ton CO_2 eq. /year) represents the total amount of emissions resulting from the disposal and treatment of waste generated during the production operations conducted by the Company and related auxiliary activities during the reporting period, in accordance with the waste management hierarchy. The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024. The activity data (amount and type of waste generated) for this category is collected from internal records.

Scope 3 Category 6-Business Travel (ton CO_2 eq. /year) represents the total amount of emissions resulting from transportation of employees for business-related activities during the reporting year. The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024. The activity data (flight routes and cabin class) for this category is collected from the service provider company.

Scope 3 Category 7-Employee Commuting (ton CO_2 eq. /year) represents the total amount of emissions resulting from the transportation of Company employees between their homes to the company locations during the reporting year. The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024. The activity data (amount of fuels consumed for personnel shuttles) for this category is collected from the service provider company.

Scope 3 Category 8-Upstream Leased Assets (ton CO_2 eq. /year) represents the total amount of emissions resulting from the operation of assets leased by the Company from other entities during the reporting year, where the emissions are not included in Scope 1 or Scope 2. These are typically assets used in business operations (e.g., office buildings, vehicles, equipment) that are leased and not owned by the Company. This category is excluded from the inventory as Kordsa does not have any upstream leased assets.

Scope 3 Category 9-Downstream Transportation and Distribution (ton CO_2 eq. / year) represents the total amount of emissions resulting from the transportation and distribution of products sold by the reporting company in the reporting year between the Company's operations and the end customer (if not paid for by the reporting company). The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024. The activity data (transportation modes, tons of goods transported and transportation km's) for this category is collected from internal records.

Scope 3 Category 10-Processing of Sold Products (ton CO_2 eq. /year) represents the total amount of emissions resulting from processing of intermediate products sold by the Company in the reporting year by downstream companies. The emissions from this category are calculated using the emission factors published by Kordsa's customers in their CDP reports. The activity data (tons of goods produced) for this category is collected from internal records.

Scope 3 Category 11-Use of Sold Products (ton CO_2 eq. /year) represents the total amount of emissions resulting from the end use of products sold by the Company during the reporting year. These are indirect emissions generated when customers or end-users operate, consume, or otherwise utilize the products during their useful life. This category is excluded from the inventory as Kordsa does not produce any end product use of which may result in GHG emissions. Kordsa only produces intermediate products which are used to produce other goods.

Scope 3 Category 12-End of Life Treatment of Sold Products (ton CO_2 eq. /year) represents the total amount of emissions resulting from the disposal and treatment of products sold by the Company during the reporting year, as they reach the end of their life. The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024 and EPA (US Environmental Protection Agency) WARM version 16. The activity data (tons of goods sold to each country) for this category is collected from internal records.

Scope 3 Category 13-Downstream Leased Assets (ton CO_2 eq. /year) represents the total amount of emissions resulting from the operation of assets owned by the Company and leased to other entities during the reporting year, where the Company does not have operational control. These emissions occur at the lessee's facilities or from their use of leased equipment. The emissions from this category are calculated using the emission factors published by DEFRA (UK Department for Environment, Food and Rural Affairs) for the year 2024 and Emission factors data sheet published by the Turkish Ministry of Energy and Natural Resources in 06.12.2024. The activity data (amount of electricity and fossil fuels used) for this category is collected from internal records.

Scope 3 Category 14-Franchises (ton CO_2 eq. /year) represents the total amount of emissions resulting from the operation of franchises during the reporting year, that are not directly owned by the Company but operate under its brand name. These emissions account for the activities and energy consumption of franchisees over which the Company does not have operational control. This category is excluded from the inventory as Kordsa does not have any franchises.

Other Environmental Performance Indicators

Water withdrawal data: The total amount of water withdrawn from nature by the relevant locations of the Company has been calculated. This includes municipal water in Izmit-Türkiye; surface water in Indonesia; groundwater and municipal water in Brazil and surface water and municipal water in Chattanooga-USA.

Water consumption data for Türkiye-Izmit, Brazil and Indonesia locations were obtained from purchase invoices and consumption reports. In the Chattanooga-USA location, municipal water consumption was obtained from water purchase invoices and water withdrawn from the river was obtained from flow meter reading records located at the

entrance of the facility. The Izmit-Türkiye and Brazil locations discharges their wastewater to the wastewater canal and the Indonesia location discharges its wastewater to the receiving environment (surface water).

Compliance with Water Discharge Limits (-): These plants follow the wastewater pollution parameter discharge limits by complying with regional regulations, and discharge wastewater tracked through the evidence of wastewater meter readings and sample reports located at the plant discharge point.

Recycled Water: The total amount of water recycled in the Company's Türkiye-Izmit and Indonesia locations.

Economic Indicators

The following definitions and formulas are used in the calculation of economic indicators.

Sustainable Products and Services:

The methodology based on the European Union Sustainable Finance Taxonomy study was taken into consideration in the categorization of sustainable products. In this context, Sustainable Business Model Products and services identified as sustainable are;

- Products and services that provide benefits related to the direct reduction of environmental resources / carbon emissions (mitigation),
- Products and services related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable in nature (transition),
- Products and services that are not considered as direct source / carbon emission reduction activities, but facilitate the dissemination of related technologies (enabler)
- Grouped as products and services that create positive social impact.

In 2024, the Company has a total of 105 sustainable products grouped in these categories, 29 in composite production, 45 in construction materials, and 31 in tire products. The amount of sustainable product and service revenues represents the Company's revenues from products and services that fall within the scope of the sustainable products and services mentioned above. The revenues of the products identified as sustainable are obtained from the sales lists monitored on a product basis, and the total revenue from the relevant product types is calculated within the scope of this indicator. The ratio of sustainable products and services revenue to total revenue is calculated by dividing the total revenue of sustainable products and services by the Company's total revenue in the reporting period. Total revenue refers to the total revenue figure obtained by the Company as of the end of the reporting year and stated in the Kordsa Annual Report published as of 31.12.2024.

Formulas:

Ratio of Sustainable Product and Service Revenue to Total Revenue = Sales Revenue from Sustainable Product and Service Sales / Total Revenue-:

R&D expenditures represent the Company's R&D expenditures including CapEx and OpEx in the reporting period. In this indicator, the total amount is calculated from the expenditures made within the approved budget of the Company.

Sustainability-focused R&D budget refers to the Company's sustainability-focused R&D budget in the reporting period. The total amounts in these indicators are formed from the expenditures made within the approved budget of the Company.

Formulas:

Ratio of Sustainability Focused R&D Budget to Total R&D Budget (%) = Sustainability Focused R&D Budget / Total R&D Budget

Re-opinion Statement

The measurement and reporting of validated data inevitably involve a degree of estimation. Where there is a change of more than 5% in the data at company level, a re-statement of opinion may be considered.

Kordsa 2024 External Assurance Report

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INDEPENDENT ASSURANCE REPORT

DRT Bağımsız Denetim ve SMMM A.Ş. ("Deloitte") independent auditor's limited assurance report to the Board of Directors of Kordsa Teknik Tekstil A.Ş. ("Company") and its subsidiaries (together referred to as "Group") on the 2024 Sustainability Report for the year ended 31 December 2024.

Scope of Limited Assurance Engagement

We have been engaged to perform a limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and (ISAE) 3410 ("Standards") on whether the Selected Sustainability Information listed below (the "Selected Information") in the Company's Sustainability Report for the year ended 31 December 2024 (the "2024 Sustainability Report") has been prepared in accordance with the principles set out in the Reporting Guidance section of the Company's Annual Report on pages 109 - 115.

Our assurance engagement does not cover information related to previous periods, other information included in the 2024 Sustainability Report, or Sustainability Information or any other information related to the 2024 Sustainability Report (including any images, audio files, or embedded videos).

Selected non-financial performance data for limited assurance

We have been engaged by the Group to perform limited assurance procedures on the accuracy of the following key performance indicators included in the 2024 Sustainability Report for the year ended 31 December 2024. The scope of the indicators subject to limited assurance procedures and found on pages 31, 48, 52, 56, 79-83, 87-96 marked with an of the 2024 Sustainability Report for the year ended 31 December 2024 is as follows:

Social Indicators

The Number and Rate of Recordable Workrelated Injuries (#)
The Number and Rate of Fatalities as a Result of Work-Related Injury (#)
The Number and Rate of High-Consequence Work-Related Injuries (Excluding Fatalities) (#)
The number of hours worked (h)
Occupational Diseases
Total Training Hours (h)
Number of Employees by Gender (#)
Number of Employees by Age Group & Gender (#)
Number of Employees Recruited by Age Group & Gender (#)
Number of Employees Dismissed by Age Group & Gender (#)
Total Employee Turnover Rate (%)
Employees By Type of Employment and Gender (#)
Number of Employees Trained on Ethics (#)

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Environmental Indicators

Energy Consumption
Electricity Consumption (kWh)
Natural Gas Consumption (Sm3)
Diesel Consumption (liter)
Gasoline Consumption (liter)
Fuel Oil Consumption (liter)
LPG Consumption (kg)

Emissions
Scope 1 (tCO2e)
Scope 2 – Market Based (tCO2e)
Ratio of Electricity Consumption from Renewable Sources to Total Electricity Consumption (%)
Scope 3 (tCO2e)

Water Management
Water Withdrawal by Source (m^3)
Wastewater Discharge (m^3)
Recycled Water (m^3)
Compliance with Water Discharge Limits

Waste Management
Waste by Type (tonnes)
Waste by Disposal Method (tonnes)

Economic Indicators

Ratio of Sustainable Products Revenues to Total Revenue (%)
Number of Sustainable Products (#)
R&D Expenditures Including Capex and Opex (TRY)
Ratio of Sustainability-Oriented R&D Budget to Total R&D Budget (%)
Double Materiality

Structural constraints

All assurance engagements have inherent limitations due to the selective testing of the information under review. Fraud, error or non-compliance may therefore occur and not be detected. In addition, non-financial information, such as non-financial information contained in reporting documents, is subject to more structural limitations than financial information, given the nature and methods used to identify, calculate and sample or estimate such information.

Our assurance engagement provides limited assurance as defined in ISAE 3000 (Revised) and (ISAE) 3410 ("Standards"). The procedures performed as part of a limited assurance engagement differ in nature and timing - and to a lesser extent - from a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore significantly narrower than the scope of a reasonable assurance engagement.

Special Purpose

Our work has been undertaken to inform the Group's Board of Directors of the matters we are required to report in this report and for no other purpose. To the extent permitted by law, we accept no responsibility to any person or entity other than the Group's Board of Directors for the assurance audit we have conducted or the conclusion we have reached.

This report has not been prepared within the framework of the obligation for certain businesses to comply with the Turkish Sustainability Reporting Standards (TSRS) published by the Public Oversight Authority ("POA") in the Official Gazette dated 29/12/2023, which mandates mandatory sustainability reporting as of 01/01/2024. According to the POA Decision published in the Official Gazette on 5 September 2024, these businesses are required to undergo limited assurance audits for their mandatory sustainability reporting. In the upcoming period, a separate sustainability report and limited assurance report will be prepared within this framework.

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Our Independence and Competence

We comply with the independence and other ethical provisions of the *Code of Ethics for Accounting Professionals* published by the International Ethics Standards Board for Accounting Professionals, which sets out the basic principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply the International Standard on Quality Management 1 (ISQM 1) and accordingly maintain a robust system of quality control, including policies and procedures that document compliance with relevant ethical and professional standards and requirements in laws or regulations.

Responsibilities of Management

The Group Management is responsible for the preparation, accuracy and completeness of the sustainability information and statements in the report. The Group Management is responsible for setting the Group's sustainability goals, establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Responsibilities of the Practitioner

Our responsibility is to reach a conclusion on the Selected Information based on our procedures. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements and, in particular, International Standard on Assurance Engagements (ISAE 3000) (Revised) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) on Assurance Engagements Other than Independent Audits.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of the procedures performed in a limited assurance engagement are limited compared to those required in a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower.

Our Key Assurance Procedures

We carried out limited assurance on the accuracy of the selected key performance indicators specified below in the section "Selected non-financial performance data for limited assurance" related to 2024 year and included into the Report.

To achieve limited assurance, the ISAE 3000 (Revised) and (ISAE) 3410 ("Standards") requires that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.

To form our conclusions, we undertook the following procedures:

- Analyzed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability performance indicators;
- Made inquiries with employees of the Group responsible for sustainability performance, policies and corresponding reporting;
- Performed selective substantive testing to confirm the accuracy of received data to the selected key performance indicators;
- Made inquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment and stakeholder engagement processes relevant to the identification, management and reporting of sustainability issues; and

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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Limited Assurance Conclusion

Based on our work and the assurance procedures performed, nothing has come to our attention that causes us to believe, in our opinion, that the Selected Information referred to above in the Group's 2024 Sustainability Report for the year ended 31 December 2024, for which we were engaged to provide limited assurance, has not been prepared, in all material respects, in accordance with the Reporting Manual, as described in the "Auditor's Responsibilities" section above.

Restrictions on Use

This Report, including the conclusion, has been prepared for the Board of Directors of Kordsa Teknik Tekstil A.Ş. to assist in reporting the Group's performance and activities related to the Selected Information. We hereby authorize the inclusion of this report in the Sustainability Report prepared for the year ending 31 December 2024, to enable Kordsa Teknik Tekstil A.Ş. Board of Directors to demonstrate that it has fulfilled its responsibilities by preparing an independent limited assurance report on Selected Information. Except to the extent permitted by law and in cases where prior written approval has been obtained and expressly agreed upon, we do not accept or assume any responsibility to anyone other than the Board of Directors of Kordsa Teknik Tekstil A.Ş. and Kordsa Teknik Tekstil A.Ş. in connection with the work we have performed or the report we have prepared.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Zere Gaye Şentürk
Partner

İstanbul, 22 September 2025

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