Embedding Sustainability into Our Business

WAT 2024 Sustainability Report

Content

Inside this year's report

As Turkey's largest motor exporter, we are honored and proud to present to you our second Sustainability Report, which covers our progress on our sustainability journey and our environmental, social, and governance (ESG) performance for the reporting period from January 1, 2024, to December 31, 2024. This report reflects our company's more than half a century of history, our determined vision, and our forward-looking strategy. Guided by this vision and strategy, and as a company dedicated to producing durable and highly efficient products, we strive to measure the impacts we create and to continuously improve them.

This report has been prepared under the theme of "Embedding Sustainability in Our Business." This theme reflects our corporate principles in every section representing WAT's business model and decision-making processes, emphasizing the importance of the central role sustainability holds for our business. Through this report, we transparently present how we assess the current and potential impacts of our activities, develop our strategies accordingly, and aim to create value for all our stakeholders.

Our report is structured around the three main pillars of sustainability—environmental, social, and governance. In these categories, it showcases our performance indicators, best practices, projects, and current status, while also highlighting our commitment to the core principles and approaches in each area.

The WAT Sustainability Report for the period January 1, 2024, to December 31, 2024, has been prepared in alignment with the Global Reporting Initiative (GRI) Universal Standards. In addition, our report transparently presents our social, environmental, and ethical performance by utilizing the Carbon Disclosure Project (CDP), International Labour Organization (ILO) standards, the Greenhouse Gas (GHG) Protocol, and other internationally recognized leading principles and frameworks. During its preparation, we also reviewed the International Financial Reporting Standards (IFRS) and the Türkiye Sustainability Reporting Standards (TSRS), and included updates on our progress regarding the United Nations Global Compact (UNGC) Communication on Progress.

The selected data and financial indicators in our report have been audited by independent organizations, and our sustainability performance indicators have been verified through an Assurance Report in accordance with AA1000. Our Scope 1, 2, and 3 greenhouse gas (GHG) emissions from operations are audited and verified by a third-party organization in compliance with ISO 14064-1:2018.

Based on the results of our double materiality analysis, and with our collaborative approach to building a sustainable future, we have shaped this report around the priorities of our stakeholders. In line with the feedback received on WAT's first sustainability report—WAT 2023 Sustainability Report—we have provided more detailed coverage of the topics of interest in this year's report.

To ensure continuous improvement, we kindly invite you, our valued stakeholders, to share your valuable opinions, suggestions, and/or complaints through the contact details provided below:

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@watmotor

Report Structure

Our report has been designed in an interactive format and consists of three main sections. On the table of contents page, all main and sub-sections can be viewed together, and readers can navigate to the desired section by clicking on the relevant headings. Within each page, navigation buttons allow users to move forward or backward, directing them either to the table of contents page or to the main page of the current section.

CEO's Letter

Dear Stakeholders,

We are delighted to share with you our projects, achievements, and future commitments as we conclude another reporting period.

In 2024, a year marked by deepening global challenges and the climate crisis, we integrated our commitment to sustainability as an inseparable part of our business.

As highlighted in the Intergovernmental Panel on Climate Change's (IPCC) AR6 report, energy efficiency, particularly in the industrial sector, has emerged as a critical mitigation area to limit the temperature increase to 1.5°C. 2024 was a historic year, as global temperatures for the first time exceeded 1.5°C above pre-industrial levels for an entire year. This development served as a powerful reminder to all of us of the urgent need for action against the climate crisis. In response, we have shifted our focus beyond a perspective solely based on efficiency and productivity to a new way of thinking and acting, shaping all our decisions based on the positive impact they will have on people and the planet.

Through our strategy, which is structured around Environmental, Social, and Governance (ESG) principles, we aim to minimize our environmental impact. We have committed to our carbon reduction target with the Science Based Targets initiative (SBTi), setting our goal to be carbon neutral by 2050 and clarifying our roadmap with short-term commitments. We are proud to be the first company in our country to declare to the SBTi in our sector.

We have placed eco-design principles at the heart of our production processes, developing innovative designs that increase energy and resource efficiency. Thanks to our high-energy-efficient motors, 100% green electricity usage in our operations, and carbon reduction projects, we successfully reduced our greenhouse gas emissions by 38% in 2024 compared to the base year.

In an era of rapidly diminishing resources and various societal challenges, we act with a mindset that is not only productive but also a part of the solution, creating value. We have adopted an innovative and supportive approach, developing human-centric work methods, and we feel a part of this transformation toward a better future.

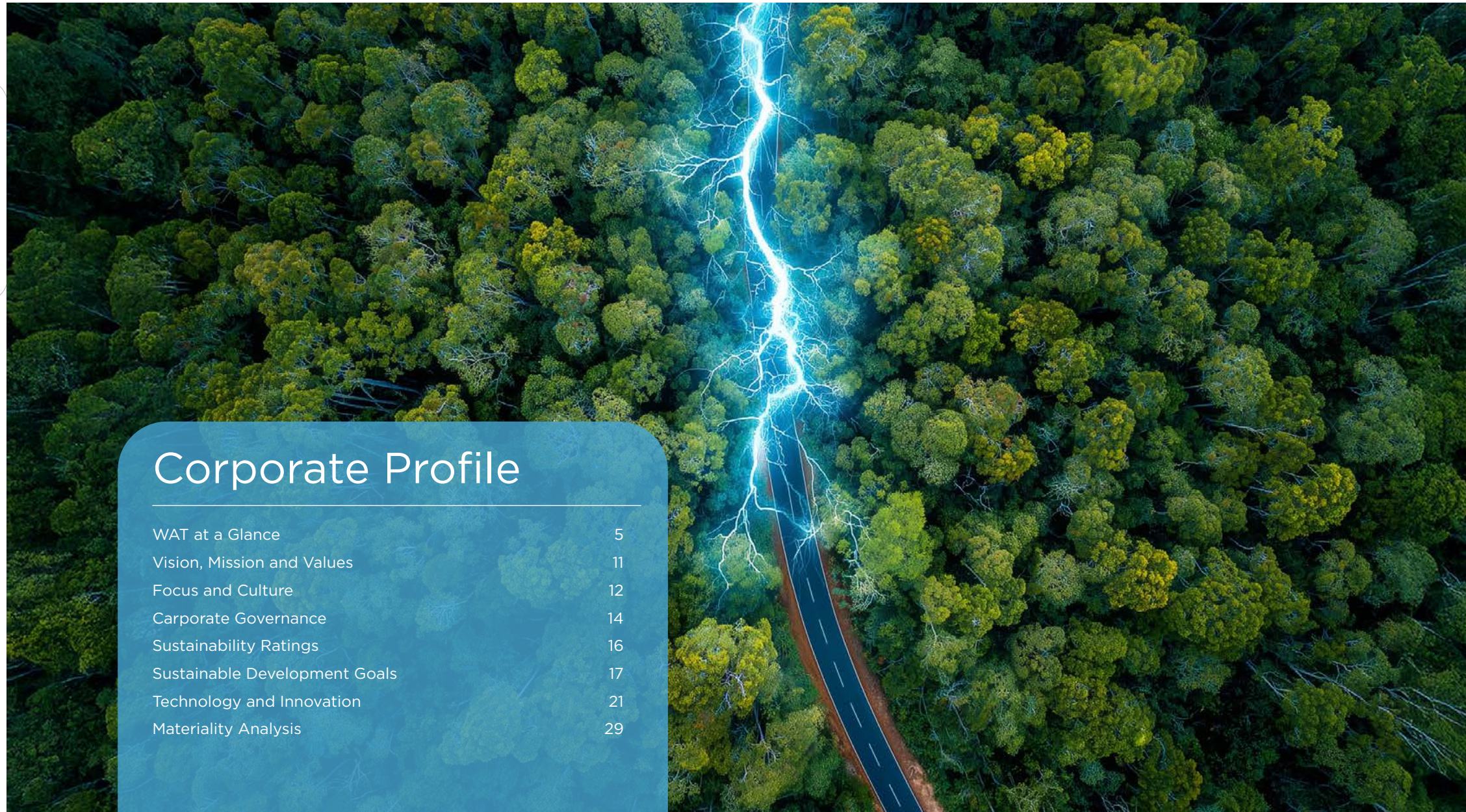
We are taking concrete steps to strengthen equality in society. In 2024, we fulfilled our short-term commitment by increasing our female employee ratio to 15.2%. We are steadfastly committed to protecting women from all forms of discrimination and creating an equal and inclusive work environment.

With a responsible governance approach, we manage our supply chain with a collective consciousness. We support the development of our suppliers and build a stronger value chain together. We are aware that our products play a significant role in achieving global and national climate targets. With this understanding, we are strengthening our commitment to meeting sustainability standards and seeking new ways to increase the value we add for our stakeholders.

All these efforts are "at the core of our business" as part of our sustainability policy. This report serves as a powerful call to action, placing environmental, social, and governance (ESG) goals at the center of our business model.

We hope that every stakeholder who reads this report will internalize sustainability, play an active role in achieving our common goals, and together, we will build a more livable future. We believe that the future will be shaped by the collective will we build today.

Sincerely,
Alp KARAHASANOĞLU

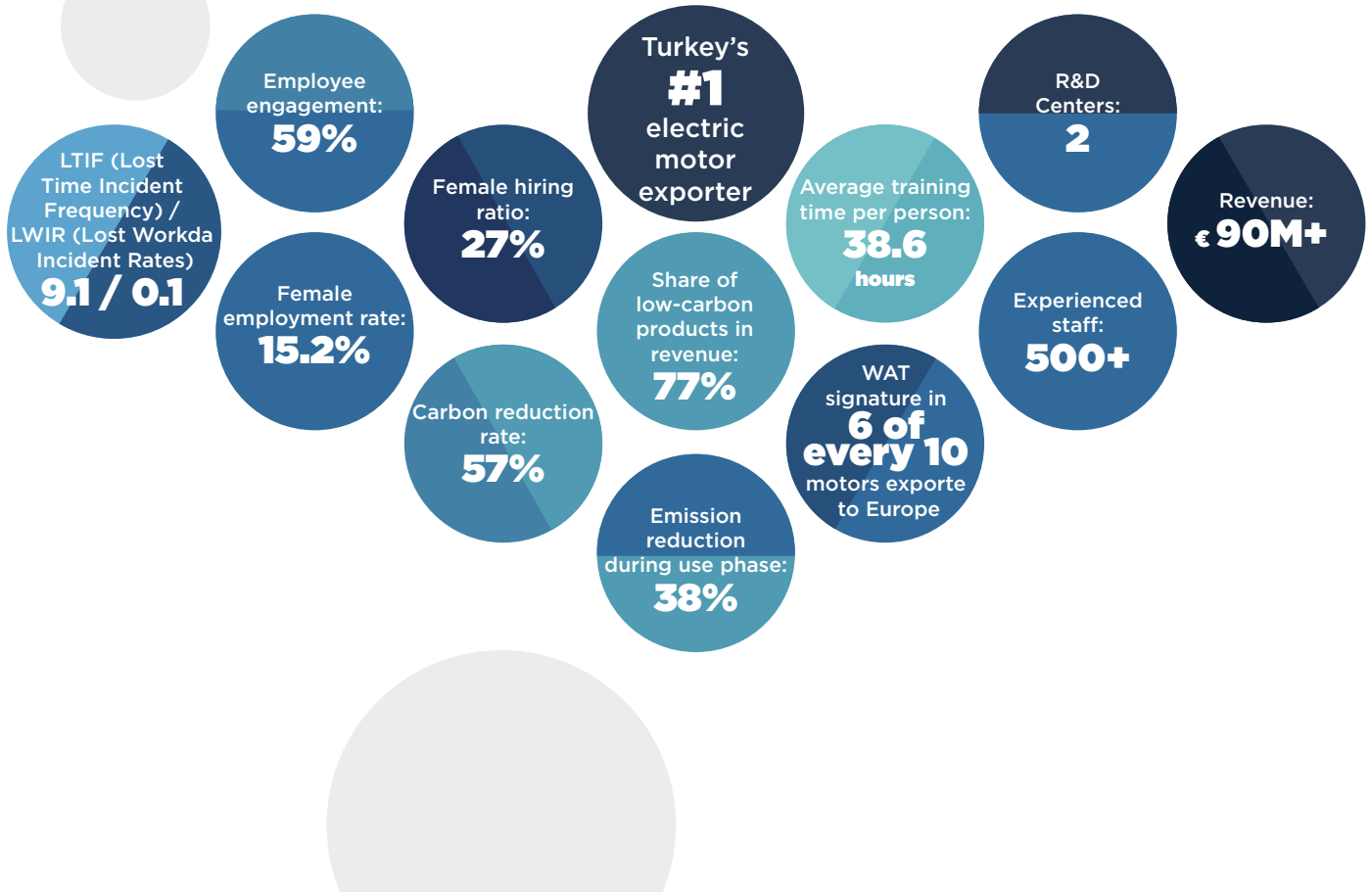


Corporate Profile

Corporate Profile | WAT at a Glance

WAT Motor, one of Turkey's leading electric motor manufacturers and its top exporter, has been delivering high-efficiency, high-quality, and reliable solutions in the electric motor industry since 1965. Operating under Koç Group, the company has established a strong position in both domestic and international markets by developing motors with high energy efficiency. Since 2022, through strategic investments and expansion into new business areas, WAT Motor has transformed from a traditional electric motor designer and manufacturer into a versatile technology brand. It now offers innovative products and solutions in motion control technologies, AC/DC electric vehicle (EV) charging systems, and autonomous system technologies. Today, with over 700 employees, an annual production capacity exceeding one million units, exports to more than 50 countries, and two R&D centers, WAT Motor contributes to shaping global sustainable industry. Embracing a long-term value creation approach in environmental, social, and governance (ESG) areas, the company aligns with Koç Holding's "For a Better Future" vision. It adopts a management strategy grounded in climate action, social benefit, and ethical business practices. WAT Motor aims to reduce its carbon footprint by developing energy-efficient motor technologies and increasing resource efficiency in its production processes. It targets net-zero emissions by 2050. The company also works to minimize its environmental impact through the use of recyclable materials and the reduction of waste and water consumption. While supporting employees' physical, mental, and social well-being, it offers an inclusive, fair, and safe work environment.

2024 Highlights



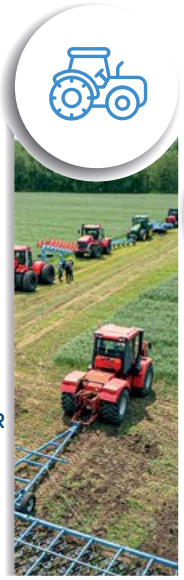
Corporate Profile | **WAT at a Glance**

WATER & WASTEWATER MANAGEMENT

AIR COMPRESSORS & VACUUM PUMPS

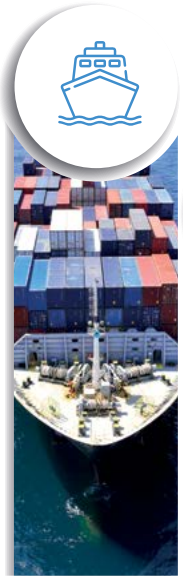
HEATING, VENTILATION, AIR CONDITIONING & COOLING

AGRICULTURE & INDUSTRIAL MACHINERY



MATERIAL HANDLING & LIFTING

SHIPBUILDING & MARINE



RENEWABLE ENERGY

DURABLE GOODS

MOTION CONTROL SYSTEMS

E-MOBILITY

AUTONOMOUS SYSTEMS

Corporate Profile | WAT at a Glance

Products - Industrial Motors

THREE-PHASE ALUMINIUM MOTORS

Highly energy-efficient, quiet, durable and long lasting three phase motors with aluminium housing.

THREE-PHASE CAST-IRON MOTORS

Three-phase motors with a very high strength and protection class for harsh conditions.

SINGLE PHASE MOTORS

Quiet, durable, long-life single-phase motors with permanent and start-up capacitors.

SMOKE EXTRACTION MOTORS

Highly temperature-resistant, reliable, certified (2 hours 300°C) smoke exhaust fan motors.

BRAKE MOTORS

Reliable, durable, modular three-phase motors with various brake options.

MARINE MOTORS

Highly corrosion-protected and certified (Bureau Veritas, ABS) aluminium and cast-iron housing motors for the shipbuilding and marine industry.

DURABLE GOODS ELECTRIC MOTORS

Highly energy-efficient new generation brushless DC electric motors and pumps for washing machines, tumble dryers and dishwashers.

EC MOTOR

EC Motor series, which minimizes energy consumption with high efficiency, is an environmentally friendly option. A greener future with a low carbon footprint.

Corporate Profile | WAT at a Glance

Products - Motion Control Technologies

SERVO MOTORS

Low inertia servo systems with high energy density and control precision for defense and industrial applications.

INVERTED INTEGRATED MOTORS

Compact, heat- and vibration-resistant, integrated drive motor systems that provide local process optimization and high system efficiency.

INDUSTRIAL DRIVES

motor drives suitable for years of trouble-free operation even in high temperature and dusty environments.

MİCRO DC MOTOR

Long life and high operational safety

Corporate Profile | WAT at a Glance

Products - Autonomous System Technologies

Guided by the motto “Factories of the Future”, we are advancing toward smarter manufacturing through autonomous solutions that enhance internal logistics and introduce fast, efficient, stable, and safe production systems.

Corporate Profile | WAT at a Glance

Products - AC/DC EV Charger Solutions

WAT offers 35 types of EV chargers that it manufactures in the production lines it established with the Product Life Cycle Tribe organization and supplies products and accessories that comply with the standards in cooperation with Zerova. In addition to its production, all the products it supplies are processed in WAT production lines for user-specific demands and passed through the quality control process. It consists of wall-mounted AC chargers in 15 different codes in two main product ranges of 7-22 kW for individual needs and DC fast chargers in 15 different codes at 60-180 kW power levels for on-road charging needs.

Corporate Profile | Vision, Mission and Values

Vision

To become a center of excellence in motors and motion control, leading in high-tech products within its sector, both in exports and the Turkish market.

Mission

We are here to empower our customers with our experienced team, environmentally responsible and agile organization, and flexibility in design and production.

Corporate Values for a Sustainable Future

At WAT Motor, sustainability is not only an environmental responsibility but also an integral part of the way we do business. Guided by our vision, we are committed to offering socially and environmentally responsible solutions by combining technology, innovation, and a people-centered approach.

In line with our mission, we aim to create value for our customers with robust, high-efficiency, and innovative motor technologies while contributing to a sustainable future in collaboration with all our stakeholders—from employees to business partners.

1. High Quality & Durable Products
   - We create value for our customers by developing long-lasting, high-performance products.
   - We never compromise on quality at any stage of design, technology, or production.
2. Innovation & Technology
   - We develop innovative solutions by following pioneering technologies in the industry.
   - With a mindset of continuous improvement, we create differentiation through innovative products and services.
3. Efficiency & Flexibility
   - We design energy-efficient products to provide sustainable solutions.
   - By understanding customer needs and expectations, we respond with agile approaches and develop value-oriented solutions.
   - Our long-term goal is to reduce energy costs for both our customers and our company.
4. Commitment & Teamwork
   - We foster trust-based and sustainable relationships with customers and stakeholders through team spirit.
   - We embrace an inclusive culture that supports the development of employees through a learning organization mindset.

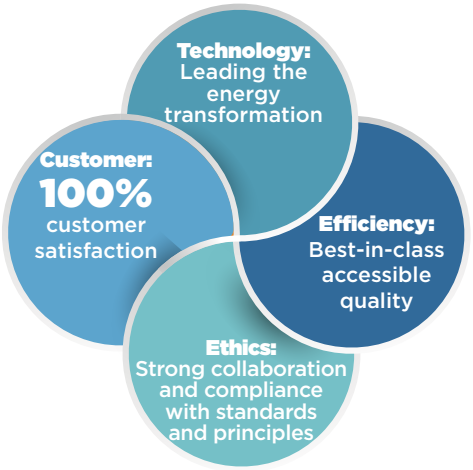
Corporate Profile | Focus and Culture

Focus

WAT Motor focuses on providing high-performance, energy-efficient, and sustainable solutions in the fields of industrial motors, motion control technologies, and industrial autonomous devices.

- Create impact in the industry by focusing on technology and innovation.
- Deeply understand customer needs and turns them into effective solutions.
- Deliver value with efficient, long-lasting, and eco-friendly products.
- Establishe a work environment compliant with standards and principles.

WAT Motor positions its strategic focus around sustainable growth, engineering excellence, customer satisfaction, and a people-centered approach across all operations.



WAT Agile Way of Working

The agile work culture embraced at WAT Motor reflects an innovative and collaborative mindset that can swiftly adapt to changing global dynamics. This culture is not only a project management method but also a strategic approach that embodies the company's way of working and core values.

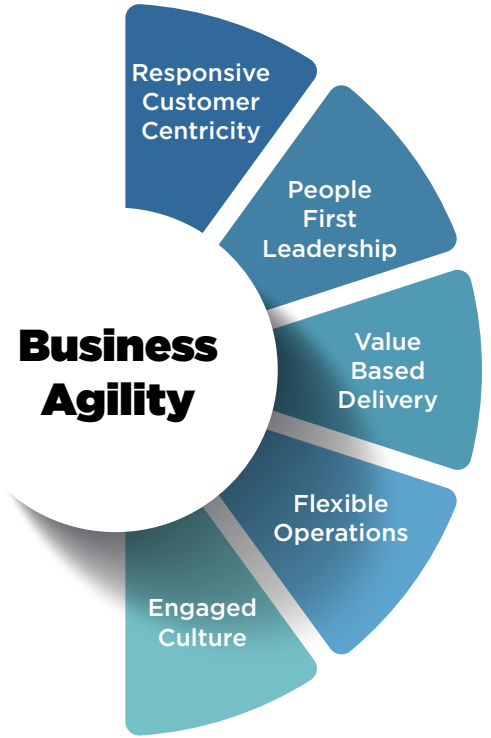
Flexibility + Speed + Value: At WAT Motor, agility means working with adaptable, fast-learning, and continuously improving teams instead of rigid processes. This enables the company to respond to changing customer needs more quickly and effectively.

Shared Goals Through Hybrid Teams: Cross-functional, autonomous hybrid teams make agile decisions and produce quick solutions to complex challenges.

Feedback Culture and Transparency: The company adopts open communication and continuous feedback at every stage, reinforcing psychological safety among teams.

Adaptability and Continuous Improvement: Agile culture enhances the ability to manage uncertainty and enables rapid adaptation to environmental, technological, and operational changes.

In 2024, WAT Motor conducted its first Agile Maturity Assessment in collaboration with the Business Agility Institute (BAI) to evaluate and improve its agile capabilities. BAI is an independent global research organization providing guidance to next-generation companies navigating sectoral transformation. Using the structured Agile Maturity Assessment, WAT Motor's practices were measured across 5 dimensions, 18 capabilities, and 84 behaviors.



As a result, WAT Motor ranked in the top 30% among global manufacturing and automotive companies in adopting agile culture and earned the title of 2-Star Certified Agile Organization™ (2-Star Level).

Corporate Profile | **Focus and Culture**

Key strengths identified include psychological safety, authentic and trust-based relationships, and clear prioritization. The company cultivates a psychologically safe environment where employees freely share ideas and learn from mistakes without fear. Leadership reinforces this culture through empathy, active listening, coaching, and mentoring—enhancing team communication and engagement. Clear prioritization enables teams to focus on what matters most.

Areas identified for further development include simplifying governance processes, spreading customer-centric thinking across the organization, and enhancing workflow efficiency. Streamlining policies and approval mechanisms is expected to increase decision-making speed and support agility.

WAT Agile Way of Working

Transparency in Corporate Objectives and a Participatory Approach

WAT Motor adopts a participatory and holistic approach in setting its strategic objectives. At the beginning of each year, the company's annual goals and priorities are defined through workshops held with the participation of functional leaders, guided by the Objectives and Key Results (OKR) methodology. This constructive dialogue environment, which brings together perspectives from different business units, enables the realistic and practical definition of objectives while also strengthening shared ownership across the organization. The corporate OKRs determined as a result of these workshops are communicated transparently to all employees, fostering a culture of common goals throughout the company.

At WAT Motor, quarterly WAT Agenda meetings are held in line with the principles of transparency, accountability, and participation. Open to all employees, these sessions—led by the General Manager—provide a platform for employees to ask questions and share opinions. During these meetings, the current status of objectives and future plans are directly shared with the entire organization, ensuring employees are informed and united around common goals. This practice not only enhances transparency in decision-making processes but also allows all employees to actively take part in the company's strategic journey.

Corporate Profile | Carporate Governance

At WAT, our sustainable success is built upon a strong corporate governance approach in which transparency, accountability, fairness, and a sense of responsibility are upheld. Guided by the vision and strategy developed throughout the company's more than half-century-long history, a dedication to producing durable and high-efficiency products has been maintained, with the aim of creating value for all stakeholders. In this context, sustainability and our core values are placed at the center of business processes, and, beyond the creation of economic value, contributions to society are made while social and environmental responsibilities are fulfilled.

Governance Structure and Decision-Making Mechanisms

WAT has built its corporate governance on the values of accountability, responsibility, openness, transparency, and equality. These fundamental principles enable us to build strong and reliable relationships with our business environment and to strengthen our commitment to our stakeholders.

- **Board of Directors (BOD):** The Board of Directors, consisting of seven members, is composed of members with various experiences related to WAT's business strategy. The Board identifies environmental, social, and governance (ESG)-focused issues, risks, and opportunities, and develops policies accordingly. Board members are regularly informed about the company's performance and developments.
- **Management Committee:** The Management Committee, consisting of the General Manager and members reporting directly to him, undertakes the tasks of strategic planning, monitoring the company's overall performance, making important business decisions, and determining top-level management policies. The committee aims to strengthen coordination and communication among managers by meeting at least once a week.
- **WAT's Next Agile Organization Structure:** WAT is known as the first manufacturing company in Turkey to initiate and complete an agile transformation. The company operates in an "Agile" organizational structure based on flexible and rapid adaptation. This structure allows us to quickly adapt to changing market conditions and respond to customer demands with flexibility. The horizontal organizational structure accelerates decision-making processes and encourages innovation by focusing on collaboration, transparency, and empowerment.
- **WAT Sustainability Committee (WSC):** The WSC, established in 2022, is led by the WAT Sustainability Board, which is chaired by the Koç Holding Durable Consumer Goods President, and the WAT Sustainability Board, which is led by the CFO, to determine strategies, shape processes, and create policies on sustainability and climate change. The committee supports critical decision mechanisms for minimizing climate-related risks and ensuring access to opportunities. For detailed information, please refer to the relevant section of the report.
- **WAT Sustainability Council and Working Groups:** The WAT Sustainability Council, led by the Sustainability, OHS, and Environment Manager, is responsible for the implementation of Board decisions and the integration of strategies into company processes. Four working groups (Sustainable Production, Sustainable Product, Sustainable Supply Chain, and Social Sustainability) operate under the Council. These groups undertake responsibilities in areas such as minimizing environmental impacts, increasing the energy-efficient product range, conducting supplier audits, and supporting female employment.
- **WAT Risk Committee:** WAT Corporate Risk Management (WERM) efforts in 2023 aimed to gain a global competitive advantage by managing risks in a systematic and comprehensive way, and to effectively manage climate-related risks and opportunities. The Risk Committee, chaired by the CFO, identifies, evaluates, and manages risks and opportunities in six main categories: financial, reputational, production, operational, human, and legal. The committee meets quarterly to review risks and reports them to the Board of Directors via the CFO. For detailed information, please refer to the relevant section of the report.

Corporate Profile | Carporate Governance

Business Ethics and Legal Compliance

As a member of the Koç Group, WAT fulfills its duties based on the goals and principles of its founder, Vehbi Koç. Truth, honesty, responsibility, trust, and respect are the core values that guide our decisions and actions. Our company conducts all its activities with the highest ethical standards and integrity, and supports a culture of "open communication" and "accountability" to prevent unethical or illegal actions. The Koç Group Ethics Line, managed by independent service providers, operates 24/7 and is the main method for reporting issues. In 2023, a total of 7 ethics applications were made, and a 100% closure rate was achieved. Comprehensive training programs are organized for employees on topics such as anti-bribery and anti-corruption, preventing human rights violations, and preventing discrimination and harassment.

Transparency and Stakeholder Engagement

WAT maintains the highest level of transparency by having open communication channels with all its stakeholders. Information is regularly shared with stakeholders and communication is strengthened through sustainability reports, social media, and other communication tools. Stakeholder participation is a critical tool that helps companies optimize their social and environmental impacts, manage risks, and strengthen their reputation. In 2023, 20,685 stakeholder interactions were carried out. Employee ideas and suggestions are collected through suggestion/complaint boxes in the production area and digital platforms such as Connecta, and are converted into action plans.

Corporate Memberships and Certifications

WAT holds memberships in many important organizations and associations, which allows it to adopt best practices in the sector and build strong relationships with stakeholders. These include the Machinery Exporters' Association (MAIB), the Electrical and Electronics Exporters' Association (TET), the Association of Vehicle Parts and Components Manufacturers (TAYSAD), SAHA Istanbul, the Turkish Machinery Federation (MAKFED), the Çerkezköy Chamber of Commerce and Industry, and the Çerkezköy Organized Industrial Zone.

Our company also demonstrates its commitment to the environment and sustainability through various international management system certifications. These certifications include ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 50001:2018 Energy Management System, ISO 27001 Information Security Management System, and ISO 14064 Greenhouse Gas and Emissions Management System. These documents prove WAT's dedication to managing environmental impacts, providing high-quality products, and achieving operational excellence.

With all of these management and audit mechanisms, WAT continues to move forward confidently in building a sustainable future.

Corporate Profile | Sustainability Ratings

In 2023, WAT conducted a double materiality analysis process, which forms the basis of its business model and is integrated throughout its entire value chain, to achieve its sustainable growth goals. This analysis allows the company to comprehensively evaluate the environmental and social impacts of its activities, as well as the potential impacts of the environment on the company. It also enables WAT to assess the views of its stakeholders on how the company should manage these impacts.

By adopting a double materiality approach, WAT shapes its sustainability strategies and projects. Through this approach, the company makes disclosures to various rating agencies to ensure transparent communication with its stakeholders.

CDP

In 2023, WAT became the first Turkish motor manufacturer in the Electric and Electronic Equipment sector in Turkey to enter the CDP (Carbon Disclosure Project) reporting process. The company continued this success in 2024. As a result of the CDP's assessment, WAT was awarded a "B" score in both the Climate Change and Water Security programs, placing it at the "Management Level."

EcoVadis Rating

WAT has completed the EcoVadis Sustainability Rating process with a Bronze Medal.

Corporate Profile | Sustainable Development Goals

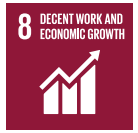
Sustainable Development Goals

WAT organizes various training programs to raise the education level of its employees and the community. While increasing the knowledge and skills of its employees through vocational training and development courses, it also aims to improve the quality of education by supporting schools and educational institutions. Furthermore, it collaborates with universities to offer internship and project opportunities to students and provides technology infrastructure support to educational institutions.

WAT develops and implements policies to ensure gender equality in the workplace. The company encourages the participation of women in the workforce and supports them in holding leadership positions. With its equal pay and opportunity policies, it contributes to gender equality. In collaboration with the European Bank for Reconstruction and Development (EBRD), WAT has committed to increasing its ratio of female employees and promoting gender equality. The company also supports the career development of its female employees by organizing mentoring and leadership programs for them.

WAT utilizes technologies that increase water conservation in its production processes. The company develops various projects for the protection and efficient use of water resources. It uses closed water systems for all water except for domestic use, and water quality is monitored daily.

By producing energy-efficient electric motors, WAT reduces both energy demand and carbon emissions. The company manufactures motors with IE3 and IE4 energy efficiency classes and has entered the renewable energy sector by producing components for wind turbines. Furthermore, WAT has started manufacturing electric vehicle charging units in Turkey.



WAT makes an economic contribution with its strong R&D vision, innovation capabilities, and brand value. It develops collaborations by adding value to its employees, suppliers, and customers. The company improves operational efficiency through agile transformation and protects workers' rights with a unionization rate of 80%.

WAT promotes efficiency and innovation in the industry by developing high-tech products through its R&D and innovation efforts and investing in digitalization. It leads the sector, particularly with its IE3 and IE4 energy-efficient motors and the production of electric vehicle charging units.

The company implements policies that promote workplace inclusion and offers equal opportunities to disadvantaged groups. It develops social responsibility projects to reduce inequalities and contributes to social equity by increasing diversity and inclusion.

WAT improves resource efficiency through recycling and waste management projects. The company evaluates and reports waste quantities through monthly reviews and invests in reducing both waste and chemical consumption.

By adopting sustainable production models, WAT reduces its environmental impact and promotes responsible consumption through eco-friendly product design and manufacturing. The company also uses environmentally friendly packaging materials to reduce plastic waste and implements sustainability criteria throughout its supply chain.

WAT is fighting climate change through energy efficiency and renewable energy projects. It implements various environmental sustainability policies to reduce its carbon footprint and informs communities through climate change awareness campaigns. The company aims to be carbon neutral by 2050..

WAT is reducing the environmental impact of its operations to protect biodiversity and ecosystems. The company is committed to reducing the amount of plastic waste released into nature, sourcing from FSC-certified raw material producers, and combating deforestation.

In line with its sustainability goals, WAT implements collaboration mechanisms and conducts collective work with all its stakeholders, especially its suppliers. It shares knowledge and experience with its customers, suppliers, and stakeholders to spread best practices in the field of sustainability. The company also participates in international sustainability organization networks and contributes to global sustainability efforts. By conducting sustainability reporting with its stakeholders, it increases transparency and accountability.

Corporate Profile | Business Model and Value Chain

WAT is Turkey's largest motor exporter, and at the core of its sustainable success lies a robust corporate governance approach built on transparency, accountability, fairness, and a strong sense of responsibility. Guided by the vision and strategy that WAT has cultivated over more than half a century, it is dedicated to producing durable, high-efficiency products and committed to creating value for all our stakeholders. Placing sustainability and corporate values at the heart of operations, WAT goes beyond generating economic value to contribute to society while embracing social and environmental responsibilities.

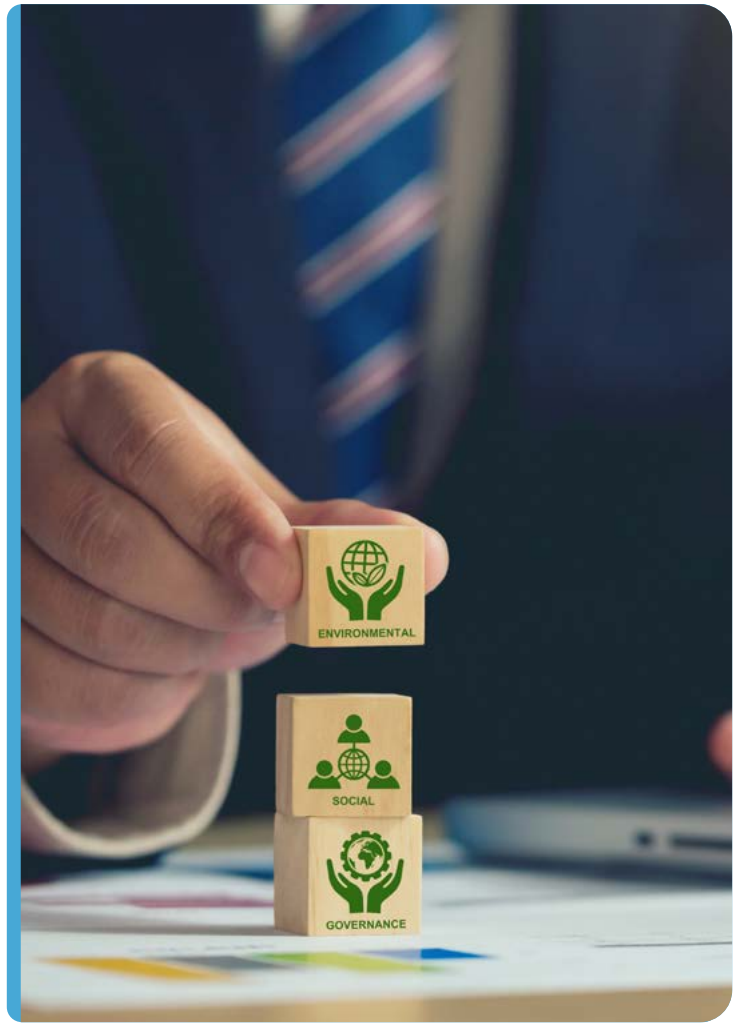
Overview of the Business Model

WAT's business model is structured around five key pillars designed to enable sustainable growth across the entire value chain. These strategies are shaped by a focus on social and environmental responsibility, and each of the five interconnected pillars carries equal and critical importance within the company's business model.

WAT operates under two registered brands — WAT and TEE — which complement each other within the field of electric motors and energy solutions. The company designs, sources, manufactures, sells, and provides after-sales support for three-phase and single-phase industrial electric motors, servo applications, e-mobility solutions, AC/DC electric vehicle chargers, drives, and components.

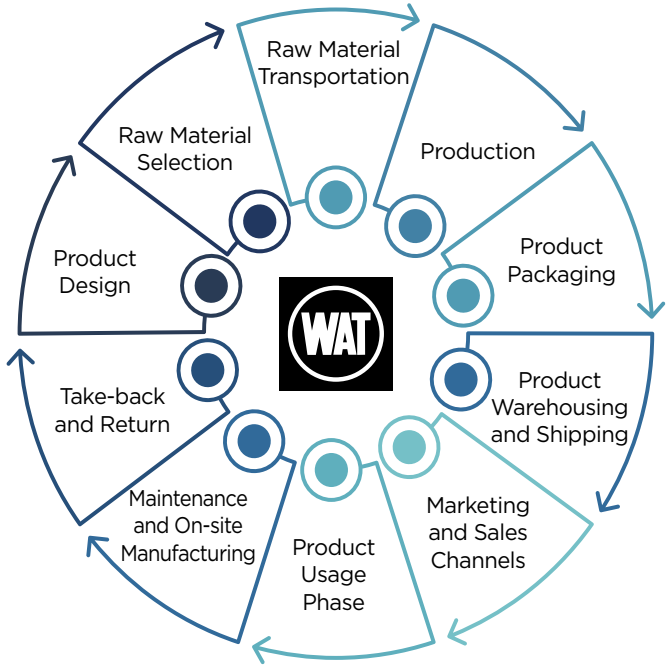
Our vision is to be a center of excellence in motors and motion control, pioneering high-technology products in the industry and leading the market in Turkey and in exports. Our mission is to empower the customers through our experienced team, environmentally conscious and agile organization, and flexibility in both design and manufacturing. In line with this, WAT aims to lead as a global supplier in electrification and technology, delivering innovative and sustainable solutions that enhance resource efficiency and reduce carbon emissions, thereby creating lasting value.

The WAT culture is built around values as customer satisfaction, engagement, collaboration, empowerment, transparency, and focus. The company operates with an agile organizational model that enables rapid and flexible adaptation. As the first manufacturing company in Turkey to initiate and complete an agile transformation, WAT can quickly respond to changing market dynamics and address customer demands with flexibility.



Corporate Profile | Business Model and Value Chain

CRITERIA	
1. Product Design	* Ecodesign criteria * Focus on reducing the environmental footprint of the entire product life cycle: materials, water, and energy * Conducting Life Cycle Assessment (LCA) studies on main product groups: identifying the largest impacts during the product use phase
2. Raw Material Selection	* Cooperation with suppliers for recycled and recyclable materials * Focus on easy disassembly, durability, and reuse * Design components for safety and modularity * Studies on aesthetics, quality, and user safety * Collaboration with suppliers to minimize the impact of operations throughout the value chain
3. Transportation	* Reducing greenhouse gas emissions through logistics optimization * Continuing to invest in renewable and green energy * Green fleet
4. Production	* Reducing greenhouse gas emissions in the production process * Designing closed-loop processes for the reuse and recycling of water * Industry 4.0 technologies * Activities to reduce waste and chemical usage * Projects for employee health and safety * Collaboration with enterprises and suppliers
5. Sustainable Packaging	* Reducing packaging volume and weight * Using recycled and recyclable packaging material alternatives * Eliminating single-use Styrofoam (EPS) * Energy and water conservation practices



Value Chain Management

WAT adopts a value chain management approach that encompasses the entire lifecycle of its business processes and stakeholders. This approach is designed to achieve sustainability goals at every stage — from the selection of raw materials to the end of the product's lifecycle.

CRITERIA	
6. Warehouse Storage	* Digital Machine Safety Systems and Forklift Accident Prevention Systems
7. Shipping	* Reducing greenhouse gas emissions through logistics optimization * Improving customer experience
8. Marketing and Sales Channels	* Ensuring transparency, sustainability, and respectfulness in marketing and sales channels * Supporting sustainable growth with environmentally friendly practices * Transparent sharing of information
9. Product Use	* Reducing the environmental impact of products over their life cycle * Influencing customer preferences for more efficient products * Promoting new products with competitive advantages * Developing solutions for consumer needs and expectations * Expansion of Technical Service Networks and Repair Rights * Repairability Index guide for end-users * Syncing service requests via connected vehicles for technicians * Reducing repeat service calls
10. Remanufacturing and On-Site Repair	* Giving products a second life through remanufacturing, re-winding, and labeling as renewed (upcoming) * Collection of used motors and their return to legal disposal * Closed-loop production: recycling materials from returned products
11. Recall and Recycling	* Closed-loop production: recycling materials from returned products

Corporate Profile | Business Model and Value Chain

ZOOM IN

Capital Type	Input	Activities
Financial Capital	Investments €3.03 M - Sales Revenue - Financial Income - R&D incentives and export supports	Risk Management Management of Financial Resources Pricing, Sales and Marketing Long-Term Plans (LTP) Sustainable Investments Product, material and process cost reduction projects (CRP) Compliance with Green Financing Requirements
Production Capital	150,000 m2 campus - 40,000 m2 integrated production facility - 16k+ product SKUs - Over 15,000 Active Products - Fully automated production equipment - End-to-end production capability - 1 million motor production capacity - New generation equipment reducing environmental impact - Use of eco-friendly raw materials - 208 suppliers from 18 countries	Process design and efficiency€1.17 Million production investment (capacity, efficiency, modernization)10% digitalization projects in investment budgetMaintenance and RepairQuality AssuranceInvestments for safety, optimization, and efficiencySupplier Development Program in procurement activitiesSupplier development agile team activitiesNew product and production line investments
Human Capital	Values - Agility principles - More than 500 employees - Talent acquisition and onboarding programs - Employee experience improvement projects and programs - Internal awards, benefits, social rights - Diversity, Equity, and Inclusion - Occupational health and safety structures and policies - Unionization - Female employment	Process design and efficiency €1.17 Million production investment (capacity, efficiency, modernization) 10% digitalization projects in investment budget Maintenance and Repair Quality Assurance Investments for safety, optimization, and efficiency Supplier Development Program in procurement activities Supplier development agile team activities New product and production line investments
Natural Capital	100% green electricity usage in global production operations - 14 energy efficiency projects - 7,151 MW renewable energy usage - 100% closed-loop fertilizer water systems - Waste management focused on circular economy - Resource efficiency in product design - Process efficiency - Eco-design Directives and energy regulations - Chemical restriction and management regulations	Sustainable product strategy - Production efficiency projects - Energy and water efficiency programs - Sustainable packaging projects - Green Procurement - Emission reduction operations - Policies on Environment, Energy, Water, Biodiversity, and Deforestation - Green Chemistry applications in products and processes - Efficient Motor Transformation Project
Social Capital	Stakeholder expectations - Customer network and communication - Supplier network - Customer services and technical support - Collaborations - Memberships in NGOs, trade associations, and partnerships with other organizations - Corporate social responsibility projects - Legal regulations	Training, support, and onboarding programs for suppliers and dealers - Supplier audits, customer satisfaction surveys - Campaigns, projects, and incentive activities - Partnerships and sponsorships, collaborations - On-site service, guidance, and reassessment services - Social contribution-focused webinars, digital content, and materials - Interaction with local and national authorities - Programs to support young talents
Intellectural Capital	2 R&D Centers - 103 Million TL R&D expenditure and over 56 Million TL R&D investment - 50+ employees in R&D centers - Agile methodologies - Product management - Digital academy platform licenses and patents	Product innovation and intellectual property - Partnerships and collaborations - Hackathon series - Information security management systems and agile transformation - Brand roadmap processes - Digitalization

Mission / Vision

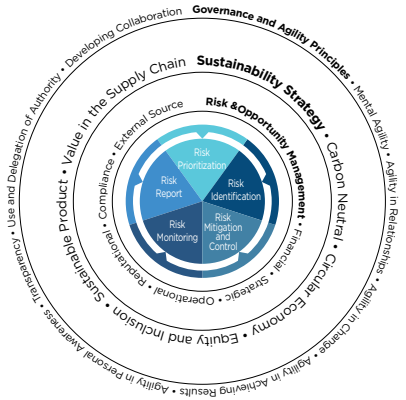
Mission: We are here to empower our customers with our experienced team, environmentally conscious agile organization, and flexibility in design and production.
Vision: To be a high-tech product pioneer in the industry and a center of excellence in motor and motion control, leading the market both in exports and within Turkey.

Stakeholders

Customers | Media | Employees | Community / Society | Public and rivate Institutions | Suppliers | NGOs and Universities

UN Global Compact	Focus	Culture	SDG's
Human Rights Labor Standards Environment Anti-Corruption	Customer Technology Efficiency Ethics	Customer Satisfaction Engagement Collaboration Empowerment Transparency Focus	

Industry	Renewable Energy	Motion Control	Mobility and Infrastructure Systems



General Purpose Motors Special Purpose Motors EC Motors	Wind Generators and Component Wind Auxiliary Systems	Servo Motors & Servo Drives Internal Logistics Solutions Motion Control Algorithms & Embedded System Design	Light E-mobility Electrification Automotive Traction Systems Auxiliary Systems AC Electric Vehicle Chargers DC Electric Vehicle Chargers

Outputs	Created Calue
€2.27M EBIT gain - Competitive product market share increase - Product innovation - Customer trust (Exports >50%, 90% of exports to Western Europe)	Higher level of corporate governance - Sustainable and profitable growth - Business continuity - Economic contribution through export leadership
Investment in new product deployment - 18% budget increase in energy efficiency project investments - Commissioning of EV Charger production lines	Operational efficiency - High production capacity and product diversity - Compliance with international standards - Customer trust - Safe working environment - Expanded impact through new products and business areas - Economic contribution - Contribution to global targets
Hybrid working model - 57/100 employee satisfaction - 15.1% female employees, 20% female leaders - Total 24,173 training hours - 5 reports via hotline channels - 100% unionized hourly workers - Training collaborations - Support of social life through 4 social clubs - Employee benefits	Work-life balance - Employee satisfaction and engagement - Female workforce entry and retention - Equal pay for equal work - Employee health and safety - Career and talent development - Maturity of corporate culture - Societal and economic contributions
22% reduction in Scope 1-2-3 GHG emissions, 57% reduction in Scope 1-2 market-based GHG emissions - 2030 carbon reduction and 2050 Net-Zero targets - Share of low-carbon (compact and energy-efficient) products in revenue: 83% - Reuse of process scrap (27% in product) - Waste management model achieving 98% recovery opportunities - Transition to low-VOC paint: 2.5 tons less chemicals/year, 85% less solvent, high corrosion resistance - EPS reduction through alternative packaging: 10% per kW of produced motors - Environmental awareness projects and interactions	Sustainable resource management - Contribution to circular economy - Social and environmental awareness - 2030 carbon reduction and 2050 net-zero targets - Sustainable products reducing energy demand - Support for green transformation in industry - Collective impact via supplier development programs
200+ global suppliers - 44 approved suppliers - Financial volume composed of 74% approved suppliers - 80% supplier local content - Exports to over 45 countries - 10 corporate social responsibility projects - Reduction of legal risks	Branding and reputation - Transparency and reliability - Sustainable operations - Strengthened stakeholder communication - Improved customer experience - Social and environmental awareness - Support for green transformation in industry - Creation of societal and economic value
Innovative solutions - Environmentally responsible products - Competitive advantage - Customer satisfaction - Knowledge transfer - Patents and intellectual property - Export power	Innovative solutions - Environmentally responsible products - Competitive advantage - Customer satisfaction - Knowledge transfer - Patents and intellectual property - Export power

Corporate Profile | Technology and Innovation

R&D

Since its establishment, WAT has regarded developing innovative solutions, conducting testing processes in line with global competitiveness standards, and building a strong R&D infrastructure as strategic priorities — both for sustainability and for preparing for the future. In this direction, WAT has placed investment in innovative R&D solutions and the development of strategic partnerships at the core of its R&D strategy, adopting a customer-centric approach.

> **As of today, WAT operates two separate R&D centers, functioning under the support of R&D Center Certification as defined in Article 22 of the Implementation and Inspection Regulation of Law No. 5746.**

WAT aims to continuously update its product portfolio in line with the needs and regulatory requirements of industries that form the backbone of industrial applications, such as fans, pumps, and compressors. R&D activities focus on developing globally competitive and robust solutions in motor drives related to WAT's core business areas, with priority given to deploying motor drives in high-technology, value-added applications.

In the medium term, WAT's R&D team aims to integrate motion and automation control systems into the motor drive family to deliver comprehensive control solutions. Leveraging increasing volumes of field and performance data, the company is developing AI-assisted predictive maintenance applications. High-resolution position control systems and robotic applications are also among the technological focus areas.

Market and Customer Analyses

WAT regularly analyzes market trends and customer demands to enhance its competitiveness and support sustainable growth. Through competitor analysis and market positioning strategies, the company sustains its competitive advantage while strengthening customer relations via satisfaction and loyalty programs.

Customer Needs Analyses

- **Green Product Demand:** Customer expectations for environmentally friendly products guide product development processes, with a focus on sustainability-oriented solutions.
- **Social Benefit:** Customer feedback is incorporated to enhance the societal benefit of products, prioritizing innovations with positive social impact.

Market Analyses

Market dynamics and customer expectations are studied in detail to plan product features, launch timing, and target costs. These insights form the basis for product strategies.

Product Development and Innovation

WAT prioritizes innovation in product development processes and places strategic importance on R&D activities. By developing innovative, customer-focused products, WAT maintains its leadership position in the industry. Sustainability is a core principle in product design and manufacturing; recyclable materials are preferred, and technologies that enhance energy efficiency are prioritized.

The company has established specific requirements for materials used in product design, including:

- Compliance with legal regulations
- Local content ratio and material accessibility
- Adherence to technical and chemical compliance specifications
- Conformance with international regulations such as REACH and RoHS

Corporate Profile | Technology and Innovation

“Güvenilir Performans, Güçlü Gelecek

Product Safety and Quality Management

WAT considers product safety as one of its highest priorities, ensuring it through stringent safety standards and quality management processes applied meticulously at every stage of the product lifecycle — from design and production to sales and end-of-life.

Design and Process FMEA Applications: The company employs Design FMEA (Failure Mode and Effects Analysis) and Process FMEA methods to identify potential failures in advance and to continuously improve product designs and manufacturing processes.

- Design FMEA, focuses on potential design-related failures to ensure safety and reliability, improve product quality, reduce service failure rates, and use customer complaints as inputs for design improvements.
- Process FMEA, analyzes potential failures in manufacturing processes, guides the development of new production and assembly methods, and helps identify critical process characteristics.

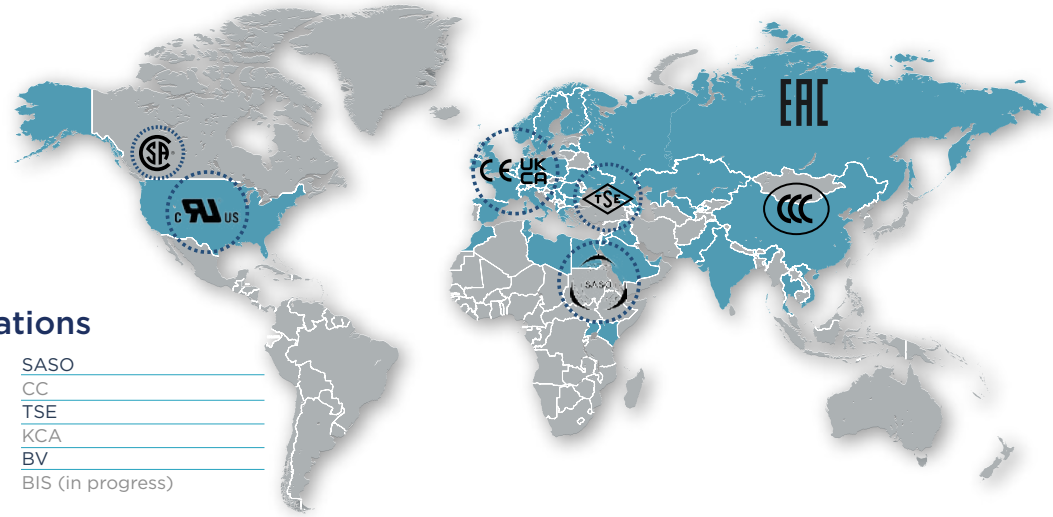
Comprehensive Testing and Verification Processes: Advanced laboratory infrastructure and testing procedures are employed to assess product durability and performance. Routine tests include high-voltage, phase resistance, rotation direction, no-load current, and power checks. Additional tests include:

- Noise measurements in acoustic chambers
- Visual quality tests in optical performance rooms
- Environmental tests such as vibration and shock
- Thermal shock tests for component durability
- Corrosion resistance and coating quality testing
- Derating tests for electrical and thermal stress
- Manufacturability analyses and pre-EMC testing
- Software verification managed via the Arriva system

Product Certifications: WAT ensures compliance with the standards of each target country through a three-step certification process:

- Identifying country-specific standard requirements
- Ensuring product compliance
- Completing certification and sharing approvals

The certification process is managed through specific inputs and outputs. Inputs include legal requirements, product labeling specifications, and user manual requirements, which are obtained from customers, standards organizations, or legal authorities. The outputs



Certifications

CE	SASO
UL & C-UL	CC
VDE	TSE
CCC & CEL	KCA
EAC	BV
CSA	BIS (in progress)

Corporate Profile | Technology and Innovation

of the process are products that comply with the legal requirements and standards of the respective country, the relevant standard approval certificates, product labels and user manuals that meet the specific country requirements, and an updated database. In this way, product compliance and reliability are ensured.

Quality Management: WAT conducts its production in line with internationally recognized frameworks, most notably the ISO 9001 Quality Management System, holding the ISO 9001:2015 certification since 2019. The company operates with the principle of continuous improvement, aiming for 100% customer satisfaction.

Click here to access the Quality Policy.

Sustainable Product Development and Innovation: WAT's product management vision focuses on launching environmentally friendly, high-performance, and innovative products that meet customer needs in local and global markets. Sustainability principles are embedded at every stage of the product lifecycle.

- **Eco-Design:**

  WAT develops compact, modular products that use fewer parts and materials, are easier to assemble, lighter, take up less space, and can be applied across multiple models. These designs reduce operational times and product weight — with significant reductions achieved in platforms such as E, H, HS, and N. WAT proactively manages its product portfolio and stock motors to ensure compliance with eco-design regulations, introducing new codes for low-efficiency motor groups and phasing out outdated codes.

- **Sustainable Material Use:**

  The use of recycled and recyclable materials is encouraged. In the aluminum melting processes carried out at WAT's own facilities, an average recovery rate of 27% is achieved. Approximately 97% of WAT's products are made of metal, with 98% consisting of recyclable content.

  Transition to Water-Based and Low-VOC Alternatives: In our products, insulation and corrosion-resistant materials are replaced with low-VOC, toluene-free, and formaldehyde-free alternatives. For changes that are not yet technically feasible, collaborations are established with manufacturers to conduct research and trials for new products.

- **Energy Efficiency and Carbon Footprint Reduction:**

  WAT develops high-energy-efficiency and low-carbon products. Low-carbon products account for 74% of revenue and 77% of total kW output.

- **Product Planning and Impact Assessment:**

  During product planning, environmental impact minimization is prioritized by using recyclable materials, low-chemical-impact components, and low-carbon sourcing options. Market trends and customer feedback are integrated into development processes.

- **Eco-Friendly Packaging and Green Marketing:**
  - Products are shipped in environmentally friendly packaging, aiming to use less material while enabling higher-volume shipments.
  - In 2023, the transition to wooden crates reduced logistics trips and achieved a 34% reduction in plastic packaging waste and a 62% reduction in composite packaging waste.
  - Sustainability oriented marketing strategies highlight the importance of energy efficiency.

- **Recycling and Reuse:**
  - WAT extends product life through repair, maintenance, and spare part availability.
  - The Revaluation Center (YDM) refurbishes old stock, products restricted by regulations, and items requiring repair or maintenance during their lifecycle. This initiative optimizes natural resource use and enhances customer satisfaction.

- **Future Strategies:**
  - Aligned with its target to achieve carbon neutrality by 2050, WAT focuses on projects that increase energy efficiency, optimize resource use, and reduce waste.
  - R&D is underway for next-generation products, including permanent magnet (PM) motors, synchronous reluctance (SyrRM) motors, and EC motor technologies.

Corporate Profile | Technology and Innovation

R&D Projects

Design and Production of Permanent Magnet Motors and Motor Drives for Electric Vehicle Infrastructures

The primary objective of this project is to take a significant step forward in electric vehicle infrastructure by addressing critical knowledge areas such as identifying the requirements of a manned land vehicle, defining the appropriate driving characteristics, and ensuring communication and integration with the vehicle system. Within this scope, the project aims to locally design and manufacture, under a single umbrella, a permanent magnet motor and motor drive—including both hardware and software—integrated into one system.

The project will involve the initial production of the permanent magnet motor and motor drive. Significant progress has already been made by completing the design in-house and finalizing the testing and validation phases. The capability to develop these critical technologies will serve as a foundation for future applications, including higher-powered vehicles suitable for personal use and similar systems for military purposes.

The widespread adoption of electric vehicles offers significant improvements by positively contributing to noise reduction and air quality. As the importance of sustainable and controllable motors increases in the future, this project will provide substantial know-how and infrastructure capabilities.

Industrial Motor R&D Activities

Within the scope of this project, design development and validation activities are carried out for industrial motor product families—both single-phase and three-phase—that can operate with a drive in variable speed applications, at different voltage levels, and in various efficiency classes. These activities are conducted in line with standards, aiming to meet special customer requirements in the market and to increase competitiveness through cost-reduction projects. The project focuses on enhancing efficiency by minimizing losses, addressing similar needs with reduced raw material usage through design optimization, and meeting diverse requirements in compliance with relevant standards.

In this context, work is being carried out to declare the entire product family—ranging from frame size 63 to 315—in the IE4 efficiency class, with the goal of introducing a fully integrated IE4 product range. For motors operating with a drive, insulation improvements are implemented to achieve higher breakdown voltage resistance, and design development activities are ongoing to strengthen competitiveness. Projects that were previously launched with a basic scope are now being adapted to quickly respond to customers' specific requirements, focusing on cost-efficiency and high performance. Additionally, the aim is to develop environmentally friendly and competitive products that require less material usage.

Motion Control Systems R&D Activities

This project aims to develop servo motors and drives in different frame sizes and power ranges in line with customer requirements, with the goal of meeting the needs of the defense industry and increasing the share of domestically produced components. Within the scope of the project, servo motors are designed for use in applications such as unmanned ground vehicles, turret systems, and radar systems, with power ratings ranging from 200W to 8.6kW. Based on customer specifications, the appropriate servo motor topology is selected, followed by the completion of electrical design. Mechanical designs are then carried out in accordance with the electrical specifications.

Prototypes for the final designs are assembled, tested, and validated. When there is a requirement for a drive, similar customized design, prototyping, and validation actions are taken. Key project deliverables include prototype motors, prototype drives, motors and motor drives that have successfully undergone environmental testing

Industrial Motion Control Systems R&D Activities

This project aims to develop a domestically produced servo motor and drive family to meet the needs of metalworking, packaging, and other industrial applications in the field of motion control. The focus is on industrial control systems that require precise positioning and speed—such as machinery manufacturing, automotive production, material storage systems, food packaging and bottling systems, printing machines, and injection molding machines. The target is to develop industrial servo motors and drives in various power ranges (200W–7.5kW), voltage levels (24V, 48V, 36V, 72V), and sizes (80, 100, 120, 180). This will replace commonly used imported servo motors and drives in the domestic market with national products tailored to specific system requirements. Activities include electrical design of servo motors, mechanical design, prototype production, and verification/testing processes, all conducted according to system requirements.

Smoke Extraction Motor Project – Phase 3

This project aims to develop a family of smoke extraction motors with thermal endurance classes in compliance with the BS EN 12101-3:2015 standard, for use in systems such as highway tunnels, underground passages, airports, shopping malls, warehouses, and multi-storey car parks. Considering that smoke spreads faster than fire and that toxic gases can cause fatalities, smoke extraction systems are of vital importance for saving lives. The key functions expected from these systems include:

Corporate Profile | Technology and Innovation

- Keeping evacuation routes clear of smoke
- Creating smoke-free corridors for firefighting
- Effectively removing toxic smoke to support life during a fire
- Reducing heat- and fire-related damage
- Preventing the spread of fire throughout the building

Smoke extraction motors are specially designed induction motors that operate smoke extraction fans for one or two hours in high-temperature environments during a fire. In addition to standard asynchronous motor specifications, these motors comply with the international temperature/time constraints defined in the EN 12101-3 standard. The operating temperature classes are as follows:

- F200: 200°C for 120 minutes
- F300: 300°C for 60 minutes
- F400: 400°C for 120 minutes

Project objectives:

- Adding the smoke extraction motor family to the industrial motor product portfolio and localizing this critical product family
- Gaining expertise in design and validation processes
- Developing expertise in high-temperature motor insulation systems
- Establishing partnerships with fan manufacturers and expanding the product sales range

Traditionally, due to insulation challenges in high-temperature applications, smoke extraction motors have been produced mainly in IE1 and IE2 efficiency classes. However, with the selection of advanced insulation materials and the adoption of specific design measures, this project has achieved the development of high-efficiency next-generation IE2, IE3, and IE4 product families, placing energy efficiency at the forefront.

Although industries such as machinery manufacturing, HVAC, and fan production in Turkey widely use these motors, almost all products in the market have been imported. With this project, the vision of international competitiveness has been realized by successfully completing the production and certification processes of smoke extraction motors and launching commercially viable products to the market.

IE2 Single-Phase Motor Product Family

The scope of this project is to prepare single-phase asynchronous motors for the transition to the IE2 efficiency regulation. Under the Ecodesign Requirements for Electric Motors Regulation, a phased transition to higher efficiency classes has been initiated. For the single-phase electric motor family, this transition to the IE2 efficiency class was implemented as of July 2023. Accordingly, the product platforms in the R&D center were adapted to meet the requirements, and the regulatory transition process was completed. As part of the project, the design and production of a single-phase asynchronous motor product family compliant with IE2 regulations were carried out, and motor efficiency values were tested in accordance with the IEC 60034-2-1 standarhe objective was to design 80, 90, and 100 frame single-phase asynchronous motors in compliance with the IE2 efficiency class, produce prototypes, and complete their testing. Improvements in the energy efficiency of single-phase asynchronous motors contribute both to reducing environmental impacts and to lowering operating costs. With this regulatory transition, the aim is to introduce more efficient motors to the market.

Compressor Series Motor Family

This project focuses on designing electric motors suitable for compressor applications in frame sizes ranging from 180 to 315. The goal is to develop and produce motors in frame sizes 180, 200, 225, 250, 280, and 315 with low temperature rise, high service factor, H-class insulation, equal bearings, thermal protectors such as PTC/PTO, and the option for re-greasing, along with suitable electrical and mechanical properties. Within the project scope, the operating conditions and frequency ranges of motors used in compressor applications were observed, and these criteria were carefully considered during the design phase. Electrical designs were made to achieve low temperature rise and ensure compatibility with 50/60Hz efficiency requirements, while mechanical designs were implemented for front and rear end-shields compatible with equal bearings and lubrication needs.

Integrated Drive (EC) Motor Family – Phase 2

This project aims to meet the demand for high-efficiency motors in applications such as industrial pumps, conveyors, and air handling units. EC (Electronically Commutated) motors are permanent magnet motors equipped with an electronic control board that allows speed and current control. They are brushless DC motors controlled by an external electronic circuit.

Corporate Profile | Technology and Innovation

In EC motors, the rotor is fitted with magnets, and the rotation direction is electronically adjusted based on the current. While conventional AC motors perform this mechanically, EC motors achieve it electronically, eliminating power loss during current changes. Additionally, copper, iron, and friction losses—common in AC motors—are significantly reduced in EC motors, resulting in higher efficiency. In the previous period, prototype testing of the product had been ongoing. Since then, prototype studies have been completed, LVD tests have yielded positive results, and CE certification testing has reached its final stage. Preparations for mass production are underway, alongside field tests with pilot products.

Renewable Energy Systems Motors: Yaw and Pitch Motor Design and Production

This project focuses on the design and production of yaw and pitch motors used in angle and direction control systems of wind energy conversion systems (WECS). Yaw motors are responsible for rotating the nacelle in the direction of the wind, with each controlled by a driver. Pitch motors, on the other hand, are used to adjust the blades' angle between 0° and 90°, with three motors per turbine. The domestic production of these auxiliary system motors has become essential as the installed wind power capacity continues to grow. Compared to magnet-based alternatives, existing industrial asynchronous motors are less efficient and bulkier in size, leading wind turbine manufacturers to prefer magnet-based motors.

Industrial IE4 Efficiency Class Motor Family – Phase 2

This project focuses on the design of 2-, 4-, 6-, and 8-pole electric motors with Super Premium efficiency. The aim is to design and produce electrical motors at different power and speed levels in line with the efficiency classes defined by international organizations for industrial electric motors. Within the scope of regulatory requirements, electrical and mechanical designs of motors that meet the minimum mandated standards are being carried out. Key areas of development include redesigning laminations and introducing new winding types to achieve higher efficiency. By developing motors with superior electrical efficiency, the project seeks to reduce electricity consumption in industrial motors—responsible for a significant share of global energy use—while lowering carbon emissions and enhancing competitiveness by expanding the customer portfolio.

High Power Density PM Traction Motor

This project is aimed at developing a high-power-density traction motor with Hair-Pin technology for heavy commercial vehicles. The primary objective is to design an original electric motor tailored for an electric vehicle application in the heavy commercial segment. The motor is expected to offer a competitive edge over existing alternatives in terms of cost and technical specifications, thanks to its unique topology and production techniques. In addition, the project seeks to create a local alternative for Turkey's electric vehicle manufacturers, thereby reducing foreign dependency. The development of this motor will not only expand domestic technical know-how in the field of electric traction motors but also enhance the capabilities of stakeholders involved in the project.

Alternator Product Family for Aviation Systems

This project focuses on the development of alternators designed to charge the batteries that store electrical energy in aircraft. Within the scope of the project, both Permanent Magnet (PM) and Claw Pole alternator types are being designed and manufactured. The work covers the complete process of alternator design, analysis, magnetic design, prototyping, testing, and validation.

Micro Motor Project

The objective is to design and manufacture a compact BLDC motor with a slotless winding design, ensuring zero cogging torque, and to establish the production line for such motors. The project aims to eliminate import dependency by enabling domestic production of BLDC motors with zero cogging torque and a very high torque-to-volume ratio. The scope also includes the development of guidance motors for defense industry munitions.

High Power Density IE5+ Permanent Magnet Motor Development

This project aims to further advance the development of a new family of IE5+ Permanent Magnet (PM) motors by leveraging the know-how acquired from previously developed EC motors within WAT's capabilities. Unlike integrated-drive EC motors, these IE5+ PM motors are designed to achieve higher power output within the same dimensions while addressing sectoral needs and supporting green transition goals. The product family is being developed entirely with domestic engineering infrastructure and national resources. The project seeks to enhance technological and product development competencies that target both national and international markets, contribute to sustainable economic growth, ensure the effective utilization of public resources for national needs, and strengthen the competitiveness of Turkey's exports in line with the objectives of the European Green Deal.

Corporate Profile | Technology and Innovation

The most innovative aspect of the project lies in replacing conventional IE1 and IE2 motors—currently operating with 75–88% efficiency in industry—with a new generation of IE5+ Permanent Magnet motors offering 85–95% efficiency. As a company that prioritizes the development of domestic technologies and local inventory, WAT continues to develop permanent magnet, brushed, asynchronous, and synchronous motors. Its short-term strategic objectives focus on electronic motor designs with low energy consumption, reduced carbon footprint, and increased efficiency. The project is fully aligned with WAT's strategic roadmap and the European Green Deal as well as EU policies.

R-PODID (Horizon-KDT) Project: Reliable Powerdown for Industrial Drives

The R-PODID (Reliable Powerdown for Industrial Drives) project aims to develop the methodologies, algorithms, hardware/software components, and integration techniques necessary to enable fault prediction and other cognitive power electronics functions in wide-bandgap device-based power modules. The project primarily focuses on wide-bandgap devices.

Unlike centralized statistical methods, the project emphasizes fault prediction models utilizing real-time embedded intelligence applications and analytical algorithms. Since communication channel-based solutions in real-time fault prediction may raise information security concerns, end-to-end embedded solutions are required. To enable power modules to execute prediction models, additional local sensing and processing capabilities will be incorporated.

The developed power modules will be evaluated across various industrial application environments defined by specific use cases. WAT will contribute by providing datasets for artificial intelligence modeling and by defining failure modes. With numerous servo systems in its motor production lines controlled by industrial drives, WAT can supply real-time data on current, voltage, temperature, and position.

Product Management

WAT's product management vision is centered on delivering environmentally friendly, innovative, and high-performance solutions that meet customer needs in both local and global markets, with the aim of supporting sustainable and profitable growth. In line with this vision, market and product strategies are developed, projects are initiated in response to new customer segments or market demands, internal and external resources for product supply are planned, and product roadmaps are shaped within the framework of current regulations and competitive conditions.

Corporate Profile | Technology and Innovation

Sustainability in Product Management

WAT aims to develop innovative products that are sensitive to the environment and society through sustainable product management. This approach means adopting sustainability principles at every stage of the product life cycle.

PRODUCT LIFECYCLE MANAGEMENT

PRODUCT PLANNING
- Impact assessment
- Sustainable design

PRODUCT LAUNCH
- New product launches and launching strategies
- Environmentally friendly packaging
- Green marketing strategies

PRODUCT IMPROVEMENT AND FEEDBACK
- Recycling and reuse strategies for outdated products
- Repairability
- Customer feedback

FUTURE STRATEGIES
- Sustainability goals
- User experience improvement
- Green technologies
- Future trends

SUSTAINABLE PRODUCTS

ENVIRONMENTALLY FRIENDLY AND SUSTAINABLE PRODUCT DEVELOPMENT
- Compact and modular design
- Resource efficiency

SUSTAINABLE MATERIAL USE
- Use of recycled raw materials
- Selection of recyclable materials
- Switch to water-based and low-VOC alternatives
- Reducing environmental impact through
- Green Chemistry practices

ENERGY EFFICIENCY AND CARBON FOOTPRINT REDUCTION EFFORTS
- High energy-efficient products
- Low carbon products
- Energy management and waste minimization

PRODUCT SAFETY AND QUALITY MANAGEMENT

DESIGN AND PROCESS FMEA
- Design FMEA
- Process FMEA
- Product testing and approvals
- Product certifications

QUALITY MANAGEMENT
- Process quality
- Traceability
- Product quality

CUSTOMER SERVICE
- Customer communication
- Technical service
- Spare parts
- YDM

MARKET AND CUSTOMER ANALYSIS

ANALYZING MARKET AND CUSTOMER DEMANDS
- Analyzing market trends and customer demands
- Competitor analysis and market positioning strategies
- Customer satisfaction and loyalty programs

GREEN PRODUCT REQUESTS
- Directing product development processes by taking into account customers' demands for environmentally friendly products

SOCIAL BENEFIT
- Evaluating feedback from customers to increase the social benefit of products

PRODUCT DEVELOPMENT AND INNOVATION

INNOVATIVE APPROACHES IN PRODUCT DEVELOPMENT PROCESSES
- Contribution of R&D studies to product management
- Innovative product design and customer-oriented development

MATERIAL MANAGEMENT
- Compliance with legal requirements
- Locality
- Chemical compatibility specification
- REACH and RoHS compliance monitoring
- Material optimization

Corporate Profile | Materiality Analysis

Materiality Analysis

WAT conducts a materiality analysis process, integrated across the entire value chain and forming the foundation of its business model, in order to achieve its sustainable growth objectives. This process consists of four main steps:

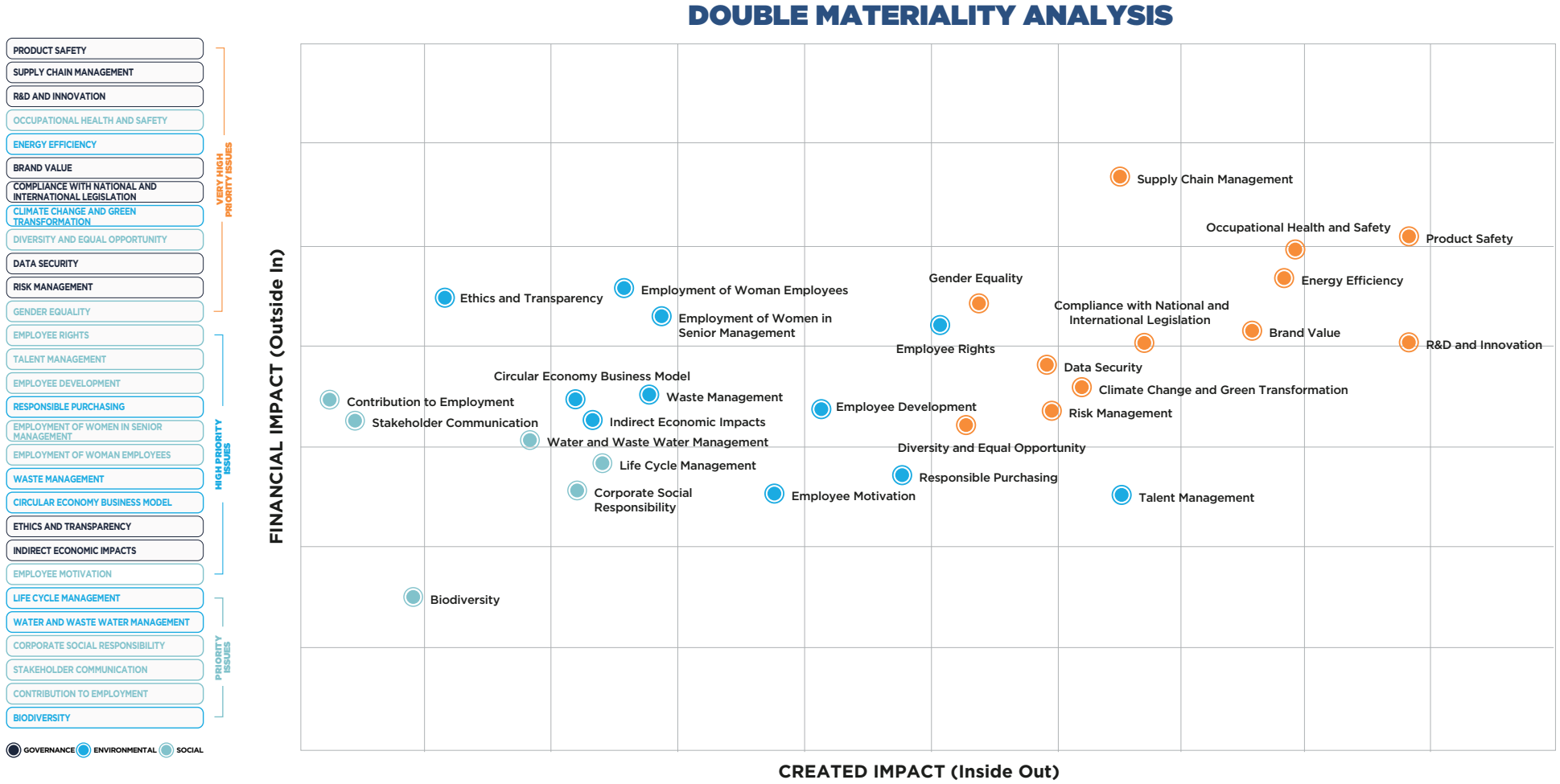
Assessment of Ecosystem: WAT analyzes its internal and external environment to examine the impacts of different stages within the value chain. At this stage, various sources such as annual business reports, internal data, and stakeholder feedback are utilized to identify environmental and social impacts.

Identification of Impacts and Opportunities: Key issues related to environmental, social, and governance (ESG) impacts and their financial implications for the business are evaluated. Both potential positive and negative impacts are taken into consideration.

Evaluation of Impacts: The significance of the identified environmental and social impacts is assessed in relation to business strategies, alignment with global initiatives, key sectoral issues, and stakeholder expectations.

Selection of Priority Topics: Based on the evaluation results, key issues that align with business strategies and are critical for stakeholders are identified. These topics contribute to WAT's sustainability goals across environmental, social, and governance dimensions.

Corporate Profile | Materiality Analysis



Sustainability Matters

Sustainability Matters | Performance Agains our Targets

	TARGET	2024	2024 STATUS	TARGET STATUS	SUSTAINABILITY STRATEGY	SDG'S
NEAR TERM 0-3 YIL	5% improvement in energy performance per motor kW compared to the 2021 baseline	0,0331 GJ/ product kW	54% Increase	Energy consumption exceeded expectations due to Vertical Integration projects, causing deviation from the target. Resource planning will be updated while maintaining the reduction rate according to the revised energy demand.	Carbon Neutral	SDG's 7, SDG's 13
	5% reduction in process-related water consumption per product kW	0,0012 m3/ product kW	49% increase	As part of the Vertical Integration Project, externally sourced processes were brought in-house, and one mold cleaning machine was commissioned with a closed-loop system. As a result, water consumption increased.	Circular Economy	SDG's 6, SDG's 12
	Establishment of ISO 14046 Water Footprint framework	Calculation studies have been completed; system improvements are ongoing.	60%	90%	Circular Economy	SDG's 6, SDG's 12
	Replacement of 16 refrigerant gases with high ODP and GWP with environmentally friendly alternatives	14 points	100%	100%	Circular Economy	SDG's 13
	Reduction of EPS ratio through packaging improvement initiatives	10%	100%	67%	Circular Economy	SDG's 12, SDG's 14
	Increase in the proportion of waste sent for recycling	98%	0%	98%	Circular Economy	SDG's 12
	Development of environmental awareness projects	5 projects	3	53%	Circular Economy	SDG's 13
	Elimination of single-use plastics	25%	25%	25%	Circular Economy	SDG's 13, SDG's 14
MİDDLE TERM 3-7 YEAR	25% reduction in Scope 1-2 emissions compared to baseline year	4948 Ton eq CO_2	11% increase	As part of the Vertical Integration Project, the in-sourced external processes contributed 10% to total operational emissions. Planning adjustments are being made to align with the target.	Carbon Neutral	SDG's 7, SDG's 13
	75% reduction in market-based Scope 1&2 emissions	2025 Ton eq CO_2	59%	55%	Carbon Neutral	SDG's 7, SDG's 13
	25% reduction in Scope 3 emissions from the use of sold products (*updated following achievement of previous target)	32089549 Ton eq CO_2	15%	39%	Fit-for-55 Product Strategy	SDG's 13
	25% reduction in Scope 3 emissions (*SBTi submission planned)	32234886 Ton eq CO_2	15%	39%	Fit-for-55 Product Strategy	SDG's 13
	Reduction of Scope 1-2 emissions per product kW	"Marked-based: 1.23 kg/ product kW Location base: 3.02kg/ product kW"	"Marked-based: 22% increase Location base: 17% increase"	"Marked-based: 57% decrease Location base: 11% increase"	Carbon Neutral	SDG's 8, SDG's 13

Sustainability Matters | Performance Agains our Targets

	TARGET	2024	2024 STATUS	TARGET STATUS	SUSTAINABILITY STRATEGY	SDG'S
MİDDLE TERM 3-7 YEAR	Reduce the proportion of chemicals with H400 risk to 32% by 2030 through alternative material substitutions	45%	7%	13,71%	Circular Economy	SDG's 3, SDG's 12
	20% increase in renewable energy usage compared to baseline year	47%	5% decrease	89%	Carbon Neutral	SDG's 7, SDG's 13
	Implementation of LCA studies for the IE4 product family	-	40%	60%	Circular Economy	SDG's 9, SDG's 12
	Implementation of 100% recyclable packaging initiatives	It will cover initiatives to improve the recyclability performance of product packaging.	-	-	Fit-for-55 Product Strategy	SDG's 12, SDG's 14
	Increase in recycled raw material content	It will cover initiatives to improve the use of recycled materials in product content.	-	-	Fit-for-55 Product Strategy	SDG's 12, SDG's 13
	Establishment of a monitoring system to improve product repairability index	A data collection model has been established for repairability.	25%	40%	Circular Economy	SDG's 12, SDG's 13
	20% reduction in water withdrawal per product kW	0.0123 m3/ product kW	20% increase	As part of the Vertical Integration Project, externally sourced processes were brought in-house, resulting in increased water consumption.	Circular Economy	SDG's 8, SDG's 14
	15% increase in process water recycling and reuse rate	Project Planning	-	-	Circular Economy	SDG's 8, SDG's 14
	Integration of WAT Green Chemistry principles into material management and procurement processes	Full alignment has been achieved in material selection, incoming material inspections, and supplier commitments. Systematic improvements are ongoing.	-	50%	Value Creation in the Supply Chain	SDG's 8, SDG's 12
	Achieve 5,000 tons CO2-eq of prevented carbon emissions in the Reuse & Revaluation Center compared to baseline year	3060 Ton eq CO_2	21%	100%	Circular Economy	SDG's 8, SDG's 13
	50% increase in repairability rate at the Reuse & Refurbishment Center compared to baseline year	36%	53%	36%	Circular Economy	SDG's 8, SDG's 16
		Proje Planlama	-	-		
LONG TERM 7+	Carbon Neutral Fit-for-55 Compliant Product Strategy Circular Economy					

Sustainability Matters | Climate

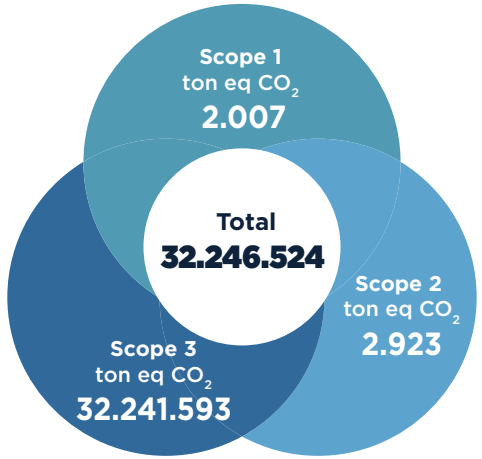
WAT regularly calculates its greenhouse gas (GHG) emissions since 2019 to measure and manage its environmental impact, as well as to develop emission reduction strategies. These calculations and reports, conducted in compliance with the GHG Protocol and ISO 14064 standards, help the company create strategies for managing and periodically reducing its emissions.

To support the transition to a low-carbon society, WAT develops innovative technologies. Through its expertise in electrification and automation, it creates products and projects that increase energy efficiency and reduce energy consumption. By collaborating with its customers and suppliers, the company aims to help manage emissions throughout its value chain. This goal is a critical part of WAT's sustainability strategies, which focus on creating value for all stakeholders. (For more details, please see the Corporate Governance section.)

A Double Materiality Analysis, conducted in 2024, revealed that climate-related issues are a high priority. (For more details, please see the Materiality Analysis section.) As part of its 2023 Sustainability Strategies, WAT set goals for managing value chain emissions that are in line with the Science Based Targets initiative (SBTi) Net-Zero Standard, which is externally approved to be consistent with the 1.5-degree Celsius target adopted by the Paris Agreement.

WAT plans to reduce its Scope 1 and 2 emissions by 75% by 2030, and its Scope 3 emissions by 42% from a 2021 base year. For 2050, the company has set a Net-Zero emissions target, aiming to reduce its corporate emissions by 90%. For the remaining 10%, WAT plans to use carbon capture and removal systems.

In 2023, WAT expanded its emissions audit boundaries, which were calculated and accepted based on 2021 data, to increase its impact area. Despite this expansion, the company achieved an overall decrease in emissions due to its effective projects and practices. It is known that 97% of WAT's corporate emissions are associated with the use phase of its products. This recent reduction is attributed to the increasing share of high-energy-efficiency products launched in 2023 and 2024.



To access the Environmental Policy, please click here.

**Market-based emissions have been accepted.*

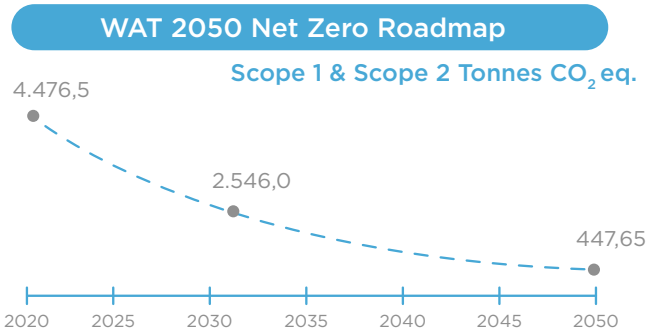
WAT's Emissions

> **Reduce its Scope 1 and 2 emissions by 75%**

As part of WAT's Net-Zero strategy to reduce Scope 1 and 2 emissions, 100% of its electricity is sourced from renewable energy. This means that 47% of the energy used for production comes from renewable sources.

The company is planning and implementing a range of projects to decrease production energy consumption and increase the share of renewable energy, including electrification efforts. In addition to these initiatives, WAT is taking concrete steps to boost production efficiency. It has replaced 40 IE4 (super-efficient) and 3 IE3 (efficient) motors, totaling 723 kWh, that were operating above 5.5 kWh and in a low-efficiency class. Furthermore, REGEN drivers have been integrated into certain areas to enable energy recovery. This change has resulted in an annual electricity savings of approximately 256,956 kWh.

When examining Scope 1 and 2 emissions since the 2021 base year, location-based emissions have increased due to a rise in production capacity. This growth is a result of increased production volumes and vertical integration efforts, despite improved efficiency. However, when evaluating market-based emissions, a 55% reduction has been achieved compared to the base year, indicating that 77% of the progress toward the 2030 target has been made.



Sustainability Matters | Climate

Circular Economy and Support for Global Goals

WAT has taken concrete steps to improve energy efficiency in the industry under its Inefficient Motors in Industry Transformation Project, which was launched in recent years. As part of this project, which began in 2022, the company conducted customized feasibility studies for its stakeholders. Low-efficiency electric motors and their parts were recycled, and new, high-efficiency motors were put into operation in their place.

These motor transformation projects were carried out in collaboration with many industrial organizations to contribute to the goals of the Green Industry Transformation. Furthermore, to expand the project and support the integration of waste into the circular economy, WAT visited the Ministry of Environment, Urbanization, and Climate Change through EMOSAD. During the visit, both the project and the waste management model were presented, and the specified waste codes were officially confirmed.

To share this information with all its stakeholders, WAT prepared a Waste Information Sheet and made it publicly available.

Air Emissions

WAT implements comprehensive measures to reduce and manage its point source emissions. In compliance with the Regulation on the Control of Air Pollution from Industrial Sources, it has emissions from its process stacks measured and reported every two years by authorized laboratories. To manage these emissions, WAT uses filtration systems on its stacks, with maintenance handled by authorized personnel or third-party service providers.

Additionally, to manage volatile organic compounds, the company opts for less harmful chemicals in its production processes. These eco-friendly material choices also help reduce emissions associated with the final products.

All of these measures contribute to both the reduction of environmental impacts and the improvement of the factory's operational efficiency.

Air Emissions

Metrics	Unit	Value
CO	ton	15.69
NO	ton	0.50
NO2	ton	0.04
NOx	ton	0.82
SO2	ton	0.06
TOZ	ton	10.62
HCl	ton	0.00
TOC	ton	22.66
VOC	ton	8.95

Eco-Friendly Material Selection: Innovative Solutions in Painting Processes

In line with its sustainability strategies, WAT aims to offer eco-friendly products to its customers and increase their market share. To this end, the company has achieved a significant reduction in emissions by using paints with reduced volatile organic compounds (VOC) on its motors.

As part of its Supplier Development Plan, and following engineering studies with its chemical supplier, WAT invested in an automatic proportioning and mixing unit for products in the 63–112 frame range. This investment was made to reduce paint consumption, decrease waste, and transition to low-VOC paint.

A similar system was implemented in previous years for products in the 112–280 frame range, where an eco-friendly and user-friendly paint preparation system was commissioned. Thanks to this system, adjustable-angle painting equipment reduces contaminated waste from overspray. By cutting 740 grams of waste per setup, the company achieves an annual chemical saving of 2.5 tons.

The new paints used contain 85% less solvent and solid content. This allows the paint ovens to provide the same performance at a lower temperature and in a shorter time, resulting in energy savings. Furthermore, this paint transition has also improved the products' corrosion resistance.

Costumer Emissions

> **97% of Total Emissions Are from the Use Phase**

Customer emissions account for approximately 97% of WAT's total greenhouse gas emissions, making this a critical area of our sustainability strategy. These emissions fall under Scope 3, which is a portion of emissions that arise from the use of products by customers after they are sold. For this reason, developing energy-efficient and eco-friendly products to reduce the environmental impact of their use is a core priority for WAT. This approach not only shrinks our own carbon footprint but also helps our customers achieve their sustainability goals.

Sustainability Matters | Climate

In line with this objective, WAT has reduced carbon emissions from product use by developing high-energy-efficiency motors. In 2024, the sales rate of these motors reached 94%, leading to a reduction of approximately 6 million tons of CO_2 equivalent in our customers' product-use emissions. In the same year, the share of low-carbon products within the total sold kW increased to 87%, and 80% of our R&D budget was allocated to developing these products.

WAT's product development processes are based on eco-design principles, aiming to reduce environmental impacts throughout the entire lifecycle. We increase the use of recyclable materials and offer compact, efficient designs to reduce material consumption and energy needs. For instance, our new-generation QN motor series was designed with 20% less active material, resulting in significant energy savings.

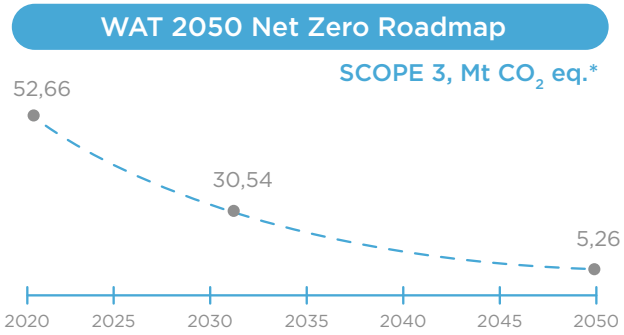
We are not just limited to products; we also invest in technologies that contribute to the energy transition. By developing charging units for electric vehicles, we contribute to the electrification of mobility.

In addition to all these activities, WAT offers energy audits, motor load analyses, technical consulting, and training services to raise customer awareness. By helping our customers get the highest efficiency from our products, we increase their operational profitability and help them reduce their environmental impact.

With its product management strategies, WAT contributes to the United Nations Sustainable Development Goals, such as "Affordable and Clean Energy" and "Responsible Consumption and Production." As of 2024, we have achieved a 39% reduction in product-use-related carbon emissions, surpassing our previous goal of 15%. In line with the 1.5-degree compatible Science Based Targets initiative, we have set a new goal to reduce Scope 3 emissions from the use of sold products by 42% by 2030. We are currently 92% of the way to this new target. Through our products, projects, and ongoing strategies, we strive to contribute to national and global goals.

Categories	Unit	Market Based	Location Based
Category 1 – Direct greenhouse gas emissions and removals:	ton eq CO_2	2,025	2,025
Category 2 – Indirect greenhouse gas emissions from imported energy:	ton eq CO_2	-	2,923
Category 3 – Indirect greenhouse gas emissions from transportation:	ton eq CO_2	8,846	8,846
Category 4 – Indirect greenhouse gas emissions from products used by the organization:	ton eq CO_2	36,609	36,609
Category 5 – Indirect greenhouse gas emissions related to the use of the organization's products/services:	ton eq CO_2	32,189,280	32,189,280
Category 6 – Indirect greenhouse gas emissions from other sources:	ton eq CO_2	152	152

WAT has adopted a Net-Zero by 2050 target, aiming to reduce its total carbon emissions by 90%. The company plans to use capture and removal systems for the remaining emissions.



** Mt: Mega tones*

Supplier Emissions and Management

"We are strengthening Turkey's economy with an 80% domestic supplier rate in our supply chain.

In line with its sustainability strategy, WAT has identified the reduction of environmental impacts across its entire value chain as a key objective. When excluding use-phase emissions, which account for roughly 97% of the company's total greenhouse gas emissions, effectively managing the environmental performance of the supply chain from purchased goods and services becomes critical for WAT.

WAT regards its purchasing power not just as a means to achieve operational benefits but also as a strategic leverage to transform its environmental and social impacts. To this end, the company aims to build close

Sustainability Matters | Climate

collaborations with its suppliers to achieve shared sustainability goals and support the transition to a low-carbon economy.

Under the "Creating Value in the Supply Chain" strategy, which forms the basis of this effort, WAT established its Responsible Purchasing Policy in 2023. This policy integrates core criteria such as sustainability, ethics, environment, and occupational health and safety into its purchasing processes. For detailed information, please see the WAT Purchasing Policy.)

Launched in the same year, the Supplier Sustainability Data Monitoring and Improvement Program began tracking the environmental and social performance of all suppliers. Supplier selection processes are now based on Environmental, Social, and Governance (ESG) criteria. For critical suppliers, who make up 74% of the company's purchasing volume, WAT conducts risk analyses, scoring, and sustainability index studies. These analyses are supported by independent third-party audits to provide objective feedback.

WAT's procurement policy has three basic operational principles:

PROTECTION
Promote and embed an honest business culture in all countries where suppliers have operations.

DETECTION
Ensure that supplier employees report nonconformities and conduct audits.

REACTION
Investigate violations properly.

WAT expects its suppliers to make commitments to improve their environmental performance. In this regard, they are asked to set clear targets for reducing greenhouse gas emissions, improving energy and water efficiency, minimizing waste, and managing climate risks. As of 2024, 18 suppliers, representing 37% of the purchasing volume, have made a formal commitment to combat the climate crisis.

WAT operates with the understanding that this transformation is possible not just through expectations, but with concrete support mechanisms. For this reason, it offers technical training and engineering consulting to suppliers as part of its Supplier Development Programs. The company is also open to stakeholder collaborations, leveraging its own experience as a supplier to its customers.

Sustainability principles are also fundamental to material and packaging processes. Practices like increasing recycled content, developing alternatives to high-impact materials, and reusing packaging encourage resource efficiency and circularity. Additionally, initiatives like transitioning to low-VOC chemicals and investing in automatic mixing systems for painting have led to significant reductions in chemical consumption and waste.

WAT monitors and analyzes emission data from its suppliers via digital platforms. Suppliers' sustainability levels are measured using ESG rating systems like EcoVadis, while various meetings and events are organized to promote data collection, target setting, and the sharing of best practices.

WAT views its suppliers not merely as providers of goods or services but as active partners in sustainable transformation. These partnerships enable the company to achieve its Scope 3 emission reduction goals. This visionary approach also contributes to building a lower-carbon, more circular, and resilient economic structure across the entire sector.

Supplier Management

Metrics	Unit	2024
Total number of significant suppliers	Quantity	44
Percentage of total procurement (€) to significat suppliers	%	90
Total number of suppliers assessed	Quantity	44
Percentage of total procurement (€) to suppliers assessed	%	74

Sustainability Matters | Responsible Resource Management

WAT has built its sustainability strategy around minimizing environmental impacts, positioning the responsible and efficient use of natural resources as a fundamental element of this approach. The company's environmental responsibility is not limited to its own operations; it aims to reduce and more effectively use natural resources like energy, water, and raw materials throughout the entire value chain.

To this end, WAT implements innovative practices to reduce its environmental footprint at various stages, from product design to production processes. By adopting eco-design principles, the company reduces resource consumption through practices such as using less raw material, increasing the proportion of recycled content in products, and developing high-energy-efficiency motors, all while improving the environmental performance of its products.

In its production processes, WAT minimizes water consumption through closed-loop water systems and reduces risks to human health and ecosystems by transitioning to eco-friendly chemical alternatives. Furthermore, investments in digitalization have led to significant savings in the use of resources like paper.

In the area of packaging, WAT promotes the use of recyclable and reusable materials, which both reduces waste and contributes to the circular economy. Effective waste management, increasing recycling rates, and optimizing material use are among the main practices that serve the company's resource efficiency goals.

WAT's circular economy-focused resource management approach directly aligns with its sustainable supply chain management, demonstrating a holistic perspective on its environmental responsibility. The ultimate goal is to make a meaningful contribution to protecting the planet by

reducing the environmental footprint of the entire value chain, not just the company's own operations.

Material Management

WAT ensures that all raw materials used in its products and production processes are 100% compliant with current national and international regulations, including the Official Gazette of the Republic of Turkey, European Union legislation, and other relevant international standards. This high level of compliance is continuously monitored and supported by improvement activities through the coordinated efforts of the Quality, R&D, Sustainability, Environment, and OHS departments.

Approaching material management from an environmental perspective, WAT aims to reduce the environmental impact of raw materials, accelerate the transition to eco-friendly alternatives, and increase recyclability rates. The company prioritizes the use of recycled content in its packaging materials and enforces a zero-tolerance policy against the use of banned and harmful chemicals. As part of its circular economy approach, WAT also implements technical service models that support the long-lasting use of products and a framework for the legal management and repurposing of waste electric motors.

This holistic approach is shaped by a Life Cycle Assessment (LCA) framework. WAT optimizes its product designs by evaluating their environmental impacts throughout their entire lifecycle, from raw material sourcing to end-of-life. The core components of this strategy include preferring suppliers with low environmental impact, developing high-energy-efficiency designs, and reducing environmental effects during the use phase. This approach enhances the overall environmental performance of the products and creates a more sustainable value chain.

The Life Cycle Analysis (LCA) studies initiated by WAT have been deepened through university collaborations and are grounded in scientific principles. The first results of these studies will be shared with the public in the 2024 Sustainability Report.

By integrating material management with its sustainability vision, WAT is committed to the responsible use of finite natural resources. It aims to provide value based on trust, continuity, and respect to its broad network of stakeholders, including customers, employees, suppliers, dealers, and service centers. This approach contributes not only to environmental sustainability but also to economic and social sustainability.

Sustainability Matters | Responsible Resource Management

Biodiversity

Biodiversity conservation is critical to building a sustainable future. Operating with this awareness, WAT takes steps to minimize the environmental impact of its operations, promoting the protection of healthy ecosystems and the widespread adoption of eco-friendly practices.

WAT actively seeks opportunities to protect biodiversity and improve and rehabilitate ecosystems. The company is committed to taking responsibility in this area, aiming to conduct its activities in harmony with the ecosystem. To this end, its primary goals include preserving nature's capacity for renewal, raising biodiversity awareness, and reducing environmental impacts.

While the long-term effects of microplastics on biodiversity are still being researched, they are known to pose serious ecological and health risks. To combat plastic pollution, WAT minimizes the amount of plastic used in its products and promotes the use of recycled materials. Specifically, more sustainable materials like aluminum are preferred over frequently used plastic components, which increases the recyclability of the products. On average, WAT's products consist of 97% metal content.

With its integrated production facilities, WAT determines the material formulas for its aluminum smelting processes based on criteria such as durability, quality, and reusability. Unavoidable aluminum part losses and sizing waste are included in the recycling process. Thanks to this method, an average recovery rate of 27% is achieved for aluminum parts produced at WAT's own facilities.

For packaging, a major area of plastic use, priority is given to 100% recyclable plastic, which significantly reduces the amount of plastic waste released into nature. For medium-sized motors, durable and reusable wooden packaging is preferred over cardboard boxes.

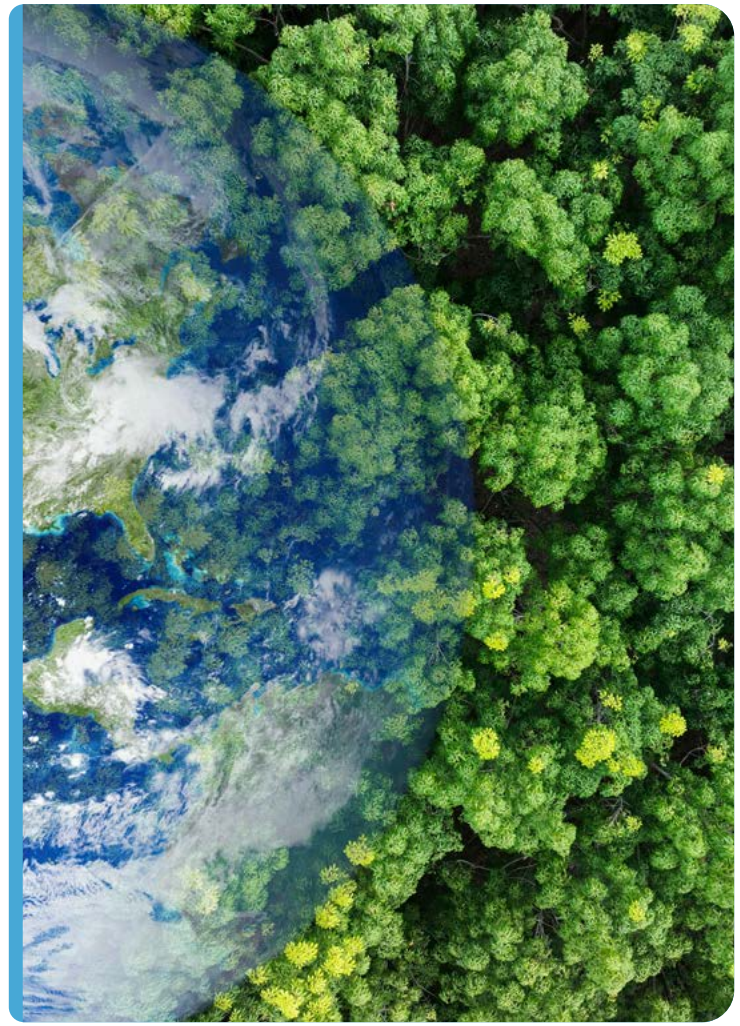
Plastic crates and wire spool packaging used in production are also managed in a reusable, revolving system with supply chain stakeholders. This supports long-term use and reduces the risk of plastic pollution. Furthermore, the revolving use of metal crates and pallets with wooden separators with suppliers helps conserve resources.

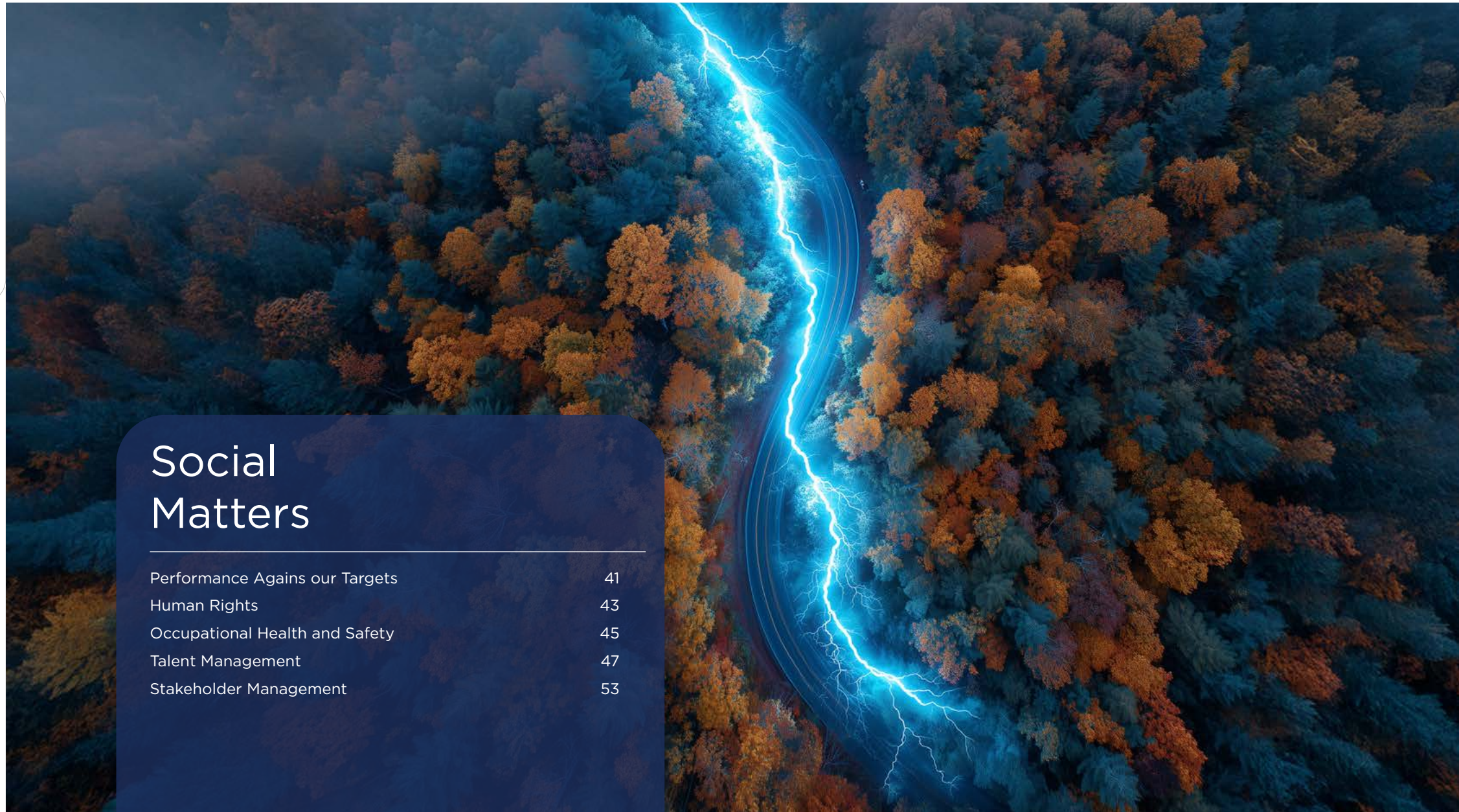
WAT's holistic and strategic approach makes significant contributions not only to biodiversity conservation but also to promoting sustainable environmental practices. In this context, WAT is determinedly pursuing its activities with the aim of:

- Identifying risks and opportunities within the scope of biodiversity conservation.
- Adopting a sustainable product strategy.
- Continuously improving production processes.
- Evaluating biodiversity elements in supply chain management.
- Ensuring system integration and continuous improvement.
- Maintaining transparent legal compliance.
- Increasing awareness.
- Developing collaborations.

Amaçlayan faaliyetlerini kararlılıkla sürdürmekte ve tüm süreçlerini sürekli olarak iyileştirmeyi taahhüt etmektedir.

To access the Biodiversity Policy, please click here.





Social Matters

Social Matters | Performance Agains our Targets

	TARGET	2024	2024 STATUS	TARGET STATUS	SUSTAINABILITY STRATEGY	SDG's
NEAR TERM 0-3 YIL	Assessment of GBVH risks	Contuniue	50%	50%	Gender Equality and Inclusion	SKA 5, SKA 8
	Increase investment in OHS-focused projects	-	-	100%	Value Creation in the Supply Chain	SKA 3, SKA 8
	Increase employee awareness and engagement through sustainability-focused trainings and campaigns, +1,000 person*hours	784	78%	78%	Circular Economy	SKA 4, SKA 8
	Increase employee awareness and support safe behavior culture through health and safety trainings, +50,000 person*hours	5072	3%	53%	Value Creation in the Supply Chain	SKA 3, SKA 8
	Increase budget allocated to ergonomics initiatives	51 M €	88%	73%	Gender Equality and Inclusion	SKA 3, SKA 8
MİDDLE TERM 3-7 YEAR	Increase daycare support (increase independent of inflation)	60%	60%	60%	Gender Equality and Inclusion	SKA 5, SKA 8
	Enhance employee engagement	57%	3%	81%	Value Creation in the Supply Chain	SKA 8
	Completion of ethnographic studies on employees with disabilities	1. faz	2%	5%	Gender Equality and Inclusion	SKA 10
	Unconscious bias training for managers and recruiters	Tamamlandı.	100%	100%	Gender Equality and Inclusion	SKA 5, SKA 10
	Female employment at 15%	15,10%	100%	100%	Gender Equality and Inclusion	SKA 5, SKA 8, SKA 10
	Management level	20%	7%	100%	Gender Equality and Inclusion	SKA 5, SKA 8, SKA 10
	Office employees	25%	15%	100%	Gender Equality and Inclusion	SKA 5, SKA 8, SKA 10
	Field employees	10,00%	%20 drop	30%	Gender Equality and Inclusion	SKA 5, SKA 8, SKA 10

Social Matters | Performance Agains our Targets

	TARGET	2024	2024 STATUS	TARGET STATUS	SUSTAINABILITY STRATEGY	SDG's
MIDDLE TERM 3-7 YEAR	Sustainability-focused community awareness education events, +1,000 events	51	5%	5%	Circular Economy	SKA 4, SKA 5
	Sustainability awareness education for children and youth, +5,000 person*hours	1579	32%	32%	Carbon Neutral	SKA 4, SKA 8
	Sustainability-focused societal awareness education programs, +10,000 participants	2023	20%	20%	Circular Economy	SKA 4, SKA 12
	Sustainability-focused societal awareness digital communications, +10,000 digital platform interactions	2495	21%	28%	Carbon Neutral	SKA 4, SKA 8, SKA 12
	Increase stakeholder engagement via application plan, +100,000 interactions	20685	21%	21%	Value Creation in the Supply Chain	SKA 8, SKA 9, SKA 12
	Generate societal benefit through corporate social responsibility projects	13	13%	13%	Circular Economy	SKA 8, SKA 16
	Diversity, equity, and inclusion training to increase awareness and participation	7470	15%	38%	Gender Equality and Inclusion	SKA 5, SKA 10, SKA 16
LONG TERM 7+	Diversity, equity, and inclusion					

Social Matters | Human Rights

WAT Motor adheres to the Universal Declaration of Human Rights and is committed to respecting human rights in all its stakeholder relations. Creating and maintaining a positive and professional work environment for employees is one of its core principles. In all areas such as recruitment, promotion, career development, compensation, benefits and diversity, WAT Motor complies with global ethical principles and ensures that employees have the freedom to form and join civil society organizations by their own choice. There is zero tolerance for forced labor, child labor, discrimination, or harassment. The company also takes responsibility for respecting and promoting human and labor rights throughout its value chain. This includes ensuring that suppliers and contractors comply with environmental, health, safety, and labor standards.

WAT Motor is committed to upholding the dignity and human rights of all individuals. It takes proactive steps to identify risks and potential impacts related to human rights and implements measures to prevent or mitigate adverse effects.

WAT Motor adheres to the following international standards and principles:

- UN Guiding Principles on Business and Human Rights (2011)
- UN Global Compact (2000)
- ILO Declaration on Fundamental Principles and Rights at Work (1998)
- Women's Empowerment Principles (2011)
- ILO Convention No. 182 on Worst Forms of Child Labour
- OECD Guidelines for Multinational Enterprises (2011)

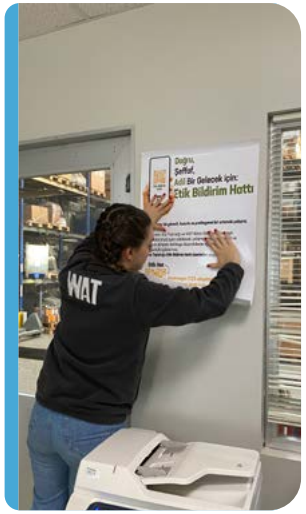
In line with its Human Rights Policy established and published in 2023, WAT Motor monitors its processes and adapts its practices accordingly.

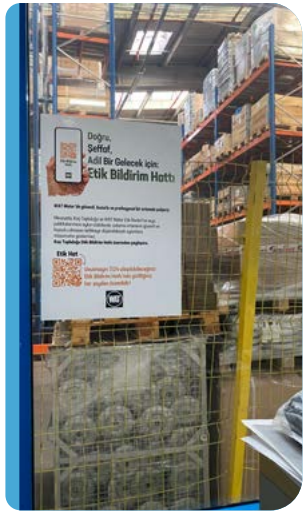
Commitment	2023	2024
Zero Tolerance for Child Labor and Forced Labor – Number of child laborers	0	0
Freedom of Association and Collective Bargaining – The rate of workers who are union members	100%	100%
Health and Safety – LWIR (Lost Workday Incident Rates)	0,45	0,11
Zero Tolerance for Harassment and Violence – Number of reports	Incoming notifications: 0 Resolved notifications: 0	Incoming notifications: 1 Resolved notifications: 1
Diversity	Female employee rate: 14.7% Disabled employee rate: 2.3% Employee rate under age 30: 37% Employee rate over age 50: 2%	Female employee rate: 15.2% Disabled employee rate: 1.3% Employee rate under age 30: 30% Employee rate over age 50: 2%
Individual Development – Training hour	54,1 hour/individual	38,6 hour/individual

Social Matters | Human Rights

Respect for Human Rights

At WAT Motor, integrity, honesty, responsibility, trust, and respect are core values that guide all decisions and actions. The company embraces the United Nations Universal Declaration of Human Rights and demonstrates behaviors aligned with these principles to maintain cultural integrity. In line with this, the Ethical Principles established and published in 2023 serve as a guiding framework. (You can access WAT Motor's Ethical Principles here.) It is a primary expectation that all employees and stakeholder interactions comply with these principles. Recognizing that violations threaten both corporate and societal interests and lead to injustices and potential harm, WAT Motor emphasizes that reporting such cases is a responsibility. Awareness-raising seminars, communications, and training programs are conducted to reinforce this commitment.





Reports of violations can be made 24/7 through the Ethics Reporting Line, which is open to all employees, subcontractors, and internal and external stakeholders. All incoming reports are closely monitored and resolved in accordance with the Whistleblower Policy. (You can access WAT Motor's Whistleblower Policy here.)

	2023	2024
Violation Reports Received	Incoming Notifications:7 Resolved Notifications:7 Total Notifications:7	Incoming Notifications:5 Resolved Notifications:1 Total Notifications:5
Ethical Principles Training	443 hours	581 hours

Social Matters | Occupational Health and Safety

WAT Motor considers providing a safe workplace a fundamental human right. It systematically identifies risks, works to prevent accidents, and promotes the well-being of its employees. The company implements appropriate standards and procedures, ensuring compliance with local laws and regulations to protect the health and safety of both employees and contractors.

Commitments:

- Providing a healthy and safe working environment for employees based on the principle "Health and Safety Comes First."
- Taking preventive actions against occupational diseases and injuries.
- Ensuring compliance with legal obligations and Koç Group's policies and procedures.
- Managing operations using fair and transparent methods that promote continuous improvement.
- Improving occupational health and safety conditions through the use of best available technologies.
- Planning and preparing for potential emergencies.

Action Plan

TARGET: ZERO ACCIDENTS - ZERO TOLERANCE

SAFE PROCESS

We constantly strive to protect the health and safety of our employees by taking safety as a basis in our business processes.

We adopt best practice standards for safe processes and operational processes and aim for continuous improvement.

SAFE EQUIPMENT

We ensure that our employees work in a safe environment by conducting regular maintenance and inspections for the safety of our equipment.

We report unsafe equipment immediately, accelerate rectification processes and adopt the principle of zero tolerance.

SAFE BEHAVIOR & CULTURE TRANSFORMATION

We lead to create safe behaviors and a culture of safety.

We do not tolerate unsafe behavior; we remind each employee of their responsibility for safety and encourage their active participation.

A Culture of Prevention

WAT Motor believes that a proactive, systematic approach is essential to achieving sustainable health and safety. In 2024, the company shifted from traditional reactive safety methods to building a proactive safety culture.

To ensure effectiveness and continuity in occupational health and safety (OHS) processes, weekly OHS Coordination Meetings involving senior management are held to review risks, incidents, and corrective-preventive actions. This practice reinforces the idea that health and safety is a shared responsibility across the entire organization.

A critical element identified in prevention efforts is the response time from risk detection to action. As a result, detected risks are digitally tracked and monitored until resolved—allowing preventive actions to be taken before hazards escalate. This strengthens the "safety first" mindset.

	2023	2024	İyileşme
Preventive action closure period (days)	120	100	17%

"With the principle of 'Zero Work Accidents as the Only Goal,' measurable improvements have been achieved in occupational health and safety (OHS) performance indicators through the joint efforts of all field teams and leaders."

Social Matters | Occupational Health and Safety

	2023	2024	İyileşme
LTIF (Lost Time Incident Frequency)	15,1	9,1	40%
LWIR (Lost Workday Incident Rates)	0,4	0,1	75%
General Accident Rate	6,7	1	85%
Occupational Disease Rate	0	0	

13% of the total 2023 and 2024 investment budget was allocated to OHS and ergonomics improvement projects.

- New melting furnaces and battery charging zones were commissioned to eliminate fire and explosion risks.

- Projects on layout design, automation, equipment renewal, and machine safety upgrades were implemented to improve ergonomics and prevent injuries.

- In 2024, a comprehensive Fire Risk Scan & Evaluation was conducted. A total of 108 risk actions were defined, and 47 (44%) were completed.

- 210 hours of training were provided to Emergency Response Teams. The WAT Rescue Team was established and trained in cooperation with AFAD (Turkey's Disaster and Emergency Management Authority).

Social Matters | Talent Management

Creating a positive, fair, and professional working environment and supporting the development of employees are fundamental principles at WAT Motor. The company adheres to global ethical standards and legal regulations in recruitment, promotion, career development, compensation and benefits, and diversity, with zero tolerance for discrimination.

Promoting Early Career

At WAT Motor, the development and integration of young talent into the workforce is considered one of the cornerstones of sustainable growth. This approach not only enables recent graduates and early-career professionals to discover their knowledge, skills, and potential, but also contributes to preparing the workforce for the future and generating long-term value for society.

The WAT'sTalent Young Talent Program provides final-year university students and recent graduates with real-world work experience, offering them a strong start to their careers. Designed to prepare young professionals for future roles and to build a robust talent pipeline, the program plays a critical role in workforce planning. Approximately 30% of the participants in the past two years have transitioned into full-time roles at WAT Motor, continuing their professional journey within the organization.

	2023	2024
Accepted into the Young Talent Program (number of)	22	7
Transitioned to a permanent role (number of)	8	2

The future is on! FUTURE ON WAT Internship Program

The FutureOn internship program, aimed at introducing university students to the business world at an early stage, is structured to support both individual development and organizational continuity. Participants are given opportunities to take responsibility within their teams, prepare and present a project, and benefit from mentorship and training support. Conducted consistently every year, this program strengthens young professionals' career development while contributing to a dynamic, innovative, and talent-focused corporate culture.

	2023	2024
Accepted into the program (number of)	30	28

People Development

Developing employees in their current roles and preparing them for future roles is critical to organizational success. At WAT Motor, employees are supported with a variety of development programs to encourage lifelong learning, skill enhancement, and continuous growth. All development activities are aligned with company priorities, strategies, and goals, aiming to proactively meet both current and future skill requirements. To achieve this, organizational competencies and necessary technical qualifications are supported through solutions that promote both functional and behavioral skill development.

Under the motto "Development is Better Together," employee competencies are developed in three main categories:

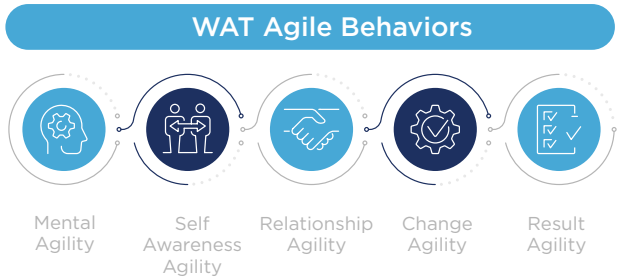
Gelişim birlikte güzel Development

- Gelişim birlikte güzel Core — Competency development
- Gelişim birlikte güzel Capability — Functional and technical development
- Gelişim birlikte güzel Leadership — Leadership development

Functional and Technical Development (Capability): These programs are designed to improve efficiency in business processes, ensure technical accuracy and quality, and continuously develop employees in alignment with industry dynamics. In addition to standard technical trainings to maintain expertise, function-specific development programs are periodically designed. In 2024, a Quality Development Program was launched for field teams to strengthen expertise and align with evolving industry expectations. 32 employees were participated in this 828 training hours program.

Competency Development (Core): These programs target all employees, from new hires to managerial levels, aiming to ensure rapid and effective integration into the company culture and operations.

Social Matters | Talent Management



Annual trainings and programs reinforce and develop WAT Agile Behaviors, while customized initiatives support cultural development. One of the key priorities in 2024 was fostering a culture of open, constructive, and continuous feedback. The “Succeeding Together Through Effective Feedback” training program was designed to promote learning from mistakes, encourage fast adaptation, and strengthen collaboration and trust through transparent communication. 98 employees were participated in this program, which provided 686 hours of training.

Succeeding Together Through Effective Feedback We carry out activities in team workshops that empower transparent communication and collaboration; we remember and practice agile team values.

To cultivate future leaders, the Pusula Leadership Development Program was designed and implemented in 2024. This comprehensive journey aims to enhance leadership competencies such as strategic thinking, effective communication, change management, and decision-making among employees identified as potential future leaders.

Participants engage in a structured development journey supported by experiential learning, mentoring, in-person and digital trainings, case studies, and feedback processes. 21 employees were participated in this program, which provided 882 hours of training.

	2023	2024
Total Training Hours - Competency Development	13762	3985
Total Training Hours - Functional and Technical Development	34155	18275
Total Training Hours – Leadership Development	614	1291
Total Training Hours	48531	23551
Training hours per employee	62,9	38,6

Social Matters | Talent Management

People Experience

All initiatives at WAT Motor are designed in line with the principle of maximizing employee experience. The annual Employee Experience Survey not only measures satisfaction levels but also collects insights to better understand employee perceptions and needs. Feedback is analyzed by segment (e.g., field vs. office employees), enabling the development of tailored applications.

In addition to surveys, focus group discussions provide a platform for employees to voice their opinions and collaboratively generate ideas for enhancing the work experience.

Positive results from the 2024 survey reflect the effectiveness of these efforts.

	2023	2024
Engagement Score	57%	59%

- Designated Experience Action Coaches within each function closely monitor employee sentiment and lead improvement actions.
- Strong employee benefits and recognition programs are built with employee experience as a top priority, including.
  - Special day celebrations
  - Team success recognition and rewards
  - Flexible benefit options
  - Events involving families
  - Financial support
  - Social assistance
  - Private pension scheme
  - Hybrid work model
  - Leave entitlements
- A competitive and fair compensation policy is implemented to attract, retain, and reward talent. This policy is consistently improved to reflect equity and competitiveness, while staying aligned with company values and culture.
- Through rotation opportunities across departments, business areas, and projects, employees gain diverse experiences that support their career development. By encouraging innovation and new challenges, employee motivation is enhanced, and the overall employee experience is positively impacted.

	2023	2024
Employee rotation rate within company	15%	10%

Social Matters | Talent Management

Employee Structure

Employees by type of contract, broken down by gender (number of people)

	2023			2024		
	Female	Male	Total	Female	Male	Total
Total	130	757	887	84	470	554
Permanent	118	680	797	78	459	537
Temporary	12	77	89	6	11	17

Employees by type of contract, broken down by business area (number of people)

	2023			2024		
	Industrial Motor	Motion Control Tech.	Autonomous Systems	Industrial Motor	Motion Control Tech.	Autonomous Systems
Total	887	0	0	495	46	13
Permanent	797	0	0	480	45	12
Temporary	89	0	0	15	1	1

Employees by type of seniority, broken down by gender (number of people)

	2023			2024		
	Female	Male	Total	Female	Male	Total
0-5 years	106	431	537	69	273	342
5-10 years	8	70	78	5	38	43
10+ years	16	256	272	10	159	169

Employees by type of organizational level, broken down by gender (number of people)

	2023			2024		
	Female	Male	Total	Female	Male	Total
Expert	49	120	169	39	106	145
Manager	3	15	18	3	15	18
Executive	0	1	1	0	1	1

Turn over, broken down by gender

	2023	2024
Female	2,7%	2,5%
Male	11,2%	12,3%
Total	13,9%	14,8%

Social Matters | Talent Management

Integral Well-being, Diversity and Inclusion

At WAT Motor, creating a work environment that brings together diverse perspectives, provides equal opportunities, and enables everyone to realize their full potential is considered a core corporate responsibility. Across all operations we accept diversity as a strength and inclusion as a fundamental value.

WAT Motor supports an inclusive culture that spans a wide range of areas—from increasing female representation and implementing practices that overcome barriers, to building multi-generational teams and fostering collaboration among professionals from various disciplines. We place strong emphasis on the Women's Empowerment Principles (WEPs), a joint initiative by the United Nations Global Compact and UN Women, endorsed by Koç Holding. These principles serve as a roadmap for empowering women in the workplace, and WAT Motor is committed to promoting gender equality in alignment with them.Increasing women's participation in the workforce, ensuring greater representation in leadership roles, and supporting gender equality are integral to our sustainability objectives.

	2023	2024
Female Employee Rate	14,7%	15,2%
Female Employee Rate in Management Team	18,8%	18,8%
Female Rate in Recruitment	18%	27%

Since 2020, the number of female employees at WAT Motor has increased by 132%, reinforcing our dedication to building a workplace culture that values equity. As part of our ongoing commitment to gender equality, workshops and seminars have been organized across all levels of the organization—from executive leadership to field staff—to raise awareness and promote inclusive behaviors. Under the motto "Leading Equality Together" this awareness initiative included:

- "Equality in Working Environment: Awareness Workshop with Leaders"
- "Equality Workshop with Male Employees"
- "Empowerment Seminars with Female Employees"

This initiative reached 71 employees and laid the foundation for lasting change.

Social Matters | Talent Management

Beyond gender equality, we also prioritize creating an inclusive and accessible workplace by encouraging the participation of individuals with disabilities in the workforce. Additionally, we promote intergenerational diversity and inclusion by supporting the active engagement of employees from all age groups in professional life.

	2023	2024
Disabled Employee Rate	2,3%	1,3%
Employee Rate Under Age 30	37%	30%
Employee Rate Between Age 30-50	61%	68%
Employee Rate Over Age 50	2%	2%
Employee on Maternity Leave	4	3

At WAT Motor, we place great importance on the holistic well-being of our employees—physical, mental, and emotional. Through our well-being approach, we have implemented support programs to help employees maintain a healthy and balanced work life.

- With the Koç Healthcare platform, all employees have unlimited and free access to online health services. This includes consultations in 38 medical specialties, dietician services, psychological counseling, and 24/7 emergency health support.

- To promote social interaction and overall well-being, sports activities are organized annually. In 2023 and 2024, teams formed by employees participated in table tennis, football, and tennis tournaments as part of the Koç Group Sports Tournament.

- Through the Outdoor Sports Club, employees come together in motivational and socially engaging activities such as nature walks and outdoor adventures. These events are open to all employees and are designed to foster team spirit and well-being.

Social Matters | Stakeholder Management

WAT has, since its establishment, pursued collaborations in the energy industry with the aim of generating long-term positive outcomes for its customers, the sectors it serves, the planet, and society. In line with its sustainability goals, the company has made it a priority to build partnerships with all stakeholders in order to drive the necessary progress within the energy ecosystem.

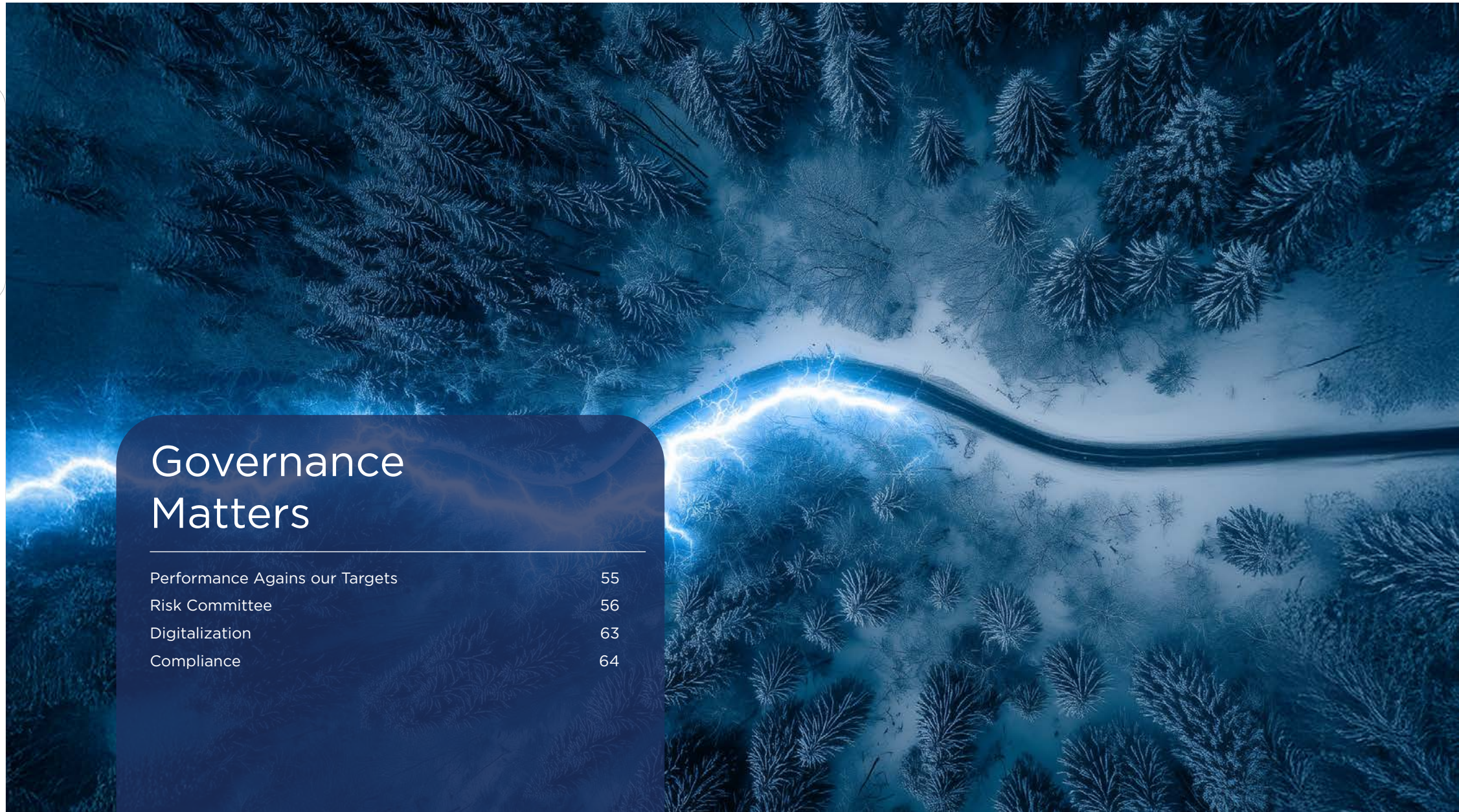
Effective communication with stakeholders makes a significant contribution to WAT's ability to develop comprehensive and lasting solutions, achieve its sustainability objectives, gain competitive advantage, enhance trust and reputation, and manage risks. Stakeholder engagement is carried out at intervals defined according to the characteristics of the relevant stakeholder groups. Within this framework, a structured stakeholder engagement plan is implemented regularly, with periodic interactions taking place at least once a year.

STAKEHOLDER INTERACTION PLAN

Stakeholders	Communication Met	Frequency Of Contact
Customers	• Satisfaction surveys • Email, telephone • Face-to-face interviews • Customer visits and meetings • Exhibitions and conferences • Website • Social media	Periodically
Employees	• Face-to-face interviews • Trainings, meetings, social activities • Performance interviews • Satisfaction surveys	Periodically
Suppliers	• Audits and surveys • Email, telephone • Face-to-face interviews • Customer visits and meetings • Exhibitions and conferences • Website • Social media	Periodically
Public Institutions and Private Institutions	• Social media • Face-to-face interviews • Exhibitions and conferences • Website	Periodically
Media	• Exhibitions and conferences • Website	Periodically
Society	• Corporate social responsibility projects • Sponsorships	Periodically
STK'lar, Üniversiteler	• Email, telephone • Memberships • Meeting attendance • Project partnerships	Periodically

The outcomes of our stakeholder engagement are presented below.

Stakeholder Participation	Unit	2024
Domestic customer visits	number	538
International customer visits	number	144
Visits to the WAT Factory	number	96
Social media interaction	number	14,560
Sustainability interaction	number	3,450
Announcements, flyers, catalogs, bulletins, and advertisements	number	78
Fair participation and visits	number	13
Internal stakeholder events	number	28
Government institutions, universities, NGOs, and membership activities	number	16
Congresses, symposiums, trainings, seminars, webinars	number	37
Social club events	number	4
Celebrations, commemorations, awards	number	7
Corporate social responsibility	number	8
Donations and support	number	3
Total stakeholder interaction	number	15,532



Governance Matters

Governance Matters | Performance Agains our Targets

	TARGET	2024	2024 STATUS	TARGET STATUS	SUSTAINABILITY STRATEGY	SDG's
NEAR TERM 0-3 YIL	Establishment of WAT Corporate Risk Management and implementation of mitigation plans	Risk management structure established	20%	80%	Carbon Neutral	SDG's 8, SDG's 16
	Identification of climate risks and setting parabolic climate targets through WAT climate scenario assessments	Climate Change Scenarios Assessment & WAT Science-Based Target Setting report for Climate Action	100%	100%	Carbon Neutral	SDG's 8, SDG's 9, SDG's 13
	Creation and publication of the Stakeholder Engagement Plan	PKP created and implementation started; database established for publication	30%	100%	Carbon Neutral	SDG's 17
	Conduct social compliance assessment via SEDEX	Sedex membership completed; SAQ process initiated	20%	100%	Value Creation in the Supply Chain	SDG's 8, SDG's 10
	100% increase in the number of motors replaced under the Efficient Motor Transformation Project to support green transformation in the industry	-	-	-	Fit-for-55 Product Strategy	SDG's 7, SDG's 9
MIDDLE TERM 3-7 YEAR	Increase access to €50M green financing	25 M €	-	50%	Carbon Neutral	SDG's 9, SDG's 13
	Ensure female employment in hiring rules and increase the proportion of female hires in total employment	15,1%	13%	100%	Gender Equality and Inclusion	SDG's 5, SDG's 8, SDG's 10
	Increase supplier local content rate by 5%	166 local supplier	2%	80%	Value Creation in the Supply Chain	SDG's 8, SDG's 12
	Raise purchase volume from approved suppliers to 85%	74%	1%	87%	Value Creation in the Supply Chain	SDG's 12, SDG's 16
	Increase the share of ESG-committed suppliers in financial volume to 30%	16 supplier	25%	83%	Value Creation in the Supply Chain	SDG's 12, ASK 13
	Close 50% of actions aimed at reducing WAT's corporate risks	To Do	0	0	Carbon Neutral	SDG's 9, SDG's 16
	Increase the share of low-carbon product portfolio in revenue to 85%	64%	20%	75%	Fit-for-55 Product Strategy	SDG's 9, SDG's 13
	Ensure 80% of total kW of sold products consists of efficient products	-	-	100%	Fit-for-55 Product Strategy	SDG's 7, SDG's 13
	Digitalize sustainability performance indicator tracking	-	-	-	Carbon Neutral	SDG's 12
	Ensure critical suppliers obtain ISO 14001 certification	47	-	87%	Value Creation in the Supply Chain	SDG's 9, SDG's 12
	Ensure critical suppliers obtain ISO 50001 certification	32	-	59%	Value Creation in the Supply Chain	SDG's 9, SDG's 12
LONG TERM 7+	Value In Supply Cahin					

Governance Matters | Risk Management

Corporations face various risks during their operations, and effective management of these risks not only reduces negative impacts but can also create new opportunities. Risk management is a comprehensive process for identifying, analyzing, and controlling risks. While risks cannot be eliminated entirely, this process helps reduce costs, prevent operational disruptions, and avert crises.

At WAT, risks are evaluated as any event, threat, or opportunity that could positively or negatively affect the company's objectives. In 2023, the WAT Corporate Risk Management (WERM) process was initiated to systematically manage elements that could threaten the company's assets, reputation, and financial strength, thereby securing a global competitive advantage. With this process, an integrated, systematic, and proactive risk management approach has been adopted.

The WAT Corporate Risk Management System aims to increase the effectiveness of operations and maximize benefits from opportunities by ensuring risks are correctly identified, evaluated, and mitigated. It also contributes to setting more informed strategic goals and provides an effective change management process. The processes for controlling and monitoring risks are supported by advanced financial and managerial control mechanisms. While meeting stakeholder expectations, corporate-level risk awareness is also increased.

WAT's risk management framework is based on various international methodologies and best practices, primarily the ISO 31000 Risk Management Standard. The CFO, who leads the Corporate Risk Management and Compliance organization, is responsible for integrating risks and opportunities and mitigating identified risks. Company employees act as a vital first line of defense for the early detection of potential risks. Transparent reporting practices are the most concrete indicators of both the culture of integrity and employee participation.

The corporate risk management approach addresses all elements that could affect the company's operations as both risks and opportunities, supporting the achievement of strategic goals. To this end, the WAT Risk Committee was formed under the leadership of the CFO, with the participation of relevant managers, department representatives, management system officers, and business development experts. The committee meets quarterly to review risks, make necessary updates, and determine action plans, which are then reported to the CFO. The CFO presents these evaluations to the Board of Directors, who in turn provides strategic direction and allocates necessary resources based on this information.

At WAT, risks are categorized into six main areas: financial, reputational, production, operational, human resources, and legal risks. These risks are evaluated in detail based on their probability, impact on profitability, and mitigation plans. Additionally, the WAT Sustainability Committee is responsible for identifying climate change-related risks and opportunities and integrating these into the corporate risk management system. Climate risks and opportunities are included in the risk mitigation plans through the joint efforts of the Risk Committee and the Sustainability Committee, ensuring a holistic structure.

Risk Committee

Governance Matters | Risk Management

Operational Risk Management Process

01

Risk Identification

Factors that may threaten WAT's strategies and assets are identified at this stage.

Workshops with facility and department supervisors, audit reports and incidents experienced are taken as basis in the identification of risks.

Regular risk assessment studies ensure that events that may affect WAT's achievement of its goals and objectives are identified.

02

Risk Prioritization

Measures that reduce the severity and likelihood of the risk are recorded in the inventory and the extent to which each measure will reduce the severity and/or likelihood of the risk is calculated.

For this calculation, the risk matrix is used, which includes both quantitative and qualitative descriptions of the severity levels and probability levels. These risks, identified in the risk inventory, are ranked by severity to allocate the right amount of time and resources.

When prioritizing risks, statistical calculations are used to determine the financial risks that the risk may affect.

03

Risk Mitigation and Control

During risk mitigation, it is ensured that the actions identified are implemented. While determining the actions, one of the following strategies can be implemented: risk avoidance, risk mitigation, risk transfer or risk acceptance. The completion status of these actions determined by the risk officers appointed in the directorates and subsidiaries and the update made by the completed actions on the level of risk are periodically updated in the risk inventory and the risk is monitored.

In addition, in order to choose the right strategy for risk management, risk appetite is taken into consideration, which assists senior management in allocating resources and time for the management of material risks.

04

Risk Monitoring

Risks and the control process are monitored by operational risk management leaders and the risk team.

The main purpose of risk monitoring is to ensure that risks do not exceed the appetite level and to take early action to prevent them from doing so.

Monitoring usually includes tracking actions taken and monitoring Key Risk Indicators (KRIs).

Processes are carried out through an IT-based program to ensure efficient traceability.

05

Risk Reporting

A communication network has been established to facilitate reporting on WAT's risk management at the appropriate level, and this structure keeps senior management informed about critical risks, their dimensions and how they are managed.

Governance Matters | Risk Management

Climate Risk

In addition to its general risk management approach, WAT systematically addresses sustainability-focused risks, tracking them by grouping them into environmental, social, economic, and governance dimensions. Evaluating sustainability-related risks is critical for adapting to global changes and maintaining competitiveness.

The primary risks assessed in this context include:

- •**Climate crisis risks** (extreme weather events, floods, droughts, ecosystem degradation)
- **Social risks** (human rights violations, inequalities, labor issues, occupational accidents, and diseases)
- **Governance risks** (unethical practices, insufficient oversight, and lack of transparency)

When evaluating climate change-related risks, WAT uses projections based on scientific climate scenarios. These scenarios from reputable international organizations like the IPCC, IEA, IMF, and others are used to understand the future impacts of current environmental issues and to guide strategic planning for commodities, cost analysis, and environmental impacts in operational regions.

WAT's Sustainability Committee and Approach

In 2023, WAT established the Sustainability Committee to implement its sustainability strategy at a corporate level with a holistic approach. The committee consists of four sub-working groups that perform duties such as evaluating climate scenarios, analyzing sustainability risks and opportunities, and updating corporate goals. Its activities are monitored through quarterly meetings and integrated into managerial decision-making processes.

WAT's sustainability approach is an integral part of its corporate governance, aiming to embed its Value-Creating Circular Business Model into every stage of the value chain. This is seen not just as a responsibility but as a strategic opportunity. The company's sustainability goals are an inseparable part of its business performance, with social, environmental, and governance factors considered from a holistic perspective.

By analyzing the current and potential impacts of its activities, WAT continuously refines its strategies to focus on creating long-term value for all stakeholders. The company aims to be a leading example in the field of sustainability by implementing practices that provide both environmental and social benefits.

Key elements of WAT's sustainability approach are:

- **Value-Creating Circular Business Model:** An innovative business model that prioritizes sustainability at every stage of the value chain by using resources efficiently.
- **Holistic Perspective:** The integrated evaluation of social, environmental, and governance risks and opportunities.
- **Creating Value for Stakeholders:** Considering stakeholder expectations in all decisions and practices.
- **Transparency:** Managing processes in an open, traceable, and accountable manner.
- **Strong Corporate Governance:** The effectiveness of strategic decision-making processes and a commitment to governance principles.

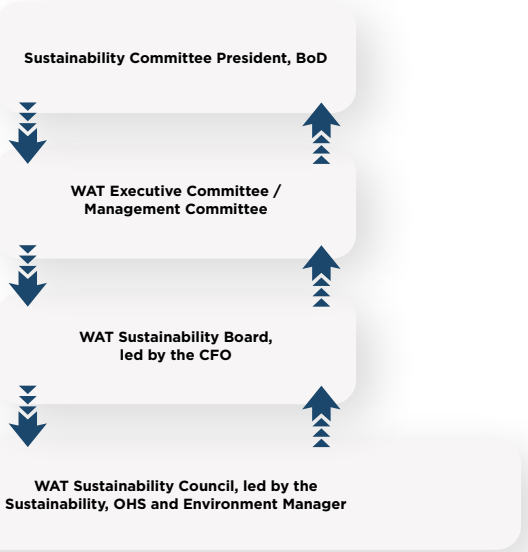
Governance Matters | Risk Management

WAT Sustainability Committee

In 2022, WAT established the WAT Sustainability Committee (WSC), chaired by the President of Koç Holding Durable Consumer Goods, to improve the decision-making and management mechanism in sustainability activities. This committee takes the lead in evaluating WAT's sustainability strategies and in setting targets. The WSC supports the decision-making mechanisms necessary to minimize WAT's climate-related risks and provide access to opportunities. The WSC is appointed by Koç Holding through a written decision and meets at least once a year to evaluate sustainability activities. In these meetings, the activities carried out and the targets set by the Sustainability Board are reviewed. In the reporting year, the WAT Sustainability Committee convened once as planned. The CFO, who is the chairman of the committee, conveys the activities and targets carried out by the Sustainability Board at these meetings.

Executive Committee / Management Committee

In 2022, the Executive Committee shaped the organization of sustainability actions with a strategic decision and established the Sustainability Board, chaired by the CFO. The Sustainability Board is authorized to determine WAT's sustainability strategies, to ensure that activities are shaped in line with these strategies, to evaluate mitigation and access opportunities by identifying climate-induced risks and opportunities, to maintain the leading position in the field of sustainability in our industry and to carry out its activities with social responsibilities. The Executive Committee consists of B-(n-1) management level members. The Executive Committee meets at least four times a year with the Sustainability Board leader CFO and the Sustainability Council leader (the Sustainability, OHS and Environment Manager). During these meetings, the activities carried out by the Board are communicated, achievements are celebrated, and risks, opportunities and targets are reviewed. The Executive Committee also has the potential to encourage the Board with its perspective. In the reporting year, four meetings were held, and 14 decisions taken by the Sustainability Board were approved.



WAT Sustainability Board

WAT established the WAT Sustainability Council (WSC) in 2022. The board, chaired by the CFO, determines WAT's strategies on sustainability and climate change, carries out its activities by shaping WAT's processes based on these strategies, and decides on WAT's sustainability policies. WSC is also responsible for the assessment of WAT's sustainability risks, including climate change, and their integrated management with the WAT Risk Committee. The WSC, which also includes four main Working Groups - namely Sustainable Product WG, Sustainable Production WG, Sustainable Supply Chain and Social Sustainability WGs - convenes quarterly meetings to assess targets, review progress and celebrate achievements. During the meetings, the activities of the working groups in the relevant period are reviewed and decisions are taken. Decisions are reported and presented to the Management Committee on a quarterly basis through the CFO. The Sustainability Council leader (the Sustainability, Environment and OHS Manager) is responsible for the flow and management of the meeting. In 2023, the WSC met four times on a quarterly basis and took a total of 14 decisions and presented them to senior management. The WSC also has the flexibility to come together and carry out decision-making mechanisms in urgent situations directly or indirectly related to sustainability, especially climate.

WAT Sustainability Council

WAT Sustainability Council is led by the Sustainability, OHS and Environment Manager. It is responsible for the implementation of the decisions taken by the Sustainability Board and the integration of strategies into company processes. In order to ensure this integration, four working groups under the Council carry out their activities. Focused working meetings are organized on a monthly basis to monitor and continuously improve the activities. The processes of determining and providing resources to support the activities of the working groups are supported by the Council leader.

Sustainable Production Working Group

The Sustainable Production WG is responsible for preventing and minimizing negative environmental impacts during production activities, establishing and operating systems to monitor these impacts, managing all processes in accordance with regulations and international standards and auditing compliance, conducting studies to increase process and energy efficiency, and ensuring continuous improvement in processes. At the same time, the WG evaluates climate risks for its processes, ensures the applicability of green technologies and green chemistry rules within the factory, and contributes to WAT's sustainability goals through efficiency-enhancing studies and projects.

Sustainable Product Working Group

The Sustainable Product WG is responsible for adopting an approach that has no environmental impact, or minimizes existing impacts, while designing products that can exceed and meet customer expectations. In this context, it is responsible for reducing the raw materials used, evaluating the use of products obtained from recycled products / raw materials with reduced emissions, reducing the use of chemicals and managing the evaluation of environmentally friendly alternatives, conducting informative activities to increase the energy-efficient motor range and to spread it in the sector, and determining and implementing green chemistry rules in accordance with the WAT Chemical Compliance Specification. The WG also maintains WAT's pioneering position in the sector with its supra-regulatory product designs and contributes to global climate targets with its environmentally sensitive design studies.

Sustainable Supply Chain Working Group

The Sustainable Supply Chain WG is responsible for auditing the environmental, social and governance credentials of every supplier to WAT's services and products, following up the audit results, supporting suppliers within the scope of Supplier Development, establishing the necessary governance structure to ensure the continuity of the Approved Supplier status of its suppliers - corresponding to 88% of WAT's financial volume - to be effective in continuing to work with the supplier. WAT supports the establishment and operation of a structure to ensure the selection of appropriate suppliers and the continuity of their compliance within the scope of the Responsible Purchasing policy. It also sets a roadmap to support the supplier to establish a sustainable structure.

Social Sustainability Working Group

The Social Sustainability WG is responsible for setting and implementing targets for people-oriented business planning, providing training for employees to develop their personal and cognitive skills, increasing women's employment and implementing practices to ensure their continuity of employment, ensuring and protecting employee rights and equality, increasing employee loyalty, conducting diversity, equality and inclusion activities, and realizing projects and investments that will bring social benefits.

Governance Matters | Risk Management

Climate Scenario

WAT has comprehensively assessed potential climate risks by analyzing various climate scenarios and sharing its findings with the Sustainability Committee. As part of these efforts, the company has examined both current and future climate risks, developing strategic measures to ensure the sustainability of its operations, especially in areas with a high risk of drought.

IEA NZE 2050

This scenario outlines the necessary steps for the energy sector to reach net-zero carbon emissions by 2050. WAT positions itself as a key partner in this transition, leveraging its existing technologies, R&D efforts, and energy-efficient products. Through practices like adhering to circular economy principles, offering products with recycled content, and reducing raw material consumption, the company aims to contribute to natural resource conservation and increase its brand value.

IEA STEPS (Stated Policies Scenario)

This scenario is based on current energy policies and projects an approximate temperature increase of 2.6°C. To minimize the negative impacts of this pessimistic scenario, WAT prioritizes emissions reduction while maintaining production continuity. By developing highly energy-efficient motors, it supports the adoption of sustainable production practices within the industry.

IEA 450

This scenario aims to limit the global temperature increase to below 2°C by keeping atmospheric carbon concentration below 450 ppm. The motor manufacturing sector is critical to achieving this goal, given the widespread use of electric motors in industry, transportation, and agriculture. With its Motor Transformation Project, WAT aims to replace inefficient motors with highly efficient ones, thereby contributing to Turkey's climate goals, raising awareness about carbon reduction, and supporting the circular economy.

RCP 4.5 (Representative Concentration Pathway 4.5)

This scenario assumes that greenhouse gas emissions will continue to increase until the middle of the 21st century before declining due to mitigation measures. Key risks include rising sea levels, extreme temperature increases, and impacts on ecosystems. Since WAT's production facility is located in a region with a high risk of extreme drought, the company prioritizes water management. By taking into account factors like a potential decrease in per capita water consumption and an increase in industrial facilities, WAT minimizes water use by installing closed-loop systems in its production and preventing wastewater generation.:

İklim Riskleri

WAT, iklim senaryolarını kapsamlı bir şekilde inceleyerek, operasyonlarını etkileyebilecek potansiyel riskleri ve fırsatları belirlemiştir. Bu bağlamda şirket, özellikle yüksek kuraklık riski taşıyan bölgelerdeki faaliyetlerinin sürdürülebilirliği için stratejiler geliştirmiş ve su tüketimini en aza indirmek amacıyla kapalı döngü sistemler kurmuştur. WAT'ın iklimle ilgili olarak tanımladığı 6 temel risk ve bu risklere karşı aldığı önlemler aşağıdaki tabloda sunulmuştur:

Governance Matters | Risk Management

No	Value Chain	Risk Type	Primary Outcome	Period	Inherited Score	Definition of Risk	Response to Risk
Risk 1	Operational	Acute Physical	Decline in profitability due to decline in production capacity	Near Term (1-3 Year)	12 (4*3)	Floods are shaped by multiple factors, including the geomorphological, hydrographic, and climatic characteristics of the land, along with soil and vegetation cover, urbanization, construction activities, and the presence of impermeable surfaces. As WAT's production facility and headquarters are situated in the Ergene River Basin, detailed hydromorphometric analyses were conducted for this basin, and its sub-basins were examined. The evaluation of 14 sub-basins within the Ergene River Basin showed that the flood susceptibility value for the area where the facility is located is 62, categorized as "very low". This indicates that the risk of flooding is minimal. Nonetheless, localized flooding may occur if infrastructure systems in the region or within the facility are insufficient. In the past five years, WAT has encountered a single flood event at its factory. During this incident, heavy rainfall exceeded the capacity of the roof drainage systems, causing water infiltration into the facility and creating puddles not deeper than 100 mm. The problem, which stemmed from inadequate rainwater drainage lines, was swiftly managed, and permanent solutions were implemented, ensuring that the issue has not recurred.	To mitigate this risk, phased investments are being carried out for roof revisions and the installation of stormwater collection lines. Although the current systems are sufficient to manage average rainfall, they lead to surface overflows during sudden, heavy precipitation. With the planned structural improvements, the system's capacity to handle rainfall will be increased, thereby preventing such overflows.
Risk 2	Supply Chain	Chronic Physical - Water Scarcity	Decline in profitability due to a decrease in production capacity.	Long Term (+7 Years)	12 (4*3)	The region has an extremely high drought risk (level 5) and the increasing population and industrial facilities are triggering a water crisis. WAT's location is classified as a "high impact area" (level 4) in terms of water risks.	Closed-loop systems have been established in production to minimize water consumption, and no process-related wastewater is generated apart from human consumption. Additionally, WAT provides services to improve its suppliers, supporting them with audits and process improvement steps. To ensure the sustainability of production, they never work with a single source, minimizing risk with alternative suppliers.

Governance Matters | Risk Management

No	Value Chain	Risk Type	Primary Outcome	Period	Inherited Score	Definition of Risk	Response to Risk
Risk 3	Operational	Regulation – Carbon Pricing Mechanism	Maliyet artışları	Yakın Vade (1-3 yıl)	12 (4*3)	The description of this risk is that the EU's Carbon Border Adjustment Mechanism (CBAM) will impose a carbon tax on certain products imported into the EU, indirectly affecting WAT as a result.	To manage this risk, targets have been set to reduce Scope 1 and Scope 2 emissions. For Scope 1, actions include electrification, automation, and a transition to processes that use fewer chemicals. For Scope 2, comprehensive energy projects are being developed. In 2024, a YEK-G certificate was obtained, ensuring all electricity consumption is from renewable sources and zeroing out Scope 2 emissions..
Risk 4	Operational	Disruption in Workforce Management and Planning	near term (1-3 years)	12 (4*3)	6 (2*3)	The description of this risk is the potential for long-term changes in the composition of the workforce and the loss of qualified personnel, linked to demographic and sociological shifts and an increase in water-borne diseases.	To address this, water risks are managed by using closed-loop systems to recycle water and implement water-saving practices. Additionally, education and awareness campaigns are organized to inform employees and the public about the importance of water and its proper use.
Risk 5	Operational	Increased Costs and/or Uncertainties Regarding Sustainable Plastic Raw Material Supply	The potential impact is increased direct costs.	near term (1-3 years).	6 (2*3)	The description of this risk involves legal regulations aimed at preventing plastic pollution and increasing the use of recycled plastic, along with stakeholder expectations, potential taxes, fluctuating prices, and concerns about quality and the management of hazardous chemicals.	To manage this risk, WAT aims to reduce total plastic consumption and waste generation by increasing the use of recycled and recyclable plastic content in its product and packaging choices. The company is developing projects like limiting the use of EPS and setting targets for biodegradable raw materials. Other measures include raw material reduction projects and a preference for reusable packaging.
Risk 6	Operational	Impact on Human Health	This risk could lead to a disruption in workforce management and planning.	Long term (+7 years)	3 (1*3)	The description of this risk includes the loss of healthy ecosystems, leading to the emergence of diseases and indirect problems, compromised food security, increased costs on livelihoods, and restrictions on access to clean water.	To address this, WAT is increasing its range of energy-efficient products for sustainable ecosystems, conducting raw material reduction efforts, and managing its indirect impacts through responsible purchasing principles. The company is also working to combat deforestation, implement Green Chemistry principles, and conduct awareness-raising activities among stakeholders to promote biodiversity conservation.

Governance Matters | Digitalization

WAT is implementing digitalization and sustainability initiatives to modernize its production processes and reduce its environmental impact. The company's digital transformation journey is built on three core pillars

Traceability: The short-term goal is to make performance more visible and traceable by equipping all processes, from production and sales to finance and human resources, with modern technology.

Connected Optimization: The medium-term goal is to achieve efficiency in multiple areas by processing the data and infrastructure that has been established. Automation and data analytics in production lines improve quality and reduce costs. The ERP system optimizes the supply chain, financial transactions, and customer relations.

Value Creation: The long-term goal is to create value that contributes to the company's revenue and future. By using a PLM (Product Lifecycle Management) system, product development processes become more efficient and innovative, allowing for faster, higher-quality responses to market needs.

Operational Excellence Through Digitalization in Production: WAT uses IQM software to ensure traceability and optimize work processes in production. This project has increased per-person production by 32.9%, prevented losses by tracking quality errors and downtime, and reduced the environmental footprint by decreasing paper and toner consumption.

Digital Platforms and User Experience To enhance employee and customer experience, and to boost efficiency and comfort, WAT actively uses 15 different digital platforms, including Office 365, Dynamics 365 (ERP), IQM (MES), Teamcenter (PLM), WAT PORT, Digi-Order, Promanage, Digiport, Connecta, MOST, and WorkSafe. Additionally, the company has an AI-powered programmable vision system in production areas that allows for remote monitoring of occupational safety rules and identifies opportunities for improvement.

Information Security: WAT manages its information security processes in line with the ISO 27001 Information Security Management System. Like all other Koç Holding companies, it undergoes annual audits based on globally accepted frameworks such as COBIT, ISO 27001, and CIS20.

WAT has commissioned and is actively using a number of digital platforms to improve the user experience and increase the productivity and comfort of its employees. The 15 different solutions that stand out are listed below:

1. OFFICE 365: Cloud-based collaboration and productivity tools to analyze data, automate processes and develop custom applications with functions such as email, calendar, file sharing and video conferencing.

2. DYNAMICS 365 (ERP): Increases operational efficiency and improve customer experiences with supply chain, finance, project, customer relationship and human resource management modules.

3. IQM (MES): Monitors and controls production processes, minimizes continuity risks; expansions are possible.

4. TEAMCENTER (PLM): Manages processes such as product design, testing, validation and delivery, reducing costs throughout the product lifecycle.

5. WAT PORT: Effective management of internal processes and fast access to information.

6. DIGI-ORDER: Digitizes order processes, increases customer satisfaction and operational efficiency.

7. PROMANAGE: Monitors the productivity of production machines and monitors machine efficiency, capacity, cycle time and quality parameters.

8. DIGIPORT: Digitizes employees' software and hardware requests, breakdown, maintenance and call requests.

9. CONNECTA: Manages employees' personal information, payroll, annual leave and expense claims online.

10. MOST: Enables production workers to make digital and mobile requests for improvement, maintenance and breakdown requests at the workbench and in the field.

11. WORKSAFE: Performs OHS risk notification and follow-up, provides training, risk assessment, action and Key Performance Indicator (KPI) follow-up.

12. AI-Assisted Programmable Monitoring System (Artificial Intelligence OHS Software): Üretim sahalarında is güvenligi kurallarının uzaktan izlenmesini ve iyilestirme fırsatlarının tetiklenmesini saglar.

13. Forklift Safety System: Uses AI and IoT solutions to ensure industrial safety in forklift operation.

14. AI-Supported Radar System (Outer Traffic Safety): Monitors the compliance of vehicle movements with speed limits and provides security in the outdoor area. This investment is focused on OHS in line with the slogan "Our health and safety are our top priority".

15. Instant Energy Monitoring System: Digitally monitors electricity, natural gas and water consumption, improving energy efficiency and reducing carbon emissions.

Governance Matters | Compliance

By placing sustainability and its core values at the center of its business processes, WAT attaches great importance to compliance and integrity for both its corporate reputation and operational success. This approach aims to ensure transparency, accountability, and adherence to ethical values in all of the company's activities.

Corporate Values and Ethical Principles

WAT's corporate values are built on truthfulness, honesty, responsibility, trust, and respect, and they guide all its decisions and actions. The company is committed to upholding superior business ethics and honest working principles; it aims for fair and mutually beneficial relationships in all its dealings and always complies with laws and moral codes. Acting in line with the goals and principles of its founder, Vehbi Koç, and as a part of the Koç Group, it is committed to operating at the highest ethical standards.

Legal Compliance and Certificationsr

Legal compliance is vital for WAT, not only to prevent legal risks and penalties but also to protect the company's reputation.

WAT ensures and continuously monitors that all raw materials used in its operations and products are 100% compliant with defined regulations and requirements (e.g., T.R. Official Gazette, EU Official Journal, ECHR, etc.).

The company demonstrates its commitment to environmental and operational excellence through certifications for various international management systems. These certifications include ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 14064 Greenhouse Gas Quality Management, ISO 45001:2018 Occupational Health and Safety Management System, ISO 50001:2018 Energy Management System, and ISO 27001 Information Security Management System.

Furthermore, WAT takes proactive steps to ensure full compliance with eco-design regulations, adapting its products accordingly.

In chemical management, the company operates in full compliance with legal regulations such as RoHS and REACH and implements the WAT Chemical Compliance Specification.

Waste management processes also achieve 100% compliance with the "Regulation on the Transport of Dangerous Goods by Road."

Air emissions are measured and reported in accordance with the "Regulation on the Control of Air Pollution from Industrial Sources.

Governance and Accountability Mechanisms

The Corporate Risk Management and Compliance organization, led by the CFO, is responsible for integrating and mitigating risks.

WAT has an Ethics Committee comprising the CEO, the Finance, Compliance, and Risk Management Director, and a Lawyer.

Governance Matters | Compliance

The Koç Group Ethics Line, managed by the Koç Group and operated by independent service providers 24/7, is the main method for reporting non-compliance. In 2023, this line received 7 reports, achieving a 100% closure rate.

The company fosters a culture of “open communication” and “accountability” to prevent unethical or illegal actions.

During Board of Directors meetings, dissenting opinions and opposing votes, along with their justifications, are recorded in the minutes, which reinforces transparency.

Risks are identified, evaluated, and managed across six main categories: financial, reputational, production, operational, human, and legal.

The company aims for 100% compliance by reviewing legal requirements through monthly meetings with the entire team.

Supply Chain Compliance and Ethics

WAT has established a Responsible Sourcing Policy and integrated sustainability, ethics, environmental, and occupational health and safety criteria into its supply chain management.

ESG (Environmental, Social, and Governance) assessments and approval processes are applied during supplier selection.

Independent third-party audits are conducted for critical suppliers, and partnerships are terminated if ethical or legal non-compliance is identified. In 2024, 54 critical suppliers, representing 74% of the purchasing volume, were audited and received a passing score.

Suppliers are required to make long-term environmental commitments, including setting targets for greenhouse gas emissions, water, waste, and energy efficiency.

Human Rights and Labor Standards

WAT is guided by the Universal Declaration of Human Rights and adheres to the principles of the UN Global Compact, which Koç Holding is a signatory of.

The Human Resources Policy explicitly states a zero-tolerance policy for forced labor, child labor, and all forms of discrimination and harassment. No cases related to these issues were reported during the 2024 reporting period.

The company respects employees’ freedom of association and collective bargaining rights. All hourly wage employees and 80% of total employees are members of the Turkish Metal Union.

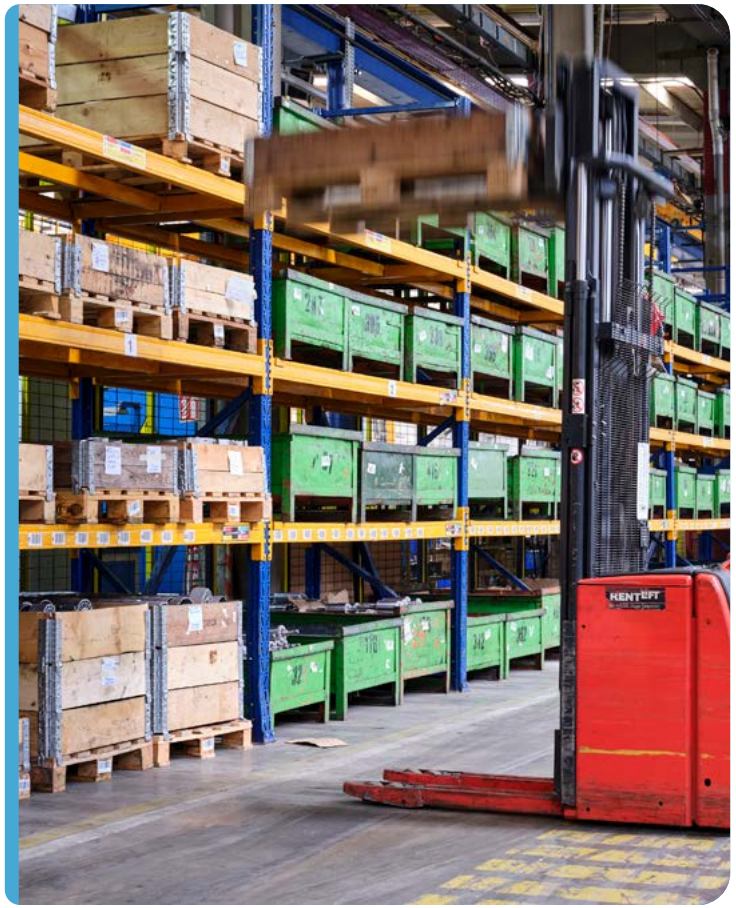
The principle of “equal pay for equal work” is applied in all compensation procedures.

The company fully complies with the minimum notification periods required by legal regulations for operational changes.

Wage Equality

The principle of “equal pay for equal work” is applied in all compensation procedures.

WAT is committed to paying all its employees a wage that falls within the scope of the Fair Living Wage.



Annex

Annex | Environmental Performance Indicatorts

Carbon Management			
Metrics	Unit	2023	2024
Total Carbon Emissions	ton eq CO_2	38,137,091.00	32,246,524
Scope 1 Emissions	ton eq CO_2		2,007.00
Scope 2 Emissions	ton eq CO_2	3,088.00	2,923.00
Scope 3 Emissions	ton eq CO_2	38,132,180.00	32,241,593.00
Product Raw Material Use	ton eq CO_2	41,676.42	36,032.00
Packaging Use	ton eq CO_2	627.56	577.00
Use Phase - Motor	ton eq CO_2	37,980,180.67	32,089,549.00
Use Phase - EV Charger	ton eq CO_2	100,522.09	99,731.00
Production Waste	ton eq CO_2	242.00	47.00
Wastewater & Water Supply	ton eq CO_2	6.07	7.00
Personnel Services	ton eq CO_2	2,676.84	2,054.00
Logistics Emissions	ton eq CO_2	14,351.16	7,666.00
End-of-Life	ton eq CO_2	161.97	43.00
Well-to-Tank	ton eq CO_2	1,809.99	5,463.00
Emissions from Working from Home	ton eq CO_2	59.00	55.00
Business Travel	ton eq CO_2	362.41	370.00

Energy Management			
Metrics	Unit	2023	2024
Total Energy Consumption	GJ	49,499.70	54,231.30
Electricity consumption *	MWh	7,297.20	7,151.30
Electricity consumption *	GJ	26,270.00	25,744.80
Naturalgas consumption	Sm^3	655,524.40	806,114.50
Naturalgas consumption	MWh	6,974.80	8,577.10
Naturalgas consumption	GJ	22,638.20	27,838.80
Diesel consumption	L	12,619.00	15,589.30
Diesel consumption	MWh		
Diesel consumption	GJ	447.2	552.5
LPG consumption	kg	1,416.00	1,248.00
LPG consumption	MWh		
LPG consumption	GJ	64.6	56.9
Acetylene	kg	1,458.00	702
Acetylene	MWh		
Acetylene	GJ	79.7	38.4
Renewable energy consumption	GJ	26,270	25,745
Ratio of green electricity usage	%	100	1
Ratio of green energy usage	%	53.07	0.47
Energy intensity	kwh/product kW	6.33	9.19

*Electricity consumption is supplied from 100% renewable energy sources.

Air Emissions Management			
Metrics	Unit	2023	2024
CO	ton	0.3	15.69
NO	ton	9.14	0.5
NO2	ton	0.56	0.04
NOx	ton	9.71	0.82
SO2	ton	0.4	0.06
TOZ	ton	8.1	10.62
HCl	ton	0.74	0
TOC	ton	64.74	22.66
VOC	ton	-	8.95

Click here to access the AA1000 Report.

Water Management			
Metrics	Unit	2023	2024
Total water withdrawal	m^3	18,677	20,297
Municipal water	m^3	18,677	20,297
Surface water	m^3	0	0
Groundwater	m^3	0	0
Seawater	m^3	0	0
Discharged water	m^3	16,058	18,267
Process water usage	m^3	2,619	2,030
Ratio of process water recycling and reuse	%	100	100
Ratio of water recycling and reuse in total water withdrawal	%	14	14
Total TSS**	ton	6	6
Total COD**	ton	19	21
Total Oil and Grease**	ton	2	2

** The calculations have been based on the results of domestic wastewater quality analysis.

Waste Management			
Metrics	Unit	2023	2024
Hazardous waste			
Incineration (with energy recovery)	ton	0	0
Incineration (without energy recovery)	ton	0.022	0.021
Landfill	ton	0	0
Recycling	ton	412.73	471.03
Other disposal methods	ton	0	8
Total hazardous waste	ton	412.75	479.07
Non-hazardous Waste			
Incineration (with energy recovery)	ton	0	0
Incineration (without energy recovery)	ton	0	0
Landfill	ton	143.463	122.5
Recycling	ton	0	7289.96
Other disposal methods	ton	7,570.15	0
Total non-hazardous waste	ton	7,713.61	7,412.46

Annex | Social Performance Indicators

Occupational Health and Safety Metrics

Metrics	Unit	2023	2024
Working Hours	hour	1,917,663	1,536,070
* Lost Time Accident Frequency (LTIF)	-	15.1	9.1
** Accident Severity Rate (LWIR)	-	0.4	0.1
Number of Lost Days	day	854	177
Number of Accidents with Lost Time	number	29	14
Number of Accidents Without Lost Days	number	**42	**14
Occupational Disease Rate	-	0	0
*** Overall Accident Rate	-	6.7	1.1

* Kayıp Zamanlı Kaza Frekansı (LTIF: Lost Time Incident Frequency = $\frac{\text{Kayıp günlük kaza adeti}}{\text{Çalışma Saati } (\frac{\text{İnsan}}{\text{Saat}})} \times 1.000.000$

** Kayıp Ağırlık Oranı (KAO) (LWIR: Lost Workday Incidence Rates / Severity Rate = $\frac{\text{İş kazası kayıp gün sayısı}}{\text{Çalışma Saati } (\frac{\text{İnsan}}{\text{Saat}})} \times 1.000$

*** Genel Kazalanma Oranı (GKO) = LTIF x LWIR

Talent Development Metrics

Metrics	Unit	2023	2024
OHS Training Hours	hour	8123	5072
Sustainability and Environmental Training	hour	972	784
Development Together " Leadership " Training Hours	hour	614	1291
Development Together " Competency Development " Training Hours	hour	13762	18275
Development Together " Technical Development " Training Hours	hour	34155	18275
Female Employee Training Hours	hour	7470	4660

Employee Experience Metrics

Metrics	Unit	2023	2024
Employee Engagement	%	57	59

LINK: Click to access the AA1000 Report.

Ethics Management Metrics

Metrics	Unit	2023	2024
İhlal Bildirimi Gelen Bildiri			
Received Reports	number	7	5
Resolved Reports	number	7	1
Ethical Principles Training	hour	443	581

Human Rights Management Metrics

Metrics	Unit	2023	2024
Zero Tolerance for Child Labor and Forced Labor – Number of Child Workers	number	0	0
Freedom of Association and Collective Bargaining – Percentage of Workers Who Are Union Members	%	100	100
Zero Tolerance for Harassment and Violence – Number of Reports			
Received Reports	number	0	1
Resolved Reports	number	0	1
Personal Development – Training Hours	hour/ employee	54.1	38.6

Diversity Metrics

Metrics	Unit	2023	2024
Percentage of Female Employees	%	14.6	15.2
Percentage of Disabled Employees	%	2.3	1.3
Employee Distribution			
Percentage of Employees Under Age 30	%	37	30
Percentage of Employees Over Age 30	%	2	2

Annex | Governance Performance Indicators

Supplier Management Metrics			
Metrics	Unit	2023	2024
Total Critical Suppliers	number	151	44
Ratio of Tier 1 suppliers in total financial volume	%	77	90
Total suppliers assessed	number	54	44
Ratio of assessed suppliers in total financial volume	%	82	74

Stakeholder Management Metrics			
Stakeholder Participation Distribution	Unit	2023	2024
Domestic customer visits	number	520	538
International customer visits	number	238	144
Visits to the WAT Factory	number	88	96
Social media interaction	number	19,61	14,56
Sustainability interaction	number	2,49	3,45
Announcements, flyers, catalogs, bulletins, and advertisements	number	66	78
Fair participation and visits	number	10	13
Internal stakeholder events	number	35	28
Government institutions, universities, NGOs, and membership activities	number	15	16
Congresses, symposiums, trainings, seminars, webinars	number	35	37
Social club events	number	6	4
Celebrations, commemorations, awards	number	7	7
Corporate social responsibility	number	10	8
Donations and support	number	3	3
Total stakeholder interaction	number	20.68	15.53

LİNK: AA1000 Raporuna Ulaşmak için tıklayınız.

Annex | Sustainability Targets

SKA Index

SDG GOALS	WAT'S CONTRIBUTION TO THE RELEVANT SDG
Goal 4: Quality Education	WAT organizes various training programs to raise the education level of its employees and the community. While increasing the knowledge and skills of its employees with vocational training and development courses, it aims to improve the quality of education by supporting schools and educational institutions. Additionally, it collaborates with universities to offer internships and project opportunities to students and provides technology infrastructure support to educational institutions.
Goal 5: Gender Equality	WAT develops and implements policies to ensure gender equality in the workplace. It encourages the participation of women in the workforce and supports their placement in leadership positions. It contributes to gender equality through equal pay and opportunity policies. WAT has committed to increasing the proportion of women employees and supporting gender equality with funding from the EBRD. WAT supports the career development of women employees by organizing mentorship and leadership programs for them.
Goal 6: Clean Water and Sanitation	WAT uses technologies to increase water conservation in its production processes. It develops various projects for the protection and efficient use of water resources. Closed-loop water systems are used for non-domestic water, and water quality is monitored daily.
Goal 9: Industry, Innovation, and Infrastructure	The company implements policies that promote inclusivity in the workplace and offers equal opportunities to disadvantaged groups. It develops social responsibility projects to reduce inequalities. It contributes to social equality by increasing diversity and inclusivity.
Goal 10: Reduced Inequalities	WAT implements policies that promote inclusivity in the workplace and offers equal opportunities to disadvantaged groups. It develops social responsibility projects to reduce inequalities. It contributes to social equality by increasing diversity and inclusivity.

SDG GOALS	WAT'S CONTRIBUTION TO THE RELEVANT SDG
Goal 12: Responsible Consumption and Production	WAT increases resource efficiency through recycling and waste management projects. It evaluates and reports waste quantities with monthly reviews to access improvement opportunities. It makes investments to reduce waste and chemical consumption. By adopting sustainable production models, it reduces its environmental impact. It promotes responsible consumption through eco-friendly product design and production. It reduces the amount of plastic waste by using environmentally sensitive packaging materials. It increases environmental responsibility by implementing sustainability criteria in the supply chain.
Goal 13: Climate Action	WAT combats climate change with energy efficiency and renewable energy projects. It implements various environmental sustainability policies to reduce its carbon footprint. It informs communities through climate change awareness campaigns. It plans to achieve carbon neutrality goals by obtaining green energy certificates and investing in energy efficiency projects. It supports scientific research by funding research projects and low-carbon product development related to climate change.
Goal 14: Life Below Water	WAT does not have any activities in habitats listed on the IUCN Red List. (Note: This information indicates the absence of a negative impact on biodiversity rather than a direct contribution to life below water. More generally, an indirect contribution to this goal is made through water management practices.)
Goal 15: Life on Land	WAT carries out projects to protect forests and biodiversity. It takes initiatives to protect and restore natural habitats. It organizes tree-planting campaigns in collaboration with local communities and increases biodiversity. It uses effective tracking and control mechanisms to keep materials that could pose a threat to biodiversity away from its operations. It implements policies and develops projects to protect biodiversity and combat deforestation.
Goal 17: Partnerships for the Goals	In line with its sustainability goals, WAT implements collaboration mechanisms with all its stakeholders, especially its suppliers, and conducts collective work. It shares knowledge and experience with its customers, suppliers, and stakeholders to spread good practices in the field of sustainability. It contributes to global sustainability efforts by participating in the networks of international sustainability organizations. It increases transparency and accountability by carrying out sustainability reporting together with stakeholders.

Annex | Sustainability Targets

UNGC Index

UN GLOBAL COMPACT MAIN ISSUES	UN GLOBAL PRINCIPLES	WAT'S CONTRIBUTIONS TO THE UN GLOBAL COMPACT
Human Rights Global Compact Network Türkiye	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights. **Principle 2:** Make sure that they are not complicit in human rights abuses.	WAT is aware of its employees and human power in all business processes and adopts a people-oriented approach. It organizes regular training programs to protect employee rights, ensure and improve occupational health and safety standards, and increase the effectiveness of its systems through investments and projects. It develops regulations for the protection of human rights and prepares a working environment in full compliance with these processes. WAT clearly states in its Human Resources Policy that safe and fair working conditions are provided and that it is against all kinds of inequality and human rights violations. It ensures compliance monitoring through regular audits. It carries out meticulous studies for every feedback through Ethics Committee activities and provides close follow-up to manage possible violations and weakness risks through the complaint management mechanism. WAT promotes respect for human rights in its supply chain and ensures that its business partners also comply with these principles. It conducts ethical compliance audits and development programs for its critical suppliers.
Labour Global Compact Network Türkiye	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. **Principle 4:** The elimination of all forms of forced and compulsory labour. **Principle 5:** The effective abolition of child labour. **Principle 6:** The elimination of discrimination in respect of employment and occupation.	WAT respects the freedom to form unions and collective bargaining rights in order to protect the interests of workers. WAT is against unethical activity such as forced labor, child labor and discrimination in the workplace, and works are carried out to spread "open communication" and "accountability" cultures throughout the organization in order to prevent unethical or illegal actions. WAT operates an Ethical Principles Policy and periodically informs its employees and stakeholders about its policies. As its policies include the rules and commitments for working standards, it obtains compliance commitments from its employees through employment contracts and from its suppliers through employment contracts. WAT promotes cooperation with trade unions to protect the rights of employees to organize and bargain collectively. In order to prevent forced labor and child labor, strict audits are carried out in the supply chain, and it is ensured that business partners comply with these principles. Diversity and inclusion policies are implemented in recruitment processes and equal opportunities are offered to all candidates.

Annex | Sustainability Targets

UNGC Endeksi

UN GLOBAL COMPACT MAIN ISSUES	UN GLOBAL PRINCIPLES	WAT'S CONTRIBUTIONS TO THE UN GLOBAL COMPACT
Environment Global Compact Network Türkiye	**Principle 7:** Businesses should support a precautionary approach to environmental challenges.	WAT pays attention to R&D studies in order to develop environmentally friendly technologies in production. With the principle of "eco-design", WAT brings innovations to the sector with its projects to minimize all environmental impacts of the product throughout its life cycle. Producing IE3-IE4 class energy-efficient electric motors that help reduce energy consumption and emissions, EV chargers for electric vehicles designed to reduce the intensity of greenhouse gas emissions caused by the fuel use of vehicles and components for wind turbines that support the use of renewable energy is proof that WAT supports the transition to renewable energy sources. WAT acts in line with the Koç Group's goal of being carbon neutral while combating the climate crisis with its efforts. WAT supports environmental sustainability by investing in energy efficiency projects and environmentally friendly production technologies. With instant energy monitoring systems, water consumption monitoring, waste generation assessments, chemical substance selection and approval processes, WAT carries out studies to make opportunities visible in order to fulfill its environmental responsibility. In order to increase environmental responsibility, the company organizes in-house training programs and instills environmental awareness in its employees. Cooperation is established with universities and research institutions to develop environmentally friendly technologies. WAT implements an Environmental Commitment and Chemical Compliance specification in its hiring contracts to ensure that the supply chain shares environmental responsibility. The supplier selection and evaluation system assess and audits the environmental, social and governance compliance of its suppliers and conducts development programs and non-compliance follow-up.
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption Global Compact Network Türkiye	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.	WAT has strict policies and practices against all forms of corruption. In the training given within the framework of business ethics principles, it is shared with the employees that throughout WAT there are zero concessions on the issues of combating bribery and corruption, preventing human rights violations, preventing discrimination and harassment. Transparency and honesty in all business activities have become a corporate culture. All anti-corruption practices are continuously monitored and updated through internal audit mechanisms.

Annex | Sustainability Targets

Certificates and Management Systems

WAT demonstrates its commitment to the environment and sustainability through certificates obtained in compliance with various international management systems. These documents show the company's determination to effectively manage environmental impacts and provide high-quality products. WAT undergoes annual external audits to ensure the suitability of its systems and identify areas for continuous improvement, and it implements the necessary enhancements based on the results.

Document Name	Document Description	Date of Issue	Expiration Date
ISO 9001:2015	The Quality Management System certificate demonstrates WAT's commitment to quality management.	July 5, 2022	July 4, 2025
ISO 14001:2015	The Environmental Management System certificate represents the commitment to managing environmental impacts.	July 5, 2022	July 4, 2025
ISO 45001:2018	The Occupational Health and Safety Management System certificate shows the commitment to maintaining the highest level of employee health and safety.	December 30, 2022	December 29, 2025
ISO 50001:2018	The Energy Management System certificate supports the goal of minimizing the environmental footprint by increasing energy efficiency.	March 22, 2023	March 21, 2026
ISO 27001	The Information Security Management System certificate covers WAT and other group companies of Koç Holding; the continuity of the certificate is monitored by Koç Holding.	Not Specified	Monitored by Koç Holding
ISO 14064	Greenhouse Gas and Emissions Management System processes have been conducted in line with this standard since 2019 and have been verified by independent organizations since 2021.	2019 (start)	Regular verification since 2021

Annex | GRI Index

The GRI Content Index is included in WAT's Sustainability Report, prepared in accordance with the Global Reporting Initiative Universal (GRI) standards for the operating period of January 1, 2023, to December 31, 2023. This index is presented in a manner consistent with reporting requirements and contains clear and accessible information for stakeholders.

GRI Standard	Disclosure	Page Number, Source and/or Direct Answers
GRI 1: Foundation 2021	The information specified in the GRI content index has been reported by WAT for the period of January 1, 2024 - December 31, 2024, by referencing the GRI Standards.	
GRI 2: General Disclosures 2021	2-1 Organizational profile	P 30 Corporate Profile
	2-2 Entities included in the sustainability report	P 2 Inside this year's report
	2-3 Reporting period, frequency, and contact information	P 2 Inside this year's report
	2-5 External assurance	P 2 Inside this year's report
	2-6 Activities, value chain, and other business relationships	P 18-20 Business Model and Value Chain
	2-7 Employees	P 50 Employee Structure
	2-9 Governance structure	P 14 Caporate Governance
	2-10 The process for determining the competence and sufficiency of the members of the highest governance body	P 14 Caporate Governance
	2-11 Chair of the highest governance body	P 14 Caporate Governance
	2-12 The role of the highest governance body in managing the impacts caused by the organization's activities	P 14 Caporate Governance
	2-13 The delegation of responsibility in managing the impacts caused by activities	P 14 Caporate Governance
	2-15 Processes for preventing conflicts of interest	P 14 Caporate Governance
	2-16 The process for communicating critical issues to the highest governance body	P 14 Caporate Governance
	2-17 Competencies of the highest governance body	P 14 Caporate Governance
	2-18 Evaluation of the performance of the highest governance body	P 14 Caporate Governance
	2-19 Remuneration policies	P 14 Caporate Governance
	2-20 The process for determining remuneration	P 14 Caporate Governance
	2-21 Ratio of annual total remuneration	Salary data is classified as confidential.
	2-22 Statement on sustainable development strategy	P17 Sustainability Development Goals
	2-23 Policy commitments	P 64-65 Compliance
	2-24 Implementation of policy commitments	P 64-65 Compliance
	2-25 Processes for remediating negative impacts	P 29-30 Materialty Analysis
	2-26 Mechanisms for seeking advice and raising concerns about ethical and lawful behavior	P 64-65 Compliance
	2-27 Compliance with legal regulations	P 64-65 Compliance
	2-28 Corporate memberships	P 15-16 Corporate Memberships and Certifications
	2-29 Stakeholder engagement	P 53 Stakeholder Management
	2-30 Percentage of employees covered by collective bargaining agreements	P 47-53 Talent Management
GRI 3: Material Topics 2021	3-1 Process for determining material topics	P 29-30 Materialty Analysis
	3-2 List of material topics	P 29-30 Materialty Analysis
	3-3 Management of material topics	P 29-30 Materialty Analysis

Annex | GRI Index

GRI Standard	Disclosure	Page Number, Source and/or Direct Answers
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P 20 Business Model and Value Chain
	201-2 Financial implications and other risks and opportunities from climate change	P 56-62 Risk Management
	201-3 Defined benefit plan obligations and other retirement plans	P 50 Emplee Structure
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P 56-62 Risk Management
	205-2 Communication and training on anti-corruption policies and procedures	P 56-62 Risk Management
	205-3 Confirmed incidents of corruption and actions taken	P 56-62 Risk Management
GRI 206: Anti-competitive Behavior 2016	206-1 Legal proceedings for anti-competitive behavior, antitrust, and monopoly practices	P 56-62 Risk Management
GRI 302: Energy 2016	302-1 In-house energy consumption	P 67 Environmenta Performance Indicator
	302-2 Out-of-house energy consumption	P 67 Environmenta Performance Indicator
	302-3 Energy intensity	P 67 Environmenta Performance Indicator
	302-4 Reduction of energy consumption	P 67 Environmenta Performance Indicator
	302-5 Reductions in the energy requirements of products and services	P 67 Environmenta Performance Indicator

GRI Standard	Disclosure	Page Number, Source and/or Direct Answers
GRI 303: Water and Effluents 2018	303-1 Interaction with water as a shared resource	P 67 Environmenta Performance Indicator
	303-2 Management of impacts related to water discharge	P 67 Environmenta Performance Indicator
	303-3 Water withdrawal	P 67 Environmenta Performance Indicator
	303-4 Water discharge	P 67 Environmenta Performance Indicator
	303-5 Water consumption	P 67 Environmenta Performance Indicator
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	P 39 Biodiversity
	304-2 Significant impacts of activities, products, and services on biodiversity	P 39 Biodiversity
	304-4 IUCN Red List species and species with habitats in areas affected by national conservation list operations	WAT has no activities in habitats included in the IUCN Red List.
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)1	P 67 Environmenta Performance Indicator
	305-2 Indirect greenhouse gas (GHG) emissions (Scope 2)2	P 67 Environmenta Performance Indicator
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)3	P 67 Environmenta Performance Indicator
	305-4 GHG emissions intensity4	Since emission values per product vary, data is not provided.
	305-5 Reductio5n of greenhouse gas (GHG) emissions	P 67 Environmenta Performance Indicator

Annex | GRI Index

GRI Standard	Disclosure	Page Number, Source and/or Direct Answers
GRI 306: Waste 2020	306-1 Waste generation and significant impacts from waste	P 67 Environmenta Performance Indicator
	306-2 Management of significant impacts from waste	P 67 Environmenta Performance Indicator
	306-3 Waste generation	P 67 Environmenta Performance Indicator
	306-4 Waste diverted from disposal	P 67 Environmenta Performance Indicator
	306-5 Waste disposed of	P 67 Environmenta Performance Indicator
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	P 69 Governance Performance Indicators
	308-2 Negative environmental impacts in the supply chain and actions taken	P 20 Business Model and Values Chain
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P 50 Empleyee Structure
	401-2 Benefits not provided to temporary or part-time employees but provided to full-time employees	P 50 Empleyee Structure
	401-3 Parental leave	P 50 Empleyee Structure
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P 40-53 Social Matters
	403-6 Promotion of employee health	P 40-53 Social Matters
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	P 40-53 Social Matters
	403-8 Workers covered by the occupational health and safety management system	P 40-53 Social Matters
	403-9 Work-related injuries	P 40-53 Social Matters
	403-10 Work-related ill health cases	P 40-53 Social Matters
GRI 404: Training and Education 2016	404-1 Average annual training hours per employee	P 40-53 Social Matters
	404-2 Programs for enhancing employee skills and lifelong learning	P 40-53 Social Matters
	404-3 Percentage of employees receiving regular performance and career development reviews	P 40-53 Social Matters

GRI Standard	Disclosure	Page Number, Source and/or Direct Answers
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P 40-53 Social Matters
	405-2 Ratio of basic salary and remuneration of women to men	P 40-53 Social Matters
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	During the reporting period, there were no incidents of discrimination.
GRI 408: Child Labor 2016	408-1 Operations and suppliers identified as being at significant risk for incidents of child labor	During the reporting period, there were no instances of child labor.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers identified as having a significant risk of forced or compulsory labor and measures taken to address it	During the reporting period, there were no instances of forced or compulsory labor.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving the rights of indigenous peoples	During the reporting period, there were no instances of non-compliance with indigenous people's rights.
GRI 413: Local Communities 2016	413-1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	P 53 Stakeholder Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	P 69 Governance Performance Indicators
	414-2 Negative social impacts in the supply chain and actions taken	P 53 Stakeholder Management
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling6	P 21-28 Technology and Inovation
	417-2 Incidents of non-compliance concerning product and service information and labeling7	P 21-28 Technology and Inovation
	417-3 Incidents of non-compliance concerning marketing communica8tions	P 21-28 Technology and Inovation
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no complaints regarding the violation of customer privacy and the loss of customer data.

Annex | Tag

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WAT 2024 Sustainability Report