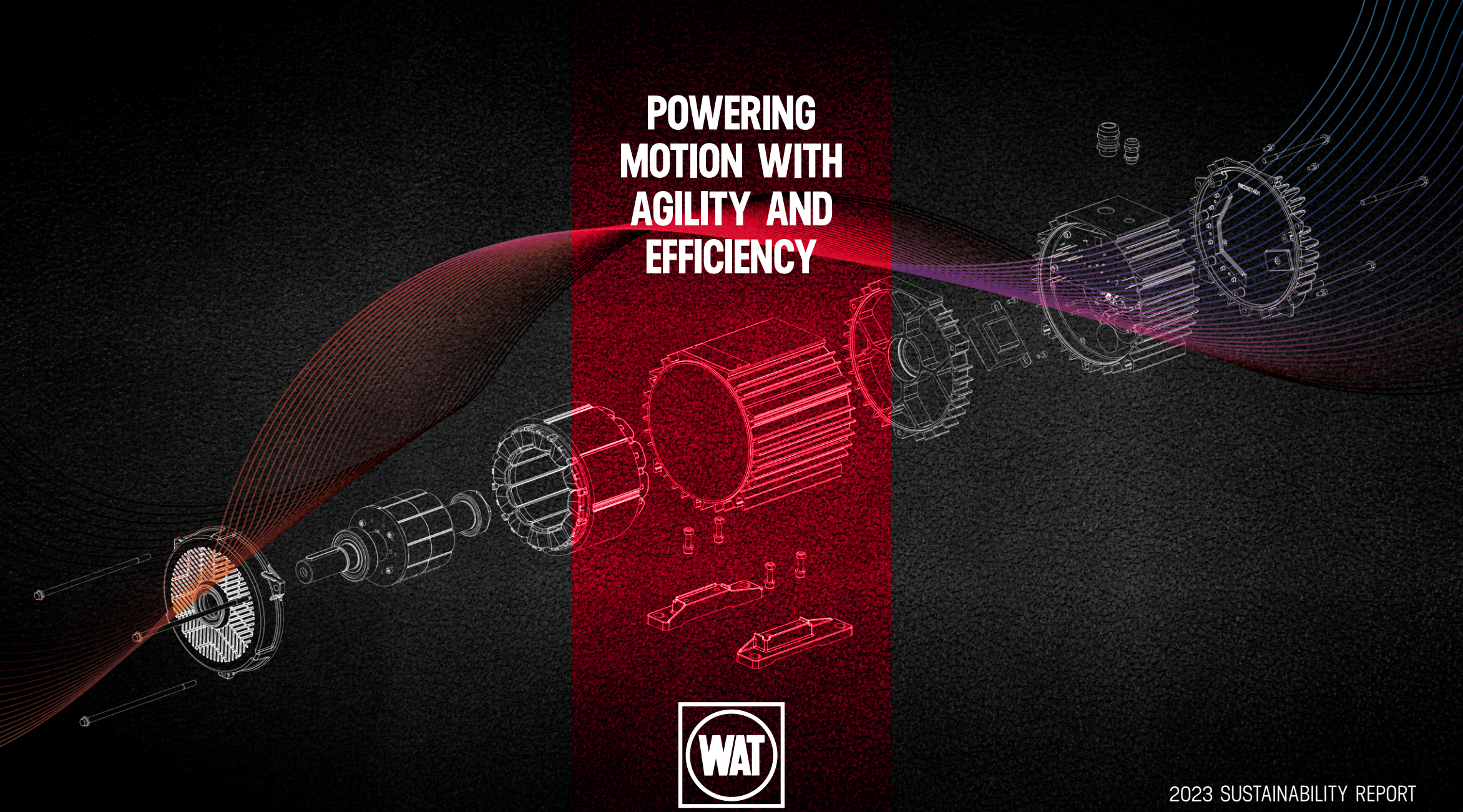
POWERING MOTION WITH AGILITY AND EFFICIENCY



WAT

2023 SUSTAINABILITY REPORT

WATER & WASTEWATER MANAGEMENT

AIR COMPRESSORS & VACUUM PUMPS

HEATING, VENTILATION, AIR CONDITIONING & COOLING

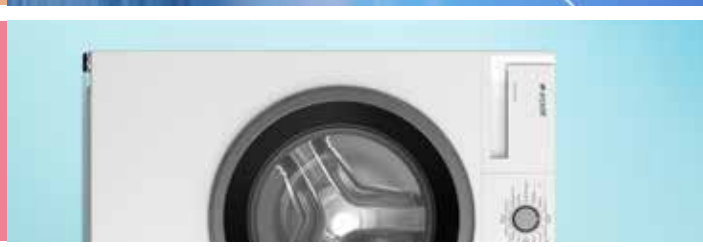
AGRICULTURE & INDUSTRIAL MACHINERY

MATERIAL HANDLING & LIFTING

SHIPBUILDING & MARINE

RENEWABLE ENERGY

DURABLE GOODS



MOTION CONTROL SYSTEMS

E-MOBILITY

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1960 - 2016

We remember Mr. Mustafa V. Koç with deep affection and longing,
and we continue to mourn his untimely passing.

WAT Family

ABOUT THE REPORT

Dear Stakeholders,

As Türkiye's largest motor exporter, we are honored and proud to present our first Sustainability Report.

Our company's history of more than half a century reflects our resolute vision and visionary strategy. As an organization dedicated to producing durable and highly efficient products with this vision and strategy, we at WAT not only produce quality and innovative products, but also strive to continuously improve and measure the impacts we create. While creating value with our durable and highly efficient motors, we contribute to the economy by leading our sector with our versatile products.

Since 1965, we have been sustaining our success with the inspiration we draw from our deep-rooted know-how and human resources, as well as the steps we have taken to contribute to society and the world, support the economy, maintain customer satisfaction, and ensure continuous improvement. We have become Türkiye's first manufacturing company to complete Agile Transformation thanks to the dynamic structure we have established. With our agile transformation, we are implementing a series of projects to reduce the negative impacts we cause directly or indirectly in the environmental, social and governance areas and to increase our positive impacts. With energy efficiency projects - our main area of impact - we benefit both our organization and the world.

With our strong belief that our past achievements will continue to increase in the future, WAT develops products and projects to reduce energy demand and carbon emissions with the energy-efficient electric motors that we produce with innovative, superior engineering skills. We are at the forefront of innovation in industrial motors with our motors with IE3 and IE4 energy efficiency classes. In the renewable energy sector, which has an important role in reducing global emissions from energy, we entered the wind energy sector by producing components for wind turbines. To contribute to global net zero carbon emission targets, we are committed to sustainable product management by directing product design strategies in line with our 'Products for 55' approach.

We have established a leading position in the electrification of mobility, providing original motors, motor drives and HMIs (Human Machine Interface) that will reduce fossil fuel demand in the mobility sector. In 2023, we started the production of electric vehicle charging units in Türkiye by leveraging our expertise in power electronics. By establishing domestic production lines for electric chargers in Türkiye, we made strategic plans for capacity increase, product quality and zero carbon targets in electric vehicle charger production.

We have defined our strategies to achieve Sustainable Development Goals in line with our values and the concept of sustainability, which is at the heart of our business processes. With these strategies, we embrace social and environmental responsibilities while contributing to society beyond creating economic value. Our company aims to be the driving force of economic, environmental and social change by aiming for excellence in all its activities and commitments. Accordingly, we implement projects such as protecting the environment, reducing natural resource consumption in production and product development, focusing on supplier development, and raising standards of equality and diversity.

We started our sustainability report journey in order to introduce our sustainability journey and processes, and to transparently share the processes we have implemented with our valuable business partners. We are proud to share with our valuable stakeholders the WAT Sustainability Report, which we have prepared for the January 01 - December 31, 2023 operating period with reference to GRI Sustainability Reporting Standards, under the title "Powering Motion With Agility and Efficiency".

> "Within the theme of "WAT: Moving Forward with Agility and Efficiency" are our principles that represent the business model and decision-making processes of the WAT family. With "Foundation for the Future: Creating Reliable and Efficient Solutions", we highlight our dedication to developing trustworthy and powerful solutions for our stakeholders. "Guiding with Integrity: Transparent Leadership for Sustainable Growth" reflects our commitment to ethical leadership and transparent practices, while" Innovation for Impact: Smarter Technologies for a Sustainable Future" describes our progress towards smarter and more sustainable industrial solutions through our investments in technology and innovation. "Commitment In Action: Advancing Sustainability At Every Turn" expresses our sustainability perspective and business model, while " Eco-Driven: Protecting Our Planet With Every Oppurtunity" highlights our efforts to minimize our environmental footprint and "Together In Motion: Empowering Communities For A Better World" conveys our initiatives to strengthen societies."

In addition to GRI standards, our social, environmental and ethical performance is reported using Carbon Disclosure Project (CDP), International Labor Organization (ILO), Greenhouse Gas Protocol (GGP) and internationally recognized leading principles and frameworks. International Financial Reporting Standards (IFRS) and Türkiye Sustainability Reporting Standard (TSRS) guidelines were reviewed during the preparation of this report, and our efforts on the United Nations Global Compact (UNGC) Communication on Progress was included. Selected data and financial indicators provided in our report were audited by independent organizations, and our sustainability performance indicators within the scope of AA1000 were verified with the Assurance Letter. Scope 1, 2 and 3 greenhouse gas emissions from our operations were audited and verified by a third-party organization according to the ISO 14064-1:2018 standard.

To access the assurance declaration, please click here.

While shaping the report with the priorities of our stakeholders with our collaborative approach for a sustainable future, we did not neglect to take the opinions of our most valuable stakeholders: our children, the leaders of the future. During the report preparation phase, we requested the opinions of our employees' children as stakeholders, and shared the valuable messages, comments and opinions they prepared in the relevant sections of the report. The necessary permissions were obtained from the parents of our children whose opinions were shared, and their personal information was kept protected.

You can share your valuable ideas, suggestions and/or complaints through the contact addresses below.

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@watmotor

Report Navigation

As stated, our report consists of six main headings and is designed interactively. All main and subheadings can be seen together on the Contents page. Sections can be navigated by clicking on the relevant headings. Sub-titles are indicated in the section separators. On the inner pages where the contents are located, you can switch to any section in the report by using the navigation buttons on the left side.

→ and ← buttons allow you to go back to the previous page and forward to the next page,

⌂ button allows you to go to the Content, button directs the reader to the main page of the current section.

↻ The main titles are indicated at the top of the pages.

↘ button is used to access a source other than the report.

🔍 button is used to access the details of the contents detailed in the annexes.

POWERING MOTION WITH AGILITY AND EFFICIENCY

CEO LETTER

Dear Stakeholders,

We are excited to share with you our first report on our sustainability strategies and actions. As part of WAT's transformation, we have successfully integrated our sustainability strategies into all our business processes. Climate change impacts, economic fluctuations, regional tensions and regulations that may cause disruptions in supply chains have led us to reshape our sustainability strategies and create a risk-based, flexible and innovative structure. While our determination to comply with environmental regulations and develop innovative solutions remains the key to our sustainable growth, we continued to add value to our stakeholders in our first sustainability reporting period.

> The year 2023, which has gone down in history as an important milestone in the fight against global climate change, was a year in which climate trends increased alarmingly, global temperatures reached record highs and, according to NASA and NOAA data, it was the hottest year on record. These data have once again demonstrated that we need to take more decisive and effective steps to secure a sustainable future.

Climate change is causing more frequent and severe impacts around the world, while dependence on fossil fuels threatens energy security and leads to fluctuations in energy prices. This undermines economic and social stability, especially during energy crises. Organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) emphasize the need to build energy-efficient systems and accelerate the transition to using renewable energy sources. This transition has been identified as a critical step to both mitigate the climate crisis and increase energy security.

As noted in the IPCC Sixth Assessment Report (AR6) report, energy efficiency - particularly in industry - is a key mitigation point and central to keeping the temperature increase to below 1.5°C. Therefore, accelerating sustainable energy investments and making efficiency transitions at every point of energy use is key to move towards the 2050 net zero target. Energy efficiency not only reduces emissions, but also contributes to a sustainable future by providing economic and environmental benefits.

As the leading manufacturer of electric motors, a key component of the energy sector, our products reach 52 countries and we exported to 45 countries in the reporting year. Thanks to our global footprint, we are able to address both our corporate value creation model and our products from a life cycle perspective. We have developed a series of projects and collaborations with the mission of playing an active role in the development of the market, guiding our customers towards sustainable products and solutions, and supporting the green transformation of the industry.

We have developed innovative designs that aim to minimize environmental impacts such as energy and resource efficiency by applying eco-design principles at the design stage; this affects our entire make-up, including our production process. Thanks to our innovative motors with high energy efficiency, 100% green electricity supply in our operations and carbon reduction projects, we managed to reduce greenhouse gas emissions in 2023 by 22% compared to the previous year. We also increased our efficient motor sales ratio by 9% to 88%.

We reduced our waste generation by 10% through waste reduction, process improvement and efficiency studies. Not limited to this, we reduced the user-phase emissions generated by our products at our customers by 10.6 million tonnes of CO_2 equivalent compared to the previous year. In order to maintain this impact, we allocated 86% of the budget we allocated for our R&D activities in the reporting period to develop low-carbon products. With efficient motor transformation projects in industry, we replaced 1,262 inefficient motors with our efficient products in 2023 alone, saving 5.8M kWh/year of electricity and 2.5 thousand tonnes of CO_2 equivalent carbon reduction in the companies we carried out projects.

In 2023, we completed our electric vehicle (EV) chargers' production line investments and started domestic production for charging stations, which play a key role in the widespread use of electric vehicles. With this initiative, we increase the scope of our business model and produce individual and fast chargers at certain points on the roads. In addition, we directly contribute to global carbon footprint reduction target by collaborating with WAT Mobilite, our company that provides electric charging station installation and operation services. In the reporting year, we delivered 2,816 EV chargers to electric vehicle users. Considering the utilization rate for the 187 active socket charging stations we installed, the EV chargers we produced prevented approximately 5,840 tonnes of CO_2 equivalent emissions compared to vehicles using fossil fuels.

We are aware that our products are an important opportunity for us to reach both global and national climate targets. While strengthening our commitment to meet sustainability standards, we are looking for new ways to increase the value we add to our stakeholders. We approach our cooperation processes holistically, creating a collective consciousness and supporting our suppliers to expand their areas of action.

Promoting environmental and ethical practices in our supply chain, implementing projects that will make a positive contribution to our communities and providing a fair and supportive working environment for our employees are all important to our business goals. In addition, we take every opportunity to support the employment of young people and women. We carry out special projects to empower women and increase their participation in business life, and we set an example in this area.

Our meticulous approach to product safety is applied not only at the production stage, but also in all processes through the supply chain to the end user, constantly improving quality to keep the focus on our users' safety and to maximize customer satisfaction. With our holistic approach, we have established a strong link between sustainability, product safety and market development, and we are in a leading position in our industry.

As the first manufacturing company to initiate and complete the Agile Transformation movement in Türkiye, we have created an exciting roadmap by setting our **2030** and **2050** targets in line with the **UN SDGs** with our **WAT** family, which can respond quickly to changing trends and transformations on a global scale. The contribution of each stakeholder is of great importance in this journey. Together, we will take firm steps towards building a greener, fairer and sustainable future that respects ecosystems.

> "As WAT, we take an active role not only in our business processes but also in social events. In the February 6 earthquake, which occurred in 2023 and deeply affected us all, our search and rescue team took part in the field in cooperation with Arçelik. In line with the updated list of needs, we sent solar panels, construction equipment and generators to the region in addition to aid materials to meet the shelter, heating, food, clothing and hygiene needs of the earthquake victims. We will continue our support in unity and solidarity by following the needs in our disaster areas. I wish blessings to all those we lost, and condolences to the survivors."

I believe that the outstanding efforts of our colleagues, and the high energy they voluntarily share will have a great impact on **WAT's** success in its sustainability journey. We continue our work with this synergy in order to carry the legacy left to us by our ancestor with the words "We founded the Republic; you are the ones who will raise it and sustain it" to the highest levels. As in the **100th** anniversary of our Republic, we will continue to strengthen this impact and act together in the future.

I hope that every stakeholder who reads this report will embed sustainability in their thinking and play an active role by participating in achieving our common goals. I would like to thank all our stakeholders who contributed to this journey and this report.

Kind Regards,
CEMAL ŞEREF OĞUZHAN ÖZTÜRK
CEO.

MESSAGE FROM THE SUSTAINABILITY COMMITTEE

Dear Readers and Stakeholders,

As sustainability awareness increases worldwide, sectors, societies, working styles and lifestyles continue to change radically. At WAT, we aim to respond to the needs and expectations of our stakeholders with innovation and technology and contribute to sustainable development as we move towards becoming a global company. With our desire to always do best, we are taking important steps in the field of sustainability. We shape our work with the goals we set in line with our strategies, principles and fields of activity. We carry out our business processes and strategies with our science-based goals in mind.

Carbon Neutral

Nowadays, "Global Warming" connects every living thing in the world more than any other issue. Rising temperatures and climate records set in 2023 directly or indirectly affect our lives and leave lasting damage. These impacts remind us once again how important our science-based goals and strategies are. In order to reach our 2050 net zero target and contribute to our country's climate goals, we are focused on energy efficiency. We help our customers reduce their energy indirect emissions by producing durable and highly energy-efficient motors with high standards. With our eco-design principle, we carry out projects and make plans to minimize the environmental impact of products throughout their life cycle. We also make a significant contribution with the production of electric vehicle charging units, which will play a key role in the spread of electric vehicles that will reduce the use of fossil fuels. This step constitutes a critical milestone on the road to carbon neutrality in the transportation sector.

Water Management

Our water management policy adopts a holistic approach that includes the principles of reducing water consumption, establishing closed-loop systems, improving wastewater quality and preventing contamination. Since its establishment, WAT has committed to establishing its existing processes with closed-loop structures that will efficiently manage water use in order to protect the ecosystem and water resources of the geography where it operates. Currently, all of the aqueous processes operate with highly efficient closed-loop systems and there is no wastewater output from the process. The company works to raise awareness of its employees in the field of human-induced water consumption.

In addition to the work carried out in our production and manufacturing facilities, with the awareness of the significant share of inefficient agricultural irrigation on a regional and global scale, we offer energy-efficient accessible motors to the agricultural sector, support efficient irrigation systems and increase the energy efficiency of the sector.

Zero Waste

Our zero-waste journey includes reducing the waste generated on our campus, as well as the waste of our suppliers and customers in our value chain and adopting circular economy principles. Through supplier development activities, we ensure that our suppliers reduce their process-generated waste, and we guide our customers to manage their motors at the end of their product life in compliance with legislation and contributing to the circular economy. Using life cycle principles, we continue our efforts to reduce waste in production, packaging and storage processes.

Respect for the Environment

In the design process, the first stage of our products' life cycle, we focus on eco-design to protect the ecosystem. We continue our activities with water-based varnish applications, high-strength but low-solvent, toluene- and formaldehyde-free paint alternatives, transition to environmentally friendly materials, green chemistry principles in the supply chain for the management of banned and restricted substances, and a zero-pollution approach to protect the environment.

Respect for People

Our deep respect for human rights and our determination to develop human resources form the basis of all our work. Inspired by Koç Holding, we take important steps for the sustainable development of society. We implement comprehensive strategies to ensure equality at work, and to protect and improve employee rights. We identify human rights risks in our supply chain and carry out continuous improvement activities to minimize these risks. We invest in the professional and personal development of our employees, enabling them to maximize their potential.

We aim to make significant contributions with our social responsibility projects. We aim for young people to look to the future with confidence, especially through support for education which introduces and teaches them about the sector, and internship programs that provide both technical and personal development. We develop special projects to increase women's participation in the workforce and support gender equality at work. We offer flexible working models and social rights to help our employees maintain their work-life balance.

Our sustainability approach is based on a holistic approach that considers not only environmental but also social and economic sustainability. With our people-oriented management approach, we aim to meet not only today's needs but also those of the future. In this direction, we continue to work for a more livable world together with our business partners and stakeholders. In our 2023 Sustainability Report, we are pleased to transparently share with you all the activities we carry out as the Sustainability Committee. While adding value to different sectors with our products, we aim to inspire a widespread transformation with our innovative and responsible leadership. In line with our goals for the future, we will continue to carry out exemplary work in the fields of sustainable development and environmental protection. Together with our valued stakeholders, we will continue to move forward with determination for a better tomorrow.

Sincerely Regards,
On behalf of Sustainability Committee,

Fatma Taycı,
Sustainability, OHS and Environment Manager

Gökhan Otaç,
Finance,
Risk Management & Compliance Director (CFO)

CORPORATE PROFILE

FOUNDATION FOR THE FUTURE:
CREATING RELIABLE AND EFFICIENT SOLUTIONS

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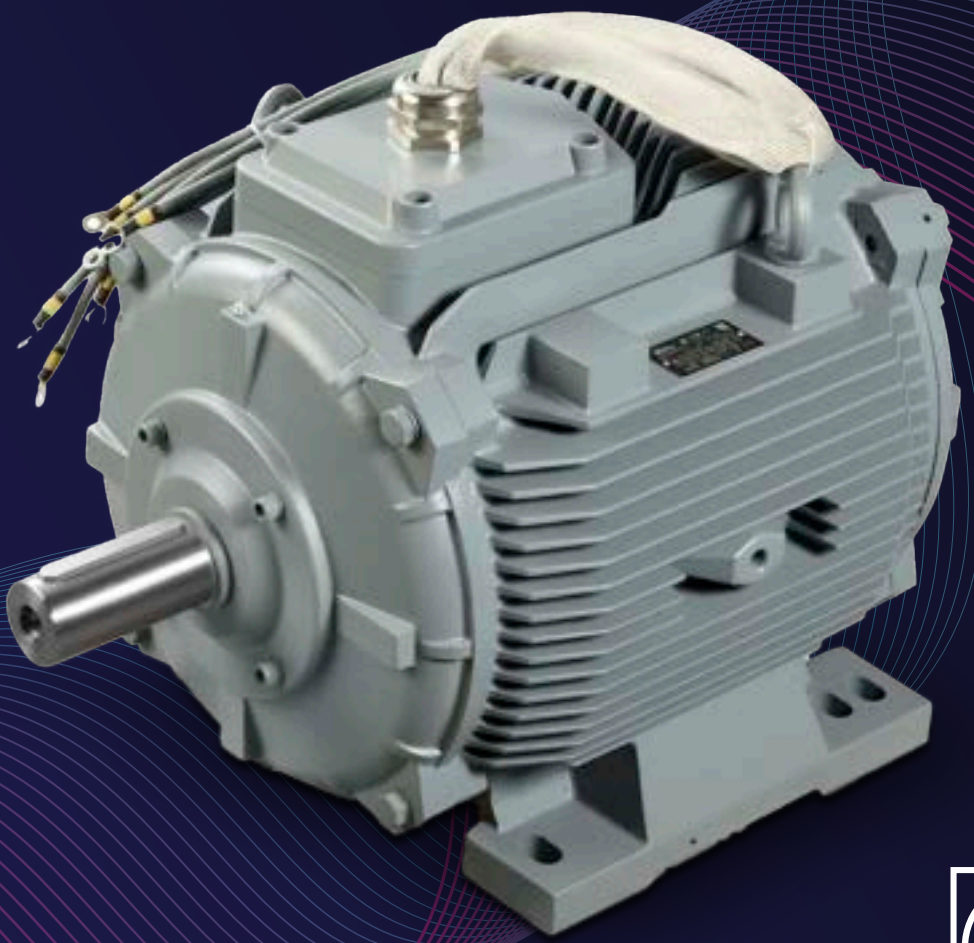


ABOUT WAT

Türkiye's leader motor exporter!

WAT, Türkiye's leading electric motor exporter, designs, supplies, manufactures, sells and provides after-sales support for three-phase and single-phase industrial electric motors, servo applications, electromobility solutions, AC/DC EV chargers, drives and components. Its goal is to become a leading global supplier in the sector with its pioneering activities in electrification and technology, to increase resource efficiency by offering innovative and sustainable solutions, and to create value by reducing carbon emissions. With over 50 years of experience and more than 900 employees, WAT pioneers' innovations that create success for all its stakeholders.

WAT has made it a mission to grow in both domestic and foreign markets with new investments every year thanks to its know-how, experience and strong human resources. The company was established in 1964 in Topkapı under the name of Türk General Elektrik with the initiative of Arçelik, which aims to reduce the import of refrigerator compressors and motors for washing machines with the partnership of American General Electric (51%) and İşbank (12%).

Starting mass production in 1965, Turkish GE was managed by the main shareholder American General Electric (GE) until 1979. In 1979, when American GE shares were acquired by Arçelik and İşbank, the name was changed to Koç Group Türk Endüstrisi A.Ş. (TEE).

In 1986, after İşbank sold its shares, TEE became a Koç Company, 99.5% owned by Arçelik. Until 1999, WAT operated under TEE, a pioneer in the production of electric motors and compressors under the TEE and WAT brands. On 31 December 1999, the company became part of Arçelik A.Ş., the second largest white goods manufacturer in Europe, the Middle East and Africa, operating in 145 countries with 11 global brands such as Arçelik, Beko and Grundig. The motors produced by Arçelik under TEE and WAT brands are the first choice of leading OEMs worldwide with their superior technology and durability. WAT was separated from Arçelik with the spin-off realized in 2018 and continues its activities in the field of electric motor production as WAT Motor Sanayi Ticaret A.Ş. under the ownership of Koç Investment.

In 2022, WAT established domestic electric charger production lines in Türkiye in order to expand its activities in the E-mobility ecosystem and created strategic plans in line with capacity increase, product quality and zero carbon targets. In 2023, WAT (51%) established WAT Mobilite in cooperation with Opet, Otokoç and Entek (Koç Group companies). WAT Mobilite aims to offer a premium quality experience to electric vehicle users with WAT-produced electric vehicle chargers and digital platforms, with the goal of net zero carbon emissions. These services are provided as direct and fast chargers at certain points on the roads.

WAT, which sells products to companies operating in Türkiye, Europe, America, the Middle East and Africa, is trying to expand its service network day by day in this journey, which started with the aim of becoming a high-tech product pioneer in the sector, an export leader in Türkiye and a center of excellence in motor and motion control. The company addresses the global energy challenges, creates solutions to change industries and industry, develops projects to reduce national and global emissions, protects natural resources with supra-regulatory and environmentally friendly designs, promotes social progress and diversity inclusion, and pushes the boundaries of technology to enable continuous improvement.

Power of WAT

- Robust and reliable products serving different sectors with 50+ years of experience
- Energy-efficient products with the latest technology leading the European and African markets
- Supra-regulatory designs
- Compact product designs
- 'Fit-for-55' product strategy
- Eco-friendly material choices
- Diversity, equity and inclusion
- Support for women's employment
- Strong R&D Team
- 100% customer satisfaction
- Ensuring customer satisfaction and fulfilment of customer demands
  - Feasibility support for motor selection
  - Competitive advantage with industry and customer-specific solutions
  - Just-in-Time delivery directly and through an extensive dealer network across Europe
  - Fast response with customer-specific account managers
- Sustainable business performance with a unique corporate culture

VISION, MISSION AND VALUES

Vision

Our vision is to be a pioneering high-technology product leader in our sector, a market leader in both exports and Türkiye, and a center of excellence in motor and motion control.

Mission

We empower our customers with our experienced team, environmentally friendly agile organization, and flexibility in design and production.

Values

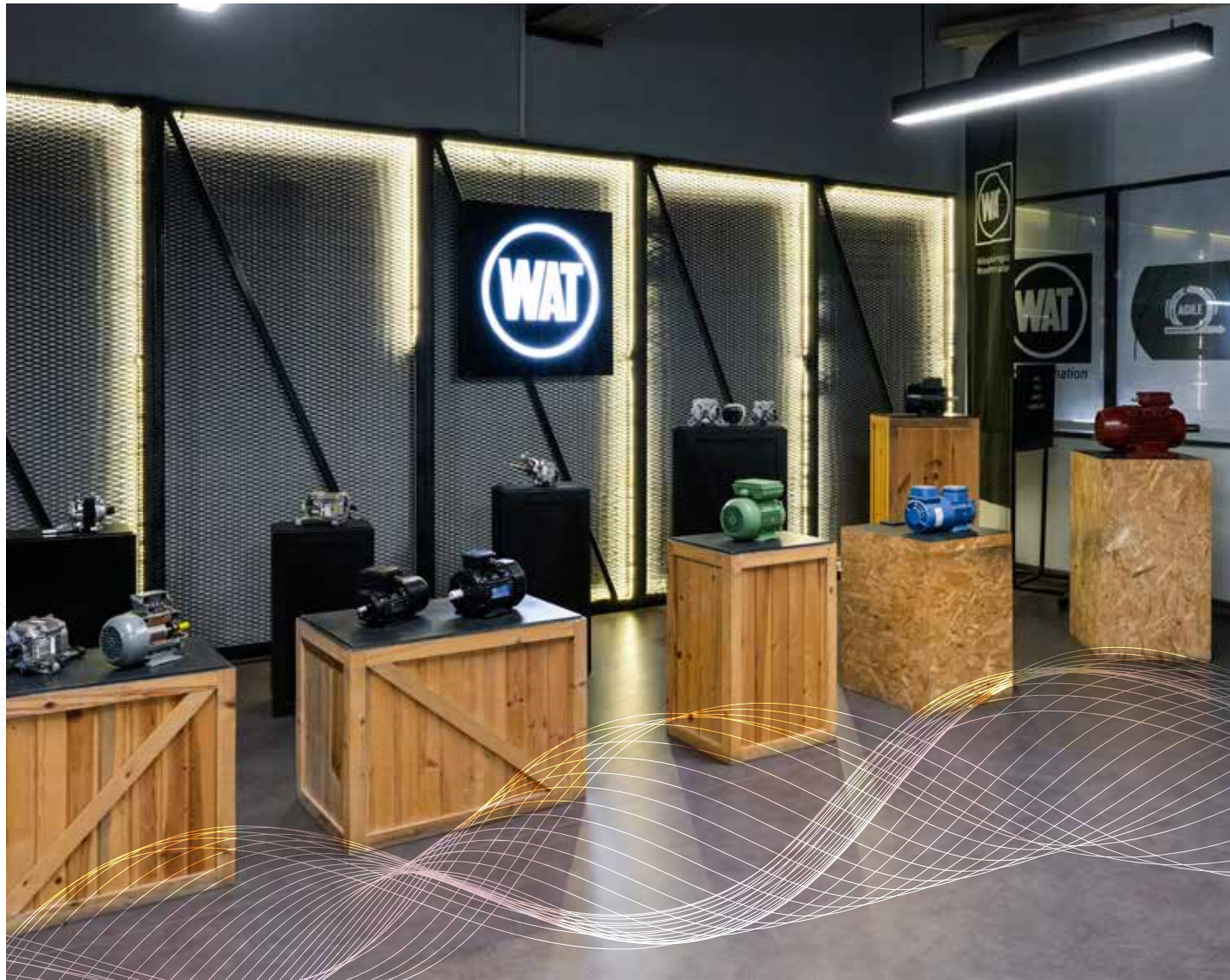
Corporate values shape every step taken at WAT. We aim to offer the highest quality products and solutions to stakeholders on the road set out with sensitivity to the environment and society. Aware of its responsibility to provide the best performance to its stakeholders by producing innovative, robust and highly efficient motors, WAT's values are in full harmony with the importance it attaches to customers, employees, partners and the environment.

High Quality & Durable Products
- Aim to produce high-performance and long-lasting products
- No compromise on quality in design, technology, or production

Innovation & Technology
- Innovating with leading technology
- Continuous development with innovative products and solutions

Productivity & Flexibility
- Aim to produce high efficiency products
- Creating efficient solutions for our customers by adapting to their needs and desires
- Reducing the energy cost of our customers and our company in the long term

Commitment & Collaboration
- Our commitment to meeting the needs of our customers
- Working as a team for the best quality production
- Building strong relationships with our customers, employees and partners



SHAREHOLDER STRUCTURE AND SUBSIDIARIES

AGILITY IN MOTION

WAT and TEE, as two strong registered trademarks of WAT Motor Sanayi ve Ticaret A.Ş., complement each other in the field of electric motors and energy solutions. WAT is known for its high energy efficiency and sustainability-oriented products, while TEE maintains its leadership in the sector with its wide product range and its long history. Both brands aim to provide customers with the highest quality and performance by offering innovative and environmentally friendly solutions for industrial, agricultural, construction and commercial applications.

In line with their common vision, WAT and TEE brands are undertaking important projects in the field of energy efficiency and sustainability and leading the sector.

WAT is owned by Koç Investments B.V. based in the Netherlands, in which Koç Holding A.Ş. holds 55% and Temel Ticaret ve Yatırım A.Ş. holds 45% of the shares.

WAT MOBILITE

WAT Mobilite aims to provide a high-quality experience to electric vehicle users and accelerate the integration of the E-mobility ecosystem into the modern world. It was established in 2022 as a part of Koç Holding A.Ş., Türkiye's largest industrial and service group, with the cooperation of WAT, Opet, Otokoç and ENTEK Elektrik, Türkiye's leading companies.

WAT Mobilite aims to create efficient, flexible business models that can create value in the long term in line with the sustainable growth targets of Koç Group. As WAT Mobilite, our top priority is to provide high quality, uninterrupted service to our country and our customers and to be accessible at all times by being located in every province across Türkiye.

While the transition to electric vehicles is accelerating thanks to both legislation and increasing environmental awareness, WAT Mobilite has received the "Charging Network Operator" license issued by the Energy Market Regulatory Authority (EMRA) and operates with the aim of becoming the most preferred Electric Vehicle Charging Network Operator with its wide service network as well as service quality thanks to its investments throughout Türkiye.

Uninterrupted access to sustainable transportation with 187 active socket charging stations and more than 2,800 charging units with directly provided products in 2023, which is also the foundation of WAT Mobilite

As of 2035, the increase in the electric vehicle population due to the ban on the sale of fossil fuel vehicles is predicted to increase the demand for electric vehicle charging solutions. WAT assumes responsibility for the establishment of these critical technologies in our country and sets its targets in this direction. WAT's R&D team is being expanded to offer electric vehicle charging solutions by building on power electronics, software and digital platform competencies.

For detailed information about WAT Mobilite, which was established with 51% partnership in line with WAT's vision and mission, please visit WAT Mobilite's website.

FOCUS AND CULTURE

Focus	Customer	100% customer satisfaction
	Technology	Pioneer of the energy transition
	Productivity	Best in class for accessible quality
	Ethics	Strong collaboration and compliance with standards and principles

Culture

Customer Satisfaction

WAT aims to provide 100% customer satisfaction with motor production suitable for various industries and markets and competent service throughout Türkiye. With the Motor Selection Tool it has developed for customers to choose the most suitable motor for their applications, WAT offers comprehensive service from product supply to disposal. In the scope of energy efficiency, the company provides its customers with energy audit reports containing annual savings amounts and performs motor load status determination. After application analysis, it performs electrical and mechanical design feasibility studies in accordance with customer design. WAT provides technical support to ensure that customers get the highest efficiency from their motor systems pre-sales. In the post-sales period, the company provides various services such as installation support, periodic maintenance, emergency repair services and spare parts supply. It provides long-term satisfaction and trust by providing full support at every stage with technical training and a 24/7 support line.

Participation

WAT aims to achieve sustainable success by encouraging the participation and cooperation of all its stakeholders. The company builds strong and reliable relationships with all its stakeholders, especially its customers, employees, suppliers, dealers, and authorized services. While WAT takes important steps in the field of industrial solutions and mobility with its expanding R&D activities, it evaluates the opinions and feedback of its stakeholders. WAT understands the needs and expectations of its stakeholders through regular customer satisfaction surveys, meetings with business partners and supplier evaluations, and shapes its strategies accordingly. This participation makes a significant contribution to WAT's sustainable growth and strengthens its position in the sector.

Partnership

WAT's competent and experienced teams carry out hardware and software design works within the scope of industrial servo systems and motor drives for electric vehicles. The R&D organization is structured into industrial, mobility and charging systems teams, strengthening cooperation. While this partnership helps WAT to create a wide service network and consolidate its position in the sector, WAT's Corporate Social Responsibility (CSR) projects with local organizations and impact mitigation projects with its suppliers contribute to society and the environment. Collaborations with local organizations include projects in the fields of education, environment, and social development. Projects with suppliers aim to improve energy efficiency, waste management, and sustainable material use. Through these collaborations, WAT achieves its sustainability goals and builds strong relationships with its stakeholders.

Empowerment

WAT aims to increase resource efficiency and ensure a better future by providing innovative and sustainable solutions. The R&D team creates development and testing processes in line with the requirements of the industry and these processes ensure that the company remains strong in global competition. Agile Management aims to continuously improve the organization, and, for this purpose, WAT closely monitors market demands, customer expectations and associates them with its goals. WAT has created its electric vehicle charger production organization with a life cycle assessment perspective and has commissioned its production systems to support this perspective. WAT empowers its employees with continuous training and development opportunities and thus encourages them to produce innovative solutions.

Transparency

WAT maintains transparency at the highest level by having open communication channels with its stakeholders. It regularly shares information and strengthens communication with its stakeholders through sustainability reports, social media, and other communication tools. By openly sharing its activities and performance, WAT recognizes its stakeholders' feedback while gaining their trust. The established transparent approach plays an important role in WAT achieving its sustainability goals and fulfilling its responsibilities to society. This approach of WAT, which adheres to the principles of transparency and accountability at every stage from R&D studies to production processes, increases the company's credibility and allows it to create powerful relationships with its stakeholders.

Focus

WAT aims to provide competitive and durable solutions worldwide by focusing on its short- and medium-term goals. WAT has focused on electric motorcycle powertrain projects, EV chargers, high efficiency industrial motors and system solutions. In the long term, it aims to create software services and big data-based solutions through products.

WAT AT A GLANCE

Where demand for high standard and energy efficient products is highest, **9 out of every 10 motors** exported to Western Europe have **6 out of every 10 motors** exported to Europe have

WAT signature

SECTORAL ECOSYSTEM

WAT support for low carbon transition with energy-efficient motors and mobility solutions!

The industrial sector accounts for a large fraction of energy consumption compared to other sectors and accounts for 24% of global greenhouse gas emissions. Most of the electricity used in industry is consumed by industrial electric powertrains such as motors, variable speed drives, pumps, fans and compressors. Around 70% of these systems are supplied by industrial electric motors, of which more than 90% are asynchronous motors. This makes the electric motor sector both economically and environmentally critical.

In the industrial sector, improving the efficiency of electric motors and implementing more energy-efficient solutions offers huge opportunities for efficiency and emission reductions. Current regulation dictates that IE4+ efficiency levels and different motor technologies are used in industry. WAT meets these needs by offering a wide range of products: aluminium housing motors, three-phase motors, single-phase motors, smoke extraction motors, brake motors, marine motors, cast-iron housing motors, servo motors, motors with integrated drive, motor drives and customer-specific solutions. The use of high-efficiency electric motors developed by WAT provides cost savings by reducing energy consumption, while significantly reducing carbon footprint.

The transportation sector accounts for 15% of global greenhouse gas emissions and the transition to electric mobility is of great importance to reduce carbon emissions in this sector. WAT Mobilite, a subsidiary of WAT, supports this transition by offering charging solutions for passenger cars and buses. The EV chargers and high-efficiency electric motors produced by WAT meet the power needs of electric vehicles, increasing energy efficiency.

WAT produces motors and motor drives specifically designed for electric vehicles, ensuring lower energy consumption and higher performance. The company also minimizes the environmental impact of marine transportation by supporting the electrification of marine vehicles with marine motors. Electric mobility contributes to reducing the carbon footprint by increasing energy efficiency in the transportation sector. Electric mobility solutions offered by WAT not only save energy, but also improve air quality and reduce fossil fuel dependency. These technologies make significant contributions to building a more sustainable future by reducing the negative impact of transportation vehicles on the environment.

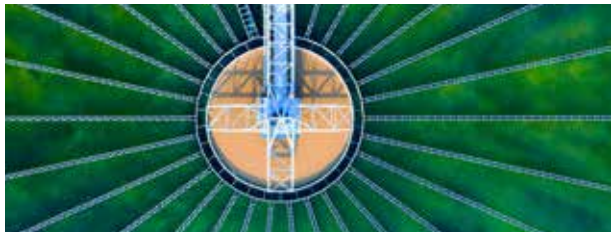
FIELD OF ACTIVITY

WAT provides flexible solutions suitable for the needs of its customers from different sectors, maximizing customer satisfaction and maintaining its pioneering position in the sector for 59 years!

WATER & WASTEWATER MANAGEMENT

WAT believes that it has a responsibility for the most efficient and environmentally friendly management of water - the basis of life - and carries out its activities with this awareness. WAT provides efficient products for applications such as drinking water pumps, water pumping and transmission stations, high pressure pumps, desalination plants, wastewater suction, and ventilation pumps in water and wastewater management.

- » Highly energy-efficient pump motors with much lower noise and vibration levels than international standards are produced thanks to rotors that are fully electronically checked for casting clearance and busbar disconnection with special control equipment and then precisely balanced with narrow concentricity tolerances.
- » It is possible to use highly energy-efficient motor designs and panel-type motor drives in accordance with variable pump loads for many years without any problems and with energy savings.
- » It is possible to benefit both the company using the product and the planet with motors with integrated drives that provide on-site control and high energy savings.



AIR COMPRESSORS & VACUUM PUMPS

Air compressors and vacuum pumps, which are actively used in water and wastewater treatment stages, are important for accelerating treatment processes and access to clean water. Air compressors and vacuum pumps usually operate continuously for a very long time in very high temperatures and consume a significant amount of electricity. WAT designs integrated drive motors with high energy efficiency and special insulation systems designed with a high service factor, which indicates the ability of a motor to operate above its rated capacity. WAT's main applications in this area are air compressors, vacuum pumps and air blowers.

- » It is possible to establish systems where high ambient temperature is optimized; WAT produces high service factor and low electricity consumption motor drives that perfectly adapt to variable load conditions and integrated drive motor families with special insulation systems.
- » In energy-efficient products that can operate at high ambient temperature for many years without any problems and designed with a high service factor, bearings with special grease and high load carrying capacity are used to allow them to work in this harsh environment.

HEATING, VENTILATION, AIR CONDITIONING & REFRIGERATION (HVAC-R)

Motors used in heating-cooling, ventilation and air conditioning systems are among the most energy-intensive components in these systems. In order to minimize this intensive energy consumption, WAT produces quiet, lightweight and reliable motors with high energy efficiency, suitable for variable power needs.

- » Motors with aluminium and cast-iron housing with a special pad connection that does not obstruct the air flow are designed for fan applications used in air ducts.
- » It is possible to save energy with WAT's double speed motors, motor drives that perfectly adapt to variable load conditions and motors with integrated drives with special insulation systems.

AGRICULTURE & INDUSTRIAL MACHINERY

WAT serves in the agricultural and industrial machinery industry with competitive products optimized according to the requirements of many different applications such as textile production, wood processing and drying, food processing, printing, packaging, fertilizing and metal processing. Other application areas are milking, irrigation systems, production benches and equipment.

- Motors with permanent and start-up capacitors are suitable for products that need to start under high load in single-phase systems.
- Technological and competitive solutions provided by highly energy-efficient, lightweight, and reliable aluminium motors can serve many different applications.
- Additional savings in energy consumption are possible with WAT's motor drives that perfectly adapt to variable load conditions, motor families with integrated drives with special insulation systems and double speed motors.

MATERIAL HANDLING & LIFTING

It is possible to obtain technological and competitive solutions for conveyor and reducer applications with WAT Motor products, which offer double speed, braked, highly energy-efficient product families specially designed for many different applications and working conditions such as cranes, conveyors, reducers and elevators.

- It is possible to operate cranes and reducers in the desired speed and torque range without the need for a driver with double and triple speed motors produced at WAT.
- Special double speed and multi-pole motor designs provide advantages in elevators.

SHIPBUILDING & MARINE

WAT's highly corrosion-resistant certified motor solutions are preferred for above- and below-deck applications. The products, which can be used in ships' crane, pump, ventilation, compressed air, rope and anchor systems, stand out with their high quality, silence and long service life.

- WAT's high-quality products with aluminium and cast-iron houses are certified by Bureau Veritas (and soon ABS).
- The products offer high level corrosion and UV resistance. WAT aims to offer superior quality and high performance by minimizing environmental impacts by preferring low solvent, high solids materials and toluene- and formaldehyde-free paints in corrosion resistance materials that protect product life.

E-MOBILITY

The motors and drives provided by WAT, specially developed for E-mobility platform needs, can be used in electric urban light transportation vehicles and autonomous material handling systems.

WAT aims to help achieve the IEA's 2050 zero emission target (IEA NZE), and to this end provides a specially designed permanent magnet electric motor and driver platform with high efficiency and energy density, which does not cause carbon emissions that internal combustion motors do.

My mother makes motors for household appliances, refrigerators, vacuum cleaners and washing machines where she works. Without these household appliances we would have struggled.

İDİL, 11

RENEWABLE ENERGY

WAT entered the renewable energy sector by producing cooling systems, wind energy system components and blade motors in the wind energy sector, and now meets an important need of the wind energy sector with its cooling systems and blade motors that can operate smoothly for years in extreme climatic conditions.

DURABLE GOODS

Durables, which are largely export-oriented, is one of Türkiye's main industrial sectors. WAT manufactures semi-finished products and parts for high-tech and energy-efficient Brushless DC Electric Motor (BLDC) tumble dryers, washing machines, dishwasher motors and drain pumps in consumer durables.

MOTION CONTROL SYSTEMS

WAT's highly energy-efficient servo motor and drive solutions are designed to meet the fast and precise positioning needs that are critical in the motion control systems. Compliant with military standards such as MIL STD-810, MIL-STD-461 and MIL-STD-1275D, these systems can operate in extreme conditions and maintain energy efficiency and sustainability principles. WAT contributes to the defense industry by providing scalable and adaptable solutions for different types of vehicles and integrated systems, while maintaining energy efficiency and sustainability principles. WAT considers its activities in this field as an opportunity to increase its design competencies by developing products that meet the sensitive quality requirements required by the sector. The products it offers not only increase operational efficiency but also aim to minimize environmental impact by offering reduced energy consumption and long-lasting use while providing security for communities.

PRODUCTS AND SERVICES

WAT stands out among the world's leading motor manufacturers by producing high-tech motors with high performance, robustness and reliability.

The company manufactures general purpose and magnet synchronous motors suitable for various industries and markets and exports at a high rate thanks to the value-added products it offers to the foreign market, thus playing a critical role in the protection of national capital. WAT has also started servo motor production activities for special applications and industrial applications, aiming to maintain its leadership in the sector by increasing its product range.

My dad makes things that make life easier where he works. The chargers that he makes, charge cars quickly.

Tahsin, 14

In addition, AC & DC charging systems are produced for WAT Mobilite, which was established in 2022 in line with WAT's vision and mission. WAT aims to provide electric vehicle users with a superior quality experience with the home chargers offered to the market by WAT Mobilite, and to accelerate the integration of the E-mobility ecosystem into our age. WAT acts with the awareness that there is a serious need to accelerate the transition of all electric vehicle users to E-mobility, taking into account 2050 net zero carbon emission target. WAT Mobilite aims to offer a lifestyle that meets the needs of users from all walks of life with value-added digital solutions, state-of-the-art technology products supporting commercial and passenger electric vehicles, reliable and high-quality charging units, easily accessible 24/7 uninterrupted technical support and a service approach that makes the lives of electric vehicle users easier.

Click here for detailed information about WAT products.

Three-Phase Aluminium Motors:

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

Three-Phase Cast-Iron Motors:

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

Single Phase Motors:

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

Smoke Extraction Motors:

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

Brake Motors:

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

Marine Motors:

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

Durable Goods Electric Motors:

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

Servo Motors:

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

Inverted Integrated Motors:

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

Industrial Drives:

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

Electric Vehicle Chargers:

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

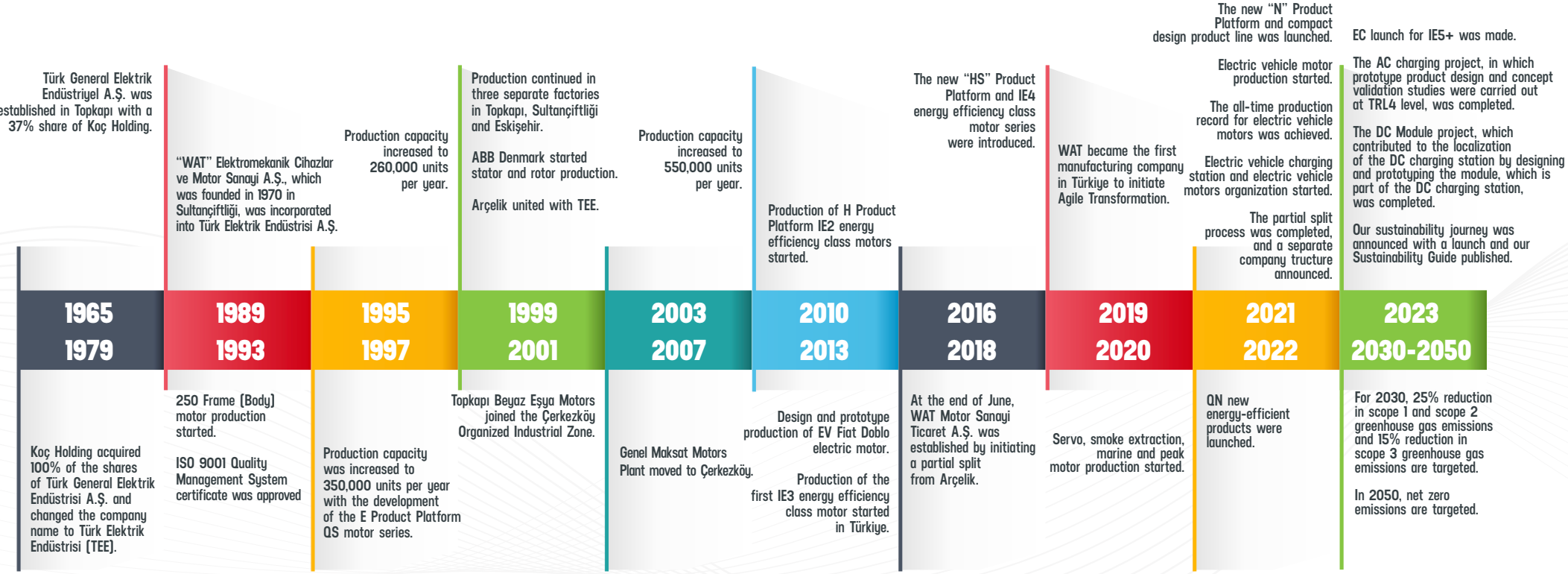
WAT EV charging units are delivered to users through WAT Mobilite. In another case, WAT EV charging units are transformed into user-friendly stations by WAT Mobilite with Energy Market Regulatory Authority (EMRA) license.

EXPORT MAP

Beyond Borders with WAT's Innovative Power

ALBANIA
AUSTRIA
AZERBAIJAN
BAHRAIN
BELGIUM
BOSNIA HERZEGOVINA
BULGARIA
CHINA
CZECHIA
DENMARK
DUBAI
EGYPT
FINLAND
FRANCE
GEORGIA
GERMANY
GREECE
HUNGARY
INDIA
IRAQ
IRELAND
ISRAEL
JORDAN
KAZAKHSTAN
KENYA
LIBYA
LITHUANIA
MOROCCO
NETHERLANDS
NORWAY
PAKISTAN
POLAND
QATAR
ROMANIA
RUSSIA
SAUDI ARABIA
SERBIA
SLOVENIA
SPAIN
SWEDEN
SWITZERLAND
THAILAND
TUNISIA
UGANDA
UKRAINE
UNITED ARAB EMIRATES
UNITED KINGDOM
UNITED STATES OF AMERICA
UZBEKISTAN
VIETNAM

CORPORATE JOURNEY



AWARDS AND RECOGNITION

2019

WAT became the first to initiate Agile Transformation among manufacturing companies in Türkiye.

TEGEP - Best Development Program Contributing to Change Management Category
"You are the Power of this transformation"

TEGEP - Sales Development
Program Category Silver Award

Brandon Hall Gold Award
Development is Beautiful Together Program

Brandon Hall Bronze Award
You are the Power of this Transformation

Stevie Winner Gold Award
Organization & Culture Transformation Process

PerYön Grand Prize
Leadership in Valuing People Category

PerYön Finalist
Learning Organization & Learning Agility

PerYön Achievement Award
Developing New Working Models

2021

2022

Kincentric Best Employers 2022
Türkiye's Best Company Award for Agility, Engaging Leadership and Talent Focus

2023

EcoVadis Sustainability Rating
Bronze Medal

(CDP) Sustainability Rating
"A-" Score in Water Security Program in Carbon Disclosure Project

(CDP) Sustainability Rating
"B" Score in Climate Change Program in Carbon Disclosure Project

GOVERNANCE

GUIDING WITH INTEGRITY:
TRANSPARENT LEADERSHIP FOR SUSTAINABLE GROWTH

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ORGANIZATION AND CORPORATE STRUCTURE

Corporate Values

WAT has built its corporate governance on the values of accountability, responsibility, openness, transparency, and equality. These values enable us to build solid and reliable relationships within our business environment and strengthen our commitment to our stakeholders. We harmonize these fundamental principles with a profitability-oriented perspective and the goal of creating an effective working environment. This holistic approach is the key to our long-term success.

Equality-Oriented Corporate Governance

In line with our corporate values, we take the necessary steps to ensure equality between internal and external stakeholders. We ensure that stakeholders' rights to obtain information are fulfilled with fairness. Our Investor Relations Department is responsible for recording voting results and reporting them to stakeholders. The rights of shareholders are in accordance with legislation, Articles of Association, and other regulations. We take the necessary measures to ensure the application of these rights, and equal treatment. Important business updates are shared with internal stakeholders through "Town Hall" meetings.

Continuous Development and Improvementa

We work to improve our operations and working environments through mechanisms such as whistleblowing and our ethics hotline. In this way, we continue to offer a transparent, accountable, and fair corporate governance approach for all our stakeholders.

As WAT, we are committed to sustaining our long-term success and taking a leading position in the sector with our commitment to our corporate values and ethical management approach.

BOARD OF DIRECTORS

Rahmi M. Koç
President

Ömer M. Koç
Vice President

Semahat S. Arsel
Board Member

Ali Y. Koç
Board Member

Levent Çakıroğlu
Board Member

Fatih K. Ebiçlioğlu
Board Member

Cemal Şeref Oğuzhan Öztürk
Board Member - General Manager

MANAGEMENT COMMITTEE

Cemal Şeref Oğuzhan Öztürk
Board Member - General Manager

Barış Tuğrul Ertuğrul
Member, CTO

Gökhan Otaç
Member, CFO

Utku Yazıcıoğlu
Member

Onur Taneri
Member

Zehra Karağöz
Member

Fatma Taycı
Member

İlhan Göksu
Member

WAT ETHICS COMMITTEE

Fatih K. Ebiçlioğlu
President

Cemal Şeref Oğuzhan Öztürk
Member

Gökhan Otaç
Member

Zehra Karağöz
Member

Cansın Yavuz
Member

WAT SUSTAINABILITY COMMITTEE

Fatih K. Ebiçlioğlu
President

Cemal Şeref Oğuzhan Öztürk
Member

Gökhan Otaç
Representative (Appointed)

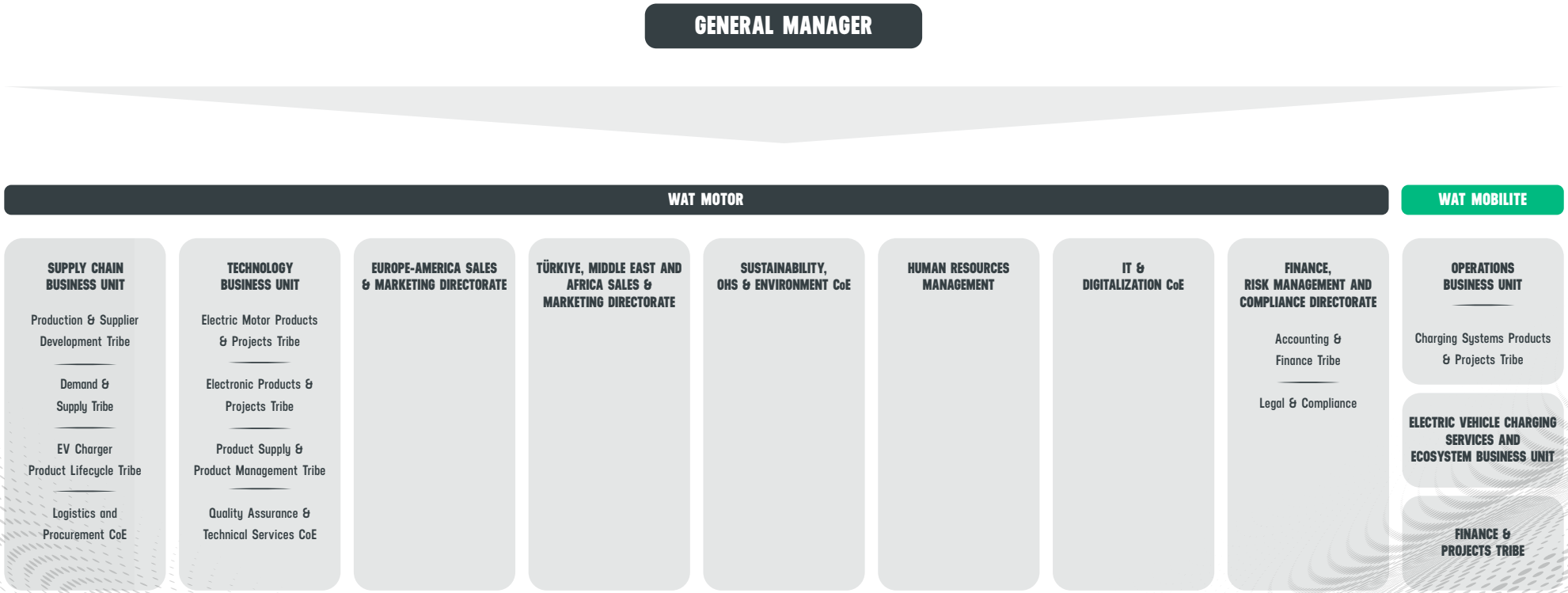
WAT RISK COMMITTEE

Fatih K. Ebiçlioğlu
President

Cemal Şeref Oğuzhan Öztürk
Member

WAT operates in an "Agile" organizational structure, which is a business structure and management approach based on flexible and adaptable management. WAT stands out in the competition with its structure that can quickly adapt to changing market conditions and respond flexibly to customer demands and has established its corporate management by focusing on the values of cooperation, transparency and authorization. The organizational structure at WAT, which has developed a business model based on cooperation, where the hierarchical level is minimized with horizontal organization, has been shaped under WAT's Next Agile structure. WAT's Next consists of N level, N-1 and N-2 level business units and directorates. N-1 functions, which report directly to the CEO, consist of directorates, business unit leaderships and managerial offices, while N-2 functions consist of Tribe teams, which manage activities under business unit leaderships with agile methodologies, generally working cross-functionally and autonomously, thus accelerating decision-making processes and encouraging innovation. Processes are improved by working with continuous feedback and a culture of teamwork. Teams enhance their work using feedback, correcting mistakes, optimizing processes and improving future work.

WAT's organizational structure, unlike the change requirements arising from needs and new appointments, changed visionally and strategically at the end of the reporting year. This change requirement and objectives were announced to the employees by the General Manager of WAT at a 'town hall' meeting with the title "Organizational Transformation for WAT's Today and Tomorrow". In this new structure, which will increase the effectiveness of the Agile organizational structure, end-to-end supply chain processes were gathered under one roof and technology business units under another. In addition, the customer relations and marketing functions gained a directorate structure, while new structures were put in place to meet new needs and expectations.


GENERAL MANAGER
WAT MOTOR
WAT MOBILITE
SUPPLY CHAIN BUSINESS UNIT
Production & Supplier Development Tribe
Demand & Supply Tribe
EV Charger Product Lifecycle Tribe
Logistics and Procurement CoE
TECHNOLOGY BUSINESS UNIT
Electric Motor Products & Projects Tribe
Electronic Products & Projects Tribe
Product Supply & Product Management Tribe
Quality Assurance & Technical Services CoE
EUROPE-AMERICA SALES & MARKETING DIRECTORATE
TÜRKIYE, MIDDLE EAST AND AFRICA SALES & MARKETING DIRECTORATE
SUSTAINABILITY, OHS & ENVIRONMENT CoE
HUMAN RESOURCES MANAGEMENT
IT & DIGITALIZATION CoE
FINANCE, RISK MANAGEMENT AND COMPLIANCE DIRECTORATE
Accounting & Finance Tribe
Legal & Compliance
OPERATIONS BUSINESS UNIT
Charging Systems Products & Projects Tribe
ELECTRIC VEHICLE CHARGING SERVICES AND ECOSYSTEM BUSINESS UNIT
FINANCE & PROJECTS TRIBE

AGILE TRANSFORMATION

Agility is one of the preferred methods to quickly adapt to rapidly changing conditions and expectations in the world and within the company. Agile organization adopts the understanding of allocating and managing the right work to the right teams in line with a common goal.

As the first manufacturing company in Türkiye to initiate the Agile Transformation process among manufacturing companies, WAT leads this transformation initiative with the slogan "Business is Good Together". The company continues to focus on cooperation and transparency and prioritizes these values in all processes, especially authorization.

Click here for detailed information about the Agile Transformation process.

AGILE TRANSFORMATION PROCESS

Agile team configuration, Scrum Master coaching process and inter-departmental collaboration coaching sessions were carried out in the process that started in 2019 with the senior management vision meeting.

First teams - groups with different specializations but focused on the same goal - were formed by a self-selection method, and product owner assignments were made. With the transformation integrated into all processes starting from the working environment, teams were able to design their own rooms, observation meetings were held open to the public and all obstacles were discussed transparently.

First teams achieved key performance targets such as rapid response to customer demands and significant improvement by halving delivery time.

WAT Motor's Agile Transformation Journey: WAT Motor became the first manufacturing company to enter Agile transformation. In its Agile transformation journey, which started in 2019 with the aim of increasing cross-functional collaboration, WAT took important steps in team agility, organizational agility and strategic agility.

In a process that started with pilot trials, the first pilot team achieved significant success by reducing the new product configuration time from 21 days to 8 days and reduce lead time by two-thirds. The overall lead time from order to delivery was also reduced from 300 days to 125 days. Following these pilot applications and positive feedback from customers, WAT Motor decided to extend the Agile way of working to the entire company.

WAT Motor improved its self-management skills by establishing self-managing and designing teams and reshaped its organization by experimenting with Tribe structures. In this way, it was able to better manage the value stream and transform the entire organizational structure into an Agile structure within one year. It became a pioneer in this field by establishing teams where field and office employees work together.

Starting from the perspective of organizational agility, WAT Motor also updated its human resources practices. Teams started to conduct their own performance evaluations and identify their extraordinary employees. In recent years, WAT Motor has also made progress in strategic agility by entering the fields of mobility and power electronics.

WAT Motor is keeping its finger on the pulse of transformation with metrics tracking and workshops and continues to make adaptations to improve its employees' and customers' experience.

ACM AGILE CONSULTING

Melike Ak Şahin
Partner

Barış Bal
Partner

FUNDAMENTAL TO TRANSFORMATION: AWARENESS

Agile learning program, two-day gamified Agile & Scrum Framework trainings were provided to all employees, and agile orientation training was organized for new recruits. In addition, applied team development programs were initiated with external agile coaches.

With the agile transformation process, WAT has taken important steps to increase efficiency and customer satisfaction in processes, strengthen cooperation and ensure employee satisfaction. This transformation process enabled the company to act more flexibly and quickly in the changing.

AGILE TRANSFORMATION SHOWS ITS EFFECTS QUICKLY

With the first team works:

- **New product configuration time was reduced from 21 days to 8 days**, enabling faster response to requests.
- **Reduced offer response time by 66%** and increased customer satisfaction.
- **Shipment time was reduced by 50%**, resulting in significant improvements in delivery time.

	Industry Business Unit	Power Management Solutions Business Unit	Functional Units	WAT Mobilite
2023 Number of Agile Teams	11	4	8	4

The Sprint Review meeting, held after each Sprint in Agile methodology, is a meeting with key stakeholders. It is conducted to show the outputs to stakeholders, collect feedback and track progress. In 2023, Agile teams carried out projects with end-to-end activities, conducted **324 intra-team Sprint Reviews and 72 inter-team reviews under six topics.**

Click here to access the What's Happening at WAT Reviews video.

Characteristics of Agile WAT

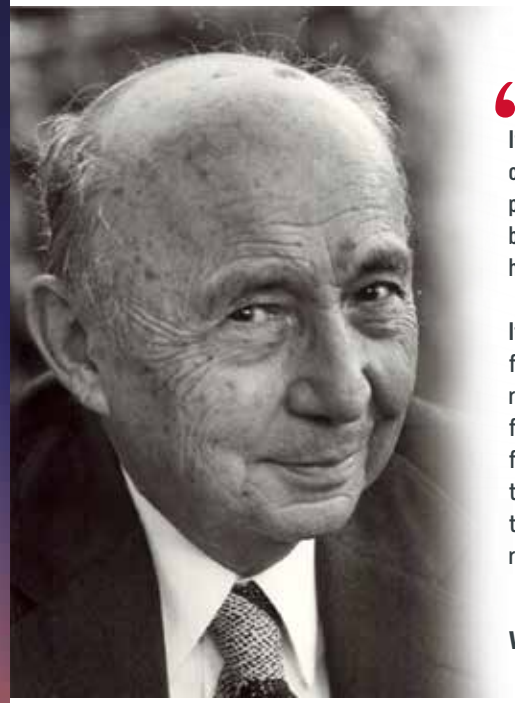
Agile in Mentally	The degree to which an individual can embrace complexity, examine problems from different perspectives, be curious, and make connections between seemingly independent concepts. Principle: Even in the face of chaos and complexity, I quickly develop solutions and eliminate disorder.
Agile in Relationships	The degree to which an individual is open-minded towards others, interacts with them, understands their strengths, interests and limitations. They use these effectively to achieve business goals. Principle: I thrive on people and relationships, create collaborations or enjoy being in a collaborative environment.
Agile in Change	The degree to which an individual embraces change, constantly develops new perspectives and solutions, and recognizes the need for change and takes action. Principle: I create positive change and adapt quickly to a changing environment.
Agile in Achieving Results	The degree to which a person is motivated in the face of problems and able to achieve results in challenging situations. In challenging situations, their skill and ability to inspire teammates leads to results. Principle: I approach challenges with a can-do perspective. I go to the solution quickly.
Agility in Personal Awareness	The degree to which an individual has personal insight. They know their strengths and weaknesses clearly. They free themself from blind spots and use this knowledge to achieve effective business results. Principle: I am adapt at recognizing my strengths and weaknesses and improving myself accordingly. For this purpose, I constantly get ideas from the people around me.

Transformation Focuses of Agile WAT

Transparent	» Shares all information concerning the team with other teammates. » Informs about what is going on. » Transparently shares their goals and the processes they carry out. » Is not afraid of making mistakes, can share them and learn from them. » Encourages other teammates to conduct transparent processes. » Establishes/uses systems to ensure the rapid flow of information concerning the team. » Gives and receives feedback transparently within the team.
Uses Authority & Delegates Authority	» Takes responsibility; distributes responsibility within the team and motivates them to take action. » Authorizes the team. Follows the results of the authorization. Provides support when necessary. » Supports the team to take responsibility for the success of the unit. » Evaluates alternative solutions by considering the current situation, conditions and possible outcomes and takes action by determining the most appropriate course of action. » Supports the team in taking balanced initiative.
Develops Collaboration	» Is open to cooperation. Contributes willingly. » Shares ideas in a constructive way. » Always emphasizes that teamwork will bring added value. » Encourages intra-team and inter-team cooperation. » Listens to the needs of other teams and acts accordingly. » Appreciates people who work in cooperation. » Creates a favorable environment for successful collaborations and ensures active participation.

BUSINESS ETHICS AND LEGAL COMPLIANCE

Business ethics and legal compliance are among the cornerstones of sustainable success. Ethical business practices help companies protect their reputation, increase employee motivation and build trust with customers, while legal compliance ensures that companies comply with the laws and regulations in the regions where they operate, thus avoiding legal risks and penalties.



"It is our motto to comply with the principles of superior business ethics and honest work.

It is our principle to act fairly in all our relations, to act in good faith and understanding for mutual benefit, and to always comply with the laws and ethical rules."

Vehbi KOÇ

As a member of the Koç Group, WAT is based on the goals and principles of Founder Vehbi Koç and fulfils its duties in the light of these principles. Truthfulness, honesty, responsibility, trust and respect are the core values that guide WAT in its decisions and actions. All WAT employees and management are obliged to exhibit attitudes and behaviors that will ensure cultural integrity within the framework of these values.

Koç Group attaches great importance to complying with applicable legislation, international conventions to which the countries in which the relevant Group companies are established are parties, and the United Nations Global Compact; the company conducts its activities with the highest ethical standards and honesty and promotes a culture of "open communication" and "accountability" to prevent unethical or unlawful acts. A Koç Group company expects its employees who directly or indirectly witness any unlawful activity or unethical incident involving an employee or a business partner, or who are legally informed about such a situation, or who suspect such a situation, to voice their concerns, and encourages its stakeholders to do the same. Reports and notifications can be made through the link "koc.com.tr/ihbarbildirim".

The WAT Code of Ethics Compliance Program is based on the three operational pillars set out below:

01

PREVENTION

We aim to embed and promote a culture of honest work at all levels in all countries where we have operations.

02

IDENTIFICATION

We encourage our people to report non-conformities and be a voice for our values.

03

RESPONSE

We report violations, investigate them in a proper and fair manner, impose relevant sanctions when necessary, and work to continuously develop and improve our own system.

The Koç Group Ethics Hotline, managed by independent service providers, is available 24/7 and is the main method used to report whistleblowing issues. A team is in place at the holding for the joint evaluation of whistleblowing and complaints. WAT has an Ethics Committee consisting of the CEO, the Finance, Risk and Compliance Director and a lawyer to support the process.

Click here to review the WAT Whistleblowing Policy.

Comprehensive training programs, face-to-face and online, have been established to cover WAT employees to ensure full compliance with the Principles of Business Ethics framework. The training covers relevant policies, including compliance policies such as anti-bribery and anti-corruption, prevention of human rights violations, prevention of discrimination and harassment, responsible procurement and conflict of interest, etc.

Click here to review the full list of policies.

Ethics hotline announcements are repeated periodically in order to ensure the full implementation of the 'identification' title, which constitutes the 3 main foundations of the Business Ethics Policy.

In 2023

Number of applications to the ethics line **7**

Closure rate **100%**

People trained on ethics **443**

Total **443** hours of ethical policies training

RISK MANAGEMENT

While organizations are exposed to various risks during their operations, if managed properly these risks can create new opportunities as well as mitigate risks. Risk management is a comprehensive process in which risks are identified, analyzed and controlled. Although risks cannot be completely eliminated, this process minimizes costs and operation interruptions and prevents crises due to unwanted events. At WAT, risks are defined as any event, threat or opportunity that may positively or negatively affect the achievement of the company's goals. WAT Enterprise Risk Management (WERM) studies were initiated in 2023 in order to ensure global competitive advantage by systematically and comprehensively managing risks that may threaten WAT's assets, reputation and earning capacity, and to effectively manage climate-related risks and opportunities. It is aimed to create an integrated, systematic and proactive risk management approach by identifying and evaluating the risks that the company is exposed to.

The WAT Enterprise Risk Management System (WERM) provides an understanding of the processes required for the successful identification and management of risks and communicates the importance of these processes to its stakeholders. This system requires identifying existing risks and establishing mitigation plans, running operations effectively and establishing good risk management to capitalize on opportunities. It also enables better-informed selection of strategic objectives, leading to effective change management. Improved managerial and financial controls are established through risk control and monitoring processes, and stakeholder expectations are met. By increasing the level of risk awareness, it keeps issues on the agenda and increases the predictability of risks.

The WERM framework is based on various methodologies and good practices, including the ISO 31001 Risk Management Standard. As the leader of the Enterprise Risk Management and compliance organization, the CFO is responsible for integrating WAT's risks and opportunities and mitigating identified risks together with the Risk Committee. Employees also serve as the best line of defense for early detection of potential issues. Transparent reporting activity is one of the best indicators of a culture of integrity and employee engagement in compliance priorities.

The WERM system supports the realization of the company's goals and strategies while ensuring that all issues that may affect the company's operations are addressed as risks and opportunities. The WAT Risk Committee is chaired by the CFO with the participation of relevant managers, department representatives, management system officers and business development experts. The WAT Risk Committee meets quarterly to review risks, make necessary updates, identify risk mitigation needs and expectations, and take necessary actions, and decisions are reported to the CFO. The CFO reviews the assessed risks, identifies their material impact and presents them to the Board members. Based on the strategic outcomes and the assessment of risks, the Board members provide guidance to the management of the company and resources to effectively mitigate risks and seize opportunities.

Risks and opportunities categorized into financial, reputational, production, operational, human and legal categories are identified, assessed and managed by the WAT Risk Committee. These risks are defined in detail with their probability, potential impact on profitability and mitigation plans. The WAT Sustainability Committee reports the identified and updated climate risks and opportunities to the Finance, Risk Management and Compliance department, which is responsible for integrating them into the WERM system. Climate risks and opportunities are integrated into the risk management system in line with risk mitigation plans through the joint activities of the Risk Committee and the Sustainability Committee.

Risk management is one of the cornerstones of companies' sustainable success in today's business world. Adopting an effective risk management strategy is essential to secure the financial stability and long-term growth objectives of companies.

At WAT, we strive to turn uncertainties into opportunities by adopting a proactive approach to risk management. We have established a comprehensive risk management plan that covers operational, strategic and environmental risks as well as financial risks. This plan increases the financial soundness and sustainability of our company, while improving the effectiveness and efficiency of our business processes.

We are aware that managing financial, environmental and social risks in a balanced way will play an important role in our company's sustainable growth journey. By making this holistic approach an integral part of financial sustainability, we continue to strengthen our environmental and social risk management strategies to minimize future financial risks.

Gökhan Otaç
Finance, Risk Management and Compliance Director (CFO)
WAT Motor A.Ş.

OPERATIONAL RISK MANAGEMENT PROCESS

01

Risk Identification

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

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

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

02

Risk Prioritization

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

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

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

03

Risk Mitigation and Control

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

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

04

Risk Monitoring

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

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

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

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

05

Risk Reporting

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

SUSTAINABILITY RISKS MANAGEMENT

In addition to general risk management, sustainability-specific risk management or grouping the identified risks under the heading of sustainability is monitored within the scope of WAT's risk management. In order to capture and adapt to global change processes, it is very important to assess the risks associated with sustainability. Among the risks that may arise in environmental, social, economic and governance dimensions, climate crisis-related risks such as extreme weather events, floods, droughts and degradation of ecosystems are evaluated. In addition, all risks related to sustainability issues - such as human rights violations, social inequalities, labor problems, work accidents and occupational diseases - and governance deficiencies can also be considered in this group.

When assessing the risks associated with climate change, climate scenarios based on scientific approaches are generally taken into account. Climate scenarios assess the consequences of current environmental problems in the coming years. Scenarios created by international institutions such as IPCC, IEA, IMF, Greenpeace, DDP, NGFS, etc. can be used to analyze the accessibility and cost of commodities and to make predictions about the processes in the regions of activity.

WAT established the Sustainability Committee in 2023 in order to implement its sustainability strategy with a holistic approach. The Committee consists of four sub-working groups and fulfills tasks such as evaluating climate scenarios, examining risks and opportunities, and updating targets. These activities are monitored and managed through quarterly meetings.

Timeframe of Climate Risks

Short Term	1-3 years
Medium Term	3-7 years
Long Term	+7 years

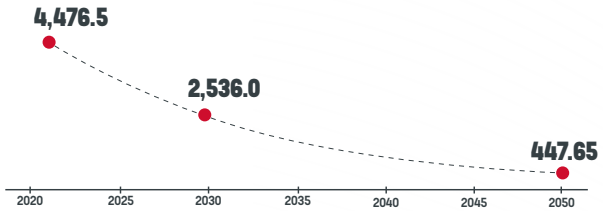
Rating Climate Risks

Risk Rating	Financial Impact, % of Net Assets
1: Insignificant Risk	up to 2%
2: Low Significant Risk	up to 4%
3: Moderate Significant Risk	up to 7%
4: Significant Risk	up to 9%
5: High Significant Risk	>10%

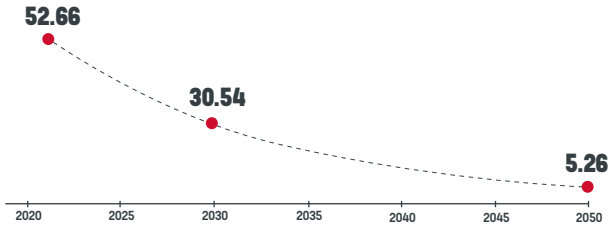
OUR CLIMATE FUTURE: SCENARIOS AND ADAPTATION PLANS

WAT has comprehensively assessed potential risks by studying climate scenarios and shared these findings with the Sustainability Board. Within the scope of climate scenarios, current and future climate risks were analyzed, and strategies were developed for the sustainability of activities, especially in regions with high drought risk.

WAT 2050 Net Zero Roadmap, Scope 1 & Scope 2 Tonnes CO_2eq.



WAT 2050 Net Zero Roadmap Scope 3, MtCO_2eq.



*Mt: Mega Tonnes

IEA NZE 2050

The IEA NZE 2050 scenario is a comprehensive roadmap from the International Energy Agency (IEA) to achieve net zero emissions targets. It sets out in detail the changes and strategies needed to achieve net zero carbon emissions in the energy sector by 2050.

With its existing technologies, R&D strategies and energy-efficient products, WAT positions itself as one of the partners that can play a key role for the realization of this scenario and sees the scenario transition as an opportunity. WAT will have the opportunity to play a critical role in realizing the scenario and limiting global warming to 1.5°C.

The scenario assumes the use of all available technologies and mitigation options by 2050. At this point, WAT positions itself as a key partner that can play an important role in making this scenario a reality with its energy-efficient products. The increasing frequency of climate disasters will likely increase the focus on the NZE scenario and present WAT with the opportunity to play a critical role. By offering products with recyclable and recycled content, reducing raw material consumption and adapting to the circular economy model, WAT can seize this opportunity to conserve natural resources, enhance brand equity and improve profitability.

IEA STEPS (Stated Policies Scenario)

IEA STEPS (Stated Policies Scenario) is one of the scenarios used by the IEA to forecast the likely future development of world energy markets. It is based on energy policies and targets that have already been announced and implemented.

While using the STEPS scenario, WAT made evaluations with the awareness that it is critical to overcome the energy crisis with minimum damage. Based on a 2.6°C temperature increase, the impacts of the scenario are more devastating than other scenarios. Addressing the pessimistic scenario and prioritizing emission reduction, WAT has set targets to minimize its potential contribution to global warming while ensuring production continuity. By offering motors with high energy efficiency, WAT aims to enable manufacturers to adopt sustainable practices and contribute to the fight against the climate crisis.

IEA 450

The IEA 450 Scenario is an IEA scenario that aims to keep the global average temperature rise below 2°C. The scenario aims to stabilize the concentration of carbon dioxide in the atmosphere below 450 parts per million (ppm) and identifies the changes that need to be made in the energy sector to achieve this goal.

The motor manufacturing sector plays an important role in the energy sector due to the prominent role of motors in energy consumption. Electric motors are widely used in various industrial, transportation and agricultural sectors and have a significant impact on energy consumption. Therefore, efforts to improve energy efficiency and adopt low-carbon technologies in the production and use of motors can effectively support the targets of the IEA 450 Scenario.

In order to meet national climate targets and combat the global climate crisis, WAT has launched the "Motor Transformation Project: Replacing Inefficient Motors in Industry" initiative. This initiative makes significant contributions to Türkiye's climate goals by aiming to replace low energy efficiency motors with high efficiency alternatives. The project includes raising awareness on the impact of energy consumption on carbon management, demonstrating the significant carbon reductions that can be achieved through motor replacement, providing technical support to industry and promoting the circular economy model through waste management.

RCP 4.5

The Representative Concentration Pathway 4.5 (RCP 4.5) is one of the four main pathways used in climate change projections, representing greenhouse gas concentrations in the atmosphere. This scenario assumes that greenhouse gas emissions from human activities will continue to increase until the mid-21st century, but then begin to decline thanks to policy interventions and technological advances. RCP 4.5 predicts sea level rise (average: 0.26m), a temperature increase that is unlikely to stay below 1.5°C, and intolerable impacts on ecosystems and human life.

Although the location of the WAT production facility is not vulnerable in terms of flood risk, it is located in a region with an extremely high (level 5) drought risk. Therefore, the reduction in per capita water consumption due to the region's growing population is of critical importance. At the same time, the increase in industrial facilities in the region is one of the factors triggering the water crisis. All physical parameters in terms of quality and quantity have been taken into account in the assessment and the location of WAT is classified as a high impact area (level 4) in terms of water risks. Closed circuit systems have been installed in production to minimize water consumption. No wastewater is generated by WAT except through human consumption.

PROACTIVE APPROACHES AGAINST CLIMATE RISKS

There are six main risks identified for WAT under climate related risks. For these six risks; the type of risk, primary consequences, period, impact and probability matrix as well as the definition and response of the risks are given in the tables.

Risk-1

Value Chain	Operational
Risk Type	Acute Physical - Flooding
Primary Outcome	Decline in profitability due to decline in production capacity
Period	Near Term (1-3 Years)
Inherited Score	Probability (4) x Impact (3) = 12
Definition of Risk	Many factors such as geomorphological, hydrographic, climatic characteristics of the land, soil and vegetation cover, urbanization, constructions and hard grounds play a role in the formation of floods. Since WAT's production facility and head office are located in the Ergene River Basin, special hydromorphometric analyses were applied to this basin and sub-basins were evaluated. According to the results of the analysis conducted in 14 sub-basins of the Ergene River basin, the flood susceptibility value of the area where the plant is located is 62, which is a "very low" flood susceptibility, indicating that the area is unlikely to experience flooding. However, it was assessed that there may be point flooding in cases where the infrastructure systems of the region and the factory are inadequate. In the last five years, WAT factory has experienced one flooding incident. In this incident, rainwater infiltrated into the factory as a result of the capacity of the systems on the roof being full, and puddles of water not exceeding 100mm were formed. This situation, which occurred due to inadequate rainwater lines, was quickly prevented and permanent solutions were produced, so the incident did not recur.
	In order to eliminate this risk, roof revision and stormwater collection line investments are being implemented in stages within the plan. While the existing systems can handle average rainfall, they cause ground overflows during sudden rainfall. With the improvement of the structure, overflows can be prevented by increasing the rainfall capacity.

Risk-2

Value Chain	Supply Chain
Risk Type	Chronic Physical - Water Scarcity
Primary Outcome	Decline in profitability due to decline in production capacity
Period	Long Term (+7 Years)
Inherited Score	Probability (4) x Impact (3) = 12
Definition of Risk	WAT attaches great importance to creating value in the supply chain in its sustainability journey and defines this issue as one of the five pillars of its strategic structure (carbon neutrality, circular economy, gender equality and inclusion, fit-for-55 product strategy, value creation in the supply chain). WAT carries out a self-assessment process for all its suppliers and monitors the Environmental, Social, Governance (ESG) index for suppliers with critical financial, operational and ethical impact. It conducts environmental and social audits for its suppliers, expects actions from suppliers according to the results of these audits and monitors these actions. In 2023, the number of suppliers included in the audit program and included in the "approved supplier" list increased to 54, which corresponds to 82% of the total financial volume of suppliers. The remaining 16% are suppliers that are subject to improvement practices and follow-up. If any non-compliance is detected in ethical or legal matters, cooperation with the supplier is terminated. A supplier development program is implemented for suppliers that demonstrate compliance or are identified through audits. WAT recognizes the importance of suppliers in establishing its sustainability structure and is aware of the positive impact of the development of suppliers on WAT. During the pandemic period, it has become even more evident how global problems affect the economy.
Response to Risk	WAT's supply chain operations are carried out by teams focused on each product category. The teams manage the comprehensive monitoring and development of the supply base to ensure the sustainability of the materials and processes used. In addition, WAT offers services to improve its suppliers. It always supports its suppliers with supplier audits and steps towards process improvement. In addition, WAT never works with a single source in order to ensure the sustainability of its production in any process disruption that its suppliers may experience, including climate risks. It minimizes the risk with alternative suppliers, sound planning and advanced inventory management.

Risk-3

Value Chain	Operational
Risk Type	Regulation - Carbon Pricing Mechanism
Primary Outcome	Cost increases
Period	Near Term (1-3 years)
Inherited Score	Probability (4) x Impact (3) = 12
Definition of Risk	The EU Carbon Border Adjustment Mechanism (CBAM)is part of the European Union's "Fit-for-55" package to reduce greenhouse gas emissions by 55% by 2030. The CBAM aims to prevent carbon leakage and protect the competitiveness of European industry by imposing a carbon tax on certain products imported into the EU. The transitional period started on 1 October 2023 and the permanent period will start on 1 January 2026. WAT will be indirectly affected by this process and has targets to reduce greenhouse gas emissions.
Response to Risk	In order to manage the risk, WAT is trying to reduce Scope 1 and 2 emissions. At this point, it has also set targets for itself. In order to reduce Scope 1 emissions, it carries out electrification and automation studies and tries to transform its production into processes with reduced chemical use. In order to reduce Scope 2 emissions, it is developing comprehensive energy projects. In addition, WAT has stated that it will obtain YEKG (Renewable Energy Resource Guarantee) certificate in 2023 and supply all its electricity consumption from renewable energy sources. At this point, Scope 2 emissions are zeroed for 2023. Efforts are underway to carry out electrification projects in processes using other energy sources such as natural gas and to increase the share of renewable energy.

Risk-4

Value Chain	Operational
Risk Type	Disruption in Workforce Management and Planning
Primary Outcome	Disruption of operations due to reduced workforce
Period	Long Term (+7 Years)
Inherited Score	Probability (2) x Impact (3) = 6
Definition of Risk	WAT uses closed-loop systems. However, there is potential for long-term changes in the composition of the workforce and loss of qualified personnel due to demographic and sociological changes and the increase in waterborne diseases.
Response to Risk	In addition to actions such as recycling water using closed-loop systems, implementing water recycling policies and managing water risks through water saving practices, measures are taken to raise the awareness of personnel and society on the importance and proper use of water through training and awareness campaigns.

Risk-5

Value Chain	Operational
Risk Type	Market-based-Rising Costs and/or Uncertainties Regarding Sustainable Supply of Plastic Raw Materials
Primary Outcome	Direct costs increase
Period	Near Term (1-3 Years)
Inherited Score	Probability (2) x Impact (3) = 6
Definition of Risk	WAT considers the implementation of future legal regulations to prevent plastic pollution and increase the use of recycled plastics, increasing stakeholder expectations for recycled plastic content, regulation of potential taxes to be applied according to raw material content in products and packaging, increasing costs due to upcoming regulations, fluctuating recycled plastic raw material price, quality, durability and management of hazardous chemicals in the use of recycled plastics as a risk.
Response to Risk	WAT develops preferences for replacing recyclable plastics with alternatives that have high recycled plastic content in product and packaging choices, reduce total plastic consumption and waste generation by increasing the use of recyclable plastics, and have less environmental impact. With the development of alternative materials to plastics, the Company sets targets and develops projects to end the use of plastics that cannot be recycled, to restrict the use of EPS to prevent the formation of micro plastics and to develop biodegradable raw materials. As with products and packaging, the Company strives to minimize risk by adopting these approaches in all areas of activity. In addition, raw material reduction projects, reusable and durable packaging preferences are among the measures taken against risk.

Risk-6

Value Chain	Operational
Risk Type	Impact on Human Health
Primary Outcome	Disruption to workforce management and planning
Period	Long Term (+7 years)
Inherited Score	Probability (1) x Impact (3) = 3
Definition of Risk	Healthy ecosystems are critical to the sustainability of society. As biodiversity is lost, ecosystems are degraded, potentially leading to the emergence of diseases and indirect problems in vulnerable ecosystems. These problems can include serious long-term damage to biodiversity, which threatens food security, adds significant costs to livelihoods, hampers sanitation, and limits access to clean water. This affects the region's population and threatens businesses' access to skilled employees.
Response to Risk	WAT is expanding its energy-efficient product line to support sustainable ecosystems, conducting raw material reduction studies, and managing its indirect impacts through responsible sourcing principles. It identifies areas at risk of biodiversity loss in the locations where it operates and supports opportunities for improvement. Carries out activities with its technical support network for the efficient and sustainable use of the products it offers to sectors with a direct or indirect impact on biodiversity. It complies 100% with the WAT Supply Chain Management (SCM) to combat deforestation and applies the principles of Green Chemistry in all areas of its operations. In addition, to raise awareness of biodiversity conservation and prevent its loss, the company conducts awareness-raising activities among all stakeholders and encourages stakeholder participation to increase social benefits and good practices.

VALUE CHAIN MANAGEMENT

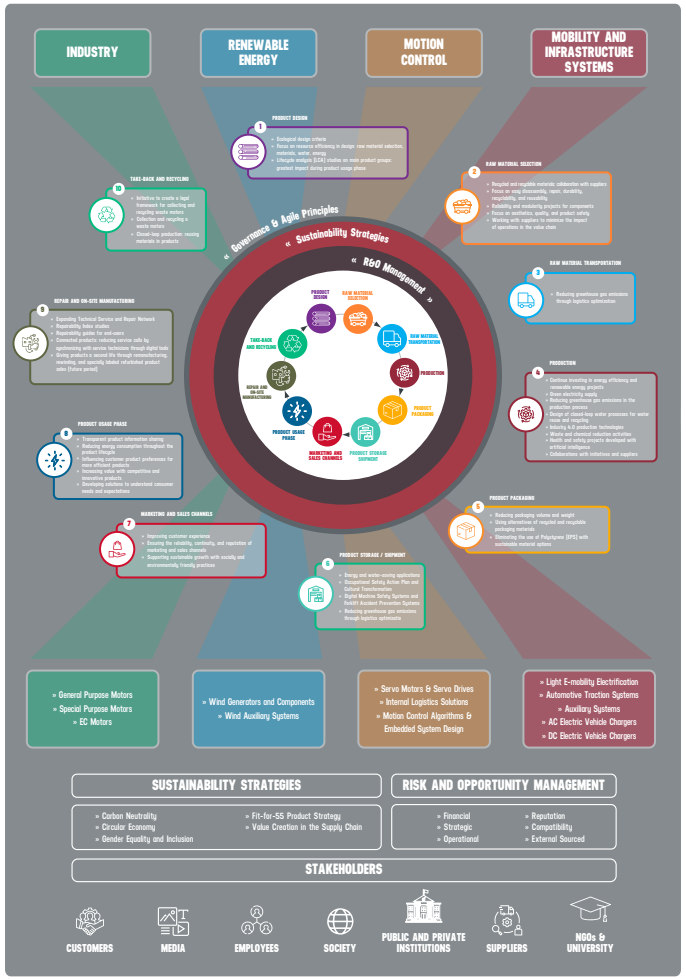
MISSION / VISION

Mission: We empower our customers with our experienced team, environmentally friendly agile organization, and flexibility in design and production.
Vision: Our vision is to be a pioneering high-technology product leader in our sector, a market leader in both exports and Türkiye, and a center of excellence in motor and motion control.

UN GLOBAL COMPACT	FOCUS	CULTURE	AGILITY PRINCIPLES
» Human Rights » Working Standards » Environment » Anti-Corruption	» Customer » Technology » Productivity » Ethics	» Customer Satisfaction » Participation » Partnership » Empowerment » Transparency » Focus	» Mentally Agile » Agile in Relationships » Agile in Change » Agile in Achieving Results » Agile in Self-Awareness » Transparency » Authorization & Delegation » Collaboration Development

ZOOM IN

CAPITAL	INPUT	ACTIVITY	OUTPUT	VALUE CREATED	SDG CONTRIBUTIONS
Financial Capital	» Investments, 2.65 million € » Sales revenues » Financial revenues » R&D incentives and export supports	» Risk management » Financial resources management » Pricing, sales, and marketing » Long-term value creation (LTV) » Sustainable investments » Product, material, and process cost reduction projects (MIP) » Compliance with green financing requirements	» 2.9 billion TL revenue » 942.14 million TL export » 25 million € green financing (EBRD) » 2.67 million € MIP savings » Increased market share for competitive products » Product innovation » Customer trust (over 50% of exports from Türkiye, 90% of exports to western europe WAT)	» Better corporate governance » Sustainable and profitable growth » Business continuity » Economic contribution through export leadership in the field » Corporate structuring and economic impact of subsidiary (WAT Mobilite)	
Manufactured Capital	» 150,000 m^2 campus » 40,000 m^2 integrated production facility » 16k + active SKUs » 15,000+ active products » Fully automated production lines » Advanced production capability with uçan otomasyon » 1 million motor production capacity » Environmentally friendly new generation equipment » Use of environmentally friendly raw materials » 208 suppliers from 18 countries	» Process design and maintenance » 1.4 million € production investment (capacity, efficiency, modernization) » Maintenance and repair » Quality assurance » Investments for efficiency, optimization, and productivity » Sustainable activities supplier development program » Supplier collaboration and joint development activities » 9.3k € supplier investment » New products and production line investments	» 1.36 million € capacity and efficiency improvement investments » 562 k € new product commissioning investment » 18% budget increase in projects enhancing energy efficiency » 10% of investment budget allocated to digitalization projects » Commissioning of EV charger production lines	» Operational efficiency » High production capacity and product diversity » Compliance with international standards » Customer trust » Safe working environment » Expansion of impact area with new products and business fields » Economic contribution » Contribution to global targets	
Human Capital	» Values » Agility principles » Over 900 employees » Performance and development programs » Employee experience projects and programs » Internal rewards and benefits, employee benefits » Diversity, equity and inclusion » Health and safety structures and policies » Unionization » Woman employement	» Flexible working hours » Global compliance program and ethics hotline » Performance and career development programs (OKR and career programs) » Team events and company events » Sports clubs and social activities » Individual and professional development programs » Health and safety training » Women's empowerment project	» Hybrid working model » 57/100 employee satisfaction » 14.61% woman employee ratio, 23% woman leader ratio » Total of 48,532 hours of training » 7 reports via hotline channels » 15.12 lost time injury frequency rate (LTIFR) » 100% hourly paid employees, 82% unionized employees in total » Training collaborations » Support for social lives of employees through 4 social clubs » Flexitra and other benefits	» Work-life balance » Employee satisfaction and engagement » Women's entry and retention in the workforce » Equal pay for equal work » Health and safety of our employees » Career and talent development » Maturation of corporate culture » Social and economic contributions	
Natural Capital	» 100% green electricity usage in global production operations » 39 energy efficiency projects » 7,297 MW renewable energy use » 100% closed-loop water systems » Circular economy and active waste management » Resource Efficiency in Product Design » Process efficiency » Eco-design Directives and energy regulations » Chemical restriction and regulatory compliance	» Fit-for-55 compliance strategy » Product efficiency projects » Energy and water efficiency programs » Sustainable packaging projects » Green procurement » Emission reduction operations » Environmental, energy, water, biodiversity, and deforestation mitigation policies » Green chemistry applications in products and processes » Efficient motor transformation project	» 19% reduction in energy consumption » 22% reduction in Scope 1-2-3 greenhouse gas emissions and 59% reduction in market-based Scope 1-2 greenhouse gas emissions » 2030 carbon reduction and 2050 Net Zero target » 83% share of low-carbon (compact and energy-efficient) products in total revenue » 27% reduction in process raw material scraps (product yield) » 98% recovery opportunity achieved with the waste management model » Low VOC paint transition: 2.5 tons less chemical use and 85% higher corrosion resistance with higher solvent » Alternative packaging development with EPS reduction » Environmental awareness-raising projects and interactions » Industrial motor conversion projects: conversion of 1,267 inefficient motors to high-efficiency motors	» Sustainable resource management » Contribution to circular economy » Social and environmental awareness » 2030 carbon reduction and 2050 net zero target » Sustainable products reducing energy demand » Supporting green transformation in industry » Collective impact through supplier development programs	
Social Capital	» Stakeholder expectations » Customer engagement and communication » Material and product safety » Consulting services and Technical Services » Partnerships » Collaborations with local, regional, and international chambers of commerce, industry associations, and other entities » Institutional social responsibility projects » Compliance and regulatory frameworks	» Training, support, and development programs for suppliers and dealers » Supplier audits and customer satisfaction surveys » Campaigns, projects, and incentive initiatives » Partnerships and sponsorships, collaborations » On-Site service, guidance, and reassessment services » Community-oriented webinars, digital content, and materials » Engagement with local and national authorities » Programs for supporting young talent	» 208 global suppliers » 54 approved suppliers » 77% financial volume from approved suppliers » 80% local supplier rate » Exports to over 45 countries » Future-on internship programs: 29 students » 35 training events » Stakeholder Engagement Reporting - 20,685 stakeholder interactions » 10 Corporate Social Responsibility projects » Reduction of legal risks	» Branding and reputation » Transparency and reliability » Sustainable operations » Strengthening stakeholder communication » Improving customer experience » Social and environmental awareness » Supporting green transformation in industry » Creating social and economic value	
Intellectual Capital	» 2 R&D centers » 103 million TL R&D expenditure and over 56 million TL R&D investment » 90+ employees in R&D centers » Agile methodologies » Product management » Digital academy platform, licenses and patents	» Product innovation and intellectual properties » Partnerships and collaborations » Hackathon series » Information security management systems and agile transformation » Brand roadmap processes » Digitalization	» 4 completed, 10 ongoing platform projects » 83% low-carbon product portfolio » Environmental cost-saving projects (Environmental MIP): 71 projects, 48% of MIP projects » Registered trademarks: 2 (WAT, TEE) » Product Certifications: 22 » Patents: 3 » Publications/Articles/Papers: 16 (15 international)	» Innovative solutions » Environmentally friendly products » Competitive advantage » Customer satisfaction » Knowledge transfer » Patent and intellectual property rights » Export strength	



SUPPLY CHAIN MANAGEMENT

WAT power in collective transformation through responsible procurement and collaboration.

In today's global economy, the responsibility of companies is not limited to producing products or providing services. Companies are in a process where they are obliged to promote ethical and sustainable practices in the sectors in which they operate. The purchasing power of companies is a highly effective tool for creating a positive impact on society and the environment, and this power plays a critical role not only in the supply chain but also in achieving broader social and environmental sustainability goals. WAT established its Responsible Procurement Policy in 2023 by integrating criteria such as sustainability, ethics, environment and occupational health and safety into supply chain management in order to draw the boundaries of this power and ensure stakeholder engagement.

WAT's procurement policy has three basic operational principles:

PROTECTION

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

DETECTION

Ensure that supplier employees report nonconformities and conduct audits.

REACTION

Investigate violations properly.

In order to create value for all stakeholders in the supply chain, the WAT Supplier Sustainability Data Monitoring and Improvement Program was developed to assess the environmental and social performance of its suppliers and to measure their energy and climate change performance. Within the scope of the program, suppliers are objectively evaluated by establishing cooperation mechanisms to conduct sustainability risk assessments for all suppliers.

Prior to the approval stage in supplier selection at WAT, all supplier candidates undergo an assessment and approval process for Environmental, Social and Governance (ESG) status. Critical suppliers that represent at least 50% of WAT's purchasing volume and have a significant impact on operations are subjected to further analysis such as risk assessments, ESG scoring and sustainability index assessments. The surveys and further analysis aim for 100% compliance with WAT principles and policies, continuity of product and material supply, joint action for goals and improvement of supplier performance.

Quality, ethical and environmental issues are prioritized in WAT supplier contracts. Self-assessment audits are conducted to assess suppliers' compliance with WAT principles. Independent third-party audits are organized to objectively evaluate the wide supply chain, which includes 208 suppliers (first and second tier) in 18 countries.

We strengthen Türkiye's power with 80% domestic suppliers in the supply chain.

Within the scope of the data monitoring and improvement project carried out with Arçelik, one of its stakeholders, WAT focuses on critical suppliers that have a significant impact on operations. In 2023, 54 critical suppliers were identified, representing 26% of total suppliers and accounting for 77% of the purchasing volume. The project aims to closely monitor the performance of critical suppliers and ensure collective transformation on the path towards sustainability goals.

Metric	Unit	2019	2020	2021	2022	2023
Total number of significant suppliers	quantity	160	174	186	222	208
Total number of significant suppliers in Tier-1	quantity	115	127	123	164	151
Total number of significant suppliers in Tier-2	quantity	45	47	63	58	57
Percentage of total procurement (€) to key suppliers in Tier-1	%	0.9	91	89	77	81.52
Total number of uniquely important suppliers assessed	quantity	1	20	24	58	54
Ratio of total procurement volume to key suppliers	%	1	22	37	77	76.51
Number of unique significant suppliers supported with significant potential/actual adverse impacts in corrective action plan implementation	quantity	N/A	N/A	N/A	4	4
Percentage of total procurement (€) from suppliers with significant potential or actual negative impacts on corrective action plan implementation	%	N/A	N/A	N/A	4.76	3.22

Reporting of water-related data is encouraged to promote responsible water management in the supply chain. Of the suppliers assessed, 58 were evaluated in terms of ESG status and sustainability index. In addition, ISO 14001 systems have been implemented by 47 suppliers and ISO 50001 systems by 32 suppliers. A comprehensive action plan has been developed to improve their compliance.

Recognizing that decarbonization in the supply chain is critical to fulfilling climate commitments, a process has been initiated to obtain long-term environmental commitments from suppliers to set greenhouse gas emissions, water, waste and energy efficiency targets starting in 2022. Risk management processes, sustainable supplier indices, supplier audits, communication initiatives and supplier training efforts contribute to aligning supply operations with sustainable and environmental and social goals.

WAT continues to collaborate centrally with Arçelik Procurement Services to strengthen the success of its sustainability efforts. This collaboration, which aims to contribute to the effective management of supplier management and supplier development efforts, includes sustainable supplier management, analysis and evaluations. WAT and Arçelik continue to jointly manage sustainable practices in procurement processes within the scope of joint supplier selection and supplier development program with this cooperation, where confidentiality principles are upheld.

Click here to review WAT Responsible Procurement Policy.

As ELSAN, our business relationship with WAT Motor has made a great contribution to our sustainability efforts. In 2023, they led and supported us in publishing our first Sustainability Report. The transparent communication we established with WAT Motor allowed us to share our knowledge and experience in product, quality and sustainability issues and contributed to our mutual development.

We achieved a high level of cooperation and partnership with WAT Motor, especially in the process of developing smoke extraction motors for critical needs in the market.

We played an important role in bringing high value-added products to the market by combining our technical competencies in the development and approval process of innovative F300 wires, which are not among the standard enameled copper wires.

In the coming period, we are determinedly continuing our efforts to indigenize F400 wires, which we are dependent on foreign sources for material supply.

We believe that this cooperation will make significant contributions not only for both companies, but also for the industry, the market and our country.

We aim to achieve our carbon emission and cost reduction targets through innovative, financial, environmental and social sustainability strategies.

Emin Alparslan
ELSAN Production and Technology Director

CUSTOMER RELATIONS

100% customer satisfaction with competent service all over Türkiye.

In line with its vision, WAT aims to ensure the satisfaction of its customers, to provide products and services of universal quality and standards by using limited natural resources effectively, and to contribute to economic and social development. For this purpose, it aims to be a symbol of trust, continuity and respectability for all its stakeholders, especially its customers, employees, suppliers, dealers and authorized services, nationally and globally.

In order to maximize customer experience, using a business-to-business product-based business model WAT's highly competent teams provide all the support its customers need from the moment of decision-making in purchasing to the end of the product life cycle.

Our long-term relationship with WAT Motor has enabled us to address the challenges of an evolving local market and overcome difficulties due to the disruption of worldwide supply chains.

Communication with WAT Motor is highly effective, thanks to direct contact with a dedicated team, allowing us to obtain fast answers in emergencies.

Our collaboration is strengthened by our long-term partnership and shared investments in dedicated products, making our cooperation more efficient and effective.

Looking ahead, our primary goal is to better evaluate the environmental footprint of our products to reduce it, which is a major concern for the industry in the coming years.

Business Unit Manager Motors & Drives
(EU customer, valued partner)

MOTOR SELECTION

WAT has developed the Motor Selection Tool for customers to choose the most suitable motor for their application, allowing users to quickly and accurately select the electric motor that best suits their needs. The Motor Selection Tool, which enables them to easily find motors optimized according to customer requirements, especially without having to deal with complex technical details, helps customers save both time and cost, while contributing to making their business processes more efficient and sustainable.

Click here to access the Motor Selection Tool.

ENERGY EFFICIENCY EXPLORATION AND SUPPORT ACTIVITIES

WAT provides its customers with energy audit reports containing annual energy savings calculations for IE3 and IE4 motors versus IE1 and IE2 motors. The company also provides information and reports on motor load status determination and the suitability of the new motor to be purchased for the load.

DESIGN SUPPORT ACTIVITIES FOR IMPLEMENTATION

After the application analysis, WAT develops solutions by conducting electrical and mechanical design feasibility studies in accordance with the customer design and provides reports for its customers by conducting feasibility studies for harsh environmental conditions and challenging applications.

We have achieved huge benefits from doing business with WAT Motor, especially in the field of standard aluminium motors, which are highly flexible for conversion.

Our communication with all levels of staff at WAT Motor is extremely good. Whether we ask the key account manager, the export manager, or even the sales manager, we always get a useful answer that helps both us and our customers.

The strength of our collaboration lies in having a designated key account manager who is always willing to help.

This makes daily communication more efficient and sales more effective. One of our goals for future collaboration is to have suppliers who are not dependent on sea freight from Asia.

Having suppliers within an acceptable distance is, in our view, a more sustainable approach.

John Frimodt
R.Frimodt Pedersen a/s,
CPO and Owner

TECHNICAL CONSULTANCY SERVICES FOR PRE-SALES MOTORIZED SYSTEM APPLICATIONS

WAT provides its customers with technical support that will enable them to get the highest efficiency from their motor systems and run their operational processes smoothly, thus helping them to gain a competitive advantage.

- On-equipment sample motor installation support.
- Motor protection systems support.
- Technical consultancy on the use of the motor with automation systems.
- Drive systems technical support.

AFTER SALES SUPPORT

In the after-sales period, WAT provides its customers with various services such as installation support, periodic maintenance, emergency repair services and spare parts supply. Customers are also fully supported at every stage with additional services such as technical training and a 24/7 support hotline, thus ensuring long-term satisfaction and trust.

- Providing on-site inspection and measurement support for technical problems experienced by customers.
- Measurements of current, voltage, cos, power and speed of motors (Energy Analyzer).
- Control of the transmission system of motors with belt pulley adjustment devices.
- Bearings inspection without disassembling the motor.
- Insulation resistance measurement, thermal measurements, sound and vibration measurements.
- Maintenance of the motors in the facility.
- Solutions based on motor life extension through the Reassessment Center.

Click here for detailed information on the Reassessment Center.

CUSTOMER VISITS

WAT ensures 100% customer satisfaction with the accessibility of its teams, intensive customer visits by sales directors, participation in fairs, intensive after-sales support, prompt response to needs and digital solutions developed. Customer satisfaction surveys conducted regularly by the quality teams measure the efficiency of the work and based on these, new sales and marketing strategies are put forward.

In 2023, WAT visited 45 customers. With a total of 758 visits to customers, dealers and customer application sites, the needs and expectations of customers were assessed on site and feedback was collected to improve product and service quality. In addition to increasing customer satisfaction, these visits also increase WAT's competitiveness in the market.

SUPPLIER DEVELOPMENT PROGRAM: WAT AND WILO COOPERATION

WILO as one of the world's largest manufacturers of pumping systems and WAT launched the Supplier Development Program in order to make a positive contribution to global growth targets and international business culture in 2023. Within the scope of this 10-month program, WAT aimed to achieve improvement in relevant outputs by aligning with WILO's sustainability goals. This cooperation has provided studies that reduce the carbon footprint of WAT and WILO, energy savings, compliance with circular economy principles and process improvement contributions.

Regular meetings, training and site visits were held to strengthen stakeholder interaction and increase cooperation. While these efforts enabled WAT and WILO to develop more sustainable and efficient business processes together, it was a pioneering step in the field of sustainability in the sector and set an example for other stakeholders in the supply chain.

QUALITY MANAGEMENT

At WAT, where production is carried out by adopting the most effective approaches for the safety of consumers and the quality of products, consumer safety, product safety design criteria and product quality management are at the center of production. Production is carried out by following internationally recognized frameworks, especially ISO 9001 Quality Management. WAT's ISO 9001:2015 Quality Management System certificate was renewed on 5 July 2022 and is valid until 4 July 2025.

With quality processes consisting of input quality, process quality, product quality, customer satisfaction and audits, WAT aims to achieve 100% customer satisfaction through continuous improvement. For this purpose, continuous controls and internal audits are organized, and processes are evaluated with all teams through monthly review meetings.

WAT Quality Policy

In line with the vision of WAT Motor Sanayi ve Ticaret A.Ş., we develop, produce and provide after-sales service for reliable products that go beyond the needs and expectations of customers and are easy to buy and use, by using developing and up-to-date technologies. We meet the requirements of the ISO 9001 Quality Management System to increase our quality performance in all our processes; we are committed to continuous improvement by providing the necessary resources.

To this end, we address:

- Compliance of our products and services with customer requirements and increasing customer satisfaction
- Achieving company and unit targets with team spirit based on Total Quality philosophy
- Our business processes, reviewing them and identifying preventative approaches to improve our performance
- The need for full compliance with national and international standards and legislation
- Continuous improvement to increase the efficiency of business processes to a level that can compete at the international level
- Encouragement of innovative and creative approaches, providing training to increase technical and behavioral competencies
- Increasing the quality awareness of all our employees and stakeholders.

We work with all our might to be a pioneering organization by carrying out our principles and activities in an integrated manner with our other management systems.

Click here to review WAT Quality Policy.

CUSTOMER SERVICE AND TECHNICAL SERVICE NETWORK

WAT adopts preventive and integrated quality management as one of the core processes within the company. Quality management is planned from the development stage of products and extends from raw material procurement through production and customer service. Customer service plays an important role as both the starting point and the end point of this management system.

At the center of this system are customers with special requirements and their satisfaction with the services provided by WAT. Product management and after-sales technical service network are shaped according to customer requirements and feedback and are handled with a holistic approach. Feedback from customers is recorded through portals and evaluated at all stages, including process management and decision mechanisms, to create a solid infrastructure. This infrastructure is continuously developed to improve product quality.

In order to ensure that the solution can be provided quickly in line with the objectives, specially trained personnel are responsible for this issue. This professional team works meticulously to best meet the needs of customers and maximize satisfaction.

REASSESSMENT CENTER (YDM)

Reuse solutions fot the circular economy

WAT's Reassessment Center (YDM) was established to bring back into use products that have not been released to the market due to aged stock and regulatory constraints, or returned and recalled products that need repair and maintenance during their lifecycle. For products in use, it is primarily aimed to provide solutions with on-site service support, and if applicable, the WAT team optimizes operations by performing repair and maintenance processes on-site with on-site service. Products that cannot be restored to use during the on-site service support phase are forwarded to the YDM and the necessary support is provided. In this center, products are subjected to detailed analysis and product life is extended with necessary repair and maintenance operations. For products that cannot be repaired and maintained, the remanufacturing process is evaluated and products with completed service life are given a second life. Quality control processes ensure the performance and durability of products. While these activities are carried out in accordance with the principles of circular economy, they optimize the use of natural resources and increase customer satisfaction.

100% COMPLIANCE WITH REGULATIONS IN WASTE MANAGEMENT.

Proportion of requests met with YDM instead of product replacement: 96%

Number of parts recovered for reuse: 283 pieces

Carbon emissions avoided through part reuse: 402 kg CO_2 eq.

The YDM provides several benefits by extending the useful life of products and contributing to circular economy principles:

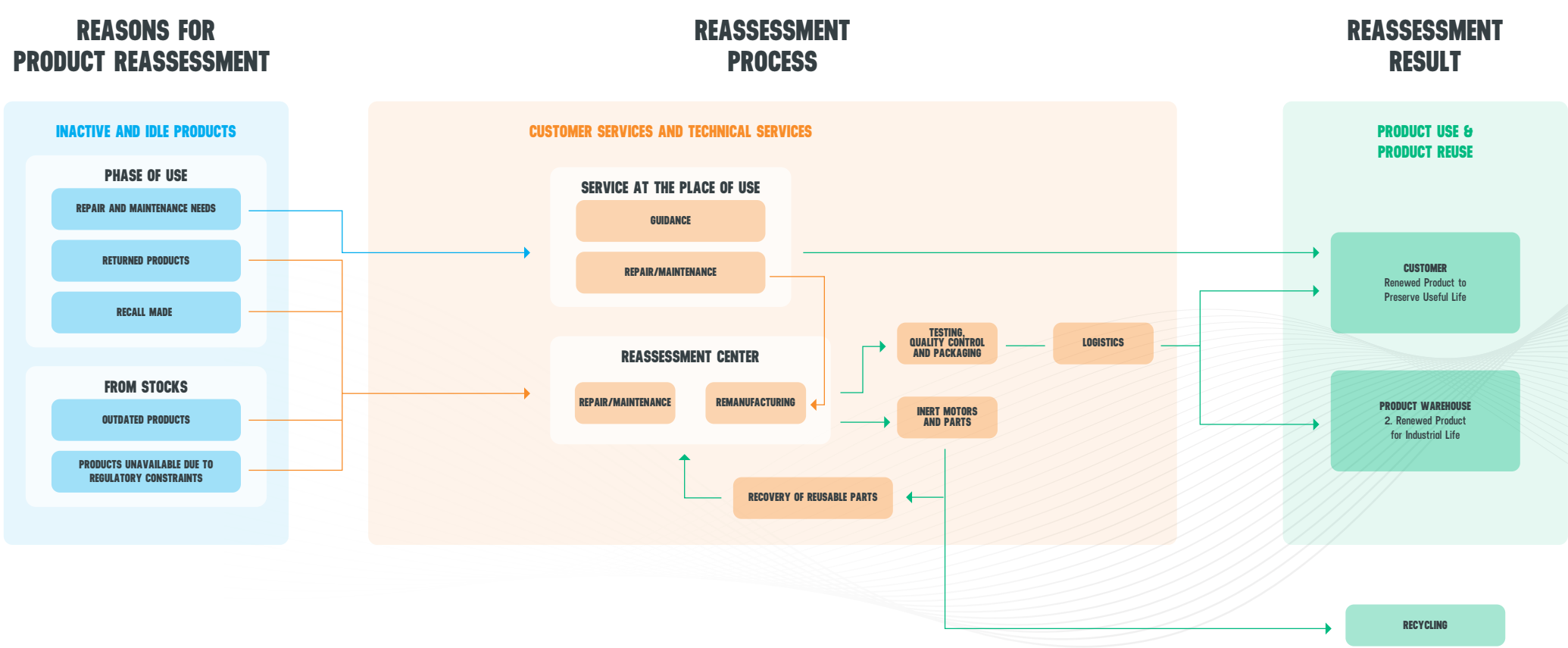
- Possibility of use within the useful life of the product
- Motor selection and assessment of suitability for use
- Measurement of energy consumption and carbon emissions from motor use
- Consumption measurement and feasibility assessment for efficient motor transformation
- Utilization of waste motors and parts
- Ensuring maintenance and protection measures throughout the life of the motor
- Fault detection and offering solutions
- Increasing customer satisfaction
- Maximizing material and raw material gains by remanufacturing obsolete stocks
- Contribution to circular economy
- Access to recycling opportunities
- 100% compliance with regulations in waste management

Sustainability Performance Indicators*	Unit	2019	2020	2021	2022	2023
Number of Motors Renewed through Reassessment Process	quantity	5,551	10,405	16,743	13,654	13,963
Number of Motors Renewed with On-Site Service	quantity	**N/A**	**N/A**	**N/A**	**3,673**	**2,699**
Number of Motors Provided with Repair-Maintenance Service (domestic+overseas)	quantity	N/A	N/A	N/A	3,055	2,630
Number of Motors with Extended Useful Life with Guidance	quantity	N/A	N/A	N/A	618	70
Number of Motors Renewed at the Reassessment Center	quantity	**5,551**	**10,405**	**16,743**	**9,981**	**11,264**
Number of Motors Provided with Repair and Maintenance Services	quantity	2,211	2,275	3,104	2,877	2,594
Number of Motors Involved in Remanufacturing Process	quantity	3,340	8,130	13,639	7,104	8,670
Ratio of demand met by repair and renewal instead of product replacement	%	N/A	N/A	N/A	97	96

Environmental Gains Through the Reassessment Process**

Total amount of recovered raw materials* **	Unit	2019	2020	2021	2022	2023
Steel	Tonnes	75	140	225	183	187
Copper	Tonnes	9	18	28	23	24
Aluminium	Tonnes	8	16	25	21	21
Plastic	Tonnes	3	6	10	8	8
Other	Tonnes	1	2	3	3	3
Carbon emissions avoided with recovered raw material	Tonnes of CO_2 equivalent	**491**	**920**	**1,481**	**1,208**	**1,260**

*Semi-finished product data are not included in the calculations.
**Motor size variable is calculated by equivalent product calculation.
***Total recovered raw material calculation is based on the products that can continue to be used industrially through remanufacturing and repair and maintenance processes. This waste is calculated by assuming that it is 100% recovered to the economy as it is ensured to maintain its useful life in place.


REASONS FOR PRODUCT REASSESSMENT
REASSESSMENT PROCESS
REASSESSMENT RESULT
INACTIVE AND IDLE PRODUCTS
PHASE OF USE
REPAIR AND MAINTENANCE NEEDS
RETURNED PRODUCTS
RECALL MADE
FROM STOCKS
OUTDATED PRODUCTS
PRODUCTS UNAVAILABLE DUE TO REGULATORY CONSTRAINTS
CUSTOMER SERVICES AND TECHNICAL SERVICES
SERVICE AT THE PLACE OF USE
GUIDANCE
REPAIR/MAINTENANCE
REASSESSMENT CENTER
REPAIR/MAINTENANCE
REMANUFACTURING
TESTING, QUALITY CONTROL AND PACKAGING
LOGISTICS
INERT MOTORS AND PARTS
RECOVERY OF REUSABLE PARTS
PRODUCT USE & PRODUCT REUSE
CUSTOMER
Renewed Product to Preserve Useful Life
PRODUCT WAREHOUSE
2. Renewed Product for Industrial Life
RECYCLING

STAKEHOLDER RELATIONS AND COMMUNICATION

WAT has been working in the energy industry since its establishment to collaborate to achieve long-term positive outcomes for its customers, the industries it serves, our planet and society. It prioritizes developing partnerships with all stakeholders to ensure the necessary progress in the energy ecosystem for sustainability.

Effective communication developed with stakeholders has a positive impact on WAT's ability to develop comprehensive and permanent solutions, achieve sustainability goals, gain competitive advantage, increase trust and reputation, and manage risks. Stakeholder communication has periods according to stakeholder groups and the nature of the interaction. The periodic stakeholder interaction plan, which stands out as repetitive, planned, minimum once a year, is as follows:

STAKEHOLDER INTERACTION PLAN

STAKEHOLDERS	COMMUNICATION METHOD	FREQUENCY OF CONTACT
Customers	Satisfaction surveys Email, telephone Face-to-face interviews Customer visits and meetings Exhibitions and conferences Website Social media	Periodically
Employees	Face-to-face interviews Trainings, meetings, social activities Performance interviews Satisfaction surveys	Periodically
Suppliers	Audits and surveys Email, telephone Face-to-face interviews Customer visits and meetings Exhibitions and conferences Website Social media	Periodically
Public Institutions and Private Institutions	Social media Face-to-face interviews Exhibitions and conferences Website	Periodically
Media	Exhibitions and conferences Website	Periodically
Society	Corporate social responsibility projects Sponsorships	Periodically
NGOs, Universities	Email, telephone Memberships Meeting attendance Project partnerships	Periodically

OUTPUTS OF 2023 STAKEHOLDER ENGAGEMENT ACTIVITIES:

NATURE OF STAKEHOLDER ENGAGEMENT	QUANTITY	DESCRIPTION
Domestic customer visit	520	Visits to customers, dealers and application sites
Overseas customer visit	238	Visits to customers abroad
Visits to WAT factory	88	Total visits to the factory
Number of social media interactions	19,617	Double-sided likes and engagements (not including access and impressions)
Number of sustainability interactions	2,495	Interactions with sustainability content on digital platforms
Number of announcements, flyers, catalogues, newsletters	66	Total number of announcements, flyers, catalogs and bulletins
Number of online-print media publications	35	Online and print media publications including advertisements
Fair participations-visits	10	Participation in fairs and fairs visited by employees
Internal stakeholder events	35	Activities to improve employee dialog and engagement
Official institutions, universities, NGOs and membership activities	15	Activities with ministries, universities and community companies
Congress, symposium, training, seminar, webinar	35	Trainings and events attended or organized by employees
Social club activities	6	Health, sports, environment themed social activities
Celebration, commemoration, award	7	Celebration, commemoration and award meetings
Corporate social responsibility	10	Social responsibility projects
Donations and support	3	University donations, etc.
Total Stakeholder Interactions	20,685	Total number of interactions with duplicates removed.

Stakeholder engagement plays an important role in companies' sustainability strategies. These efforts transparently assess companies' relationships with stakeholders such as employees, suppliers, customers and local communities. Stakeholder engagement helps companies optimize their social and environmental impact, manage risks and strengthen their reputation. This process is key to long-term value creation and is a critical tool for companies to fulfill their responsibilities to society. With this in mind, WAT evaluates stakeholder interaction and analysis on a quarterly basis and reports once a year. In comprehensive reviews, the number of stakeholder interactions is analyzed on the basis of interaction qualities and evaluated holistically by combining them with customer satisfaction survey outputs and complaint management mechanism outputs. Thus, the visibility of risks and opportunities is improved, and new activity year targets are set.

As VEK Efficient Industrial Components, our cooperation with WAT Motor goes back many years. Thanks to our ongoing common awareness and culture, WAT Motor provides a great strength to ensure customer satisfaction as a priority and to realize our goal of maximum quality. WAT Motor and VEK have a dialog based on feedback. In this context, thanks to our collective approach, which is open to continuous improvement and responds to demands promptly, our company carries the flag as one of the main suppliers in the Marmara Region.

One of the strengths of our cooperation with WAT Motor is its wide product range and fast supply process. Offering products with quality above the standards and having a solid R&D work behind this quality are important factors that increase brand value. In the coming period, we hope that our cooperation with WAT Motor will create a know-how that will make a difference in the world with its efforts on efficiency. While benefiting the Türkiye society during production, the fact that it also considers its impact on the environment will enable us to move faster towards our sustainability goals. We believe that in the future, when our cooperation increases exponentially, we will raise awareness with a production policy that respects nature and the environment.

Özkan Dalkılıç
General Manager,
VEK Efficient
Industrial Components

CORPORATE MEMBERSHIPS

Corporate memberships encourage innovation by increasing the sharing of information and resources, while contributing to raising industry standards. The associations and sector unions of which WAT is a member allow it to establish stronger ties with its stakeholders and adopt best practices across the sector. In addition, thanks to these memberships, the knowledge and skills of employees are continuously improved by actively participating in the training sessions and seminars organized.

WAT has identified stakeholder engagement as a critical priority in line with its sustainability strategies. The company has organized its stakeholder engagement plan as a work area that is monitored, logged, regularly reviewed, evaluated and analyzed, and reported on annually. In this context, various communication channels are used to collect and evaluate feedback from WAT stakeholders. WAT Corporate Communications collects stakeholders' opinions and suggestions through surveys, meetings and workshops, regularly reviews this data and shares its outputs with the management team and relevant functions to transform them into targets and actions. In order to increase the contribution of stakeholder engagement, outputs from digital platforms and the complaint management mechanism are also included in the scope of the studies and used to shape action plans.

Annual sustainability reports include the results of stakeholder engagement and improvements made based on the feedback received. These reports enable the company to transparently share its sustainability performance and progress towards its goals with the public. In addition, WAT conducts regular reviews to further enhance stakeholder engagement and align with its strategic goals. These processes are guided by sustainability committees and senior management, thus ensuring continuous improvement and adaptation.

As a result, WAT Motor's stakeholder engagement plan represents a comprehensive and integrated approach to improving environmental, social and governance performance. This plan plays an important role in achieving sustainability goals through effective communication with stakeholders.

MAIB - MACHINERY EXPORTERS' ASSOCIATION

Having started its activities in 2002 and gathering more than 23 thousand enterprises under a single roof, the Machinery Exporters' Association makes significant contributions to the institutionalization of the sector.

TET - TURKISH ELECTRICAL AND ELECTRONICS EXPORTERS' ASSOCIATION (TET)

TET is a professional organization that supports the export activities of its members. WAT Motor ranked 55th among 168 companies in the 2023 Export Honor Roll published by TET. Through TET, WAT Motor participated in international trade delegation visits and had the opportunity to meet with stakeholder companies and organizations in target countries.

CEMEP - EUROPEAN COMMITTEE OF ELECTRICAL MACHINERY AND POWER SYSTEMS MANUFACTURERS (VIA EMOSAD MEMBERSHIP)

EMOSAD is a member of CEMEP in Europe and represents Türkiye in the federation. WAT participates in general assembly and industry working group meetings on behalf of EMOSAD and takes part in sector-related studies such as eco-design, Eco-design for Sustainable Products Regulation (ESPR), regulation and energy efficiency, and contributes to the development of the sector.

EMOSAD - ELECTRIC MOTORS MANUFACTURER SASSOCIATION

EMOSAD, which was established to develop the electric motor industry in Türkiye, takes important steps for the progress of the sector. WAT representatives make significant contributions to the industry in various areas such as policy and legislation support, technological development, sustainability studies and stakeholder communication with EMOSAD.

Hakan Gedik
(28.09.1985 - 10.02.2023)
EMOSAD Secretary General & WAT Business Development Manager

Within the EMOSAD Association and WAT Motor, Mr. Hakan Gedik made great contributions with his activities in raising the sector's awareness of the importance of energy efficiency and efficient motor transformation, and in supporting the transition to eco-design regulation in Türkiye. We remember Mr. Hakan Gedik with respect and compassion and thank him for the loyalty programs of the industry.

TAYSAD - AUTOMOTIVE SUPPLIERS ASSOCIATION OF TÜRKİYE

WAT monitors interactions on E-mobility and electric vehicle charging stations through TAYSAD. Main industry-supplier unity is ensured through TAYSAD's reports and the training it organizes.

SAHA ISTANBUL

SAHA Istanbul supports the cooperation of its members to increase the technology and localization rates of the Turkish defense, aviation and space sector. As part of this ecosystem, WAT participates in SAHA EXPO exhibitions and contributes to the development of competitive sustainable products.

MAKFED - TURKISH MACHINERY FEDERATION

The products WAT manufactures are intensively used in the machinery sector. WAT contributes to MAKFED activities through EMOSAD, of which it is a member. WAT supports the Machinery Summit events hosted by MAKFED as a sponsor and takes part in panels as a speaker. With the support of MAKFED, projects such as awareness-raising training, energy audit study certifications, etc. are realized.

ÇERKEZKÖY CHAMBER OF COMMERCE AND INDUSTRY

Organized by Çerkezköy Chamber of Commerce and Industry, Çerkezköy Industrial Fair is the first and only fair in this field in the Thrace region. WAT comes together with other stakeholders and suppliers in the region within the scope of this fair.

ÇERKEZKÖY ORGANIZED INDUSTRIAL ZONE (ÇOSB)

WAT provides basic energy needs such as electricity, natural gas and water through ÇOSB. ÇOSB hosts the training organized by WAT on Agile Transformation and corporate culture. WAT actively participates in the promotion and information meetings of the World Bank-supported Türkiye Green Industry Project, organized by ÇOSB under the leadership of the Ministry of Industry and Technology, in cooperation with KOSGEB and TÜBİTAK.

In addition to becoming a party to the Paris Climate Agreement, Türkiye has joined the push towards of carbon neutrality with its 2053 target.

The Machinery Sector, which has a mission of green and digital transformation, has a comprehensive roadmap with the "Türkiye Machinery Sector Sustainability Action Plan Report" prepared with a participatory approach based on the UN SDGs.

WAT Motor, the leading organization in the electric motors sector, is undertaking important projects to increase energy efficiency in the industry and reduce environmental impacts. The Electric Motors Industrialists' Association EMOSAD, supported by WAT Motor, makes significant contributions to sustainability efforts in the sector. The efficient production and use of electric motors, which consume a large portion of the energy used in industry, is of great importance in terms of national and global climate targets. WAT Motor's leadership and innovative approaches in this field strengthen sectoral cooperation, and its efforts to comply with new generation EU legislation such as ESPR increase competitiveness and promote sustainability.

Innovative approaches and application unity in the electric motors that drive the machines will increase the speed of transformation of the machinery sector and the power of the sector, thereby making valuable contributions to both the national economy and Türkiye's 2053 carbon neutrality targets.

Zühtü BAKIR
MAKFED, Turkish
Machinery Federation
Secretary General

TECHNOLOGY AND INNOVATION

INNOVATION FOR IMPACT:
SMARTER TECHNOLOGIES FOR A SUSTAINABLE FUTURE

R&D	57
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R&D

WAT ensures that its products and services are among the best in the world with its R&D studies.

Since the day it was founded, WAT is aware that developing innovative solutions, advancing its testing processes in line with global competition and establishing an R&D infrastructure are important steps for both sustainability and leading the future. For this reason, WAT has determined that the focus of its R&D strategy is investing in innovative R&D solutions that adopt a customer-oriented approach and establishing strategic partnerships. WAT therefore has two R&D Centers and continues its activities under the R&D center support within the framework of Article 22 of the Implementation and Supervision Regulation of Law No. 5746.

Research and development keep the product family up to date in line with the needs of sectors that are the drivers of industrial applications such as fans, pumps and compressors, and within the scope of regulatory requirements. The R&D team aims to offer globally competitive and durable solutions in motor drives related to WAT's main business lines. Such motor drive solutions are aimed at high technology and value-added areas. Among the activities of the R&D team, the development of automation systems and studies on modern high-speed communication systems are seen as critical. By integrating these systems into drives, they are expected to gain significant acceptance in the market.

The transformation of charging systems is still ongoing. There are significant changes in the evolution of today's charging solutions, energy regulations and other units of charging stations. Increasing competition triggers innovative solutions.

In this context, the R&D team has started localization studies for fast (DC) charger systems in the short term and is working on designs for new models for competitive charging stations.

WAT's R&D team's medium-term goals include bringing control solutions to the motor drive families with the addition of motion and automation control systems. Control solutions are created through increasing field data and performance data, and artificial intelligence technologies are used in predictive maintenance studies. High resolution position control systems and robotic solutions are also among the targets. In the field of mobility, starting with vehicle subsystems, prototype electric traction systems are being created. New types of switching systems and on-board charging systems are among the first solutions targeted to be offered. In the long term, it is planned to create software services and big data-based solutions through the products produced. Contributing to the green transformation of industry, WAT closely monitors customer demand for motors in sectors such as iron and steel and cement, which have been declared as priority areas by the ministry and continues its efforts to develop appropriate product families.

Sustainability and green products are at the core of our business strategy in every aspect of our products and services. These products are effectively guided by the Green Deal and the Fit-for-55 compliance package, but we are aware that it is not enough to provide as much efficiency as is regulated for global climate targets. That's why we are investing 86% of our R&D investments in low-carbon, highly energy-efficient and high-performance environmentally responsible designs. As a result of these pioneering initiatives that will transform the rules of industrial design, we will develop electronically controlled (EC) motor technology in the IE5 and higher energy efficiency class in 2024.

Barış Tuğrul Ertuğrul
Technology Business Unit Leader
WAT Motor A.Ş.

The rapid growth of the electric vehicle (EV) market brings with its R&D investments for AC and DC charger systems. WAT focuses on the following strategies to lead developments in this field and contribute to a sustainable future:

- Ensuring profitability with innovative products and new business areas.
- Achieving sustainable growth.
- Developing new electronic products in the field of defense.

Approximately 103 million TL R&D budget was provided in WAT in 2023. To support its sustainable product strategy in line with Fit-for-55, WAT used 86% of its R&D budget to develop low-carbon products.

It is aimed to transfer the products developed for electric motorcycle powertrains - the first product output from WAT's R&D center - to new vehicle platforms, to design new models, to focus on solutions to increase efficiency and to develop solutions for competition. In the industrial field, short-term solution targets include the development of purpose-oriented industrial servo solutions and high-efficiency (IE4+) integrated motor drives.

As products and activities have become different for different applications and sectors, project activities are carried out under the main headings of 'Industrial systems', 'Motion control systems' and 'E-mobility systems'. Under the heading of industrial systems, design and test studies are being carried out to expand the market for smoke extraction motors for different applications. In 2023, in addition to the F300 product family, which is suitable for longer operation at high thermal temperatures in terms of durability, studies were carried out for the F400 Smoke Extraction Product family, which can operate at higher temperatures for longer periods.

In the field of motion control systems, the product platform for the defense industry was cataloged and product development projects were initiated for strong companies in Türkiye, and new technological products were actively disseminated to different customers.

In the field of E-mobility, the process that started with Rakun has been transformed into a product family with different prototypes up to 10 kW. In order to become a domestic electric motor family alternative for the L6-L7 segment, studies are continuing into two-, three- and four-wheeled vehicles, with a focus on producing a better product than those originating in the Far East or compared to European manufacturers' motors that dominate the market.

With increasing environmental awareness and the need to reduce dependence on fossil fuels, EVs stand out as a sustainable alternative to conventional gasoline and diesel vehicles. WAT's R&D team contributes to making EV infrastructure more sustainable with its studies on AC and DC charger systems. These studies will contribute to a cleaner and more viable future by encouraging the spread of EVs.

With its carbon emission reduction target, WAT aims to significantly reduce the carbon footprint of the charging process through energy efficiency and renewable energy integration efforts.

The defense industry is an industry that must constantly keep up to date and drive innovation due to the advantages it provides to countries. Studies carried out for the defense sector can develop innovative technologies. These technologies can then be spun out to other sectors and products that contribute to sustainability. For this reason, WAT conducts R&D studies for the defense sector.

Electronics R&D projects are among the sustainable and environmentally friendly areas of research and development at WAT. Electronics R&D projects, which aim to increase efficiency in industrial production, focus on developing electronic devices that consume less energy. In this way, it is possible to use energy resources more efficiently and to save energy.

Türkiye's targets for electric vehicle transformation is a topic that the public is following with great interest and excitement. In order to achieve these goals, domestic design and production of electric vehicle chargers is of great importance. With full confidence in our own resources, we aim to make a difference on a global scale with power electronics and software-based solutions in electric vehicle charging technologies.

In 2023, we took great steps for the localization of the chargers that we started to produce at our WAT Motor factory, and we made an intense effort to bring to our country the technologies that will shape the future. WAT Mobilite is excited to make a strong start in electric vehicle charging network management. We aim to rapidly expand our charging stations across Türkiye. The strong dealer and service network of Koç Group companies will be our biggest supporter in achieving this goal. In 2023, we aim to expand our 187 installed charging stations to 81 cities in Türkiye. We will continue this expansion with the investments we will realize with our own means and the support of our dealers.

As WAT Mobilite, we not only offer an electric vehicle charging network, but also provide value-added services to our customers and business partners with the opportunities offered by the digital world. Our collaborations with WAT Motor have further strengthened our commitment to sustainability and our dedication to carbon reduction. In the future, we aim to be a pioneer both in the industry and in our environmental responsibilities by developing innovative and environmentally friendly solutions.

Okan Cicimen
Operations Business Unit Leader
WAT Mobilite

Within the scope of the Regulation on Environmentally Friendly Design Requirements for Electric Motors, a gradual energy class transition has started. As a first step, following the regulatory transition in the IE3 efficiency class in July 2021, the sale of IE4 efficiency class motors will be allowed for three-phase electric motors with a power rating of 75 kW and above as of July 2023. In addition, for the one-phase electric motor family, the sale of electric motors with IE2 efficiency class will be allowed as of July 2023. In this direction, work is being carried out at the WAT R&D center to adapt the product platforms to the requirements.

Within the scope of R&D and innovation collaborations, projects are developed with universities, SME-scale companies in the sector and other R&D centers through appropriate calls opened by TÜBİTAK within the national framework. There is also cooperation between academicians and consultancies specialized in related fields for different projects. Last but not least, collaborative applications are prepared for cooperative projects within the framework of the EU's Horizon program.

R&D PROJECTS

Eco-Friendly Product: QN New Generation Energy-Efficient Motor Series

The QN Next Generation Energy-efficient Motor Series is an environmentally friendly motor series developed by WAT in 2022 and launched in 2023. These motors were developed in line with WAT's sustainability vision and "Fit-for-55 Compliant Products" strategy. QN series motors stand out with their high-power density, compact structure and 20% reduction in active material consumption in electrical and mechanical parts compared to their competitors. Energy efficiency has been increased and product quality has been improved by using high automation in production processes. The project, managed with the Agile Production philosophy, has been an important step in balancing China's market superiority and gaining access to new markets. The QN Next Generation Energy-efficient Motor, which has saved 21,582 kWh of electricity annually for products that reached the user only in the year it entered the market, is expected to reduce 169,595 tonnes of CO_2 equivalent emissions every year.

Smoke Extraction Motor Project Phase-2

This product range will serve tunnels, shopping centers and similar contracting projects. Smoke extractors are subject to special standards and certifications due to the requirements of highly reliable operation for two hours at temperatures of 300°C and 400°C even in the case of fire.

In the first phase of the smoke extraction project, a product range was created in accordance with F300 requirements and in an aluminium house.

The smoke extraction motor family, which will be designed in accordance with the F400 requirements, will be subjected to certification tests with the systems of partner fan manufacturers and will be approved (Phase-3 will continue in 2024). The motors to be produced within the scope of the project are two-, four- and double-speed motors with a power of 0.75-90 kW in the 80-280 frame range.

High Temperature Resistant Smoke Extraction Motor Family Development Project in accordance with the EN 12101-3 Standard (TEYDEB-3181398)

The project to develop a range of high temperature resistant smoke extraction motors that meet the EN 12101-3 standard aims to develop smoke extraction motors operating at high temperatures, and to ensure domestic production. These motors play a critical role in the extraction of toxic gases and smoke in case of fire. Motor families in the IE2, IE3 and IE4 efficiency classes with high temperature resistance have been developed, with a focus on energy efficiency. The prototype motors were approved by Efectis (Certification Company) for compliance with international standards. With the know-how gained in this process, WAT Motor has gained significant competence in the design and production of smoke extraction motors. Effective expulsion of toxic gases and firefighting are facilitated. Energy-efficient motors reduce the energy costs of businesses and support environmental sustainability.

Energy Efficiency: Transformation of Inefficient Electric Motors in Industry with the Efficient Motors Project

This project, which aims to replace low energy efficiency electric motors used in industry with more efficient motors, aims to contribute to Türkiye's climate targets by reducing energy consumption. The project started in 2022 and continues with Phase 2, with commissioning in 2023. The project aims to save 34 billion kWh of electricity and reduce the emission of CO_2 equivalent gases by 14 million tonnes annually by replacing 88% of industrial motors which have low energy efficiency. In the first phase, 1,262 motors have been replaced, saving a total of 5.8 million kWh of energy and preventing 2,449 tonnes of CO_2 equivalent emissions annually. In addition to providing a significant reduction in energy costs for industry, the project also reduces maintenance costs.

New Generation Single Phase Motor Family

While single-phase motors (for 71-100 fr.) are currently produced in the 0.12kW to 3kW power range, a new product range of 0.25kW to 3kW power range has been developed within the scope of this project. In addition, an effective product family that can respond to the increasing competition in the market will be created. A 2023 regulations-compliant IE2 efficiency class single capacitor (Q2MN) and a capacitor plus centrifugal switch (Q2CN) are the product family created here.

High Power Density Traction Motor Development Project with Hair-Pin Technology for Heavy Commercial Land Vehicles (TEYDEB)

This project is to develop an indigenous electric motor for a heavy commercial segment electric vehicle application. This motor stands out with its cost advantage in terms of its topology and production techniques compared to its counterparts in the market, is competitive in terms of its technical features and constitutes a domestic alternative for electric vehicle manufacturers in Türkiye. In addition, WAT's technical know-how on electric traction motors will be increased and the capabilities of collaborative stakeholders will be improved.

Electronically Controlled Motor Family

The electronically controlled motor family aims at to integrate advanced electronic control systems to improve motor performance, reliability and energy efficiency. It has been developed in line with WAT's commitment to innovation and sustainability in motor technology.

Eco-Friendly Product Family

The sustainability project aims to adopt an approach that minimizes environmental impact while designing a product that can meet and even exceed customer expectations. The aim is to reduce raw materials use, to evaluate the use of recycled products/metals/plastics with reduced emissions, to reduce the use of chemicals and to manage the evaluation of environmentally friendly alternatives, and to increase the range of energy-efficient motors.

Industrial Motor Family with IE4 Efficiency Class

With the 2023 regulations, motors of 75kW and above must be in the IE4 efficiency class. The IE4 project studies not only efficient motors of 75kW and above, but also of 0.12kW and above.

Energy-efficient Motor Development for Innovative Cooling Systems

The project aims to develop energy-efficient motors for innovative cooling systems. It supports sustainable cooling technologies that reduce environmental impact and operating costs by improving motor efficiency and reducing energy use.

Special Designed Motors for Renewable Energy Projects

The initiative focuses on the creation of custom-designed motors for renewable energy projects. These motors are designed to meet the specific demands of various renewable energy applications.

EC Fan Project

A family of products with high efficiency class (IE5+) to serve fan and pump applications.

EC Motor

Motors controlled by an external electronic circuit board. The design phase has been completed.

E-motor Inverter

WAT Inverter is designed to control Permanent-Magnet Synchronous Motor (PMSM) motors. The inverter adjusts the output current according to the loading conditions of the motor.

400W Motor Driver

This is a processor-controlled system, designed and validated according to the requirements of MIL-STD-810G, MIL-STD-1275E and MIL-STD-461 standards.

100A Motor Driver

This is a processor-controlled system, designed and validated according to the requirements of MIL-STD-810G, MIL-STD-1275E and MIL-STD-461 standards.

AC Charger Project

In this project, prototype product design and concept validation studies are carried out at TRL4 level.

DC Charger Module Project

With the prototype design at TRL4 level, an important step has been taken in the indigenization of the DC charging station by designing and prototyping the module, which is a part of the DC charging station.

Other R&D Projects:

WAT completed four R&D projects carried out with its own resources, one project supported by TÜBİTAK, and the European Union project IREL 4.0 in 2023. Projects started in 2023 and ongoing projects are listed below:

- Smoke Extraction Motor Project Phase-3.
- Application- and customer-specific product family development projects. These aim to increase efficiency by minimizing losses, to use less raw material use by optimizing the design, and to respond to different requirements in line with standards.
  - Compressor Series Motor Family,
  - Motor Family Phase-2 with integrated drive (EC).
  - Industrial Motor Family Phase-2 with IE4 Efficiency Class.
  - Within the scope of eco-design efficiency criteria, the efficiency level of electric motors subject to EN 60034 standard shall comply with at least IE4 definition. The regulation has been approved to be valid in all EU countries and Türkiye as of 1 July 2023. With the passage of the regulation, IE4 efficiency level will become mandatory for electric motors of 75kW and above. Within the scope of this project, a new competitive series of two to four poles between 75 kW and 200 kW will be defined in the domestic and international market in accordance with the regulation.
  - High Power Density Permanent Magnet Traction Motor.
  - Alternator Product Family for Aerospace Systems.
  - The Light Electric Vehicle traction components family aims to develop motors, motor drives, HMIs and charging units for 3 or 4-wheeled, L5-L6-L7 segment vehicles suitable for urban use for the final delivery point.
  - Motion Control Systems product family.
  - Micromotor Project.
  - Motors Technology Roadmap Projects Serving Green Growth.

In addition, one EU Project R-podid, one Sayem Project, one bilateral cooperation project with Business Finland and TÜBİTAK and one Eureka Xecs Mainverse project are targeted for 2024 and infrastructure works are being carried out.

High Power and Efficiency Washing Machine Motor

This project aims to create high power and efficient motors for washing machines. Its aim is to reduce energy consumption while improving washing machine performance and minimizing the environmental footprint of household appliances.

Development of a High Efficiency Motor for Marine Transportation

The development of highly efficient motors for maritime transport forms the basis of this project. By improving motor performance and reducing fuel consumption, WAT aims to support greener maritime operations and contribute to more sustainable shipping practices by reducing emissions.

Optimized Motors for Solar Energy Systems

The project involves the design of optimized motors for solar energy systems. By increasing the efficiency and reliability of solar installations, these motors promote the use of renewable energy and support the increased use of clean energy sources.

The projects we have carried out in cooperation with WAT Motor have made important contributions in terms of seeing the products that have the potential to emerge thanks to R&D activities and understanding WAT Motor's perspective on the sector and future projections. Joining a corporate company as a dynamic party within the scope of the projects is one of the strongest aspects of our cooperation. In the coming period, we aim to create new collaborations by combining our ability to identify current problems and produce quick solutions with WAT Motor's strength in product development, production, sales and marketing. This cooperation will strengthen our sustainability efforts and will be supported by new partnerships.

Prof. Dr. Erkan Meşe
Department of Electrical Machines,
Electrical and Electronics Engineering
Ege University

HW Development (Hardware Development)

WAT Motor's hardware development process starts with requirements analysis, followed by feasibility studies. In the design phase, critical steps such as architectural design, circuit design and simulation, power measurements, signal integrity, electromagnetic compatibility (EMC) tests and thermal tests are performed. In the verification and certification phase, functional tests, performance tests, environmental tests, reliability tests, EMC tests and security tests are performed. The hardware development process continues with the installation and deployment of the products and ends with the maintenance phase. This comprehensive process aims to maximize customer satisfaction by increasing the durability and reliability of products.

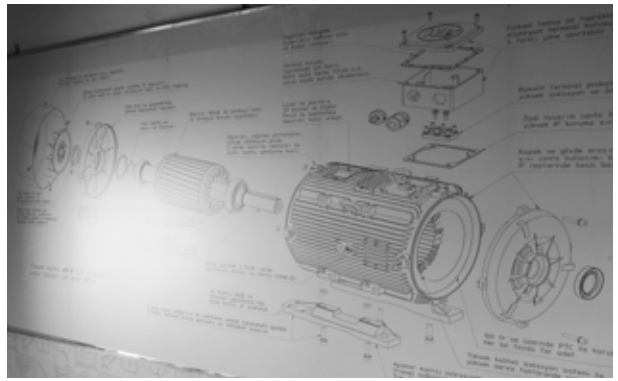
SW Development (Software Development)

The software development process starts with requirements gathering and analysis, followed by feasibility studies. In the design phase, the architecture and functions of the software are determined. The coding phase is where the software is actually created, and here the code is written by software engineers using programming languages. The software is then subjected to extensive testing and validation. In the installation and deployment phase, the software is made available to users. Finally, updates and necessary fixes are made to the software during the maintenance phase. During this process, software bugs are tracked through the Arriva system and fixed with the support of the software test approval team.

Material Improvement Projects (MIPs)

Material Improvement Projects at WAT are carried out with the aim of increasing the company's operational efficiency and reducing costs. The scope of these projects includes design optimization, alternative component usage, negotiation strategies and process improvements. Thanks to the projects carried out throughout the year, the amounts saved are determined by comparing reference codes and the cumulative material improvement is calculated based on this data.

MIPs not only reduce costs, but also enable more efficient use of resources, increase competitiveness and contribute to sustainability goals. These projects help WAT gain strategic advantage in cost management by continuously improving its operational performance. In addition, MIPs support environmental sustainability; reducing energy consumption, reducing waste and shrinking the overall environmental footprint. In this way, WAT contributes to its long-term success by promoting both economic and environmental sustainability. In 2023, 2.45 million Euro of MIP earnings were achieved through 121 projects. The ratio of these projects to total material costs was 3.9%.



	2023		2022	
MATERIAL IMPROVEMENT OUTPUTS	**Total**	**Environmental Contributor***	**Total**	**Environmental Contributor***
Number of MIPs, Quantity	**121**	**71**	**47**	**32**
Alternative Material/Supplier Transition	13	8	12	4
Cost Recovery	33	5	6	1
Sustainable Product Dissemination**	45	45	19	19
Design Optimization	30	13	10	8
MIP Earnings,	**2.7 million**	**1.3 million**	**2.9 million**	**1.2 million**
Ratio of Project Returns to Material Expenditure*, %**	**3.9**	**1.9**	**4.2**	**1.7**
Ratio of Project Returns to R&D Expenditure**, %**	**82.9**	**39.8**	**88.9**	**35.9**

* Transition of materials to environmentally friendly alternatives that can be processed with less energy and fewer resources, creating energy saving opportunities, metal-plastic raw material reduction, product weight reduction, low carbon alternatives are calculated as environmental contributors.
** Covers the dissemination of H, HS and N Platform products and design and material improvement projects developed from these platforms.
*** Base cost of material is taken as 68.9 million €.
**** Calculated in 2023 based on actual R&D costs; R&D investment costs are not included.

In our markets, our products stand out with their superior quality, high performance and durability. We aim to meet the demands and expectations of our customers in the best way possible by always prioritizing quality in design, technology and production processes. At the same time, we aim to raise awareness on energy efficiency and offer solutions in this field. By encouraging energy-efficient product preferences, we carry out informative activities that emphasize the importance of energy savings. In this direction, we continue to support the sector and provide guidance on energy efficiency.

Onur Taneri
TR, MEA, Africa Sales and Marketing Director,
WAT Motor A.Ş.

PRODUCT MANAGEMENT

WAT's product management vision is based on commissioning innovative products that are suitable for local and global market and customer needs, are environmentally friendly and have superior product features, in order to ensure sustainable and profitable growth. Within this framework, market and product strategies are created, projects are initiated for new customer or new market demands, internal and external resources that provide products are planned, and the road maps of the products are determined according to the renewed regulations and competition.

SUSTAINABILITY IN PRODUCT MANAGEMENT

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

PRODUCT LIFECYCLE MANAGEMENT

PRODUCT PLANNING
- » Impact assessment
- » Sustainable design

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

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

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

SUSTAINABLE PRODUCTS

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

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

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

PRODUCT SAFETY AND QUALITY MANAGEMENT

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

QUALITY MANAGEMENT
- » Process quality
- » Traceability
- » Product quality

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

PRODUCT DEVELOPMENT AND INNOVATION

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

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

MARKET AND CUSTOMER ANALYSIS

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

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

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

MARKET AND CUSTOMER ANALYSIS

WAT Motor regularly analyzes market trends and customer demands and maintains its competitive advantage through competitor analysis and market positioning strategies. It strengthens customer relations through customer satisfaction and loyalty programs.

ANALYSIS OF CUSTOMER NEEDS

Green Product Demands: Product development processes are directed by taking into account customers' demands for environmentally friendly products.
Social Benefit: Feedback from customers is evaluated to increase the social benefit of products.

MARKET ANALYSIS

These are studies carried out to analyze market and customer expectations. The features of the product to be designed according to the expectations of the market, time of introduction and target cost are planned and studied.

PRODUCT DEVELOPMENT AND INNOVATION

WAT adopts innovative approaches in product development processes and attaches great importance to R&D studies. It maintains its leading position in the sector with innovative product design and customer-oriented development strategies. It uses sustainable and recyclable materials in the design and production of its products. It prioritizes technologies that increase energy efficiency in its R&D activities.

WAT has set requirements for the materials it will select in product design. The material management issues for which a minimum condition of conformity is required are; compliance with legal requirements, localization and material accessibility, implementation of chemical compliance specifications, REACH & RoHS compliance monitoring and execution of material improvement projects.

PRODUCT SAFETY AND QUALITY PROCESSES

Product Safety

WAT considers product safety as one of its highest priorities. It adopts strict safety standards and quality management processes at every stage from design to production and from sales to end of product life. With its advanced laboratory infrastructure and comprehensive testing procedures, it continuously measures the durability and performance of products and verifies them through certification processes as a result of third-party audits.

Focus from Design to Production: Safety Design and Process FMEA

FMEA (Failure Mode and Effects Analysis) is a disciplined method for preventing defects in process and design by identifying them in advance. At WAT, product safety starts at the design stage. FMEA is carried out in order to predict, evaluate and eliminate possible risks in product design and production processes.

With FMEA:

- Product safety and reliability are ensured.
- Product quality is improved.
- Service failure rate and/or warranty costs are reduced.
- Customer complaints and demands are handled as design inputs to increase customer satisfaction.
- Input is provided to subsequent product projects and design times are shortened.
- Product costs are reduced.
- Security is ensured in operational processes.

Design FMEA focuses on potential defects arising from the design that may prevent the realization of functions, while providing a guide for the development of product designs and a guide for future product designs. Process FMEA focuses on the steps and potential defects related to the manufacturing process. This process guides the examination of new manufacturing and assembly processes and ensures that potential failure types and impacts are considered. Furthermore, the identification of critical and important process features contributes to the preparation of an effective "Production Control Plan". It facilitates the prioritization of process improvement activities and guides the development of future production/assembly processes. This improves the functionality and reliability of products that have been designed but not yet manufactured.

Design and Product Approval

Reliable Performance, Strong Future

WAT conducts comprehensive testing and verification processes at initial sample acceptance and mass production to ensure high standards in product safety. Routine tests such as a high voltage test, phase resistance control, rotation direction control, idle current and power control are applied to all motors on test boards located in test cabinets. Various tests such as sound measurements in the silent room, visual quality tests in the optical performance test room and environmental tests (vibration, shock, etc.) are also performed. The durability of the products is also measured by applying thermal shock test against extreme temperature changes that may affect the performance and durability of the motor components. At the same time, corrosion resistance and paint quality parameters provided by the dyestuffs applied to the products are tested.

On the hardware side, derating tests examine the electrical and thermal stress of each component on the board under limit conditions and statistically determine the risks. IPC (Institute for Printed Circuits) analyzes manufacturability and conducts preliminary EMC (Electromagnetic Compatibility) tests. In software verification processes, the software test approval team is supported and all errors are tracked through the Arriva system. These comprehensive testing and verification processes ensure that WAT keeps the reliability and performance of its products at the highest level.

Quality Processes

WAT strictly adheres to quality standards and meticulously carries out certification processes. It takes various measures to continuously improve product quality and develops its products by taking customer feedback into account.

↘ **Quality policy and process information are detailed in the "Quality Management" section.**

Product Quality Assurance: Certification Process

WAT carries out a three-stage certification process to ensure that its products comply with the standards in the countries where they are offered:

1- Determination of country standard requirements.

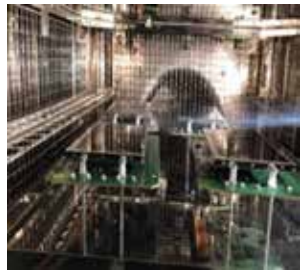
2- Ensuring product conformity.

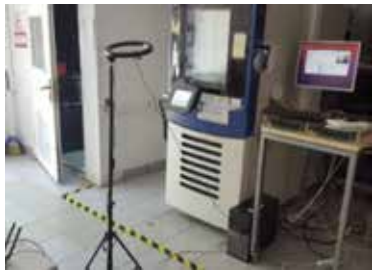
3- Realization of certification and sharing of certificates.

The certification process is governed by specific inputs and outputs. Inputs include legal requirements, standards requirements, product labeling requirements and user manual requirements. These inputs are obtained from customers, standards bodies and legal authorities. The outputs of the process are a product that complies with the legal requirements and standards of the relevant country, the relevant standard approval certificate, product labels and user manuals that comply with the relevant country requirements, and an updated database. In this way, the conformity and reliability of products are ensured.

Buzzer Test

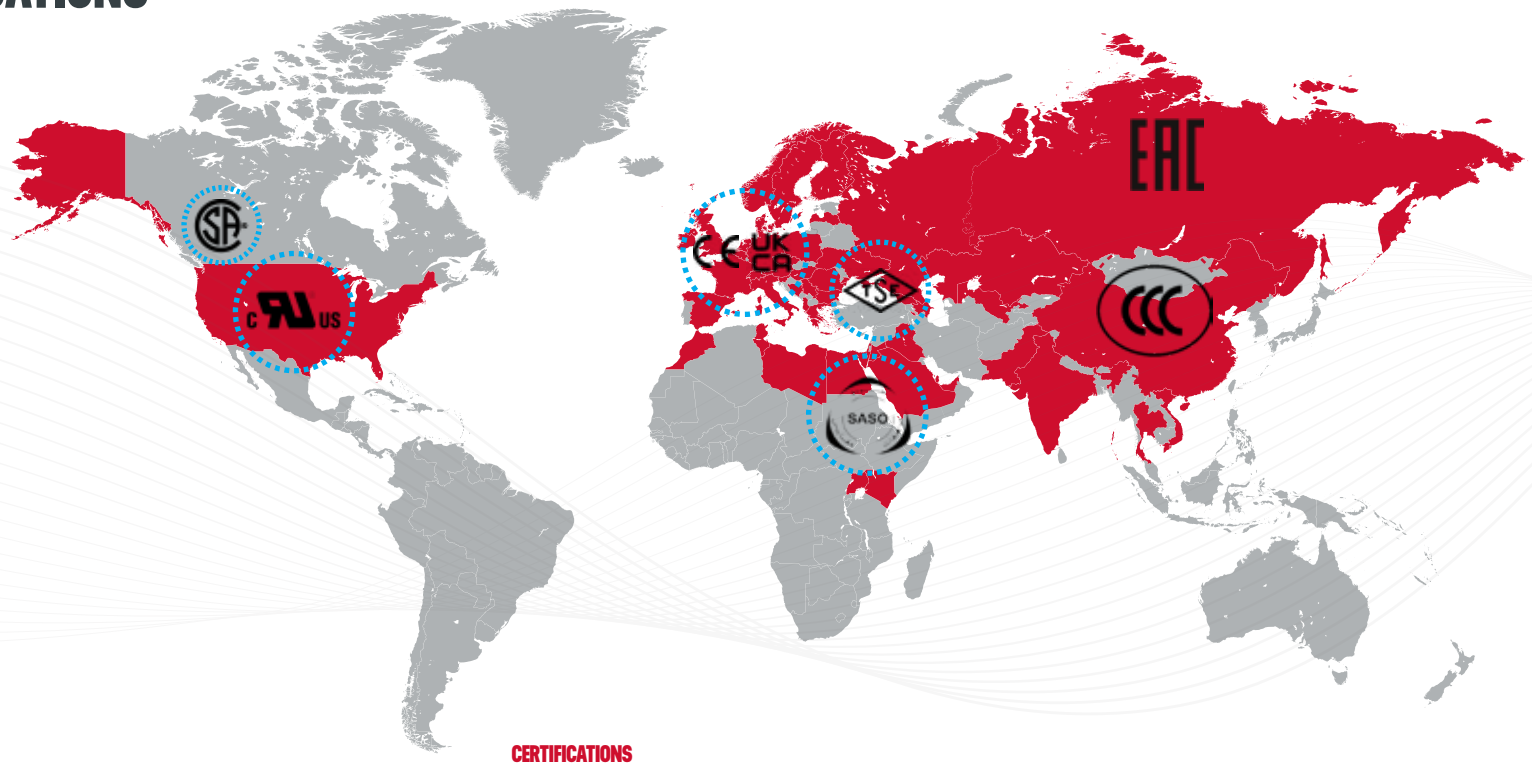
Optical Performance Test





Environmental Tests

CERTIFICATIONS



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

At WAT Motor, we design, manufacture and deliver products that are highly energy-efficient, meet the standards required for multiple markets, and fulfill the precise needs of leading machine manufacturers. WAT has been Türkiye's motor export leader for many years without interruption. Regardless of the rapidly changing market conditions, our constant priority is to be the best in the eyes of our partners for product quality, supply chain and customer relationship management.

Being able to continue to be Türkiye's leading global motor supplier is in WAT Motor's DNA; appreciation of our products worldwide and being able to effectively manage customers is our priority.

Embedding sustainability is a mindset that further strengthens our principle of being "The Best". With our energy-efficient and environmentally friendly products, we contribute to a sustainable future in both local and global markets. As WAT Motor, we maintain our commitment to offer the highest quality to our customers and continue to raise the standards of energy efficiency and sustainability.

Utku Yazıcıoğlu
EU-US Sales and Marketing Director
WAT Motor A.Ş.

CUSTOMER SERVICES

WAT attaches great importance to customer communication in the product management ecosystem. It uses customer communications, feedback, quality management and after-sales service outputs as inputs in its decision mechanisms for product positioning, design development strategies and resource management.

Customer service and quality management processes are detailed in the Value Chain Management section.

Click here to access the 'Circular Economy Reassessment Solutions' section in the Customer Services and Technical Service Network section.

SUSTAINABLE PRODUCT MANAGEMENT

Sustainable Material Use

Use of Recycled Raw Materials: In the aluminium melting processes of WAT, which has integrated production facilities, material recipes are selected in compositions that are not only suitable for reprocessing but also fulfill strength and quality requirements. In this way, aluminium part losses and sizing process wastes, which are not technically possible to reduce waste in production processes, are recovered in the melting processes. For the aluminium parts that WAT produces in its own facilities, an average of 27% recovery rate is achieved in the melting processes.

Recyclable Material Selection: Recyclable Material Selection: Approximately 98% of WAT products are metal and 98% of them consist of recyclable content. WAT considers the recycling and recovery potentials for the materials it chooses in product and packaging design, and constantly searches for better alternative materials.

WAT has prepared and shared a Waste Motor & Parts Management Guide in order to inform its customers and stakeholders about proper waste management that will enable waste motors and parts to be brought into the circular economy.

Transition to Water Based and Low VOC Alternatives: Insulation and corrosion resistance materials in our products are replaced with low VOC, toluene and formaldehyde-free alternatives. For replacement that is not technically feasible, new product research and trials are carried out in cooperation with manufacturers.

ECO-FRIENDLY AND SUSTAINABLE PRODUCT DEVELOPMENT

Compact and Modular Design: Products are being developed that can be easily assembled using fewer parts and materials, are lighter and take up less space in application areas, and whose parts can be used in multiple models.

Resource Efficiency: While the demand for electricity is reduced with energy-efficient products, resources are conserved by developing products with reduced material use.

Compared to the 2017 base year, the share of highly energy efficient energy efficient product platforms in revenue increases by 66% and reaches 78% in 2023.

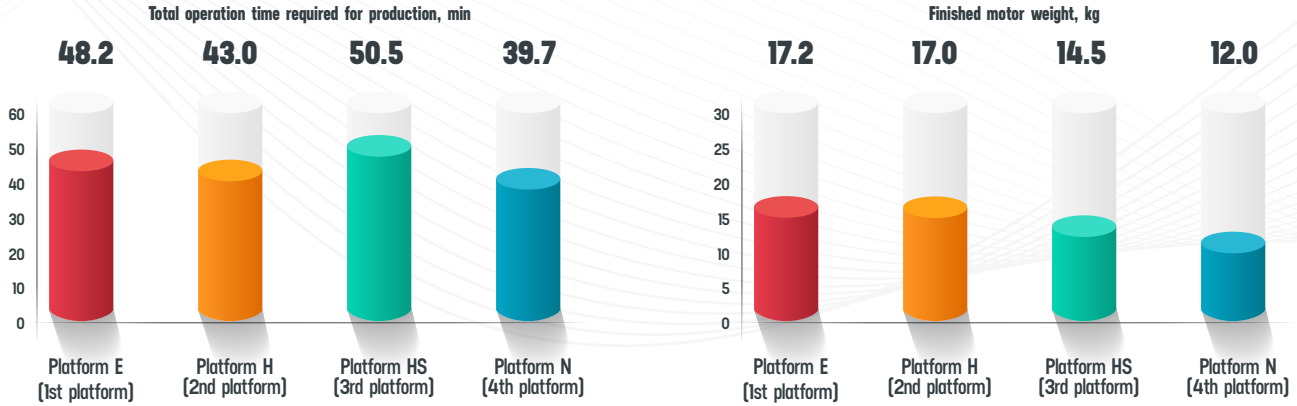
Compared to the 2017 base year, the share of highly energy efficient energy efficient product platforms in total kW value increases by 118% and reaches 80% in 2023.

Compared to the 2017 base year, the share of low-carbon products in revenue increases by 77%, and reaches 83% in 2023.

Compared to the 2017 base year, the share of low-carbon products in total kW value increases by 126%, and reaches 83% in 2023.

In WAT product development activities, it is aimed to reduce the number of parts in product platform projects, to reduce the amount of materials that provide the same quality and performance, and thus to reduce motor weights and to reduce operation times with modular structure and ease of assembly.

The variation of operation time and motor weights on the product platforms is as follows during the developed product platforms:



*Equivalent products from the E-H-H-HS-N product platforms with 90 frame, 1.5 kW, 3,000 rpm have been selected for comparison.

COMPLIANCE WITH ECO-DESIGN REGULATIONS

In order to comply with eco-design regulations, WAT examined the existing product range and the motors in stock in detail and the motors included in the monthly production programs were evaluated according to the regulation rules, and possible errors were prevented. New codes were created for motor groups with low efficiency class and old codes were removed. As of the regulation validity date, it is aimed not to have any non-compliant motors in stock. Business planning is made one year in advance for regulation transitions, products affected by regulation restrictions are identified and stocks are evaluated by taking them into transformation programs. In this way, waste generation is prevented.

Stocks that remain after the regulatory transition and do not meet the requirements are treated in the blocking process by applying the quality management system. This process includes a procedure that prevents the sale of the motor and prohibits it from even being considered as waste before it is damaged. By proactively changing product lines before the time interval defined in the regulations, WAT ensures full compliance with eco-design regulations.

PRODUCT LIFECYCLE MANAGEMENT

Product Planning

At WAT, product planning is carried out by analyzing the function, price, quality and sustainability criteria of the products in order to create and maintain competitive advantage in target markets by making the best use of technological potential and production capacity. Demand management is carried out in line with corporate targets by meeting new needs and expectations, and R&D, sales, marketing and supply chain departments are coordinated according to these evaluations.

Impact Assessment: In order to minimize environmental impacts and compliance risks during the planning phase of our products, recyclable ingredients, materials with lower chemical impacts and low-carbon supply opportunities are taken into consideration and alternatives are prioritized according to these assessments. With a sustainable product strategy approach, environmental risks are taken into account and life cycle assessments are made.

Sustainable Design: Products are planned according to design principles that meet the eco-design criteria set by international regulations and offer sustainable contributions beyond what is required by legislation.

One of the best examples of impact assessment efforts is WAT's product range transformation activities. In order to reduce the environmental impacts of its products, to increase the assurance of regulatory compliance and to minimize risks, WAT is transforming the product designs in the E Platform into sustainable products in the H-HS-N product platforms. The table below shows the decreasing trend as a result of the transformation of E Platform conventional product groups, which have high material usage, longer operation times into new product platforms developed for high energy efficiency and resource efficiency. WAT transforms all product groups into sustainable products and goes beyond meeting regulatory requirements in the new product platforms it develops. Compared to the base year 2017, the kW share of E Platform products decreased from 81% to 13%. In the same period, the share of E-Platform products in total turnover decreased from 78% to 14%. This reduction was achieved thanks to the transformation of traditional products into sustainable product platforms with high energy and resource efficiency, which demonstrates WAT's commitment to reducing environmental impacts and complying with regulations.

Product Launch

Green Marketing Strategies: WAT promotes its products with sustainability-oriented marketing strategies. It organizes promotional events and prepares various materials to make the importance of energy efficiency, regulatory compliance and contribution to global targets visible.

Eco-Friendly Packaging: WAT launches its products with environmentally friendly packaging. Because it affects product safety WAT does not compromise on packaging strength, but the company is working on packaging designs that will allow more products to be shipped at the same time, using less packaging material.

Product Improvement and Feedback

Recycling and Reuse: WAT works to increase the recycling and reuse rates of its products. Product management provides guidance for the efficient use of products through customer visits and YDM activities. WAT provides product life preservation and reuse opportunities by offering repair/maintenance and spare parts accessibility for product users.

Customer Feedback: WAT continuously evaluates customer feedback that supports its sustainability goals. It improves its products by collecting feedback from numerous communication channels, including field teams, technical services and dealers.

Future Strategies

Sustainability Goals: WAT is working on projects that increase energy efficiency, optimize resource use and reduce the amount of waste in line with the goal of becoming carbon neutral by 2030. These goals include the adoption and dissemination of sustainable practices in all our production processes.

Improving User Emissions: WAT develops products with high energy efficiency and offers solutions to reduce the energy consumption of users to minimize the emissions generated during the use phase of its products. These efforts aim to reduce the environmental footprint of products and contribute to users' sustainability efforts.

User Experience: WAT aims to continuously improve the user experience of its products. By providing user-friendly interfaces, ergonomic designs and easy maintenance facilities, we ensure that customers get the highest efficiency and satisfaction from the products. We shape our product development processes by taking into account user feedback and field data.

Green Technologies: WAT invests in environmentally friendly and innovative green technologies. We develop products and technologies that utilize renewable energy sources, increase energy efficiency and minimize environmental impacts. Our research and development efforts in this field aim to provide technological solutions for a sustainable future.

Products of the Future: In its R&D centers, WAT introduces innovative and sustainable product solutions that it plans to launch in the future. To catch up with 2030 trends, design research for permanent magnet and synchronous reluctance products, which are preferred for energy savings and reliability, and product planning for EC motor technologies, are being undertaken.

DIGITALIZATION

As the leading electric motor manufacturer in Türkiye, WAT is taking important steps in the field of digitalization and sustainability. The company is undertaking a number of digital transformation and sustainability initiatives to modernize its production processes and reduce its environmental impact. WAT has integrated automation and data analytics applications in its production lines using Industry 4.0 technologies.

In terms of sustainability, the company plans to increase the production of energy-efficient electric motors and electric vehicle charging equipment with a 25 million Euro loan from the European Bank for Reconstruction and Development (EBRD). Investments planned with the loan from EBRD are aimed at reducing annual CO_2 equivalent emissions by 25 thousand tonnes. Projects conducted through digitalization activities are designed to contribute directly to these targets.

- **Simplicity:** Avoiding unnecessary practices and processes and focusing on the simplest and most effective solutions.
- **Needs-oriented approach:** Defining the need correctly in each study and emphasizing how to contribute to business processes and customer satisfaction.
- **Technological approach:** Integrating many innovative and smart technologies into the business model with a vision that is not dependent on technology but drives technology.
- **Generalization of competence:** Strengthening the corporate culture by transferring IT competence to all employees, partners and customers.

WAT builds its journey for information technologies and digitalization transformation on three pillars

1) **Traceability:** Becoming a more visible and traceable company in the near term and measuring performance by equipping all processes from production to sales, from finance to human resources with modern technologies.
2) **Connected-Optimized Optimization:** Achieving efficiency in many areas with the infrastructure and data processing established in the medium term. With automation and data analytics applications in production lines, the aim is to increase quality and reduce costs. In addition, the Enterprise Resource Planning (ERP) system optimizes the supply chain, financial transactions and customer relations.
3) **Value Creation:** In the long term, creating value that will contribute to the company's turnover and future. In addition, the Product Lifecycle Management (PLM) system aims to make product development processes more efficient and innovative, and to respond faster and with higher quality to the needs and expectations of the market.

In line with WAT's strategy foundations, tools that will simplify the working system and increase efficiency are integrated into existing systems in an agile manner. With these integrations, a safer, faster and more dynamic working environment is created, while at the same time potential advantages are achieved in terms of environment and energy.

Within the framework of ISO 27001 Information Security Management System, WAT, as a group company of Koç Holding, takes important steps in the field of sustainability and information security. WAT carries out information security processes in accordance with this certificate, which covers supply chain, information technologies, human resources, finance and Internet of Things (IoT) cyber security operations. All Koç Group Companies undergo annual audits based on the globally recognized COBIT, ISO 27001 and CIS20 frameworks, and maturity assessment results are presented to the CEO and relevant committees. In addition, security is reinforced across group companies through cyber insurance policies that provide protection against cyber threats.

WAT's vision in the field of digitalization and sustainability is lean information technologies. Including digitalization in its organizational change has made the development to be achieved in this field an important element of the transformation strategy. With WAT's lean manufacturing transformation, we focus on simple and effective methods in solutions by moving away from inefficient practices and processes. In addition, we develop production systems to ensure that they are efficient, traceable and user-friendly, and we carry out projects that make significant contributions to sustainability goals by ensuring process efficiency, energy savings and employee satisfaction. We will continue to shape WAT's transformation in the direction of digitalization, simplification and efficiency.

İlhan Göksu
IT & Digitalization Manager
WAT Motor A.Ş.

DIGITALIZATION AND INNOVATION PROJECT EXAMPLES

High value-added automated assembly line project with increased productivity by using image processing and automation systems

In this project, a full automation system was established within the framework of Lean and digital transformation in order to meet customer demands, digitally detect quality defects and increase the mitigate rates of these defects. The project covers the production of 63-100 frame motors and has a daily production capacity of 545 motors. It was developed by taking Lean management techniques into account and aims for a sustainable digital transformation compatible with Industry 4.0. The project increases production efficiency by reducing the PPM level from 4,610 to 2,000, saves energy and reduces carbon emissions by replacing a paper tracking system with a digital one.

Operational Excellence and Efficiency Project with Digitalization in Production Processes

This project aims to optimize business processes by providing traceability in production processes with Internal Quality Monitor (IQM) software. The project is designed to strengthen daily field management by increasing traceability in processes, to create a tracking mechanism for quality errors and downtime, and to prevent losses. The project, which consists of three phases, increases production efficiency by increasing the number of production units per person by 32.9%, monitors the causes of downtime with automatic data collection and analysis systems, and reduces the environmental footprint by reducing paper/toner costs.

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

1. **OFFICE 365:** Cloud-based collaboration and productivity tools to analyze data, automate processes and develop custom applications with functions such as email, calendar, file sharing and video conferencing.
2. **DYNAMICS 365 (ERP):** Increases operational efficiency and improve customer experiences with supply chain, finance, project, customer relationship and human resource management modules.
3. **IQM (MES):** Monitors and controls production processes, minimizes continuity risks; expansions are possible.
4. **TEAMCENTER (PLM):** Manages processes such as product design, testing, validation and delivery, reducing costs throughout the product lifecycle.
5. **WAT PORT:** Effective management of internal processes and fast access to information.
6. **DIGI-ORDER:** Digitizes order processes, increases customer satisfaction and operational efficiency.
7. **PROMANAGE:** Monitors the productivity of production machines and monitors machine efficiency, capacity, cycle time and quality parameters.
8. **DIGIPORT:** Digitizes employees' software and hardware requests, breakdown, maintenance and call requests.
9. **CONNECTA:** Manages employees' personal information, payroll, annual leave and expense claims online.
10. **MOST:** Enables production workers to make digital and mobile requests for improvement, maintenance and breakdown requests at the workbench and in the field.
11. **WORKSAFE:** Performs OHS risk notification and follow-up, provides training, risk assessment, action and Key Performance Indicator (KPI) follow-up.
12. **AI-Assisted Programmable Monitoring System (Artificial Intelligence OHS Software):** Üretim sahalarında iş güvenliği kurallarının uzaktan izlenmesini ve iyileştirme fırsatlarının tetiklenmesini sağlar.
13. **Forklift Safety System:** Uses AI and IoT solutions to ensure industrial safety in forklift operation.
14. **AI-Supported Radar System (Outer Traffic Safety):** Monitors the compliance of vehicle movements with speed limits and provides security in the outdoor area. This investment is focused on OHS in line with the slogan "Our health and safety are our top priority".
15. **Instant Energy Monitoring System:** Digitally monitors electricity, natural gas and water consumption, improving energy efficiency and reducing carbon emissions.

SUSTAINABILITY

COMMITMENT IN ACTION:
ADVANCING SUSTAINABILITY AT EVERY TURN

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SUSTAINABILITY GOVERNANCE

WAT pioneers the sector in which it operates with its sustainability approach. With its Circular Business Model for Value Creation, it integrates sustainability understanding into all stages of the value chain and sees it as an opportunity. Its robust decision-making mechanism and strong corporate governance are a critical part of its approach to sustainability. With a holistic perspective, it makes achieving sustainability goals an integral part of its business performance by considering all social, environmental and governance factors. It develops its strategies by assessing the current and potential impacts of its operations, focuses on creating value for all stakeholders, and aims to provide environmental and social benefits through sustainability practices. WAT, which creates value with its good practices in sustainability, launched its Sustainability Committee in 2022 in order to gather all sustainability activities carried out within its organization under a single roof and to carry out them in a transparent and coordinated manner.

- Circular Business Model for Value Creation
- Holistic View
- Creating Value for Stakeholders
- Transparency
- Strong Governance

As of January 2023, Sustainability, OHS and Environmental Management unit has structured the Center of Excellence (CoE) organization and continues to work to ensure high coordination for the integration of sustainability into all business processes.

Use our planet more carefully. We are here for future generations to live!

Batı, 9

Mission: WAT's sustainability mission is to achieve energy efficiency and meet carbon reduction targets, to develop new opportunities in the field of sustainability, and to create value for our end-to-end stakeholders, the business world at large and society by putting environmental, social and economic sustainability at the center of our business strategy.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT'S (EBRD) GREEN LOAN SUPPORT

WAT has taken an important step in the field of sustainable financing with the 25 million Euro Green Loan support of the EBRD. This project aims to establish a network of electric vehicle charging stations across Türkiye through capacity expansion investments in electric vehicle charging equipment production and value-added electric motors.

According to the project scope, EBRD's financing will be used to support investments in capacity-building to expand WAT's E-mobility services. By providing energy and resource efficiency improvements, this investment program supports high value-added activities and improves local business standards by further integrating the value chain. The project is in line with the EBRD's strategy for Türkiye and also aligns with the Green Economy Transition Approach. The EBRD's financing terms offer advantages that are not available from commercial sources, creating the necessary financial structure to structure the project.

As a subsidiary of Koç Holding, one of Türkiye's leading industrial players, WAT aims to contribute a significant reduction of 25,000 tonnes of CO_2 equivalent emissions annually by facilitating investments in E-mobility solutions and high-value electric motors with its expertise in the production of industrial electric motors and electric vehicle charging equipment. In addition to its environmental impact, the loan will address both environmental and social sustainability by incorporating inclusion issues in Türkiye's manufacturing sector. Currently, women are underrepresented in all skills and job functions and make up only 11% of the total workforce in the country's automotive sector. WAT aims to increase woman representation in the workforce to 25% by 2025.

Sustainability is no longer a choice: it is a necessity that requires companies to be proactive. Organizations taking initiatives in this area should adopt successful sustainability practices as a fundamental element for real and lasting transformation, rather than limiting them to marketing strategies. In the prevention of climate change and environmental disasters, companies have as much responsibility as governments. Industry leaders should take decisive steps in the field of sustainability to be a source of inspiration for society and young people.

At WAT, we are strengthening our commitment to sustainability every day. As Türkiye's first agile manufacturing company, we have restructured our operations to serve the UN's SDGs. We are on this path by setting our goals of reduced carbon emissions by 2030 and carbon neutrality by 2050. Our main motivation is to demonstrate our sensitivity to the environment with our activities and products, to minimize environmental impacts at every stage from design to supply chain, from user experience to the end of the product life cycle, and to create a socially sound structure with good governance.

We are also taking important steps to support the transformation of women in the workforce and to increase their presence in the business world. Strengthening women's presence in business is vital for gender equality as well as for economic growth and innovation. As WAT, we are taking various initiatives to increase women's participation in business life and to see them in leadership positions. These efforts are key to achieving our sustainability goals and creating a more inclusive business environment.

We believe that our steps in sustainability management contribute to our business partners, society and the economy, and we continue to set an example and lead the industry.

Fatma TAYCI
Sustainability, OHS and Environment Manager
WAT Motor A.Ş.

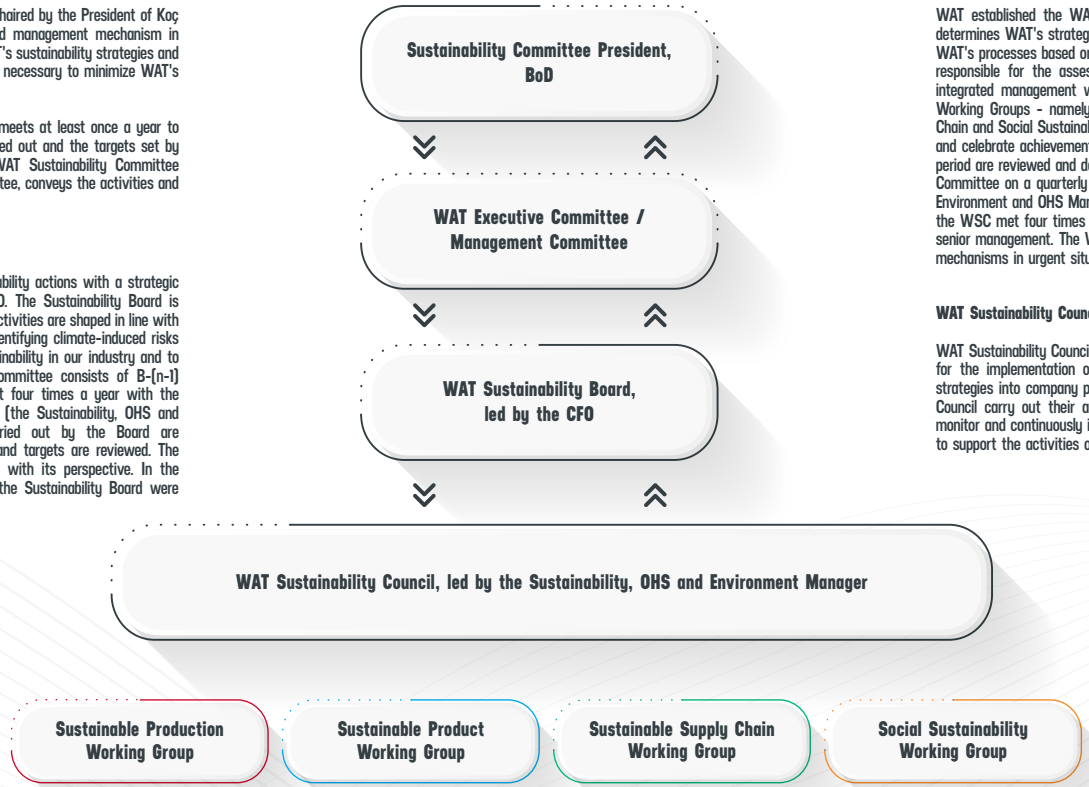
WAT Sustainability Committee

In 2022, WAT established the WAT Sustainability Committee (WSC), chaired by the President of Koç Holding Durable Consumer Goods, to improve the decision-making and management mechanism in sustainability activities. This committee takes the lead in evaluating WAT's sustainability strategies and in setting targets. The WSC supports the decision-making mechanisms necessary to minimize WAT's climate-related risks and provide access to opportunities.

The WSC is appointed by Koç Holding through a written decision and meets at least once a year to evaluate sustainability activities. In these meetings, the activities carried out and the targets set by the Sustainability Board are reviewed. In the reporting year, the WAT Sustainability Committee convened once as planned. The CFO, who is the chairman of the committee, conveys the activities and targets carried out by the Sustainability Board at these meetings.

Executive Committee / Management Committee

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



WAT Sustainability Board

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

WAT Sustainability Council

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

Sustainable Production Working Group

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

Sustainable Product Working Group

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

Sustainable Supply Chain Working Group

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

Social Sustainability Working Group

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

MATERIALITY ANALYSIS

WAT has conducted a double materiality analysis in order to comprehensively assess the environmental and social impacts of its business activities and the impacts of its environment on WAT while determining its sustainability strategies. The analysis enables WAT to understand the economic, environmental and social dimensions of its operations better and to respond more effectively to the expectations of its stakeholders. In this context, WAT, which shapes its sustainability strategies and projects in the light of this analysis, aims both to make its business sustainable and to leave minimum impact on the ecosystem in which it operates.

DOUBLE MATERIALITY PROCESS

WAT Motor's double materiality assessment process included the following steps:

1) **Ecosystem Assessment:** By analyzing its internal and external environment, WAT Motor has ensured that the various stages in the value chain are examined. In this step, environmental and social impacts along the value chain were identified using sources such as annual business reports, internal data and stakeholder views.

2) **Identification of Impacts and Opportunities:** Key issues related to environmental, social and governance impacts and their financial implications for the business were assessed. At this stage, both positive and negative potential impacts were considered.

3) **Assessment of Impacts:** The materiality of the identified environmental and social impacts, their alignment with business strategies and global initiatives, key issues within the sector and stakeholder expectations were assessed.

4) **Selection of Material Issues:** Based on the results of the assessment, eight main issues were identified that are aligned with business strategies and critical for stakeholders. These issues contribute to the company's sustainability goals in environmental, social and governance dimensions.

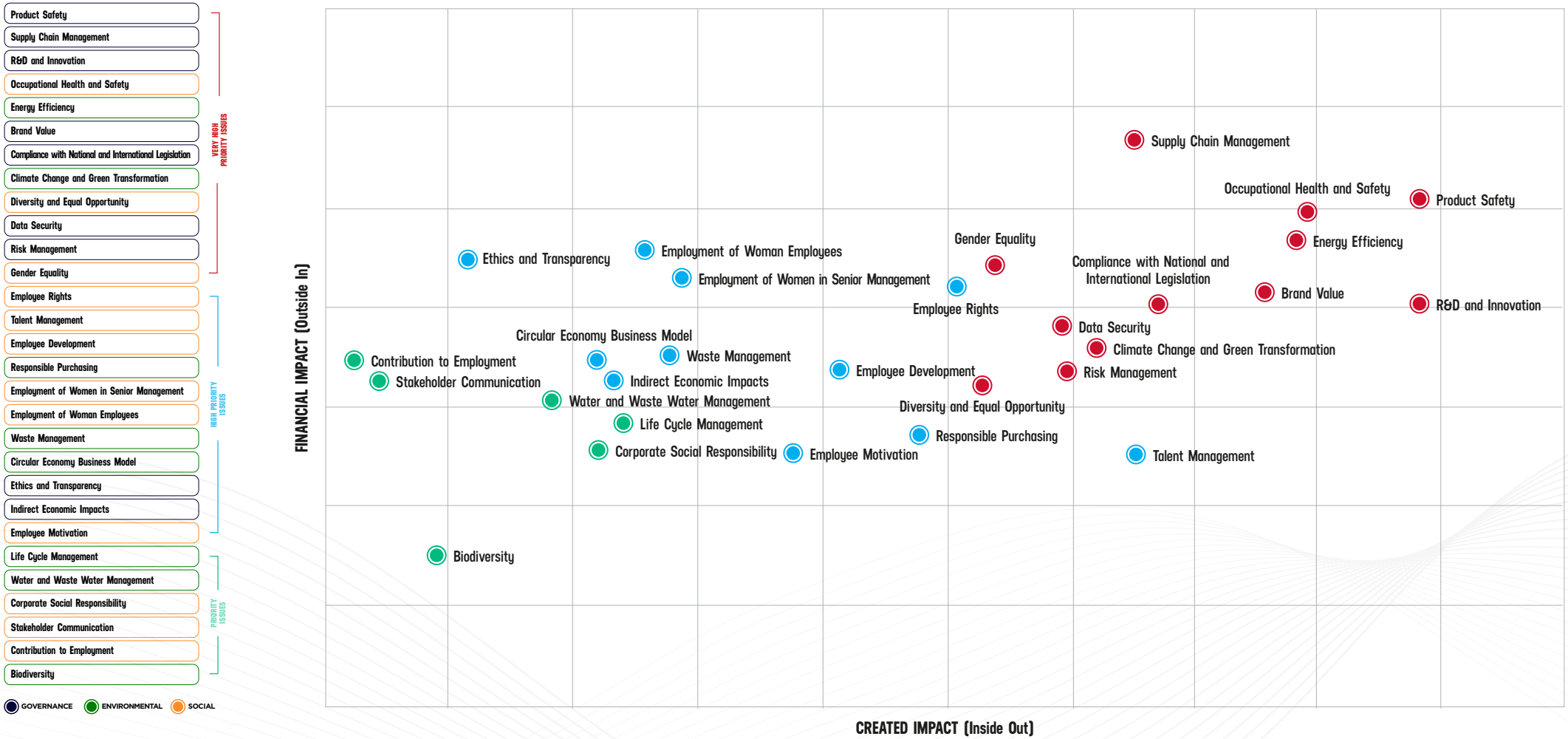
KEY ISSUES AND MATRIX

The material issues identified for WAT are critical to the long-term success and sustainability of the business. The matrix visualizes the most important sustainability issues, reflecting internal and external impact ratings. Among these issues, energy management, product safety, compliance with national and international legislation, R&D and innovation, data security, risk management, diversity and equal opportunity, and talent management stand out as issues of high importance.

Energy management reduces operational costs by optimizing energy consumption, while reducing environmental footprint and increasing competitiveness. WAT invests in innovative technologies to reduce energy consumption and minimize its carbon footprint. In this context, with a 25 million € loan from the European Bank for Reconstruction and Development (EBRD), it plans to increase the production of energy-efficient electric motors and electric vehicle charging equipment.

Product safety is critical for customer satisfaction and maintaining brand value. At WAT, strong market and product strategies are created to ensure product safety, projects are initiated for new customer or new market demands, internal and external resources that provide products are planned, and the road maps of products are determined according to renewed regulations and competition. Compliance with national and international legislation is vital for meeting legal requirements and protecting the company's reputation. R&D and innovation are essential to sustain competitive advantage and maintain market leadership. WAT aims to develop sustainable solutions, further reduce its environmental impact and contribute to society through innovation and the use of technology in its business activities. The provision of an R&D budget of approximately 103 million TL in 2023 at WAT is an indication of the importance attached to R&D and innovation activities. Data security ensures the protection of customer information and trade secrets. Risk management prevents operational interruptions by identifying potential hazards in advance and taking precautions. Diversity and equal opportunities play an important role in achieving social sustainability goals and driving innovation. With the funding received from EBRD, WAT emphasizes the importance of equal opportunities in business life by committing to increase the proportion of woman employees and support gender equality. Talent management increases the operational efficiency of the company by ensuring the development and motivation of employees. An effective performance evaluation system is provided through Koç Dialogue, and talent management processes are carried out through various training and development programs and the Future On internship program.

DOUBLE MATERIALITY ANALYSIS



SUSTAINABILITY ACTIONS

Positive contribution to society and nature through steps taken in economic, environmental and social areas

CREATING ENVIRONMENTAL IMPACT

WAT has implemented many environmentally successful projects, knowing that sustainable growth is possible by integrating environmental protection approaches into decision-making processes. It contributes to its global commitments with practices and targets that support sustainable development in the entire value chain, from the supply chain to end-of-life management processes.

WAT has assessed the risks and opportunities of climate change to its business processes and continuity and has developed mitigation and access strategies by making resource planning accordingly. While combating climate change with a high sense of environmental responsibility, WAT has set short, medium and long-term goals with a long-term perspective and positioned these goals within the framework of the "2050 Net-zero" vision as one of its five main sustainability strategies. In line with this goal, it has set interim targets for 2030 and committed to zero carbon emissions compared to the base year 2021.

Aware that climate change poses both risks and opportunities for the global economy and society, WAT attaches great importance to developing stakeholder collaborations and innovative methods to generate and disseminate solutions. In this direction, it aims to be a pioneer in its sectoral ecosystem and for other organizations by transforming its relationships with stakeholders into opportunities. Carrying out its activities with environmentally friendly design strategies, WAT became the first Turkish motor manufacturer to enter the CDP and EcoVadis reporting process in the "Electrical and Electronic Equipment Sector" in Türkiye in 2023. As a result of the evaluation made by CDP, WAT received a "B" score in the Climate Change program and was included in the "Management Level". In the Water Security program, it received an "A-" score and was ranked at the "Leadership Level".

Click here for detailed information about WAT's "We Must Act Now" project, which aims to raise awareness and take action in the fight against climate change.

Environmentally Responsible Product Design with Sustainable Product Strategy

- Life cycle assessment-based design criteria
- Circular economy-oriented product content and design criteria
- Compact product designs with reduced raw material usage
- Above-regulation efficiency
- Environmentally sensitive packaging design

Low Carbon and High Strength Product Portfolio

- Stakeholder awareness-raising activities to increase the share of energy-efficient motors in the market
- Feasibility studies
- YDM activities

Sustainable Supply Chain Activities

- Supplier development program
- Audit and follow-up activities
- Supplier trainings
- Engineering support

Supporting Sustainable Production

- Corporate carbon footprint calculations
- Green energy supply
- Energy efficiency projects
- Targeting and implementing productivity-enhancing projects
- Environmentally friendly material preferences
- Waste minimization projects
- Circular water management projects

Environmental Awareness and Nature-Friendly Social Club Activities

- Activities that increase interaction and harmony with nature
- Activities supporting environmental awareness

WAT continues to make positive contributions to the environment and society with its sustainable product strategy, low-carbon and high-strength product portfolio, sustainable supply chain activities, support for sustainable production and environmental awareness activities.

CREATING SOCIAL IMPACT

WAT has been acting with the vision of creating value in society since the day it was founded, with the aim of being a community of highly committed employees with the knowledge and competencies necessary to create the business models of the future. Based on Koç Holding's belief that a strong and stable society is the most fundamental element for success in the business world, the Group has participated in many social investments together with the Holding over the years. Today, just as in the past, it focuses on opportunities to make a difference in society.

Social impact actions have focused on various areas such as improving employee engagement, increasing women's employment, developing integration policies and training, improving the return-to-work process and maintaining social assistance practices.

WAT is focused on contributing to the development of its employees throughout their careers and providing the best environment for them to succeed in dynamic business life. It focuses on providing employees with the skills they will need and creating inclusive workplaces equipped with versatile talents. With the belief that sustainable growth is only possible in a habitat formed by the coexistence of differences, it conducts studies, makes investments and sets targets on Diversity, Equality and Inclusion. In this context, it acts by understanding the needs and expectations of vulnerable groups through focused interviews. It works to increase women's employment and to enable women to advance in their career journeys. WAT creates safe and ergonomic working environments with appropriate process investments for employees with disabilities. Special training is organized for employees to mitigate disabilities. The company organizes training to eliminate unconscious prejudices of its employees in leadership positions.

- Corporate social responsibility projects
- Ethics and compliance policies
- Equal pay for equal work
- Support to women's empowerment and women's employment
- Strengthening employee motivation
- Occupational health and safety
- Supplier management with business ethics audits
- Talent management
- Bringing new talents to the sector
- Quality support programs for education
- University collaborations
- Awareness raising projects and activities
- Association activities for sectoral contributions

CREATING ECONOMIC IMPACT

With the aim of sustainable and profitable growth, WAT aims to achieve competitive superiority in every sector in which it does business by developing its fields of activity on a global scale. In order to succeed on this path, it develops business models that are efficient, flexible and can create value in the long term. With the new business models, it creates to adapt to changing and evolving business models, it sees change as an opportunity to show leadership in the sector.

The company sees its technological power, innovation capability and brand value, which it has created with its strong R&D vision, as the driving force behind the success it has achieved to date. This competence is the guarantee of its future achievements. On the other hand, it extends its sphere of influence beyond its business and touches the entire value chain. It develops collaborations with its employees, suppliers, customers and all other stakeholders.

WAT adopts a sustainability and innovation-oriented perspective on creating economic impact. The company attaches great importance to fulfilling its environmental and social responsibilities while supporting economic growth in local and global markets.

- High energy-efficient motor production
- Production of high-tech electrical equipment
- Production of electric vehicle charging kits and fast charging units
- High reliability with compliance to international product standards
- Two R&D centers for product innovation and competitive product development
- Contributing to the national economy as an export leader
- Localization projects and initiatives in cooperation with local suppliers
- Supplier development activities and investments
- Contribution to green transformation in industry with engineering services and technical support power
- Employment
- R&D investments

WAT Motor A.Ş., which was transformed into a separate company with its growth strategy while being a part of Arçelik Electric Motors Business, has dedicated itself to developing energy-efficient and environmentally friendly products by continuing the culture of Arçelik, the Sustainability Leader in its sector. WAT Motor's sustainability transformation process, initiated in 2023, clearly demonstrates the company's commitment to environmental, social and governance criteria. In this transformation shaped by Arçelik culture and WAT know-how, we see that WAT Motor has successfully realized business integration and system transformations.

WAT Motor's achievements in sustainability, CDP reporting and EcoVadis assessments reflect the company's commitment to environmental responsibility and transparency.

Within the scope of WAT Motor and Arçelik cooperation, the initiation of energy-efficient motor transformation of Arçelik suppliers stands out as one of the important synergies created by the two companies in the value chain. These motors reduce energy consumption in industrial plants, lowering costs and increasing environmental sustainability.

WAT Motor's start to produce EV chargers in addition to energy-efficient electric devices is a big step for both our national and global goals. These devices, which we offer to electric vehicle users under the "Arçelik by WAT" brand with the cooperation of Arçelik and WAT Mobilite, both reflect the common vision of our companies and transform our commitment to sustainable mobility solutions into services.

The company's commitment to sustainability and the concrete steps it has taken set an example not only for its own sector but for the entire industry. I believe that WAT Motor's successful journey will inspire other companies.

FATİH ÖZKADI
GMY, Arçelik
Sustainability, Quality and Customer Service

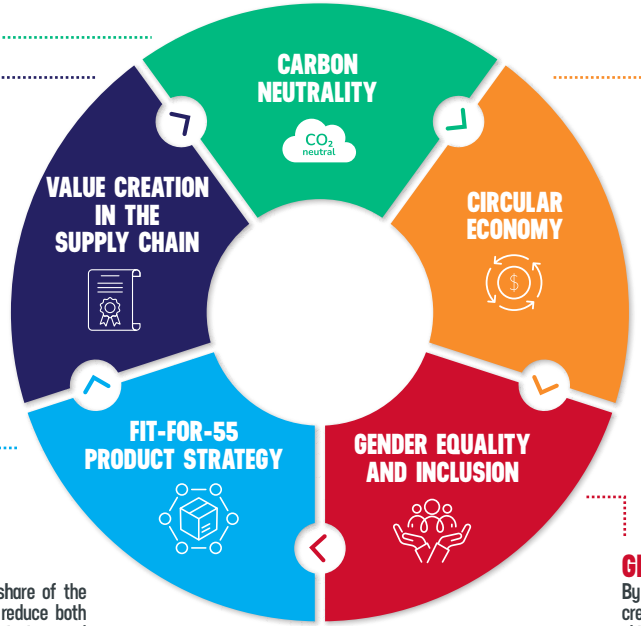
SUSTAINABILITY STRATEGY

At the focus of its business model, WAT has determined its strategies to realize sustainable growth throughout the value chain. These strategies, which focus on social and environmental responsibility, shape WAT's activities. With its sustainability strategy built on five main axes, it integrates its perspective into its processes in every field in which it operates. Each of these five interconnected axes is of equal and high importance for the company's business model. These strategies are the result of a meticulous process involving stakeholders and opinion leaders and are in line with changing stakeholder expectations. The company focuses on continuously improving sustainability performance to achieve its sustainability goals. This comprehensive approach aims to ensure WAT's long-term success and business continuity via sustainability.

STRATEGIC MANAGEMENT

CARBON NEUTRALITY

WAT has set a concrete and feasible roadmap in line with the goal of becoming carbon neutral by 2050. This goal is positioned as one of the five main strategic pillars of the company. In order to combat the climate crisis threatening the world, risks affecting the entire value chain have been assessed based on global climate scenarios. For these risks that threaten company continuity, WAT carries out its activities to comply with Koç Group's carbon neutrality target. The long-term plan focuses on environmental and social benefits and will transform these goals into a business model together with all stakeholders.



VALUE CREATION IN THE SUPPLY CHAIN

To meet WAT's environmental and sustainability goals, every stage of the product's production process needs to be improved. In this, the supply chain has an important role. It is possible to audit the supply chain on environmental and social issues and improve it in line with the principles determined in these issues. In this context, it is aimed to minimize the environmental impact of products and develop a green chemistry system.

CIRCULAR ECONOMY

An inclusive approach for a sustainable future requires a balanced and circular economy. WAT's aim is to reduce the consumption of natural resources by improving the processes of reuse and recycling of waste generated during production, and by re-assessing motors that have completed their life cycle, increasing their useful life and placing them back onto the market or recycling them. This zero-waste approach enables the transition to a circular economic model.

FIT-FOR-55 PRODUCT STRATEGY

When the carbon footprint of motors is evaluated, it is seen that the share of the use phase in the overall total is quite high. Therefore, it is possible to reduce both energy use and energy-related carbon footprint emissions by designing and manufacturing motors with high energy efficiency. Considering the rising energy costs, high efficiency motors are one of the economical choices for consumers. Within the scope of the planned product life cycle studies, all environmental impacts of the motors will be calculated and presented to the consumers in order to ensure conscious production and consumption.

GENDER EQUALITY AND INCLUSION

By adopting a culture of diversity and inclusion, WAT explores new perspectives and creates a working environment where each employee can unleash all their knowledge, skills and talents to the utmost. With a focus on young talent acquisition, WAT develops university collaborations and internship opportunities and creates programs that will create job opportunities for university seniors or recent graduates.

WAT SUSTAINABILITY VISION

As WAT, we carry out our work focusing on sustainable development and value creation with the awareness of our responsibilities towards people and the environment. In our journey that we started with the slogan 'You are the power of this transformation', we continue to take part in projects that add value to society with our business model focused on making environmental improvement a reality.

- As part of our sustainability approach, we focus on the needs of the environment, our business and people.
- We support gender equality throughout our organization; we ensure the continuity of women's employment and provide equal development and career opportunities.
- We conserve the world's resources and reduce our carbon footprint with the energy-efficient motors we produce.
- We embrace the needs of our stakeholders with our decent work and diversity approach.
- We develop our production and meet consumer needs by exceeding them with our innovative perspective and the impact of the rapid transformation of the world and the global trends we witness on our way of doing business.
- We find solutions to important issues for the world and society through innovative methods and collaborations, we pioneer change in society, and act with courage to move our business forward.
- We aim for sustainable and profitable growth. To succeed on this path, we develop efficient, flexible business models that can create value in the long term.
- We direct our efforts to realize our SMART targets, which we set in line with the SDGs in parallel with our sustainability approach.

SUSTAINABILITY TARGETS

	SHORT TERM / 0-3 YEARS						MID TERM / 3-7 YEARS						LONG TERM / 7+
CATEGORY	TARGET	2023 VALUE	2023 STATUS	TARGET STATUS	STRATEGY	SDG	TARGET	2023 VALUE	2023 STATUS	TARGET STATUS	STRATEGY	SDG	
ENVIRONMENTAL	Conducting CDP climate change and water security reporting	Climate Change: B Score Water Security: A- Score	100%	100%			25% reduction in Scope 1-2 emissions compared to the base year *SBTi application will be submitted	4,911 tonnes CO_2 eq.	10% increase	Under the Vertical Integration Project, external processes taken into manufacturing have contributed to a 10% impact on total operational emissions. Planning is underway to align with the target under the new situation.			Carbon Neutrality Fit-for-55 Product Strategy Circular Economy
	Obtaining ISO 14064 certification	Completed	100%	100%			75% reduction in market-based Scope 1 & 2 emissions	1,823 CO_2 eq.	59%	79%			
	Expanding the scope of ISO 14064 certification	Emissions from logistics activities were included.	100%	100%			15% reduction in Scope 3 emissions from the use of sold products	37,980,181 CO_2 eq.	22%	147%			
	Reducing energy intensity by 10% by 2026 compared to 2021 (target: <5.08 TOE/TL)	4.45 TOE/TL	100%	114%			15% reduction in Scope 3 emissions *SBTi application will be submitted	38,142,676 CO_2 eq.	27.6%	187%			
	Ensuring 100% green electricity usage	100% green electricity supply secured, YEK-G certificate obtained.	100%	100%			Reduction of Scope 1-2 emissions per kW of product	Market-based: 0.84 kg/kW product Location-based: 2.2 kg/kW product	Market-based: 22% Location-based: 17%	Market-based: %59 increase Location-based: 10% increase			
	Integrating ISO 50001 energy management systems	Completed	100%	100%			Reduction of chemicals with H400 risk to 32% by 2030 through alternative material transitions	45%	79%	13.71%			
	Improving energy performance per motor kW by 5% compared to the 2021 baseline	0.0228 GJ/product kW	6% increase	Energy consumption exceeding expectations in the Vertical Integration projects has caused a deviation from the target. The resource planning will be renewed while maintaining the reduction rate based on the updated energy demand.			20% increase in renewable energy usage compared to the base year	53%	4%	89%			
	Investing in 100% closed-loop water process systems	100%	100%	100%			Implementation of LCA studies for the IE4 product family	Phase 1 (The project consists of 3 phases)	20%	20%			
	Reducing process water consumption per product kW by 5%	0.0012 m^3/kW product	21% increase	As part of the Vertical Integration Project, outsourced processes were internalized, and one mold washing machine was commissioned with a closed-loop system. Consequently, water consumption has increased.			Development of 100% recyclable packaging	The product packaging will include improvements to recyclability performance	-	-			
	Establishing water mass balance	Completed	100%	100%			Increase in the content of recycled raw materials	The product content will include improvements in the use of recycled materials.	-	-			
	Implementing ISO 14046 water footprint structure	Data collection model determined, and calculation standards selected.	30%	30%			Establishment of a monitoring system for improvements in product repairability index	A data collection model for repairability has been established.	25%	25%			
	Replacing 16 refrigerant gas sources with high ODP and GWP values with environmentally friendly alternatives	2 units	100%	13%			20% reduction in water intake per kW of product	0.0086 m^3/product kW	20% increase	Under the Vertical Integration Project, external processes have been brought in-house, resulting in an increase in water consumption.			
	Reducing EPS ratio through packaging improvement efforts	10%	100%	67%			15% increase in process water recycling and reuse rate	Project planning	-	-			
	Increasing the rate of waste sent for recycling	98%	100%	98%			Integration of WAT Green Chemistry principles into material management and procurement processes	Full compliance achieved in material selection, material entry controls, and supplier commitments. Systematic improvements continue.	20%	50%			
	Developing environmental awareness projects	5 projects	100%	33%			Achieving a reduction of 5,000 tonnes CO_2 eq. in carbon emissions from the Reassessment Center compared to the base year	1,260 tonnes CO_2 eq.	25%	79%			
	Eliminating single-use plastics	25%	25%	25%			Increasing the repairability rate at the Reassessment Center by 50% compared to the base year	36%	53%	36%			

	SHORT TERM / 0-3 YEARS						MID TERM / 3-7 YEARS						LONG TERM / 7+
	TARGET	2023 VALUE	2023 STATUS	TARGET STATUS	STRATEGY	SDG	TARGET	2023 VALUE	2023 STATUS	TARGET STATUS	STRATEGY	SDG	
GOVERNANCE	Establishing WAT Corporate Risk Management and Implementing Mitigation Plans	Risk management structure established	100%	60%			Increase in access to 650 million € green financing opportunities	25 million €	50%	50%			Value Creation in the Supply Chain
	Assessing WAT Climate Scenarios to Identify Climate Risks and Define Parabolic Climate Targets	Climate Change Scenarios Assessment & Science-Based Target Setting Report for Combating Climate Change.	100%	100%			Securing woman employment in hiring rules, with an increase in the hiring rate of women in total employment	33%	46%	36%			
	Completing WAT Sustainability Prioritization Analysis	WAT Prioritization analysis completed.	100%	100%			Increase the localization rate of suppliers by 5%	166 local supplier	2%	80%			
	Strengthening the Prioritization Analysis by Q3 2024 with DM (Double Materiality)	Work plan created	100%	100%			Increase the purchasing volume from approved suppliers to 85%	77%	1%	90%			
	Completing the WAT Sustainability Guide, Establishing the Roadmap, and Sharing the Guide with All Stakeholders	Completed	100%	100%			Increase the share of suppliers with ESG commitments in the financial volume to 30%	16 supplier	25%	83%			
	Establishing the WAT Sustainability Committee (WSC) and Launching Its Activities	Completed	100%	100%			50% closure of actions aimed at reducing WAT's corporate risks	To Do	0%	0%			
	Establishing the WAT Risk Committee (WRC) and Launching Its Activities	Completed	100%	100%			Increase the share of low-carbon product portfolio in revenue to 85%	83%	10%	98%			
	Developing and Publishing the Stakeholder Engagement Plan	PKP was established and implementation began, database set up for publication.	100%	70%			Increase the share of energy-efficient products in revenue by 50% compared to the base year	78%	4%	84%			
	Completing the EcoVadis Rating	Bronze Medal rating process completed.	100%	100%			Ensure that 80% of the total kW value of sold products consists of efficient products	1,806,542 Motor kW	4%	100%			
	Expanding ESG Infrastructures within the WAT Mobilite Organization	Completed	100%	100%			Digitization of sustainability performance indicator tracking	-	-	-			
	Increasing the R&D Budget by 50%	103 Million TL (81% increase)	100%	100%			Certification of our critical suppliers with ISO 14001	47%	6%	87%			
	Doubling the Number of Motors Replaced Under the Efficient Motor Conversion Project to Support Industrial Green Transformation	858	112%	100%			Certification of our critical suppliers with ISO 50001	32	6%	59%			
	Conducting SEDEX Social Compliance Assessment	Sedex Membership completed. SAQ process initiated.	80%	60%			Planning and implementation of projects to increase energy efficiency	Out of 38 projects, 6 natural gas reduction projects, 8 electricity consumption reduction projects, and 14 completed projects	100%	37%			
							Support energy efficiency projects with investments	18% increase with 51,974 €	100%	5.1%			
							Support the Green Transformation in Industry with the replacement of 5000 motors under the Efficient Motor Transformation Project	858	17%	25%			
SOCIAL	Publishing Social Policies	9	100%	100%			Increase woman employment by 30%	14.80%	5.80%	49%			Gender Equality and Inclusion
	Implementing Ethical Policies	Completed	100%	100%			Management Level	2%	7%	67%			
	Assessing GBVH Risks	In Progress	50%	50%			Office Employee	22%	1%	73%			
	Increasing Investment in OHS-Focused Projects	With 11 OHS investment projects, the budget allocation for OHS-focused projects improved by 13% compared to the previous year, reaching 239.8 k€ and achieving 9%.	13%	75%			Field Employee	12.58%	1%	42%			
	Enhancing Employee Awareness and Participation through Sustainability-Focused Training and Campaigns, +1,000 Person-Hours	680	68%	68%			Sustainability-focused public awareness training events, +1,000 events	51%	5%	5%			
	Increasing Employee Awareness through Health and Safety Training and Supporting a Safety Behavior Culture, +50,000 Person-Hours	17,820	28%	43%			Sustainability awareness training for children and youth, +5,000 person*hours	1,579	32%	32%			
	Increasing the Budget Allocated to Ergonomic Studies	For 11 Ergonomics projects, 75.9 € was invested, allocating 2.9% of the investment budget, achieving an 88% improvement compared to the previous year.	88%	73%			Sustainability-focused public awareness training, +100,000 people	2,023	20%	20%			
	Conducting Safety Culture Assessment and Improvement Activities	"Safety Culture: 3.3% Leadership: 5.4%"	3.30%	50%			Sustainability-focused public awareness shares, +100,000 digital platform interactions	2,495	21%	28%			
	Increasing Nursery Support Independent of Inflationary Impact	60%	60%	60%			Increase the number of interactions provided by the stakeholder engagement implementation plan, +100,000 interactions	20,685	21%	21%			
	Enhancing Employee Engagement	57%	3%	81%			Generate social benefit through corporate social responsibility projects	13	13%	13%			
	Implementing Agile Team Activities Focused on Improving Employee Experience	Completed	100%	100%									
	Completing Ethnographic Research Studies on Disability	Phase 1	2%	5%			Increase awareness and participation through diversity, equality, and inclusiveness-focused training	7,470	15%	38%			
	Implementing Job Equality Communication-Focused Training and Development Programs	Project plan completed.	10%	10%									
	Providing Unconscious Bias Training for Managers and Recruiters	Project plan created in collaboration with AÇEV.	10%	10%									

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

The UN's Sustainable Development Goals (SDGs) set global priorities to end poverty, create equal opportunities, halt environmental degradation and tackle climate change by 2030. The SDG Compass is a guide to how companies can contribute to these goals. The SDG Compass aims to maximize the contribution of business to sustainable development processes. This guide provides strategies and tools that will enable companies to take the lead in achieving global sustainability goals. Following this guide while formulating their sustainability strategies will both improve their business performance and support the achievement of global sustainability goals.

The SDG Compass includes five main steps:

1) Understanding the SDGs
2) Setting priorities
3) Setting objectives
4) Integration
5) Reporting/communication

The first step of the SDG Compass is to understand what the SDGs mean for business and what opportunities they offer. The second step encourages companies to assess the impacts on their value chains and identify priority areas. In the third step, company targets and performance indicators are established based on the identified priorities. In the integration phase, these targets are integrated into business operations and governance. Finally, companies report their performance and communicate their sustainability goals. WAT is a company that has taken important steps in the field of sustainable development and developed environmentally friendly practices. WAT's sustainability efforts contribute to the SDGs by implementing the steps outlined in the SDG Compass in its sustainability journey.

While conducting its activities, WAT evaluates opportunities for all SDGs that it can contribute to. It continuously strives to maximize its contribution to sustainable development and has prioritized the following SDGs for its sustainability strategy and targets.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

SDG GOALS	CONTRIBUTION OF WAT TO RELATED SDGs
	WAT organizes various training programs to raise the educational level of its employees and the community. It increases the knowledge and skills of its employees through vocational training and development courses. It aims to improve the quality of education by supporting schools and educational institutions.
	WAT develops and implements policies to ensure gender equality in the workplace. It encourages women's participation in the workforce and supports them to take leadership positions. It contributes to gender equality through equal pay and opportunity policies. With the funding received from EBRD, WAT has made a commitment to increase the ratio of woman employees and support gender equality.
	WAT uses technologies that will increase water savings in production processes. It develops various projects for the protection and efficient use of water resources. Closed water systems are used for water other than domestic water use, and water quality is monitored daily.
	WAT increases access to clean energy through the production of energy-efficient motors and electric vehicle charging stations. Such products minimize environmental impact by reducing energy consumption.
	WAT offers fair and safe working conditions to its employees. It creates sustainable employment by contributing to economic growth. WAT increases employee satisfaction by keeping occupational health and safety standards high.
	Supporting innovation with R&D investments, WAT promotes sustainable development in industry. The company advances industrial development with modern and sustainable infrastructure projects. It offers pioneering solutions in the sector with technology and innovation.
	WAT implements policies that promote inclusion in the workplace and provides equal opportunities to disadvantaged groups. It develops social responsibility projects to reduce inequalities. It contributes to social equality by increasing diversity and inclusion.
	WAT increases resource efficiency through recycling and waste management projects. The company reduces its environmental impact by adopting sustainable production models and encourages responsible consumption through environmentally friendly product design and production.
	WAT combats climate change through energy efficiency and renewable energy projects. It implements various environmental sustainability policies to reduce its carbon footprint. It informs communities through climate change awareness campaigns.
	Developing a closed water system for the protection and sustainable use of water resources, WAT also contributes to efforts to protect marine ecosystems. It takes various measures to prevent water pollution, such as treating domestic wastewater. It supports aquatic life through environmental education and awareness projects.
	WAT carries out projects for the protection of forests and biodiversity. It takes initiatives to protect and restore natural habitats.
	WAT carries out collective work by implementing cooperation mechanisms with all its stakeholders, especially its suppliers, in line with its sustainability goals.

COMPLIANCE WITH THE UNITED NATIONS GLOBAL COMPACT

In 2000, the UN Global Compact was launched, with the aim of promoting the adoption of sustainability and social responsibility policies globally and collaboration with business leaders to provide guidance to companies in relevant areas.

The UN Global Compact's ten principles in key areas such as human rights, labor standards, environment and anti-corruption provide guidance for the business world to adapt to universal values. The principles were developed in line with the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Rio Declaration on Environment and Development and the UN Convention against Corruption. These principles contribute to the goal of creating a more just and sustainable world by promoting sustainable and responsible business practices.

WAT takes an exemplary stance in the areas of sustainability and corporate social responsibility by adopting the ten principles of the UN Global Compact. Its commitment to human rights, labor standards, environment and anti-corruption constitutes the building block of WAT's business ethics and sustainability strategy. By adopting these principles, instead of focusing only on financial success, it also contributes to the goals of creating a fairer and more sustainable world by prioritizing its social and environmental responsibilities. WAT's determination to comply with the principles has contributed to its sustainability efforts as well as to its pioneering position in the sector.

UN GLOBAL COMPACT MAIN ISSUES	UN GLOBAL PRINCIPLES	WAT'S CONTRIBUTIONS TO THE UN GLOBAL COMPACT PRINCIPLES
HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2: Make sure that they are not complicit in human rights abuses.	WAT is aware of its employees and human power in all business processes and adopts a people-oriented approach. It develops regulations for the protection of human rights and prepares a working environment in full compliance with these processes. WAT clearly states in its Human Resources Policy that safe and fair working conditions are provided and that it is against all kinds of inequality and human rights violations. It ensures compliance monitoring through regular audits.
LABOUR	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Principle 4: The elimination of all forms of forced and compulsory labour. Principle 5: The effective abolition of child labour. Principle 6: The elimination of discrimination in respect of employment and occupation.	WAT respects the freedom to form unions and collective bargaining rights in order to protect the interests of workers. At WAT, which is against unethical incidents such as forced labor, child labor and discrimination in the workplace, efforts are being made to spread "open communication" and "accountability" cultures throughout the organization in order to prevent unethical or illegal actions.
ENVIRONMENT	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Undertake initiatives to promote greater environmental responsibility. Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	WAT conducts R&D studies that develop environmentally friendly technologies in production. With the principle of "eco-design", WAT brings innovations to the sector with its projects to minimize all environmental impacts of the product throughout its life cycle. Producing IE3-IE4 class energy-efficient electric motors that help reduce energy consumption and emissions, EV chargers for electric vehicles designed to reduce the intensity of greenhouse gas emissions caused by the fuel use of vehicles, and components for wind turbines that support the use of renewable energy are proof that WAT supports the transition to renewable energy sources. While combating the climate crisis with its efforts, WAT acts in line with the goal of Koç Group, of which it is a member, to be carbon neutral.
ANTI-CORRUPTION	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	WAT has strict policies and practices against all forms of corruption. In the training given within the framework of business ethics principles, it shares with employees that zero concessions are made throughout WAT on the issues of combating bribery and corruption, preventing human rights violations, preventing discrimination and harassment. Transparency and honesty in all business activities have been embedded in WAT's corporate culture.

CLIMATE AND ENVIRONMENT

ECO-DRIVEN:
PROTECTING OUR PLANET AT EVERY OPPORTUNITY

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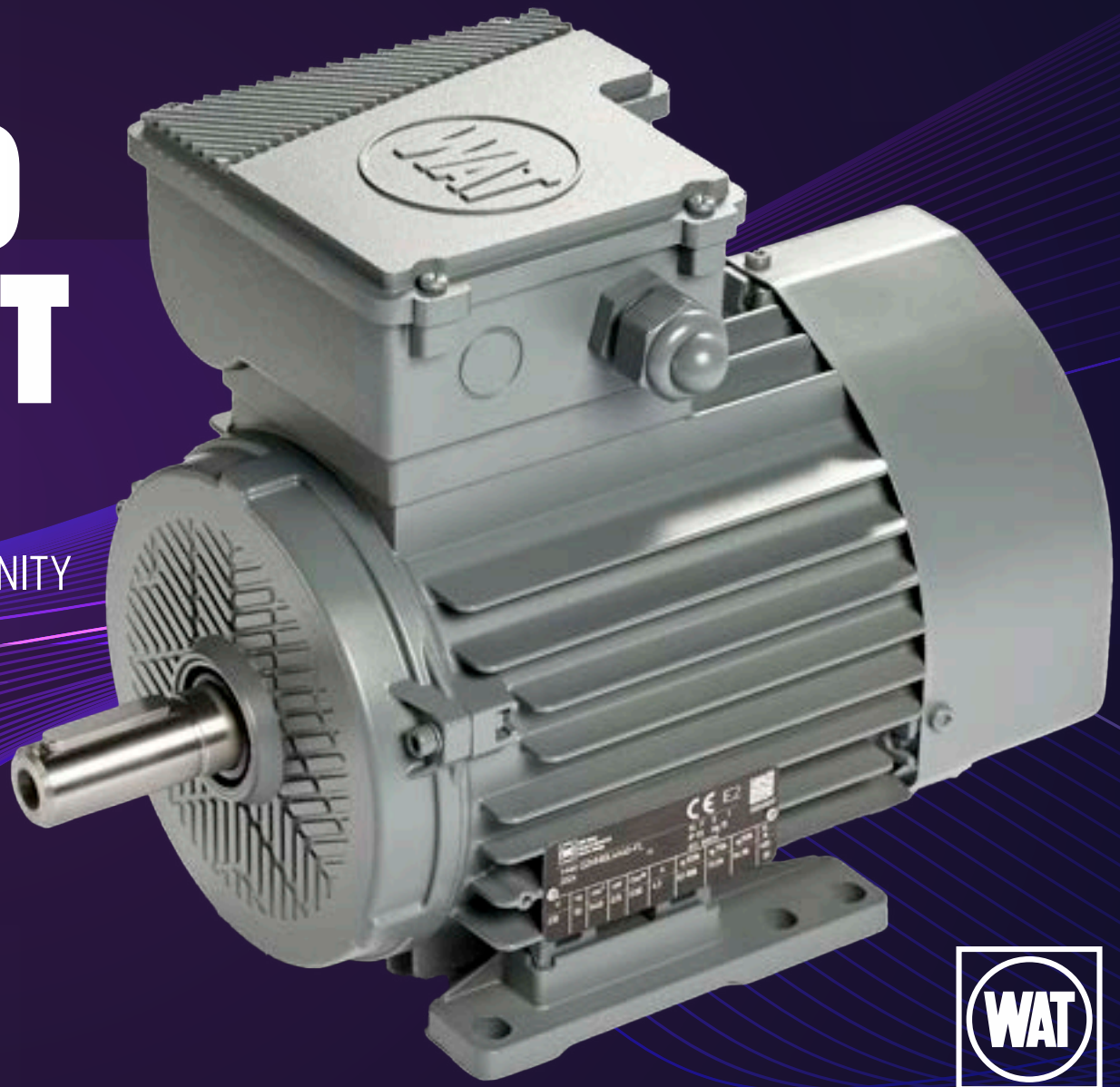


ENVIRONMENTAL STRATEGY

In line with its determination to combat the climate crisis and protect the environment and its sustainability strategies, WAT evaluates the environmental dimensions of its processes, adopts environmentally sensitive design principles, strives to minimize the environmental impact of its products throughout their life cycle, and evaluates and effectively manages all stages of the value chain. In this way, it aims to reduce its environmental footprint.

During its period as a subsidiary of Arçelik, WAT harmonized with the international directives on environment and energy long before they entered Turkish legislation and pioneered the integration of these directives into Turkish legislation. With this approach, WAT was the first company to launch the entire range of electric motors with IE4 energy efficiency. It is also conducting important studies for electric motors with IE5+ energy efficiency.

WAT prioritizes energy efficiency and prioritizes the circular economy by considering the environmental impact of its products. With the high efficiency motors it produces, it meets customer expectations and supports the reduction of global energy supply and carbon emissions. Adopting environmentally friendly design principles in line with eco-design requirements, the company produces energy-efficient products with reduced raw materials, increased recyclability and recycled raw material content. It directs its customers to environmentally friendly alternatives by reducing the chemicals used in its products and production and preferring materials with low VOC content. It also works to replace chemicals with high Ozon Depletion Potential and Global Warming Potential (ODP-GWP) values in its production with environmentally friendly alternatives. Prevention and reduction of wastes arising from production processes at the source and in-process recovery practices form the basis of WAT's integrated waste management approach.

WAT identifies in detail the environmental aspects and impacts of all its processes and activities. The identified aspects are assessed and prioritized in line with the WAT Enterprise Risk Management Framework and the ISO 14001 standard.

As a responsible manufacturer, WAT cares about the use of its products in their useful life and how their life will end. For this purpose, it has established the Reassessment Center (YDM) under the Customer Services and Technical Service processes. Here, reusable and valuable parts of products requiring replacement, repair and maintenance are separated; reusable parts are reused in production, while recyclable parts are sent for recycling in accordance with legal requirements within the framework of waste management. In order to make good use of the materials with high recycling-recovery potential in the content of waste motors, WAT has developed the 'Waste Management Model'.

The greenhouse gas emission values of WAT, which have been calculated from 2019, have been verified by an independent organization according to ISO 14064-1 and the Greenhouse Gas (GHG) Protocol since the base year 2021.

At the end of 2022, WAT underwent a restructuring in order to adopt a more integrated and effective approach to sustainability and environmental management issues. Within the scope of this restructuring, the sustainability, occupational health and safety and environment departments were gathered under a single roof and the Sustainability, OHS & Environment Management CoE Department was established. With the new organization, a more focused and healthy operation of the systems that will support WAT's achievement of its sustainability targets has been ensured, and it is aimed to achieve success in the targets.

I have a message for my elders! Please don't be selfish. Let's think about our environment and people. Let's aim to make the world a better place to live in. I think we can protect the world with the means that nature has given us. For example, we can use renewable energy sources.

Arda, 15

WAT operates a structure with responsible employees in each department for the management of environmental processes that fully meet the management system standards and employs personnel with special training in this field for OHS, energy management, waste management, chemical management, emission management and green chemical management. Special assignments, control mechanisms and monitoring systems ensure 100% legal compliance, continuous improvement of environmental processes and minimization of environmental impact.

SUSTAINABILITY, ENVIRONMENT AND OHS MANAGEMENT

SUSTAINABILITY TEAM

ENVIRONMENTAL TEAM

OHS TEAM

SUPPORT FUNCTIONS

- Sustainability Working Groups, Sustainability Department Representatives
- WAT Risk Management Committee, WAT Ethics Committee
- Corporate Communications
- WAT Environmental Board, Energy Management Team
- Waste Management Team, ADR Expert, Green Chemistry Responsibilities
- Action Plan Working Groups, Health Teams, Emergency Response Teams

Managing the company's overall sustainability strategy and integration, the Sustainability, Environmental and OHS Manager is also the chair of the WAT Sustainability Council.

ENVIRONMENTAL POLICY

As WAT, in line with our sustainability strategies, we produce quality products with environmentally friendly and safe methods, taking into account 100% compliance with national and international legal legislation and regulations. With these sustainability strategies, we aim to continuously improve and develop by increasing our environmental performance, to achieve sustainable and profitable growth.

Within the scope of our fight against climate change, we evaluate our processes with the cradle-to-grave principle and calculate and manage our impacts. While we aim to use innovative and industry-leading practices that benefit society and the world in our products and services, we prioritize environmental protection by minimizing our environmental footprint in all our activities.

To this end, our activities are:

- Identifying environmental risks and opportunities for all activities.
- Adopting environmentally sensitive design and eco-design principles in product management.
- Using energy, raw materials and natural resources efficiently.
- Preventing and reducing negative environmental impacts at source in all processes throughout the product life cycle.
- Increasing the environmental awareness of all our employees and stakeholders.
- Promoting the use of and investment in renewable energy sources.
- Planning activities to support all 17 universal goals of the UN SDGs.
- Promoting circular economy practices to encourage resource efficiency, waste recovery and reuse.
- Protecting the ecosystems and biodiversity.
- Preventing, minimizing and managing greenhouse gas emissions.

Click here to review WAT Environmental Policy.

By integrating all these activities into all our work, we strive to be an exemplary organization for the world and our sector.

Environmental and Energy Management Systems

In line with the importance it attaches to the environment and sustainability, WAT holds certificates of compliance with various international management systems. In this context, the company has demonstrated its commitment to environmental and operational excellence by obtaining ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 14064 Greenhouse Gas Quality Management, ISO 45001:2018 Occupational Health and Safety Management System and ISO 50001:2018 Energy Management System certifications.

ISO14001:2015 Environmental Management System certification was received on 5 July 2022 and is valid until 4 July 2025. This certification reflects the company's commitment to managing environmental impacts and delivering high quality products.

The ISO 50001:2018 Energy Management System certificate was received on 22 March 2023 and is valid until 21 March 2026. This certificate supports the goal of minimizing the environmental footprint by increasing energy efficiency.

ISO 14064 Greenhouse Gas and Emissions Management System processes have been calculating greenhouse gas emission values in line with this standard since 2019 and have been verified by an independent organization since 2021. This document provides important support in defining action points for the carbon neutrality target by addressing the environmental impacts of the organization in a holistic manner. WAT's environmental procedures and instructions are shared with all employees. This information is accessible through the Integrated Quality Management Software Product (QDMS) system and provides guidance in business processes. In order for employees to easily access and apply these procedures, these documents are posted in areas where everyone can see of the plant. *

*Other management systems are described in the relevant sections.

Policies and Procedures

Strong Policies, Sustainable Achievements

WAT has established Environment, Water, Energy, and Biodiversity and Combating Deforestation policies to communicate its perspective on environmental processes to all stakeholders. These policies have been created to cover a wide range of WAT's processes and products with the cradle-to-grave principle and aim to raise the awareness of all employees and to create a common sustainability culture. These policies play a key role in achieving the company's sustainability goals and are strongly adopted at all levels of the business. Effective implementation of the policies supports WAT's sustainability strategies and contributes to long-term environmental, social and economic success.

Click here to review the full policies.

Strong Team for Strong Management

WAT organizes comprehensive environmental training in order to increase the level of environmental responsibility and awareness in line with sustainability principles. Through this training, WAT's environmental and sustainability activities are retransmitted to existing employees in certain periods, and new employees are given this training before they start work to accelerate their adaptation to the company culture.

In addition, the company organizes single point courses for specialized needs and demands. These specialized training sessions can be delivered to a team, a process or an individual employee. This proactive approach allows employees to refresh their knowledge, review processes specific to their jobs and sites, and remember their needs and expectations without disrupting their current work.

WAT enriches the content of its training sessions with information that increases the environmental and sustainability awareness of its employees and that they can also use in their social lives. In this context, training includes a wide range of information from legal compliance and requirements to savings opportunities, from UN SDGs to the 1.5°C degree limit.

In 2023, some of the training on environment and sustainability processes provided at WAT is as follows:

- Environmental Legislation and Environmental Management Practices Training - 28 sessions
  - ADR Training (Regulation on the Carriage of Dangerous Goods by Road Training)
  - Zero Waste Training
  - Waste Management Training
  - BEKRA (Reducing the Risks of Major Industrial Accidents) Training
- WAT Sustainability and Environment Training - 24 sessions
- Single Point Lesson - 5 sessions
- Energy Management System Training - 24 sessions
- Chemical Spill/Spill Drill - 2 sessions

Through this training, WAT raises awareness of responsibility by involving all its employees in the process. Sustainability and environmental representatives have been appointed in each department for the continuous improvement of processes. These representatives carry out improvements on a location- and process-basis and guarantee the achievement of targets. Review meetings are organized with the representatives at least once a month. In these meetings, sustainability performance indicators are evaluated, and targets are reviewed and updated. In addition, legal and regulatory requirements are reviewed with the entire team every month through these meetings, ensuring 100% compliance. In the meetings, environmental risks and opportunities specific to departments and processes are also reviewed, and the outputs obtained are forwarded for evaluation by the WAT Sustainability Committee (WSC) and WAT Risk Committee (WRC).

- In 2023, environmental training sessions were realized as 972 person*hours in total and 1.10 hours per employee on average.
- The 2024 environmental training target is set at an average of 2 hours per employee.

	2019	2020	2021	2022	2023
Environmental Training Duration*, person*hour	201	57	635	2006	972
Woman Employees Environmental Education Rate, %	14	45	15	18	17

* Legislation, Environmental Management Practices and Management Systems - 28 Sessions

WAT aims to contribute to a sustainable future and raise environmental awareness through environmental training. These comprehensive training programs play an important role in achieving the company's environmental sustainability goals.

REPORTING FOR TRANSPARENT GOVERNANCE

WAT sets targets to improve its environmental performance in operations and monitors its outputs. During the reporting period, WAT transparently shared its environmental performance by publishing a total of five Environmental Performance Reports (EPRs), twelve Monthly Evaluation Reports and two Environmental internal audit reports, including monthly and quarterly outputs and annual evaluations at the end of the year.

In 2023, five of the eight targets were achieved; for the three targets that are still valid but not achieved, sub-targets have been set in order to achieve success in the new period. All data given in the report are compared with the data of previous years and quarters. These reports are shared on platforms open to all WAT employees, third party audit organizations and customer access.

WAT made its "Sustainability Guide" available to all stakeholders in the first quarter of 2023. This guide includes WAT's sustainability organizational structure, strategy, materiality matrix and targets. The report also serves as a roadmap for companies that are just starting their sustainability journey.

In 2023, WAT, the first motor manufacturer in Türkiye to report to CDP in the "Electrical & Electronic Equipment" category, was ranked at the "Management Level" with a score of "B" in the Climate Change program as a result of the evaluation conducted by CDP. In the Water Security program, it received an "A-" score and was ranked at the "Leadership Level".

WAT carries out its activities by focusing on the principle of transparency in all stakeholder interactions. 2023 reporting also adopted this approach.

Click here to access the WAT Sustainability Guide.

Click here to access WAT CDP Climate Change Report.

Click here to access WAT CDP Water Security Report.

INFORMATION ON PUBLISHED REPORTS

REPORT NAME	BROADCAST PERIOD	CONTENT
ENVIRONMENTAL PERFORMANCE REPORT	Quarterly and Annual	» Amounts of hazardous waste, non-hazardous waste and packaging waste » Amount of waste generated per kW of product produced in the relevant period and waste management costs » Total water withdrawal and amount of water consumed per kW of product produced » Scope 1 and 2 emission data values » Environment and sustainability education statistics » Compliance with regulations and legal compliance activities in the relevant period » Environmental projects implemented and environmental targets and progress for the relevant year
MONTHLY EVALUATION REPORT	Monthly	» Company profile, legal obligations » Water consumption and wastewater data values » Emission management data values » Waste management information including waste analysis, process waste and general waste shipment information » Management information including measures taken for noise, soil and chemicals » Temporary activity certificate, environmental permit and license information » Accident, leakage, maintenance and repair information of the enterprise that will cause environmental pollution in the past and relevant period » Complaints submitted to the enterprise and the ministry during the reporting period and information on environmental inspections, if any, carried out by the competent authority as a result of the complaint » Training and awareness-raising activities for the relevant period » Waste information, amount and sources of waste shipped in the relevant period, Mobile Waste Tracking System (MoTAT) information and waste cost-benefits
INTERNAL AUDIT REPORT	Twice a Year	Operation-oriented content: » Status of the enterprise according to Environmental Impact Assessment (EIA), Environmental Permit License Certificate (EPLR) » Process flow and environmental aspects and the measures taken and to be taken for these environmental impacts » Water and wastewater management, discharge standards, new points, losses and leakages » Air management, information on emission sources, confirmation measurements » Waste management plan, waste analysis, disposal companies' permits and contracts » Noise management » Soil management, contamination risks and action plans for their elimination » Chemical management, review of safety data sheets, availability and awareness, storage conditions » Reducing the Risks of Major Industrial Accidents (BEKRA) notifications check » Reviews of environmental investments and improvements System-oriented content: » Environmental management systems: Covers information on the standard compliance, performance, development opportunities of WAT's ISO 14001 Environmental Management systems according to the internal audit outputs carried out by WAT employees authorized by internal auditor training.

ENVIRONMENTAL AWARENESS ACTIVITIES

WAT realizes its commitment to sustainability and environmental management through various projects. These projects are designed to reduce environmental impacts, raise employee awareness and contribute to society.

Waste Oil Collection Campaign: WAT's "Waste Oil Collection Campaign", which has been ongoing for years, was initiated to prevent waste vegetable oils brought by employees from their homes from entering the environment. Within the scope of the campaign, employees deliver the waste oils they bring from their homes and are honored at the end of the year with a certificate of participation and rewarded with gifts for their environmental contribution. Waste oils are disposed of by an authorized waste company contracted by WAT in accordance with the regulations. In 2023, a total of 52.5 liters of vegetable waste oil was collected, preventing the pollution of 52.5 million liters of clean water. *

*It is assumed that 1 liter of waste oil can pollute 1 million liters of clean water.

Cut Your Hair Save Your Water Campaign: Encouraging individual action against water scarcity, this project aims to raise awareness on individual water conservation and contribute to the protection of water resources. Launched with the slogan "Cut Your Hair, Save Your Water", the campaign aims to reduce employees' monthly water consumption by 7 tonnes and their water footprint by up to 18 tonnes by cutting their hair.

WAT Environmental Board: Announced in the last quarter of 2023, the "WAT Environmental Board" project was established to develop environmental projects at the operation site, organize events on environmental special days and raise employee awareness on environmental issues. This board operates with the participation of volunteer WAT employees and designs and implements environmental sustainability projects.

Water Balance and Digital Water Meters: The water balance project, which aims to optimize water use and reduce consumption, and digital water meters that precisely monitor water consumption, WAT ensures efficient use of water resources.

We Recycle Our E-Waste Campaign: This project, which recycles electronic products that have reached the end of their life as a result of individual use by WAT employees, aims to contribute to the circular economy. The collected e-waste is sent to recycling facilities approved by the Republic of T.C. Ministry of Environment, Urbanization and Climate Change and the proceeds are used for social aid purposes.

Students' Visit to WAT: In 2023, high school Motor Vehicle Technology department students were given the opportunity to see electric motor production processes. WAT employees raised awareness of the sector by sharing information with the students and negotiations were held with the school management for internship programs and potential collaborations

These projects aim to benefit society and future generations as well as the environment. WAT's commitment and projects in this regard reflect the company's sustainability vision. WAT also communicates with its stakeholders through internal publications and social media platforms that raise awareness on environmental and sustainability issues.

Protecting nature is important for the survival of all living things. To protect the world, we should keep our environment clean, sort waste and recycle it. For example, don't drive to nearby places because it causes global warming.

Nisa, 7

MATERIAL MANAGEMENT

Efficient Motor, Responsible Sourcing: Powering a Sustainable Future

WAT ensures 100% compliance of all raw materials used in its products and production with the defined regulations and other requirements (Turkish Official Gazette, EU Official Gazette, ECHR, etc.) and manages raw material processes with continuous monitoring and improvement. Quality, R&D and Sustainability, Environment and OHS Management work in coordination to ensure this compliance.

LCA BASED DESIGN

WAT carries out studies to reduce the raw material for the product and to switch to environmentally friendly alternatives. It innovates to achieve a closed circular economy by increasing the recyclable and/or recycled raw material content ratios of its products and packaging, preferring the use of environmentally friendly chemicals, preventing the use of banned chemicals, providing technical services to ensure the use of products in their useful life, and creating models for the management of waste motors in accordance with regulations.

From a Life Cycle Assessment (LCA) perspective, there are some important steps to reduce environmental impacts throughout the life cycle of an electric motor. Ensuring that raw materials are sourced from lower environmental impact suppliers and optimizing design processes can significantly reduce the environmental impact of the product during the use phase. These approaches improve the overall environmental performance of the product and contribute to sustainability. The success of this process starts at the design stage. Decisions made at the design stage also affect the energy efficiency and performance of the electric motor throughout its lifecycle. Therefore, by adopting sustainable design principles, the environmental impact of the product is minimized, resulting in a more sustainable solution, both economically and environmentally.

LCA studies have been initiated with strong collaborations within WAT. The outputs of the project initiated with the University-WAT cooperation will be included in the 2024 Sustainability Report.

In line with its vision, WAT aims to ensure the satisfaction of its customers, to provide products and services of universal quality and standards by using limited natural resources effectively, and to contribute to economic and social development. To this end, WAT aims to be a symbol of trust, continuity and respectability for all its stakeholders, including its customers, employees, suppliers, dealers and services on a national and global scale.

QN NEW GENERATION ENERGY-EFFICIENT MOTOR SERIES

QN New Generation Energy-efficient Motor Series is an environmentally friendly motor series, designed and launched by WAT, that stands out with its high power density, compact structure and 20% reduction in active material consumption in electrical and mechanical parts compared to its competitors. These motors have been developed in line with WAT's sustainability vision and "Fit-for-55 Compliant Products" product strategy.

QN motors are 97% made of metal raw materials and 98% of the product components are recyclable. These motors, which attract attention with their compact structure, reusability of their parts and high repairability thanks to the possibility of using their dismantled parts as spare parts in similar products, ensure less packaging consumption and allow more motors to be stored per unit volume due to their low weight, thus providing significant cost advantages to their users in transportation freight processes. These features also make a great contribution to waste management and circular economy. With 20% less raw material use, 4,000 tonnes of CO_2 equivalent emissions are avoided in Scope 3 emissions from raw material use.

QN series motors provide significant savings in annual electricity consumption with their high energy efficiency.

Click here for the benefits provided in the management of emissions released during the use phase.

Click here to access the New Generation Energy-efficient QN Motor Series promotional movie.

B3

MILKING

B5

B35

B14A

B14B

B34A

B34B

WASTE MOTOR DATA SHEET

WAT has prepared a Waste Motor Management Data Sheet to help all electric motor users reintroduce their electric motors to the economy after the end of their useful life. Although electric motors are not yet considered as electronic waste within the scope of Waste from Electrical and Electronic Equipment (WEEE), this sheet, prepared with the opinions of the ministry for the inclusion of electric motors in the economy by ensuring 100% compliance with the current regulations, is a roadmap for the end-of-life management of motors with 98% recyclable content by weight. It includes information on the possibilities for reuse of the waste motor prior to the waste decision, a good practice waste management model and appropriate waste codes to ensure a circular economy contribution.

Click here to access the Waste Motor Data Sheet.

GREEN CHEMISTRY AND MATERIAL COMPATIBILITY

At WAT, we aim to produce products that are designed with environmental responsibility in mind. Accordingly, we ensure that all components used in products and materials used in production are managed in accordance with legislation, WAT procedures and policies. This approach aims to prevent the use of chemicals that may harm the environment and human health, minimizing the risks of adversely affecting global climate targets. WAT has established the WAT Chemical Compliance Specification to communicate WAT's goals as an expectation to raw material and material suppliers and to obtain a commitment to compliance. In addition to communicating the conditions for compliance with regulatory obligations, this specification also shares control methods to ensure 100% compliance. The management of chemicals used in products is a key element of production and all production complies with regulations such as Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (EEE) (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). WAT performs tests with analytical devices in the input quality control of the material coming from its suppliers and test reports are requested from independent organizations.

The following steps are followed in the decision mechanism in the WAT Banned/Restricted Chemicals Management process:

- Identifying regulations and other requirements and documenting them through the WAT Chemical Compliance Specification.
- Assessing compliance with regulations and other requirements.
- Assessing compliance with procured raw materials/components/materials.
- Evaluating final products.
- Evaluating customer requests.

The following stages are followed in the Management of Production Related Chemicals process:

- Ensuring production in accordance with the specified specifications and customer approval.
- Checking Safety Data Sheet (SDS) requirements during chemical procurement.
- Determining transportation, transfer and storage conditions of chemicals.
- Assuring chemical inventory, hazardous substance safety and insurance obligations for third parties.
- Labeling and marking of chemicals.
- Storing SDSs and making them accessible in relevant areas.
- Preparing environmental and occupational accident emergency action plans.
- Ensuring employee knowledge and awareness for use and control.
- Destroying and disposing of chemicals.

PACKAGING PREFERENCES

Reusable Packaging Choices: WAT is working to evaluate reusable alternatives in packaging preferences. In this direction, it strives to expand the use of wooden crates by 2023. While wooden crates reduce the possibilities that may harm product safety and quality during logistics activities, they offer advantages to customers by being reusable and reusable. It also creates an opportunity to reduce carbon emissions by reducing the need for space during storage and transportation. Paper/cardboard products are sourced from FSC-certified raw material producers.

Recycled Raw Material Content: WAT prefers to use reusable and recyclable packaging, while also evaluating the recycled raw material content. The company has set targets to increase the recycled content of its packaging containing paper/cardboard and plastic raw materials in the long term.

Reducing the Use of EPS: WAT is working on reducing expanded polystyrene (EPS) content in packaging processes. Studies are being carried out to direct customer preferences towards different alternatives and to identify environmentally friendly alternative to EPS.

RESPONSIBLE SUPPLY CHAIN

To ensure environmental compliance of purchased materials, industrial developments are regularly monitored and directives and regulations such as RoHS, WEEE and REACH are integrated into purchasing activities. WAT has defined its supplier code of conduct within the scope of its Responsible Supply Chain Policy. All suppliers that WAT cooperates with are expected to comply with this policy and accept all requirements within its scope.

WAT carries out studies in which its suppliers are also involved in the process in order to ensure business continuity and to prevent direct or indirect damage to the environment at any stage of the value chain. Before starting cooperation with its suppliers, a self-assessment questionnaire is sent to the suppliers for current situation analysis. The environmental and social profile of the supplier is evaluated through this questionnaire. In the event of a major nonconformity in legal or ethical criteria, cooperation with the company is not initiated; minor nonconformities are included in the improvement plan and followed up. The supplier is included in the Supplier Audit Plan and audited by a third-party organization at intervals and the supplier's development is monitored by revealing action plans.

WAT carries out Supplier Development Programs to support the sustainable and economic development of its suppliers and to improve their adaptation to changing conditions and expectations. In this context, it supports its suppliers by providing training and engineering services focused on machine-process efficiency.

WAT expects its suppliers to increase their environmental performance in line with the principles of sustainable development and circular economy, to establish environmental management systems, to work for continuous improvement and to commit to environmental protection. As of 2023, 18 suppliers have made commitments to WAT in the fight against the climate crisis. This number corresponds to 37% of WAT's purchasing volume.

WAT expects its suppliers to take WAT Environmental Policy and WAT Responsible Purchasing policies as a basis while managing their processes. Some of the issues that WAT expects its suppliers' activities to be compatible with within the framework of environmental and sustainability approaches are highlighted below:

- Fulfilling national and international environmental regulations and obligations.
- Managing processes in line with the circular economy approach and efficient use of natural resources in processes.
- Setting targets to improve production activities and environmental performance, making action plans, monitoring and reporting the results.
- Focusing on continuous improvement in processes.
- Planning mitigation activities and access to opportunities, taking into account climate-related risks and opportunities.
- Carrying out activities to contribute to the transition to a low carbon economy.
- Preventing waste at source, segregating waste, and management of waste through regulatory-compliant disposal methods.
- Identifying water risks arising from the sectors and geographies in which they operate; conducting studies to manage these risks and setting short-term targets to reduce water consumption.
- Adhering to all applicable laws, regulations, customer requirements and WAT procedures that prohibit or restrict the use of chemicals in the materials and components that make up the products.
- Complying with the WAT Chemical Compliance Specification.

WAT manages business processes with 208 suppliers from 18 different countries and uses independent third-party audits to assess sustainability risks for suppliers identified as critical, as well as self-assessments to ensure that suppliers complied with WAT's principles. In particular, within the scope of the collaboration with Arçelik, the focus is on critical suppliers that have a significant impact on operations. As of 2023, 54 critical suppliers, accounting for 77% of procurement volume, were audited by a third-party contracted organization and received a passing score. Within the scope of the audit, ESG performance is determined by environmental and ethical compliance criteria.

Click here for WAT Responsible Procurement Policy.

WASTE MANAGEMENT

Target: 5% waste reduction in 2024 compared to 2023 base year

Maintaining its processes with the principle of prevention at source, which is the first step of waste management, WAT continuously reviews its processes in order to minimize waste generation. It aims to reduce waste generation by taking measures to increase efficiency and by providing awareness-raising training to employees. In this direction, WAT has adopted the zero-waste principle. This principle aims to reduce, reuse and recycle waste at source. It also aims to minimize the amount of waste that is currently sent to landfill or energy recovery.

Recycling is important to avoid polluting the environment. For this, we can give our waste batteries, oil, paper, etc. to our recycling centers. I ask the elders to protect our world and pass it on to us by keeping it clean.

Zeynep Sena, 11

The company has developed processes within the scope of its environmental management system to monitor the waste generated from its processes and operations. Waste is categorized into three different categories within the company: hazardous, non-hazardous and packaging, and sorted at source according to 23 sub-waste codes determined by the ministry. Suitable areas have been defined for the temporary storage of all wastes at the facility. The personnel working in these areas have received special training on waste management, legal requirements and Regulation on the Carriage of Dangerous Goods by Road (ADR) and are solely responsible for waste management. WAT strictly manages its processes, especially in the management of hazardous waste. Each location or process that generates hazardous waste is obliged to provide appropriate storage conditions when delivering its waste to the designated temporary storage area and to provide information about the waste to the waste area responsible through a written form. In the process where the waste is generated, the relevant shift responsible keeps the waste in a way that does not allow spillage and leakage without allowing the on-site waste holding area to fill up. The waste delivery form created within the scope of the Environmental Management System is filled out by the waste generator and information about the waste is integrated. Forklift operators who have been trained in waste transportation take the waste for which the form has been filled in and properly stored and deliver it to the WAT temporary storage area. Forklift operators have the right not to take waste that has not been properly stored or the waste form has not been submitted. The waste is transported and delivered to the WAT temporary storage area. The area responsible must take the waste under any circumstances. They have the right to take the waste into the internal area in a way that will not cause any environmental nonconformity and to initiate corrective action by notifying the environmental engineer of the conditions they deem inappropriate. Labels have been created for the delivered wastes. These labels are affixed to the outer packaging of the waste and contain fields to be filled in, such as the waste code, delivery date, description, hazardous characteristics. These labels are critical for identifying the waste and tracking the delivery date. Each delivered waste form is kept for five years. Delivered wastes are weighed before entering the temporary storage area and entered into waste tracking tables.

WAT carries out strict work for the disposal of its hazardous wastes, audits the disposal companies it works with in this context periodically, and monitors nonconformities. In the management process of hazardous wastes, it works with a consultancy company within the scope of the "Regulation on the Transportation of Hazardous Substances by Road" and ensures 100% compliance with this regulation. It manages all wastes not covered by exemption with appropriate vehicles and personnel. ADR waste delivery forms and loading and unloading lists are kept for three months.

WAT works with a subcontractor for the management of packaging waste. Two employees who are subcontractor staff are employed within WAT for the management of packaging waste. The packaging waste is delivered to the designated special packaging waste area, where it is compacted to save on volume and reduce logistics activities. WAT sends 100% of packaging waste for recycling.

Engineering waste, which is defined as non-hazardous waste, is treated carefully. These non-hazardous wastes with high added value are collected in crates and stored in specially defined areas. The company and employees work with great care to ensure that these high value-added wastes and packaging wastes are not contaminated by mixing with hazardous wastes.

WAT prefers recycling methods as much as possible in order to circulate unavoidable wastes back into the system and to minimize environmental impacts in the disposal of wastes. All waste from the facility is managed by sending it to licensed recycling facilities. All waste tracking systems are digitalized and recorded through the System Applications and Products (SAP) system. In this way, all past waste movements can be easily tracked and identified. WAT carries out regular training activities to continuously raise the awareness of its employees on waste management. The training is designed to increase the level of knowledge of the employees to manage the waste generated in their social lives appropriately. Training is provided at periodic Sustainability and Environment training sessions and single point classes. In 2023, WAT Sustainability and Environment Training was organized 24 times, and a single point course on waste management was organized twice.

HAZARDOUS WASTE	UNIT	2019	2020	2021	2022	2023
Incineration (as energy recovery)	Tonnes	0	0	0	0	0
Incineration (without energy recovery)	Tonnes	0	0	0	0	0.022
Landfill	Tonnes	0	0	0	0	0
Recycling	Tonnes	124	163	259	463	413
Other disposal methods	Tonnes	0	0	0	0	0
Total hazardous waste	Tonnes	124	163	259	463	413

NON-HAZARDOUS WASTE	UNIT	2019	2020	2021	2022	2023
Incineration (as energy recovery)	Tonnes	0	0	0	0	0
Incineration (without energy recovery)	Tonnes	0	0	0	0	0
Landfill	Tonnes	79.7	79.2	109	149	143
Other disposal methods	Tonnes	0	0	0	0	0
Recycling	Tonnes	3,366	5,873	7,731	9,016	7,570
Total non-hazardous waste	Tonnes	3,445	5,951	7,839	9,165	7,714

WASTE MANAGEMENT PROJECTS

Recyclable Content Rate 98%

Not limited to waste management only in the production area, WAT works to improve waste management at every step of the product life cycle. It produces motors with 98% recyclable content with an environmentally sensitive design perspective. In order to increase the contribution of its customers to the circular economy and to ensure the management of waste motors in accordance with the regulations, WAT shared the Waste Motor Data Sheet with its stakeholders in 2023.

Click here for information on WAT's product life cycle studies.

Packaging Transition Project

In 2023, WAT carried out alternative packaging transition studies with the aim of increasing product safety, improving logistics activities, reducing waste amounts and minimizing environmental impacts. In this context, a transition to high-strength and reusable wooden crates was initiated. This transition resulted in an improvement in logistics activities and a reduction in the number of trips, as well as an opportunity to reduce waste from other packaging materials. In the reporting year, plastic packaging and composite packaging waste was reduced by 34% and 62%, respectively.

Click here for the project's emission reductions.

Reduction in Waste Generation through Efficiency Enhancing Projects

WAT Sustainable Production Working Group focuses on process efficiency through production engineering studies within the scope of its projects. It carries out activities in cooperation with R&D to improve the wastes defined as "engineering waste" from production. Thanks to the design improvement and efficiency enhancement projects carried out, WAT achieved an 18% reduction in metal chip waste, 21% reduction in copper wire waste and 66% reduction in cable waste in the reporting year. In addition, contaminated metallic sludge waste was reduced by 57%.

Waste Reductions by Improving Tracking and Planning Processes

In the reporting year, improvement activities were carried out in the varnishing process. Two different methods, dipping and spraying, are used in the varnishing process at WAT. In both methods, varnishes opened in large ovens are circulated outside their original packaging. In this process, studies have been carried out to ensure appropriate temperature and viscosity conditions. These improvements resulted in a 23% reduction in varnish waste and a 35% reduction in sludge waste.

Activities Conducted to Reduce Hazardous Wastes

WAT has carried out studies to reduce aluminium slag waste generated as a result of the aluminium smelting and casting process. In this context, slag formation was optimized by improving melting and casting planning processes. In the reporting year, a 5% slag waste reduction was realized.

ENERGY MANAGEMENT

The power that rules energy

WAT considers energy efficiency among the top priority sustainability goals in terms of its strategies, production subjects, product range and processes. WAT continuously improves its energy performance within an Energy Management System that complies with national and international legislation and regulations and is based on continuous improvement, while carrying out its activities that benefit society in every area, including its own industry, where the production of electric motors is in question. In this journey, it continues its activities by adopting SDGs and reducing its environmental footprint at all stages.

ENERGY POLICY

While carrying out our activities that benefit the society in line with the vision of WAT Motor Sanayi ve Ticaret A.Ş., we continuously improve our energy performance within an Energy Management System that complies with national and international legislation and regulations, based on continuous improvement. By adopting the UN Sustainable Development Goals, we continue our activities by reducing our environmental footprint at all stages. In line with the WAT energy efficiency approach:

- We ensure full compliance with all requirements of energy legislation and regulations.
- We prioritize energy efficiency in product designs.
- We consider energy performance improvements in production processes and prefer energy-efficient practices.
- We use energy-efficiently in all processes.
- We reduce the negative impacts of climate change by engaging in activities that support the principles of sustainable development.
- We develop competitive products, technologies and production processes.
- We increase the efficiency of business processes to a level that can compete internationally in line with the continuous improvement approach.
- We ensure production and system integration.
- We increase the energy awareness of all stakeholders

The company strives to be a pioneering organization by managing its principles and activities in an integrated manner with other management systems.

Click here to review WAT Energy Policy.

ENERGY MANAGEMENT

METRIC	UNIT	2019	2020	2021	2022	2023
Electricity consumption*	GJ	19,097	19,910	24,589	24,199	26,270
Natural gas consumption	GJ	15,879	19,954	24,347	22,663	22,638
Diesel consumption	GJ	407	250	324	445	447
LPG consumption	GJ	357	100	16.4	43.8	64.6
Acetylene	GJ	32.5	32.5	44.8	66.9	79.7
Total energy consumption	GJ	35,773	40,247	49,320	47,419	49,500
Renewable energy consumption	GJ	19,097	19,910	0	24,199	26,270
Green electricity utilization rate	%	100	100	0	100	100
Green energy utilization rate	%	53	49	50	51	53
Energy intensity	kWh/product kW	7.84	6.86	6.25	5.75	6.33
Energy intensity reduction	%	N/A**	13	9	8	-10

*Electricity is 100% supplied from renewable energy sources.
**Since WAT completed the process of spin-off from Arçelik A.Ş. and transition to a separate company structure at the end of 2018 Q2, the comparison of energy consumption in 2019 is not included.

Target: 10% energy intensity reduction in 2025 compared to base year 2022

ENERGY MANAGEMENT PROJECTS

Less energy, more power: WAT's efficiency revolution

WAT plans projects to reduce energy consumption every year with a continuous reduction perspective. New opportunities are constantly evaluated with the determined project list and periodic meetings. The suggestions given by the people working in production are collected and evaluated during the energy efficiency week, which is the second week of January.

Energy savings are achieved by eliminating air leaks detected through periodic controls at the facility. Consumption in the facility is monitored daily with electricity, natural gas and water meters. Periodic video thermal measurements and thermocouple controls in heating processes identify risks and opportunities for optimization of heating values and insulation. Energy processes are carried out by an energy management team consisting of people from different units of the facility. The facility has ISO 50001:2018 Energy Management System certification as proof of the appropriateness of energy management.

Varnish Ovens Isolation Project

WAT has achieved a total annual savings of 21,646 kWh with three improvement practices in varnish ovens. The work included strengthening thermal insulation and reducing heat losses with special silicone wicks in varnish ovens, which are critical operations. This improvement not only reduced energy costs but also made significant contributions to environmental sustainability.

Aluminium Melting Hot Holding Crucibles Insulation Reinforcement Works

In the studies carried out in 50 Ton-2 and 50 Ton-3 aluminium hot holding crucibles in the casting processes, heat loss between 86-90 °C was determined. Following these determinations, efficient insulation materials were selected, and insulation reinforcements were made at the critical points of the crucibles and an average 40°C improvement was achieved in the right and left surface areas of the furnace. With these projects, 8,890 Sm^3 of natural gas was saved annually. Insulation works reduce costs by saving energy and contribute to sustainable production processes.

Paint Based Furnace Heat Reduction Project

Following a suggestion arising from the energy workshop, WAT carried out the optimization of oven set values in two dye houses with natural gas consumption. After the wet painting for corrosion resistance, paint-specific oven values were determined, feed was connected according to the matching paint-oven value and the temperature in the ovens was reduced. Thanks to this project, 17,208 Sm^3 of natural gas was saved annually. Thanks to process optimization, the number of motors entering the furnace has increased while energy efficiency has also been increased.

Cooling Towers Fan and Motor System Revision

With the fan and motor revision carried out in cooling towers, 48,350 kWh of energy savings were achieved annually, and 5.71 tonnes of CO_2 equivalent emission reduction was achieved. In order to reduce electricity consumption in cooling towers, 7.5 kW-IE2 motors were replaced with IE4 class high energy-efficient motors and energy efficiency was increased by reducing motor power.

The aluminium fan blades in the cooling towers were replaced with axial type Fiberglass Reinforced Plastic (FRP) fan blades, reducing the friction forces in the fan movement. With the reduction of friction, the fan motors became more energy-efficient. This resulted in annual savings of 25,920 kWh.

Aluminum Fan Blade
Before Exchange

Epoxy FRP Fan Blade
After Exchange

Efficient Motor and System Overhaul

WAT realized an annual energy saving of 125,381 kWh by replacing motors above 5.5 kW with products with higher efficiency class. This improvement resulted in an annual gain of TL 496,509 and an emission reduction of 49 tonnes of CO_2 equivalent. The ratio of the investment cost to the savings achieved in a short period of time was only 1.2%. The project is one of many examples presented to consulting companies to demonstrate the tangible results of motor transformation on energy savings. Increasing the efficiency class of motors and reducing energy consumption makes a significant contribution to achieving sustainability goals.

Heating Boiler Automation Project

With the system revision made for boiler temperatures, the parametric settings of the boiler were adjusted automatically with the outside temperature instead of the temperature rating in the manual operation scheme. At the end of the project, 10,800 Sm^3 of natural gas was saved annually.

Compressor Systems Improvement Project

Fresh air flow has been improved by making an additional connection to the air duct in the compressor. The damper system settings were adjusted to provide air intake from outside in winter and from the indoor environment in summer and automatic operation mode was provided. At the end of the project, an annual energy saving of 6,575 kWh was achieved. In addition, improvements were made to reduce consumption at compressed air usage points in the plant and the pressure of the 250 kW compressor was reduced according to changing needs. With the new pressure setting reduced from 6 bar to 5.3 bar, an annual energy saving of 23,140 kWh was achieved.

Press Bench Efficient Motor and Driver Application

In the press machine with a capacity of 1,200 tonnes throughput in the lamination processes, IE4 motor and REGEN driver application, which allows bidirectional power flow, were realized. With the project, an annual emission reduction of 3.66 CO_2 eq. was targeted and, with the drive, idle energy was recovered in the form of electrical energy. The project is being expanded for other similar benches and, at the end of the project, it is aimed to achieve an additional annual emission reduction of 5.66 CO_2 eq. These projects were carried out to reduce energy consumption in the lamination area. They contributed to sustainable production by providing annual energy and cost savings. Increasing the efficiency class of motors and recovering idle energy is an important step in achieving sustainable production targets.

Mold Conditioner Operation Control

Thanks to the application, which enables the machine used as a mold conditioner to be automated according to the production flow, and even to stop automatically in time intervals when there is no production, an average of 70 kWh of energy savings per day, 21,330 kWh of energy savings per year and 2.52 tonnes of CO_2 eq. emission reduction were achieved.

Radiant Heating System Automation

Annual natural gas savings of 7,500 Sm^3 were achieved by automating the manually controlled temperature setting and switch-on rating at storage points with radiant use. This project provided significant savings in natural gas consumption by preventing unnecessary natural gas consumption, and energy efficiency was increased by optimizing start-up and shut-down temperature set values.

IE3-IE4 Efficient Motor Project

Before the project, motors above 5.5 kW used in the plant were replaced with IE3 and IE4 motors with higher efficiency class. Out of a total of 43 IE1 and IE2 motors, 40 were replaced with IE4 motors and three were replaced with IE3 motors.

Combustion Adjustment Improvement Project with Online Flue Gas Monitoring in Aluminium Melting Furnace

Since the main melting furnace is an important energy user in foundry processes, this project aims to increase the combustion efficiency of the furnace by online monitoring of the flue gas and instant combustion adjustment. The project is expected to reduce natural gas consumption by 10,000 Sm^3 per year.

Waste Heat Recovery Project

Waste heat is generated in the aluminium melting furnace during the melting process at 800°C. Thanks to this project, the furnace waste heat is collected in the melting process and utilized in the preheating of the hot water boiler used for space heating. With this project, which includes providing hot water to the return installation of the heating boilers by using the waste heat in the flue gas, natural gas consumption was reduced and 12,540 Sm^3 gas savings were achieved annually.

Our cooperation with WAT Motor has contributed greatly to our project to promote energy-efficient electric motors. WAT Motor's strong support, quick action and solution-oriented approach helped overcome the difficulties in the procurement process, especially for IE4 motors. By establishing close communication at all levels throughout the project, we achieved significant success in achieving our goals. WAT Motor's high level of awareness on energy efficiency makes them a strong project stakeholder. In the coming period, we aim to continue awareness-raising activities on energy efficiency practices with WAT Motor and to continue our efforts to reduce our carbon footprint. The importance WAT Motor attaches to these issues forms the basis of our sustainability efforts. WAT Motor, which has adopted energy efficiency and sustainability issues as a corporate culture, should be considered as an important stakeholder in these areas.

Özge RENKLİDAĞ
Energy Efficiency and
Management Specialist

WATER MANAGEMENT

4.5% reduction in water consumption per kW for every motor we produce in 2022.

WAT continuously optimizes its processes for the effective and efficient use of natural resources. Adopting innovative technologies and best practices to conserve energy, water and other resources, WAT uses a closed-loop system in its processes and has reduced its process-related water consumption to zero. The facility consumes water only for domestic use. In order to use resources efficiently, all processes in the factory are fully maintained and controlled. The water used in production at WAT is returned to use in production after treatment that ensures its purity and constant quality. The water that will be used in the processes goes to the treatment plant with high treatment technology in order to bring the water conductivity to the desired range and to soften it. The conductivity of the soft water is monitored daily. At WAT, softened water is used in the boiler system used for heating the business offices, in the chiller systems used for cooling the business offices and in the machine cooling systems.

Without water there is no life. We should not leave our taps open unnecessarily.

Melis, 9

All of the wastewater generated at WAT, which does not have a high level of wastewater generation due to the use of a closed-loop system in the processes within the facility, is domestic wastewater. All domestic wastewater generated at the facility is discharged to the Çerkezköy Organized Industrial Zone channel, which also monitors the quality of the wastewater. Çerkezköy Organized Industrial Zone also does rainwater harvesting on behalf of WAT in its area of operation.

WATER POLICY

Water, which is vital for life, is also important for environmental, economic and social sustainability. Reflecting the importance of water use in its business practices, WAT carries out corporate governance activities that contribute to effective water management with policies and roadmaps that will create a barrier to the depletion of clean water resources. Within this framework:

- We adopt innovative technologies to minimize water-related environmental impacts throughout the product creation process.
- We improve water performance by focusing on the recovery and reuse of water in production processes, reducing potential water withdrawals that could trigger water stress, and achieving water targets by increasing water efficiency,
- We raise environmental awareness of all stakeholders, employees and society through training and conferences to help minimize the water footprint.
- We regularly monitor and measure water consumption with online continuous water monitoring systems; we transparently share this water data.
- We support new investments and projects that prioritize sustainable water management systems.
- WAT strives to ensure hygienic conditions in the facility and is committed to achieving this by participating in national and international water initiatives in cooperation with relevant stakeholders, and to realizing its water management policy in an integrated manner with other management systems policies and all environmental issues in the facility.

WATER MANAGEMENT

METRIC	UNIT	2019	2020	2021	2022	2023
Total Water Withdrawal	ML	15,625	14,986	16,812	16,443	18,677
Surface water	ML	0	0	0	0	0
Groundwater	ML	0	0	0	0	0
Sea water	ML	0	0	0	0	0
Water purchased from third party suppliers	ML	15,625	14,986	16,812	16,443	18,677
Discharged Water	ML	13,503	12,897	14,485	14,160	16,058
Water Consumption	ML	2,122	2,089	2,327	2,283	2,619

*ML: Megaliter

EMISSION MANAGEMENT

CARBON FOOTPRINT

While using different methods to measure and manage its environmental impacts, WAT has been regularly calculating greenhouse gas emissions since 2019 in order to manage these emissions and create mitigation strategies. With the calculations and reporting carried out in accordance with the GHG Protocol and ISO 14064 standards, mitigation strategies are also created for the management of periodically calculated emissions. In Scope 3 emissions, emissions related to sub-headings such as purchased goods and services, employee services, waste generated in production and product use have been calculated, reported and verified by third party independent institutions.

YEAR	2019	2020	2021	2022	2023
Scope 1 Greenhouse Gas Emission (tonnes CO_2 equivalent)	1,063	1,243	1,597	1,565	1,823
Scope 2 Greenhouse Gas Emissions (tonnes CO_2 equivalent)	0	2,289	2,880	0	0
Scope 3 Greenhouse Gas Emissions (tonnes CO_2 equivalent)	30,357,601	24,021,365	52,665,718	48,693,788	38,132,180
Total (tons CO_2 equivalent)	30,358,664	24,024,89	52,670,195	48,695,353	38,134,003

*WAT procures its electricity from environmentally friendly sources with renewable energy certificates. Since the calculations made are location-based calculations, the values are based on total consumption.

When WAT's corporate carbon footprint is evaluated, it is seen that on average 32-37% of Scope 1 and 2 emissions are caused by Scope 1 emissions, which include direct emissions. The remaining amount represents Scope 2 emissions from electricity consumption. WAT procures its electricity consumption from environmentally friendly sources with renewable energy certificates, and Scope 2 emissions can be stated as zero in market-based calculations. When Scope 3 values are also taken into account, it is observed that approximately 99% of WAT's emissions originate from this scope. Considering the product life cycle and Scope 3 headings, the use of the products sold is the dominant phase. The main reason for this situation is that WAT products are energy-consuming products during the use phase.

Hot Spot Stage of Use of Sold Products

According to the GHG Protocol standard, Scope 3 emissions cover indirect emissions in a company's value chain. These emissions occur in processes outside the company's operations but linked to its products or services. One of the Scope 3 sub-headings, the "use of products sold" stage, refers to emissions that occur when customers use products produced or sold by the company. This stage includes the carbon footprint generated by the user throughout the product's life cycle.

WAT, which owns products such as electric motors and charging units, is indirectly responsible for the emissions during the use phase of these products. Energy consumption and maintenance/repair processes can be taken into account when evaluating the greenhouse gas emissions caused by the products during the use phase. Although energy consumption is the main emission component, the impacts at this stage are calculated based on multiple parameters. Parameters such as the quantity of products purchased, unit energy consumption, electricity source, lifetime, etc. affect the amount of greenhouse gas emissions to be calculated.

While it is observed that the impacts caused by the use phase of the products sold in sectors such as automotive, white goods, etc. are dominant, WAT's products that are widely used in industry may differ from similar products in this regard. Products that are actively used 24 hours a day, 7 days a week naturally have a significant energy consumption in the product life cycle. Along with other environmental factors, the main role in reducing these emissions is to reduce energy consumption, and in this context, energy efficiency is one of WAT's focal points. It is possible to reduce these emissions with highly energy-efficient motors.

WAT Signature in Super Premium Efficiency

IE4 class motors produced by WAT Motor are in a leading position in the sector by offering high performance in energy efficiency and sustainability. These motors, which comply with the "Super Premium Efficiency" standard set by the European Commission, minimize energy losses, reduce operating costs and reduce environmental impacts. Manufactured using high quality materials and advanced production technologies, IE4 motors offer long life, low maintenance and stable performance thanks to advanced cooling systems. Used in many industrial applications where energy efficiency is critical, such as pumping systems, ventilation and air conditioning systems, compressors and conveyor systems, these motors contribute to environmental sustainability by reducing energy consumption and carbon emissions. Offering low operating costs and fast return on investment thanks to their high efficiency, IE4 motors also provide the opportunity to benefit from incentives and support offered for energy-efficient equipment. Offering both environmental and economic advantages, WAT Motor's IE4 class motors have a wide range of uses in industrial applications.

Motors of the Future: Sustainable Energy Solutions with QN

WAT Motor's new generation energy-efficient QN motors offer significant contributions in the field of sustainability and efficiency. Providing the same performance by using 20% less material during the production phase, these motors support the efficient use of natural resources and reduce the amount of waste. While minimizing stock and freight costs with their compact design, they offer an environmentally friendly solution with low carbon emissions and high efficiency. Manufactured with low-VOC materials, QN motors reduce energy consumption and lower carbon footprint. Continuing its R&D studies to meet the increasing demand in Europe, WAT develops innovative solutions in line with its sustainability goals. The QN series offers high performance and long life in industrial applications by using energy resources efficiently.

Looking at the QN motors launched in 2023, the use of these motors provides an annual electricity saving of 21,582 kWh (215,822 kWh in total over the product lifecycle), an 8% reduction in product use phase carbon emissions, and an emission reduction of 169,595 tonnes of CO_2 equivalent every year. In addition, the QN series has transformed the industry in terms of industrial design applications with its high efficiency, sustainability and innovative operating principles. These motors offer operational advantages to customers while reducing environmental impact through less and more efficient use of natural resources.

Click here for detailed information about QN Series.

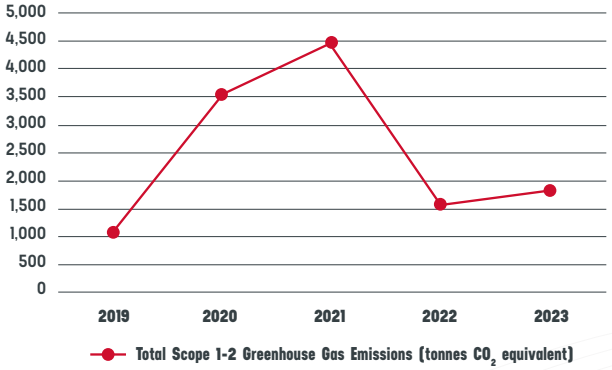
EMISSION TREND

Although WAT's Scope 1 and 2 emissions show a decrease over some years, they show an increase compared to the base year, because of increasing production capacity. Scope 3 emissions, on the other hand, are on a downward trend when the pandemic-affected emissions of 2019 and 2020 are taken into account. One of the main reasons for this downward trend is energy-efficient products. WAT is making intense efforts to reduce all its emissions within the framework of energy efficiency, automation, system revisions, electrification and optimization and to move forward with strong targets for the future.

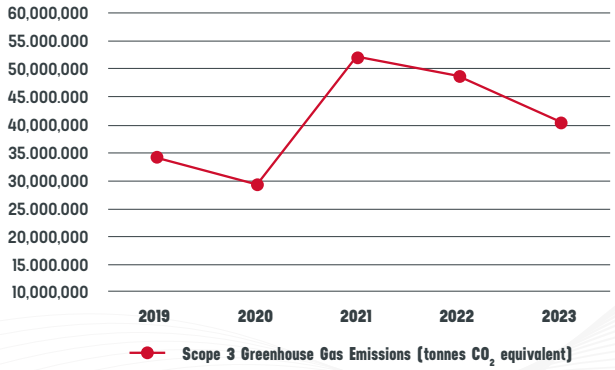
WAT is committed to using renewable energy sources, aligning its strategies with sustainable practices. To achieve this, it has decided to procure electricity from renewable energy sources and aims to promote the widespread use of renewable energy in electricity generation and consumption, to protect the environment and to strive for zero emissions in its operations.

In order to manage Scope 1 and 2 emissions, WAT has turned to energy efficiency and renewable energy use in buildings and production, and in order to manage Scope 3 emissions - that is, emissions in the value chain and supply chain - WAT has turned to products that have environmental performance criteria in the design process and focus on this. The company uses this approach to set an example within itself and has successfully reaped the rewards of its actions.

TOTAL SCOPE 1&2 GREENHOUSE GAS EMISSIONS



SCOPE 3 GREENHOUSE GAS EMISSIONS



*Due to the pandemic effect in 2019-2020, changes were observed in sales and emissions in proportion to production.

Supporting Circular Economy and Global Goals

Concrete steps have been taken to improve energy efficiency in production by replacing inefficient motors in 2022. Previous feasibility studies had identified 35% IE1 (Standard Efficiency) and 36% IE2 (High Efficiency) motors above 5.5 kWh. Based on this assessment, the transformation of a total of 723 kWh equivalent motors was initiated and replaced with 40 IE4 (Super Premium Efficiency) and three IE3 (Premium Efficiency) motors. In addition to the motor replacement, REGEN drives were integrated in selected areas, ensuring bidirectional power flow and recovering a significant amount of wasted energy as electricity. This change alone provided the opportunity to save 256,956 kWh of electrical energy per year, while the waste motors and their parts were sent for recycling, thus contributing to the circular economy.

Motor transformation projects are carried out with a large number of industrial organizations to support the Green Industrial Transformation, and studies that demonstrate the sustainability contribution of motor transformation are carried out in various communication sources such as NGOs, universities, conferences. In 2023, WAT paid a visit to the Ministry of Environment, Urbanization and Climate Change through EMOSAD in order to disseminate motor recycling projects and to support the circulation of waste in the circular economy and introduced the project and the waste management model. Having verified the selected waste codes with an official letter, WAT created a Waste Motor & Parts Management Guide to disseminate this information to all stakeholders in order to protect resources and made it available to its stakeholders.

Air Emissions

WAT implements comprehensive emission reduction measures to ensure environmental sustainability and legal compliance. Of the 73 emission stacks in the plant, 15% are from incineration processes and 85% are from the process. The total thermal power of the stacks from the incineration process is 2,532 MW. In order to reduce emissions and minimize the carbon footprint, emissions are controlled by using a cassette filter system in 25 of these stacks.

In accordance with the Regulation on the Control of Industrial Air Pollution, air emissions from WAT's operations are measured and reported every two years by laboratories authorized by the Republic of T.C. Ministry of Environment, Urbanization and Climate Change. Periodic emission stack controls are undertaken by the maintenance team of the facility.

The use of machines with high energy efficiency and the preference of less harmful chemicals in production processes are part of WAT's efforts to reduce environmental impact. Environmental awareness training organized for employees contribute to the establishment of a sustainability culture in the company. Thanks to these measures, the factory's operational efficiency is increased while the negative impact on the environment is significantly reduced.

WAT carries out emission reduction measures to ensure environmental sustainability and legal compliance. Periodic emission stack controls are carried out to improve emission output and reduce carbon footprint. These measures include the use of energy-efficient machines and the implementation of filter systems in emission stacks. Environmental awareness training is organized for employees and less harmful chemicals are used in production processes. These measures significantly reduce the negative impact on the environment by increasing the operational efficiency of the factory.

There are 73 emission stacks originating from the processes in the plant. 15% of the stacks are from incineration and 85% are from process. The total thermal output of the stacks from the incineration process is 2,531.89 MW. In 25% emission stacks, a cassette filter system is used as an emission reduction measure. Periodic maintenance of the stacks is carried out by the maintenance team of the plant and emission measurements are carried out every two years by the laboratory appointed by the Ministry of Environment, Urbanization and Climate Change.

AIR EMISSIONS MANAGEMENT

METRIC	UNIT	2019	2020	2021	2022	2023
CO	Tonnes	0.077	0.705	0.705	0.302	0.302
NO	Tonnes	0.475	0.764	0.764	9.14	9.14
NO_2	Tonnes	0.734	0.018	0.018	0.564	0.564
NOx	Tonnes	-	1.19	1.19	9.71	9.71
SO_2	Tonnes	0.003	0.071	0.071	0.402	0.402
Dust	Tonnes	1.62	4.17	4.17	8.10	8.10
HCl	Tonnes	-	0	0	0.740	0.740
TOC	Tonnes	39.4	11.1	11.1	64.7	64.7
VOC	Tonnes	2.58	0	0	-	-
Particulates	Tonnes	0.426	0.034	0.034	0.034	0.034

Sustainability with Green Chemistry: Innovative Solutions in Paint Processes

WAT works to offer environmentally friendly products to its customers in line with its sustainability strategies and aims to increase the share of environmentally friendly products in the market. In this context, it has achieved a significant reduction in emission emissions with motors using paint with reduced VOCs.

Within the scope of the Supplier Development Plan, as a result of intensive engineering studies with the stakeholder from which chemicals are supplied, an investment was made in 2023 for an automatic proportioning and mixing unit to reduce paint consumption in the dyeing processes of products in the 63-112 fr range, to reduce the amount of waste, to create the opportunity to switch to low VOC paint and to ensure process efficiency.

In recent years, a similar study was carried out in the dye house for products in the 112-280 fr range, and an environmentally friendly and user-friendly dye preparation and application system was commissioned in order to ensure the continuity of environmental gains and improve outputs. Thanks to this system, a reduction of 2.5 tonnes of chemical consumption was achieved by reducing contaminated wastes caused by overspray with adjustable angle painting equipment, reducing 740 grams/setup waste caused by setup. In addition, with 85% less solvent and solids content, the paint allows the oven to provide the same performance at lower temperatures and in less time. This is an important energy saving point for WAT. In terms of product utilization, the paint change has enabled the production of products with higher corrosion resistance.

BIODIVERSITY

Biodiversity loss: second most impactful and third largest risk for the next decade

Biodiversity conservation is critical for a sustainable future and WAT is taking important steps towards this goal. The company promotes healthy ecosystems and environmentally friendly practices to reduce the environmental impact of its operations. It actively seeks opportunities and takes responsibility for biodiversity conservation, ecosystem improvement and rehabilitation. While conducting its operations, it aims to reduce its impacts by living in harmony with its ecosystem, preserving nature's capacity to heal itself and increasing awareness of biodiversity.

Microplastics potentially cause serious ecological and health problems, while their long-term effects on biodiversity are still under investigation. In order to reduce plastic pollution, WAT minimizes the amount of plastic used in its products and prefers recyclable materials. In particular, it has chosen to use more sustainable materials such as aluminium instead of commonly used plastic components. In this way, the recyclability rate of the products is increased. WAT products consist of 97% metal content on average. In the aluminium melting processes of WAT, which has integrated production facilities, material recipes are chosen for suitability for reprocessing as well as for strength and quality requirements. In this way, aluminium part losses and sizing process wastes, which are not technically possible to reduce in production processes, are recovered in the melting processes. For the aluminium parts that WAT produces in its own facilities, an average of 27% recovery rate is achieved in the melting processes.

In packaging, another area of plastic use, the use of 100% recyclable plastics is prioritized, significantly reducing the amount of plastic waste released into the environment. However, for medium-sized motors where cardboard consumption is high, wooden packaging is preferred instead of cardboard. While the wooden packaging in the crate structure can be reused by product users, in 2023 WAT managed to reduce the amount of wooden packaging by designing new packaging with gaps in wooden crates without reducing packaging strength.

Plastic crates and plastic wire spool packaging used in production are shared (recycled) and reused with stakeholders in the material supply channel, and pollutant risks are reduced with the long-lasting use of plastic packaging crates. In order to expand this good practice, metal crates and pallets with wooden separators are also recycled with suppliers, creating a positive impact in terms of resource conservation. These strategic approaches make significant contributions to protecting biodiversity and promoting sustainable environmental practices:

- Protecting biodiversity (which WAT evaluates under many different headings in its business processes); identification of risks and opportunities.
- Adopting a sustainable product strategy.
- Continuously improving production processes.
- Assessing biodiversity in supply chain management.
- Ensuring system integration and continuous improvement.
- Ensuring legal compliance through transparency.
- Raising awareness.
- Developing collaborations.

to realize its activities in this direction and to continuously improve its processes.

BIODIVERSITY POLICY

Because WAT has a closed-loop system in production, its only wastewater generation is non-industrial. The wastewater generated is discharged to the wastewater channel connection for transfer to the Çerkezköy Organized Industrial Zone (ÇOSB) wastewater treatment plant according to their discharge standards. In its use of chemicals - one of the most important causes of biodiversity loss - WAT is transitioning to using environmentally friendly chemicals and encourages its suppliers to do the same.

WAT is aware of the importance of forests in the conservation of biodiversity and has announced that it will play a role in the fight against deforestation in the light of this awareness. In this context, it takes its responsibilities in combating deforestation and sees these responsibilities as an integral part of its strategy to combat climate change. WAT Biodiversity and Combating Deforestation Policy includes commitments related to deforestation.

The company minimizes paper consumption by investing in digitalization in its operations and manages processes with suppliers that prefer FSC-certified materials for products made of paper and wood.

Click here to review WAT Policy on Biodiversity and Combating Deforestation.

It is both a motivating and inspiring opportunity for me to closely follow WAT's commitment to sustainability and its efforts in this field, and to be involved in decision-making processes as a stakeholder. I can see the same reflections in the activities, trainings, interviews and focus studies we come together as employees in this field.

The fact that WAT includes all its stakeholders in its sustainability journey and seeks opportunities for improvement every day shows that it acts with a global sense of responsibility. The projects it implements to empower women employees, the way it embraces diversity and inclusion, the way it sees the benefit of stakeholder interaction, and the way it addresses issues such as biodiversity conservation and combating deforestation in a broad framework are the dimensions of WAT's sustainability approach that stand out for me. I find the collective impact it tries to create valuable. Being a part of WAT makes me very happy both personally and professionally.

Yasemin Zaim Erdoğan,
Sustainability Specialist
Sustainability, OHS & Environment CoE

The fact that WAT Motor is a part of Koç Holding and has a corporate culture has made significant contributions to my career and development. The experiences we have gained through this way are constantly beneficial in business and social life. We have access to both online and offline trainings and we learn new things in a pleasant way with our teammates through special workshops. At WAT Motor, intra-team and inter-unit communication is very important in achieving our business goals. Due to the agile structure, we constantly update our communication with regular meetings and hold alignment meetings with other teams. One of our strengths is that teams contribute to problem solving in cooperation and communicate process flows to relevant stakeholders. In the coming period, I aim to improve our knowledge and skills with new projects. These goals will benefit both my company and my country.

Murat Aksu,
Technician-After Sales Quality Services
Quality Assurance & Technical Services CoE

I think it is a privilege for me to be a member of WAT Motor. In terms of my career, working in a large and valuable company, being involved in new projects and taking part in sustainability issues is very valuable for both my company and my career. WAT Motor has an open and transparent communication culture independent of hierarchical structure. Thanks to the agile structure and open office environment in all our teams, I can communicate easily and see the workflow and developments in the teams thanks to regular evaluation meetings. Open communication structure, solution-oriented approach and achieving successful results by taking an active role in new projects are among the strengths of WAT Motor's cooperation. Significant investments have been made in occupational safety in the areas where I work. The work done for the health and safety of employees always makes me feel valuable. I also support these efforts. In addition, I have a duty to improve and monitor my company's compliance with the law, and I am happy to contribute to sustainability.

Recep Erdoğan,
Specialist
Demand&Supply Tribe

The number of woman employees has increased over time with the transformed operations at WAT Motor. It has been a great source of pride for me to serve as the first woman employee of the logistics department. In this process, taking an active role at every stage of the supply chain has made significant contributions to both our company and my personal development. I have been involved in many projects to increase efficiency in our logistics processes and ensure ADR legal compliance. These projects help our company achieve its sustainability goals and minimize its environmental impact.

Working at WAT Motor is not only a professional career for me, but also a personal development journey. I am happy that I experienced my return to business life after a long break at WAT, because I feel stronger as I produce and create value in my job. In this way, I was able to show my family and children that I am a happier and stronger woman. Thanks to our company's open communication culture and supportive environment, I have the opportunity to continuously improve myself.

Nalan Küçük,
Material Supply Technician
Demand& Supply Tribe

PEOPLE AND SOCIETY

TOGETHER IN MOTION:
EMPOWERING COMMUNITIES FOR A BETTER WORLD

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OCCUPATIONAL HEALTH AND SAFETY

Compromising OHS practices, health, safety and welfare is not an option at WAT.

WAT has made it one of its primary goals to protect and improve the physical and emotional health of its employees. It meticulously carries out Occupational Health and Safety (OHS) practices to ensure safe working conditions and access to resources. The main objectives of OHS practices are to prevent occupational accidents by creating a safe working environment, to improve the health, safety and well-being of employees by providing good physical and psychological conditions, and to maintain work-life balance.

In this context, WAT works with an expert OHS team and makes continuous improvement efforts to ensure safe working conditions. The company aims to move from a culture where health, safety and welfare are ensured only by certain individuals to a culture where everyone takes collective responsibility.

OHS practices at WAT are communicated to employees through the Occupational Health and Safety Policy. In addition, studies targeting full compliance within the scope of the ISO 45001 standard, the Occupational Health and Safety Management System, are carried out. At WAT, it is ensured that employees, contractors and initiatives under operation control work in accordance with the OHS policy and commitment.

As a Koç Company, WAT acts according to the UN SDGs within the scope of the UN Global Compact, of which Koç Holding is a signatory, and integrates these goals into all business processes, including occupational health and safety practices, with a sustainable and profitable growth approach.

OHS POLICY

Our commitment to our OHS policy determines the way we work in the areas of occupational health and safety at WAT Motor. WAT, contractors and enterprises whose operation is under our control work in accordance with this policy and commitment.

With its sustainable and profitable growth approach, WAT acts in accordance with the Sustainable Development Goals within the scope of the UN Global Compact, of which it is a signatory, and integrates these goals into all business processes.

WAT's aims are:

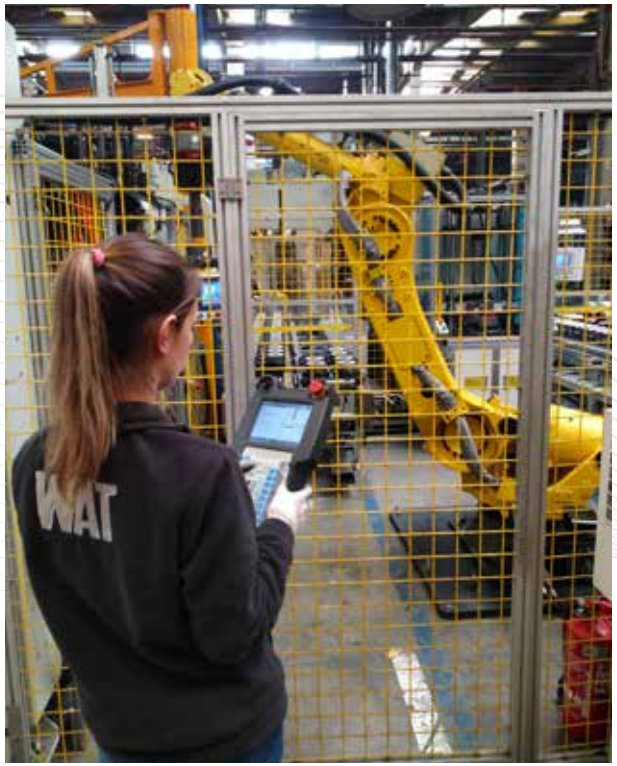
- To provide our colleagues with a healthy and safe working environment and to develop approaches to prevent possible occupational diseases and injuries with the approach of "Our Health and Safety is Our Top Priority".
- To make the necessary efforts to achieve zero accidents and zero occupational diseases.
- Compliance with legal obligations and Community policies and procedures.
- To manage our operational activities with fair and transparent methods based on continuous improvement.
- To improve our OHS performance by using the best available technologies.
- To take precautions by making necessary plans for possible emergencies.
- We are committed to creating a business culture of occupational health and safety within the Group.

To realize these commitments, we work in accordance with the following principles:

- In all geographies where we operate, we act in compliance with national and international regulations and other obligations that we are responsible for OHS in new investments and operations.
- We aim to be a leader in OHS issues in our sector. We develop collaborations on these issues and encourage the sharing of good practices in the regions where we operate.
- In line with our continuous improvement targets, we create action plans for compliance with OHS and regularly monitor the realization of these targets.
- We integrate OHS legal obligations and standards into our business processes.
- We encourage our colleagues to contribute to OHS performance and targets.
- We aim to raise the level of awareness on OHS issues among large segments of society - particularly customers, stakeholders and suppliers - and we emphasize communication and sharing on OHS.

All our colleagues at WAT are obliged to act in line with the principles and principles specified in our OHS policy.

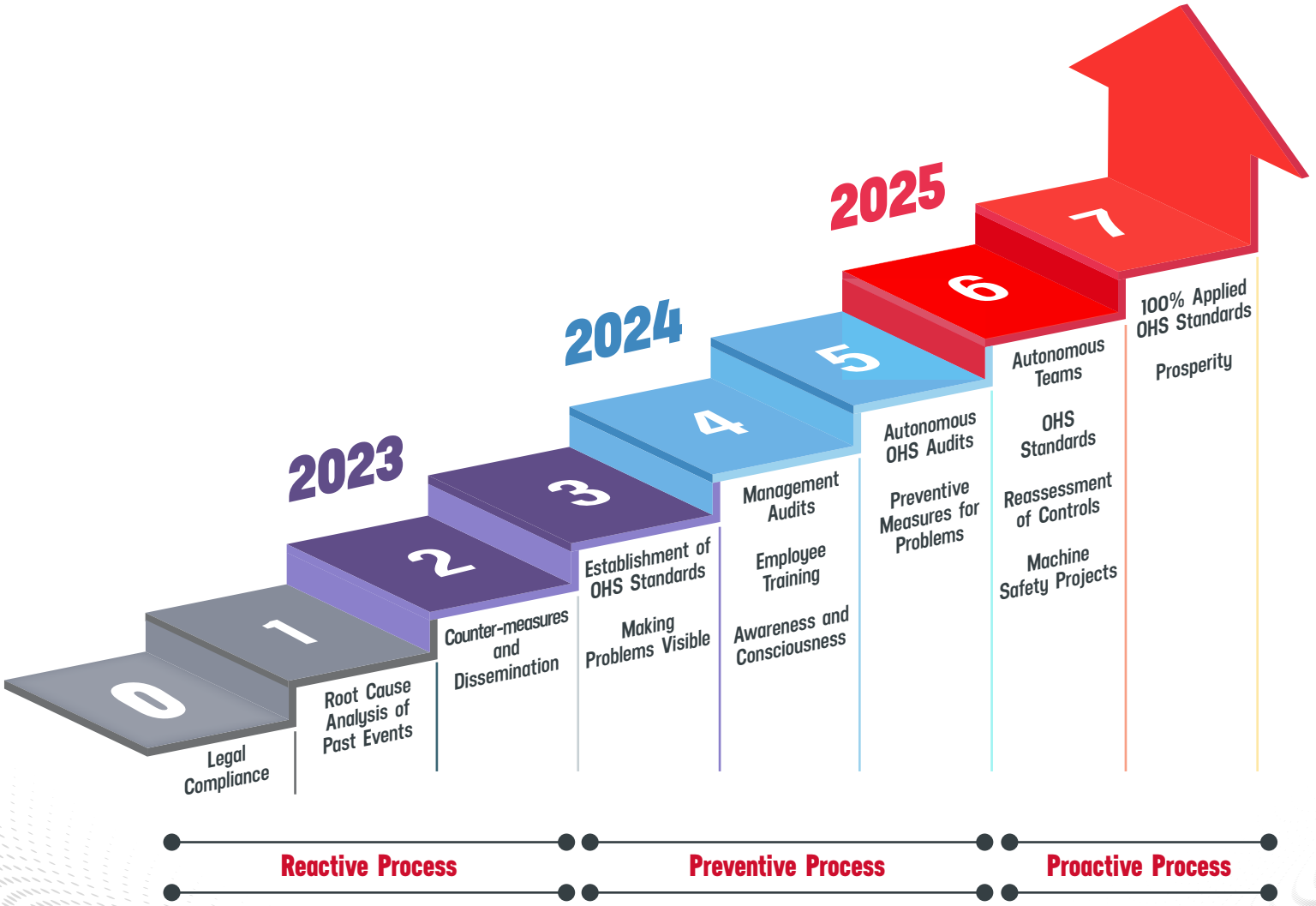
WAT has commissioned the "Leadership and Cultural Transformation Plan" with the aim of creating a sustainable culture in the field of OHS. This plan includes a strategic roadmap that was launched in 2022 and covers the years 2023-2025. The main objective of the plan is to increase the effectiveness of OHS processes, prevent occupational accidents and ensure the well-being of employees.



OCCUPATIONAL HEALTH AND SAFETY ACTION PLAN

In 2023, WAT has shaped its OHS Management activities within the scope of the Sustainability, OHS and Environmental Management department to establish OHS systems and increase the level of adoption within the company. The 2023 Occupational Safety Action Plan was prepared as a "Leadership and Cultural Transformation Plan" by analysing the data of the past five years and evaluating employee approaches. Various working groups were formed in line with WAT's OHS Action Plan and organized under three main headings: Safe Process, Safe Equipment and Safe Behavior & Culture Transformation. Under these headings, it is aimed to increase the process safety level, reduce equipment-related risks and improve the company's OHS culture.

The plan includes the improvement of occupational safety processes in accordance with ISO 45001 standards, and the implementation of these standards is considered as one of the cornerstones of business continuity. The steps for 2024 and 2025 aim to improve OHS performance and raise employee awareness, supported by autonomous OHS audits, management audits and continuous training. The manifesto published in this context transparently demonstrates management's prioritization of OHS and explains the goals and commitments. Training and promotion programs were carried out to ensure the adoption of the manifesto.


2023
2024
2025
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Legal Compliance
Root Cause Analysis of Past Events
Counter-measures and Dissemination
Establishment of OHS Standards
Making Problems Visible
Management Audits
Employee Training
Awareness and Consciousness
Autonomous OHS Audits
Preventive Measures for Problems
Autonomous Teams
OHS Standards
Reassessment of Controls
Machine Safety Projects
100% Applied OHS Standards
Prosperity
Reactive Process
Preventive Process
Proactive Process

NEW ERA VISION FOR OHS MANAGEMENT

In the last quarter of 2023, action plan outputs were evaluated and work was initiated for future targets. Considering these studies, 2023 OHS workshop outputs and performance metrics, the WAT OHS Management Manifesto was published to guide the 2024 OHS Action Plan.

This manifesto, which transparently reveals the OHS prioritization by Management, explains the goals and commitments, and contains golden rules of practice for leaders and employees, was signed by the WAT CEO and the WAT Management team and announced to all employees. Training and promotion programs were also carried out for the rapid dissemination and adoption of the manifesto.

WAT OHS MANIFESTO

Dear WAT Family,

The health and safety of each and every one of us is WAT Motor's top priority. Risk notifications, near misses, accidents and unsafe behavior always remind us of one fact: Occupational safety is not just a set of rules, it is a way of living and working.

For this reason, we all have to put occupational safety at the center of all our business processes, set zero accidents as a goal and work with determination to achieve this goal.

We are creating this management manifesto to act with a united commitment to occupational health and safety. Our aim is to ensure a sustainable safe working environment, remembering the responsibility for safe behavior at every step of the way.

Sincerely,
WAT Management Team

TARGET: ZERO ACCIDENTS - ZERO TOLERANCE

SAFE PROCESS

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

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

SAFE EQUIPMENT

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

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

SAFE BEHAVIOR & CULTURE TRANSFORMATION

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

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

OUR COMMITMENTS:

MANAGEMENT PARTICIPATION AND DECISION UNITY

As management, we once again emphasize our commitment to occupational safety and clearly communicate our determination to all our employees.

We constantly strive to increase management participation in the OHS action plan.

OUR SAFETY PRINCIPLES

We recognize safety as everyone's responsibility.

We encourage every employee to adopt our motto "Our health and safety is our top priority" in their daily lives.

EDUCATION AND AWARENESS

We organize regular training and awareness campaigns to adopt and spread safe behaviors.

NO COMPROMISE

We explicitly declare that unsafe behavior and equipment will not be tolerated in any way, and safety must never be compromised.

OHS PERFORMANCE AND IMPROVEMENT

We continuously monitor OHS performance, set targets and create action plans to achieve these targets.

Promoting Safe Behavior through Cultural Transformation

The start of any transformation is to raise awareness and promote safe behaviors.

"Safe Behavior and Culture Transformation" projects, one of the important components of the OHS Action Plan, aim to create a safer and healthier environment at work by raising employees' safety awareness. These projects, which provide a safe and healthy work environment and increase employee satisfaction and loyalty, are in line with sustainability goals. As a result, employee turnover rate decreases and the business continuity is strengthened.

WAT developed the Safety Culture Scaling and Maturation Model in 2023 in order to make focused improvements by identifying the trends and factors affecting behavior and to contribute to the development of a safe behavior culture. In this scaling developed on the basis of EU Good Practices, maturation is targeted in 10 steps. With the safety culture scaling, it is aimed to make focused improvements by identifying employee behaviors, trends and factors affecting behavior and to contribute to the development of a safe behavior culture. Various training programs, performance monitoring systems, projects and improvements have been implemented to ensure a safety culture throughout the organization.

1) Management engagement and visibility
2) Contact
3) Common perspective on security
4) Participation
5) Trust
6) Learning organization
7) Education
8) Resources allocated for security
9) Production vs Safety
10) Industrial relations and job satisfaction

According to the results of the Safety Culture Scale conducted twice in 2023, 3.3% improvement was achieved. An improvement of 5.4% was observed in leadership indicators.

Comprehensive Training and Awareness Programs

The training and awareness programs conducted under the OHS Action Plan aim to improve the safety culture of employees. These programs are directly linked to sustainability principles because trained and informed employees provide a safer and more productive working environment. This results in a reduction in occupational accidents and health problems and contributes to the creation of sustainable business practices in the long term.

In 2023, Basic Occupational Health and Safety training, Bench Head trainings, Toolbox, OHS Single Point Course trainings and Emergency Trainings were provided. The total duration of Occupational Health and Safety trainings was 17,820 person*hours.

In 2023, in addition to the training and awareness-raising programs implemented for employees, "Manager and Employer Representative OHS Legal Aspects Awareness Training" was conducted with a lawyer trainer specialized in the field of labor law, aiming to increase the knowledge and awareness of leaders and increase the OHS focus in managerial decisions.

OCCUPATIONAL HEALTH AND SAFETY METRICS

METRIC	UNIT	2019	2020	2021	2022	2023
Working Hours	hour	949,223	957,980	1,435,263	2,003,557	1,917,663
*Accident Frequency Rate (LTIF)	-	6.32	12.5	6.27	9.48	15.12
**Accident Severity Rate (LWIR)	-	0.16	0.24	0.11	0.22	0.45
Number of Lost Days	day	152	231	154	450	854
Number of Accidents with Lost Time	quantity	6	12	9	19	29
***Number of Recorded Accidents (TRIF)	quantity	N/A	N/A	15	20	42
Occupational Disease Rate	-	0	0	0	0	0

*Lost Time Incident Frequency (LTIF) Rate = Number of injuries that cause employees to lose at least one working day / Total official working hours x 1,000,000
**Lost Workday Incidence Rate (LWIR) = Number of days lost due to accidents excluding fatalities / Total official working hours x 1,000
***Number of accidents registered according to Koç Group Standard = Accidents with medical treatment + Accidents with lost days + Fatal accidents

IMPROVING OHS PERFORMANCE THROUGH DIGITALIZATION: WORKSAFE

WAT contractor management procedure, WAT contractor audit system put in place.

The WorkSafe App is a program developed by WAT to improve occupational health and safety. This application is designed to encourage safe working habits of employees, minimize risks in the workplace and create a safe working environment. The WorkSafe App consists of various components such as hazard notification, personal protective equipment information, employee participation, training and awareness. WAT WorkSafe application aims to protect the health and safety of employees and prevent occupational accidents by promoting a culture of safety in the workplace. This practice supports the long-term success of the business while increasing employee satisfaction and loyalty in line with sustainability goals. In 2023, various motivating and awareness-raising activities were implemented to expand the use of the WorkSafe hazard notification platform, aiming to develop the habit of instant notification for all employees, and the WorkSafe App usage percentage by employees rose from 50.5% to 73.3%.

The number of WorkSafe notifications of hazards and risks reported by employees in the reporting year and the number of risks mitigated or eliminated or reduced by taking action are as follows:

Number of notifications made by employees: **1,217**

Number of actions determined by the OHS team regarding risks: **1,524**

Number of completed OHS actions: **1,373**

In 2023, WorkSafe applications, contractor management module and audit mechanisms, OHS compliance specification, contractor company training, OHS committee activities and emergency action plan were established with the System Integration of WAT Mobilite. These activities ensure that the cooperation is managed safely and effectively.

2023 OHS ACTION PLAN - SAFE PROCESS PROJECTS

Resetting Access to Moving Spaces

In this project to eliminate accidents caused by moving machinery, employees were prevented from accessing dangerous areas by covering machinery and parts and integrating security measures. The activity closure rate for the identified action areas increased from 35% to 95%. This significant development significantly raises WAT Motor's occupational safety standards and increases the safety of employees.

EKED Project

In 2023, EKED/LOTO project was carried out for 135 pieces of equipment that were determined to need to be stopped and switched off for safety, according to risk assessments. Visual EKED/LOTO instructions have been prepared, printing of energy plates and implementation are ongoing. In addition, a certified virtual reality supported LOTO Authorization Training session will be conducted for a group of 16 people. This project contributes to the prevention of occupational accidents by increasing the effectiveness of energy isolation and equipment lockout processes.

Traffic Safety Improvement Project

The WAT Traffic Safety Standard was put into practice, ensuring the participation of all stakeholders in safe traffic practices. This standard serves as a guide, and the Traffic Safety Logistics Operations OHS Specification was prepared to ensure external traffic safety, and contractor vehicles moving around the campus were integrated into the system with high compliance.

- Traffic safety warnings and signs located in the indoor-outdoor area.
- Road signs and traffic control applications.
- Implementation of pedestrian detection and forklift stop system in storage areas with vehicle-pedestrian interaction.
- AI-supported Speed Radar System (speed limit radar system is active 24 hours a day and records and notifies violations with artificial intelligence learning).

Employee Experienced PPE Improvements

- To improve compliance with personal protective equipment (PPE) rules, operation-based signs visualizing the use of PPE were prepared and placed in work areas.
- Within the scope of ergonomics and satisfaction improvements in the use of PPE, work was carried out with employees in five different operations. High-standard products were preferred and product selections were made to increase employee ergonomics and satisfaction.

AI-supported Safe Behavior Control and Monitoring System Improvement Project

The artificial intelligence-supported monitoring system that detects PPE violations (armbands), working at height violations, shelf climbing and static confined space monitoring and sends notifications to the relevant parties was optimized and its effectiveness was increased. The continuity of improvements was closely monitored through periodic reporting of outputs. In addition, the detection accuracy rates of the system were increased from 82% to 100% with AI rule teaching studies.

Improving Fire Safety Control Processes

A monthly Fire Safety Coordination Meeting was held with a professional fire brigade services company for fire training and awareness-raising activities, one of the cornerstones of firefighting. In working environments where 24/7 surveillance is provided for fire safety, audit services were obtained from the partner company for the early detection of risks and it was aimed to increase the company's capabilities to ensure fire safety. Efforts will continue to determine the areas of investment and improvement for the coming period.

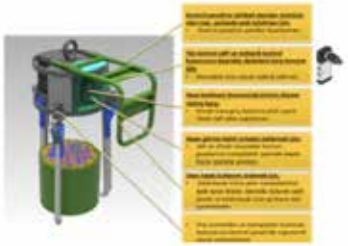
2023 OHS ACTION PLAN - SAFE EQUIPMENT PROJECTS

Compliance Audit with Digital Control Tools

For the early detection of impacts that could reduce the safety level of powered pallet trucks and forklifts, QR code-accessible control forms were provided to enable vehicle users to report risks and deficiencies quickly and easily. The same practice was extended to ensure the suitability of shelves. In addition, artificial intelligence-supported system notifications were periodically reported to improve the level of PPE use and compliance with work rules, providing management support and employee engagement.

Lifting Accessories Reducing Safety Risks

The press area was designed and implemented in accordance with EN 13155 and EN 12100 standards. For the assembly body threading operation, EN 13155 certified clamps were supplied and the safety level of lifting equipment was improved in job-specific lifting processes.



EN 13135:2018 Compliance Project with Overhead Crane Investment

Within the scope of equipment safety level improvement, three overhead cranes were bought and high standard investments were commissioned to prevent potential behavioral risks in the work areas.

Raising the Standards of Battery Charging Areas Project

In the work carried out to minimize electrical risks and flammable-explosive environment risks, plans were made and investment was initiated for the safe charging of transport equipment batteries and for shifting risks to areas with high control capability.

Machine Safety Level Improvement Projects

A machine safety risk assessment team was established and 14 people completed a certified training program from an expert training institution for machine risk assessment competence. Risk Assessment studies were carried out for 21 prioritized machines in accordance with the Machinery Safety Regulation 2006/42/AT and EN 12100 standards. According to the total risk scores, investment studies including safety automation and revisions were carried out in six machines. OHS technical specifications were prepared to ensure that new investments comply with safety standards and audits were carried out at the manufacturer companies of the machines before purchase.

2023 OHS ACTION PLAN - SAFE BEHAVIOR AND CULTURE TRANSFORMATION PROJECTS

OHS Incentives

Awards were given to 19 people working at WAT under the title "My Accident-Free Career" and OHS Week Activities were organized. Within the scope of these activities, a video study was carried out with the children and child relatives of the employees, and it was aimed to improve the knowledge and awareness of children on OHS and the OHS focus of parents and adult relatives. 12 young participants were hosted at the company and presented with gifts. In addition, seven people who answered all questions correctly in the Q&A activity were awarded.

Click on the link to access the video of My Accident-Free Career event.

Click on the link to access the Golden OHS Advice from Children video.tıklayınız.

OHS Focused Leaders Tour

Field tours and employee dialogues with the participation of leaders were planned to reflect that the business focus of leaders is OHS-based and to show employees that OHS awareness will always be supported at the leader level. Within the framework of this plan, 25 field tours were conducted with the participation of 10 different leaders, 78 risk actions were identified and a total of 60 improvement activities were carried out in line with these findings.

Leader Toolbox Training

These training sessions, which aim to spread the culture of "safety first" by stopping production during production hours, are open to voluntary participation of employees and have provided an important awareness in occupational safety with the intense interest of all employees.

With the participation of 12 different leaders, 27 toolbox training sessions were provided on 9 different topics.

Safety Culture Scaling

In the safety culture scaling conducted within the company, a survey was conducted with the participation of 387 people from 7 departments, and the survey results were analysed to plan the actions to be taken afterwards.

Driving Safety

WAT is in full compliance and integrated with Koç Holding Driving Safety standards. Advanced driving training was initiated for 75% of professional drivers, and the health reports of 52% of drivers were reviewed and renewed. Safe driving is monitored and controlled with the vehicle tracking system applied to 40% of vehicles. Driving safety metrics are monitored on a monthly basis via a digital platform. In order to increase employee engagement, the 'Safest Driver' in safety metrics and the 'Most Efficient Driver' in fuel saving and environmental metrics are determined and recognized through internal announcements. Communication is ensured by sharing outputs and improvement suggestions with employees whose areas open to improvement are identified in safe driving metrics.

Safe Driving Criteria: Sudden Acceleration, Hard Braking, Fatigue (Driving Time), Intersection (road), Excessive Speed
Efficient Driving Criteria (Eco): Acceleration, Braking, Idling, Speed

Various Root Cause Investigation Model, Compliance with Koç Group Standards

Root cause analysis of occupational accidents has been implemented with "Diversified Causes Table" and critical factor identification methods. Thanks to these methods, the underlying causes of occupational accidents are examined in detail and necessary measures are taken to prevent recurrence of accidents.

Team-Based OHS Performance Monitoring

By reporting the weekly performance of the actions monitored through WorkSafe on a departmental basis, critical actions began to be monitored and decisions were taken at weekly coordination meetings to ensure that these actions were completed in a shorter period of time.

Vocational Competence Development (VQA)

Vocational competency programs to support safe working were opened by prioritizing with Human Resources for vocational competency certification.

In 2023, 108 vocational training sessions were completed and 56% of the identified need for vocational training was completed.

WAT Human Resources played a vital role in ensuring and facilitating employees' attendance at training institutions, and close communication was ensured with relevant institutions for the opening of local training.

Emergency Management

The Emergency Management Tool was put into practice. With this application, the awareness of emergency teams has been increased, while end-to-end organization, communication channels and useful resources for crisis management in possible emergencies have been made accessible to all employees.

Management System Development

In order to develop the ISO 45001 management system and increase employee participation, the frequency of external audits was changed by the auditor organization from twice a year to once a year due to rapid adaptation to the system. This result reveals the positive contribution of the steps taken for cultural improvements in WAT's transformation journey.

OHS Process in Selection and Evaluation of First Line Supervisors

The initiatives have helped to develop a more proactive approach to occupational health and safety practices at WAT. In order to ensure a high level of OHS knowledge and awareness in first level roles involving management responsibility and decision-making processes, training, exams and interviews were conducted for candidates and the OHS process was included in the standard selection criteria.

For the 19 Master Operator candidates:

A total of 38 hours of awareness-raising training was given for first-line supervisors

23 Master Operator OHS awareness exams were held.

For 14 Shift Officer candidates:

An OHS written exam and OHS oral interviews were held.

Training programs were organized according to assessments of development needs.

HUMAN RESOURCES POLICY

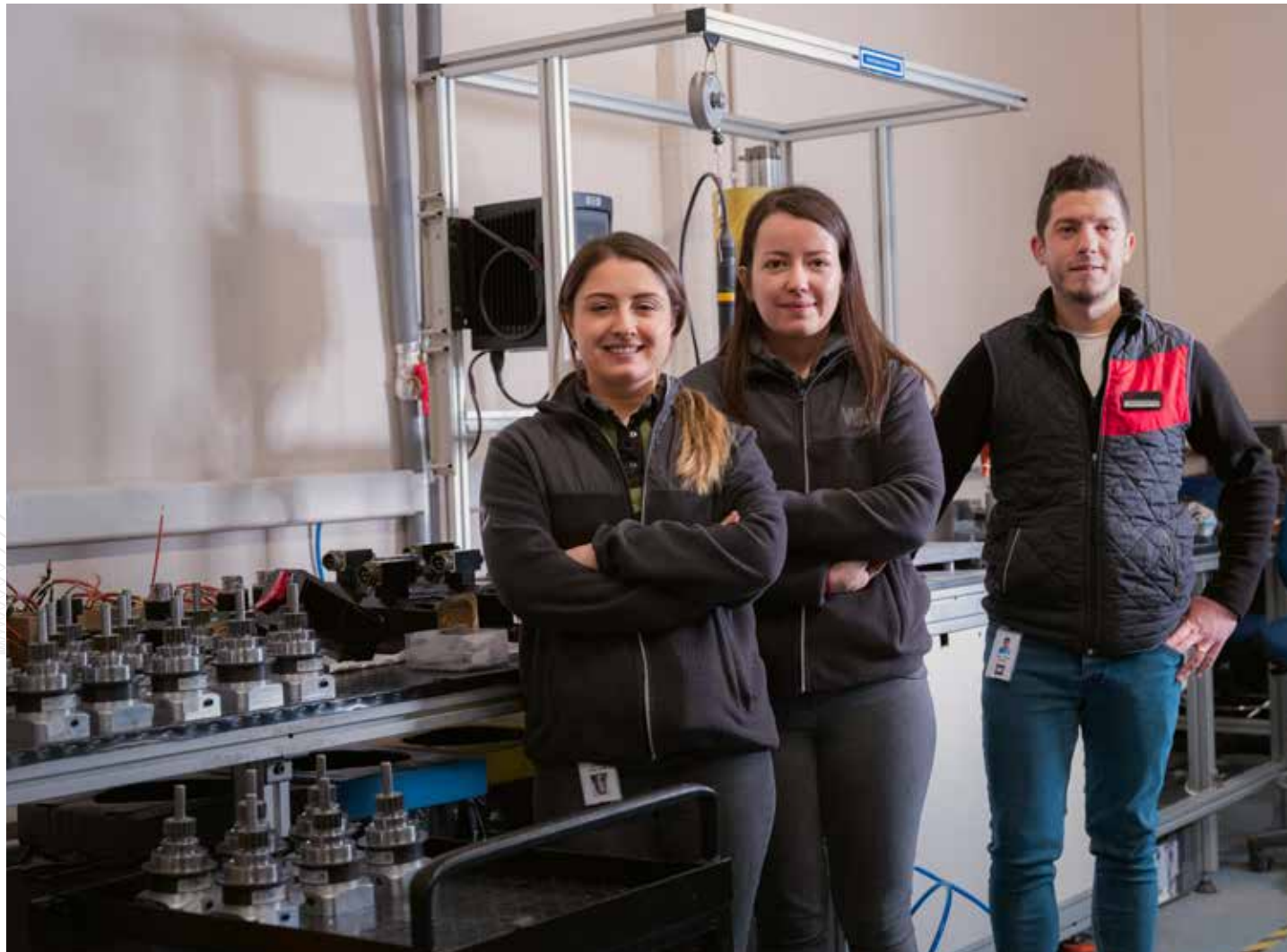
WAT takes the Universal Declaration of Human Rights as a guide and adopts an understanding towards its stakeholders that respects human rights. It is WAT's fundamental principle to create and maintain a positive and professional working environment for its employees. WAT acts in accordance with global ethical principles in matters such as recruitment, promotion, career development, remuneration, benefits and diversity, and respects the rights of its employees to establish and participate in non-governmental organizations of their own choice. It absolutely does not tolerate forced labor, child labor, all forms of discrimination or harassment.

WAT includes the details of the issues mentioned above in its Human Rights Policy.

WAT takes into priority consideration the following international standards and principles in relation to Human Rights:

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

Click here to review WAT Human Rights Policy.



DIVERSITY, EQUITY AND INCLUSION

Strong individuals, organizations and structures emerge when other individuals embrace the diverse ideas, perspectives and backgrounds that make each individual unique. As our world changes day by day, our employees' diverse outlook on life and their creativity, passion for their work and deep commitment to improving the lives of others drives innovation in the organization, making it possible to meet the needs of customers and stakeholders. WAT remains committed to applying different perspectives for the benefit of every organization it serves, today and in the years to come.

For 2030, WAT has set its gender equality targets to include women at all levels and, in this context, it evaluates all its projects, activities and practices with the goal of closing gender inequality with the perception of gender equality. As in Koç Holding, WAT has a gender-diverse candidate list for all management roles and demands a 50% gender balance in candidate pools and recruitment from both internal and external recruiters. WAT also tries to ensure that it has a diverse list in shortlists and in the final stages of recruitment, and monitors gender ratios through KPIs in its Human Resources structure. As one of Koç Holding's group companies, WAT acts alongside Koç Holding on to gender equality as in other human resources related actions.

WAT, one of the 30 group companies within Koç Holding, adopts a responsible business model by taking into account environmental, social and governance (ESG) factors in its sustainability efforts. In this context, it attaches great importance to the Women's Empowerment Principles (WEPs), a joint initiative of the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the UN Global Compact, which Koç Holding has signed.

We have developed our human resources policies that observe global ethical values, embrace differences by believing in the power of diversity, and make gender equality one of our most important values, in line with our sustainability goals. We carry out effective projects to ensure that our woman employees at all levels develop their technical competencies and become natural candidates for important roles and to increase woman employment. We have introduced rule sets to ensure gender balance in our recruitment policy and to secure women's employment. With these activities, we aim to be a role model for our industry.

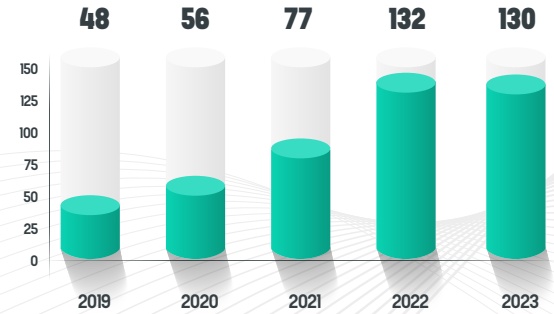
Zehra Karağöz
Human Resources Manager
WAT Motor A.Ş.

These principles include guiding principles for the empowerment of women in the business world, and WAT promotes gender equality by adhering to these principles. Increasing women's participation in the workforce, enabling them to take more leadership positions and supporting gender equality are among WAT's sustainability goals. With this approach, WAT contributes to building a sustainable future by increasing not only its economic performance but also its social contributions.

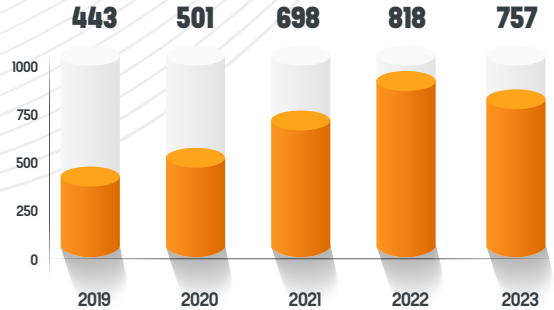
WAT is a global member of the UN Women Unstereotype Alliance, a platform for thought and action committed to combating harmful stereotypes in all forms of media and advertising content.

With this membership, the Unstereotype Alliance, convened by UN Women, brings together partners, including Koç Holding, and aims to collectively use the advertising industry as a force for good to promote positive change around the world.

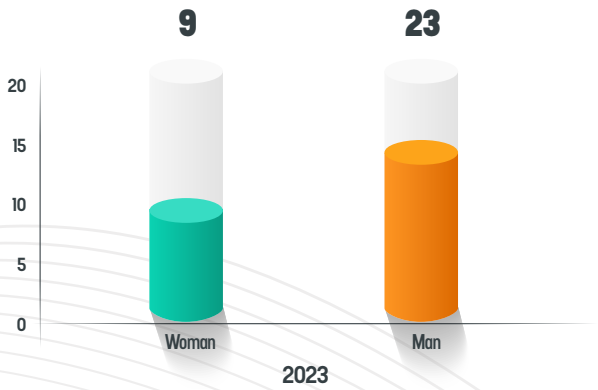
Workforce Breakdown by Gender (Woman)



Workforce Breakdown by Gender (Man)



WORKFORCE BREAKDOWN BY GENDER (WAT Mobilite)



WORKFORCE BREAKDOWN BY AGE GROUP AND GENDER AT EXECUTIVE LEVEL

WAT Motor	Gender	2019	2020	2021	2022	2023
Under 30	Woman	0	0	0	0	0
	Man	0	0	0	0	0
30-50 years (inclusive)	Woman	1	1	1	2	3
	Man	10	9	10	16	2
Over 50	Woman	0	0	0	0	0
	Man	3	3	2	1	10

WAT Mobilite	Gender	2019	2020	2021	2022	2023
Under 30	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0
30-50 years (inclusive)	Woman	N/A	N/A	N/A	N/A	2
	Man	N/A	N/A	N/A	N/A	5
Over 50	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	6

NUMBER OF EMPLOYEES ON MATERNITY LEAVE

WAT Motor	2023
Number of Employees on Maternity Leave (3 employees are still on maternity leave during the reporting period)	4
Number of Employees Returning to Work after Maternity Leave	1

WAT Mobilite	2023
Number of Employees on Maternity Leave	0
Number of Employees Returning to Work after Maternity Leave	0

WOMEN'S WORKFORCE TRANSFORMATION PROJECT

The 'Women's Workforce Transformation Project', initiated within WAT to help women be more involved in business life and to continue their work with empowerment and satisfaction, aims to improve working conditions to make it easier for women to choose to work, and to provide physical and mental facilities that will create additional opportunities for women to work in all operations and positions. It is a project that aims to increase women's competencies and expertise, to create opportunities that encourage women to be more self-confident and courageous for new roles and job opportunities, to carry out events, organizations and social activities that will ensure the satisfaction of woman employees, and to set targets for the continuity of employment. The project aims to ensure gender equality, end all forms of discrimination against women and girls, enable women to achieve economic freedom and participate fully and effectively in the decision-making processes of political, economic and social life. It is also aimed to provide equal opportunities for women to become leaders in decision-making mechanisms at all levels. The indirect effects of this project include the recognition of the positive impact of women's employment in society, the strengthening of the family structure, the support of all segments of society for women, children's understanding that their mothers also exist in business life, and steps towards shaping their education on the profile of 'working women'.

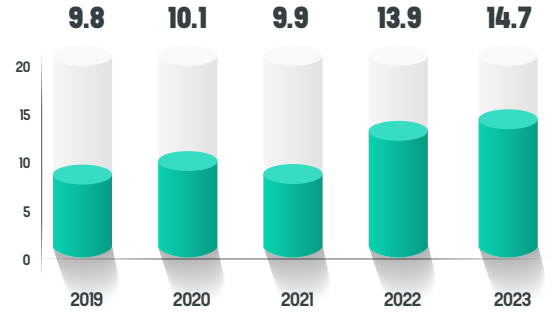
Ensuring and sustaining women's employment is one of the company's five key strategies. The activities carried out within the scope of the "Women's Workforce Transformation Project" cover the following subcategories:

- **Process Design and Competency Building:** Design of new lines and processes to accommodate woman employees and process transformations to ensure woman employment in previously man-only operations.
- **Ergonomics:** Ensuring ergonomic and improved working conditions for all employees.
- **First Woman Supervisor-Master Competency Kit:** Improving the technical competencies of woman field workers and preparing them for positions such as master operator and shift officer.
- **Sustainability:** Empowerment of women in work, community, social and family environments; work that ensures equality, communication, access to equal opportunities and women's employment.

The Women's Workforce Transformation Project contributes to SDG 5 Gender Equality. This project, which will enable women to compete on equal terms with men at every point in their lives, aims to achieve not only economic freedom but also the social power that this freedom brings. In 2023, to support the project, criteria were set in the recruitment rules to ensure women's employment.

Click here for detailed information about the Women Workforce Transformation Project.

Increase in Women's Employment Rate over the Years with the Project (WAT Motor) (Woman) (%)



TALENT ACQUISITION AND MANAGEMENT

PERFORMANCE EVALUATION

In 2021, with the new performance system approach introduced by Koç Holding, both Koç Holding and WAT aim not only to measure performance within the organization, but also to ensure that dialogue and development become continuous. In this performance system, which is based on the Objective and Key Results (OKR) methodology, the number of goals set for each employee is limited to five. Goals are set at the general manager level and cascade through departments to management level, and can be renewed throughout the year depending on changing conditions. By setting one of the annual goals as a team goal, the working environment is collective and agile. With a focus on continuous development, employees set at least one of the targets as a personal development goal. In this system, which aims to create a transparent performance evaluation, user targets are made open and everyone can see each other's targets in real time.

The most important feature of the performance system developed by Koç Holding and implemented by WAT is that it is based on continuous dialog. WAT uses two basic mechanisms to ensure the continuity of dialog. Thanks to "Instant Feedback", everyone can exchange ideas with each other regardless of their function, position or experience. Another function that ensures the continuity of the dialog is the "Check-in Meetings", which are spread throughout the year, and evaluation sessions are held where basic issues such as goals, personal development and career are discussed.

At WAT, even if employees do not achieve their goals, the attitude, dedication and effort they exhibit throughout the process are also important criteria in the evaluation.

A special new digital platform that is user-friendly, transparent, agile, flexible, supports collaboration and allows access from different digital platforms is made available to Koç Holding and WAT employees. This Koç Dialogue App and platform is a performance development platform designed by gathering more than 100,000 ideas, suggestions and criticisms, and is accessed by 85,000 people working at Koç and group companies. The implementation of the OKR process at WAT, which has a culture of high performance targets and cultural targets, makes it possible for the Koç Dialogue platform used in Koç Holding and group companies to be fair and employee oriented.

WAT's General Manager and leaders come together every year to determine the company strategy and target. The determined company OKRs are shared with all relevant employees. Department leaders create departmental OKRs to serve the company OKRs and share them with their teams. Agile teams are structures integrated into company and function OKRs that come together to create collective OKRs. Following the determined OKRs, individual OKRs are created and systems are entered by the leader and employees coming together. After the OKRs are reviewed, the collective OKRs are reviewed and updated at five Check-in Meetings throughout the year. Talent support services are provided for development through employee and 1-to-1 meetings. High performing "Extraordinary" members are identified through team feedback throughout the year.

What can employees do with the Koç Dialogue platform?

- Manage development processes.
- Add OKRs or modify existing OKRs from the My OKRs menu.
- Track the progress of their OKRs and keep their OKRs alive.
- Use Quick Access to review OKRs with teammates.
- View OKRs of all colleagues from the Search field.
- Exchange ideas with colleagues and managers.

Aiming to give people the skills they need and create the most talented and inclusive workplace, WAT is aware that, in this way, it will maximize its collective potential to develop the solutions of the future. All these approaches are reflected in the company's salary processes and other benefits provided to its employees.

TRAINING AND DEVELOPMENT PROGRAMS

In an ever-changing world, it is of great importance for organizations and individuals to be flexible and adaptable. It is ensured that individuals follow the developments and innovations in the world and in their working environment through continually updated training. In this context, WAT provides regular training in line with the current and future needs of its employees in order to maintain and improve the currency of their knowledge, skills and competencies.

Click here to review the WAT Learning and Development Policy.

Within the scope of mandatory training, WAT offers a comprehensive training program to its field employees. Awareness-raising training on occupational health and safety is very important for both the health and productivity of field employees. OHS awareness training includes OHS Health Information, OHS General Issues Information and OHS Technical Issues Information. These training sessions ensure that employees are informed about the risks they may encounter in the workplace and gain safe working habits.

ISO 9001-2015 Quality System Briefing training was provided for 1,466 hours in the reporting year, providing employees with information on quality management systems. In addition, Environmental Management System Information and Energy Management System Information training is provided to raise employee awareness on environmental responsibility and energy efficiency.

Various special training programs are also offered to improve the professional competencies and support the personal and professional development of people working in the production facility. Workplace training was provided for a total of 1,052 hours and aims to provide employees with the necessary knowledge and skills to work more efficiently and safely on production benches. Total Productive Maintenance (TPM) - Single Point training, on the other hand, covered a total of 687 hours and aimed to teach participants efficient maintenance practices. Ethical Line and Ethical Information training over 293 hours informed employees about ethical behavior standards. Excel Advanced Level training, Problem Solving Techniques training and MEXT training on leadership and personal development are among the training sessions that employees can choose according to their wishes and interests.

WAT Motor attaches great importance to the continuous development of its employees as part of its sustainability strategy. Accordingly, it offers both mandatory training and professional competency-enhancing training to its employees. These contribute to the achievement of the company's sustainability goals by increasing the knowledge and skills of employees, while also improving the efficiency and quality of business processes.

Legal training, occupational health and safety training, training on quality management and related standards aim to increase the level of knowledge and awareness of employees. These are part of WAT's commitment to provide a safe and efficient working environment for its employees. For example, TS EN ISO/IEC 17025 Basic Training provides knowledge about laboratory management and accreditation processes and teaches basic standards. In addition, programs such as TS EN ISO/IEC 17025 Documentation Training and TS EN ISO/IEC 17025 Internal Audit Training develop employees' skills to properly manage documentation and internal audit processes.

Professional competency training aims to support the professional and personal development of white-collar employees. This helps employees become more efficient and effective in business processes. For example, Excel Advanced Level training enables employees to use the Excel program at an advanced level and makes business processes more efficient. Problem Solving Techniques training, on the other hand, teaches employees the necessary techniques to effectively solve the problems they face.

Training aimed at developing leadership skills is also of great importance. Good Enough Leadership training, Well-enough Leadership and Specialization training, and Exploration training increase employees' leadership skills and make them more effective leaders. In addition, the Adaptation in Times of Change and Uncertainty training helps employees develop skills to cope with change and uncertainty.

WAT also offers various special training programs to support the personal and professional development of employees: CAD Training - Basic Modeling increases efficiency in engineering and design processes, while Seven Habits of Highly Effective People and Personal Leadership training sessions contribute to the personal and professional development of employees. Effective Public Speaking and Presentation training improves employees' public speaking and presentation skills.

In addition, various modules offered under the MEXT program enhance employees' competencies in leadership and personal development. MEXT - Action Planning Workshop, MEXT - Inspirational Leadership Creating Meaning, MEXT - Experience Driven Leadership and Development Workshop and MEXT - Emotional Resilience & Wellbeing modules develop employees' leadership skills and emotional resilience.

	Unit	2023
Duration of Training per Person	hours/person	62.9
Total Training Hours	hours	45,542
Total Number of Participants	person	6,874
Total Number of People Reached	person	823

While significant progress was made as a result of employees' participation in the competency and personal development program, its positive effects on employee satisfaction and loyalty were identified through feedback, and participation in these qualified training programs was supported throughout the year. Program outputs are as follows:

Development is Beautiful Together Leadership trainings duration: 614 hours

Development is Beautiful Together Duration of training in Core: 13,762 hours

Development Together in Fine Technique trainings duration: 34,155 hours

Total duration of training received by women: 6,376 hours

Click here for the details of the Development is Beautiful Together project.

WAT provides specific training to its employees, each according to their field, in order to increase the competence of both its employees and the whole company and to spread sustainability throughout the value chain.

Thanks to its Agile structure, employees can lead the business and the group by revealing their true potential. WAT also offers training to support this leadership. Offering training to support every stage of the employee life cycle (such as orientation, mandatory training, purpose-oriented training, competency development training, talent development programs, functional and technical training, language training and leadership programs), WAT's aim is to nurture a continuous-development mindset while supporting employees to gain and re-skill skills with solutions that will improve their knowledge, skills and abilities. In 2023, total training hours reached 45,542 person*hours.

WAT established a new governance structure in 2022 and established the WAT Sustainability Committee. The Sustainability Committee, chaired by the CFO, is held responsible for assessing and managing climate and other ESG-related risks and opportunities at senior management level, with four Working Groups (WGs) under the Sustainability Council. One of the WGs is the Social Sustainability Working Group. The Social Sustainability WG is tasked with social issues, one of which is talent management. In this context, the Social Sustainability WG works to improve existing processes for employees. WAT's performance management system focuses on transparency, remains agile and flexible, supports collaboration, and is fed by open and continuous feedback dialogues. Thanks to the Agile methodology established at WAT, the system helps to consistently track the performance of employees, ensuring that both employees and departments across the organization work effectively to achieve their business goals. Managing employee performance is also an important part of mobilizing and motivating the workforce. All monthly paid employees are included in the performance management system.

WORKFORCE BREAKDOWN BY CATEGORY

WAT	Gender	2019	2020	2021	2022	2023
Hourly paid	Woman	23	29	48	92	88
	Man	325	393	577	649	611
Monthly paid	Woman	25	27	29	40	42
	Man	118	108	121	169	146

TALENT ACQUISITION AND MANAGEMENT

In the talent acquisition process, firstly a long-term headcount budget plan is made. Human Resources initiates the recruitment process in line with the budget plan. The recruitment team primarily publishes job postings on career platforms, conducts interview evaluations with screening and evaluation tools (such as inventory applications, foreign language placement tests, assessment center applications), and then manages reference checks and document verification processes. After recruitment, the orientation process is managed in a planned manner to accelerate adaptation to the job. In addition, in order to identify and attract high quality professionals during the recruitment process, efforts are made to publish advertisements on social media and to announce projects to strengthen the employer brand.

Click the link to get information about Agile In, the new generation recruitment application.

WORKFORCE BREAKDOWN BY AGE GROUP

WAT	Gender	2019	2020	2021	2022	2023
Under 30	Woman	15	11	23	55	47
	Man	69	88	212	291	286
30-50 (inclusive)	Woman	32	41	54	75	81
	Man	364	393	469	498	453
Over 50	Woman	1	1	0	1	1
	Man	10	17	17	29	18

WAT Mobilite	Gender	2019	2020	2021	2022	2023
Under 30	Woman	N/A	N/A	N/A	N/A	4
	Man	N/A	N/A	N/A	N/A	3
30-50 (inclusive)	Woman	N/A	N/A	N/A	N/A	5
	Man	N/A	N/A	N/A	N/A	19
Over 50	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	1

EMPLOYEE ENGAGEMENT

EMPLOYEE IDEAS/EMPLOYEE FOCUS

The person who can most easily recognize the applications and innovations that need to be made in a working environment is the person who works in that environment. WAT is fully aware that it develops its innovations further everyday thanks to the ideas and thoughts of its colleagues. With the suggestion and complaint boxes placed at designated points in the production area, it plans the actions to be taken by paying attention to the suggestions and complaints of employees.

On the platform called Connecta, which is accessible by all Koç Holding and group companies, all individual and employee transactions can be made. On this platform, which is open to all employees, suggestions and complaints for all topics can be forwarded to the relevant units through the module named **"Ben de"**. In addition, the Connecta platform includes the **"WorkSafe"** module in which OHS complaints and suggestions can be communicated. The **"Most"** module, which is a web-based and mobile App within the Connecta platform, is used for requests, complaints and suggestions on issues requiring maintenance and incidental intervention in equipment such as production equipment, construction and air conditioning other than office equipment.

PRICING

WAT supports trade unions formed by workers for the protection and development of workers' interests, especially their economic and social rights, and embraces the culture of unionization in order to improve the working and wage conditions of workers, to provide them with various economic and social rights, to create a dignified working environment in the workplace, and to involve workers in all issues related to themselves and the production process.

All hourly paid employees and 80% of total employees at WAT are members of the Turkish Metal Union, which continues its union struggle in many important workplaces in the automotive, white goods, electronics, iron and steel and sub-industry with the understanding of "We Want to Produce, Win, Make You Win" and supports the fulfillment of the rights of people working in the industrial sector in Türkiye with its positive approach in industrial relations.

In this context, WAT negotiates the collective bargaining agreement with the Turkish Employers' Union of Metal Industrialists (MESS). The collective labor agreement is signed with a consortium of 124 companies in the metal sector. The collective bargaining agreement signed with this consortium also serves as a model for employers outside the consortium. Labor and employer unions also assess the country's economic conditions outside of the collective bargaining agreement process, conducting early wage adjustment negotiations through additional protocols.

In order to implement its strategy, WAT aims to ensure that qualified employees are remunerated fairly and competitively in the market, taking into account the size of the job, and the skills and competencies required for the job. WAT applies the principle of "equal pay for equal work" in all remuneration procedures. With this approach, WAT aims to provide competitive salaries to its employees. In addition, WAT's strategy includes differentiating according to performance by rewarding employees to motivate, engage and retain talent in the organization. Having similar principles in the remuneration of senior managers, WAT uses practices such as rewards to increase the motivation and retention of managers.

WAT undertakes exit interviews and analyses its employees' reasons for leaving. This enables the company to develop incentives to motivate its employees to stay with the company.

By focusing on giving people the skills they need and creating the most skilled and inclusive workplace, WAT is maximizing its collective potential to develop solutions to address some of society's most pressing challenges.

All these approaches are reflected in the remuneration and other benefits offered to employees at WAT.

Some of the employee benefits are:

- WAT applies the principle of "equal pay for equal work" in all remuneration procedures and pays similar wages to employees performing similar jobs. With this approach, WAT aims to provide competitive salaries to its employees.
- Flextra: In addition to the principle of equal pay for equal work, WAT offers different and comprehensive advantages to support its employees and monthly paid employees can benefit from Flextra, an application exclusive to Arçelik and WAT.
- Depending on the budget allocated, employees are offered many options, including life insurance, gift cards, check-ups and individual pension plans.
- WAT's HIT: With HIT, employees are rewarded for their outstanding performance.
- WAT's "Extraordinary": The Koç Dialogue system covers the appreciation and rewards applied to employees who are selected as "Extraordinary" as a result of performance evaluations.
- Private Health Insurance options: Health insurance is provided free of charge to all new employees. What's more, a new employee can also include their family in the complimentary health insurance, or instead opt for private health insurance for themselves and their family.
- Koç Holding Retirement Fund: When an employee applies for retirement, a pension is provided in line with their savings, and private health insurance continues for life if the employee so chooses.
- Professional and Personal Development Training: In addition to the mandatory and optional training provided to employees, there is access to training in areas where employees want to improve themselves. Support is provided to research and organize vocational training programs that develop the competence and technical knowledge of employees, creating new demands in training institutions and providing greater ease of access.
- Discounts on Company Products: Thanks to the use of the Arçelik shop system, products can be purchased with discounted and installment payment options for white goods purchases.
- Financing Support: In order to support the cash needs of the employee in cases of house and vehicle purchases, illness, marriage and divorce, installment repayment support is provided up to double the salary level.
- Social Assistance: Cash and non-refundable support are provided to the employee in case of birth, death, marriage.
- Education: In addition to the education support provided once a year for the children of employees, eligible students can benefit from MESS and Foundation scholarships.
- Lunch: An optional menu with meat/vegetables is served every lunch.
- Medical Service: A Workplace physician services are provided beyond the workplace physician service periods determined by law; the infirmary is kept open for three shifts even if not legally required, and a professional medical team is available when intervention is required.
- Public Transport: A shuttle service is provided to employees on all shifts, and temporary special measures are implemented for woman employees to be taken closer to their homes (especially on night shifts).

WORKFORCE BREAKDOWN BY CONTRACT TYPE

WAT Motor	Gender	2019	2020	2021	2022	2023
Permanent Contract	Woman	43	46	51	114	117
	Man	424	426	557	765	680
Temporary Contract	Woman	5	7	26	17	12
	Man	19	75	141	53	77

WAT Mobilite	Gender	2019	2020	2021	2022	2023
Permanent Contract	Woman	N/A	N/A	N/A	N/A	6
	Man	N/A	N/A	N/A	N/A	23
Temporary Contract	Woman	N/A	N/A	N/A	N/A	3
	Man	N/A	N/A	N/A	N/A	0

WORKFORCE BREAKDOWN BY EMPLOYMENT TYPE

WAT Motor	Gender	2019	2020	2021	2022	2023
Full Time	Woman	48	53	77	131	129
	Man	443	501	698	818	757
Part Time	Woman	0	0	0	0	0
	Man	0	0	0	0	0

WAT Mobilite	Gender	2019	2020	2021	2022	2023
Full Time	Woman	N/A	N/A	N/A	N/A	9
	Man	N/A	N/A	N/A	N/A	23
Part Time	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0

EMPLOYEE ENGAGEMENT AND EMPLOYEE EXPERIENCE

All work carried out at WAT is designed in line with the principle of keeping employee experience and loyalty at the highest level.

At WAT, the work and organizations of teams such as Human Resources and Employee Experience throughout the company to improve the working experiences of their colleagues are collected in the "Good Practice Guide". The Good Practice Guide prepared by the employee experience team is shared with Koç Holding and at employee communication meetings.

WAT strives to keep employee loyalty at the highest level with the Good Practice Guide, which includes many examples within the company, from the renovation of socialization areas within the facility to the renewal of workwear, from career and leadership-oriented conversations and training to the Future On Internship program, from summer welcome parties to events where employee achievements are celebrated together.

Actions and activities are increased according to the results of the employee experience survey applied to employees, and the demands and requests of the employees are constantly taken into consideration. Thus, WAT tries to realize the experience demands of its employees until the next survey takes place and aims to ensure that the practices thereby implemented contribute positively to the survey.

WAT gives welcome packages to both young talents starting internships and newly recruited colleagues. In addition, it aims to make special occasions most special for employees and to celebrate them with various events and gifts as a reward for the value that employees bring to the company.

FAMILY AND SPECIAL MOMENTS

» Internal communication activities and social events for employees and their families

» Special and difficult moments such as birthday, work anniversary, illness, birth, loss of a relative (family focus)

WORKING LIFE JOURNEY

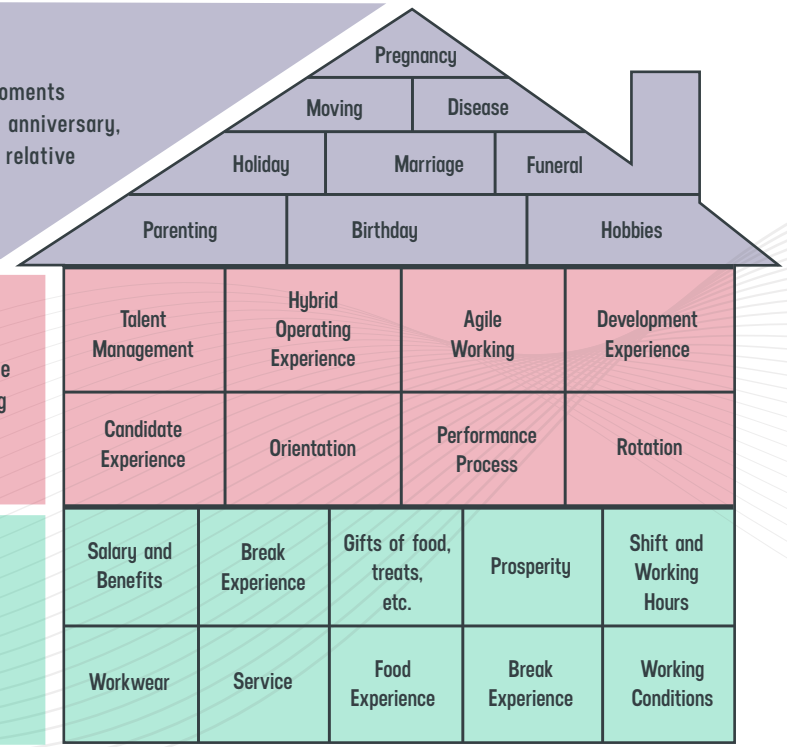
» Activities to Support Leaders

» Hybrid and Flexible Working Practices

» Critical steps in the life of an employee starting with the candidate experience.

HYGIENE AND KEY FACTORS

» All key factors such as food, service, working conditions.



EMPLOYEE SATISFACTION

The employee experience journey at WAT consists of the realization of initiatives on many issues ranging from the daily experiences of employees to their experiences in difficult and special moments. Among these issues, the experiences shared by leaders with their colleagues have a very important place in shaping the experiences of their colleagues.

In 2023, in order to strengthen the experience of WAT leaders in their spheres of influence, Koç Holding Human Resources Directorate launched the Employee Experience (EX) Action Coach structure together with the Employee Experience teams.

Click on the link to discover how WAT works to keep employee satisfaction at the highest level.

EMPLOYEE TURNOVER

WAT Motor	Gender	2019	2020	2021	2022	2023
Under 30 years old	Woman	0	0	0	0	1
	Man	6	0	2	4	8
30-50 years old (inclusive)	Woman	1	3	3	3	5
	Man	10	3	11	18	37
Over 50 years old	Woman	0	0	1	0	4
	Man	0	1	1	2	3

EMPLOYEE TURNOVER

WAT Mobilite	Gender	2019	2020	2021	2022	2023
Under 30 years old	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0
30-50 years old (inclusive)	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0
Over 50 years old	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0

Since WAT Mobilite is a newly established company, the employee turnover rate is zero.

NEW RECRUITS

NEW RECRUITS

WAT Motor	Gender	2023	WAT Mobilite	Gender	2023
Under 30 years old	Woman	11	Under 30 years old	Woman	4
	Man	118		Man	3
30-50 years old (inclusive)	Woman	1	30-50 years old (inclusive)	Woman	5
	Man	353		Man	19
Over 50 years old	Woman	0	Over 50 years old	Woman	0
	Man	1		Man	1

INVESTING IN YOUNG TALENTS

The Way Forward is Clear!

WAT's "Future on Internship" program is an important initiative that aims to bring sustainability work together with young talents. The program offers interns the opportunity to experience modern business processes such as Agility, continuous support, taking responsibility in projects and hybrid working model. In this context, it provides internship opportunities in human resources, production, production engineering, production planning, R&D, sustainability and environment, IT digitalization, finance and sales-marketing departments. As part of WAT's vision of developing a sustainable workforce, this program contributes to raising the leaders of the future.

Click here to learn more about the experiences of the interns who participated in the Future on Internship program.

WORK-LIFE BALANCE

WAT carries out its actions with due regard for the human rights of all its employees, the stakeholders with whom it interacts and those whom it impacts through its business activities along the value chain.

There is no compulsion for people working at WAT to work outside the working hours specified in law. WAT's working environment and practices are intended to protect work-life balance, and the company includes its responsibility in this context in its Human Resources Policy.

EMPLOYEE ENGAGEMENT SURVEY

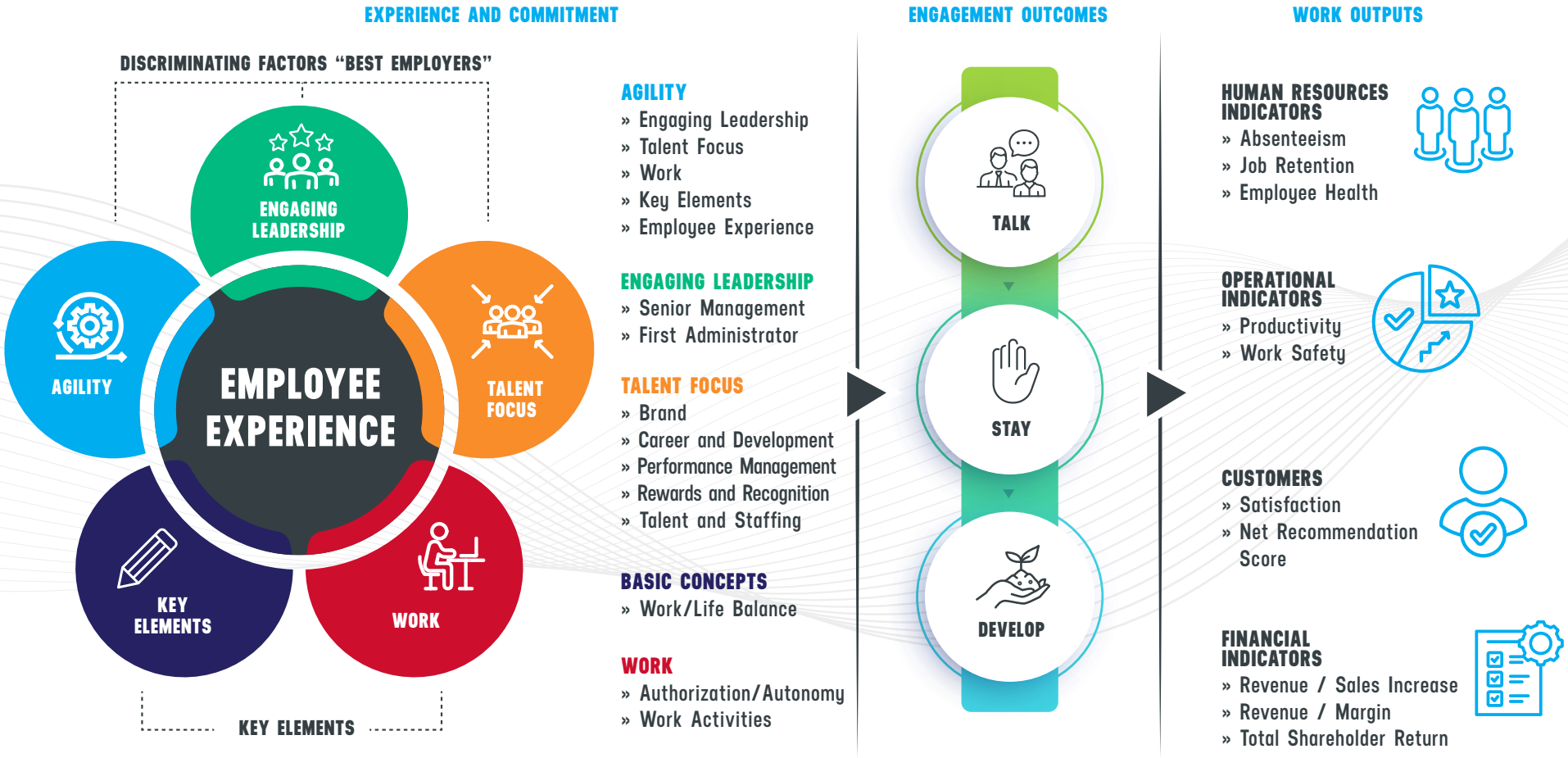
The most important step in developing a community is the desire of individuals to develop themselves. Communities formed by individuals who do not want to develop themselves cannot develop. In working people, the increase in the desire for development and the increase in commitment are directly proportional. A fully committed workforce is essential to create one that is happier, more satisfied and open to improvement. At WAT, working with the awareness of high commitment of the workforce means that employee commitment and OHS surveys are conducted regularly, and the results are evaluated. In line with the needs arising from the evaluation, actions focused on increasing employee loyalty are planned.

Employee engagement matters differently for each stakeholder. For example, an organizational structure that exhibits high engagement for customers may imply that the same value given to employees will be given to customers.

The Employee Engagement Survey conducted in 2023 was grouped under the main headings of core and differentiating elements (agility, enabling leadership, talent focus). The assessment included sections such as analysis of the aspects that differentiate the business from other organizations, engagement rates according to different business units and different demographic breakdowns, and analysis of engagement drivers.

The 2023 employee engagement assessment found the overall rate of employee engagement at WAT to be 57%. It has been determined that the most important factors that foster employee loyalty are WAT's emphasis on employee diversity and inclusiveness, high customer focus and brand value. In order to improve employee satisfaction, WAT will analyze the survey results, initiate improvement projects and carry out activities with the Employee Experience Improvement Agile Team, whose members include on-site and office employees. The team transparently shares its activities with WAT's employees.

EMPLOYEE EXPERIENCE AND ENGAGEMENT MODEL



CORPORATE SOCIAL RESPONSIBILITY

WAT communicates its approach and efforts in the field of sustainability and its developing projects; this is key to its performance in the social and governance pillars of sustainability. Corporate social responsibility projects increase WAT's positive impact on the stakeholders it interacts with, while making internal management processes more transparent and participatory. The successes achieved through corporate social responsibility projects contribute to WAT's achievement of its long-term strategic goals and support it in building a sustainable future.

The activities carried out within the scope of corporate social responsibility projects in WAT in 2023 were as follows.

I Want You to Know Interview Project

The "I Want You to Know" interview project is a series of interviews with four employees involved in WAT business processes, hosted by WAT Chief Technology Officer (CTO) and prepared for WAT employees. The project aimed to strengthen the bond between the employee and the organization and helped them to get to know each other better.

Click here for the "I Want You to Know" interview videos.

Transforming Answers Webinar Series

In the "Transforming Answers" webinar series, WAT employees - each an expert in their own field - shared important information about the industry and current innovations and technologies at WAT. Through three webinar sessions and ten Q&A sessions organized as part of this series, participants were provided with valuable tips on the efficient use of motors. In this way, the participants both increased their technical knowledge and awareness levels and gained sectoral awareness.

Click here to access the webinar shares.

Click here to access the question-and-answer sessions.

WAT Agenda Meetings

Every quarter, "WAT Agenda - Communication Meetings with our General Manager" are organized online with the participation of all company employees. These meetings enable senior management to transparently share its vision, achievements in the relevant quarter and company strategies with employees.

University Collaborations

WAT Motor carries out joint projects with various universities and research institutions within the scope of university-industry collaborations. These collaborations aim both to benefit from academic knowledge and research power and to develop innovative solutions for industrial needs. Especially in its R&D activities, WAT Motor works in close cooperation with universities in the development of new technologies and improvement of existing technologies. In this way, WAT Motor increases the performance and efficiency of its products, while providing industrial experience to students and academics.

A protocol has been signed with Yıldız Technical University Faculties of Mechanical Engineering, Electrical-Electronics and Science and Letters within the scope of the KOOP Education model. Through the KOOP Education model, students will be able to reinforce the academic knowledge they have gained by being involved in WAT's projects on a long-term basis.

Within the scope of the cooperation with Marmara University Faculty of Technology, Mechatronics Engineering Department, industrial asynchronous motors needed by the laboratories were provided. This project increased the applied education capacity of the university, enabling future engineers to receive better education. In addition, thanks to the installations made by WAT's technical teams, students have gained knowledge about real-world applications.

The cooperation between WAT Motor and our university is mutually beneficial. With the support of WAT Motor, the ITU Electrical Machinery Laboratory has many different types and models of WAT products. WAT Motor's R&D culture and expertise in industrial motor testing play an important role in student experiments and projects carried out in our laboratory. Our students graduate familiar with WAT Motor products and gain experience in the applications of different types of electric motors.

Our communication with WAT Motor is very efficient thanks to the direct cooperation provided within a corporate structure, which contributes to the strengthening of the practical stages of academic studies. In particular, the fact that WAT Motor is an R&D center and that graduates of our university can become potential WAT Motor employees is one of the strengths of our cooperation. In the near future, we aim to further deepen our cooperation with WAT Motor to improve the R&D capabilities of our laboratory and to realize sustainability projects. In addition, the technical support and product supply provided to the ITU Electric Vehicle Team, of which WAT Motor is the main sponsor, contributes greatly to the success of our team in national and international competitions. This comprehensive support provided by WAT Motor to our university plays an important role in increasing the quality of both our academic and applied studies and in the career development of our students.

Assoc. Prof. Dr. Derya Ahmet Kocabaş
ITU Electrical Machinery
Laboratory Supervisor,
ITU Electric Vehicle Team and
ITU Autonomous Boat Team
Academic Responsible

Software Development Hackathon

27 people (eight of them are woman) from WAT Office and on-site employees participated in a hackathon event themed on software development. The aim of this event was for employees to utilize teamwork and innovative thinking while improving their technical skills.

Click here for detailed information about WAT Hackathon.

On-site Employee Development Days

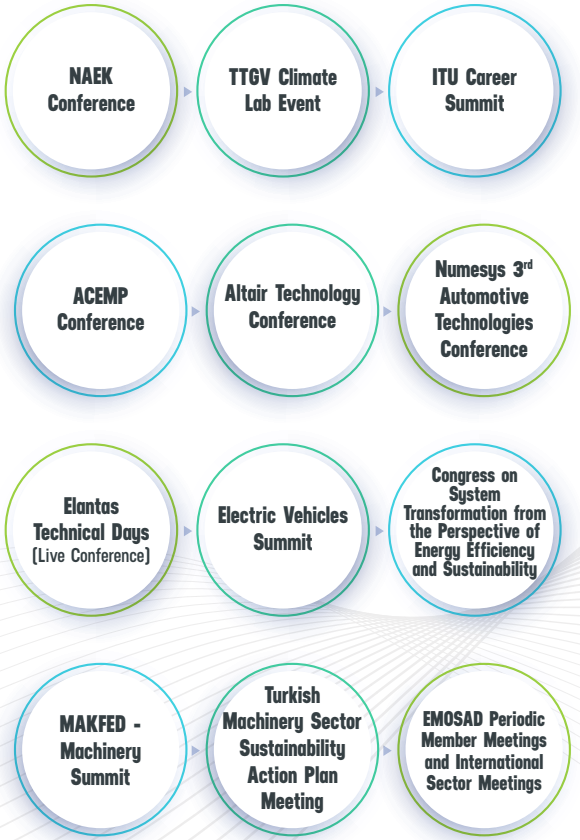
The on-site employee development days were attended by 300 field employees, 57 of whom were women. The two-day development experience days were enriched with prizes, competitions and delicious snacks. The aim of this event was to increase the motivation of employees and strengthen their commitment at work.

Internal Stakeholder Experiences

WAT conducted a large-scale interview study throughout the year in order to understand the experiences of its employees and to improve processes. In the field study conducted in February with 24 employees (12 field employees and 12 office employees), employees' views on business processes were obtained and gamified listening sessions were organized in two groups. The activities played an important role in understanding the needs and expectations of employees.

Fair Participations and Visits

Conference, Summit, Congress and Sectoral Meeting Attendance



Trekking Activities

Aware of the importance of sports in protecting employee health, WAT organized trekking activities to Kıyıköy, Kuzuludere and Belgrad with the Nature Sports Club, and garbage collection activities were also organized to raise environmental awareness.

Sport Activities

In 2023, WAT participated in the Koç Group Sports Festivals with a total of 23 employees playing football or table tennis. WAT's football team ranked first, and our table tennis team ranked fourth. In addition, WAT participated in the Koç Group Tennis League with its court tennis team in 2023 and ranked third in this field.

Sports teams have been established with our friends who are interested in sports such as bowling, table tennis, volleyball, basketball, tennis, etc. in order to socialize with others in the company. In addition to team sports, WAT employees are also encouraged to participate in individual sports such as diving. Efforts are made to come together for training and meetings at certain intervals.

N Kolay Marathon Istanbul

In the marathon, in which WAT Motor employees Abdullah Yıldız and Serhat Güneri participated, Abdullah Yıldız ranked first in the general classification in the 10 km stage. Such sporting events increase employee motivation and strengthen solidarity within the company.

June 5 World Environment Day Event

On June 5, World Environment Day, WAT came together with Pınarça Primary-Secondary School students and organized Environmental and Energy Efficiency Training to instill environmental awareness in children and emphasize the importance of environmentally friendly technologies in a sustainable world. Following the training, linden, pine and walnut saplings were planted in the school garden with the participation of municipal and local authorities in order to protect natural resources, create a clean environment and support biodiversity. In order to understand the importance of energy efficiency and improve their ability to recognize energy-efficient products, students were hosted at a stand where high energy-efficient and low energy-efficient motors were compared with a product stand and instant energy measurement unit, and practical energy efficiency information was provided by WAT employees. With the participation of WAT management team and many local authorities, a great team spirit was created with children and young people on this meaningful day.

Click here for detailed information about the World Environment Day awareness campaign.

International Women's Day

WAT celebrated International Women's Day for all its woman employees and presented them with special gifts. This event makes woman employees feel valued, while emphasizing Gender Equality from the Sustainable Development Goals and WAT's support for gender equality in the workplace.

Company Anniversary and Service Awards

WAT celebrated the company's anniversary with the participation of all its employees and presented service awards to 39 senior employees who have completed 10, 20, 25 and 30 years of service as a recognition of their work.

Farewell to Summer Barbecue Party

This social event, organized with the participation of all employees at the beginning of September, reinforced employee motivation and unity.

WAT's Night

At WAT, 158 employees from the teams performing Agile work celebrated their achievements focused on developing collaboration at an event called WAT's Night.

Earthquake Relief Campaign

After the earthquake disaster in Kahramanmaraş on 6 February 2023, WAT launched an aid campaign and ensured that the collected aid was delivered to the region under the coordination of Arçelik. Similarly, an aid campaign was organized for the children in the earthquake zone on 23 April and a package of drawing/painting notebooks and pencils was delivered to the region.

ANNEXES

ASSURANCE LETTER

Independent Assurance Opinion Statement

To the Management of WAT Motor Sanayi ve Ticaret A.S.,

Scope and Objectives:

TÜV SÜD Turkey was commissioned by WAT Motor Sanayi ve Ticaret A.S. to conduct independent assurance of its 2023 Sustainability Report ('the Report'), as published on the company's website at https://www.wat.com.tr/sustainability/ and to carry out an independent verification of selected environmental and social indicators for the reporting period January 1, 2023, to December 31, 2023. Independent verification includes the indicators below under the 7 categories (energy management, water management, waste management, air emission management, talent management, "İş'te Eşitlik", supplier management);

Energy Management;
- Total energy consumption including; electricity consumption, natural gas consumption, diesel consumption, LPG consumption, Acetylene
- Renewable energy consumption
- Ratio of green electricity usage
- Ratio of green energy usage
- Energy intensity

Water Management;
- Total water withdrawal (municipal water, surface water, groundwater, seawater)
- Discharged water
- Process water usage
- Ratio of process water recycling and reuse
- Ratio of water recycling and reuse in total water withdrawal
- Total TSS
- Total COD
- Total Oil and Grease

Waste Management;
- Total Hazardous waste
  - Incineration (with energy recovery)
  - Incineration (without energy recovery)
  - Landfill
  - Recycling
  - Other disposal methods
- Total Non-hazardous Waste
  - Incineration (with energy recovery)
  - Incineration (without energy recovery)
  - Landfill
  - Recycling
  - Other disposal methods

Air Emissions Management;
- CO
- NO
- NO2
- NOx
- SO2
- TOZ
- HCl
- TOC

Talent Management;
- Employee OHS Training
- Training hours in "Gelişim Birlikte Güzel Leadership"
- Training hours in "Gelişim Birlikte Güzel Core"
- Training hours in "Gelişim Birlikte Güzel Technical"

"İş'te Eşitlik";
- The number of women employment ("Kadın İş Gücü Dönüşümü" project)
- The difference of women employment in years ("Kadın İş Gücü Dönüşümü" project 2021-2023)
- Hourly Wage Equality (Gender pay gap for hourly workers in the same position)
- Monthly Salary Equality (Gender pay gap for monthly salaried workers in the same position)

Supplier Management;
- Total number of significant suppliers
- Total number of significant suppliers in Tier-1
- Total number of significant suppliers in Tier-2
- Percentage of total purchasing euro volume on significant suppliers in Tier-1
- Total number of unique significant suppliers assessed
- Percentage of total purchasing volume on significant suppliers assessed
- Total number of unique significant suppliers with substantial potential/actual negative impacts supported in corrective action plan implementation
- Percentage of total purchasing euro volume on suppliers with substantial potential/actual negative impacts supported in corrective action plan implementation

Our assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard AA1000AS v3.

TÜV SÜD's approach

TÜV SÜD's assurance engagements are carried out in accordance with our verification procedure. Reviewing the data collection and consolidation processes used to compile selected data, including assumptions made, and the data scope and reporting boundaries; We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We were engaged to provide Type 2 moderate level assurance, which covers:

• Evaluation of adherence to the AA1000AS v3 principles of inclusivity, materiality and responsiveness and impact (the Principles); and

• The reliability of specified sustainability performance information along with related claims in the report including:

- Desk review
- Site visit
- Data sampling
- Reporting

Inclusivity, Materiality, Responsiveness and Impact principles;

WAT Motor Sanayi ve Ticaret A.S. has made a commitment to it's stakeholders. The participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability.

WAT Motor Sanayi ve Ticaret A.S. publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the WAT Motor Sanayi ve Ticaret A.S.'s materiality issues.

WAT Motor Sanayi ve Ticaret A.S. has implemented the practice to respond to the expectations and perceptions of its stakeholders.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Independence/Responsibilities of WAT Motor Sanayi ve Ticaret A.S. and of the Assurance Providers

TÜV SÜD was not involved in collecting and calculating data, or in the development of the Report. TÜV SÜD's activities are independent from WAT Motor Sanayi ve Ticaret A.S.. WAT Motor Sanayi ve Ticaret A.S. has sole responsibility for preparation of the Report. In performing our assurance work, our responsibility is to the management of WAT Motor Sanayi ve Ticaret A.S.

The assurance team was composed of lead auditors and carbon footprint verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, and ISO 9001 EU ETS, GS, VCS, ISO 50001 etc. "Add value. Inspire trust." Since it was established more than 150 years ago, TÜV SÜD has been guided by this purpose: to make progress attainable by protecting people, the environment and assets from technology-related risks. More than 26,000 employees at over 1,000 locations in around 50 countries around the world work to provide safety, security, certainty and added value for our customers.

Materiality Analysis

WAT Motor Sanayi ve Ticaret A.S. publishes sustainability information that enables its stakeholders to make informed judgments regarding the company's management and performance. In our professional opinion, the report covers WAT Motor Sanayi ve Ticaret A.S.'s materiality issues, their related business impact, and the associated risks and opportunities.

WAT Motor Sanayi ve Ticaret A.S. has implemented the practice of responding to the expectations and perceptions of its stakeholders. Furthermore, in 2023, the company conducted a materiality assessment process based on the principles of dynamic materiality and double materiality, in line with the European Union Corporate Sustainability Reporting Directive and the methodology provided by the European Financial Reporting Advisory Group.

TÜV SÜD's Opinion

Based on TÜV SÜD's approach, we believe that WAT Motor Sanayi ve Ticaret A.S. has:

- Met the requirements above
- Disclosed accurate and reliable data for selected environmental performance indicators.

Verified Data:

ENVIRONMENTAL PERFORMANCE INDICATORS		
Energy Management		
Metric Name	**Unit**	**Value**
Total Energy Consumption	GJ	49,499.7
Electricity consumption *	MWh	7,297.2
Electricity consumption *	GJ	26,270.0
Naturalgas consumption	Sm3	655,524.4
Naturalgas consumption	MWh	6,974.8
Naturalgas consumption	GJ	22,638.2
Diesel consumption	L	12,619.0
Diesel consumption	MWh	
Diesel consumption	GJ	447.2
LPG consumption	kg	1,416.0
LPG consumption	MWh	
LPG consumption	GJ	64.6
Acetylene	kg	1,458.0
Acetylene	MWh	
Acetylene	GJ	79.7
Renewable energy consumption	GJ	26,270
Ratio of green electricity usage	%	100.00
Ratio of green energy usage	%	53.07
Energy intensity	kwh/product kW	6.33

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

Water Management		
Metric Name	**Unit**	**Value**
Total water withdrawal	m3	18,677
Municipal water	m3	18,677
Surface water	m3	0
Groundwater	m3	0
Seawater	m3	0
Discharged water	m3	16,058
Process water usage	m3	2,619
Ratio of process water recycling and reuse	%	100
Ratio of water recycling and reuse in total water withdrawal	%	14
Total TSS**	ton	6

Total COD**	ton	19
Total Oil and Grease**	ton	2
*** The calculations have been based on the results of domestic wastewater quality analysis.*		

Waste Management

Metric Name	Unit	Value
Hazardous waste		
Incineration (with energy recovery)	ton	0
Incineration (without energy recovery)	ton	0.022
Landfill	ton	0
Recycling	ton	412.73
Other disposal methods	ton	0
Total hazardous waste	ton	412.75
Non-hazardous Waste		
Incineration (with energy recovery)	ton	0
Incineration (without energy recovery)	ton	0
Landfill	ton	143.463
Recycling	ton	0
Other disposal methods	ton	7,570.15
Total non-hazardous waste	ton	7,713.61

Air Emissions Management

Metric Name	Unit	Value
CO	ton	0.30
NO	ton	9.14
NO2	ton	0.56
NOx	ton	9.71
SO2	ton	0.40
TOZ	ton	8.10
HCl	ton	0.74
TOC	ton	64.74

Talent Management

Metric Name	Unit	Value
Employee OHS Training	hour	8,123
Training hours in "Gelişim Birlikte Güzel Leadership"	hour	614
Training hours in "Gelişim Birlikte Güzel Core"	hour	13,762
Training hours in "Gelişim Birlikte Güzel Technical"	hour	34,155

İş'te Eşitlik

Metric Name	Unit	Value
Training hours of women employment ("Kadın İş Gücü Dönüşümü" Project)	hour	7470
The difference of women employment in years ("Kadın İş Gücü Dönüşümü" Project 2021-2023)	%	14.60
Hourly Wage Equality* (Gender pay gap for hourly workers in the same position)	%	0.00
Monthly Salary Equality* (Gender pay gap for monthly salaried workers in the same position)	%	1.54
*** if the difference >0, it indicates that female employees earn more."*		

Supplier Management

Metric Name	Unit	Value
Total number of significant suppliers	piece	208
Total number of significant suppliers in Tier-1	piece	151
Total number of significant suppliers in Tier-2	piece	57
Percentage of total purchasing euro volume on significant suppliers in Tier-1	%	81.52
Total number of unique significant suppliers assessed	piece	54
Percentage of total purchasing volume on significant suppliers assessed	%	76.51
Total number of unique significant suppliers with substantial potential/actual negative impacts supported in corrective action plan implementation	piece	4
Percentage of total purchasing euro volume on suppliers with substantial potential/actual negative impacts supported in corrective action plan implementation	%	3.22

Mehmet Kumru

Head of Sustainability, Director

Date: 08.07.2024

AA1000
Licensed Assurance Provider
000-473

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

ENERGY MANAGEMENT

METRIC	UNIT	2019	2020	2021	2022	2023
Electricity consumption *	MWh	5,305	5,531	6,830	6,722	7,297
Electricity consumption *	GJ	19,097	19,910	24,589	24,199	26,270
Natural gas consumption	Sm^3	459,790	577,805	704,998	656,254	655,524
Natural gas consumption	MWh	4,892	6,148	7,501	6,983	6,975
Natural gas consumption	GJ	15,879	19,954	24,347	22,663	22,638
Diesel consumption	L	11,490	7,055	9,131	12,568	12,619
Diesel consumption	GJ	407	250	324	445	447
LPG consumption	kg	7,834	2,194	360	959	1,416
LPG consumption	GJ	357	100	16.4	43.8	64.6
Acetylene	kg	594	594	819	1,224	1,458
Acetylene	GJ	32.5	32.5	44.8	66.9	79.7
Total Energy Consumption	GJ	35,773	40,247	49,320	47,419	49,500
Renewable energy consumption	GJ	19,097	19,910	-	24,199	26,270
Green electricity utilization rate	%	100	100	0	100	100
Green energy utilization rate	%	53.4	49.5	49.9	51.0	53.1
Energy Performance	GJ/product kW	0.0282	0.0247	0.0225	0.0207	0.0228
Energy intensity**	TOE/TL	N/A	N/A	5.60	4.04	4.45
Energy intensity	kWh/product kW	7.84	6.86	6.25	5.75	6.33
Energy intensity reduction	%	N/A***	13	9	8	-10

*Electricity consumption is 100% supplied from renewable energy sources.
**Based on 2021, TOE/GNP is calculated in TL and targeted as 5.08 TOE/TL for 2026.
***Since WAT completed the process of spin-off from Arçelik A.Ş. and transition to a separate company structure at the end of 2018 Q2, the comparison of energy consumption in 2019 is not included.

WATER MANAGEMENT

METRIC	UNIT	2019	2020	2021	2022	2023
Mains Water	m^3	15,344	14,656	16,460	16,091	18,677
Surface water	m^3	-	-	-	-	-
Groundwater	m^3	-	-	-	-	-
Sea water	m^3	-	-	-	-	-
Total Water Withdrawal	m^3	15,344	14,656	16,460	16,091	18,677
Discharged Water	m^3	13,503	12,897	14,485	14,160	16,058
Process Water Use	m^3	1,841	1,759	1,975	1,931	2,619
Total Suspended Solids**	tonnes	5,797	5,537	6,219	6,079	6,894
Total Chemical Oxygen Demand**	tonnes	13,692	13,078	14,688	14,358	16,283
Total Oil and Grease**	tonnes	348	333	374	365	414

AIR EMISSIONS MANAGEMENT

METRIC	UNIT	2019	2020	2021	2022	2023
CO	tonnes	0.077	0.705	0.705	0.302	0.302
NO	tonnes	0.475	0.764	0.764	9.143	9.143
NO_2	tonnes	0.734	0.018	0.018	0.564	0.564
NO_x	tonnes	-	1.188	1.188	9.707	9.707
SO_2	tonnes	0.003	0.071	0071	0.402	0.402
Dust	tonnes	1.616	4173	4.173	8.098	8098
HCl	tonnes	-	0	0	0.740	0..740
TOC	tonnes	39.4	11.1	11.1	64.7	64.7
VOC	tonnes	2.58	0	0	-	
Particulates	tonnes	0.426	0.034	0.034	0.034	0.034

WASTE MANAGEMENT

METRIC	UNIT	2019	2020	2021	2022	2023
Hazardous Waste						
Incineration (as energy recovery)	tonnes	0	0	0	0	0
Incineration (without energy recovery)	tonnes	0	0	0	0	0.022
Landfill	tonnes	0	0	0	0	0
Recycling	tonnes	124	163	259	463	413
Other disposal methods	tonnes	-	-	-	-	-
Total hazardous waste	tonnes	124	163	259	463	413
Non-Hazardous Waste						
Incineration (as energy recovery)	tonnes	0	0	0	0	0
Incineration (without energy recovery)	tonnes	0	0	0	0	0
Landfill	tonnes	79.7	79.2	109	149	143
Other disposal methods	tonnes	0	0	0	0	0
Recycling	tonnes	3,366	5,873	7,731	9,016	7,570
Total non-hazardous waste	tonnes	3,445	5,952	7,839	9,165	7,714

CORPORATE CARBON FOOTPRINT

METRIC	UNIT	2019	2020	2021	2022	2023
Scope 1	tonnes CO_2 equivalent	1,063	1,243	1,597	1,565	1,823
Scope 2	tonnes CO_2 equivalent	2,298	2,289	2,880	2,833	3,088
Scope 3	tonnes CO_2 equivalent	30,357,601	24,021,365	52,665,718	48,693,788	38,132,180
Total	tonnes CO_2 equivalent	30,360,962	24,024,897	52,670,195	48,698,186	38,137,091

SOCIAL PERFORMANCE INDICATORS

WORKFORCE BREAKDOWN BY EMPLOYMENT TYPE

WAT		2019	2020	2021	2022	2023
Full Time	Woman	48	53	77	131	129
	Man	443	501	698	818	757
Part Time	Woman	0	0	0	0	0
	Man	0	0	0	0	0
WAT Mobilite		**2019**	**2020**	**2021**	**2022**	**2023**
Full Time	Woman	N/A	N/A	N/A	N/A	9
	Man	N/A	N/A	N/A	N/A	23
Part Time	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0

WORKFORCE BREAKDOWN BY GENDER

WAT	UNIT	2019	2020	2021	2022	2023
Woman	person	48	56	77	132	130
Man	person	443	501	698	818	757
WAT Mobilite	**UNIT**	**2019**	**2020**	**2021**	**2022**	**2023**
Woman	person	N/A	N/A	N/A	N/A	9
Man	person	N/A	N/A	N/A	N/A	23

WORKFORCE BREAKDOWN BY CATEGORY

WAT	Gender	2019	2020	2021	2022	2023
Hourly paid	Woman	23	29	48	92	88
	Man	325	393	577	649	611
Monthly paid	Woman	25	27	29	40	42
	Man	118	108	121	169	146
WAT Mobilite	**Gender**	**2019**	**2020**	**2021**	**2022**	**2023**
Hourly paid	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0
Monthly paid	Woman	N/A	N/A	N/A	N/A	9
	Man	N/A	N/A	N/A	N/A	23

WORKFORCE BREAKDOWN BY CONTRACTING PROCESS

WAT	Gender	2019	2020	2021	2022	2023
Permanent Contract	Woman	43	46	51	114	117
	Man	424	426	557	765	680
Temporary Contract	Woman	5	7	26	17	12
	Man	19	75	141	53	77
WAT Mobilite	**Gender**	**2019**	**2020**	**2021**	**2022**	**2023**
Permanent Contract	Woman	0	0	0	0	6
	Man	0	0	0	0	23
Temporary Contract	Woman	0	0	0	0	3
	Man	0	0	0	0	0

WORKFORCE BREAKDOWN BY AGE GROUP AND GENDER

WAT	Gender	2019	2020	2021	2022	2023
Under 30	Woman	15	11	23	55	47
	Man	69	88	212	291	286
30-50 (inclusive)	Woman	32	41	54	75	81
	Man	364	393	469	498	453
Over 50	Woman	1	1	0	1	1
	Man	10	17	17	29	18
WAT Mobilite	**Gender**	**2019**	**2020**	**2021**	**2022**	**2023**
Under 30	Woman	N/A	N/A	N/A	N/A	4
	Man	N/A	N/A	N/A	N/A	3
30-50 (inclusive)	Woman	N/A	N/A	N/A	N/A	5
	Man	N/A	N/A	N/A	N/A	19
Over 50	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	1

WORKFORCE BREAKDOWN BY AGE GROUP AND GENDER AT EXECUTIVE LEVEL

WAT	Gender	2019	2020	2021	2022	2023
Under 30	Woman	0	0	0	0	0
	Man	0	0	0	0	0
30-50 inclusive	Woman	1	1	1	2	3
	Man	10	9	10	16	2
Over 50	Woman	0	0	0	0	0
	Man	3	3	2	1	10
WAT Mobilite	**Gender**	**2019**	**2020**	**2021**	**2022**	**2023**
Under 30	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0
30-50 inclusive	Woman	N/A	N/A	N/A	N/A	2
	Man	N/A	N/A	N/A	N/A	5
Over 50	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	6

EMPLOYEE TURNOVER

WAT	Gender	2019	2020	2021	2022	2023
Under 30	Woman	0	0	0	0	1
	Man	6	0	2	4	8
30-50 inclusive	Woman	1	3	3	3	5
	Man	10	3	11	18	37
Over 50	Woman	0	0	1	0	4
	Man	0	1	1	2	3
WAT Mobilite	**Gender**	**2019**	**2020**	**2021**	**2022**	**2023**
Under 30	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0
30-50 inclusive	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0
Over 50	Woman	N/A	N/A	N/A	N/A	0
	Man	N/A	N/A	N/A	N/A	0

NEW RECRUITS

WAT	Gender	2023	WAT Mobilite	Gender	2023
Under 30	Woman	11	Under 30	Woman	4
	Man	118		Man	3
30-50 (inclusive)	Woman	13	30-50 (inclusive)	Woman	5
	Man	53		Man	19
Over 50	Woman	0	Over 50	Woman	0
	Man	1		Man	1

NUMBER OF EMPLOYEES ON MATERNITY LEAVE

WAT	2023	WAT Mobilite	2023
Number of Employees on Maternity Leave (3 employees are still on maternity leave during the reporting period)	4	Number of Employees on Maternity Leave	4
Number of Employees Returning to Work after Maternity Leave	1	Number of Employees Returning to Work after Maternity Leave	0

OCCUPATIONAL HEALTH AND SAFETY METRICS

METRIC	2019	2020	2021	2022	2023
Working Hours	949,223	957,980	1,435,263	2,003,557	1,917,663
*Accident Frequency Rate (LTIF)	6.32	12.53	6.27	9.48	15.12
**Accident Severity Rate (LWIR)	0.16	0.24	0.11	0.22	0.45
Number of Lost Days	152	231	154	450	854
Number of Accidents with Lost Time	6	12	9	19	29
***Number of Recorded Accidents (TRIF)	N/A	N/A	15	20	42
Occupational Disease Rate	0	0	0	0	0

*Lost Time Incident Frequency (LTIF) Rate = Number of injuries that cause employees to lose at least one working day / Total official working hours x 1,000,000
**Lost Workday Incidence Rate (LWIR) = Number of days lost due to accidents excluding fatalities / Total official working hours x 1,000
***Number of accidents registered according to Koç Group Standard = Accidents with medical treatment + Accidents with lost days + Fatal accidents

GOVERNANCE PERFORMANCE INDICATORS

METRIC	2019	2020	2021	2022	2023
Total number of significant suppliers	160	174	186	222	208
Total number of significant suppliers in Tier-1	115	127	123	164	151
Total number of significant suppliers in Tier-2	45	47	63	58	57
Percentage of total procurement (€) to key suppliers in Tier-1	0,9	91	89	77	81.52
Total number of uniquely important suppliers assessed	1	20	24	58	54
Ratio of total procurement volume to key suppliers	1%	22	37	77	76.51
Number of unique significant suppliers supported with significant potential/actual adverse impacts in corrective action plan implementation	N/A	N/A	N/A	4	4
Percentage of total procurement (€) from suppliers with significant potential or actual negative impacts on corrective action plan implementation	N/A	N/A	N/A	4.76	3.22

CORPORATE GOVERNANCE TABLE

ORGANIZATION CHART

BOARD OF DIRECTORS

Rahmi M. Koç
President

Ömer M. Koç
Vice President

Semahat S. Arsel
oard Member

Ali Y. Koç
Board Member

Levent Çakıroğlu
Board Member

Fatih K. Ebiçlioğlu
Board Member

Cemal Şeref Oğuzhan Öztürk
Board Member - General Manager

MANAGEMENT COMMITTEE

Cemal Şeref Oğuzhan Öztürk
Board Member - General Manager

Barış Tuğrul Ertuğrul
Member. CTO

Gökhan Otaç
Member. CFO

Utku Yazıcıoğlu
Member

Onur Taneri
Member

Zehra Karağöz
Member

Fatma Taycı
Member

İlhan Göksu
Member

WAT ETHICS COMMITTEE

Fatih K. Ebiçlioğlu
President

Cemal Şeref Oğuzhan Öztürk
Member

Gökhan Otaç
Member

Zehra Karağöz
Member

Cansın Yavuz
Member

WAT SUSTAINABILITY COMMITTEE

Fatih K. Ebiçlioğlu
President

Cemal Şeref Oğuzhan Öztürk
Member

Gökhan Otaç
Representative (Appointed)

WAT RISK COMMITTEE

Fatih K. Ebiçlioğlu
President

Cemal Şeref Oğuzhan Öztürk
Member

BOARD OF DIRECTORS

Members: Mustafa Rahmi Koç (Chairman), Mehmet Ömer Koç, Semahat Sevim Arsel, Yıldırım Ali Koç, Levent Çakıroğlu, Cemal Şeref Oğuzhan Öztürk

WAT's board of directors (the Board) consists of seven people and each of the Board members has experience related to the business strategy of the company. The Board identifies key Environmental, Social and Governance (ESG) issues, risks and opportunities and develops ESG policies accordingly. Internal guidelines, business procedures, etc. may be prepared for the effective implementation of these policies. The Board takes decisions regarding these policies and discloses new policies to the public. The Board convenes as long as required by the company's business. The Board of Directors held 10 physical meetings in 2023.

In these meetings, sufficient and transparent information on WAT's strategy and activities was received, thus enabling strategic evaluations; in addition, the Board Members were regularly informed about the company's performance and developments. WAT's strategic decisions were determined at the meetings. The quorum for meetings and decisions is determined by an absolute majority of the number of original members. Differing opinions and dissenting votes put forward at Board meetings are recorded in the minutes of the meetings, together with their justifications, if any, and the counter-arguments of the dissenting members are recorded in detail. Each member of the Board of Directors has one vote.

MANAGEMENT COMMITTEE

Members: Cemal Şeref Oğuzhan Öztürk, Barış Tuğrul Ertuğrul, Gökhan Otaç, Utku Yazıcıoğlu, Onur Taneri, Zehra Karağöz, Fatma Taycı, İlhan Göksu

The Management Committee consists of the general manager and members reporting directly to the general manager. It meets at least once a week. Committee tasks include managing the Agile organization, strategic planning, monitoring the overall performance of the company, making important business decisions and determining policies related to senior management. The Committee aims to strengthen coordination and communication among managers to ensure that the company achieves its overall strategic goals.

In 2023:

- Two strategy meetings were held with the participation of the Board and Koç Holding's CEO. Meeting notes were followed up with quarterly targets.
- 12 monthly review meetings were held with the participation of the Board.
- With the participation of WAT CEO, 42 weekly review meetings were held.

WAT'S NEXT

Members: Barış Tuğrul Ertuğrul, Gökhan Otaç, Utku Yazıcıoğlu, Onur Taneri, Zehra Karağöz, Fatma Taycı, İlhan Göksu, Mücahit Kartal, Didem Akın Solak, Ceyhun Altuğ İnan, Erdem Coşkun, Serhat Güneri, Cansın Yavuz

In an Agile organization, the management 'Scrum' team meets every day to evaluate the business processes. In these daily meetings, the status of ongoing projects is reviewed, problems encountered, and potential risks are discussed. Team members plan the work to be done that day and give information about the tasks completed the previous day. Customer feedback and changing priorities are also addressed to ensure that projects are on target. Sustainability and related issues and areas for improvement are also discussed in these meetings. Daily management meetings in this way support the team to work in harmony and projects to be completed on time. In 2023, WAT's Next Management Scrum Team held 298 meetings.

SDG INDEX

SDG GOALS	CONTRIBUTION OF WAT TO RELATED SDGs
Goal 4: Quality Education	WAT organizes various training programs to raise the educational level of its employees and the community. It increases the knowledge and skills of its employees through vocational training and development courses. It aims to improve the quality of education by supporting schools and educational institutions.
Goal 5: Gender Equality	WAT develops and implements policies to ensure gender equality in the workplace. It encourages women's participation in the workforce and supports them to take leadership positions. It contributes to gender equality through equal pay and opportunity policies. With the funding received from EBRD, WAT has made a commitment to increase the ratio of woman employees and support gender equality.
Goal 6: Clean Water and Sanitation	WAT uses technologies that will increase water savings in production processes. It develops various projects for the protection and efficient use of water resources. Closed water systems are used for water other than domestic water use, and water quality is monitored daily.
Goal 7: Accessible and Clean Energy	WAT increases access to clean energy through the production of energy-efficient motors and electric vehicle charging stations. Such products minimize environmental impact by reducing energy consumption.
Goal 8: Decent Work and Economic Growth	WAT offers fair and safe working conditions to its employees. It creates sustainable employment by contributing to economic growth. WAT increases employee satisfaction by keeping occupational health and safety standards high.
Goal 9: Industry, Innovation and Infrastructure	Supporting innovation with R&D investments, WAT promotes sustainable development in industry. The company advances industrial development with modern and sustainable infrastructure projects. It offers pioneering solutions in the sector with technology and innovation.

SDG GOALS	CONTRIBUTION OF WAT TO RELATED SDGs
Goal 10: Reducing Inequalities	WAT implements policies that promote inclusion in the workplace and provides equal opportunities to disadvantaged groups. It develops social responsibility projects to reduce inequalities. It contributes to social equality by increasing diversity and inclusion.
Goal 12: Responsible Consumption and Production	WAT increases resource efficiency through recycling and waste management projects. The company reduces its environmental impact by adopting sustainable production models and encourages responsible consumption through environmentally friendly product design and production.
Goal 13: Climate Action	WAT combats climate change through energy efficiency and renewable energy projects. It implements various environmental sustainability policies to reduce its carbon footprint. It informs communities through climate change awareness campaigns.
Goal 14: Life in Water	Developing a closed water system for the protection and sustainable use of water resources, WAT also contributes to efforts to protect marine ecosystems. It takes various measures to prevent water pollution, such as treating domestic wastewater. It supports aquatic life through environmental education and awareness projects.
Goal 15: Terrestrial Life	WAT carries out projects for the protection of forests and biodiversity. It takes initiatives to protect and restore natural habitats.
Goal 17: Partnerships for the Goals	WAT carries out collective work by implementing cooperation mechanisms with all its stakeholders, especially its suppliers, in line with its sustainability goals.

UNGC STATEMENT

UN GLOBAL COMPACT MAIN ISSUES	UN GLOBAL PRINCIPLES	WAT'S CONTRIBUTIONS TO THE UN GLOBAL COMPACT
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	WAT is aware of its employees and human power in all business processes and adopts a people-oriented approach. It organizes regular training programs to protect employee rights, ensure and improve occupational health and safety standards, and increase the effectiveness of its systems through investments and projects. It develops regulations for the protection of human rights and prepares a working environment in full compliance with these processes. WAT clearly states in its Human Resources Policy that safe and fair working conditions are provided and that it is against all kinds of inequality and human rights violations. It ensures compliance monitoring through regular audits. It carries out meticulous studies for every feedback through Ethics Committee activities and provides close follow-up to manage possible violations and weakness risks through the complaint management mechanism.
	Principle 2: Make sure that they are not complicit in human rights abuses.	WAT promotes respect for human rights in its supply chain and ensures that its business partners also comply with these principles. It conducts ethical compliance audits and development programs for its critical suppliers.

UN GLOBAL COMPACT MAIN ISSUES	UN GLOBAL PRINCIPLES	WAT'S CONTRIBUTIONS TO THE UN GLOBAL COMPACT
Labour	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	WAT respects the freedom to form unions and collective bargaining rights in order to protect the interests of workers. WAT is against unethical activity such as forced labor, child labor and discrimination in the workplace, and works are carried out to spread "open communication" and "accountability" cultures throughout the organization in order to prevent unethical or illegal actions. WAT operates an Ethical Principles Policy and periodically informs its employees and stakeholders about its policies. As its policies include the rules and commitments for working standards, it obtains compliance commitments from its employees through employment contracts and from its suppliers through employment contracts. WAT promotes cooperation with trade unions to protect the rights of employees to organize and bargain collectively.
	Principle 4: The elimination of all forms of forced and compulsory labour.	
	Principle 5: The effective abolition of child labour.	In order to prevent forced labor and child labor, strict audits are carried out in the supply chain, and it is ensured that business partners comply with these principles.
	Principle 6: The elimination of discrimination in respect of employment and occupation.	Diversity and inclusion policies are implemented in recruitment processes and equal opportunities are offered to all candidates.

UN GLOBAL COMPACT MAIN ISSUES	UN GLOBAL PRINCIPLES	WAT'S CONTRIBUTIONS TO THE UN GLOBAL COMPACT
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	WAT pays attention to R&D studies in order to develop environmentally friendly technologies in production. With the principle of "eco-design", WAT brings innovations to the sector with its projects to minimize all environmental impacts of the product throughout its life cycle. Producing IE3-IE4 class energy-efficient electric motors that help reduce energy consumption and emissions, EV chargers for electric vehicles designed to reduce the intensity of greenhouse gas emissions caused by the fuel use of vehicles and components for wind turbines that support the use of renewable energy is proof that WAT supports the transition to renewable energy sources. WAT acts in line with the Koç Group's goal of being carbon neutral while combating the climate crisis with its efforts. WAT supports environmental sustainability by investing in energy efficiency projects and environmentally friendly production technologies.
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	With instant energy monitoring systems, water consumption monitoring, waste generation assessments, chemical substance selection and approval processes, WAT carries out studies to make opportunities visible in order to fulfill its environmental responsibility. In order to increase environmental responsibility, the company organizes in-house training programs and instills environmental awareness in its employees. Cooperation is established with universities and research institutions to develop environmentally friendly technologies.
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	WAT implements an Environmental Commitment and Chemical Compliance specification in its hiring contracts to ensure that the supply chain shares environmental responsibility. The supplier selection and evaluation system assess and audits the environmental, social and governance compliance of its suppliers and conducts development programs and non-compliance follow-up.

UN GLOBAL COMPACT MAIN ISSUES	UN GLOBAL PRINCIPLES	WAT'S CONTRIBUTIONS TO THE UN GLOBAL COMPACT
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	WAT has strict policies and practices against all forms of corruption. In the training given within the framework of business ethics principles, it is shared with the employees that throughout WAT there are zero concessions on the issues of combating bribery and corruption, preventing human rights violations, preventing discrimination and harassment. Transparency and honesty in all business activities have become a corporate culture. All anti-corruption practices are continuously monitored and updated through internal audit mechanisms.

CERTIFICATES AND MANAGEMENT SYSTEMS

WAT demonstrates its commitment to the environment and sustainability through certificates of compliance with various international management systems. These certificates prove the company's commitment to managing environmental impacts and delivering high quality products. In order to ensure the conformity of its systems and to access opportunities for continuous improvement, WAT conducts external audits of its systems every year and implements improvements accordingly.

DOCUMENT NAME	DOCUMENT DESCRIPTION
ISO 9001:2015 Quality Management System	ISO 9001:2015 Quality Management System certification was obtained on 5 July 2022 and is valid until 4 July 2025. This document demonstrates WAT's commitment to quality management.
ISO 14001:2015 Environmental Management System	ISO 14001:2015 Environmental Management System certification represents a commitment to managing environmental impacts. This certificate was also obtained on 5 July 2022 and is valid until 4 July 2025.
ISO 45001:2018 Occupational Health and Safety Management System	ISO 45001:2018 Occupational Health and Safety Management System certification was obtained on 30 December 2022 and is valid until 29 December 2025. This document demonstrates WAT's commitment to keeping the health and safety of its employees at the highest level.
ISO 50001:2018 Energy Management System	ISO 50001:2018 Energy Management System certificate was obtained on 22 March 2023 and is valid until 21 March 2026. This certificate supports the goal of minimizing the environmental footprint by increasing energy efficiency.
ISO 27001 Information Security Management System	The ISO 27001 Information Security Management System certificate covers WAT and other group companies of Koç Holding. The continuity of this certificate is monitored by Koç Holding.
ISO 14064 Greenhouse Gas Emissions Management System	ISO 14064 Greenhouse Gas Emissions Management System processes have been calculating greenhouse gas emission values in line with this standard since 2019 and have been regularly verified by an independent organization since 2021.

Click here to review our certificates.

GRI CONTENT INDEX

CONTENT INDEX ESSENTIALS SERVICE WITH REFERENCE OPTION 2024

For the Content Index – Essentials with Reference option Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

GRI STANDARD	Disclosures	Location and/or direct answers
GRI 1: Foundation 2021	WAT has reported the information cited in this GRI content index for the period 1 January 2023 - 31 December 2023 with reference to the GRI Standards.	
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 12-26: Corporate Profile
	2-2 Entities included in the organization's sustainability reporting	p. 5-6: About the Report
	2-3 Reporting period, frequency and contact point	Annual. p. 5-6: About the Report
	2-4 Restatements of information	WAT Motor 2023 Sustainability Report is published first time.
	2-5 External assurance	p. 151-153
	2-6 Activities, value chain and other business relationships	p. 12-26: Corporate Profile. 43-55: Value Chain Management-Corporate Memberships
	2-7 Employees	p. 120-150: People and Society
	2-8 Workers who are not employees	WAT employs all its employees within its own structure.
	2-9 Governance structure and composition	p. 28-30: Organization and Corporate Structure. 76-78: Sustainability Governance. 157-158: Corporate Governance Table
	2-10 Nomination and selection of the highest governance body	p. 28-30: Organization and Corporate Structure. 157-158: Corporate Governance Table
	2-11 Chair of the highest governance body	p. 28-30: Organization and Corporate Structure. 157-158: Corporate Governance Table
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 28-30: Organization and Corporate Structure. 157-158: Corporate Governance Table
	2-13 Delegation of responsibility for managing impacts	p. 28-30: Organization and Corporate Structure. 157-158: Corporate Governance Table
	2-14 Role of the highest governance body in sustainability reporting	p. 28-30: Organization and Corporate Structure. 35-42: Risk Management. 76-78: Sustainability Governance
	2-15 Conflicts of interest	p. 33-34: Business Ethics and Legal Compliance
	2-16 Communication of critical concerns	p. 35-42: Risk Management

GRI STANDARD	Disclosures	Location and/or direct answers
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	p. 28-30: Organization and Corporate Structure, 76-78: Sustainability Governance
	2-18 Evaluation of the performance of the highest governance body	p. 28-30: Organization and Corporate Structure, 157-158: Corporate Governance Table
	2-19 Remuneration policies	p. 139-144: Employee Engagement
	2-20 Process to determine remuneration	p. 135-138: Talent Acquisition and Management, 139-144: Employee Engagement
	2-21 Annual total compensation ratio	The compensation data is classified as confidential.
	2-22 Statement on sustainable development strategy	p. 89-90: Contributions to Sustainable Development Goals, 159-160: SDG Index
	2-23 Policy commitments	p. 33-34: Business Ethics and Legal Compliance, 44-45: Supply Chain Management, 48-51: Quality Management, 93-98: Environmental Strategy, 99-101: Material Management, 105-108: Energy Management, 109: Water Management, 116-118: Biodiversity, 120-130: Occupational Health and Safety, 131: Human Resources Policy, 135-138: Talent Acquisition and Management
	2-24 Embedding policy commitments	p. 33-34: Business Ethics and Legal Compliance, 48-51: Quality Management, 57-64: R&D, 76-78: Sustainability Governance, 91: Compliance with the UN Global Compact, 93-98: Environmental Strategy, 99-101: Material Management, 135-138: Talent Acquisition and Management, 139-144: Employee Engagement, 161-164: UNGC Statement
	2-25 Processes to remediate negative impacts	p. 76-78: Sustainability Governance, 79-80: Materiality Analysis, 114-115: Air Emissions, 131: Human Resources Policy
	2-26 Mechanisms for seeking advice and raising concerns	p. 33-34: Business Ethics and Legal Compliance, https://www.wat.com.tr/UPLOAD/DOCUMENTS/wat_ihbar.pdf
	2-27 Compliance with laws and regulations	p. 33-34: Business Ethics and Legal Compliance, 93-98: Environmental Strategy
	2-28 Membership associations	p. 54-55: Corporate Membership
	2-29 Approach to stakeholder engagement	p. 43: Value Chain Management, 52-53: Stakeholder Relations and Communication, 54-55: Corporate Membership, 145-149: Corporate Social Responsibility
	2-30 Collective bargaining agreements	p. 139-144: Employee Engagement
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 79-80: Materiality Analysis
	3-2 List of material topics	p. 79-80: Materiality Analysis
	3-3 Management of material topics	p. 79-80: Materiality Analysis

GRI STANDARD	Disclosures	Location and/or direct answers
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 16: WAT at a Glance, 81-83: Sustainability Actions
	201-2 Financial implications and other risks and opportunities due to climate change	p. 35-42: Risk Management
	201-3 Defined benefit plan obligations and other retirement plans	p. 139-144: Employee Engagement
	201-4 Financial assistance received from government	p. 76-78: Sustainability Governance
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	p. 81-83: Sustainability Actions
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 91: Compliance with the United Nations Global Compact, 161-164: UNGC Statement
	205-2 Communication and training about anti-corruption policies and procedures	p. 33-34: Business Ethics and Legal Compliance, 91: Compliance with the United Nations Global Compact, 161-164: UNGC Statement
	205-3 Confirmed incidents of corruption and actions taken	p. 33-34: Business Ethics and Legal Compliance
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 33-34: Business Ethics and Legal Compliance
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 99-101: Material Management
	301-2 Recycled input materials used	p. 109-112: Material Management, 102-104: Waste Management, 154-156: Sustainability Metrics
	301-3 Reclaimed products and their packaging materials	p. 102-104: Waste Management, 154-156: Sustainability Metrics
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 105-108: Energy Management, 154-156: Sustainability Metrics
	302-2 Energy consumption outside of the organization	p. 105-108: Energy Management, 154-156: Sustainability Metrics
	302-3 Energy intensity	p. 105-108: Energy Management, 154-156: Sustainability Metrics
	302-4 Reduction of energy consumption	p. 105-108: Energy Management, 154-156: Sustainability Metrics
	302-5 Reductions in energy requirements of products and services	p. 105-108: Energy Management, 154-156: Sustainability Metrics
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 109: Water Management, 154-156: Sustainability Metrics
	303-2 Management of water discharge-related impacts	p. 109: Water Management, 154-156: Sustainability Metrics
	303-3 Water withdrawal	p. 109: Water Management, 154-156: Sustainability Metrics
	303-4 Water discharge	p. 109: Water Management, 154-156: Sustainability Metrics
	303-5 Water consumption	p. 109: Water Management, 154-156: Sustainability Metrics

GRI STANDARD	Disclosures	Location and/or direct answers
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 116-118: Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	p. 116-118: Biodiversity
	304-3 Habitats protected or restored	p. 116-118: Biodiversity
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	WAT has no activities in habitats included in the IUCN Red List.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 110-115: Emission Management, 154-156: Sustainability Metrics
	305-2 Energy indirect (Scope 2) GHG emissions	p. 110-115: Emission Management, 154-156: Sustainability Metrics
	305-3 Other indirect (Scope 3) GHG emissions	p. 110-115: Emission Management, 154-156: Sustainability Metrics
	305-4 GHG emissions intensity	Since emission values per product vary, data is not provided.
	305-5 Reduction of GHG emissions	p. 35-42: Risk Management, 87-88: Sustainability Targets
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 102-104: Waste Management, 154-156: Sustainability Metrics
	306-2 Management of significant waste-related impacts	p. 102-104: Waste Management, 154-156: Sustainability Metrics
	306-3 Waste generated	p. 102-104: Waste Management, 154-156: Sustainability Metrics
	306-4 Waste diverted from disposal	p. 102-104: Waste Management, 154-156: Sustainability Metrics
	306-5 Waste directed to disposal	p. 102-104: Waste Management, 154-156: Sustainability Metrics
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 99-101: Material Management
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 99-101: Material Management, 116-118: Biodiversity
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 139-144: Employee Engagement, 154-156: Sustainability Metrics
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	WAT does not employ part-time workers.
	401-3 Parental leave	p. 132-134: Diversity, Equity and Inclusion 154-156: Sustainability Metrics
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	WAT fully complies with laws and regulations regarding minimum notice periods for operational changes.

GRI STANDARD	Disclosures	Location and/or direct answers
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 120-130: Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	p. 120-130: Occupational Health and Safety, 154-156: Sustainability Metrics
	403-3 Occupational health services	p. 139-144: Employee Engagement
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 120-130: Occupational Health and Safety
	403-5 Worker training on occupational health and safety	p. 120-130: Occupational Health and Safety
	403-6 Promotion of worker health	p. 120-130: Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 120-130: Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	p. 120-130: Occupational Health and Safety
	403-9 Work-related injuries	p. 120-130: Occupational Health and Safety, 154-156: Sustainability Metrics
	403-10 Work-related ill health	p. 120-130: Occupational Health and Safety, 154-156: Sustainability Metrics
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 135-138: Talent Acquisition and Management
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 135-138: Talent Acquisition and Management
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 139-144: Employee Engagement
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 132-134: Diversity, Equity and Inclusion
	405-2 Ratio of basic salary and remuneration of women to men	p. 139-144: Employee Engagement
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	During the reporting period, there were no incidents of discrimination.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	During the reporting period, there were no instances of child labor.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	During the reporting period, there were no instances of forced or compulsory labor.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	During the reporting period, there were no instances of non-compliance with indigenous people's rights.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p. 52-53: Stakeholder Relations and Communication, 81-83: Sustainability Actions
	413-2 Operations with significant actual and potential negative impacts on local communities	There is no such operations with significant actual and potential negative impacts on local communities

GRI STANDARD	Disclosures	Location and/or direct answers
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 44-45: Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	p. 44-45: Supply Chain Management
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	p. 57-64: R&D
	417-2 Incidents of non-compliance concerning product and service information and labeling	p. 57-64: R&D
	417-3 Incidents of non-compliance concerning marketing communications	p. 12: About WAT. 46-47: Customer Relations
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no complaints regarding violation of customer privacy and loss of customer data during the reporting period.

TAG

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2023 SUSTAINABILITY REPORT