Kale Pratt & Whitney

SUSTAINABILITY
REPORT
2022

#CareForYourWorld

On 6 February 2023, we were all deeply shaken by the earthquake centred in Kahramanmaraş province and affecting 17 provinces, and we faced an unprecedented disaster. We share the pain of all our citizens affected by the earthquake and wish God's mercy to those who lost their lives in the earthquake disaster and condolences to our country.

As Kale Group, we are a big family that 'believes that we owe a debt to the land where we were born and where we live'. In the face of this disaster, in which we feel our individual and corporate responsibilities deeply, we have come together once again to pay our debt to these lands and to heal our wounds together.

We will continue to collaborate tomorrow as we did yesterday and today.

#CareForYourWorld

#CareForYourWorld

As Kale Pratt & Whitney, we are aware of our economic, environmental and social impact within the framework of the Care of Your Movement and we prioritise transparent and regular communication with our stakeholders.

With our first sustainability report, we share our sustainability strategy and performance and aim to raise the awareness of all our stakeholders in the field of sustainability.

This report has been prepared in accordance with GRI Standards for the period 1 January-31 December 2022. It also shows the contribution of company activities to the United Nations Sustainable Development Goals. All businesses in which Kale PW operates are included in the reporting scope.

You can send all your questions, comments and suggestions regarding the report and our sustainability studies to sustainability@kalepw.com

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Osman Okyay
CHAIRMAN OF THE BOARD

Our Esteemed Stakeholders,

With this first Sustainability Report of Kale Pratt & Whitney, we are presenting to you, our esteemed stakeholders, what we have done so far and what we are committed to do in line with our Group's main sustainability strategy, which we define as the "Care of Your Movement".

For 66 years we have been working for a better world.

As Kale Group, we have been working for a better world and a better future at every step we take from design to production for 66 years. We create our focus on sustainability in all our fields of activity. In line with this understanding; we launched the "Care of Your Movement" with the aim of creating sustainable value. Within the scope of the "Care of Your Movement" we aim to leave a more liveable planet to future generations by focusing on creating value in the areas of **Cultural Transformation** centred on people, effective and productive Management of **Energy and Resources**, creation of a **Sustainable Business Model** on the basis of sustainability, and **Social Benefit** on the basis of impact-oriented and common benefit.

The **"Care of Your Movement"** is a movement that has no borders and covers the entire ecosystem necessary for the construction of a better life, including production, utilisation, ecology and social life.

We use the power of our national and international ecosystem to develop new and creative solutions by encouraging cooperation in line with expertise, skills and experiences. We realise that we need to act together to solve the problems of the world today. For this reason, we act with a great sense of community under the Care of Your Movement.

Sustainability is also at the focal point of Kale Pratt & Whitney…

At Kale Pratt & Whitney Uçak Motor Sanayi A.Ş., which we established in 2010 as a joint venture with Pratt & Whitney, one of the leading companies in the world aviation industry and a member of United Technologies Corporation (UTC) at the time, we aim to minimise environmental impact and protect the soil, water and biodiversity, which are our sources of life, with an approach that focuses on sustainability.

In addition to using our resources efficiently, we have prepared our company for the future starting today with our renewable energy and digitalisation investments. With the corporate culture we have created on the basis of sustainability,

As Kale Group, we have been working for a better world and a better future at every step we take from design to production for 66 years.

we have carried out significant efforts to use resources in a healthy and efficient manner, to reduce waste at its source in line with the Zero Waste Certificate obtained in 2021, and to recover waste by separating it.

We see that the economy of the future is built on sustainability while critical steps are being taken for transformation in the sector and in every field, including our own sector, and we continue our mutual learning and knowledge transfer-based work with our global industry partners, professional organisations, NGOs, universities and relevant public institutions.

As we enter the second century of our Republic, we will continue to work with all our strength with our employees, business partners, customers, investors and all our stakeholders for new proud achievements that put sustainability at the centre.

I would like to thank all the teams who contributed to the preparation of this report, which I hope will serve the transformation of the sector in which we operate and wish you a pleasant reading.

Best regards,

Kale Pratt & Whitney

MESSAGE FROM GENERAL MANAGER

Akgün Filiz
GENERAL MANAGER

Our Esteemed Stakeholders,

As Kale Pratt & Whitney Uçak Motor Sanayi A.Ş., we have been continuing our activities since 2010 in partnership with Kale Group and Pratt & Whitney, which was known as United Technologies Corporation (UTC) at that time, one of the leading companies in the world aviation industry, and which continues its activities under RTX today. We create value for our country and the whole world with our high-tech studies, R&D activities and strong innovation perspective in the aviation industry. While creating this value, we provide the right solutions and products to our customers with our belief in strengthening global security, ensuring the development of the high-tech field and, of course, sustainability. Today, when we see the limits of our planet much better, we are taking firm steps towards a better future with our environmental impact, our Sustainability Policies, which are a more inclusive step, social incentives and investments. Today, while transforming the way we do business, we have adopted the basic principle of generating benefits not only for our company, employees and customers, but also for the society and the environment, which we see as our main stakeholders.

Despite the challenging macro conditions for the Aviation Industry, we continue to work with a focus on sustainability to add value.

Today, while producing high-tech products in every segment of the aviation industry, we recognise the macro issues that directly affect our industry and we aim for continuous development and improvement despite all these challenging conditions. The aviation industry gained momentum in 2022 with the economic recovery from the Covid-19 pandemic, which deeply affected all sectors, and the increase in demand for air travel. While passenger traffic is gradually returning to pre-pandemic levels, increases in aircraft demand indicate that sectoral growth will continue next year. With the increase in this financial volume, we will take even greater steps in line with our sustainability targets in parallel with our responsible growth approach that comes from Kale Group's vision. However, we do not ignore the negative effects of global problems and the risks we are facing. Rising inflation, talent shortage, supply and value chain interruptions, as well as the challenges faced by the aviation industry make sustainability-oriented steps more difficult. Aviation's goal of achieving net zero carbon emissions by 2050 is closely linked to scaling sustainable aviation fuel (SAF) production at a reasonable cost.

We have made sustainability a key focus of our strategy and culture.

We closely follow all developments in the sector with our vision of "being the most competitive manufacturer in the production of high-tech, unique, complex, difficult machining and fabrication parts in the aerospace industry". In this period when the aviation industry is also undergoing a major transformation, as Kale Pratt & Whitney, we have accelerated our sustainability-oriented efforts since 2021. We have joined the "Care of Your Movement" initiated by Kale Group with the aim of creating sustainable value and we are excited to be a partner in this transformation that starts locally and reaches internationally within Kale Group.

While we act with an impact-oriented community structure approach with all group companies and external stakeholders with the "Care of Your Movement" we are also realising the processes that we will act together, not alone, in the transformation of our industry under this title. We also conducted our materiality analysis to identify the environmental, social, economic and governance issues that will create the greatest impact and value for Kale Pratt & Whitney and its stakeholders and to identify the main topics that will drive the strategy. We see that sustainability-oriented issues should become one of the main focal points in our strategy in order to create a sustainable way of doing business and to "Care of Your Movement". At this point, we have prepared our strategic roadmap that will guide us in achieving these goals by determining our goals in the focus of sustainability, taking into account scientific realities and requirements. In this roadmap, we have addressed the steps required to make the aviation industry more sustainable in a holistic manner and integrated our global action plans into it.

Our sustainability steps are further ahead every year with the "Care of Your Movement"

Reducing greenhouse gas emissions and implementing sustainable production practices continue to be among the business priorities of the aviation industry. In this direction, we have adopted Kale Group Companies' 2030 targets of reducing carbon emissions and increasing circular economy-oriented investments as a guide for ourselves. We carry out many simultaneous projects for the management and regular reduction of greenhouse gas emissions. By 2030, we aim to reduce greenhouse gas emissions by 15%, to provide 30% of total energy consumption from clean energy sources, to reduce water consumption by 15%, to handle the waste generated in line with zero waste principles, and to switch to paperless production by the end of 2024 within the scope of our digitalisation efforts.

> **We encourage the empowerment of women in our company and industry with our belief that the right steps in the context of sustainability can only be taken on the basis of equality.**

Developing talent acquisition and loyalty in the context of employee processes continues to be a challenging task in the sector. We are the biggest supporter of all our employees to reveal their potential by offering various programmes for their development. We see our colleagues as the most important stakeholders of our business and work for their development. We take care to make business practices that prioritise the happiness and welfare of our employees a part of our daily business routine. With these efforts, we aim to become a Best Employer / Great Place to Work by 2025, to put the Workplace Health and Wellbeing Plan into operation in 2025, and to maximise the measures we take against occupational accidents and occupational diseases.

With the "Care of Your Movement" we prioritise creating a working environment where gender equality and equal opportunities are observed and embraced throughout the Group. We implement policies and supportive programmes that encourage the employment of woman employees with the principles of equal opportunities and gender equality. Accordingly, we included the goal of increasing women's employment in production and operation areas in the three-year strategic plan we prepared for 2022. We encourage the empowerment of women in our company and industry with our belief that the right steps in the context of sustainability can only be taken on the basis of equality.

I am very happy and proud to present Kale Pratt & Whitney's first sustainability report, in which we share all the details of our sustainability journey, to you, our esteemed stakeholders. I believe in the transformative power of working together for a better world and I would like to thank all my colleagues for their contributions.

Best regards,

18 companies

Founded by Dr. (h.c.) İbrahim Bodur in 1957, Kale Group operates in many sectors such as building products and chemicals, logistics and aviation industry with 18 companies and more than 5 thousand employees. Kale Group, Europe's fifth and the world's 18th largest manufacturer in the building products group, is the Turkish market leader in construction chemicals.

With its industrialist heritage and entrepreneurship, Kale Group stands out as a reputable group of companies that is a pioneer in its field, respects people and the environment, and adds sustainable value to society.

5000+ employees

Do not lose yourself in the horizon you can see with your eyes. To be successful, lose those horizons in your own belief, ambition and endeavour.

İBRAHİM BODUR WORDS

KALE GROUP MILESTONES

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- **1957** Kaleseramik – **The first ceramic factory in Turkey**
- **1961** The first electrical isolator production in Turkey
- **1962** The first ceramic export of Turkey
- **1968** Kaleterasit
- **1969** Kale Porcelain
- **1971** Kaledekor
- **1972** The first floor tile porcelain tile production in Turkey Kalebodur
- **1973** Kalekim – The first construction chemicals company in Turkey
- **1974** Kale Shipping
- **1975** The first R&D Centre in Construction Industry
- **1987** Kale Frit
- **1989** The first aviation project with 100% domestic capital in Turkey
- **1990** Kalemaden
- **1991** Kaleseramik Education, Health and Social Welfare Foundation (KSV)
- **1993** Kalevit Kale Energy
- **1998** Kale Data
- **2004** Production of parts for the F-35 project
- **2005** Production of Kalesinterflex, the world's thinnest ceramic
- **2008** Kale Aviation
- **2010** Kale Pratt & Whitney
- **2011** Kale Italy
- **2012** Bodur Real Estate
- **2017** TAEC
- **2019** The First Turbo Jet Engine Design of Turkey Kale Design and Art Centre (KTSM)
- **2020** The first company in Turkey to obtain the Health Product Declaration (HPD); "Care of Your Movement"
- **2021** Kalekim's Public Offering
- **2022** KTJ-3200 Turbo Jet Engine's start of serial production

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Pratt & Whitney, an American aerospace company, is headquartered in Hartford, Connecticut. A subsidiary of RTX, Pratt & Whitney's aircraft engines are widely used in both civil aviation and military aviation. Founded in 1860 by Francis Pratt and Amos Whitney in Hartford as a manufacturer of tools, agriculture and farming equipment and, during the American Civil War, weapons, it crossed paths in 1925 with Frederick Brant Rentschler, a pilot in World War I, while he was looking for capital and a production facility to produce the first aircraft engine. As a result of their cooperation, the foundations of the company known today as Pratt & Whitney Aircraft Company were laid.

Pratt & Whitney has approximately 40,000 employees all over the world.
Every 1 minute, a Pratt & Whitney aircraft lands or takes off somewhere in the world.

Working with more than 1,100 airline companies, Pratt & Whitney's engines are used in more than 200 countries.

Kale Pratt & Whitney

AN OVERVIEW TO KALE PRATT & WHITNEY

Timeline

- **2010** — A partnership contract is signed between Kale Group and Pratt & Whitney.
- **2011** — Factory construction begins. First shipment under the F135 licence is made. / Work started in the temporary workshop.
- **2012** — Construction and opening preparations continued.
- **2013** — Factory construction completed. Grand opening took place. Many new machines were installed.
- **2014** —
- **2016** — Production machine layouts were updated.
- **2018** — VSM structure was adopted. The highest growth rate was achieved in terms of turnover and human resources.
- **2019** — The company ranked 18th among the top 100 fastest growing companies in TOBB Turkey. / Collaborations with new customers started. First Supplier Health Assessment was realised.
- **2020** —
- **2021** — 10th anniversary celebration was realised. Selected by Raytheon Technologies as Raytheon Technologies-Platinum Supplier.
- **2022** — NIST 800-171 Information Security Self Evaluation. Sustainability Projects. Digitalisation Projects. NADCAP Certificates.

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In 2010, Kale Group established Kale Pratt & Whitney Uçak Motor Sanayi A.Ş. in partnership with Pratt & Whitney, a subsidiary of United Technologies, one of the world's leading aerospace companies. Kale Pratt & Whitney is one of Turkey's leading aerospace companies with a total closed area of 16,250 m² in Izmir Aegean Free Zone, which includes very specialised processes. Established with 51% Kale Group and 49% Pratt & Whitney partnership, the company's main field of activity is the production of engines, airframe parts and parts assembly for aircraft. The company started production activities in its existing factory in 2014.

It has combined technologies such as machining with multi-axis machine tools, 5 Axis Laser, Water Jet and Wire Erosion cutting, Hydroforming, Hot and Cold forming, Mechanical Pressing,

Automatic Tig and Electron Beam Welding, Plasma (HVOF) Coating, all kinds of Destructive and Non-Destructive Inspection Methods, Vacuum / Aluminium Heat Treatment furnaces and Super Clean processes under the same roof; It has a significant experience in the processing of titanium, aluminium, steel, stainless steel and super alloys.

Kale Pratt & Whitney has produced many parts for the F-135, the engine of the world's most advanced fighter jet, the F-35, until the end of 2021. In addition, Pratt & Whitney's new generation commercial engine, the GTF model, also produces parts with high technology in the same facility. The new generation engine family GTF1000W models are used in Airbus A220, Airbus A320neo models and Embraer E190-E2 aircraft.

Kale Pratt & Whitney, which has AS9100, the quality management standard that manufacturing companies in the aviation industry must comply with, and is subject to regular audits every year, also operates in accordance with ASQR-01, the aviation quality management system standard of the RTX Group and is regularly audited by Pratt & Whitney. In addition, harmonisation with the AS13100 standard, which was established to include additional quality requirements to the AS9100 standard for companies producing aircraft engine parts, was completed by the end of 2022. The company, which has made many investments in the field of Information Technologies, has met the security requirements applicable in the United States of America and ensured NIST 800-171 compliance, as well as ISO/IEC 27001 Information Security Management System

certification. It has been entitled to receive ISO 45001 and ISO 14001 certificates by establishing the basis of Occupational Health and Safety and Environmental studies with its policy of providing a healthy and safe working environment for its employees and respect for human beings.

In 2021, efforts were initiated to obtain NADCAP (National Aerospace and Defence Contractors Accreditation Program) certification by auditing the Special Processes, which are widely used in the aviation industry and implemented in companies, by PRI (Performance Review Institute), an independent organisation. In 2022, as a result of the audits carried out by PRI, NADCAP certificates were obtained in the fields of Non-Destructive Testing (liquid penetrant-FPI), Thermal Plasma Coating, Heat Treatment, Welding and Chemical Surface Coating Special Processes.

We Build Trust

We do the ethical and right one irrespective of the conditions during the establishment of our relationships with all the stakeholders to protect our reputation.

We Act With Determination

We take initiative and push the limits no matter what the conditions are maintaining our motivation.

We Take Responsibility

We look after the soil we step on, our future, society, employees and customers, taking responsibility.

We Cooperate

We believe the power of togetherness and create a common synergy with all the stakeholders.

We Lead the Way

We operate determinedly to produce unique products & services maintaining our leading and competitive position.

We Pave the Way for Entrepreneurship

We encourage organizational and individual entrepreneurship based on our values, and pave the way for innovative ideas and initiatives.

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Our Common Aim

To be a reputable group of companies that is a leader in its field with its industrial heritage and entrepreneurship, respectful to people and the environment, and adds sustainable value to the Kale Family and society.

Our Values

- We Create Trust
- We Behave determined and decisive
- We Take Responsibility
- We make Collaboration
- We Lead
- We Encourage entrepreneurship

Mission

- To create measurable performance evaluation metrics,
- To be cost competitive,
- 100% on-time dispatch,
- To meet and exceed customer quality requirements,
- To ensure occupational health and safety and to create career development opportunities for employees,
- To apply high technology for competitiveness,
- To comply with the laws and the investment strategy of the Presidency of Defence Industry.

Vision

To be the most competitive manufacturer of high-tech, unique, complex, difficult machining and fabrication parts for the aerospace industry.
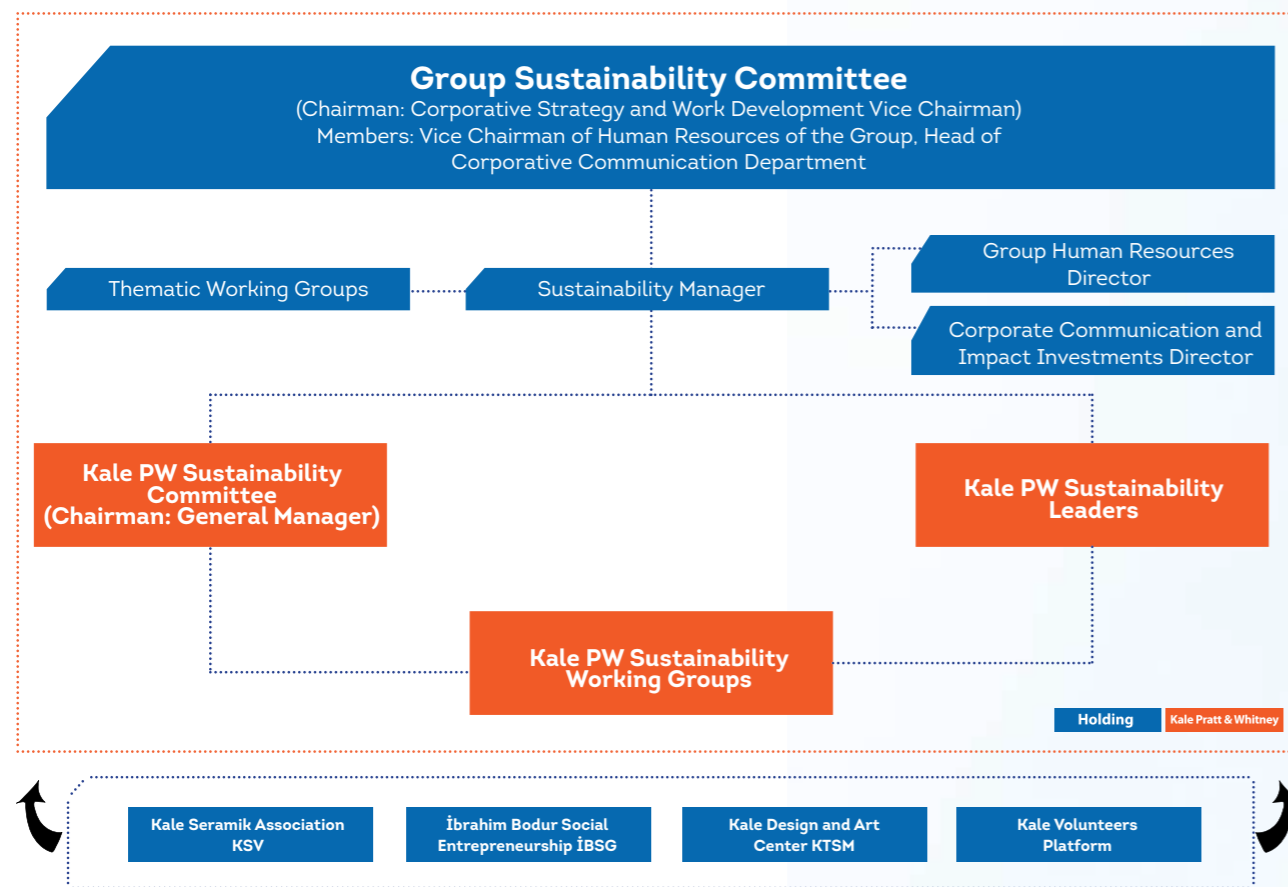
#CareForYourWorld

At Kale PW, our management approach is shaped around fair, transparent, accountable and responsible corporate governance principles.

Kale PW attaches importance to risk management in order to realise strategic targets, create the highest value for stakeholders and adapt rapidly to changing dynamics. Emerging risks and megatrends are proactively monitored, their potential long-term impact on the company is assessed and reported to senior management.

Sustainability Management

Group Sustainability Committee
(Chairman: Corporative Strategy and Work Development Vice Chairman)
Members: Vice Chairman of Human Resources of the Group, Head of Corporative Communication Department

Thematic Working Groups — Sustainability Manager — Group Human Resources Director / Corporate Communication and Impact Investments Director

Kale PW Sustainability Committee (Chairman: General Manager)

Kale PW Sustainability Leaders

Kale PW Sustainability Working Groups

Holding — Kale Pratt & Whitney

Kale Seramik Association KSV — İbrahim Bodur Social Entrepreneurship İBSG — Kale Design and Art Center KTSM — Kale Volunteers Platform

Within the framework of the "Care of Your Movement" a governance mechanism has been established to ensure that the sustainability perspective is adopted by all Group companies and stakeholders and that progress is made in line with the targets. The Group Sustainability Committee leads, delegates and coordinates the sustainability organisational structure and is responsible for the management of the sustainability activities of the Group companies. It approves the sustainability strategic framework, focal Sustainable Development Goals, sustainability policy and action plans of Kale Group Companies, monitors developments and gives opinions. Kale Group is primarily responsible for the sustainability policy.

The Sustainability Manager is responsible for transforming the way of doing business with a sustainability perspective in all processes, strategic guidance, sharing expertise and dissemination of best practices throughout the Group within the framework of the Care of Your Movement. Establishes the link between the Group Sustainability Committee and the work carried out in the companies within the scope of the impact areas within the scope of the Care of Your Movement strategic framework. It reports to the Group Sustainability Committee four times a year, follows global trends and developments, and ensures that the strategic framework, goals, action plans, investment needs and sustainability risks are updated accordingly. It holds monthly meetings with the Company Sustainability Leaders, monitors the work in the companies, offers opinions and contributes. Sustainability Leaders are responsible for all in-company activities related to sustainability within the framework of the Care of Your Movement. At Kale PW, Human Resources and Shared Services Manager is the sustainability leader.

Thematic Working Groups carry out their activities under the leadership of the Group Sustainability Committee, which has a critical role in the realisation of the Care of Your Movement sustainability strategy. The duration and participants of the Thematic Working Groups are determined by the Group Sustainability Committee. These thematic working groups support the work of the Sustainability Manager within the scope of the topics and areas of expertise needed. Depending on the topics and areas of expertise needed, these working groups are established with the participation of participants from the Holding and companies and operate with an agility approach.

The Sustainability Committee within Kale PW leads the sustainability-oriented transformation of Kale PW's way of doing business, ensures that it is among its priorities and guides the organisation within the framework of the Care of Your Movement. The Committee is chaired by the General Manager and includes senior managers from all departments. The coordination of sustainability activities is carried out by a separate function under the Human Resources and Shared Services Department. The process method is applied with the certifications owned by the company, and ESG priorities, projects and targets are monitored by holding meetings with process owners under the chairmanship of the General Manager. In 2022, it met twice and discussed strategies and progress on sustainability. Kale PW Sustainability Leader is obliged to regularly report the activities to Kale Group.

Sustainability Leader

It is aimed to create synergy between the sustainability activities of Kale Group companies, coordinate and implement company sustainability activities and monitor the effectiveness of the activities. Human Resources and Shared Services Manager serves as the Sustainability Leader.
His main task is to coordinate all sustainability activities throughout the company and to ensure coordination between working groups.

Risk and Opportunity Management

Current developments in the world show that changes are inevitable and need to be adapted. The speed with which companies adapt to change is linked to how strong their sustainability strategies and risk management are. In order to realise its strategic goals and ensure the sustainability of the company, Kale PW observes the global, sectoral/industrial risks in the world and manages the risk management process by taking into account the best practices at the global level. It regularly implements corporate risk management activities in order to create the highest value for its stakeholders, to adapt rapidly to the changing dynamics of the world, and to contribute to the creation of a sustainable society and environment.

In recent years, the new divided world, climate change and sustainability, demographic and social changes, technological evolution, digital transformation and industry 4.0, innovation dynamism stand out as mega trends. Kale PW systematically manages its corporate risk management activities in order to realise its strategic goals, create the highest value for stakeholders, adapt rapidly to changing dynamics and contribute to the creation of a sustainable society and environment. Economically and socially, crisis risks arising from increasing debts in states, livelihood problems of peoples, erosion of social cohesion, trade wars and disintegration in inter-state relations are seen as rising risks at the global level. Kale PW closely monitors the market and reviews and updates its strategies in line with stakeholder requirements in order to effectively manage mega trends and rising global risks.

Kale Group Early Detection of Risk Committee is in place for the purpose of early detection of risks that may jeopardise the existence, development and continuity of the company, taking the

necessary actions regarding the risks identified and managing the risks effectively. The Committee consists of 3 independent members, one of whom is an independent member of the Board of Directors. The Committee makes recommendations to the Board of Directors regarding the early detection and evaluation of risks that may affect the Company, taking the necessary precautions regarding the risks identified and establishing effective internal control systems in this direction. Kale Group Early Detection of Risk Committee organises meetings 4 times a year. In addition, developments and critical issues related to corporate risks are discussed at the Board of Directors every month. The Company's Board of Directors regularly monitors developments related to these risks and continuously monitors and evaluates the results and effectiveness of risk management activities. Company Boards of Directors direct this responsibility with the recommendations of the Early Detection of Risk Committee.

At Kale PW, risks are managed in line with Kale Group "Corporate Risk Management Regulation". Risks are defined in five main categories: financial, strategic, operational, compliance and external. Process owners in the company review process risks every year and provide input for the formation and updating of the risk inventory, are the main owners of corporate risks and are obliged to take the necessary measures against risks, determine actions, operate the early warning mechanism and notify the necessary authorities when an unforeseen new risk arises. The General Manager of the Company, on behalf of the Board of Directors of the Company, is responsible at the highest level for the implementation of the corporate risk management process within the Company and for corporate risk management. The risk inventories formed every year are analysed for impact and probability in line with the Kale Group Risk Assessment Criteria Matrix, and

their degrees are clarified and prioritised in line with the determined five-point scales. In this way, risk management is carried to all levels of functions and operations by determining which risks should be focussed on, and it is ensured that senior management is intertwined with decision-making mechanisms. Corporate risks, especially high and very high risks, are monitored, risk response is determined, actions to reduce the impact and probability of the risk are defined. Risk responses are categorised as risk avoidance, risk acceptance, risk mitigation, risk sharing. Key Risk Indicators (KRIs) are developed for effective monitoring of risk levels and monitoring of risks. KRIs are objective tools that provide information

about the course of the risk and are parameters that help to detect changes in the risk profile of the organisation in advance and to diagnose the risk early. In this way, it is aimed to ensure that changes in risks are detected in a timely manner and early measures are taken.

Corporate risks are regularly monitored within the framework of the determined KRI and actions.

"Sustainability Risk" is specially evaluated every year in the creation and rating of risk inventories. Activities are carried out to increase the level of awareness of stakeholders on sustainability. Actions and investments to reduce sustainability risks are implemented in line with the determined business plans.

Work Ethics, Transparency and Compliance

Kale PW carries out its activities within the framework of the Code of Ethics in compliance with human rights, respectful to the principles of justice and equality, and in accordance with Kale Group values.

The Code of Ethics includes topics such as gifts/hospitality, bribery, commissions, payments for products & services, cross-border trade, conflicts of interest, company information and assets, competition practices, public relations, human rights, anti-corruption, environmental protection and sustainability, product management, equal opportunities and non-discrimination, and related roles and responsibilities accordingly.

Kale Group Ethics and Compliance Committee consisting of Kale Holding senior management team, Audit Committee consisting of Independent Board Members and Disciplinary Committees consisting of Senior Management Team in the companies aim to ensure that all employees act in line with the principles specified in the Code of Ethics Regulation.

Kale Group employees' voicing concerns that they witness in the work environment, which they think are unethical and non-compliant or may harm Kale Group assets, eliminates ethical problems that may have more serious consequences in the long term.

Ethical Implementation Principles and Trainings, raising employee awareness through training programmes covering cases of ethical violations, encouraging the active use of ethical line channels, special reviews, periodic action follow-ups are prominent practices for managing misconduct risks.

Notifications can be made to Kale Group Ethics Line Communication Channels via 3 (three)

different methods (Telephone, e-mail & Digital Communication Platform open to the use of Group employees) 24/7.

All notifications received through Kale Group Ethics Line Communication Channels are kept confidential within the framework of the legal obligations of the notifying employee and necessary measures are taken to protect personal rights. In addition, the privacy of the notifications made is protected by taking into account the investigation studies, the interests of the relevant parties and the legal obligations of Kale Group. Notifications can be made in "Anonymous" status without specifying personal information via e-mail and telephone lines as well as through the Digital Communication Platform. In 2022, there is no ethical notification made for Kale PW.

Kale Holding Internal Audit Department is responsible for forwarding the notifications made through Kale Group Ethics Line communication channels to the notification owners and Ethics Committee members within 7 (seven) working days from the date of notification. Ratio of Timely Responses to Issues Received from Ethics Line Although it is a performance indicator monitored by the Internal Audit Department, the realisation value for 2022 is 100%.

When the Ethics Committee concludes that there is an ethical violation in the notifications received; it makes the necessary assignments in order to carry out the investigation and examination studies deemed appropriate to be carried out within this scope independently and objectively. The Ethics Committee decisions and actions to be taken as a result of the evaluation report are submitted to Kale Group Chairman of the Board of Directors / CEO.

In 2021, with the completion of Ethics and Compliance trainings in all group companies, the "Kale Campus digital platform" application,

which is easily accessible by all employees by providing the necessary digital development as of 2022, was transitioned.

Designed on a digital platform, the Ethics and Compliance training mainly aims to ensure sensitivity to ethical or illegal practices throughout the Group, to ensure compliance with legislation, legal principles and rules with a holistic perspective in problem solving and decision-making processes, as well as to develop reasoning skills in decisions that are likely to be subject to violations, and finally to expand the use of ethical line communication channels.

Kale Group has a 'Compliance Unit' in order to manage compliance processes, and applicable legislation and regulations are also followed by the Holding law.

In Kale PW, compliance is managed by the relevant process owners in connection with Kale Group. Kale PW undertakes to comply with all national and international laws and regulations, including the United States International Traffic in Arms Regulations and the United States Export Administration Regulations, when importing/exporting its products.

Information Security and Data Confidentiality

Kale PW takes measures to protect the confidential information of the company and its stakeholders and to be prepared for cyber security risks. It carries out its Information Security Management System activities in a way to meet the compliance obligations of legal legislation, the expectations of all its stakeholders and the standards (National Institute of Standards and Technology (NIST), Cybersecurity Maturity Model Certification (CMMC)) and ISO 27001 standards that define the relevant United States Federal Government Information Security policies, procedures and guidelines. In addition, Kale PW closely follows the changes within the framework of these harmonisation standards and incorporates the necessary ones. It has an Information Security Management System certificate ISO 27001.

Corporate information security and data confidentiality are aimed to be a part of the corporate culture and integrated with business continuity. In this direction, the information in physical and electronic media that it keeps, processes and transmits in the asset inventory with all its employees;

• Protecting the confidentiality in accordance with the need-to-know principle,

• Ensuring its integrity to be complete and accurate,

• It is guaranteed to be processed with the awareness of its impact on business continuity in each function and on the reliability and reputation of the organisation, guaranteeing its accessibility in a way that it can be accessed when necessary and in a timely manner.

In this context, the importance of protecting information is constantly kept on the agenda in relations with all stakeholders, especially customers, employees, suppliers and visitors.

We act with the awareness that information protection measures can be ensured not only by technological infrastructure but also by the human factor and awareness, which is one of the main elements of information security.

Kale PW Information Security Policy is available here.

At Kale PW, information security is maintained not only through the responsibility of a department or technological equipment, but also through Information Security Management System Representatives appointed from all departments. Cyber security culture is spread throughout the company by raising awareness among all employees. Awareness and information are provided through Annual Management Review Meetings and Internal/External Audits, and needs are also included in strategic plan and budget implementations when necessary.

In accordance with the standards complied with; data backup, data protection, system security, network security, confidentiality, integrity and accessibility principles are ensured on end-user systems and up-to-date technology solutions are used to prevent data breach. Regular penetration tests are carried out on the relevant systems throughout the year, and actions are taken immediately in response to the findings identified. Vulnerability scanning, cyber-attack simulation and infrastructure outage drills are regularly carried out to protect against and minimise the impact of ransomware malware.

#CareForYourWorld

As a well-established industrial group of companies with 66 years of history, Kale Group has aimed not only to produce and grow, but also to share the values it produces with the society and to develop by adding value to the lands where it was born and where it was fed. In this direction, the economic value gained not as an employer but as a value giver has been shared with the society and responsible/sensitive leadership has been displayed. It aims to build the future of production with the idea of a solution-oriented and sustainable system that puts people at the centre.

"Care of Your Movement"

In parallel with our responsible and sensitive leadership approach, Kale Group has launched the "Care of Your Movement" in order to create a conscious awareness of what can be improved in the world, starting with the individual and affecting the whole society. The movement, which takes its inspiration from the great transformation initiated in our lives by the pandemic that has affected the whole world, is based on the insight that small changes that everyone will initiate in their own world will combine into a meaningful transformation that shapes the future and heals the world. In the recent period when all the problems and inequalities experienced in the world are felt by everyone, Kale Group has called on all its

stakeholders to "Care of Your Movement" and aimed to inspire what can be improved in the world. Care of Your Movement aims for each individual to make a difference with a sense of care in every place he/she touches, starting with himself/herself, his/her own habits, his/her own home; in his/her own sphere of influence, workplace, workplace, street, neighbourhood, neighbourhood, city, country and finally on the planet.

Kale Group's sustainability strategy, which was updated in 2023, was developed by closely following the new approaches developed in the focus of the sectors in which the Group operates and the global sustainability agenda and the effects of these developments on its activities and by analysing possible risks.

In this way, a more resilient management approach has been adopted against the ever-changing global agenda and the environmental and social impacts of the climate crisis. Kale Group aims to maintain its leadership in the sectors in which it operates. The new sustainability strategy developed is built on the focus areas of Cultural Transformation, Energy and Resources Management, Sustainable Business Model and Social Benefit. Kale PW prioritises Cultural Transformation, Energy and Resource Management and Social Benefit in line with its business model. Within the scope of the sustainable business model, it aims to increase its efforts in this area in the future in line with its business partner Pratt & Whitney.

Kale Pratt & Whitney

Human is Your Essence	The World is Your Home	Your Work is Your Power	The Community is Your Future
Cultural Transformation	**Management of Energy and Sources**	**Sustainable Work Model**	**Social Benefit**
To be a reliable and preferred group of companies that looks out for the future of work, adopts new ways of thinking and working, is inclusive, dynamic, paves the way for entrepreneurship, and where talents can find the opportunity and meaning to realise their potential	Increasing circular economy oriented investments	Maximising revenues from sustainability-focused businesses	To be a pioneer in social investments and to allocate at least 0.5% of EBITDA each year to social programmes that will contribute to the Sustainable Development Goals
Our Foundations			
ESG Asset Management	Business Ethics and Transparency	Risk Management	Occupational Health and Safety
Contribution to SKAs			
SKA 8 - Decent Work and Economic Growth SKA 10 - Reducing Inequalities	SKA 13 - Climate Action SKA 12 - Responsible Production and Consumption SKA 7 - Accessible and Clean Energy	SKA 12 - Responsible Production and Consumption SKA 8 - Decent Work and Economic Growth SKA 9 - Industry, Innovation and Infrastructure	SKA 4 - Qualified Education SKA 8 - Decent Work and Economic Growth SKA 17 - Partnerships for Purposes

Kale Group Sustainability Policy

1. In all sectors in which we operate, we take concrete steps today with the principle of "producing good business" for a healthy and sustainable life that respects the world we live in and for generations to come. We pioneer change in society by focusing on digitalisation, technology, R&D and innovation; we act courageously to carry our business forward; we contribute to the national economy and create value for our stakeholders with high value-added, environmentally friendly products and services and ESG-oriented sustainable business models.

2. For a better future, we aim to create mutual value and local development by taking strength from collaborations with a "responsible production and consumption" and "responsible investment" approach, supporting the entrepreneurship ecosystem in line with our investment principles, and contributing to the scaling of initiatives.

3. We support our sustainability perspective with end-to-end digital systems; with our strong R&D structures, in-house entrepreneurship and open innovation projects, we constantly research sustainable new technologies, take part in their development, and invest in the future of the business in the sectors we are in.

4. We believe that we can shape the future with a stronger and holistic approach with our stakeholders and each link of our supply chain; we endeavour to spread good practices to our entire supply chain, which is a part of our business approach, and to develop them by spreading them throughout the ecosystem.

5. We consider protecting the environment as part of our responsibility towards future generations in the long term; we further develop our business towards achieving a low-carbon future in order to prevent global risks related to climate change; we develop projects to reduce greenhouse gas emissions from sectoral operations, turn towards renewable energy sources and provide resources for the realisation of investments in this focus.

6. We carry out our operations on the basis of operational efficiency in the use of resources to reduce environmental impacts, and we aim to provide environmental and economic benefits by observing the principles of circular economy in all our processes.

7. We aim to prevent the wastes generated as a result of sectoral operations primarily at the source and we implement strategies to recycle the wastes as high value-added products.

8. We ensure that the water used in our operations is obtained through fair processes and consumed responsibly; we carry out studies to reduce water use and improve our water performance.

9. While aiming to spread sustainability awareness throughout the Group, we consider the needs and priorities of the communities in all geographies where we operate and prioritise creating social and economic value and improving the welfare of local people and national stakeholders.

10. In all human resources processes, we observe equality of opportunity and adopt decent work practices without any discrimination on gender, language, religion, race, ethnic origin, age, etc.

11. With a fair, transparent and flexible leadership model, we recognise and reward taking responsibility, courage and perseverance until results are achieved.

12. We design employee experience processes as a journey that supports continuous development, individualised and supported by digital processes, and continuously improve them through innovative practices.

13. We improve employee competences by investing in human resources; we aim to ensure career development through effective performance management.

14. We aim to recruit talents who have competencies in line with the requirements of the age, who are compatible with our corporate culture and who are open to innovations.

15. We strive to provide an environment where young talents will want to work by continuing to be a reliable company, and we provide opportunities and support for young people's career plans and equal opportunities.

16. We realise our social investments with a positive impact focus and common benefit perspective, and we implement strategic collaborations and projects in this direction. We support social investment efforts across the Group through our employee volunteering programmes.

17. Kale Design and Art Centre embraces the mission of being an incubation centre for impact-oriented social investments where circularity is embraced and interdisciplinary work is encouraged.

18. With the İbrahim Bodur Social Entrepreneurship Programme, we support initiatives that focus on social problems and contribute to the circular economy, and we aim to increase the brand value of Kale Group by collaborating with these initiatives.

19. Through Kale Seramik Foundation, we support new talents and young employment, embrace them as potential Kale employees, and implement vocational training and development programmes for our stakeholders.

20. In order to create social benefit, we follow global trends and develop joint programmes with local and international NGO collaborations and internal and external stakeholders.

21. We ensure that all necessary actions are taken to ensure and implement occupational health and safety awareness in all our operational processes for both our employees and other stakeholders.

22. We manage all our business processes together with our employees, business partners and all other stakeholders within the framework of an ethical, transparent and accountable corporate understanding.

23. Our information security organisation and procedures are part of all our control systems. We protect and secure our assets against loss and unauthorised use.

24. We follow national and international legislation related to corporate governance, implement mandatory principles, take necessary actions to comply with voluntary principles, and explain the reasons in case of non-compliance.

25. We make our business and processes flexible and resilient to ensure easy adaptation to change in the face of environmental, social and governance risks and opportunities.

26. In order to continuously improve sustainability practices, we provide capacity building opportunities for employees and we adopt the principle of sharing targets and performances on these issues on a regular basis.

27. We measure and report our sustainability performance, fully comply with globally recognised criteria and guidelines in this context and continue to implement our governance system based on continuous improvement by setting challenging targets.

Within the framework of the "Care of Your Movement" and the sustainability strategy, efforts are made to create sustainable value in a way that takes into account the expectations of stakeholders. In order to reveal the current situation of Kale Group
and its companies within the sustainability strategic framework, a current situation analysis was carried out consisting of 5 topics (Sustainability Strategy, Sustainability Management, Stakeholder Engagement, Performance, Reporting and Communication) and 180 indicators. With this analysis study, the current situation result has been revealed by taking into consideration the sectoral good practice companies where Kale PW is located.

Prioritisation Analysis

A materiality analysis was conducted to identify the material economic, environmental, social and governance issues that will create the greatest impact and value for Kale PW and its stakeholders and to identify the main topics that will guide the strategy. In the prioritisation process, stakeholder analysis, impact analysis, external trend analysis, financial impact analysis, executive opinions and company strategy were taken into consideration.

A comprehensive study was carried out to obtain the views of stakeholders in the value chain in order to create a strategic framework for sustainability. This study addresses the economic, environmental and social issues that will create the greatest impact and value for Kale PW and its stakeholders. Within the framework of the A1000 Stakeholder Engagement Standard, stakeholder groups were identified and stakeholder prioritisation was made on the axis of direct and indirect economic impact. Stakeholder groups whose feedback was received included employees, customers, suppliers, non-governmental organisations and sectoral associations. A material issue questionnaire was conducted for these stakeholder groups to include their expectations in terms of sustainability.

As a result of the analysis, the environmental, social and economic issues that will create the greatest impact for Kale PW and its stakeholders were mapped on the Sustainability Priorities Matrix. Seven of these issues have been identified as very high priority.

Impact on stakeholders

Stakeholder Analysis, Impact Analysis and External Trend Analysis

High Priority — Very High Priority

Kale & Kale P&W strategy, Senior Management Opinions, Financial Effect Analysis

Effect on Kale P&W

Kale P&W Priorities

#	Priority
1	Greenhouse Gas Emissions and Energy Management
2	Resource Utilisation and Operational Efficiency
3	Circular Economy and Waste Management
4	Fair Working Environment and Employee Rights
5	Clean Technology Investment
6	Digitalisation
7	Ability Management
8	Occupational Health and Safety
9	R&D and Innovation
10	Product Management
11	Business Ethics
12	Customer Orientation and Customer Experience
13	Risk Management
14	Information Security and Data Confidentiality
15	Equal Opportunity, Diversity and Inclusion
16	Transparency
17	Supply Chain Management
18	Social Investments
19	Shareholder Relations
20	Compliance
21	Water and Wastewater Management
22	Biodiversity

Environment — Corporate Management / Economy — Social

#CareForYourWorld

Within the scope of cultural transformation, Kale Group aims to be the most preferred group of employees in all sectors, which considers the future of the business, adopts new ways of thinking and working. Kale Group has etermined the important steps in the impact area of "Cultural Transformation" as; "To manage with a model in which decent work practices are adopted, a working environment in which gender and opportunity equality is observed throughout the Group, full adaptation to changing talent demographics and 21st century skills is ensured, new generation tools are used for agile, highly efficient and effective organisations, and dynamic and different work experience opportunities are offered in order to be a Group where young talents want to work".

In order to make a positive contribution to the Cultural Transformation impact area, the priority areas of focus are Talent Management, Fair Working Environment and Employee Rights, Equal Opportunity, Diversity and Inclusion, and Occupational Health and Safety. Kale Group's activities in the "Cultural Transformation" impact area are mainly carried out in nine steps.

• Maintaining to be a reliable company and providing an environment where young talents want to work.

• Opportunities and support are provided for young people's career plans and equal opportunities. (18- 30 Age)

• By increasing the impact created by our entire talent pool by offering different work experience opportunities, a value-oriented approach is provided that works passionately and reflects on business results.

• We adopt a fair, transparent and flexible leadership model that supports the production of original work and adopt decent work practices.

• A climate where being fair, taking responsibility,

courage and perseverance until results are achieved are appreciated and rewarded is created.

• Employee experience processes are designed as a journey that supports continuous development, individualised and supported by digital processes, and are continuously developed with innovative practices.

• New generation tools are constantly researched and put into practice for organisations that are agile, efficient and effective in line with the requirements of the age.

• In all human resources processes, equality of opportunity is observed without any discrimination in terms of gender, language, religion, race, ethnic origin, age, etc.

• It is aimed to generalise sustainability awareness throughout the Group

Targets

To be a Best Employer / Great Place to Work by 2025

Obtaining Sedex Ethical and Responsible Production Certificate by 2025

Implementation of the Workplace Health and Well-being Plan in 2025

Increase the ratio of female blue-collar employees to 5% by 2030

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES
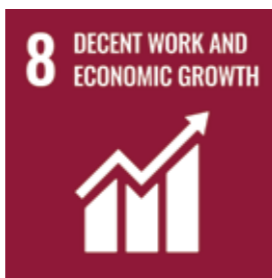
Talent Management

Kale PW's talent management strategy is organised to support the strategy of Kale Group companies. An approach that encourages the development of employees, considers future needs and supports the success of Kale Group companies is adopted. Kale PW aims to create an agile, efficient and effective organisation by adapting to changing talent demographics and 21st century skills.

By recruiting employees with today's skills, it supports existing employees to develop these skills through training and development programmes.

By offering various programmes and support for the development of all 362 employees at Kale PW as of 2022, it is aimed to reveal their potential and support their success. In order to strengthen the talent pool, high potential employees and star employees are identified, put through a special process and focused on their development. By 2025, it is aimed to determine the standard technical competence levels of all roles and to create development plans. In this framework, organisational needs planning is carried out to identify replacement employees for critical positions and potential star employees are identified. Fortresses of the Future Meetings are used as a platform where these talents are evaluated and approved, and the development plans of the identified employees are also monitored. Work is carried out to create succession plans for critical roles and to create and implement personal and technical development plans for critical roles.

The "Development Dialogue" process, which is held every year, ensures the creation of Individual Development Plans for all office employees together with their managers. The development of employees is supported by behavioural training and professional

development training within the framework of Individual Development Plans. At the same time, learning experiences are diversified through on-the-job learning and learning from others.

For team management or for the development of employees who will be in managerial positions in the future, Kale Pratt & Whitney Business School organises trainings and simulations focused on people management and business management.

The development process of blue-collar employees is managed through a training and development plan consisting of five levels, while the development of employees in the technical talent pool is supported by behavioural training and leadership training.

On average, 34 hours of training was provided to each employee.

Educations

All employees who start working at Kale Pratt & Whitney are required to complete a 3-day orientation training in order to accelerate the adaptation process. This training is carried out under 14 different topics ranging from Human Resources orientation to foreign material damage (FOD) and aims to support the adaptation process to the factory.

Blue-collar employees who complete the orientation process are included in the talent matrix within the scope of their departments and duties. They participate in technical trainings determined in line with the talent matrix. These trainings are carried out by group leaders, operators and engineers.

White-collar employees have the opportunity to choose one personal development and one technical training within the scope of the Training Catalogue, which is updated every year.

In 2022, white-collar employees participated in personal development trainings on topics such as "being a team, effective presentation techniques, time management, cooperation, communication, staying in the moment". Technical trainings include topics such as lean production, engineering, supply chain, maintenance, quality, human resources, business development, information technologies and finance.

Employees have the opportunity to participate in catalogue or non-catalogue trainings under these headings in order to improve their duties and responsibilities. In this context, 12,369 person-hours of training was provided to employees in 2022. On average, 34 hours of training was provided to each employee.

14 people participated in Kale Masters Internal Trainer Programme, 7 people participated in Geleceğin Kaleleri Leadership Programme, 1 person participated in Kalegends Young Talent Programme, 13 people participated in Bizden Bize Mentoring and Tersine Mentoring programmes, and 48 people participated in Cambly English Support Programme.

Kale PW evaluates the effectiveness and satisfaction of the trainings. In external trainings and internal trainings exceeding one day, the reactions of the employees to the training are measured. These responses are measured and evaluated online using a personal development/ technical development evaluation form. At this point, the average education satisfaction rate in 2022 is 93%. In addition, other methods such as written examinations and manager evaluation are also used. The effectiveness of the trainings is evaluated according to the passing grades determined on environmental, occupational health and safety issues. The competency matrix is used to determine the skills of employees. Successful employees are assigned to the relevant competence level, while unsuccessful employees repeat the training process and are re-tested.

Performance Management System

The purpose of the Performance Management System implemented for employees within Kale PW is to accurately determine the development potential of individual, unit and corporate performance, to take action towards development and to guide them correctly. The measurements and evaluations planned to be made for this purpose are aimed at ensuring the effective management of human resources potential in a holistic manner by associating with other human resources systems. The performance appraisal process consists of 3 stages: initiation, review and closure. In the continuation of the process that starts with the determination of the balanced scorecard of the company, departmental targets and individual targets of the employees are determined. The performance management process is monitored through the performance monitoring programme called PUSULA.

The target is to become the Best Employer/Great Place to Work by 2025.

Fair Working Environment and Employee Rights

Kale Group creates a working environment where gender equality and equal opportunities are observed and adopted throughout the Group with the "Care of Your Movement". Kale PW supports the principles of equal opportunities and gender equality. To this end, it implements policies and supportive programmes that encourage the employment of female employees. In the three-year strategic plan prepared in 2022, the target is to increase female employment in production and operation areas. It is aimed to obtain Sedex Ethical and Responsible Production Certificate by 2025.

Kale PW offers equal opportunity to all candidates without any discrimination in line with its code of ethics. The same principle of equality is also applied in employee promotion and performance management processes. Creating a work environment where all employees can be happy regardless of their background or role, ensuring that each individual is a valued member and reaches their highest potential, creating an empowered workforce by adopting a supportive culture and prioritising inclusiveness is the basis of Kale Pratt & Whitney's employee policy.

Kale PW adopts business practices that prioritise the happiness and welfare of its employees. Within this framework, it aims to become a Best Employer / Great Place to Work by 2025. Within the scope of decent work practices, Kale PW offers working arrangements, career planning and development opportunities and fringe benefits that support employees to achieve work-life balance.

Kale PW has put the "Postpartum Return to Work and Adaptation" programme into effect as of 2022 in order to make its employees feel that it is always with them. In the programme, which is designed to help female employees adapt to their lives at work and outside of work after childbirth and to facilitate their return-to-work life, 3 sessions of online therapy are carried out with the business partner Madalyon Psychiatry Centre.

Communication with Employees

Kale PW supports continuous improvement and growth by creating a feedback culture that listens to and evaluates employee suggestions and feedback. The company intranet, Kale Pratt & Whitney PortaKale, was completed in order to ensure internal communication and inform employees. Organised for the second time in 2022, the Project Competition was held on the Fikirden Kale platform, a suggestion system that ensures 100% employee participation. 16 project proposals were submitted to the competition under the headings of Quality and Cost. In addition, Kale Campus, which enables employees to benefit from personalised training and development opportunities with up-to-date technologies and mobile-compatible social learning system, was commissioned.

All employees of Kale Pratt & Whitney can make suggestions through the digital platform Fikirden Kale. The evaluation, realisation and follow-up of the suggestions can be made through the platform. In addition, suggestion owners, evaluators and implementers are rewarded on the platform. In 2022, 731 suggestions were received through the Fikirden Kale platform. Processes were initiated and finalised for 151 of these.

Within the scope of the Ethics Line application, employees can confidentially share their complaints with the Kale Group Ethics Committee via telephone or e-mail. The Ethics Committee analyses the complaints within the framework of confidentiality. The Company's Senior Management is informed by the Ethics Committee and included in the process. So far, the Ethics Committee has not received any negative feedback. In addition to these important initiatives, action plans are formulated and monitored based on the results of the Employee Loyalty Survey conducted every year in order to obtain the opinions of employees and strengthen internal communication. In 2022, the engagement survey score was 58%.

Occupational Health and Safety

All Kale Group companies adopt decent work practices. The aim of Occupational Health and Safety (OHS) activities at Kale Pratt & Whitney is to protect employees and ensure production and operational safety. Kale PW, as a company that manufactures aircraft engine parts in the aviation sector, is aware that it bears a great responsibility while carrying out its production activities. This awareness ensures that all legal obligations are meticulously observed and compliance with international business standards is accepted as a basic requirement.

ISO 45001 Occupational Health and Safety Management System and Integrated Management Systems policy form the basis of OHS activities. Efforts are carried out to prevent occupational accidents, occupational diseases and environmental pollution. The Workplace Health and Well-being Plan prepared

in this direction is planned to be commissioned in 2025. Kale PW attaches importance to risk assessment activities in order to continuously improve its OHS performance. Risks and hazards are identified, analysed and regularly updated in the factory area.

All employees starting work at Kale Pratt & Whitney receive appropriate training to acquire the necessary Occupational Health & Safety and Environmental skills and knowledge. These trainings, called On-the-Job Training, are repeated by the employees every two years. In addition, specialised training such as Environmental Awareness, First Aid, Hazardous Materials and Emergency Information are also offered throughout the year. After the emergency trainings, drills are organised to ensure preparedness for possible emergencies. Thus, measures are taken to protect the safety and health of employees and to adopt a culture of doing business in harmony with the environment.

In addition, the Environmental and Occupational Health and Safety Handbook and Office Ergonomics Booklet are shared with all employees.

EH&S Tigers

At Kale Pratt & Whitney, the EH&S Tigers Project, which adopts behaviour-oriented safety management as its project form, is implemented in order to adopt a culture of OHS and environmentally safe behaviour and to increase employee awareness, to reduce the risk of accidents and environmental pollution caused by behaviour, and to increase employee awareness on ergonomics.

Within the scope of the project, teams of volunteers are on duty for a period of two months. Volunteers are provided with information training on the management of the process and a behaviour-oriented observation book is given.

At the end of the process, an evaluation is made over 300 points and the points received by the volunteers are entered into the Suggestion System.

Employees OHS Performance

	2020	2021	2022
Number of fatal cases	0	0	0
Lost time accident rate (LWCD)	1.39	2.17	1.10

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Management of Energy and Sources

Kale PW carries out its activities within the scope of Energy and Resources Management in line with Kale Group's goal of achieving net zero greenhouse gas emissions in its entire portfolio by 2050 and increasing its circular economy-oriented investments. Kale Group's approach to energy and resource management is categorised in six main areas.

• Operational emissions do not harm people or the environment.

• The energy used comes from renewable sources.

• All natural resources are used responsibly towards ecosystems and people.

• Products are designed to be reusable/recyclable.

• Operational waste is eliminated.

• Water used is obtained through fair processes and consumed responsibly.

Today, when environmental concerns are increasing with the effects of the climate crisis, all companies need to redesign their business with a focus on sustainability. Kale Pratt & Whitney, which is part of a carbon-intensive industry in terms of both its operations and production stages, continues to work for an aviation industry with a lower environmental footprint.

Kale Pratt & Whitney integrates energy and resource management practices into its operations by taking into account the global trends and increasing sustainability concerns of the industry, thus contributing to the sustainability of the aviation industry. In the Materiality Analysis study conducted with the participation of the Company's stakeholders in 2022, greenhouse gas emissions and energy management, circular economy and waste management, water and wastewater management were identified as the top three priorities.

The Company's total environmental expenditures in 2022 amounted to TL 200,463. A total financial saving of TL 1,403,045 was achieved through environment-oriented investments and expenditures.

Targets

Reducing greenhouse gas emissions by 15 per cent by 2030 and ensuring 30 per cent of total energy consumption from clean energy sources

Reduce water withdrawal by 15 per cent by 2030

By the end of 2030, it aims to provide 30% of total energy consumption from clean energy sources.

Greenhouse Gas Emissions and Energy Management

Kale PW prioritises its performance on climate change and energy management, which are among the biggest problems of recent years and the most impactful risks of the next decade. In this direction, studies are carried out and projects are developed in consideration of Kale Group's short, medium and long term targets. Kale PW's activities within the scope of environmental sustainability are handled in a holistic manner through the Sustainability Action Plan. Performance is monitored within the scope of the ISO 14001 Environmental Management System certificate held by Kale PW.

Greenhouse Gas Emissions (tCO$_2$)

	2020	2021	2022
Scope 1	80	78	83
Scope 2	3,491	3,390	3,214
Total Emissions (Scope 1+2)	**3,571**	**3,468**	**3,297**

Kale PW carries out many projects for the management and regular reduction of greenhouse gas emissions. In line with these efforts, Kale PW aims to reduce greenhouse gas emissions by 15% by 2030. Some of the projects focussing on providing the energy consumed from renewable sources and increasing energy efficiency are as follows. While net energy consumption decreases, the share of renewable energy in energy consumption increases with the environment-oriented studies carried out at Kale PW.

Solar Power System

With the 80 kWP solar energy panels installed on the dining hall roof of Kale PW İzmir facility with the Solar Energy System Project implemented in 2021, all electricity consumption consumed in the dining hall, except air conditioning, is provided from renewable energy. With this project, 43,806 tCO$_2$ emission reduction was achieved in 2022 thanks to the renewable energy used. Thus, in the 18-month period since the start of the project, the Company has reduced carbon emissions by 60,345 tCO$_2$.

• **Energy Consumption Monitoring Studies:**
The Energy Consumption Tracking platform, which enables 24/7 monitoring of the Company's electricity, water and natural gas usage, enables the comparison of the data with the previous years and enables to increase energy efficiency at a total of 109 Kale PW points. With this study, energy consumption of transformers, compressors, air meters, lighting, offices and cafeteria, some production machines and water consumption of water meters are regularly controlled.

• **Air Leakage Reduction Study:**
The project, launched in 2021, aims to prevent air leaks and thus reduce electricity consumption. With the project, 16 MWh of energy savings were achieved.

• **Lighting Saving Project:**
In Kale PW, a total of 256 high-power lighting fixtures were replaced with LED luminaires with lower wattage and higher lighting intensity. Thus, a saving of 114 MWh was achieved in 2022.

• **Cooling System Revision:**
The cooling system consisting of 17 old type pumps used to provide cooling in the production facilities was revised and replaced with 8 pumps with lower energy consumption. Thus, 232 MWh of energy savings were achieved in 2022.

Net Energy Consumption (MWh

Year	Value
2020	7.646
2021	7.467
2022	7.183
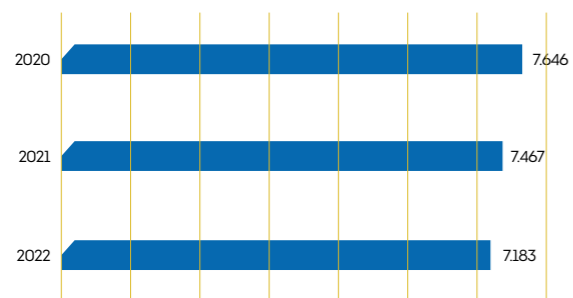
Resource Utilisation and Operational Efficiency

Changing consumption needs and increasing consumer demands brought about by the rapidly growing population have accelerated resource scarcity, the effects of which have started to be seen in all sectors. With resource scarcity, access to raw materials is becoming more difficult and this situation obliges companies to review their operational processes. Kale PW is aware of the importance of responsible resource use and operational efficiency in creating a business model that is resilient to these challenges and implements sustainable practices. In line with this approach, the company carries out investments and studies focusing on the responsible use of resources, minimising waste generation and promoting recycling and circular economy principles.

Water, which is vital for sustaining ecosystems and human welfare, has become one of the natural resources most at risk due to events such as worldwide water scarcity and drought, triggered by the increasing effects of the climate crisis. For this reason, companies operating in water-intensive areas such as production are required to implement water management practices by creating water use and conservation strategies. Kale PW aims to contribute to the protection and sustainable use of this natural resource and ensure its availability for future generations by prioritising water saving and responsible water management.
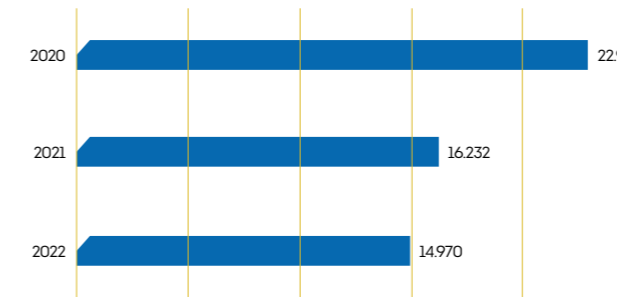
Kale PW's water withdrawal in 2022 decreased by 8% compared to the previous year. Technological investments and projects to reduce water use across operations continued throughout 2022.

Total Water Withdrawn (m³)

Year	Value
2020	22.964
2021	16.232
2022	14.970

Reverse Osmosis (RO) Water Treatment System - Waste Water Recovery Project

Implemented in 2021, the project enables the softening and recovery of the water in the tanks by using reverse osmosis. Thanks to the project, the water disposed of as waste from the water treatment device is sent back to the municipal water collection pool and reused.

In 2022, 1,680 m³ of wastewater was recovered with the Reverse Osmosis Water Treatment System.

Kale PW aims to reduce water withdrawal by 15% by the end of 2030.

Operational Efficiency

Kale PW carries out various projects to achieve resource, time and cost savings by increasing efficiency in operational processes. One of these is the expansion of the Operator Certification programme. This programme aims to shorten the part delivery time by preventing the part from going to the measurement laboratory separately by measuring the parts made by each operator. In addition, with the part profitability projects, all production processes of the 10 most loss-making parts are controlled, and it is aimed to increase their accuracy and efficiency. In this way, costs are reduced. By using vertical storage systems, space is saved in the factory and unnecessary building investments are prevented. At the same time, efficiency in operational processes is increased by providing faster access to the desired equipment.

Circular Economy and Waste Management

Circular economy and effective waste management practices are of high importance for Kale PW in parallel with Kale Group's Look Good World movement. By adopting a circular economy model, the company aims to reduce waste generation and ensure the protection of valuable resources. The company works to reduce its environmental risks, prevent pollution and minimise its environmental footprint through innovative recycling and reuse initiatives.

In line with its circular economy studies, Kale PW conducted a product life cycle design in 2018 in accordance with ISO 14001 Environmental Management Systems.

With this study, critical points where the Company can intervene in terms of the environment have been identified, waste reduction activities and follow-up have been systematised. In this context, Environmental Dimension Assessments were commissioned to identify environmental risks, and the entire product life cycle was effectively monitored.

Kale PW established a team to focus on waste management in 2021 in order to strengthen its performance in line with the goal of designing all its processes in accordance with sustainable and circular models, to address the issue systematically and to create more effective waste management processes.

The Green Heroes team, which was established to prevent waste, use resources more efficiently, prevent or reduce waste generation, ensure and monitor the correct collection and recovery of waste, follows the following basic principles.

• Prevention of waste generation, waste minimisation, reuse when waste generation cannot be prevented
• Material recovery or energy recovery of waste that cannot be reused
• Continuous support of senior management and communication with employees
• Using training and communication tools to ensure that the zero waste approach is made a part of the corporate culture
• Effective participation of employees in the process

With the work of the Green Heroes team, Kale PW's waste management needs have been analysed and work has started to be planned for these needs. The team continues to design improvement projects based on annual performance data and monitor Kale PW's waste management. In 2021, Kale PW received the Zero Waste Certificate.

Kale PW handles the waste generated in its processes in line with zero waste principles. In this context, the Company aims to switch to paperless production by the end of 2024. In parallel with the Company's goal of switching to paperless production, the Paper Consumption Reduction Project, which was launched in 2019, accelerated the efforts focused on digitalisation as well as waste reduction. In 2021, business processes, which were traditionally followed up in written form, were transferred to the digital environment and followed up on the mobile platform.

Within the scope of the Paper Consumption Reduction Project, improvements were made in the areas of levelling the skills of production operators in measurements and increasing their competencies, starting paperless production with the aim of reducing document costs, paper consumption and environmental footprint in production, and reducing paper consumption with new rules integrated into printing processes.

	2020	2021	2022
Used Paper (Tonnes)	6.8	5.9	4.9

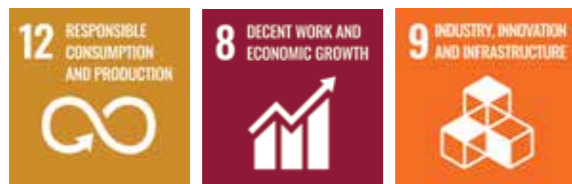|	2020	2021	2022
Recycled Hazardous Waste (Tonnes)	166	240	210
Recycled Non-Hazardous Waste (Tonnes)	122	105	114
Total Hazardous Wastes (Tonnes)	**166**	**240**	**210**
Total Non-Hazardous Wastes (Tonnes)	**122**	**105**	**114**

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Within the scope of the Sustainable Business Model; it is aimed to maximise revenues from sustainability-oriented businesses. Kale Group has determined the important steps in the Sustainable Business Model impact area as investing in ESG-oriented new business models, developing sustainability-oriented business processes, products and services, acting in line with responsible investment principles, spreading the sustainable business approach to the supply chain, investing in the future of business in all sectors with end-to-end digital systems and new technologies, and managing all processes with R&D & Innovation-oriented business models.

In order to make a positive contribution to the Sustainable Business Model impact area, the priority areas of focus are Product Management, Supply Chain Management, Customer Orientation and Customer Experience, Clean Technology Investment, R&D and Innovation and Digitalisation.

| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |

The aviation industry is undergoing a transformative shift towards sustainable energy sources and resource conservation, with increased adoption of alternative fuels such as biofuels and sustainable aviation fuels (SAF). In addition, there is a rapid increase in technology and innovation investments in order to increase operational efficiency in order to reduce fuel consumption, waste generation and energy use across the industry. Kale Pratt & Whitney continues its technology and innovation-oriented investments under the leadership of Pratt & Whitney, its main supplier, in order to adapt to the transformation in the aviation industry.

Targets

Transition to paperless production by the end of 2024

Digitalisation

Kale PW strategically prioritises investing in digital transformation and taking advantage of opportunities for more intensive and effective use of digital tools that provide efficiency, speed, flexibility and agility in production and customer experience. In 2022, in the Materiality Analysis study conducted with the participation of stakeholders, Digitalisation was among the very high priority issues for Kale PW.

It aims to use digital transformation as a factor that creates competitive advantage in order to achieve the targets in its strategic plans and to meet the expectations of all its stakeholders, especially its customers, in terms of quality, cost, deadline, cyber security and smart systems.

Kale PW was one of the five factories involved in the digital transformation pilot implemented globally by Pratt & Whitney. Within the scope of digital transformation with PW, projects were initiated under the sub-headings of quality, operational efficiency, human resources and information technologies. With these projects, it is planned to realise improvements in new customer and project acquisition, quality indicators, profitability, full and on-time delivery, time to market, operational efficiency and employee loyalty.

In order to determine Kale PW's Digital Maturity Level, evaluation studies were carried out in 2022 and the Digital Roadmap was updated to cover the coming years. In the first phase, the level was set at 1.8, and efforts are underway to reach the 4.0 level, which is achieved by the best (peer group leader) among companies with the same characteristics.

Within the scope of digitalisation and Industry 4.0, efforts are underway to integrate business processes and increase real-time digital visibility to facilitate decision-making.

Paper Consumption Reduction Project

Within the scope of the project to reduce paper consumption, the Workflow Programme was commissioned. With the digitalisation of process workflows, easy and fast process design by business units, elimination of filing-archive requirements, complete, accurate and up-to-date tracking of the status of transactions, and time and location independent access with the mobile application are aimed. In addition, by implementing the Paperless Production and Digital Transformation Project in 2022, it's aiming to reduce paperless production, document costs and paper consumption in production, archive costs due to document storage and environmental footprint.

R&D and Innovation

The importance of R&D and innovation for the development, sustainability and competitiveness of the aviation industry is increasing day by day. R&D and innovation play a critical role in issues such as adaptation to technological developments, safety, sustainability and operational efficiency. Conducting research that will develop and transform the business model, conducting innovation studies by establishing strategic collaborations with stakeholders, and capturing opportunities that generate new income and value; constitute the scope of Kale PW's R&D and innovation activities.

Operators and engineers also contribute by generating innovative ideas to improve the production process for the parts in production. It gives various suggestions that will reduce the number of tools used in the production of the part and shorten the machine-labour time. These suggestions contribute to the improvement of processes and openness to innovations.

• In 2021, it is aimed to reduce the galvanised material thickness used in the Hydroform operation from 2 mm to 1-1.5 m according to the process suitability and to shorten the galvanised melting operation time in the chemical area. With this project, approximately 20% chemical material gain and less chemical waste were generated per part in the process.

• In 2022, a solution was developed for the bolt slots on the Stark table to wear out over time and become unusable. The Stark table, which was to be scrapped by re-threading instead of the worn bolt slots, was put back into production.

The savings achieved through process innovations reached TL 2,898,505 in 2022.

Innovation Culture

Kale PW realises projects to encourage the participation of its employees while developing business processes. Appreciation, Recognition and Suggestion System; Through Fikirden Kale, employees put forward their ideas for the improvement of the current situation on issues that directly or indirectly concern the organisation in which they work.

Fikirden Kale is an online platform where employees enter their suggestions, relevant parties can see and follow up these suggestions and the reward system is managed.

The improvement return amount of the suggestions received in the Fikirden Kale system is set as a target every year and monitored

	Aimed Improvement Amount (TL)	Amount of improvement return (TL)
2020	350,000	370,000
2021	535,000	545,000
2022	1,100,000	2,900,000

Customer Management

Kale PW considers being cost competitive, realising its shipments 100% on time, meeting and exceeding customer quality requirements and applying high technology for competition within the scope of its customer management strategy. Kale PW regularly conducts a Customer Satisfaction Survey (Market Feedback Analysis (MFA)) for its customers. Our customers, with whom we are in contact every day, take part in a customer satisfaction survey once a year and Pratt & Whitney once every two years. To be successful, a score of 6 out of 7 is required. In 2022, the average satisfaction score was 6.6.

Kale PW carries out Supplier Health Assessment (SHA) and preparations for the Platinum Supplier award. SHA is assessed in four main categories:

lean, process management, quality, resource management and corporate responsibility, and a minimum score of 80 out of 100 points is required in each category. Within the scope of this audit, improvements are made in all production and management processes within the factory in line with lean production. To become a Platinum Supplier, it is necessary both to pass the SHA audit and to score at least six out of seven points in the customer satisfaction survey (MFA). In order to fulfil these requirements, many efficiency projects have been initiated within the company. Within the scope of the studies carried out, the company became a Platinum Supplier with a score of 91.85 out of 100 in 2021, and the score was increased to 97.8 in 2022.

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As Kale Group, we believe that it is our responsibility to lead social transformation in order to continue the success in our business and contribute to a sustainable future by managing our impact on the world. Within the scope of social benefit, Kale Group aims to be a pioneer in social investments and to allocate a certain percentage (0.5%) of EBITDA each year to social programmes that will contribute to the United Nations Sustainable Development Goals. Kale Group's activities in the "Social Benefit" impact area are carried out in seven steps.

• All social investments are realised on the basis of positive impact-oriented and common benefit that unites group companies on a common denominator.

• Social investment activities, of which employee volunteering is also a part, support and nourish Group sustainability efforts.

• Social benefit is scaled through strategic collaborations.

• Kale Design and Art Centre embraces the mission of being an incubation centre for impact-oriented social investments where circularity is embraced and interdisciplinary work is encouraged.

• İbrahim Bodur Social Entrepreneurship Programme supports initiatives that focus on social problems and contribute to the circular economy and increases its brand value by collaborating with these initiatives.

• While supporting new talents, Kale Seramik Foundation embraces them as potential Kale employees (stakeholders) and the Group puts forward initiatives that support youth employment together with brands, especially Human Resources.

• It develops joint programmes with internal and external stakeholders through local and international NGO collaborations and supports

awareness raising and benchmarking processes within the Group.

Social Investment Programmes

As Kale Group, we believe that the future of production can only exist with a solution-oriented and sustainable system that puts people at the centre. We aim to provide lasting benefits in terms of environment, society and economy with the original works we plan to reach a more sustainable, greener and fairer world. With the "Care of Your Movement" we launched for this purpose, we support projects that serve the SDGs, put people and social benefit at the centre, and increase the social impact created.

İBRAHİM BODUR | Sosyal Girişimcilik Programı **7.YIL**

İbrahim Bodur Social Entrepreneurship Programme
İbrahim Bodur Social Entrepreneurship Programme (İBSG), which was launched to keep the memory and values of Kale Group Founder İbrahim Bodur alive after his death in 2016, has been organised since 2017. Aiming not only to produce and grow, but also to develop by sharing the values it produces with the society, Kale Group aims to support

social entrepreneurs who feel responsible for the society and environment they live in and dare to take action for a better world with this award programme. The İbrahim Bodur Social Entrepreneurship Award Programme, which is open to applications from social enterprises working to produce sustainable solutions to all social and environmental problems, has received thousands of applications in its first 6 years only, and more than 60 social enterprises have reached the finals.

Today, social entrepreneurs who aspire to shape the future, who want to live in a better world and who seek solutions to social problems continue to join forces under the structure of İbrahim Bodur Social Entrepreneurship Programme.

Academy of People Taking Care of their World
Academy of People Taking Care of their World works to support university students from all over the country who want to take good care of their world to connect and create positive change. The mobile academy, created in partnership with Kale Group and Boğaziçi University Lifelong Learning Centre (BÜYEM), offers a distinctive learning experience with its rich content programmes on management, leadership and social entrepreneurship.

Kale Design and Art Centre (KTSM)
It is a centre that contributes to the attraction area of creative industries in the city by providing a platform for actors in the field to come together and co-produce with workshops, talks, presentations, exhibitions and other events held under the roof of KTSM, which

was brought to life with the transformation of Kale Group's first headquarters in Karaköy. In addition, students continuing their education and newly graduated young professionals have the opportunity to come together at KTSM and share knowledge and experience.

Examples of social benefit projects hosted by KTSM; Alev Ebüzziya Belgeseli, Mustafa Tunç Alp Belgeseli – Toprakla Şekillenen Bir Ömür, İSTKA Projeleri, İş Modeli Geliştirme Projeleri, Eğitim ve Atölye Faaliyetleri, Mimari ve Tasarım Perspektifi, Sergiler (In Transit Arada, Toprakla Şekillenen Bir Ömür, Riya ve Latife, Kaçış Noktası, Yüzeyin Ötesinde: Su, Küresel İkaz/Global Warning, Geri Dönüp Baktığımda, Artakalan, Solar: Güneşe Dair, Çöpe Atılmak için Yetiştirilmiş, Dijital Sergi: Atığın İhtimalleri), Çeşitli Buluşmalar are some of these works and projects.

KSV (Kaleseramik Education, Health and Social Aid Foundation)
It was established in 1991 with the aim of making the contributions of Kale Group Companies to the society continuous and systematic. Since its establishment, KSV's efforts to contribute to society have been carried out under the headings of "Education" and "Employment". KSV continues its activities within the framework of scholarship programmes, physical infrastructure investments such as schools, student dormitories and training centres, programmes implemented to improve industry-university cooperation and social responsibility projects.

My First Job, Exchange in Schools Program
The Kaleseramik Foundation, which attaches importance to combating unemployment, not only increases employment in the sector by organising vocational training courses all over Turkey, but also ensures that trainees take part in a social responsibility project with their first jobs in their professions by saying "My First Job, Exchange in Schools".

In this project, which started in 2009, trainees who complete the Ceramic Floor and Wall Tile Coating Vocational Course pioneer change in village schools in Anatolia and contribute to providing them with a hygienic environment. KSV, which includes Kale Group dealers and company employees in its projects in addition to the support it provides as a foundation, has pioneered the provision of donations such as books, toys, stationery, clothes and shoes to the project with the additional project launched with the slogan "We Wanted to Take Something of You with Us When We Leave".

Within the scope of the project, a total of 25 courses were organised in 138 village schools in 24 provinces and 508 people graduated from these courses.

Look at your world from the heart
On the morning of 6 February, we were all deeply shaken by the earthquake centred in Kahramanmaraş and affecting 17 provinces, and we faced an unprecedented disaster. In the face of this disaster, in which we feel our individual and corporate responsibility deeply, as Kale Group, we aimed to direct the needs to the right channel by conducting impact-oriented studies. We took action by coordinating the aid to be provided by Kale Group companies and employees through KSV. In this context, the aid campaign we started from the first hours we received the news of the earthquake continued to grow with the support of our employees, domestic and foreign dealers and suppliers. We proceeded in coordination with the

relevant public institutions and organisations, especially AFAD, and non-governmental organisations such as AHBAP and İhtiyaç Haritası. In addition, together with the communication teams of the Group Companies, we focused on multiplying the impact and making what we do sustainable by coming together with social entrepreneurs, other NGOs, sector associations, architects and designers in our ecosystem that we can cooperate with in the next stage. We will overcome these difficult days together with solidarity, and we will continue to help those who are in trouble today with the aids we provide in coordination with official units.
What we did together:

• From the first day of the earthquake, we determined our main coordination centre as KSV.

• With the call made to Kale Volunteers, 150+ volunteers took part in the field and disaster area. In line with the information received from AFAD and İhtiyaç Haritası, it was decided to distribute the necessary materials to the rural areas.

• 40+ lorries and trucks, 2 forklifts, 10+ packaging team support was provided.

• The generator donated by our Kale Kalıp company was delivered.

• In the first stage, 1,000+ winter fleece, 4,200+ 0.5 pcs drinking water, 1,500+ towel paper and toilet paper, 12,000+ cardboard cups, 500+ various children's clothes, blankets and diapers were prepared.

• 300+ pieces of 80x120 pallets, 1.500+ cardboard transport boxes, 100+ pallet nylon, 300+ pieces of parcel tape, 15+ rolls of stretch film packaging material support was provided.

• 1.000 blankets, 1 lorry of water, 46 boxes (diapers, hygiene materials, coats, vests, beanies, scarves), 5 generators, 3.000 food packages were distributed.

• Over 1,000 employees delivered the food packages to the collection centre.

• Blood donation was organised in coordination with the Turkish Red Crescent.

• Medicine supply process was coordinated with the coordination of Kale Group Health Team.

• Financial support was provided to the relatives of 55 Kale Employees and 400 Kale Dealer employees in the disaster areas.

• 1,000 food packages were purchased for Gaziantep Islahiye district. Distribution of food aid to 3,000 earthquake victims in Kahramanmaraş was completed together with our dealer Kar Yapı.

• A total of 251 containers, including 168 hygiene containers (including hygiene containers for the needs of disabled people) and 68 life containers, were sent. 4 kindergarten containers were established for the children of disaster victims.

• Toilet and shower materials were provided for the 1,000-container project of the Foreign Economic Relations Council (DEİK).

• On 8 March International Women's Day, upon the suggestion of our women colleagues, a donation was made to KSV to support the establishment of day care centres and playgrounds for children affected by the earthquake.

In line with its responsible and sensitive leadership approach, the aim is not only to produce and grow, but also to develop by sharing the values produced with the society. Accordingly, Kale Holding adopts a corporate responsibility approach and policy. A Social Responsibility Procedure has been established for all departments to be involved in the process. The purpose of this procedure is to approve social responsibility projects focused on employees, society and the environment, to systematically monitor the process from the beginning of the project to its finalisation and to ensure its sustainability.

Corporate Responsibility Projects focus on health and education. Within the scope of a project carried out with employees, an aid campaign was organised for children with leukaemia and sick children. Support was provided for the needs of children receiving treatment at the hospital. A support programme was implemented for the

child of an employee in need of special education. Educational needs were met, contributing to the child's development.

Shareholder Relations

Kale PW adopts an approach that values the opinions of employees and external stakeholders in management decisions. Kale PW's stakeholders include employees, financial institutions, shareholders, business partners and suppliers, public institutions, media, customers, non-governmental organisations and universities.

In sustainability-oriented studies, the Company seeks the opinions of stakeholders and conducts stakeholder analyses. In 2022, the first stakeholder analysis was conducted in accordance with the AA1000 Stakeholder Engagement Standard and enabled the identification of strategic priority issues.

Stakeholder Communication Matrix

Stakeholder Group	Communication Methods / Tools
Employees	Meetings, Trainings, Information E-mails, Periodical Employee Surveys, Customer Visits
Customers	Meetings, Information E-mails, Customer Visits
Cooperation, Suppliers and Sub-contractors	Meetings, Information E-mails, Supplier Examinations
Community	Social Media, Website
Business and Governance Stakeholders	Meetings, Trainings, Information E-mails

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Environmental Performance Indicators

Energy Consumption (MWh)

	2020	2021	2022
Net Renewable Energy Consumption	0	37	99
Net Non-Renewable Energy Consumption	7,646	7,429	7,085
Net Energy Consumption	**7,646**	**7,467**	**7,183**

Greenhouse Gas Emissions (tCO$_2$)

	2020	2021	2022
Scope 1	80	78	83
Scope 2	3,491	3,390	3,214
Total Emissions (Scope 1+2)	**3,571**	**3,468**	**3,297**

Waste Amount (tonnes)

	2020	2021	2022
Recyclable Hazardous Wastes	166	240	210
Recycled Non-Hazardous Waste	122	105	114

	2020	2021	2022
Used Paper (Tonnes)	6.8	5.9	4.9

Water Withdrawn (m^3)

	2020	2021	2022
Mains Water	22,964	16,232	14,970

Environmental Investment and Expenses (TL)

	2020	2021	2022
Environmental Investment and Expenses	1,865,530	1,955,443	200,463
Total Environmental Fines	10,480	11,351	67,092
Saving with Environmental Investment and Expenses	681,645	34,199	1,403,045

	2020	2021	2022
Environmental Educations (Hour)	130	1,036	206

Social Performance Indicators

Employees by Gender and Category

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
White Collar	31	75	33	80	36	80
Blue Collar	1	268	1	243	1	245
Total	**32**	**343**	**34**	**323**	**37**	**325**
Sub-contractors	7	18	7	18	7	16

Employees by Duration of Employment

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
Employees working for 0-5 years	22	283	24	266	24	240
Employees working for 5-10	10	60	10	57	12	85
Employees working for 10 years or more	0	0	0	0	1	0

Employees by Age

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
Employees under 30 years	10	84	13	68	13	62
Employees between 30-50 years	22	252	21	246	24	255
Employees over 50 years	0	7	0	9	0	8

Number of Disabled Employees

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
	1	9	1	10	1	10

Managers by Gender and Levels

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
First Level	3	12	5	9	6	14
Senior Level	3	11	3	8	3	7

Maternity Leave by Gender

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
Number of employees on maternity leave	1	0	2	0	2	0
Number of employees returning to work after the end of maternity leave	1	0	1	0	2	0

Employees Leaving Job by Gender and Age

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
Over 50 years	9	7	0	2	0	0
30-50 Years	14	79	4	37	2	27
Under 30 years	17	63	2	9	4	11
Total	40	149	6	48	6	38
Employee Turnover Rate	50%		15%		12%	

Number of Employees in STEM Positions

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
	8	33	12	33	14	34

Newly Hired Employees by Gender

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
Number of newly hired employees	40	75	8	27	9	40

Number of Positions Filled

	2020		2021		2022	
	Woman	Man	Woman	Man	Woman	Man
	40	72	8	24	9	40

Trainings

	2020	2021	2022
Total training time	4.136	8.539	12.369
Average training time per employee	11	23,92	34,17

GRI Content Index

Usage Notice	Kale Pratt & Whitney has reported the information specified in this GRI content index in accordance with GRI Standards covering the period January - December 2022.
GRI 1 was Used	GRI 1: Basic 2021

GRI Standard	Notices	Page Number, Source and/or Direct Answers	Additional Information and explanation of information not given
General Notices			
GRI 2: General Notices 2021	2-1 Organisation Profile	"12, 13 https://www.kalepw.com/en/about-us	
	2-2 Organisations included in sustainability reporting	4	
	2-3 Reporting period, frequency and contact information	4	
	2-4 Information reorganised according to previous reports	Since this is Kale PW's first sustainability report, there is no revised information.	
	2-5 External Examination	There is no external examination	
	2-6 Activities, value chain and other business relations	14, 15	
	2- 7 Employees	38-45	
	2-8 Employees of Subcontractor	69	
	2-9 Governance structure	https://www.kalepw.com/en/management	
	2-10 The process of determining the competences and qualifications of the members of the highest governance body	https://www.kalepw.com/en/management	
	2-11 Chairperson of the highest governance body	https://www.kalepw.com/en/management	
	2-12 The role of the highest governance body in managing the impacts of the organisation's activities	20, 21	
	2-13 Willingness to take responsibility for managing the impacts of activities	20-23	
	2-14 Role of the highest governance body in sustainability reporting	20, 21	
	2-15 Processes to prevent conflicts of interest	24	
	2-16 Process of escalation of critical issues to the highest governance body	20, 21	
	2-17 Competences of the highest governance body		Kale Pratt & Whitney does not share this information as it is not a public company.
	2-18 Evaluation of the performance of the highest governance body		Kale Pratt & Whitney does not share this information as it is not a public company.
	2-19 Price Policies		Kale Pratt & Whitney does not share this information as it is not a public company.
	2-20 Process for defining prices		Kale Pratt & Whitney does not share this information as it is not a public company.

GRI Content Index

GRI Standard	Notices	Page Number, Source and/or Direct Answers	Additional Information and explanation of information not given
General Notices			
GRI 2: General Notices 2021	2-21 Annual Total Fee Rate		Kale Pratt & Whitney does not share this information as it is not a public company.
	2-22 Explanation regarding sustainable development strategy	30, 31	
	2-23 Policy Commitments	www.kalepw.com/Files/KGIKY21.PDF	
	2-24 Implementation of policy commitments	20 , 21	
	2-25 Processes fpr improving negative effects	24, 25	
	2-26 Mechanisms for receiving suggestions and raising concerns about issues related to ethical and legal behaviour	https://www.kalepw.com/en/codes-of-conduct-and-trade	
	2-27 Cpmpliance to legal regulation	25	
	2-28 Corporate memberships		Kale Pratt & Whitney does not share this information as it is not a public company.
	2-29 Stakeholder attendance	34, 35, 65	
	2-30 Proportion of employees subject to collective labour agreements	There are no employees covered by collective labour agreements.	
Priority Issues			
GRI 3: Priority Issues 2021	3-1 Process for defining priority issues	34, 35	
	3-2 List of Prior Issues	34, 35	
	3-3 Management of Prior Issues	34, 35	
Anti-Corruption			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	24, 25	
GRI 205: Anti-Corruption 2016	205-1 Activities assessed for risks related to corruption	24, 25	
	205-2 Communication and training on anti-corruption policies and procedures	24, 25	
	205-3 Confirmed cases of corruption and measures taken	24, 25	

GRI Content Index

GRI Standard	Notices	Page Number, Source and/or Direct Answers	Additional Information and explanation of information not given
Energy			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	48-50	
GRI 302: Energy 2016	302-1 Internal energy consumption	50, 68	
	302-4 Reducing energy consumption	50	
Water and Waste Water			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	50-51	
GRI 303: Water and Waste Water 2018	303-2 Management of effects relating to water discharge	50	
	303-3 Water withdrawn from the source	51, 68	
Emissions			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	49-50	
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	49, 68	
	305-2 Indirect energy greenhouse gas (GHG) emissions (Scope 2)	49, 68	
	305-5 Reducing greenhouse gas (GHG) emissions	49-50	
Waste			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	52-53	
GRI 306: Waste 2020	306-1 Waste generation and significant impacts from waste	52-53	
	306-2 Management of significant impacts from waste	52-53	
	306- 3 Waste generation	52, 68	
Employment			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	38-45	
GRI 401: Employment 2016	401-1 New employee hired and employee turnover	69, 70	
	401-3 Maternity/Parental Leave	42, 70	

GRI Content Index

GRI Standard	Notices	Page Number, Source and/or Direct Answers	Additional Information and explanation of information not given
Occupational Health and Safety			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	44, 45	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	44, 45	
	403-2 Types and rates of injuries, occupational diseases, lost days, number of absences and work-related fatalities	44, 45	
	403-3 Occupational health services	44, 45	
	403-4 Employee participation in occupational health and safety, consultation and communication	44, 45	
	403-5 Employee training on occupational health and safety	44, 45	
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to labour relations	44, 45	
	403-8 Employees covered by the occupational health and safety management system	44, 45	
	403-9 Work-related injuries	44, 45	
	403-10 Work-related patient cases	44, 45	
Education and Training			
GRI 3: Priority Issues 2021	3-3 Management of Prior Issues	40, 41	
GRI 404: Education and Training 2016	404-1 Average annual training hours per employee	40, 41, 70	
	404-2 Talent management and lifelong learning programmes that support employee development	40, 41	
	404-3 Percentage of employees who undergo regular performance development reviews	41	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of Prior Issues	42	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	42	

Kale Pratt & Whitney

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