



KORDSA GLOBAL

2015

SUSTAINABILITY REPORT

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about our report

As Kordsa Global, we are proud to present our second sustainability report that reflects our economic, environmental and social performance in 2015. With this report we would like to give our stakeholders the opportunity to evaluate our efforts to measure, monitor and manage the impacts resulting from our operations. We would like our sustainability reports to be one of the major communication tools with our stakeholders to share our best practices in our excellence journey of being a sustainable company.

The Scope and Limitations of Our Report

Unless otherwise stated, the data in this report cover Kordsa Global's activities from January 1st 2015 to December 31th 2015. This year, we expanded our environmental data scope and included Indonesia and Thailand facilities. Our company's other investments take place in the corporate profile of this report. Stakeholder engagement with employees and customers cover all our international operations. (G4-17, G4-23)

The Principles of Our Report

We have prepared our report based on the GRI (Global Reporting Initiative) Guidelines and in accordance with GRI G4 Guidelines Core option.

www.globalreporting.org

In the process of identifying our strategic sustainability aspects, we took into consideration the GRI principles of materiality, stakeholder inclusiveness, sustainability context and completeness, as well as the principles set out in the UN Global Compact we signed in 2014, and the International Finance Corporation IFC's Performance Standards on Environmental and Social Sustainability that were established to pinpoint, assess and manage social and environmental risks in project finance.

www.globalcompact.org

Our Next Report

We plan to publish our next report, where we aim to share our sustainability performance of 2016, in the second half of 2017.

message to our stakeholders

Distinguished Stakeholders,

As Sabancı Group, we are committed to make a difference in the society and the environment around us. We strongly believe that as our business grows, so does our responsibility to reduce our footprint. Our goal in Turkey and all of the geographies we operate in is to grow while creating long-term value for all our stakeholders.

Our brands also represent our commitment to responsible business practices. We are proud to share the second sustainability performance report of Kordsa Global and I would like to express my sincere gratitude to the people who are the source of our success, to all the executives and employees who have played a significant role in the corporate sustainability success of the company.

This report reflects the work we are doing to responsibly manage our business. It also includes some of the groundbreaking initiatives our brand is leading in sustainable improvement. Being among pioneers of its industry globally and the innovation strategy champion in Turkey supported by its awarded R&D Center, Kordsa Global is tackling the challenges that face our industry in creative ways. It will continue its sustainability journey by creating value today and in the future, with its leadership in the implementation of technology, innovations and investments like the Composite Technologies Center of Excellence that will be inaugurated in August 2016. The Center will transform industries from aeronautics to automotive, primarily meeting domestic demand as well as serving overseas customers.

This report represents the early stages of our sustainability journey. We are committed to operating as a responsible company and to building on the successes of 2015. Looking ahead, we will continue to further integrate sustainability into our business. This is a starting point, and we welcome your input in our efforts to continuously improve the world around us.

Zafer Kurtul
CEO
Sabancı Holding



message to our stakeholders



We proved our commitment to global responsible business principles by signing the UN Global Compact in 2014, that covers the areas of human rights, labor, environment and anti-corruption in ten principles.

Distinguished Stakeholders,

It is a pleasure for me to share with you the second sustainability performance report of Kordsa Global. Conscious of our responsibilities, we have been managing the economic, social and environmental impacts of our operations in line with the Ethical and Corporate Social Responsibility Principles of the Sabancı Group since the day our company was founded.

We proved our commitment to global responsible business principles by signing the UN Global Compact in 2014, that covers the areas of human rights, labor, environment and anti-corruption in ten principles. We consider the promotion of these universal principles all throughout our corporate organization and among all our stakeholders as part of our corporate responsibility.

Ensuring equal opportunity for women and diversity are among our labor priorities. As Kordsa Global, we are a signatory to the United Nations Women's Empowerment Principles as well as the Equality at Work Declaration and we are determined to continue supporting similar platforms.

In spite of the global and regional volatilities in the markets we operate, Kordsa Global continued to grow and managed to close the year with increasing profits. Operating our second factory in Indonesia with full capacity in 2015, we became one of the top players in our industry in the Asia-Pacific market. We also started benefiting the outcomes of our investments in composites and construction industries.

In 2015, Sabancı Holding decided to offer 20% of Kordsa Global's shares to qualified investors and the publicly quoted shares were increased to 29%. With an increased trading volume our company took its place in the Borsa Istanbul 100 Index.

In our adjacent growth areas, preparation for the opening of Composite Technologies Center of Excellence continued to be a unique open innovation model for industry & university collaboration in Turkey. As the technology leader of the sector, Kordsa Global's R&D center is selected as the best R&D Center among all industries according to the 2014 R&D Centers Performance Index conducted by Turkish Ministry of Science, Industry and Technology. In 2015 Turkish Exporters Assembly selected our company as the Innovation Strategy Champion of Turkey.

At Kordsa Global, we aim to increase our profitability in our current business lines in 2016 as well. In this journey, we will continue to develop innovative technologies; generate value for all our stakeholders, notably our employees and customers; and develop environment-friendly projects.

Kind Regards,
Mehmet Hacıkamiloğlu
Chairman



2015 was a remarkable year in many aspects for Kordsa Global. Improvements in safety, quality and productivity and the continuous improvement programs nourished by innovation principles in our pipeline guarantee a sustained product and service performance for the future. The new wave of TPM activities will further accelerate our operational excellence.

Esteemed Stakeholders,

We are proud to share with you our second sustainability report covering our 2015 performance. With this annual performance report, we present you our management approach to material sustainability issues and the related best practices we have introduced to improve the way we manage our impacts, as well as our future plans and targets.

In 2015, we continued to grow with our new product lines and capacity increase in our current markets and to extend our reinforcement areas by our new investments in composite and construction reinforcement markets. In the course of sustaining our economic strength we also worked on improving our company on environmental and social aspects.

The strategy survey and workshops revealed that business ethics, human rights, occupational health and safety, employment and labor practices and as well as training and education are the sustainability aspects that had priority for our company and stakeholders.

As a result of all the risk assessments, preventive measures and safety projects like Safety Experience Center that we introduced in 2015 at Indo Kordsa plant, we are pleased that there have been no fatal accidents since the day of our establishment, and continue to produce with a goal of zero accident.

We constantly support the personal and professional development of our employees and long term employability of our team through initiatives like KEEP and All Stars, detailed in our report.

At Kordsa Global, environmental management in production comes first among our operational priorities. Throughout the report you can read about our various initiatives and projects regarding materials, energy, emissions and waste management along with water efficiency and biodiversity conservation.

With our awarded R&D Center and our innovative approach we started the 'Green Products' program in Kordsa Global. Our resorcinol-and formaldehyde-free 'green' dip solution is considered as a revolutionary innovation in our sector. By developing an auxiliary agent that poses no human or environmental health risks, we achieved compliance with REACH regulations, and gained the appreciation of our customers at the same time.

Our aim for 2016 is to reinforce our stakeholders with the power of our innovative technologies, our sustainable management approach and our sustainable growth rate.

It would help us create more value for you if you share with us your questions as well as comments and suggestions concerning the information covered in this report.

Kind Regards,
Cenk Alper
CEO

corporate profile

As the global leader of tire reinforcement market, our company enlarged its reinforcement areas to composite and construction markets as well. We provide high quality and end-to-end solutions with our high level of technical competence in order to guarantee sustained product and service. Today, Kordsa Global, reinforces every 1 in 2 automobile tires and every 2 in 3 aircraft tires in the world.



Gold Award 2nd Place
LACP League of American
Communications Professionals
2014/15 Vision Awards Annual Report
Competition
Chemicals and Materials Sectors

Kordsa Global in figures

ECONOMIC

CORPORATE PROFILE

1.735

TRY Million
Turnover

SUSTAINABILITY PROFILE

59%

Operating
Profit Growth

Regional Revenue Split

39%

Europe, Middle East and Africa

30%

Asia Pacific

17%

North America

14%

South America

5

Continents

7

Countries

9

Production Plants

SOCIAL

CORPORATE PROFILE

3,745

Employees

SUSTAINABILITY PROFILE

27%*

Women

73%*

Men

42

Years

0

Fatal Occupational
Accidents and Diseases

192,440

Training Hours

114 to 119.5

Average Number of
Training Hours
for Female Employees

15%

Increase

ENVIRONMENTAL

CORPORATE PROFILE

41,187

USD

Total Savings
Resulting from the
Reuse of Materials

69,790

Number of
Reused Paper Tubes

30%

Emission Management

40%

Waste Recycling

14%

Waste Disposal

14%

Consultancy

2%

Training

173,250

USD

Environmental
Investments

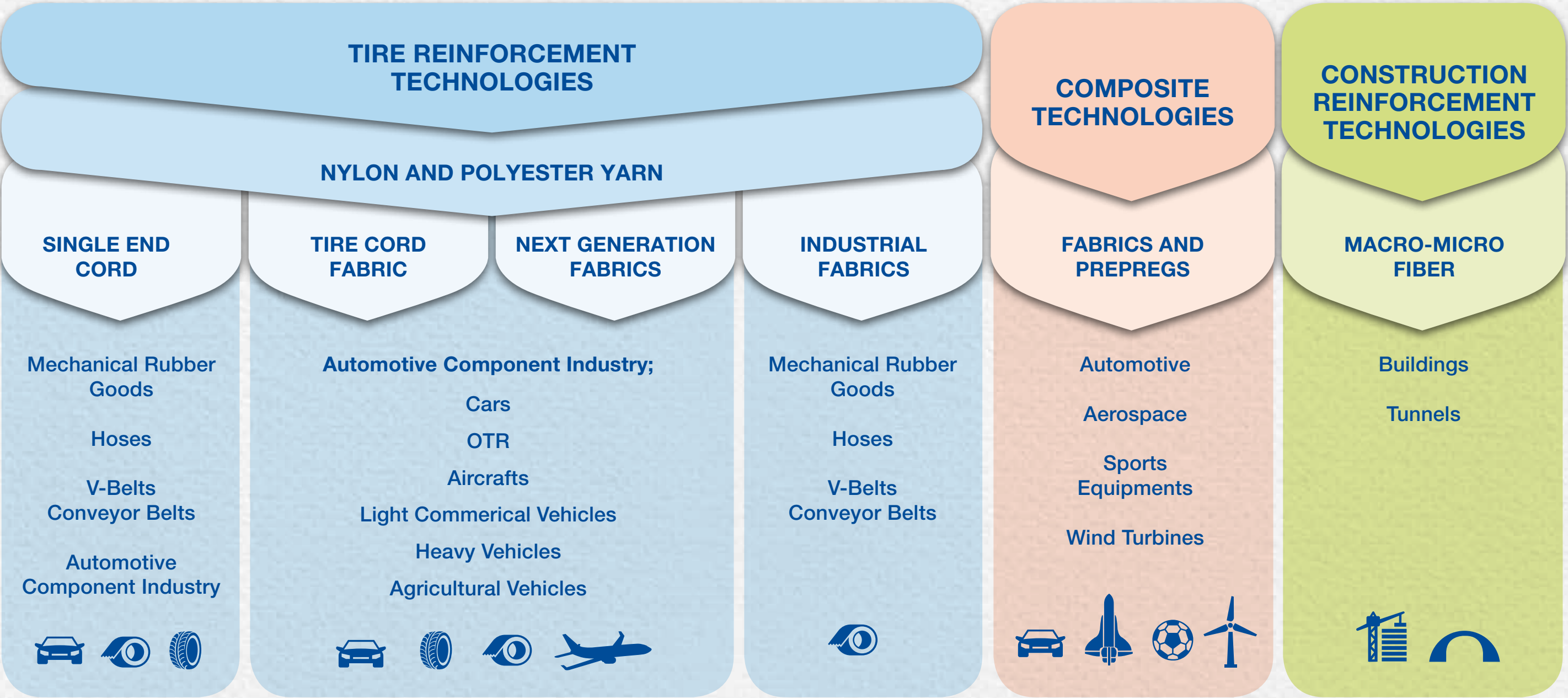
* Data represent white-collar employees. Among all employees the rate of women is around 11%.

products, sectors and markets

Kordsa Global is the leading global supplier of high-density Nylon 6.6 and polyester industrial yarns as well as single end cord products. Our major customers are manufacturers of automotive tires and mechanical rubber goods.

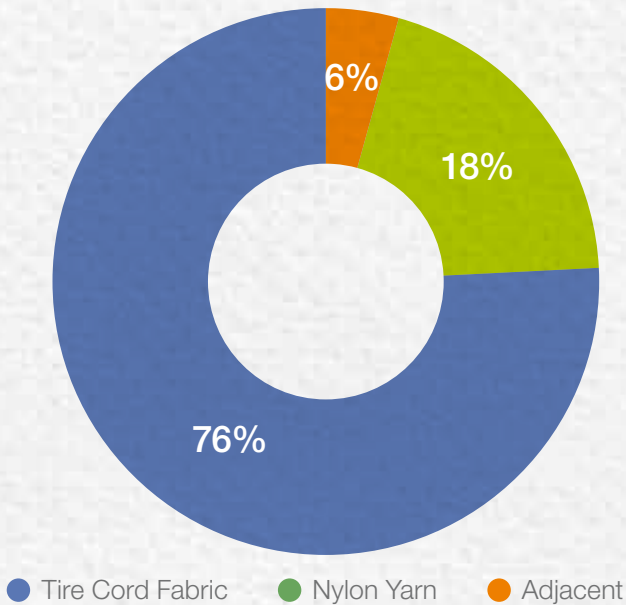
Since 2014, we decided to employ our experience and leadership in tire reinforcement materials of over 40 years in new markets that we define as adjacent markets.

Consequently, we entered the construction market with our concrete reinforcement material Kratos, and the composites market by producing carbon fabric and prepreg solutions.



products, sectors and markets

Revenue Split by Product Segment



Regions	Products
North America	NY6.6, TCF
South America	PET, SEC, TCF
EMEA	NY6.6, PET, SEC, TCF, SnFR
Asia Pacific	NY6.6, PET, TCF



North America

302
MILLION TRY

South America

250
MILLION TRY

Europe, Middle East, Africa

669
MILLION TRY

Asia Pacific

513
MILLION TRY



Kordsa Global and Inter Kordsa Received ISO 50001 Certification

Energy management policies issued at Kordsa Global and at Inter Kordsa have been awarded the ISO 50001 certification. Kordsa Global became one of the few Turkish companies owning ISO 50001 certificate through passing the audits made by Bureau Veritas Quality Investigation (BVQI). The certificate will remain valid until 2018.

Meanwhile, Kordsa Global's Germany plant, Inter Kordsa also passed the audits made by TÜV International Certification, and also received ISO 50001 certification. ISO 50001 certificate standardizes the efficiency of energy consumption, systems and processes while improving energy performance among organizations.

Kordsa Global's Operating Model Changed

In order to align our operating model and organizational structure with our long term goals, we have made distinctive changes in our operating model.

- Marketing and Sales teams are organized based on customer segment structure,

- Profit and Loss is managed at regional level,

- Global and regional supply chain teams are managing all procurement, capacity planning and scheduling, inbound and outbound logistic activities,

- Kordsa Global Izmit acts as mother plant, and coordinate standardization, deployment, auditing and technical assistance requirements for SHE, Lean Management, Quality activities and operations networks globally. Respective Global functions are eliminated.

- Composite and construction businesses are managed as separate P&L's in the start-up and growth phase. In line with these changes, the new appointments of ELT and other managers have been effective as of July 1st 2015.



Kordsa Global is Listed in Istanbul Stock Exchange 100 Index

Sabancı Holding decided to sell up to 10 percent of its shares in Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş., with a nominal value of TRY 19,452,907 on the wholesale market of the Borsa Istanbul on May 15th 2015. With this sale, Kordsa Global's float increased from 9% to 29% in Borsa Istanbul.

Consequently, Kordsa Global has entered for the first time in the BIST 100 index and is listed in BIST 100 from July 1st to September 30th. Increased investor interest in Kordsa Global's growth was one of the key factors in this success. Trading volume and continuous growth in the past six months, in addition to volume and pricing stability, Kordsa Global aims to take its part in Istanbul Stock Exchange 50 index.

strategy and governance

At Kordsa Global, with the strength and efforts of our employees, we continuously improve our operational processes, balance the use of our global resources, and focus on growth that creates sustainable value for all our stakeholders.



Kordsa Global Ethical Practices

EDMER

(Association of the Ethical Values Center)

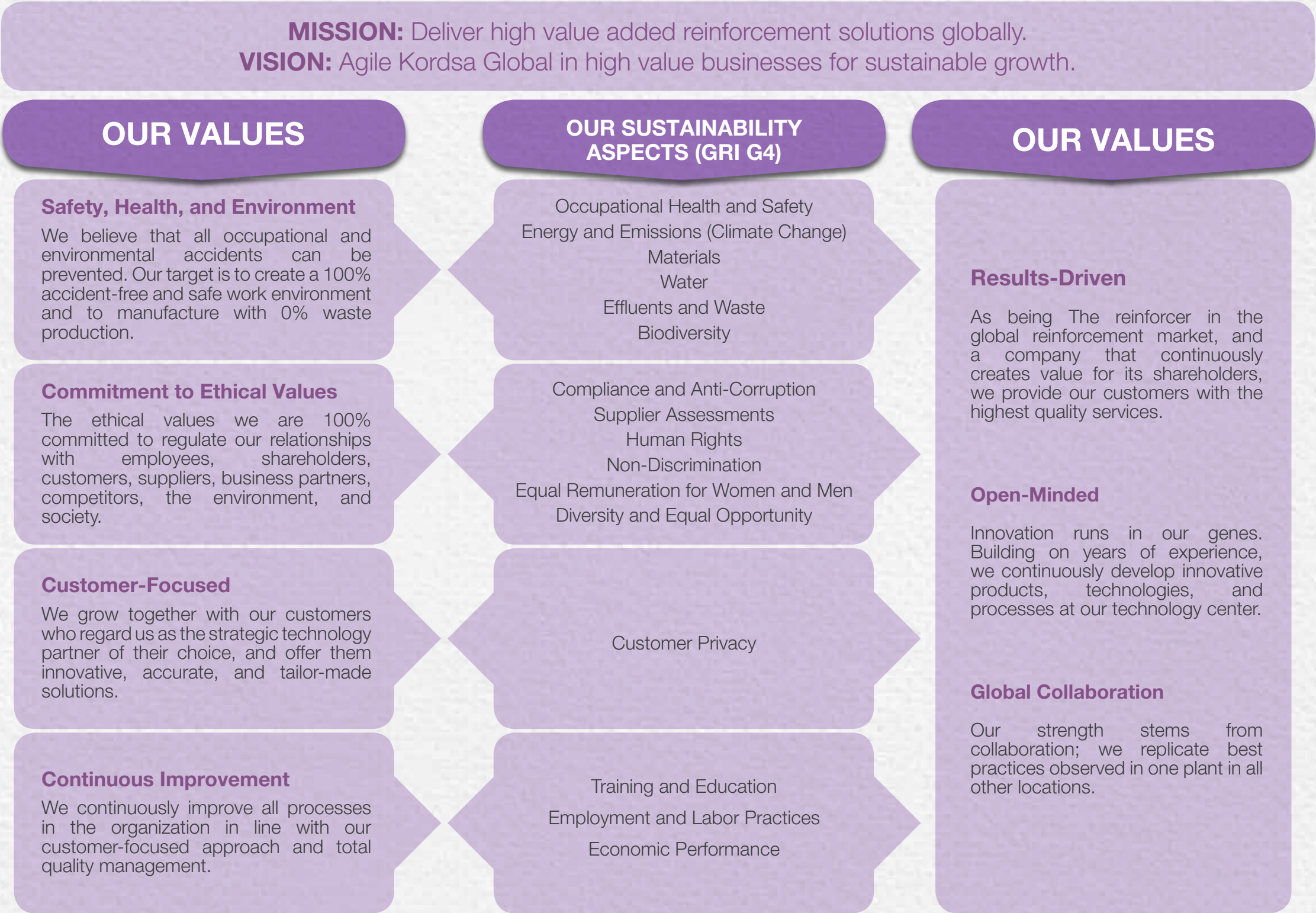
ETIKA Turkey Ethics Awards

2012 - 2013 - 2014

Companies doing business in today’s rapidly changing and competitive world are expected not only to create economic value, but also to create value for their stakeholders managing their social and environmental responsibilities. In Kordsa Global we execute all our activities in such a manner that they facilitate continuous improvement and create value for our stakeholders.

Our corporate values support the foundations of our vision and strategic initiatives. Our priority aspects we identified while shaping our sustainability strategy match perfectly with Kordsa Global’s corporate values we based our growth strategy on.

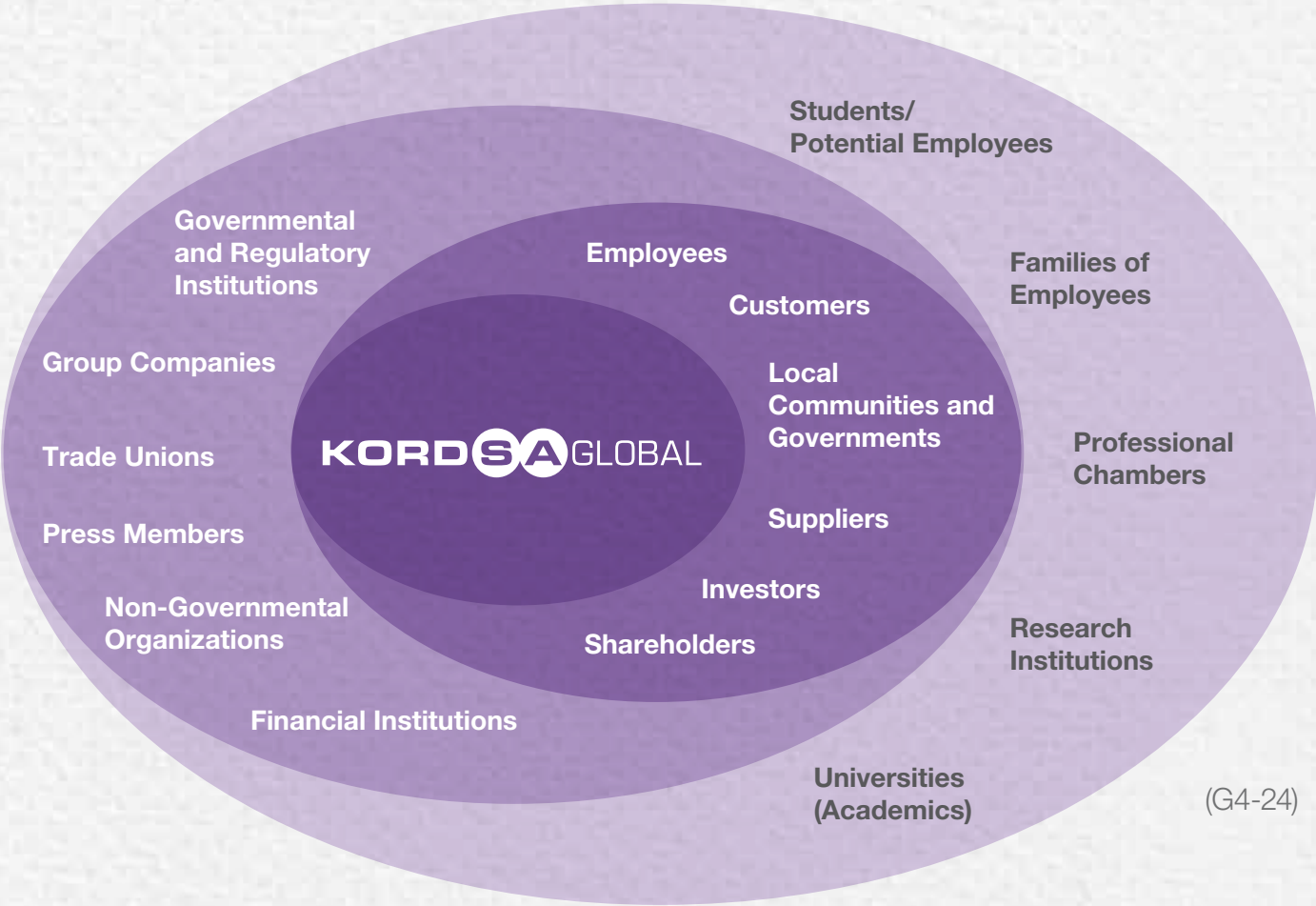
We believe that the corporate core values that our employees take into consideration in their day-to-day business decisions will function as a road map in the expansion of our sustainability strategy, and will facilitate its implementation by our employees.



(G4-19)

72% of our employees who responded to the sustainability assessment survey think that...

“The regular communication platforms Kordsa Global employs to find out about the ideas/suggestions or expectations of priority stakeholders (excl. employees) are adequate.”



We define our stakeholders as people and organizations that are influenced by our activities, and at the same time, have an impact on our company’s efforts to achieve its business targets. While striving for sustainable growth at Kordsa Global, we aim to render the benefits we create for all of our stakeholders sustainably as well.

With that in mind, we conducted a sustainability strategy survey during the first reporting period. Then, at one-on-one interviews with ELT members and during the sustainability workshop held with STF (Sustainability Task Force) members, we reviewed all our key stakeholders that had an intensive economic, social, and environmental interaction with our company in light of our strategic aspects. (G4-25)

We grouped our key stakeholders by the extent they were influenced by our company’s activities and their impact on our company’s efforts to achieve its business targets. We plan to review our stakeholders every second year as we review our priority aspects.

Sustainability Communication with Our Employees

The goal of the sustainability assessment survey we conducted with the participation of our employees, who are our number one stakeholder group, was to raise their awareness on this issue. About 200 white-collar employees including engineers, specialists, supervisors, managers, directors, and ELT members, nearly 38% of which had been working for Kordsa Global for more than 15 years, participated in the survey we carried out for the second time. Through this survey, we collected our employees’ opinions on our company’s sustainability performance, and shared them in the relevant sections of our report.

The communication platforms we employ for our employees and other key stakeholders, together with their content and communication frequency, are given in the table Communication Platforms with Our Stakeholders in our report.

Sustainability Communication with Our Customers

Within the first year of our stakeholder engagement activities around sustainability we have interviewed two of our major customer representatives and received their feedback about our performance on sustainability. We have also asked their concerns on which other issues Kordsa Global should focus on. Both customers brought up the issue of supplier assessments on social and environmental impacts.

We took this feedback into consideration and again took actions regarding better managing this issue. The details of our actions take place under Supplier Assessments topic. In 2015, we conducted a survey with the participation of 50% of our major customer representatives. Results showed that the top priority issues for our customers are business ethics, occupational health and safety, human rights and customer privacy.

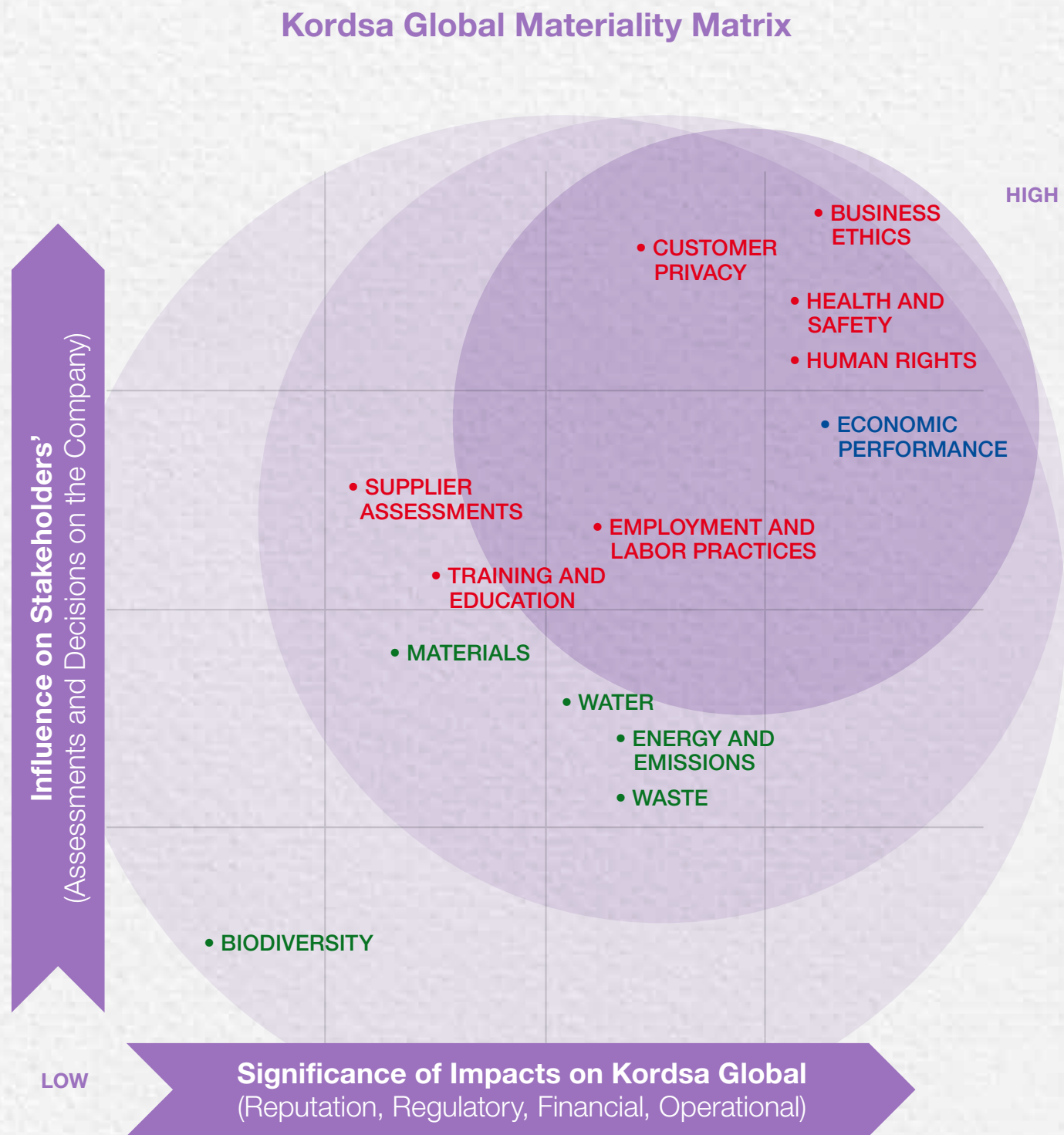
Regarding our target to be listed in the BIST Sustainability Index next year, we also included biodiversity as one of the focus areas of Kordsa Global this year. (G4-27)

dialogue with our stakeholders

Our Stakeholders	Communication Platforms	Objective/Content of Communication	Communication Frequency
Customers	Survey	Sustainability Strategy	Once in 2 years
	Reinforcer Magazine	To share developments about the company, sector, and technology	Twice a year
	Annual Report	To review the previous year of the company	Once a year
	Press section on website	To announce new developments about the company through press releases	Continuous
	Magazines and newspapers	To announce new developments about the company through press releases and interviews in both national and international publications	Continuous
	Sustainability report	Progress report of the company's sustainability performance	Once a year
	Social Media	To share news about the company, products and developments	Continuous
	E-Newsletter	To share developments about the company or collaborations exclusive to Big 6 segment	4 times a year
	Trade fairs	To establish contact with existing and new customers	Several times a year
Employees	Assessment survey	Sustainability performance	Once a year
	Plant newsletters such as the Kordsa Magazine	To announce important developments about the company	Several times a year
	People Clip	To make notifications about the company	Continuous
	E-mails by CEO	To share important developments	As needed
	Yammer	CEO communication	Continuous
	Intouch	CEO communication	Four times a year
	All Stars	To select the best projects and most successful activities within the company	Once a year
	GLS	To review the previous year and share the vision of the next year	Once a year
	Social Media	To share news about the company, products and developments	Continuous
Suppliers	Face-to-face contact	To discuss business issues	At least once a month
	Trade fairs	To discuss business issues	Several times a year
	E-mails	To discuss business issues	Continuous
	Factory visits	To inspect, to discuss business issues	Several times a year
	Social Media	To share news about the company, products and developments	Continuous
Shareholders	Meetings	To announce annual results	Once a year
	E-mail by request	Conveying information on e-mail for those who request	Several times a year
Investors	Newsletters	To announce important developments about the company through the media	Continuous
	TV programs	To announce important developments about the company	Several times a year
	Magazines and Newspapers	To announce important developments about the company	Several times a year
	Website	To announce important information	Continuous
	PDP – Public Disclosure Platform	To publish the report of the CMB (Capital Markets Board)	Four times a year
		To announce special situations	As needed
	Telephone/e-mails	To respond to investors' request for information about the company	Upon request from an investor
	Social Media	To share news about the company, products and developments	Continuous
Local Communities and Governments	Newsletters	To announce important developments about the company through the media	Continuous
	TV programs	To announce important developments about the company	Several times a year
	Website	To announce important information	Continuous
	Kordsa Magazine	To announce important developments about the company	Several times a year
	Newsletters	To share news about the company, products and developments	Continuous
Group Companies	Sabancı Holding Newsletters	To announce important information	Continuous
	SBU Spot Action	To share a quarterly self-assessment of Kordsa Global with the SBUs (Strategic Business Units) of the Sabancı Group	Four times a year
Governmental and Regulatory Institutions Non-Governmental Institutions Press Members Trade Unions Financial Institutions	Newsletters	To announce important developments about the company through the media	Continuous
	TV Programs	To announce important developments about the company	Several times a year
	Website	To announce important information	Continuous

(G4-26)

our priority sustainability aspects



We reviewed our strategic sustainability aspects with a sustainability strategy survey conducted with the participation of the Kordsa Global Executive Leadership Team (ELT) and the Sustainability Task Force (STF). Consequently, we conducted a customer engagement survey with the participation of 50% of our major customer representatives and considered their opinions as our key stakeholders while preparing our materiality matrix.

In the matrix, aspects that we place under Business Ethics are compliance and anti-corruption. Equal remuneration for women and men, as well as diversity and equal opportunity are disclosed under Employment and Labor Practices and non-discrimination is disclosed under Human Rights.

Considering the BIST Sustainability Index requirements, we have added biodiversity and climate change in the evaluation process this year. Supplier Assessments, as an aspect

brought up by our major customers last year, also took its place in the matrix.

The upper right-hand part of the graph displays aspects that are of high importance for both our customers and Kordsa Global, and influence our company's performance directly and significantly. These aspects constitute the main headings of the relevant sections of our report, and data on our company's performance in those areas are extensively covered in the report.

The main objective of creating such a matrix was to clearly identify aspects important to both our company and our key stakeholders, and to develop our plans and set our targets around these aspects. In the coming period, we aim to exchange ideas with a higher number of stakeholders, and to further develop the aspects we will focus on and our related targets. (G4-18, G4-19)



aspect boundaries and limitations

MATERIAL ASPECTS	Aspect Boundaries		Limitations on Reporting	
	Internal	External	Internal	External
Economic Performance	All of Kordsa Global	Shareholder/Investor	Figures are not country specific and represent the company as a whole.	No limitations
Customer Privacy	All of Kordsa Global	Supplier/Subcontractor	No limitations	No data was collected in the reporting period.
Compliance	All of Kordsa Global	Supplier/Subcontractor	No limitations	No data was collected in the reporting period.
Anti-Corruption	All of Kordsa Global	Supplier/Subcontractor/Customer	No limitations	No data was collected in the reporting period.
Occupational Health and Safety	All of Kordsa Global	Supplier/Subcontractor	No limitations	No limitations
Employment and Labor Practices	All of Kordsa Global	N/A	No limitations	N/A
Training and Education	All of Kordsa Global	Supplier/Subcontractor	No limitations	Data includes subcontractor OHS trainings.
Human Rights	All of Kordsa Global	N/A	No limitations	N/A
Suppliers Assessments	All of Kordsa Global	N/A	No limitations	N/A
Energy and Emissions Management	All of Kordsa Global	N/A	Turkey, Thailand, Indonesia	N/A
Materials Management	All of Kordsa Global	N/A	No limitations	N/A
Water Management	All of Kordsa Global	N/A	Turkey, Thailand, Indonesia	N/A
Waste Management	All of Kordsa Global	N/A	Turkey, Thailand, Indonesia	N/A
Biodiversity	All of Kordsa Global	N/A	No limitations	N/A

(G4-20, G4-21, G4-23)

All of Kordsa Global: Plants in Turkey, Germany, Brazil, USA, Thailand and Indonesia.
In 2015, environmental data is added for Thailand and Indonesia. Compliance, and anti-corruption management approach covered all Kordsa Global sites.

N/A: not applicable

our sustainability targets and commitments

Strategic Aspect	Our Targets and Commitments	Performance in 2015 / What is achieved?	Target for 2016
Economic Performance	Make the Composite Technologies Center of Excellence operational by 2016	Achieve, the Techno Park will be ready starting from second quarter of 2016	Continue start up of Composite Technologies Center of Excellence operational
Customer Privacy	Maintain our company's performance of ZERO complaints from customers about information security	Continuous	Maintain our company's performance of ZERO complaints from customers about information security
Compliance	Maintain our performance of ZERO anti-compliance cases at all locations	Continuous	Maintain our performance of ZERO anti-compliance cases at all locations
	Revise ethical rules and adapt them to current legislation if needed by following the latest developments in the Turkish legislation	Continuous	Revise ethical rules and adapt them to current legislation if needed by following the latest developments in the Turkish legislation
Anti-Corruption	Maintain our performance of ZERO corruption cases at all locations	Continuous	Maintain our performance of ZERO corruption cases at all locations
	Prepare an Anti-Corruption and Bribery Policy in 2015	Achieved	Distributing Anti Corruption and Bribery Policy to all sites
Occupational Health and Safety	Achieve a ZERO accident rate at all our locations	Total recordable case are decreasing compared to 2104 but we did not achieve zero	Achieve a ZERO accident rate at all our locations
	Extend the Finishing Machinery Safety Project to include all plants abroad that have dipping units (Indonesia, Egypt, Thailand, USA, Brazil), make the risk analyses of these plants in 2015, and start implementations in 2016	Risk analyses; finished at all sites	Implementation phase of Machinery Safety Standard for all dipping unit sites
Employment and Labor Practices	Reduce the high-potential employee turnover rate in all our companies	Continuous	Reduce the high-potential employee turnover rate in all our companies
	Continue to offer equal opportunity to women and men in recruitment, placement and remuneration	Continuous	Continue to offer equal opportunity to women and men in recruitment, placement and remuneration
	-	New Target	Monitor the suggestion systems that are being implemented at site level
	Internalize and implement the principles of the Equality at Work Declaration	Continuous	Internalize and implement the principles of the Equality at Work Declaration
Training and Education	Expand the Global Mentoring Program, increase its effectiveness, and ensure its continuity	Continuous	Expand the Global Mentoring Program, increase its effectiveness, and ensure its continuity
	Start special training programs developed by specialists at the Global Technology Center for technical and production engineers as well as sales teams in 2015	Planning phase	Start special training programs developed by specialists at the Global Technology Center for technical and production engineers as well as sales teams
	Improve the online platform and increase the number of KEEP training hours in 2015	In progress	Improve the online platform and increase the number of KEEP training hours
Human Rights	Maintain our performance of ZERO discrimination cases at all locations	Continuous	Maintain our performance of ZERO discrimination cases at all locations
Supplier Assessments	-	New Target	Establish the supplier management policy
Energy and Emissions Management (Climate Change)	Increase the scope and effectiveness of the ISO 50001 Energy Management System	Continuous / In 2015 TIK and IK data are collected	Continue data collection. In 2016 KBR, CH and LH will be added.
	Reduce our natural gas consumption per production/ton	Continuous	Reduce our natural gas consumption per production/ton by 2%
	Achieve ZERO emissions at all locations	Continuous	Emit an emission that under national regulation TLV standard
	-	New Target	Start data collection from all sites for CO2 calculation. 2016 will be the base line year for all global sites
Materials Management	Increase the amount of reused materials at all our locations	Continuous	Increase the amount of reused materials at all our locations by 2%
	Increase the amount of recycled materials at all our locations	Continuous	Increase the amount of recycled materials at all our locations by 2%
	Reduce the amount of material we use per unit product manufactured at all our locations	Continuous	Reduce the amount of material we use per unit product manufactured at all our locations by 2%
Water Management	-	New Target	Monitor water usage of all global sites
Waste Management	Achieve ZERO waste at all locations	Continuous	Initiate the project of global waste data reporting
	Reduce Kordsa Global Turkey's domestic waste amount by 20% in kg/ton of product in 2015	Not achieved / Target revised	Reduce total waste disposal by 5%
Biodiversity	-	New Target	ISO 14001 gap analysis in 2016 and certification within the following years

sustainability task force



With the participation of specialists and managers from different disciplines and departments, we established Kordsa Global Sustainability Task Force (STF) in 2014. With the new members from production departments the number of task force members increased from 11 to 16 in 2015. Members of the team are selected in accordance to our projected sustainability impacts.

Sustainability Task Force played an important role in establishing the sustainability strategy of our company along with the ELT members and also contributed to develop our second sustainability report.

Members	Job Title
Atike Kökbudak	Legal Consultant
Burçin Harlak	SHE Specialist
Can Demir	Procurement Specialist
Elif Göksel Yılmaz	Lawyer
Emel Eren	Project Coordinator – Laboratory Leader
Emre Aksu	TCF Dipped Fabric Production Engineer
Hande Korkmaz	Quality Assurance Manager
Mehmet Tetik	TCF Greige Fabric Production Engineer
Miray Gönülşen	Human Resources Specialist
Nevra Aydoğan Gürsoy	Brand and Corporate Communication Leader
Özge Sekmen	Finance Specialist
Selden Demirkaya	Technical Specialist
Sinan Örengül	TCF Electrical Maintenance Engineer
Ümit Coşkun	Finance Manager
Yoga Mardiansyah	Global SHE – Sustainability Manager

The names of the members are given in alphabetical order.

92% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global manages all its business processes according to its corporate governance principles of transparency, fairness, accountability and responsibility.”

Kordsa Global realizes its operations in conformity with the Corporate Governance Principles published by the Capital Markets Board, and the corporate governance principles of transparency, fairness, responsibility and accountability. The Corporate Governance Compliance Report is therefore included in our annual report along with our company’s policies on human resources, donations and aid, as well as dividend distribution, and covers details on ethics and responsibility.

Having complied with all compulsory and optional regulations in the Corporate Governance Principles in all twelve months of 2015, as Kordsa Global we publish these issues in detail on the websites www.kap.gov.tr and www.kordsaglobal.com for the information of shareholders and beneficiaries. In 2015, our employees’ perception of Kordsa Global’s good corporate governance performance raised by 8% since 2014.

Board Practices

Our Board of Directors, which is responsible for ensuring that Kordsa Global’s operations comply with the legislation, the articles of association, internal regulations and identified policies, as well as for protecting the long-term interest of our company by way of the strategic decisions it takes, consists of seven members in total, two of which are women and two of which are independent. Only the President and the Vice President hold executive functions.

Our annual report includes details on the structure of the Board, its working principles, members’ positions, internal and external commitments, responsibilities and the terms of office. Committees that are composed of Board Members are the Audit Committee, Corporate Governance Committee and Early Risk Identification Committee. Audit Committee has two independent Board members. The responsibilities these committees have with regard to sustainability and the key stakeholder groups they represent are given in the following.



Committees Reporting to the Board	Women Members	Responsibility on Economic Impacts	Responsibility on Social Impacts	Responsibility on Environmental Impacts	Key Stakeholders Represented
Audit Committee	0%	<ul style="list-style-type: none">Economic performanceMaterialsEnergy and emissions	<ul style="list-style-type: none">ComplianceAnti-corruptionCustomer privacy	-	<ul style="list-style-type: none">EmployeesShareholdersCustomersSuppliersInvestors
Corporate Governance Committee (Nomination Committee and Wage Committee)	50%	Economic performance	<ul style="list-style-type: none">ComplianceAnti-corruptionEmploymentLabor practices and human rights	-	<ul style="list-style-type: none">EmployeesShareholdersInvestorsLocal communities and governments
Early Risk Identification Committee	50%	-	<ul style="list-style-type: none">ComplianceAnti-corruptionOccupational health and safetyCustomer privacy	<ul style="list-style-type: none">Energy and emissionsWaterWasteMaterials	<ul style="list-style-type: none">EmployeesShareholdersCustomersSuppliersInvestorsLocal communities and governments

81% of our employees who responded to the sustainability assessment survey think that...

“The activities Kordsa Global carries out to inform, train and raise the awareness of its employees about ethical business practices are adequate.”

The Code of Business Ethics that regulates Kordsa Global’s relationships with its customers, employees, shareholders, suppliers, business partners, competitors, the environment and society covers four main headings, namely legal obligations, integrity, confidentiality and conflict of interest. While protecting the rights of beneficiaries, Kordsa Global abides by the Code of Business Ethics, approved by the Kordsa Global Board of Directors on September 15th 2009, in all its operations and relationships.

The Kordsa Global Code of Business Ethics developed by Hacı Ömer Sabancı Holding and revised to suit Kordsa Global is available in the native languages of the countries we operate in (7 languages - Turkish, English, Arabic, German, Bahasa, Thai, and Portuguese) and is published on our website.

In order to manage the Code of Ethics, a Code of Ethics Consultant responsible for the correct implementation of the Code has been appointed to each plant. The Code of Ethics and all relevant policies are reviewed and revised by the Ethics Board of Sabancı Holding in line with

recommendations received from the Code of Ethics Consultants, and once approved by the CEO of Kordsa Global, are announced to all employees.

Stakeholders who would like to report an incident or file a complaint can find the names, e-mail address (etik.tr@kordsaglobal.com) and phone numbers of our Code of Ethics Consultants on our company’s website. The Code of Ethics Consultant and/or Ethics Board is responsible for investigating and resolving complaints and reports the violations of ethical rules through Ethics Investigation Forms, in line relevant policies within the context of the Kordsa Global Code of Business Ethics.

Reporting to the Chairman of the Board of Directors, the Ethics Board of Sabancı Holding is composed of persons holding the following positions: Chairman - Head of Internal Audit Department, Member - Head of Department in charge of Legal Affairs of H. Ö. Sabancı Holding Member - Head of Department in charge of Labor Relations of H. Ö. Sabancı Holding.

Once they are hired, all employees sign the Business Ethics Compliance Form stating that they have read and understood it. New recruits of white-collar employees receive a half-an-hour online training on ethics on KEEP training platform supported with videos, cases and questions, whereas blue-collar employees receive classroom trainings for about four hours. The Business Ethics Compliance Form is considered as a risk assessment tool and filled in by each employee whether blue or white collar.

The Global/Local Code of Ethics Consultants are responsible for informing employees about ethical rules, deliver regular trainings to ensure policies and rules are understood, and to communicate continuously with employees regarding this issue. On the other hand, in Intouch Seminars organized every three months with employees, our CEO always brings business ethics issues on the table and reminds employees our company’s zero tolerance around this framework.

Compliance Management

The Legal Obligations heading under the Kordsa Global Code of Business Ethics governs the principles of compliance management in our company. We realize all our domestic and international operations and transactions in line with national legislations and international law, and provide accurate, complete and clear information to the regulatory bodies and institutions in a timely manner.

The priorities of our company include establishing a management system that is needed to comply with both the requirements, laws and regulations of the sector we operate in; defining relevant policies; communicating findings, risks and new regulations on a regular basis, and making necessary controls; and monitoring and managing our compliance management performance.

In 2013, we established the Compliance Management System, which is reviewed every year and approved by the Board of Directors, in cooperation with the Compliance Division of Sabancı Holding, and started implementation in 2014. The Compliance Coordinator is responsible for the coordination of compliance management, whereas all Kordsa Global employees are responsible for its management.

The objectives and targets of compliance management are based on ensuring the company works in compliance with the legislation, international law, and the rules governing the group of companies and the company itself. The goal of the management system, on the other hand, includes identifying the risks associated with compliance; taking necessary measures; monitoring 10 key risk indicators (two of which are optional, and eight are required by law and regulations); and managing the risks proactively by way of identified thresholds.

Compliance risk types concerning Kordsa Global are defined as follows: Legislation on Labor and Social Security, Legislation on Environment and OHS, Trade Legislation, Financial Legislation Information Security Policy, Agreements and Other Legal Arrangements.

At the end of every quarter, the Compliance Coordinator shares the key risk indicators and the results as Compliance Management Criteria and Results with ELT members and responsible departments. In addition to that, compliance management and practices are among audit items throughout the company in audits conducted by the Internal Audit Department. The Committee evaluates the outcomes of the audit, and shares the results with the Board of Directors. Moreover, every year, Sabancı Holding makes a periodical Compliance Management assessment and prepares a report.

No monetary or administrative penalties were imposed on Kordsa Global in Turkey during the reporting period for breach of any laws or regulations, including those on the environment. There was not any case brought to our attention through conflict resolution mechanisms, either.

Our goals are to further increase the positive impact of 2015, and continue with the 'zero negative impact' performance in 2016 in accordance with our compliance management criteria.

Anti-Corruption

Anti-corruption is one of the ten fundamental principles of the UN Global Compact that Kordsa Global signed in 2014. We keep an equal distance to all public agencies and institutions, administrative bodies, non-governmental organizations and political parties, without expecting any benefits, and realize our obligations with this responsibility in mind while carrying out all our operations and transactions.

We comply with Article 3.5.2 of the Corporate Governance Principles that stipulates, "Corporation shall be sensitive to its social responsibilities and comply with the regulations and ethical rules with regard to the environment, consumers, and public health. Corporation shall support and respect internationally recognized human rights. Corporation shall fight against any kind of corruption including bribery."

Communication and trainings on anti-corruption in Kordsa Global cover all our employees in line with

our Code of Business Ethics. Ethics Committee and Internal Audit functions monitor cases on anti-corruption, whistleblowing being also in charge of sanctions and reports to Sabancı Holding Ethics Committee.

Our employees cannot engage in any business relationship with family members, acquaintances or third persons that would result in mutual or unilateral benefits. They cannot earn or enable others to earn any money by engaging in trade, including trading securities on the stock exchange, using insider information. The rules mandate that employees cannot manage an enterprise, neither directly nor indirectly, and that they cannot work for a third person and/or organization during or outside of working hours in return for a certain fee or comparable gain.

In 2015, we published Kordsa Global Anti-Corruption and Anti-Bribery Policy, covering all our employees, suppliers and customers. It is publicly available on our web site. We communicate our approach to all our stakeholders.

In the reporting period, there were not any confirmed corruption or bribery cases concerning our operations in Turkey; any cases where an employee was dismissed or given a disciplinary penalty on charges of corruption; any contract with business partners that was terminated or failed to be renewed due to violations related to corruption; or any public lawsuit opened against our company or our employees because of corruption.



economic performance

Through our new products we developed with our know-how, we export technology as well as the knowledge and experience of Turkish engineering to the world. We are the leader of the global Nylon 6.6 yarn and cord fabric market with 34% of market share in sales, and the 4th player in the polyester market with a share of 10%.



**Kordsa Global
Innovation Strategy Champion**
Turkish Exporters Assembly (TIM)
Turkey Innovation Week
Innova League 2015

**Kordsa Global Best Performed
R&D Center of the Year**
Best R&D Center in All Categories 2014
Ministry of Science, Industry and Technology
2014 R&D Centers Performance Index

contributions to the economy

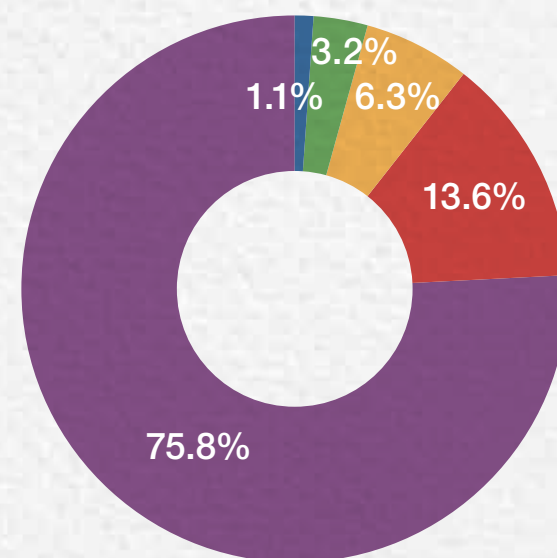
76% of our employees who responded to the sustainability assessment survey think that...

"Kordsa Global creates significant economic value to its key stakeholders."

At Kordsa Global we increased our profitability in our core business by %59 in 2015 and ensured sustainable growth. On one hand, we focused on efficiency in production and competitiveness in cost, and on the other, we improved our economic performance with our differentiation strategy. We continued to offer value to our stakeholders both with the economy we created and our investments in 2015.

The Value We Distribute to Our Stakeholders

In direct proportion to the increase in profits in 2015, our community investments rose by 35%. We donated more than TRY 6.94 million to educational institutions notably Sabancı University as well as Kocaeli University, İzbuurs (Association of Scholarships in İzmit) and the Turkish Educational Foundation. Just like the previous years, our suppliers received the highest share of the value we distributed to our stakeholders in 2015 by 75.8%. On the other hand, our employees' perception of our company regarding the value created for our stakeholders increased by 8% since 2014.



- Government & Community
- Providers of Capital
- Kordsa Global (Retained earnings)
- Employees
- Suppliers

Total Product Maintenance (TPM) Integration

TPM Project is regarded as one of the most essential initiatives launched in 2015 under sustainability management because of the positive economic, social, environmental and corporate benefits it generates.

TPM Integration is designed to reach zero-accident target and to identify root causes of recurring failures and develop stable solutions to eliminate them. It is launched at Kordsa Global Turkey facilities in May 2015 under the guidance of Cord Fabric Production and Lean Management Department as a feasibility tour and awareness training.

We aim to improve our staff's knowledge, skills and competences in monitoring, analysing and taking timely action about their responsibilities; elevate the level of employee engagement at the factory in order to reach zero-failure target that will boost efficiency and thus, sustain customer satisfaction in this ever accelerating competition.

Including methods trainings and consultancy services, we invest around 100 to 200 thousand US dollars annually for our each facility that we implement TPM. The practice started in July 2015 with in-class trainings of the Autonomous Maintenance – AM teams composed of production, maintenance and affiliated entities staff in seven pilot locations and continued with pilot trainings. Planned Maintenance – PM trainings for Maintenance Teams started in December 2015. Since then, integration of pilot practices continued to become our way of doing business at the selected locations. The projection of AM and PM to be deployed to all staff in entire machine park is two to three years. All 1,200 blue and white collar employees at our İzmit plant take active part in integration process according to relative topics.

TPM integration will positively impact our performance to reach our corporate goals that have been cascaded to supervisor level in line with

our strategic plans. For instance, TPM activities will definitely impact occupational health and safety, Overall Equipment Efficiency-OEE, productivity and margin targets.

Economic results and gains

Labour and machine loss (reduction in technological and failure originated stops, product with quality defect, reduction of response time and failure number- frequency, elimination of recurring failures), cost reduction due to high production based on machine efficiency increase, employee productivity increase caused by effective use of labour time.

Social results and gains

Positive working environment induced by zero-accident and zero quality defect, preferred place to work, increased communication among employees, mutual perception, strengthening of team spirit, sharing and owning responsibilities, improvements in personal skills and competencies.

Environmental results and gains

Effective waste management (disposal, defects, lesser production time shortages), increased perception of waste, increase in environmental sensitivity due to motivation created by contributing to environmental protection.

Corporate results and gains

Stronger corporate culture, perceiving and owning corporate goals at the operator level, corporate image, marching towards the future in confidence with the cultural climate created by the company.

Our Future Plans

Our future plans include; two days detailed training to increase awareness and engagement of the management team at the plant with TPM information, foundations and expectations; operationalizing all TPM main carriers and mobilizing committees to manage processes; to launch global sharing platform to deploy Kaizen, Kordsa Improvement Groups (KIG) projects, to participate in TPM excellence award process and publish TPM activity book.

R&D and innovation

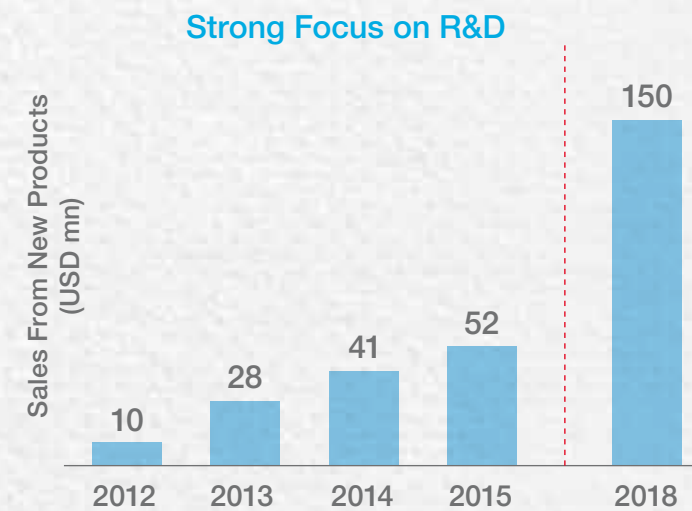
Together with operational excellence, R&D and innovation is an integral part of our business strategy in product and service development. Thanks to our technology function which enables more effective conditions for production through its research and development activities on materials, processes and equipment, we manage to be the market and technology leader, and offer our customers more competitive and innovative products.

At our R&D Center, under the leadership of the Chief Technology Officer, who is also a member of the Executive Board, we execute our activities effectively by identifying the needs of the enterprise at the highest level with our 75 employees and the driving force of the senior management. As a result of our efforts at our R&D center, where we aim to create dynamism in the sector with new brands, in 2014, we made 176 patent applications in Turkey and abroad.

Having allocated an average TRY 16.5 million annually in the last four years to R&D activities, as Kordsa Global we cooperate with institutions such as TUBITAK MAM (Marmara Research Center), Sabancı University, Boğaziçi University, Koç University, Bilkent University, University of Akron and the Tokyo Institute of Technology, and make use of the qualified expertise in related fields and technological facilities at the universities in the context of our joint projects as well as consulting and infrastructure services we receive. In subject matters that come up in our projects but are outside the scope of our own area of expertise, we contact universities if needed, and work together with relevant experts and competent academics. All projects are under the protection of confidentiality agreements; and we are scrupulous about the ethical components as well as intellectual property issues.

Our goal in the projects we work on at the R&D Center is to develop new products and technologies that increase energy efficiency and reduce carbon dioxide emissions with a focus on the environmental impact. For instance, while we developed a novel concept in the dipping process thanks to the advantages provided by new technologies in Project Minidip, we achieved 10 to 15% energy savings in twisting machines in Project ABC.

In addition to 39 ongoing projects related to material, process and product development, our R&D center launched 43 new projects and completed 15 projects in 2015. The mid-term audits of four TÜBİTAK-TEYDEB Projects, and final audit of an internationally funded projects are completed. Three new TÜBİTAK-TEYDEB Projects are approved and three TÜBİTAK applications reached assessment stage.



Product Innovation:

The Green Tire Cord Fabric By Kordsa Global

Treatment of the cords with Resorcinol-Formaldehyde-Latex (RFL) solutions to reach satisfactory adhesion to rubber is the general practice in our industry. Among the ingredients, Formaldehyde is the simplest but highly reactive and toxic organic compound. RFL adhesives are coated on the cord fabric in the last processing stage of cord fabric production that is called 'dipping'. Despite increasing environmental and safety concerns, no other adhesive system had so far been developed as an alternative to Resorcinol-Formaldehyde-based adhesives, which have been widely applied since 1935.

To meet future regulatory requirements, Kordsa Global developed a new RF-free adhesive dip solution system under the "Green Products" program. Instead of toxic Resorcinol and Formaldehyde, the new formula uses greener chemicals, which are in conformity with REACH regulations.

The new adhesive system we developed at Kordsa Global is a FIRST in the tire industry. We made two patent applications for this new adhesive solution, and our international application process is under way.

Properties of the adhesive dip we developed are the following:

- No waiting time
- The only formulation that is fiber-independent
- Free of hazardous and toxic chemicals
- Complies with REACH regulations
- Does not require pre-activation of PET
- Zero formaldehyde consumption/emission
- Less consumption of dip solution

In addition to the positive environmental and social implications of the project, there will be potential corporate and economic gains. We plan to introduce the product first to markets where environment-friendly products are supported and incentivized with many new regulations such as Europe, USA and Japan.

Kordsa Global is now ready to reinforce the tire industry with its sophisticated green dip formulation; not only to create value for its customers but also to create value to the community it belongs to.

Investment:

Composite Technologies Center of Excellence

We continued our investment of Composite Technologies Center of Excellence, which we started establishing in Istanbul Teknopark in the second half of 2014 in cooperation with Sabanci University, in 2015. We plan to complete it in the first half of 2016 with a total investment of USD 30 million.

The factors that triggered the decision to make the investment were to position Sabanci Holding in time to seize the opportunity of profitable growth in the rapidly growing composites market; to offer high value-added products and services to the aviation, automotive, maritime and energy sectors; and to contribute to our country's targets for 2023. Our aim is to increase our market share in the EU to 4% in 10 years as a consequence of this investment.

Economic results and gains

We lead the initiation of projects geared towards minimizing Turkey's dependence on foreign product development and manufacturing capabilities in strategic areas in the short- and medium-term.

Social results and gains

We used an innovative Industry-University collaboration model for the first time in Turkey to establish a platform that hosts a synergistic structure covering basic research, technology development and production based on R&D activities supported by the university for the production of an advanced technology material. In addition to that, we aim to make a significant contribution to solve the qualified human resources shortage in this field.

Environmental results and gains

One of our objectives is to give priority to developing environment-friendly technologies at the Composite Technologies Center of Excellence.

Corporate results and gains

We aim to enter the composites sector as a manufacturer of intermediate products, to prepare for future growth options, and to position Kordsa Global as the technology and innovation leader.



74% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s policies, trainings and audits on human rights concerning its suppliers are adequate.”

The global purchasing function, located at our headquarters in Istanbul, is responsible for the procurement of the raw materials used in at least two of the seven plants in six countries and/or whose supply is considered critical, in addition to service procurements above USD 500 thousand, as well as the service procurement of our headquarters.

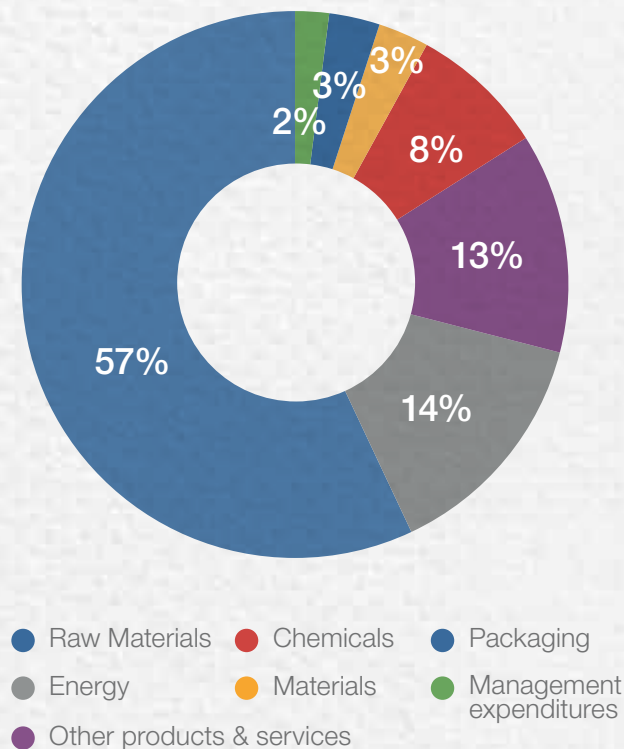
Local purchasing departments are responsible for the supply and follow up of all services and raw materials other than the above-mentioned items once global purchasing has reached an agreement with the suppliers with regard to price and other trading terms.

The number of suppliers Kordsa Global Turkey has active procurement of more than USD 10 thousand is around 80 where 70% are local.

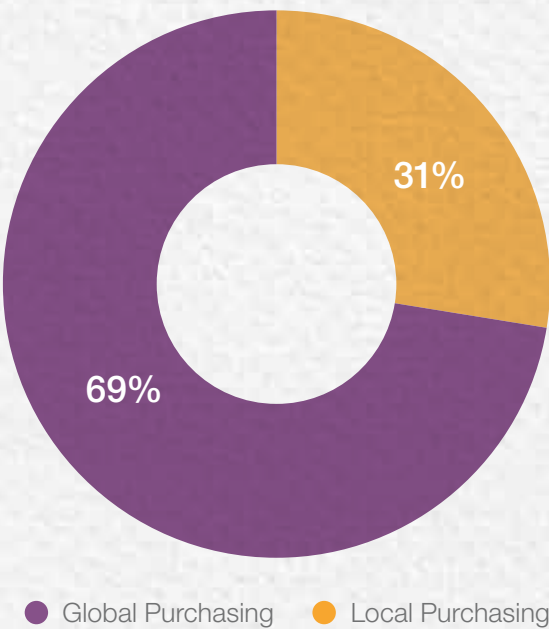
Additionally, in the reporting period, we decided to manage products and services that are of critical importance to Kordsa Global by dividing them into segments in line with the ‘category management’ concept, and thus formed two categories by FDPE (Finished Products Distribution Expense) and ‘Packaging Material’, and appointed the human resources to manage these categories.

As Kordsa Global produces nylon and polyester yarns, cord fabric and single end cord, our main procurement items consist of raw materials.

Breakdown of Purchasing Expenditures



Shares of Purchasing Functions



Supplier Assessments

During our sustainability strategy works in 2015, we were engaged with our customers and employees regarding our priority issues and performance relatively. Selected customers addressed supplier screening on social and environmental issues and we included this aspect of sustainability in our 2015 sustainability report.

In the selection of our suppliers, our Global and Site Purchasing Teams conduct supplier audits. After the selection process we conduct supplier evaluations for our selected global suppliers by each site annually. We aim to reach every supplier at least every four years. The suppliers who receive 60 points and below during the evaluations are generally audited on site, regarding all improvement areas in the following year.

The list of audit and evaluation criteria includes; Leadership and Quality Commitment, Process and Product Design Quality, Supplier Quality Management, Production Quality Management, Customer Quality Management, Continuous

Improvement, People/HR and Safety & Environment. Safety evaluation includes availability of OHSAH 18001 occupational health and safety management systems certification. Environmental evaluation includes availability of a ISO 14001 environmental management system certification. During the audits, additionally our teams question our suppliers on compliance with the principles laid down by the ILO concerning health and safety, working hours, wages and disciplinary practices, freedom of association and collective bargaining, non-discrimination, and prohibition of child labor and forced labor. They also ask for activities to reduce any negative effects on the environment and to reduce waste and packaging throughout their products’ life cycles.

In 2015, as a result of our evaluations, five suppliers fell in ‘need to improve’ class and received corrective action requests. Our Global and Site Purchasing Teams decided and planned to audit three of these suppliers in 2016. On the other side, we stopped working with one of our materials suppliers as a result of its low performance on the general evaluations.

As Kordsa Global we require our suppliers and business partners to operate in accordance with the principles in the code of business ethics published on our web site. The Code of Business Ethics outlines our company’s expectations for the undersigned conduct regarding labor and human rights, health and safety, environmental protection, ethics, and management practices.

We committed to incorporate our human rights policy in contracts with our major suppliers starting from 2015. Three main suppliers have already signed our Statement on Code of Business Ethics and we aim to include all our suppliers sign the code by the end of 2017.

Supplier Evaluation Procedure

Global and Site Purchasing Teams, Site Technical Departments, Site Production Teams and Quality Assurance (QA) are responsible for the implementation of Global Supplier Evaluation Procedure which, defines principles of Global Supplier Evaluation. Quality Assurance is responsible from the coordination of Global Supplier Evaluations.

Every year until November, Global Sourcing (GS) defines the suppliers and evaluator sites. Evaluations are performed during the time period declared by GS and QA. Site QA manager has the responsibility to gather the necessary information from relevant persons in import/purchasing, technical/engineering, warehousing departments, to fill the evaluation form.

Evaluations are monitored based on a defined scale. Suppliers who score between 60 - 70 are

asked for corrective actions which are followed by GS. QA shares final evaluation results with GS. GS is responsible to share results with Site Purchasing Leader, Operations Directors, ELT and the Supplier.

Global Sourcing informs a supplier, if the score is lower than 60 points. In this case supplier is put on hold by GS in the means of supply. But if there is no alternative supplier, GS will demand to the supplier their corrective action and they will follow the results. Supplier which we communicate the areas of improvement through a report, should take counteractions according to the evaluation. The counteractions and improvements should be shared with GS so that further supply could be available under follow up and controlled conditions. This procedure is reviewed by GS at least once in every two years.

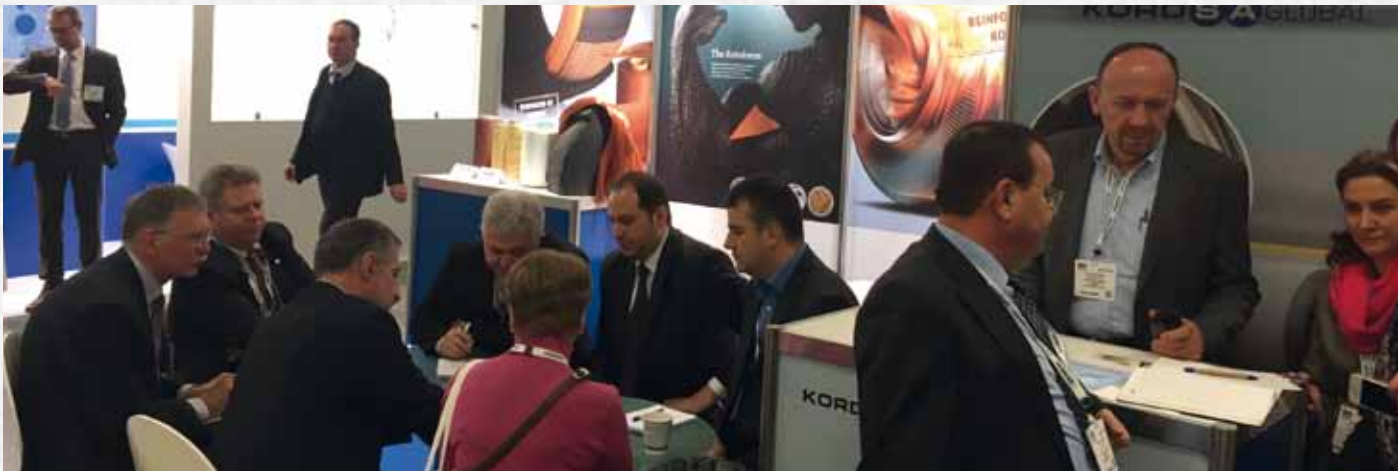
92% of our employees who responded to the sustainability assessment survey think that...

“The practices, audits as well as employee awareness-raising activities Kordsa Global realizes to ensure and protect customer privacy are adequate.”

As one of our values that support our strategic initiatives, being ‘customer- focused’ includes not only offering innovative, accurate and tailor-made solutions to our customers, but also protecting the privacy of these solutions. In that context, we ensure the privacy of our customers, and keep an

equal distance to all of them and strive for a “zero complaints” target in order to make sure they are satisfied.

At Kordsa Global, we manufacture tailor - made products for our customers with the properties



they specify because, due to the nature of the tire industry, customer requirements vary according to their own production know-how and technology. As our main customers are competitors in the tire industry, it is critical that the production-product standards and technical specifications our customers require are kept confidential. This is safeguarded with both the confidentiality agreement we sign with our customers, and the fact that the security of this category of information falls under the responsibility of the whole senior management team and all staff in contact with customers. Rules concerning the protection of customer privacy are included in the code of business ethics signed by all Kordsa Global employees.

Feedback on customer privacy is elicited from our customers through satisfaction surveys conducted on a regular basis in writing or in face-to-face settings, and the results are reviewed and evaluated by the senior management as well. In addition to that, customer privacy is also examined in customer audits (external audits) and quality audits (internal audits), and practices are checked against customer expectations.

Complaints concerning any violations of customer privacy and loss of customer data are handled through the customer complaints management

system. Our employees’ perception of our company’s effectiveness on preserving customer privacy has increased by 4% in 2015.

The CRM - Customer Relationships

Management program used by all locations supervises and monitors all customer complaints online. Kordsa Global has no written policy on customer privacy other than its general policy within the scope of ISO 27001 standards on information security.

Since there have not been any confirmed complaints concerning violations of customer privacy or loss of customer data for the last five years, Kordsa Global has a good reputation among its customers with regard to confidentiality. Moreover, the fact that we engage in special ‘Joint Development Projects’ with our customers who are major players in the tire market further proves that they consider our company reliable.

Information security in our company is not only significant because of our customers, but also for our technology and R&D activities. Therefore, Kordsa Global has a dedicated IP (Intellectual Property) department.

social performance

At Kordsa Global we act in full awareness of our responsibility to our people and the society in compliance with our Code of Business Ethics, and we are care about the traditions and cultures of countries we operate in. Diversity in human resources and sensitivity on human rights make up the foundation of our strong corporate culture.



Kordsa Global Human Resources
1st Place - Investing in People Category
Sabanci Holding Golden Collar Awards
2015

80% of our employees who responded to the sustainability assessment survey think that...

“The communication channels for employees to share their ideas and opinions with the management at Kordsa Global are adequate.”

At Kordsa Global, we view our 3,745 people workforce, including subcontractors, in seven countries across five continents as an integral part of achieving our strategic goals, and implement human resources practices with a global strategy.

Employment and Diversity

Our Human Resources Department is in charge of creating and executing our global strategy of diversity. We undertake activities such as recruitment and placement, wages and fringe benefits, performance management, organization and human resources review and succession planning, leadership and employee development, overseas assignments, strategic operations related to the organizational climate and similar processes in line with the sustainability and business targets of our company.

We organize various activities to expedite the orientation of our new recruits, and to promote relations with their coworkers, managers and the upper management. Some of these activities are: breakfasts with operations directors, a welcome gathering once a year to bring together the upper management and new recruits, roundtable meetings with the CEO and ELT, to get employees’ opinions and feedback, white-collar / blue-collar interaction meetings, and actions from focus group discussions following the employee engagement survey.

The average employee tenure across Kordsa Global plants is close to 12 years. In Turkey, the figure is over 10 years. Our 3.4% employee turnover rate in 2014 became 3.6% in 2015. Detailed data on employee turnover for all our plants can be found in the social performance tables.

We provide overseas assignments to ensure the personal development of employees, defined as ‘talents’, and to develop a common culture across all Kordsa Global plants. There are 11 ex-pat employees working on long term assignments at Kordsa Global’s plants overseas as of 2015.



81% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s recruitment, placement, and remuneration practices are adequate to guarantee employee diversity and gender equality.”

Equal Opportunity and Equal Remuneration for Women and Men

At Kordsa Global, one of the first companies to provide an equal working environment for men and women, we mainstream equality from recruitment to retirement. We support our approach with the principles contained in international initiatives.

Kordsa Global is signatory to the Equality at Work Declaration announced to the business world by the Platform’s Co- Chair Ms. Güler Sabancı, the Chairman and Managing Director of Sabancı Holding, under the auspices of United Nations Women’s Empowerment Principles and the Ministry of Family and Social Policies. Through www.isteesitlikplatformu.gov.tr www.weprinciples.org platforms we support work to fight against gender inequalities, encourage women’s participation to change the otherwise male-dominant business life, empower women in decision-making mechanisms, and ensure that women enjoy opportunities and resources equally.

With its regularly reviewed Disciplinary Procedures, Kordsa Global Turkey also meets the requirements of Article 25 of the Labor Law. The disciplinary procedures and ethical procedures are integral in our company. We practice absolute equality in recruitment and placement based on our recruitment and placement procedure. We do not make discriminatory job postings, and we prioritize women when we

evaluate applications and make job interviews. Our employees’ perception of our company on creating equal opportunities increased by %8 in 2015.

At Kordsa Global, besides the fair working environment for hiring, working, and career planning for women, we also offer private health insurance that covers childbirth, and lactation rooms for their convenience in Izmit plant and Sabancı Center. A total of 70 employees from all plants, eight of which were women, who earned maternity leave during the reporting period used their leaves fully and one of the female and 62 of male employees returned to work at Kordsa Global for at least another 12 months.

Location	Number of Employees
South America	405
North America	301
Asia	1,562
Europe	1,233
Africa	244



All Stars

At Kordsa Global, successful projects, employees who take part in these projects, and high performing organizations (country -plant) are rewarded globally each year under ‘All Star Awards’ scheme since 2006.

We pay utmost attention to implement a fair, inspiring recognition and rewarding strategy since we know it is critical to retain the skilled, talented employees at all levels. All Stars is a Global Recognition and Rewarding practice run by Global HR on top of Local Recognition and Rewarding processes managed by each county’s HR teams.

Each employee is encouraged to participate with any project of her taste. The process starts at the end of each year. After evaluation by judging team, ELT reviews the results. Submission of projects and evaluation take approximately two months. All employees are invited to awards ceremony that takes place in the following year.

Last year, 124 thousand US dollars rewarding is encountered with a 30 thousand Euros organizational budget. In 2014, 750 individuals participated in the scheme with different projects.

All Stars is very popular across all of our premises due to its engaging and encouraging scheme. In the last two years, the award ceremony was broadcasted live through video conference which elevated the excitement and engagement by everyone at each country.



Kordsa Global Investing in People Golden Collar Awards

Golden Collar Awards has been organized since 2009 to reward successful employees and companies of Sabancı Group and to encourage best practice sharing among companies.

Kordsa Global which had received honourable mention in 2014, won the first prize for Investing in People category in 2015. This category rewards the company with the best performance in preparing and managing the human resource of the company by anticipating the present and future needs. The companies in this category are investigated in two dimensions: process and result. The process dimension for the priority processes of the Sabancı Group is evaluated by the maturity model created by the project team; and the result dimension is evaluated by the performance indicators.

By evaluating performance indicators such as turnover rate of high-potential employees, the results of employee workplace assessment survey loyalty index, resign ratio and ratio of management positions fulfilment internally, Kordsa Global received the first prize among all Sabancı Group companies.

labor practices and human rights management

83% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s policies, trainings and audits on human rights in its locations are adequate.”

Protection of Human Rights

At Kordsa Global, our approach towards our people is honest and fair, and we commit to a non-discriminative, safe and healthy working environment for all. We make sure our people enjoy their employee rights fully and properly, and we invest in their personal development. We respect their work-life balance, and support the volunteer work they do for appropriate social causes acting with social responsibility. In order to maintain these tenets in a rapidly changing social and economic context, we adopted the ethical principles of Sabancı Holding, a principal shareholder of Kordsa Global, and we train our people about our code of ethics which includes principles on human rights protection so that they can exercise their rights and responsibilities within this framework.

Kordsa Global Code of Business Ethics is our company’s guiding policy for human and employment rights. The policy is valid for all Kordsa Global locations, companies and suppliers. UNGC’s first two principles, signed by Kordsa Global, are concerning human rights protection. The UN Global Compact labor principles come from The ILO Declaration on Fundamental Principles and Rights at Work. Additionally, Kordsa Global’s employment and labor practices are in compliance with all applicable laws and regulations in countries it operates.

In line with our Code of Business Ethics and company policies, forced or involuntary labor and child labor are

strictly prohibited across all Kordsa Global locations. Like all our employees, our security staff is also trained on code of ethics including our human rights policies upon recruitment. Human rights risks and complaints in the company are audited both internally and externally by third parties. We have not received any complaints about human rights violation from our employees at any of our locations, in 2015.

The number of employees under any type of collective agreement increased from 578 to 589 in Turkey, from 732 to 770 in Indonesia, and 328 to 357 in Brazil. Our employees in USA, Germany, Egypt, Thailand and China are not unionized. Kordsa Global supports freedom of association and there have been no incidence in violation of the rights for freedom of association in 2015. Our activities do not bear any apparent risk concerning these issues.

Non-Discrimination

Kordsa Global is an equal opportunity employer. At Kordsa Global, our priority is to maintain a fair working environment for our people. We make sure that employment practices including but not limited to recruitment, placement, promotions, transfers, rotations, cancellation of employment contracts, dismissals, leaves, wages, extra payments, social rights, and training are carried out in a non-discriminatory way based on our human resources policies.

We do not accept discrimination in our business relations on the basis of language, race, gender, political views, philosophical beliefs, religions, sects or other similar attributes, real or perceived disability, and other legally protected attributes. Employees who feel or suspect a violation of our Fair Working Environment Policy, which is a part of our Global Ethics Code, must notify their line managers, other managers, the Local Code of Ethics Consultant, the Global Code of Ethics Consultant, or the Ethics Committee. We have not received any complaints about discrimination from our employees in 2015.

As there has been no such incident, we aim to maintain the current situation of a respectful, healthy and safe working environment for employees in conformity with all relevant laws and regulations, and to boost employee achievement, development and engagement.



Hiring	Working	Career Planning
We do not discriminate in the hiring process	We strictly implement our non-discriminatory code of ethics	We do not compromise the principle of equality in education and development
	We provide regular training on ethics	
We do not post discriminatory announcements	We run an ethics survey each year	We employ the principle of equality in career planning
	We take measures based on our disciplinary procedures	
	With designated lactation rooms , lockers, and restrooms for women, we provide a proper working environment	We warrant equality in our performance system
We do not ask female candidates if they plan to marry or have children	We respect work-life balance	We employ the principle of equality in the assignment of employees to new positions
	We provide equal pay for equal work	

71% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s personal development and training programs for its employees are adequate.”

Human Resources Department at Kordsa Global uses many different resources and practices to align training and education activities, to bring a uniform perspective alongside local requirements and needs, and to support employees’ attainment of career goals as they perform their duties safely and effectively across all plants of our company.

Our Training and Development Policy, the related procedures to identify and measure the effectiveness of training standards, training needs and targets, and all relevant forms are available on the global intranet accessible to all employees. Moreover, we inform our employees on the training and development management processes at ‘Meet with HR’ sessions and regularly share our new practices using different tools.

One hundred percent of Kordsa Global employees undergo performance and career development evaluations. Although the principal training and development process-owner is the Human Resources Department, every employee at Kordsa Global is in charge of his/her own development process.

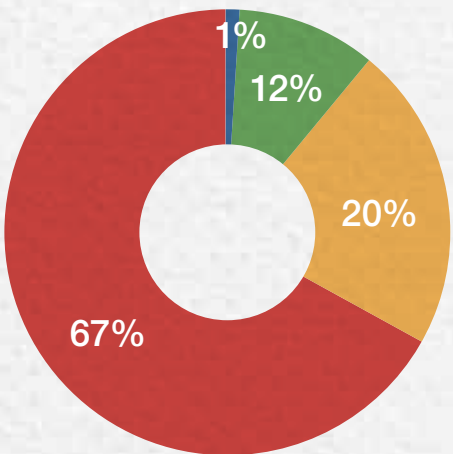
We use performance and competency evaluation results, employee development and career plans, and similar resources to identify employees’ training needs and devise training plans; and we always consider company needs and legal requirements besides employees’ individual requests.

Among the tools and platforms, we use as feedback to improve our training and development processes are the employee engagement survey, training assessment results, post-training development evaluations, trainer feedback, and performance evaluations.

The total hours in training increased by 9% reaching 192,439 hours in the reporting period. The majority of training was career development with 67%.

Detailed information about training can be found in the social performance tables.

Breakdown of Trainings



● Career Development ● Personal Development
● Health and Safety ● Other



Keep
(Kordsa E-Learning & Empowerment Platform)

Since 2010, KEEP (Kordsa E-Learning & Empowerment Platform) serves as an easily accessible and individualized training program tailored to our company, and to cascade the technical expertise of the world leader in the industry to all our employees in a more efficient, quicker and time-effective manner. All employees with a corporate e-mail address can access the e-learning sessions delivered over the KEEP system in local languages on various categories anytime they want, in or outside company premises, on all our locations.

Our employees can join personal development, technical development, corporate integrity, and other development trainings over the KEEP system, as well as managing their training plans, apply for classroom trainings, and suggest new trainings. As the classroom training-planning module has been designed to run over the KEEP system, employees can manage all training development activities over the system in a ‘self-service’ mode. We regularly share all updates and notices with our employees since the launch of the system through e-mails, videos, and posters hung up in our plants, screensavers, intranet announcements, and various rewarding activities.

As we put greater weight on classroom training in the reporting period, which we believe to be more effective, 753 hours of KEEP training was delivered in 2015 with 28% increase since 2014.

Talent Management at Kordsa Global

Kordsa Global offers various talent management and life long learning programs to improve competencies of employees in the talent pool and to facilitate long-term employability. Alongside internal global development programs, trainings, and mentorship, we also provide financial support to our employees for MA/MB, PhD, and certification programs they wish to attend depending on the type and institution of training as laid down in our procedures.

Global Development Programs: There are three different levels of development programs available to develop employees in the talent pool. These are trainings organized by Sabancı Holding, and are as follows: Generation Next for specialist/engineer level; Leadership Fundamentals for middle-level management; and, SALT Sabancı Leadership Team for upper-level management. Global Development Programs focus on developing technical expertise and leadership; and are carried out by the Global Human Resources Department. Employees from different countries and of different levels join these programs, held on global scale, depending on their area of expertise and needs.

Mentorship: Starting in 2014, we completed our activities to extend the mentorship system practiced in the Turkey plant to other countries. We implemented the first ‘Global Mentorship Program’ with ‘mentees’ as specialists/engineers and newly appointed managers, and ‘mentors’ as upper level managers in 2014. In 2015 we expanded the program so as to include more participants. The mentorship program implemented across all Sabancı Holding companies also accepts as ‘mentees’ Kordsa Global talents at specialist/engineer or manager-level.

Training: Employees in the talent pool are welcome to join all trainings organized by our company that cover their personal, technical or functional needs. Requests for training may be lodged by the employee him/herself, his/her line manager, or the Human Resources Department. Besides internal training programs, we also encourage our employees to take part in development programs organized by Sabancı Holding for specialist/engineer level such as the Young Sabancı program or Group Mentorship program.

90% of our employees who responded to the sustainability assessment survey think that...

“At Kordsa Global, the measures taken to oversee and secure occupational safety and employee health are adequate.”

Health and safety of our employees comes first among our company’s strategic sustainability priorities. The common and only goal of all our people, locations and departments in charge of occupational safety is to attain zero occupational accidents and diseases.

We implement “The 10 Golden Rules of Occupational Safety” we identified to prevent employee injuries and diseases across all our plants. There has not been any occupational disease or fatal accidents in any of our plants or subcontractors before and during the reporting period.

In addition to the Occupational Health, Occupational Safety and Environmental Safety Policies approved by our CEO and in force since 2001 at Kordsa Global Turkey, the Kordsa Global Commitment to SHE - Safety Health Environment - published in 2008 and updated yearly is applicable across all Kordsa Global plants. These policies and commitments are associated with the OHSAS 18001 Management System Standard.

All employees are responsible for their own and their fellow employees’ occupational safety. It is the CEO and the Vice-President in charge of Operations, who bear the responsibility for occupational safety on behalf of the management. It is the Global SHE (Safety Health Environment) Manager, who is responsible for coordination. It is the Operations Directors and people in charge of SHE at the plant-level who bear these responsibilities in the plants.

Occupational safety targets range from strategic to individual, and are evaluated by the Kordsa Global

Performance Evaluation System. Occupational safety performance evaluation criteria for the blue-collars are found in the Performance Management System. Mechanisms used to monitor the effectiveness of the company’s management approach are internal occupational safety inspections, external ISO 14001 and OHSAS 18001 Management Systems certification audits, insurer audits, second-party occupational safety inspections across companies of Kordsa Global, and performance benchmarks between our plants. We issue monthly global OHS reports to communicate our performance.

Kordsa Global plants, due to a specific occupational hazard, there has been no increase in the frequency of accidents or illnesses. Nevertheless, employees working in areas where hazardous chemicals are used are subject to periodic medical screening at the Occupational Diseases Hospital depending on the chemicals in question and the working conditions. Medical screening is done annually, in order to identify early on the potential effects of chemicals. There is no employee at Kordsa Global, who has been diagnosed with an occupational disease through medical screening.

We have Management-Worker Health and Safety Committees in all our facilities with the same operating structure. The total workforce represented in these committees is 10.8%. Data on the OHS performance of the entire plants can be found in the social performance tables. Globally we are executing two projects on OHS; Safety Experience Center and Safety Dipping Machine.

2015	SHE Training Hours	Completed Risk Analysis	Completed Process Hazard Analyses
Turkey	14	20	3
Egypt	8	2	1
Thailand	15	4	1
USA-Chattanooga	30	6	2
USA-Laurel Hill	14	2	1
Germany	10	2	2
Indonesia	16	121	4
Brazil	20	2	2

Management-Worker Health and Safety Committees

Name of Committee	Definition	Legal Status	Participants
Emergency Response Team	Organized for all shifts in the plant.	Legal	Blue-collar employees
Energy Committee	Monitors energy use and ISO 50001; prepares energy reports and manages energy savings projects.	Legal	White-collar employees, and Maintenance Manager as Chair
Electrical Safety Committee	Lays down all rules and standards on electricity hazard in the plant; makes inspections and delivers training.	Company initiative	Mostly white-collar, but also blue-collar members
Process Safety Management	Carries out activities and inspections for explosions, fires, leaks and occupational accidents that may arise from the production process. Have annual targets.	Company initiative	White-collar employees
OHS Committee	Official meeting of the representatives of the employer and employees. All legal decisions are made on this committee.	Legal	Employer representatives, union representatives, managers, subcontractor representatives
SHE Management Committee	Meets to improve SHE (Safety Health Environment) performance, disseminate SHE culture, manage improvement and development activities, and review performance.	Company initiative	All department managers and representatives, and Operations Director as Chair
Hazardous Chemicals Committee	In charge of identifying hazards wherever chemicals are used, conducting risk analyses, maintaining signage in proper condition, and providing training on chemical hazards.	Company initiative	White and blue-collar employees
SHE Star Team	Established to encourage blue-collar employees’ participation. Holds simple inspections and instructive sessions in the field. Joins occupational safety equipment trials in the field.	Company initiative	Participants from all units. Enables communication in the workplace.

Safety Experience Center

As SHE department, we established Safety Experience Center in our Indonesia facility between August and November 2015. This project is aligned with our Total Production Management (TPM) Project that we launched globally. Safety Experience Center is series of training simulators, that is developed to make people “experience” the accidents and “feel” its aftermath when it occurs. At the end of training, every member will be assessed and evaluated for their understanding. When expected understanding has not been achieved, the member will need to be retrained. Our aim is to train 1,200 people in two years in order to achieve our injury-free days and as a result create indirect economic impact for our company due to reduced lost days.

Training simulators include;

1. Reflection Room (Maze or Labyrinth)
2. Fire Emergency Evacuation
3. Behavior Oriented Safety (BOS)
4. Rotating Machine and Working with Roll Simulator
5. Confined Space Entry Simulator
7. Working at Height Simulator
8. Safety Goggles Simulator
9. Working with Chain block and Slings Simulator



Thai Indo Kordsa Reached its Target of Completing 2 Million Hours of Work Without an Accident!

After accomplishing their target of reaching one million hours of work with no accidents, Kordsa Global's Thailand plant reached its second target of completing 2 million hours of work without an accident. There has not been a reported accident since the 28th of April, 2014. Employees' efforts, management's support, trainings and auditing were all essential contributions to create a safe working environment and to enhance the performance. Thailand plant's new goal is to complete 3 million hours of work without an accident.



Improving Safety Culture in Kordsa Global

In 2013 we initiated the project named “Improving Safety Culture in Kordsa Global” with the objectives of enabling the Management Commitment to make feel in all Kordsa Global plants among all employees, improving the performance of plants to achieve 100% incident-free and safe work environment and building a sustainable Global SHE Management infrastructure based on technical expertise.

SHE Network Team established performance indicators in order to follow and recognize the progress in safety performance and also defined best achievable free injury hours to have 100% incident-free and safe work environment.

As a result of the project, best achievable free injury hours are as the following:

- In Turkey plant reached 1,964,071 hours with 1,021 employees,
- In Egypt plant reached 672,113 hours with 244 employees,
- In Indonesia plant reached 2,258,670 hours with 1,179 employees,
- In Germany plant reached 213, 250 hours with 82 employees,
- In North America Laurel Hill plant reached 312,500 hours with 117 employees,
- In North America Chattanooga plant reached 500,666 hours with 184 employees,
- In Brazil plant reached 1,252, 333 hours with 405 employees.



Safety Project for Dipping Machines

The safety project for dipping machines initiated to prevent accidents at dipping machines has emerged as a result of the statistical analysis of occupational accidents, and has become the top priority project for occupational safety targets. Our aim is to reduce occupational accidents and injuries, and to prevent machine-related accidents. Whereas this project falls within the scope of EN 12100 Safety of Machinery Standard and other related industrial EN standards, it is entirely voluntary.

In our Turkey plant we started the pilot risk analysis and the implementation of the project will continue until 2016. We expanded the project scope to cover all overseas plants with dipping units as of 2015 (Indonesia, Egypt, Thailand, USA, and Brazil). In 2015, we completed risk analyses for all global plants, which will start the installation of mechanical and instrument devices in 2016.

environmental performance

Environmental protection is among the six values underlying the Kordsa Global's strategy. Our priority in all our activities and investments we carry out is to prevent environmental pollution, reduce energy consumption and emissions, and make efficient use of water, through investing in clean technologies and waste management.



Kordsa Global ABC Project
Best Environmental
Innovative Application
2nd Innovative Sustainability
Practices Competition
Business Council for Sustainable
Development Turkey (SKD)
2015

85% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global is a company that protects the environment/natural resources and prevents environmental pollution, from the viewpoint of local communities neighboring its locations.”

We have published Kordsa Global Commitment to SHE - Safety Health Environment in 2008. We update it every year and is applicable across all Kordsa Global plants. In 2015 we updated it again and by added our new sustainability aspects, naming it Kordsa Global Commitment to SHE and Sustainability. With targets such as zero waste and zero emissions, the policy contains our commitments on efficient use of energy and natural resources, preservation of biodiversity and combatting climate change. It has been approved by our CEO and is associated with the ISO 14001 Environmental Management Systems Standard. Kordsa Global facilities in Turkey, Egypt and Germany have ISO 14001 certification and we plan to obtain it in Indonesia and Thailand facilities in 2016, US and Brazil facilities in 2017.

At Kordsa Global we carry out our operations and projects with people and nature at the core. Thanks to this approach, we won many awards in Turkey and abroad.

We conducted Environmental Impact Assessments during the reporting period in Indonesia and in the first half of 2016 we plan to conduct one in Turkey. At our Brazil and USA facilities we can not conduct EIAs because they are located within organized industrial regions. In Izmit facility we invested over USD 170 thousand for environment protection in 2015.

Stakeholder Engagement on Environmental Priorities

Our employees, who responded to the sustainability assessment survey, we have conducted in 2015, state that Kordsa Global must primarily deal with managing the following environmental impacts:

- Energy management (reduction of energy consumption, and energy efficiency): 82%
- Wastewater and solid waste management (reduction of environmental pollution): 88%
- Water management (reduction of water consumption and efficiency): 61%
- Reduction of GHG gas emissions (combat climate change): 44%, and
- Biodiversity conservation: 26%.

This year our employees' perception of neighbor communities on our company's sensitivity regarding environmental protection has increased by 9%.



68% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s investments and projects to assure energy efficiency are adequate.”

Energy is one of the main inputs of production. Among Kordsa Global’s strategic goals are achieving energy efficiency, and reducing energy use per ton of product, alongside other energy saving activities.

It is the Operations Director, who approves the Energy Management Policy applicable in all Kordsa Global sites prepared by the Energy Committee in 2014 in accordance with ISO 50001 Energy Management System. The Policy is reviewed annually along with other policies. ISO 50001 Energy Management System is only available in Turkey.

It is the Chief Operating Officer and Energy Management System Coordinators, who are in responsible for the management of this area. There are corporate strategic targets as well as country, plant, unit, and individual targets in this area. The effective and efficient use of energy is a continuous target. The Chief Operating Officer reviews energy efficiency results each month alongside plant-specific business results.

Kordsa Global supports projects for the efficient use of energy, and reduction of energy use per unit of production; undertakes to provide the necessary budget, manpower and technology; and inspires teams. Projects with proven success and payoff are

encouraged and cascaded to other Kordsa Global plants. Comparisons are made across Kordsa Global plants for energy results and amounts of energy consumed. Energy efficiency project teams are awarded at recognition events.

Kordsa Global plants act in line with the energy regulations of the country they are located. Whereas some countries oblige an Energy Management System to be installed, others have not set any legal targets for energy use or energy efficiency. Owing to the ISO 50001 Energy Management System certification, Kordsa Global Turkey plants are systematically audited internally and externally each year.

To see the data trends in the reduction of energy (i.e. electricity, steam, natural gas) consumption achieved through savings and efficiency initiatives in the reporting period, we calculated reductions in the manufacturing processes at individual plants taking 2011 as the base year. The calculation is based on the ISO 50001 Standard. We have achieved 3-27% reductions in 2015 compared with 2011. All related data can be found in the environmental performance tables.

To monitor the reductions in the energy required by products, we calculated the energy reduction rates

at Kordsa Global Turkey plants in the reporting period and compared them to baseline 2013 figures. Our natural gas and electricity consumption increased as a result of production efficiency in our dipping machines in Turkey facility. As the facilities in Turkey and Thailand

ran with full capacity we needed more energy for more products. In Indonesia, natural gas consumption increased parallel to an increase in dipping. In Kordsa Brazil, we did not have a significant increase in energy consumption in 2015.

Steam & Electricity Reductions in Turkey	2011	2012	2013	2014	2015
Dipping NY	100	104	98	87	93
Dipping PE	100	120	111	88	89



65% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s initiatives and efforts to monitor and reduce emissions are adequate.”

Climate Change

Among Kordsa Global priorities are management and reduction of emissions including GHG emissions. Our goal is to act in compliance with regulations on greenhouse gas emissions mainly in Turkey and other facilities, and file the necessary reports.

All our plants act in compliance with legal limits and regulations in the countries they operate and do not create a significant negative impact. In our SHE Commitment, we explain our emission- related targets under the heading of Goal of Zero Waste and Emissions: “We will drive toward zero emissions,

giving priority to those that may present the greatest potential risk to health or the environment.” This is the common target of the entire workforce of Kordsa Global in all departments across all locations.

For the first time in 2014 we calculated our greenhouse gas emissions in Turkey, approved by the Ministry in line with the GHG Regulations. We started calculating and monitoring our direct emissions in 2015 at Indonesia and Thailand facilities. At Kordsa Global, we aim to continue emissions management, monitoring and measurements, and to make systematic improvements for emission reduction.

Energy Reductions in Turkey (kwh/ton product)	2011	2012	2013	2014	2015
PES Yarn	100	92	83	79	74



Project ABC for Energy Savings at Twisting Machines

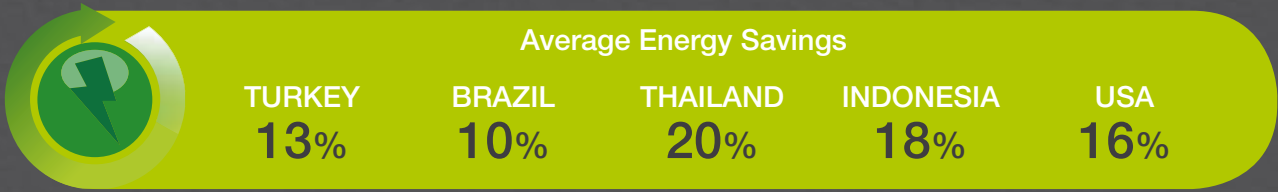
ABC Project is an energy saving project whereby the outer yarn (balloon), driven away by centrifugal force, is drawn with the help of a step motor controlled by an additional electronic card so that the outer yarn becomes narrower, resulting in less air friction and elimination of yarn wound around the disc.

ABC is a systematic and permanent energy use project. Our aim in the project started in March 2014 at Kordsa Global Turkey plants is to obtain on average 10 - 20% savings, and we make

different dtex-based observations of average savings.

In order to expand the scope of Project ABC to cover all 218 twisting machines, we started the Project in four other Kordsa plants as of 2015. Completion of the project in all Kordsa Global plants is expected to take two to three years, making it a medium-term action.

The average return on investment as three to five years in various sites. The total annual energy savings in Kordsa Global sites is 17,331,800 kWh, which equals to about 11,543 tons of less CO₂.



73% of our employees who responded to the sustainability assessment survey think that...

“Initiatives and efforts towards raw material efficiency at Kordsa Global are adequate.”

The selection and use of materials and raw material rank among the top indispensable elements of our company’s production. Materials and raw material expenditures constitute about 75% of our total procurement.

The way to reach operational excellence, which is one of our core strategies at Kordsa Global, involves ensuring quality in products and services. Thanks to the importance we attach to the materials management system, our systematic approach and our policies, we can satisfy our customers and achieve our targets.

The targets we set with regard to materials management include improving materials handling systems, enhancing warehouse organization, conducting field audits of the contracts concluded with suppliers, and improving the system established for just-in-time delivery of raw materials.

In addition to these targets, we work on the efficient use of materials, producing the same quality product with less material, enabling reuse of materials if possible, and using, transporting and disposing of materials so that their environmental impact is minimized.

Our commitment to manage impacts by the use of materials and raw material is covered under the continuous improvement heading in the joint Commitment for Occupational Safety, Environment and Sustainability published by Kordsa Global for all its facilities.

In addition to the need for financial and human resources to realize projects that will help us achieve these targets, we also have to plan on the development of special software and technological systems to monitor and review our targets.



Project to Reduce Use of Materials

As a result of monitoring our performance in the use of materials and our efficiency efforts, we achieved improvements of 2 to 78% in the use of chemicals and flake rates at our plants since 2011, our baseline year. The table below shows the percentages of reduction in materials and chemicals used at various plants.

The reason for the increase in the Salt Ratio at Kordsa Global Turkey in 2014 is that there was a planned overhaul at our plant, and more salt was used during the start-up stage. (The Nylon Yarn plant in Turkey undergoes a planned overhaul for maintenance every three years.)

Material (Plant)	2011	2012	2013	2014	2015
Salt Ratio (Kordsa Global Turkey) Line 1	1.22	1.18	1.18	1.22	1.17
Consumption Rate of Chemicals (Kordsa Global Turkey NY Side)	1.14	1.12	1.11	1.12	1.13
Consumption Rate of Chemicals (InterKordsa)	-	4.70	1.70	1.00	1.04
Consumption Rate of Chemicals (Kordsa Brazil)	1.19	1.13	1.15	1.16	1.14
Consumption Rate of Chemicals (Kordsa USA- Laurel Hill)	1.09	1.06	1.04	1.03	1.03
Flake Rate (Kordsa USA - Chattanooga)	1.26	1.19	1.18	1.19	1.19

Project to Reuse Paper Tubes

In this project that we developed for Kordsa Global Turkey plants in order to increase the reuse of paper tubes our yarn products are wound around we aim

to contribute to the corporate budget and natural resource savings. Our goal is to reuse 100% of the tubes that enter our plants.

NY Yarn	Number of Reused Tubes	Savings	PES Yarn	Number of Reused Tubes	Savings
2013	85,760	51,456 USD	2013	20,000	12,000 USD
2014	28,692	17,215 USD	2014	30,000	18,000 USD
2015	35,467	20,593 USD	2015	34,323	20,594 USD

According to 67% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s efforts to manage waste and wastewater and to prevent environmental pollution are adequate.”

Disposal, recovery and reuse of wastes, including wastewater, arising in Kordsa Global plants as specified by law are among Kordsa Global's regular activities like manufacturing.

Our Commitment to SHE (Safety, Health, Environment) contains targets regarding reduction of waste at its source, reuse or recovery of materials, and proper disposal of waste. These are the common targets of the entire workforce of Kordsa Global in all departments across all locations.

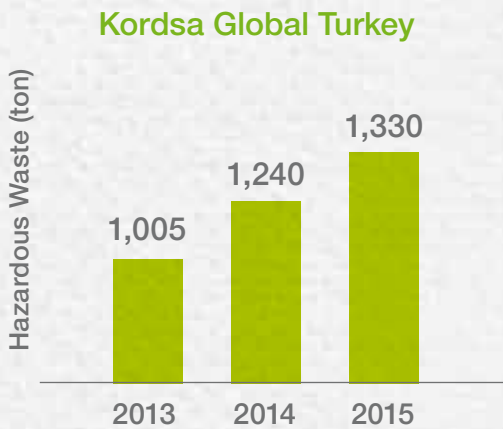
We continuously monitor and have set an improvement target for the recovery and reuse of water we consume in manufacturing. We follow technological research and investment opportunities to take wastewater recovery even further.

Other priorities include reduction of hazardous waste, increased recovery rates, and creating reuse opportunities. At least 65% of wastes arising in Kordsa Global Turkey are either recoverable or re-usable.

In waste management, the responsibility for legal compliance and inspection lies with the Operations Director, and for implementation and coordination, with the Energy Committee Member and SHE department. Projects on waste management, and improvement efforts are the responsibility of all departments. Waste management plans range from strategic to individual, and are evaluated by the Kordsa Global Performance Evaluation System.

At Kordsa Global Turkey we recover and use at least 25% of the water treated at the Wastewater Treatment Plant, a priority investment according to feasibility and environmental impact calculations.

Mechanisms to ensure efficiency of wastewater management are Ministry of Environment and Urbanization inspections, Kordsa Environment Unit and Environmental Officer audits in addition to ISO 14001 audits, ISO 14001 internal audit, and daily dumpsite controls. We also make benchmarking studies with other companies of the Sabancı Holding.



Use of the Recycle Chip Machine

At Kordsa Global Turkey, we make sure that waste accumulated at Nylon 6.6 yarn manufacturing plants during the manufacturing process is regenerated into Nylon 6.6 chips to be used in engineering plastics industry. We have been using the recycle chip machine for manufacturing since 2013. The idea was selected among innovative ideas as an R&D project. The total investment cost of the 400 kg/hr.- capacity regeneration system project was USD 800,000.

Economic and Environmental Impacts and Gains:

- Manufacturers of engineering plastics in Turkey now import less Nylon 6.6 raw materials, and they were able to increase their profitability by decreasing raw material costs.
- We turned Nylon 6.6 yarn waste into a high value-added product, thus increasing its profitability.
- We contributed to the preservation of natural resources thanks to the use of recycled Nylon 6.6 raw material.
- In 2014, recycled 687,628 kg and saved USD 1,582,400.
- In 2015, recycled 816,331 kg and saved USD 1,632,000.

Project to Reduce Conversion Costs

Our company’s strategic targets include using energy efficiently in production, manufacturing the same quality product with less raw material and chemicals, and curbing production costs by reducing the amount of scrap production.

The graphs below show the improvements we made in three product groups in Turkey, as a result of our efforts in the reporting period, the baseline being 2012.

Conversion Cost Rate	2012	2013	2014	2015	Reduction Rate Compared to Baseline
Cord Fabric	100	95.65	92.49	91.49	8.5%
NY Yarn	100	96.00	94.00	92.00	8%
PE Yarn	100	88.40	81.15	80.00	20%

Calculation of reduction rates is made according to the baseline year 2012.

67% of our employees who responded to the sustainability assessment survey think that...

“Kordsa Global’s efforts to manage and efficiently use water resources are adequate.”

The World Economic Forum (WEF) lists water scarcity among its 10 Global Challenges. It gets ever more critical to access safe and reliable water resources. Water use is of paramount importance for the manufacturing processes at Kordsa Global plants and auxiliary operations. Water quality, accessibility and preservation of usable water resources are essential for the sustainability of our work and costs. At Kordsa Global we monitor how water is used at nine plants across five different locations, pay efforts for a more efficient use of water, and encourage industrial reuse of treated water.

We invest in reducing water consumption, and increasing the share of wastewater reuse at Kordsa Global Turkey plants. These are the common

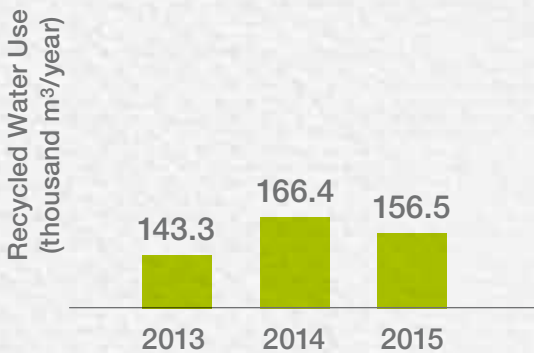
targets of the entire workforce of Kordsa Global in all departments across all locations. In water management, the responsibility for compliance and inspection lies with the Operations Director. Projects on water management and improvement efforts are the responsibility of all departments. We ensure the efficiency of the water management system through ISO 14001 Environmental Management System audits by internal and external bodies in Turkey.

From 2013 to 2015 our water withdrawal dropped gradually by %7 in 2014 and by 8% in 2015, due to the increase in recycled water use. From 2013 to 2014 our recycled water usage increased by 16% and dropped by %6 in 2015.

Kordsa Global Turkey



Kordsa Global Turkey



Wastewater Recovery Project

We decided to reduce water used at Kordsa Global Turkey plant, and to gradually increase the amount of wastewater recovered. Directorate of Maintenance and Energy, and the SHE Department started the project in 2014 to be completed in three years. Within the scope of the project, advanced treatment and reverse osmosis (RO) systems have been constructed in the plant.

In the previous year, the amount of treated and reused water was 131,490 m³/year in the Yarn Plant and with the new investment planned in 2016 with a 50 thousand Euro budget, the total the reused amount of waste water will be over 200,000 m³/year. The water produced by the new RO will be used as make-up water in cooling towers.

60% of our employees who responded to the sustainability assessment survey think that...

"Kordsa Global's initiatives to conserve biodiversity in and around its facilities are adequate."

During our first sustainability strategy works at Kordsa Global in 2014, biodiversity has not brought up by any of our stakeholders as a priority issue. Nevertheless, in 2015 biodiversity risks took place among other new issues as a global sustainability issue.

Since our first factory's establishment in Turkey we have conducted three EIAs; one in 2006 and two in 2010 after capacity increases in our facility. In 2015, we conducted a new EIA as a result of a new production capacity increase. As the project area is located in an industrial region, the report revealed that it does not have any negative impacts on the environment.

As the new investment, just like the previous projects, is not adjacent to any protected areas like national nature and wildlife parks, any water resources and areas of high biodiversity value, we did not need to involve with NGOs or other conservation organizations in developing biodiversity action plans (BAPs) or other biodiversity initiatives in our Izmit facility.

We have also conducted an EIA in our Indonesia facility in 2013. The EIA was conducted because of

the construction of our new plant. The report states that there are no endangered species under risk as a result of Kordsa Global's production activities. Nevertheless, as all flora and fauna have to be preserved, we moved about 110 trees outside the construction area and planted them in and around the facility. We plan to conduct EIAs in other countries of operation within the coming years.

These reports clearly show that as Kordsa Global we do not have negative impacts on biodiversity and although we did not have to take rapid actions concerning biodiversity, it is our commitment to protect biological diversity, and the sustainable use of biological resources as stated in our SHE Commitment policy. On the other hand, we also protect and preserve biodiversity by managing our discharge and waste in all our plants.

Our commitment on reducing environmental impacts also covers our suppliers. The management of environmental risks of suppliers take place under the topic Supplier Assessments Management.



performance indicators



economic performance indicators

Economic Value Generated and Distributed	Unit	2013	2014	2015	GRI
Economic Value Generated (Revenues)	TRY 1,000	1,626,458	1,811,782	1,873,693	EC1
Economic Value Distributed to Stakeholders					
Operating expenses	TRY 1,000	1,354,901	1,479,798	1,419,689	EC1
Employee wages and benefits	TRY 1,000	218,452	221,590	253,929	
Payments to government	TRY 1,000	14,406	10,671	16,164	
Payments to capital providers	TRY 1,000	0	0	60,615	
Community investments	TRY 1,000	59	5,150	6,942	
Retained economic value (profit)	TRY 1,000	38,640	94,573	116,354	
Financial Subsidies Received from Government	Unit	2013	2014	2015	GRI
Turquality	TRY 1,000	1,795	1,693	1,041	EC4
Tax relief/credits	TRY 1,000	0	24,073	8,381	
Incentives	TRY 1,000	20,645	25,326	17,335	

social performance indicators

WORKFORCE					
By Employment Type	Unit	2013	2014	2015	GRI
White-collar - Women	People	211	206	208	G4-10
White-collar - Men	People	573	529	530	
Blue-collar - Women	People	210	207	201	
Blue-collar - Men	People	2,755	2,807	2,806	
TOTAL	People	3,749	3,749	3,745	
By Location	Unit	2013	2014	2015	GRI
Turkey - Women	People	79	87	105	G4-10
Turkey - Men	People	979	1,034	1,046	
Indonesia- Women	People	67	66	65	
Indonesia - Men	People	928	1,086	1,114	
Thailand - Women	People	115	111	112	
Thailand - Men	People	260	262	267	
Egypt - Women	People	1	4	4	
Egypt - Men	People	287	244	240	
Brazil- Women	People	31	33	36	
Brazil - Men	People	364	365	369	
USA - Women	People	93	90	71	
USA - Men	People	288	276	230	
Germany - Women	People	20	19	13	
Germany - Men	People	78	68	69	
China - Women	People	4	3	3	
China - Men	People	2	1	1	
Argentina - Women	People	11	0	0	
Argentina - Men	People	142	0	0	
By Age	Unit	2013	2014	2015	GRI
30 years and below	Women	54	51	59	LA12
	Ratio	1.44%	1.36%	1.58%	
	Men	593	840	837	
	Ratio	15.82%	22.41%	22.35%	
30 - 50 years	Women	364	263	278	
	Ratio	%9.71	7.02%	7.04%	
	Men	2,087	2,043	2,042	
	Ratio	55.67%	54.49%	54.52%	
50 years and above	Women	103	73	72	
	Ratio	2.75%	1.95 %	1.92%	
	Men	548	479	457	
	Ratio	14.62%	12.78%	12.68%	

By Gender	Unit	2013	2014	2015	GRI
Men	People	3,328	3,336	3,336	LA12
	Ratio	88.77%	88.98%	89.08%	
Women	People	421	413	409	
	Ratio	11.23%	11.02%	10,92%	
By Other Groups	Unit	2013	2014	2015	GRI
Expats	Women	0	1	0	LA12
	Ratio	0.00%	0.03%	0,00%	
	Men	15	15	11	
	Ratio	0.41%	0.41%	0.30%	
Persons with disabilities	Women	1	2	1	
	Ratio	0.03%	0.05%	0.03%	
	Men	30	32	33	
	Ratio	0.80%	0.85%	0.88%	
By Management Category	Unit	2013	2014	2015	GRI
Executives (ELT)	Women	1	2	1	LA12
	Ratio	0.03%	0.05%	0.03%	
	Men	5	5	9	
	Ratio	0.13%	0.13%	0.24%	
Director	Women	3	4	4	
	Ratio	0.08%	0.11%	0.11%	
	Men	22	20	12	
	Ratio	0.59%	0,53%	0.32%	
Manager	Women	20	24	29	
	Ratio	0.53%	0.64%	0.77%	
	Men	83	78	102	
	Ratio	2.21%	2.08%	2.72%	
Engineer & Specialist	Women	91	94	101	
	Ratio	2.43%	2.51%	2.69%	
	Men	214	216	210	
	Ratio	5.71%	5.76%	5.60%	
Supervisor & Technician	Women	4	4	7	
	Ratio	0.11%	0.11%	0.19%	
	Men	125	113	131	
	Ratio	3.33%	3.01%	3.49%	
Officer (White-collar)	Women	92	79	76	
	Ratio	2.45%	2.11%	2.03%	
	Men	110	114	81	
	Ratio	2.93%	3.04%	2.16%	
Operator	Women	206	198	191	
	Ratio	5.49%	5.28%	5.09%	
	Men	2,773	2,798	2,791	
	Ratio	73.97%	74,63%	74.45%	

social performance indicators

WORKFORCE					
Recruitment and Turnover (All of Kordsa Global)	Unit	2013	2014	2015	GRI
New hires - Women	People	29	45	27	LA1
Dismissals - Women	People	66	44	59	
New hires - Men	People	348	487	332	
Dismissals - Men	People	553	375	296	
TOTAL - Dismissals	People	619	419	355	
TOTAL - New hires	People	377	532	359	
By Location	Unit	2013	2014	2015	GRI
Turkey - New hires	People	87	231	198	LA1
	Ratio	23.1%	43.4%	37.2%	
Turkey - Dismissals	People	318	226	197	
	Ratio	51.4%	53.9%	47.0%	
Indonesia - New hires	People	104	223	112	
	Ratio	27.6%	41.9%	21.1%	
Indonesia - Dismissals	People	87	65	52	
	Ratio	14.1%	15.5%	12.4%	
Thailand - New hires	People	42	7	24	
	Ratio	11.1%	1.3%	4.5%	
Thailand - Dismissals	People	36	17	25	
	Ratio	5.8%	4.1%	6.0%	
Egypt - New hires	People	46	35	3	
	Ratio	12.2%	6.6%	0.6%	
Egypt - Dismissals	People	45	24	7	
	Ratio	7.3%	5.7%	1.7%	
Brazil - New hires	People	52	9	9	
	Ratio	13.8%	1.7%	1.7%	
Brazil - Dismissals	People	86	26	7	
	Ratio	13.9%	6.2%	1.7%	
USA- New hires	People	40	21	11	
	Ratio	10.6%	3.9%	2.1%	
USA - Dismissals	People	38	41	56	
	Ratio	6.1%	9.8%	13.4%	
Germany- New hires	People	6	6	2	
	Ratio	1.6%	1.1%	0.4%	
Germany - Dismissals	People	8	18	11	
	Ratio	1.3%	4.3%	2.6%	
China Office New hires	People	0	0	0	
	Ratio	0.0%	0.0%	0.0%	
China Office Dismissals	People	1	2	0	
	Ratio	0.2%	0.5%	0.0%	

By Age	Unit	2013	2014	2015	GRI
30 years and below - New hires	People	233	403	289	LA12
	Ratio	61.80%	75.75%	54.32%	
30 years and below - Dismissals	People	238	178	145	
	Ratio	38.45%	42.48%	34.61%	
30 - 50 years - New hires	People	119	104	62	
	Ratio	31.56%	19.55%	11.65%	
30 - 50 years - Dismissals	People	245	177	143	
	Ratio	39.58%	42.24%	34.13%	
50 years and above - New hires	People	25	25	8	
	Ratio	6.63%	4.70%	1.50%	
50 years and above -Dismissals	People	136	64	67	
	Ratio	21.97%	15.27%	15.99%	
By Gender	Unit	2013	2014	2015	GRI
Men - New hires	People	348	487	332	LA12
	Ratio	92.3%	91.54%	92.48%	
Men - Dismissals	People	553	375	296	
	Ratio	89.3%	89.50%	83.38%	
Women - New hires	People	29	45	27	
	Ratio	7.7%	8.46%	7.52%	
Women - Dismissals	People	66	44	59	
	Ratio	10.7%	10.50%	16.62%	

social performance indicators

	HEALTH AND SAFETY			Turkey						Egypt						
				Women			Men			Women			Men			
			Unit	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	GRI
Accidents	Accident frequency rate	Kordsa Global	Rate	0.00	0.00	0.00	0.83	0.91	0.73	0.00	0.00	0.00	1.12	0.00	0.43	LA6
		Contractor		0.00	0.00	0.00	2.65	2.23	2.36	0.00	0.00	0.00	1.92	0.00	0.00	
	Types of accidents	Kordsa Global	Number	0.00	0.00	0.00	4 LWC	4 LWC	9 LWC	0.00	0.00	0.00	2 LWC	0.00	1 LWC	
		Contractor		0.00	0.00	0.00	5 MTC	4 MTC	6 MTC	0.00	0.00	0.00	1 LWC	0.00	0.00	
Lost Days	Rate of lost day because of accident	Kordsa Global	Rate	0.00	0.00	0.00	3.11	20.84	19.00	0.00	0.00	0.00	16.33	0.00	21.91	
		Contractor		0.00	0.00	0.00	7.96	19.05	7.91	0.00	0.00	0.00	38.93	0.00	0.00	
	Absentee rate (Illness)	Kordsa Global	Rate	0.0%	0.0%	0.0%	3.1%	2.2%	0.0%	0.0%	0.0%	0.0%	4.1%	3.3%	0.0%	
		Contractor		na	na	na	na	na	na	na	na	na	na	na	na	
			Unit	USA - Chattanooga						USA - Laurel Hill						GRI
Accidents	Accident frequency rate	Kordsa Global	Rate	0.00	0.00	0.00	0.45	1.26	0.00	0.00	0.00	0.00	0.00	0.80	0.00	LA6
		Contractor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.61	9.14	0.00	
	Types of accidents	Kordsa Global	Number	0.00	0.00	0.00	1 MTC	3 LWC	0.00	0.00	0.00	0.00	0.00	1 MTC	0.00	
		Contractor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 MTC	1 LWC	0.00	
Lost Days	Rate of lost day because of accident	Kordsa Global	Rate	0.00	0.00	0.00	0.00	10.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		Contractor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.68	0.00	
	Absentee rate (Illness)	Kordsa Global	Rate	0.0%	0.0%	0.0%	1.5%	1.7%	0.0%	0.0%	0.0%	0.0%	1.4%	3.9%	0.0%	
		Contractor		na	na	na	na	na	na	na	na	na	na	na	na	

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

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

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

Other Causes: include lactation and maternity leaves, sickness reports, occupational accidents and unpaid leaves.

na: Data not available

social performance indicators

	HEALTH AND SAFETY			Germany						Thailand						
				Women			Men			Women			Men			
			Unit	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	GRI
Accidents	Accident frequency rate	Kordsa Global	Rate	0.00	0.00	0.00	3.66	3.83	5.78	0.00	0.00	0.00	0.77	0.73	0.25	LA6
		Contractor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	Types of accidents	Kordsa Global	Numbers	0.00	0.00	0.00	1 LWC	3 LWC	4 LWC	0.00	0.00	0.00	3 LWC 1 MTC	1 LWC 2 MTC	1 MTC	
		Contractor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Lost Days	Rate of lost day because of accident	Kordsa Global	Rate	0.00	0.00	0.00	25.55	21.72	2.16	0.00	0.00	0.00	33.14	7.30	0.00	
		Contractor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	Absentee rate (Illness)	Kordsa Global	Rate	0.0%	0.0%	0.0%	8.4%	8.3%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	0.0%	
		Contractor		na	na	na	na	na	na	na	na	na	na	na	na	
			Unit	Indonesia						Brazil						GRI
Accidents	Accident frequency rate	Kordsa Global	Rate	0.00	0.00	0.00	0.57	0.30	0.00	0.00	0.00	0.00	0.24	0.46	0.73	LA6
		Contractor		0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.82	0.00	
	Types of accidents	Kordsa Global	Number	0.00	0.00	0.00	3 LWC 1 MTC	3 LWC	0.00	0.00	0.00	0.00	1 LWC	1 LWC 1 RWC	2 RWC 1 LWC	
		Contractor		0.00	0.00	0.00	na	1 LWC	0.00	0.00	0.00	0.00	0.00	1 LWC	0.00	
Lost Days	Rate of lost day because of accident	Kordsa Global	Rate	0.00	0.00	0.00	4.87	3.81	0.00	0.00	0.00	0.00	0.00	2.52	1.25	
		Contractor		0.00	0.00	0.00	0.00	2.20	0.00	0.00	0.00	0.00	0.00	49.18	0.00	
	Absentee rate (Illness)	Kordsa Global	Rate	0.0%	0.0%	0.0%	1.4%	1.9%	0.0%	0.0%	0.0%	0.0%	1.3%	1.0%	0.0%	
		Contractor		na	na	na	na	na	na	na	na	na	na	na	na	

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Other Causes: include lactation and maternity leaves, sickness reports, occupational accidents and unpaid leaves.

na: Data not available

social performance indicators

TRAINING AND EDUCATION INVESTMENTS					
By Employee Category	Unit	2013	2014	2015	GRI
Executives (ELT)	Man/Hour	3.0	6.0	13.0	LA9
Director	Man/Hour	89.5	117.1	97.4	
Manager	Man/Hour	149.3	67.9	150.1	
Engineer & Specialist & Officer (White-collar)	Man/Hour	230.6	173.2	232.0	
Supervisor & Technician	Man/Hour	145.9	186.5	214.3	
Operator	Man/Hour	227.2	257.3	250.2	
By Gender	Unit	2013	2014	2015	GRI
Men	Man/Hour	239.9	255.5	262.7	LA9
Women	Man/Hour	98.7	104.4	119.5	

MANAGEMENT STRUCTURE					
Board of Directors and ELT	Unit	2013	2014	2015	GRI
Women	Ratio	0.03%	0.05%	0.03%	LA12
30 years and below	Ratio	0.00%	0.00%	0.00%	
30 - 50 years	Ratio	0.08%	0.11%	0.11%	
50 years and above	Ratio	0.08%	0.08%	0.13%	
Expats	Ratio	0.00%	0.00%	0.00%	
Persons with disabilities	Ratio	0.00%	0.00%	0.00%	

environmental performance indicators

MATERIALS	Turkey				
Primary Raw Materials	Unit	2013	2014	2015	GRI
Adipic Acid	Ton	-	14,317	27,051	EN1
HMD	Ton	-	13,943	21,225	
Chips	Ton	25,376	28,262	41,241	
Formaldehyde	Ton	213	227	254	
Resorcinol	Ton	168	160	152	
Ammonia	Ton	273	310	340	
Latex	Ton	3,783	3,957	4,357	
Renewable Raw Materials and Auxiliary Materials	Unit	2013	2014	2015	GRI
Wooden pallets	Ton	1,027	897	304	EN2
Stretch wraps - Nylon	Ton	177	270	188	
Paper reels	Ton	2,712	2,037	2,156	
Cardboard boxes	Ton	670	620	409	
Estimated amount of paper reels reused*	Ton	1,517	697	233	

ENERGY MANAGEMENT					
Direct Energy Consumption	Turkey				
Non-renewable Direct Energy Sources	Unit	2013	2014	2015	GRI
Natural Gas	TEP	13,128,691	14,715,821	18,101	EN3
	GJ	549,672	616,122	757,886	
Indirect Energy Consumption	Turkey				
Secondary Energy Purchased or Consumed from Non-renewable Energy Sources	Unit	2013	2014	2015	GRI
Electricity	kWh	160,584,000	169,119,000	176,229,000	EN3
	TEP	13,808	14,541,616	15,153	
	GJ	578,102	608,828	634,434	
Steam	kWh	33,582,000	31,264,000	34,110,000	
	TEP	2,888	2,688	2,933	
	GJ	120,895	112,550	122,796	

* Reels not suitable for use in yarn plants are first sent to fabric plants and then to recycling plants.

WATER MANAGEMENT	Turkey				
Total Water Withdrawal and Discharge by Source	Unit	2013	2014	2015	GRI
Water (Source: Ground)	m³/year	525,000	488,204	448,516	EN8
Water (Source: Municipality)	m³/year	25,000	82,246	86,154	EN8
Total Water Withdrawal	Unit	2013	2014	2015	GRI
Water	m³/year	550,000	570,350	534,670	EN8
Recycled Water	Unit	2013	2014	2015	GRI
Water	m³/year	143,275	166,440	156,450	EN10
Total Wastewater Discharge	Unit	2013	2014	2015	GRI
Wastewater	m³/year	190,500	200,580	267,378	EN22

EMISSIONS MANAGEMENT					
Greenhouse Gas Emissions	Turkey				
In compliance with GHG Regulations and approved by the Ministry	Unit	2013	2014	2015	GRI
Direct CO ₂ Emissions	t CO ₂	-	30.533	36.695	EN15
Significant Air Emissions	Turkey				
By type	Unit	2013	2014	2015	GRI
NOx	kg	9.734	3.032	3.032	EN21
SOx	kg	0.220	0.621	0.621	
POP	kg	0	0	0	
VOC	kg	0.319	0.904	0.904	
HAP	kg	0	0	0	
PM	kg	0	0	0	

environmental performance indicators

WASTE MANAGEMENT					
Total Waste	Turkey				
By Type	Unit	2013	2014	2015	GRI
Hazardous Waste					
Accumulator waste	Ton	1.98	18.62	0.58	EN23
Sludge	Ton	798.59	964.12	1,026.97	
Fluorescent lamps	Ton	2.13	0.96	1.025	
Grease oil	Ton	1.28	1	0.376	
Cable waste	Ton	6.32	0	0.74	
Carbonisable polymer	Ton	10.54	7.4	7.12	
Toner-cartridge	Ton	0.77	0.12	0.22	
Waste condenser	Ton	0.22	0	0	
Chemical laboratory waste	Ton	1.23	0.85	1.81	
Waste monoetilenglicol	Ton	4.03	22.9	11.74	
Battery waste	Ton	0.15	0.15	0	
Waste oil	Ton	4.74	11.8	9.5	
Electrical - Electronic	Ton	24.45	15.9	10.82	
Waste adibic acid	Ton	1.59	2.8	1.68	
Contaminated packaging	Ton	84.1	106.97	179.473	
Contaminated waste	Ton	63.33	86.73	78.911	
TOTAL	Ton	1,005	1,240	1,330	
Non-Hazardous Waste					
Waste bobbin	Ton	1,195	1,340	1,328	EN23
Waste paper	Ton	388.1	370	392	
Waste nylon	Ton	125	126	136	
Waste wood pallet	Ton	761.58	872.6	895	
Waste iron	Ton	202.16	225.79	322	
Waste aluminium	Ton	6	2.22	0	
Waste plastic	Ton	16	22	29	
Waste chip	Ton	15	28	12.72	
Isolation - Insulation Materials	Ton	15	21	3.4	
TOTAL	Ton	2,724	3,008	3,118	
TOTAL WASTE	Ton	3,729	4,248	4,448	EN23

WASTE MANAGEMENT						
Total Waste	Turkey					
By Disposal Method	Unit	2013	2014	2015	GRI	
Recycling						
Waste bobbin	Ton	1,195	1,340	1,328	EN23	
Waste paper	Ton	388.1	370	392		
Waste nylon	Ton	125	126	136		
Waste wood pallet	Ton	761.58	872.6	895		
Waste Iron	Ton	202.16	225.79	322		
Waste Alüminnium	Ton	6	2.22	0		
Waste plastic	Ton	16	22	29		
Waste chip	Ton	15	28	12.72		
Reclamation						
Accumulator waste	Ton	1.98	18.62	0.58		
Sludge	Ton	798.59	964.12	1,026.97		
Waste oil	Ton	4.74	11.8	9.5		
Grease oil	Ton	1.28	1	0.376		
Cable waste	Ton	6.32	0	0.74		
Carbonisable polymer	Ton	10.54	7.4	7.12		
Toner-cartridge	Ton	0.77	0.12	0.22		
Waste condenser	Ton	0.22	0	0		
Waste monoetilenglicol	Ton	4.03	22.9	11.74		
Battery waste	Ton	0.15	0.15	0		
Electrical - Electronic	Ton	24.45	15.9	10.82		
Waste adibic acid	Ton	0.88	2.8	1.68		
Contaminated packaging	Ton	80	106.9	105.99		
Contaminated waste	Ton	12.4	86	72.48		
Landfill						
Fluorescent lamps	Ton	2.1	0.9	1.03		
Incineration						
Isolation - insulation materials	Ton	15	0.00	3.4		
Chemical laboratory waste	Ton	1.23	0.85	1.81		
Waste adibic acid	Ton	0.7	0	1.68		
Contaminated packaging	Ton	2.5	1.98	73.48		
Contaminated waste	Ton	50.9	33.6	6.45		
Total Disposed Waste	Ton	3,729	4,248	4,448	EN23	

environmental performance indicators

WASTE MANAGEMENT				
Total Waste	2015			
By Type	Unit	Indonesia	Thailand	GRI
Hazardous Waste				
Accumulator waste	Ton	2	0	EN23
Sludge	Ton	155.3	78	
Fluorescent lamps	Ton	0	0.05	
Toner-cartridge	Ton	0.4	0	
Chemical laboratory waste	Ton	1	1	
Battery waste	Ton	1	0	
Waste oil	Ton	10	4	
Electrical - electronic	Ton	0.8	0	
Contaminated packaging	Ton	138	0.73	
Contaminated waste	Ton	0	60.6	
Total	Ton	309	144	
Non-Hazardous Waste				
Waste bobbin	Ton	2,163	0	EN23
Waste paper	Ton	343	5	
Waste wood pallet	Ton	101.9	0	
Total	Ton	2,608	5	
Total Waste	Ton	2,916	149	EN23

WASTE MANAGEMENT				
Total Waste	2015			
By Disposal Method	Unit	Indonesia	Thailand	GRI
Recycling				
Waste bobbin	Ton	1,365	0	EN23
Waste wood pallet	Ton	101	0	
Reclamation				
Waste wood pallet	Ton	101	0	EN23
Accumulator waste	Ton	2	0	
Sludge	Ton	155.3	78	
Waste oil	Ton	10	4	
Toner-cartridge	Ton	0.4	0	
Battery waste	Ton	1	0	
Electrical - electronical	Ton	0.8	0	
Contaminated packaging	Ton	138	0	
Landfil				
Fluorescent lamps	Ton	0	0.05	EN23
Incineration				
Chemical laboratory waste	Ton	1	1	EN23
Contaminated packaging	Ton	138	0.73	
Contaminated waste	Ton	116	60.6	
Total Disposed	Ton	2,130	143	EN23

environmental performance indicators

Energy Consumption Reduction

The rates of energy savings as a result of efficiency initiatives broken down into manufacturing processes and plants are give in the following table, with 2011 as the base year.

	2011	2012	2013	2014	2015
Dipping NY - TR					
NG (kwh/ton product)	100	86	71	74	78
Other (Steam & Electricity)	100	104	98	87	93
Dipping PE - TR					
NG (kwh/ton product)	100	99	92	90	93
Other (Steam & Electricity)	100	120	111	88	89
Dipping LH - USA					
NG (kwh/ton product)	100	100	98	90	78
Other (Steam & Electricity)	100	93	99	92	92
Dipping CA - BR					
NG (kwh/ton product)	100	93	96	93	95
Other (Steam & Electricity)	100	93	99	92	96
Dipping Indo K - IN					
NG (kwh/ton product)	100	91	85	88	92
Other (Steam & Electricity)	100	102	95	92	79
Dipping TIK - THAI					
NG (kwh/ton product)	100	118	73	80	81
Other (Steam & Electricity)	100	157	97	88	73
NY Yarn - TR					
Energy (kwh/ton product)	100	92	84	98	109
NY Yarn CH - USA					
Energy (kwh/ton product)	100	93	78	86	83
PES Yarn - TR					
Energy (kwh/ton product)	100	92	83	79	74
PES Yarn CA - BR					
Energy (kwh/ton product)	100	82	83	82	83
PES Yarn Indo K - IN					
Energy (kwh/ton product)	100	105	98	93	97

AWARDS NAME	AWARD INSTITUTION
Economic	
İTKİB Platinum Award	Istanbul Textile and Apparel Exporter Association
Export Champions - Bronze Award	Turkish Exporters Assembly
Most Effective 50 CFO - Mrs. Arzu Ergene	Fortune Turkey
Environmental	
Energy Efficiency in Industries Award	Republic of Turkey Ministry of Energy and Natural Resources
Environmentalist of the Year - Cenk Alper	Kocaeli Newspaper
Social	
ETİKA - Turkey's Most Ethical Companies	EDMER - İstanbul
Internal Audit Awareness Award	The Institute of Internal Auditors (TİDE)
Kal-Der Excellence Delegate	Turkish Quality Association
Sustainability Report Award LACP Vision Awards - Chemicals Industry Golden Award	League of American Communications Professionals (LACP)
Sustainability Report Award LACP Vision Awards - Materials Industry Golden Award	League of American Communications Professionals (LACP)
Sabancı Golden Collar Awards Investing in People Category First Prize	Sabancı Holding
3rd Place at Best Employee Competition Yogo Bayu Aji Pardini	West Java Province - PT Indo Kordsa
Safety Workplace	Ministry of Labour - Thai Indo Kordsa
Innovation	
Best R&D Centre of Turkey General	Science, Industry and Technology Ministry
Best R&D Centre of Turkey Textile	Science, Industry and Technology Ministry
Best Environmental Innovative Application Award	Business Council of Sustainable Development Turkey (SKD)
Innovation Strategy Champion	InnovaLeague - Turkish Exporters Assembly
Doç Dr. Süha Atamer Award - İbrahim Yıldırım	ODTÜ Chemical Engineering Department
Sabancı Golden Collar Awards - Synergy Category First Prize	Sabancı Holding
Sabancı Golden Collar Awards - Innovation Category First Prize	Sabancı Holding

MEMBERSHIPS
TURKEY
ACC Legal Consultants Association
Composite Industry Association
DEİK Foreign Economic Relations Board
EFQM European Foundation for Quality Management
Equality at Work Platform
IMA Institute of Management Accountants
İSMMMO Istanbul Chamber of Certified Public Accountants
İTKİB The General Secretariat of Istanbul Textile & Apparel Exporter's Associations
İTHİB Turkish Textile Employer's Associations
KALDER Quality Association
Kocaeli Chamber of Industry
Kocaeli Chamber of Commerce
LES Turkey Technology and License Executives Society
PERYÖN Personnel Management Association of Turkey
TBCSD Turkish Business Council of Sustainable Development
TİDE The Institute of Internal Auditors
TKYD Corporate Governance Association of Turkey
TTSİS Turkish Textile Industry Employers' Union
TÜBİYAD Finance and IT Executives Association
TÜRMOB Turkish Chamber of Certified Public Accountants
TÜSİAD Turkish Industry & Businessmen Association
UN Global Compact

MEMBERSHIPS
INDONESIA
The Employers' Association of Indonesia (APINDO)
HIPERKIBRA - Association of Companies Surrounding Branta Mulia
Indonesian Public Listed Companies Association
THAILAND
Thai Authorized Economic Operator (AEO) Importer & Exporter Association
The Federation of Thai Industries (FTI)
The Thai National Shippers' Council (TNSC)
Department of Foreign Trade, Ministry of Commerce (DFT)
Ayutthaya Personnel Management Group
BRAZIL
Brazilian Human Resources Association (ABRH)
Industrial Foment Committee of Camaçari COFIC
FIEB/CIEB
Brazilian Association of Producers of Artificial Synthetic Fibers (ABRAFAS)
American Chamber of Commerce
USA
AFMA American Fibers Manufacturers Association
ISIFM International Society of Industrial Fabric Manufacturers
Turkish American Coalition
Tennessee Chamber of Commerce

UN Global Compact Principles

Kordsa Global is a member of UN Global Compact. Global Compact is an innovative corporate responsibility initiative that lays down universal principles to establish a common culture of development for businesses in constant competition. Being party to Global Compact is voluntary. Its vision is “Sustainable and inclusive global economy.”

While enhancing their economic gains in the medium term, companies who are parties to the UN Global Compact enjoy the prestige and pride that comes from fulfilling their social responsibilities in the most mindful and useful way in the shorter term.

IFC Sustainability Standards Compatibility Index

IFC Performance Standards on Environmental and Social Sustainability

These are performance standards prepared by the International Finance Corporation (IFC) to manage environmental and social risks and impacts of any project from the investment phase to the launch of operations via an Environmental and Social Management System. Our IFC Standards Compatibility Index regarding the strategic issues discussed in detail in our report can be found in the table below:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor Standards

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 labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

IFC	IFC Performance Standard	Relevant Section in our Report	Pages
Environmental Performance			
PS 1	Assessment and Management of Environmental and Social Risks and Impacts	Energy and Emissions Management	36-37
PS 3	Resource Efficiency and Pollution Prevention	Energy Management	36
		Waste Management	39
PS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Water Management	40
Social Performance			
PS 2	Labor and Working Conditions	Occupational Health and Safety	32
PS 4	Community Health, Safety, and Security	Supplier Assessments	26
PS 5	Land Acquisition and Involuntary Resettlement	As our plants are established and operating in industrial zones, these impacts are not among our priority issues.	
PS 7	Indigenous Peoples		
PS 8	Cultural Heritage		

GRI G4 content index



GENERAL STANDARD DISCLOSURES	
STRATEGY AND ANALYSIS	
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G4-12 (Supply chain)	Pages 25 - 26
G4-13 (Changes)	Page 9
G4-14 (Precautionary approach)	Pages 35 - 41
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REPORT PROFILE	
G4-28 (Reporting period)	Page 2
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G4-33 (External assurance)	Not externally assured.
GOVERNANCE	
G4-34 (Governance structure)	Page 18

GENERAL STANDARD DISCLOSURES		
Material Aspects	DMA and Indicators	Exclusion
Economic Performance	Pages 21 - 25	None
Customer Privacy	Page 26	None
Materials	Pages 38 and 49	None
Energy and Emissions	Pages 36 and 49	None
Effluents and Waste	Pages 39, 50 and 51	None
Water	Pages 40 and 49	None
Biodiversity	Page 41	None
Employment	Pages 28 and 45	None
Training and Education	Pages 31 and 48	None
Occupational Health and Safety	Pages 32 - 33 and 46 - 47	None
Equal Remuneration for Women and Men	Page 29	None
Diversity and Equal Opportunity	Page 30	None
Non-Discrimination	Page 30	None
Compliance	Page 19	None
Anti-Corruption	Page 20	None

(G4-17)

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The logo for KORDSAGLOBAL features the word "KORDS" in white, "SAGLOBAL" in white, and a central emblem consisting of two overlapping circles. The left circle is white with a blue "S" inside, and the right circle is blue with a white "A" inside.

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