

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Established in **1965**, WAT is Turkey's largest exporter of electric motors and is proud of its leading position in the sector. As **part of Arçelik A.Ş.**, Turkey's industry leader in the electrical equipment segment, we have demonstrated significant growth potential, sector value creation and contributions to the fight against climate change. Our commitment to sustainability and climate change initiatives is deeply embedded in our operations. Since becoming an independent company under **Koç Holding** in 2018, WAT has continued to make a significant impact in **combating climate change**. Our **WAT and TEE brands** serve as trusted partners for electric motor solutions, reaching distributors and manufacturers in over 30 countries worldwide. In 2022, we expanded with a 2nd R&D centre in Istanbul and became a Turkish manufacturer domestic EV chargers.

At WAT, our primary mission is to reduce carbon emissions by producing **highly energy efficient electric motors, wind turbine components, e-mobility products, motion control systems, EV&DC chargers** with our '**Products for Fit-for-55**' approach.

The electrical equipment segment in which WAT operates has relatively low water consumption compared to other manufacturing industry segments. We implement strategies to minimise water consumption through continuous monitoring. Freshwater is not used as a raw material in our products and does not have a significant impact on our direct operations. To minimise water consumption, we have established closed-loop water tanks for our manufacturing processes. Fresh water is used in these systems only when necessary, such as for small losses, maintenance or to compensate for evaporation. We closely measure and monitor this water use.

We currently use around 12% of our total water consumption in closed-loop systems for processes such as cooling towers, metalworking and paint booths, with the remaining water used for human consumption. We prioritise the quality of water used for human consumption as it has a direct impact on the health and well-being of our employees. To ensure high quality water for human consumption, WAT operates its own on-site water treatment plant, which treats all types of water used in the business. Looking ahead, we expect to maintain our current processes, raw materials and product portfolio, so we do not anticipate any significant changes in our direct or indirect water dependencies. Our commitment to responsible consumption and production, circular economy principles and the efficient use of natural resources remains steadfast as we continue our efforts to minimise water use and prioritise sustainability throughout our operations.

As a company, we are committed to responsible consumption and production, following the principles of the circular economy. In line with our vision and the UN SDGs, WAT strives to develop, market and promote resource efficient and environmentally friendly products with innovative designs. WAT conducts its business in accordance with **ISO14001 EMS** and **ISO9001 QMS**. In addition, WAT has established a GHG management system and has calculated its Scope 1&2&3 emissions in accordance with **ISO 14064-1:2018 Std**. These calculations have been audited and verified by an independent body with a "100% verification" level of reasonable assurance. In 2022, WAT also established an **ISO 50001 EnMS** to ensure energy efficiency in all its activities and products.

As part of our commitment to **sustainable product and production** responsibility, we are implementing the Products for fit-for-55 strategy. This approach drives us to develop environmentally conscious designs for our pump motors used in water systems. These motors are designed to be highly efficient, reduce resource consumption through their compact structure.

WAT, **Turkey's first agile manufacturing company**, has successfully completed its agile transformation by adopting an agile methodology. As an agile organisation, we have adopted a culture of continuous improvement and innovation. This agile mindset has enabled us to adapt quickly to changing market dynamics and emerging sustainability challenges. It has enabled us to implement sustainable practices, improve energy efficiency and develop cutting-edge technologies that improve environmental performance.

At WAT, we believe that **sustainable water management** is essential not only for our business, but also for the communities and ecosystems in which we operate. We are committed to implementing best practices, investing in innovative technologies and working with stakeholders to ensure the responsible use and conservation of water resources.

By being the first Turkish company in our sector to report to both CDP Climate Change and CDP Water, we are setting a benchmark for sustainability and demonstrating our leadership in the industry. We are proud to contribute to the collective effort to address climate change and water challenges, and we hope to inspire other companies to join us on this journey of change.

W0.2

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

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

W0.3

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

Turkey

W0.4

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

TRY

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

No

W0.7

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

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, another unique identifier, please specify (BIC Code)	YAPITRISXXX

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Neutral	Neutral	<p>The electrical equipment segment, in which WAT operates, is one of the lowest-consuming segments of the manufacturing industry. WAT doesn't have any water-intensive processes and its strategy includes not investing in water-intensive processes, establishing closed-loop systems in processes where water is used, ensuring efficient use and continuous monitoring.</p> <p>WAT Motor uses fresh water directly for production processes such as cooling, metalworking, painting and employee use. Fresh water is not used directly as a raw material in our products, and the quality of fresh water is not a key component of direct operations. So, we have set up closed-loop water tanks for production. In these systems, we use fresh water for small losses, maintenance or evaporation. We measure and monitor these uses.</p> <p>Currently, about 12% of WAT's total water consumption is used in closed-loop processes (cooling towers, metalworking, paint booths) and the rest for human consumption. Quality in human consumption is more important than in processes, as it is an element related to the health of employees. For this reason, WAT has its own treatment unit on site, which treats all types of water for consumption. That's why we have chosen the importance rating of fresh water as 'natural'.</p> <p>The indirect use of freshwater is chosen to be neutral because some of WAT's suppliers use freshwater to support activities that are not under WAT's financial/operational control. In addition, our customers may require fresh water along with other types of water when using water pump motors. Indirect freshwater use is therefore considered neutral for WAT's indirect use. We do not plan any major process, raw material or product changes in the future and therefore do not expect any changes in the direct and indirect water dependency and severity.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	<p>There is no use of brackish or produced water. WAT uses recycled water in its processes. This is why we have decided that it is not important for our indirect users either.</p>

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

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Daily	Mechanical and digital water meters, instant consumption tracking and monitoring system (SCADA), monthly periodic reports.	As WAT, we know that a thorough investigation of our scope of action means that it accurately reflects the extent of our impact on this indicator, and we believe it is important to base our targets on realistic data when setting them. The indicators monitored in this sense represent all of WAT's operations, including its production and commercial units. WAT has the capability to track 100% of water withdrawals instantaneously through digital access, providing cumulative data. Meters are installed at critical points of consumption. Data is checked and recorded on a daily basis, consumption is evaluated monthly and total consumption is invoiced on a monthly basis.
Water withdrawals – volumes by source	100%	Daily	Mechanical and digital water meters, instant consumption tracking and monitoring system (SCADA), monthly periodic reports.	The indicators cover 100% of WAT's activities, whether they're production or administrative, which affects the increase in the indicator. WAT has the ability to track 100% of water withdrawals instantaneously through digital access, providing cumulative data. Meters are installed at critical points of consumption. Data is checked and recorded on a daily basis, and consumption is assessed on a monthly basis, with total consumption invoiced on a monthly basis.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Monthly	-Chemical analysis -Bacteriological analysis -Physical parameters -Records for the WAT's water treatment systems control parameters.	In Turkey, the water supplied by the concessionaire is monitored by the concessionaire for compliance with legislation. However, WAT has set up its own water treatment package to ensure the quality of this source and carries out additional monitoring. As WAT does not use groundwater, the quality parameters for human consumption and process water are monitored by public health laboratories and WAT's own monitoring equipment (total and faecal coliforms, pH, BOD, TSS, temperature, turbidity, electrical conductivity, hardness, etc.).
Water discharges – total volumes	100%	Monthly	water meters	100% of WAT's water discharges are measured and monitored on a monthly basis.
Water discharges – volumes by destination	100%	Monthly	water meters on discharge point	100% of water discharges by destination are monitored and measured daily and monthly by flowmeters and reported monthly by the site's OIZ directorate. As WAT's production processes do not generate waste water, discharges are mainly due to human consumption.
Water discharges – volumes by treatment method	100%	Continuously	flow meter	100% of water discharges by treatment method are monitored and measured on a daily basis. WAT works to reduce water consumption in its production processes and designs processes that focus on the recovery of used water. As WAT's production processes do not generate wastewater, its discharges are mainly due to human consumption. WAT's discharges are domestic wastewater and the treatment method is OIZ's domestic and industrial wastewater treatment technologies. Quality parameters during treatment and before discharge are monitored immediately and daily.
Water discharge quality – by standard effluent parameters	100%	Monthly	Chemical analysis, Physical parameters, BOD/COD/TSS (by OIZ Directorate for samples taken from the WAT's wastewater channel connection point to the OZI wastewater treatment)	WAT's wastewater is all domestic and is treated entirely by the concessionaire, who also monitors the quality of the wastewater. The concession in the industrial zone where WAT is located belongs to the Çerkezköy OIZ Directorate and the approval process is carried out for the acceptance of WAT's wastewater into the OIZ treatment plant. WAT is certified for the compliance with the water quality and this certificate is renewed by the concessionaire after inspections within a period of 3 years. It also carries out monitoring by analysing the WAT wastewater sample taken at the sewer connection point on a weekly basis. WAT closely monitors these control processes to ensure compliance with legal requirements. As a result, we believe that WAT provides 100% control of the quality of the water discharged.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	WAT does not discharge its wastewater directly into the receiving environment, but instead sends it to the Çerkezköy Organised Industrial Zone (OIZ) wastewater treatment plant through the industrial zone's sewer system. The treatment plant operates according to the discharge standards set by the canal. To ensure compliance, the OIZ conducts regular sampling of the effluent at variable intervals, typically monthly, followed by analysis of the effluent. After confirming compliance, the OIZ issues WAT with a 'Sewage Channel Connection Permit', which provides official recognition of compliance. WAT holds a sewer connection permit, which signifies its commitment to maintaining effluent parameters in accordance with local regulations and ensuring ongoing compliance. Therefore, this item is not considered relevant.
Water discharge quality – temperature	100%	Monthly	Samples taken from the WAT's wastewater channel connection point to the OZI wastewater treatment by OIZ Directorate.	WAT does not discharge its wastewater directly into the receiving environment, but instead sends it to the Çerkezköy Organised Industrial Zone (OIZ) wastewater treatment plant through the industrial zone's sewer system. The treatment plant operates in accordance with the discharge standards set by the canal. In order to ensure compliance, the OIZ conducts regular sampling of wastewater at variable intervals, typically monthly, followed by analysis of the wastewater. After confirming compliance, the OIZ issues WAT with a 'Wastewater Channel Connection Permit', which provides official recognition of compliance. WAT holds a Wastewater Channel Connection Permit, signifying its commitment to maintaining wastewater parameters in accordance with local regulations and ensuring ongoing compliance.
Water consumption – total volume	100%	Monthly	water meters	100% of WAT's water consumption is measured and monitored continuously and monthly.
Water recycled/reused	100%	Monthly	water meters	WAT favours closed-loop systems in the design of its processes to minimise water consumption. In these closed-loop processes that use water, improved systems allow water to be reused. An example of this is the paint shop. The paint shop is one of the existing closed-loop processes at WAT that uses water. In this closed-loop process, a filtration system is used to separate solid particles from the liquid, thereby extending the life of the water. The resulting solid waste is managed in cooperation with licensed recycling facilities to ensure 100% recycling in accordance with local regulations.
The provision of fully-functioning, safely managed WASH services to all workers	Not relevant	<Not Applicable>	<Not Applicable>	At WAT, we are committed to providing a safe and healthy environment for our employees, contractors, and visitors. We treat our drinking and process water at our water treatment plant and regularly test samples from various points on a monthly basis by authorised personnel to ensure a 100% reliable water supply.

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megalitres/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	16.44	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in business activity	<p>In this era of observed negative impacts of climate change, dwindling water resources and restricted access to water, WAT closely monitors how water is managed in its operations and strives to continuously improve its performance. WAT manages and reduces industrial water use through closed-loop systems. Digitalisation and best practice projects are being implemented to increase water reuse and to better measure, reduce and control water use in our facilities. An example of this is our paint shop, where filtration systems extend the water cycle.</p> <p>In the reporting year, water consumption was reduced by 1% compared to the previous year (2021 water consumption: 16.46 megalitres/year). The comparison with the previous year is therefore considered to be "about the same" according to our thresholds below:</p> <ul style="list-style-type: none"> -Much lower: -20 -Lower: -19% to -11%. -About the same: +/- 10%. -Higher: 11% to 19 -Much Higher: 20% <p>By using different baselines, implemented best practices can be expressed in more visible metrics. Calculating total motor production in kWh, rather than the number of units produced in motor manufacturing, provides a more accurate and realistic assessment, taking into account different motor sizes and process inputs. In the reporting year, our production increased compared to the previous year. While the total motor kWh production in 2021 was 2,190,350.9 kWh, it reached 2,291,479.94 motor kWh in 2022. On the other hand, the amount of water withdrawn was 16,443 m3 in 2022, compared to 16,458 m3 in 2021. Based on this information, our water consumption per motor kWh decreased by 4.5% in 2022 compared to 2021. Similar calculations can be made using the average number of employees and annual revenue. On these bases, reductions of 29% and 51% respectively were achieved.</p>
Total discharges	14.16	About the same	Increase/decrease in business activity	Higher	Increase/decrease in business activity	<p>As WAT, we have minimised the water consumption resulting from our operations by using closed-loop processes. Despite increasing production volumes and expanding business areas, WAT has always opted for processes that minimise or reduce water consumption. This approach has allowed us to maintain a stable total water withdrawal even as production volumes have increased, and has even identified opportunities for reduction based on production levels.</p> <p>Looking at WAT's performance over the last 5 years, we've increased our motor kWh production by over 80%. This growth has led to an expansion of our workspace and the WAT family. In the reporting year, approximately 88% of the total water withdrawal was used for human consumption and the resulting wastewater is discharged into the treatment infrastructure of Çerkezköy OIZ.</p> <p>The volume of water used for human consumption increased by 4.07 megalitres in 2022 compared to the previous year. Considering the 40% increase in the number of employees, this value for the volumetric water withdrawal can be considered reasonable.</p>
Total consumption	2.28	About the same	Increase/decrease in efficiency	Lower	Increase/decrease in efficiency	<p>As WAT, we can divide our water consumption into two categories: human consumption and process purposes. Water used for human consumption is sent to the Çerkezköy OIZ wastewater treatment plant through the sewers and the quality of our water discharge is domestic.</p> <p>Water used for process purposes is managed through closed-loop systems. By implementing best practices and efficiency projects in our closed-loop systems, we are extending the life of the water we use.</p> <p>If we compare our water consumption with the previous year, we see a decrease. Whereas in 2021, 38% of the total water withdrawal was used for processes, in 2022 only 12% of the water withdrawal was used for processes.</p> <p>To achieve this reduction, we have implemented several best practices. These include digitising and automating water monitoring systems and preventing leaks and losses. In addition, in the reporting year review we discontinued the 'motor cover washing' service, which was procured from our supplier and consumed water as a process. Instead, WAT invested in an in-house closed-loop system, eliminating the water footprint associated with this process.</p> <p>Through our innovative approach we have improved this water consuming process and eliminated the water footprint caused by sourcing the service from an external supplier.</p>

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

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	100%	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	WRI Aqueduct WWF Water Risk Filter	<p>WAT, which operates from a single site, uses the Aqueduct Water Risk Atlas, an interactive mapping tool providing information on global water risks as recommended by the TCFD, to assess its water stress. The company's site falls within the Ergene River Basin. Using the analysis provided by the World Resources Institute (WRI), WAT has assessed its primary water stress, which indicates that the site is classified as "extremely high" water stress with a WRI index.</p> <p>To conserve natural resources and manage pollutant discharges, WAT manages all its water-intensive processes through closed-loop systems and prioritises investments that minimise or eliminate water consumption. In 2022, WAT purchased 16,443 m3 of water from the municipal water supply, of which 12% was used for processes and the rest for staff needs, including human consumption. Automation systems have been implemented in water-using processes to improve process efficiency and reduce the use of natural resources. WAT's efforts focus on extending the life of closed-loop systems and reducing the amount of water used for human consumption.</p> <p>For example, WAT's dyeing process operates within a closed loop system. To extend the intervals between water replenishment, a filtration system is used within the dyeing process to separate solid and liquid components. Solid waste is managed separately, while the life of the water used is extended. In addition, all taps on WAT's premises are fitted with sensors and aerators to regulate the water supply. Through improvement initiatives, WAT has achieved a reduction in water consumption of approximately 1% in the reporting year (2022) compared to the previous year, with a total water consumption of 16,458 m3 in 2021.</p> <p>In view of the increasing production volume and the growing number of employees, these consumption figures become even more significant when analysed in different indices. For example, when comparing water consumption per kWh of motors produced, water consumption in the reporting year (2022) is 4.5% lower than in the previous year. Despite an increase in production volume and number of employees, improvements have led to this remarkable reduction.</p>

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not use Fresh surface water.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not use brackish or seawater.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not use groundwater-renewable.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not use groundwater-non-renewable.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not use produced/entrained water.
Third party sources	Relevant	16.44	Lower	Increase/decrease in efficiency	<p>WAT obtains all its water for production and human consumption from the municipal water supply chain. In the reporting year, the company purchased a total of 16,443 m3 of water from this source.</p> <p>The total withdrawal from the municipal water supply decreased by 1% in the reporting year compared with the previous year. This reduction corresponds to a 4.5% decrease in water consumption per kWh of product manufactured.</p>

W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not discharge any water to fresh surface water.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not discharge any water to brackish or sea water.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not discharge any water to groundwater.
Third-party destinations	Relevant	14.16	About the same	Increase/decrease in business activity	Thanks to its closed-loop production processes, WAT only discharges domestic wastewater into the local infrastructure of the region. In this respect, WAT uses the wastewater services provided by the Çerkezköy OIZ. The wastewater treatment plant in the industrial zone is managed by a continuous wastewater monitoring system and is monitored online by the Ministry of Environment, Urbanisation and Climate Change of the Republic of Turkey. The OIZ has set criteria for wastewater discharge and requires each company using the infrastructure to obtain a sewer connection permit. Sanctions are imposed on companies that fail to meet the standards when discharging wastewater into the canal. Since its establishment, WAT, which only discharges domestic wastewater into the canal, has not had any problems with non-compliance. The company regularly cleans its sewers (approximately every two years) and ensures control of losses, leaks and seepage.

W1.2j

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

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	As WAT, our domestic wastewater is discharged into the sewerage infrastructure of the Çerkezköy Organised Industrial Zone (OIZ) in accordance with the discharge limit standards set by the local authorities. Domestic wastewater, which is of a domestic nature, is discharged directly into the OIZ canal without treatment within the direct operations of WAT and is treated by the OIZ.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	As WAT, our domestic wastewater is discharged into the sewerage infrastructure of the Çerkezköy Organised Industrial Zone (OIZ) in accordance with the discharge limit standards set by the local authorities. The domestic wastewater, which is of a domestic nature, is discharged directly into the OIZ canal without treatment within the direct operations of WAT and is treated by the OIZ.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	As WAT, our domestic wastewater is discharged into the sewerage infrastructure of the Çerkezköy Organised Industrial Zone (OIZ) in accordance with the discharge limit standards set by the local authorities. However, it's important to note that the domestic wastewater, which is domestic in nature, is discharged directly into the OIZ canal without treatment within the direct operations of WAT and is subsequently treated by the OIZ (Çerkezköy Organised Industrial Zone) according to its established treatment procedures.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	As WAT, our domestic wastewater is discharged into the sewerage infrastructure of the Çerkezköy Organised Industrial Zone (OIZ) in accordance with the discharge limit standards set by the local authorities. However, it's important to note that the domestic wastewater, which is domestic in nature, is discharged directly into the OIZ canal without treatment within the direct operations of WAT and is subsequently treated by the OIZ (Çerkezköy Organised Industrial Zone) according to its established treatment procedures.
Discharge to a third party without treatment	Relevant	14.16	Much higher	Increase/decrease in efficiency	100%	As WAT, our domestic wastewater is discharged into the sewerage infrastructure of the Çerkezköy Organised Industrial Zone (OIZ) in accordance with the discharge limit standards set by the local authorities. However, it's important to note that the domestic wastewater, which is domestic in nature, is discharged directly into the OIZ canal without treatment within the direct operations of WAT and is subsequently treated by the OIZ (Çerkezköy Organised Industrial Zone) according to its established treatment procedures.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	As WAT, our domestic wastewater is discharged into the sewerage infrastructure of the Çerkezköy Organised Industrial Zone (OIZ) in accordance with the discharge limit standards set by the local authorities. Compliance with these standards is regularly monitored and tracked online by the Ministry of Environment, Urbanisation and Climate Change of the Republic of Turkey. After undergoing the necessary treatment processes at the OIZ treatment plant, our wastewater is discharged into the sewers managed by the Tekirdağ Municipality. It is important to note that 100% of the water we receive from the municipal water supply is discharged as domestic wastewater.

W1.3

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

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1708293776	16.44	103910813.625304	As part of our sustainability strategy, WAT is committed to promoting circularity and reducing the use of natural resources while increasing their efficient use. As a result, we aim to increase our revenue over the coming years while reducing our total water consumption. This approach will further increase our overall efficiency and drive continuous improvement in resource management.

W1.4

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

	Products contain hazardous substances	Comment
Row 1	Yes	<Not Applicable>

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Other, please specify (DIRECTIVE 2011/65/EU RoHS)	Less than 10%	<p>Under Directive 2011/65/EU RoHS (Restriction of Hazardous Substances), the evaluation criteria for motors include an assessment of the weight percentage of Pb (lead) present in the aluminium alloy used in the motor body, covers, terminal box and its cover.</p> <p>It is also important to note that certain exemptions, specifically 6 and 7, are used under this Directive. Derogation 6 applies to the use of lead in alloys and Derogation 7 applies to the use of lead in ceramic and glass materials. In some cases, small components may contain lead due to technical requirements.</p> <p>As a company committed to environmental responsibility, WAT carefully manages product compliance with the RoHS Directive. We are actively working to identify alternatives and reduce the use of lead and other hazardous substances wherever possible, while ensuring that technical requirements and performance standards are met. By complying with legislation and implementing suitable substitutes, we aim to provide environmentally sustainable products to our customers and promote the wellbeing of people and the planet.</p>
Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)	10-20	<p>WAT complies with REACH Regulation 1907/2006/EU and recognises the presence of substances classified as Substances of Very High Concern (SVHC) on the Candidate List. Although some of these substances are currently used in our production processes, their use is not substantial, mainly due to technical constraints.</p> <p>To ensure strict compliance with regulations and standards, WAT has implemented robust procedures for SVHC notification. We actively monitor changes and updates related to these substances through the SCIP database, which is accessible through a dedicated web page designed for continuous monitoring in collaboration with Arçelik.</p> <p>At WAT, we are committed to responsible practices and our dedicated approach ensures that our use of substances on the SVHC list is in compliance with EU regulations. We are constantly striving to improve our processes, seek alternatives and sustainable solutions to minimise our reliance on these substances and promote environmental stewardship throughout our operations. Our aim is to maintain full compliance while working towards a greener and safer future for all.</p>
Candidate List of Substances of Very High Concern (UK Regulation)	10-20	<p>WAT complies with REACH Regulation 1907/2006/EU and recognises the presence of substances classified as Substances of Very High Concern (SVHC) on the Candidate List. Although some of these substances are currently used in our production processes, their use is not significant, mainly due to technical constraints.</p> <p>To ensure strict compliance with regulations and standards, WAT has implemented robust procedures for SVHC notification. We actively monitor changes and updates related to these substances through the SCIP database, which is accessible through a dedicated website designed for continuous monitoring in collaboration with Arçelik Global.</p> <p>At WAT, we are committed to responsible practices and our dedicated approach ensures that our use of substances on the SVHC list is in compliance with EU regulations. We continuously strive to improve our processes, seek alternatives and sustainable solutions to minimise our reliance on these substances and promote environmental responsibility throughout our operations. Our aim is to maintain full compliance while working towards a greener and safer future for all.</p>
Other, please specify (WAT Restricted/Substance List and WAT Chemical Compliance Specification)	More than 80%	<p>At WAT, we strive to provide products that are designed and manufactured with environmental responsibility in mind. To achieve this, we ensure that all components, materials and raw materials used in our products are managed in accordance with legislation, WAT procedures and our environmental policy to avoid the use of harmful chemicals that may be detrimental to the environment and human health. To this end, we have developed the WAT Restricted/Substance List and the WAT Chemical Compliance Specification, which are essential parts of our environmental expectations of our suppliers. These specifications not only communicate the conditions for meeting regulatory obligations, but also share with our suppliers the requirements and control methods for achieving 100% compliance.</p>

W1.5

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

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

W1.5a

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

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)

Supplier impacts on water availability

Other, please specify (Water Management Model (Systems for sustainable water consumption, improvements projects, legal compliance&permits, use of hazardous content may effect on natural environment)

Number of suppliers identified as having a substantive impact

52

% of total suppliers identified as having a substantive impact

1-25

Please explain

At WAT we prioritise quality, ethics and the environment in our supplier contracts. We conduct self-assessment audits to ensure alignment with our principles. Our network includes 222 (Tier1+Tier2) suppliers in 18 countries. An third party expert company conducts sustainability risk assessments for our suppliers. As part of the Data Monitoring and Improvement Project with Arçelik, we focus on critical suppliers that have a significant impact on our operations. In 2022, we identified 58 critical suppliers, representing 26% of all suppliers and 77% of our purchasing volume. We currently collect data from 40 suppliers to manage their impact on our operations and the environment, and encourage water-related data reporting to promote responsible water management throughout our supply chain. We have assessed 58 suppliers for their ESG status and sustainability index, of which 47 have ISO14001 and 32 have ISO 50001 systems in place. We developed an action plan to improve their compliance.

W1.5b

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

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

W1.5c

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

Water-related requirement

Complying with going beyond water-related regulatory requirements

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

1-25

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

100%

Mechanisms for monitoring compliance with this water-related requirement

Community-based monitoring

Off-site third-party audit

Supplier self-assessment

Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement

Retain and engage

Comment

-We use community-based monitoring, which tracks supplier compliance through both remote and on-site audits.

-We make self-assessment mandatory for all new suppliers.

-As part of our supplier evaluation system, we calculate sustainability indexes and ESG status, including water management and related issues, based on responses collected from suppliers. The analysis, sustainability index scorecard calculation and action plan for the supplier are provided in collaboration with a third party expert organisation. The results of the assessment and the action plan based on this index are communicated to the supplier. If there are no disqualifying factors in the assessment, a corrective/preventive action process is carried out for suppliers in the medium to high risk categories. The action plan clearly outlines corrective actions and expectations. Where necessary, off-site audits are repeated. Supplier development is systematically monitored.

W1.5d

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

Type of engagement

Information collection

Details of engagement

Collect water management information at least annually from suppliers

Collect information on water-related risks at least annually from suppliers

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

% of suppliers by number

1-25

% of suppliers with a substantive impact

51-75

Rationale for your engagement

At WAT we are firmly committed to the principles of environmental stewardship and this commitment extends to our valued network of suppliers. Acceptance and compliance with our Responsible Procurement Policy is a contractual requirement for all our suppliers. In the event of a material breach of this policy, we reserve the right to terminate contracts with such suppliers. Similarly, we hold our suppliers accountable for having their own policies that cover their respective suppliers and are consistent with our own policies.

In accordance with our Procurement Policy and Code of Conduct, WAT places great emphasis on our suppliers establishing environmental management systems in line with the principles of sustainable development and the circular economy, with the aim of strengthening their environmental performance. We actively encourage our suppliers to continually improve their practices and to comply with relevant national and international environmental regulations, particularly those relating to water management.

We conduct comprehensive audits to ensure compliance with laws and regulations, working conditions, human rights, occupational health and safety and various environmental aspects, including water management. These audits include the evaluation of water withdrawal data in cubic metres (m³), covering surface water, groundwater, municipal water, tanker water, rainwater harvesting and recycled wastewater.

Through these thorough audits, we identify any areas of non-compliance and carefully plan appropriate corrective actions. Subsequent audits then verify the effective implementation of these actions, ensuring a robust and accountable supply chain in line with our sustainability goals.

Our commitment to responsible sourcing is a key pillar of our environmental efforts and we believe that our collaborative approach with suppliers fosters a shared responsibility to protect water resources and promote sustainable practices throughout our value chain. By promoting transparency and accountability, we aim to make a positive and lasting impact on the environment, while contributing to the wider global goals of protecting the environment and combating climate change.

Impact of the engagement and measures of success

As WAT, we are committed to aligning our supply chain with our transformation programme and minimising the overall impact of our operations within the value chain. In line with this vision, we recognise the importance of supporting and guiding our suppliers in setting environmental targets, measuring their progress and reducing their environmental impact.

To achieve this, we have asked our suppliers to sign a Commitment Letter in which they agree to set their own targets for greenhouse gas emissions, water withdrawal, waste reduction and energy efficiency. By encouraging our suppliers to take responsibility for their environmental performance, we aim to foster a collective commitment to sustainability throughout our supply chain.

In 2022, we audited a total of 52 critical suppliers and collected environmental data from 33 suppliers. These audits and data collection initiatives serve as critical tools to understand our suppliers' current environmental practices and identify areas for improvement. We invite our suppliers to actively participate in risk prioritisation activities for our sustainability efforts and work together to address high priority areas.

As part of our ongoing efforts to drive positive change, we place a strong emphasis on system improvements in our supplier development programmes. These improvements provide ample opportunities for our suppliers to improve their environmental performance and contribute to our collective goal of reducing the environmental footprint of our operations.

Through close collaboration and mutual support, we are confident that our shared commitment to sustainability will lead to significant improvements in environmental practices throughout the value chain. By working with our suppliers, we aim to create a more sustainable and resilient future for our business and the communities we serve.

Comment

WAT and Arçelik A.Ş. share a central supplier portal for transparent and efficient communication with suppliers. This platform provides information and resources on responsible sourcing and environmental initiatives. Through the portal, suppliers actively participate in assessment and development programmes to understand their contribution to our sustainability goals. This collaborative approach strengthens our commitment to a more sustainable future.

W1.5e

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

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks
Run an engagement campaign to educate stakeholders about your water-related performance and strategy
Share information about your products and relevant certification schemes

Rationale for your engagement

As WAT, we engage with different stakeholders in our value chain to address challenges related to responsible consumption and production. We closely monitor these interactions through our stakeholder engagement plan.

Customers: We actively engage with our customers on issues related to sustainable water use, climate risks, water risks and sustainability. Through benchmarking of best practices, educational initiatives to share knowledge, regular meetings and effective communication, we promote sustainable water use and efficiency in water supply and distribution systems.

Impact of the engagement and measures of success

Water consumption reduction: This metric tracks stakeholder investment in environmentally friendly production technologies such as closed-loop systems, the number of benchmarked best practices, and improvements in stakeholder materiality analysis responses.

Stakeholder engagement statistics: We monitor metrics related to information sharing and interest in awareness-raising content.

Type of stakeholder

Other, please specify (Collaborative Projects and Partnerships)

Type of engagement

Innovation & collaboration

Details of engagement

Engage with stakeholders to advocate for policy or regulatory change
Other, please specify (University collaboration projects&initiatives, seminars, workshops, training sessions, and knowledge sharing initiatives)

Rationale for your engagement

Collaborative projects and partnerships: We collaborate with Koç Group companies, government institutions, NGOs and academic institutions, among others, to develop innovative solutions for water conservation and to promote sustainable water management practices across industries. We actively participate in industry associations and platforms with a focus on sustainable environmental dimensions, including associations of motor manufacturers and electric vehicle manufacturers.

Local communities: We engage with local communities in areas where we operate. By maintaining an open dialogue with the public, students and local governments, we support projects that make a positive contribution to the environment, including water security.

Others: Workshops, training and knowledge-sharing initiatives.

Impact of the engagement and measures of success

Reduction in water consumption: Stakeholder investment in environmentally friendly production technologies such as closed-loop systems, number of benchmarked best practices and improvement in stakeholder materiality analysis responses.

Community empowerment: We consider increasing awareness and adoption of water-efficient practices in the communities we interact with.

Collaboration outcomes: The success of collaborative projects, improvements to water infrastructure, increased water resilience and efficiency of water-using systems are among the tangible outcomes measured.

Through these engagement efforts and selected metrics, we aim to contribute to sustainable water management both within our company and beyond. Our goal is to have a positive impact on water security and resilience for all relevant stakeholders.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

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

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	WAT carefully ensures compliance with local and international regulations, including those related to water, as part of its Corporate Enterprise Risk Management, led by the Finance, Risk Management and compliance function. Mitigating legal risks, including those related to water, is one of WAT's top priorities and any legal risks identified are addressed promptly. Since its inception, WAT has not experienced any legal (water-related) risks, demonstrating its strong commitment to compliance. This was also the case in the year reporting.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	<p>WAT categorises water pollutants into two groups:</p> <p>Water for human consumption: WAT obtains its water supply from the Çerkezköy OIZ Directorate, which provides the water as drinking water. The water is treated at the drinking water treatment plant before it is used. Periodical analysis of the water is carried out by the authority at various points in the area. The quality of the water complies with the 'Regulation on water intended for human consumption'. The analysis includes both physical and chemical parameters, as well as tests for coliform bacteria, Escherichia coli and Enterococcus/Fecal Streptococcus. The analysis results are carried out by authorised authorities.</p> <p>Pollutants discharged: Water withdrawn is used for our operations and human needs. Water used for human consumption is discharged to the OIZ wastewater infrastructure. Discharge standards are set by OIZ in accordance with local regulations. We have a special permit for the pipe connection point to the OIZ wastewater treatment plant. Regular samples are taken from this point and tests are carried out by authorised authorities. The analysis includes parameters such as TSS, COD, pH, temperature and oil and grease.</p> <p>In both the analysis of our own water and the analysis of the water discharged to the sewer connection point, WAT fully complies with the applicable standards. WAT is highly committed to maintaining this compliance in both water use and discharge, and takes this matter very seriously.</p>	<Not Applicable>

W3.1a

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

Water pollutant category

Other, please specify (BOD, COD, TSS, pH, Temperature)

Description of water pollutant and potential impacts

We channel the domestic wastewater generated from human consumption through the Çerkezköy OIZ sewerage system to the OIZ wastewater treatment plant. Discharge standards are set by Çerkezköy Organised Industrial Zone and are regularly monitored at our connection point. Our tests include parameters such as Suspended Solids, Chemical Oxygen Demand, pH, Temperature and Oil & Grease, with thresholds set at 600 mg/L, 1500 mg/L, 10.5, 40 degrees Celsius and 50 mg/L respectively.

The increase in nutrients, especially nitrogen and phosphorus, in domestic wastewater leads to eutrophication in the receiving environment, which negatively affects aquatic ecosystems. Therefore, biological treatment is essential before wastewater is discharged into natural receiving waters. At WAT, 12% of the water taken is used in our processes, while 88% is discharged for human consumption. The water used in our processes is managed through closed-loop systems, eliminating effluent discharge and preventing process water from mixing with sewage. Through best practice and closed-loop systems, we further extend the life of the water we use.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Please explain

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Water pollutant category

Other, please specify (Coliform Bacteria, Escherichia coli, Enterokok / Fekal Streptococ)

Description of water pollutant and potential impacts

WAT obtains its water supply from the Çerkezköy OIZ Directorate, which provides the water as drinking water. The water is treated at the drinking water treatment plant before it is used. Periodical analysis of the water is carried out by the authority at various points in the area. The quality of the water complies with the "Regulation on water intended for human consumption". The analysis includes both physical and chemical parameters, as well as tests for coliform bacteria, Escherichia coli and Enterococcus/Fecal Streptococcus. While these micro-organisms cause diseases that are dangerous to human health, some types cause mild infections. Analyses are carried out by authorised authorities.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Please explain

The water we supply for our employees' use fully complies with the quality standards set out in the 'Regulation on Water Intended for Human Consumption', which sets out the technical and hygienic requirements for water intended for human consumption. Periodic checks and analytical studies ensure 100% compliance with these standards.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

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

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

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

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Other

Tools and methods used

WRI Aqueduct
Enterprise Risk Management
ISO 31000 Risk Management Standard
ISO 14001 Environmental Management Standard
Scenario analysis

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Water regulatory frameworks
Status of ecosystems and habitats

Stakeholders considered

Customers
Employees
Local communities
Suppliers
Other water users at the basin/catchment level

Comment

At WAT, all risks, including water risks, are integrated into the WAT Enterprise Risk Management (WERM) framework and risk management follows the ISO 31000 standard. WAT identifies acute and chronic global risks caused by climate change and unsustainable use of natural resources, including water risks, and assesses their potential impact. To conduct this assessment, WAT uses the World Resources Institute's (WRI) Aqueduct Beta tool to understand the water risks associated with its location and the locations of its suppliers. WAT prepares for all possible scenarios by assessing water risks under different climate scenarios, using the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) 4.5 and RCP 8.5 scenarios.

Identified risks include floods, droughts, restrictive water supply regulations, water quality degradation, local socio-economic disruption due to water-related issues, unit water price volatility and water-related supplier issues. WAT's Sustainability Committee is responsible for identifying and monitoring these risks, setting targets for risk reduction and elimination, and defining corrective and preventive actions. Risks identified and reported to Enterprise Risk Management (ERM) are incorporated into WAT's corporate risk management process.

Water risk assessment using the WRI Aqueduct also provides key insights into the dynamics of water supply and demand under different scenarios. For example, we assess these aspects for our specific region. Using WRI's pessimistic scenarios, we assess the risks associated with increasing water supply and demand due to population growth and industrialisation in the region. We also determine the financial impact of climate risks and design our operations to minimise these risks. WAT conducts environmental and social assessments as part of its supplier development programme, has a zero-tolerance policy for ethical and legal compliance, and assesses all risks faced by its suppliers, including water-related risks.

W3.3b

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

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>WAT's Integrated Risk Management (WERM) covers all the company's operational activities and balances the management of business risks with the achievement of the company's goals and strategies. All sustainability risks, including water and climate risks, are identified by the WAT Sustainability Committee and mitigation action plans are developed and implemented. WERM reports risks to the committee on a quarterly basis. The identified sustainability risks are monitored by the WERM, which is chaired by the CFO. The WERM system follows the ISO 31000 standard and classifies risks into six categories: financial, reputational, production, operational, human and legal. Within WERM, risks are identified, measured through root cause and impact analysis, and mitigating actions are taken based on the analysis. All risks are proactively monitored, assessed for their long-term impact on the business and reported. The WAT Risk Management Committee (WRMC) meets quarterly to review and report on risks.</p> <p>To identify climate-related risks, WAT uses the WRI Aqueduct tool and considers the potential impacts of climate scenarios classified in the IPCC Fifth Assessment Report. The financial impact of risks is calculated, allowing risks to be prioritised based on their potential impact on the business. This approach ensures the implementation of effective risk processes and fosters a strong risk culture and awareness within the business.</p>	<p>Selected contextual issues are always included in our water risk assessment because</p> <p>Water availability in a basin/catchment & Water quality in a basin/catchment: WAT is considered to contribute to the sustainability of the local ecosystem as a facility with low water-intensive operations due to its closed-loop systems. However, WAT always assesses the water quality and availability in the catchment in which it operates in order to support the preservation of the ecosystem, protect the living standards of its key stakeholders, such as employees, and minimise the impact of the climate crisis on the local community.</p> <p>Water regulatory framework: WAT places great emphasis on regulatory compliance at the management level. To ensure 100% compliance, WAT follows a policy of close monitoring and minimising any risks associated with regulatory requirements.</p> <p>Ecosystem and habitat status: WAT values the conservation of ecosystems, wildlife and habitats through its policies and deep respect for nature. It actively promotes the protection of ecosystems and habitats as part of its commitment to sustainability.</p>	<p>WAT recognises the importance of stakeholders in achieving global goals through mutual sustainability benefits. As such, it always prioritises the needs and recommendations of its stakeholders. The following stakeholders are consistently taken into account:</p> <p>Customers: WAT positions itself to assess climate and water risks, among others, to meet customer needs and expectations. It shapes its activities according to the opportunities identified.</p> <p>Employees: Following the Koç Group's principle that "our most valuable asset is our human resources", WAT strives to be in a position to meet the needs and expectations of its employees. In this regard, WAT assesses the potential impact of water and climate risks on its employees.</p> <p>Local communities: WAT assesses climate risks to local communities, considering how their socio-economic structure may change in the face of climate-related conditions. It aims to minimise potential risks to WAT by assessing the potential impact on local communities.</p> <p>Suppliers: WAT recognises the importance of the supply chain to its existence and sustainability. Therefore, it assesses the risks associated with its suppliers, recognising the positive impacts that can be created throughout the supply chain, benefiting WAT and the global community.</p>	<p>WAT's Enterprise Risk Management (WERM) system ensures that all factors potentially impacting the company's operations are considered as risks or opportunities, supporting the implementation of the company's goals and strategies. The Finance, Risk Management & Compliance department has been established to manage WERM effectively. The WAT Risk Committee (WRC), chaired by the CFO, brings together managers, departmental representatives, system managers and business development experts to discuss various risks and opportunities.</p> <p>The WRC meets quarterly to review, assess and update risks, identify mitigation needs and determine actions. Quarterly reviews are reported to the CFO, who assesses substantive risks and presents them to the Executive Committee (CEO, CFO, COO, CHRO). Board members review strategic outcomes, provide resources for WERM's effectiveness and risk mitigation, and monitor its success.</p> <p>Climate-related risks and opportunities are managed by the WAT Sustainability Committee (WSC). The WSC meets quarterly and reports to the CFO. Climate risks are communicated to the Finance, Risk Management & Compliance department for WERM integration. The WSC considers stakeholders' climate risks by conducting comprehensive analyses such as materiality assessments or physical water risk assessments.</p> <p>Through these processes, WAT carefully assesses and manages risks, thereby promoting the sustainability and long-term success of the business.</p>

W4. Risks and opportunities

W4.1

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

Yes, only within our direct operations

W4.1a

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

WAT has two Board members with expertise in climate change issues. The President of Koç Holding's Consumer Durables Group has been specifically appointed by the BoD to provide valuable insight into sustainability-related risks and opportunities. He also chairs the Sustainability & Risk Committee, which receives regular updates on climate-related risks, opportunities and the investments needed to achieve our goals. Our CEO, a climate expert and experienced Board member, further strengthens our climate-focused approach.

WAT has established an Executive Committee to oversee sustainability and climate change issues, including water-related risks, which is assigned to the CEO, a member of the Board of Directors. As mandated by the Board, the CEO appointed the CFO to establish the WAT Risk Committee & Sustainability Committee, which includes climate, water and sustainability risks. The CFO chairs both the WAT Risk Committee (WRC) and the Sustainability Committee (WSC), which was established specifically for WAT and consists of members of the Executive Committee. The primary objectives are to report to the Board of Directors and to ensure a seamless flow of information.

WAT's commitment to responsible water management is guided by our Enterprise Risk Management (WERM) system. This system treats every operational issue as a potential risk or opportunity. We integrate risk management into all aspects of our business, using methodologies such as the ISO 31000 risk management standard and best practice. Risks and opportunities within WERM are categorised into financial, reputational, production, operational, human and legal impacts. These are systematically defined, analysed for causes and effects, and assessed for potential impact. Following the impact analysis, appropriate controls are identified to mitigate risks and capitalise on opportunities.

The WRC is chaired by the CFO and includes senior managers, departmental representatives and experts in management systems and business development. Quarterly meetings are held to review and assess risks, update them as necessary and establish action plans to mitigate them. The financial impact of risks is calculated and risks with a material impact are reported to the CFO and the Executive Committee.

The WSC identifies, assesses and manages climate-related risks and opportunities. The WSC comprehensively analyses all climate risk categories, engaging stakeholders through materiality assessments and physical water risk assessments. In addition, WAT prioritises climate change-related opportunities, setting targets for material impact opportunities that are aligned with long-term goals and low-carbon/high-efficiency solutions.

WAT calculates the financial and strategic impact of its risks and considers any financial risk event or financial opportunity that could result in a potential loss/gain of more than 5% of net assets to be 'material', requiring immediate and specific attention. In addition, not all risks and opportunities can be quantified, so qualitative criteria are used to classify them. For example, risks that could potentially damage the company's reputation (e.g. human rights, environmental policy) are considered unacceptable and are elevated to the 'material impact' level for prioritisation.

To assess water-related risks, we use the WRI's Aqueduct tool, which takes into account different climate scenarios, location, water consumption, current status and future projections. Based on our WERM assessment, water-related risks do not have a material financial or strategic impact on our overall business.

WAT's commitment to water sustainability includes monitoring water use, implementing closed-loop systems and working with stakeholders to promote responsible water management. We continually optimise water use and improve efficiency through best practice and sustainable technologies.

We also participate in local water management initiatives and work with government agencies, NGOs and communities to promote water conservation and environmental protection. Research and development drives us to find innovative solutions to mitigate risk and bring about positive change in water management.

Transparency is at the core of WAT's values, so we regularly report to stakeholders on our water management practices and progress, inspiring others and raising awareness of water-related issues.

As we move forward, WAT is committed to enhancing our water management efforts through continuous evaluation and improvement. By integrating water sustainability into our business practices, we aim to set higher standards for ourselves and the industry and make a lasting positive impact on the environment and the communities we serve. We recognise the challenges posed by water scarcity and climate change and remain steadfast in our commitment to environmental responsibility and creating a more sustainable future.

W4.1b

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

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	1	100	<p>WAT uses the WRI Aqueduct tool to assess its current and future exposure to water risk. Using this tool, WAT evaluates expected changes in water risk under different scenarios, including the optimistic scenario (SSP2 RCP4.5), which projects a 1.1-2.6°C increase in global mean temperature. Under this scenario, the location of WAT falls into the 'extremely high' water stress risk category in the 2030-2040 timeframe. Water stress is measured as the ratio of total water withdrawals to available renewable surface and groundwater supplies. Even in the optimistic scenario, the region's surface and groundwater resources are projected to decline by 80%, resulting in a significant reduction in water supply.</p> <p>Using the Aqueduct tool, WAT not only assesses its physical risks, but also examines different types of risks that can arise from water-related risks. This includes assessing the potential impact on WAT of changes in water supply and demand. Currently, supply and demand are in balance. However, due to the expected population growth in the region, there is likely to be a significant imbalance between supply and demand in the future. This could have an impact on the local community and socio-economic well-being. Such risks, which cannot be captured by metrics alone, are a grey area for WAT.</p> <p>In addition, WAT evaluates changes in water quality to assess risk. According to the Aqueduct tool, the region where WAT's facility is located faces a moderate physical water quality risk. The impact of water pollution on ecosystems and human physical and mental health is critical. Therefore, WAT identifies and assesses potential risks that could affect its production processes.</p> <p>Based on our WERM assessment process, water-related risks are assessed but not considered to have a material financial or strategic impact on our business at an aggregated level.</p> <p>To minimise water risks in the region, WAT continuously manages its operations. It implements closed-loop systems, adopts best practices to reduce human and operational water use in its facilities, conducts regular monitoring and adheres to its water policy. For example, in the dyeing process, WAT uses a closed-loop system to separate dyed water and sludge, managing solid waste as hazardous waste and extending the useful life of the remaining water in the process.</p> <p>WAT's closed-loop, water-based processes don't discharge industrial wastewater into the sewer system. It only discharges domestic quality water used by its employees into the sewerage system of the Organised Industrial Zone (OIZ). (The OIZ has an advanced biological wastewater treatment plant). To protect underground water resources, WAT inspects its sewers for cracks and conducts sewer cleaning twice a year and camera inspections every two years. In addition, WAT collects rainfall using rainwater harvesting systems and discharges it into the OIZ's rainwater collection system. This ensures that clean water resources reach the receiving natural environment.</p>

W4.1c

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

Country/Area & River basin

Turkey	Maritsa
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

100%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

100%

Comment

All climate-related risks, including water-related risks, at WAT are identified, managed and monitored by the WAT Sustainability Committee (WSC). Identified risks are then reported to the WAT Enterprise Risk Management (WERM) Committee for integration into the overall risk management process. WAT assesses its current and future exposure to water-related risks using the Aqueduct tool provided by WRI. The location of WAT's operations is categorised as 'extremely high' risk for water stress according to the Aqueduct tool. In addition, WAT uses the Aqueduct tool to assess different types of risks that may arise from water-related risks. The region where WAT's facility is located faces a medium physical water quality risk according to the Aqueduct tool. The impact of water pollution on ecosystems and human physical and mental health is critical. Therefore, WAT identifies and assesses potential risks that could affect its production processes, such as the risk of an increase in water-related diseases due to a decrease in water quality. However, this risk is not considered to have a 'material impact' on WAT.

To minimise water risks in the region, WAT continuously manages its operations. It implements closed-loop systems, adopts best practices to reduce human and operational water use at its facility, conducts regular audits and adheres to its water policy. For example, WAT inspects its sewer pipes for cracks to prevent loss, leakage or contamination, thereby protecting the region's underground water resources. WAT carries out sewer cleaning and uses micro-cameras to detect cracks in all sewer pipes. This prevents soil contamination and protects groundwater resources.

WAT also collects rainfall using rainwater harvesting systems and feeds it into the OIZ's rainwater collection system. This ensures that clean water resources reach the receiving natural environment.

W4.2

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

response to those risks.

Country/Area & River basin

Turkey	Maritsa
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Type of risk & Primary risk driver

Chronic physical	Water stress
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Primary potential impact

Disruption to workforce management and planning

Company-specific description

In assessing water-related risks, WAT uses the WRI Aqueduct tool, which considers different climate scenarios such as the pessimistic (SSP3 RCP8.5) and optimistic (SSP2/RCP4.5) outlooks to assess current and future water-related risks. Located in the Meriç-Ergene river basin, WAT falls into the 'extremely high' water stress risk category according to the Aqueduct tool assessment.

While WAT's production processes are not heavily reliant on water usage, with only 12% of annual water consumption used for production and the remainder for human consumption, the region's 'extremely high' water stress doesn't have a direct material impact on WAT's production processes. Our risk management approach also considers the indirect impact of water-related risks.

The region's exposure to water-related issues can lead to demographic and sociological changes, as well as an increase in the incidence of certain water-borne diseases due to changes in water quality. These factors may have a long-term impact on the composition of WAT's workforce, potentially resulting in a loss of qualified personnel.

To address these identified risks and ensure the resilience of our operations, WAT has implemented several strategies. Our closed-loop processes, best practices to reduce both human and operational water consumption at the facility, regular monitoring systems and adopted water policy all help to mitigate water risks, support our efforts to combat the climate crisis and minimise potential water-related risks to our production process.

By proactively managing risks and maintaining a focus on sustainable water management, WAT aims to ensure the long-term stability and success of our business while making a positive contribution to the surrounding communities and ecosystems.

Timeframe

More than 6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

0

Potential financial impact figure - maximum (currency)

8525100.25

Explanation of financial impact

To assess the financial impact of risk, WAT calculates the potential consequences of workforce loss. We evaluate scenarios where the loss of workforce potential occurs for various reasons, such as brain drain, pandemics, natural disasters and climate crises. Based on this assessment, we have determined the cost to WAT if up to 20% of our workforce, including critical positions, were absent for any reason.

Primary response to risk

Establish site-specific targets

Description of response

WAT recognises the importance of collaboration in managing all climate risks, including water-related risks, and the critical importance of water management at the catchment level. Our operational activities are primarily based on closed-loop processes. We implement closed-loop systems that separate water from solid waste, thereby extending the life of water use. In new investments, we prioritise systems that either use minimal water or are waterless. We digitally monitor and control water consumption at specific points and digitise water consumption points. We carry out regular sewer cleaning and use micro-cameras for scanning and monitoring to prevent losses in sewers.

We continuously monitor the quality of effluent to ensure 100% compliance with discharge standards. We conduct training to emphasise the importance of water to our employees, educate them on water-saving practices, highlight the region's water potential and address water risks related to climate change. In the reporting year, 77% of our employees attended these training sessions. In areas where domestic water is used, such as toilets and dining areas, we provide options to reduce water consumption, such as faucet aerators and faucets with sensors.

Recognising the region's abundant groundwater resources, we approach soil contamination with 100% sensitivity. To raise water awareness in the region, we organise educational programmes for primary schools. We provide environmental education to primary school students, highlighting the importance of water and the benefits of water conservation, effectively reaching their families through the children. Our aim is to achieve water-saving behaviour through this approach.

WAT also runs a campaign to protect the region's water resources. The campaign, called "The Most Natural Way to Dispose of Waste Cooking Oil", raises awareness about the improper disposal of used vegetable oil in household sinks. People are encouraged to bring their used oil to WAT, knowing that pouring it down the sink can affect the discharge standards of the municipal wastewater treatment plant. This campaign supports the protection of sewers, helps to maintain the discharge standards of the municipal wastewater treatment plant, and rewards employees for making a positive contribution to the environment without seeking financial gain.

Cost of response

2500000

Explanation of cost of response

The costs of digitising water monitoring systems, cleaning water infrastructure systems, detecting leaks and making necessary repairs, replacing rainwater pipes where necessary and prioritising waterless systems in new investments are considered investments to minimise this risk.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>As part of the WERM assessment process, water-related risks are identified and managed by the WAT Sustainability Committee (WSC). The WSC holds quarterly meetings to assess all climate risks, including water-related risks, and the identified/updated risks are integrated into the WERM assessment by the WAT Risk Committee.</p> <p>In the WERM assessment, any financial risk event or financial opportunity resulting in a potential loss/gain with an impact greater than 5% of net assets is considered 'material' and requires immediate and specific attention. However, not all risks and opportunities can be quantified. Therefore, qualitative criteria are also used to classify risks. For example, risks that could damage the company's reputation (e.g. those that conflict with policies such as human rights and the environment) are considered unacceptable and prioritised as material issues.</p> <p>According to our WERM assessment, water-related risks, as analysed by the WRI Aqueduct tool, do not have a significant financial or strategic impact on our business at an aggregated level. When analysing climate risks, WAT assesses not only its own position and processes, but also those of its suppliers. 94% of WAT's suppliers are located in areas with 'high' or 'extremely high' water stress. The potential financial impact of a significant impact on the activities of one of our suppliers is equivalent to 6% of our turnover. Due to our flexibility in finding alternative suppliers, this rate is likely to be much lower. WAT works closely with suppliers to improve their ESG activities, which contribute to the environment and society. WAT has set long-term sustainability targets for its suppliers and expects them to act in line with these targets. WAT conducts a Supplier Sustainability Index to understand supplier-related ESG risks and opportunities. This enables WAT to monitor its suppliers.</p> <p>WAT tracks both increases and decreases in this area through the WERM system in response to changing needs and requirements.</p>

W4.3

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

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

W4.3a

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

Type of opportunity

Products and services

Primary water-related opportunity

Reduced impact of product use on water resources

Company-specific description & strategy to realize opportunity

At WAT, we take responsibility for the efficient and environmentally friendly management of water, the source of life. Our highly efficient and quiet pump motors contribute to water and wastewater management applications. Our accessible motors for efficient irrigation systems help prevent excessive watering. With diminishing water resources, efficiency will be crucial in the future for sectors that rely heavily on water. That's why we position ourselves with highly energy-efficient electric motors that have much lower noise and vibration levels than international standards. Our motor designs, compatible with variable pump loads, and panel-mounted motor drivers ensure trouble-free operation and energy savings for many years. Integrated drive motors with local control and high energy efficiency are also preferred.

When assessing the water footprint, the importance of energy efficiency and conservation in preserving water resources becomes clear. We therefore recommend that companies looking to reduce direct or indirect water consumption start with energy efficiency.

Future energy efficiency regulations and global market demands will lead to a reassessment of strengths and weaknesses, as well as risks and opportunities. For example, we will continue to be a primary solution provider to our pump manufacturers with highly efficient and configurable AC motors. We will also support them in the transition and migration to EC motor technology, where efficiency and control are much more important.

For compressor applications, we offer a family of high power density, much more compact and highly efficient AC motors with interchangeable foot options. With the EC (electronically communicated) project, we are investing in the electronics side with trained and experienced engineers to be ready when the market demands it. We're aiming for 40% market conversion to EC and PM technology, achieving IE5 efficiency compared to IE3.

We offer innovative products for pumps, compressors, HVAC and AHU applications. Our new businesses include renewable energy components, e-mobility solutions, industrial servo systems and integrated electronic solutions.

IE2 single-phase efficiency control will boost sales of WAT motors. Our QN platform offers various efficient options that contribute to this motto.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

34000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Future provisions include the evaluation of the financial opportunity from the sale of products used in water management. In addition, the diversification of our product offering into different sectors is highly valued, even though it may not have an immediate financial impact, as it is in line with the company's strategic objectives.

W5. Facility-level water accounting

W5.1

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

Facility reference number

Facility 1

Facility name (optional)

WAT (Single Location)

Country/Area & River basin

Turkey	Maritsa
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Latitude

41.303371

Longitude

27.960112

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

16.44

Comparison of total withdrawals with previous reporting year

About the same

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

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

16.44

Total water discharges at this facility (megaliters/year)

14.16

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

14.16

Total water consumption at this facility (megaliters/year)

2.28

Comparison of total consumption with previous reporting year

About the same

Please explain

WAT operates as a low-water production facility with an annual water consumption of 16,443 m3. The use of closed-loop systems minimises the water used in processes, which accounts for only 12% of total water consumption. We closely monitor our water use and discharge through digitised systems. Improving water management and reducing consumption are key focus areas for us, and we continually set targets and implement best practice.

Compared to previous periods, we have seen a 1% reduction in our annual water consumption. However, evaluating this figure against different baselines provides a better understanding of the results of our implemented practices. In the reporting year, our production increased compared to the previous year. Motor kWh, which was 2,190,350.9 kWh in 2021, increased to 2,291,479.94 motor kWh in 2022. Conversely, water consumption was 16,443 m3 in 2022 compared to 16,458 m3 in 2021. Based on this information, our water consumption per motor kWh decreased by 4.50% in 2022 compared to 2021.

WAT operates from a single site that is identified as being at 'extremely high' risk of water stress under various climate scenarios by the WRI's Aqueduct tool. As we are considered a low water use facility, no significant risk has been identified for WAT. However, we continue to prioritise monitoring and assessment in this area.

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**Water withdrawals – total volumes****% verified**

76-100

Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the greenhouse gas emissions associated with water supply and domestic wastewater treatment. During this process, our processes were audited by auditors and our digital monitoring systems and invoices were used to verify water abstraction, wastewater discharge and wastewater quality. Based on the data collected, the greenhouse gas emissions resulting from water supply and wastewater treatment were calculated and verified (Scope 3 - Other (Upstream)).

By verifying these emissions, WAT is demonstrating its commitment to accurately measuring and managing its greenhouse gas impacts. The verification process ensures transparency and reliability in reporting our environmental performance and allows us to identify areas for improvement in the management of greenhouse gas emissions related to water use and wastewater treatment. It is also an important step in our efforts to reduce our carbon footprint and contribute to the global fight against climate change.

Please explain

<Not Applicable>

Water withdrawals – volume by source**% verified**

76-100

Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the greenhouse gas emissions associated with water supply and domestic wastewater treatment. During this process, our processes were audited by auditors and our digital monitoring systems and invoices were used to verify water abstraction, wastewater discharge and wastewater quality. Based on the data collected, the greenhouse gas emissions resulting from water supply and wastewater treatment were calculated and verified (Scope 3 - Other (Upstream)).

By verifying these emissions, WAT is demonstrating its commitment to accurately measuring and managing its greenhouse gas impacts. The verification process ensures transparency and reliability in reporting our environmental performance and allows us to identify areas for improvement in the management of greenhouse gas emissions related to water use and wastewater treatment. It is also an important step in our efforts to reduce our carbon footprint and contribute to the global fight against climate change.

Please explain

<Not Applicable>

Water withdrawals – quality by standard water quality parameters**% verified**

76-100

Verification standard used

WAT ensures that the quality of the water procured meets the standards set forth in the "Regulation on Waters for Human Consumption." To ensure compliance with these standards, third-party laboratories conduct regular checks and analyses of the water's quality. These independent laboratory tests provide an objective assessment of the water's safety and suitability for human consumption.

By using third party laboratories, WAT demonstrates its commitment to providing safe and high quality water to its customers and stakeholders. This rigorous monitoring process helps maintain required water quality standards, protecting public health and the environment. Regular testing and analysis also allows for the early detection of potential problems so that timely corrective action can be taken if necessary.

Please explain

<Not Applicable>

Water discharges – total volumes**% verified**

76-100

Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the greenhouse gas emissions associated with water supply and domestic wastewater treatment. During this process, our processes were audited by auditors and our digital monitoring systems and invoices were used to verify water abstraction, wastewater discharge and wastewater quality. Based on the data collected, the greenhouse gas emissions resulting from water supply and wastewater treatment were calculated and verified (Scope 3 - Other (Upstream)).

By verifying these emissions, WAT is demonstrating its commitment to accurately measuring and managing its greenhouse gas impacts. The verification process ensures transparency and reliability in reporting our environmental performance and allows us to identify areas for improvement in the management of greenhouse gas emissions related to water use and wastewater treatment. It is also an important step in our efforts to reduce our carbon footprint and contribute to the global fight against climate change.

Please explain

<Not Applicable>

Water discharges – volume by destination

% verified

76-100

Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the greenhouse gas emissions associated with water supply and domestic wastewater treatment. During this process, our processes were audited by auditors and our digital monitoring systems and invoices were used to verify water abstraction, wastewater discharge and wastewater quality. Based on the data collected, the greenhouse gas emissions resulting from water supply and wastewater treatment were calculated and verified (Scope 3 - Other (Upstream)).

By verifying these emissions, WAT is demonstrating its commitment to accurately measuring and managing its greenhouse gas impacts. The verification process ensures transparency and reliability in reporting our environmental performance and allows us to identify areas for improvement in the management of greenhouse gas emissions related to water use and wastewater treatment. It is also an important step in our efforts to reduce our carbon footprint and contribute to the global fight against climate change.

Please explain

<Not Applicable>

Water discharges – volume by final treatment level

% verified

Not relevant

Verification standard used

<Not Applicable>

Please explain

Water discharges – quality by standard water quality parameters

% verified

76-100

Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the greenhouse gas emissions associated with water supply and domestic wastewater treatment. During this process, our processes were audited by auditors and our digital monitoring systems and invoices were used to verify water abstraction, wastewater discharge and wastewater quality. Based on the data collected, the greenhouse gas emissions resulting from water supply and wastewater treatment were calculated and verified (Scope 3 - Other (Upstream)).

By verifying these emissions, WAT is demonstrating its commitment to accurately measuring and managing its greenhouse gas impacts. The verification process ensures transparency and reliability in reporting our environmental performance and allows us to identify areas for improvement in the management of greenhouse gas emissions related to water use and wastewater treatment. It is also an important step in our efforts to reduce our carbon footprint and contribute to the global fight against climate change.

Please explain

<Not Applicable>

Water consumption – total volume

% verified

76-100

Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the greenhouse gas emissions associated with water supply and domestic wastewater treatment. During this process, our processes were audited by auditors and our digital monitoring systems and invoices were used to verify water abstraction, wastewater discharge and wastewater quality. Based on the data collected, the greenhouse gas emissions resulting from water supply and wastewater treatment were calculated and verified (Scope 3 - Other (Upstream)).

By verifying these emissions, WAT is demonstrating its commitment to accurately measuring and managing its greenhouse gas impacts. The verification process ensures transparency and reliability in reporting our environmental performance and allows us to identify areas for improvement in the management of greenhouse gas emissions related to water use and wastewater treatment. It is also an important step in our efforts to reduce our carbon footprint and contribute to the global fight against climate change.

Please explain

<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>WAT has developed a Water Policy to share our commitment to water awareness and sustainable water management with all stakeholders. Through this policy, we recognise water as the source of life and commit to prioritising activities that have minimal or no water use. We ensure that our operations are conducted in a manner that preserves water quality. The full Water Policy can be accessed via the following link.</p> <p>Water Policy.pdf</p>

W6.2

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

Yes

W6.2a

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

Position of individual or committee	Responsibilities for water-related issues
Director on board	<p>The WAT organisation has a Board of Directors (BoD) that is actively involved in water and sustainability issues. Two members of the BoD have strong expertise in climate change issues, while the President of Koç Holding's Consumer Durables Group has been specifically appointed to provide valuable insight into sustainability-related risks and opportunities.</p> <p>The Board's focus on sustainability extends to the establishment of the Sustainability & Risk Committee, which regularly discusses climate-related risks, opportunities and investments needed to meet emissions targets. The CEO, who is a climate expert with extensive experience, plays a key role in overseeing sustainability and climate change issues as a member of the Board.</p> <p>As part of the Executive Committee's oversight, the CEO has asked the CFO to chair the WAT-specific Risk Committee (WRC) and the Sustainability Committee (WSC). These committees are dedicated to developing a strategic framework that includes addressing climate, water and sustainability risks. The primary objectives of these committees are to report to the Board and ensure a seamless flow of information.</p> <p>WAT recognises the importance of climate change in its investment and corporate strategy meetings. The CFO, as chair of the committees, represents the Executive Committee and regularly updates the Board on climate and water-related activities and findings of the Sustainability Committee (WSC).</p>
Other, please specify (Executive Committee)	<p>In 2022, we established the WAT Sustainability Committee and the WAT Risk Committee by Board decision. The WAT Sustainability Committee (WSC) is responsible for managing sustainability, climate change and water-related issues. The Sustainability Committee is chaired by the CFO and includes members of the Executive Committee such as the COOs, the CHRO and the Sustainability&HSE CoE Manager.</p> <p>The Sustainability Committee meets regularly to review and assess performance, progress against the strategic roadmap and evaluation against the sustainability, climate change and water action plan. Chaired by the CFO, the Committee regularly reports to the Board on its activities and progress.</p> <p>In addition, the Committee has established the Sustainability Council, chaired by the Sustainability & HSE CoE Manager, which includes B- and C-level executives and department heads such as the Product and Project (R&D) Tribe Leader, the Supply Chain Tribe Leader, the Production and Supplier Development Tribe Leader, the Production Technology and Supplier Development Tribe Leader, and the Quality & Customer Service CoE Manager. This structure also includes four sustainability working groups involving various departments.</p> <p>The Sustainability Council develops and integrates company policies and strategies on sustainability, climate change and water-related issues into our operations and monitors WAT's sustainability performance and targets. It ensures the effective implementation of decisions related to water, climate change and ESG risks and opportunities, reporting to the CFO and the WSC, which meets quarterly. The Council's four dedicated working groups focus on sustainability objectives to assess progress and achieve targets, reporting their progress and findings to the CFO through the Sustainability & HSE CoE Manager.</p>
Chief Financial Officer (CFO)	<p>The activities related to the identification, management and monitoring of water-related risks at WAT are carried out by the Finance, Risk Management and Compliance Directorate. As Chief Financial Officer and head of this Directorate, the CFO has primary responsibility for identifying water-related risks and opportunities, managing risk mitigation plans, and determining sustainable water management strategies and investments.</p> <p>WAT's corporate risk management approach categorises water-related risks into several key areas, including financial, reputational, operational and legal impacts. These risks are proactively monitored and their potential long-term impact on the business is carefully assessed and reported. The WAT Enterprise Risk Management (WERM) framework is based on various methodologies and best practices, including the ISO 31000 risk management standard. WAT manages water-related risks through the Finance, Risk Management and Compliance Directorate. As CFO and head of this directorate, the main responsibilities include identifying sustainability risks, managing mitigation plans and defining sustainable business strategies.</p> <p>Risks are categorised into financial, reputational, operational and legal impacts using ISO 31000. The CFO integrates water risks and opportunities into overall risk management and works with the Risk Committee to address identified risks.</p> <p>As Chair of the Water Sustainability Committee (WSC), the CFO develops water management policies based on risks and opportunities. The WSC implements solutions to mitigate impacts and reports assessed risks to the Corporate Risk Committee.</p> <p>The CFO oversees the results of the WSC and addresses key findings at Board level. The Sustainability & HSE Manager regularly monitors needs and develops roadmaps.</p>

W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Overseeing the setting of corporate targets Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities Setting performance objectives	<p>The Board of Directors (BoD) is the highest governance body for ESG matters within WAT. Within the BoD, two members are responsible for managing water-related risks and opportunities. These members are the President of Koç Holding’s Consumer Durables Group (non-executive member of the BoD) and the CEO of WAT (executive member of the BoD). The President of the Consumer Durables Group has been appointed by Board resolution to inform the Board on sustainability risks and opportunities, with a specific focus on water. The same Board member also chairs the Risk Management Committee and the Sustainability Committee and receives regular updates from the CEO and CFO on climate, water and ESG risks, opportunities and investment needs.</p> <p>In order to ensure WAT’s strategic roadmap and to capture development opportunities, critical issues are communicated to the Board by Executive Committee members at monthly meetings. In addition, the CFO chairs the WAT-specific Risk Committee and the Sustainability Committee, which meet quarterly to discuss, among other things, WAT’s water policy and strategy, potential water-related risks, performance tracking against water targets, water-related expenditure and investment needs, annual water budgets, key action plans, performance targets for the coming year, water-related R&D priorities and internal water pricing. These committees prepare quarterly reports on environmental performance, including water consumption and improvement activities.</p> <p>The CFO is responsible for communicating critical water-related issues discussed in the Risk and Sustainability Committees to the designated Board member and the CEO. By leading these committees, the CFO ensures that their work is well supported by management, is aligned with strategic plans and promotes continuous improvement. WAT has made decisions to accelerate energy efficiency initiatives for electric motors used in water-related industries, to invest in vertical integration projects that address both direct and indirect environmental impacts, and to invest in digital monitoring systems for real-time tracking and intervention during periods of increased water consumption. These decisions were made through information flow and regular meetings.</p>

W6.2d

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

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>The WAT organisation has a Board of Directors (BoD) that actively addresses water and sustainability issues. Within the BoD, there are two members responsible for managing water-related risks and opportunities. These members are the President of Koç Holding’s Consumer Durables Group (non-executive member of the BoD) and the CEO of WAT (executive member of the BoD). The President of the Consumer Durables Group has been appointed by Board resolution to inform the Board on sustainability risks and opportunities, with a specific focus on water. The same Director also chairs the Risk Management Committee and the Sustainability Committee and receives regular updates from the CEO and CFO on climate, water and ESG risks, opportunities and investment needs.</p> <p>The two Board members have highly successful careers with numerous achievements and the ability to mitigate water-related risks and assess opportunities. They have steered WAT towards closed-loop systems, invested in R&D initiatives to ensure high efficiency in water management products and supported new product projects. They have also directed investment towards process efficiency and vertical integration projects to reduce indirect water use.</p>	<Not Applicable>	<Not Applicable>

W6.3

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

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

Chief Financial Officer (CFO)

Water-related responsibilities of this position

Assessing future trends in water demand
 Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

At a level below the Board of Directors, the top management position responsible for sustainability, including water-related issues, is held by the Chairman of the Risk Committee (WRC) and the Sustainability Committee (WSC), who is also the CFO. The committees include members of the Executive Committee.

Water risks and opportunities, water policy and strategy, progress against water targets, water-related capital expenditure, annual water budgets, key plans, actions and business plans are discussed and managed by the WSC every three months. Critical water-related issues are reported to the designated Board member. To monitor and coordinate sustainability practices, Sustainability Working Groups of experts and managers work under the guidance of the Sustainability Council and their activities are reported quarterly to the CFO by the Sustainability & HSE CoE Manager.

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

Other, please specify (Sustainability & Health, Safety and Environmental CoE Manager)

Water-related responsibilities of this position

Assessing future trends in water demand
 Assessing water-related risks and opportunities
 Managing water-related risks and opportunities
 Conducting water-related scenario analysis
 Setting water-related corporate targets
 Monitoring progress against water-related corporate targets
 Managing public policy engagement that may impact water security
 Managing value chain engagement on water-related issues

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The Sustainability & HSE CoE Manager reports directly to the CEO, works with the CFO and is a member of the Sustainability Committee. Leads the Sustainability Council and its four working groups. They assess climate, water and ESG targets, develop sustainability strategies and roadmaps, and produce research-based reports. Their responsibilities include ensuring compliance and managing environmental performance. They also manage stakeholder relationships and support sustainability, climate and water risk mitigation activities. In addition, they oversee the implementation of processes to assess the ESG status of suppliers, evaluate relevant tools and monitor supplier development plans to improve their ESG performance.

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

Sustainability committee

Water-related responsibilities of this position

Assessing future trends in water demand
 Assessing water-related risks and opportunities
 Monitoring progress against water-related corporate targets
 Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

In 2022, WAT established a Sustainability Committee to discuss ESG issues, including water-related issues, at a tactical and strategic level. The committee meets regularly to discuss issues such as roadmaps, business integration, internal coordination and targets. The Sustainability Committee leads sustainability working groups, such as the Sustainable Product and Sustainable Manufacturing groups, which aim to increase product efficiency in water management and improve process efficiency, reduce water consumption, improve closed-loop water processes and implement digital water monitoring systems. The committee reviews and evaluates its results on a quarterly basis and reports its activities to the Board through the CFO.

W6.4

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

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	<p>WAT operates in the electrical equipment sector, which has relatively low water consumption compared to other manufacturing industries. We actively implement strategies to minimise water consumption through continuous monitoring. As a result, water-related issues are not among WAT's most critical or risky concerns. Despite not using water as a raw material and operating closed-loop processes, we have successfully reduced our water footprint.</p> <p>Water management is an integral part of our 2030 Sustainability Strategy and we actively encourage management to support its successful implementation. In addition, the Production and Supplier Development Tribe Leader (C-suite), who also leads the Sustainable Manufacturing Working Group, has set objectives within the OKR system that include reducing water consumption and achieving other ESG sub-objectives. The water-related results in these objectives will impact on performance assessments and incentives.</p>

W6.4a

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

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Other C-suite Officer (Production and Supplier Development Tribe Leader, Production Technology and Supplier Development Tribe Leader, Demand & Supply Tribe Leader, Product&Projects Tribe Leader, Product Management&Bus.Development Tribe Leader) Other, please specify (Sustainability & HSE CoE Manager)	Reduction of water withdrawals – direct operations Reduction in water consumption volumes – direct operations Reduction of water withdrawal and/or consumption volumes – supply chain Improvements in water efficiency – direct operations Increased investment in water-related R&D Company performance against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security score, etc.) Implementation of employee awareness campaign or training program on water-related issues Other, please specify (Increasing of market share of high energy-efficient products for water-related sector (rate of IE3 energy efficiency class water pumps - to reduce carbon emissions for usage phase and reduce users' water footprint))	- Implementation of internal closed-loop water process systems (vertical integration) to reduce indirect water withdrawals and enforce water policy (done). - Water risk and scenario analysis (done). - Develop and communicate water policy (ongoing). - Reduction of water withdrawals (done for the reporting year). - Water management initiatives include projects to improve the energy efficiency of electric motors used in the water management sector, as well as platform product projects that promote the adoption of energy efficient approaches by users to reduce their water footprint (achieved). These targets are designed to improve water management practices and minimise water-related risks while promoting sustainability throughout the organisation, and annual salary increases and individual bonuses are linked to these targets.	WAT conducts performance tracking and evaluation, including top management, through the Koç Dialogue system. This performance evaluation system is based on OKRs (Objectives and Key Results). Each quarter, the key results of specific objectives are reviewed and monitored. At the end of the year, individual performance is determined based on the level of achievement of key results. Base salary increases and individual bonus levels are determined on the basis of this performance. As part of our risk adaptation plans, we have set our 2030 water targets to reduce water abstraction. These targets include establishing closed-loop water systems in production, improving the efficiency of existing systems, implementing digital water monitoring systems and reducing overall process water consumption, as well as improving water-related product design, communicating water policy and mitigating water-related risks, etc. These objectives are included in the OKR scorecards for each role. Senior managers receive salary bonuses based on the consolidated assessment of these objective scorecards. In addition, the objective of improving supplier sustainability performance, including water, based on third party audits and data collection processes, may also be included in the OKR scorecards of the Sustainability & HSE CoE Manager and the Demand & Supply Tribe Leader, depending on periodic needs.
Non-monetary reward	Please select	Please select		

W6.5

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

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, other

W6.5a

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

WAT prioritises regulatory compliance and works closely with official institutions such as the Ministry of Energy and Natural Resources, the Ministry of Industry and Technology, and the Ministry of Environment, Urbanisation and Climate Change to contribute to sector development.

We actively share industry perspectives in the development of sustainable strategies, participate in joint projects and provide feedback on draft regulations. WAT values collaboration, especially on sustainability strategies, including water strategies and circular economy models. We value collaboration with companies, universities, chambers of commerce and NGOs. Since 2018, our CEO has been a board member of TÜBİTAK and actively participates in key industry and research groups, including chairing the Foreign Trade and Next Generation Industry Working Group under TÜSİAD, being a member of the WEF-Advanced Manufacturing Systems Working Group, and chairing the board of EMOSAD. In 2022, our CEO spoke at the "Eco-Climate Economy and Climate Change Summit" to address the impact of climate change and promote green transformation.

These processes allow us to carry out our activities and develop projects in line with national and international policies. In the event of any inconsistency, the Sustainability&HSE CoE Manager and the Corporate Communications Department immediately inform the CEO and the top management operates the decision-making process to resolve the inconsistency.

W6.6

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

- No, and we have no plans to do so

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	<p>At WAT, all climate risks, including those related to water, are assessed and integrated into our business strategies. We recognise that as the potential impacts of climate change increase, the need to focus on resource efficiency will grow. In this regard, we provide high-efficiency, durable motors for water management systems. During the reporting year, these motors contributed to 459.80 M TL (%26,92) revenue.</p> <p>Evaluating the water footprint of energy generation/consumption also highlights the importance of efficiency. Our highly energy-efficient motors not only significantly reduce electricity consumption, but also support the water management sector by improving efficiency and reducing maintenance requirements.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	<p>WAT is located in an area of 'extremely high' water stress. Although we operate closed-loop systems and our water consumption is primarily for human use, we recognise the importance of ecosystem sustainability and have set strategic goals accordingly. We aim to eliminate wasteful irrigation by providing accessible, efficient, low-vibration and low-maintenance motors for efficient irrigation systems. With diminishing water resources, efficiency will be critical for water-intensive sectors in the future. That is why we are positioning ourselves with high-efficiency motors that meet international standards while operating at significantly lower noise and vibration levels.</p> <p>Our highly energy-efficient motor designs, combined with our panel-mounted motor drives for variable pump loads, provide years of trouble-free operation and significant energy savings. We also offer integrated drive motors with onsite control capabilities, further improving energy efficiency. These efforts contribute to significant energy savings which, when considering the water footprint of energy consumption, can be seen as a significant contribution to the conservation of water resources. Companies seeking to reduce their direct or indirect water consumption are encouraged to start the process by focusing on energy efficiency.</p>
Financial planning	Yes, water-related issues are integrated	11-15	<p>WAT integrates climate-related actions into its long-term financial planning to capitalise on climate opportunities and minimise financial risks. This includes</p> <ul style="list-style-type: none"> - 100% digitisation of the water tracking system - Prioritising investment in zero-water projects - Verification of water data - Establishing a mass balance - Rainwater and wastewater reuse projects - Water efficiency initiatives (feasibility and investment) <p>By investing in climate-related aspects, WAT aims to turn climate challenges into opportunities and achieve long-term business goals.</p> <p>An example of this is the decision to establish a presence in the production and installation of EV chargers in 2022. Given the increasing potential impact of climate change, WAT focuses on resource efficiency. By anticipating customer needs, WAT aims to improve water efficiency through high-performance, durable motors for water management systems. These motors contributed TL 459.80 million (26.92%) to sales in the reporting year.</p>

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

1

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

5

Water-related OPEX (+/- % change)

12

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

15

Please explain

OPEX (Operational Expenditure) includes the costs associated with water supply, wastewater analysis and the management of the water treatment plant. Although water abstraction was the same as in the previous year, OPEX increased compared to the previous year due to the increase in the unit cost of water.

CAPEX (Capital Expenditure), on the other hand, includes investments in water meters, maintenance and control of sewers and similar projects. There were no changes in water-related capital expenditure compared with the previous year. However, with the additional purchase of meters, it is expected that the amount spent will increase during the year.

W7.3

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

	Use of scenario analysis	Comment
Row 1	Yes	<p>WAT assesses our water-related risks and opportunities using the WRI Aqueduct tool, which maps the potential impacts of IPCC climate scenarios on water. We use this tool to assess future risks and opportunities under different scenarios of climate and socio-economic change, to position ourselves for the future and to develop strategic roadmaps for risk mitigation. Our assessments are based on the 'optimistic' scenario (SSP2 RCP4.5), which predicts an average global temperature increase of 1.1-2.6°C, and the 'pessimistic' scenario (SSP3 RCP8.5). The risks and opportunities identified have been incorporated into WAT's Enterprise Risk Management (WERM) system.</p> <p>These risk and opportunity assessments have shaped our water policy, water-related targets, product strategies for water-related sectors, process targets and long-term strategies.</p>

W7.3a

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

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	<p>As WAT, we use the WRI Aqueduct Water Risk Atlas for scenario analysis to assess future water resources in terms of both quantity and quality. This tool combines different climate scenarios (IPCC Representative Concentration Pathways - RCP and IIASA Shared Socio-economic Pathways - SSP) to explore water stress projections for 2030 and 2040.</p> <p>Using this tool, we assess expected changes in future water risks under different scenarios based on climate and socio-economic changes. The first assessment was conducted under the 'optimistic' scenario (SSP2 RCP4.5), which envisages a world with stable economic development and carbon emissions peaking and declining by 2040, with emissions constrained to stabilise at ~650ppm CO2 and temperatures rising by 1.1-2.6°C by 2100.</p> <p>WAT's second assessment was conducted under the 'pessimistic' scenario (SSP3 RCP8.5), which envisages a fragmented world with uneven economic development, higher population growth, lower GDP growth and lower urbanisation rates. These factors potentially affect water use, along with steadily increasing global carbon emissions, with CO2 concentrations reaching ~1370 ppm by 2100 and global mean temperatures increasing by 2.6-4.8°C relative to 1986-2005 levels.</p> <p>By considering both pessimistic and optimistic scenarios, WAT has assessed the physical state of the regional and global water resources in which we operate. In addition, WAT can access information on water quality, water supply, water demand and other relevant data through the WRI Aqueduct tool.</p>	<p>WAT conducted its assessments using the WRI Aqueduct tool, based on the 'optimistic' scenario (SSP2 RCP4.5), which projects an average global temperature increase of 1.1-2.6°C. Under this scenario, WAT's location falls into the 'extremely high' risk category for water stress in the 2030-2040 timeframe. Water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Even under the most optimistic scenario, the region's surface and groundwater resources are projected to decline by 80%, corresponding to water withdrawals.</p> <p>Through the Aqueduct tool, WAT assesses both its physical and different types of risk arising from water-related challenges. The tool assesses the potential impact of changes in water supply and demand on WAT. Currently, supply and demand are in balance. However, with projected population growth, there is likely to be a significant imbalance between supply and demand in the future, potentially affecting local communities and socio-economic conditions. This unquantifiable risk creates a grey area for WAT.</p> <p>WAT also considers changes in water quality to assess its risks. According to the Aqueduct tool, the region where WAT's facility is located faces a medium level of physical water quality risk. Understanding the impact of water pollution on ecosystems and human health is critical. Therefore, WAT identifies and assesses potential water quality risks that may affect its production process.</p>	<p>WAT designs and implements various initiatives to mitigate the impact of water-related risks in the region. Through process redesign, the use of closed-loop systems, best practices to reduce human and operational water consumption, regular monitoring systems and the adoption of a water policy, WAT aims to reduce water risks in the region, contribute to the fight against the climate crisis and minimise potential water-related risks in its production processes. For example, one of the closed-loop systems in the dye house separates coloured water and sludge (treated as hazardous waste) and extends the life of the remaining water in the process.</p> <p>Through its closed-loop water processes, WAT avoids discharging industrial wastewater into the sewer system. It only discharges domestic wastewater suitable for human consumption into the Çerkezköy OIZ sewer system (the OIZ has a wastewater treatment plant). WAT carries out crack inspections in its sewerage pipes to prevent leaks, losses or seepage and to protect the region's groundwater sources. The company carries out sewer cleaning twice a year and micro-camera crack inspections every two years. The costs and investments for these inspections are part of the effort to minimise potential and low-rated risks.</p> <p>WAT collects rainwater through rainwater harvesting systems and discharges it into the OIZ rainwater collection network. This allows clean water resources to reach the natural environment.</p>

W7.4

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

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We evaluated our water risks using the Aqueduct tool provided by the WRI. According to this tool, WAT falls into the high-risk category in terms of location, Physical risks quantity, Physical risks quality, and Regulatory and reputational risks. However, when considering WAT's processes and water needs, it is determined that the identified risk does not have a 'substantive impact' effect.

Nevertheless, WAT approaches water-related issues with sensitivity to ecosystem sustainability, preservation of natural resources, and creating societal benefits. In order to accurately reflect the real and potential costs of water-related issues brought about by the climate crisis and to create societal value, we have initiated internal price on water calculation efforts.

W7.5

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

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Judged to be unimportant, explanation provided	<p>WAT's production, products and services are not water-intensive, so we haven't classified our products by this measure. However, WAT offers highly energy-efficient, resource-saving and low-maintenance technology products in the water management sector. The energy-saving benefits of our products enable users to reduce their water footprint and save on water management costs.</p> <p>WAT has set short term objectives to establish a basis for assessing its products as 'Low Water Impact' products and to gather the necessary data to support this model.</p>

W8. Targets

W8.1

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

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	<Not Applicable>
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	Yes	<Not Applicable>
Other	Please select	<Not Applicable>

W8.1b

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

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Company-wide (direct operations only)

Quantitative metric

Reduction in withdrawals per product

Year target was set

2022

Base year

2021

Base year figure

7.51

Target year

2023

Target year figure

6.66

Reporting year figure

7.18

% of target achieved relative to base year

38.8235294117647

Target status in reporting year

Underway

Please explain

WAT considers all climate risks, including water-related scenarios, and does not fall into the category of 'extremely high' water stress. Nevertheless, WAT aims to manage water effectively for the conservation of natural resources, the sustainability of ecosystems and the accessibility of clean water for local communities. According to the prioritisation analysis conducted by the Employee Materiality Analysis Assessment, 'water scarcity' ranks as the 4th priority of potential climate crises in the near future.

By 2021, WAT used 16.46 million litres of water, despite an increase in production. Through various reduction efforts, including awareness-raising activities, total water consumption was reduced to 16.44 million litres in the reporting year. To better understand this figure, it can be compared with the motor kWh produced. In 2021, 7.51 litres of water were used per motor kWh. This value has been reduced by approximately 4.50% to 7.18 L/motor kWh. The target for 2030 is a 10% reduction compared to the 2021 baseline. The roadmap to achieve this reduction includes the widespread implementation of digital tracking systems, process efficiency projects, awareness-raising initiatives and investments in dry processes.

Target reference number

Target 2

Category of target

Water withdrawals

Target coverage

Company-wide (direct operations only)

Quantitative metric

Increase in water use met through recycling/reuse

Year target was set

2022

Base year

2022

Base year figure

0

Target year

2025

Target year figure

1

Reporting year figure

0

% of target achieved relative to base year

0

Target status in reporting year

New

Please explain

WAT operates its water-dependent processes using closed-loop systems. Withdrawn water is supplied to closed-loop processes based on their specific needs. Outside the processes, water is used for human consumption.

By 2025, the aim is to convert one water consumption point into a closed-loop system. With this pilot point identified, the aim is to promote the widespread adoption of closed-loop systems in the long term.

W9. Verification

W9.1

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

Yes

WAT Motor_14064 VOS FINAL_for 2022.pdf

W9.1a

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

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	26.03.2 023	Other, please specify (ISO 14064-1)	<p>According to ISO 14064: Greenhouse Gas Verification, WAT has successfully verified the greenhouse gas emissions resulting from the procurement of drinking water and the treatment of domestic wastewater.</p> <p>To do this, auditors examined our processes and used data from digital tracking systems and invoices to verify water intake, wastewater volumes and the quality of treated domestic wastewater. This information was used to accurately calculate and verify the greenhouse gas emissions from drinking water supply and wastewater treatment (see CDP Climate Change - Scope 3 - Other (Upstream)). Our verification process has been successfully completed, with auditors confirming the accuracy of our data.</p>

W10. Plastics

W10.1

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

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations	<p>Plastic pollution is one of the most pressing issues facing our world today. The amount of plastic entering our oceans is expected to triple by 2040. In order to tackle this plastic pollution, it is vital that serious action is taken by industry and policy makers.</p> <p>At WAT, we are committed to tackling plastic pollution by taking a holistic approach to maximising the use of recycled and recyclable plastics in our products. We carefully consider the total plastic content of our products. Currently, our WAT motors (90Fr, weighing approximately 17.5 kg) contain an average of 4.59% plastic. Of this plastic, 40.20% consists of fully recyclable elastomers (rubber-like materials). Plastic materials can be found in various parts of our motors, including terminal boxes, gaskets, insulation materials, seals and cable coatings. We have carried out similar content analyses for our other products and, as part of our ISO 14001 EMS management model, we have assessed the impact of content, including plastics, in our risk and opportunity assessments.</p> <p>We have launched initiatives to map our raw materials, particularly plastics, within our value chain. This includes understanding their origins, evaluating their participation in the circular economy at the end of the product lifecycle and assessing their efficiency in this participation.</p> <p>Beyond our operations, we are also committed to raising awareness among our employees to reduce the use of plastics. We strive to instil habits that eliminate single-use plastics, such as plastic water bottles, from our lives. We have carried out similar content analyses for our other products and, as part of our ISO 14001 EMS management model, we have assessed the impact of content, including plastics, in our risk and opportunity assessments.</p>

W10.2

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

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations	<p>Our motors (90Fr, weighing approximately 17.5 kg) contain an average of 4.59% plastic. Of this plastic, 40.20% is made up of fully recyclable elastomers (rubber-like materials). Plastic materials can be found in various parts of our motors, including terminal boxes, gaskets, insulation materials, seals and cable coatings. We have carried out similar content analyses for our other products and, as part of our ISO 14001 EMS management model, we have assessed the impact of content, including plastics, in our risk and opportunity assessments.</p> <p>To reduce plastic pollution, we closely monitor and proactively comply with international regulations. At WAT, we have established a green chemistry system to ensure compliance with legislation on the content of our products, including plastics. We rigorously control the content of our raw materials and verify measurements through third party laboratories.</p> <p>We comply with Reach, RoHS and 3TG standards and regulations to ensure full compliance. To ensure the compliance of the materials we source, we implement the WAT Chemical Compliance specification as a contractual requirement during the procurement process.</p> <p>We are also proud to announce that all plastics used in our packaging are 100% recyclable and we remain committed to maintaining this achievement. In addition, we are committed to further minimising the use of plastics and increasing the recyclability of materials in our products. To achieve this, we have chosen to use aluminium materials instead of the commonly preferred plastic components, even though this may lead to a slight increase in product cost. This decision is based on considerations of material durability and recyclability performance. By using aluminium materials, we have been able to keep the plastic content well below what is possible, while achieving a high level of recyclability, currently at 97%.</p>

W10.3

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

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations Product use phase	Regulatory Technology	<p>WAT assesses and mitigates risks associated with plastics. Key risk areas include</p> <ul style="list-style-type: none"> -Compliance with national and international regulations -Price adjustments, -Plastic content in products and packaging -Scope 3 emissions from plastic raw materials. <p>While we are aware of these risks, they are not considered to have a material impact on WAT. To minimise plastics risks, we closely monitor national and international regulations, taxation practices and customer demand. We are aware of risk factors, including potential regulations:</p> <ul style="list-style-type: none"> -Plastic packaging taxes, EPS bans and EPR schemes for plastic packaging. -Regulations banning the import of recycled plastics and affecting industrial symbiosis. -Cost increases due to upcoming regulations, taxes on higher recycled content and volatile recycled plastic prices. <p>We are committed to further reducing the use of plastics and increasing the recyclability of our products. To achieve this, we have chosen to use aluminium materials instead of commonly preferred plastic components, even though this may lead to a slight increase in product cost. This decision is based on considerations of material durability and recyclability performance. By incorporating aluminium materials, we have effectively kept the plastic content at a much lower level than anticipated, while achieving an impressive recyclability rate of 97%.</p> <p>At WAT, we are committed to maintaining 100% recyclability for plastic in product packaging, and we are allocating resources to projects and initiatives aimed at reducing the use of plastic. For example, we are currently implementing a project to switch from EPE to kraft-based cardboard in our EV Charger product packaging. This project is expected to be operational by the end of 2023 and will reduce plastic content by 5 tonnes per year, contributing to a more circular economy.</p>

W10.4

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

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging Other	Reduce the total weight of plastic packaging used and/or produced Increase the proportion of plastic packaging that is recyclable in practice and at scale Other, please specify (Maximising the recycling rate for plastic content)	<p>In our sustainability strategy, we take responsibility and actively work towards our goals through the establishment of two working groups:</p> <p>Sustainable Products Working Group: This group aims to reduce the use of plastics and ensure that the plastics used in our products are environmentally friendly and can be reused or recycled at the end of their life cycle. The group's responsibilities include identifying more environmentally friendly alternatives to the traditional plastics and metals used in our products.</p> <p>Sustainable Manufacturing Working Group: This group focuses on promoting the efficient use of plastics in production, reducing plastic waste from processes and raising employee awareness of sustainable practices.</p> <p>We are pleased to report that all plastics used in our packaging are currently 100% recyclable and we are committed to continuing these efforts by striving to reduce their use in future designs.</p> <p>As part of our ongoing R&D efforts, we are actively conducting studies to incorporate more recyclable materials into our products. One of our most ambitious targets is to increase the recycled content of plastics in our products to 30% by 2030.</p>

W10.5

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

	Activity applies	Comment
Production of plastic polymers	No	WAT does not produce plastic polymers.
Production of durable plastic components	No	WAT does not produce durable plastic components.
Production / commercialization of durable plastic goods (including mixed materials)	No	WAT does not produce durable plastic goods.
Production / commercialization of plastic packaging	No	WAT does not produce plastic packaging.
Production of goods packaged in plastics	Yes	WAT prioritises packaging processes to ensure product quality when delivering motors to customers. Packaging includes cardboard boxes, plastic sheeting and wooden pallets. Each motor is packaged with an average of 0.446 grams of recyclable plastic. All purchased packaging materials are 100% recyclable and meet quality stand
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	<p>Our operations generate plastic packaging waste during the supply of raw materials. We send this waste, which is defined by the relevant authorities and categorised in the European Waste Catalogue, to licensed recycling companies.</p> <p>WAT also implements innovative initiatives to minimise plastic waste during raw material supply. Through a reusable packaging programme, product components are delivered to our manufacturing facility in metal crates, and we use reverse logistics to return empty crates to our suppliers.</p>

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	20.6	None	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>In the reporting year, 20,598 tonnes of plastic packaging was used to ship our motors to customers (data verified according to ISO 14064-1 for greenhouse gas calculation and verification). All plastic packaging is 100% recyclable.</p> <p>WAT sets targets for the use of recycled content in plastic packaging and allocates resources to projects aimed at achieving these targets.</p>

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	% technically recyclable	<Not Applicable>	100	<Not Applicable>	WAT prioritises the use of 100% recyclable materials in the packaging of products shipped to customers, ensuring their recyclability at the end of their life cycle. WAT aims to maintain this performance over the long term.

W11. Sign off

W-FI

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

WAT was a production plant under Arçelik until 2018. In the first half of 2018, it was partially demerged from Arçelik and Arçelik continued to be its parent company. In 2021, as part of its growth strategy and sustainability efforts to create value, WAT was fully demerged from Arçelik and became a separate Koç Holding company, just like Arçelik. Building on Arçelik's experience in sustainability leadership in the industry, WAT quickly established its systems and took responsibility for environmental sustainability, climate, water risks and other ESG requirements.

WAT continues to work centrally with Arçelik Purchasing Services to strengthen the success of sustainability efforts. This collaboration aims to contribute to the effective management of climate and water risks and includes sustainable supplier management, analysis and evaluation, all of which will add value.

Together, WAT and Arçelik are committed to ensuring the effective management of climate and water risks and creating shared value through sustainable practices in the procurement process.

W11.1

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

	Job title	Corresponding job category
Row 1	Finance, Risk & Compliance Chief Officer (CFO &CRO)	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

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

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

Please confirm below

I have read and accept the applicable Terms