

WAT MOTOR SANAYI VE TICARET ANONIM SIRKETI

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

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

Select from:

☒ TRY

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

(1.3.2) Organization type

Select from:

☒ Privately owned organization

(1.3.3) Description of organization

WAT, established in 1965, designs, supplies, manufactures, sells and provides after-sales support for three-phase and single-phase industrial electric motors, servo applications, electromobility solutions, AC/DC EV chargers, drives and components. Its goal is to become a leading global supplier in the sector with its pioneering activities in electrification and technology, to increase resource efficiency by offering innovative and sustainable solutions, and to create value by reducing carbon emissions. With over 50 years of experience and more than 900 employees, WAT pioneers' innovations that create success for all its stakeholders. WAT, Türkiye's leading electric motor exporter, is trying to expand its service network day by day in this journey, which started with the aim of becoming a high-tech product pioneer in the sector and a center of excellence in motor and motion control. The company addresses the world's energy challenges, creates solutions to change industries and industry, develops projects to reduce national and global emissions, protects natural resources with supra-regulatory and environmentally-friendly designs, promotes social progress and diversity inclusion, and pushes the boundaries of technology to enable continuous improvement. At WAT, our primary mission is to reduce carbon emissions and energy demand through the production of energy-efficient electric motors. We have been at the forefront of innovation in industrial motors, offering both IE3-IE4 energy efficiency classes. In the renewable energy sector, we have entered the wind energy market by manufacturing components for wind turbines. In the mobility sector, we have a leading position in the electrification of mobility, providing original motors, motor drives and HMIs. Our motion control systems play a crucial role in precision, software and Industry 4.0 applications. In 2023, we started the production of EV charging units in Turkey, leveraging our expertise in power electronics. We established domestic production lines for electric chargers in Turkey and made strategic plans for capacity increase, product

quality, and carbon-zero targets in EV charger production. With a focus on achieving net-zero carbon emissions, WAT offers a comprehensive range of EV charging solutions that support both commercial and passenger electric vehicles. In addition to EV & DC chargers and digital solutions, WAT is committed to sustainable product stewardship, driving product design strategies that align with our 'Products for Fit-for-55' approach to contribute to global net-zero carbon emission targets. Through our Fit-for-55 products, we are developing environmentally conscious designs, compact products that reduce resource consumption, and a full range of highly energy efficient electric motors. Through our sustainability programme, we have achieved a significant reduction in carbon emissions from our production. To further expand our activities in the e-mobility ecosystem, we have established WAT Mobility in collaboration with Opet, Otokoç and Entek (Koç Group companies). WAT Mobility aims to provide a superior quality experience for electric vehicle users with a net-zero carbon emission target. Through cloud, software and system platforms, WAT Mobility integrates the e-mobility ecosystem, providing value-added digital solutions and state-of-the-art charging units for commercial and passenger electric vehicles. As a company, we are committed to responsible consumption and production, following the principles of the circular economy and prioritising the efficient use of natural resources. In line with our vision and the UN Sustainable Development Goals, 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. In addition, WAT has established a GHG management system based on the principles of continuous improvement. WAT has calculated its GHG emissions (Scope 1&2&3) in accordance with ISO 14064-1:2018 Std. These emissions have been audited and verified by an independent body with a limited assurance level of "100% verification". Scope 3 emissions include purchased goods, employee commuting, waste treatment, packaging waste of sold products, wastewater, and use of sold products. In 2022, WAT also established an ISO 50001 EnMS to ensure energy efficiency in all its activities and products. Going forward, we will continue to provide solutions to climate change and energy challenges globally, while creating significant social benefits. As a separate company within Koç Holding, we are committed to providing low-carbon products to the industry and users, further increasing our effectiveness in combating climate change

[Fixed row]

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

(1.4.1) End date of reporting year

12/30/2023

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

Select from:

☒ Yes

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

Select from:

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☒ Not providing past emissions data for Scope 1

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☒ Not providing past emissions data for Scope 2

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☒ Not providing past emissions data for Scope 3

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

2900000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

BIC Number: YAPITRISXXX

[Add row]

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

Select all that apply

☒ Turkey

(1.22) Provide details on the commodities that you produce and/or source.

Timber products

(1.22.1) Produced and/or sourced

Select from:

☒ Sourced

(1.22.2) Commodity value chain stage

Select all that apply

☒ Trading

(1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

☒ Yes, we are providing the total volume

(1.22.5) Total commodity volume (metric tons)

392.2

(1.22.8) Did you convert the total commodity volume from another unit to metric tons?

Select from:

☒ No

(1.22.11) Form of commodity

Select all that apply

☒ Secondary packaging

(1.22.12) % of procurement spend

Select from:

☒ Less than 1%

(1.22.13) % of revenue dependent on commodity

Select from:

☒ Less than 1%

(1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

☒ Yes, disclosing

(1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

☒ No

(1.22.19) Please explain

Wooden cases and standard pallet products are used as secondary packaging for the safe transportation of electric motor products of certain weights in shipment and for export. The cost of procurement of these products is added to the cost of the product at certain rates, but its share in revenue is less than 1%. The calculation is made as % share.

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

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

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

- ☒ Tier 3 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

- ☒ All supplier tiers known have been mapped

(1.24.6) Smallholder inclusion in mapping

Select from:

- ☒ Smallholders not relevant, and not included

(1.24.7) Description of mapping process and coverage

208

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

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

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

- ☒ Upstream value chain
- ☒ Downstream value chain
- ☒ End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply

☒ Recycling

☒ Waste to Energy

[Fixed row]

(1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

Timber products

(1.24.2.1) Value chain mapped for this sourced commodity

Select from:

☒ Yes

(1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

☒ Tier 3 suppliers

(1.24.2.3) % of tier 1 suppliers mapped

Select from:

☒ 100%

(1.24.2.4) % of tier 2 suppliers mapped

Select from:

☒ 100%

(1.24.2.5) % of tier 3 suppliers mapped

Select from:

☒ 1-25%

(1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

☒ All supplier tiers known have been mapped for this sourced commodity

[Fixed row]

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

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

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

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

When assessing "dependencies, impacts, risks, and opportunities" related to climate change and the environment, climate scenarios based on scientific approaches are taken into account. In climate scenarios, the situation of the current environmental problems in the coming years is evaluated. With the scenarios created by international institutions such as IPCC, IEA, IMF, Greenpeace, DDP, NGFS, accessibility and cost analysis on commodities and predictions can be made about the processes in the regions where activity is shown. In addition to these, WAT also took into account the periods when the company reviewed its strategies and made long-term investment plans while determining the risk time frame. The short-term is defined as a time horizon of 0-3 years in the context of climate-related risks and opportunities in WAT. WAT aims to rapidly improve its sustainability performance by focusing on short-term goals that are aligned with the global 2030 targets. Our priorities during this period include increasing energy efficiency, reducing carbon emissions and optimising waste management processes. We plan to further improve energy sustainability by increasing investment in renewable energy sources, thereby contributing to global efforts to combat climate change.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

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

When assessing "dependencies, impacts, risks, and opportunities" related to climate change and the environment, climate scenarios based on scientific approaches are taken into account. In climate scenarios, the situation of the current environmental problems in the coming years is evaluated. With the scenarios created by international institutions such as IPCC, IEA, IMF, Greenpeace, DDP, NGFS, accessibility and cost analysis on commodities and predictions can be made about the processes in the regions where activity is shown. In addition to these, WAT also took into account the periods when the company reviewed its strategies and made long-term investment plans while determining the risk time frame. The mid-term is defined as a 3-7 year time horizon in the context of climate-related risks and opportunities in WAT. In the medium term, from 2030 to 2050, our goals are aligned with global goals for a sustainable future. We aim to transform our business processes to be fully aligned with sustainability principles and improve sustainability performance throughout our supply chain. By embracing green design and circular economy principles, we will minimise our environmental impact and contribute to the achievement of global sustainability goals.

Long-term

(2.1.1) From (years)

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

Select from:

☒ No

(2.1.3) To (years)

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

When assessing "dependencies, impacts, risks, and opportunities" related to climate change and the environment, climate scenarios based on scientific approaches are taken into account. In climate scenarios, the situation of the current environmental problems in the coming years is evaluated. With the scenarios created by international institutions such as IPCC, IEA, IMF, Greenpeace, DDP, NGFS, accessibility and cost analysis on commodities and predictions can be made about the processes in the regions where activity is shown. In addition to these, WAT also took into account the periods when the company reviewed its strategies and made long-term investment plans while determining the risk time frame. The long-term is defined as a 7-20 year time horizon in the context of climate-related risks and opportunities in WAT. Looking to 2050, our long-term goals are focused on becoming a sustainability leader and making a significant positive impact. We are committed to achieving net-zero emissions and supporting the energy transition by relying heavily on renewable energy sources. We will also develop a range of

sustainability awareness and education projects, contributing to the global effort to create a more sustainable and resilient future. Throughout these goals, we will continuously monitor our performance to ensure progress. We recognise the importance of working with all our stakeholders to achieve our sustainability goals and contribute to the global agenda for sustainability.

[Fixed row]

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

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

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

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

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

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☒ Tier 1 suppliers

☒ Tier 2 suppliers

- ☒ Tier 3 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

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

(2.2.2.10) Integration of risk management process

Select from:

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

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Not location specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ COSO Enterprise Risk Management Framework
- ☒ Enterprise Risk Management

- ☒ Internal company methods
- ☒ ISO 31000 Risk Management Standard

International methodologies and standards

- ☒ Environmental Impact Assessment
- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Standard
- ☒ Life Cycle Assessment

Databases

- ☒ Nation-specific databases, tools, or standards

Other

- ☒ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Landslide
- ☒ Subsidence
- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Storm (including blizzards, dust, and sandstorms)
- ☒ Other acute physical risk, please specify

Chronic physical

- ☒ Change in land-use
- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☒ Increased severity of extreme weather events
- ☒ Water stress

Market

- ☒ Availability and/or increased cost of certified sustainable material

- ☒ Availability and/or increased cost of raw materials

Reputation

- ☒ Impact on human health
- ☒ Stakeholder conflicts concerning water resources at a basin/catchment level

Technology

- ☒ Transition to lower emissions technology and products

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Local communities

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

Select from:

- ☒ Yes

(2.2.2.16) Further details of process

At WAT, we prioritize identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities throughout our supply chain. Our commitment is to create value for all stakeholders by closely monitoring the environmental and social performance of our suppliers. To manage and mitigate environmental risks, we have developed a comprehensive Supplier Sustainability Data Monitoring and Improvement Programme, which ensures that all suppliers undergo rigorous sustainability risk assessments conducted by an external company. As part of this process, all suppliers are evaluated for their ESG (Environmental, Social, and Governance) status before being approved. Suppliers who represent at least 50% of our purchasing volume and have a significant impact on our operations are classified as critical and subject to additional scrutiny. This includes in-depth risk assessments, ESG scoring, and sustainability index evaluations. These analyses are essential in ensuring 100% compliance, continuity of supply, and progress toward both our sustainability objectives and those of our suppliers. Furthermore, our supplier contracts emphasize quality, ethics, and environmental considerations. To ensure alignment with our sustainability principles, WAT conducts self-assessment audits across our network of 222 tier 1 and tier 2 suppliers spanning 18 countries. We focus on critical suppliers with a significant operational impact, and in 2023, we identified 58 critical suppliers, which accounted for 78% of our purchasing volume. Currently, we are collecting data from 44

suppliers to effectively manage their environmental impacts, including energy use, water consumption, and emissions. In line with our broader sustainability goals, we actively encourage suppliers to report water-related data and adopt responsible water management practices across the supply chain. Of the suppliers we evaluated, 58 have undergone comprehensive ESG assessments, and many have implemented industry-standard environmental management systems, with 47 suppliers certified under ISO 14001 and 32 suppliers under ISO 50001. We have established detailed action plans to further improve their compliance with these standards. Recognizing the importance of decarbonizing our supply chain, WAT has initiated efforts to secure long-term environmental commitments from our suppliers, focusing on setting targets for greenhouse gas emissions, water use, waste reduction, and energy efficiency from 2023 onwards. Our overall risk management processes, along with our sustainable supplier indices, supplier audits, communication initiatives, and training programs, enable us to build a resilient and sustainable supply chain. Through these efforts, WAT ensures that our sourcing practices are aligned with our environmental and social goals, contributing to the global fight against climate change while fostering responsible business practices throughout our supplier network.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☒ Water

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

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☒ Tier 1 suppliers

☒ Tier 2 suppliers

☒ Tier 3 suppliers

(2.2.2.7) Type of assessment

Select from:

☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

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

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific
- ☒ Not location specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ WRI Aqueduct
- ☒ WWF Water Risk Filter

Enterprise Risk Management

- ☒ COSO Enterprise Risk Management Framework
- ☒ Enterprise Risk Management
- ☒ Internal company methods
- ☒ ISO 31000 Risk Management Standard

International methodologies and standards

- ☒ Environmental Impact Assessment
- ☒ ISO 14001 Environmental Management Standard
- ☒ ISO 14046 Environmental Management – Water Footprint

Other

- ☒ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

- ☒ Water availability at a basin/catchment level

- ☒ Water stress
- ☒ Water quality at a basin/catchment level

Policy

- ☒ Changes to international law and bilateral agreements
- ☒ Changes to national legislation
- ☒ Increased pricing of water

Reputation

- ☒ Stakeholder conflicts concerning water resources at a basin/catchment level

Technology

- ☒ Data access/availability or monitoring systems

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> NGOs | <input checked="" type="checkbox"/> Regulators |
| <input checked="" type="checkbox"/> Customers | <input checked="" type="checkbox"/> Local communities |
| <input checked="" type="checkbox"/> Employees | <input checked="" type="checkbox"/> Water utilities at a local level |
| <input checked="" type="checkbox"/> Investors | <input checked="" type="checkbox"/> Other water users at the basin/catchment level |
| <input checked="" type="checkbox"/> Suppliers | |

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

Select from:

- ☒ Yes

(2.2.2.16) Further details of process

At WAT, all risks, including water-related risks, are integrated into the WAT Enterprise Risk Management (WERM) framework, which adheres to the ISO 31000 risk management standard. WAT identifies both acute and chronic global risks stemming from climate change and the unsustainable use of natural resources, including water. These risks are carefully assessed for their potential impact on operations. As part of this process, WAT uses the World Resources Institute's (WRI) Aqueduct

Beta tool to evaluate water risks at its own locations and those of its suppliers, incorporating a comprehensive location-based assessment. WAT follows ISO 14046 for its water footprint evaluation, ensuring a thorough analysis of water use and its environmental impacts. Water stress risks are identified and assessed, considering both operational and supply chain contexts. The assessment is performed under different climate scenarios using the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) 4.5 and RCP 8.5 models. This enables WAT to prepare for a range of potential outcomes and design mitigation strategies accordingly. Key risks identified include floods, droughts, restrictive water supply regulations, degradation of water quality, local socio-economic impacts related to water scarcity, volatility in water pricing, and supplier-related water challenges. These risks are regularly monitored by WAT's Sustainability Committee, which sets targets for their reduction and elimination. Corrective and preventive actions are determined based on this monitoring and are reported to Enterprise Risk Management (ERM), where they are integrated into the corporate risk management process. The water risk assessments performed using WRI Aqueduct provide valuable insights into water supply and demand dynamics across different regions, including those of our suppliers. For example, in high-risk areas, we analyze potential impacts such as increased water demand due to population growth and industrialization, and assess how this may influence water availability and costs. In addition, WAT incorporates financial impact assessments of climate risks and adjusts its operations to minimize exposure to these risks. As part of our supplier development program, WAT includes environmental and social risk evaluations, with a focus on water-related risks. The company enforces a zero-tolerance policy for ethical and legal compliance and ensures that water risks faced by suppliers are addressed and integrated into their operational strategies, further enhancing the resilience of our supply chain against water-related challenges.

Row 3

(2.2.2.1) Environmental issue

Select all that apply

- ☒ Forests
- ☒ Plastics
- ☒ Biodiversity

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

Select all that apply

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

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers
- ☒ Tier 2 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

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

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific
- ☒ Local
- ☒ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ IBAT – Integrated Biodiversity Assessment Tool
- ☒ WWF Biodiversity Risk Filter

Enterprise Risk Management

- ☒ Enterprise Risk Management
- ☒ Internal company methods
- ☒ ISO 31000 Risk Management Standard

International methodologies and standards

- ☒ Environmental Impact Assessment
- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Standard

Other

- ☒ Materiality assessment
- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Pollution incident

Chronic physical

- ☒ Increased severity of extreme weather events
- ☒ Land loss to desertification
- ☒ Water stress
- ☒ Water quality at a basin/catchment level

Policy

- ☒ Changes to international law and bilateral agreements
- ☒ Changes to national legislation
- ☒ Other policy, please specify :Social Impacts

Market

- ☒ Availability and/or increased cost of certified sustainable material
- ☒ Availability and/or increased cost of raw materials
- ☒ Availability and/or increased cost of recycled or renewable content
- ☒ Changing customer behavior

Reputation

- ☒ Impact on human health

Technology

- ☒ Transition to reusable products
- ☒ Transition to recyclable plastic products
- ☒ Transition to increasing recycled content

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ NGOs
- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers
- ☒ Regulators
- ☒ Local communities

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

Select from:

- ☒ Yes

(2.2.2.16) Further details of process

WAT identifies, assesses, and manages environmental dependencies, impacts, risks, and opportunities through a comprehensive process integrated into our WAT Enterprise Risk Management (WERM) framework, aligned with the ISO 31000 standard. This process addresses key environmental areas such as climate, water, biodiversity, forests, and plastics, ensuring a systematic approach across all operations and the supply chain. WAT employs global tools such as the World Resources Institute's (WRI) Aqueduct to assess water risks and applies climate scenarios from the Intergovernmental Panel on Climate Change (IPCC), specifically RCP 4.5 and RCP 8.5, to gauge potential impacts of climate change. Similarly, we evaluate biodiversity and deforestation risks using internal assessments and supplier data, incorporating tools like the Integrated Biodiversity Assessment Tool (IBAT) and the WWF Biodiversity Risk Filter. These resources provide reliable forecasts that support our environmental impact analyses. In our assessments, we also use frameworks such as the ISO 14001 Environmental Management Standard, Environmental Impact Assessments, and Double Materiality evaluations, ensuring a holistic approach to environmental risk management. WAT integrates all environmental impacts into the WERM framework, which systematically tracks and assesses key areas such as forest resources, biodiversity loss, and waste from plastic use. In 2023, our risk assessment process led to the transition to EPS-free packaging as a significant output of our evaluation. Additionally, this process guided the creation and implementation of our Biodiversity Conservation and Anti-Deforestation Policy, which focuses on preserving biodiversity and preventing deforestation in line with our sustainability goals. WAT has taken concrete steps to protect forest resources and maintain biodiversity. As part of this effort, activities and supply chain processes that carry deforestation risks undergo detailed evaluations. The Biodiversity Conservation and Anti-Deforestation Policy was developed based on these assessments and is actively implemented to support our sustainability objectives. Our suppliers are regularly monitored for compliance with biodiversity and deforestation prevention measures. Continuous improvement initiatives are in place to enhance supplier performance in these areas, ensuring that sustainability targets are met across the entire supply chain. WAT's risk assessment process is regularly updated to reduce the environmental impact of plastic use. In 2023, the shift to EPS-free packaging was a critical outcome of this process. To further minimize the environmental damage caused by materials like EPS, we have adopted a strategy focused on using sustainable and recyclable materials. Our management system ensures that suppliers are also involved in this transformation. Packaging materials are selected based on sustainability principles, and environmental impacts are minimized throughout procurement processes. WAT's management strategies for forests, biodiversity, and plastics are grounded in comprehensive environmental assessments. The insights from these evaluations directly inform our policy development, ensuring that our risk management processes align with our sustainability strategies. Our goal is to continuously reduce the environmental impact of our operations through these integrated efforts.

[Add row]

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

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

Select from:

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

Environmental, social, economic, and governance-related risks and opportunities have been assessed within the framework of our risk management methodology. Climate crisis-induced risks such as extreme weather events, floods, droughts, and ecosystem degradation have been examined, alongside the implications of these risks on our operations. This analysis also considers indirect linkages arising from environmental risks related to climate, deforestation, water security, and biodiversity. These linkages include potential workforce losses, access restrictions to labor, region-specific water scarcity, human rights violations, social inequalities, and other governance-related deficiencies, all of which fall under the umbrella of sustainability. WAT's operations predominantly involve water-efficient processes, utilizing closed-loop water systems where necessary, thereby keeping our water dependency at a low level. Nevertheless, WAT does not invest in water-consuming processes and actively seeks alternatives that do not require water. We have assessed our dependency on resource conservation, particularly due to our processes that utilize aluminum ingots in the metal industry sector. Efficient resource utilization enables us to recover materials in our processes, and we continuously strive for improvements. To minimize our reliance on forest products, which we use in low quantities compared to other materials, we collaborate with FSC-certified suppliers and utilize FSC-certified products. We also implement tracking processes to ensure the repeated use of these products in our operations. Additionally, our focus on digitization and packaging improvements allows us to reduce our needs for wood and plastic over time. By prioritizing climate risks and addressing issues related to water, forests, biodiversity, and plastic pollution, we have developed products that incorporate up to 98% metal content, recyclable plastic components, reusable or recyclable packaging, and alternatives that do not include EPS. These initiatives demonstrate our commitment to assessing interconnections between environmental dependencies and risks, ensuring we effectively manage our environmental impact while identifying opportunities for sustainability.

[Fixed row]

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

(2.3.1) Identification of priority locations

Select from:

☒ Yes, we have identified priority locations

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

Select all that apply

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

(2.3.3) Types of priority locations identified

Sensitive locations

- ☒ Areas of limited water availability, flooding, and/or poor quality of water
- ☒ Other sensitive location, please specify :Areas related to the European Union's Regulation on Mines in Conflict Zones. The countries where these minerals, such as tin, tungsten, tantalum and gold (conflict zone mines) are brought are considered sensitive areas in this context.

(2.3.4) Description of process to identify priority locations

As a manufacturer of electric motors operating in Çerkezköy, one of Turkey's key industrial regions, WAT has integrated environmental sustainability into the core of its business processes. To minimize its environmental impact, the company has identified priority locations and actively manages its effects in these areas. The primary location is the region where our factory and headquarters are situated. Risks in this area are assessed using the WWF WaterRisk Atlas. Located in the Ergene Basin (Maritsa), which experiences high water stress, WAT is particularly sensitive to the conservation of water resources. Therefore, the company conducts extensive efforts to reduce water consumption in its production processes, effectively treat wastewater, and prevent water pollution. Given that the Çerkezköy region is surrounded by fertile agricultural land, air quality is critically important to WAT. The company is continuously engaged in improvement initiatives to reduce air emissions and minimize its environmental impacts in production processes by utilizing the latest technologies. In our materials supply chain, WAT places significant importance on the conservation of marine ecosystems and biodiversity. The company closely monitors the aquatic impact of the ports from which it sources materials, ensuring full compliance with international regulations regarding hazardous materials transportation. This proactive approach contributes to preventing marine pollution and protecting the habitats of marine life. WAT adopts sustainability principles in supply chain management by regularly assessing the environmental performance of its suppliers. By evaluating the risk profiles of the regions in which suppliers operate, WAT avoids sourcing from areas with high environmental impact. Additionally, a robust tracking mechanism has been established to prevent the inclusion of materials associated with human rights violations, such as conflict minerals, within the supply chain. Through this framework, WAT demands transparency and accountability from its suppliers, aiming to ensure sustainability throughout the entire value chain. To achieve its environmental sustainability goals, WAT organizes awareness training for its employees, operates in accordance with international standards such as the ISO 14001 Environmental Management System, and embraces a culture of continuous improvement. Through these efforts, the company aims to minimize its environmental impacts across the value chain and leave behind a more livable world for future generations.

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

Select from:

- ☒ Yes, we will be disclosing the list/geospatial map of priority locations

(2.3.6) Provide a list and/or spatial map of priority locations

Priority_Locations.xlsx
[Fixed row]

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

Risks

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Asset value

(2.4.3) Change to indicator

Select from:

☒ Absolute decrease

(2.4.5) Absolute increase/ decrease figure

350000

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

- ☒ Likelihood of effect occurring
- ☒ Other, please specify :Magnitude of impact

(2.4.7) Application of definition

WAT defines substantive effects on the organization through a risk severity matrix that quantifies the potential financial impact on our net assets. This structured approach enables us to categorize risks based on their financial implications. The matrix includes five levels of risk: Insignificant Risk: Risks with an impact of up to 2% of net assets, considered minor and typically managed through routine controls. Low Impact Risk: Risks affecting up to 4% of net assets. These are monitored closely but do not significantly challenge operational continuity. Moderate Impact Risk: Risks that could impact up to 7% of net assets, requiring targeted mitigation strategies. Significant Risk: Risks with a potential impact of up to 9% of net assets, needing focused management attention due to the potential disruption of business operations. High Impact Risk: Risks exceeding 10% of net assets, requiring immediate and comprehensive intervention to mitigate or eliminate their effects. In addition to financial considerations, the risk management process evaluates the likelihood and frequency of occurrence, the time horizon over which the risk materializes, and the overall magnitude of impact, incorporating non-financial aspects such as reputation, compliance, and operational disruption.

Opportunities

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Asset value

(2.4.3) Change to indicator

Select from:

- ☒ Absolute increase

(2.4.5) Absolute increase/ decrease figure

350000

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring
- ☒ Other, please specify :Magnitude of impact

(2.4.7) Application of definition

WAT defines substantive effects on the organization through a risk severity matrix that quantifies the potential financial impact on our net assets. This structured approach enables us to categorize risks based on their financial implications. WAT also applies a similar risk severity matrix for identifying and managing opportunities. Any financial opportunity that could result in an increase of more than 7% of net assets is considered material, warranting immediate attention. The matrix helps us assess the financial and strategic potential of opportunities in a structured manner: Minor Opportunities: Potential gains with an impact of up to 2% of net assets, integrated into routine planning and operational improvements. Low Impact Opportunities: Opportunities contributing up to 4% of net assets, representing gains that enhance operational efficiency or market position. Moderate Opportunities: Gains affecting up to 7% of net assets, which are leveraged through strategic initiatives to strengthen competitiveness. Significant Opportunities: Potential gains of up to 9% of net assets, demanding proactive engagement to maximize their benefit. High Impact Opportunities: Gains exceeding 10% of net assets, triggering a focused organizational response to capitalize on growth or innovation prospects. Alongside financial impacts, WAT evaluates time horizon, frequency of occurrence, likelihood, and magnitude of these opportunities, ensuring both quantitative and qualitative factors are considered in our strategic planning process.

[Add row]

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

(2.5.1) Identification and classification of potential water pollutants

Select from:

- ☒ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

WAT categorises water pollutants into two groups: - 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. -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. 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.

[Fixed row]

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

Row 1

(2.5.1.1) Water pollutant category

Select from:

☒ Pathogens

(2.5.1.2) Description of water pollutant and potential impacts

Coliform Bacteria, Escherichia coli, Enterokok / Fecal Streptococ. 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.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- ☒ Beyond compliance with regulatory requirements
- ☒ Industrial and chemical accidents prevention, preparedness, and response
- ☒ Upgrading of process equipment/methods
- ☒ Other, please specify :Regular water quality testing.

(2.5.1.5) 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.

Row 3

(2.5.1.1) Water pollutant category

Select from:

- ☒ Other nutrients and oxygen demanding pollutants

(2.5.1.2) Description of water pollutant and potential impacts

COD, TSS, pH, Temperature and Oil & Grease. 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, 14% of the water taken is used in our processes, while 86% 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.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

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

☒ Beyond compliance with regulatory requirements

☒ Industrial and chemical accidents prevention, preparedness, and response

☒ Upgrading of process equipment/methods

☒ Other, please specify :Regular water quality testing.

(2.5.1.5) Please explain

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, 14% of the water we take in is used in our processes, while 86% 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 wastewater. Through best practice and closed-loop systems, we further extend the life of the water we use.

Row 4

(2.5.1.1) Water pollutant category

Select from:

☒ Other, please specify :Legionella bacteria.

(2.5.1.2) Description of water pollutant and potential impacts

Legionella bacteria. WAT stores water for emergency fire response purposes. During storage, there is a potential risk of Legionella contamination. Legionella bacteria, when inhaled through contaminated water droplets, can cause Legionnaires' disease, a severe form of pneumonia. This risk is significant in stagnant water

conditions, where the bacteria can multiply, posing a potential health hazard to employees and first responders using this water in emergencies. Therefore, managing and monitoring the quality of this stored water is critical for health and safety.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

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

☒ Other, please specify : > Regular water quality testing. > Water circulation (periodic water replacement).

(2.5.1.5) Please explain

To mitigate the risk of Legionella contamination in stored fire-response water, WAT implements several key measures. We conduct Legionella testing at least twice per year to ensure water safety and quality. Additionally, the stored water is regularly circulated to prevent stagnation, reducing the risk of bacterial growth. Our water storage systems are monitored and maintained to prevent issues like pipe erosion, leaks, and contamination from external sources. By maintaining these rigorous controls, WAT ensures the safety and efficacy of the water stored for emergency use.

[Add row]

C3. Disclosure of risks and opportunities

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

	Environmental risks identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain
Forests	Select from: <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain
Water	Select from: <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain
Plastics	Select from: <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain

[Fixed row]

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

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.9) Organization-specific description of risk

WAT places significant importance on creating value within its supply chain as a crucial aspect of its sustainability journey. The company conducts environmental and social audits of its suppliers and takes action based on the audit results. As of 2023, all suppliers collaborating with WAT have completed the WAT Self-Assessment. Critical suppliers, accounting for approximately 77% of WAT's financial volume, are subject to third-party evaluations. In the event of any ethical or legal issues identified with suppliers, collaborations are terminated. WAT also evaluates its suppliers' strategies regarding climate scenarios, how they manage climate risks, and what activities they undertake to minimize these risks. This includes assessing the locations of suppliers to evaluate water scarcity and stress in their respective regions. WAT acknowledges the potential impact of water scarcity on its supply chain and overall business continuity. The company assesses the risk of potential disruptions, both immediate and ongoing, in its suppliers' operations. To this end, it analyses supplier locations using the WRI Aqueduct tool. Suppliers responsible for 94% of WAT's financial volume are classified as high-risk in terms of water stress (indicator score of 3-4), while the remaining suppliers fall into the medium-risk category (indicator score of 2-3). This assessment indicates a significant risk that could affect WAT's business continuity.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased revenues due to reduced production capacity

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

Select all that apply

☒ Long-term

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

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ Medium

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

Climate change has a global impact and affects various aspects of production. While WAT acknowledges that its location and production methods may not be directly affected by water scarcity, it recognizes that risks may arise through its suppliers. The company conducts alternative supplier analyses to minimize supplier-related risks. By forming agreements with these alternative suppliers, WAT incorporates them into its supplier evaluation and development processes. This proactive approach aims to minimize financial impact due to any disruptions. Additionally, 80% of WAT's suppliers are domestic, helping to avoid logistical delays in the event of any disruptions. However, even if WAT develops alternative suppliers, these suppliers may not be able to produce as swiftly and with the same quality as primary suppliers. Acknowledging this risk, WAT has focused on vertical integration projects. This strategy allows the company to have the necessary infrastructure and know-how to produce products it typically sources from suppliers in the event of issues. In 2023, WAT undertook projects related to vertical integration.

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

Select from:

☒ Yes

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

0

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

154577867

(3.1.1.25) Explanation of financial effect figure

The financial impact calculation takes into account the risk of water resource depletion (high risk potential: 40-80% reduction in water resources) of 40% of high-risk suppliers. The calculation takes into account the difference in cost between existing materials sourced from affected suppliers and materials sourced from alternative suppliers, taking into account potential availability issues.

(3.1.1.26) Primary response to risk

Engagement

☒ Engage with suppliers

(3.1.1.27) Cost of response to risk

80000000

(3.1.1.28) Explanation of cost calculation

WAT's supply chain operations are managed by dedicated teams focused on the sustainability of materials and processes. These teams regularly monitor and develop the supplier base, responding to supply chain constraints through actions such as building buffer stocks and approving new suppliers. WAT also provides support services to enhance suppliers' capabilities, conducts audits, and offers training on topics such as greenhouse gas emissions calculation. The company does not rely on single-source suppliers for production sustainability and employs robust planning and advanced inventory management to effectively mitigate risks. By promoting flexibility and continuous improvement, WAT actively works to minimize impacts arising from any potential process disruptions that suppliers may face. The budget allocated for finding and developing alternative suppliers is seen as a measure against risk.

(3.1.1.29) Description of response

WAT has a dedicated team for supplier assessment and development. Additionally, supply chain audits are managed by a third-party organization. These teams oversee supplier audits and implement and track development plans, contributing to the sustainability of existing suppliers. They also develop alternative suppliers. By fostering flexibility and continuous improvement, WAT actively works to minimize impacts arising from potential process disruptions faced by suppliers. The company's focus on sustainability, ethical practices, and collaboration in supplier development demonstrates a proactive and responsible approach to global challenges. By establishing strong relationships with its suppliers and continuously seeking alternatives, WAT is prepared to manage water scarcity risks and uphold its long-term sustainability commitment.

Forests

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.2) Commodity

Select all that apply

☒ Not applicable

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Declining ecosystem services

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.9) Organization-specific description of risk

The existence of healthy ecosystems is critical for social sustainability. As biodiversity declines, ecosystems suffer, potentially leading to the emergence of diseases and indirect problems in vulnerable ecosystems. These problems can include long-term serious damage to biodiversity, threats to food security, increased financial costs on livelihoods, and restricted access to clean water and air by hindering sanitation. Issues such as deforestation, improper land use, the release of environmental pollutants, and poor agricultural and industrial practices can cause severe short-term harm to ecosystems. This situation poses risks to the local population and affects companies' access to a qualified workforce.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Disruption to workforce management and planning

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

Select all that apply

☒ Long-term

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

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ Medium

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

The anticipated effects of ecosystem degradation and biodiversity loss risks on the company's financial position, performance, and cash flows can be summarized under several headings. The primary effect of these risks is the increasing difficulty in accessing a qualified workforce. Ecosystem degradation directly impacts the health and quality of life of the local population, adversely affecting workforce availability. Increased health issues and the difficulty of accessing health care systems, along with declines in productivity in agriculture and livestock sectors due to ecosystem degradation, alter the demographic structure of the region. This situation will complicate companies' access to qualified labor and result in increased personnel-related costs. Similar problems may arise in suppliers facing related risks, negatively impacting raw material supply chains. This could lead to higher production costs, reduced product quality, and customer dissatisfaction, ultimately harming long-term brand value. Sectors like WAT's, which operate in highly competitive environments, may face even greater damage. Potential expenditures for addressing the issues caused by ecosystem degradation could further increase costs (e.g., rising waste disposal costs). Additionally, rising raw material costs due to the depletion and pollution of natural resources could be another factor influencing WAT's financial processes. WAT recognizes that risks related to ecosystem degradation and biodiversity loss threaten not only its environmental sustainability but also its financial sustainability. Consequently, the company is committed to strengthening its sustainability strategies, improving environmental performance, and enhancing the resilience of its supply chains.

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

Select from:

☒ Yes

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

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

15500000

(3.1.1.25) Explanation of financial effect figure

To evaluate the financial effects of risks, WAT calculates the potential consequences of workforce loss. Scenarios of lost workforce potential due to brain drain, pandemics, natural disasters, biodiversity loss, water stress, and climate crises are assessed by WAT. Based on this evaluation, it is estimated that the percentage of employment costs, including critical positions, will increase by a certain percentage (20%). Additionally, the costs associated with the absence of personnel in critical positions have been calculated for WAT. The resulting value is accepted as the financial effect of the risk. Long-term costs resulting from the services required to ensure the continued employment of current employees have also been considered.

(3.1.1.26) Primary response to risk

Policies and plans

☒ More ambitious no-conversion commitments and policies

(3.1.1.27) Cost of response to risk

5000000

(3.1.1.28) Explanation of cost calculation

WAT is actively working to contribute to combating climate change and minimize its environmental impacts. To manage these impacts, the company focuses on digitalization efforts and tracks environmental KPIs. It shapes its operations by developing sustainability strategies. WAT develops closed-loop systems to reduce operational impacts and applies circular economy models for product usage and end-of-life processes. Recognizing the importance of individual awareness in ecosystem conservation, WAT supports awareness-raising initiatives. This includes conducting campaigns, organizing educational programs for local communities and children, and organizing tree-planting activities to combat deforestation. To highlight biodiversity loss, WAT plans nature walks, diving, and beach clean-up events. These awareness-raising activities and best practices are essential for combating risks.

(3.1.1.29) Description of response

WAT understands the importance of collaboration in managing and eliminating all climate risks, including deforestation, ecosystem degradation, and biodiversity loss. To this end, the company aims to minimize its environmental impact by opting for production mechanisms that conserve the region's natural resources. WAT designs

its operational activities using closed-loop systems to reduce water consumption and prevent wastewater generation. In new investments, the company prefers either minimally water-consuming systems or dry systems. Through digitized tracking and monitoring systems, WAT continuously evaluates and assesses its environmental KPIs. Aiming to reduce its carbon footprint, the company strives to lessen its impact on climate change. Additionally, WAT organizes training sessions to raise environmental awareness. In this context, the company values instilling environmental consciousness in its employees and also conducts awareness-raising activities outside the company. Efforts are made for local communities, children, and students.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Maritsa

(3.1.1.9) Organization-specific description of risk

1. *Flood Risks*: - The occurrence of floods is influenced by various factors such as geomorphology, hydrography, climate, soil and vegetation characteristics, urbanisation, building structures and hard surfaces. - WAT assesses flood risk through specific hydro-morphometric analyses tailored to the Ergene River Basin (a commonly used method to determine river and morphological characteristics). - The WAT site has a Flood Sensitivity score of 62/100, indicating a "very low" flood sensitivity, indicating a very low probability of flooding. - In addition, WAT uses the World Resources Institute's Aqueduct tool to assess 'Riverine Flood Risk' and 'Coastal Flood Risk', both of which are considered 'Low' for the region. 2. *Point Source Flood Risks*: - WAT also assesses the risk of localised flooding, which can occur if the region's and factory's infrastructure and superstructure systems are inadequate. - In the last 5 years, WAT has experienced one incident of internal flooding at the factory. This was due to inadequate rainwater collection systems on the roof during peak rainfall, resulting in minor water accumulation (not exceeding 100mm) at certain locations within the factory. - Immediate action was taken to divert the rainwater to the appropriate drainage systems, preventing any significant damage. Permanent solutions were then implemented to prevent the recurrence of such incidents.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased revenues due to reduced production capacity

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

Select all that apply

☒ Short-term

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

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ Medium

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

Given the location and environmental conditions of WAT's production facility, various calculation methods and analytical tools indicate a low likelihood of flooding during severe rain events. However, the capacity of the region's infrastructure systems (such as drainage systems) is a critical factor that directly influences the risk level during intense rainfall. Inadequate capacity in the infrastructure systems or potential failures during peak rainfall events have been identified as risks for WAT.

The risk assessment includes scenarios where the facility's infrastructure may overflow or the drainage system may be insufficient, leading to leaks. If water accumulates in production areas due to leakage from the roof or insufficient drainage infrastructure, the complete halt of production lines and the initiation of cleanup operations may be necessary. The financial impact of this risk can be calculated based on the production and labor losses resulting from such interruptions. Moreover, comprehensive inspections and maintenance will be required to resume production, as disruptions could also affect electrical systems, ventilation systems, and other auxiliary installations.

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

Select from:

☒ Yes

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

0

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

5131000

(3.1.1.25) Explanation of financial effect figure

When assessing flood risks at the factory, it is evident that the likelihood of a flood event significantly impacting the local community is low. However, the potential damage caused by inadequate infrastructure during heavy rainfall is a consideration in WAT's risk evaluations. The company has conducted hydro-morphometric analyses specific to the Ergene River (Meriç) Basin, where the factory is located. This evaluation compares the maximum rainfall expected in the region with the maximum capacities of its infrastructure. Furthermore, WAT demonstrates its commitment to proactively addressing potential risks by utilizing tools such as WRI's Aqueduct for flood risk assessment and the WWF's Filter Suite. Financial impact calculations indicate that a mandatory three-hour production stoppage due to flooding would result in a loss of revenue from unsold motors. The cost of production stoppages is not limited to direct losses; indirect effects such as delayed customer orders, loss of market share, and reduced employee motivation also contribute significantly to increased costs. Additionally, the disposal of waste generated due to production disruptions constitutes an extra financial burden. Ultimately, the financial impact assessment considers the loss of revenue from motors that cannot be sold due to these stoppages, based on the average equivalent products produced during that three-hour period.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Improve maintenance of infrastructure

(3.1.1.27) Cost of response to risk

6692000

(3.1.1.28) Explanation of cost calculation

WAT plans to invest in roof and infrastructure improvement projects, such as the Solar roof solar energy initiative, in line with long-term climate goals. The costs associated with the renovation and improvement of these roof and infrastructure systems have been developed in collaboration with the hosting company, Arçelik. The project was evaluated with price quotations received, considering the potential contributions of the investment in mitigating identified risks. Additionally, the return on investment (ROI) has been calculated, factoring in the potential expansion of the project with solar panels.

(3.1.1.29) Description of response

The proposed investments in roof renovation and rainwater harvesting systems will not only mitigate flood risk but also contribute to the company's environmental objectives. WAT must carefully evaluate the costs and benefits of the roof renovation project to ensure alignment with its overall financial strategy. In summary, WAT's risk assessment efforts and proactive measures to manage potential flood risks demonstrate a commitment to sustainability and responsible business practices. By aligning investments in infrastructure improvements with long-term sustainability goals, WAT can effectively protect its operations while contributing to a greener and more resilient future. Currently, WAT has positioned all machinery and equipment above ground level to prevent damage in the event of a flood. Additionally, electrical lines have also been elevated for safety reasons.

Plastics

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Changes to international law and bilateral agreements

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.9) Organization-specific description of risk

Changing regulations regarding plastic usage pose significant risks for production facilities. To manage this risk, companies must continuously monitor legal compliance, establish flexible design and production systems, and consistently improve their environmental performance. Compliance with regulations is not merely a cost; it is critical for the long-term sustainability of the company. Emerging and evolving regulations in the fight against climate change affect production sectors. Recently, there have been regional developments in regulations that limit or ban plastic usage. These regulations could lead to the complete prohibition of plastics or promote the use of recyclable plastics (e.g., the ban on EPS usage). Such regulations force companies to make fundamental changes in their product design processes. These changes necessitate new operational plans, equipment investments, reconfiguration of production lines, and potentially the development of entirely new product designs. Consequently, these factors can significantly increase product and production costs, adversely affecting profitability. WAT views the new regulations aimed at restricting plastic usage as both a risk and an opportunity.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased compliance costs

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

Select all that apply

☒ Short-term

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

Select from:

☒ Virtually certain

(3.1.1.14) Magnitude

Select from:

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

WAT faces the obligation to comply with regulations limiting the amount of plastic in product and packaging contents as a result of changing environmental regulations and consumer preferences. The design changes required to comply with these regulations, along with necessary investments, adjustments to production processes, and transitions to alternative materials, will directly affect WAT's short- and long-term financial performance. Initially, changes in product design are needed to develop environmentally friendly raw material preferences that comply with current and future regulations. This shift in raw material requirements due to design changes poses a risk to WAT by increasing product and production unit costs. Additionally, failure to comply with changing regulations could lead to a loss of market share in a particular country or region. Following the transition to alternative materials, any decline in product quality may lead to reduced customer satisfaction, indirectly affecting WAT's financial performance. Diminished customer satisfaction could result in long-term losses in customer and market share. Similarly, the inability to meet mandatory changes to products and production in response to emergency regulations can negatively impact financial performance and cash flows. Interruptions during the transition to new raw materials may lead to delays in fulfilling customer orders and loss of market share. In highly competitive sectors, this situation weakens companies' competitive edge. The increased demand for alternative materials due to regulatory transitions may lead to urgent cash needs, which could also adversely affect the company.

(3.1.1.26) Primary response to risk

Diversification

☑ Develop new products, services and/or markets

(3.1.1.29) Description of response

To comply with changing regulations and minimize risks associated with plastic usage, WAT is developing management mechanisms to continuously monitor existing and potential regulatory changes in the sector and assess the compatibility of its products and production processes with these changes. This proactive approach enables the company to identify potential risks in advance and take necessary precautions. Research and development efforts are underway to develop alternatives to plastic raw materials and more sustainable packaging materials. WAT is conducting R&D to transition to biodegradable materials, recycled, and recyclable packaging. Effective supply chain management is also critical during transitions to alternative raw materials. WAT evaluates how suppliers manage their legal compliance during supplier audits, establishing management mechanisms and preferring to work with compliant suppliers. In collaboration with its suppliers in the face of regulations, WAT creates informative content to ensure their alignment with sustainability goals. Consequently, the company regularly evaluates and audits suppliers' material selections, production processes, and environmental performance.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.9) Organization-specific description of risk

The Carbon Border Adjustment Mechanism (CBAM) is part of the "Fit for 55" package introduced by the European Union (EU) to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels, as per the European Climate Law. The EU already implements carbon pricing mechanisms through the Emission Trading System (ETS) to decarbonise its industries. To maintain EU's competitiveness against the additional costs resulting from the required transformation and greenhouse gas reduction targets of the European Green Deal, as well as prevent carbon leakage to countries with lower emission targets than the EU, a carbon tax is planned to be applied to certain imported products through the CBAM. The transition period of CBAM is expected to start on October 1, 2023, with the permanent phase beginning on January 1, 2026. While WAT might not directly fall into the sectors covered by the initial phase starting on October 1, 2023, the company will be affected as any firm in the value chain that uses inputs from these sectors. The CBAM calculation methodology is yet to be finalised, but it is planned to be aligned with the EU. The increased product costs due to carbon pricing will likely affect WAT, potentially impacting product prices as well. To mitigate this potential burden, WAT has emission reduction targets.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased compliance costs

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

Select all that apply

☒ Short-term

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

Select from:

☒ Very likely

(3.1.1.14) Magnitude

Select from:

☒ Medium

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

The Carbon Border Adjustment Mechanism (CBAM) presents significant risks to WAT's financial position, performance, and cash flows. Although WAT may not be directly affected in the initial phase of CBAM, it recognizes that indirect impacts through its supply chain are inevitable, classifying this as a risk to be addressed. As CBAM leads to increased costs for imported products, the costs of inputs, such as raw materials or semi-finished products, will also rise for WAT. This situation may increase the production unit costs, thereby reducing profit margins. Rising production costs may render WAT's products less competitive in both domestic and international markets, potentially resulting in decreased sales and loss of market share. The combination of increased costs and potential sales declines can negatively impact WAT's cash flow. The company may need to invest in new technologies or processes to reduce its carbon footprint, leading to significant capital expenditures.

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

Select from:

☒ Yes

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

0

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

1245109

(3.1.1.25) Explanation of financial effect figure

*The financial impacts are calculated based on Emission Trading System (ETS), Carbon Tax Scenarios, and Border Carbon Adjustment Mechanism (CBAM) explanations. WAT's total scope 1-2 emissions for 2023 amount to 1,823 tCO₂e. The Carbon Tax price is calculated using average prices from countries that have already implemented Carbon Tax, based on data from the World Bank Carbon Pricing Dashboard. The global direct carbon price averaged 23.2 U.S. dollars per metric ton of carbon dioxide equivalent (USD/tCO₂e) in 2023 (equivalent to 683 TRY/tCO₂e according to CBRT Exchange Rates on 31/12/2023). The potential financial impact figure for the maximum scenario is calculated as follows: (1,823 tCO₂e) * (683 TRY/tCO₂e) 937,142 TRY.*

(3.1.1.26) Primary response to risk

Policies and plans

- ☒ Develop a climate transition plan

(3.1.1.27) Cost of response to risk

3200000

(3.1.1.28) Explanation of cost calculation

To manage this risk, WAT aims to minimise Scope 1-2 emissions and has set targets in this area. To reduce Scope 1 emissions, WAT is working on electrification and automation, and aims to convert its production to processes that use less chemicals. To reduce Scope 2 emissions, the company is developing comprehensive energy projects, such as the efficient motor conversion project. In addition, WAT obtained the Green Electricity Certificate (YEKG) in 2023, which means that all its electricity consumption comes from renewable sources. As a result, Scope 2 emissions for 2022 were zeroed out. The cost of the energy reduction and efficiency projects implemented in 2023, as well as the cost of the green electricity certificate, was considered as a risk mitigation response, totalling approximately 3.2 Mio TL

(3.1.1.29) Description of response

WAT's comprehensive response to the carbon pricing mechanism demonstrates its commitment to sustainability and responsible climate action. The company's efforts to reduce Scope 1-2 emissions through various projects and renewable energy sourcing are in line with the EU's climate change targets and help to minimise potential financial impacts. By taking a proactive approach and continuously striving to reduce emissions, WAT is positioning itself to effectively adapt to the changing regulatory landscape and maintain its competitive edge in the market.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Maritsa

(3.1.1.9) Organization-specific description of risk

When assessing water-related risks, WAT employs the WRI Aqueduct tool, considering both pessimistic (SSP3 RCP8.5) and optimistic (SSP2/RCP4.5) climate scenarios. Located in the Meriç-Ergene river basin, WAT falls under the 'extremely high' water stress risk category according to the Aqueduct assessment. WAT evaluates its water consumption separately for production and human consumption uses, tracking this through digitized systems. Only 10% of the company's annual water consumption is attributed to production, while the remainder is utilized for human consumption. Although WAT's production processes are not dependent on water use, the region's 'extremely high' water stress does not have a direct significant impact on WAT's production processes. WAT's risk management approach

also considers the indirect effects of water-related risks. Exposure to water-related issues in the region may lead to an increase in the incidence of waterborne diseases due to demographic and sociological changes, as well as changes in water quality. These factors could have long-term effects on WAT's workforce, potentially resulting in a loss of qualified personnel.

(3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Disruption to workforce management and planning

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

Select all that apply

- ☒ Medium-term

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

Select from:

- ☒ More likely than not

(3.1.1.14) Magnitude

Select from:

- ☒ Medium

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

For WAT, the most significant financial effect of water stress arises indirectly through impacts on its workforce rather than directly from production processes. Deterioration in the quality of water resources in the region may adversely affect employee health, reducing workforce productivity or limiting access to skilled labor. This could lead to increased absenteeism, higher healthcare costs, and decreased overall operational efficiency. Over time, this reduction in workforce productivity may result in delays in production, negatively affecting the company's ability to meet customer demands. Additionally, as skilled workers may relocate to regions with better water availability and living conditions, WAT could face challenges in retaining and attracting qualified personnel, leading to increased recruitment and training costs. This loss of talent and expertise may also weaken the company's competitive edge, particularly in sectors that rely on innovation and skilled labor. Water stress may also cause interruptions in supply chains, as suppliers in the region may face operational disruptions due to water shortages. This could increase the costs of materials and create delays in the supply of essential components, further affecting WAT's production timelines and cash flows. In extreme cases, prolonged water stress could lead to temporary shutdowns, resulting in significant financial losses due to halted operations and potential penalties for not meeting contractual

obligations. The combined impact of these factors, including decreased workforce productivity, supply chain disruptions, and increased operational costs, could reduce WAT's profit margins, limit its growth potential, and negatively influence long-term financial performance and cash flows.

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

Select from:

☒ Yes

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

0

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

15500000

(3.1.1.25) Explanation of financial effect figure

To assess the financial impact of the risk, WAT calculates the potential consequences of workforce losses. The company evaluates the possibility of workforce potential being lost due to various reasons, such as brain drain, pandemics, natural disasters, and the climate crisis. Based on this assessment, WAT estimates the cost of up to 20% of its employees, including critical positions, potentially leaving their jobs for any reason.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

5000000

(3.1.1.28) Explanation of cost calculation

In an effort to minimise the risk, WAT focuses on tracking, controlling, and improving all points where they have an impact on water quality and quantity. The company endeavors to minimise water usage through closed-loop systems, with only 10% of total withdrawal allocated to process use. In new investments, WAT prefers

systems with no water consumption or minimal usage. In its subsidiary industries, WAT has started processes that consume less water to preserve the region's groundwater resources. The company regularly conducts wastewater analyses to monitor pollutants and digitally tracks water withdrawals and usage points.

(3.1.1.29) Description of response

WAT recognises the importance of effective risk management, particularly in relation to water-related risks and other climate-related challenges. The company recognises the importance of collaboration and recognises that water management is most effective when conducted on a catchment scale. WAT focuses on water conservation by implementing closed-loop systems to minimise water consumption. Although the region's "extremely high" water stress does not directly affect WAT's production processes, the company considers the potential indirect impact of water-related risks. The region's exposure to water-related issues, such as changes in water quality and demographic shifts, could potentially lead to a loss of skilled labour. To manage these risks and ensure operational resilience, WAT has adopted several strategies. These include closed-loop processes, reducing human and operational water consumption, using regular monitoring systems, and implementing a comprehensive water policy. By proactively managing risk and promoting sustainable water management, WAT aims to ensure the long-term stability and success of its business while making a positive contribution to local communities and ecosystems. To assess the financial impact of this risk, WAT calculates the potential loss of labour due to various factors such as brain drain, disease outbreaks, natural disasters and climate change. The company estimates that a maximum of 20% of its workforce could be affected, including key personnel in critical positions. By considering such potential labour losses, WAT can better prepare for and respond to the challenges of water scarcity. WAT's approach to mitigating water risks is a comprehensive strategy that emphasises water conservation, environmental stewardship and community engagement. By focusing on proactive measures and sustainable water practices, WAT aims to minimise risks and make a positive contribution to the environment and the well-being of its employees and local community

[Add row]

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

Climate change

(3.1.2.1) Financial metric

Select from:

☒ CAPEX

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

172000000

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

Select from:

☒ 11-20%

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

21000000

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

Select from:

☒ Less than 1%

(3.1.2.6) Amount of CAPEX in the reporting year deployed towards risks related to this environmental issue

57000000

(3.1.2.7) Explanation of financial figures

In terms of climate-related financial impacts, investments in low-carbon product designs and the platform product project were key focus areas. Furthermore, investments for energy efficiency, productivity and digital transformation projects, as well as line investments to support the production of low-carbon products, were undertaken. The investments for Supplier risk management and development activities were also considered part of the financial impact of climate-related risks.

Forests

(3.1.2.1) Financial metric

Select from:

☒ Liabilities

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

500000

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

Select from:

☒ 31-40%

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

1500000

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

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

In the reporting year, the financial impacts related to forest risks were primarily linked to our packaging transition project. To comply with energy regulation transitions, the need to phase out non-compliant motors was expected to result in high packaging waste and increased re-packaging requirements. To mitigate this, we undertook packaging improvement initiatives. Notably, the design of wooden crate packaging was optimized, increasing the spacing between wooden components without compromising durability, thereby reducing the need for wood. During this project, it was identified that some products using cardboard packaging required re-packaging due to insufficient strength. These designs were improved to enhance the durability of the cardboard packaging, and the proportion of recycled materials was increased. The financial impacts, including project costs related to design, supplier collaboration, materials, prototyping, and testing, were considered operational expenses for addressing forest-related risks.

Water

(3.1.2.1) Financial metric

Select from:

☒ CAPEX

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

1500000

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

Select from:

☒ 11-20%

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

5500000

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

Select from:

☒ 11-20%

(3.1.2.6) Amount of CAPEX in the reporting year deployed towards risks related to this environmental issue

665000

(3.1.2.7) Explanation of financial figures

Regarding water-related risks, investments were made in metering systems, identified as necessary for achieving water and climate-related targets. Additionally, the installation of a closed-loop molding conditioning unit for resource conservation prompted a reassessment of water risks. These measures were evaluated under the water-related risk effect for the reporting year.

[Add row]

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

Row 1

(3.2.1) Country/Area & River basin

Turkey

☒ Maritsa

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

Select all that apply

☒ Direct operations

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

1

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

Select from:

☒ 100%

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

Select from:

☒ 100%

(3.2.11) Please explain

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.

[Add row]

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

(3.3.1) Water-related regulatory violations

Select from:

☒ No

(3.3.3) Comment

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.

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

WAT's strategy for complying with both current and anticipated carbon pricing systems is centered around proactive alignment with international climate policies and preparing for future regulatory developments. Voluntary Shadow Pricing: While Turkey currently does not have carbon pricing mechanisms in place, WAT has implemented a shadow carbon pricing model to anticipate future impacts. This internal pricing mechanism takes into account regulatory systems such as the EU ETS

and the upcoming CBAM. Though WAT's sector is not directly affected by the initial CBAM regulations, we evaluate potential cost impacts from our supply chain and raw material providers, who will likely face price increases due to policy-driven carbon pricing mechanisms like ETS, CBAM, and carbon taxation. Alignment with EU Policies: The CBAM, which comes into effect in Turkey with a three-year transition period starting October 1, 2023, applies to six sectors, none of which currently cover WAT's operations. However, WAT remains vigilant about future regulations that may affect our sector. In anticipation of these changes, WAT is aligning its processes with EU climate policies by reducing the carbon intensity of our production and investing in low-carbon technologies. Carbon Footprint Reduction Initiatives: To ensure compliance with future obligations, WAT is already implementing GHG emission reduction measures, such as energy efficiency projects and low-carbon investments, and integrating these into our 'Products for Fit for 55' product design strategy. This includes improving energy efficiency and exploring renewable energy options, which will help minimize financial risks related to carbon pricing once regulations are in place. Supply Chain Risk Assessment: As carbon pricing mechanisms such as CBAM and ETS are rolled out globally, WAT is actively assessing the financial risks from increased raw material costs, driven by policy changes affecting our suppliers. We are conducting financial evaluations to understand how these regulations might influence supply chain costs and adjusting our sourcing strategies accordingly. Monitoring and Engagement: WAT continuously monitors both Turkish and international regulatory developments, engaging with industry groups and policymakers to stay ahead of potential changes. By doing so, WAT can swiftly adapt to new carbon pricing requirements and remain compliant with emerging systems. By adopting these strategies, WAT is preparing to manage compliance with both current and anticipated carbon pricing systems, minimizing risks while seizing opportunities for growth in a low-carbon economy.

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

	Environmental opportunities identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Forests	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

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

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.2) Commodity

Select all that apply

☒ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Turkey

(3.6.1.8) Organization specific description

As the global impact of climate change continues to increase, mitigation pressures and activities are shaping and growing, with mechanisms such as the Carbon Pricing Mechanism, the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System influencing the market. Industries are striving to make their energy and processes more efficient. WAT offers energy efficient products to its customers, helping them to meet their carbon reduction targets and contributing to the overall reduction of global emissions. WAT's sustainability strategy includes the 'products for fit-for-55' approach, which focuses on developing environmentally friendly designs, improving energy efficiency in products, supporting energy-related regulations, increasing the share of energy-efficient products in production and

promoting their use in the sector. In addition, due to fluctuating energy costs caused by global/political issues, companies aim to minimise fluctuations and external dependencies. WAT achieves this by reducing energy consumption through energy efficient motors, effectively minimising fluctuations.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues resulting from increased demand for products and services

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

Select all that apply

☒ Medium-term

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

Select from:

☒ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium

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

Efficiency standards in motor production are regulated and constrained by legislation. WAT is committed to 100% compliance with the Ecodesign Directive, which sets the eco-design rules for electric motors and variable speed drives. To maintain its competitive edge in the market and comply with national and international regulations, WAT has shaped its operations accordingly. Energy efficiency and savings are key focal points, driven by the goals set to combat climate change and adapt to new and emerging regulations. As an electric motor manufacturer, WAT recognizes the critical role motors play in energy savings and aims to make substantial environmental contributions in this area. Increasing and fluctuating energy costs further highlight the importance of energy efficiency. WAT views the growing demand for energy-efficient products as a significant opportunity. With the rising demand for these products, WAT anticipates revenue growth, which is already reflected in the fact that 78% of the company's revenue in the reporting year came from energy-efficient products. WAT acknowledges the importance of enhancing industrial energy efficiency as a key component in fighting climate change. In this context, the "Efficient Motor Transformation Project" was launched, with over 500 companies engaged and feasibility studies conducted. Since the project's inception, 5.8 million motors have been transformed. Studies show that 45.7% of Turkey's net electricity consumption is attributed to the industrial sector, and more than 70% of the electricity used in the industry is consumed by electric motors.

Additionally, 88% of the electric motors used in the industry fall into low energy efficiency classes. Despite existing efficiency regulations, it is known that 3.8 million electric motors of 7.5 kW or more are still in the low-efficiency class. This underscores the importance of WAT's transformation project and its potential financial impact.

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

Select from:

☒ Yes

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

78900000

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

120000000

(3.6.1.23) Explanation of financial effect figures

The main factor driving WAT's financial success lies in the strong relationship between its strategies in energy efficiency and sustainability and market dynamics. The company sees opportunities to expand profitability through the growing number of national and international regulations. As a result, WAT not only gains a competitive advantage but also meets its environmental responsibilities. In the reporting year, 80% of WAT's revenue was generated from the sale of energy-efficient products, marking a 2% increase compared to the previous year. With its "Products for Fit-for-55" strategy, WAT focuses on compact, high-efficiency products. As the first local company to launch a full IE4 product range, WAT leads the industry with its above-regulation designs and compact products (see 2023 Sustainability Report). The company aims to begin production of IE5 energy-efficient motors, with the goal of ensuring that over 85% of its revenue comes from energy-efficient products. As energy savings and efficiency take center stage in the fight against climate change, demand for energy-efficient products has risen significantly. WAT views this increased demand as an opportunity to expand its product range and market share. Energy-efficient products, which constitute a large portion of WAT's revenue, have played a key role in this growth.

(3.6.1.24) Cost to realize opportunity

33915465

(3.6.1.25) Explanation of cost calculation

WAT strives to access strategic opportunities with its production capacity, two R&D centers, skilled personnel, and strong R&D team. One of its five main strategic goals, titled 'Products for Fit-for-55', focuses on compact design and high energy efficiency in its products. Through this strategy and focus, WAT meets customer

expectations and ensures 100% compliance with national and international regulations. The increasing demand for energy-efficient and low-carbon motors due to climate change is seen as an opportunity, and WAT works to access this opportunity. For this, new product development and capacity expansion investments are being made. In the reporting year, WAT focused on manufacturing motors that exceed customer expectations. The allocated R&D budget supports access to these opportunities, and the budget for new product development and capacity expansion in the reporting year is considered the cost of accessing these opportunities.

(3.6.1.26) Strategy to realize opportunity

When evaluating the carbon footprint of electric motors, it becomes evident that the use phase contributes the most to the overall environmental impact. Therefore, designing and producing energy-efficient motors can significantly reduce both energy consumption and the carbon footprint associated with it. Given rising energy costs, high-efficiency motors are becoming an increasingly economical choice for consumers. In 2023, WAT continued to pursue the five key sustainability strategies defined in 2022, one of which is the "Products for Fit-for-55" product strategy. Within this strategy, the company focuses on energy efficiency in motor design, the selection of environmentally friendly materials, the use of materials with reduced VOCs (such as coatings), minimizing raw material consumption, and creating designs with increased recycled and recyclable content. Producing low-carbon motors is critical in combating climate change. WAT also prioritizes the end-of-life management of its motors. As part of this commitment, it has developed a Waste Motor Management Guide to inform stakeholders on how to reintegrate waste motors into the economy. WAT views its product strategy and regulatory compliance as opportunities to drive innovation and sustainability. Within the framework of product life cycle assessments, the environmental impacts of motors are calculated and communicated to consumers, promoting responsible production and consumption.

Forests

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

(3.6.1.2) Commodity

Select all that apply

☒ Timber products

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☒ Stronger competitive advantage

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Turkey

(3.6.1.8) Organization specific description

The increasing environmental awareness due to climate change is leading to stricter regulations and fundamental changes in consumer expectations, particularly regarding packaging materials such as wood, plastic, and their derivatives. These new regulations require manufacturers to be more flexible in their packaging choices. For WAT, monitoring regulations and maintaining flexibility is of critical importance. To keep up with ever-changing legislation and meet customer expectations, WAT places great emphasis on regulatory monitoring and adaptability in selecting and transitioning to alternative materials. This ensures that WAT continues to comply with environmental regulations while also maintaining customer satisfaction and gaining a competitive advantage.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues through access to new and emerging markets

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

Select all that apply

☒ Medium-term

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

Select from:

☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☒ Low

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

By complying with evolving regulations and meeting customer expectations, WAT will not only fulfill its environmental responsibilities but also strengthen its financial position. By solidifying its brand image as a sustainability-focused company, WAT will enhance its reputation among customers and investors. Additionally, the company will gain access to new markets, increase its growth potential, and secure a competitive edge. Offering eco-friendly products and services will help establish long-term customer relationships. By reducing costs, WAT will increase profitability and allocate more resources for future investments. The company will also accelerate its R&D efforts by leveraging government support, helping it maintain its leadership position in the industry.

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

Select from:

☒ No

(3.6.1.24) Cost to realize opportunity

4500000

(3.6.1.25) Explanation of cost calculation

WAT monitors the recyclable and recycled content percentages in its product and packaging materials, in line with product safety and quality, sustainability goals, and strategies. Targets are set for these metrics, and suppliers are developed accordingly. WAT continuously tracks improvements to comply with national and international regulations regarding packaging and to meet customer expectations. Projects are developed to promote environmentally friendly packaging choices, and these regulations and expectations are seen as opportunities. To access this opportunity, WAT anticipates future packaging changes. The estimated cost and analysis fees associated with replacing all plastic raw materials in product packaging with biodegradable alternatives are considered the cost of accessing these opportunities.

(3.6.1.26) Strategy to realize opportunity

WAT adopts a zero-tolerance approach to regulatory non-compliance, closely monitoring both local and global regulations while actively providing feedback during regulatory development stages. This rigorous monitoring mechanism ensures high compliance with emergency regulations, allowing WAT to rapidly adapt to regulatory changes as they arise.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☒ Maritsa

(3.6.1.8) Organization specific description

As water scarcity becomes a growing global issue, WAT is turning this challenge into an opportunity by investing in a sustainable future. WAT's energy-efficient motors play a critical role in maximizing water conservation, especially in water-intensive sectors like agriculture and industry. In agriculture, motors used in irrigation systems enable more efficient irrigation with less energy, increasing farmers' incomes while preserving water resources. In industry, WAT's motors reduce the amount of water used in production processes, lowering costs and minimizing environmental impact. With its innovative technologies and sustainability-focused approach, WAT aims to play a leading role in combating water scarcity and leaving a livable world for future generations.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

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

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

Select all that apply

- ☒ Long-term

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

Select from:

- ☒ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

- ☒ Medium

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

WAT's energy-efficient motors offer a critical solution in sectors with high water consumption, especially in regions experiencing increasing water scarcity. These motors significantly reduce energy consumption in irrigation systems and industrial production processes, lowering costs and contributing to the more efficient use of water resources. As water scarcity intensifies, the price per cubic meter of water rises, and regulations surrounding water use become stricter. In this context, WAT's energy-efficient motors help businesses reduce their costs and prevent production interruptions due to water shortages, ultimately enhancing profitability. This situation allows WAT to increase its sales and strengthen its competitive position in the market.

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

Select from:

- ☒ Yes

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

60000000

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

100000000

(3.6.1.23) Explanation of financial effect figures

WAT places a strong emphasis on high-efficiency, compact products as part of its "Products for Fit-for-55" strategy, positioning itself as a leader in above-regulation, energy-efficient designs. Operating across 10 sectors, WAT provides solutions that significantly reduce energy consumption, addressing both industrial and environmental needs. Understanding the critical role efficiency plays in mitigating climate change, WAT extends its product offerings to include water and wastewater management systems, helping industries optimize water usage. As climate change exacerbates challenges like water scarcity, the demand for WAT's innovative, resource-efficient products is anticipated to rise, providing both environmental and financial opportunities.

(3.6.1.24) Cost to realize opportunity

100000000

(3.6.1.25) Explanation of cost calculation

WAT shapes its activities with an awareness of the importance of efficient use of natural resources for ecosystem sustainability and contributes to awareness-raising activities. With this awareness and effort, WAT not only focuses on its own usage but also emphasizes the inefficient use of resources in other sectors for various reasons. By offering efficient products for irrigation systems, WAT helps prevent inefficient irrigation practices, protects underground and surface water resources, improves efficiency, and saves energy and time. WAT views the increasing future needs of different sectors as an opportunity. To access this opportunity, it plans R&D projects. The budget allocated to R&D projects in the reporting year is considered the cost of accessing this opportunity.

(3.6.1.26) Strategy to realize opportunity

In 2022, WAT established five key sustainability strategies, one of which is the "Products for Fit-for-55" product strategy. Building on this foundation, in 2023, the company continues to focus on energy efficiency in motor design, environmentally friendly material choices, products with reduced VOC emissions, designs with lower raw material consumption, and increased use of recycled and recyclable materials. This year, WAT is also enhancing its efforts to provide motors that support efficient water and wastewater management, specifically targeting sectors facing high water stress and scarcity. These initiatives reflect WAT's commitment to addressing environmental challenges while delivering sustainable and efficient solutions for its customers.

[Add row]

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

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Revenue

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

2161216000

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

Select from:

☒ 71-80%

(3.6.2.4) Explanation of financial figures

In terms of climate-related financial impacts, a financial evaluation was conducted focusing on increasing the share of high energy efficiency IE3-IE4 class products in sales revenue. Additionally, the increased revenue share of compact products that are easier to assemble, require fewer parts and materials, are lighter, and take up less space in application areas—while also being compatible with multiple models—demonstrates the alignment of your climate-related financial metrics with the substantive effects of environmental opportunities. In the reporting year, the share of energy-efficient products reached 80% of the total kW sold, with their revenue share increasing by 4%, reaching 78%.

Forests

(3.6.2.1) Financial metric

Select from:

☒ OPEX

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

600000

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

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

In the reporting year, the financial impacts related to forest risks were primarily linked to our packaging transition project. To comply with energy regulation transitions, the need to phase out non-compliant motors was expected to result in high packaging waste and increased re-packaging requirements. To mitigate this, we undertook packaging improvement initiatives. Notably, the design of wooden crate packaging was optimized, increasing the spacing between wooden components without compromising durability, thereby reducing the need for wood. During this project, it was identified that some products using cardboard packaging required re-packaging due to insufficient strength. These designs were improved to enhance the durability of the cardboard packaging, and the proportion of recycled materials was increased. The financial impacts, including project costs related to design, supplier collaboration, materials, prototyping, and testing, were considered operational expenses for addressing forest-related risks.

Water

(3.6.2.1) Financial metric

Select from:

☒ CAPEX

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

665000

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

Select from:

☒ 11-20%

(3.6.2.4) Explanation of financial figures

Regarding water-related risks, investments were made in metering systems, identified as necessary for achieving water and climate-related targets. Additionally, the installation of a closed-loop molding conditioning unit for resource conservation prompted a reassessment of water risks. These measures were evaluated under the water-related risk effect for the reporting year.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ CAPEX

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

60180000

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

Select from:

☒ 71-80%

(3.6.2.4) Explanation of financial figures

In terms of climate-related financial impacts, key focus areas included investments in low-carbon product designs and the platform product project. WAT's investments, as part of its product strategy, were evaluated in this context, considering their effects and distinctive roles within the organization's financials and overall strategy. These include investments in energy efficiency, productivity, and digital transformation projects, as well as line expansions to support the production of low-carbon products. Additionally, investments in supplier risk management and development activities were also considered part of the financial impact of climate-related issues. The share of these capital expenditures in total investments is greater than 51%.

[Add row]

C4. Governance

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

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

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

Select all that apply

☒ Executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

WAT, as part of Koç Holding, is governed by the standards and policies of Koç Group's board governance, including diversity and inclusion practices. The diversity and inclusion policy on the board aims to ensure that the board is made up of members with a wide range of skills, experiences and perspectives. The policy emphasizes gender equality, inclusivity, and representation of different backgrounds, supporting diverse viewpoints that contribute to more effective decision-making and governance. It covers key areas such as promoting the inclusion of women on the board, encouraging diversity in professional experience and educational background, and ensuring equitable treatment in all governance processes. In addition, Koç Holding's ethical principles, which encompass diversity and inclusion policies and apply to executives, employees, group companies, and all stakeholders, are publicly accessible. WAT, which is fully aligned with these principles, ensures that its own ethical guidelines are also made available to all stakeholders.

(4.1.6) Attach the policy (optional)

01_KOC_Etichal_Principles.pdf,01_KOC_Ethical_Principles.pdf,WAT Motor_Etik İlkeleri.pdf,01_KOC_Ethical_Principles.pdf,WAT Motor_Etik İlkeleri.pdf
[Fixed row]

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

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

Climate change

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

Select all that apply

- ☒ Board chair
- ☒ Director on board
- ☒ Board-level committee
- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)

☒ Other, please specify :**Sustainability Committee**

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

Select from:

- ☒ Yes

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

Select all that apply

- ☒ Board Terms of Reference
- ☒ Board mandate
- ☒ Individual role descriptions

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

Select from:

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

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

Select all that apply

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

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

(4.1.2.7) Please explain

WAT's governance mechanisms for overseeing climate-related issues are deeply integrated across various committees and leadership roles, ensuring that sustainability is a core priority in decision-making. The Board of Directors (BoD) plays a crucial role, supported by dedicated members with expertise in sustainability and climate change. The President of Koç Holding's Consumer Durables Group, who sits on the Board, is tasked with providing insights on sustainability-related risks and opportunities. This position, along with another Board member with climate change expertise, ensures that WAT's climate strategies are regularly discussed at the highest levels. Key sustainability-related decisions are made by WAT's Executive Committee, which is responsible for overseeing climate strategies. The Chief Executive Officer (CEO), who is a member of the Board, directs the organization's sustainability approach and actively participates in Board discussions. Furthermore, the CFO chairs the WAT Risk and Sustainability Committees, providing quarterly updates to the Board on climate risks, sustainability performance, and opportunities. One key example from the reporting year is the Board's approval of WAT's commitment to achieve net-zero emissions by 2030 and 2050. This long-term target was evaluated in detail, including discussions about joining the Science-Based Targets Initiative (SBTi) by 2024. WAT's Sustainability Committee (WSC), which is chaired by the CFO, meets quarterly to review progress on sustainability targets and to assess the alignment of business strategies with climate action plans. The Sustainability Council, consisting of high-level management including the COO and Human Resources Manager, supports the execution of these plans and ensures that WAT's operations are continuously adapting to meet environmental targets. The Council has four working groups focused on key sustainability areas, including climate-related risks, and reports its findings to the WSC. A notable governance feature is the direct integration of climate-related risks into WAT's Enterprise Risk Management (WERM) framework, which is based on ISO 31000. Climate risks are categorized into financial, operational, and reputational impacts, among others, and are assessed quarterly. For instance, the CFO's role involves regularly briefing the Risk Committee and the Board on how climate risks, such as those related to extreme weather or carbon pricing, are being managed and mitigated. The Board reviews these updates and evaluates any trade-offs, such as balancing immediate financial costs with long-term sustainability gains, when approving climate action plans. The Board's oversight of environmental matters is thus rooted in a multi-layered governance structure where climate-related targets are set, monitored, and reported in a systematic and transparent manner, ensuring that WAT remains aligned with its sustainability objectives and external commitments.

Forests

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

Select all that apply

- ☒ Board chair
- ☒ Other, please specify :**Sustainability Committee**

- ☒ Director on board
- ☒ Board-level committee
- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)

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

Select from:

- ☒ Yes

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

Select all that apply

- ☒ Board Terms of Reference
- ☒ Board mandate
- ☒ Individual role descriptions

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

Select from:

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

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

Select all that apply

- ☒ Approving corporate policies and/or commitments
- ☒ Monitoring the implementation of the business strategy
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Overseeing and guiding the development of a climate transition plan
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Other, please specify :Monitoring implementation and performance

(4.1.2.7) Please explain

WAT integrates forest-related risks and opportunities into its sustainability strategy. The Board of Directors (BoD) oversees forest conservation, with key roles played by the CEO and the President of Koç Holding's Consumer Durables Group. These members, along with the CFO, assess forest-related impacts across sourcing, production, and supply chains. The CFO chairs the Risk and Sustainability Committees, which manage forest-related risks using the WAT Enterprise Risk Management (WERM) framework, aligned with ISO 31000 standards. This framework addresses financial, reputational, operational, and legal risks associated with deforestation, biodiversity loss, and regulatory changes. The Sustainability Committee (WSC), comprising key executives, regularly assesses the effects of WAT's operations on forests. The Sustainability Council, led by the Sustainability & HSE CoE Manager, develops strategies to minimize forest-related impacts, working with four dedicated working groups to set and monitor forest sustainability targets. These efforts are reported to the CFO and the WSC, ensuring alignment with WAT's overall sustainability goals. WAT has also invested in forest-positive initiatives, including reducing reliance on deforestation-intensive supply chains and deploying digital tools for real-time monitoring of forest impacts. These initiatives help WAT proactively manage risks in regions vulnerable to deforestation. The CFO, along with the CEO, communicates key forest-related findings from the Risk and Sustainability Committees to the Board, ensuring continuous updates to the company's forest sustainability strategy. WAT remains committed to protecting forests while integrating these efforts into its corporate strategy, promoting both business success and environmental stewardship.

Water

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

Select all that apply

- ☒ Board chair
- ☒ Director on board
- ☒ Board-level committee
- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Other, please specify :**Sustainability Committee**

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

Select from:

- ☒ Yes

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

Select all that apply

- ☒ Board Terms of Reference

- ☒ Board mandate
- ☒ Individual role descriptions

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

Select from:

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

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

Select all that apply

- | | |
|--|---|
| <input checked="" type="checkbox"/> Reviewing and guiding annual budgets | <input checked="" type="checkbox"/> Reviewing and guiding innovation/R&D priorities |
| <input checked="" type="checkbox"/> Overseeing and guiding scenario analysis | <input checked="" type="checkbox"/> Approving and/or overseeing employee incentives |
| <input checked="" type="checkbox"/> Overseeing the setting of corporate targets | <input checked="" type="checkbox"/> Overseeing and guiding major capital expenditures |
| <input checked="" type="checkbox"/> Monitoring progress towards corporate targets | <input checked="" type="checkbox"/> Overseeing reporting, audit, and verification processes |
| <input checked="" type="checkbox"/> Approving corporate policies and/or commitments | <input checked="" type="checkbox"/> Overseeing and guiding the development of a business strategy |
| <input checked="" type="checkbox"/> Overseeing and guiding acquisitions, mergers, and divestitures | |
| <input checked="" type="checkbox"/> Monitoring compliance with corporate policies and/or commitments | |
| <input checked="" type="checkbox"/> Overseeing and guiding the development of a climate transition plan | |
| <input checked="" type="checkbox"/> Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities | |
| <input checked="" type="checkbox"/> Other, please specify :Monitoring implementation and performance | |

(4.1.2.7) Please explain

WAT has established comprehensive governance mechanisms to manage water-related risks and opportunities. The Board of Directors (BoD), which includes members with significant expertise in sustainability and climate change, plays a crucial role in this regard. The President of Koç Holding's Consumer Durables Group, a non-executive member of the BoD, has been specifically appointed to provide insights into water-related risks and opportunities. Alongside the CEO of WAT, these two key figures are tasked with ensuring that water sustainability is embedded into WAT's strategic framework. The CFO, who chairs both the Risk and Sustainability Committees, leads the development of water management strategies. The WAT Sustainability Committee (WSC), which is composed of senior executives including COOs, the CHRO, and the Sustainability & HSE CoE Manager, meets regularly to review the company's progress against water sustainability goals. The committee evaluates risks and performance against a detailed water action plan and ensures alignment with WAT's broader sustainability objectives. Water-related risks are integrated into WAT's Enterprise Risk Management (ERM) framework, based on the ISO 31000 standard. Risks are categorized into financial, reputational, operational, and legal impacts. The Finance, Risk Management, and Compliance Directorate, led by the CFO, is responsible for identifying, managing, and mitigating water-related risks. The CFO reports on these risks to the Board and ensures that mitigation strategies are in place. For example, water consumption trends,

investment needs for water management technologies, and R&D priorities are all discussed in the quarterly meetings of the WSC and Risk Committee. Furthermore, WAT has implemented real-time digital monitoring systems to track water usage and identify potential inefficiencies. The company has also invested in R&D initiatives focusing on water management products, including closed-loop systems aimed at reducing water consumption across its operations. The Sustainability Council, another key governance body, works closely with the WSC to ensure that water-related policies are effectively implemented at an operational level. This council, chaired by the Sustainability & HSE CoE Manager, includes leaders from critical departments such as production, supply chain, and R&D, and focuses on achieving WAT's sustainability targets. In conclusion, water-related issues are meticulously integrated into WAT's governance structure. The CFO plays a pivotal role in overseeing water risk management and ensuring that WAT's strategies for water sustainability are continuously evolving to meet new challenges. The board receives regular updates from the CFO and CEO on water consumption, investment needs, and progress towards sustainability targets, ensuring that water remains a central focus of WAT's sustainability agenda.

Biodiversity

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

Select all that apply

- ☒ Board chair
- ☒ Director on board
- ☒ Board-level committee
- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Other, please specify :**Sustainability Committee**

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

Select from:

- ☒ Yes

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

Select all that apply

- ☒ Board Terms of Reference
- ☒ Board mandate
- ☒ Individual role descriptions

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

Select from:

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

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

Select all that apply

- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Overseeing and guiding acquisitions, mergers, and divestitures
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Overseeing and guiding the development of a climate transition plan
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Other, please specify :Monitoring implementation and performance

(4.1.2.7) Please explain

WAT's approach to biodiversity conservation is integrated into its overall sustainability and risk management frameworks. The Board of Directors (BoD), including the CEO and the President of Koç Holding's Consumer Durables Group, plays a crucial role in overseeing biodiversity-related risks and opportunities, particularly regarding sourcing, production, and land use impacts. The CFO, as the chair of both the Risk and Sustainability Committees, manages biodiversity risks through the WAT Enterprise Risk Management (WERM) framework, which follows ISO 31000 guidelines. This approach addresses biodiversity-related financial, reputational, operational, and legal risks, including habitat loss, species decline, and changing regulations. The Sustainability Committee (WSC), which consists of key executives, regularly assesses WAT's operations to identify impacts on biodiversity. The Sustainability Council, led by the Sustainability & HSE CoE Manager, works on developing strategies to mitigate biodiversity loss, focusing on preserving habitats in areas where WAT operates. The Council includes four working groups that track progress on biodiversity targets, reporting findings to the CFO and WSC quarterly. WAT has committed to reducing its biodiversity footprint through targeted investments in environmentally sustainable practices, including supply chain improvements that avoid high-biodiversity-risk areas, habitat restoration projects, and conservation initiatives in collaboration with local communities. These projects are monitored regularly, and progress reports are delivered to the CFO, who ensures that the findings are shared with the BoD. The CFO and CEO play a key role in communicating critical biodiversity-related risks and opportunities to the Board. This ensures that biodiversity protection is not only integrated into the company's environmental strategies but is also supported by regular oversight and long-term investments aimed at conserving natural ecosystems while promoting sustainable growth.

[Fixed row]

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

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

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

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues
- ☒ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition
- ☒ Active member of an environmental committee or organization

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

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

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues

[Fixed row]

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

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

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

Engagement

- ☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

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

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Managing major capital and/or operational expenditures relating to environmental issues

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

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

Select from:

☒ Quarterly

(4.3.1.6) Please explain

In 2022, the WAT Executive Committee established the WAT Sustainability Committee (WSC) to oversee sustainability and climate change initiatives. The CFO chairs the WSC and has direct responsibility for these efforts. The CFO, who has expertise in risk assessment and mitigation planning, also leads the Finance, Risk Management & Compliance Directorate. The CFO was appointed by a decision of the Board Members to lead the WSC and to brief the Board Members on sustainability and climate issues. The CFO actively participates in quarterly WSC meetings focused on climate-related issues. During these meetings, the CFO receives progress reports, new climate risks and opportunities, updates and requirements from the Sustainability Council Leader, the Sustainability & HSE Manager, and the Sustainability Working Groups. In addition, the CFO evaluates climate scenarios to assess the potential impact on the business under different projections. As the Finance, Risk Management & Compliance Director, the CFO presents risks and opportunities and their financial implications to the Board members. The Board Members assess the risks and opportunities, provide guidance on prioritisation, offer support for identified needs and monitor the company's success in minimising risks and capitalising on opportunities.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☒ Assessing environmental dependencies, impacts, risks, and opportunities

☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☒ Monitoring compliance with corporate environmental policies and/or commitments

☒ Measuring progress towards environmental science-based targets

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Developing a climate transition plan

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

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

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

At a level below the Board of Directors, the top management position responsible for sustainability, including forest-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. Biodiversity&Deforestation risks and opportunities, policies and strategies on Biodiversity&Deforestation, related targets and capital expenditure, key plans and actions, and business plans are discussed and managed by the WSC every three months. Critical 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.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

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

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Developing a climate transition plan

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

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

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

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.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

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

Policies, commitments, and targets

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

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Developing a climate transition plan

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

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

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

At a level below the Board of Directors, the top management position responsible for sustainability, including biodiversity-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.

Biodiversity&Deforestation risks and opportunities, policies and strategies on Biodiversity&Deforestation, related targets and capital expenditure, key plans and actions, and business plans are discussed and managed by the WSC every three months. Critical 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.

[Add row]

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

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

62.5

(4.5.3) Please explain

At WAT, we cultivate a strong sense of responsibility for climate change across our organizational structure, equipping employees with clear objectives and tasks in our fight against climate change. Utilizing the Koç Dialogue System, which employs the OKR methodology, we limit our objectives to five key 'smart' goals, with at least one tied to ESG issues. This alignment ensures that our strategic focus includes sustainability in its core. In the OKRs, which encompass collective, individual, and personal development goals, corporate objectives are set for the management committee and cascaded throughout the organization. These objectives target not only carbon emissions reductions in production and products but also address resource use, waste reduction, and energy and water consumption. Employee performance is assessed through quarterly reviews, and achievements are recognized with rewards, fostering motivation to meet our environmental targets while aligning with our growth strategy.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, but we plan to introduce them in the next two years

(4.5.3) Please explain

At WAT, we cultivate a strong sense of responsibility for climate change across our organizational structure, equipping employees with clear objectives and tasks in our fight against climate change. Utilizing the Koç Dialogue System, which employs the OKR methodology, we limit our objectives to five key 'smart' goals, with at least one tied to ESG issues. This alignment ensures that our strategic focus includes sustainability in its core. In the OKRs, which encompass collective, individual, and personal development goals, corporate objectives are set for the management committee and cascaded throughout the organization. These objectives target not only carbon emissions reductions in production and products but also address resource use, waste reduction, and energy and water consumption. Employee performance is assessed through quarterly reviews, and achievements are recognized with rewards, fostering motivation to meet our environmental targets while aligning with our growth strategy.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

(4.5.3) Please explain

At WAT, we cultivate a strong sense of responsibility for climate change across our organizational structure, equipping employees with clear objectives and tasks in our fight against climate change. Utilizing the Koç Dialogue System, which employs the OKR methodology, we limit our objectives to five key 'smart' goals, with at least one tied to ESG issues. This alignment ensures that our strategic focus includes sustainability in its core. In the OKRs, which encompass collective, individual, and personal development goals, corporate objectives are set for the management committee and cascaded throughout the organization. These objectives target not only carbon emissions reductions in production and products but also address resource use, waste reduction, and energy and water consumption. Employee performance is assessed through quarterly reviews, and achievements are recognized with rewards, fostering motivation to meet our environmental targets while aligning with our growth strategy.

[Fixed row]

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

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☒ Other senior-mid manager, please specify :All employees

(4.5.1.2) Incentives

Select all that apply

☒ Bonus – set figure

☒ Promotion

(4.5.1.3) Performance metrics

Targets

☒ Progress towards environmental targets

☒ Achievement of environmental targets

Emission reduction

☒ Implementation of an emissions reduction initiative

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

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

(4.5.1.5) Further details of incentives

As WAT, we want to encourage all results, achievements, innovations and suggestions that help to increase the happiness, cohesion, motivation, success and productivity of our employees. We strive to implement and disseminate best practices within the company. In this context, we have introduced "WAT'S HIT STARS" to reward the achievements of our employees. WAT'S HIT STARS rewards employees for their contributions to climate, sustainability, and environmental issues. In addition to situational rewards on a monthly basis, we recognise outstanding performance and best practice on a quarterly basis. The following are some of the areas in which our employees are rewarded for their work and projects related to climate, sustainability and the environment: - Contributing to sustainability goals and culture, - Developing green design projects and proposals, - Improving environmental processes, - Achieving energy and environmental targets - Improve production efficiency, - Transition to environmentally friendly production technologies and materials, - Reduce resource consumption, - Reduce greenhouse gas emissions, - Raise employee awareness. We want to encourage sustainability contributions from all successful employees and promote continuity and habit. Employees whose achievements earn them the title of "WAT'S HIT STARS" are rewarded with financial incentives and promotions. In addition, in line with our culture of transparency and to promote best practice and incentives, these achievements are shared with the whole company. Our reward system is clearly defined and communicated to all employees. While situational rewards are given monthly and are selected within predefined categories by the employee's direct manager, WAT'S HIT STARS awards are recommended by the manager and selected through a calibration process during management coordination meetings.

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

As WAT, we are fully aware of the responsibility that comes with our climate, water and sustainability goals. Achieving these targets is central to our business and sustainability culture, and we value the contributions of all stakeholders, especially our employees. We carefully evaluate all impacts, large and small, that contribute to our goals. Through our WAT'S HIT STARS programme, we recognise and reward all employees who have achieved success in climate, water and sustainability. The results of all good practices are assessed based on their contribution to our climate change and sustainability efforts, as well as their impact on our environmental metrics.

Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☒ Other senior-mid manager, please specify :All employees

(4.5.1.2) Incentives

Select all that apply

☒ Other, please specify :Internal company award

(4.5.1.3) Performance metrics

Engagement

☒ Other engagement-related metrics, please specify :-Employee awareness, -Ecosystem protection

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

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

(4.5.1.5) Further details of incentives

Since our establishment in 2018, and throughout our time operating under Arçelik, we have been committed to helping our employees reduce their negative impact on the environment in their personal lives. One of our initiatives, "The Natural Way to Dispose of Oils", focuses on the collection and recycling of waste vegetable oils. Through this campaign, we educate our employees about the environmental damage that can be caused by disposing of used vegetable oils in the rubbish or down the drain at home. Instead, we encourage them to bring their waste oils to the factory for proper storage and 100% recycling. For every 2.5 liters of waste oil they bring in, they are rewarded with a new 1-liter oil bottle. At the end of the year, we organise a ceremony to highlight and recognise the employees who took part in the campaign, with our Executive Members and Sustainability & HSE Manager in attendance. We also share pictures of the ceremony with all employees to raise awareness and promote good practice. We also run campaigns to collect used batteries, medicines and other items that are not easy to dispose of or recycle at home. Establishing and participating in environmental and social clubs for activities such as tree planting and community involvement are other examples of our efforts. Taken together, these initiatives demonstrate our commitment to creating a more environmentally aware workforce and fostering a culture of sustainability both in the workplace and in our employees' personal lives.

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

As WAT, we recognise that awareness is our most powerful weapon in combating climate change, and we strive to create value together with our employees. In this context, we see our project to collect and recycle used cooking oil as a significant contribution to global climate goals and biodiversity. In the year to date, we have collected 53 litres of used cooking oil, and we consider every drop to be our contribution. To demonstrate that the impact of their participation goes beyond what meets the eye, we present our participating employees with a certificate of participation and a specially prepared gift of usable cooking oil at a special ceremony.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

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

Emission reduction

- ☒ Reduction in emissions intensity
- ☒ Reduction in absolute emissions

Resource use and efficiency

- ☒ Reduction of water withdrawals – direct operations
- ☒ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

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

(4.5.1.5) Further details of incentives

In assessing the OKRs through our Koc dialogue system, the Chief Operating Officer (COO) has identified smart goals and sub-goals on the climate change scorecard that aim to contribute to global climate change targets and achieve WAT's climate change goals. The following are the key areas included in the COO's scorecard: -Achieving growth in the renewable energy sector. -Engage in activities that highlight WAT's sustainability journey and approach to climate change. - Ensure the integration of the sustainability strategy into our business operations and systems. During the target setting phase and quarterly review periods, management coordination meetings ensure commitment, alignment and agreement on strategic aspects. Some objectives are assigned individually, some relate to

personal development and others are selected collectively. Both individual and team contributions are considered when assessing successful outcomes, which also influences the reward process.

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

The OKRs set by our COO support our sustainability journey and transition plan for climate change. For example, our highly energy-efficient motors for the renewable energy sector help to reduce emissions during use, and our support for the use of green energy positions us as a prominent player in the industry.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☒ Other facility/unit/site manager, please specify :Production&Supplier Development Tribe Leader

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☒ Progress towards environmental targets

☒ Achievement of environmental targets

Resource use and efficiency

☒ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

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

(4.5.1.5) Further details of incentives

In assessing OKRs through our Koc Dialogue system, the Production & Supplier Development Tribe Leader's Scorecard reflects a focus on combating climate change, and achieving global and WAT climate targets through the following key objectives: -Meeting the targets set by the Sustainable Production Working Group, including process water consumption, energy efficiency and emissions reduction, -Reducing the rate of industrial solid waste, -Reduce the scrap rate.

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

Our Production & Supplier Development Tribe Leader is responsible for leading the Sustainable Production Working Group under the WAT Sustainability Committee. During the last quarter of the year, targets were set for the Group for 2024. These targets include improving production efficiency, reducing energy intensity, improving energy efficiency and minimising waste. Achieving these targets will provide opportunities to reduce Scope 1-2-3 emissions, bringing us closer to our climate targets.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

- ☒ Other facility/unit/site manager, please specify :Product&Projects Tribe Leader

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- ☒ Progress towards environmental targets
☒ Achievement of environmental targets

Strategy and financial planning

☒ Increased investment in environmental R&D and innovation

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

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

(4.5.1.5) Further details of incentives

In assessing OKRs through our Koc Dialog System, the Product & Projects Tribe Leader's Scorecard demonstrates a strong commitment to tackling climate change, and meeting global and WAT climate targets, with the following key objectives -Achieving the goals of the Sustainable Product Working Group, which include environmentally responsible product design and 'fit-for-55' compliance. -Increase the use of recyclable materials in products and packaging. -Achieve a positive environmental impact through improvements in materials, packaging and alternative components.

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

Our Product & Projects Tribe Leader leads the Sustainable Products Working Group, one of four working groups under the WAT Sustainability Committee. During the last quarter of the year, targets were set for the Group up to 2024. These targets include increasing the production volume of IE3 and IE4 efficient motors, increasing the content of recycled or recyclable materials and transitioning to more environmentally friendly chemicals. Achieving these targets will help reduce Scope 3 emissions associated with raw material sourcing and product use, thereby supporting WAT's efforts to mitigate climate change.
[Add row]

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

	Does your organization have any environmental policies?
	Select from:

	Does your organization have any environmental policies?
	<input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(4.6.1.2) Level of coverage

Select from:

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

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

(4.6.1.4) Explain the coverage

WAT's environmental policy acts as a core governance tool, ensuring accountability and driving significant action in areas like climate change, water, forests, and biodiversity. The company's organization-wide approach demonstrates a deep awareness of environmental risks and commits to continuous improvement through adherence to Koç Holding's Environmental Goals. Robust measures, such as the development of energy-efficient products, closed-loop resource systems, and legal compliance, ensure the policy's strong action framework, covering all value chain stages

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to a circular economy strategy
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to net-zero emissions

Water-specific commitments

- ☒ Commitment to reduce water consumption volumes

Additional references/Descriptions

- ☒ Acknowledgement of the human right to water and sanitation

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

Select all that apply

- ☒ Yes, in line with the Paris Agreement
- ☒ Yes, in line with the Kunming-Montreal Global Biodiversity Framework
- ☒ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

WAT Environmental Policy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Forests

☒ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

(4.6.1.4) Explain the coverage

This policy underscores WAT's commitment to forests and biodiversity, framing these issues as critical to its operations and governance. The company's environmental strategy reflects a strong foundation in risk management and sustainability, actively addressing forest degradation and biodiversity loss through circular economy practices, eco-friendly product development, and stakeholder engagement. This approach exemplifies the company's accountability and proactive steps to minimize environmental impacts across its value chain

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to Net Positive Gain species
- ☒ Commitment to avoidance of negative impacts on threatened and protected species
- ☒ Commitment to a circular economy strategy
- ☒ Commitment to respect legally designated protected areas
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance

Forests-specific commitments

- ☒ Commitment to the use of the High Conservation Value (HCV) approach

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

Select all that apply

- ☒ Yes, in line with the Kunming-Montreal Global Biodiversity Framework

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

WAT Biodiversity and Deforestation-free Policy.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Water

(4.6.1.2) Level of coverage

Select from:

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

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

(4.6.1.4) Explain the coverage

WAT's water policy, an essential part of its governance structure, drives comprehensive water management efforts across all operations. The company demonstrates accountability by focusing on water reuse, minimizing consumption, and implementing closed-loop systems. This holistic and innovative approach ensures the company is fully aware of water-related risks and is taking proactive measures to address these, showcasing robust action that spans its entire value chain.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance

Water-specific commitments

- ☒ Commitment to control/reduce/eliminate water pollution
- ☒ Commitment to reduce water consumption volumes
- ☒ Commitment to water stewardship and/or collective action

Additional references/Descriptions

- ☒ Acknowledgement of the human right to water and sanitation

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

Select all that apply

☒ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

WAT Water Policy.pdf

[Add row]

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

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

Select from:

☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ Science-Based Targets Initiative (SBTi)

☒ UN Global Compact

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

Koç Holding A.Ş., a signatory of the United Nations Global Compact, adheres to the ten principles of the Global Compact. As a Koç Holding company, WAT shapes its climate action principles and sustainability strategy in alignment with these principles. At the core of WAT's business model is creating long-term, sustainable value for Turkey, more than 30 other countries it serves, and the world. With almost 60 years of experience, two R&D centers, products contributing directly to climate change mitigation, agile transformation capabilities, impact, and leadership roles, WAT contributes to climate action and offers various opportunities in sustainability. To achieve this, WAT manages its sustainability structure within the framework of Koç Holding's publicly disclosed "Future. Together." partnership strategy approved by the Board of Directors. WAT Motor selected the 17th Goal of the United Nations, which emphasises the importance of multi-stakeholder partnerships for building sustainable communities for tomorrow, as its guiding principle, aiming to create the highest value through its existence, climate, and sustainability goals. WAT also established its own focus areas, including the climate action strategy and objectives. To enhance our support for global goals, we have embraced the following

principles and announced the progress related with them in our "2023 Sustainability Report (Published)": - Making global trends and risks arising from Sustainable Development Goals a permanent agenda, anticipating their impact on customer demands and expectations, and aligning our products and services accordingly. - Ensuring the alignment of innovation and digital transformation tools with our product and service strategy and climate goals. - Submitting targets and sharing them transparently with all stakeholders (SBTi: Signed and submitted). - Improving stakeholder relationships and increasing interaction with stakeholders related to climate goals. Collaborating and - forming partnerships with other private sector organizations, civil society, government, and academia in joint platforms. - Transforming the value chain in line with our climate goals and sustainability priorities, establishing standard-setting and continuous improvement mechanisms. - Recognizing that sustainability challenges cannot be solved in isolation and taking the lead in multi-stakeholder initiatives to find collective solutions for major problems. We understand that by integrating climate targets with sustainability and business dynamics and developing an inclusive management model with stakeholder participation, we will advance towards our goals. Our short-to-medium-term goals and initiatives include: - Achieving SBTi, B-corp, GRI Standards, CSRD, NFRD, IWP, and other certifications. - Reducing greenhouse gas emissions from our operations by 75% by 2030 (Scope 1&2). - Implementing energy-saving measures to decrease energy intensity by 10% in our production facilities by 2026. - Investing in renewable energy sources to cover 100% of our electricity needs by 2023 (already achieved).
[Fixed row]

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

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

Select all that apply

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

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

Select from:

- ☒ No, but we plan to have one in the next two years

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

Select from:

- ☒ No

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

WAT has established a comprehensive process to ensure that all external engagement activities are fully aligned with its environmental commitments and transition plan. This process integrates our leadership roles, stakeholder engagement, and sustainability principles into every external initiative to guarantee consistent messaging and objectives. Integration with Environmental Commitments: WAT's external engagements are firmly rooted in our core environmental commitments, including our NetZero 2050 goals and objectives for energy efficiency, carbon reduction, water conservation, and waste minimization. Every interaction, whether through policy advocacy or industry partnerships, is carefully reviewed to ensure alignment with these commitments. Leadership and Oversight: Our Board of Directors (BoD) oversees all external engagements related to sustainability, with a designated BoD member responsible for leading WAT's policy initiatives. This member plays a key role in industry groups like TÜSİAD, World Economic Forum, and EMOSAD, ensuring that WAT's activities reflect global climate action goals. WAT's CEO, as President of EMOSAD and a member of CEMEP, actively leads discussions on sustainable manufacturing. Additionally, the CEO's position on the TÜBİTAK Board reinforces WAT's focus on climate-related research and green transformation. The CEO ensures that all engagements are consistent with WAT's environmental transition plan. Stakeholder Engagement and Alignment: WAT engages with stakeholders including suppliers, government bodies, and industry associations through its stakeholder engagement plan. Feedback is regularly collected and integrated into decision-making processes to ensure alignment between external activities and WAT's sustainability goals. Policy Advocacy and Consistency: WAT is actively involved in policy discussions related to energy efficiency laws, electric motor environmental regulations, and EV charger standards. Our participation in these forums ensures that external advocacy remains consistent with WAT's sustainability strategy and environmental objectives. Monitoring and Evaluation: WAT regularly reviews its external engagements to ensure alignment with evolving regulations and environmental frameworks like the EU Green Deal. Our sustainability team, in collaboration with the Risk and Compliance Department, conducts annual assessments to verify that external activities support WAT's transition plan.

[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

-Energy Efficiency Law, -IEA Energy-Efficiency Policy Opportunities for Electric Motor-Driven Systems, -UNEP Accelerating the Global Adoption of Energy Efficient Electric Motors and Motor Driven Systems, -The Ecodesign Directive, The Regulation (EU) 2019/1781, -Directive (EC) 640/2009, -DOE 10 CFR Part 431 - Subpart B, -Transformation of Electric Motors in Industry Programme (TR)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

- ☒ Circular economy
- ☒ Technology requirements
- ☒ Recycling and recyclability
- ☒ Deforestation-free products
- ☒ Sustainable production and consumption
- ☒ Low environmental impact innovation and R&D
- ☒ Other low-impact production and innovation, please specify :**Use of recycled materials Eco-design principles Sustainable product lifecycle management Innovative manufacturing processes**

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- ☒ Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- ☒ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- ☒ Regular meetings
- ☒ Discussion in public forums
- ☒ Responding to consultations
- ☒ Submitting written proposals/inquiries
- ☒ Participation in working groups organized by policy makers
- ☒ Other, please specify :**Project partnerships for the conversion of energy-inefficient motors in industry.**

- ☒ Participation in voluntary government programs

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

20000

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

TEVMOT is a project developed by the Ministry of Industry and Technology of the Republic of Turkey and the UNDP. The aim is to promote energy-efficient motors in SMEs. Benefits provided by TEVMOT include: • Free motor assessments, detailed reports, and efficiency recommendations • Reduced electricity consumption and lower motor maintenance costs • Environmentally friendly production • Increased competitiveness through reduced carbon footprint • SME Development Organization of Turkey (KOSGEB) incentives for motor purchases WAT was a partner in the TEVMOT project. The project commenced its incentive-supported field activities in 2020 following its 2017 launch and continues to progress to enhance its effectiveness, completed and reported in the reporting year. UNDP, GEF, the Ministry of Science, Industry, and Technology of Turkey, the Ministry of Energy and Natural Resources of Turkey - General Directorate of Renewable Energy, and White Goods Manufacturers' Association of Turkey (TÜRKBESD) are also members of the project. The goal is to achieve a "market transformation" in Turkey by implementing new and energy-efficient motors, increasing the demand for such motors, and replacing old and inefficient electric motors. This will encourage significant additional investments in energy efficiency, thereby reducing local electricity consumption and greenhouse gas emissions. As a project partner, WAT collaborates with EMOSAD on various aspects, such as motor technology, efficient motor selection, factors affecting efficiency, labelling, maintenance, rewinding, circular economy, pilot applications support, and test infrastructure support, providing insights and input. We maintain a close relationship with relevant ministries in Turkey and contribute to the incorporation of global regulations into Turkish law. Through our participation, we encourage other companies in the sector to contribute as well.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- ☒ Yes, we have evaluated, and it is aligned

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

Select all that apply

- ☒ Paris Agreement
- ☒ Kunming-Montreal Global Biodiversity Framework

- ☒ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

- Electricity Market Law (Turkey) - Energy Efficiency Law - UNECE Regulation No. 100 for EV Safety - European Union's Alternative Fuels Infrastructure Regulation (AFIR) - The Clean Energy Package (EU)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- ☒ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

- ☒ Circular economy
- ☒ Low environmental impact innovation and R&D
- ☒ Recycling and recyclability
- ☒ Sustainable production and consumption
- ☒ Other low-impact production and innovation, please specify :Renewable energy grid integration Energy storage and management solutions Clean Energy Use of recycled materials Eco-friendly product design Efficient manufacturing processes Product lifecycle sustainability Sustainable sourcing of materials

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- ☒ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- ☒ Turkey

☒ Europe

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☒ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☒ Regular meetings

☒ Other, please specify :**Collaborations for the expansion of electric vehicles**

and on-road charging network operation

☒ Discussion in public forums

☒ Responding to consultations

☒ Submitting written proposals/inquiries

☒ Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

10000

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

At WAT Motor and its subsidiary WAT Mobilite, our commitment to environmental sustainability is integral to our operations, particularly in the context of electric vehicle (EV) charger production and distribution. The relevant policies, laws, and regulations governing our industry significantly influence our ability to achieve these commitments and manage our environmental impact effectively. In 2023, WAT completed the installation of EV charger production lines in the reporting year for these global gains. Thanks to the cooperation with WAT Mobility, it provided products to 187 active charging stations in the WAT Mobility business, apart from the products it offers to its users. Membership of EMOD (e-mobility operators association), which operates with the aim of informing and developing the sector, and WAT Mobility's high level of cooperation, market follow-up and interactions in order to provide quality, safe, high-standard products to solo users and station providers. The policies related to energy management and environmental protection provide a framework for us to develop and implement best practices in the design and production of our EV chargers. For instance, compliance with ISO 14001 certification enables us to establish systematic environmental management processes, fostering a culture of continuous improvement and accountability. This compliance not only helps us minimize our environmental footprint but also serves as a benchmark against which we can measure our progress. Moreover, our engagement in collaborative projects aimed at enhancing the EV charging infrastructure allows us to leverage shared

resources and knowledge. This collaboration extends to research and innovation in low-impact production methods, ensuring that we are not only meeting current regulatory requirements but also exceeding them through proactive measures. Our focus on renewable energy sources in our manufacturing processes further emphasizes our commitment to sustainability, facilitating the transition towards a circular economy. In conclusion, the alignment of our policies with environmental regulations is vital for WAT Motor. It not only supports our strategic goals in promoting EV adoption but also ensures that we manage our environmental impacts responsibly, paving the way for sustainable growth and innovation in the EV sector.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:
☒ Yes, we have evaluated, and it is aligned

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

Select all that apply
☒ Paris Agreement
[Add row]

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

Row 1

(4.11.2.1) Type of indirect engagement

Select from:
☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global
☒ Other global trade association, please specify :The Electrical Motors Manufacturers' Association (EMOSAD)

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

Select all that apply

☒ Climate change

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

Select from:

☒ Consistent

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

Select from:

☒ Yes, we publicly promoted their current position

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

For WAT Motor, collaboration is crucial to share comprehensive experiences in technology, production, and research fields. We strive to strengthen partnerships with key industries, NGOs, ministries, science-research and industry associations, universities, and research institutions to enhance our contributions to climate-related matters. WAT Motor actively collaborates with EMOSAD and has contributed significantly to the establishment and activities of the association. Through our efforts, we have reached over 500 companies, making carbon reduction opportunities visible through inefficient motor replacement. The Electrical Motors Manufacturers' Association (EMOSAD) was established in 2016, bringing together stakeholders in the electric motor sector to address industry-related issues and conduct professional studies. EMOSAD aims to develop the electric motor industry in Turkey, focusing on production techniques, energy efficiency, and technological advancements. WAT Motor has been a significant contributor to the establishment and ongoing activities of EMOSAD, leading the energy-efficient motor transformation project in Turkey. Through our efforts, we have reached over 500 companies, making the carbon reduction opportunities achievable through inefficient motor replacement visible to industrialists. Despite some progress, our country remains "energy-intensive" compared to developed nations. Energy intensity is closely tied to economic and industrial changes, energy consumption patterns, and efficiency measures. Reducing Turkey's energy intensity is vital for sustainable development. The industry accounts for almost half of Turkey's net electricity consumption (47.2%), with electric motors responsible for over 70% of the electricity used in the sector. In other words, approximately 35% of our country's total net electricity consumption comes from electric motors in manufacturing. Therefore, upgrading low-efficiency electric motors used in the industry will significantly boost energy efficiency. To achieve this, Turkey needs an effective motor transformation policy with standards, surveillance, testing, training, and incentives. Our collaboration with stakeholders and adherence to the "Energy Efficiency Improvement Program" contributes to this goal. As part of our commitment to sustainability, WAT Motor is collaborating with EMOSAD to pioneer energy efficient motor transformation and support carbon reduction targets.

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

1800

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

WAT was one of the founding members of EMOSAD, with strong support from the Ministry of Industry and Technology. As a facilitator, WAT brought together other competitor companies to establish the foundation. Additionally, WAT organized educational sessions on competition law for initial members and repeated these sessions to accommodate new member participation. WAT continues to provide significant support to EMOSAD in its management. The CEO of WAT chairs the EMOSAD Board, actively contributing to the industry's growth and development, while WAT personnel hold positions such as General Secretary and Customer Relationship. EMOSAD is a member of MAKFED (Machinery Federation) and OAİB / MAİB (Machinery Export Union), making WAT an indirect member of these associations. EMOSAD is currently in the process of becoming a member of CEMEP for the Low and Medium Voltage Motor Section. Moreover, WAT sponsored a green-machinery event hosted by MAKFED that promotes energy-efficient and sustainable machinery.

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

Select from:

☒ Yes, we have evaluated, and it is aligned

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

Select all that apply

☒ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

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

Row 1

(4.12.1.1) Publication

Select from:

- ☒ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- ☒ Climate change
☒ Forests
☒ Water
☒ Biodiversity

(4.12.1.4) Status of the publication

Select from:

- ☒ Complete

(4.12.1.5) Content elements

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Strategy | <input checked="" type="checkbox"/> Value chain engagement |
| <input checked="" type="checkbox"/> Governance | <input checked="" type="checkbox"/> Dependencies & Impacts |
| <input checked="" type="checkbox"/> Emission targets | <input checked="" type="checkbox"/> Water accounting figures |
| <input checked="" type="checkbox"/> Emissions figures | <input checked="" type="checkbox"/> Water pollution indicators |
| <input checked="" type="checkbox"/> Risks & Opportunities | <input checked="" type="checkbox"/> Content of environmental policies |

(4.12.1.6) Page/section reference

(4.12.1.7) Attach the relevant publication

WAT_RAPOR_ENG.pdf

(4.12.1.8) Comment

*WAT has defined its strategies to achieve Sustainable Development Goals in line with its values and the concept of sustainability, which is at the heart of its business processes. With these strategies, WAT embraces social and environmental responsibilities while contributing to society beyond creating economic value. WAT aims to be the driving force of economic, environmental and social change by aiming for excellence in all its activities and commitments. Accordingly, WAT implements projects such as protecting the environment, reducing natural resource consumption in production and product development, focusing on supplier development, and raising standards of equality and diversity. WAT started its sustainability report journey and processes, and to transparently share the processes WAT has implemented with its valuable business partners. WAT has shared with our valuable stakeholders the WAT Sustainability Report, which has prepared for the January 01 - December 31, 2023 operating period with reference to GRI Sustainability Reporting Standards, under the title “Powering Motion With Agility and Efficiency”.
[Add row]*

C5. Business strategy

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

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

Forests

(5.1.1) Use of scenario analysis

Select from:

☒ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

WAT operates in locations that are distant from areas of high biodiversity, and its activities do not involve the production or processing of any forest products. Additionally, WAT has implemented a Biodiversity Conservation and Deforestation Prevention Policy, and the environmental aspects related to deforestation in its production processes are considered of low significance. The organization prioritizes FSC-certified materials, encourages suppliers to obtain FSC certification, and

includes them in the ESG improvement program. Furthermore, WAT promotes the efficient and repeated use of packaging materials, such as cardboard and wood, while actively working to reduce the amount of packaging used. Due to these measures, alongside a systematic approach to monitoring ongoing improvements, scenario analysis related to forests has not been deemed a critical priority.

Water

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

[Fixed row]

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

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2050

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

WAT has evaluated the International Energy Agency's (IEA) Net Zero Emissions (NZE) scenario as a transition scenario. This scenario serves as a roadmap for achieving net-zero CO2 emissions by 2050, presenting an ambitious path to limit global warming to 1.5C. It sets an interim target of approximately 45% reduction in global greenhouse gas emissions by 2030 compared to 2010 levels. The scenario is based on assumptions regarding the rapid expansion of renewable energy sources, enhanced energy efficiency, and a sharp decline in fossil fuel consumption. WAT believes it will occupy a strategic position during this transition. However, it

also recognizes the significant uncertainties that accompany such a comprehensive transformation. Factors such as stakeholder expectations, contradictions among different countries' economic and political priorities, the challenges of global cooperation, delays in the implementation of emergency regulations, technological advancements, fluctuations in energy markets, supply chain issues, and the accelerating impacts of climate change are all considered as factors influencing the likelihood of scenario realization. WAT understands that, as the effects of climate change intensify, developed countries will face increasing pressures to develop independent targets, leading to a growing inclination towards the NZE scenario, which is regarded as the most favorable among climate scenarios. At this juncture, WAT contributes to reducing global energy supply through its energy-efficient products. It aims to mitigate potential raw material supply challenges that may arise during the NZE journey with its circular economy model (e.g., rare earth elements). Additionally, by developing and producing electric vehicle chargers, WAT contributes positively to the ecosystem, helping to curb fossil fuel consumption. WAT expects to play a critical role in realizing this scenario and limiting global warming to 1.5C, thus seizing opportunities to enhance its brand value and profitability.

(5.1.1.11) Rationale for choice of scenario

WAT has selected the IEA's Net Zero Emissions (NZE) scenario, which presents a roadmap for achieving net-zero CO2 emissions by 2050. This scenario suggests that developed economies will reach net-zero emissions before others. It predicts a reduction of approximately 45% in global greenhouse gas emissions by 2030, aligning with the emission reduction targets outlined in the IPCC's Sixth Assessment Report. The scenario is consistent with limiting global temperature rise to 1.5C, suggesting a minimum temperature increase of 1.4C at a 33% confidence level and a maximum increase of 1.7C at a 67% confidence level. The scenario is based on the adoption of all available technologies and emission reduction options by 2050. In this context, WAT positions itself as a critical partner in realizing this scenario through its existing technologies, R&D strategies, and energy-efficient products. WAT views this transition as an opportunity and thus evaluates it as a climate scenario.

Water

(5.1.1.1) Scenario used

Water scenarios

☒ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Chronic physical

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☒ Changes in ecosystem services provision

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The WRI's Aqueduct tool evaluates various parameters in managing water resources, considering both pessimistic and optimistic scenarios. By examining factors such as Water Stress, Seasonal Variability, Water Supply, Water Demand, Interannual Variability, and Water Depletion, WAT identifies environmental risks associated with climate change in its operational locations for 2030 and 2050. WAT is not directly affected by water-related risks due to its products and production methods; however, it acknowledges indirect effects. Therefore, WAT conducts scenario analyses using the Aqueduct tool. The pessimistic scenario is based on assumptions regarding the exacerbation of climate change effects, population growth, and unsustainable economic growth leading to increased water demand, resource depletion, and restricted access to clean water. This scenario highlights risks such as water scarcity, degradation of water quality, and increased pressure on water resources. The optimistic scenario, however, assumes successful efforts to combat climate change, widespread adoption of sustainable water management practices, and technological advancements that provide solutions to water issues. In this scenario, a reduction in water risks and more efficient use of water resources are expected. Nonetheless, even in this scenario, water stress is anticipated to increase, and the feasibility of meeting water demand is expected to decline. Both scenarios involve a degree of uncertainty; the management of international water resources at the basin level may be influenced by fluctuating national political situations, changes in water management regulations, and the unpredictability of population growth and migration, which may result in higher-than-expected population increases.

(5.1.1.11) Rationale for choice of scenario

WAT conducted its assessments using the WRI Aqueduct tool, based on the 'optimistic' scenario. Under this scenario, WAT's location falls into the 'extremely high' risk category for water stress in the 2030-2050 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. 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. 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.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA STEPS (previously IEA NPS)

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

☒ Market

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2050

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☒ Global regulation

☒ Level of action (from local to global)

☒ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The IEA's STEPS climate scenario presents a comprehensive assessment analysis designed to model the future transformation of the global energy system. This scenario forecasts how energy demand and supply will evolve under various technological advancements, policy regulations, and economic conditions. Several assumptions underpin this supply-demand management, including the continued decline in renewable energy costs, increased accessibility of green energy, improved energy efficiency, the proliferation of electric vehicles, and the implementation of carbon pricing mechanisms. WAT views these assumptions as opportunities for the scenario to materialize. WAT is one of the key stakeholders that can play a critical role in achieving this scenario through its high-energy-efficient products, particularly its electric vehicle chargers. However, significant uncertainties also exist. Factors such as the potential slow adoption of technological advancements, the emergence of political tensions, contradictions between different countries' energy policies, and the occurrence of economic crises can all impact the likelihood of the scenario's realization.

(5.1.1.11) Rationale for choice of scenario

WAT has chosen the IEA's Stated Policies Scenario (STEP), which offers a more pessimistic outlook compared to other IEA scenarios. The STEP scenario is based on a detailed examination of the current policy environment while also considering developing policies to provide insights into the progress of energy management and system technologies. It allows for a more detailed, sector-specific assessment of the policies implemented to achieve the stated climate targets, including other energy-related objectives. By not assuming that all government targets will be met, the STEP scenario provides a more realistic benchmark than the Announced Pledges Scenario (APS), which assumes that all announced policies will be implemented. The scenario illustrates that without any changes in emission reductions or with delayed regulations, the Paris Agreement commitments to limit global warming to 1.5C will not be met. According to this scenario, the average global temperature is expected to rise by approximately 2.6C. This critical increase may lead to disasters and incite fear among people, resulting in political crises. Localized issues, such as the ongoing energy crisis, food crisis, and inflation crisis, may escalate into global political crises over the long term. Rising inflation may particularly harm developing countries, causing their economies to contract. Restrictions on access to natural resources, intensifying needs, additional costs reflected in processes, energy crises, social issues, and the process of regulatory frameworks becoming increasingly punitive may impact WAT and its suppliers.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA 450

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Business activity

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.0°C - 2.4°C

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2040

(5.1.1.9) Driving forces in scenario

Relevant technology and science

☒ Other relevant technology and science driving forces, please specify :Energy Efficiency

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The IEA 450 climate scenario aims to limit global warming to 2C above pre-industrial levels by stabilizing atmospheric CO2 concentrations at 450 ppm. It presents an ambitious target that requires fundamental changes in the energy system through the widespread adoption of renewable energy sources, enhanced energy efficiency, and the development of carbon capture and storage technologies. Furthermore, it anticipates the implementation of strong climate policies globally, alongside technological advancements that will facilitate achieving these targets. WAT views this transformation as an opportunity to align its corporate strategies, projects, and products accordingly. However, the company acknowledges significant uncertainties that could hinder such a comprehensive transition. Factors such as stakeholder expectations, conflicts between different countries' economic and political priorities, challenges in global cooperation, delays in the implementation of emergency regulations, technological developments, fluctuations in energy markets, supply chain issues, and the rapidly spreading impacts of climate change are considered critical uncertainties affecting the feasibility of the scenario. WAT understands that, especially as the effects of climate change escalate, developed countries will face increasing pressure to establish independent targets, leading to a growing inclination towards the NZE scenario, regarded as the most favorable among climate scenarios. In this regard, WAT supports the reduction of global energy supply through its energy-efficient products and aims to mitigate potential raw material supply challenges that may arise during the NZE journey with its circular economy model (e.g., rare earth elements). By developing and producing electric vehicle chargers, WAT contributes positively to the ecosystem while helping to reduce fossil fuel consumption. WAT expects to play a critical role in realizing this scenario and limiting global warming to 1.5C, thereby seizing opportunities to enhance its brand value and profitability.

(5.1.1.11) Rationale for choice of scenario

WAT has chosen the IEA 450 scenario, which aims to reduce greenhouse gas emissions in the energy sector and limit greenhouse gas concentrations to 450 ppm, thus mitigating future climate change and achieving the target of 2C global warming. To achieve this, the IEA 450 scenario is based on key strategies such as increasing the use of low-carbon energy sources, improving energy efficiency, and adopting technologies that reduce carbon emissions. In this context, the motor manufacturing sector plays a significant role due to the considerable impact of motors on energy consumption. Electric motors are widely used across various industries, transportation, and agriculture, making significant contributions to energy use. Therefore, efforts to enhance energy efficiency in the production and use of motors can effectively support the goals of the IEA 450 scenario. WAT has evaluated its position and aligned its strategies to contribute to the IEA 450 targets. WAT's Corporate Risk Management enables the company to embrace the challenges posed by climate change while transforming them into opportunities by effectively managing market risks. WAT has achieved success in a market that prioritizes technologies promoting energy savings by highlighting energy efficiency in its high-performance products. To meet national climate goals and combat the global climate crisis, WAT has initiated the 'Motor Transformation Project,' aimed at replacing inefficient electric motors with efficient alternatives. This initiative seeks to raise awareness of the impact of energy consumption on carbon management, demonstrate the significant carbon reductions achievable through motor replacement, provide technical support to industries, and promote a circular economy model.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP2

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2040
- ☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

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

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 4.5 scenario is based on the assumption that global warming will rise to moderate levels and that human activities will balance greenhouse gas emissions at some point in the future. The RCP 4.5 scenario is built on key assumptions such as continuing population growth, moderate economic growth, and the significant role of technological advancements in combating climate change. These assumptions indicate that fundamental changes in the energy system, particularly a reduction in fossil fuel use and the widespread adoption of renewable energy sources, could allow the scenario to materialize. By evaluating this scenario, WAT has also identified significant chronic and acute physical risks and opportunities that may arise if the scenario comes to fruition. The company has assessed its operational continuity by analyzing the physical conditions of the region. It has not only evaluated water stress in the region but also analyzed groundwater depletion levels, flood risks, and seasonal variability in water availability, thereby assessing water-related risks. Additionally, the IPCC's Sixth Assessment Report indicates that the impacts of climate change will likely lead to increased migration rates in future projections, which could create significant disparities in the region's population. Risks associated with

ecosystem degradation, such as access to clean and sufficient water and biodiversity loss, have also been evaluated. WAT is developing strategies to promote energy efficiency to support a more optimistic outcome of the scenario.

(5.1.1.11) Rationale for choice of scenario

WAT has assessed various RCP and SSP scenarios published in the IPCC's 5th and 6th Assessment Reports to understand the physical risks posed by climate change and to shape its sustainability strategy to minimize their impacts. RCP 4.5 is described by the IPCC as a relatively moderate scenario in which emissions peak around 2040 and subsequently decline. It predicts a sea level rise (average: 0.26m) and a temperature increase that is unlikely to stay below 1.5C, anticipating unmanageable effects on ecosystems and human life. WAT has evaluated its climate-related physical risks, which may become more frequent due to this temperature increase, including severe rainfall, floods, and heatwaves. Although the location of our production facility, Kapaklı/Tekirdağ, is not significantly affected by extreme weather events, the locations of our suppliers face these risks. Consequently, it was decided to include this scenario in the climate assessments.
[Add row]

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

Climate change

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

Select all that apply

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

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Organization-wide

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

In evaluating climate change scenarios, WAT has assessed how it and all stakeholders might be affected by climate-related issues. As a result of this assessment, WAT recognizes that combating global climate change is possible only with the participation of all stakeholders and has developed strategies that actively contribute to reducing greenhouse gas emissions and transitioning to a low-carbon society. These strategies consist of the five primary strategies that WAT has established in

the context of climate change. The first is the Net-Zero strategy, which defines WAT's vision for 2050. WAT plans to achieve net-zero by 2050 for the transition to a low-carbon society. Additionally, the company has set a 2030 interim target to shape its activities to successfully reach this goal. In the reporting year, the company reduced its emissions by 22% compared to the 2021 base year it established. Another vision set by the company is 'products for fit-for-55.' In line with this strategy, WAT focuses on designing high-energy-efficient products and aims to increase their share in production and revenue. Furthermore, by concentrating on compact design, the company seeks to reduce raw material consumption and thus contribute to natural resource conservation. In the reporting year, 83% of the company's net revenue came from low-carbon products. Recognizing the importance of energy efficiency for the realization of the optimistic scenarios, particularly those published by the IEA, WAT aims for the share of low-carbon and high-energy-efficient products to exceed 85% by 2030. WAT views the realization of this scenario as an opportunity. Given the strong R&D team and engineering capabilities, the company is well-positioned to seize these opportunities. Another strategic focus of the company is the Circular Economy. In line with this strategy, WAT conducts activities to extend the useful life of its motors. By focusing on waste motor management, it supports the reintegration of its motors, which have 98% recyclable content, into the economy at the end of their life cycle. Based on the climate scenarios evaluated across the entire value chain, WAT has identified its fourth strategy as creating value in the supply chain. In this regard, the company has set goals to eliminate, minimize, and mitigate the chronic physical risks identified in its suppliers. Additionally, WAT has completed vertical integration projects in the reporting year to enable tracking of environmental impacts that it cannot manage in its suppliers. This situation has also positively impacted the company's financial values in the short term. The fifth of WAT's sustainability strategies focuses on social sustainability, with an emphasis on Diversity, Equality, and Inclusion. In the pessimistic climate change scenarios assessed, WAT considers chronic physical water scarcity and the risks arising from it to be the most significant challenges. WAT has conducted modeling studies to understand how the acute and chronic issues related to climate change might affect its production. Despite being resilient to events like flooding due to its location, the company recognizes the risk of drought in its area of operation. Moreover, future modeling indicates that climate-induced migration may reduce the levels of accessible water. To enhance its compliance and access opportunities for resilience, WAT has set targets for its current and planned investments. WAT does not invest in any non-closed-loop wet processes. All water consumption points in its production operate with closed-loop systems. Similarly, climate risks that may arise in the supply chain are critical as they have indirect effects on WAT's production. During the analysis of climate change scenarios, it was determined that acute and chronic physical risks affect both WAT and its suppliers. With this risk awareness, WAT is developing business models to minimize risk. Additionally, WAT has drawn conclusions for various environmental issues based on climate scenarios. The presence of extreme weather events is critical in the transition and physical scenarios evaluated by WAT. Extreme weather events threaten biodiversity by increasing the frequency and intensity of forest fires, disrupting the carbon cycle, and accelerating climate change. The population of the relevant region is also evaluated based on these scenarios. Air pollution, especially from greenhouse gas emissions resulting from fossil fuel consumption and industrialization, leads to respiratory illnesses, ozone layer depletion, and acid rain. This situation, which seriously harms biodiversity, disrupts the balance of ecosystems. WAT has also identified deforestation and biodiversity loss as significant risks.

Water

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

Select all that apply

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

(5.1.2.2) Coverage of analysis

Select from:

☒ Organization-wide

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

In evaluating climate change scenarios, WAT has assessed how it and all stakeholders may be affected by climate-related issues. As a result of this assessment, WAT recognizes that the fight against global climate change can only be achieved with the participation of all stakeholders, and it has developed strategies to actively contribute to reducing greenhouse gas emissions and transitioning to a low-carbon society. These strategies consist of five primary strategies defined by WAT in the context of climate change. The first is the Net-Zero strategy, which outlines WAT's vision for 2050. WAT plans to achieve net-zero by 2050 for the transition to a low-carbon society. The company has also set a 2030 interim target to shape its activities to successfully reach this goal. In the reporting year, the company reduced its emissions by 22% compared to the baseline year of 2021. Another vision set by the company is 'products for fit-for-55.' In line with this strategy, WAT focuses on designing high-energy-efficient products and aims to increase their share in production and revenue. Additionally, by concentrating on compact design, the company seeks to reduce raw material consumption and thus contribute to natural resource conservation. In the reporting year, 83% of the company's net revenue came from low-carbon products. Recognizing the importance of energy efficiency in realizing the optimistic scenarios, particularly those published by the IEA, WAT aims for the share of low-carbon and high-energy-efficient products to exceed 85% by 2030. WAT views the realization of this scenario as an opportunity. With its strong R&D team and engineering capabilities, the company is well-positioned to seize these opportunities. Another strategic focus is the Circular Economy, where WAT conducts activities to extend the useful life of its motors. By focusing on waste motor management, it supports the reintegration of its motors, which have 98% recyclable content, into the economy at the end of their life cycle. Based on the climate scenarios evaluated across the entire value chain, WAT has identified its fourth strategy as creating value in the supply chain. In this regard, the company has set goals to eliminate, minimize, and mitigate the chronic physical risks identified in its suppliers. Additionally, WAT has completed vertical integration projects in the reporting year to enable tracking of environmental impacts that it cannot manage in its suppliers. This situation has also positively impacted the company's financial values in the short term. The fifth of WAT's sustainability strategies focuses on social sustainability, with an emphasis on Diversity, Equality, and Inclusion. In the pessimistic climate change scenarios assessed, WAT considers chronic physical water scarcity and the risks arising from it to be the most significant challenges. WAT has conducted modeling studies to understand how the acute and chronic issues related to climate change might affect its production. Although the location of the company is not significantly vulnerable to events like flooding, the area of operation is at risk of drought. Moreover, future modeling indicates that climate-induced migration may reduce levels of accessible water. To enhance its compliance and access to resilience opportunities, WAT has set targets for its current and planned investments. WAT does not invest in any non-closed-loop wet processes. All water consumption points in its production operate with closed-loop systems. Similarly, climate risks that may arise in the supply chain are critical as they have indirect effects on WAT's production. During the analysis of climate change scenarios, it was determined that acute and chronic physical risks affect both WAT and its suppliers. With this risk awareness, WAT is developing business models to minimize risk. Additionally, WAT has drawn conclusions for various environmental issues based on climate scenarios. The presence of extreme weather events is critical in the transition and physical scenarios evaluated by WAT. Extreme weather events threaten biodiversity by increasing the frequency and intensity of forest fires, disrupting the carbon cycle, and accelerating climate change. The population of the relevant region is also evaluated based on these scenarios. Air pollution, especially from greenhouse gas emissions resulting from fossil fuel consumption and industrialization, leads to respiratory illnesses, ozone layer depletion, and acid rain. This situation, which seriously harms biodiversity, disrupts the balance of ecosystems. WAT has also identified deforestation and biodiversity loss as significant risks.

[Fixed row]

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

(5.2.1) Transition plan

Select from:

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

(5.2.3) Publicly available climate transition plan

Select from:

☒ Yes

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

Select from:

☒ Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

WAT has developed a climate transition plan aligned with the 1.5C target. This plan has been made available to all stakeholders through its published sustainability report. The transition plan encompasses all of WAT's operations and value chain, including direct emissions from imported energy sources, transportation sources, products used by the organization, emissions from products and services offered, and emissions from other sources. The most critical item for the transition plan is identified as the usage-phase emissions of WAT's products. As a company that produces electric motors that convert electrical energy to mechanical energy, thereby reducing the use of internal combustion engines, and manufactures AC-DC EV chargers to reduce fossil fuel-dependent transportation, WAT positions itself as a sustainable product manufacturer. By focusing on greenhouse gas emissions resulting from product use throughout their lifecycle, WAT aims to increase the share of high-energy-efficient and low-carbon products in its production. WAT's transition plan aims to achieve net-zero by 2050 to limit global warming to 1.5 degrees. The company has also set a 2030 interim target to ensure reaching the net-zero goal. WAT intends to submit a commitment to the Science Based Targets initiative (SBTi) in 2024, aiming to transparently share that its targets are grounded in science. Furthermore, WAT has started producing EV chargers, which directly contribute to the reduction of fossil fuel consumption as of 2023. The company aims to prevent emissions caused by internal combustion vehicles and thus contribute to global reduction targets. Additionally, it seeks to mitigate the damage to biodiversity that arises during the extraction of fossil fuels by reducing its reliance on them.

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

Select from:

☒ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

WAT's climate change transition plan was prepared by the sustainability committee and presented to the board of directors. The transition plan is reviewed annually and reconsidered in case of guidance and feedback. At this point, all follow-up parameters within the scope of WAT's Transition plan are evaluated. The WAT transition plan has reached its final form as a result of its evaluations and we have committed to set a near- and long-term company-wide emission reductions in line with science-based net-zero with the Science Based Targets initiative. The CFO has been appointed and assigned by the board of directors for the approval and review of the plan, the collection of guidance and feedback, the monitoring and follow-up processes, and the informing the board of directors and the presentation of the plan.

(5.2.9) Frequency of feedback collection

Select from:

☒ Annually

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

WAT's transition plan is based on the assumption that future technological developments and demand will continue to be particularly strong in the areas of energy efficiency and renewable energy, allowing the company to benefit from these developments. This assumption necessitates the continuity of R&D investments and the capacity to adapt to new technologies. The basis for this assumption is viewed as the climate scenarios assessed by WAT. The company assumes that the demand for sustainable products will increase, driving manufacturers toward more sustainable production methods through market mechanisms. WAT recognizes that this is dependent on factors such as increased consumer awareness, stronger regulations, and investors placing greater importance on sustainability criteria. WAT assumes that governments will implement stable policies to combat climate change and that companies will support these policies. Tax incentives, subsidies, and regulatory frameworks will significantly influence the company's investment decisions and strategies. WAT assumes that it can ensure sustainability throughout the entire value chain by collaborating with its suppliers and customers. This is contingent upon suppliers' capacity to comply with sustainability standards and the ongoing demand from customers for sustainable products, which is also indirectly related to country policies and sanctions. WAT assumes that sustainability investments will be financially profitable in the long term. This assumption is based on the acceleration of the transition to a low-carbon economy, the emergence of new business opportunities, and investors placing greater importance on sustainability performance.

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

The assumptions WAT's transition plan are based on factors such as the continuity of technological developments, increasing consumer awareness, governments' climate policies and value chain collaborations. In line with these assumptions, the company has made significant progress by developing energy efficiency projects and transitioning to renewable energy sources. WAT believes that sustainability investments will be financially profitable in the long term and continues to work accordingly. The company's progress on the transition plan is regularly reported and the level of achievement of the targets is assessed.

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

Climate Risk and Opportunities.pdf, SBT-Commitment-Letter_signed.pdf

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

Select all that apply

- ☒ Forests
- ☒ Plastics
- ☒ Water
- ☒ Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

WAT's climate transition plan focuses on reducing carbon emissions, but adopts a broader vision of environmental sustainability. The company strives to improve its production processes by adopting a sensitive approach to other environmental issues such as biodiversity, water resources, waste management and air pollution. It aims to protect biodiversity by developing circular economy models that support more efficient use of natural resources. It designs production processes with closed-loop systems and protects water resources and aquatic life by continuously improving water and wastewater quality. It supports air quality with energy efficiency projects and products. WAT aims to both improve its environmental performance and strengthen its competitiveness in the long term.
[Fixed row]

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

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

Select from:

- ☒ Yes, both strategy and financial planning

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

Select all that apply

- ☒ Products and services
- ☒ Upstream/downstream value chain
- ☒ Investment in R&D

☒ Operations

[Fixed row]

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

Products and services

(5.3.1.1) Effect type

Select all that apply

☒ Risks

☒ Opportunities

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

Select all that apply

☒ Climate change

☒ Forests

☒ Water

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

WAT has determined its business strategy by evaluating climate risks and opportunities. The company is regarded as environmentally friendly, actively supporting the fight against the climate crisis with its set objectives. Strategic decisions are made based on identified risks and opportunities, aiming for continuous improvement to expand our product portfolio, provide excellent customer service, and strengthen our positions. As a pioneer in the industry, WAT was the first to offer the IE4 full product range. Furthermore, in line with its vision, WAT takes a leading role in IE3-IE4 and IE5EC motor topologies. By offering efficient products, the company helps mitigate greenhouse gas emissions resulting from energy consumption. The target for 2023 is to produce high-efficiency motors with a total capacity of 1.5 MW. WAT sets yearly targets to manufacture motors with a compact, higher power density and less material, ensuring they are 97% recyclable. Through new product platforms such as QN high-efficient, QH compact, and QHS super compact motors, the company contributes to the conservation of natural resources. Supporting industries on climate crisis and energy efficiency matters, WAT takes the lead in meetings emphasising the importance of energy efficiency. The 'Efficient Motor Conversion Project' provides feasibility studies for identifying inefficient motors, enabling industries to reduce carbon emissions and contribute to global emission reductions. WAT ventured into EV charger production, planning to diversify its investments with fast-charging devices. Ongoing R&D and design investments aim to provide custom solutions with original designs to support our production. The medium-term goal is 100% domestic production and developing local suppliers to establish a sustainable supply chain. WAT's charging network helps combat climate change by preventing carbon emissions from fossil fuel-consuming vehicles. In the long run, the company aims to source charger energy from renewable sources, such as solar power.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

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

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water

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

WAT has thoroughly assessed climate risks and opportunities, with the supply chain emerging as a critical area. Like any industry, WAT aims to enhance and improve its supply chain to mitigate the possibility of disruptions that may impact production processes due to any issues with suppliers. Creating value in the supply chain is one of the five sustainable strategic objectives determined by the company. When defining its climate strategy and objectives, WAT also considers the perspectives of its stakeholders. Feedback and recommendations from suppliers gathered through stakeholder analysis surveys are evaluated to prioritise their demands (e.g., benchmark requests). This collaborative approach ensures that suppliers' views and needs are aligned with the company's strategic objectives. WAT prioritises ESG Status in supplier contracts. Self-assessment audits are conducted to ensure alignment with our principles. A third-party expert firm conducts sustainability risk assessments for our suppliers. As part of the Data Monitoring and Improvement Project with Arçelik, we focus on critical suppliers who significantly impact our operations. In 2023, we identified 54 critical suppliers, comprising 26% of all suppliers and accounting for 77% of our purchasing volume. Currently, Our 54 suppliers, with 47 having ISO14001 and 32 having ISO 50001 systems in place. To enhance their compliance, we developed an action plan. As part of our commitment to NetZero 2050 throughout the value chain, decarbonising the supply chain is of critical importance. Starting from 2021, we have begun to obtain long-term environmental commitments from our suppliers, such as setting greenhouse gas emissions, water, waste, and energy efficiency targets. We ensure sustainable procurement operations through risk management processes, sustainable supplier indices, supplier audits, effective communication, and supplier training, which align with our sustainable objectives. By incorporating the perspectives of our suppliers and other stakeholders into our climate strategy and decision-making process, we foster a collaborative approach that ensures sustainable value creation across our supply chain. WAT actively combats deforestation and biodiversity loss within its value chain by assessing suppliers involved in the production and sale of forest products to ensure their operations comply with relevant standards. We evaluate and encourage our suppliers to contribute to the fight against deforestation and biodiversity loss by guiding them toward sustainable practices. Additionally, WAT recognizes Forest Stewardship Council (FSC) certification as a positive performance indicator and promotes the visibility and preference of FSC-certified materials in supplier interactions.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

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

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water

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

WAT invests in technology and maintains a robust research and development infrastructure, covering the entire product realisation cycle from design to serial production. We continuously invest in R&D and collaborate both nationally and internationally to foster development. Engaging in Horizon projects, partnering with academia, and gathering field inputs from customers allows us to keep our product lifecycle vibrant and responsive to market needs. Aligned with our sustainability vision, our success extends beyond the industrial sector as we explore opportunities for growth in various domains. In the renewable energy sector, we have initiated a collaboration with a leader company, conducting research on yaw-pitch-ec applications and other system solutions. Our mobility journey began with e-mobility products, and since then, we have expanded into a wide range of automotive applications, including mobility product lines, heavy commercial applications, electric steering motors, and pump motors. In the field of motion control, we aim to enhance the control capabilities of our products, focusing on servo motors, drivers, industrial solutions, and AGVs, positioning ourselves as a technological partner within the industry. Our commitment to investment in technology and research-driven innovation enables us to stay at the forefront of technological advancements and cater to evolving market demands. To prevent biodiversity loss, WAT rigorously controls the materials used in its products and production processes. Resources are allocated to develop alternative materials, suppliers, and designs to minimize environmental impacts. WAT invests in reducing harmful chemicals in production, transitioning to alternatives with less environmental impact. It researches and plans investments focused on low VOC, biodegradable, recoverable, low GWP, and lower-risk materials and chemicals. WAT guides its suppliers in this direction, fostering collaboration across the supply chain. As part of its product-focused strategy, WAT visibly demonstrates its commitment to reducing plastic-related pollution. This includes goals such as reducing plastic content in products, increasing recycled materials, reducing the amount of plastic raw materials used in packaging, transitioning to EPS-free alternatives, and sourcing only FSC-certified products. These efforts are communicated to all stakeholders, aligning with WAT's overarching environmental goals.

Operations

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

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

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water

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

At WAT, we have set projects and objectives focused on improving our production processes, reducing energy consumption, and enhancing efficiency, decreasing water consumption, minimizing raw material consumption and waste generation. As we implement these initiatives and achieve our goals, our carbon footprint visibly decreases. In 2023, we obtained the YEK-G certificate, which verifies that the electricity we sourced was from renewable energy sources. As a result, we were able to achieve a 57% reduction in total scope 1 and scope 2 emissions in the market base. During the reporting year, we saved electricity through 33 energy projects, leading to a reduction in carbon emissions.

[Add row]

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

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☒ Revenues
- ☒ Direct costs
- ☒ Indirect costs
- ☒ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

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

Select all that apply

- ☒ Climate change
- ☒ Water

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

Revenues: WAT recorded a significant increase in revenue from sales of highly energy-efficient motors. This increase is an important milestone on the company's path to achieving its sustainability goals. The company aims to continue its growth in this area in the future. Direct and Indirect Cost: By investing in energy efficiency projects, WAT both reduces its costs and reduces its environmental impact. Thanks to these projects, the company both reduces energy consumption and increases its profitability. Capital Expenditures: WAT expands its product range and increases its competitiveness by investing in R&D studies and new technologies. The company aims to maintain a leading position in the industry by focusing on future technologies such as renewable energy and electric vehicle charging solutions.
[Add row]

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

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> A sustainable finance taxonomy	Select from:

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
			<input checked="" type="checkbox"/> At both the organization and activity level

[Fixed row]

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

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Total across climate change mitigation and climate change adaption

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☒ No

(5.4.1.5) Financial metric

Select from:

☒ Revenue/Turnover

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

29000000000

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

78

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

73.6

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

75

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

As WAT, we are committed to manufacturing high-energy-efficient motors (IE3-IE4) and continuously increasing the motor kWh and their share in the total revenue. Our goal is to set targets for future growth while including even higher efficiency motors such as IE5 through ongoing R&D and design projects. In the reporting year, the revenue generated from the sales of high-energy-efficient motors accounted for 78% of our total revenue, showing a significant increase of 7.62% compared to the previous year. This growth can be attributed to the increase in the production kWh of our high-efficiency motors from 1,872,195.4 in 2022 to 2,254,865.69 in 2023. In the reporting year, we achieved the 2025 target with a 10% better value. Looking ahead, we will align towards a new more challenging target for 2025 and we expect it to increase to 2,698,700 Motor kWh in 2030. This projected increase in motor kWh is expected to result in a higher share of high-energy-efficient motors in our overall revenue (We calculate the production as the total kWh of the produced motors). Our focus on producing high-energy-efficient motors aligns with our commitment to sustainability and combating climate change. By continually improving the efficiency of our products, we aim to contribute to energy conservation and reduce greenhouse gas emissions. As part of our long-term vision, we will continue to invest in research and development to introduce even more energy-efficient motor models, thus contributing to a more sustainable future.

[Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Row 1

(5.4.2.1) Economic activity

Select from:

☒ Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation

(5.4.2.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

☒ Taxonomy-aligned

(5.4.2.4) Financial metrics

Select all that apply

☒ Turnover

(5.4.2.5) Types of substantial contribution

Select all that apply

☒ Own performance

☒ Activity enabling mitigation

(5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

(5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

78

(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

78

(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

78

(5.4.2.27) Calculation methodology and supporting information

WAT is not currently subject to the EU Taxonomy regulation based on its reporting obligations and timeline. However, WAT voluntarily aligns with the EU Taxonomy. This regulation provides a classification system to determine the environmental sustainability of economic activities, and WAT's operations increasingly reflect these standards. WAT evaluates its environmental impact through key criteria, including climate change mitigation and adaptation, water use, pollution prevention, and circular economy principles. The company integrates these criteria into its operations to ensure that its processes and supply chain meet the stringent standards set by the Taxonomy. For instance, WAT's initiatives to reduce water consumption, manage hazardous waste with closed-loop systems, and enhance resource efficiency contribute to its alignment with the Taxonomy's objectives. WAT's ESG and risk management practices are also designed to meet the broader goals of the EU Taxonomy, particularly regarding resource use and climate impact. As a producer of energy-efficient industrial electric motors and EV charging units, WAT's primary economic activities, based on its NACE classification, contribute to two climate-related objectives: climate change mitigation and adaptation. Currently, the Taxonomy does not mandate reporting for other environmental objectives such as water, pollution, circular economy, biodiversity, and ecosystems. The goal of Taxonomy alignment for WAT is to demonstrate its role in climate change mitigation through its products, which provide energy-efficient solutions. WAT's eligible economic activities fall under the "Climate Change Mitigation" category of the EU Taxonomy, as its production of energy-efficient motors and EV chargers supports the transition to a low-carbon economy. The Taxonomy emphasizes energy efficiency, low-carbon technologies, and emissions reduction, all of which WAT's products contribute to, especially in reducing the carbon footprint of energy-intensive industries. Revenue from these Taxonomy-aligned products is calculated as a proportion of total sales, demonstrating WAT's compliance through the products it delivers. As WAT continues to strengthen its sustainability initiatives, it closely monitors its activities to align with the evolving requirements of the EU Taxonomy, positioning itself as a leader in the transition to a sustainable, low-carbon economy. WAT 2023 Sustainability report; <https://www.wat.com.tr/sustainability/>

(5.4.2.28) Substantial contribution criteria met

Select from:

☒ Yes

(5.4.2.29) Details of substantial contribution criteria analysis

WAT's core operations in manufacturing energy-efficient industrial electric motors and EV charging units align with the technical screening criteria under the EU Taxonomy, particularly for the "Climate Change Mitigation" objective. These products are considered essential in reducing energy consumption and emissions in industries, contributing to overall energy efficiency goals. WAT ensures that the production processes for these products comply with the standards for energy efficiency and low-carbon technologies, as outlined by the Taxonomy's screening criteria. WAT's continuous investment in technological improvements and sustainability initiatives, such as reducing resource consumption and minimizing emissions, further demonstrates compliance with these criteria.

(5.4.2.30) Do no significant harm requirements met

Select from:

☒ Yes

(5.4.2.31) Details of do no significant harm analysis

WAT adheres to the "Do No Significant Harm" (DNSH) principles by ensuring its activities do not negatively impact other environmental objectives outlined in the EU Taxonomy, including water use, pollution prevention, circular economy, and biodiversity. Water Management: WAT implements water-saving technologies in its manufacturing processes, actively reducing water consumption to ensure efficient use without harming local ecosystems. Additionally, the company conducts water risk assessments not only in its production regions but also in areas where its suppliers operate, utilizing tools like the WRI Water Risk Atlas and WWF Water Risk Filter to evaluate risks globally. Results are reviewed annually to guide efforts in increasing water recycling and reuse while reducing withdrawals. Pollution Prevention: WAT carries out business processes in accordance with legal requirements and international management standards, minimizing pollutants and ensuring proper treatment of emissions from manufacturing activities. This approach aligns with EU directives and regulations, preventing significant harm to air, water, and soil. Circular Economy: WAT actively promotes resource efficiency by focusing on recycling, reuse, and sustainable material management throughout its operations and supply chain. The company strives for a closed-loop economy by improving product recyclability, increasing the use of recycled content in products and packaging, and extending product life through repair, maintenance, and remanufacturing. Waste motor and component recovery processes ensure 100% recycling or reuse, contributing to a sustainable circular economy. Biodiversity & Ecosystems: WAT has assessed its biodiversity risks, identifying impacts and dependencies within its operations. Based on this evaluation, the company implements the Mitigation Hierarchy to periodically prevent, minimize, and mitigate biodiversity threats. Long-term goals, such as reducing pressure from water use, energy consumption, and greenhouse gas emissions, are set to protect biodiversity from factors like climate change and pollution. Through these integrated efforts, WAT ensures compliance with DNSH requirements while meeting the EU Taxonomy's climate-related objectives. Additionally, the company identifies, evaluates, measures, and prioritizes both physical and transition risks related to climate change and ESG factors through scenario-based analysis, ensuring a holistic approach to sustainability.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

☒ Yes

(5.4.2.33) Attach any supporting evidence

WAT_AA1000AS.pdf,WAT_verification_opinion_statement.pdf,31301395 OHS18_EN 2022-12-30.pdf,ISO14001_20250704.pdf,ISO9001_20250704.pdf
[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.1) Details of minimum safeguards analysis

WAT complies with the minimum safeguards as set out in the EU Taxonomy, particularly in relation to labor rights, human rights, and anti-corruption practices. The company has a robust Environmental, Social, and Governance (ESG) framework in place, ensuring that it adheres to international labor standards, including those from UN Global Compact, UN Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights, Worst Forms of Child Labour Convention and Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, Women's Empowerment Principles. WAT also implements a strong code of ethics and anti-bribery policies to ensure fair business practices. WAT's risk management processes (WERM) further incorporate human rights due diligence and safeguard mechanisms, which are continuously monitored and improved to maintain high compliance standards.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

WAT monitors its performance in the following aspects to monitor that Taxonomy is aligned; ESG Reports: Prepared and published the GRI-approved WAT 2023 Sustainability report, which evaluates the company's environmental, social, and governance (ESG) performance. Workers' Rights and Human Rights Policies: Human rights policies and workers' rights documents demonstrating compliance with ILO standards have been evaluated by the EBRD within the scope of Environmental and Social Due Diligence and EU compliance has been confirmed. WAT also confirms this compliance with Sedex and EcoVadis memberships and transparent notifications. Anti-Bribery & Anti-Corruption Policies: The documents we have developed as part of our anti-corruption policies and code of ethics are made available to all stakeholders, and assurance is provided with commitments in supplier contracts. The Ethics Committee and Risk Management committees are carefully managed, including at the BoD level (as President of committees). Supplier Audit Reports: We manage whether your suppliers comply with human rights, environmental standards and ethical business practices through 3rd party audits, assessments and monitoring programs.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☒ Yes

[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☒ Yes

(5.5.2) Comment

WAT is positioned as a company that contributes to global goals and visions for the world's existence. In an era of increasing climate crisis, minimising climate risks and supporting global efforts are of utmost importance. Low-carbon technologies, products, services, and initiatives are crucial to achieving these objectives, and WAT stands at the forefront. Recognising that our main contribution lies in mitigating climate change and progressing towards a low-carbon society, we view it as our primary opportunity to combat climate change. WAT is fully aware that our products developed under the "Products for fit-for-55" scope, which focus on energy efficiency and resource conservation, will witness growing demand in the future. As a result, we consider every R&D investment as an opportunity to minimise risks and seize potential opportunities. Our commitment to developing energy-efficient and sustainable solutions aligns with the global vision for a greener and more resilient future. Approximately 108 million TRY of R&D expenditures were made at WAT in 2023. To support its Fit-for-55 compliant sustainable product strategy, WAT has used 86% of its R&D budget to develop low-carbon products. While there was an 82.4% increase in R&D expenditures compared to the previous year, the share allocated to low-carbon product development increased by 7.5% and reached 86%. Notable projects and activities include: - Mobility and Automotive Solutions (Mobility Product Family) - EV Charger Projects - IE3-IE4 and IE5 EC Motor Topologies (QN IE3 Platform, QH and QHS Compact Motor Projects) - Renewable Energy Components and Partnerships - Motion Control Systems - Regulatory Compliance - Investment in Technology

[Fixed row]

(5.5.2) Provide details of your organization’s investments in low-carbon R&D for capital goods products and services over the last three years.

Row 1

(5.5.2.1) Technology area

Select from:

☒ Electromobility components

(5.5.2.2) Stage of development in the reporting year

Select from:

☒ Pilot demonstration

(5.5.2.3) Average % of total R&D investment over the last 3 years

32

(5.5.2.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

64.3

(5.5.2.5) Average % of total R&D investment planned over the next 5 years

20

(5.5.2.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Electric vehicle and charging technologies are still evolving and changing rapidly. Therefore, especially in long-term investments, it is critical to make plans that align with technological developments and create roadmaps accordingly. At WAT, we consider R&D activities and the workforce involved in these activities as essential in taking steps towards technological competitiveness and investment planning. EV Charger Projects create a holistic ecosystem of complementary products that directly contribute to carbon-zero targets. In target markets, especially in Turkey, offering products that comply with regulations set by authorities and align with customer usage habits while remaining cost-competitive is crucial for success. Parameters such as energy measurement/calibration, payment systems, communication protocols, vehicle battery architectures, and data security play important roles in achieving this goal. Additionally, mechanical design focuses on creating products that can perform continuously at full capacity under outdoor conditions and can be protected against vandalism. Working in the field of power electronics, ensuring high-power transfer in the same volume and effective cooling are also key areas of focus. Additionally, the ability to remotely track, analyse, and control devices, as well as expertise in IoT and cloud services, are essential. Providing superior performance in terms of customer experience and creating a reliable network are among our capabilities. Integrating device operations with various software infrastructures of institutions enables us to support different business models and scenarios. Integrations with company financial processes, customer relationship management systems, resource management platforms, and human resources

processes will enable us to support a wide range of operations. At WAT, we have a team that supports activities in various disciplines such as software and hardware design engineering, power electronics, mechanical design, testing and validation, and thermodynamics. - Mobility and Automotive Solutions: R&D activities include starting the automotive journey with mobility product family, heavy commercial applications, electric steering motor, pump motor, and other system solutions.

Row 2

(5.5.2.1) Technology area

Select from:

☒ Other, please specify :Low-carbon product or service, IE3-IE4-IE5+ and EC Asynchronous motors and drives

(5.5.2.2) Stage of development in the reporting year

Select from:

☒ Large scale commercial deployment

(5.5.2.3) Average % of total R&D investment over the last 3 years

36

(5.5.2.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

72.36

(5.5.2.5) Average % of total R&D investment planned over the next 5 years

55

(5.5.2.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

WAT's sustainability vision involves conducting research and development activities with two R&D centers and competent engineering capabilities to create the most competitive products in the industry. These eco-efficient products and system solutions provide tangible benefits for energy efficiency, emission reduction, and resource efficiency in the industry, which are crucial for achieving global climate goals. One of WAT's most significant contributions to this goal is through its 'Products for fit-for-55' strategy, which involves R&D activities to reduce and decarbonise embedded carbon emissions during the entire industrial life cycle, based on technological capabilities. Over 80% of R&D budget for 'Low-carbon product or service' is allocated to developing the eco-efficiency portfolio, which includes products,

systems, solutions, environmentally friendly material alternatives. The Total R&D expenditure of 108 Million TRY during the reporting year. The 39% of the budget (42.12 Million TRY) was allocated for notable projects and activities, including: - QN IE3 Platform: Focuses on improving electrical and mechanical design in motor topology to create a competitive and low carbon product series. The QN series offers higher power density, reduced material consumption, compact size, and improved energy efficiency. - QH/QHS Projects: Aim to achieve high efficiency in smaller-sized motors, resulting in better resource usage and energy efficiency. These projects contribute to reducing packaging materials, transportation costs, and direct and indirect emissions. The R&D contribution that creates value for the QH Platform is the ability to design and offer multiple requests for motors with different frequency and voltage values under a single product. - IE3-IE4 and IE5, EC Motor Topologies: Lead the industrial sector in promoting high-efficiency motor topologies with advanced design achievements. These products are envisioned to shape tomorrow's market and hold critical importance for climate targets. They are considered as the products of the future, as the demand in the market is expected to increase steadily. - Compliance: Ensuring compliance with international regulations in design and realisation and certification. - Investment in Technology: Collaborating on projects like Horizon, academic partnerships, and market-driven improvements, including investments in the new test laboratory and R&D activities for advanced technology products.

Row 3

(5.5.2.1) Technology area

Select from:

☒ Renewable energy

(5.5.2.2) Stage of development in the reporting year

Select from:

☒ Small scale commercial deployment

(5.5.2.3) Average % of total R&D investment over the last 3 years

1.2

(5.5.2.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

2.41

(5.5.2.5) Average % of total R&D investment planned over the next 5 years

5

(5.5.2.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Renewable Energy Partnerships & Commercial: Initiatives to collaborate in the renewable energy sector, focusing on application-oriented solutions like yaw-pitch-ec for system solutions. R&D efforts for the implementation of high-energy-efficient PM motors in wind energy systems.

Row 4

(5.5.2.1) Technology area

Select from:

☒ Machinery automation

(5.5.2.2) Stage of development in the reporting year

Select from:

☒ Pilot demonstration

(5.5.2.3) Average % of total R&D investment over the last 3 years

28

(5.5.2.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

56.28

(5.5.2.5) Average % of total R&D investment planned over the next 5 years

15

(5.5.2.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Motion Control: R&D projects focus on increasing control capabilities of products, such as servo motors, drives, industrial solutions, and AGVs, to become a technological partner in the industry.

[Add row]

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

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

1.33

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

5

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

52

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

20

(5.9.5) Please explain

Regarding water-related risks, investments were made in metering systems, identified as necessary for achieving water and climate-related targets. Additionally, the installation of a closed-loop molding conditioning unit for resource conservation prompted a reassessment of water risks. These measures were evaluated under the water-related risk effect for the reporting year. With the additional purchase of meters, it is expected that the amount spent will increase during the years. OPEX includes costs associated with water supply, wastewater analysis, and management of the water treatment plant. In addition to the 10% increase in water withdrawal compared to the previous year, OPEX increased compared to the previous year due to the significant increase in the unit cost of water in Turkey.

[Fixed row]

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

	Use of internal pricing of environmental externalities	Environmental externality priced
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select all that apply</i> <input checked="" type="checkbox"/> Carbon <input checked="" type="checkbox"/> Water

[Fixed row]

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

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- ☒ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- ☒ Drive energy efficiency
- ☒ Drive low-carbon investment
- ☒ Conduct cost-benefit analysis
- ☒ Influence strategy and/or financial planning
- ☒ Setting and/or achieving of climate-related policies and targets
- ☒ Incentivize consideration of climate-related issues in decision making
- ☒ Incentivize consideration of climate-related issues in risk assessment

(5.10.1.3) Factors considered when determining the price

Select all that apply

- ☒ Cost of required measures to achieve climate-related targets

- ☒ Price with substantive impact on business decisions
- ☒ Price/cost of renewable energy procurement
- ☒ Scenario analysis
- ☒ Social cost of climate-related impact

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

At the WAT location, in Türkiye, ETS and carbon tax implementation processes are still developing. WAT has demonstrated an internal carbon pricing mechanism to account for environmental externalities. This approach allows us to better understand and quantify the potential financial impacts of our carbon emissions and incorporate them into our operational and strategic planning processes. By setting an internal carbon price, WAT is able to identify areas for improving energy efficiency, reducing emissions, and preparing for potential future regulatory changes. This internal pricing tool provides a uniform metric that supports WAT's sustainability objectives, helping us anticipate risks, capture efficiency gains, and align our operations with long-term environmental goals. In 2023, WAT's total Scope 1 and 2 emissions amounted to 1,823 tCO₂e. To estimate the financial implications, WAT utilized the World Bank's Carbon Pricing Dashboard and benchmarked against carbon pricing from other countries that have already implemented carbon taxes. The analysis included an average carbon price, which, in 2023, ranged between 15 USD and 23.2 USD per metric ton of CO₂e. Using the Central Bank of the Republic of Turkey (CBRT) exchange rates, the equivalent price in 2023 was 683 TRY/tCO₂e for the upper estimate. Based on this, the potential maximum financial impact for WAT was calculated as: 1,823 tCO₂e 683 TRY / tCO₂e 1,245,349 TRY

(5.10.1.5) Scopes covered

Select all that apply

- ☒ Scope 1
- ☒ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

- ☒ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

- ☒ Evolutionary

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

In Türkiye, the implementation of an ETS and carbon taxes is still in development. In anticipation of these regulatory changes, WAT voluntarily conducted a shadow carbon price calculation to assess potential financial impacts. The calculation incorporates scenarios based on the ETS, Carbon Tax Scenarios, and the CBAM. In 2023, WAT's total Scope 1 and 2 emissions amounted to 1,823 tCO₂e. To estimate the financial implications, WAT utilized the World Bank's Carbon Pricing Dashboard and benchmarked against carbon pricing from other countries that have already implemented carbon taxes. The analysis included an average carbon price, which, in 2023, ranged between 15 USD and 23.2 USD per metric ton of CO₂e. We expect carbon prices in Turkey to increase moderately, in line with global trends and initial regulatory frameworks, rising from 450 TRY/tCO₂e to 1,500 TRY/tCO₂e. In the mid to long term (5-10 years), as more stringent policies are introduced and the market stabilizes, we foresee carbon prices increasing significantly, potentially reaching 3,000-6,830 TRY/tCO₂e.

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

450

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

683

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

Select all that apply

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

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

Select from:

- ☒ Yes, for all decision-making processes

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

3

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

Select from:

☒ No

[Add row]

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

Row 1

(5.10.2.1) Type of pricing scheme

Select from:

☒ Shadow price

(5.10.2.2) Objectives for implementing internal price

Select all that apply

☒ Drive water efficiency

☒ Conduct cost-benefit analysis

☒ Drive water-related investment

☒ Influence strategy and/or financial planning

☒ Setting and/or achieving of water-related policies and targets

☒ Incentivize consideration of water-related issues in decision making

☒ Incentivize consideration of water-related issues in risk assessment

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

Select from:

☒ Yes

(5.10.2.4) Factors considered when determining the price

Select all that apply

☒ Cost of required measures to achieve water-related targets

☒ Existing water tariffs

☒ Price with substantive impact on business decisions

- ☒ Scenario analysis

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

WAT utilizes the Aqueduct tool provided by the WRI to evaluate its water risks for its single-location operations. Based on the tool's assessment, WAT is categorized as high-risk in terms of location, physical risks (both quantity and quality), and regulatory and reputational risks. However, considering WAT's specific processes and water needs, it has been determined that these risks do not have a 'substantive impact' on the company's operations. To manage environmental externalities, WAT has introduced an internal water pricing (IWP) mechanism. This method allows WAT to better quantify and understand the financial impacts of its water demand and water-related business activities. In calculating the IWPs, water stress is determined using the Aqueduct tool, followed by modeling optimistic and pessimistic scenarios for 2030 and 2050. The impact of water stress on the local basin, due to WAT's water withdrawals, is factored into these calculations, assuming proportional increases of up to 50% of the municipal water cost, depending on the water stress score (ranging from 1 to 5 points). Additionally, the IWP calculations include monthly water bills, operational expenses (opex), inflation rates, and other direct and indirect water and wastewater costs. In 2023, the total unit price for water, inclusive of the IWP, ranged from 23 to 310 TL/m³.

(5.10.2.6) Stages of the value chain covered

Select all that apply

- ☒ Direct operations

(5.10.2.7) Pricing approach used – spatial variance

Select from:

- ☒ Uniform

(5.10.2.9) Pricing approach used – temporal variance

Select from:

- ☒ Evolutionary

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

WAT operates from a single location and has implemented an internal water pricing (IWP) mechanism to better manage water-related risks. This approach integrates water stress data obtained from the Aqueduct tool to assess future challenges in water availability. Water stress levels were modeled using both optimistic and pessimistic scenarios for the years 2030 and 2050, taking into account potential increases in demand and changes in supply. To estimate the impact of water stress on the local basin due to water withdrawal, WAT assumes a proportional increase of 10-50% in main grid water costs, depending on the water stress score (ranging between 3-4 points). This calculation reflects the anticipated rise in water prices as water becomes more scarce in the future. The IWP model also factors in OPEX,

monthly water bills, inflation, and other direct and indirect costs related to water usage and wastewater management. In 2023, the total unit cost of water, including IWP, varied between 27.4-310 TRY/m³, reflecting WAT's comprehensive approach to water risk mitigation and cost management.

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

27.4

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

310

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

Select all that apply

- ☒ Dependencies management
- ☒ Impact management
- ☒ Operations
- ☒ Procurement
- ☒ Risk management

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

Select from:

- ☒ Yes, for all decision-making processes

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

Select from:

- ☒ No

[Add row]

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

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Forests

☒ Water

☒ Plastics

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ No, but we plan to within the next two years

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

Select from:

☒ Other, please specify :Not have yet.

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

WAT does not have a smallholder supplier base within its paper, cardboard, and pallet supply chains. In these product categories, suppliers consist of raw material providers and converters, with some being integrated organizations. If smallholders are identified within the supply chain, WAT will develop plans to engage them in programs focused on best management practices, ensuring compliance with our policies on sustainable sourcing and preventing deforestation.

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Forests

☒ Water

☒ Plastics

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Forests

☒ Water

☒ Plastics

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

[Fixed row]

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

Climate change

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

Select from:

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

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

Select all that apply

☒ Basin/landscape condition

☒ Contribution to supplier-related Scope 3 emissions

☒ Dependence on water

☒ Other, please specify :Environmental management system, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

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

All supplier candidates of WAT go through an evaluation process for their Environmental, Social and Governance status. Critical suppliers that represent at least 50% of purchasing volume and have a significant impact on operations are subject to further analysis such as risk assessments, ESG & ESG index (100 points). The aim is to ensure compliance with WAT principles and policies, continuity of product and material supply, joint action for goals, and improvement of supplier performance.

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

Select from:

☒ 76-99%

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

150

Forests

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

Select from:

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

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

Select all that apply

☒ Basin/landscape condition

☒ Contribution to supplier-related Scope 3 emissions

☒ Dependence on water

☒ Other, please specify :Environmental management system, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

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

All supplier candidates of WAT go through an evaluation process for their Environmental, Social and Governance status. Critical suppliers that represent at least 50% of purchasing volume and have a significant impact on operations are subject to further analysis such as risk assessments, ESG & ESG index (100 points). The aim is to ensure compliance with WAT principles and policies, continuity of product and material supply, joint action for goals, and improvement of supplier performance.

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

Select from:

☒ 76-99%

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

150

Water

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

Select from:

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

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

Select all that apply

☒ Basin/landscape condition

☒ Contribution to supplier-related Scope 3 emissions

☒ Dependence on water

☒ Other, please specify :Environmental management system, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

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

All supplier candidates of WAT go through an evaluation process for their Environmental, Social and Governance status. Critical suppliers that represent at least 50% of purchasing volume and have a significant impact on operations are subject to further analysis such as risk assessments, ESG & ESG index (100 points). The aim is to ensure compliance with WAT principles and policies, continuity of product and material supply, joint action for goals, and improvement of supplier performance.

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

Select from:

☒ 76-99%

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

150

Plastics

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

Select from:

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

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

Select all that apply

☒ Basin/landscape condition

☒ Contribution to supplier-related Scope 3 emissions

☒ Dependence on water

☒ Other, please specify :Environmental management system, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

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

All supplier candidates of WAT go through an evaluation process for their Environmental, Social and Governance status. Critical suppliers that represent at least 50% of purchasing volume and have a significant impact on operations are subject to further analysis such as risk assessments, ESG & ESG index (100 points). The aim is to ensure compliance with WAT principles and policies, continuity of product and material supply, joint action for goals, and improvement of supplier performance.

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

Select from:

☒ 76-99%

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

150

[Fixed row]

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

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

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

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

Select all that apply

- ☒ Material sourcing
- ☒ Procurement spend
- ☒ Regulatory compliance
- ☒ Business risk mitigation
- ☒ Strategic status of suppliers
- ☒ Product safety and compliance
- ☒ Supplier performance improvement
- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change
- ☒ Other, please specify :Environmental and Energy management systems, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.2.4) Please explain

WAT has meticulously evaluated climate risks and opportunities in its supply chain, positioning sustainability as a core component of its operations. As part of its strategy, WAT actively works to minimize disruptions caused by supplier-related climate risks, ensuring the continuity of production. Recognizing the importance of supplier collaboration, WAT integrates stakeholder feedback into its decision-making process. Supplier input, gathered through stakeholder analysis surveys, is used to align supplier actions with WAT's strategic sustainability goals. Contracts prioritize environmental, social, and governance (ESG) performance, with regular self-assessments ensuring compliance. In 2023, WAT identified 54 critical suppliers, representing 26% of its base and 77% of purchasing volume. These suppliers are subject to thorough audits and risk assessments conducted by third-party experts, who provide an ESG index and monitoring plan. WAT collaborates closely with Arçelik to focus on high-impact suppliers through the Supplier Data Monitoring and Improvement Project. Decarbonizing the supply chain is central to WAT's NetZero 2050 goal. Since 2021, WAT has required suppliers to set GHG reduction targets, aligning with broader sustainability commitments, including water, waste, and energy efficiency targets. This collaboration fosters a resilient, low-carbon supply chain.

Forests

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

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

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

Select all that apply

- ☒ Material sourcing
- ☒ Procurement spend
- ☒ Regulatory compliance
- ☒ Business risk mitigation
- ☒ Strategic status of suppliers
- ☒ Product safety and compliance
- ☒ Supplier performance improvement
- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to forests
- ☒ Other, please specify :Environmental management system, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.2.4) Please explain

WAT is committed to preventing deforestation and biodiversity loss in its supply chain. Recognizing the impact of suppliers of forest products on the environment, WAT directs suppliers engaged in the production or sale of forest products to become FSC-certified manufacturers and will monitor this as a performance indicator in the future. Compliance with international standards, such as those that govern sustainable forest management, is a critical requirement for suppliers in this industry. Third-party sustainability assessments and supplier audits also contribute to regular monitoring of ESG risks related to deforestation and ensure that WAT's supply chain understands its intention to combat deforestation. WAT contributes to the conservation of ecosystems by collaborating with suppliers to promote sustainable forest management and reduce the risk of biodiversity loss. Joint projects are carried out to minimize environmental impacts in packaging materials where forest products are used.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

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

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

Select all that apply

- ☒ Material sourcing
- ☒ Procurement spend

- ☒ Regulatory compliance
- ☒ Business risk mitigation
- ☒ Strategic status of suppliers
- ☒ Product safety and compliance
- ☒ Supplier performance improvement
- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water
- ☒ Other, please specify :Environmental management system, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.2.4) Please explain

WAT places a strong emphasis on managing water-related risks within its supply chain. Using tools like the WRI Aqueduct Water Risk Atlas and WWF Water Risk Filter, WAT evaluates water risks in both its own operations and those of its suppliers. The focus is on critical suppliers located in high water-stress areas. In 2023, WAT required key suppliers to set long-term water conservation targets and develop strategies for water recycling and reuse to ensure sustainable water management. Regular assessments and audits of suppliers' water practices are conducted to ensure compliance with WAT's sustainability principles. Third-party evaluations are also used to monitor supplier water risks and provide improvement recommendations. Through these measures, WAT ensures that its supply chain is equipped to handle the physical and regulatory risks associated with water use. This proactive approach enables WAT to mitigate water-related risks, not just in its immediate operations but across the entire supply chain, contributing to its broader environmental and sustainability goals.

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

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

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

Select all that apply

- ☒ Material sourcing
- ☒ Procurement spend
- ☒ Regulatory compliance
- ☒ Business risk mitigation
- ☒ Strategic status of suppliers

- ☒ Product safety and compliance
- ☒ Supplier performance improvement
- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to plastics
- ☒ Other, please specify :Environmental management system, social-compliance, compliance with legislation, monitoring metrics and environmental voluntary activities.

(5.11.2.4) Please explain

WAT actively addresses the environmental impacts of plastics in its supply chain, promoting the reduction of plastic waste through the adoption of circular economy principles. In cooperation with suppliers, WAT encourages innovation and carries out joint projects to prioritize the use of recycled and recyclable materials, to end the use of single-use plastics, to increase recyclable contents in packaging and product design, and to develop EPS alternative materials. WAT regularly assesses supplier compliance with its plastic reduction goals through audits and ESG evaluations. In 2023, WAT worked closely with 54 critical suppliers to assess supplier compliance. These efforts form a key part of WAT's overall strategy to enhance supply chain sustainability and support its NetZero 2050 goal.

[Fixed row]

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

Climate change

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

Select from:

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

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

Select from:

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

(5.11.5.3) Comment

At WAT, we mandate self-assessments for all new suppliers to evaluate compliance with national and international legislation before reaching the contract stage. At the contract phase, suppliers must commit to adhering to the policies and specifications such as WAT Responsible Purchasing Policy, Chemical Compliance

Specifications and Code Of Conduct. To further ensure compliance, we utilize a community-based monitoring tool that tracks supplier adherence through both remote and on-site audits. As part of our supplier evaluation process, we calculate ESG performance using data collected from suppliers. In collaboration with a third-party expert, we analyze this information, calculate a sustainability index scorecard, and develop a tailored action plan for each supplier. The results of these evaluations, along with the action plan, are shared with suppliers. For those categorized as medium to high risk, corrective and preventive actions are outlined, with clear expectations for improvement. If necessary, off-site inspections are repeated, and supplier development is continuously monitored. WAT's assessment requires termination of the contract in case of major non-compliances. Aligned with our sustainable supply chain principles, we conduct surveys to ensure full compliance with regulations, WAT procedures, and our environmental policy. This helps maintain continuity in product and material supply while also improving both our sustainability goals and supplier performance.

Forests

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

Select from:

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

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

Select from:

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

(5.11.5.3) Comment

At WAT, we mandate self-assessments for all new suppliers to evaluate compliance with national and international legislation before reaching the contract stage. At the contract phase, suppliers must commit to adhering to the policies and specifications such as WAT Responsible Purchasing Policy, Chemical Compliance Specifications and Code Of Conduct. To further ensure compliance, we utilize a community-based monitoring tool that tracks supplier adherence through both remote and on-site audits. As part of our supplier evaluation process, we calculate ESG performance including forest-related issues. In collaboration with a third-party expert, we analyze this information, calculate a sustainability index scorecard, and develop a tailored action plan for each supplier. The results of these evaluations, along with the action plan, are shared with suppliers. For those categorized as medium to high risk, corrective and preventive actions are outlined, with clear expectations for improvement. If necessary, off-site inspections are repeated, and supplier development is continuously monitored. WAT's assessment requires termination of the contract in case of major non-compliances. Aligned with our sustainable supply chain principles, we conduct surveys to ensure full compliance with regulations, WAT procedures, and our environmental policy. This helps maintain continuity in product and material supply while also improving both our sustainability goals and supplier performance.

Water

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

Select from:

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

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

Select from:

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

(5.11.5.3) Comment

At WAT, we mandate self-assessments for all new suppliers to evaluate compliance with national and international legislation before reaching the contract stage. At the contract phase, suppliers must commit to adhering to the policies and specifications such as WAT Responsible Purchasing Policy, Chemical Compliance Specifications and Code Of Conduct. To further ensure compliance, we utilize a community-based monitoring tool that tracks supplier adherence through both remote and on-site audits. As part of our supplier evaluation process, we calculate ESG performance including water management and related issues. In collaboration with a third-party expert, we analyze this information, calculate a ESG index scorecard, and develop a tailored action plan for each supplier. The results of these evaluations, along with the action plan, are shared with suppliers. For those categorized as medium to high risk, corrective and preventive actions are outlined, with clear expectations for improvement. If necessary, off-site inspections are repeated, and supplier development is continuously monitored. WAT's assessment requires termination of the contract in case of major non-compliances. Aligned with our sustainable supply chain principles, we conduct surveys to ensure full compliance with regulations, WAT procedures, and our environmental policy. This helps maintain continuity in product and material supply while also improving both our sustainability goals and supplier performance.

[Fixed row]

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

Climate change

(5.11.6.1) Environmental requirement

Select from:

☒ Other, please specify :Complying with regulatory requirements

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Community-based monitoring
- ☒ Off-site third-party audit
- ☒ On-site third-party audit
- ☒ Supplier scorecard or rating
- ☒ Supplier self-assessment

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

Select from:

- ☒ 100%

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

Select from:

- ☒ 100%

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

Select from:

- ☒ 76-99%

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

Select from:

- ☒ 76-99%

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

Select from:

- ☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

- ☒ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☒ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- ☒ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- ☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

At WAT, we mandate self-assessments for all new suppliers to evaluate compliance with national and international legislation before reaching the contract stage. At the contract phase, suppliers must commit to adhering to the WAT Responsible Purchasing Policy. The policy sets out expectations from suppliers such as complying with national and international laws, opposing all forms of discrimination, protecting human rights, combating bribery and corruption, and protecting the environment, complying with Chemical Compliance Specifications and Code Of Conduct. It is designed to ensure that suppliers' business practices comply with both applicable legal rules and WAT values. Acceptance and compliance with this policy is a contractual obligation. In case of serious violation of this Policy in a systematic manner, WAT reserves the right to terminate the agreement. To further ensure compliance, we utilize a community-based monitoring tool that tracks supplier adherence through both remote and on-site audits. As part of our supplier evaluation process, we calculate ESG performance using data collected from suppliers. WAT expects its suppliers to have established ISO 14001 Environmental Management Systems and ISO 50001 Energy Management Systems as a minimum. Suppliers are encouraged to build on top of these systems to increase their positive impact.

Forests

(5.11.6.1) Environmental requirement

Select from:

- ☒ No deforestation or conversion of other natural ecosystems

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ Certification

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

Select from:

☒ 1-25%

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

Select from:

☒ 1-25%

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

Select from:

☒ 1-25%

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

Select from:

☒ 76-99%

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

Select from:

☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☒ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- ☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

This environmental requirement is related to WAT's incentive for its suppliers to have FSC certification. This demand and follow-up of WAT directs suppliers to obtain FSC certification in their future plans, to reposition themselves to contribute to the fight against deforestation and to develop new products that will minimize the effects of deforestation. WAT carries out joint projects and shares knowledge and experience to develop its suppliers in this direction.

Water

(5.11.6.1) Environmental requirement

Select from:

- ☒ Other, please specify :Complying with going beyond water-related regulatory requirements

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Community-based monitoring
- ☒ Off-site third-party audit
- ☒ On-site third-party audit
- ☒ Supplier scorecard or rating
- ☒ Supplier self-assessment

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

Select from:

- ☒ 100%

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

Select from:

☒ 100%

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

Select from:

☒ 1-25%

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

Select from:

☒ 100%

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

Select from:

☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☒ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- ☒ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- ☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) 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.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- ☒ Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Community-based monitoring
- ☒ Off-site third-party audit
- ☒ On-site third-party audit
- ☒ Supplier scorecard or rating
- ☒ Supplier self-assessment

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

Select from:

- ☒ 76-99%

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

Select from:

- ☒ 1-25%

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

Select from:

☒ 76-99%

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

Select from:

☒ 1-25%

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

Select from:

☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ 1-25%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☒ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- ☒ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- ☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

We use community-based monitoring, which tracks the supplier's compliance with legal requirements through both remote and on-site audits. We make self-assessment mandatory for all new suppliers. Within our supplier evaluation system, we calculate sustainability indices and ESG status that include water management and related inquiries based on the 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 evaluation results and action plan based on this index are shared with 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 the corrective measures and expectations. In necessary cases, off-site audits are repeated. Supplier development is systematically monitored. Of the suppliers assessed, 58 were evaluated in terms of ESG status and sustainability index. In addition, ISO 14001 systems have been implemented by 47 suppliers and ISO 50001 systems by 32 suppliers. A comprehensive action plan has been developed to improve their compliance. Recognizing that decarbonization in the supply chain is critical to fulfilling climate commitments, a process has been initiated to obtain long-term environmental commitments from suppliers to set GHG emissions, water, waste and energy efficiency.
[Add row]

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

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Other, please specify :Information collection (understanding supplier behavior)

(5.11.7.3) Type and details of engagement

Information collection

☒ Other information collection activity, please specify :Collect other climate related information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

☒ Tier 2 suppliers

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

Select from:

☒ 100%

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

Select from:

☒ 100%

(5.11.7.8) Number of tier 2+ suppliers engaged

150

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

As WAT, we make self-assessment mandatory for all new suppliers. We carry out a supplier evaluation process in order to start our collaboration with our candidate suppliers. In line with our goals and strategies in the supply chain process, candidate suppliers go through the Supplier Assessment Process. During this process, we evaluate our suppliers, with whom we have not reached the contract stage, in terms of the requirements of national and international regulations. With the aim of our sustainable supply chain principles, a survey is conducted to ensure 100% compliance with regulations, WAT procedures, and our environmental policy, ensure continuity in product and material procurement, and also to improve both our sustainability goals and the performance of our suppliers. We recognise the importance of collaboration with our suppliers, customers, and stakeholders to establish partnerships in achieving our sustainability objectives and contributing to the global agenda for a sustainable world. WAT guarantees 100% compliance of its candidate suppliers with environmental and social issues with the Supplier Assessment Process it conducts. In this way, it prevents reputational risks and eliminates the possibility of cooperating with an industry that is socially and environmentally harmful to society and the ecosystem. WAT continue this process with its supplier throughout the time it is in collaboration.

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

Select from:

☒ Yes, please specify the environmental requirement :Compliance with laws and regulations, working conditions, human rights, occupational health and safety and various environmental aspects, environmental performance metrics.

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

Select from:

☒ Yes

Forests

(5.11.7.1) Commodity

Select from:

☒ Timber products

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Other, please specify :Information collection and collaboration with projects

(5.11.7.3) Type and details of engagement

Innovation and collaboration

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

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

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

Select from:

☒ 1-25%

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

Select from:

☒ 76-99%

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

WAT is committed to preventing deforestation and biodiversity loss in its supply chain. Recognizing the impact of suppliers of forest products on the environment, WAT directs suppliers engaged in the production or sale of forest products to become FSC-certified manufacturers and will monitor this as a performance indicator in the future. Compliance with international standards, such as those that govern sustainable forest management, is a critical requirement for suppliers in this industry. Third-party sustainability assessments and supplier audits also contribute to regular monitoring of ESG risks related to deforestation and ensure that WAT's supply chain understands its intention to combat deforestation. WAT contributes to the conservation of ecosystems by collaborating with suppliers to promote sustainable forest management and reduce the risk of biodiversity loss. Joint projects are carried out to minimize environmental impacts in packaging materials where forest products are used.

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

Select from:

☒ Yes, please specify the environmental requirement : be an FSC certified supplier

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

Select from:

☒ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Other, please specify :Information collection

(5.11.7.3) Type and details of engagement

Information collection

☒ Collect environmental risk and opportunity information at least annually from suppliers

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

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

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

Select from:

☒ 1-25%

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

Select from:

☒ 51-75%

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

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 2023, we audited and collected environmental data a total of 54 critical 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.

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

Select from:

☒ Yes, please specify the environmental requirement :Compliance with regulations, working conditions, human rights, health&safety, environmental aspects,water management metrics (water withdrawals covering surface water, groundwater, municipal water, tanker water, rainwater harvesting and wastewater)

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

Select from:

☒ Yes

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Substitution of hazardous substances with less harmful substances

(5.11.7.3) Type and details of engagement

Capacity building

☒ Other capacity building activity, please specify :To meet the chemical conformity specification in full compliance, Developing new alternative products to reduce environmental impacts, Phasing out the use of single-use plastics in services provided to WAT.

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

☒ Tier 2 suppliers

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

Select from:

☒ 1-25%

(5.11.7.8) Number of tier 2+ suppliers engaged

1

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

WAT actively addresses the environmental impact of plastics in its supply chain and promotes the reduction of plastic waste through the adoption of circular economy principles. In cooperation with suppliers, WAT encourages innovation and carries out joint projects to prioritize the use of recycled and recyclable materials, to end the use of single-use plastics, to increase recyclable contents in packaging and product design, and to develop EPS alternative materials. WAT regularly assesses the supplier's compliance with plastic reduction targets through audits and ESG assessments. In 2023, WAT worked closely with 54 critical suppliers to align their plastic use strategies with WAT's sustainability goals. WAT has led its suppliers with demands highlighting the reduction and recycling of plastic. While joint researches were carried out to increase the recyclable content in the product, tests and analyzes were carried out and declarations were made for 100% compliance with the Chemical Conformity Specification. For WAT's future EPS-free targets, suppliers are encouraged to share good practices for innovative packaging materials. WAT's tier 2 supplier has been requested to completely terminate single-use plastics in the services it provides to WAT and compliance has been monitored.

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

Select from:

☒ Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Other, please specify :Information collection (understanding supplier behavior)

(5.11.7.3) Type and details of engagement

Information collection

☒ Other information collection activity, please specify :Collect other climate related information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

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

Select from:

☒ 76-99%

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

Select from:

☒ 76-99%

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

As part of WAT's sustainability journey, creating value in the supply chain is considered a fundamental aspect, and the company attaches great importance to its interactions in this regard. WAT conducts environmental and social audits for its suppliers and takes necessary actions based on the audit findings. Within the scope of the data monitoring and improvement project carried out with Arçelik, one of its stakeholders, WAT focuses on critical suppliers that have a significant impact on operations. In 2023, 54 critical suppliers were identified, representing 26% of total suppliers and accounting for 77% of the purchasing volume. The project aims to closely monitor the performance of critical suppliers and ensure collective transformation on the path towards sustainability goals. Action requests are shared with the suppliers, guiding them towards climate, sustainability, water risks, and social principles to enhance their supplier services. It is essential to note that any ethical or legal non-compliance found in suppliers can lead to the termination of collaboration. Of the suppliers assessed, 54 were evaluated in terms of ESG status and sustainability index. In addition, ISO 14001 systems have been implemented by 47 suppliers and ISO 50001 systems by 32 suppliers. A comprehensive action plan has been developed to improve their compliance.

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

Select from:

☒ Yes, please specify the environmental requirement :Environmental management system requirements, Energy management system requirements, ESG monitoring metrics.

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

Select from:

☒ Yes

[Add row]

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

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Share information about your products and relevant certification schemes
- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Collaborate with stakeholders in creation and review of your climate transition plan
- ☒ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 76-99%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ 76-99%

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

WAT engages with customers to promote sustainable practices, share climate-related risks and opportunities, and encourage the use of energy-efficient products to reduce environmental impacts across product life cycles. WAT seeks to provide customers with transparent data on the carbon footprint of key products, while encouraging them to transition to low-carbon and energy-efficient alternatives.

(5.11.9.6) Effect of engagement and measures of success

WAT successfully directed customers towards energy-efficient, low-carbon products. This reduced emissions during the product usage phase, and the visibility of carbon footprints improved for key products. Customer collaboration led to substantial emission reductions and about 2 tons of waste savings through process improvements, including motor coating. WAT achieved notable success in increasing the share of energy-efficient products in its portfolio, leading to reductions in both operational and usage phase carbon emissions. WAT's visibility into product carbon footprints has significantly improved.

Forests

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 1-25%

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

Type and details of engagement; -Provide detailed information on the impact of product usage on forest ecosystems, focusing on materials sourcing and the sustainability of packaging solutions. -Share WAT's forest-related sustainability efforts, including the shift from plastic-based packaging to sustainable alternatives, such as reusable and recyclable materials. -Collaborate with customers to reduce the environmental footprint associated with deforestation and biodiversity loss in the supply chain. -Engage in multi-stakeholder initiatives to promote forest conservation practices across the industrial sector. -Align WAT's environmental goals with those of customers to ensure that forest management and material sourcing align with responsible consumption and production patterns. Forests are crucial in climate regulation and biodiversity preservation, and WAT recognizes the importance of minimizing its impact on these ecosystems through responsible sourcing. WAT collaborated with customers to design and adopt reusable wooden crates, reducing packaging material waste while maintaining product protection. The development of an open-structure wooden crate further reduced material usage and waste.

(5.11.9.6) Effect of engagement and measures of success

By transitioning to reusable metal crates for material deliveries, WAT has reduced plastic waste by 15% in 2023. Additionally, forest-related conservation efforts and material sourcing partnerships have enabled WAT to cut down deforestation-related risks in its supply chain by 10%. Significant reductions in wood consumption and packaging waste were achieved by shifting from cardboard to reusable wooden crates. WAT's customer engagement projects successfully lowered packaging waste generation during the production and shipping phases.

Water

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

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

☒ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 76-99%

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

WAT uses technologies that will increase water savings in production processes. It develops various projects for the protection and efficient use of water resources. Closed water systems are used for water other than domestic water use, and water quality is monitored daily. WAT also contributes to the protection of water resources with the energy efficient products it produces. Nowadays, water resources that are used inefficiently due to wild irrigation are gradually decreasing. WAT supports the reduction of water consumption of its customers and the protection of water resources with the efficient systems it offers. WAT works closely with customers to integrate sustainable water management solutions in its product offerings, promoting efficient water use and mitigating water-related risks.

(5.11.9.6) Effect of engagement and measures of success

Water is a critical resource in WAT's manufacturing processes, and with over 95% of WAT's suppliers located in regions facing extremely high water stress, addressing water use efficiency is essential. Engaging customers on this issue ensures that water conservation efforts are amplified across the value chain, contributing to local water sustainability. By promoting water-efficient technologies and collaborating on projects to reduce water usage, WAT helps its customers meet regulatory and sustainability requirements while protecting this vital resource. Water-saving technologies implemented during production have reduced both water consumption and VOC emissions. Collaborative customer projects furthered water efficiency, and the introduction of environmentally-friendly coatings in motors improved sustainability across processes.

[Add row]

C6. Environmental Performance - Consolidation Approach

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

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

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

Under the operational control approach, WAT accounts for 100% of the GHG emissions from operations over which it has direct operational control. This means WAT has full authority to implement and manage operating policies at these facilities. For GHG reporting, WAT reports all emissions from operations it controls, ensuring accurate and comprehensive emissions tracking.

Forests

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

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

Under the operational control approach, WAT accounts for 100% of the GHG emissions from operations over which it has direct operational control. This means WAT has full authority to implement and manage operating policies at these facilities. For GHG reporting, WAT reports all emissions from operations it controls, ensuring accurate and comprehensive emissions tracking.

Water

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

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

Under the operational control approach, WAT accounts for 100% of the GHG emissions from operations over which it has direct operational control. This means WAT has full authority to implement and manage operating policies at these facilities. For GHG reporting, WAT reports all emissions from operations it controls, ensuring accurate and comprehensive emissions tracking.

Plastics

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

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

Under the operational control approach, WAT accounts for 100% of the GHG emissions from operations over which it has direct operational control. This means WAT has full authority to implement and manage operating policies at these facilities. For GHG reporting, WAT reports all emissions from operations it controls, ensuring accurate and comprehensive emissions tracking.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

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

Under the operational control approach, WAT accounts for 100% of the GHG emissions from operations over which it has direct operational control. This means WAT has full authority to implement and manage operating policies at these facilities. For GHG reporting, WAT reports all emissions from operations it controls, ensuring accurate and comprehensive emissions tracking.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

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

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

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

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

Select all that apply

☒ Yes, a change in boundary

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

During the reporting year, WAT expanded its boundaries in the emissions calculation and verification process by adding new categories under Scope 3, making its environmental impacts more visible. The following categories were included in the calculation: Scope 3 Category 3: Fuel and energy-related activities (excluding Scope 1 and Scope 2) Scope 3 Category 4: Upstream transportation and distribution Scope 3 Category 6: Business travel Scope 3 Category 9: Downstream transportation and distribution Scope 3 Category 12: End-of-life treatment of sold products All calculations and metrics for these categories were verified under ISO 14064 and AA1000 audits. WAT includes 100% of its operational activities in Scope 1 and Scope 2 emissions calculations, ensuring their full verification process. WAT uses 2021 as the baseline year for its emission reduction targets. For emissions not calculated in 2021 and those newly added to the scope based on its strategies, WAT aims to calculate and verify them retrospectively. The company plans to complete this effort within the next two years.

[Fixed row]

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

(7.1.3.1) Base year recalculation

Select from:

☒ No, because the impact does not meet our significance threshold

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

The significance threshold is a critical concept for WAT when monitoring greenhouse gas emissions over time. It helps define what constitutes a "significant" change in emission data, methods, or reporting boundaries that would trigger a recalculation of base year emissions. By applying a clearly defined significance threshold, WAT ensures that its reporting remains accurate and comparable year over year, reflecting only meaningful changes. WAT has adopted the following approach to define its significance threshold: 1. Quantitative Threshold; - If a change in scope, data accuracy, or calculation methods results in a change of 5% or greater in WAT's total GHG emissions compared to the base year, this triggers a recalculation of the base year emissions. - Considering the scale of WAT's operations, a threshold range of 3-5% is used to capture and address significant impacts that require recalculation. This ensures that important changes are reflected in the assessment. 2. Qualitative Threshold; - Even if changes do not result in a large quantitative shift, WAT may still trigger recalculation if methodologically significant changes occur, such as alterations in data collection methods or GHG accounting standards. - WAT may reassess base year emissions if it adopts new technologies that result in significant reductions in emissions, even if the overall percentage change is not large. 3. Periodic Review; - WAT will periodically review its significance threshold as the company grows or its activities evolve. If WAT undergoes significant expansion or acquisition, a review of the 5% threshold will be conducted to determine if recalculations are necessary. Additional Considerations; - Financial Relevance: Aligning emissions thresholds with financial materiality, WAT assesses whether 5-10% impacts on assets or costs might require recalculations. - Data Quality and Accuracy: Improved energy metering or updated emission factors may trigger recalculations for more accurate reporting. - Regulatory Compliance: If new regulations require WAT to include new emission sources, boundary adjustments may trigger recalculations. WAT has established a 3-5% quantitative threshold and a qualitative threshold for recalculating base year emissions. These thresholds allow WAT to maintain consistency and integrity in its GHG reporting while retaining the flexibility to adapt to evolving operational and regulatory conditions.

(7.1.3.4) Past years' recalculation

Select from:

☒ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☒ ISO 14064-1

☒ IEA CO2 Emissions from Fuel Combustion

☒ The Greenhouse Gas Protocol: Scope 2 Guidance

☒ IPCC Guidelines for National Greenhouse Gas Inventories, 2006

☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☒ US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity

☒ US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

☒ US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

☒ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

☒ European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations

☒ US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases

☒ Other, please specify :Official and local-specific emissions factors published by the Ministry of Energy and Natural Resources

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

(7.3.1) Scope 2, location-based

Select from:

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

(7.3.2) Scope 2, market-based

Select from:

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

(7.3.3) Comment

Our Scope 2 (location-based) emissions are emitted from grid electricity, and they are calculated by using the grid electricity emission factor and verified by an independent third-party organization. Our Scope 2 (market-based) emissions are only emitted from the electricity supplied from renewable energy sources, and they are verified as "0" (zero) by an independent third-party organization.

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☒ No

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

Scope 1

(7.5.1) Base year end

12/30/2021

(7.5.2) Base year emissions (metric tons CO₂e)

1596.85

(7.5.3) Methodological details

WAT has adopted a methodology aligned with the IPCC Guidelines and the GHG Protocol to quantify its direct Scope 1 Greenhouse Gas Emissions. The company calculates emissions from sources such as fuel consumption (LPG, diesel, natural gas), and the fuel consumption of its vehicle fleet using DEFRA's 2024 emission

factors. The resulting methane, nitrogen dioxide, and carbon dioxide emissions are converted into carbon dioxide equivalents based on their global warming potentials, and the total emission amount is determined. These calculations enable the company to establish its emissions inventory and develop reduction strategies.

Scope 2 (location-based)

(7.5.1) Base year end

12/30/2021

(7.5.2) Base year emissions (metric tons CO₂e)

2879.61

(7.5.3) Methodological details

WAT has adopted a methodology aligned with the IPCC Guidelines and the GHG Protocol to quantify its indirect Scope 2 Greenhouse Gas Emissions. These emissions are associated with the generation of purchased electricity. The company uses emission factors published by the International Energy Agency (IEA) to calculate the amount of greenhouse gases released into the atmosphere during the production of the energy it consumes. Additionally, WAT Company offsets a portion of its purchased electricity with green certificates, contributing to the reduction of market-based emissions. All calculations are supported by reliable data sources such as energy bills. Through this approach, WAT aims to better understand and reduce its environmental impact associated with energy consumption.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO₂e)

0

(7.5.3) Methodological details

WAT has adopted a methodology aligned with the IPCC Guidelines and the GHG Protocol to quantify its indirect Scope 2 Greenhouse Gas Emissions. These emissions are associated with the generation of purchased electricity. The company uses emission factors published by the International Energy Agency (IEA) to calculate the amount of greenhouse gases released into the atmosphere during the production of the energy it consumes. Additionally, WAT Company offsets a

portion of its purchased electricity with green certificates, contributing to the reduction of market-based emissions. All calculations are supported by reliable data sources such as energy bills. Through this approach, WAT aims to better understand and reduce its environmental impact associated with energy consumption.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO₂e)

36666.24

(7.5.3) Methodological details

WAT bases its GHG calculations on its operational limits. The methodology adopted is in line with IPCC reporting and the GHG protocol. In this category, emissions from the raw materials purchased are processed. It evaluates the content information of the raw material through technical data sheets. Sources invoices to verify the total amount of raw materials. DEFRA 2024 Emission factors are used for the calculation. WAT sets targets for emission reduction with the outputs it obtains. It makes plans to contribute to the circular economy. Develops new projects to reduce raw material consumption.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

WAT bases its GHG calculations on its operational limits. The methodology adopted is in line with IPCC reporting and the GHG protocol. Capital goods are not significant for WAT, as the emissions associated with our capital goods are estimated to be negligible within our total emissions for the base year.

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

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

WAT bases its GHG calculations on its operational limits. The methodology adopted is in line with IPCC reporting and the GHG protocol. In the reporting year, WAT included more categories in its Scope-3 calculation and expanded its inventory. With this change, emission sources, metric details, distribution and opportunities for improvement were more visible, while the base year was not required to be changed because the total quantities were below the thresholds at which WAT made a materiality assessment. Since the data collection model of the categories added for Scope-3 is the same in the base year, and the accessibility and security of the data are appropriate, it collected the data for the base year, made the calculations and started the verification process. It will share this information, including verification data, in the 2024 reporting year.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2021

(7.5.2) Base year emissions (metric tons CO2e)

1

(7.5.3) Methodological details

WAT bases its GHG calculations on its operational limits. The methodology adopted is in line with IPCC reporting and the GHG protocol. In the reporting year, WAT included more categories in its Scope-3 calculation and expanded its inventory. With this change, emission sources, metric details, distribution and opportunities for improvement were more visible, while the base year was not required to be changed because the total quantities were below the thresholds at which WAT made a materiality assessment. Since the data collection model of the categories added for Scope-3 is the same in the base year, and the accessibility and reliability of the data are appropriate, it collected the data for the base year, made the calculations and started the verification process. It will share this information, including verification data, in the 2024 reporting year.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

219.0

(7.5.3) Methodological details

WAT is based on its operational limits in GHG calculations. The methodology adopted is in line with IPCC reporting and the GHG protocol. In this category, emissions from the wastes produced by the processes are processed. WAT carries out waste reduction studies in accordance with its sustainability strategies and environmental goals. It aims to increase efficiency with process improvement and to contribute to the circular economy by separating waste. According to local legislation, all waste quantities are registered, WAT uses these sources to verify the total amount of waste. In addition, waste management bills are a secondary source. DEFRA 2024 Emission factors are used for the calculation. WAT sets targets for emission reduction with the outputs it obtains. It makes plans to contribute to the circular economy. Develops new projects to reduce waste production.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

WAT bases its GHG calculations on its operational limits. The methodology adopted is in line with IPCC reporting and the GHG protocol. In the reporting year, WAT included more categories in its Scope-3 calculation and expanded its inventory. With this change, emission sources, metric details, distribution and opportunities for improvement were more visible, while the base year was not required to be changed because the total quantities were below the thresholds at which WAT made a materiality assessment. Since the data collection model of the categories added for Scope-3 is the same in the base year, and the accessibility and reliability of the data are appropriate, it collected the data for the base year, made the calculations and started the verification process. It will share this information, including verification data, in the 2024 reporting year.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

2235.11

(7.5.3) Methodological details

WAT bases its GHG calculations on its operational limits. The methodology adopted is in line with IPCC reporting and the GHG protocol. In this category, emissions from personnel transport are calculated. The emissions caused by the transportation of all WAT personnel are processed. DEFRA 2024 emission factors were used for the calculation.

Scope 3 category 8: Upstream leased assets

(7.5.3) Methodological details

NA

Scope 3 category 9: Downstream transportation and distribution

(7.5.3) Methodological details

NA

Scope 3 category 10: Processing of sold products

(7.5.3) Methodological details

NA

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

52626591.18

(7.5.3) Methodological details

WAT bases its GHG calculations on operational boundaries. The methodology adopted is in line with the IPCC guidelines and the GHG Protocol. In this category, emissions resulting from the products and services offered by WAT are calculated. As an electric motor manufacturer, approximately 97% of WAT's total corporate

emissions stem from usage-phase emissions. By calculating these emissions, WAT evaluates reduction opportunities and works to reduce them with energy-efficient and compact products. Emission factors published by the IEA are purchased for these calculations. Emission calculations are performed using emission factors specific to each country where sales occur. An electric motor is assumed to operate for an average of 10 years, totaling 4,350 hours of operation per year. WAT sets targets for emission reductions based on the outputs obtained. For instance, increasing the share of highly energy-efficient motors in production aims to reduce usage-phase emissions.

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

(7.5.3) Methodological details

NA

Scope 3 category 13: Downstream leased assets

(7.5.3) Methodological details

NA

Scope 3 category 14: Franchises

(7.5.3) Methodological details

NA

Scope 3 category 15: Investments

(7.5.3) Methodological details

NA

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

6.82

(7.5.3) Methodological details

WAT bases its GHG calculations on operational boundaries. The methodology adopted is in line with the IPCC guidelines and the GHG Protocol. In this category, emissions from water use and wastewater management are calculated. WAT has designed all of its processes with closed-loop systems in accordance with its sustainability strategies and environmental targets and seeks this requirement for investments. DEFRA 2024 emission factors are used in emission calculations. Wastewater analyses performed at least once a year are used for wastewater pollution load. Total water consumption is verified through invoices. WAT sets targets for emission reduction with the outputs obtained.

Scope 3: Other (downstream)

(7.5.3) Methodological details

NA
[Fixed row]

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

	Gross global Scope 1 emissions (metric tons CO2e)	Methodological details
Reporting year	1823	All calculations are completed in accordance with ISO 14064-1:2018 and verified following ISO 14064-3:2019 standards.

[Fixed row]

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

Reporting year

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

3089

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

0

(7.7.4) Methodological details

Our Scope 2 (location-based) emissions are emitted from grid electricity, and they are calculated by using the grid electricity emission factor and verified by an independent third-party organization. Our Scope 2 (market-based) emissions are only emitted from the electricity supplied from renewable energy sources, and they are verified as “0” (zero) by an independent third-party organization.

[Fixed row]

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

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

42304

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Average product method

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

0.1

(7.8.5) Please explain

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Capital goods are not significant for WAT, as the emissions associated with our capital goods are estimated to be negligible within our total emissions for the year 2023.

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

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

All Scope 1 and Scope 2 emissions of our activities are calculated. There are no emissions out of Scope 1 and Scope 2 such as heat, steam, etc.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

12729

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Distance-based method

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

0

(7.8.5) Please explain

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

240

(7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Average data method
- ☒ Waste-type-specific method

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

0

(7.8.5) Please explain

Emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2023 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Business travel

(7.8.1) Evaluation status

Select from:

- ☒ Relevant, calculated

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

362

(7.8.3) Emissions calculation methodology

Select all that apply

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

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

0

(7.8.5) Please explain

Indirect GHG emissions from employee commuting include GHG emissions from domestic transportation of employees from home to factories and back. Distances, routes, and employee numbers are taken from Administration Department (due to contract with service contractor), and emissions factors are taken from DEFRA Greenhouse Gas Reporting: Conversion Factors 2023 published by UK Government. All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

2677

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Fuel-based method

☒ Distance-based method

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

0

(7.8.5) Please explain

WAT bases its GHG calculations on its operational boundaries. The adopted methodology aligns with IPCC reporting and the GHG Protocol. In this category, emissions resulting from employee transportation are calculated. All emissions caused by the transportation of WAT employees are considered. DEFRA 2024 emission factors are used for the calculations.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

We have no leased assets for storing supplied materials from suppliers.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

1555

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Supplier-specific method

☒ Distance-based method

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

0.1

(7.8.5) Please explain

WAT has adopted a methodology aligned with the IPCC Guidelines and the GHG Protocol. When calculating downstream emissions, WAT employs a calculation method tailored to the locations of all its customers. The calculations are based on separating downstream movements into various transportation types: air, road, sea, and rail. DEFRA 2024 emission factors have been used for these calculations.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

WAT bases its GHG calculations on its operational boundaries. The adopted methodology is in line with IPCC reporting and the GHG Protocol. This category calculates the emissions resulting from WAT's products and services. As an electric motor manufacturer, approximately 97% of WAT's total corporate emissions come from the use phase of its products. By calculating these emissions, WAT evaluates reduction opportunities and works to decrease them through energy-efficient and compact products. For the calculations, emission factors published by the IEA are purchased. The emission factors specific to each country where WAT sells its products are used to compute emissions. It is assumed that an electric motor operates for an average of 10 years, with 4,350 hours of operation annually. Based on these outputs, WAT sets emission reduction targets. For instance, increasing the production share of high-energy-efficiency motors is aimed at reducing emissions generated during the use phase.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

38080703

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Average product method

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

99.8

(7.8.5) Please explain

We calculate our emissions based on the products we sell. Considering the amount of electricity consumed by our products and their long lifespan, the lifetime emissions of the products sold in the reporting year are significant. We can reduce emissions from product usage through our energy-efficient products. The emissions were calculated by multiplying the following factors for each of our products or product families where appropriate: - Average lifetime (10years) - Number of products sold during one year - Operation time per year - Fuel/Electricity consumption per operation time of the product [MW] - Average electricity emissions factor [kgCO2e/MWh] All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

162

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Average product method

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

0

(7.8.5) Please explain

WAT produces electric motors with a 97% recyclability rate and places great importance on how these motors are managed at the end of their product life. In this regard, it has published a guide for its customers and the industry regarding the end-of-life treatment of electric motors. Emissions calculations are conducted based on the assumption that these electric motors will be recycled at the end of their product life. DEFRA 2024 emission factors have been used for this calculation.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

WAT has no leasing activities.

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

WAT has no franchising activities.

Investments

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

It is planned to be calculated in the next 2 years.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

1816

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

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

0

(7.8.5) Please explain

WAT bases its GHG calculations on its operational boundaries. The adopted methodology is aligned with IPCC reporting and the GHG Protocol. This category calculates emissions from water use, wastewater management, and Well-to-Tank (WTT) emissions. As part of its sustainability strategies and environmental targets, WAT designs all of its processes using closed-loop systems and requires that investments adhere to this criterion. DEFRA 2024 emission factors are used for emission calculations. Wastewater pollution loads are assessed through wastewater analyses conducted at least once a year. Total water consumption is verified via invoices. WAT uses these outputs to set targets for emission reductions. For WTT emissions, all emissions from the extraction of the fuels to the point where they become usable for WAT are included in the calculation.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

WAT has no scope related to other (downstream).

[Fixed row]

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

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Third party verification/assurance underway

(7.9.1.4) Attach the statement

WAT_verification_opinion_statement.pdf

(7.9.1.5) Page/section reference

- Annual final verification of the GHG assertion of WAT as per ISO 14064-1:2018 and ISO 14064-3:2019. All of the report or page 2.

(7.9.1.6) Relevant standard

Select from:

☒ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100

Row 2

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.1.4) Attach the statement

WAT_AA1000AS.pdf

(7.9.1.5) Page/section reference

- Independent Assurance Opinion Statement The assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard AA1000AS v3. The verified Environmental Performance Indicators for Scope 1 are in page 4-5.

(7.9.1.6) Relevant standard

Select from:

☒ AA1000AS

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Third party verification/assurance underway

(7.9.2.5) Attach the statement

WAT_verification_opinion_statement.pdf

(7.9.2.6) Page/ section reference

- Annual final verification of the GHG assertion of WAT as per ISO 14064-1:2018 and ISO 14064-3:2019.

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

WAT_AA1000AS.pdf

(7.9.2.6) Page/ section reference

- Independent Assurance Opinion Statement The assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard AA1000AS v3. The verified Environmental Performance Indicators for Scope 2 are in page 4.

(7.9.2.7) Relevant standard

Select from:

☒ AA1000AS

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

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

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- | | |
|--|---|
| <input checked="" type="checkbox"/> Scope 3: Business travel | <input checked="" type="checkbox"/> Scope 3: End-of-life treatment of sold products |
| <input checked="" type="checkbox"/> Scope 3: Employee commuting | <input checked="" type="checkbox"/> Scope 3: Upstream transportation and distribution |
| <input checked="" type="checkbox"/> Scope 3: Use of sold products | <input checked="" type="checkbox"/> Scope 3: Downstream transportation and distribution |
| <input checked="" type="checkbox"/> Scope 3: Purchased goods and services | |
| <input checked="" type="checkbox"/> Scope 3: Waste generated in operations | |

(7.9.3.2) Verification or assurance cycle in place

Select from:

- ☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

- ☒ Complete

(7.9.3.4) Type of verification or assurance

Select from:

- ☒ Third party verification/ assurance underway

(7.9.3.5) Attach the statement

WAT_verification_opinion_statement.pdf

(7.9.3.6) Page/section reference

- Annual final verification of the GHG assertion of WAT as per ISO 14064-1:2018 and ISO 14064-3:2019.

(7.9.3.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.3.1) Scope 3 category

Select all that apply

☒ Scope 3: Business travel

☒ Scope 3: Employee commuting

☒ Scope 3: Use of sold products

☒ Scope 3: Purchased goods and services

☒ Scope 3: Waste generated in operations

☒ Scope 3: End-of-life treatment of sold products

☒ Scope 3: Upstream transportation and distribution

☒ Scope 3: Downstream transportation and distribution

(7.9.3.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.3.5) Attach the statement

WAT_AA1000AS.pdf

(7.9.3.6) Page/section reference

- Independent Assurance Opinion Statement The assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard AA1000AS v3. The verified Environmental Performance Indicators for Scope 3 are in page 4.-5

(7.9.3.7) Relevant standard

Select from:

☒ AA1000AS

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☒ Increased

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

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased**(7.10.1.3) Emissions value (percentage)**

5

(7.10.1.4) Please explain calculation

In the reporting year, -Green electricity consumption from total renewable sources increased by 9% to 26.27 GJ in 2023, compared to 24,199 GJ in the previous year. - In 2023, the share of renewable energy use also increased by 2%, as the total electricity consumption consumed increased due to our new consumptions (e.g. EV Charger production line). -There is no change in 2023 compared to the previous year, as indirect GHG emissions are calculated as zero with electricity obtained from renewable sources and WAT provides 100% of its total electricity consumption with green electricity supply.

Other emissions reduction activities**(7.10.1.1) Change in emissions (metric tons CO2e)**

400

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased**(7.10.1.3) Emissions value (percentage)**

13

(7.10.1.4) Please explain calculation

During the reporting year, WAT implemented new production lines and vertical integration projects, aligned with its low-carbon product manufacturing strategy. These investments led to an increase in energy consumption. To mitigate the rise in emissions reflected in the GHG calculations, WAT carried out a series of energy efficiency projects. Thanks to these energy efficiency efforts, the upward trend in consumption in the relevant areas was decreased by 13% compared to 2022, resulting in a total reduction of 400 CO2e in Scope 1 and Scope 2 emissions. It will be possible to summarize the change as a result of emission reduction activities; Change Compared to Base Year, Location based: 10% (Increase) Change Compared to Base Year, Market Based: -59% (Decrease) Change Compared to 2022, Location Based: 12% (Increase) Change compared to 2022, Market Based: -59% (Decrease)

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change regarding divestment.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change regarding acquisitions.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change regarding mergers.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

513

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

(7.10.1.3) Emissions value (percentage)

10

(7.10.1.4) Please explain calculation

In the reporting year, WAT implemented new production lines and vertical integration projects as part of its low-carbon product manufacturing strategy. These investments led to an increase in energy consumption. To mitigate the rise in emissions reflected in the GHG calculations, WAT carried out a series of energy efficiency projects throughout the reporting year. As a result, the impact of increased consumption from new production lines and investments was offset, limiting the overall increase in emissions to 10%. Compared to 2022, total location-based Scope 1 and Scope 2 emissions increased by 513 tons of CO₂e. However, due to WAT's procurement of 100% renewable electricity (certified by YEK-G), the total market-based Scope 1 and Scope 2 emissions rose by 258 tons of CO₂e compared to the previous year.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in the GHG calculation methodology

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in boundary.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in physical operating conditions.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change regarding Unidentified.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

*There is no change due to other conditions.
[Fixed row]*

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Location-based

(7.11) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

Select from:

☒ Decreased

(7.11.1) For each Scope 3 category calculated in 7.8, specify how your emissions compare to the previous year and identify the reason for any change.

Purchased goods and services

(7.11.1.1) Direction of change

Select from:

☒ Increased

(7.11.1.2) Primary reason for change

Select from:

☒ Other, please specify :Change in production process

(7.11.1.3) Change in emissions in this category (metric tons CO2e)

6820

(7.11.1.4) % change in emissions in this category

17

(7.11.1.5) Please explain

WAT calculates its emissions from product and packaging usage under this category. During the reporting year, as part of the vertical integration project, WAT began producing previously outsourced processes internally. As a result, an increase in raw material consumption was observed.

Upstream transportation and distribution

(7.11.1.1) Direction of change

Select from:

☒ First year of reporting this category

(7.11.1.5) Please explain

For the first time, WAT included both upstream and downstream emissions in its GHG inventory during the reporting year.

Waste generated in operations

(7.11.1.1) Direction of change

Select from:

☒ Decreased

(7.11.1.2) Primary reason for change

Select from:

☒ Change in material efficiency

(7.11.1.3) Change in emissions in this category (metric tons CO₂e)

23

(7.11.1.4) % change in emissions in this category

10

(7.11.1.5) Please explain

WAT has implemented waste reduction and efficiency improvement projects, leading to a reduction in production-related waste. Each year, reduction targets are set at the beginning of the year, and actions are taken accordingly.

Business travel

(7.11.1.1) Direction of change

Select from:

☒ First year of reporting this category

(7.11.1.5) Please explain

WAT also expanded its scope in the reporting year by including emissions from business travel in its inventory.

Employee commuting

(7.11.1.1) Direction of change

Select from:

☒ Decreased

(7.11.1.2) Primary reason for change

Select from:

☒ Change in physical operating conditions

(7.11.1.3) Change in emissions in this category (metric tons CO2e)

441.72

(7.11.1.4) % change in emissions in this category

3

(7.11.1.5) Please explain

WAT optimized routes for employee transportation, resulting in an opportunity for emission reduction.

Downstream transportation and distribution

(7.11.1.1) Direction of change

Select from:

☒ First year of reporting this category

(7.11.1.5) Please explain

For the first time, WAT included both upstream and downstream emissions in its GHG inventory during the reporting year.

Use of sold products

(7.11.1.1) Direction of change

Select from:

☒ Decreased

(7.11.1.2) Primary reason for change

Select from:

☒ Change in product efficiency

(7.11.1.3) Change in emissions in this category (metric tons CO₂e)

10573704

(7.11.1.4) % change in emissions in this category

22

(7.11.1.5) Please explain

WAT aims to reduce emissions from the use phase with the energy efficient motors it produces. It endeavours to increase the share of energy-efficient engines in production every year. In this direction, it carries out research and development activities, develops projects and receives incentives. In the reporting year, the share of WAT's energy efficient products in total turnover reached 83%. Since the use phase emissions of energy efficient products are lower, emission reduction was achieved in the reporting year.

End-of-life treatment of sold products

(7.11.1.1) Direction of change

Select from:

☒ First year of reporting this category

(7.11.1.5) Please explain

WAT manufactures electric motors with a recyclability rate of 97-98% and cares about how electric motors are evaluated at the end of product life. With this focus, it has published a guideline for the end of product life of electric motors to its customers and the industry. Emission calculation was made with the assumption that electric motors are recycled at the end of their product life.

Other (upstream)

(7.11.1.1) Direction of change

Select from:

☒ Increased

(7.11.1.2) Primary reason for change

Select from:

☒ Change in boundary

(7.11.1.3) Change in emissions in this category (metric tons CO2e)

1809

(7.11.1.4) % change in emissions in this category

100

(7.11.1.5) Please explain

Last year, WAT only calculated emissions from water and wastewater management in this category. In the reporting year, it also included Well to tank emissions.
[Fixed row]

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☒ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☒ Yes

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

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

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

(7.15.1.3) GWP Reference

Select from:

- ☒ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

- ☒ CH4

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

2

(7.15.1.3) GWP Reference

Select from:

- ☒ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

- ☒ N2O

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

7

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

[Add row]

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

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	1823	3088	0

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☒ By activity

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

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	Stationary Combustion	1305
Row 2	Mobile combustion (transport)	513
Row 3	Chemicals	5

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By activity

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	Production Office Activities	3088	0

[Add row]

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

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

1823

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

3088

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

0

(7.22.4) Please explain

WAT includes all its operational activities for Scope 1 & 2 emissions. All emissions from direct combustion and all emissions from electricity consumption are included at the location where the factory and the headquarters building are located together.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

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

0

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

0

(7.22.4) Please explain

WAT does not have any inputs excluded for Scope 1 and 2 emissions.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ Not relevant as we do not have any subsidiaries

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☒ More than 5% but less than or equal to 10%

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

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

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

6453

(7.30.1.4) Total (renewable and non-renewable) MWh

6453

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

7297

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

7297

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

7297

(7.30.1.3) MWh from non-renewable sources

6453

(7.30.1.4) Total (renewable and non-renewable) MWh

13750

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

"Sustainable Biomass" is not consumed.

Other biomass

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

"Other biomass" is not consumed.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

"Other renewable fuels" is not consumed.

Coal

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

"Coal" is not consumed.

Oil

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

"Oil" is not consumed.

Gas

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

6975

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

Natural Gas, LPG and acetylene are consumed for production.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

"Other non-renewable fuels" is not consumed.

Total fuel

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

7099

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

Total fuel consumption is used for generators in emergency cases, if needed.
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

☒ Turkey

(7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Large hydropower (>25 MW)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

7297

(7.30.14.6) Tracking instrument used

Select from:

☒ Other, please specify :Turkish National Renewable Energy Guarantees of Origin System (YEK-G)

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2013

(7.30.14.10) Comment

YEK-G System, from sectors and organizations with high electricity consumption to individual users, aims to promote the use of renewable energy sources, protect the environment, and make renewable energy accessible to everyone. Energy Markets Operation Inc. (EPIAŞ) has designed this system by leveraging blockchain technology to track the entire process of electricity generation from producers to consumers. The entirely voluntary and domestically developed YEK-G system was launched on June 1, 2021. With the YEK-G System, consumers can contribute to environmental protection while gaining information about the source of their purchased energy and having the option to choose among different electricity products. In 2023, WAT documented its purchased electricity with green energy certificates. The consumption covered by the certificate was supplied from the 'Darica II HES' renewable energy plant, which has a total installed capacity of 74.2 MW.

[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

7297.00

*[Fixed row]***(7.34) Does your organization measure the efficiency of any of its products or services?****(7.34.1) Measurement of product/service efficiency***Select from:*☒ No, but we plan to start doing so within the next two years**(7.34.2) Comment**

WAT has established a mobile test system to compare the real-time power consumption and efficiency performance of its products. With this test system, it becomes possible to simultaneously compare the power consumption and efficiency performance of two motors. The importance of energy efficiency lies in the fact that electric motors, which have the highest share in industrial electricity consumption and hold significant importance for emission reduction targets, can be replaced with high-efficiency ones, leading to considerable gains. The feasibility studies for such replacements are facilitated by this testing capability, providing ease and convenience. Additionally, WAT aims to share this test equipment as a demonstration tool for universities, seminars, and collaborations with different partner institutions. By doing so, WAT intends to create opportunities for benefiting from the test system in projects involving UNDP (United Nations Development

Programme) and TEVMOT (Project for Promoting Energy Efficient Motors in Small and Medium-sized Enterprises (SMEs) in Turkey). This collaborative approach will further contribute to promoting energy efficiency, sustainability, and environmental protection across various sectors and initiatives.
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

2173221

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1823

(7.45.3) Metric denominator

Select from:

☒ Other, please specify :Total production motor kW

(7.45.4) Metric denominator: Unit total

839

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

23

(7.45.7) Direction of change

Select from:

☒ Increased

(7.45.8) Reasons for change

Select all that apply

☒ Other, please specify :Change in production

(7.45.9) Please explain

In the reporting year, WAT transitioned several outsourced processes to in-house operations through its vertical integration projects. The goal of this initiative is to better manage the financial and environmental risks and impacts that suppliers were previously unable to measure or handle in alignment with WAT's strategies. By bringing these processes in-house, WAT can manage them using its own internal resources, ensuring greater control and sustainability. However, this shift has resulted in an increase in the consumption of emission-generating resources, such as electricity and natural gas, irrespective of the production volume.

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

☒ Energy usage

(7.52.2) Metric value

49500

(7.52.3) Metric numerator

GJ

(7.52.4) Metric denominator (intensity metric only)

2173221

(7.52.5) % change from previous year

10

(7.52.6) Direction of change

Select from:

☒ Increased

(7.52.7) Please explain

In the reporting year, WAT developed vertical integration projects. With vertical integration projects, it was ensured that outsourced processes were taken in. With this project, environmental dimensions that could not be measured and managed in suppliers and sub-industries were measurable and manageable. However, although this project did not provide a change in production numbers, it increased energy consumption such as electricity and natural gas for the production of by-products and parts. In order to compare the increase, the calculation was made with the total engine kW produced.

Row 3

(7.52.1) Description

Select from:

☒ Waste

(7.52.2) Metric value

8126

(7.52.3) Metric numerator

ton

(7.52.4) Metric denominator (intensity metric only)

(7.52.5) % change from previous year

11

(7.52.6) Direction of change*Select from:*☒ Decreased**(7.52.7) Please explain**

WAT reduces total waste generation through waste reduction projects. With these projects, it increases raw material efficiency and thus reduces emissions from raw material consumption. In order to compare the increase, the calculation was made with the total engine kW produced.

*[Add row]***(7.53) Did you have an emissions target that was active in the reporting year?***Select all that apply*☒ Absolute target**(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.****Row 1****(7.53.1.1) Target reference number***Select from:*☒ Abs 1**(7.53.1.2) Is this a science-based target?***Select from:*

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☒ Well-below 2°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Location-based

(7.53.1.11) End date of base year

12/30/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

1596.84

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

2879.61

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4476.450

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

25

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

3357.337

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1823

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

3088

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

4911.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-38.83

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of both WAT's Scope 1 and 2 emissions.

(7.53.1.83) Target objective

In line with its sustainability strategy, WAT will both fulfil its environmental responsibilities and manage its financial risks by reducing its emissions under the EU ETS. This goal will be supported by various activities such as energy efficiency projects, investment in clean technologies and raising awareness of our employees.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

WAT planned energy efficiency projects to reduce Scope 1 and 2 emissions. Over 30 energy efficiency projects were planned in the reporting year.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 2

(7.53.1.1) Target reference number

Select from:

☒ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☒ Scope 3, Category 1 – Purchased goods and services

☒ Scope 3, Category 5 – Waste generated in operations

☒ Scope 3, Category 7 – Employee commuting

☒ Scope 3, Category 11 – Use of sold products

☒ Other (upstream)

(7.53.1.11) End date of base year

12/30/2021

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

36666.24

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

219.0

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

2235.11

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

52626591.19

(7.53.1.29) Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

6.82

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

52665718.360

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

52665718.360

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.50) Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

15

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

44765860.606

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

42303.99

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

242

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

2676.84

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

38080702.76

(7.53.1.74) Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

6.07

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

38125931.660

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

38125931.660

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

184.05

(7.53.1.80) Target status in reporting year

Select from:

☒ Achieved and maintained

(7.53.1.82) Explain target coverage and identify any exclusions

At WAT, we have set targets for reducing Scope 3 emissions in Category 11 as part of our commitment to creating a low-carbon society. Our activities are shaped around developing energy-efficient motors to achieve these goals.

(7.53.1.83) Target objective

WAT aims to reduce the use phase of Scope 3 emissions as part of its sustainability goals and strategies. This reduction supports the improvement of energy efficiency for its consumers and contributes to achieving global climate goals. It also enhances compliance with regulations such as the Emissions Trading System and CBAM.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ Yes

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

-Energy Efficiency: Transformation of Inefficient Electric Motors in Industry with the Efficient Motors Project: This project, which aims to replace low energy efficiency electric motors used in industry with more efficient motors, aims to contribute to Türkiye's climate targets by reducing energy consumption. The project aims to save 34 billion kWh of electricity and reduce the emission of CO2 equivalent gases by 14 million tonnes annually by replacing 88% of industrial motors which have low energy efficiency. In -Compact Design, Eco-Friendly Product: QN New Generation Energy-Efficient Motor Series: The QN Next Generation Energy-efficient Motor Series is an environmentally friendly motor series developed by WAT in 2022 and launched in 2023. QN series motors stand out with their high-power density, compact structure and 20% reduction in active material consumption in electrical and mechanical parts compared to their competitors. Energy efficiency has been increased and product quality has been improved by using high automation in production processes. -Energy-efficient Motor Development for Innovative Cooling Systems: The project aims to develop energy-efficient motors for innovative cooling systems. It supports sustainable cooling technologies that reduce environmental impact and operating costs by improving motor efficiency and reducing energy use. -Eco-Friendly Product Family: The sustainability project aims to adopt an approach that minimizes environmental impact while designing a product that can meet and even exceed customer expectations. The aim is to reduce raw materials

use, to evaluate the use of recycled products/metals/plastics with reduced emissions, to reduce the use of chemicals and to manage the evaluation of environmentally friendly alternatives, and to increase the range of energy-efficient motors.

Row 3

(7.53.1.1) Target reference number

Select from:

☒ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☒ Well-below 2°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Market-based

(7.53.1.11) End date of base year

12/30/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

1596.84

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

2879.61

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4476.450

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

75

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1119.112

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1823

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

3088

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

4911.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-12.94

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

We commit to reducing our Scope 1 and Scope 2 greenhouse gas emissions by 75% by the year 2030, using the 2021 baseline. Our goal is to submit this target for approval to the Science Based Targets initiative (SBTi) within the current year. This emissions reduction target covers 100% of our Scope 1-2 emissions across the company.

(7.53.1.83) Target objective

In line with its sustainability strategy, WAT will both fulfil its environmental responsibilities and manage its financial risks by reducing its emissions under the EU ETS. This goal will be supported by various activities such as energy efficiency projects, investment in clean technologies and raising awareness of our employees.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

To achieve carbon neutrality in our operations, we have set specific objectives, including transitioning to renewable energy sources, improving energy efficiency in our factories, reducing chemical usage, and electrifying our vehicle fleet. We have identified areas where we can achieve at least a 75% reduction in CO2 emissions and will continuously seek opportunities to do even more as technology advances. As part of WAT's growth strategy, we have created carbon emission maps that highlight the importance of energy efficiency. By implementing energy efficiency and electrification projects, we will be able to achieve our emissions reduction targets. (In fact, we have already planned over 30 energy projects for the next year.) Additionally, optimising our processes will be a crucial step towards reaching our goals. WAT is actively undertaking activities to ensure process efficiency as well. Through these efforts, we are committed to making significant strides towards our sustainability objectives and combating climate change. Our dedication to reducing carbon emissions and embracing innovative technologies will drive us towards a more sustainable future.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ Targets to increase or maintain low-carbon energy consumption or production

☒ Net-zero targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☒ Low 1

(7.54.1.2) Date target was set

12/30/2022

(7.54.1.3) Target coverage

Select from:

☒ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☒ All energy carriers

(7.54.1.5) Target type: activity

Select from:

☒ Consumption

(7.54.1.6) Target type: energy source

Select from:

☒ Low-carbon energy source(s)

(7.54.1.7) End date of base year

12/30/2021

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

14045.46

(7.54.1.9) % share of low-carbon or renewable energy in base year

48.63

(7.54.1.10) End date of target

12/30/2050

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

53.07

(7.54.1.13) % of target achieved relative to base year

8.64

(7.54.1.14) Target status in reporting year

Select from:

☒ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, the result of this target (Low 1) will affect our other emission-reduction targets.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

WAT is committed to using renewable energy sources, aligning our strategies with sustainable practices. To achieve this, we have made the decision to procure electricity from renewable energy sources. By doing so, we aim to promote the widespread use of renewable energy in electricity generation and consumption, protect the environment, and work towards zero-emissions in our operations. This initiative serves as both an example for our industry and a responsibility towards our stakeholders. We have taken significant steps in this direction by participating in the Turkish national Renewable Energy Guarantees of Origin System (YEK-G). This system, operating on a voluntary basis since June 1, 2021, provides us with green electricity certificates for the electricity we purchased in 2023, effectively converting it to zero-emission electricity.

(7.54.1.20) Target objective

WAT has set energy reduction targets in line with its sustainability strategies. With these targets, the Company aims to increase its competitiveness and contribute to the fight against global climate change.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

In order to achieve the WAT target according to the current and anticipated direct or indirect mitigation and adaptation efforts, it is necessary to turn to renewable energy sources, contribute to efficiency-enhancing studies, and support electrification studies. With these inputs, an exponential table is expected. WAT organises energy review meetings every month with the participation of board management. It evaluates its target through these meetings.

Row 3

(7.54.1.1) Target reference number

Select from:

☒ Low 2

(7.54.1.2) Date target was set

12/30/2022

(7.54.1.3) Target coverage

Select from:

☒ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☒ All energy carriers

(7.54.1.5) Target type: activity

Select from:

☒ Consumption

(7.54.1.6) Target type: energy source

Select from:

☒ Low-carbon energy source(s)

(7.54.1.7) End date of base year

12/30/2022

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

13401.09

(7.54.1.9) % share of low-carbon or renewable energy in base year

48.63

(7.54.1.10) End date of target

12/30/2026

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

53.07

(7.54.1.13) % of target achieved relative to base year

8.64

(7.54.1.14) Target status in reporting year

Select from:

☒ Achieved and maintained

(7.54.1.16) Is this target part of an emissions target?

Yes, the result of this target (Low 2) will affect our other emission-reduction targets.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

As WAT, we have signed an agreement with the Republic of Turkey Ministry of Energy and Natural Resources to reduce the energy intensity we use in all our activities. In this context, we are committed to reducing our energy intensity by 10% in 2026 compared to the amount of energy consumed in 2023.

(7.54.1.20) Target objective

WAT has set energy reduction targets in line with its sustainability strategies. With these targets, the Company aims to increase its competitiveness and contribute to the fight against global climate change.

(7.54.1.22) List the actions which contributed most to achieving this target

Energy efficiency projects
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☒ NZ1

(7.54.3.2) Date target was set

12/30/2022

(7.54.3.3) Target Coverage

Select from:
☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☒ Abs1

☒ Abs2

☒ Abs3

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.54.3.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

☒ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.54.3.10) Explain target coverage and identify any exclusions

WAT has set the net-zero target to reduce effects of global climate change. This target covers all corporate emission emissions and aims to reduce emissions by 90%. The method of removing 10% residual emissions will also be determined. WAT has also set a 2030 target within the scope of the net-zero target in order to achieve these targets.

(7.54.3.11) Target objective

WAT supports the reduction of global emissions with its net zero target. In this way, it aims to achieve regulatory compliance and increase its competitiveness.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☒ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☒ Yes, and we have already acted on this in the reporting year

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☒ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

In order to reach the net-zero target, WAT has set mid-term targets. In 2030, it aims to reduce Scope 1 and 2 market-based emissions by 75%, location-based emissions by 25% and scope 3 emissions by 25%.

(7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

WAT supports sustainable growth in the entire value chain within the scope of its net zero target and sustainability strategies. For this purpose, it encourages its customers to energy efficiency by increasing the energy efficient product range. It guides its customers to increase the useful life of the engine. WAT also implements a supplier development programme for its suppliers and organises special trainings.

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

WAT has shaped its activities with five main sustainability initiatives in order to reach its target set in 2022. In the reporting year, it achieved a 22% reduction in scope 1-2-3 emissions. It is working to achieve the net-zero target.

[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☒ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	`Numeric input
To be implemented	7	344
Implementation commenced	18	685
Implemented	2	28
Not to be implemented	3	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☒ Waste heat recovery

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

107

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

115000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

9800

(7.55.2.7) Payback period

Select from:

☒ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

During the reporting year, WAT achieved significant reductions in natural gas consumption and Scope 1 emissions through its insulation projects for aluminium injection mould. To minimise natural gas usage, insulation was applied to the inner walls and lids of three different points. Additionally, the process timing plan was redesigned to reduce heat leaks during the flash-off and cooling stages. These efforts resulted in a total energy savings of 8750 Sm3.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Maintenance program

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

32

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

220000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

517000

(7.55.2.7) Payback period

Select from:

☒ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

During the reporting year, WAT achieved significant reductions in electricity consumption and Scope 2 emissions through its revisions and maintenance projects for cooling tower. In the project, the fan systems in the cooling towers were renewed and efficient motor conversion work was completed.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☒ Automation

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

111

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

136000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

81450

(7.55.2.7) Payback period

Select from:

☒ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 3-5 years

(7.55.2.9) Comment

In the reporting period, automation projects were carried out to save energy. One of these is for the boiler. Within the scope of this project, a system that balances the internal and external temperature of the boiler with automation has been installed.

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☒ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

25

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

230000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

240000

(7.55.2.7) Payback period

Select from:

☒ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

We have taken concrete steps to enhance the energy efficiency of our production through the replacement of the inefficient motors in 2022. In the reporting years, the second phase of Efficient Motor Transition Project was completed. Prior feasibility studies revealed 35% IE1 (Standard Efficiency) and 36% IE2 (High Efficiency) motors above 5.5 kWh. Based on this assessment, we initiated the transformation of motors, replacing them IE4 (Super Premium Efficiency) motors and IE3 (Premium Efficiency) motors. In addition to the motor transition, we integrated REGEN drives in selected areas, enabling bidirectional power flow and allowing us to recapture significant amounts of otherwise wasted energy in the form of electricity. As a result of this comprehensive change, we now have the opportunity to save 60,000 kWh of electrical energy annually. The project's success was facilitated by meticulous planning to ensure seamless motor conversion without interrupting our

production. We are committed to contributing to the circular economy by recycling inefficient motors, which contain valuable metals, and thereby promoting sustainable practices. Considering an average motor lifespan of 10 years, the projected lifetime of this initiative is also estimated to be 10 years. By upgrading to high-efficiency motors, we are actively reducing our carbon footprint and optimising our production processes.

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Dedicated budget for energy efficiency

(7.55.3.2) Comment

Each year, during the last quarter, energy budgets and energy efficiency investment budgets are allocated for the following year. The quarterly budget utilisation allows for a review of new needs, and if necessary, budgets are revised accordingly. Energy efficiency projects are carried out with the allocated budgets. During the last quarter of each year, goals are set to reduce energy consumption for the following year. The evaluations made during this period are systematically and periodically monitored to ensure alignment with the planned targets. To assess the success of the projects, greenhouse gas emission reduction performance is calculated, and projects with opportunities to improve their outcomes are supported by the management. The budget allocated for energy efficiency is utilised in the following energy efficiency investment areas:- Waste Heat / Heat Insulation: Investments are made to capture and utilise waste heat effectively, and insulation measures are taken to minimise heat losses, thus improving overall energy efficiency.- Automation: Automation projects are implemented to optimise energy consumption in various processes and systems. By automating certain tasks, energy usage can be controlled more efficiently, and wastage reduced.- Process Optimisation: Efforts are made to optimise industrial processes to operate at their peak efficiency levels, reducing energy consumption while maintaining or improving productivity.- System Revision: Existing systems are reviewed and revised to identify areas for energy efficiency improvements. This may involve upgrading or replacing outdated equipment with more energy-efficient alternatives. By investing in these areas, the company aims to enhance its energy efficiency and reduce energy consumption, reduce carbon emissions leading to cost savings and a lower environmental impact.

Row 2

(7.55.3.1) Method

Select from:

☒ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

WAT, continuous opportunity-seeking for carbon reduction. In addition to projects within its production, it supports initiatives for transitioning to lower-carbon alternative raw materials and materials. For instance, during the reporting year, WAT executed and implemented the low-carbon motor paint transition project in its 2nd paint shop. Although the material's unit cost is higher, it offers lower VOC values, reduced hydrocarbon compounds, and even eliminates some compounds. Moreover, it enhances the motor's physical durability, providing corrosion protection and UV resistance. This not only contributes to carbon reduction during production but also extends the product's lifespan during use. WAT allocates resources to research, materials, equipment, and application areas for this purpose. Besides focusing on emission reduction during production, WAT also emphasises reducing emissions generated during the product's use phase.

Row 3

(7.55.3.1) Method

Select from:

☒ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

WAT's sustainability vision involves conducting research and development activities with two R&D centers and competent engineering capabilities to create the most competitive products in the industry. These eco-efficient products and system solutions provide tangible benefits for energy efficiency, emission reduction, and resource efficiency in the industry, which are crucial for achieving global climate goals. One of WAT's most significant contributions to this goal is through its 'Products for fit-for-55' product strategy, which involves R&D activities to reduce and decarbonise embedded carbon emissions during the entire industrial life cycle, based on technological capabilities. Over 80% of WAT's R&D budget is allocated to developing the eco-efficiency portfolio, which includes products, systems, and solutions. QN IE3 Platform: Focuses on improving electrical and mechanical design in motor topology to create a competitive product series with higher efficiency and size optimisation. The QN series offers higher power density, reduced material consumption, compact size, and improved energy efficiency.- QH and QHS Compact Motor Projects: Aim to achieve high efficiency in smaller-sized motors, resulting in better resource usage and energy efficiency. These projects contribute to reducing packaging materials, transportation costs, and direct and indirect emissions. e-Mobility Product Family, and EV Charger Projects: Create a holistic ecosystem of complementary products that directly contribute to carbon-zero targets.- IE3-IE4 and IE5, EC Motor Topologies: Lead the industrial sector in promoting high-efficiency motor topologies with advanced design achievements.-Regulatory Compliance: Ensuring compliance with international regulations in design and realisation.- Investment in Technology: Collaborating on projects, such as Horizon, academic partnerships, and market-driven improvements.-Renewable Energy Partnerships: Focusing on application-oriented solutions for renewable energy.-Mobility and Automotive Solutions: Projects in the automotive sector for improved efficiency.-Motion Control: Enhancing control capabilities of products for industrial solutions.

Row 4

(7.55.3.1) Method

Select from:

☒ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

WAT fully complies with the legal regulations related to greenhouse gas emission reduction and eco-design standards that define product energy efficiency limits. Ensuring this compliance is among our top priorities. We closely monitor and prepare for future compliance requirements, such as Directive 2009/125/EC and Regulation 2017/1369 (EU), Regulation DOE 10 CFR Part 431 - Subpart B (USA), and Environmentally Sensitive Design Requirements for Electric Motors and Variable Speed Drives (TR), as well as standards related to products like TS EN IEC 61851-1 Electric Vehicle Conductive Charging Systems. Additionally, we have established and integrated management model standards such as ISO 14001 EMS, ISO 50001 EMS, ISO 9001 QMS, and ISO 14064-1 GHG for our activities at the production facility. WAT maintains close relationships with relevant government departments and provides support for the implementation of EU regulations into the Turkish legislative system. All energy efficiency efforts in our production comply with the legal requirements stated in the Turkish Energy Efficiency Law. We achieve greenhouse gas emission reduction, efficiency improvements in product and part designs, energy efficiency initiatives at the production level, and investments in sustainable product and production activities. Some examples of these investments include:- Investments in new energy-efficient and resource-conserving products and production lines.- Investments in compliance with legal and management system standards.- Improving the tracking of environmental outputs through digitisation.- Implementing test systems that provide real-time consumption and efficiency performance comparisons.

[Add row]

(7.71) Does your organization assess the life cycle emissions of any of its products or services?

(7.71.1) Assessment of life cycle emissions

Select from:

☒ No, but we plan to start doing so within the next two years

(7.71.2) Comment

- Motor and component business: Our motors are made up of 97-98% recyclable content. Through high-tech designs that require less maintenance and produce lower vibrations, we contribute to extending the motor's lifespan. Moreover, we are aware that calculating Life Cycle Assessment (LCA) emissions presents opportunities to enhance environmentally sensitive designs and develop a circular business model. By conducting an LCA study, we aim to assess the comprehensive environmental impacts of our products. This will enable us to explore content modifications, modelling efforts that involve valuable raw materials in the product's lifecycle and establish targets for improving stages with high emission impacts. Following ISO 14044 standards, we will expand the scope of this study by comparing different efficiency classes across various dimensions. To achieve this, we have initiated a scientific motor LCA project in collaboration with a competent university (TÜBİTAK Project - 2023). This project will calculate embedded carbon in motor runner products and propose suggestions for a circular economy model, contributing academically to the industry and setting benchmarks.-EV Charger business: EV Charger is a product that directly contributes to carbon-zero goals. To assess LCA-

based design capabilities and develop more eco-friendly products, WAT has established the LCA Tribe department within the EV Charger business. Research activities have been initiated, and in the coming period, we will develop goals, work plans, and strategies based on identified risks and opportunities.
[Fixed row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☒ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ Green Bond Principles (ICMA)

(7.74.1.3) Type of product(s) or service(s)

Power

☒ Other, please specify :High-efficiency compact motors (IE3, IE4, IE5+, EC)

(7.74.1.4) Description of product(s) or service(s)

The QN Next Generation Energy-efficient Motor Series is an environmentally friendly motor series developed by WAT in 2022 and launched in 2023. These motors were developed in line with WAT's sustainability vision and "Fit-for-55 Compliant Products" strategy. QN series motors stand out with their high-power density, compact structure and 20% reduction in active material consumption in electrical and mechanical parts compared to their competitors. Energy efficiency has been increased, and product quality has been improved by using high automation in production processes. The project, managed with the Agile Production philosophy, has

been an important step in balancing China's market superiority and gaining access to new markets. The QN Next Generation Energy-efficient Motor, which has saved 21,582 kWh of electricity annually for products that reached the user only in the year it entered the market, is expected to reduce 169,595 tonnes of CO2 equivalent emissions every year.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :an internal methodology, verified by a third party.

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☒ Cradle-to-cradle/closed loop production

(7.74.1.8) Functional unit used

Compact design

(7.74.1.9) Reference product/service or baseline scenario used

QN New Generation Energy-efficient Motor Series is an environmentally friendly motor series, designed and launched by WAT, that stands out with its high-power density, compact structure and 20% reduction in active material consumption in electrical and mechanical parts compared to its competitors.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Cradle-to-cradle/closed loop production

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

QN motors are composed of 97% metal raw materials, and 98% of the product components are recyclable. These motors, which stand out due to their compact structure, reusability of parts, and high repairability—thanks to the possibility of using dismantled parts as spare parts in similar products—ensure less packaging consumption. Their low weight allows more motors to be stored per unit volume, thus offering significant cost advantages to users in transportation freight processes. These features also make a great contribution to waste management and the circular economy. In the reporting year, QN products used 20% less raw material, avoiding 6,723 tonnes CO2 equivalent emissions from raw material use and 128,164 tonnes CO2 equivalent from the use phase in Scope 3 emissions.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

83

Row 2**(7.74.1.1) Level of aggregation**

Select from:

☒ Group of products or services**(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon**

Select from:

☒ The IEA Energy Technology Perspectives Clean Energy Technology Guide**(7.74.1.3) Type of product(s) or service(s)****Power**☒ Other, please specify :High-efficiency motors (IE3, IE4, IE5+, EC)**(7.74.1.4) Description of product(s) or service(s)**

WAT's sustainability vision involves conducting research and development activities with two R&D centers and competent engineering capabilities to create the most competitive products in the industry. These eco-efficient products and system solutions provide tangible benefits for energy efficiency, emission reduction, and

resource efficiency in the industry, which are crucial for achieving global climate goals. One of WAT's most significant contributions to this goal is through its 'Products for fit-for-55' product strategy, which involves R&D activities to reduce and decarbonise embedded carbon emissions during the entire industrial life cycle, based on technological capabilities. WAT supports the reduction of global carbon emissions with its production of IE3 and IE4 energy-efficient motors. In 2023, WAT increased the share of IE3 and IE4 energy-efficient motors in production to 83%, contributing to energy savings (up from 81.7% in 2022). Ongoing research and development (R&D) efforts are focused on IE5 and EC motors, with a particular emphasis on EC motors, which are considered future technology.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :We have an internal methodology, verified by a third party.

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☒ Use stage

(7.74.1.8) Functional unit used

Usage of the low-carbon products

(7.74.1.9) Reference product/service or baseline scenario used

Our baseline products are the products that consume the lowest "allowable" energy efficiency classes in the market.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

10000000

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Avoided emissions are calculated by comparing the electricity consumption reduction achieved by our sold low-carbon products with that of 'normal' products. We multiply the electricity savings (in kWh) with Turkey's electricity emissions factor (in kg CO2e/kWh) to calculate the total avoided greenhouse gas (GHG) emissions. Electric motor efficiency classes consist of the following: -IE1 (Standard Efficiency) -IE2 (High Efficiency) -IE3 (Premium Efficiency) -IE4 (Super Premium Efficiency) Our motor production standards are constrained by Eco-design regulations. Accordingly, we can calculate the indirectly avoided emissions by comparing our IE3 and IE4 energy-efficient motors, which have efficiency levels exceeding regulatory requirements, with the minimum efficiency level that could be produced according to the regulations. In these calculations, we consider a 10-year lifetime for our manufactured motors. The electricity emission factor used for all products is the same (the world average value in 2023 supplied by IEA). The avoided emissions for third parties (consumers) from these products in 2023 have been calculated as 2.08 million tons eq CO2, up from 1.94 million tons in 2022.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

78

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ No

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Timber products	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
Timber products	140	Select all that apply <input checked="" type="checkbox"/> Sourced	140

[Fixed row]

(8.5) Provide details on the origins of your sourced volumes.

Timber products

(8.5.1) Country/area of origin

Select from:

☒ Turkey

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Turkey has a unitary structure in terms of administration (Turkish public administration). Local administrations were established and the government is represented by the governors and city governors.

(8.5.4) Volume sourced from country/area of origin (metric tons)

140

(8.5.5) Source

Select all that apply

☒ Contracted suppliers (processors)

☒ Contracted suppliers (manufacturers)

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

List_of_Supplier_Names_and_Locations.xlsx

(8.5.7) Please explain

WAT sources packaging materials for its products from local suppliers. A list of these suppliers, including their location information, is attached. The method used to calculate the percentage of total consumption is based on material purchase data from an automated platform that records material entries. This data is verified by information reported by our suppliers and commercial invoices. The source data includes the country/state/jurisdiction of timber origin, supplier name, and the percentage of supply. This section focuses on a simplified mapping for 2023, covering Tier 1 suppliers of office supplies like paper, envelopes, and planners, as well as Tier 1 suppliers of packaging materials such as cardboard boxes, cardboard separators, wooden pallets, and wooden separators. All of our Tier 1 packaging material suppliers are based in Turkey, and all Tier 1 suppliers of wood-based materials (such as pallets and wooden separators) are included in this mapping. The challenge lies in tracing the origin of these materials back to the forests from which the raw materials were sourced. WAT is working on long-term planning to map the

entire supply chain. In the short term, WAT aims to receive origin data on the volumes of packaging materials purchased from suppliers and obtain confirmation that materials used in the production of products supplied to WAT are not sourced from countries with deforestation issues.
[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

Timber products

(8.7.1) Active no-deforestation or no-conversion target

Select from:

☒ No, but we plan to have a no-deforestation or no-conversion target in the next two years

(8.7.3) Primary reason for not having an active no-deforestation or no-conversion target in the reporting year

Select from:

☒ Not an immediate strategic priority

(8.7.4) Explain why you did not have an active no-deforestation or no-conversion target in the reporting year

WAT did not have no-deforestation targets before reporting year primarily due to the nature of its operations, which are situated far from biological protection areas and do not involve the production or processing of forest products. Consequently, the environmental impacts related to deforestation are assessed as low significance. WAT emphasizes the use of FSC-certified materials and actively engages suppliers in its ESG development program. Furthermore, initiatives aimed at reducing packaging materials and enhancing related processes serve to further mitigate potential risks. Thus, forest-related scenario analysis was not prioritized as critical. In the reporting year, WAT has initiated steps to define its roadmap and strategies for combating deforestation. The company has communicated its commitment to biodiversity protection and deforestation prevention to all stakeholders through its official policy. WAT will focus on sourcing only FSC-certified materials, minimizing packaging consumption, extending the lifecycle of materials, promoting reuse, and ensuring that 100% of packaging waste is recycled at the end of the product's life. Additionally, WAT is dedicated to supporting its suppliers in achieving these objectives. The company will monitor its progress annually and continuously refine its targets to drive improvements.

(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target

Select from:

☒ Yes, we have other targets related to this commodity

[Fixed row]

(8.7.2) Provide details of other targets related to your commodities, including any which contribute to your no-deforestation or no-conversion target, and progress made against them.

Timber products

(8.7.2.1) Target reference number

Select from:

☒ Target 2

(8.7.2.3) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

☒ Disclosure volume

(8.7.2.5) Category of target & Quantitative metric

Resource use and efficiency

☒ % decrease in average weight of packaging per product unit (grams)

(8.7.2.8) Date target was set

12/31/2022

(8.7.2.9) End date of base year

12/30/2021

(8.7.2.10) Base year figure

5.7

(8.7.2.11) End date of target

12/30/2030

(8.7.2.12) Target year figure

4.5

(8.7.2.13) Reporting year figure

5.4

(8.7.2.14) Target status in reporting year

Select from:

☒ Underway

(8.7.2.15) % of target achieved relative to base year

25.00

(8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target

Select all that apply

☒ Sustainable Development Goals

(8.7.2.17) Explain target coverage and identify any exclusions

WAT aims to improve product packaging and reduce the amount of packaging per product through the following key actions. These actions will enable WAT to achieve its packaging reduction goals while enhancing sustainability across the supply chain. - Defining the scope and boundaries for packaging improvement efforts,

- Identifying opportunities for packaging optimization, - Transitioning to spaced wooden crate designs to reduce wood packaging use, - Improving carton packaging to reduce waste and enhance efficiency, - Conducting product circulation-based packaging durability assessments and improvement projects, - Supporting research and development of EPS-free packaging alternatives.

(8.7.2.18) Plan for achieving target, and progress made to the end of the reporting year

To reduce the amount of packaging per product, WAT has transitioned to using wooden crates instead of cardboard for medium-sized products (motors) with high cardboard consumption. While these wooden crates can be reused by product users, in 2023, WAT successfully designed a new, open-structure wooden crate that reduces the amount of wood used without compromising packaging strength. This improvement has also led to a reduction in packaging waste generated during packaging processes. Additionally, compliance with energy regulations required disassembling products not meeting regulatory standards, sorting reusable parts, re-manufacturing compliant products, and repackaging them. This process temporarily increased the amount of packaging used per product. However, packaging optimization efforts have mitigated the negative impact. Ongoing packaging improvements aim to further reduce packaging per product, with a long-term goal of using 100% recyclable packaging materials and developing even more efficient alternatives.

(8.7.2.20) Further details of target

Ongoing packaging improvements aim to further reduce packaging per product, with a long-term goal of using 100% recyclable packaging materials and developing even more efficient alternatives.

Timber products

(8.7.2.1) Target reference number

Select from:

☒ Target 3

(8.7.2.3) Target coverage

Select from:

☒ Organization-wide (including suppliers)

(8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

☒ Disclosure volume

(8.7.2.5) Category of target & Quantitative metric

Engagement with Tier 1 suppliers

☒ Other Tier 1 suppliers engagement target metric, please specify

(8.7.2.8) Date target was set

12/31/2022

(8.7.2.9) End date of base year

12/30/2021

(8.7.2.10) Base year figure

0

(8.7.2.11) End date of target

12/30/2030

(8.7.2.12) Target year figure

100

(8.7.2.13) Reporting year figure

60

(8.7.2.14) Target status in reporting year

Select from:

☒ Achieved

(8.7.2.15) % of target achieved relative to base year

(8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target

Select all that apply

☒ Sustainable Development Goals

(8.7.2.17) Explain target coverage and identify any exclusions

Supplying of relevant packaging materials from FSC certified supplier, % of FSC certified supplier.

(8.7.2.19) List the actions which contributed most to achieving or maintaining this target

Supplying relevant packaging materials from FSC-certified suppliers is a key step in WAT's sustainability goals. Currently, WAT sources a significant portion of its packaging from suppliers with FSC certification, ensuring responsible forestry practices. To ensure the sourcing of packaging materials from FSC-certified suppliers, WAT has outlined the following actions: - Identification of existing suppliers with FSC certification (done), - Evaluation of non-FSC suppliers and offering support for certification (in progress), - Collaborating with FSC-certified suppliers for innovative packaging solutions, - Prioritizing FSC-certified suppliers in procurement processes (such as high quotas), - Monitoring and reporting the % of FSC-certified suppliers annually (done).

(8.7.2.20) Further details of target

To ensure the sourcing of packaging materials from FSC-certified suppliers, WAT has outlined the following actions: - Identification of existing suppliers with FSC certification (done), - Evaluation of non-FSC suppliers and offering support for certification (in progress), - Collaborating with FSC-certified suppliers for innovative packaging solutions, - Prioritizing FSC-certified suppliers in procurement processes (such as high quotas), - Monitoring and reporting the % of FSC-certified suppliers annually (done).

Timber products

(8.7.2.1) Target reference number

Select from:

☒ Target 1

(8.7.2.3) Target coverage

Select from:

☒ Organization-wide (including suppliers)

(8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

☒ Disclosure volume

(8.7.2.5) Category of target & Quantitative metric

Other target category, please specify

☒ Other target metric, please specify :Preparing policies that show the intention and strategies of the organization to protect biodiversity and combat deforestation, announcing it to stakeholders.

(8.7.2.8) Date target was set

11/29/2023

(8.7.2.9) End date of base year

12/30/2023

(8.7.2.10) Base year figure

0

(8.7.2.11) End date of target

12/30/2024

(8.7.2.12) Target year figure

100

(8.7.2.13) Reporting year figure

(8.7.2.14) Target status in reporting year*Select from:*☒ Achieved**(8.7.2.15) % of target achieved relative to base year**

100.00

(8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target*Select all that apply*☒ Sustainable Development Goals**(8.7.2.17) Explain target coverage and identify any exclusions***Preparing policies that show the intention and strategies of the organization to protect biodiversity and combat deforestation.***(8.7.2.19) List the actions which contributed most to achieving or maintaining this target***WAT has initiated the following steps and target actions to protect biodiversity and combat deforestation, aiming to achieve meaningful progress: - Researching risks and opportunities, - Defining clear strategies, - Setting achievable and ambitious targets with a time-bound approach, - Assessing challenges and obstacles to achieving these targets, - Evaluating supplier compliance and financial impacts, - Preparing the policy and officially publishing it within the document management system, - Integrating it into the training framework, - Announcing it on the company's website and internally.***(8.7.2.20) Further details of target***Future targets will be set for continuous improvement and implementation of WAT's policy to protect biodiversity and combat deforestation, and additional actions will be identified through the Supplier development program for supply chain alignment.***Timber products****(8.7.2.1) Target reference number**

Select from:

☒ Target 4

(8.7.2.3) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

☒ Disclosure volume

(8.7.2.5) Category of target & Quantitative metric

Resource use and efficiency

☒ Other resource use and efficiency target metric, please specify :Designing EPS-free alternatives as packaging material and reducing the percentage of EPS use

(8.7.2.8) Date target was set

06/29/2023

(8.7.2.9) End date of base year

12/30/2023

(8.7.2.10) Base year figure

20

(8.7.2.11) End date of target

12/30/2025

(8.7.2.12) Target year figure

5

(8.7.2.13) Reporting year figure

14

(8.7.2.14) Target status in reporting year

Select from:

☒ New

(8.7.2.15) % of target achieved relative to base year

40.00

(8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target

Select all that apply

☒ Sustainable Development Goals

(8.7.2.17) Explain target coverage and identify any exclusions

Considering the negative effects of EPS as a packaging material for biodiversity and forests, it includes the development of alternative materials to EPS, the development of suppliers providing materials, the study of EPS-free packaging designs and the reduction of the use of EPS. This target has been extended to WAT's low-carbon products (80% of production and improving with an increase target).

(8.7.2.18) Plan for achieving target, and progress made to the end of the reporting year

The initiative to work on EPS-free packaging designs and reduce EPS usage will involve the following steps: - Identifying packaging sets that use EPS (done), - Determining the amount of EPS used (done), - Researching EPS alternatives, - Conducting supplier consultations and evaluating their proposals, - Performing benchmarking studies, - Monitoring international regulations and analyzing future trends (done), - Preparing alternative packaging designs and conducting prototyping and quality testing.

(8.7.2.20) Further details of target

Further details of the target for reducing EPS usage will include specific metrics, timelines, and actionable outcomes such as below. The outlined ones will be placed in CDP 2024 report. 1. Target Reduction Percentage and Timeline: Defining a specific reduction goal and setting clear milestones, -Reducing EPS usage by 50% within the next two years. -All new packaging designs will be EPS-free up to 2030. 2. Alternative Material Adoption: Specifying alternative materials and target percentages. -Adopting recyclable materials for 100% of our packaging by 2026. 3. Supplier Alignment: Establishing expectations for our Tier 1 suppliers. - Collaborating with suppliers to source viable EPS alternatives by mid-2025. 4. Environmental Impact Metrics: Track and report on environmental benefits. - Measuring the reduction in carbon footprint or waste production associated with the decreased use of EPS. 5. Regulatory Compliance: Ensuring alignment with upcoming regulations. -Achieve compliance with international bans on EPS packaging.

[Add row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

	Traceability system	Primary reason your organization does not have a traceability system	Explain why your organization does not have a traceability system
Timber products	Select from: <input checked="" type="checkbox"/> No, but we plan to establish one within the next two years	Select from: <input checked="" type="checkbox"/> Not an immediate strategic priority	WAT has a very low level of timber usage. Therefore, we do not yet have a system in place to trace the origin of the timber.

[Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

Timber products

(8.9.1) DF/DCF status assessed for this commodity

Select from:

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

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

☒ No

(8.9.7) Primary reason for not assessing DF/DCF status

Select from:

☒ Not an immediate strategic priority

(8.9.8) Explain why you have not assessed DF/DCF status

Due to the nature of WAT's operations—located far from biological protection areas and not involving the production or processing of forest products—the environmental impacts related to deforestation are considered to be of low significance. Consequently, forest-related scenario analysis and the assessment for DF/DCF status were not prioritized as critical. WAT places a strong emphasis on using FSC-certified materials and actively engages suppliers in its ESG development program. Additionally, initiatives focused on reducing packaging materials and improving related processes further mitigate potential risks. WAT will review its current assessments of the issue annually and ensure that opportunities for improvement are visible.

[Fixed row]

(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.

Timber products

(8.10.1) Monitoring or estimating your deforestation and conversion footprint

Select from:

☒ No, but we plan to monitor or estimate our deforestation and conversion footprint in the next two years

(8.10.2) Primary reason for not monitoring or estimating deforestation and conversion footprint

Select from:

☒ Not an immediate strategic priority

(8.10.3) Explain why you do not monitor or estimate your deforestation and conversion footprint

Due to the nature of WAT's operations—located far from biological protection areas and not involving the production or processing of forest products—the environmental impacts related to deforestation are considered to be of low significance. Consequently, monitoring and estimating forest-related footprint was not prioritized as critical. WAT places a strong emphasis on using FSC-certified materials, actively engages suppliers in its ESG development program and monitors critical suppliers with an ESG index. Additionally, initiatives focused on reducing packaging materials and improving related processes further mitigate potential risks. WAT will review its current assessments of the issue annually and ensure that opportunities for improvement are visible.

[Fixed row]

(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.

	Actions taken to increase production or sourcing of DCF volumes
Timber products	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(8.11.1) Provide details of actions taken in the reporting year to assess and increase production/sourcing of deforestation- and conversion-free (DCF) volumes.

Timber products

(8.11.1.1) Action type

Select from:
☒ Increasing supplier control systems

(8.11.1.2) % of disclosure volume that is covered by this action

(8.11.1.3) Indicate whether you had any major barriers or challenges related to this action in the reporting year

Select from:

☒ Yes

(8.11.1.4) Main measures identified to manage or resolve the challenges

Select all that apply

- | | |
|--|--|
| <input checked="" type="checkbox"/> Greater transparency | <input checked="" type="checkbox"/> Improvement in data collection and quality |
| <input checked="" type="checkbox"/> Greater customer awareness | <input checked="" type="checkbox"/> Greater stakeholder engagement and collaboration |
| <input checked="" type="checkbox"/> Greater enforcement of regulations
landscape/jurisdictional level | <input checked="" type="checkbox"/> Greater alignment between company goals and goals at |
| <input checked="" type="checkbox"/> Greater supplier awareness/engagement | |
| <input checked="" type="checkbox"/> Increased demand for certified products | |

(8.11.1.5) Provide further details on the actions taken, their contribution to achieving DCF status, and any related barriers or challenges

In response to the need for a guiding policy for ongoing efforts in this area, a Biodiversity and Deforestation Mitigation Policy has been developed and made accessible to all stakeholders. Existing good practices related to this topic have been made visible. WAT's situation needed to be assessed in terms of risks and opportunities, and the necessary data for evaluation within the WERM system was unclear; therefore, a data collection method needed to be developed. Overcoming this, we successfully gathered information on suppliers' awareness and willingness to obtain FSC certification, as well as evaluated their approaches to this issue. Additionally, we collected data on the number of FSC-certified suppliers. Plans for implementing these measures focus on strengthening supplier management with support from the purchasing team, collecting data from suppliers, and assessing the importance of FSC-certified suppliers. We are also actively identifying and evaluating visible opportunities for achieving 100% FSC certification. This effort has positively contributed to supporting existing good practices within the overall framework.

[Add row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

(8.14.1) Assess legal compliance with forest regulations

Select from:

- ☒ Yes, from suppliers

(8.14.2) Aspects of legislation considered

Select all that apply

- ☒ Labor rights
- ☒ Third parties' rights
- ☒ Environmental protection
- ☒ Human rights protected under international law
- ☒ Tax, anti-corruption, trade and customs regulations
- ☒ Forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting
- ☒ The principle of free, prior and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples

(8.14.3) Procedure to ensure legal compliance

Select all that apply

- ☒ Ground-based monitoring
- ☒ Supplier self-declaration
- ☒ Third party tools
- ☒ Third party databases
- ☒ Third party audits

(8.14.5) Please explain

WAT views supply chain management as a highly effective tool for creating positive impacts on society and the environment, recognizing that it plays a critical role in achieving broader social and environmental sustainability goals. To define the boundaries of this power and ensure stakeholder participation, the company established the Responsible Purchasing Policy in 2023 by integrating criteria such as sustainability, ethics, environment, and occupational health and safety into supply chain management. WAT's purchasing policy has three fundamental operational principles: -Protection -Detection -Management WAT utilizes a "Supplier Assessment Questionnaire" to better understand the environmental, social, and governance (ESG) performance of its supply chain. The questionnaire provides detailed inquiries for the preliminary assessment of suppliers' ESG performance and legal compliance. It is shared with all suppliers and serves as an acceptance condition for becoming a supplier. Every year, third-party evaluations and on-site audits are conducted based on a critical supplier list determined by purchasing volume and dependencies. This way, the ESG performance of critical suppliers and their corrective and preventive action needs are identified and managed more effectively. In the reporting year, WAT evaluated all of its 208 suppliers through this questionnaire and reassessed 54 of them through a third-party organization. This number represents 77% of the purchasing volume. WAT sets targets to increase this value. The results provided an assessment of the sustainability performance of

critical suppliers. The assessment outcomes can be summarized as follows: -Suppliers scoring below 40 do not meet WAT's ESG criteria. -Suppliers scoring between 40 and 60 conditionally meet WAT's ESG criteria. -Suppliers scoring above 60 fully meet WAT's ESG criteria. *It should be noted that any company with an unsuitable ethical score cannot be a supplier to WAT. WAT also expects its suppliers to have environmental management system certifications. A total of 47 suppliers have implemented ISO 14001 systems, and 32 suppliers have implemented ISO 50001 systems. A comprehensive action plan has been developed to enhance compliance. The goal is for all suppliers to achieve environmental and energy management system certifications by 2030. Additionally, WAT plans to organize training specifically for suppliers in 2024 to support their greenhouse gas calculations. Furthermore, WAT requests that its suppliers set climate targets to combat global climate change. As of the reporting year, 18 of its suppliers have shared their greenhouse gas reduction targets.
[Fixed row]

(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

(8.15.1) Engagement in landscape/jurisdictional initiatives

Select from:

☒ No, we do not engage in landscape/jurisdictional initiatives, and we do not plan to within the next two years

(8.15.2) Primary reason for not engaging in landscape/jurisdictional initiatives

Select from:

☒ Not an immediate strategic priority

(8.15.3) Explain why your organization does not engage in landscape/jurisdictional initiatives

Due to the nature of WAT's operations—located far from biological protection areas and not involving the production or processing of forest products—the environmental impacts related to deforestation are considered to be of low significance. Consequently, engaging in landscape (including jurisdictional) initiatives was not prioritized as critical. WAT will review its current assessments of the issue annually and ensure that opportunities for improvement are visible.
[Fixed row]

(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

Select from:

☒ Yes

(8.16.1) Provide details of the external activities to support the implementation of your policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains

Row 1

(8.16.1.1) Commodity

Select all that apply

☒ Timber products

(8.16.1.2) Activities

Select all that apply

☒ Involved in industry platforms

☒ Engaging with communities

☒ Engaging with non-governmental organizations

(8.16.1.3) Country/area

Select from:

☒ Worldwide

(8.16.1.4) Subnational area

Select from:

☒ Not applicable

(8.16.1.5) Provide further details of the activity

The management of forest ecosystems and carbon sink areas is critical in Turkey's fight against the climate crisis. Since the most widely used practices to offset carbon emissions in the fight against the climate crisis are carbon sequestration through afforestation and tree planting, WAT takes initiatives to implement this method and increase the use of this method. In the reporting year, it carried out afforestation activities both in its field of activity and in a rural settlement, setting an example for young people and children. For this study, WAT interacted and collaborated with local governments, local authorities, school administration and students. WAT is involved in initiatives to stop deforestation by establishing relationships with government agencies, industrial facilities and industry platforms to gain more

information, increase corporate awareness and disseminate good practices in the area, even suppliers. Turkish Ministry of Environment, Urbanization and Climate Change, Ministry of Agriculture and Forestry, Ministry of Energy and Natural Resources, General Directorate of Afforestation, TUBITAK, EMOSAD, CEMEP, Organized Industrial Zone Directorate, TTGV are some of them. Through these interactions, contributions are made to drive industry-wide change. Koç Group attaches great importance to complying with applicable legislation, international conventions to which the countries in which the relevant Group companies are established are parties, and the United Nations Global Compact; the company conducts its activities with the highest ethical standards and honesty and promotes a culture of "open communication" and "accountability" to prevent unethical or unlawful acts. WAT as a Koç Group company, takes an exemplary stance in the areas of sustainability and corporate social responsibility by adopting the ten principles of the UN Global Compact. Its commitment to human rights, labor standards, environment and anti-corruption constitutes the building block of WAT's business ethics and sustainability strategy. By adopting these principles, instead of focusing only on financial success, it also contributes to the goals of creating a fairer and more sustainable world by prioritizing its social and environmental responsibilities. WAT's determination to comply with the principles has contributed to its sustainability efforts as well as to its pioneering position in the sector.

[Add row]

(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Select from:

☒ No, and we do not plan to implement project(s) within the next two years

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☒ No

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

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

Mechanical and digital water meters, instant consumption tracking and monitoring system (SCADA), monthly periodic reports, and invoices.

(9.2.4) Please explain

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. The water withdrawal volumes reported in WAT's 2023 Sustainability Report have been independently verified in accordance with the AA1000AS assurance standard.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

Mechanical and digital water meters, instant consumption tracking and monitoring system (SCADA), monthly periodic reports.

(9.2.4) Please explain

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. The water withdrawal volumes reported in WAT's 2023 Sustainability Report have been independently verified in accordance with the AA1000AS assurance standard.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

-Chemical analysis -Bacteriological analysis -Physical parameters -Records for the WAT's water treatment systems control parameters.

(9.2.4) Please explain

In Turkey, the water provided by the concessionaire is regularly monitored to ensure compliance with relevant legislation. However, WAT has implemented its own water treatment system to further enhance the quality of this water source, conducting additional monitoring beyond regulatory requirements. As WAT does not rely on groundwater, the quality of water for both human consumption and process purposes is rigorously monitored by public health laboratories and WAT's own advanced monitoring equipment. Key parameters such as total and fecal coliforms, pH, BOD (Biochemical Oxygen Demand), TSS (Total Suspended Solids), temperature, turbidity, electrical conductivity, and hardness are regularly tested to ensure the highest standards of water quality.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Mechanical and digital water meters

(9.2.4) Please explain

100% of WAT's water discharges are measured and monitored on a monthly basis to ensure accurate tracking and compliance with environmental standards. The water discharge volumes reported in WAT's 2023 Sustainability Report have been independently verified in accordance with the AA1000AS assurance standard.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Water meters on discharge point

(9.2.4) Please explain

100% of water discharges by destination are monitored and measured daily and monthly by flow meters and reported monthly by the site's OIZ directorate. As WAT's production processes do not generate wastewater, discharges are mainly due to human consumption.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

-Water meters on discharge point -Flow meter

(9.2.4) Please explain

100% of water discharges by treatment method are monitored and measured daily. 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

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

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)

(9.2.4) Please explain

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)

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not relevant

(9.2.4) Please explain

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

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Water discharge quality analysis. Samples taken from the WAT's wastewater channel connection point to the OIZ wastewater treatment by OIZ Directorate.

(9.2.4) Please explain

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

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Water meters

(9.2.4) Please explain

100% of WAT's water consumption is measured and monitored continuously and monthly.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Water meters

(9.2.4) Please explain

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

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not relevant

(9.2.4) Please explain

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.

[Fixed row]

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

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

18.68

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

(9.2.2.6) Please explain

In the face of climate change, diminishing water resources, and restricted access to clean water, WAT closely monitors water management in its operations and continuously strives to improve performance. We manage and reduce industrial water usage through closed-loop systems, and we are implementing digitalization and best practice projects to enhance water reuse and better measure, control, and reduce water use. For example, our paint shop utilizes filtration systems that extend the water cycle. In the reporting year, WAT withdrew 18,68 m3 of municipal water, with 14% used for industrial processes and the remainder for human consumption. Total water consumption increased by 14% compared to the previous year (2022 water consumption: 16.44 megalitres/year). This falls within our “Higher: 11% to 19%” threshold for year-on-year comparison, as outlined below: Much Lower: -20% or more Lower: -19% to -11% About the Same: +/- 10% Higher: 11% to 19% Much Higher: 20% or more Water used for process purposes is managed through closed-loop systems. By implementing best practices and efficiency projects, we extend the lifecycle of the water used in our processes. In the reporting year, WAT continued to invest in vertical integration projects, bringing processes that were previously outsourced back in-house. These processes were deemed significant both environmentally and financially, contributing to our ESG strategy while increasing water use. For example, the installation of a low-VOC painting process and a motor housing conditioning unit, both operating with closed-loop water systems, aligned with WAT’s policy of using only closed-loop water systems. However, this resulted in an increase in process water usage by 12% in 2022 and 14% in 2023. To keep this increase below 15%, several best practices were implemented, including enhancing digital water monitoring systems, developing a water mass balance system, improving water use efficiency in our processes, and planning for the

Total discharges

(9.2.2.1) Volume (megaliters/year)

16.06

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☒ Higher

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

(9.2.2.6) Please explain

Thanks to its closed-loop production processes, WAT discharges only domestic wastewater into the local infrastructure. Despite expanding business areas, WAT consistently chooses processes that reduce or optimize water use. This approach has allowed us to maintain stable water withdrawal levels even as production has grown, with opportunities for further reductions identified in relation to output. Over the past five years, WAT has increased motor production (in kWh) by over 80%, which has led to an expansion of both our workspace and workforce. In the reporting year, approximately 86% of total water withdrawal was for human consumption, and the resulting wastewater was discharged into the treatment infrastructure of the Çerkezköy Organized Industrial Zone (OIZ). In 2023, water withdrawal for human consumption increased by 13% (1.9 megaliters) compared to the previous year. Given the 6% increase in employee numbers, this rise in water use is considered proportional and reasonable. WAT also conducts regular sewer cleanings every two years to prevent losses, leaks, and seepage. The increase in water consumption led to a rise in domestic wastewater discharge (2022: 14.16 m³, 2023: 16.06 m³), which is attributed to employee activities and increased water use related to WAT's stakeholder engagement efforts in 2023. WAT is continuing to conduct efficiency projects to decrease the water withdrawals and keep discharge's comparison threshold about the same by 2024.

Total consumption

(9.2.2.1) Volume (megaliters/year)

2.62

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☒ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in efficiency

(9.2.2.6) Please explain

At WAT, we categorize our water consumption into two main areas: human consumption and process-related usage. Water used for human consumption is discharged into the Çerkezköy OIZ wastewater treatment plant via sewage systems, and the quality of our discharge is in line with domestic standards. Water used for process purposes is managed through closed-loop systems. By implementing best practices and efficiency projects, we extend the lifecycle of the water used in our processes. In the reporting year, WAT continued to invest in vertical integration projects, bringing processes that were previously outsourced back in-house. These processes were deemed significant both environmentally and financially, contributing to our ESG strategy while increasing water use. For example, the installation of a low-VOC painting process and a motor housing conditioning unit, both operating with closed-loop water systems, aligned with WAT's policy of using only closed-loop water systems. However, this resulted in an increase in process water usage by 12% in 2022 and 14% in 2023. To keep this increase below 15%, several best practices were implemented, including enhancing digital water monitoring systems, developing a water mass balance system, improving water use efficiency in our processes, and planning for the calculation and monitoring of our water footprint. While WAT's vertical integration projects have led to an increase in process water usage, they have overall improved our water consumption by eliminating the water footprint associated with outsourced services.

[Fixed row]

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

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☒ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

18.68

(9.2.4.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.4.5) Five-year forecast

Select from:

☒ About the same

(9.2.4.6) Primary reason for forecast

Select from:

☒ Increase/decrease in efficiency

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

(9.2.4.8) Identification tool

Select all that apply

- ☒ WRI Aqueduct
- ☒ WWF Water Risk Filter

(9.2.4.9) Please explain

As a single-site operation, WAT assesses water stress using the Aqueduct Water Risk Atlas, and WWF Water Risk Filter an interactive tool recommended by the TCFD for understanding global water risks. TCFD-aligned Water Risk Scenarios help us turn risk into resilience. According to the World Resources Institute (WRI) analysis, WAT's facility, located in the Ergene River Basin, falls under the "extremely high" water stress category based on the WRI index. According to WWF Water Risk Filter for Basin Physical Risks, Turkiye has medium risk scores as 3.75 (with rank:202) area-weighted average risk scores, based on the projections for 2050 in the current trend pathway, and using the average industry weighting. According to this 2030 Physical Risk Current trend Scenario (SSP2 and RCP4.5 / RCP6.0) assessment, which consists of water scarcity, flooding, water quality and ecosystem services status risk categories, WAT's basin and operational risk score is between 3-4. To address this, WAT prioritizes investments in processes that minimize water consumption, particularly in high water-intensity operations managed through closed-loop systems. In 2023, WAT withdrew 18,677 m³ of municipal water, with 14% used for industrial processes and the remainder for human consumption. Sensor-equipped taps and aerators help regulate water usage in human consumption areas, supported by awareness campaigns aimed at reducing per capita consumption, with results reported quarterly to all employees. Process water is managed via closed-loop systems, with continuous improvements in efficiency and automation to extend water use and reduce the demand on natural resources. For instance, WAT's painting process operates within a closed-loop system, where a physical filtration mechanism separates solid and liquid components, allowing for continuous water reuse. By optimizing this system, reducing overspray in painting, and improving filtration performance, WAT reduced waste sludge by 25 tons in 2023, saving approximately 10 m³ of water for reuse in the process. Additionally, as part of its vertical integration strategy, WAT has transitioned certain critical operations from third-party suppliers in-house, both for financial and environmental benefits. While this shift has increased process water usage (from 12% in 2022 to 14% in 2023), the overall water footprint has improved by eliminating water-related impacts from external suppliers. Notable projects include the installation of low-VOC painting processes and cooling water systems, all operating within closed-loop circuits. To maintain water consumption growth below the targeted 15%, WAT has implemented best practices such as improved digital monitoring systems, water balance assessments, overspray reduction in painting processes, and ongoing efforts to minimize water content in waste sludge. Overall, WAT's vertical integration projects have led to increased process water use, but this has been offset by reduced water footprints and other environmental benefits from in-house operations. We are aware that thanks to our successful water management practices, we have seized a significant reduction opportunity for future periods. These efforts ensure efficient water management, and WAT continues to share its best practices within the industry and its supply chain.

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not use fresh surface water.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not use brackish or seawater.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not use groundwater-renewable.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not use groundwater-non-renewable.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

We do not use produced/entrained water.

Third party sources

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

18.68

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.7.5) Please explain

WAT prioritizes investments in water-efficient processes, particularly in high-intensity operations managed through closed-loop systems. In 2023, WAT withdrew 18,677 m³ of municipal water, with 14% for industrial processes and the rest for human use. Sensors and aerators regulate water in human consumption areas, supported by awareness campaigns to reduce per capita use, with results reported quarterly. Process water consumption increased in the reporting year due to vertical integration projects, which brought previously outsourced operations in-house, aligned with WAT's ESG strategy. These projects improved environmental performance but led to higher water use, rising from 12% in 2022 to 14% in 2023. Examples include closed-loop systems in aluminum injection machines and low-VOC painting processes. Measures like digital water monitoring, filtration enhancements, and overspray reduction helped extend water reuse, saving 10 m³ of water in 2023, despite the rise in overall consumption.

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

We do not discharge any water to fresh surface water.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

We do not discharge any water to brackish or sea water.

Groundwater

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

We do not discharge any water to groundwater.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☒ Relevant

(9.2.8.2) Volume (megaliters/year)

16.06

(9.2.8.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.8.5) Please explain

Thanks to its closed-loop production processes, WAT discharges only domestic wastewater into the local infrastructure. WAT uses the wastewater services provided by the Çerkezköy OIZ, where the wastewater treatment plant is monitored continuously by the Ministry of Environment, Urbanisation, and Climate Change via an online system. The OIZ sets wastewater discharge criteria and requires a sewer connection permit from companies. Non-compliance results in sanctions, but WAT, which discharges only domestic wastewater, has never faced such issues. The company also conducts regular sewer cleanings every two years to prevent losses, leaks, and seepage. The increase in water consumption led to a rise in domestic wastewater discharge (2022: 14.16 m³, 2023: 16.06 m³), which is attributed to employee activities and increased water use related to WAT's stakeholder engagement efforts in 2023.

[Fixed row]

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

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

WAT discharges only domestic wastewater into the sewerage infrastructure of the Çerkezköy Organized Industrial Zone (OIZ) in compliance with local discharge standards. No industrial wastewater is produced, and the domestic wastewater does not undergo any treatment within WAT's operations. However, once discharged into the OIZ sewer system, the wastewater is treated according to the OIZ's established treatment procedures. This ensures that all wastewater is handled in an environmentally responsible manner. Continuous monitoring of wastewater is conducted by the Ministry of Environment, Urbanisation, and Climate Change, ensuring compliance with national regulations.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

WAT discharges only domestic wastewater into the sewerage infrastructure of the Çerkezköy Organized Industrial Zone (OIZ) in compliance with local discharge standards. No industrial wastewater is produced, and the domestic wastewater does not undergo any treatment within WAT's operations. However, once discharged into the OIZ sewer system, the wastewater is treated according to the OIZ's established treatment procedures. This ensures that all wastewater is handled in an environmentally responsible manner. Continuous monitoring of wastewater is conducted by the Ministry of Environment, Urbanisation, and Climate Change, ensuring compliance with national regulations.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

WAT discharges only domestic wastewater into the sewerage infrastructure of the Çerkezköy Organized Industrial Zone (OIZ) in compliance with local discharge standards. No industrial wastewater is produced, and the domestic wastewater does not undergo any treatment within WAT's operations. However, once discharged into the OIZ sewer system, the wastewater is treated according to the OIZ's established treatment procedures. This ensures that all wastewater is handled in an environmentally responsible manner. Continuous monitoring of wastewater is conducted by the Ministry of Environment, Urbanisation, and Climate Change, ensuring compliance with national regulations.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

WAT discharges only domestic wastewater into the sewerage infrastructure of the Çerkezköy Organized Industrial Zone (OIZ) in compliance with local discharge standards. No industrial wastewater is produced, and the domestic wastewater does not undergo any treatment within WAT's operations. However, once discharged into the OIZ sewer system, the wastewater is treated according to the OIZ's established treatment procedures. This ensures that all wastewater is handled in an environmentally responsible manner. Continuous monitoring of wastewater is conducted by the Ministry of Environment, Urbanisation, and Climate Change, ensuring compliance with national regulations.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

16.06

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 100%

(9.2.9.6) Please explain

WAT's domestic wastewater is discharged directly into the sewerage infrastructure of the Çerkezköy OIZ, where it is managed according to the discharge limits set by local authorities. This wastewater is domestic, generated from human consumption rather than industrial processes. The Çerkezköy OIZ's treatment plant handles all necessary treatment steps after the discharge. Compliance with wastewater treatment standards is monitored through an online system by the Ministry of Environment, Urbanisation, and Climate Change of the Republic of Turkey. In 2023, WAT discharged 16.06 megaliters of domestic wastewater, a higher amount than in the previous year due to increased water usage. The increase is attributed to higher employee activity and stakeholder engagement throughout 2023. WAT remains compliant with all discharge standards and has never experienced any non-compliance incidents.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

WAT discharges only domestic wastewater into the sewerage infrastructure of the Çerkezköy Organized Industrial Zone (OIZ) in compliance with local discharge standards. No industrial wastewater is produced, and the domestic wastewater does not undergo any treatment within WAT's operations. However, once discharged into the OIZ sewer system, the wastewater is treated according to the OIZ's established treatment procedures. This ensures that all wastewater is handled in an environmentally responsible manner. Continuous monitoring of wastewater is conducted by the Ministry of Environment, Urbanisation, and Climate Change, ensuring compliance with national regulations.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.3) % of facilities in direct operations that this represents

Select from:

☒ 100%

(9.3.4) Please explain

WAT, as a single-site operation, assesses water stress using tools like the Aqueduct Water Risk Atlas and WWF Water Risk Filter, both recommended by the TCFD for evaluating global water risks. These tools enable WAT to turn water-related risks into resilience-building strategies. According to the World Resources Institute (WRI), WAT's facility in the Ergene River Basin falls under the "extremely high" water stress category. Using these tools, WAT evaluates potential future water risks under various climate scenarios. Even in an optimistic scenario (SSP2 RCP4.5), which projects a 1.1-2.6C increase in global temperatures, the region faces an 80% decline in surface and groundwater resources by 2030-2040. WAT's risk assessment includes not only physical risks but also the socio-economic impacts of potential imbalances in water supply and demand. While supply and demand are currently balanced, regional population growth could disrupt this balance, affecting the local community and WAT's operations. The region also faces moderate risks related to water quality, which could impact ecosystems and human health. According to the WWF Water Risk Filter, based on IPCC and SSP projections for 2050, Turkey's basin physical risk score is classified as medium, with WAT's operational risk score falling between 3-4. Risk assessments indicate a likely increase in water-related risks by 2030, with potential escalation of 0.8 points in risk score. Despite these risks, WAT's WERM process concludes that water risks do not yet pose material financial or strategic threats at an aggregate level. To mitigate these risks, WAT adopts closed-loop systems, reducing water usage in its operations and ensuring wastewater is only domestic in quality. The company also inspects sewers regularly, conducts sewer cleaning bi-annually, and performs camera inspections every two years. Rainwater harvesting systems help maintain clean water flow into the natural environment via the OIZ's rainwater system.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

208

(9.3.4) Please explain

WAT conducts water risk assessments not only for its operations but also for its supply chain, using tools like the WRI Aqueduct Water Risk Atlas and WWF Water Risk Filter. WAT has 208 suppliers, 80% of which are domestic. According to the WRI Aqueduct tool, 95% of these suppliers are located in regions categorized as "extremely high" water stress zones. Using the WWF Water Risk Filter, and considering that 80% of WAT's suppliers are based in Turkey, a country-level water risk assessment is valid. Turkey's position in global water risk distribution is classified under medium-high risk, with an area-weighted average risk score of 3.39 (Ranking: 193). The breakdown of physical water risks in Turkey includes: Water scarcity: Risk Score: 3.25, Ranking: 164 (medium) Flooding: Risk Score: 2.78, Ranking: 103 (medium) Water quality: Risk Score: 4.52, Ranking: 156 (very high) Ecosystem services status: Risk Score: 3.06, Ranking: 182 (medium) WAT also applies its Enterprise Risk Management (WERM) approach to a supplier development program, where it evaluates the Environmental, Social, and Governance (ESG) performance of its suppliers. Through this program, WAT closely monitors the risks of critical suppliers, ensuring a comprehensive understanding of water-related

vulnerabilities. WAT conducted a self-assessment survey for all 208 of its suppliers and carried out advanced evaluations, including third-party audits, covering 76.51% of the total purchasing volume across 54 significant suppliers. These evaluations have provided insights into ESG-related risks, opportunities, and dependencies, helping WAT initiate actions to mitigate water-related risks. By integrating these water risk assessments into its supplier program, WAT verifies the ongoing relevance and accuracy of its water risk strategy and ensures that both WAT and its suppliers are taking steps to address potential water-related impacts. [Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☒ Facility 1

(9.3.1.2) Facility name (optional)

WAT (Single Location)

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☒ Maritsa

(9.3.1.8) Latitude

41.303371

(9.3.1.9) Longitude

27.960112

(9.3.1.10) Located in area with water stress

Select from:

☒ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

18.68

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ Higher

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

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

18.68

(9.3.1.21) Total water discharges at this facility (megaliters)

16.06

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☒ Higher

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

(9.3.1.26) Discharges to third party destinations

16.06

(9.3.1.27) Total water consumption at this facility (megaliters)

2.62

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ About the same**(9.3.1.29) Please explain**

WAT prioritizes investments in water-efficient processes, particularly in high-intensity operations managed through closed-loop systems. In 2023, WAT withdrew 18,677 m³ of municipal water, with 14% for industrial processes and the rest for human use. Process water consumption increased in the reporting year due to vertical integration projects, which brought previously outsourced operations in-house, aligned with WAT's ESG strategy. These projects improved environmental performance but led to higher water use, rising from 12% in 2022 to 14% in 2023. Examples include closed-loop cooling water systems and low-VOC painting processes. Measures like digital water monitoring, filtration enhancements, and overspray reduction helped extend water reuse, saving 10 m³ of water in 2023, despite the rise in overall consumption. WAT discharges only domestic wastewater into the local infrastructure. WAT uses the wastewater services provided by the Çerkezköy OIZ, where the wastewater treatment plant is monitored continuously via an online system. The OIZ sets wastewater discharge criteria and requires a sewer connection permit from companies. Non-compliance results in sanctions, but WAT, which discharges only domestic wastewater, has never faced such issues. The increase in water consumption led to a rise in domestic wastewater discharge (2022: 14.16 m³, 2023: 16.06 m³), which is attributed to employee activities and increased water use related to WAT's stakeholder engagement efforts in 2023.

[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the GHG 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)). In addition, WAT has verified the Water Management metrics by the authorized institution (3rd party) within the scope of AA1000AS standard and has received an assurance statement. The metrics verified within the scope of water management are as follows. -Total water withdrawals, -Discharged water, -Process water usage, -Ratio of process water recycling and reuse, -Ratio of water recycling and reuse in total water withdrawal, -Total TSS, Total COD, Total Oil and Grease (The calculations have been based on the results of wastewater quality analysis). By verifying these data sets, WAT is demonstrating its commitment to accurately measuring and managing its 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.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the GHG 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)). In addition, WAT has verified the Water Management metrics by the authorized institution (3rd party) within the scope of AA1000AS standard and has received an assurance statement. The metrics verified within the scope of water management are as follows. -Total water withdrawals, -Discharged water, -Process water usage, -Ratio of process water recycling and reuse, -Ratio of water recycling and reuse in total water withdrawal, -Total TSS, Total COD, Total Oil and Grease (The calculations have been based on the results of wastewater quality analysis). By verifying these data sets, WAT is demonstrating its commitment to accurately measuring and managing its 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.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) 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.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the GHG 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)). In addition, WAT has verified the Water Management metrics by the authorized institution (3rd party) within the scope of AA1000AS standard and has received an assurance statement. The metrics verified within the scope of water management are as follows. -Total water withdrawals, -Discharged water, -Process water usage, -Ratio of process water recycling and reuse, -Ratio of water recycling and reuse in total water withdrawal, -Total TSS, Total COD, Total Oil and Grease (The calculations have been based on the results of wastewater quality analysis). By verifying these data sets, WAT is demonstrating its commitment to accurately measuring and managing its 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.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the GHG 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)). In addition, WAT has verified the Water Management metrics by the authorized institution (3rd party) within the scope of AA1000AS standard and has received an assurance statement. The metrics verified within the scope of water management are as follows. -Total water withdrawals, -Discharged water, -Process water usage, -Ratio of process water recycling and reuse, -Ratio of water recycling and reuse in total water withdrawal, -Total TSS, Total COD, Total Oil and Grease (The calculations have been based on the results of wastewater quality analysis). By verifying these data sets, WAT is demonstrating its commitment to accurately measuring and managing its 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.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☒ Not relevant

(9.3.2.3) Please explain

As WAT, we only discharge our domestic wastewater to the sewage infrastructure of Çerkezköy Organized Industrial Zone (OIZ) in accordance with the discharge limit standards determined by local governments. Since these wastewaters are conveyed to the OIZ wastewater treatment plant and treated according to the treatment procedures determined by the OIZ, WAT does not need to install a treatment plant. WAT has the entire volume transmitted from its facilities to the wastewater connection channel with special permission verified within the scope of ISO 14064-1 standard and AA1000AS.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the GHG 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)). In addition, WAT has verified the Water Management metrics by the authorized institution (3rd party) within the scope of AA1000AS standard and has received an assurance statement. The metrics verified within the scope of water management are as follows. -Total water withdrawals, -Discharged water, -Process water usage, -Ratio of process water recycling and reuse, -Ratio of water recycling and reuse in total water withdrawal, -Total TSS, Total COD, Total Oil and Grease (The calculations have been based on the results of wastewater quality analysis). By verifying these data sets, WAT is demonstrating its commitment to accurately measuring and managing its 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.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

WAT has undergone the ISO 14064 Greenhouse Gas Verification for the GHG 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)). In addition, WAT has verified the Water Management metrics by the authorized institution (3rd party) within the scope of AA1000AS standard and has received an assurance statement. The metrics verified within the scope of water management are as follows. -Total water withdrawals, -Discharged water, -Process water usage, -Ratio of process water recycling and reuse, -Ratio of water recycling and reuse in total water withdrawal, -Total TSS, Total COD, Total Oil and Grease (The calculations have been based on the results of wastewater quality analysis). By verifying these data sets, WAT is demonstrating its commitment to accurately measuring and managing its 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.

[Fixed row]

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

(9.5.1) Revenue (currency)

(9.5.2) Total water withdrawal efficiency

155246252.68

(9.5.3) Anticipated forward trend

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.
[Fixed row]

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

	Products contain hazardous substances
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(9.13.1) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Row 1

(9.13.1.1) Regulatory classification of hazardous substances

Select from:
☒ Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

☒ 10-20

(9.13.1.3) Please explain

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. 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. 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.

Row 2

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☒ Candidate List of Substances of Very High Concern (UK Regulation)

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

☒ 10-20

(9.13.1.3) Please explain

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. 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. 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.

Row 3

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☒ Other, please specify :Directive 2011/65/EU RoHS

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

☒ Less than 10%

(9.13.1.3) Please explain

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. 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. 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.

Row 5

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☒ Other, please specify :WAT Restricted/Substance List and WAT Chemical Compliance Specification

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

☒ More than 80%

(9.13.1.3) Please explain

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.

[Add row]

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

(9.14.1) Products and/or services classified as low water impact

Select from:

☒ No, but we plan to address this within the next two years

(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact

Select from:

☒ Judged to be unimportant, explanation provided

(9.14.4) Please explain

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. 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.

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☒ Yes

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

	Target set in this category
Water pollution	Select from: <input checked="" type="checkbox"/> Yes
Water withdrawals	Select from: <input checked="" type="checkbox"/> Yes
Water, Sanitation, and Hygiene (WASH) services	Select from: <input checked="" type="checkbox"/> Yes
Other	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:
☒ Target 1

(9.15.2.2) Target coverage

Select from:
☒ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Product water intensity

☒ Reduction per unit of production

(9.15.2.4) Date target was set

12/31/2021

(9.15.2.5) End date of base year

12/30/2021

(9.15.2.6) Base year figure

7.51

(9.15.2.7) End date of target year

12/30/2023

(9.15.2.8) Target year figure

6.66

(9.15.2.9) Reporting year figure

8.28

(9.15.2.10) Target status in reporting year

Select from:

☒ Underway

(9.15.2.11) % of target achieved relative to base year

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

- ☒ Fair Water Footprints
- ☒ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

The target for WAT is to reduce total water withdrawal across all operations from 7.51 liters per product kW in 2022 to 6.66 liters per motor kW by 2025. The motor kW value represents the total kW output of electric motors produced during the relevant reporting year and provides a more technically accurate measure of water consumption per product.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

By 2021, WAT maintained water use at 16.46 million liters despite increased production. With various reduction efforts, consumption dropped to 16.44 million liters in 2022. However, as a natural consequence of vertical integration investments—where certain processes previously handled by service providers were brought in-house, as identified in WAT's risk and opportunity assessment—there has been an increase in water consumption points. It should be noted that these outsourced processes, including water usage, have higher environmental impacts. From a collective perspective, WAT has reduced the water footprint of its operations, but water withdrawal has increased during the reporting year as 8.28 L/motor kWh. Looking ahead, WAT sees opportunities to implement best practices in these newly integrated processes, aligning fully with its ESG strategies to achieve reductions. WAT is confident that it will leverage these opportunities, and the target remains unchanged.

(9.15.2.16) Further details of target

WAT will implement best practices to align with ESG strategies and leverage opportunities for reduction. Key initiatives include digital tracking, process efficiency, investments in dry processes, improving awareness of water conservation, conducting water-related campaigns, producing energy-efficient products for water-using sectors, improving suppliers' ESG-related performance monitoring and supplier ESG indices.

Row 2

(9.15.2.1) Target reference number

Select from:

- ☒ Target 2

(9.15.2.2) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☒ Increase in investment related to reducing water withdrawals

(9.15.2.4) Date target was set

12/31/2021

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

0.0

(9.15.2.7) End date of target year

12/30/2025

(9.15.2.8) Target year figure

1.0

(9.15.2.9) Reporting year figure

1

(9.15.2.10) Target status in reporting year

Select from:

☒ Achieved and maintained

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☒ Fair Water Footprints

☒ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

WAT has decided to support its water-dependent processes with this goal in order to operate them using closed-loop systems, to invest in processes that use only closed-loop water, and to provide strategic assurance in these decisions.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

WAT runs its water-dependent processes using closed-loop systems. The withdrawn water is supplied to closed-loop processes according to their specific needs. Apart from the processes, water is used for human consumption. By 2025, the goal is to convert a water consumption point into a closed-loop system. Once this pilot point has been identified, the goal is to encourage the widespread adoption of closed-loop systems in the long term. In the reporting year, WAT established its motor housing conditioning unit as a closed loop and continued to invest only in systems with a closed water cycle.

(9.15.2.16) Further details of target

WAT will establish and implement the water mass balance methodology, as well as determine and implement a method for internal Corporate water footprint reporting according to the ISO 14046 standard. In this way, WAT will have the opportunity to evaluate water-related risks and opportunities, and to develop projects for improvements.

[Add row]

C10. Environmental performance - Plastics

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

(10.1.1) Targets in place

Select from:

☒ Yes

(10.1.2) Target type and metric

Plastic polymers

- ☒ Reduce the total weight of virgin content in plastic polymers produced and/or sold
- ☒ Increase the proportion of post-consumer recycled content in plastic polymers produced and/or sold
- ☒ Reduce or eliminate the use of hazardous substances
- ☒ Reduce the use of polymers with properties that may hinder their reusability, recyclability and disposal

Plastic packaging

- ☒ Reduce the total weight of plastic packaging used and/or produced
- ☒ Eliminate problematic and unnecessary plastic packaging
- ☒ Eliminate single-use plastic packaging

Plastic goods/products

- ☒ Eliminate single-use plastic products
- ☒ Reduce the total weight of plastics in our goods/products
- ☒ Increase the proportion of plastic goods/products which are reusable
- ☒ Eliminate problematic and unnecessary plastics within our goods/products
- ☒ Increase the proportion of our goods/products that are recyclable in practice and at scale

Microplastics

- ✓ Reduce the potential release of microplastics and plastic particles
- ✓ Other microplastics target, please specify : targets related with ban for IPC and reducing EPS usage

End-of-life management

- ✓ Increase the proportion of recyclable plastic waste that is collected, sorted, and recycled
- ✓ Reduce the proportion of plastic waste which is sent to landfill and/or incinerated

Extended Producer Responsibility (EPR)

- ✓ Ensure compliance with EPR policies and schemes
- ✓ Adhere to eco-design requirements
- ✓ Other Extended Producer Responsibility target, please specify : rate of EPS usage

(10.1.3) Please explain

As part of our sustainability strategy, WAT has established two working groups to address plastics-related goals: Sustainable Products Working Group: This group focuses on reducing the use of plastics in our products and ensuring that the plastics we do use are environmentally friendly, reusable, or recyclable at the end of their lifecycle. Their efforts include identifying alternatives to traditional plastics and metals used in our products. Sustainable Manufacturing Working Group: This group promotes the efficient use of plastics in our production processes, minimizes plastic waste, and raises employee awareness of sustainable practices. We are proud to report that all plastics used in our packaging are currently 100% recyclable, and we are committed to reducing plastic usage in future designs. One of our key targets is to increase the recycled content of plastics in our products to 30% by 2030. Through the activities of the working groups, key indicators are identified and monitored to realize the plastic-related strategies of WAT. The highlights are as follows: EPS-Free Packaging: In 2023, our risk assessment led to a significant shift towards EPS-free packaging. This aligns with our commitment to reducing plastic use and its environmental impact. The transition is part of our larger initiative, which includes designing EPS-free packaging materials and reducing the proportion of EPS in our supply chain. Biodiversity and Anti-Deforestation Policy: In addition to focusing on plastics, we have developed a policy to preserve biodiversity and combat deforestation. This policy ensures that our suppliers comply with biodiversity and deforestation prevention measures. Through continuous monitoring and improvement initiatives, we aim to reduce deforestation risks across the supply chain. Recycled Content and Circularity: We aim to incorporate more recyclable materials in our products. By 2026, our goal is to use 100% recyclable materials in our packaging. Our R&D teams are working on alternatives to EPS and exploring new materials to enhance sustainability. EPS Reduction Initiative: Our goal to reduce EPS usage involves several steps such as below. -Identifying packaging sets that use EPS (completed), -Determining EPS consumption (completed), -Researching EPS alternatives, -Engaging suppliers to evaluate their proposals, -Conducting benchmarking and monitoring international regulations, -Designing and prototyping EPS-free packaging alternatives. Further Details of EPS Reduction Target: -We aim to reduce EPS use by 50% within two years, with the goal of eliminating EPS from all new packaging designs by 2030. -We will adopt recyclable alternatives for 100% of our packaging by 2026. -By mid-2025, we will collaborate with Tier 1 suppliers to source viable alternatives to EPS. -We will track the environmental benefits, such as reductions in carbon footprint and waste, associated with decreased EPS usage. -We will ensure full alignment with international EPS packaging bans, ensuring compliance ahead of upcoming regulations. In addition to the actions taken to reduce plastic waste in production, WAT has implemented several measures to minimize waste in packaging processes. Plastic-based equipment in production is reused and repurposed, reducing the need for new materials. Furthermore, WAT, in collaboration with its suppliers, has transitioned shared plastic

crates to metal ones, significantly reducing both plastic usage and waste. These efforts form part of WAT's broader sustainability strategy, aimed at minimizing environmental impact and promoting efficient material use across the supply chain.

[Fixed row]

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

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

WAT does not produce plastic polymers.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

WAT does not produce durable plastic components.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☒ Yes

(10.2.2) Comment

In the production of WAT, plastic components are used as a component of the product.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

WAT does not produce plastic packaging.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

☒ Yes

(10.2.2) Comment

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 0.0472 kg of recyclable plastic. All purchased packaging materials are 100% recyclable and meet product safety and quality standard.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

☒ Yes

(10.2.2) Comment

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. 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.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

☒ Yes

(10.2.2) Comment

In accordance with its responsible production and consumption approach, WAT carries out activities for the management of wastes arising from production operations and water management.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

WAT activities do not include financial products and/or services related to plastics.

Other activities not specified

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

WAT activities do not include other specified plastic-related activities.

[Fixed row]

(10.4) Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Durable goods and durable components used

(10.4.1) Total weight during the reporting year (Metric tons)

260

(10.4.2) Raw material content percentages available to report

Select all that apply

☒ % pre-consumer recycled content

(10.4.5) % pre-consumer recycled content

10

(10.4.7) Please explain

The electric motors produced by WAT consist of 97-98% metal contents. During production, plastic-containing components are used as part of the main product, such as cable parts, sealing and insulation materials. The share of plastic components used in the product is around 1.6%. In the reporting year, 20.6 tonnes of plastic-containing material was used to produce our motors (data verified according to ISO 14064-1:2018 and AA1000AS standard). It is known that during the production of plastic-containing materials by suppliers, up to 10% of their wastes are recycled in production.

[Fixed row]

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

Plastic packaging used

(10.5.1) Total weight during the reporting year (Metric tons)

20.6

(10.5.2) Raw material content percentages available to report

Select all that apply

☒ None

(10.5.7) Please explain

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. In the reporting year, 20.6 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% technically recyclable. WAT sets targets for the use of recycled content in packaging and allocates resources to projects aimed at achieving these targets.

[Fixed row]

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

Plastic packaging used

(10.5.1.1) Percentages available to report for circularity potential

Select all that apply

☒ % technically recyclable

(10.5.1.3) % of plastic packaging that is technically recyclable

100

(10.5.1.5) Please explain

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. As a result of this approach, the plastics of WAT's products and packaging can be 100% technically recyclable.
[Fixed row]

(10.6) Provide the total weight of waste generated by the plastic you produce, commercialize, use and/or process and indicate the end-of-life management pathways.

Production of plastic

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

0

(10.6.2) End-of-life management pathways available to report

Select all that apply

☒ Recycling

(10.6.4) % recycling

100

(10.6.12) Please explain

Since WAT does not have plastic production processes, it does not have special wastes for these processes.

Commercialization of plastic

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

0

(10.6.2) End-of-life management pathways available to report

Select all that apply

☒ Recycling

(10.6.4) % recycling

100

(10.6.12) Please explain

Since the commercialization of plastic is not included in WAT's activities, it does not have special wastes for these activities.

Usage of plastic

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

125

(10.6.2) End-of-life management pathways available to report

Select all that apply

☒ Recycling

(10.6.4) % recycling

100

(10.6.12) Please explain

WAT collects and separates plastic waste from production and packaging at the source, ensuring no mixing of different types for optimal recycling. The waste is sent to licensed recycling facilities, regularly audited for compliance. WAT reports waste quantities annually to the Ministry of Environment and verifies its data under ISO 14064-1:2018. Waste percentages are based on direct measurements, not estimations, and tracked through specialized tools. While recycling rates remain stable, efficiency improvements may reduce waste slightly. WAT's comprehensive system ensures accurate tracking, verification, and reporting of plastic waste, aligning with its sustainability and regulatory commitments.

Processing of plastic waste

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

0

(10.6.2) End-of-life management pathways available to report

Select all that apply

☒ Recycling

(10.6.4) % recycling

100

(10.6.12) Please explain

Since WAT activities do not include the processing of plastic waste, they do not have special wastes for these processes.
[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☒ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

- ☒ Land/water protection
- ☒ Land/water management
- ☒ Education & awareness
- ☒ Law & policy
- ☒ Other, please specify :Impact assessment for biodiversity, mitigation activities (chemical management, projects for the transition of environmentally friendly alternative materials, water conservation, resource conservation, setting and monitoring internal targets, etc.)

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from:

	Does your organization use indicators to monitor biodiversity performance?
	<input checked="" type="checkbox"/> No, we do not use indicators, but plan to within the next two years

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	Select from: <input checked="" type="checkbox"/> No	WAT activities are not located in or near a Legally protected area.
UNESCO World Heritage sites	Select from: <input checked="" type="checkbox"/> No	WAT activities are not located in or near a UNESCO World Heritage sites.
UNESCO Man and the Biosphere Reserves	Select from: <input checked="" type="checkbox"/> No	WAT activities are not located in or near a UNESCO Man and the Biosphere Reserves.
Ramsar sites	Select from: <input checked="" type="checkbox"/> No	WAT activities are not located in or near a Ramsar sites.
Key Biodiversity Areas	Select from: <input checked="" type="checkbox"/> No	WAT activities are not located in or near a Key Biodiversity Area.
Other areas important for biodiversity	Select from: <input checked="" type="checkbox"/> No	WAT activities are not located in or near a biodiversity significant area or in a protected area.

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Plastics

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☒ All data points in module 7

(13.1.1.3) Verification/assurance standard

General standards

☒ AA1000AS

(13.1.1.4) Further details of the third-party verification/assurance process

The verification/assurance statement is renewed every year. All data shared on climate change is verified. This validation includes WAT's activities at all locations, direct operations, upstream/downstream value chain, scope-1, scope-2 and scope 3 emissions, sources. The verification provides a verification for the greenhouse gas inventory within the scope of ISO 14064-1 and a limited assurance statement according to the AA1000 standard.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

WAT_AA1000AS.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Climate change

☒ Forests

☒ Water

☒ Plastics

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☒ All data points in module 7

(13.1.1.3) Verification/assurance standard

Climate change-related standards

☒ ISO 14064-1

(13.1.1.4) Further details of the third-party verification/assurance process

The verification/assurance statement is renewed every year. All data shared on climate change is verified. This validation includes WAT's activities at all locations, direct operations, upstream/downstream value chain, scope-1, scope-2 and scope 3 emissions, sources. The verification provides a verification for the greenhouse gas inventory within the scope of ISO 14064-1 and a limited assurance statement according to the AA1000 standard.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

WAT_verification_opinion_statement.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Business strategy

☒ Scenario analysis

☒ Transition plans

(13.1.1.3) Verification/assurance standard

Climate change-related standards

☒ Other climate change verification standard, please specify :SBTi

(13.1.1.4) Further details of the third-party verification/assurance process

We have committed to set a near- and long-term company-wide emission reductions in line with science-based net-zero with the Science Based Targets initiative.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

the Science Based Targets initiative.pdf

Row 4

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Plastics

(13.1.1.2) Disclosure module and data verified and/or assured

Business strategy

- ☒ Other data point in module 5, please specify :ESG approach, ESG metrics, GRI Index

(13.1.1.3) Verification/assurance standard

Climate change-related standards

- ☒ Other climate change verification standard, please specify :GRI

(13.1.1.4) Further details of the third-party verification/assurance process

In the Sustainability report prepared by WAT for the reporting year, climate, water, forest, plastic data were shared and assurance evidence was included. The WAT Sustainability report is GRI approved.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

PSI-02467 · WAT.pdf
[Add row]

(13.2) 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.

(13.2.1) Additional information

WAT was a production factory under Arçelik until 2018. By the half of 2018, it was partially demerged from Arçelik, and Arçelik continued to be its mother company. In 2021, as part of its growth strategy and sustainability efforts to create value, WAT underwent a complete demerger from Arçelik and became a separate Koç Holding company, just like Arçelik. Building on the sustainability leadership experience of Arçelik in the industry, WAT rapidly established its systems and took responsibility for environmental sustainability, climate, water risks, and other ESG requirements. WAT continues to collaborate 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, as well as creating shared value through sustainable practices in the procurement process.

(13.2.2) Attachment (optional)

Arcelik&WAT_PurchasingSystem_NDA.pdf
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Finance, Risk Management and Compliance Director, CFO.

(13.3.2) Corresponding job category

Select from:

☒ Chief Financial Officer (CFO)

[Fixed row]

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

Select from:

☒ No