

WE REINFORCE LIFE



SUSTAINABILITY REPORT 2016

A REINFORCER SHOULD DEMONSTRATE EXEMPLARY PERFORMANCE IN ALL PROCESSES TO REACH SUSTAINABLE PRODUCTS AND SERVICES. WE TOUCH LIFE BY PROVIDING HIGH RELIABILITY AND SAFETY THROUGH OUR PRODUCTS AS WELL AS SUPPORTING GLOBAL SUSTAINABILITY GOALS.





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About

As Kordsa, we are proud to present our third sustainability report that reflects our economic, environmental and social performance in 2016. With this report we would like to give our stakeholders the opportunity to evaluate our efforts to measure, monitor and manage the impacts resulting from our operations. We would like our sustainability reports to be one of the major communication tools with our stakeholders to share our best practices in our excellence journey of being a sustainable company.

The Scope

Unless otherwise stated, the data in this report covers Kordsa's activities from January 1, 2016 to December 31, 2016. This year we expanded the scope of our environmental data and included all our plants. Stakeholder engagement with employees and customers also cover all our global operations. We explain how we defined our report content and topic boundaries in the Strategy and Governance section of this report.

The Principles

This report has been prepared in accordance with the GRI Standards: Core option. In the process of identifying our strategic sustainability topics, we took into consideration GRI's principles of materiality, stakeholder inclusiveness, sustainability context and completeness, as well as the principles of UN Global Compact that we signed in 2014, and the International Finance Corporation IFC's Performance Standards on Environmental and Social Sustainability that were established to pinpoint, assess and manage social and environmental risks in project finance.

Next Report

We plan to publish our next report, which will cover our sustainability performance of 2017, in the second half of 2018.

MESSAGES TO OUR STAKEHOLDERS



Distinguished Stakeholders,

Since the day our company was founded, we manage the economic, social and environmental impacts of our operations based on the Ethical Principles of the Sabancı Group. In 2014, we proved our commitment to global responsible business principles by signing the UN Global Compact, that covers the areas of human rights, labor, environment and anti-corruption in ten principles. In this respect, we are pleased to share with you the third annual sustainability performance report of Kordsa.

Our company was included in the Istanbul Stock Exchange's BIST 50 Index in July 2016 as a result of the quarterly assessments based on daily transaction volumes, and also included in the BIST Sustainability Index in November 2016 to have its place among the top 43 companies with the highest corporate sustainability performance. While we create value for our stakeholders on one side and for our shareholders on the other, we have the honor of being counted among the sustainability forerunners in our country.

We, at Kordsa, manage sustainability by innovating technologies with the focus on humans and environment, and with the aim of creating value for our stakeholders, notably for our workers and our customers. Today, 1 out of 3 automobile tires, and 2 out of 3 plane tires manufactured in the world are reinforced by Kordsa technologies.

We gathered the R&D and production processes in composite technologies under one umbrella in the Composite Technologies Center of Excellence, which became operational in 2016. The composite materials coming out of the center serve the automotive, aviation and rail systems industries. In addition to 32 inventions we made in 2016, we also applied for 103 patents. We continue to lead the innovation way in global reinforcement market with our 407 patent applications and 121 patent approvals in total.

Not only we use our existing resources efficiently and invest in occupational health for a sustainable world, we also develop new technologies for it. In the future we will continue to create value for our customers and investors, support the development of our employees, and expand our "Reinforce Life" vision all around the world by producing lighter and more durable tires and composite materials using less energy and less materials.

Kind Regards,
Cenk Alper
Chairman, Kordsa



Esteemed Stakeholders,

We are proud to share with you our third sustainability report covering our 2016 performance. Our report is based on Global Reporting Initiative's new Standards launched in 2016 and Kordsa is among the 100 companies, which used this standard for the first time in the world.

With this annual performance report, we present you our management approach to material sustainability issues, and the related best practices we have introduced to improve the way we manage our impacts, as well as our future plans and targets. The materiality works revealed that business ethics, human rights, occupational health and safety, employment and labor practices and as well as training and education are the sustainability aspects that had priority for our top managers, employees and customers.

We continue to operate in five continents with a goal of zero accident, using effective tools like risk assessments and safety projects like Safety Experience Center. Experience Centers increase safety awareness among all our employees with real time simulators of accident situations. After Indonesia plant in 2015, we opened centers in Turkey and Brazil in 2016.

In 2016, we have also reached our target to achieve accident-free working hours at our Chattanooga and Laurel Hill plants in the USA, as well as at our Thailand plant.

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

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

In 2016, Kordsa is selected as the 7th Best Employer of Bahia Region in Brazil by Great Place to Work Institute and received the Unique Employer-Worker Relations and Serenity at Workplace award for the 7th time in Thailand from the Ministry of Labor.

As a global reinforcer brand, environmental management in production comes first among our operational priorities. Throughout the report you can read about our various best practices regarding materials, energy, emissions and waste management along with water efficiency and biodiversity conservation.

In 2016, Kordsa was granted the Jury's Special Award in the Project Contest on Energy Efficiency in Industry by the Ministry of Energy and Natural Resources in Turkey and Composite Technologies Center of Excellence received LEED Gold Certificate, which is presented to energy and environment friendly buildings by the United States Green Building Council. We also became a part of Istanbul Stock Exchange Sustainability Index.

Our efforts will continue to reinforce our stakeholders, the life and the environment we live in, with the power of our innovative technologies, our sustainable management approach and our sustainable growth rate.

I hope you enjoy reading our 2016 report of sustainability. Please share with us, your questions as well as comments and suggestions concerning the information covered in this report.

Kind Regards,
Ali Çalışkan
CEO, Kordsa

CORPORATE PROFILE



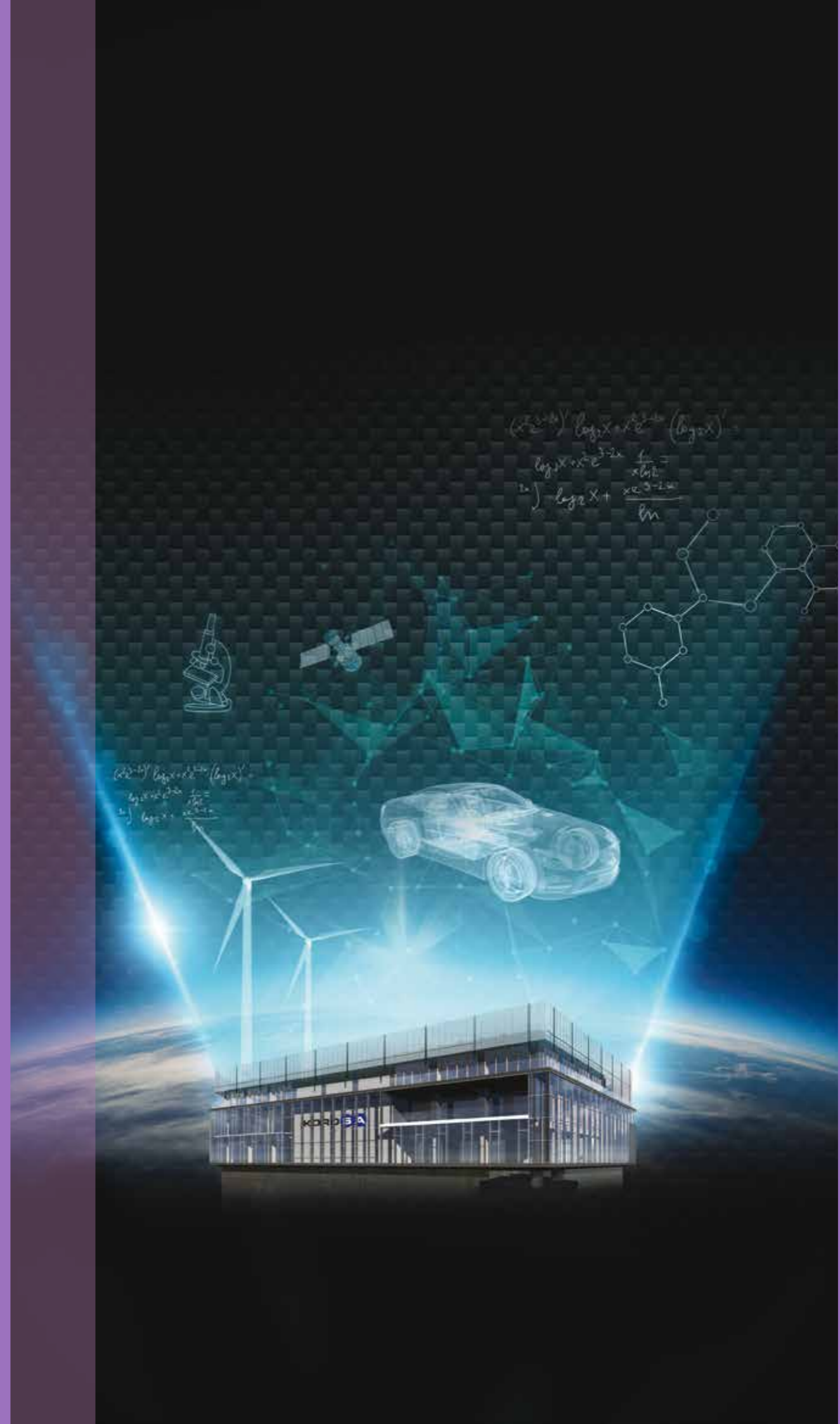
As the global leader of tire reinforcement market, we allocate our reinforcement experience to composite and construction markets as well. We provide high quality solutions with our high level technological competence in order to maintain sustainable products and services. Today one third of the automobile tires and two thirds of the aircraft tires produced in the world are reinforced by Kordsa technologies.



AWARDS and ACHIEVEMENTS

Kordsa, along with the 43 companies with the highest corporate sustainability performance, entered Istanbul Stock Exchange Sustainability Index.

November 2016



KORDSA FACTS AND FIGURES

CORPORATE PROFILE

SUSTAINABILITY PROFILE

ECONOMIC

TL **1,908** Million
Turnover

USD **49** Million
Investments

8 Production plants
5 Countries

40.8%
Operating profit
growth

Regional Revenue Split
EMEA **36%**
Asia Pacific **31%**
North America **18%**
South America **15%**

SOCIAL

3,790 Employees

43 Years

199,179
Total number of training hours

27% Women* **73%** Men*

0
Fatal occupational accidents
and diseases

114.7
Average number of training
hours of our female employees

ENVIRONMENTAL

USD **1.28** Million
Total savings resulting from
the reuse of materials

USD **223,182**
Total amount of our
environmental investments

2.13 Million
Number of reused paper tubes

22% Emission Management
37% Waste Recycling
21% Waste Disposal
12% Consultancy
8% Training

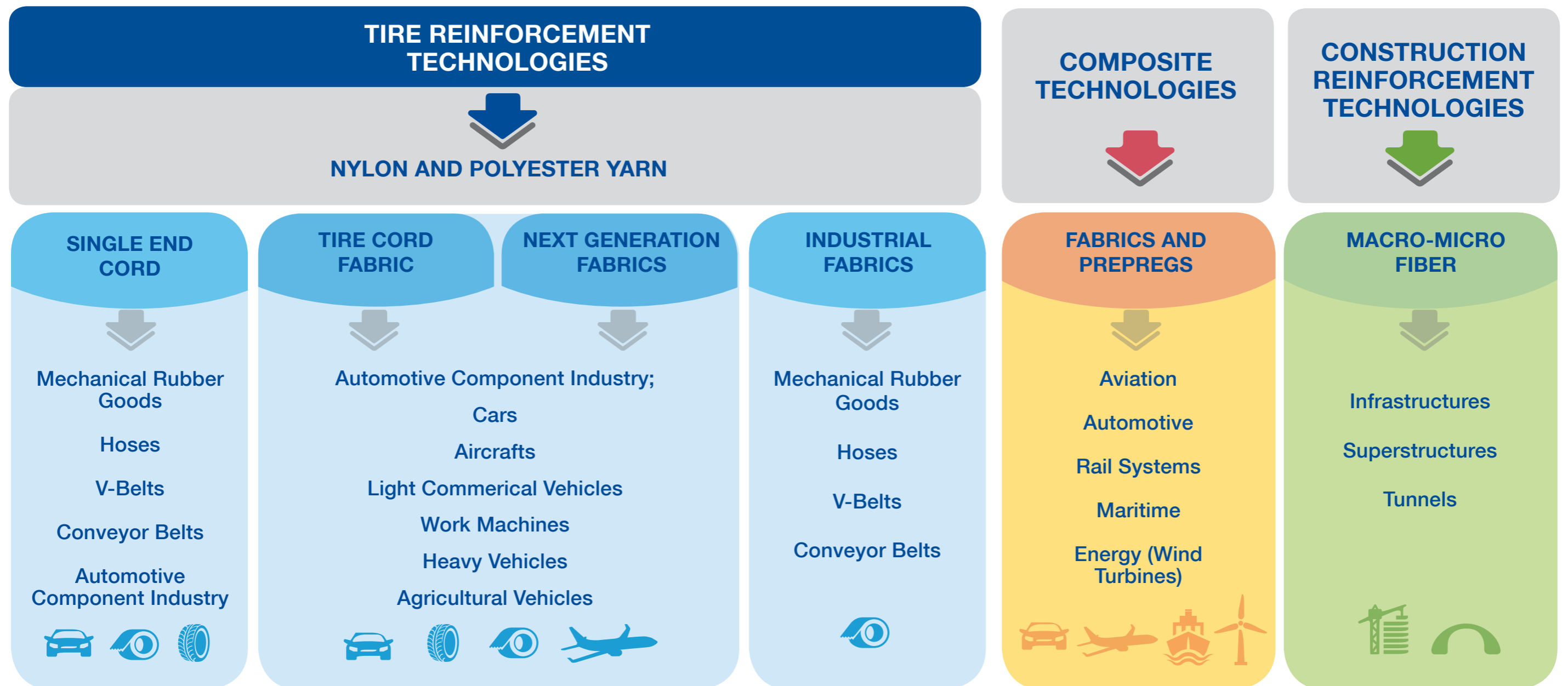
* Data represents white-collar employees. Among all employees, the rate of women is around 11%.

PRODUCTS, SECTORS, MARKETS

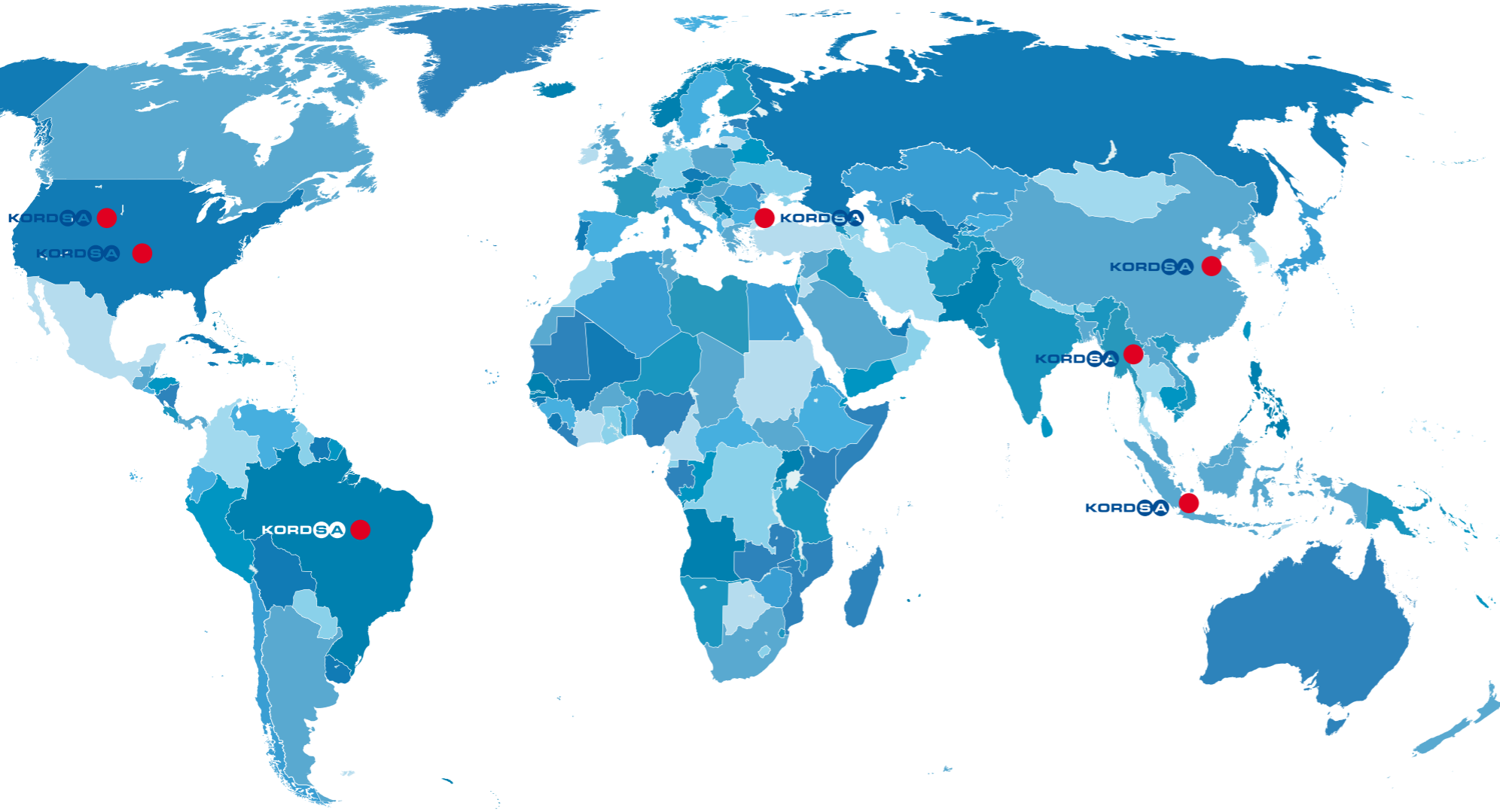
Kordsa operates in three business lines; tire reinforcement technologies, composite technologies and construction reinforcement technologies.

In tire reinforcement technologies, Kordsa is the leading global supplier of high tenacity Nylon 6.6 and polyester industrial yarns as well as single end cord products. We supply our tire reinforcement

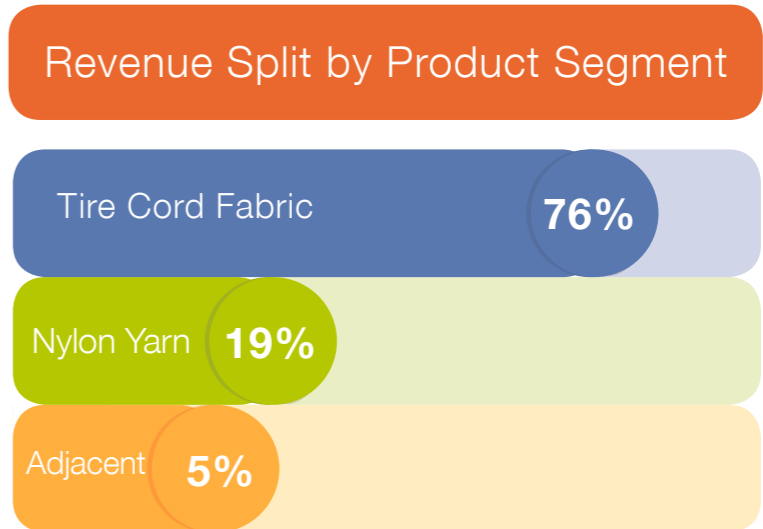
technologies to tire manufacturers spreaded all around the world. Since 2014, we have transfered our experience and leadership in tire reinforcement materials into new markets. We serve the construction market with our concrete reinforcement technology KraTos, and the composites market with our carbon fabric and prepreg solutions.



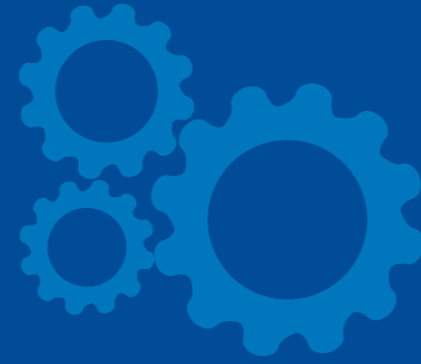
PRODUCTS, SECTORS, MARKETS



Regions	Products	Turnover
North America	NY6.6, TCF	TL 351 Million
South America	PET, SEC, TCF	TL 287 Million
EMEA	NY6.6, PET, SEC, TCF, SnFR	TL 687 Million
Asia Pacific	NY6.6, PET, TCF	TL 583 Million



STRATEGY AND GOVERNANCE



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

AWARDS and ACHIEVEMENTS



Kordsa took its place among the best 12 companies in the Turkish Textile Innovation League.
(Uludağ Textile Exporters Association)

May 2016



Kordsa won The 3rd Best R&D Center Award in all sectors and The Best R&D Center Award in textile sector.

(Ministry of Science, Industry and Technology)

May 2016



SUSTAINABILITY MANAGEMENT

As Kordsa, doing business in today's rapidly changing and competitive world and creating economic value, we execute all our activities with the awareness of our social and environmental responsibilities, which facilitate continuous improvement and create value for our stakeholders.

Our corporate values support the foundations of our vision and strategic initiatives. Our priority topics we identified

while shaping our sustainability strategy match perfectly with Kordsa's corporate values we based our growth strategy on.

We believe that the core corporate 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.

MISSION: Deliver high value added reinforcement solutions globally.
VISION: Agile Kordsa in high value businesses for sustainable growth.

OUR VALUES

Safety, Health and Environment

We believe that all occupational and environmental accidents can be prevented. Our target is to create a 100% accident-free and safe work environment and to manufacture with 0% waste production.

Commitment to Ethical Values

The ethical values we are 100% committed to, regulate our relationships with employees, shareholders, customers, suppliers, business partners, competitors, the environment, and society.

Customer-Focused

We grow together with our customers who regard us as the strategic technology partner of their choice, and offer them innovative, accurate, and tailor-made solutions.

Continuous Improvement

We continuously improve all processes in the organization in line with our customer-focused approach and total quality management.

OUR SUSTAINABILITY TOPICS

Occupational Health and Safety
Materials
Energy
Water
Biodiversity
Emissions
Effluents and Waste

Compliance
Anti-Corruption
Supplier Assessments
Human Rights Assessments
Diversity and Equal Opportunity

Customer Privacy

Employment
Training and Education
Economic Performance

OUR VALUES

Results-Driven

As being the reinforcer in the global reinforcement market, and a company that continuously creates value for its shareholders, we provide our customers with the highest quality services.

Open-Minded

Innovation runs in our genes. Building on years of experience, we continuously develop innovative products, technologies, and processes at our technology center.

Global Collaboration

Our strength stems from collaboration – we replicate best practices observed in one plant in all other locations.

SUSTAINABILITY ROAD MAP 2020

Considering our material sustainability impacts as Kordsa, we prepared a five year sustainability road map and it was approved by Executive Leadership Team during the last quarter of 2016. Taking 2016 as base year we planned our sustainability management actions towards 2020.

SUSTAINABILITY TASK FORCE

With the participation of specialists and managers from different disciplines and departments, we established Kordsa Sustainability Task Force in 2014. Members of the team are selected in accordance to our material sustainability topics.

Sustainability Task Force plays an important role in implementing the sustainability strategy of our company along with the Executive Leadership Team and also contributes to the development our sustainability reports.

Member Name	Job Title
Bulem Boyacı	Global Sourcing Manager
Elif Göksel Yılmaz	Lawyer
Emel Eren	Project Coordinator / Laboratory Leader
Ferhat Uzun	Quality Department / Continuous Improvement Coordinator
Miray Gönülşen	Human Resources Specialist
Nevra Aydoğan	Brand Marketing and Corporate Communication Manager
Özge Sekmen	Global Finance Specialist
Özgün Apaydın	Lean Manufacturing Engineer
Yoga Mardiansyah	Global SHE / Sustainability Manager

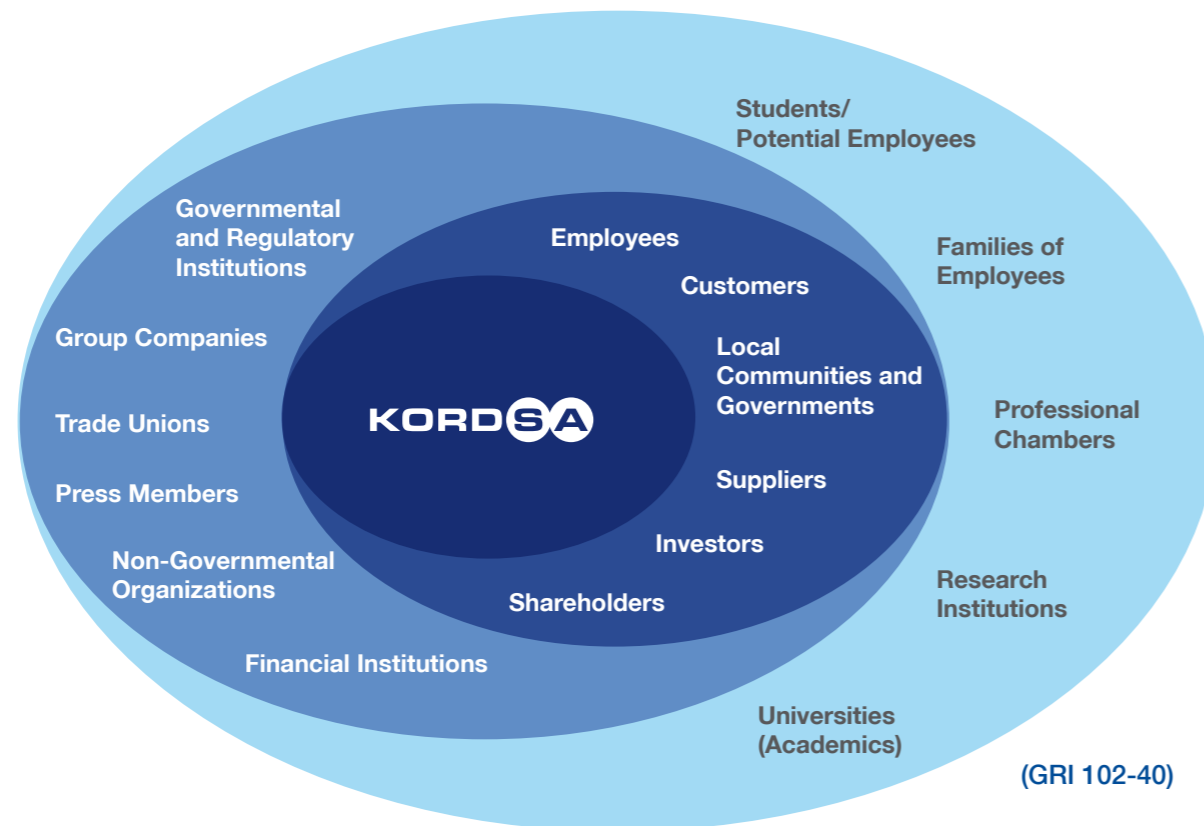
The names of the members are in alphabetical order.

COMMUNICATION WITH OUR STAKEHOLDERS

INTERNAL STAKEHOLDER VIEW

75% of our employees who responded to the sustainability assessment survey think that...

Kordsa's communication platforms to find out about the ideas/suggestions or expectations of key stakeholders (excl. employees) are adequate.



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

We conducted a sustainability strategy survey during the first reporting period in 2015. Then, at one-on-one interviews with Executive Leadership Team and during the sustainability workshop held with Sustainability Task Force, we reviewed all our key stakeholders that had an intensive economic, social, and environmental interaction with our company concerning our strategic topics.

We grouped our key stakeholders by the extent they were influenced by our company's activities and their impacts on our company's efforts to achieve its business targets. We plan to review our stakeholders every two years as we review our priority topics. (GRI 102-42)

Sustainability Communication With Our Customers

Starting from the first year of our sustainability reporting we engage with our customers to either receive feedback regarding Kordsa's sustainability performance or the strategic topics focused. Every year we aim to increase the number of our costumers that we engage on sustainability.

In the first year of sustainability reporting, we have interviewed two of our major customer representatives and received their feedback about our performance on sustainability. We have also asked their concerns on which topics Kordsa should focus on. Both customers brought up the issue of supplier assessments on social and environmental impacts. We took this feedback into consideration and again took actions regarding better managing this topic. The details of our actions take place under Supplier Assessments topic.

In 2016, we conducted a survey with the participation of 50% of our major customer representatives. Results showed that the top priority topics for our customers are business ethics, occupational health and safety, human rights and customer privacy.

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

(GRI 102-43, GRI 102-44)

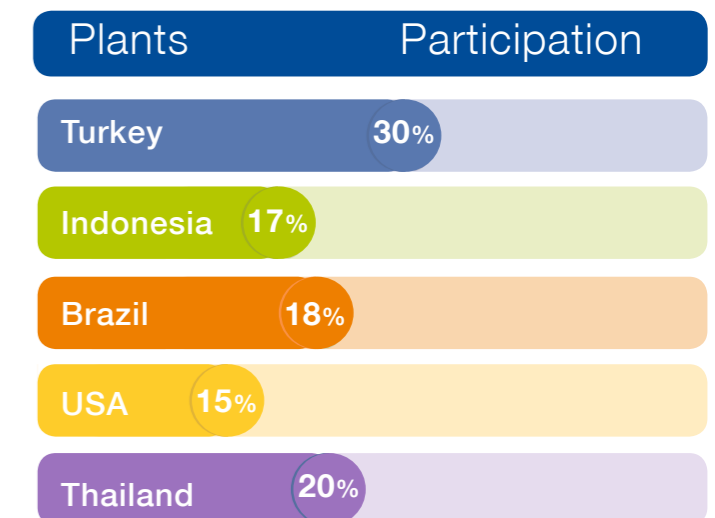
Sustainability Communication With Our Employees

Every year we conduct a sustainability assessment survey to raise their awareness of our employees on sustainability and our company's impacts. Through this survey, we collect our employees' opinions on our company's sustainability performance and we share these views in the relevant sections of our report annually.

330 white-collar employees including engineers, specialists, supervisors, managers, directors, and top management, nearly 38% of which has been working for Kordsa for more than 15 years, participated in the survey where 2016 performance was assessed. Participants also selected the topics of their concerns and prioritized them. The ranking is given on page 12.

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

(GRI 102-43, GRI 102-44)

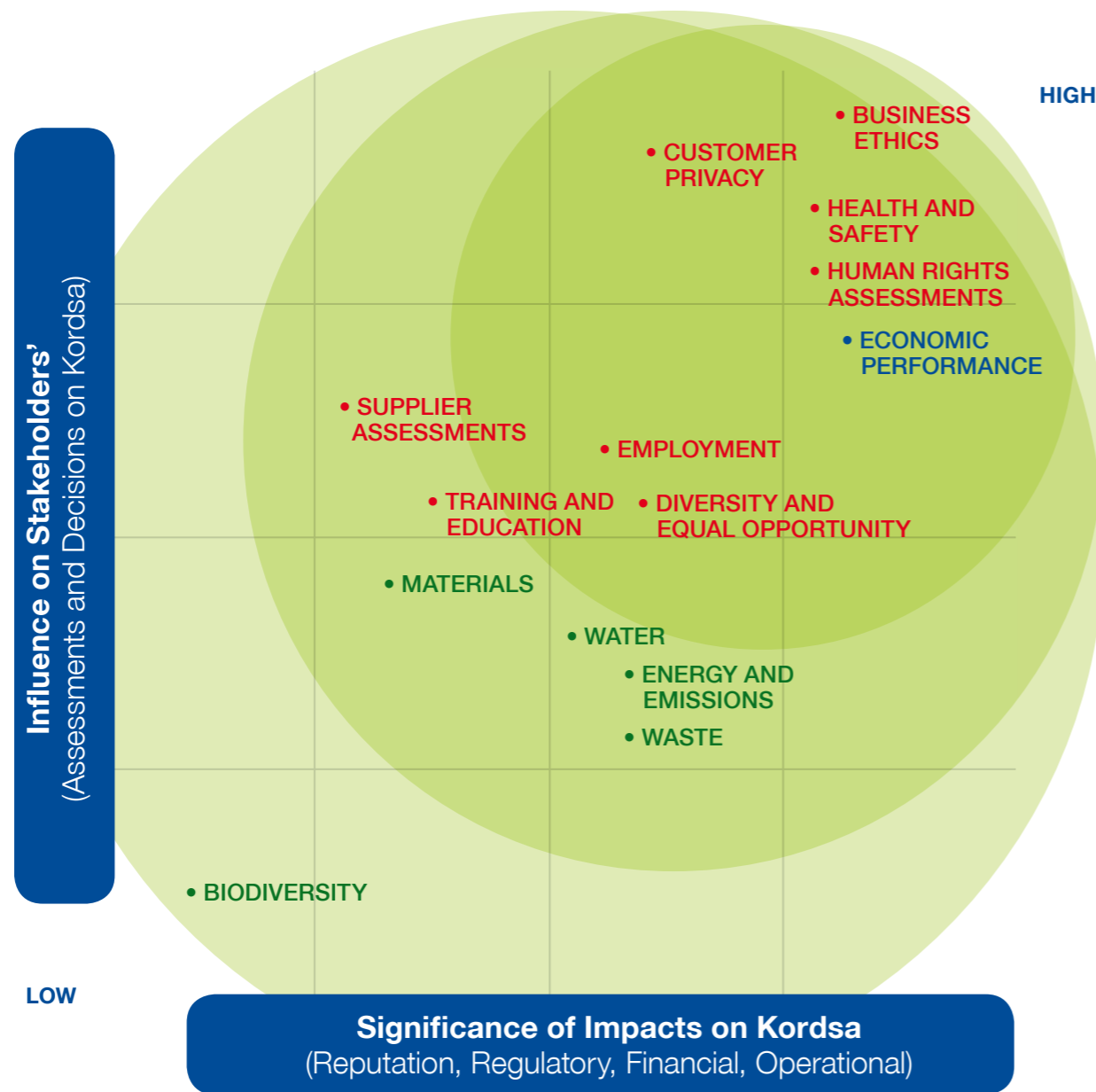


COMMUNICATION PLATFORMS WITH OUR STAKEHOLDERS

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

MATERIAL SUSTAINABILITY TOPICS

Kordsa Materiality Matrix



Blue: Economic topics - Green: Environmental topics - Red: Social topics (GRI 102-47)

We reviewed our strategic sustainability topics with a sustainability strategy survey conducted with the participation of the Kordsa Executive Leadership Team and the Sustainability Task Force. Consequently, we conducted employee and customer engagement surveys and considered their opinions as our key stakeholders while preparing our materiality matrix.

In the matrix, topics that we place under Business Ethics are compliance and anti-corruption. Non-discrimination is disclosed under Human Rights Assessments.

Considering the BIST Sustainability Index requirements, we have added biodiversity and climate change in the evaluation process. Supplier Assessments, as a topic brought up by our major customers last year, also took its place in the matrix.

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

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

(GRI 102-46)

Topic Boundaries and Limitations on Reporting

The list of topics that we include on our materiality matrix are all relevant for all our global operations. Externally our suppliers and contractors also have impacts on these topics.

Our internal reporting limitation is the emissions data which is only available for scope 1. For economic performance, we provide some figures which are not country specific but represent the company as a whole.

(GRI 102-46)

Priority Topics of Our Employees

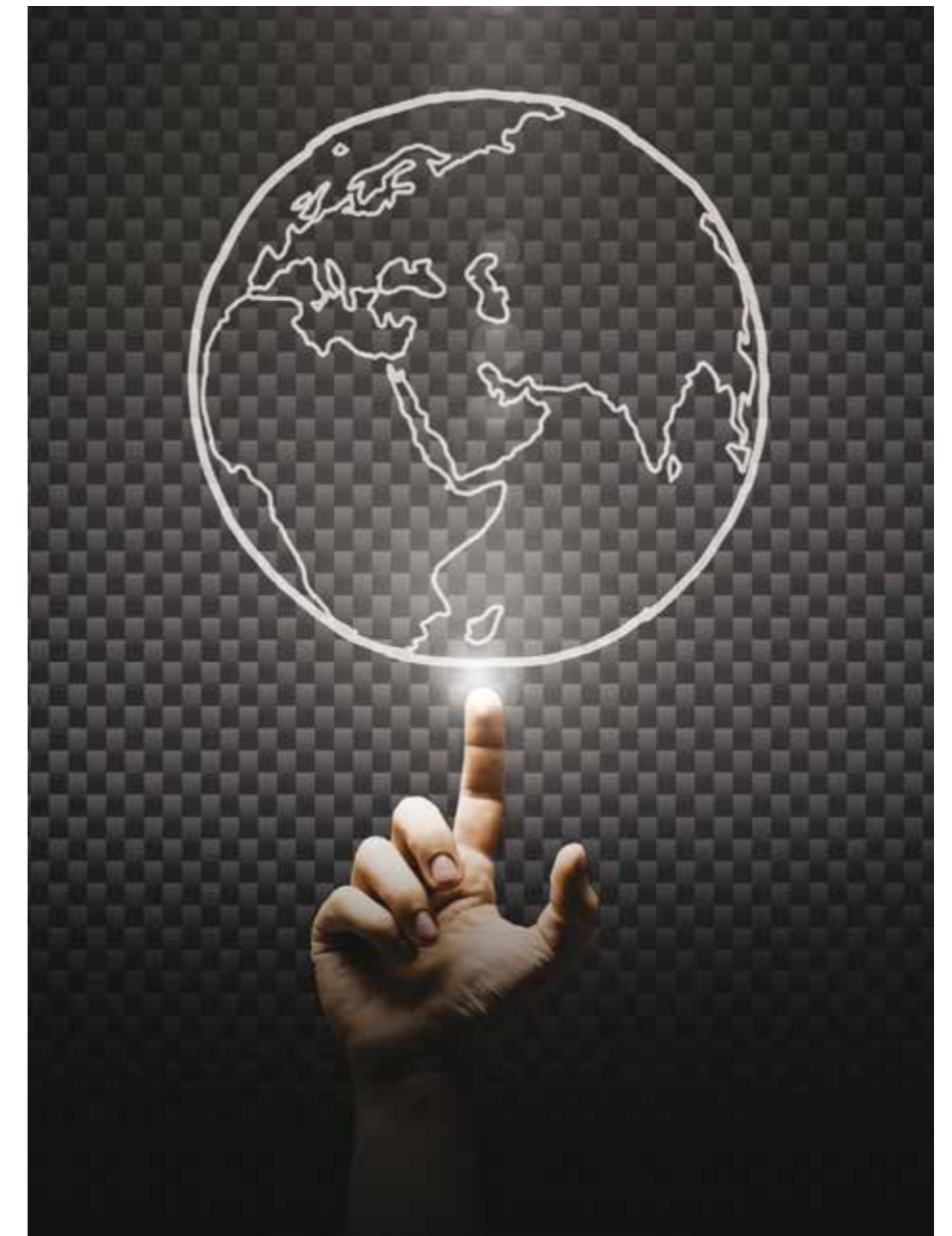
- | | |
|-----------------------------------|-----------------------------------|
| 1. Occupational Health and Safety | 8. Supply Chain Sustainability |
| 2. Economic Performance | 9. Energy and Emission Management |
| 3. Human Rights Assessments | 10. Waste Management |
| 4. Business Ethics | 11. Water Management |
| 5. Customer Privacy | 12. Biodiversity |
| 6. Training and Education | 13. Materials Management |
| 7. Employment and Labor Practices | |

WE SUPPORT UN SUSTAINABLE DEVELOPMENT GOALS

UN 2030 Sustainable Development Goals	Kordsa's Related Material Issues
 SDG 1: No Poverty	Employment (Indirect impact)
 SDG 2: Zero Hunger	Employment (Indirect impact)
 SDG 3: Good Health and Well-Being	Occupational Health and Safety
 SDG 4: Quality Education	Training and Education
 SDG 5: Gender Equality	Diversity and Equal Opportunity
 SDG 6: Clean Water and Sanitation	Water
 SDG 7: Affordable and Clean Energy	Energy (Indirect impact)
 SDG 8: Decent Work and Economic Growth	Employment and Labor Practices
 SDG 9: Industry, Innovation and Infrastructure	R&D and Innovation
 SDG 10: Reduced Inequalities	Diversity and Equal Opportunity
 SDG 11: Sustainable cities and communities	R&D and Innovation (Indirect impact)
 SDG 12: Responsible Consumption and Production	Materials, Effluents and Waste, Water
 SDG 13: Climate Action	Energy and Emissions
 SDG 14: Life Below Water	Materials, Effluents and Waste, Water
 SDG 15: Life On Land	Materials, Biodiversity
 SDG 16: Peace, Justice and Strong Institutions	Human Rights, Anti-Corruption and Compliance
 SDG 17: Partnerships For The Goals	R&D and Innovation

Signing UN Global Compact in 2014, we started supporting its vision of “Sustainable and inclusive global economy” with our commitments.

After the launch of Sustainable Development Goals (SDGs) in 2015 by UN, as Kordsa we aligned our material topics and related best practices with these global challenges. Our material topics are directly related to 13 of the SDG's where the rest are indirectly covered.



OUR SUSTAINABILITY TARGETS AND COMMITMENTS

Strategic Topics	Our Targets and Commitments 2016	Performance in 2016	Targets Towards 2020
		What is achieved?	
Economic Performance	Make the Composite Technologies Center of Excellence operational by 2016	Opened Technopark in the second quarter of 2016	Continue startup of Composite Technologies Center of Excellence
Anti-Corruption	Review Anti-Corruption and Anti-Bribery Policy and customize it covering all operation countries' related compliance	In progress	Complete and distribute it to all plants
	Maintain our performance of zero corruption cases at all locations	No cases occurred	Continuous
Employment	Reduce the high-potential employee turnover rate in all our companies	Average turnover rate at all Kordsa operations was 2.4.	Continuous
	Monitor the suggestion systems implemented at the plants and promote it to be more active	In progress	Restructure the suggestion system to collect sustainable ideas
Occupational Health and Safety	Achieve a zero-accident rate at all our locations	Achieved 24% decrease in recordable cases at all plants	Continuous
	Extend the Finishing Machinery Safety Project to include all plants abroad that have dipping units (Indonesia, Thailand, USA, Brazil), complete the risk analyses of these plants in 2015, and start implementations in 2016	Finished risk analysis at all plants and mechanical closing have been installed	Implementation of machinery safety at all yarn and fabric plants globally
Training and Education	Expand the Global Mentoring Program, increase its effectiveness, and ensure its continuity	In progress	Continuous
	Improve the online platform and increase the number of KEEP training hours	In progress	Continuous
Diversity and Equal Opportunity	Internalize and implement the principles of the Equality at Work Declaration	Started implementing	Continuous
Human Rights Assessments	Maintain our performance of zero discrimination cases at all locations	No cases occurred	Continuous
Supplier Assessments	Review the current supplier assessment system, update policy and procedures considering sustainability topics	New target	Start social and environmental supplier assessments in 2017
	Disseminate the use of Statement on Code of Business Ethics with the contracts of suppliers that we regularly do business with	Started in Turkey	Include all plants by 2018
Customer Privacy	Maintain our company's performance of zero complaints from customers about information security	No customer complaints	Continuous
Compliance	Maintain our performance of zero anti-compliance cases at all locations	No cases	Continuous
	Revise ethical rules and adapt them to current legislation if needed by following the latest developments in the Turkish legislation	Achieved	Continuous
Materials Management	Monitor yarn recycle from all plant and sustain the process	Collected data from all plants in 2016	Sustain yarn recycle rate
	Monitor fabric recycle or reused process materials from all plants	Initiated the project in 2016	Sustain fabric recycle or reused material rate
Energy	Increase the scope and effectiveness of the ISO 50001 Energy Management System	Collected Thailand and Indonesia data in 2015	Continue data collection adding Brazil and two US plants in 2016
	Increase number of projects from all Kordsa plants to reduce energy consumption	Initiated the project in 2016	Continuous
Water Management	Monitor water usage and discharge of all global plants	In progress	Start Water Management Program in 2018 and disseminate at all plants by 2019
Emissions	Start data collection from all plants for CO ₂ calculation and continue CDP Reporting (Scope 1, 2 and 3)	Calculated Scope 1 of all plants in 2016	Collect Scope 1, 2 and 3 data of all plants
	Start CO ₂ Verifications	Turkey plant verification reports have been prepared for 2015 and 2016	Complete all plants in 2018
	Continuously emit an emission that is under the national regulation limit	Sustained all plants' emission values below each local regulations' limits	Continuous
Biodiversity	Complete ISO 14001 gap analysis in 2016 and certification within the following years	Turkey plant is certified. In 2016, Indonesia plant received the certification	Plan certification of Thailand, Brazil and two US plants in the following years
Waste Management	Comply and obtain ISO 14001 directive and local legislation	Continued waste data collection from all plants	Plan ISO 14001 certification of all plants in 2017-2018

CORPORATE GOVERNANCE

INTERNAL STAKEHOLDER VIEW

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

Kordsa manages all its business processes in line with corporate governance principles, being transparent, fair, accountable and responsible.



Kordsa realizes its operations in conformity with the Corporate Governance Principles published by the Capital Markets Board which are transparency, fairness, responsibility and accountability.

Our Board of Directors consists of six members in total; one female member is also a member of Corporate Governance Committee and two independent members are also members of Audit Committee. Only the President and the Vice President hold executive functions.

The responsibilities that Board committees have regarding sustainability and the key stakeholder groups they represent are given in the following table.

Committees Reporting to the Board	Women Members	Responsibility on Economic Impacts	Responsibility on Social Impacts	Responsibility on Environmental Impacts	Key Stakeholders Represented
Audit Committee	0%	Economic Performance Materials Energy	Compliance Anti-Corruption Customer Privacy Supplier Assessments	–	Employees Shareholders Customers Suppliers Investors
Corporate Governance Committee (Nomination Committee and Wage Committee)	40%	Economic Performance	Compliance Anti-Corruption Employment Human Rights Assessments	–	Employees Shareholders Investors Local Communities and Governments
Early Risk Identification Committee	33%	All Impacts	Compliance Anti-corruption Occupational Health and Safety Customer Privacy	Energy Emissions Water Effluents & Waste Materials Biodiversity	Employees Shareholders Customers Suppliers Investors Local Communities and Governments

BUSINESS ETHICS

INTERNAL STAKEHOLDER VIEW

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

Kordsa's policies, trainings and audits on compliance including anti-bribery and anti-corruption are adequate.



The Code of Business Ethics that regulates Kordsa'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, in all its operations and relationships, abides by the Code of Business Ethics, approved by the Kordsa Board of Directors.

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

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

Compliance Management

The Legal Obligations topic under the Kordsa 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.

At Kordsa Turkey we have not received any monetary or administrative penalties during the reporting period for breach of any laws or regulations, including those on the environment. There was not any case brought to our attention through conflict resolution mechanisms, either. Our goal is to continue our 'zero negative impact' performance of 2016 in 2017.

Anti-Corruption

Anti-corruption is one of the ten fundamental principles of the UN Global Compact that Kordsa signed in 2014. Communication and trainings on anti-corruption in Kordsa cover all our employees in line with our Code of Business Ethics. Ethics Committee and Internal Audit functions monitor cases on anti-corruption, whistleblowing being also in charge of sanctions and reports to Sabancı Holding Ethics Committee.

In 2015, we published Kordsa Anti-Corruption and Anti-Bribery Policy, which is based on Turkish law, covering all our employees, suppliers and customers. It is publicly available on our web site. We communicate our approach to all our stakeholders. In 2017, we plan to update our policy considering the relevant laws of the countries we operate in.

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

ECONOMIC PERFORMANCE



Through our new products we developed with our know-how, we export technology as well as the knowledge and experience of Turkish engineering to the world. Kordsa is among the leading producers of Nylon 6.6 and HMLS polyester products in the world.

AWARDS and ACHIEVEMENTS



Kordsa received The Export Star of The Year Grand Award. (Turkish Exporters Association)

May 2016



Kordsa won the Primaniyatra Export Award which is given to the companies that support the development of the country's economy. (Indonesian Ministry of Commerce)

October 2016



Kordsa took its place among the 100 Fastest Growing Companies (Infobank Magazine Awards, Indonesia)

2016



Kordsa was announced to be the 145th largest company of the Turkish economy in terms of sales volume. (ISO Istanbul Industrial Chamber)

2016



CONTRIBUTIONS TO THE ECONOMY

INTERNAL STAKEHOLDER VIEW

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

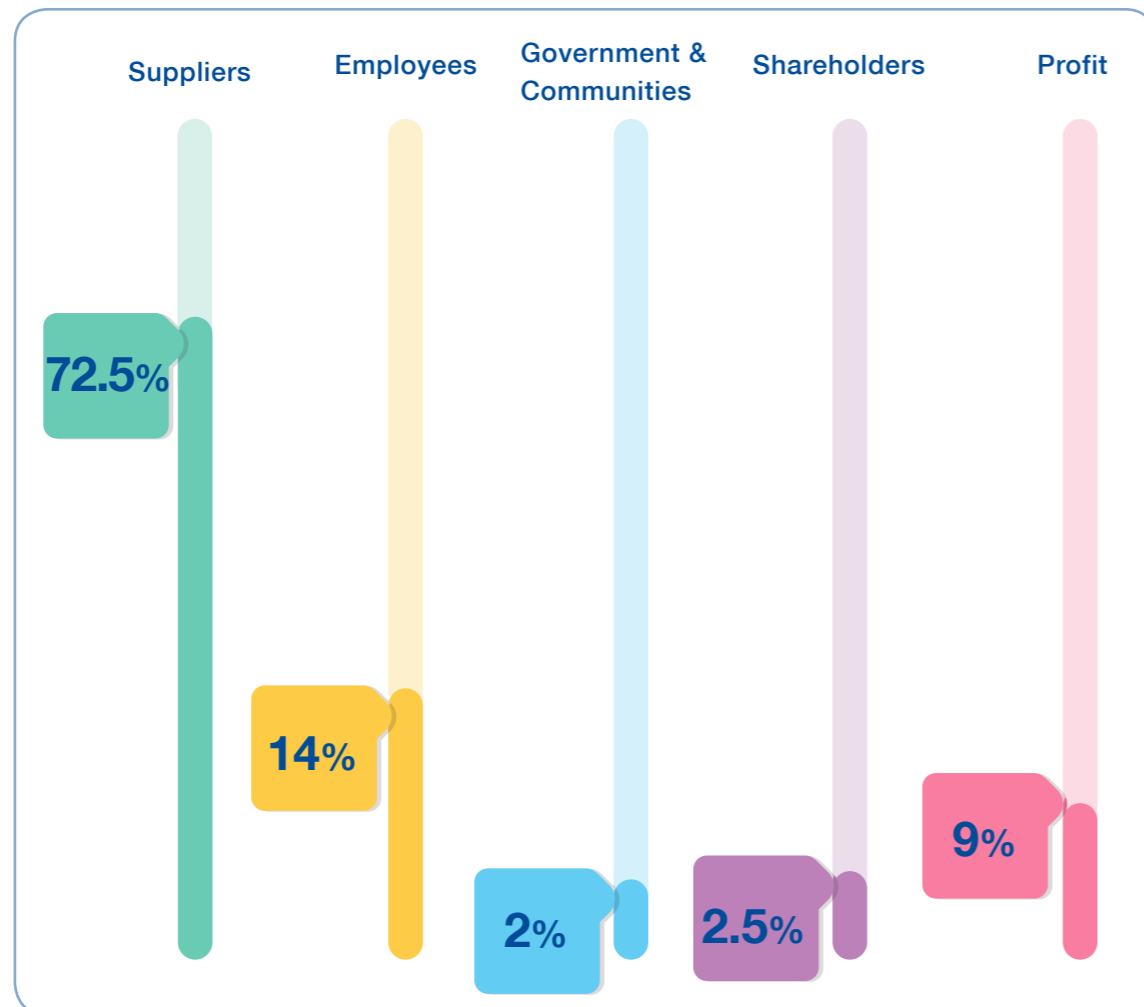
Kordsa creates significant economic value for its key stakeholders.

At Kordsa we increased our profitability in our core business by 40.8% in 2016 and ensured sustainable growth. On one hand, we focused on efficiency in production and competitiveness in cost, and on the other, we improved our economic performance with our differentiation strategy. We continued to offer value to our stakeholders both with the economy we created and our investments in 2016. For our R&D and new building investments at Istanbul Technopark, we received around 20.8 million TL government tax discounts and incentives in 2016.

The Value We Distribute to Our Stakeholders

In direct proportion to the increase in profits in 2016, our community investments rose by 23%. We donated more than 8.53 million TL to educational institutions like Sabancı University and selected educational institutions in need, as well as NGO's like TEMA, (The Turkish Foundation for Combatting Soil Erosion, For Reforestation and the Protection of Natural Habitats) and the Spinal Cord Paralytics Association of Turkey. Just like the previous years, our suppliers received the highest share of the economic value we distributed to our stakeholders in 2016 by 72.5% and employees followed by 14%.

Economic Value Distributed to Our Stakeholders



CONTRIBUTIONS TO THE ECONOMY



Total Product Maintenance (TPM) Integration

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

TPM Integration is designed to reach zero-accident target, to preserve quality problems and to identify root causes of recurring failures and develop stable solutions to eliminate them. It started at Kordsa Turkey facilities in May 2015, under the guidance of Tire Cord Fabric Production and Lean Management Department, with a feasibility tour and an awareness-raising training.

With TPM, we aim to improve our staff's knowledge, skills and competencies in monitoring, analyzing and taking timely action about their responsibilities; elevate the level of employee engagement at the factory in order to reach zero-failure target that will boost efficiency and thus sustain customer satisfaction.

Including methods trainings and consultancy services, ranging according to their size of site, we invest between USD 70 thousand to USD 130 thousand annually for each plant that we implement TPM.

We believe that our TPM integration targets, which are reflected to our individual targets cascaded towards supervisor level and in parallel to our performance targets coming from our strategic plans, will create a positive impact in reaching our corporate goals.

Nevertheless, we started monitoring the positive impacts of TPM activities on our occupational health and safety, customer satisfaction about quality, overall equipment efficiency (OEE) and, productivity and cost margin targets.

Economic results and gains

Preventing labor and machine loss, reducing costs due to high production based on increase in machine efficiency, increasing employee productivity as a result of effective use of labor time.

Social results and gains

Creating positive working environment induced by zero-accident and zero quality defect, being a preferred place to work, increasing communication among employees, realizing similar perceptions, strengthening team spirit, sharing and owning responsibilities, improving personal skills and competencies.

Environmental results and gains

Managing waste effectively, increasing perception of employees on waste, increasing environmental sensitivity due to motivation created by contributing to environmental protection.

Corporate results and gains

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

Activities of 2016

We provided TPM Pillars awareness trainings to managers and upper management. In line with the master plan we completed all TPM activities and trainings of blue and white-collar employees at the sites. Depending on the deployment plans, we created Autonomous Maintenance, Planned Maintenance and Focused Improved Committees at the sites.

In Kordsa Turkey, our mother plant, we restructured Recognition and Awarding Monitoring System covering the suggestion system and Kaizen works. We evaluated the successful teams working on TPM through the Recognition and Awarding System and selected the most successful ones. We plan to select and award the best TPM team evaluating all teams throughout the sites.

During the reporting period;

- **Kordsa Turkey** continued to work on Autonomous Maintenance, Planned Maintenance and Focused Improved and also created 2017 plans to start working on Safety, Health and Environment, Early Management, Office TPM and Education & Training pillars.
- **Kordsa Indonesia** continued to work on Autonomous Maintenance, Planned Maintenance and Focused Improved and also created 2017 plans to start working on Safety, Health and Environment, Early Management pillars.
- **Kordsa Thailand** and **Kordsa Brazil** continued to work on Autonomous Maintenance and Planned Maintenance Pillars.
- **Kordsa USA** Laurel Hill focused on 5S and Autonomous Maintenance, whereas Chattanooga Plant focused on 5S activities.

Our Future Plans

Our future plans are to continue trainings where basic pillars and expectations of TPM are covered to increase, awareness and engagement of the management teams at the plants; activating all TPM pillars and make sure committees manage the processes, launch global sharing platform to deploy Kordsa Improvement Groups projects throughout the plants, start preliminary preparations to participate in TPM excellence award process and publish Kordsa's TPM activity book.



R&D AND INNOVATION

In product and service differentiation R&D and innovation, which is an integral part of our corporate culture, is located at the foundation of our business strategy, together with operational excellence.

As our technology function at our R&D centers in Kocaeli and İstanbul, enables more effective conditions for production through its research and development activities on materials, processes and equipment, we achieve to be the market and technology leader, and offer our customers more competitive and innovative products.

As Kordsa we cooperate with institutions such as Tübitak MAM (Marmara Research Center), Sabancı University, Boğaziçi University, Koç University, Bilkent University, University of Akron, the Tokyo Institute of Technology and Aachen University. In subject matters that come up in our projects but are outside the scope of our own area of expertise, we contact universities, 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 impacts.

At the Composite Technologies Center of Excellence that we established in cooperation with Sabancı University in 2014, we will be active in postgraduate education, basic and implementer research, product development, production, incubation services and commercialization activities on composite material technologies.

We also continue branding processes of new products. In 2015, we added The Reinforcer brand to Twixtra, Monolyx, Capmax, Hartech and Kratos brands we created since the establishment of our R&D Center.

In 2016, we registered our green cord's industrial design. We also established a concrete laboratory to speed of new product development works of Construction Reinforcement Business Unit.

At our Composite Technologies Business Unit we achieved to produce preregs by weaving carbon fiber materials.

Figures of R&D and Innovation



72 Approved R&D Projects
(Ministry of Science, Industry and Technology)



407 Total Patent Applications
121 Patents Granted



69 Personnel (R&D Center)
17 Personnel (Composite Technologies Center of Excellence)



USD 42 Million (New Product Sales)



TL 16.5 Million
(Average annual budget allocated to R&D activities since 2014)



INNOVATIVE PRODUCTS OF KORDSA



Capmax[®]

Capmax[®] which is developed at Kordsa facilities in 2014, is a ready to use textile reinforcement product that can be directly applied at the tire building machinery without the need of coating rubber. Capmax[®] decreases the production costs and increases efficiency, by eliminating many stages in tire production such as calendaring and cutting. By reducing rolling resistance, which contributes to the reduction in fuel consumption, Capmax[®] also creates cost advantage for the end users. The potential market for Capmax[®], is the global light vehicle tires market, where cap- ply is utilized.



Kordsa launched Twixtra[®] that can be acknowledged as the world's lightest hybrid cord product, in 2013. Products with combination of different kinds of fibers in one cord are called hybrid cords. The manufacturers' choice in high performance tires is the Aramid-Nylon 6.6 hybrid cord structure. The product is very much lighter compared to its predecessor, it allows the tire to be produced with less raw materials. Lighter tires mean better fuel consumption.

Positive sustainability impacts created by these products are;

Economic

- New style ready to use product
- Efficient and faster production process
- Improved total cost of use

Social

- More safety for all rubber goods
- Comfortable ride in higher speeds

Environmental

- Lower fabric usage so less weight of goods
- Higher endurance and so less pollution

Corporate

- High value-added product in portfolio
- Leverage for know-how
- Prestige



Composite Technologies Center of Excellence

In August 2016, we officially opened the Composite Technologies Center of Excellence in cooperation with Sabancı University, with an investment value of USD 30 million.

In order to maintain Kordsa's sustainable and profitable growth, we decided to transfer our experience in tire sector to adjacent sectors. With the investments in the composites market, we aim to reach aviation, automotive, maritime and rail systems sectors. Offering high value-added products and services our objective is to contribute to our country's targets for 2023.

Our center serves as one of the best test laboratories and one of the top producers of high performance composite material as intermediate product.

Established to produce the technology of the future, Composite Technologies Center of Excellence, received LEED Gold Certificate in 2016 as a result of its qualities of being an environment friendly and sustainable building using the energy and water resources with maximum efficiency.

Targeted Economic Gains

We aim to initiate projects geared towards minimizing Turkey's dependence on foreign product development and manufacturing capabilities in strategic areas, in the short- and medium-term.

Targeted Social Gains

As a first in Turkey, we host such an industry-university collaboration structure that is under one roof and which covers all phases from R&D to production of high technology high performance composite products.

We would like this platform to be the technology base of Turkey and to make a significant contribution to solve the qualified human resources shortage in this field.

Targeted Environmental Gains

Composite material enables vehicles to be more durable and lighter creating energy efficiency. Our priority at the Composite Technologies Center of Excellence is to develop environment-friendly technologies.

Targeted Corporate Gains

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

Kordsa Supports Engineering Clubs at Universities

As Kordsa, we support projects relevant to our business lines in order to enhance communication between universities and industry, and contribute to the development of engineering and material technologies. We sponsor Yıldız Technical University MAKTEK Student Club's Formula Student project and Wind Power Club's wind car project Bora, via our Composite Reinforcement Business Line leadership.

Formula Student is regarded as the world's biggest engineering competition among university students where vehicles designed solely by students are evaluated on categories such as acceleration, cost, fuel efficiency, and business plan. Racing Aeolus, which we sponsored the participation of Bora vehicle is one of the world's biggest sustainability themed competitions.

The goal of the Formula Student project is to design the vehicle so that the vehicle weight will be decreased gradually while paying attention to cost, performance and fuel efficiency. The goal of the Bora project is to mobilize the vehicle via mechanical transmission using wind power the most efficient way possible.

As Kordsa, we supply carbon fabric and prepreg material besides providing technical consultancy in composite part designs in both projects. We plan to continue supporting these projects and supplying materials.

Targeted Social Gains

Enhance communication with universities and student groups.

Targeted Environmental Gains

Achieve fuel efficiency in Formula Student project; draw attention to wind power (clean energy) resources in Bora project.

Targeted Corporate Gains

Increase knowledge accumulation and awareness on material technologies in Turkey.



PROCUREMENT AND SUPPLIERS

INTERNAL STAKEHOLDER VIEW

79% of our employees who responded to the sustainability assessment survey think that...

Kordsa's policies, trainings and audits on human rights concerning its suppliers's operations are adequate.

Breakdown of Purchasing Expenditures

	2015	2016	
Raw Materials	57%	52%	↓
Chemicals	8%	8%	—
Materials	3%	2%	↓
Packaging	3%	3%	—
Energy	14%	11%	↓
Other Products & Services	13%	19%	↑
Management Expenditures	2%	4%	↑

Shares of Purchasing Functions

	2015	2016	
Global Purchasing	69%	70%	↑
Local Purchasing	31%	30%	↓

Supply Chain

The global purchasing function, located at our headquarters in Istanbul, is responsible for the procurement of the raw materials used in at least 2 of the 8 plants in 5 countries and/or whose supply is considered critical, in addition to capex and service procurements above a specific budget, as well as the service procurements of a specified budget for 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. The suppliers of which the trading terms are specified by Global Purchasing Department are also managed by local purchasing departments in terms of operational order processes. The import ratio of Kordsa Turkey is 63%.

In 2016, within the framework of spare parts category project overseen by Global Purchasing, we targeted total cost reduction as a result of consolidation of spare parts at all plants, local purchasing of items with high budget allocation, resource optimization and deployment of experience throughout the organization. Concurrently, we carry out procurement from the local suppliers for the project of acquiring equipment to improve production quality.

As Kordsa produces nylon and polyester yarns, cord fabric, single end cord, concrete reinforcement fiber and composite, our main procurement items consist of raw materials and energy

Supplier Assessments

As Kordsa we require our suppliers and business partners to operate in accordance with the principles in the Statement on Code of Business Ethics prepared based on Kordsa Ethics Code. This code outlines our company's expectations for the undersigned conduct regarding labor and human rights, health and safety, environmental protection, ethics, and management practices.

At Kordsa our key suppliers are the ones that provide the input products and raw materials for our production.

Our priority criterion in the selection of suppliers is the provision of products, which meet our production quality expectations. Before we start purchasing from a supplier, its product has to be approved by our R&D department. After this product approval, the supplier assessment process starts.

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

Supplier assessments conducted by our Global and Site Purchasing Teams includes the following criteria; Leadership and Quality Commitment, Process and Product Design Quality, Supplier Quality Management, Production Quality Management, Customer Quality Management, Continuous Improvement, People / HR and Safety & Environment.

To date our occupational safety inspection included availability of OHSAH 18001 occupational health and safety management systems certification and environmental evaluation included availability of a ISO 14001 environmental management system certification at our suppliers. Starting from 2017, we will to include the implementation of a more comprehensive sustainability impact assessment in addition to our current processes. The sustainability scores of suppliers will directly impact on the overall assessment system.

In 2016, as a result of our audits, 5 suppliers fell in 'need to improve' class and received corrective action requests. Our Global and Site Purchasing Teams decided and planned to audit 3 of these suppliers in 2017.

On the other side, we stopped working with one of our materials suppliers as a result of its low performance on the general evaluations.

CUSTOMER PRIVACY

INTERNAL STAKEHOLDER VIEW

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

Kordsa's practices, audits as well as employee awareness-raising activities to ensure and protect customer privacy are adequate.

As one of our values that support our strategic initiatives, being 'customer- focused' includes not only offering innovative, accurate and tailor-made solutions to our customers and 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, 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 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 to meet 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. At Kordsa we do not have a written policy on customer privacy other than its general policy within the scope of ISO 27001 standards on information security.

Since we have not received any confirmed complaints, by any customer, regulatory body or third party, concerning violations of customer privacy or loss of customer data for the last five years, Kordsa has high 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 has a dedicated IP (Intellectual Property) department.



SOCIAL PERFORMANCE



At Kordsa, diversity in human resources and sensitivity on human rights make up the foundation of our strong corporate culture. We consider the traditions and cultures of all the countries we operate in and treat our people and communities responsibly in compliance with our Code of Business Ethics. We manage our human resources of 3,790 including subcontractors in five countries, with practices based on our global strategy.



AWARDS and ACHIEVEMENTS

Kordsa is selected as the 7th Best Employer of Bahia Region in Brazil.

(Great Place to Work Institute)

May 2016



Kordsa received the Unique Employer-Worker Relations and Serenity at Workplace Award for the 7th time.

(Thailand Ministry of Labor)

July 2016



EMPLOYMENT

INTERNAL STAKEHOLDER VIEW

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

At Kordsa, the communication channels for employees to share their ideas and opinions with the management are adequate.

We see our human resources as the most valuable capital of Kordsa. From recruitment to retirement our priorities are to secure their health and safety, to enhance personal and occupational development and to provide them with a pleasant work environment where their employee and human rights are fully assured.

We monitor our employee satisfaction through employee engagement surveys, roundtable meetings with the CEO and ELT where they listen to employees' opinions and receive their feedback and also with white-collar / blue-collar interaction meetings. All Kordsa employees are subject to regular performance and career development evaluations.

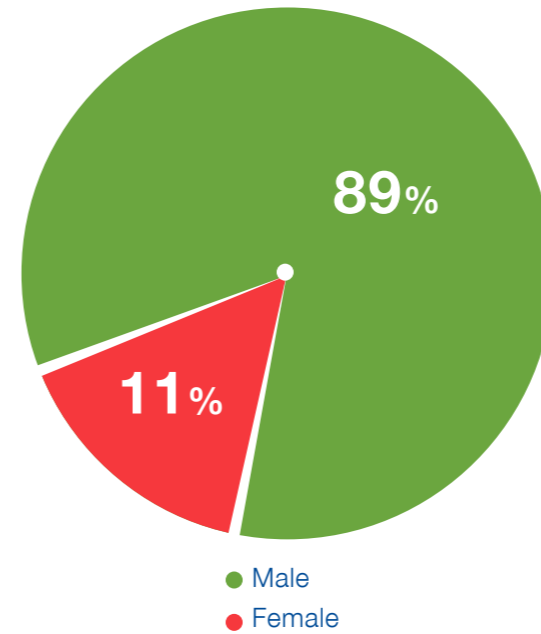
We provide overseas assignments to ensure the personal development of employees, defined as 'talents', and to develop a common culture across all Kordsa plants. There are 14 ex-pat employees working on long term assignments at Kordsa's plants overseas where 4 are assigned within 2016.

The average employee tenure across Kordsa plants is 11.6 years. As of 2016, the longest period is in Indonesia with 14 years. Our 3.6% employee turnover rate in 2015 decreased and became 2.4%

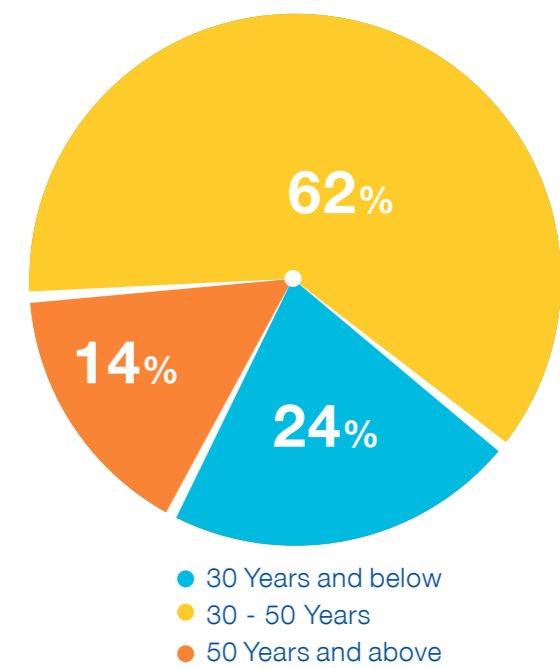
in 2016. The dismissal rates, including retirements and completed contracts, was 10% for female employees and 8% for male employees, in 2016.

Detailed data on employee turnover for all our plants can be found in the social performance tables.

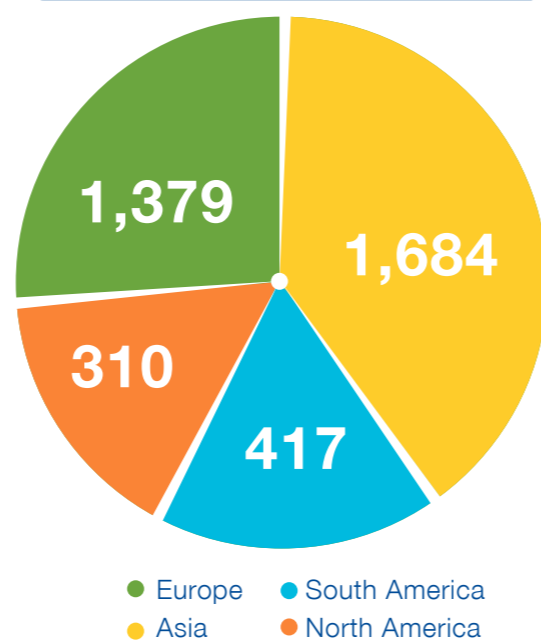
Employees by Gender



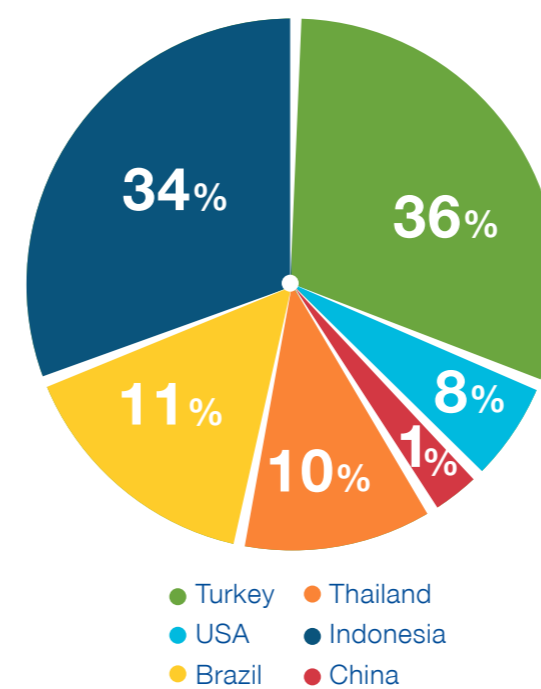
Employees by Age Group



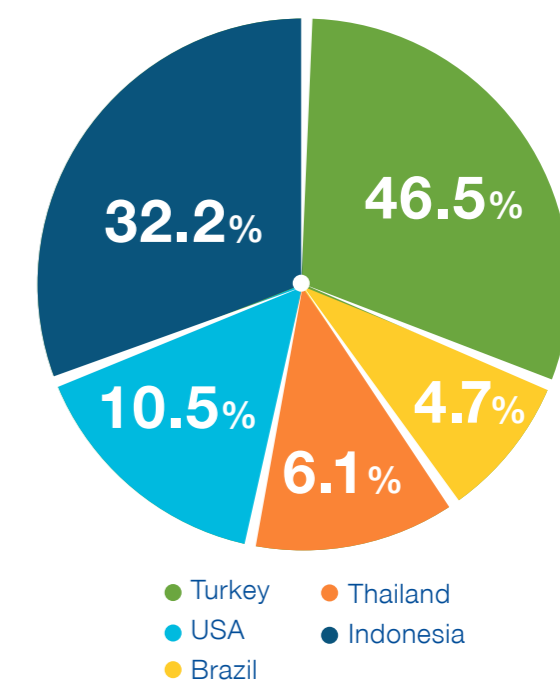
Number of Employees



Employees by Region



Employee Dismissals by Region



*Includes sub-contractors

* Includes retirements and completed contracts

REINforest

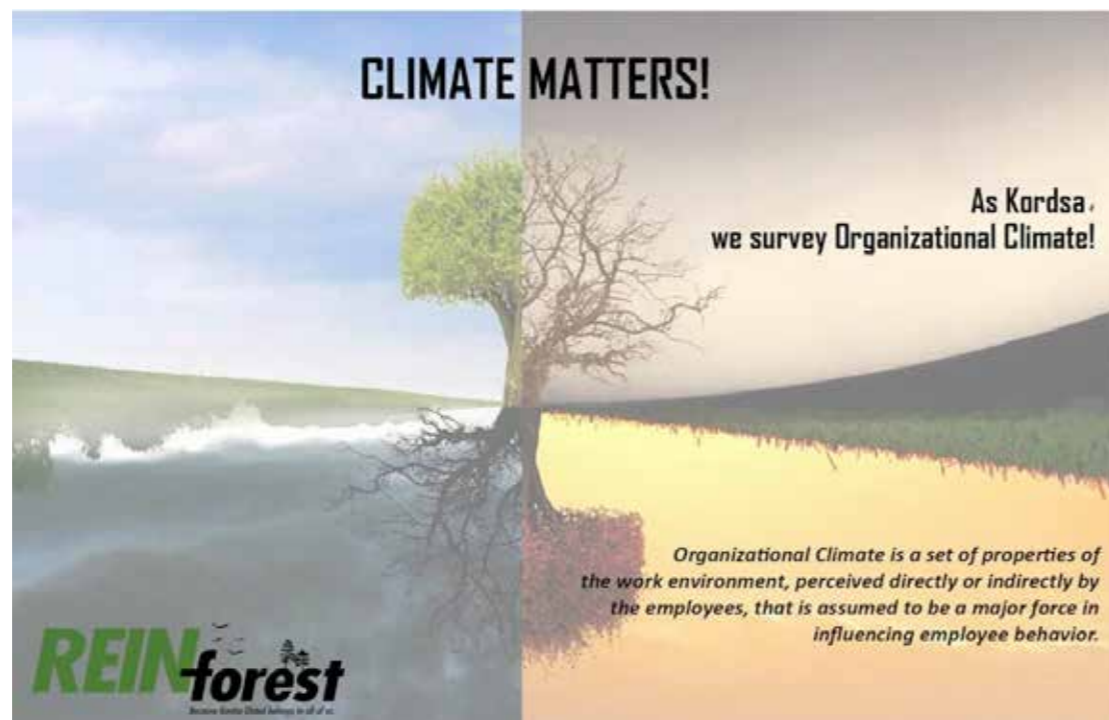
Because Kordsa Global belongs to all of us.

In 2016, we grouped processes of climate, culture and engagement surveys under the roof of Reinform brand and began to conduct our human resources activities with this internal brand's framework.

The Reinform concept is derived from the words rainforest which regulates earth's climate, and our market placement Reinforcer, which represents Kordsa's reinforcement products, and is promptly embraced by our staff. We intend to empower our employees via Reinform brand, which we developed by integrating Kordsa's reinforcer positioning with climate, culture and engagement components that interact and trigger each other, and with our practices that support it.

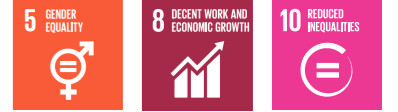
We began to observe the positive outcomes of these practices by the employee satisfaction survey we executed in 2016 where engagement ratio in 2014 raised from 44% to 62% in 2016.

**Rainforests regulate the world's climate by drawing water from the forest floor and releasing it back in to the atmosphere in the form of mists and clouds and preventing droughts, which drive many other social and environmental problems. Rainforest trees also absorb the carbon dioxide that we exhale, and provide the oxygen we need to breathe.*



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

DIVERSITY AND EQUAL OPPORTUNITY



INTERNAL STAKEHOLDER VIEW

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

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

At Kordsa, we mainstream equality from recruitment to retirement providing equal work environment for men and women. We support our approach complying with the principles of international initiatives. In the previous years we signed Equality at Work Declaration and we started supporting United Nations Women's Empowerment Principles.

Both of these platforms we support work to fight against gender inequalities, encourage women's participation in business life, empower women in decision-making mechanisms and ensure

that women enjoy opportunities and resources equally.

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 male 56 employees from all plants, who earned maternity leave during the previous reporting period used their leaves fully and returned to work at Kordsa for at least another 12 months.



Women's Co. (Equality at Work Project)

In 2016, our Human Resources Department launched Women's Co. Project for women employees at Kordsa plants across the globe. The primary concern of the project is to raise awareness and consciousness among employees, starting from the top management, regarding gender equality. Our objective is to design a systematic approach in equality at work and integrate all our efforts under this framework.

10 Kordsa employees are actively involved in the project in which we try to increase the number of women employees where the ratio is low, and empower them to become more competent in both their work and private lives.

The actions we took to incorporate these practices in our processes are; identification of local and

global targets, detailed analysis of women-men employees, observation of women's expectations through surveys and their satisfaction level regarding the current situation, and designing development programs in line with the survey results. The objectives of the project that cover numerous cultures in 4 continents are valid for the next 5 years.

Targeted Social Gains

Empower women employees to become more competent in their work and private lives.

Targeted Economic Gains

Increase women employment

Targeted Corporate Gains

Create opportunities for women employees to be more effective in decision making mechanisms that will lead us to reach our corporate objectives

HUMAN RIGHTS ASSESSMENTS



INTERNAL STAKEHOLDER VIEW

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

Kordsa's policies, trainings and audits on human rights in its locations are adequate.

At Kordsa, our approach towards our people is honest and fair. We commit to a non-discriminative working environment for all, making sure our people enjoy their employee rights fully and properly.

Kordsa Code of Business Ethics is our company's guiding policy for human and employment rights. The policy is valid for all Kordsa locations, companies and suppliers. Additionally, Kordsa's employment and labor practices are in compliance with all applicable laws and regulations in countries it operates.

Like all our employees, our security staff is also trained on code of ethics including our human rights policies upon recruitment. Human rights risks and complaints in the company are audited both internally and externally by third parties. We have not received any complaints about human rights violation from our employees at any of our locations, in 2016. In line with our Code of Business Ethics and company policies, forced

or involuntary labor and child labor are strictly prohibited across all Kordsa locations.

Employees who feel or suspect a violation of our Fair Working Environment Policy, which is a part of our Global Code of Ethics, 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 2016.

The total number of employees under any type of collective agreement in Turkey, in Indonesia, and in Brazil is 1,798 with a ratio of 47%. Our employees in USA, Thailand and China are not unionized. Kordsa supports freedom of association and there has been no incidence of violation for freedom of association in 2016. Our activities do not bear any apparent risk concerning these issues.

(GRI 102-41)



INTERNAL STAKEHOLDER VIEW

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

Kordsa's personal development and training programs provided for its employees are adequate.

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

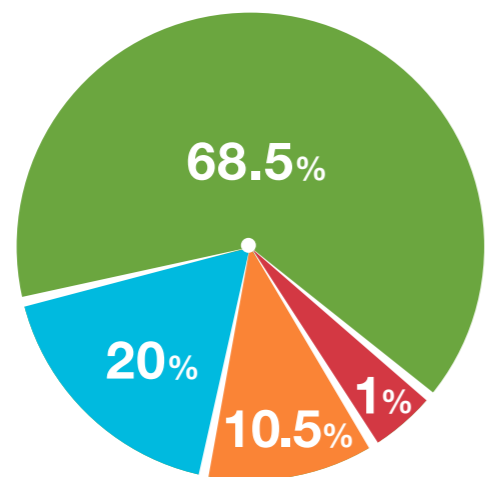
We use performance and competency evaluation results, employee development and career plans, and similar resources to identify employees' training needs and to devise training plans; and we always consider company needs and legal requirements besides employees' individual requests.

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

The total hours in training increased by 4% reaching 199,179 hours in the reporting period. The majority of training was career development with 68.5%.

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

Breakdown of Trainings



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



Talent Management at Kordsa

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

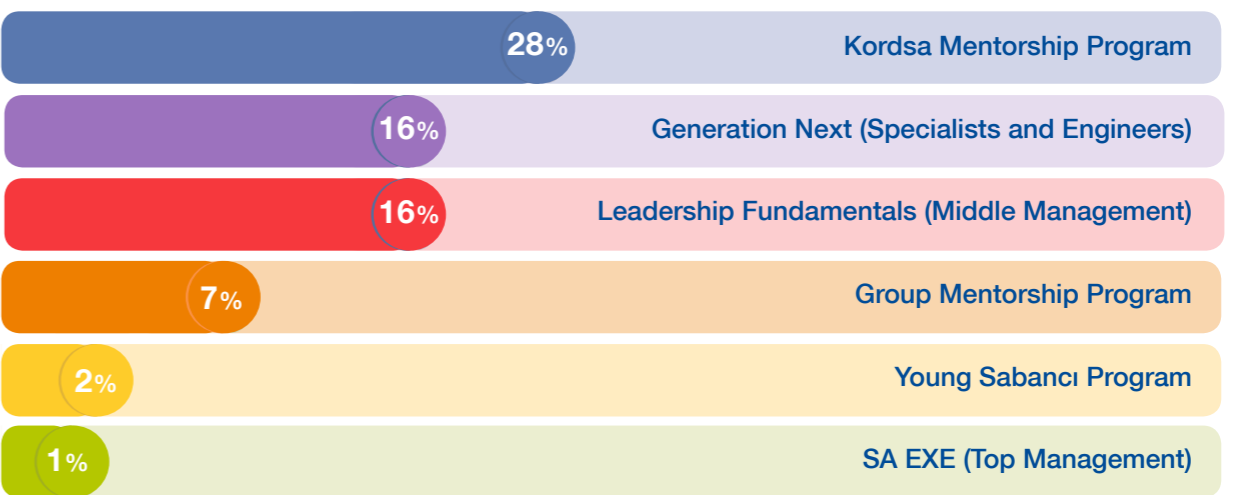
Global Development Programs are; Generation Next for specialist-engineer level; Leadership Fundamentals for middle-level management; and SALT Sabancı Leadership Team for upper-level

management. Global Development Programs focus on developing technical expertise and leadership.

Mentorship: Starting in 2014, the mentorship program is implemented across all Sabancı Holding companies also accepts Kordsa talents at specialist-engineer and manager level, as 'mentees'.

Training: 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.

Talent Management Trainings





KORDSA E-LEARNING EMPOWERMENT PLATFORM

KEEP (Kordsa E-Learning & Empowerment Platform)

Since 2010, KEEP serves as an easily accessible and individualized training program tailored to our company, and to cascade the technical expertise of the world leader in the industry to all our employees in a more efficient, quicker and time-effective method. 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. In 2016, we delivered 792 hours of training over KEEP to our employees.



All Stars

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

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

Each employee is encouraged to participate with any project of her taste. The process starts at the end of each year. After evaluation

by judging team, ELT reviews the results. Submission of projects and evaluation take approximately two months. All employees are invited to awards ceremony that takes place in the following year.

In All Stars 2016, we rewarded USD 100 thousand to 30 projects owned by 260 employees which of 830 participated with different projects.

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



OCCUPATIONAL HEALTH AND SAFETY



INTERNAL STAKEHOLDER VIEW

89% of our employees who responded to the sustainability assessment survey think that...

Kordsa takes necessary measures sufficient to oversee and secure health and safety of its employees.

Health and safety of our employees comes first among our company's strategic sustainability priorities. The common and only goal of all our people and departments in charge of occupational safety is to attain zero occupational accident and disease.

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

We have Management-Worker Health and Safety Committees in all our facilities with the same operating structure. 100% of our workforce is represented in these committees.

Globally we are executing two projects on OHS; Safety Experience Center and Safety Dipping Machine. Data on the OHS performance of the entire plants can be found in the social performance tables.



Safety Experience Center

Safety, Health, and Environment is our first value in our strategy house. We demonstrate this value by investing on Safety Experience Centers at all our plants. This project is aligned with our Total Production Management (TPM) Project. We initiated this project at Indonesia in 2015 and followed with Turkey and Brazil plants in 2016. US Chatanooga, US Laurel Hill and Thailand plants are targeting implementations in 2017.

Safety Experience Center is series of training simulators, that is developed to make people "experience" the accidents and "feel" its aftermath when it occurs. At the end of training, every member is assessed and evaluated for their understanding. If expected awareness has not been achieved, the member will be retrained. Our aim is to train all employees and contractors in order to achieve our injury-free days and as a result to create positive indirect economic impact on our company due to reduced lost days.

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 prevent machine-related accidents. Although this project falls within the scope of EN 12100 Safety of Machinery Standard and other related industrial EN standards, it is entirely voluntary.

In our Turkey plant we started the pilot risk analysis in 2015. We started implementation of the project in 2016 where we had no accidents related with machinery safety in dipping unit. We expanded the project scope to cover all plants with dipping units; Indonesia, Thailand, USA, and Brazil and completed risk analyses for all in 2015. We finished installation of mechanical guarding of Indonesia and Thailand plants in 2016 and plan to start implementations at Brazil and US plants in 2017.



OCCUPATIONAL HEALTH AND SAFETY



Project Name:	Mechanical Shut Down and Electronic Automation Works for Machine Safety at Dipping Units	Term: October 2015 – December 2017
Objective:	To make machines safer and prevent accidents	
Targeted Gains:	Social: Securing the sustainability of safe work environment Economic: Preventing accidents thereby reducing stops and employment losses Corporate: Increasing employee motivation	

Project Name:	Project on Preventing Huge Industrial Accidents	Term: September 2016 – December 2016
Objective:	To prevent huge industrial accidents, reduce the impacts of possible incidents on people and environment, ensure high quality, effective and continuous security and design the necessary methods and prepare procedures in production lines containing hazardous materials	
Results and Gains:	Social: We contributed to securing the sustainability of safe work environment. Environmental: We contributed to environmental protection. Economic / Corporate: We prepared for the identification and prevention of accidents such as huge emissions, fires, explosions that occur because of one or more hazardous substances, which cause harm on humans and/or environment instantly or gradually and, which emerge internally or externally during the operations of the plant.	

Project Name:	Ergonomics Improvement at Pack Shop	Term: October 2016 – June 2017
Objective:	To eliminate ergonomic problems in the distribution, washing and collection processes of pack equipment and reduce total ergonomic risk points by 50%	
Targeted Gains:	Social: Securing employee health and motivation. Economic: Reducing lost time.	

Project Name:	OHS Emergency Situation Mobile Application	Term: March 2016
Objective:	To quickly access the staff at emergency situations, reduce check-in time from 30 minutes to less than 15 minutes	
Results and Gains:	Social: We contributed to protection of employee health and motivation. Environmental: We speeded up communication and reduced intervention span. Economic: We reduced employment losses. Corporate: We enhanced system reliability and added value to our business through technology based applications.	

Project Name:	Line 1 Ergonomics Improvement Efforts	Term: February 2016 – January 2017
Objective:	To abolish ergonomic difficulties and resolve problems, therefore contribute to security of work environment	
Results and Gains:	Social: We contributed to protection of employee health and motivation. Economic: We reduced lost times. Corporate: We eliminated ergonomics problems and accident risks.	

Project Name:	Doffer Safety Improvement	Term: October 2016
Objective:	To ensure the occupational safety of operators with doffer equipment, safeguard visitors entering the site, provide doffer equipment to operate continuously	
Results and Gains:	Social: We contributed to securing the sustainability of safe work environment Economic: We reduced lost times by preventing accidents. Corporate: We contributed to the enhancement of employee motivation.	



Best Achieved Injury Free Hours at Kordsa Facilities

	2015	2016	
Turkey	1,964,071	1,964,071	—
Thailand	3,210,448	3,210,448	—
USA-CH	621,540	818,902	↑
USA-LH	312,500	648,316	↑
Indonesia	2,923,648	2,923,648	—
Brazil	1,252,333	1,252,333	—

OCCUPATIONAL HEALTH AND SAFETY

Management-Worker Health and Safety Committees

Name of Committee	Definition	Legal / Voluntary	Participants
Emergency Response Team	Organized for all shifts in the plant.	Legally required	Blue and white-collar employees
Energy Committee	Monitors energy use and ISO 50001; prepares energy reports and manages energy reduction projects.	Legally required	White-collar employees, and Maintenance Manager as Chairman
Electrical Safety Committee	Lays down all rules and standards on electricity hazards in the plant; makes inspections and provides training.	Company initiative	Mostly white-collar and also blue-collar employees
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 by this committee.	Legally required	Employer representatives, union representatives, managers, subcontractor representatives
OHSES (Occupational Health & Safety, Environment & Sustainability) Management Committee	Works to improve OHSES performance, disseminate OHSES culture, manage improvement and development activities, and review performance.	Company initiative	All department managers and representatives, and Operations Director as Chairman
Hazardous Chemicals Committee	Identifies hazards wherever chemicals are used, conducts risk analyses, sets safety markings properly and provides trainings on chemical hazards.	Company initiative	White and blue-collar employees



OHS Training Hours / Employee

	2015	2016	
Turkey	14	7	↓
Thailand	15	17	↑
USA - CH	30	6	↓
USA - LH	14	13	↓
Indonesia	16	12	↓
Brazil	20	32	↑



ENVIRONMENTAL PERFORMANCE



Environmental protection is among the seven values underlying the Kordsa's strategy. Our priority in all our activities and investments we carry out is to prevent environmental pollution through investing in clean technologies and waste management, reduce energy consumption and emissions as well to make efficient use of water. In Turkey plant, we invested over USD 223 thousand for environment protection in 2016.



AWARDS and ACHIEVEMENTS

Composite Technologies Center of Excellence received LEED Gold Certificate, which is presented to energy and environment friendly buildings.

(United States Green Building Council)

November 2016



Kordsa, with the energy efficiency practices it realized in the scope of its sustainability efforts, is granted the Jury's Special Award in the "Project Contest on Energy Efficiency in Industry.

(Ministry of Energy and Natural Resources)

December 2016



ENERGY AND EMISSIONS MANAGEMENT



INTERNAL STAKEHOLDER VIEW

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

Kordsa's investments and projects to assure energy efficiency are adequate.

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

To see the data trends in the reduction of energy (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. In one of our plants our energy consumption increased upto 20%, on the other side, we have achieved up to 28% reduction rates in most of our plants by the end of 2016 compared with 2011.

All related data can be found in the environmental performance tables.

NY Yarn - CH / USA	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	92	78	88	85	72
PES Yarn - Turkey	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	91	82	78	80	80
Dipping - Brazil	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	87	78	83	84	76

INTERNAL STAKEHOLDER VIEW

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

Kordsa's projects and preventive measures to monitor and reduce emissions are adequate.

For the first time in 2014 we calculated our greenhouse gas emissions in Turkey plant, approved by the Ministry in line with the GHG Regulations and started CDP reporting. We started calculating and monitoring our direct emissions (Scope 1) of Indonesia and Thailand plants in 2015 and the rest of the plants in 2016.

We plan to complete data collection from all plants for scope 1, 2 and 3 by 2020.

At Kordsa, we aim to continue emissions management, monitoring and measurements, and to make systematic improvements for emission reduction.

Kordsa Plants	2014 (tCO ₂)	2015 (tCO ₂)	2016 (tCO ₂)
Turkey	30,533	36,695	35,802
Indonesia	n.a.	12,394	17,113
Thailand	n.a.	6,670	7,078
Brazil	n.a.	n.a.	6,411
USA / CH	n.a.	n.a.	14
USA / LH	n.a.	n.a.	3,810

The data is calculated based on natural gas, diesel and LPG consumption.
n.a.: data not available

Project Name:	Energy Efficiency in Lighting Through LED	Term: August 2016 – October 2016
Objective:	To eliminate the falling off, breakage and fracture problems and injury risks related to the lighting fixture covers in spinning site. To reach a constant illumination level with lower energy consumption, while avoiding the efficiency drop the fluorescent lighting fixtures have due to aging.	
Results and Gains:	Social: Machine operators have a better sense of noticing and spotting the pollution around the machines. Environmental: We saved 16,000 kWh/year of energy. Economic: We achieved 50% operational efficiency thereby dropping our annual electricity consumption from 6,000 ₺/year to 3,000 ₺/year.	

Project Name:	Scrubber Gas Washing Systems	Term: July 2015 - November 2015
Objective:	To filter formaldehyde, ammonia and costic gas emissions into the atmosphere in compliance with the Industry Related Air Pollution Control Procedure.	
Results and Gains:	Social: Employee consciousness about the chimney emissions has increased. Environmental: We achieved further improvements on the emission levels released from our sites, which were already within the legal limits, thereby contributing to the environmental protection. Economic: We contributed to the prevention of future environmental damages, the results of which would be extremely difficult to reverse even by material action. Corporate: Our company reached a more effective stage in fighting climate change and strengthened our relationships with the stakeholders such as visitors, auditors and clients who have witnessed our improvements.	

INTERNAL STAKEHOLDER VIEW

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

Kordsa's practices for efficient use of raw materials are adequate.

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

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

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

Starting with our Turkey plant, we started projects to reuse materials and to decrease the consumption of raw materials we use in the production and we aim to generate ideas for projects of other recycling materials in the rest of our plants.

Project to Reuse Paper Tubes

In this project that we developed for Kordsa Turkey plant 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.

We have duplicated this project in the rest of our plants in the following years. In the below chart the data of NY yarn product includes Turkey, Indonesia and US Chattanooga plants and the data on PES yarn product includes Turkey, Indonesia and Brazil plants. Through this project besides directly creating a positive impact on the conservation of natural resources, we saved around USD 1.2 million in 2016.

NY Yarn	Number of Reused Paper Tubes	Savings (USD)
2014	640,329	384,197
2015	833,879	500,327
2016	1,154,218	692,531

PE Yarn	Number of Reused Paper Tubes	Savings (USD)
2014	874,720	524,832
2015	1,166,407	699,844
2016	980,055	588,033

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 upto 78% in the use of chemicals and flake rates at our plants since 2014, our baseline year.

consumption even though Kordsa continued to improve its capacity optimizations in USA, Brazil and Indonesia and R&D programs in Turkey. The table below shows the ratios of data of materials and chemicals used at our plants.

From the graph below we can see that there are no significant increase in chemical

Materials	Plants	2014	2015	2016
TCF Chemical Ratio	Dipping NY - Turkey	1.12	1.13	1.14
	Dipping PE - Turkey	1.23	1.22	1.23
	Dipping - LH / USA	1.03	1.03	1.19
	Dipping - Brazil	1.16	1.14	1.16
	Dipping TCF1 - Indonesia	1.09	1.14	1.17
	Dipping TCF2 - Indonesia	n.a.	n.a.	1.27
	Dipping - Thailand	1.10	1.08	1.06
NY Salt / Flake Ratio	NY Yarn Line 1 - Turkey	1.22	1.17	1.18
	NY Yarn Line 2 - Turkey	1.07	1.02	1.02
	NY Yarn - CH / USA	1.19	1.19	1.22
	NY Yarn - Indonesia	1.02	1.00	1.00
SEC Chemical Ratio	SEC - Turkey	1.30	1.28	1.28
	SEC - Brazil	n.a.	n.a.	1.08

n.a.: data not available



INTERNAL STAKEHOLDER VIEW

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

Kordsa's practices to manage waste and wastewater to prevent environmental pollution are adequate.

In Kordsa plants, disposal, recovery and reuse of production wastes and wastewater occurring are among our regular activities as specified by law. We dispose 100% of the wastes created at our plants through recycling, reclamation, landfill, incineration and direct disposal based on national regulations.

Other priorities include reduction of hazardous waste, increased recovery rates, and creating reuse opportunities. At least 65% of wastes arising in Kordsa Turkey are either recoverable or reusable. In the rest of our operations, in accordance with national regulations, we

segregate our waste based on hazardous and non-hazardous criteria.

In Thailand, our hazardous waste amount decreased by %23, while it increased in Turkey and Indonesia due to capacity increases during 2016. We started collecting waste data of Brazil and US plants in 2016.

In 2016, with our ongoing projects to recover some of our materials to reuse them in the production, we have both efficiently used our corporate resources and also prevented environmental pollution.

Hazardous Waste (tons)	2014	2015	2016
Turkey	1,240	1,331	1,714
Indonesia	n.a.	309	1,069
Thailand	n.a.	144	111
USA / CH	n.a.	n.a.	466
USA / LH	n.a.	n.a.	112
Brazil	n.a.	n.a.	9

n.a.: data not available

Use of the Recycle Chip Machine

At Kordsa Turkey, we generate the waste accumulated during Nylon 6.6 yarn production process into Nylon 6.6 chips to be used in engineering plastics industry.

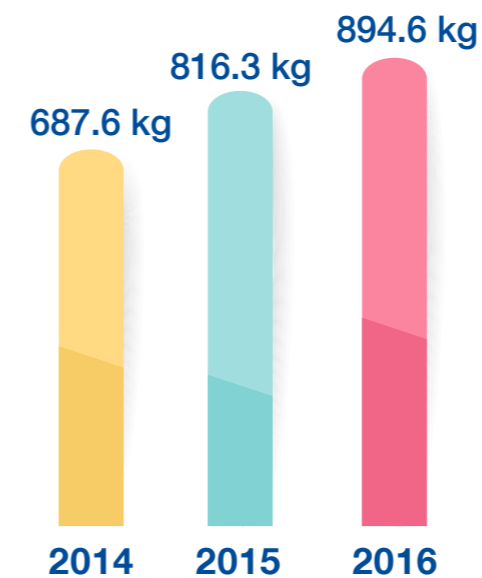
We have been using the recycle chip machine for manufacturing since 2013. The idea was selected among innovative ideas as an R&D project.

Economic and Environmental Impacts and Gains:

Manufacturers of engineering plastics in Turkey now import less Nylon 6.6 raw materials, and they were able to increase their profitability by decreasing raw material costs.

- We turned Nylon 6.6 yarn waste into a high value-added product, thus increasing its profitability.
- We contributed to the preservation of natural resources thanks to the use of recycled Nylon 6.6 raw material.
- In 2014, recycled 687,628 kg and saved USD 1,582,400.
- In 2015, recycled 816,331 kg and saved USD 1,632,000.
- In 2016, recycled 894,623 kg and saved USD 1,398,000.

Recycled Chips (Turkey)



Project Name:

Increasing Recycling Rate of Packaging Materials

Term:

April 2015 – June 2016

Objective:

To reuse packaging materials after using them at our internal cord fabric production plant, and reduce costs, to assemble a station using scrap pallets, and fix and recover them, to ensure 50% and above recycling rate for all packaging materials

Results and Gains:

Social: Employee consciousness on circular economy has increased.
Environmental: We contributed to the reduction of environmental pollution through decrease in waste pallet and tube rates.
Economic: We saved 43,000 €/year.

INTERNAL STAKEHOLDER VIEW

66% of our employees who responded to the sustainability assessment survey think that...

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

Water use is of paramount importance for the manufacturing processes at Kordsa plants and auxiliary operations. Water quality, accessibility and preservation of usable water resources are essential for the sustainability of our production and cost control.

At Kordsa we gradually monitor the water used and discharged at 8 plants across 5 different locations. We started reporting our water performance in 2014 with Turkey and Indonesia plants. We included Thailand in 2015 and Brazil and US plants in 2016.

Our water resources, which may vary according to the plant's location, include municipality, ground, seas, rivers and lakes. In Turkey and Brazil our main withdrawal source is ground and city water while it is rivers and ground water in Indonesia and city water in Thailand and US plants.

At all plants and offices, we put efforts to use water more efficiently, we encourage industrial reuse of treated water through reverse osmosis system. In Turkey, we have treated and reused about 236 thousand m³ water in 2016.

In all our operations, we treat all the water we use at water treatment plants before discharging it to river or any local government piping. Our investments ensure that our water treatment capacity will meet the demand of future expansions.

Starting from 2017, we plan to review our water monitoring methods for more accurate data gathering and to start water monitoring program for better water management at all our locations in 2018.

2016 (m ³ /year)	Ground Water	City Water	Water from Rivers	Recycled Water	Water Discharge
Turkey	512,630	94,305	n.a.	235,959	134,218
Indonesia	4,551	n.a.	451,585	n.a.	51,600
Thailand	n.a.	106,802	n.a.	n.a.	84,866
Brazil	84,794	39,852	n.a.	n.a.	60,212
USA / CH	n.a.	120,514	178,749	n.a.	5,519
USA / LH	n.a.	4,535	n.a.	n.a.	3,382

n.a.: data not available

Wastewater Recovery Project

With the objective to reduce water used and to gradually increase the amount of wastewater recovered at Kordsa Turkey plant, Directorate of Maintenance and Energy and OHSES Department started a project in 2014 to be completed by 2017. Within the scope of the project, advanced treatment and reverse osmosis (RO) systems have been constructed in the plant.

In 2015, the amount of treated and reused water was 131,490 m³/year in the Yarn Plant and with the new investment completed in 2016, the total amount of waste water reused was over 200,000 m³/year. The water produced by the new RO will be used as make-up water in cooling towers.

Project Name:	Recycling Treated Water	Term: December 2016 – June 2017
Objective:	To contribute to the preservation of water sources by reusing water the discharged into rainwater canal	
Targeted Gains:	<p>Social: Increasing employee consciousness on preservation of water sources.</p> <p>Environmental: Reusing 30 thousand tons of water that would otherwise be discharged into environment as waste.</p> <p>Economic: Saving USD 55,000 /year.</p>	



INTERNAL STAKEHOLDER VIEW

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

Kordsa's initiatives to conserve biodiversity in and around its plants are adequate.

During our first sustainability strategy works at Kordsa in 2014, biodiversity has not brought up by any of our stakeholders as a priority issue. Nevertheless, considering the ISE Sustainability Index requirements, conservation of biodiversity took its place among our global sustainability topics.

We implement Environmental Impact Assessments (EIA) at our plants as needed. The assessments completed to date and actions taken are listed in the following;

Environmental Impact Assessments

Turkey: 2006, 2010 and 2016

Reason: Establishment and capacity increases

Actions: None (Negative impacts were not assessed.)

Indonesia: 2013

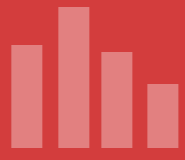
Reason: New plant construction

Actions: Although there were no findings of endangered species under risk, we moved about 110 trees outside the construction area and planted them in and around the plant to preserve all flora and fauna.

As none of our plants are adjacent to any protected areas like national nature and wildlife parks, any water resources and areas of high biodiversity value, we did not need to involve with NGOs or other conservation organizations in developing biodiversity action plans (BAPs) or other biodiversity initiatives. We plan to conduct EIAs in other countries of operation within the coming years.



PERFORMANCE INDICATORS



ECONOMIC PERFORMANCE INDICATORS

ECONOMIC VALUE DISTRIBUTED BY KORDSA

Economic Value Generated & Distributed	Currency	2014	2015	2016
Economic Value Generated	TL 1,000	1,811,782	1,866,751	2,085,142
Economic Value Distributed to Stakeholders				
Operating expenses	TL 1,000	1,479,798	1,419,689	1,511,811
Benefit to employees	TL 1,000	221,590	253,929	292,597
Benefit to government	TL 1,000	10,671	16,164	36,429
Benefit to providers of capital	TL 1,000	0	60,615	57,662
Benefit to community	TL 1,000	5,150	6,942	8,530
Economic value retained (profit)	TL 1,000	94,573	116,354	178,113
Financial Assistance Received from Government				
Turquality	TL 1,000	1,693	1,041	635
Tax relief	TL 1,000	24,073	8,381	20,775,907
Incentives	TL 1,000	25,326	17,335	20,080

SOCIAL PERFORMANCE INDICATORS

KORDSA EMPLOYEE DATA

By Type of Employment	Unit	2013	2014	2015	2016
White-collar - Women	People	211	206	208	213
White-collar - Men	People	573	529	530	492
Blue-collar - Women	People	210	207	201	204
Blue-collar - Men	People	2,755	2,807	2,806	2,881
Total	People	3,749	3,749	3,745	3,790
By Location	Unit	2013	2014	2015	2016
Turkey - Women	People	79	87	105	109
Turkey - Men	People	979	1,034	1,046	1,270
Indonesia- Women	People	67	66	65	69
Indonesia - Men	People	928	1,086	1,114	1,225
Thailand - Women	People	115	111	112	100
Thailand - Men	People	260	262	267	286
Egypt - Women	People	1	4	4	0
Egypt - Men	People	287	244	240	0
Brazil- Women	People	31	33	36	51
Brazil - Men	People	364	365	369	366
USA - Women	People	93	90	71	85
USA - Men	People	288	276	230	225
Germany - Women	People	20	19	13	0
Germany - Men	People	78	68	69	0
China - Women	People	4	3	3	3
China - Men	People	2	1	1	1
Argentina - Women	People	11	0	0	0
Argentina - Men	People	142	0	0	0
By Age	Unit	2013	2014	2015	2016
30 Years and below	Women	54	51	59	71
	Ratio	1.44%	1.36%	1.58%	1.87%
	Men	593	840	837	846
	Ratio	15.82%	22.41%	22.35%	22.32%
30 - 50 Years	Women	364	263	278	275
	Ratio	9.71%	7.02%	7.04%	7.26%
	Men	2,087	2,043	2,042	2,067
	Ratio	55.67%	54.49%	54.52%	54.54%
50 Years and above	Women	103	73	72	71
	Ratio	2.75%	1.95%	1.92%	1.87%
	Men	548	479	457	460
	Ratio	14.62%	12.78%	12.68%	12.14%

By Gender	Unit	2013	2014	2015	2016
Men	People	3,328	3,336	3,336	3,373
	Ratio	88.77%	88.98%	89.08%	89.00%
Women	People	421	413	409	417
	Ratio	11.23%	11.02%	10.92%	11.00%
By Other Groups	Unit	2013	2014	2015	2016
Expats	Women	0	1	0	1
	Ratio	0.00%	0.03%	0.00%	0.03%
	Men	15	15	11	13
Persons with disabilities	Ratio	0.41%	0.41%	0.30%	0.34%
	Women	1	2	1	0
	Ratio	0.03%	0.05%	0.03%	0.00%
Men	Men	30	32	33	31
	Ratio	0.80%	0.85%	0.88%	0.82%
	Ratio	0.80%	0.85%	0.88%	0.82%
By Management Category	Unit	2013	2014	2015	2016
Executives (ELT)	Women	1	2	1	2
	Ratio	0.03%	0.05%	0.03%	0.05%
	Men	5	5	9	8
Director	Ratio	0.13%	0.13%	0.24%	0.21%
	Women	3	4	4	1
	Ratio	0.08%	0.11%	0.11%	0.03%
Manager	Men	22	20	12	10
	Ratio	0.59%	0.53%	0.32%	0.26%
	Women	20	24	29	31
Engineer & Specialist	Ratio	0.53%	0.64%	0.77%	0.82%
	Men	83	78	102	104
	Ratio	2.21%	2.08%	2.72%	2.74%
Supervisor & Technician	Women	91	94	101	102
	Ratio	2.43%	2.51%	2.69%	2.69%
	Men	214	216	210	210
Officer (White-collar)	Ratio	5.71%	5.76%	5.60%	5.54%
	Women	4	4	7	8
	Ratio	0.11%	0.11%	0.19%	0.21%
Operator	Men	125	113	131	136
	Ratio	3.33%	3.01%	3.49%	3.59%
	Women	92	79	76	76
Operator	Ratio	2.45%	2.11%	2.03%	2.01%
	Men	110	114	81	92
	Ratio	2.93%	3.04%	2.16%	2.43%
Operator	Women	206	198	191	192
	Ratio	5.49%	5.28%	5.09%	5.07%
	Men	2,773	2,798	2,791	2,818
Operator	Ratio	73.97%	74.63%	74.45%	74.35%

SOCIAL PERFORMANCE INDICATORS

KORDSA MANAGEMENT STRUCTURE

Board of Directors and ELT	Unit	2013	2014	2015	2016
Women	Ratio	0.03%	0.05%	0.03%	0.05%
30 Years and below	Ratio	0.00%	0.00%	0.00%	0.00%
30 - 50 Years	Ratio	0.08%	0.11%	0.11%	0.16%
50 Years and above	Ratio	0.08%	0.08%	0.13%	0.11%
Expats	Ratio	0.00%	0.00%	0.00%	0.03%
Disabled	Ratio	0.00%	0.00%	0.00%	0.00%

KORDSA TRAINING INVESTMENTS

By Employee Category	Unit	2013	2014	2015	2016
Executives (ELT)	Man/Hours	3.0	6.0	13.0	14.2
Director	Man/Hours	89.5	117.1	97.4	95.6
Manager	Man/Hours	149.3	67.9	150.1	97.3
Engineer & Specialist & Officer (White-collar)	Man/Hours	230.6	173.2	232.0	207.9
Supervisor & Technician	Man/Hours	145.9	186.5	214.3	219.2
Operator	Man/Hours	227.2	257.3	250.2	253.8
By Gender	Unit	2013	2014	2015	2016
Men	Man/Hours	239.9	255.5	262.7	260.3
Women	Man/Hours	98.7	104.4	119.5	114.7

KORDSA EMPLOYEE HIRES & DISMISSALS

Hires and Dismissals (All Kordsa)	Unit	2013	2014	2015	2016
New hires - Women	People	29	45	27	49
Dismissals - Women	People	66	44	59	41
New hires - Men	People	348	487	332	338
Dismissals - Men	People	553	375	296	301
Total – Dismissals	People	619	419	355	342
Total – New hires	People	377	532	359	387

KORDSA TRAINING HOURS

All Trainings	Unit	2013	2014	2015	2016
Career Development	Hours	104,187	118,882	129,586	136,401
Personal Development	Hours	23,269	17,496	23,590	21,431
Health and Safety	Hours	19,463	38,116	38,002	40,007
Other	Hours	14,578	1,966	1,261	1,340
Total Training Hours	Hours	161,497	176,460	192,439	199,179

KORDSA OCCUPATIONAL HEALTH & SAFETY DATA

Plants		Turkey			Thailand		
Incidents	Unit	2014	2015	2016	2014	2015	2016
Frequency	Rate	0.91	0.73	0.31	0.73	0.25	0.73
Severity	Rate	20.84	23.38	7.76	7.30	0.00	23.38
Type of Recordable Case	Number (Kordsa)	6 LWC, 3 MTC	9 LWC	1 MTC, 2 LWC	1 LWC, 2 MTC	1 MTC	9 LWC
	Number (Contractor)	6 MTC	6 MTC	2 LWC	0,00	0,00	6 MTC
Plants		USA / CH			USA / LH		
Incidents	Unit	2014	2015	2016	2014	2015	2016
Frequency	Rate	1.26	0.00	1.03	0.80	0.00	0.00
Severity	Rate	10.08	0.00	2.07	0.00	0.00	0.00
Type of Recordable Case	Number (Kordsa)	3 LWC	0.00	1 MTC, 1 LWC	1 MTC	0.00	0.00
	Number (Contractor)	0.00	0.00	0.00	1 LWC	0.00	0.00
Plants		Indonesia			Brazil		
Incidents	Unit	2014	2015	2016	2014	2015	2016
Frequency	Rate	0.30	0.00	0.36	0.46	0.73	0.74
Severity	Rate	3.81	0.00	3.35	2.52	1.25	4.46
Type of Recordable Case	Number (Kordsa)	3 LWC	0.00	4 LWC	1 LWC, 1 RWC	2 RWC, 1 LWC	3 LWC
	Number (Contractor)	1 LWC	0.00	0.00	1 LWC	0,00	2 LWC

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

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

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

Frequency Rate: (Number of recordable case / Total working hours) X 200.000

Severity Rate: (Number of lost days / Total working hours) X 200.000

All accidents up to and including first aid level are not calculated within the accident frequency rate. Fatal accidents are not calculated within the accident frequency rate. Lost days are calculated based on calendar days. Lost day count starts the day after the accident.

ENVIRONMENTAL PERFORMANCE INDICATORS

KORDSA ENERGY EFFICIENCY DATA

Dipping NY - Turkey	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	86.4	71.4	74.7	78.2	83.9
Other Energy Consumption (kwh/ton)	100	103.8	97.9	90.3	95.9	103.9
Dipping PES - Turkey	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	99	91.9	91	94	105.5
Other Energy Consumption (kwh/ton)	100	119.8	110.6	89	86.7	99.8
Dipping - LH / USA	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	100.4	98.1	90.4	78.4	87.1
Other Energy Consumption (kwhton)	100	92.8	98.5	92.8	95.6	99.7
Dipping - Brazil	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	87.2	78.2	82.9	84.5	76.4
Other Energy Consumption (kwh/ton)	100	92.7	96.2	92.8	89.3	81.7
Dipping TCF1 - Indonesia	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	91.5	85.3	87.3	91.1	108.4
Other Energy Consumption (kwh/ton)	100	101.6	95.1	90.3	86.4	91.6
Dipping TCF2 - Indonesia	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	n.a.	n.a.	n.a.	n.a.	100	95
Other Energy Consumption (kwh/ton)	n.a.	n.a.	n.a.	n.a.	100	75
Dipping - Thailand	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	117.9	72.9	80.2	81.3	78.1
Other Energy Consumption (kwh/ton)	100	157.2	96.5	87.5	84	80.3

NY Yarn Line 1 - Turkey	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	87.2	80	94	97.7	98.2
NY Yarn Line 2 - Turkey	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	118.3	103.6	107.9	134.9	120.2
NY Yarn - CH / USA	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	92	78	88.3	85.6	72.4
NY Yarn - Indonesia	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	116.3	100.9	112	95.8	88.7
PES Yarn - Turkey	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	91.4	82.3	78.2	80	80.2
PES Yarn - Brazil	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	80.6	83.9	84	85.5	84.2
PES Yarn - Indonesia	2011	2012	2013	2014	2015	2016
Energy (kwh/ton)	100	105.3	98	83.7	87.3	86.5
SEC - Turkey	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	98.3	83.5	72.7	70.3	77.7
Other Energy Consumption (kwh/ton)	100	99	107.2	90.3	81.6	114.3
SEC - Brazil	2011	2012	2013	2014	2015	2016
Natural Gas (kwh/ton)	100	85.3	85.9	90.4	87.3	97.6
Other Energy Consumption (kwh/ton)	100	113.5	90.9	84.3	90.17	87.6

n.a.: data not available

KORDSA MATERIALS MANAGEMENT DATA

Materials	Plants	2014	2015	2016
TCF Chemical Ratio	Dipping NY - Turkey	1.12	1.13	1.14
	Dipping PE - Turkey	1.23	1.22	1.23
	Dipping - USA / LH	1.03	1.03	1.19
	Dipping - Brazil	1.16	1.14	1.16
	Dipping TCF1 - Indonesia	1.09	1.14	1.17
	Dipping TCF2 - Indonesia	n.a.	n.a.	1.27
	Dipping - Thailand	1.10	1.08	1.06
NY Salt / Flake Ratio	NY Yarn Line 1 - Turkey	1.22	1.17	1.18
	NY Yarn Line 2 - Turkey	1.07	1.02	1.02
	NY Yarn – USA / CH	1.19	1.19	1.22
	NY Yarn - Indonesia	1.02	1.00	1.00
SEC Chemical Ratio	SEC - Turkey	1.30	1.28	1.28
	SEC - Brazil	n.a.	n.a.	1.08

n.a.: data not available

KORDSA WATER MANAGEMENT DATA

Water Withdrawal (m ³ / year)	2014	2015	2016	Water Discharge (m ³ / year)	2014	2015	2016
Turkey	525,000	488,200	606,935	Turkey	200,580	385,980	134,218
Indonesia	369,767	359,767	456,136	Indonesia	36,500	43,836	51,600
Thailand	n.a.	96,140	106,082	Thailand	n.a.	76,912	84,866
Brazil	n.a.	n.a.	124,646	Brazil	n.a.	n.a.	60,212
USA / CH	n.a.	n.a.	299,263	USA / CH	n.a.	n.a.	5,519
USA / LH	n.a.	n.a.	4,535	USA / LH	n.a.	n.a.	3,382

n.a.: data not available

KORDSA EMISSIONS MANAGEMENT DATA

Kordsa Plants (tCO ₂)	2014	2015	2016
Turkey	30,533	36,695	35,802
Indonesia	n.a.	12,394	17,113
Thailand	n.a.	6,670	7,078
Brazil	n.a.	n.a.	6,411
USA / CH	n.a.	n.a.	14
USA / LH	n.a.	n.a.	3,810

All data is calculated based on natural gas, diesel and LPG consumption. (Scope 1)

n.a.: data not available

KORDSA WASTE MANAGEMENT DATA

TURKEY			
Wastes By Type (Tons)	2014	2015	2016
Hazardous Waste	1,275	1,331	1,714
Non-hazardous Waste	3,008	3,118	3,157
Total Waste	4,283	4,449	4,871
Wastes By Disposal Method	2014	2015	2016
Recycling	2,987	3,114	3,156
Reclamation	1,238	1,310	1,691
Landfill	1	1	1
Incineration	57	24	23
Total Disposed Waste	4,283	4,449	4,871
INDONESIA			
Wastes By Type (Tons)	2014	2015	2016
Hazardous Waste	n.a.	425	1,069
Non-hazardous Waste	n.a.	2,608	2,793
Total Waste	n.a.	3,032	3,862
Wastes By Disposal Method	2014	2015	2016
Recycling	n.a.	2,607	2,793
Reclamation	n.a.	308	1,069
Landfill	n.a.	0	0
Incineration	n.a.	117	0
Total Disposed Waste	n.a.	3,032	3,862

THAILAND			
Wastes By Type (Tons)	2014	2015	2016
Hazardous Waste	n.a.	144	11
Non-hazardous Waste	n.a.	5	187
Total Waste	n.a.	149	298
Wastes By Disposal Method	2014	2015	2016
Recycling	n.a.	5	186
Reclamation	n.a.	82	111
Landfill	n.a.	0	0
Incineration	n.a.	62	1
Total Disposed Waste	n.a.	149	298
BRAZIL			
Wastes By Type (Tons)	2014	2015	2016
Hazardous Waste	n.a.	n.a.	9
Non-hazardous Waste	n.a.	n.a.	1,150
Total Waste	n.a.	n.a.	1,158
Wastes By Disposal Method	2014	2015	2016
Recycling	n.a.	n.a.	1,149
Reclamation	n.a.	n.a.	5
Landfill	n.a.	n.a.	3
Incineration	n.a.	n.a.	2
Total Disposed Waste	n.a.	n.a.	1,158

USA / CH			
Wastes By Type (Tons)	2014	2015	2016
Hazardous Waste	n.a.	n.a.	466
Non-hazardous Waste	n.a.	n.a.	8,030
Total Waste	n.a.	n.a.	8,496
Wastes By Disposal Method	2014	2015	2016
Recycling	n.a.	n.a.	8,030
Reclamation	n.a.	n.a.	466
Landfill	n.a.	n.a.	0
Incineration	n.a.	n.a.	0
Total Disposed Waste	n.a.	n.a.	8,496
USA / LH			
Wastes By Type (Tons)	2014	2015	2016
Hazardous Waste	n.a.	n.a.	122
Non-hazardous Waste	n.a.	n.a.	5
Total Waste	n.a.	n.a.	117
Wastes By Disposal Method	2014	2015	2016
Recycling	n.a.	n.a.	5
Reclamation	n.a.	n.a.	112
Landfill	n.a.	n.a.	0
Incineration	n.a.	n.a.	0
Total Disposed Waste	n.a.	n.a.	117

n.a.: data not available

ANNEXES

MEMBERSHIPS

TURKEY

- ACC Legal Consultants Association
- DEİK Foreign Economic Relations Board
- Equality at Work Platform
- İTKİB The General Secretariat of Istanbul Textile & Apparel Exporter's Associations
- İTHİB Turkish Textile Employer's Associations
- KALDER Quality Association
- Kocaeli Chamber of Industry
- Kocaeli Chamber of Commerce
- LES Turkey Technology and License Executives Society
- PERYÖN Personnel Management Association of Turkey
- TBCSD Turkish Business Council of Sustainable Development
- TİDE The Institute of Internal Auditing Turkey
- TTSİS Turkish Textile Industry Employers' Union
- TÜSİAD Turkish Industry & Businessmen Association
- UN Global Compact

INDONESIA

- APINDO The Employers' Association of Indonesia
- HIBERKIBRA - Neighborhood Corporate Association
- Indonesian Public Listed Companies Association

THAILAND

- AEO Thai Authorized Economic Operator Importer & Exporter Association
- FTI The Federation of Thai Industries
- TNSC The Thai National Shippers' Council
- DFT Department of Foreign Trade, Ministry of Commerce
- Ayutthaya Personnel Management Group

BRAZIL

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

USA

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

GRI CONTENT INDEX



GRI 102: GENERAL DISCLOSURES 2016		
	Organizational Profile	Location of Disclosure
102-1	Name of the organisation	Page 51
102-2	Activities, brands, products, and services	Pages 6-7
102-3	Location of headquarters	Page 51
102-4	Location of operations	Page 51
102-5	Ownership and legal form	Corporation
102-6	Markets served	Pages 6-7
102-7	Scale of the organization	Page 5
102-8	Information on employees and other workers	Page 42
102-9	Supply chain	Page 22
102-10	Significant changes to the organization and its supply chain	Page 22
102-11	Precautionary principle	Pages 34-39
102-12	External initiatives	UNGC
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Strategy		
102-14	Statement from senior decision-maker	Page 3
102-15	Key impacts, risks, and opportunities	Page 3
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Page 9
102-17	Mechanisms for advice and concerns about ethics	Page 16
Governance		
102-18	Governance structure	Page 15
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 10
102-41	Collective bargaining agreements	Page 28
102-42	Identifying and selecting stakeholders	Page 10
102-43	Approach to stakeholder engagement	Pages 10-11
102-44	Key topics and concerns raised	Pages 10-12
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Page 51
102-46	Defining report content and topic boundaries	Page 12
102-47	List of material topics	Page 12
102-48	Restatements of information	Ongoing projects are restated.
102-49	Changes in reporting	New environmental data from US and Brazil plants are included.
102-50	Reporting period	Page 2
102-51	Date of most recent report	2015
102-52	Reporting cycle	Page 2
102-53	Contact point for questions regarding the report	Page 51
102-54	Claims of reporting in accordance with the GRI Standards	Page 2
102-55	GRI Content index	Pages 49-50
102-56	External assurance	None

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GRI 103 BOUNDARIES & MANAGEMENT APPROACHES OF MATERIAL TOPICS 2016		Location of Disclosure
GRI 103	103-1 Explanation of the material topics and their boundaries	Page 12
	103-2 The management approach and its components	Web Links
GRI 200	GRI 200 ECONOMIC STANDARDS SERIES	www.kordsa.com
	GRI 201 Economic Performance, 2016	www.kordsa.com
	GRI 204 Procurement Practices, 2016	www.kordsa.com
	GRI 205 Anti-Corruption, 2016	www.kordsa.com
GRI 300	GRI 300 ENVIRONMENTAL STANDARDS SERIES	www.kordsa.com
	GRI 301 Materials, 2016	www.kordsa.com
	GRI 302 Energy, 2016	www.kordsa.com
	GRI 303 Water, 2016	www.kordsa.com
	GRI 304 Biodiversity, 2016	www.kordsa.com
	GRI 305 Emissions, 2016	www.kordsa.com
	GRI 306 Effluents and Waste, 2016	www.kordsa.com
	GRI 308 Supplier Environmental Assessment, 2016	www.kordsa.com
	GRI 400	GRI 400 SOCIAL STANDARDS SERIES
GRI 401 Employment, 2016		www.kordsa.com
GRI 403 Occupational Health and Safety, 2016		www.kordsa.com
GRI 404 Training and Education, 2016		www.kordsa.com
GRI 405 Diversity and Equal Opportunity, 2016		www.kordsa.com
GRI 406 Non-Discrimination, 2016		www.kordsa.com
GRI 412 Human Rights Assessment, 2016		www.kordsa.com
GRI 414 Supplier Social Assessment, 2016		www.kordsa.com
GRI 418 Customer Privacy, 2016		www.kordsa.com
GRI 419 Socioeconomic Compliance, 2016		www.kordsa.com

GRI 200-300-400 TOPIC SPECIFIC STANDARDS 2016		Location of Disclosure	UNGC
GRI 200 ECONOMIC STANDARDS SERIES			
GRI 201 Economic Performance, 2016			
201-1	Direct economic value generated and distributed	Page 41	
201-4	Financial assistance received from government	Page 41	
GRI 204 Procurement Practices, 2016			P10
204-1	Proportion of spending on local suppliers	Page 22	
GRI 205 Anti-Corruption, 2016			P10
205-2	Communication and training about anti-corruption policies and procedures	Page 16	

GRI 200-300-400 TOPIC SPECIFIC STANDARDS 2016		Location of Disclosure	UNGC
GRI 300 ENVIRONMENTAL STANDARDS SERIES			
GRI 301 Materials, 2016			P7, P8
301-1	Materials used by weight or volume	Page 36	
301-2	Recycled input materials used	Page 36	
GRI 302 Energy, 2016			P7-P9
302-1	Energy consumption within the organization	Page 45	
302-5	Reductions in energy requirements of products and services	Page 35	
GRI 303 Water, 2016			P7, P8
303-1	Water withdrawal by source	Page 38	
303-3	Water recycled and reused	Page 38	
GRI 304 Biodiversity, 2016			P8
304-1	Operational sites adjacent to protected areas and areas of high biodiversity value	Page 39	
GRI 305 Emissions, 2016			P7, P8
305-1	Direct (Scope 1) GHG emissions	Page 46	
GRI 306 Effluents and Waste, 2016			P7, P8
306-2	Waste by type and disposal method	Page 47	
GRI 308 Supplier Environmental Assessment, 2016			P8
308-1	New suppliers that were screened using environmental criteria	Page 22	
GRI 400 SOCIAL STANDARDS SERIES			
GRI 401 Employment, 2016			P3-P6
401-1	New employee hires and employee turnover	Page 43	
401-2	Benefits provided to full-time employees that are not provided to part-time employees	Page 25	
401-3	Parental leave	Page 27	
GRI 403 Occupational Health and Safety, 2016			
403-1	Workers representation in formal joint management-worker health and safety committees	Page 31	
403-2	Types and rates of injury, occupational diseases, lost days, and absenteeism, fatalities	Page 44	
GRI 404 Training and Education, 2016			
404-1	Average hours of training per year per employee	Page 43	
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 29-30	
404-3	Percentage of employees receiving regular performance and career development reviews	Page 29	
GRI 405 Diversity and Equal Opportunity, 2016			
405-1	Diversity of governance bodies and employees	Page 27	
GRI 412 Human Rights Assessment, 2016			P1-P4
412-2	Employee training on human rights policies or procedures	Page 28	
GRI 414 Supplier Social Assessment, 2016			P2-P3
308-1	New suppliers that were screened using social criteria	Page 22	
GRI 418 Customer Privacy, 2016			
418-1	Complaints concerning breaches of customer privacy and losses of customer data	Page 23	
GRI 419 Socioeconomic Compliance, 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Page 16	

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(GRI 102-45)

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WE REINFORCE LIFE

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THE REINFORCER

