



Sustainability Report

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ABOUT OUR REPORT

We hereby would like to present to our stakeholders our first sustainability report that reflects our economic, environmental and social performance as Kordsa Global for the period 2013-2014. The aim of this report is to give our key stakeholders the opportunity to assess the steps we took to measure, monitor and improve the way we manage the impacts resulting from our activities.

Our goal is to render our sustainability reports one of the major communication tools to examine the priorities of our stakeholders with regard to sustainability and to share our best practices in finding solutions to issues today and in the future.

The Scope and Limitations of Our Report

Unless otherwise stated, the data in this report cover Kordsa Global's activities within Turkey from January 1, 2013 to December 31, 2014. Our company's international investments are taken up in the section on our corporate profile and in our stakeholder engagement.

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. (G4-17)

www.globalreporting.org

In the process of identifying our aspects for strategic sustainability, 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 during the reporting period, 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 in 2015, in the second half of 2016.



As the Sabancı Group, our goal in Turkey and all of the geographies we operate in is to grow while creating long-term value for all our stakeholders, conscious of our social and environmental responsibilities.

We are proud to share the first sustainability performance report of our company Kordsa Global, which is among the global leaders of its sector, an exemplary for the Turkish industry, as well as a leader in the implementation of technology and innovations. Kordsa Global will continue its sustainability journey by creating value for the future.

I would like to express my wholehearted gratitude to all the executives and employees that have played a role in the success corporate sustainability of Kordsa Global.

Güler Sabancı
Chairman
Sabancı Holding

MESSAGE TO OUR STAKEHOLDERS



We have proven our commitment to global responsibility principles once again by signing the UN Global Compact that covers the areas of human rights, labor, environment and anti-corruption in ten principles.

Esteemed Stakeholders,

We are pleased and proud to share with you the first sustainability report of our company Kordsa Global that is positioned as the global leader of its sector, providing reinforcement materials to the leading tire companies of the world for more than 40 years. Conscious of our responsibility, we have been managing the economic, social, and environmental impact of our operations in line with the Ethical and Corporate Social Responsibility Principles of the Sabancı Group since the very day our company was founded. In this report, we present to you the good practices we have introduced to improve the way we manage our triple impact, as well as our future plans and objectives.

We proved our commitment to global responsibility principles once again in 2013 by signing the UN Global Compact 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.

In 2014, while we increased our profitability as Kordsa Global in tire reinforcement materials, our main line of business, we also made an ambitious entry into new markets in order to ensure sustainable growth, and had a financially successful year. Just like in previous years, we continued to focus on efficiency in production and competitiveness in costs so as to maintain our leadership in the ever-increasing competition with Asian players. We owe our aforementioned profitability to our differentiation strategies both in production and in the quality of our products and services.

This year we ramped up our activities to further improve our sustainability strategy. In addition to the Sustainability Task Force, all our senior executives participated in and supported our efforts. Our employees and customers contributed to the report as well with the feedback they gave in this process during the assessment of our current performance.

Our Economic Performance

In addition to our economic performance, materials, and raw material management emerged as our priority sustainability issues during our strategy discussions this year.

One of the most significant developments of 2014 was the inauguration of our second plant in Indonesia as a continuation of our investments in Asia. Thanks to this remarkable investment, we further reinforced our position in Asia with regard to proximity to market, and supply capabilities to customers. Launching projects that support our profitable growth target, we made sizable investments in the construction and composites markets. We opened the production line for Kratos Macro, our product that has been developed specifically for the construction market.

Another ambitious, novel, and unique business model, our project which aims to penetrate the composites market, became official with the investment we made in the Composite Technologies Center of Excellence, the groundbreaking ceremony of which took place in Istanbul Teknopark. This is a pioneering step towards Industry-University Collaboration in Turkey, which not only serves

to conduct research and development, but also is involved in education and production under the same roof. With this approach, we took the financial support we extend to Sabancı University, and to education each year as part of our articles of association one step further.

We received the third prize among the leaders of the textile sector in the Export Champions Awards organized by the Turkish Exporters' Assembly.

In 2014, we continued with increased determination to value innovation and novel products, and thereby further raised our contributions to the positive reflections they have on the national economy and technology. As the technology leader of the sector, we sustained the attention we pay to our R&D center, and as a result of that, in 2014, for the second year in a row, we ranked first among the R&D centers of private companies in the textile sector in Turkey according to the Ministry of Science, Industry and Technology.

Our Social Performance

The strategy questionnaire and workshops revealed that business ethics, occupational health and safety, labor practices and human rights as well as training and education were the sustainability aspects that had priority for our company and stakeholders. Therefore, our report covers our management approach to ethics, compliance and human resources in detail.

Thanks to all the risk assessments made, preventive measures taken and occupational health and safety culture promoted in all our

facilities in the scope of OHS, 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 accidents. We constantly support the personal and professional development of our employees through training platforms that have become brands in their own right such as KEEP.

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 introduced to the business world under the leadership of the Ministry of Family and Social Policies and the co-chairmanship of Ms. Güler Sabancı, the Chairman of the Board of Sabancı Holding, and we are determined to continue supporting similar platforms.

Our Environmental Performance

At Kordsa Global, one of the most established companies of Sabancı Holding, environmental management in production comes first among our operational priorities. In the same vein, our strategy discussions focused on energy, waste and emissions management among our top priorities.

Our projects for energy savings proceeded in the reporting period. Owing to efforts such as Project ABC, which has been covered extensively in the report, we achieved savings of about 12% in steam and 3% in power during the said period. Kordsa Global Turkey recovers and uses at least 25% of the wastewater it produces thanks to the Wastewater

Treatment Facility it had prioritized among its other investments having calculated its feasibility and environmental impact.

Since 2013, we have been using waste plastic recycling pelletizing machines in our production, which emerged as an innovative idea for an R&D project. At Kordsa Global Turkey, we recycle the waste produced at the Nylon 6.6 yarn plants into Nylon 6.6 pellets, thus making them available to the engineering plastics industry. Having generated a new product from waste, we created both environmental and economic benefits.

Another one of our projects that was considered a revolutionary innovation in our sector was our resorcinol- and formaldehyde-free 'green' dip solution. 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.

At Kordsa Global, we aim to keep increasing our profitability in our current business lines with competitive costs in 2015 as well. On this journey, we will continue to employ innovative technologies; to generate value for all our stakeholders, notably our employees and customers; and to develop environment-friendly projects. It would help us create more value for you if you were kind enough to share with us your questions as well as comments and suggestions concerning the information contained in this report.

Regards,

Cenk Alper
CEO

INTERVIEW WITH THE INDUSTRY GROUP PRESIDENT OF SABANCI HOLDING



Mehmet Pekarun

Internalizing sustainability as a business model will contribute to the development of innovative, environment-friendly products, and consequently higher customer satisfaction. Moreover, I believe it is going to provide considerable advantages in terms of costs as well.

Could you describe the position of Kordsa Global, which has been in operation for more than four decades, within the Industry Group of Sabanci Holding? In which areas has the company contributed to the Group so far?

When you look at the very beginning of these 41 years, I believe Kordsa is first and foremost a success story in entrepreneurship. It started off to serve tire customers in Turkey at a time when resources were limited to the extent that none of us today could imagine, when there was no access to raw material, with the goal of providing one specific raw material to Turkey. It grew gradually, selling first to Turkey, then Iran, and then several nearby regions, and thus became an international company. However, while all this was happening, the Sabancı Family, with its entrepreneurial spirit, wanted to turn the company into a “global” business. This was a recurrent theme perhaps for three decades in the 41-year history of Kordsa. It is indeed the only global company in the Group. Half of the turnover of our Industry Group comes from abroad whereas this figure is 95% for Kordsa. These are very striking figures. Therefore, Kordsa, as a global company, is of utmost importance for the Group.

As a success story accomplished in the period since 2006 with the Kordsa team, where I served as CEO from 2005 to 2010,

I can recount our approach with Cenk Alper, our current CEO successfully leading Kordsa Global, who was then our Vice President for Technology, to technology in particular. The Board of Directors of that time consisted of very valuable members who had international experience. They said, “DuPont is longer our partner. What are you planning to do about technology? What will be your breakthrough in technology?” It was my first term as CEO in Kordsa. Cenk Alper had worked for Sabancı before, had been appointed to a post abroad, and had come to Kordsa thereafter. We set out together to manage technology in such a way that it links a long-term R&D structure with strategy, to truly create a difference in the corporate strategy, and have witnessed Kordsa cover significant distance. It has become a company awarded at ministerial level; a company shown as an example. Naturally enough, it has also opened an important window for Sabancı with its technology, innovative approach and, let’s put it that way, contemporary entrepreneurship. Kordsa managed to create a new business from within the company, and launched the composites business unit. This is a novel step. I believe we are going to see it succeed in that field as well, and that Kordsa creates a difference in Sabancı in a wide range of areas.

As the representative of shareholders, you are actually representing both Kordsa and Sabancı. In that context, what does the sustainability approach

signify in Sabancı Holding? Where would you place this approach in Kordsa’s vision?

I think it was in 2009, all Sabancı Group companies had gathered in a meeting, and an important step was taken towards a focus on sustainability, on the three dimensions of sustainability, i.e. social, environmental and financial sustainability. At that point, the Sabancı Group raised the bar internally. Consequently, sustainability, in fact, became an inseparable part of our business. Now, if you ask where this would stand in Kordsa’s vision today, I can share with you the stages there as well, and position Kordsa in this context. First comes compliance. Compliance is a must, but there are several levels of compliance, like satisfying the bare minimum, or performing above a certain threshold. In Sabancı, we always aim for high compliance. I believe we can confidently say that. The second stage is about the nature of your business, in the value chain as a whole; about your raw material, how efficiently you use resources in the way you receive them, in your processing and in your delivery to the customer. Throughout this stage, many Sabancı companies, including Kordsa, due to the nature of their respective businesses, are energy-efficient in production, save water, and always produce without harming the environment. The third stage is rather about innovation in sustainability. The fourth stage is a lot more advanced, and deals with creating new business models based on sustainability.

Kordsa has made important moves in the third stage. To give you an example, it was when I had recently come to Kordsa. In its final processing step, the cord fabric is dipped into an RFL (Resorcinol-Formaldehyde Latex) bath where it undergoes a chemical process that ensures adhesion to the rubber. This material does not harm the environment, however, officials working for the REACH Regulation in Europe told us that we would have to remove it from the product at some point in time. Our tire producers, too, asked us, “What are you doing about this?” So in 2006, we said, “We can work on that.” Now we are in 2015, it’s been nine years. The company never grew tired of the project and worked on it continuously. Trials were made, formulas were found. In the meantime we applied for a patent because Kordsa produced the first cord fabric in the sector that does not contain RFL. In other words, that was the third stage, a new product. In fact, this is going to bring us back to compliance; there is yet no clear line in compliance for this aspect of the product. Perhaps what we did not increase the performance of the product but it is environment-friendly. We have an environment-friendly product in our sector. Looking at our competition, we see that none of them owns a product like ours. Kordsa produced intellectual property in this field, and I think this is also significant in terms of the sustainability perspective it offers. Notwithstanding all these steps, there is still some room for improvement for Kordsa in the third stage.

Kordsa designed a brand new production stage that uses resources, water, energy in a much more efficient way with very little investment. This is something beyond environment-friendliness – it is actually like a revolution, where you deliver a service that increases the value of the product right to the door of your customer.

To make a difference on the customer side, however, we need to use sustainability to develop not only a product, but also a new business model. That's where I see part of the opportunity. Kordsa has become a company that can try out different business models.

In which ways do you think will internalizing sustainability as a business model contribute to Kordsa Global?

First of all, it will contribute to the development of innovative, environment-friendly products, and consequently higher customer satisfaction. Moreover, I believe it is going to provide considerable advantages in terms of costs as well. For instance, if you think about the work we did concerning RFL, you will see that we were trying to improve the product without increasing the financial burden on the customer by using the concept of sustainability. So, there are production technologies involved. As our R&D activities are both product- and process-focused, we also test new production technologies. Therefore, when you do this from an environment-friendly perspective, it ceases to be a product that is compliant only, and becomes an efficient product on top of it because you have succeeded in addressing the economic aspect as well. Tire manufacturers, just like manufacturers of white goods, want to offer sustainable products. I think, as a result, we will enjoy the advantage of being the supplier that offers more solutions to a customer who thinks that way. This is an approach that is even going to change our business model. Kordsa designed a brand new production stage that uses resources, water, energy in a much more efficient way with very little investment. This is something beyond environment-friendliness – it is actually like a revolution, where you deliver a service that increases the value of the product right to the door of your customer.

Considering the key stakeholders of Kordsa Global, and that you are in fact the representative of a stakeholder, what do you hear from shareholders and

investors with regard to sustainability? What do different stakeholder groups want to learn about?

I can easily say that I haven't heard anything in that sense from the investors. As a stakeholder, I was expecting a sustainability report, and am glad that it is going to be available now. This is valuable because it will change the whole way of doing business; there will be new challenges, but I would like to compare this to, for instance, regular quality audits. In those audits, there lies the discipline of reviewing everything at least once a year. If the company hasn't re-designed all its processes according to the quality standards in question, this turns into an extra effort during assessment periods. My expectation from the sustainability reporting process is that it changes the way we do business. This is critical now. Once the way we do business is adapted to that mindset, too, we will create a difference that is going to support our sustainability approach.

Is it possible to achieve economic sustainability (profitable growth) and environment-friendliness at the same time? Where do you see opportunities?

This is a journey. Sustainability has been a popular agenda item for about a decade. The stages that I have just mentioned aren't new either, they are quite well known. It takes some time to assume that perspective; I think you need to pass certain thresholds. I mean, in the beginning, you inevitably perceive it as a compliance issue. Sustainability, though, is something beyond that – for instance, because Kordsa is in the third stage, yes,

profitable growth is possible. It is possible if you are a company that has achieved compliance, has identified related advantages in the value chain, and has now designed the product in that particular fashion.

To make a difference on the customer side, however, we need to use sustainability to develop not only a product, but also a new business model. That's where I see part of the opportunity. Kordsa has become a company that can try out different business models. Leveraging sustainability, it can develop a new business model to serve its current customers or to target prospects.

So you are raising Kordsa to the fourth level?

Yes, definitely. In my opinion, a company that can deal with the third level should start thinking about the fourth.

Where do you want to see Kordsa Global in the next three to five years?

In the next three to five years, Kordsa will continue to grow rapidly as a global company particularly in the Asian market. I think it will further foster its success in the tire reinforcement market in Asia, especially with its new products. It will successfully run its composites business that is based on a completely novel business model. Finally, since it is our topic today, I believe it will strive to turn environmentalism and sustainability into a new business model advantage.





Kordsa Global Exporter of Textiles and Textile Raw Materials
İTKİB (Istanbul Textile and Apparel Exporters' Associations)
Export Stars Platinum Award
May 2013



CORPORATE PROFILE

As Kordsa Global, the leading producer of Nylon 6.6 and polyester industrial yarns, cord fabric, and single end cord in the world, we have been active with our reinforcement products in the tire market since 1973, as well as the composites and construction markets since 2014.

CORPORATE PROFILE

Europe, Middle East and Africa

41% of
2014 Sales



Asia Pacific

26% of
2014 Sales



North America

20% of
2014 Sales



South America

13% of
2014 Sales



699

Million TRY
EUROPE, MIDDLE EAST
AND AFRICA TURNOVER

349

Million TRY
NORTH AMERICA
TURNOVER

440

Million TRY
ASIA PACIFIC
TURNOVER

214

Million TRY
SOUTH AMERICA
TURNOVER



KORDSA GLOBAL IN FIGURES



* Percentages in the graph represent white-collar employees. Among all employees the rate of women is 11%.

** Total investment in Turkey by Kordsa Global in waste management, treatment facilities, measurement, insurance and training.

Figures are as of December 31, 2014 unless otherwise stated.

OUR PRODUCTS AND THE MARKETS WE SERVE

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. Our product line-up in tire, concrete and composites reinforcement groups, brands, the markets we serve, and the respective production amounts are given in the table below.

In 2014, we decided to employ our experience of 41 years and leadership in tire reinforcement materials in the construction and composites 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.

<h2>Nylon Yarn</h2> 	Products and Brands Nylon 6.6 Products 1- Kordsa® T728 2- Kordsa® T802 3- Kordsa® T728 SEC 4- InterCord 5- Kordsa® SA164 Technical Nylon 6- Kordsa® SA147 Airbag Yarn	Sectors  Tire Industry  Belt Industry  Automotive Component Industry	Area of Use Cord Fabrics Industrial Fabrics Chafer Fabrics Single End Cord Security Belts Ropes and Cordage	Geographical Availability  Worldwide <hr/> Amount of Production 110,193tons
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<h2>Polyester Yarn</h2> 	Products and Brands PET HMLS Products 1- Kordsa® 2G-HMLS 2- Kordsa® 3G-HMLS 3- Kordsa® 4G- 4- H MVLS - AA&NAA	Sectors  Tire Industry	Area of Use Cord Fabrics	Geographical Availability  Worldwide <hr/> Amount of Production 49,968tons
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<h2>Single End Cord</h2> 	Products and Brands 1- InterCord 2- InterTens 3- InterVision 4- InterRex	Sectors  Tire Industry  Automotive Component Industry	Area of Use Power Transmission Systems Fiber-Optic Applications Hoses Air Suspension V-Belt Production	Geographical Availability  Worldwide <hr/> Amount of Production 3,523tons
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<h2>Cord Fabric</h2> 	Products and Brands 1- Polyester 2- Nylon-based cord fabric	Sectors  Tire Industry  Belt Industry  Automotive Component Industry	Area of Use Tires	Geographical Availability  Worldwide <hr/> Amount of Production 107,158tons
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<h2>Special Products for Tire Reinforcement</h2> 	Products and Brands 1- Capmax 2- Twixtra 3- Monolyx	Sectors  Tire Industry	Area of Use Tires	Geographical Availability  Worldwide <hr/> Amount of Production 183tons
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<h2>Concrete Reinforcement Products</h2> 	Products and Brands 1- Micro Kratos 2- Macro Kratos	Sectors  Construction Industry	Area of Use Concrete Reinforcement	Geographical Availability  Turkey <hr/> Amount of Production 3.5tons
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Environment-Friendly Tire Reinforcement Products



Targeting the Global Light Commercial Vehicles Market, Capmax® decreases production costs and increases efficiency by eliminating the compound work-up, calendaring and splitting stages in the standard cap ply preparation process. By excluding the need for rubber coating, Capmax® reduces the total rubber content of the tire, which translates into a cost advantage, and contributes to a reduction in rolling resistance and fuel consumption.



The application of the product on truck tires was completed in 2013 and revealed significant advantages. The use of Monolyx® in cargo tires is associated with a reduction in rolling resistance by 5%. This translates into an average annual return of 15% per tire. In the case of dumper trucks, it maintains the integrity of the tire especially under tough road conditions, and reduces damage to the tires. Another critical property of Monolyx® is its resistance to cutting. With this 2.5-times higher resistance profile compared to regular textile materials, Monolyx® will be used as a protective layer on aircraft tires.



In 2014, Kordsa Global introduced the world's virtually lightest hybrid cord product to the market under the brand name Twixtra®. Significantly lighter than its predecessor, our product enables tire production with less raw material. Moreover, lighter tires result in lower fuel consumption.

Kordsa® Nylon 6.6 Products

The T802 cord fabric is predominantly used in aircraft tires. Kordsa Global is the market leader in this segment. It is employed as cap ply strip material and carcass, reinforcement strip material in passenger cars, and light commercial vehicles. Important features of the product include light-weight, high process ability, durability, enhanced safety and high load capacity.



Environment-Friendly Concrete Reinforcement Products



The Kordsa Global Construction Reinforcement Business Unit was set up in 2014 and is involved in market research and technology development for the production of construction reinforcement products. The first product developed by the Construction Reinforcement Business Unit, Kratos is a new, synthetic, concrete reinforcement fiber for the construction industry.

Together with Akçansa and Çimsa, Kratos was awarded with the First Prize in the Corporate Synergy Subcategory of the Golden Collar Awards of the Sabancı Group in April 2013, and became the first domestic product in the national fiber market, which has a volume of approximately 3,500 tons. While enhancing the load-bearing capacity, resistance and strength of concrete, Kratos also prevents crack formation. With these attributes, Kratos Structural Macro Synthetic Fiber Reinforcements are used in place of steel mesh and steel wires in various infrastructure and superstructure projects.

The production line of Kratos Macro was commissioned in 2014 and optimization tests are under way. The commissioning of the Kratos micro-packaging line is scheduled for the first quarter of 2015.



Reliable, Safe, and Sustainable Structures

High Quality, High Durability, Safety	Increased Efficiency, Resource Savings	Energy Efficiency, Climate Protection
<ul style="list-style-type: none"> • Provides long-term durability. Non-corrosive. • Provides effective crack control. • It is non-conductive and safe. • It does not harm machinery or equipment. • Provides fullness thanks to its high-energy absorption capacity. 	<ul style="list-style-type: none"> • Ensures the efficiency of the structure; adds a cost advantage to the project. • Saves up to 40% of time. • Eliminates the need for steel mesh workmanship. • It is lighter and safer than steel. • Reduces storage, transportation and inventory costs by 60%. 	<ul style="list-style-type: none"> • Less reduction in process ability; can be applied without changing the cement content. • Creates 40% less carbon emissions compared to steel. • Provides energy savings thanks to easy application, pumping and spraying.

HIGHLIGHTS OF THE REPORTING PERIOD



Cenk Alper, who joined Kordsa Global in 2007 as Technology Director, and then first served as Vice President for Technology and Market Development, then Vice President for Operations, **assumed the position of CEO in the 40th year of the company.**



Seeing that we mobilized all our resources to support Michelin during the flood disaster in Thailand, **Michelin awarded Kordsa Global with the 'Supplier of the Year Award'.**



As Kordsa Global, **we ranked 10th in patent applications** with the 16 applications we made to the Turkish Patent Institute.



Following an investment of USD 100 million, we opened the second tire cord fabric and polyester yarn plant in Indonesia, and thus **became the strongest player of our sector in the Asia-Pacific Region.**



We laid the foundations of the Composite Technologies Center of Excellence, which is a platform brought to fruition in cooperation with Sabanci University, and will blend R&D, academic and production activities.

2013

Capital Magazine named Kordsa Global 'The Most Admired Company in Turkey' in the textiles industry as a result of its research on 'Turkey's Most Admired Companies'.



2014

The Kordsa Global Turkey plant became one of the most efficient nylon manufacturing facilities in the world thanks to our investment of USD 10.4 million (TRY 20 million) in the facility's Line 1, which was designed, manufactured, and assembled by Kordsa Global's Engineering and Operations teams.



We signed the UN Global Compact, the most important document in the world in terms of corporate social responsibility, offered to the business world by the United Nations.



Competing with 248 technical textile projects in the R&D Project Market organized by the Uludağ Textile Exporters' Association for the sixth time, **we won and became the champion of the Turkey Textile Innovation League.**



As a high reinforcement solutions provider, at Kordsa Global, **we commissioned a dedicated production line for the production of Kratos**, the product we developed to reinforce concrete.





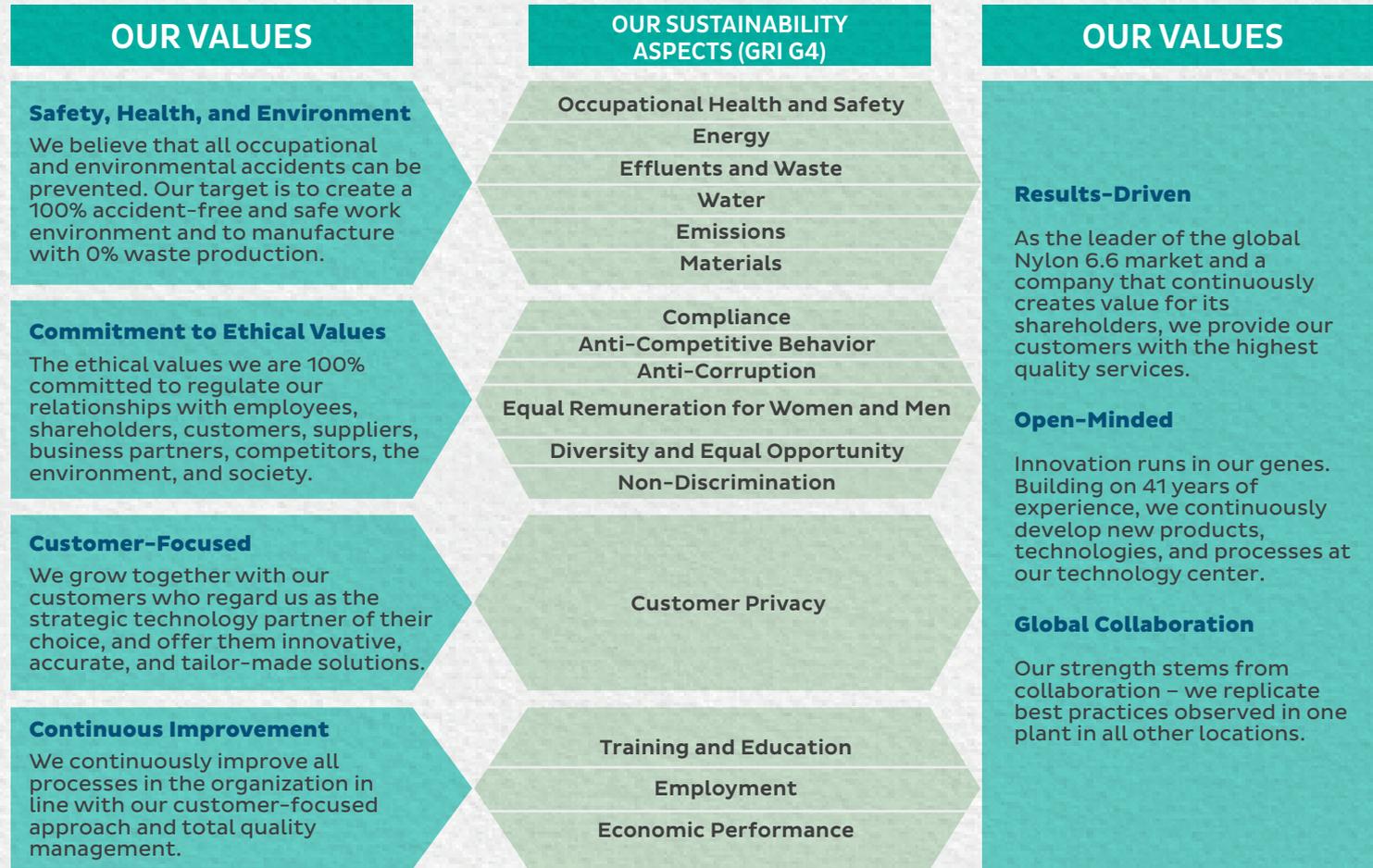
Kordsa Global Ethical Values and Practices
EDMER (Association of the Ethical Values Center)
ETİKA Turkey Ethics Awards
2012-2013-2014



STRATEGY AND MANAGEMENT

At Kordsa Global, with the strength 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.

SUSTAINABILITY MANAGEMENT



Organizations that manage to continue doing business in today's rapidly changing and competitive world are the ones that do not only create jobs and economic value, but also respect their social and environmental responsibilities, and create value for their stakeholders in those areas. Conscious of this advantage, 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. The fact that the priority aspects we identified while devising our sustainability strategy overlap perfectly with Kordsa Global's corporate values has confirmed once again the validity of the

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.

72% of our employees who responded to the sustainability assessment questionnaire 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.

Dialogue with Our Stakeholders

We define our stakeholders as persons and organizations that are influenced by our activities today and in the future, and that could, 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 key stakeholders sustainable as well.

With that in mind, we conducted a sustainability strategy questionnaire during the reporting period with the support of the Kordsa Global Executive Leadership Team (ELT) and the Sustainability Task Force (STF), which we established in 2014 with the participation of managers representing various departments. At one-on-one interviews

with ELT members and workshops on our sustainability strategy held with STF 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. 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.

Sustainability Communication with Our Employees

The goal of the sustainability assessment questionnaire we conducted with the

participation of our employees, who are our number one key stakeholder group, was to raise their awareness on this issue. 225 White-collar employees including engineers, specialists, supervisors, managers, directors, and ELT members, nearly 55% of which had been working for Kordsa Global for more than seven years, participated in the questionnaire we carried out for the first time. By way of this questionnaire, we elicited 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. (G4-18, G4-24, G4-25, G4-26)

OUR KEY STAKEHOLDERS



Communication Platforms with Our Stakeholders

Our Stakeholders	Communication Platform	Objective/Content of Communication	Communication Frequency
Customers	One-on-one Interviews	Sustainability Strategy	Once a year
	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 added to the website	Continuous
	Magazines and newspapers	To announce new developments about the company through press releases and interviews in Turkish and international publications	Continuous
Employees	Trade Fairs	To establish contact with existing and new customers	Several times a year
	Assessment questionnaire	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	Four times a year
	Intouch	CEO communication	Four times a year
	All Stars	To select the best projects and most successful activities within the company	Once a year
Suppliers	GLS	To review the previous year and share the vision of the next year	Once a year
	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
Shareholders	Factory visits	To inspect, to discuss business issues	Several times a year
	Face-to-face contact	Sustainability Strategy	Once a year
Shareholders and Investors	Meetings	To announce annual results	Once a year
	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
Local Communities and Governments	Telephone/e-mails	To announce special situations	As needed
	Newsletters	To respond to investors' request for information about the company	Upon request from an investor
	TV programs	To announce important developments about the company through the media	Continuous
	Website	To announce important developments about the company	Several times a year
Group Companies	Website	To announce important information	Continuous
	Kordsa Magazine	To announce important information	Four times a year
Governmental and Regulatory Institutions Non-Governmental Institutions Press Members Trade Unions Financial Institutions Group Companies	Sabancı Holding Newsletters	To share a quarterly self-assessment of Kordsa Global with the SBUs (Strategic Business Units) of the Sabancı Group	Continuous
	SBU Spot Action	To announce important developments about the company through the media	Four times a year
	Newsletters	To announce important developments about the company through the media	Continuous
Group Companies	TV Programs	To announce important developments about the company	Several times a year
	Website	To announce important information	Continuous

(G4-18, G4-26)

Sustainability Communication with Our Customers

In one-on-one interviews we made with two of our customers who are of key importance among our stakeholders, we asked them about Kordsa Global's impact on their effort to achieve their own sustainability targets, and elicited their comments on room for joint improvement. As a result, we received the feedback that it would add value to our customers if we took concrete steps with regard to 'responsible supply' in addition to our existing priority issues. Our plan is to make social and environmental assessments at our suppliers' locations as of 2016, and dedicate more space to the topic of 'responsible supply' in our future reports to cover it in detail. In addition, we have extensively dealt with the topics our customers wanted to see in the report, i.e. innovation, business ethics, and environment-friendly products, in the relevant sections of our sustainability report, and risk management has been taken up in detail in our annual report.

In the next reporting period, we aim to listen regularly to our stakeholders' ideas and requests that are directly related to our business vis-à-vis sustainability. We believe that the feedback thus received will guide us in the actions we will take in the coming period.
(G4-26)

Lütfü Yüksel
Purchasing Manager
BRISA



Why do you prefer Kordsa Global as a supplier? Which current attributes of Kordsa Global in the context of sustainability have influenced your decision?

It is a global company that attaches importance to customer priorities and focuses on quality-delivery performance. Thanks to its plants located in various countries, it offers a sustainable supply network. The investments they make in R&D and the significance they attach to it complement Brisa's innovative and sustainable perspective.

In the same vein, where do you think there is room for improvement? Does Brisa have any suggestions for those areas?

We believe that importance has to be given to cost improvement activities to have competitive and sustainable prices in the market, and to have flexible and agile practices that can accommodate customer needs in advance.

What are your main expectations from Kordsa Global to help Brisa achieve its own sustainability targets?

It is critical for us that it is a company that improves itself continuously in issues such as climate change and environment, human rights, occupational health and safety, employee rights, compliance with the legislation, information security, cost and operational success and risk management, and that it has exemplary practices in these fields.

What are the performance aspects that Brisa would especially like to see in Kordsa Global's first sustainability report focusing on its operations in Turkey?

Responsible Procurement Practices, Environment-Friendly Products and Services, Business Ethics, Risk Management, Innovation.
(G4-27)

Eric de Baillenx
Michelin Global Textile
Category Manager



Why do you prefer Kordsa Global as a supplier? Which current attributes of Kordsa Global in the context of sustainability have influenced your decision?

Michelin is built on deep-seated values, which have guided our company since it was founded. They have shaped our culture and helped forge our reputation as a provider of quality products and services that enhance the mobility of people and goods. Michelin has implemented responsible purchasing with its suppliers for many years by integrating and applying the principles of sustainable development. Main suppliers such as Kordsa – one of Michelin’s long lasting suppliers – are regularly assessed on their Corporate Social Responsibility (CSR) Performance.

The main identified Kordsa Global CSR strengths are:

- Global policies on major environmental issues and labor and human rights, including participation in the United Nations Global Compact since 2014,
- Certifications such as ISO 14001, ISO 27001 and OHSAS 18001,
- Measurement of environmental (for example: CO2 and VOC emissions, electricity and water consumption), health & safety, working conditions,
- Internal audit on compliance with anti corruption and bribery policies,

In the same vein, where do you think there is room for improvement? Does Michelin have any suggestions for those areas?

Michelin encourages the following improvements:

- Increase the percentage of ISO 14001 certified sites,
- Increase the usage of recycled percentage water,
- Introduce reporting regarding child or forced labor issues,
- Reinforce sustainable procurement policy, including the percentage of suppliers covered by sustainable procurement measures.

What are your main expectations from Kordsa Global to help Michelin achieve its own sustainability targets?

Michelin encourages its suppliers to always improve their CSR performance. Today, Kordsa Global is labeled with a Silver CSR Rating. Reaching Gold label would be a great achievement.

Which of the topics that Kordsa Global aims to cover in its first sustainability report focusing on operations in Turkey could create value for Michelin?

All the aspects stated in the materiality matrix, including sustainable procurement and creating value are part of Michelin CSR policy. Therefore, they contribute directly to Michelin’s CSR performance, specifically when Michelin is audited.

What are additional performance elements that Michelin would like to see in this report?

This report should include a specific section dedicated to sustainable procurement. (G4-27)

Customer Privacy

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. 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.

88% of our employees who responded to the sustainability assessment questionnaire think that:

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

Our Priority Aspects by Key Stakeholder Groups

Aspects	Employees	Shareholders	Customers	Local Communities and Governments	Investors	Suppliers
 Economic Performance	√√√	√√√√√	√√	√	√√√√√	√
Materials Management	√√	√√	√√√√	√	√	√
 Customer Privacy	√√√√√	√√√√√	√√√√√	-	√√√	-
Compliance	√√√√√	√√√√√	√√√√√	√√√	√√√√√	√√√√
Anti-Corruption	√√√√√	√√√√√	√√√√√	√√√√	√√√√√	√√√
Anti-Competitive Behavior	√√√	√√√	√√√√√	√	√√√√√	√√√
Employment	√√√√√	√	√	√√	√	-
Occupational Health and Safety	√√√√√	√√√	√	√√	√	-
Training and Education	√√√√√	√	√√	√	√	-
Labor Practices and Human Rights	√√√√√	√√√	√	√√√	√√	-
 Energy Management	√	√√√√√	√√√√	√	√√	-
Water Management	√√	√√	√	√√√√	√	-
Waste Management	√	√√	√√	√√√√	√√	-
Emissions Management	√√√	√√	√	√√√	√√	-

(G4-27)

Our Priority Sustainability Aspects

We identified our strategic sustainability aspects by way of the sustainability strategy questionnaire conducted with the participation of the Kordsa Global Executive Leadership Team (ELT) and the Sustainability Task Force (STF), and one-on-one interviews we made with ELT members. Then we assessed these aspects individually and prioritized them according to their economic, environ-

mental and social dimensions as a result of evaluations and intensive discussions we had at the sustainability strategy workshops carried out with the STF. Consequently, we prepared the Kordsa Global Strategic Sustainability Aspects Matrix. While preparing this matrix, we made use of the internal assessments with the ELT, as well as the opinions of our customers and employees as representatives of our key stakeholders.

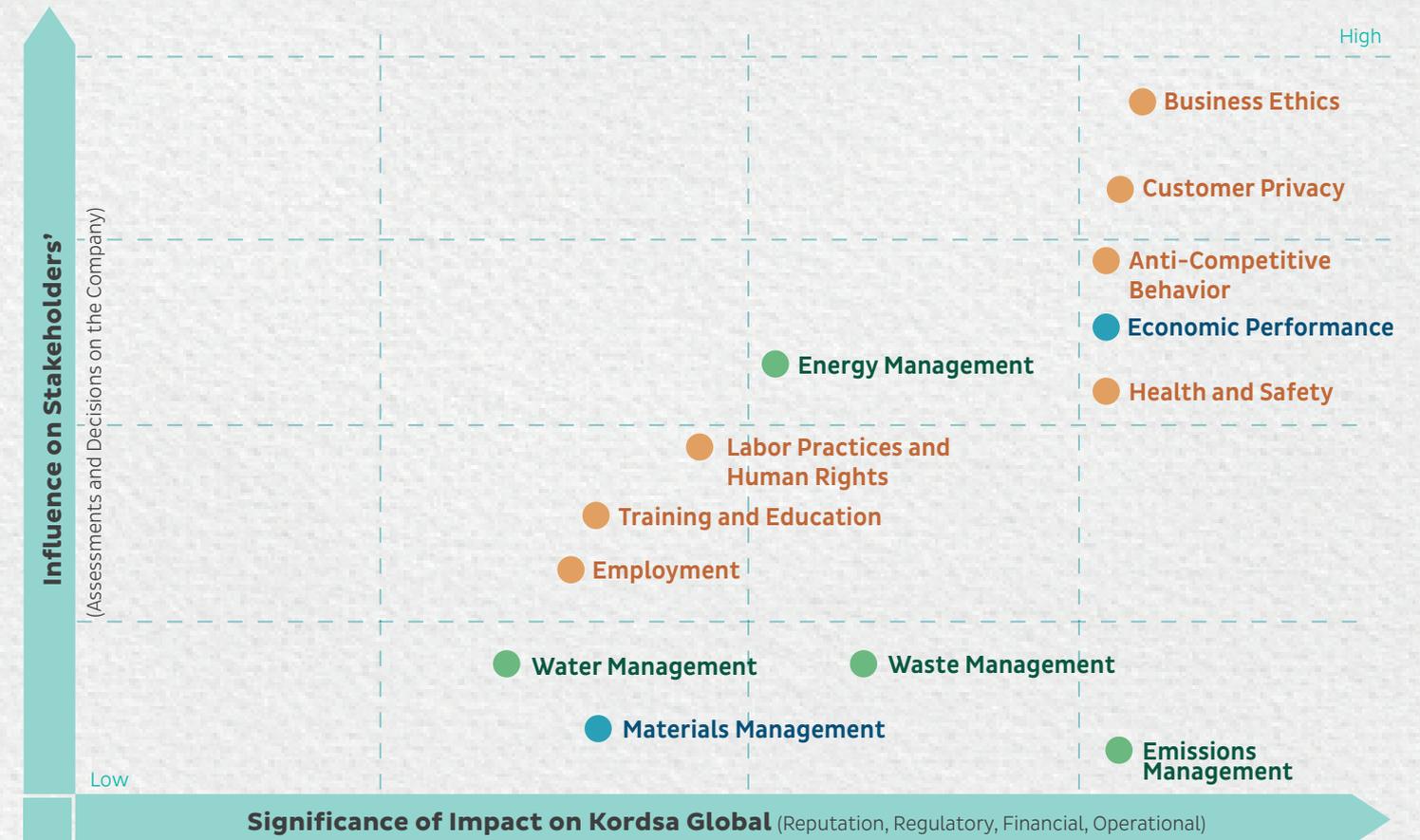
Kordsa Global Materiality Matrix

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

The upper right-hand part of the graph displays aspects that are of high importance for both our stakeholders 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 on Reporting

MATERIAL ASPECTS	Aspect Boundary		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
Materials and Raw Material Management	All of Kordsa Global	N/A	Turkey only	N/A
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	Turkey only	No data was collected in the reporting period.
Anti-Corruption	All of Kordsa Global	Supplier/Subcontractor/ Customer	Turkey only	No data was collected in the reporting period.
Anti-Competitive Behavior	All of Kordsa Global	Supplier/Subcontractor	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	All of Kordsa Global	N/A	No limitations	N/A
Training and Education	All of Kordsa Global	Supplier/Subcontractor	Turkey only	Data includes subcontractor OHS trainings.
Labor Practices and Human Rights	All of Kordsa Global	N/A	No limitations	N/A
Energy Management	All of Kordsa Global	N/A	Turkey only	N/A
Water Management	All of Kordsa Global	N/A	Turkey only	N/A
Waste Management	All of Kordsa Global	N/A	Turkey only	N/A
Emissions Management	All of Kordsa Global	N/A	Turkey only	N/A

(G4-20, G4-21)



ECONOMIC



SOCIAL



ENVIRONMENTAL

All of Kordsa Global: Plants in Turkey, Germany, Brazil, USA, Thailand, Indonesia, and Egypt.
N/A: not applicable

Our Sustainability Targets and Commitments

ASPECTS	Our Targets and Commitments	Completion Date
Economic Performance	Make the Composite Technologies Center of Excellence operational	2016
Materials Management	Increase the amount of reused materials at all our locations	Continuous
	Increase the amount of recycled materials at all our locations	Continuous
Customer Privacy	Reduce the amount of material we use per unit product manufactured at all our locations	Continuous
	Maintain our company's performance of ZERO complaints from customers about information security	Continuous
Compliance	Maintain our performance of ZERO anti-compliance cases at all locations	Continuous
	Revise ethical rules and adapt them to current legislation if needed by following the latest developments in the Turkish legislation	Continuous
Anti-Corruption	Maintain our performance of ZERO corruption cases at all locations	Continuous
	Prepare an Anti-Corruption and Bribery Policy	2015
Anti-Competitive Behavior	Maintain our performance of ZERO anti-competitive behavior cases in all our marketing activities	Continuous
Occupational Health and Safety	Achieve a ZERO accident rate at all our locations	Continuous
	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 plants abroad, and start implementation in 2016	2015 and 2016
Employment	Reduce the high-potential employee turnover rate in all our companies	Continuous
	Increase the level of maturity of the suggestion system in plants outside Turkey	Continuous
Training and Education	Expand the Global Mentoring Program, increase its effectiveness, and ensure its continuity	2015
	Start special training programs developed by specialists at the Global Technology Center for technical and production engineers as well as sales teams	2015
	Improve the online platform and increase the number of KEEP training hours	2015
Labor Practices and Human Rights	Continue to offer equal opportunity to women and men in recruitment, placement and remuneration	Continuous
	Maintain our performance of ZERO discrimination cases at all locations	Continuous
	Internalize and implement the principles of the Equality at Work Declaration	Continuous
Energy Management	Increase the scope and effectiveness of the ISO 50001 Energy Management System	Continuous
	Reduce our natural gas consumption per production/ton	Continuous
Water Management	Complete the investment in the reverse osmosis water treatment system at Kordsa Global Turkey	2016
	Increase the amount of recycled water	Continuous
Waste Management	Achieve ZERO waste at all locations	Continuous
	Reduce Kordsa Global Turkey's domestic waste amount by 20% in kg/ton of product	2015
	Reduce Kordsa Global Turkey's hazardous waste amount by 13% in kg/ton of product	2015
	Reduce Kordsa Global Turkey's effluent amount by 1% in kg/ton of product	2015
Emissions Management	Achieve ZERO emissions at all locations	Continuous
	Extend the scope of the carbon emissions measurements we started in 2014, and continue with these activities	2015

Sustainability Task Force

With the participation of specialists and managers from different disciplines and departments, we established Kordsa Global Sustainability Task Force in 2014. The 11 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 in developing our first sustainability report.



Members	Job Title
Ayça Artut Kutlubay	Finance Specialist
Burçin Harlak	SHE Specialist
Can Demir	Procurement Specialist
Emel Eren	Project Coordinator – Laboratory Leader
Erdem Başaran	SHE Specialist
Miray Gönülşen	Human Resources Specialist
Nevra Aydoğan	Corporate Communications Specialist
Onur Alper	Legal Consultant
Özgül Başel	Market Research Specialist
Şule Güven	Quality Assurance Engineer
Yusuf Akkor	Global SHE- Sustainability Manager

The names of the members are given in alphabetical order.

CORPORATE GOVERNANCE

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, too.

Having complied with all compulsory and optional regulations in the Corporate Governance Principles in all twelve months of 2014, 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

84% of our employees who responded to the sustainability assessment questionnaire think that:

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

Board of Directors

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, one of which is a woman 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. The responsibilities these committees have with regard to sustainability and the key stakeholder groups they represent are given below.

Committees Reporting to the Board	Women (% of total)	Responsibility on Economic Impact	Responsibility on Social Impact	Responsibility on Environmental Impact	Key Stakeholders Represented
Audit Committee	0%	Economic Performance Materials Energy	Compliance Anti-corruption Non-competitive behavior Customer privacy	-	Employees Shareholders Customers Suppliers Investors
Corporate Governance Committee (Nomination Committee and Wage Committee)	50%	Economic Performance	Compliance Anti-corruption Employment Labor practices and human rights	-	Employees Shareholders Investors Local Communities and Governments
Legal Risk Management Committee	50%	-	Compliance Anti-corruption Occupational Health and Safety Non-competitive behavior Customer privacy	Energy Emissions Water Waste Materials	Employees Shareholders Customers Suppliers Investors Local Communities and Governments

ETHICS MANAGEMENT

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 15, 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 (8 languages) 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 of Business Ethics 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 addresses

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 about violations of ethical rules and 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 Code of Business Ethics stating that they have read and understood the Code, and participate in the ethics survey every year. New recruits of white-collar employees receive an online training on ethics, whereas fresh blue-collar employees receive classroom trainings. Both blue- and white-collar employees attend refresher courses in ethics every two years.

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.

In the coming period, the activities we will concentrate on in our legal department will be revising the Code of Ethics by following developments in the Turkish legislation, and, if necessary, adapt the Code to the then current legislation.

81% of our employees who responded to the sustainability assessment questionnaire think that:

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

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 of the sector we operate in, and the legislation, laws and regulations; 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.

We achieved 100% of our Compliance Management targets in 2014. Our goals are to further increase the positive impact of 2014, and continue with the 'zero negative impact' performance in 2015 in accordance with the compliance management criteria.



COMPLIANCE MANAGEMENT

Anti-Corruption

Our stance against corruption within Kordsa Global is defined in the statement, "The elimination of offences and corruption is critical for us," under the heading Our Duties toward the Environment, Society and Mankind in our Code of Ethics. Anti-corruption is also 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.

Communication and trainings on anti-corruption in Kordsa Global cover all our employees in line with our Code of Business Ethics. Our employees cannot engage in any business relationship with family members, acquaintances or third persons that would result in mutual or unilateral benefits. For instance, an employee who is authorized to conclude procurement decisions avoids doing business with a supplier where a family member works. Exceptional cases require the information and approval of the Chairman of the Board.

Employees 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.

Although 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 embezzlement and bribery," we do not have an Anti-Corruption and -Bribery Policy yet. We aim to draft one and announce it to all beneficiaries on the Kordsa Global website by the end of 2015.



In the reporting period, there were not any confirmed corruption 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.

In the same vein, during the reporting period, executives of Kordsa Global attended the conference titled Anti-Corruption Legislation – Compliance and Risk Management on May 6-7, 2014 as speakers in working groups and sessions such as 'Creating a Corporate Ethics and Compliance Culture, Starting at the Top' and 'Minimizing Risk Exposure in Joint Ventures, Consortia and Conglomerates: Due Diligence, Reps and Warranties', thus contributing to the joint approach of the business world to these matters.

Anti-Competitive Behavior

As Kordsa Global, we are subject to the antitrust and competition laws in force in the countries we operate in. These laws prohibit agreements that limit trade or reduce competition.

Violations of the laws include agreements among competitors to fix or control prices; boycotting certain suppliers or customers; sharing products, regions or markets; or limiting the production or sales of products.

Kordsa Global has the management systems needed in place to make sure operations are executed in compliance with the law. Preventing breaches of competition before they occur is an issue managed in that context. We compete actively in areas that are lawful and ethical only, and avoid unfair competition.

All our employees that work in marketing and relevant operations, and that inevitably have contact with competitors at all locations, particularly at Kordsa Global Turkey, follow Kordsa Global's

Antitrust Policy. The Board of Directors approves this policy on behalf of the company, and we deal with this issue in our operations and agreements very carefully. We pay special attention to ensure that no activity we engage in with the representatives of other companies is regarded or accepted as a violation of the antitrust law.

When needed, we ask for the support of law firms in order to be informed about developments in competition law and to be able to closely follow the legislation. Our legal department participates in various seminars and similar events on the law as it finds it important to be up-to-date and equipped, and shares the information it receives with all employees.

In the reporting period, there was no anti-competitive behavior our company was found to be involved in; or any new or continuing lawsuit opened with charges of violating antitrust and monopoly prevention laws. Our aim is to maintain the current situation.

79% of our employees who responded to the sustainability assessment questionnaire think that:

The audits and activities Kordsa Global carries out to inform and raise the awareness of its employees about compliance, including anti-corruption and anti-competitive behavior issues, are adequate.



**Kordsa Global Most Successful
R&D Center in the Textile Industry
Ministry of Science, Industry and
Technology R&D Centers Performance
Index of Turkey, First Place
December 2014**



**Kordsa Global Innovative
Environment-Friendly Products
Istanbul Chamber of Industry
14th ICI Environment and
Energy Awards, First Place
December 2014**



ECONOMIC PERFORMANCE



Through new products and know-how in 9 plants located in 8 countries that we operate, 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%. We are the 3rd largest exporter in our sector in Turkey.

CONTRIBUTIONS TO THE ECONOMY

Not only did we as Kordsa Global increase our profitability in our core business in 2014, but we also entered new markets to ensure sustainable growth. On one hand, we focused on efficiency in production and competitiveness in cost, and on the other, we improved our economic performance thanks to our differentiation strategy. We continued to offer value to our stakeholders both with the economy we created and our investments during the reporting period.

In 2014, we reached nearly USD 40 million in turnover with 14 new products, and we will continue to increase our turnover rapidly in the coming years with more new products.

68% of our employees who responded to the sustainability assessment questionnaire think that:

Kordsa Global creates significant economic value to its priority stakeholders.

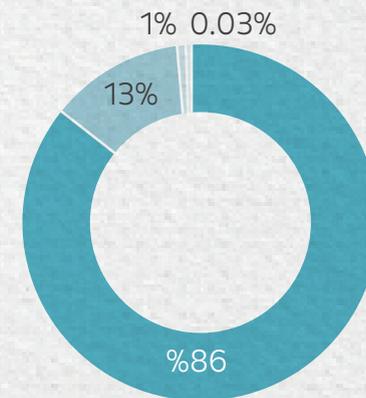
The Value We Distribute to Our Stakeholders

In direct proportion to the increase in profits in 2014, our donations rose significantly. We donated more than TRY 5 million to educational institutions notably Sabanci University as well as Kocaeli University, Izburn (Association of Scholarships in Izmit) and the Turkish Educational Foundation.

As a result of the importance Kordsa Global attaches to industry-university collaboration, we maintain our tradition to make donations to universities in years we distribute dividends. Prior to the reporting period, in 2012, we donated TRY 4.34 million to universities and educational institutions, namely Sabanci University in Turkey and the Massachusetts Institute of Technology abroad.

The value we distributed to our suppliers in 2014 increased by 11% whereas this increase was 1.5% for our employees. In order to further improve the financial agility of the company due to global economic conditions in 2013, no dividend had been paid. The chart below does not include the value distributed to capital providers after a decision taken to distribute the dividends of 2014 as of May 29, 2015. Suppliers received the highest share of the value we distributed to our stakeholders in 2014 with 86%.

The Value Distributed to Our Stakeholders



Suppliers Employees
Government Community

Our Suppliers

Managed from our headquarters in Istanbul, the global purchasing function is responsible for the procurement of the raw material used in at least two of the nine plants in seven countries and/or whose supply is considered critical, and for Capex and service procurements above USD 500 thousand, as well as the service procurement of our headquarters.

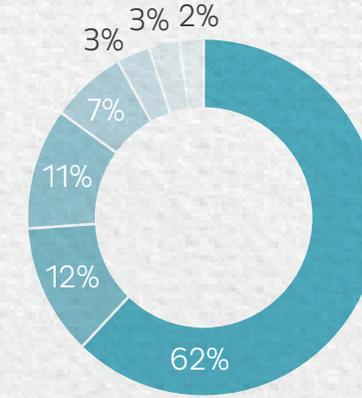
Local purchasing departments are responsible for the supply and follow-up of all services and raw materials other than the above-mentioned items once global purchasing has reached an agreement with the suppliers with regard to price and other trading terms.

As Kordsa Global produces nylon and polyester yarns, cord fabric and single end cord, our main procurement items consist of raw material, particularly chemicals, and auxiliary products as well as energy expenditures.

The number of suppliers Kordsa Global Turkey has active procurement of more than USD 10 thousand is around 500.

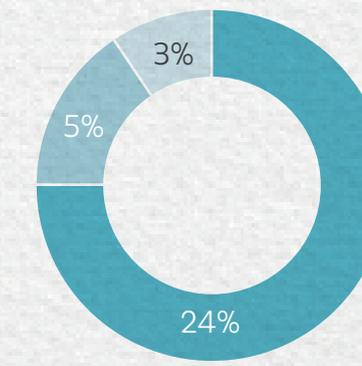
Additionally, in the reporting period, we decided to manage products and services that are of critical importance to Kordsa Global by dividing them into segments in line with the 'category management' concept, and thus formed two categories by FDPE (Finished Products Distribution Expense) and 'Packaging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

Breakdown of Global Purchasing Expenditures



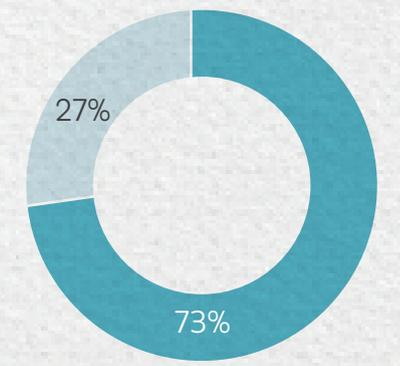
Raw Material Energy Other products & Services
Chemicals Packaging Materials
Management Expenditures

Breakdown of Suppliers of Global Purchasing



Raw Material Machinery and Equipment
Software and Consulting

Kordsa Global Shares of Purchasing Functions



Global Purchasing Local Purchasing

INVESTMENTS

Capacity Investment in Indonesia

We increased the capacity of our existing plants in Indonesia through a project we started to work on in 2012 and completed in 2014. With an investment of USD 100 million, we opened an 18-kiloton tire cord fabric plant and a 14-kiloton third and fourth generation polyester HMLS yarn plant.



The factors that triggered the decision to make the investment were the increase in demand, the rapid growth of the market in Asia, and the competitive cost structure. With this investment, we aim to reach capacity in three years and receive an annual EBITDA contribution of USD 10 million

Impacts and Targeted Gains:

Economic: Our contribution to Indonesia's GNP will increase by around 35%.

Social: By increasing the level of employment, we generated jobs for an additional 170 people.

Environmental: The energy efficiency of the new plant increased owing to its manufacturing technology. Decreasing consumption in kwh/ton, we targeted less carbon emission per ton of cord fabric produced.

Corporate: Indokordsa in Indonesia, and Kordsa Global and Sabanci Holding in Turkey and in the world will increase their value and market share by reinforcing their presence in the cord fabric sector through this investment.

Investment in The Composite Technologies Center of Excellence

Our goal is to complete our Composite Technologies Center of Excellence, the foundations of which we laid in Istanbul Teknopark in the second half of 2014 in cooperation with Sabanci University, in the first half of 2016 with a total investment of USD 23 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, defense, 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.

Impacts and Targeted Gains:

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

Corporate: 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.



R&D AND INNOVATION

At Kordsa Global, we have included R&D and innovation in the foundations of our business strategy together with operational excellence under differentiation with products, quality and service. Thanks to our technology function that has enabled 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 to 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 human resources of 73 people 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, we increased our turnover from new product sales to TRY 52 million since 2008. In 2014, we made 176 patent applications in total, 68 of which were in Turkey and 108 abroad.

In addition to 21 ongoing projects in materials, process and product



development, our R&D Center started on 18 new projects and completed 22 in 2014. As a result of the assessment made in accordance with Law no. 5746 on Support for Research and Development Activities, our center was found eligible to obtain an R&D Center Certificate on April 24, 2009, and is currently supported by the Ministry of Science, Industry and Technology.

Having allocated an average TRY 15 million annually in the last three 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.

Our company received the award for the best R&D performance in Turkey as assessed by the Ministry of Science, Industry and Technology according to the R&D Centers Performance Index, and our R&D Center was found to be the most successful R&D Center in the textiles sector. The assessment was carried out in six dimensions, namely R&D Staff Employment, Intensity of R&D Expenses, Project Capacity, Cooperation and Interaction, Commercialization and Intellectual Property Competence; and Kordsa Global shone with its innovation-oriented approach in processes, its performance and project capacity, as well as the human resources it possessed.

At Kordsa Global We Reward Inventions That Create Value!

As a global leader of its sector, serving tire, composites and construction markets with its reinforcement products, our company has organized the Kordsa Invention Awards to encourage R&D researchers. At the ceremony this year, Kürşat Aksoy was the winner of the Grand Prize with the highest number of inventions. While we also presented certificates to researchers who had received or applied for a patent at the ceremony, we extended plaques to institutions and organizations that had supported Kordsa as a token of our appreciation as well. We will keep encouraging and rewarding inventiveness in the years to come.



MATERIALS MANAGEMENT

The selection and use of materials and raw material rank among the top indispensable elements of our company's production, and consequently its existence. 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 material.

In addition to the above-mentioned 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 our impact by the use of materials and raw material is covered under the continuous improvement heading in the joint Commitment for Occupational Safety and Environment 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, because we are a global company, we also have to plan for the development of special software and technological systems to monitor and review the said targets.



71% of our employees

who responded to the sustainability assessment questionnaire think that:

Activities and practices geared towards raw material and materials efficiency at Kordsa Global are adequate.

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
Salt Ratio (Kordsa Global Turkey)	1.22	1.18	1.18	1.22
Consumption Rate of Chemicals (Kordsa Global Turkey)	1.14	1.12	1.11	1.12
Consumption Rate of Chemicals (InterKordsa)	N/A	4.70	1.70	1.00
Consumption Rate of Chemicals (Kordsa Brazil)	1.19	1.13	1.15	1.16
Consumption Rate of Chemicals (Kordsa USA - Laurel Hill)	1.09	1.06	1.04	1.03
Flake Rate (Kordsa USA - Chattanooga)	1.26	1.19	1.18	1.19

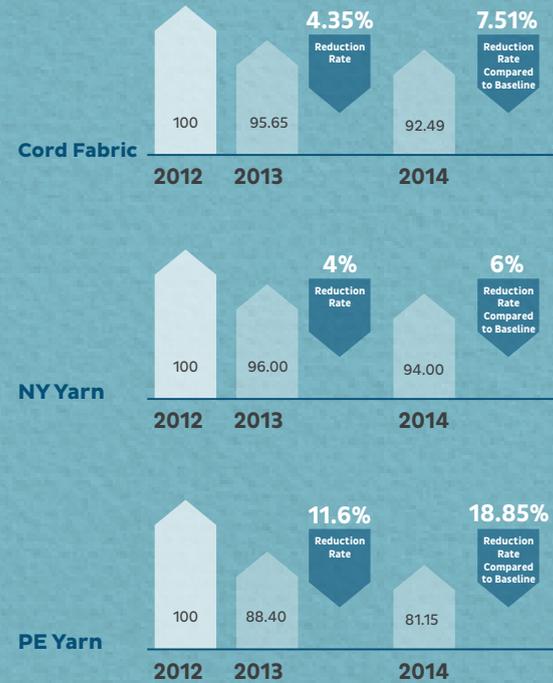
N/A: Data not available

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 as a result of our efforts in the reporting period, the baseline being 2012.

Conversion Cost Rates



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

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
2013	85,760	51,456 USD
2014	28,692	17,215 USD

PES Yarn	Number of Reused Tubes	Savings
2013	20,000	12,000 USD
2014	30,000	18,000 USD

PROJECT ON RESORCINOL-AND FORMALDEHYDE-FREE GREEN DIP THAT WON THE FIRST PRIZE IN 'INNOVATIVE ENVIRONMENT-FRIENDLY PRODUCT' BY THE ISTANBUL CHAMBER OF INDUSTRY

RFL (Resorcinol-Formaldehyde Latex) adhesive formulations have been in use since 1935 as adhesive for all synthetic fiber reinforcement materials. Formaldehyde, one of the components of RFL, is a chemical that poses high human and environmental health risks, and its use is therefore restricted. RFL adhesives are coated on the cord fabric in the last processing stage of cord fabric production that is called 'dipping'.

When tire manufacturers asked Kordsa directly to produce a more environment-friendly and technological cord fabric, we decided to develop a water-based formulation that could adhere to rubber for high-resistance cords which are used as tire reinforcement material. The objective was to include chemicals that do not pose a health or environmental risk instead of the chemicals resorcinol and formaldehyde.

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.

Considering the market potential and sales volume of the said geography that represents 65% of the passenger car market, we project that our investment will start to make a profit in 6 months after all product approvals are completed.





Kordsa Global Human Resources
Processes and Practices Training and
Development Management Category,
Grand Prize 21st PERYÖN Human
Management Awards
October 2013



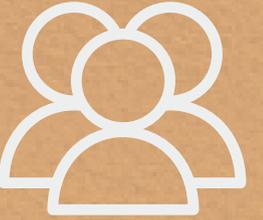
Kordsa Global Human Resources
Processes and Practices
Leadership in Human Management Prize
22nd PERYÖN Human Management Awards
October 2014



Kordsa Global Women Employment Practices
Achievement Award
İŞKUR (Turkish Employment Agency)
March 2014



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 sensitive towards the traditions and cultures of countries we operate in. Diversity in human resources and company culture make up the foundation of our strong corporate structure.

LABOR PRACTICES AND HUMAN RIGHTS MANAGEMENT

At Kordsa Global, we view our 4,048-people workforce, including subcontractors, in 8 countries across 5 continents as an integral part of achieving our strategic goals, and implement human resources practices with a global strategy.

Employment and Diversity

The Global Human Resources Department of our company is in charge of creating and executing this global strategy. At our Global Human Resources Department, 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 cocktail 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 5.6% employee turnover rate in 2013 dropped to 3.4% in 2014. 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 16 Turkish employees - one female employee - working on long term assignments at Kordsa Global's plants overseas as of 2014.

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 educate our people about our code of ethics 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 and companies. Additionally, Kordsa Global's employment and labor practices are in compliance with all applicable laws and regulations in countries it operates. Our employees fulfill all legal obligations in their fields of activity, and act in conformity with official regulations.

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 educated on code of ethics including our human rights policies upon recruitment.

The ratio of employees under any type of collective agreement to the total number of employees is 51.56% in Turkey, 83.59% in Indonesia, and 82.41% in Brazil. Our employees in USA, Germany, Egypt, Thailand and China are not unionized. There have been no incidence in violation of the rights to organize or collective bargain in 2014, and our activities do not bear any apparent risk concerning these issues.

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. www.isteesitlikplatformu.gov.tr www.weprinciples.org

These two 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.

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. A total of 32 employees, 7 of which were women, who earned maternity leave during the reporting period used their leaves fully and returned to work at Kordsa Global for at least another 12 months.

85% of our employees

who responded to the sustainability assessment questionnaire think that:

There are sufficient communication channels for employees to share their ideas and opinions with the management at Kordsa Global.

Number of Employees



73% of our employees who responded to the sustainability assessment questionnaire think that:

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

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 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 2014.

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 & 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 do not ask female candidates if they plan to marry or have children	We warrant equality in our performance system
	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	

TRAINING AND EDUCATION

It takes 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 Kordsa Global, which operates in seven different countries.

The Training and Development Policy about the training and development management processes at Kordsa Global, the Training and Development Procedures on the stages of identifying and measuring 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 educate our employees on the training and development management processes at 'Meet with HR' sessions and regularly share our new practices with our employees 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 as well as 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 – with the number of employees remaining constant – went up by 8% reaching 176,460 hours in the reporting period. The majority of training was career development with 67%.

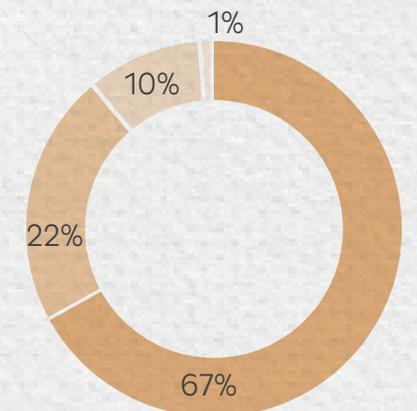
Detailed information about training can be found in the social performance tables.

73% of our employees who responded to the sustainability assessment questionnaire think that:

Kordsa Global's personal development training/programs (technical and personal training, career development programs, rotations, etc.) for its employees are adequate.

Breakdown of Trainings

- Career Development
- Health and Safety
- Personal Development
- Other



OCCUPATIONAL HEALTH AND SAFETY

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 uninterrupted 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.

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.

Mentorship: In 2014 we completed our activities to extend the mentorship system practiced in the Turkey plant prior to the reporting period 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. Our goal for 2015 is to expand 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.

Health and safety of our people, the most important capital of our company, come first among our strategic 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, illness, and harm across all our plants. In no plant or subcontractor of Kordsa Global's has there ever been any occupational disease or fatal accident.

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.

90% of our employees who responded to the sustainability assessment questionnaire think that:

At Kordsa Global, the importance given and measures taken to ensure occupational safety and employee health are adequate.

KEEP (KORDSA E-LEARNING & EMPOWERMENT PLATFORM)



In 2010 we launched KEEP (Kordsa E-Learning & Empowerment Platform) at Kordsa Global to create easily accessible and individualized training programs 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, 588 hours of KEEP training was delivered in 2014. By making improvements on the online platform we aim to expedite KEEP activities as of 2015.



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.

There is no area in the Kordsa Global plants, where, due to a specific occupational hazard, more frequent accidents or illnesses occur. 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 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.

Showing a 96% increase in 2014, a total of 57,580 hours of OHS training was delivered in the reporting period. Data on the OHS performance of the entire plants can be found in the social performance tables.

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.

The total workforce represented in these committees is 10.8%. Information on committees contained in this table belongs to Kordsa Global Turkey.



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.

The project spans over three years and we have completed the machinery risk analysis and implementation phase in 2014 in our Kordsa Global Turkey plant. We expanded the project scope to cover all overseas plants with dipping units as of 2015 (namely, Indonesia, Egypt, Thailand, USA, and Brazil). In 2015, we will continue implementation in Turkey, conduct risk analyses for overseas plants, and we plan to launch the project in overseas plants in 2016.

PROJECT ON 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 up a sustainable Global SHE Management infrastructure based on fulfills technical expertise.

Project steps are summarized as follows;

1. Establishment of SHE Network Team
2. Standardization of Fundamental Enabling Safety Practices (Working At Height, HIRA (Hazard Identification and Risk Assessment, Work Permit, Emergency Planning, Occupational Health etc.)
3. Seven Steps Implementation Methodology (Understand the global standard requirement, make a GAP analysis, define action items to remove gaps with well structural plans, prepare local procedures, train people, start implementation, audit/monitor progress)
4. Establishment of 2nd Party Auditing Program (Preparation of audit protocols, training of auditor pool, realization of 3 year audit program, audit actions follow up reviews)
5. Behavioral Change Program (Behavior Oriented Safety (BOS) program launched with trainings, e-learning programs and campaigns)
6. Safety Campaigns (Golden SHE Rules, Hands Injury Prevention, Off The Job Injuries)

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

As a result of the project;

- Indonesia plant reached 817,720 hours with 950 employees.
- Germany plant reached 210,848 hours with 50 employees.
- North America Laurel Hill plant reached 327,490 hours with 250 employees.
- North America Chattanooga plant reached 530,181 hours with 300 employees.
- Brazil plant reached 1,168,844 hours with 550 employees.

SMOKING CESSATION AND ANTI-OBESITY CAMPAIGNS

Thanks to our smoking cessation awareness and medical support campaign carried out during the reporting period to ensure a healthier lifestyle for our employees, 37% of 248 applicants quit smoking for good. In a psychological support campaign started in collaboration with a private medical center to prevent obesity, 50 employees left the "obese" group and stepped into a healthier life.





Kordsa Global Human Health and
Environmental Protection
During Manufacturing Processes
Kocaeli Chamber of Industry
20th Şahabettin Bilgisu
Environmental Awards
February 2014



Kordsa Global Polyester Plant Dryer Silo
Pressurized Air System
Ministry of Energy and Natural Resources
34th Energy Efficiency Week Energy
Efficiency in Industry Project
Competition, Third Place
January 2014



ENVIRONMENTAL PERFORMANCE



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

ENVIRONMENTAL MANAGEMENT

In addition to the Occupational Health, Occupational Safety and Environmental Safety Policies in force since 2001 at Kordsa Global Turkey, the Kordsa Global Commitment to SHE - Safety Health Environment - published in 2008 with updates every year is applicable across all Kordsa Global plants. With targets such as zero waste and zero emissions, the policy contains our commitments on energy, natural resources and the preservation of biodiversity. It has been approved by our CEO and is associated with the ISO 14001 Environmental Management Systems Standard.

At Kordsa Global we carry out our manufacturing activities with humans and nature at our core. Thanks to this approach, we have been found worthy of many awards in Turkey and abroad. We will maintain this approach, and keep

prioritizing humans and the environment in the projects we develop. We conducted 31 different Environmental Impact Assessments during the reporting period in 2013 and 2014.

Our employees, who responded to the sustainability assessment questionnaire, state that Kordsa Global must primarily deal with managing the following environmental impacts: energy management (reduction of energy consumption, and energy efficiency) according to 89.29% of respondents; wastewater and solid waste management (reduction of environmental pollution) according to 83.67%; water management (reduction of water consumption and efficiency) according to 58.16%; and reduction of gas emissions (fight against climate change) according to 44.90%.

76% of our employees who responded to the sustainability assessment questionnaire think that:

Kordsa Global is a company that protects the environment/natural resources and prevents environmental pollution from the viewpoint of local communities residing in areas where its plants are located.

PROJECT ABC FOR ENERGY SAVING 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 10-15% savings, and we make different dtex-based observations of average savings. The targeted date of completion of the project in our Turkey plants is May 2015.

We started other projects in order to expand the scope of Project ABC to cover twisting machines in 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.



ENERGY MANAGEMENT

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 Kordsa Global Turkey prepared by the Energy Committee in 2014 in accordance with ISO 50001 Energy Management System. The Policy is reviewed annually along with other policies.

It is the Vice-President in charge of Operations, Country Operations

Directors, 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 Vice-President in charge of Operations 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 2-21% reductions in 2014 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. The savings we achieved for steam and electricity were 12%, and nearly 3%, respectively. The reason for the 8.4% increase in natural gas is explained by more idle time caused by cleaning of dipping machines between product changes due to a bigger variety of products manufactured compared to previous period.

72% of our employees who responded to the sustainability assessment questionnaire think that:

Kordsa Global's energy efficiency investments/projects, and other consumption reduction measures in line with its aim to manufacture with an environmental sensitivity are adequate.

Kordsa Global Turkey



WASTE MANAGEMENT

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.

According to 73% of our employees

who responded to the sustainability assessment questionnaire think that:

Kordsa Global's waste management efforts, including wastewater management, and efforts to prevent environmental pollution are adequate.

Our Commitment to SHE (Safety, Health, Environment) contains targets regarding reduction of waste at source, reuse or recovery of materials, and proper disposal of waste for human and environmental health. 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.

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.

Kordsa Global Turkey (kg/ton production)	2013	2014	2015 Target	2016 Target
Domestic Waste	6.65	7.64	6	5.5
Hazardous Waste	9.08	10.38	9	8
Water	5.6	5.25	5.2	5

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 Director of Maintenance and Energy, and the 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.

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. Our targets for wastewater and other emerging wastes are as follows:

Kordsa Global Turkey



USE OF THE RECYCLE CHIP MACHINE

At Kordsa Global Turkey, we make sure that waste occurring 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 Benefits of the Project:

- 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.
- The project served to boost employment.
- We contributed to the preservation of natural resources thanks to the use of recycled Nylon 6.6 raw material.



WATER MANAGEMENT

It gets ever more critical to access safe and reliable water resources. The World Economic Forum (WEF) lists water scarcity among its 10 Global Challenges.

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.

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.

We invest in reducing water consumption, and increasing the share of

73% of our employees

who responded to the sustainability assessment questionnaire think that:

Kordsa Global's efforts to manage and efficiently use water resources are adequate.

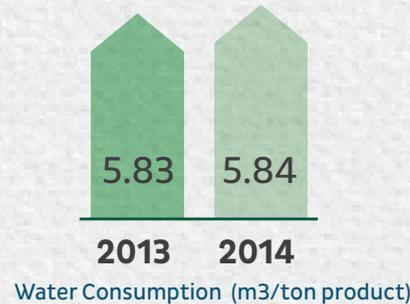
WASTEWATER RECOVERY PROJECT

We decided to reduce water used at Kordsa Global Turkey plants, and to gradually increase the amount of wastewater recovered at plants, which currently remains at 150,000 m3 annually as a part of our water efficiency targets. 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 systems have been set up in the plant.

Our target is a 25% increase in wastewater recovery with the investment to be made in 2015 in the first stage. We plan to continue investing in advanced treatment and reverse osmosis systems in 2016.



Kordsa Global Turkey



EMISSIONS MANAGEMENT

Among Kordsa Global priorities are emissions management, reduction of emissions, and compliance with current laws and reporting. Our goal is to act in compliance with regulations on greenhouse gas emissions chiefly in Turkey and other countries, 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 approved by the Ministry in line with the GHG Regulations and our direct CO₂ emissions were 30,553 tons. At Kordsa Global, we aim to continue emissions management, monitoring and measurements, and to make systematic improvements for emission reduction.

64% of our employees

who responded to the sustainability assessment questionnaire think that:

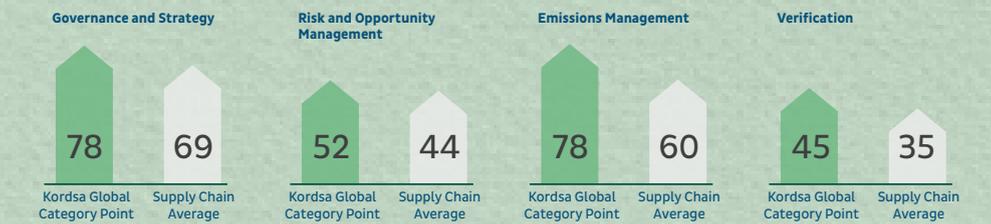
Kordsa Global's projects to reduce emissions and other reduction measures in line with its aim to manufacture with an environmental sensitivity are adequate.

KORDSA GLOBAL CDP SUPPLY CHAIN REPORTING

Pirelli, an important customer of ours, is a member of the CDP Carbon Disclosure Project Supply Chain Program carried out on behalf of 66 member companies – buyers – who represent USD 1.3 trillion purchasing spend.

CDP members ask their suppliers around the world to respond to the CDP Supply Chain Program questionnaire, and we – Kordsa Global – were one of the 3,396 companies who received a request. The various responses suppliers give to the CDP questionnaire demonstrate the risks and opportunities climate change creates for major buyers at the top of the supply chain.

As Kordsa Global we scored 69 points out of 100 with our responses to the questionnaire. This score, which attests to the quality of information, is 16 points above the average CDP Supply Chain score. Breakdown according to categories can be found in the table below. Going forward, we wish to continue feeding data to international initiatives like CDP on an on-demand basis, and support the global efforts for to diminish environmental impact.



PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS

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

* About 2014 Dividends: The 2014 Ordinary General Assembly of March 24, 2015 has resolved to pay a total of TRY 67,501,589.37 in dividends to shareholders who represent TRY 194,529,076.00 in capital, that is 34.70% gross or 33.4769% net depending on the legal status of shareholders for the year 2014, and that the payment be made in cash as of May 29, 2015. Due to the global economic context of 2013, dividends had not been paid to further strengthen the company's financial flexibility.

** Kordsa Global fulfills its social responsibility duties through donations and support to social foundations, associations, training and education institutions, universities, and other persons, institutions or organizations in line with its articles of association, company policies and procedures, principally the Code of Business Ethics, as well as the Capital Markets Legislation, Turkish Commercial Code and other relevant legislation.

*** With the R&D discount transferred from 2013, two incentives were utilized including TRY 23,152,316.25 and 921,146.73 investment incentives in 2014.

Ratio of Base Salary of Male Employees to Female Employees		
Employee Category	Women's base salary/Men's base salary	GRI
ELT	-2%*	LA13
Director	43%**	
Manager	3%	
Engineer & Specialist	1%	
Supervisor & Shift Supervisor	56%**	
Operator & Technician (Blue-collar)	13%	

* A negative ratio indicates lower income.

** Ratios may differ depending on seniority.

SOCIAL PERFORMANCE INDICATORS

WORKFORCE					
By Type of Employment	Unit	2013	2014	GRI	
White-collar - Women	People	211	206	G4-10	
White-collar - Men	People	573	529		
Blue-collar - Women	People	210	207		
Blue-collar - Men	People	2,755	2,807		
Kordsa Global Total	People	3,749	3,749		
Subcontractor - Women	People	6	10		
Subcontractor - Men	People	281	289		
TOTAL	People	4,036	4,048		
By Type of Contract	Unit	2013	2014		GRI
Fixed Term Contract	People	199	353		G4-10
Indefinite Contract	People	3,550	3,396		
By Location	Unit	2013	2014	GRI	
Turkey - Women	People	79	87	G4-10	
Turkey - Men	People	979	1,034		
Indonesia- Women	People	67	66		
Indonesia - Men	People	928	1,086		
Thailand - Women	People	115	111		
Thailand - Men	People	260	262		
Egypt - Women	People	1	4		
Egypt - Men	People	287	244		
Brazil- Women	People	31	33		
Brazil - Men	People	364	365		
USA - Women	People	93	90		
USA - Men	People	288	276		
Germany - Women	People	20	19		
Germany - Men	People	78	68		
China - Women	People	4	3		
China - Men	People	2	1		
Argentina - Women	People	11	0		
Argentina - Men	People	142	0		
By Age	Unit	2013	2014		GRI
30 years and below	Women	54	51		LA12
	Ratio	1.44%	1.36%		
	Men	593	840		
	Ratio	15.82%	22.41%		
30 - 50 years	Women	364	263		
	Ratio	%9.71	7.02%		
	Men	2,087	2,043		
	Ratio	55.67%	54.49%		
50 years and above	Women	103	73		
	Ratio	2.75%	1.95%		
	Men	548	479		
	Ratio	14.62%	12.78%		

By Gender	Unit	2013	2014	GRI
Men	People	3,328	3,336	LA12
	Ratio	88.77%	88.98%	
Women	People	421	413	
	Ratio	11.23%	11.02%	
By Other Groups	Unit	2013	2014	GRI
Expats	Women	0	1	LA12
	Ratio	0.00%	0.03%	
	Men	15	15	
	Ratio	0.41%	0.41%	
Persons with disabilities	Women	1	2	
	Ratio	0.03%	0.05%	
	Men	30	32	
	Ratio	0.80%	0.85%	
By Management Category	Unit	2013	2014	GRI
Executives (ELT)	Ratio	1	2	LA12
	Men	0.03%	0.05%	
	Ratio	5	5	
	Women	0.13%	0.13%	
Director	Ratio	3	4	
	Men	0.08%	0.11%	
	Ratio	22	20	
	Women	0.59%	0.53%	
Manager	Ratio	20	24	
	Men	0.53%	0.64%	
	Ratio	83	78	
	Women	2.21%	2.08%	
Engineer & Specialist	Ratio	91	94	
	Men	2.43%	2.51%	
	Ratio	214	216	
	Women	5.71%	5.76%	
Supervisor & Technician	Ratio	4	4	
	Men	0.11%	0.11%	
	Ratio	125	113	
	Oran	3.33%	3.01%	
Officer (White-collar)	Kadin	92	79	
	Oran	2.45%	2.11%	
	Erkek	110	114	
	Oran	2.93%	3.04%	
Operator	Kadin	206	198	
	Oran	5.49%	5.28%	
	Erkek	2,773	2,798	
	Oran	73.97%	74.63%	

SOCIAL PERFORMANCE INDICATORS

WORKFORCE				
Recruitment and Turnover (All of Kordsa Global)	Unit	2013	2014	GRI
New hires - Women	People	29	45	LA1
Dismissals - Women	People	66	44	
New hires - Men	People	348	487	
Dismissals - Men	People	553	375	
TOTAL - Dismissals	People	619	419	
TOTAL - New hires	People	377	532	
TOTAL - Turnover	Ratio	5.6%	3.4%	
By Location	Unit	2013	2014	GRI
Turkey - New hires	People	87	231	LA1
Turkey - Dismissals	People	318	226	
Turkey - Turnover	Ratio	5.8%	8.4%	
Indonesia- New hires	People	104	223	
Indonesia - Dismissals	People	87	65	
Indonesia- Turnover	Ratio	2.7%	4.0%	
Thailand - New hires	People	42	7	
Thailand - Dismissals	People	36	17	
Thailand - Turnover	Ratio	10.5%	9.7%	
Egypt - New hires	People	46	35	
Egypt - Dismissals	People	45	24	
Egypt - Turnover	Ratio	10.7%	13.8%	
Brazil - New hires	People	52	9	
Brazil - Dismissals	People	86	26	
Brazil- Turnover	Ratio	2.5%	2.8%	
USA - New hires	People	40	21	
USA - Dismissals	People	38	41	
USA - Turnover	Ratio	3.4	4.0	
Germany - New hires	People	6	6	
Germany - Dismissals	People	8	18	
Germany - Turnover	Ratio	4.0%	3.3%	
China Sales Office - New hires	People	0	0	
China Sales Office - Dismissals	People	1	2	
China Sales Office - Turnover	Ratio	13.2%	16.7%	
By Age	Unit	2013	2014	GRI
30 years and below-New hires	People	233	403	LA1
30 years and below-Dismissals	People	238	178	
30 - 50 years-New hires	People	119	104	
30 - 50 years-Dismissals	People	245	177	
50 years and above-New hires	People	25	25	
50 years and above-Dismissals	People	136	64	

By Gender	Unit	2013	2014	GRI
Men-New hires	People	348	487	LA12
Men-Dismissals	People	553	375	
Women-New hires	People	29	45	
Women-Dismissals	People	66	44	

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

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

	HEALTH AND SAFETY			Turkey				Egypt				GRI	
				Women		Men		Women		Men			
			Unit	2013	2014	2013	2014	2013	2014	2013	2014		
Accidents	Injury rate	Kordsa	Ratio	0	0	0.83	0.91	0	0	1.12	0	LA6	
		Sub contractor		0	0	2.65	2.23	0	0	1.92	0		
	Injury type	Kordsa	Numbers	None	None	4 LTIs	4 LTIs	None	None	2 LTIs	None		
		Sub contractor		None	None	5 MTIs	4 MTIs	None	None	1 LTI	None		
Lost Days	Lost days as a consequence of occupational accidents	Kordsa	Ratio	0	0	3.11	20.84	0	0	16.33	0		
		Sub contractor		0	0	7.96	19.05	0	0	38.93	0		
	Lost days as a consequence of diseases, etc. (absentee rate)	Kordsa	Ratio	N/A	N/A	3.1%	2.2%	N/A	N/A	4.1%	3.3%		
		Sub contractor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
		Unit	USA – Chattanooga				USA- Laurel Hill				GRI		
Accidents	Injury rate	Kordsa	Ratio	0	0	0.45	1.26	0	0.00	0.00	0.80		LA6
		Sub contractor		0	0	0.00	0.00	0	0.00	6.61	9.14		
	Injury type	Kordsa	Number	None	None	1 MTI	3 LTIs	None	None	None	1 MTI		
		Sub contractor		None	None	None	None	None	None	1 MTI	1 LTI		
Lost Days	Lost days as a consequence of occupational accidents	Kordsa	Ratio	0	0	0.00	10.08	0	0.00	0.00	0.00		
		Sub contractor		0	0	0.00	0.00	0	0.00	0.00	45.68		
	Lost days as a consequence of diseases, etc. (absentee rate)	Kordsa	Ratio	N/A	N/A	1.5%	1.7%	N/A	N/A	1.4%	3.9%		
		Sub contractor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
		Unit	Germany				Thailand				GRI		
Accidents	Injury rate	Kordsa	Ratio	0	0	3.66	3.83	0	0	0.77	0.73	LA6	
		Sub contractor		0	0	0	0	0	0	0	0		
	Injury type	Kordsa	Number	None	None	1 KiO	3 KiO	None	None	3 KiO	1 KiO		
		Sub contractor		None	None	None	None	None	None	1 TMO	2 TMO		
Lost Days	Lost days as a consequence of occupational accidents	Kordsa	Ratio	0	0	25.55	21.72	0	0	33.14	7.3		
		Sub contractor		0	0	0	0	0	0	0	0		
	Lost days as a consequence of diseases, etc. (absentee rate)	Kordsa	Ratio	N/A	N/A	%8.40	%8.30	N/A	N/A	%1.00	%1.00		
		Sub contractor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		

	HEALTH AND SAFETY			Indonesia				Brazil				GRI
				Women		Men		Women		Men		
			Unit	2013	2014	2013	2014	2013	2014	2013	2014	
Accidents	Injury rate	Kordsa	Ratio	0	0	0.57	0.30	0	0	0.24	0.46	LA6
		Sub contractor		0	0	0.00	0.15	0	0	0.00	0.82	
	Injury type	Kordsa	Number	None	None	3 LTIs	3 LTIs	None	None	1 LTI	1 LTI	
		Sub contractor		None	None	1 MTI	1 LTI	None	None	None	1 LTI	
Lost days	Lost days as a consequence of occupational accidents	Kordsa	Ratio	0	0	None	3.81	0	0	0.00	2.52	
		Sub contractor		0	0	4.87	2.20	0	0	0.00	49.18	
	Lost days as a consequence of diseases, etc. (absentee rate)	Kordsa	Ratio	N/A	N/A	0.00	1.9%	N/A	N/A	1.3%	1.0%	
		Sub contractor		N/A	N/A	1.4%	N/A	N/A	N/A	N/A	N/A	

Lost Time Injury (LTI)

When the worker cannot return to work the first workday following an occupational accident resulting in injury this is classified as LTI.

Medically Treated Injury (MTI)

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 MTI.

Restricted Work Incident (RWI)

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 RWI.

Other Causes

Includes lactation and maternity leaves, sickness reports, occupational accidents and unpaid leaves.

N/A: Data not available

ENVIRONMENTAL PERFORMANCE INDICATORS

MATERIALS		Turkey		
Primary Raw Materials	Unit	2013	2014	GRI
Adipic Acid	Ton	N/A	14,317	EN1
HMD	Ton	N/A	13,943	EN1
Chips	Ton	25,376	28,262	EN1
Formaldehyde	Ton	213	227	EN1
Resorcinol	Ton	168	160	EN1
Ammonia	Ton	273	310	EN1
Latex	Ton	3,783	3,957	EN1
Renewable Raw Materials and Auxiliary Materials	Unit	2013	2014	GRI
Wooden pallets	Ton	1,027	897	EN2
Stretch wraps - Nylon	Ton	177	270	EN2
Paper reels	Ton	2,712	2,037	EN2
Cardboard boxes	Ton	670	620	EN2
Estimated amount of paper reels reused*	Ton	1,517	697	EN2

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

N/A: Data not available

DIRECT ENERGY CONSUMPTION		Turkey		
Non-renewable Direct Energy Sources	Unit	2013	2014	GRI
Natural Gas	TEP	13,128,691	14,715,821	EN3
	GJ	549,672	616,122	EN3
INDIRECT ENERGY CONSUMPTION		Turkey		
Secondary Energy Purchased or Consumed from Non-renewable Energy Sources	Unit	2013	2014	GRI
Electricity	kWh	160,584,000	169,119,000	EN3
	TEP	13,808	14,541,616	EN3
	GJ	578,102	608,828	EN3
Steam	kWh	33,582,000	31,264,000	EN3
	TEP	2,888	2,688	EN3
	GJ	120,895	112,550	EN3

WATER MANAGEMENT				
Total Water Withdrawal and Discharge by Source		Turkey		
Source: Ground	Unit	2013	2014	GRI
Water	m3/year	525,000	488,204	EN8
Source: Municipal Water Supply (In cases of emergency)	Unit	2013	2014	GRI
Water	m3/year	25,000	82,246	EN8
Total Water Withdrawal	Unit	2013	2014	GRI
Water	m3/year	550,000	570,350	EN8
Recycled Water	Unit	2013	2014	GRI
Water	m3/year	143,275	166,440	EN10
Total Wastewater Discharge	Unit	2013	2014	GRI
Wastewater	m3/year	190,500	200,580	EN22

EMISSIONS MANAGEMENT				
Greenhouse Gas Emissions		Turkey		
In compliance with GHG Regulations and approved by the Ministry	Unit	2013	2014	GRI
Direct CO ₂ Emissions	t CO ₂	N/A	30,533	EN15
Significant Air Emissions		Turkey		
By type	Unit	2013	2014	GRI
NOx	kg	9.73	3.03	EN21
SOx	kg	0.22	0.62	EN21
POP	kg	0	0	EN21
VOC	kg	0.32	0.90	EN21
HAP	kg	0	0	EN21
PM	kg	0	0	EN21

N/A: Data not available

WASTE MANAGEMENT				
Total Waste by Type and Method of Disposal	Turkey			
Waste by Type	Unit	2013	2014	GRI
Hazardous Waste				
Waste Accumulator	Ton	1.98	18.62	EN23
Sludge	Ton	798.59	964.12	EN23
Waste Fluorescent	Ton	2.13	0.96	EN23
Waste Grease	Ton	1.28	1.00	EN23
Waste Cables	Ton	6.32	0.00	EN23
Waste Carbonized Polymer	Ton	10.54	7.40	EN23
Waste Toner Cartridges	Ton	0.77	0.12	EN23
Waste Capacitors	Ton	0.22	0.00	EN23
Waste Lab. Chemicals	Ton	1.23	0.85	EN23
Waste Mono-ethylene Glycol	Ton	4.03	22.90	EN23
Waste Batteries	Ton	0.15	0.15	EN23
Waste Oil	Ton	4.74	11.80	EN23
Electronic Waste	Ton	24.45	15.90	EN23
Adipic Acid Waste	Ton	1.59	2.80	EN23
Contaminated Packaging	Ton	84.10	106.97	EN23
Contaminated Waste	Ton	63.33	86.73	EN23
Total	Ton	1,005	1,240	EN23
Non-Hazardous Waste				
Scrap Coils	Ton	1,195.00	1,340.00	EN23
Scrap Cardboards	Ton	388.10	370.00	EN23
Scrap Nylon	Ton	125.00	126.00	EN23
Scrap Wooden Pallets	Ton	761.58	872.60	EN23
Scrap Iron	Ton	202.16	225.79	EN23
Scrap Aluminum	Ton	6.00	2.22	EN23
Scrap Plastic	Ton	16.00	22.00	EN23
Scrap Flakes	Ton	15.00	28.00	EN23
Waste Styrofoam	Ton	15.00	21.00	EN23
Total	Ton	2,724	3,008	EN23
Total Waste	Ton	3,729	4,248	EN23

Waste by Method of Disposal		Turkey		
Recycling	Unit	2013	2014	GRI
Scrap Coils	Ton	1,195.00	1,340.00	EN23
Scrap Cardboards	Ton	388.10	370.00	EN23
Scrap Nylon	Ton	125.00	126.00	EN23
Scrap Wooden Pallets	Ton	761.58	872.60	EN23
Scrap Iron	Ton	202.16	225.79	EN23
Scrap Aluminum	Ton	6.00	2.22	EN23
Scrap Plastic	Ton	16.00	22.00	EN23
Scrap Flakes	Ton	15.00	28.00	EN23
Recovery				
Waste Accumulators	Ton	1.98	18.62	EN23
Sludge	Ton	798.59	964.12	EN23
Waste Oil	Ton	4.74	11.80	EN23
Waste Grease Oil	Ton	1.28	1.00	EN23
Waste Cables	Ton	6.32	0.00	EN23
Carbonized Polymer Waste	Ton	10.54	7.40	EN23
Waste Toner Cartridges	Ton	0.77	0.12	EN23
Waste Capacitors	Ton	0.22	0.00	EN23
Mono-ethylene Glycol Waste	Ton	4.03	22.90	EN23
Waste Batteries	Ton	0.15	0.15	EN23
Electronic Waste	Ton	24.45	15.90	EN23
Adipic Acid Waste	Ton	0.88	2.80	EN23
Contaminated Packaging	Ton	80.00	106.90	EN23
Contaminated Waste	Ton	12.40	86.00	EN23
Landfill				
Waste Fluorescent	Ton	2.10	0.90	EN23
Waste Incineration				
Waste Styrofoam	Ton	15.00	0.00	EN23
Waste Lab. Chemicals	Ton	1.23	0.85	EN23
Adipic Acid Waste	Ton	0.70	0.00	EN23
Contaminated Packaging	Ton	2.50	1.98	EN23
Contaminated Waste	Ton	50.90	33.60	EN23
Total Waste Disposed	Ton	3,729	4,248	EN23

Reduction on Energy Consumption

Amounts of energy reduced thanks to savings and efficiency initiatives broken down into manufacturing processes and plants can be found in the table below with 2011 as the base year.

Dipping NY - TR	2011	2012	2013	2014
NG (kwh/ton product)	100	86	71	74
Other (Steam&Electricity)	100	104	98	87

Dipping PE - TR	2011	2012	2013	2014
NG (kwh/ton product)	100	99	92	90
Other (Steam&Electricity)	100	120	111	88

Dipping LH - USA	2011	2012	2013	2014
NG (kwh/ton product)	100	100	98	90
Other (Steam&Electricity)	100	93	99	92

Dipping CA - BR	2011	2012	2013	2014
NG (kwh/ton product)	100	93	96	93
Other (Steam&Electricity)	100	93	99	92

Dipping IndoK - IN	2011	2012	2013	2014
NG (kwh/ton product)	100	91	85	88
Other (Steam&Electricity)	100	102	95	92

Dipping TIK - THAI	2011	2012	2013	2014
NG (kwh/ton product)	100	118	73	80
Other (Steam&Electricity)	100	157	97	88

NY Yarn - TR	2011	2012	2013	2014
Energy (kwh/ton product)	100	92	84	98

NY Yarn CH - USA	2011	2012	2013	2014
Energy (kwh/ton product)	100	93	78	86

PES Yarn - TR	2011	2012	2013	2014
Energy (kwh/ton product)	100	92	83	79

PES Yarn CA - BR	2011	2012	2013	2014
Energy (kwh/ton product)	100	82	83	82

PES Yarn IndoK - IN	2011	2012	2013	2014
Energy (kwh/ton product)	100	105	98	93

ANNEXES

Awards

Award	Awarding Body	Year
Economic		
Textile and Textile Raw Material Exporters Category – 3rd Prize	Turkish Exporters Assembly (TIM) & Istanbul Textile and Apparel Exporter Associations (ITKIB)	2014
Champion of Textile Innovation League	Uludag Textile Exporters Association	2014
R&D Centers Performance Evaluation – 2nd Prize in all Industries; 1st Prize in Textile Industry	Ministry of Science, Industry and Technology	2014
Most Admired Companies Award – Most Admired Company in Textile Industry	Capital Journal	2013 & 2014
Supplier Appreciation Award	Bridgestone Indonesia	2014
Textile and Textile Raw Material Exporters Category – Platinum Award	Istanbul Textile and Apparel Exporter Associations (ITKIB)	2013
Supplier of the Year Award	Michelin	2013
Innovation Category – Special Mention (to Erhan Kop, Murat Gökten)	Sabancı Holding / Golden Collar Awards	2013
Innovation Category – Special Mention (to Berk Giray)	Sabancı Holding / Golden Collar Awards	2013
Efficiency Category – Special Mention	Sabancı Holding / Golden Collar Awards	2013
Environmental		
Şahabettin Bilgisu Environmental Award	Kocaeli Chamber of Industry	2014
Environmental Awards	Kocaeli Chamber of Industry	2013
Environmental Awards – 1st Prize (Capmax)	Istanbul Chamber of Industry	2013
Environmental Awards – 2nd Prize (Twixtra)	Istanbul Chamber of Industry	2013
Environmental Awards – 2nd Prize (Cavitation Project)	Istanbul Chamber of Industry	2013
Social		
HR Management Award	Peryön (Society for Human Resource Management)	2014
ETIKA - The Most Ethical Companies of Turkey Award	EDMER - Istanbul	2013 -2014
Sensitivity Towards Women's Employment	Işkur (Turkish Employment Agency) & Izmit Municipality	2014
The Best Employee	Indonesia - Manpower Bogor	2014
The Best LKS Bipartite in Bogor Regency	Indonesia - Manpower Bogor	2014
Contribution to Labor Force Training and Employment	Ministry of Labor and Social Security	2013
Quality Circles Award	KalDer (Turkish Society for Quality)	2013
Talent Management Category – Finalist	Peryön (Society for Human Resource Management)	2013
Practices that make a Difference / Project Category: Recognition and Rewarding – Finalist	Peryön (Society for Human Resource Management)	2013
Training and Development Management Category – Achievement Award	Peryön (Society for Human Resource Management)	2013
Equality at Work – 2nd Prize	Sabancı Holding / Golden Collar Awards	2013
Excellent Establishment on Labor Relations and Welfare	Thailand Ministry of Labor	2013
SHE Award-Golden Flag for Health & Safety Management at Work	Indonesia Ministry of Labor	2013

Memberships

TURKEY

ACC Legal Consultants Association
DEİK Foreign Economic Relations Board
 EFQM European Foundation for Quality Management
IMA Institute of Management Accountants
 İSMMMO Istanbul Chamber of Certified Public Accountants
KALDER Quality Association
 LES Turkey Technology and License Executives Society
PERYÖN Personnel Management Association of Turkey
 TBCSD İş Dünyası ve Sürdürülebilir Kalkınma Derneği
LES Türkiye Teknoloji ve Lisans Yöneticileri Derneği
 TBCSD Turkish Business Council of Sustainable Development
TİDE The Institute of Internal Auditors
 TKYD Corporate Governance Association of Turkey
TÜBİYAD Finance and IT Executives Association
 İTHİB Turkish Textile Employer's Associations
TÜRMOB Turkish Chamber of Certified Public Accountants
 TUSİAD Turkish Industry & Businessmen Association
İTKİB The General Secretariat of Istanbul Textile & Apparel Exporter's Associations

GERMANY

Firmenbildungs-verbund Nord-West-Thüringen E.V.
Ordat Benutzergruppe E.V.
 Chamber of Commerce
BVMW

EGYPT

Arab Federation of Tire & Rubber Industries
Egyptian Chamber of Textile Industrial
 Egyptian Chamber of Commerce For Sharkia Governorate
Textile Export Council

INDONESIA

APINDO (Asosiasi Pengusaha Indonesia) - The Employers' Association of Indonesia
HIPERKIBRA – Neighborhood Corporate Association
 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

COFIC - Industrial Foment Committee of Camaçari
FIEB/CIEB
 ABRAFAS - Brazilian Association of Producers of Artificial and Synthetic Fibers
American Chamber of Commerce
 Bahia's Spinning and Weaving industries Union

USA

LBG Scotland County COC
International Society of Industrial Fabric Manufacturers
 AFMA - American Fibers Manufacturers Association
ISIFM – International Society of Industrial Fabric Manufacturers
 Turkish American Coalition

UN Global Compact Principles

Kordsa Global is a Global Compact member. UN 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 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:

IFC	IFC Performance Standard	Relevant Section in our Report	Pages
		Our Environmental Performance	
PS 1	Assessment and Management of Environmental and Social Risks and Impacts	Emissions	64, 69
PS 3	Resource Efficiency and Pollution Prevention	Energy Management	65
		Waste Management	66-67
PS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Water Management	68
		Our Social Performance	
PS 2	Labor and Working Conditions	Occupational Health and Safety	59-61
PS 4	Community Health, Safety, and Security		
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		

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.

GRI G4 Content Index



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Effluents and Waste	Pages 33, 66-67, 79-81	None
Water	Pages 33, 68, 79	None
Emissions	Pages 33, 69, 79	None
Employment	Pages 33, 54-58, 72-75	None
Training and Education	Pages 33, 57-58, 75	None
Occupational Health and Safety	Pages 33, 59-61, 76-77	None
Equal Remuneration for Women and Men	Pages 33, 54-56, 71	None
Diversity and Equal Opportunity	Pages 33, 55, 73-75	None
Non-Discrimination	Pages 33, 56	None
Compliance	Pages 33, 37	None
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Design and Implementation
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Our report is digitally produced and is not printed.

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DISCLAIMER

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