

■ **Kale Pratt & Whitney**

Sustainability
Report 2023



#İyiBak Dünyana

CONTENTS

03



19



37



30



42



51

ABOUT THE REPORT	03
MESSAGE FROM THE CHAIRMAN OF THE BOARD	04
AN OVERVIEW TO KALE PRATT & WHITNEY	05
SUSTAINABILITY MANAGEMENT	10
Cultural Transformation	19
Talent Management	21
Fair Working Environment and Employee Rights	25
Occupational Health and Safety	28
Energy and Resources Management	30
Greenhouse Gas Emissions and Energy Management	32
Resource Utilisation and Operational Efficiency	35
Circular Economy and Waste Management	36
Sustainable Business Model	37
Digitalisation	39
R&D and Innovation	40
Customer Orientation	41
Social Investments	42
Community Investment Programmes	44
Corporate Governance	47
ANNEXES	51
Performance Indicators	51
GRI Content Index	55
Contact	58



About the Report

As one of Türkiye 's leading aviation companies, we conduct our business with a sense of responsibility towards our stakeholders. We carefully manage the social, economic and environmental impacts of our products and operations by creating a sustainable business model and value chain.

Through our Sustainability Report, published for the second time this year, we share with our stakeholders our activities, the results we have achieved and our future goals as part of our sustainability roadmap, the 'Care for Your World' movement..

This report has been prepared by Kale Pratt & Whitney Uçak Motor San. A.Ş (Kale PW) in accordance with GRI standards and covers the period from 1 January 2023 to 31 December 2023. Unless otherwise stated, all environmental, social and governance data in the report reflect all of Kale PW's operations.

We value the views and expectations of our stakeholders in the development of our sustainability management and reporting processes. We welcome your comments and suggestions on our sustainability activities and reporting.

You can forward your comments and questions to

✉ sustainability@kalepw.com

Message from the Chairman of The Board

As Kale Group, we strive to make the world a better place in all the sectors in which we operate, inspired by our 66 years of deep-rooted history.



Osman OKYAY
Chairman of the Board of Directors
Deputy Chairman of Kale Group

Dear Stakeholders

In this century of rapid global change, sustainability is no longer an option but an absolute necessity. In this context, how and what organisations do about sustainability and climate change is becoming increasingly important. In terms of its impact on nature and society, business undoubtedly has an important role to play in combating climate change and ensuring sustainability. Organisations that make a difference by adopting sustainable business models are supporting a better world while moving forward in the creation of economic value.

Sustainable growth is at the heart of our business model...

As Kale Group, we strive to make the world a better place in all the sectors in which we operate, inspired by our 66 years of deep-rooted history.

We are aware that our activities have an impact on the environment and society, and we are committed to minimizing negative impacts while maximizing positive contributions. We are taking strategic steps to transform our business model to deliver greater benefits to society and the environment. To do this, we are adopting a sustainability approach that is integrated into our business models. We are adopting a multi-capital management approach that includes non-financial assets such as human, intellectual and environmental capital in addition to financial capital.

We recognise that a sustainable economy is an inevitable economic model for our world, and we are involved in the growing global movement for sustainable change

through our Care for Your World movement. We follow the principles of responsible investment in our investment planning, giving importance and priority to the sustainability of our investments in addition to their financial return.

We have put sustainability at the heart of our business model and growth approach. We develop sustainable business processes, products and services with a focus on R&D and innovation; we invest in renewable energy and digitalisation. We aim to meet our energy needs from renewable resources and to manage our resources and waste effectively.

We believe that a sustainable future is possible with the cooperation of all our stakeholders, and we move forward by expanding our knowledge and sphere of influence by acting together with all stakeholders in our ecosystem. We care for our world by focusing on sustainable business transformation, human-centred cultural transformation, effective and efficient management of energy and resources, and social investments.

Pratt & Whitney's role in our sustainability journey

Sustainable transformation, which is gaining momentum around the world, is also an important agenda for the aerospace industry. Reducing greenhouse gas emissions and implementing sustainable manufacturing practices in the aviation industry are key business priorities.

As one of the pioneers of sustainable transformation, the aviation industry has

set itself the goal of achieving net-zero carbon emissions by 2050. In this sector, the conservation of existing resources and the use of alternative sustainable fuels have become even more important.

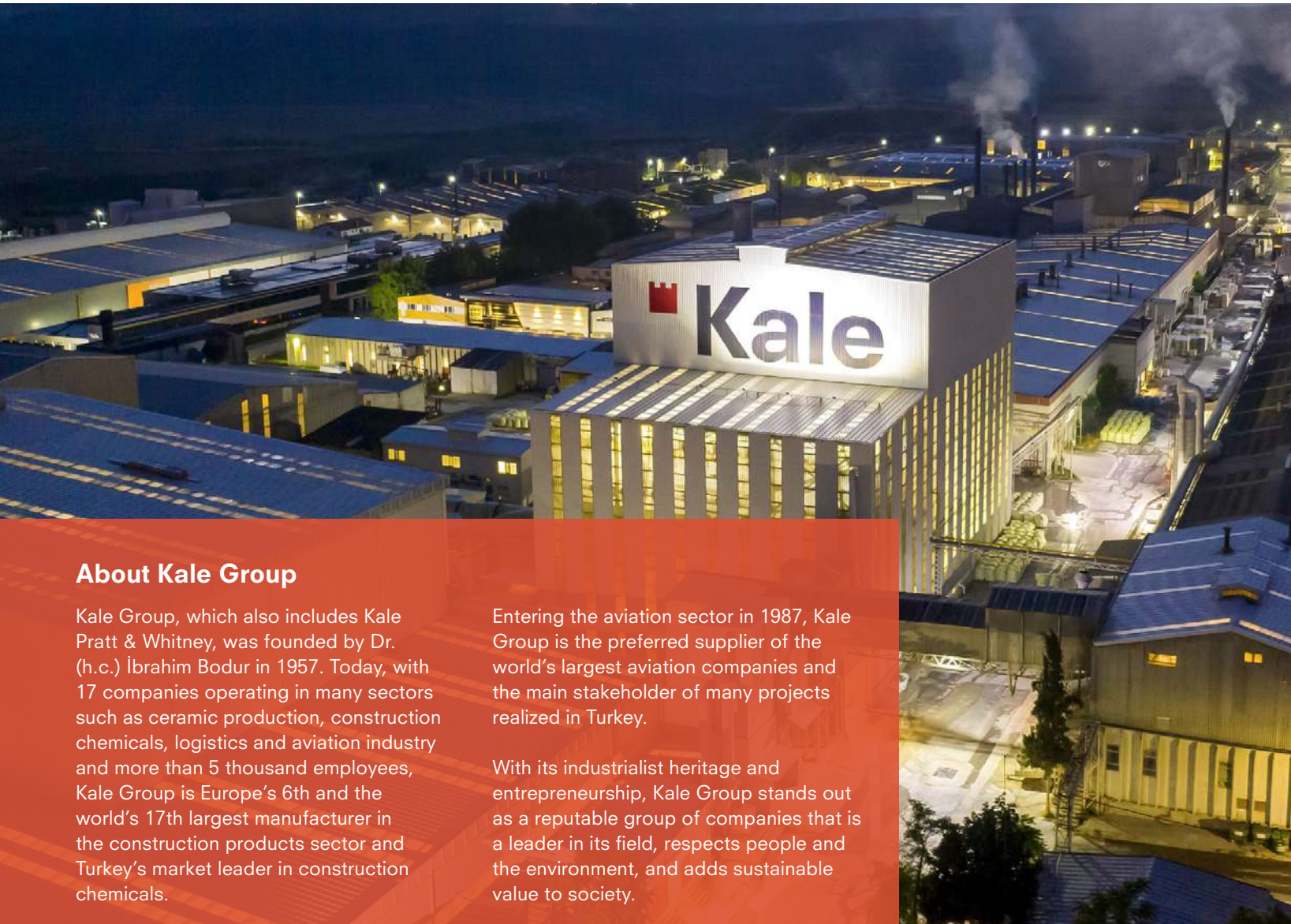
At Kale Pratt & Whitney, our activities are aligned with this transformation. We are focused on delivering the right solutions and products for our stakeholders and our world, with a holistic approach to sustainability in the aviation industry. By focusing on sustainability, we aim to minimise our impact on the environment and protect the land, water and biodiversity on which we depend. With a corporate culture built on sustainability, we have conducted studies towards our Group's 2030 goals of reducing carbon emissions and increasing investment in the circular economy. We believe our company, which is developing its global action plans in line with this strategy, will make a significant contribution to the sustainable transformation of the aviation industry.

Taking strong steps together

We are taking strong steps forward in our sustainability journey with the strength of all Group companies and external stakeholders working together for a better world. With the second Kale Pratt & Whitney Sustainability Report, we share with you, our valued stakeholders, the goals we have set as part of the Kale Group's core sustainability strategy, the "Care for Your World" movement, and the steps we have taken on our sustainability journey.

I would like to thank all of our stakeholders and colleagues for their valuable contributions to this report, which I hope will help transform the industry in which we operate.

An Overview to Kale Pratt & Whitney



About Kale Group

Kale Group, which also includes Kale Pratt & Whitney, was founded by Dr. (h.c.) İbrahim Bodur in 1957. Today, with 17 companies operating in many sectors such as ceramic production, construction chemicals, logistics and aviation industry and more than 5 thousand employees, Kale Group is Europe's 6th and the world's 17th largest manufacturer in the construction products sector and Turkey's market leader in construction chemicals.

Entering the aviation sector in 1987, Kale Group is the preferred supplier of the world's largest aviation companies and the main stakeholder of many projects realized in Turkey.

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

About Pratt & Whitney

Pratt & Whitney is an American aerospace company headquartered in Hartford, Connecticut.

A subsidiary of RTX, Pratt & Whitney aircraft engines are widely used in both commercial and military aviation. Founded in 1860 by Francis Pratt and Amos Whitney, the company was reorganised in 1925 as the Pratt & Whitney Aircraft Company in partnership with Frederick Brant Rentschler, a pilot.

Pratt & Whitney employs 43,000 people in more than 40 countries. Every minute, a Pratt & Whitney aircraft takes off or lands somewhere in the world. Working with more than 1,100 airlines, Pratt & Whitney engines are in service in more than 200 countries.

About Kale Pratt & Whitney

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. 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.

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 specialized processes. 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 manufactures the parts for Pratt & Whitney's new generation of high technology commercial engines. The new generation engine family PW1000G models are used in Airbus A220, Airbus A320neo models and Embraer E190-E2 aircraft.

Aerospace quality management standard: AS9100

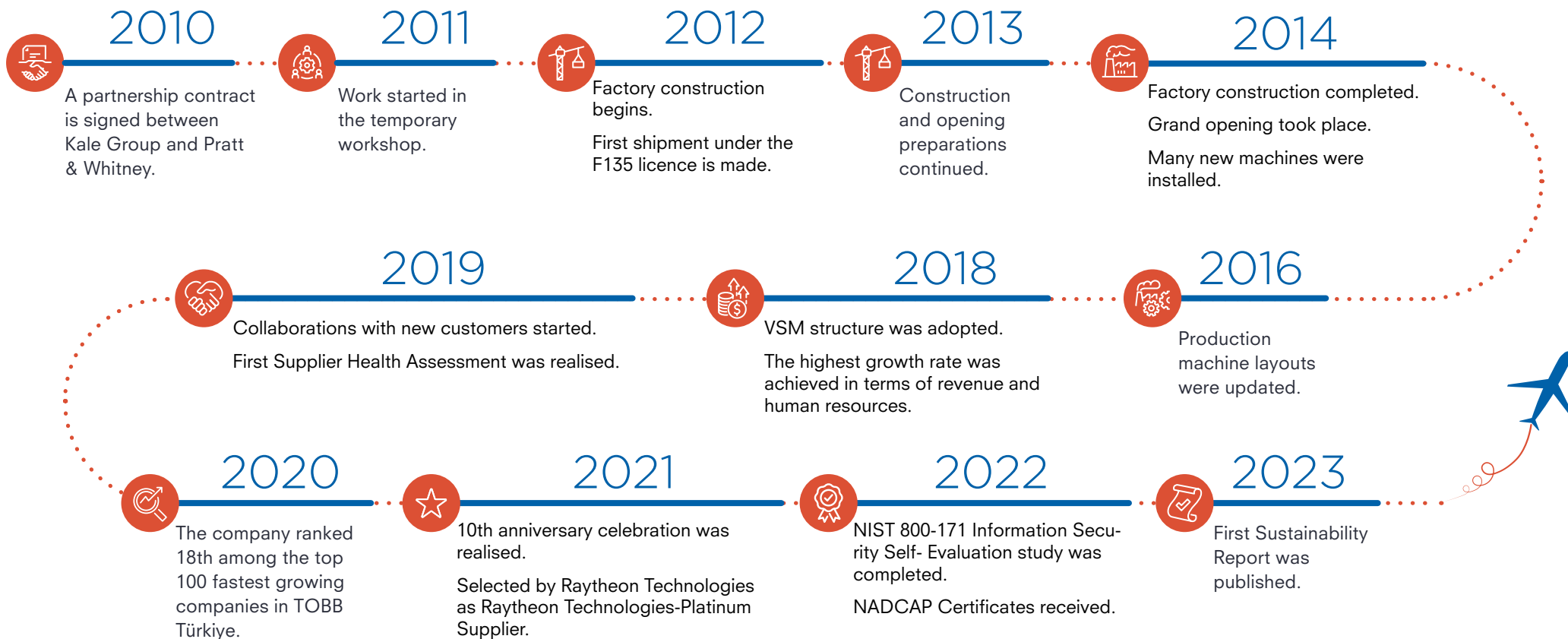
Kale Pratt & Whitney, which is certified to AS9100, the aerospace industry's quality management standard, and is audited annually, operates in accordance with ASQR-01, the RTX Group's aerospace quality management system standard, and is regularly audited by Pratt & Whitney. Kale PW also operates to the AS13100 standard, which was created to provide additional quality requirements to the AS9100 standard for companies manufacturing aircraft engine parts.



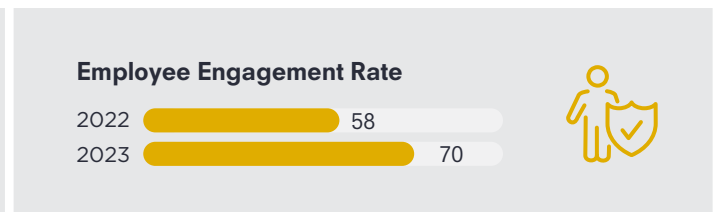
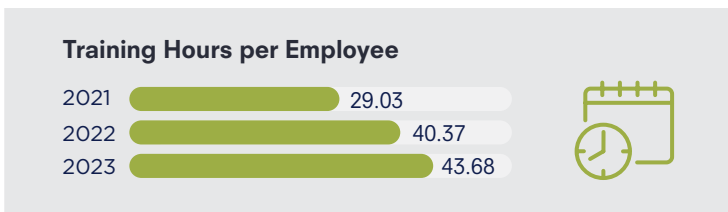
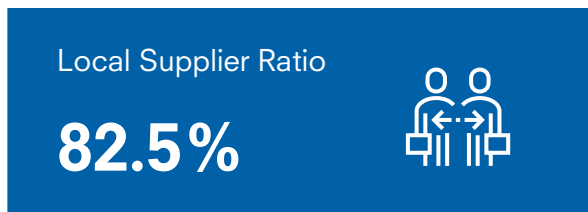
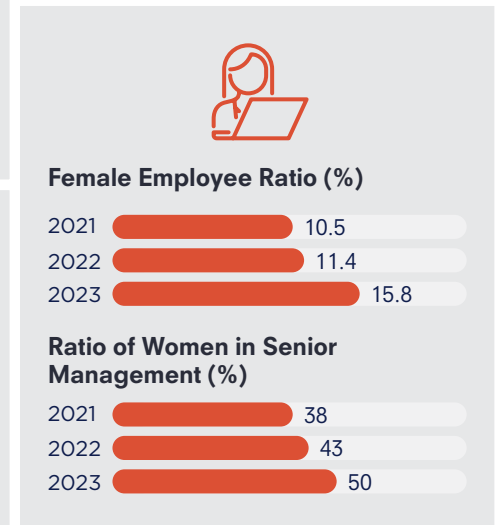
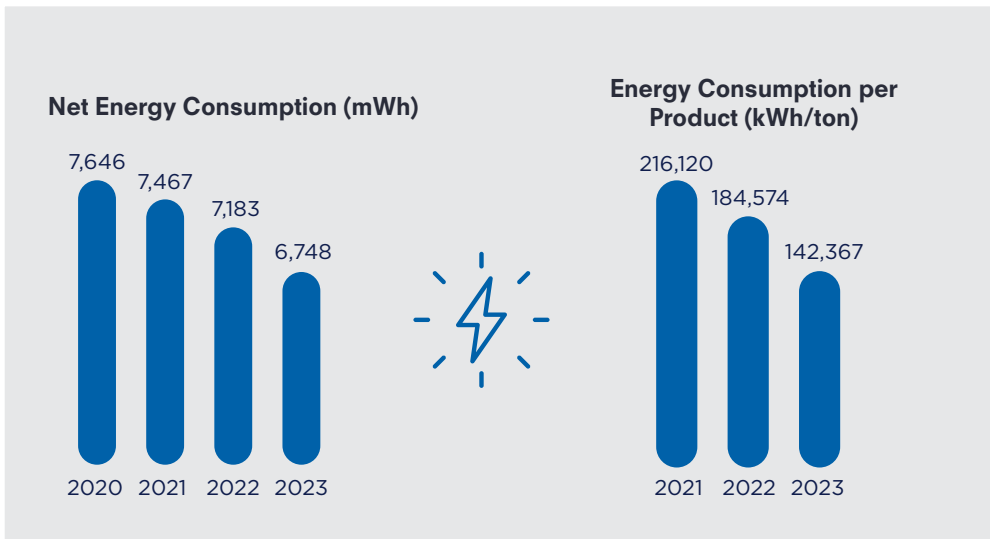
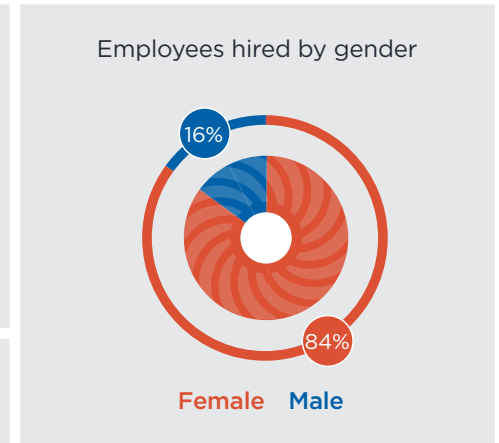
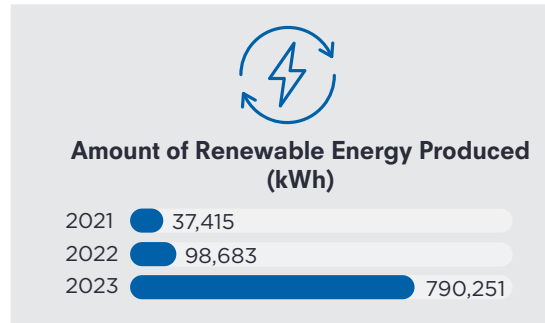
NADCAP Certification

As a result of the audits conducted by the independent organization PRI (Performance Review Institute), NADCAP (National Aerospace and Defense Contractors Accreditation Program) certificates were obtained in the fields of Non-Destructive Testing (Liquid Penetrant - FPI), Thermal Plasma Coating, Heat Treatment, Welding and Chemical Surface Coating Special Process.

Milestones at Kale PW



Kale PW in Numbers



Our Products

Parts such as Ducts, Fairings, Liners, Brackets, SyncRings, Vane Arm, Heat Shield and Manifold are manufactured for the new generation of Pratt & Whitney NGPF series commercial aircraft engines. With the special licences obtained, aircraft engine parts are manufactured in our facility with high precision and confidentiality. In addition to engine parts, we can also manufacture and assemble airframe parts for aircraft.

Details of our products can be found at
<https://www.kalepw.com/en/main-product-groups>



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.



Vision

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



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 Defence Industry Agency.



Sustainability Management

Sustainability management is coordinated across the Kale Group companies. The main strategies defined at group level are disseminated to the subsidiaries according to the specific needs of their businesses.

A clear governance structure has been established in each company to implement the strategies. Accordingly, sustainability management at Kale PW is managed by an organisation that extends throughout the Kale PW organisation, based on the strategies and objectives adopted within the 'Care for Your World' movement and the bodies established within the Kale Group.

Care for Your World Movement

The pandemic period, which has deeply affected the entire world, has initiated a major change in our philosophy of life. At the heart of this change is the need to create sustainable value for a more prosperous and just world. That is why Kale Group has launched the "Care for Your World" movement, based on the insight that small changes each person makes in their own world add up to a meaningful transformation that shapes the future and makes the world a better place.

The "Care for Your World" movement aims to create a conscious awareness of what can be improved in the world, starting with the individual and encompassing the whole of society. Starting with each individual's own habits, Care for Your World aims to make a difference with a sense of care in one's own sphere of influence, workplace, street, neighbourhood, city, country and ultimately the planet, in every place they touch. Kale PW, which is part of the Kale Group, invites its stakeholders to join this movement by developing responsible consumption options with the products and solutions it develops and by conducting studies to create sustainable value in its own activities.



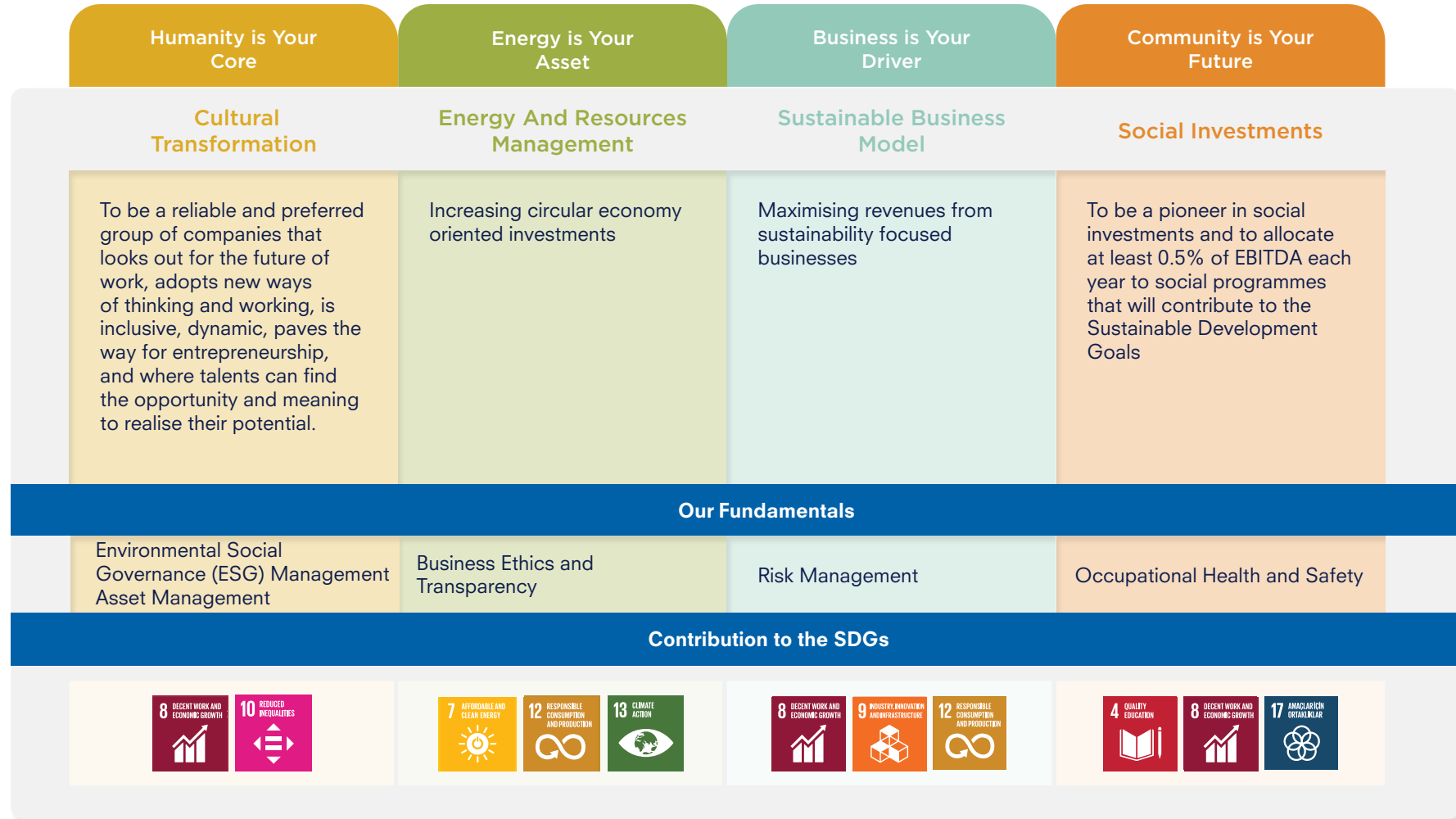
Kale PW carries out its sustainability impacts under 4 headings and 5 different themes in parallel with the strategic plan determined by Kale Group.

Impact Areas

- Sustainable Business Model
- Energy and Resources Management
- Cultural Transformation
- Social Investments

Themes

- Sustainable Products
- Combating Climate Change
- Circular Business Model
- Employee Wellbeing
- Community Wellbeing



Sustainability Policy

Kale Group embraces sustainable development as a fundamental method for a more prosperous and fairer world and calls on all its stakeholders to “Care for Your World” to create a consciousness that starts with the individual and spreads to society in this direction.

As a party to this call, Kale PW conducts its activities within its own sphere of influence with the belief that the world is our home and that the small changes that each of us will initiate within our own sphere of influence with a focus on sustainability will become a meaningful transformation that will shape the future and improve the world.

The Sustainability Policy established to guide the company’s sustainability approach and activities, defines the environmental, social and governance principles to be followed. It aims to embed these principles throughout the company’s value chain and internal processes.



Integrated Capital Management Approach

Mega-trends such as climate change, demographic change, technological evolution and digital transformation, the effects of which are becoming increasingly apparent, bring various business risks and sustainability elements to the fore. In this context, Kale PW is committed to achieving its strategic goals, contributing to the creation of a sustainable society and environment, and ensuring that the company’s future is secure. Kale PW systematically conducts corporate risk management activities in order to create the highest value.

Kale PW closely monitors the market and reviews and updates its strategies in line with stakeholder requirements to effectively manage megatrends and increasing global risks. Kale PW also considers global risks such as economic crises, social unrest, tensions in international trade and interstate relations.

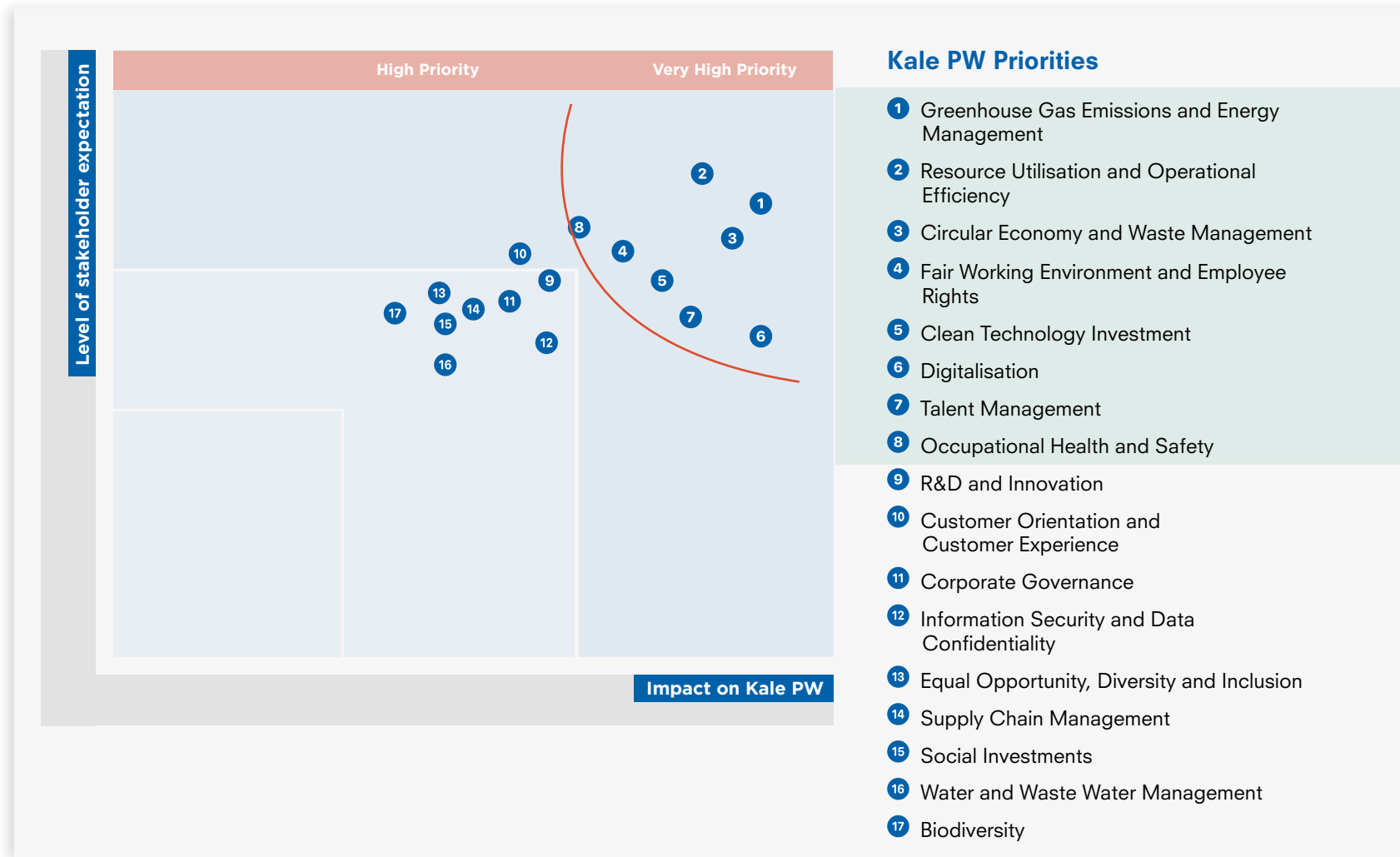
Kale PW also emphasises the management of non-financial assets such as human, innovation and environmental capital through a multi-capital management approach. Investments focused on sustainable development goals are planned with a focus on sustainability, not just financial return.

Kale PW identifies its areas of impact and material sustainability issues through a communication style that is integrated with its business model. The Sustainability Policy, created to guide the company’s sustainability approach and activities, defines the environmental, social and governance principles to be followed. It aims to spread these principles throughout the value chain and the company’s internal processes.

Sustainability Priorities

Kale PW undertook a comprehensive analysis process to identify the material issues that will create the greatest impact and value in its sustainability efforts. This process took into account various factors such as stakeholder opinions, impact analysis, external trend analysis, financial impact analysis, executive opinions and business strategy. Finally, the key sustainability issues on which Kale PW should focus were identified, taking into account executive opinions and business strategy.

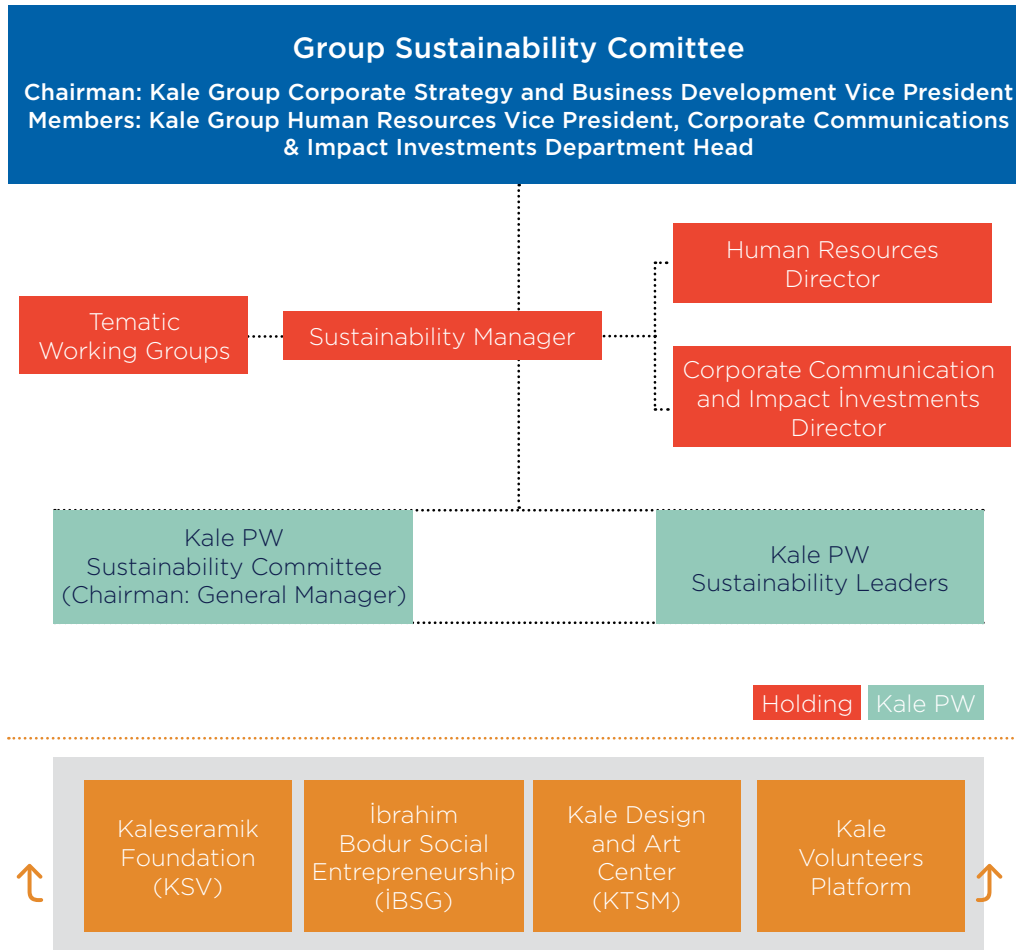
As a result of this comprehensive analysis process, the economic, environmental and social issues that will have a material impact on Kale PW were mapped and a **“Sustainability Materiality Matrix”** was created. This matrix defines the areas on which Kale PW will focus its sustainability efforts.



Kale PW Priorities

- 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 Talent Management
- 8 Occupational Health and Safety
- 9 R&D and Innovation
- 10 Customer Orientation and Customer Experience
- 11 Corporate Governance
- 12 Information Security and Data Confidentiality
- 13 Equal Opportunity, Diversity and Inclusion
- 14 Supply Chain Management
- 15 Social Investments
- 16 Water and Waste Water Management
- 17 Biodiversity

Kale PW Sustainability Management



Sustainability Management

Governance mechanisms have been established to ensure that the vision and goals of the “Care for Your World” movement are adopted by Kale Group companies and stakeholders, and that activities are directed and managed in this direction. In this context, a sustainability governance mechanism has been established based on the division of responsibilities and duties in a perspective starting from the Kale Group and extending from the top management bodies of Kale PW to the field operations.

Board involvement in sustainability processes Board involvement in sustainability processes

The Board of Directors, as the highest strategic decision-making body of the company, is responsible for deciding on strategies for sustainability performance and for monitoring and evaluating the performance of the activities carried out.

Kale PW’s sustainability activities are integrated into the company’s strategic plan, and sustainability targets, investments and projects are evaluated and ultimately approved by the Board of Directors.

Performance monitoring indicators, key developments and stakeholder feedback on activities undertaken are evaluated at Board meetings and monitored regularly throughout the year. The Board’s assessments are used to accelerate or revise the actions needed to achieve the objectives. Feedback from the Group Sustainability Committee is also evaluated by the Kale PW Board as required.

The Kale Group Sustainability Committee

is the highest level body responsible for directing and managing all sustainability-related activities of the Group companies. The Committee sets Kale Group's overall sustainability strategy, sustainable development goals, policies and action plans, and monitors implementation progress.

The Group Sustainability Committee monitors local and global sustainability developments, assesses sustainability risks that may impact Kale Group and its companies and oversees risk management activities. In this context, the Committee evaluates and comments on Kale PW's sustainability targets. It ensures that the company achieves these goals and contributes to a sustainable future.

The Sustainability Manager

is responsible for transforming the way we do business from a sustainability perspective in all business processes of Group companies as part of the "Care for Your World" movement, providing strategic guidance, sharing expertise and disseminating best practice across the Group. Sustainability Manager coordinates the work carried out in the companies within the scope of the impact areas included in the strategic framework with the Group Sustainability Committee, reports to the Committee four times a year, updates the strategy, targets, action plans, investment needs and risks by following global trends. He organises monthly meetings with the Company Sustainability Leaders, monitors activities in the companies and provides input.

Sustainability Leaders

are responsible for all sustainability activities within the company and communicate goals, action plans, risks, budget and resources to the Kale PW Sustainability Committee as part of the Care for Your World movement. Sustainability Leaders help create a company-wide culture of sustainability. The Kale PW Human Resources and Shared Services Manager serves as the Sustainability Leader.

Kale PW's Sustainability Committee



leads the sustainability transformation of Kale PW's business, ensuring it is a priority and guiding the organisation within the Care for Your World movement.



The committee is chaired by the General Manager and includes senior managers from all departments. The process method is applied with the certifications held in the company, ESG priorities, projects and targets are monitored by holding meetings with process owners under the chairmanship of the General Manager.




Stakeholder Engagement

Kale PW's key stakeholders include shareholders, customers, suppliers, employees, regulators, universities, public bodies, the press, social media and competitors. Products, services, solutions and projects are created through interaction with stakeholder groups.

In line with the stakeholder engagement perspective, stakeholder expectations are identified in order to involve key stakeholders in decision-making mechanisms and provide input into strategies. Communication channels are diversified to disseminate the sustainability strategy to stakeholders. Targeted channels are used to communicate with different stakeholder groups.

Stakeholder Group	Communication Methods/Frequency	Expectations and Recommendations	The Response Developed by Kale PW
 <p>EMPLOYEES</p>	Annual Report (annual), Meetings and Interviews (periodical), Briefings (Face-to-face, E-mail, Social Media), Sustainability & Wellbeing Bulletins (periodical), Performance Evaluations (periodical), Announcements (continuous), Process and Department Information Reports, Social Activities and KPW Social Club Activities (periodical), Corporate Website (continuous), Fikirden Kale Suggestion System, New Year, Year-end and Holiday Meetings & Events, Electronic Communication Tools (QDMS, SAP, Kalekokpit, CANIAS, etc.)	<ul style="list-style-type: none"> • Progress with a sharing climate within an open communication culture • Regular exchange of information through open and effective communication • A healthy and safe working environment • Ensuring management support • Analysis and provision of training needs • Employees at all levels can share their ideas • Implement development plans in line with the performance management system • Technical skills and behavioural development • Carry out communication, recognition and appreciation activities 	Process monitoring and information through environmental, health and safety and energy management studies. Competence and awareness are increased through training provided. Ideas are exchanged through the suggestion system (Fikirden Kale), departmental meetings, etc. Training and activities are analysed and areas for improvement are identified. Individual training and development plans are drawn up.
 <p>BOARD OF DIRECTORS</p>	Monthly Board Meetings, Visits	To receive regular information on the activities of the organisation, to discuss issues requiring management decisions and to implement the principles of transparency and accountability,	The Board meets monthly to review reports/ presentations from senior management, receive information and discuss issues that need to be resolved.

Stakeholder Group	Communication Methods/Frequency	Expectations and Recommendations	The Response Developed by Kale PW
 <p>PARTNERSHIPS, SUPPLIERS AND SUBCONTRACTORS</p>	<p>Meetings and Visits, E-mail, Face-to-Face Meetings, Periodic Collaborations, Congresses, Conferences, Seminars and Panels, Telephone Calls, Web, Social Media Platforms, Annual Report, Sustainability Report, Contracts, Sectoral Meetings and Reports, Membership Relations with Associations, Projects developed jointly with partnerships, etc.</p>	<ul style="list-style-type: none"> • To Protect supplier information • To Increase communication between senior management through visits • Continuity of work, ensuring sustainability perspective • Adherence to contracts and specifications • Making agreed payments • Timely delivery of raw materials, if required • Technical support • Ensuring confidentiality of business transactions • Environmental and health and safety awareness, energy management 	<p>Defined in the supply chain process and associated procedures. It is reviewed at Management Review meetings.</p> <p>Environment and OHS are defined in the Control of Outsourced Processes, Products and Services for Energy Management documents.</p> <p>A supplier satisfaction survey has been developed. This is sent to suppliers once a year. The results of the survey are analysed and actions are taken according to the results. Supplier performance is monitored and communicated to suppliers via ERP.</p>
 <p>SHAREHOLDERS</p>	<p>Meetings and Visits, E-mail, Face-to-Face Meetings</p>	<ul style="list-style-type: none"> • Protection of corporate information and brand image • Achieving company targets • Strategic planning and corporate risk management • Full compliance with environmental, OHS, sustainability, ISMS, Energy Management and compliance obligations, legal and other requirements 	<p>Kale Holding Board of Directors meets monthly to review the management reports/ presentations, obtain information and discuss the issues that need to be resolved.</p>

Stakeholder Group	Communication Methods/Frequency	Expectations and Recommendations	The Response Developed by Kale PW
 <p>CUSTOMERS</p>	<p>Customer Visits and Meetings, Periodic Customer Satisfaction Surveys, Audits, Telephone, SMS, WEB, E-mail, Congress, Fair, Seminar, Social Media, Customer Portals, Annual Report, Sustainability Report, Contracts, Sectoral Meetings and Reports</p>	<ul style="list-style-type: none"> • Product quality and compliance with aerospace standards (AS9100, NADCAP, AS13100, etc.) • On-time delivery • Competitive quotes • Response to complaints • Full compliance with regulatory and other requirements • Adherence to contracts and specifications • Business continuity, ensuring sustainability perspective • Protecting customer data • Ensuring confidentiality of business transactions • Rapid response to change requests • Rapid transition to mass production 	<p>Customer expectations are defined in the business development and sales process and associated procedures.</p> <p>Annual Supplier Health Assessment (SHA) audits are carried out. In addition to regular review meetings, customers can contact relevant personnel at any time, and customer needs are addressed through correspondence and telephone calls.</p> <p>Performance scorecards are received from customers.</p>
 <p>PUBLIC INSTITUTIONS, AUDITORS and REGULATORY AUTHORITIES</p>	<p>Periodic Board of Directors Meetings / workshops, Annual Reports, Performance and Financial Reports, Sustainability Report, General Assembly Meetings, Web, Legislation Opinions, Waste Commission Meetings, Aegean Free Zone Meetings</p>	<ul style="list-style-type: none"> • Monitoring and ensuring compliance with law and other regulatory requirements • Full and accurate disclosure of information • Ensure confidentiality of business transactions • Monitoring and harmonising the expectations of the institutions within the Free Zone • Compliance with customs, energy, labour and social security, environment, urbanisation and climate change legislation • Compliance with tax legislation 	<p>Necessary work is carried out for full compliance with the legislation, consultant auditor institutions are worked with in this context, reports / declarations and notifications are fulfilled in line with the expectations of public institutions and organisations.</p>
 <p>FINANCIAL INSTITUTIONS</p>	<p>Reports, briefings (periodic), meetings and interviews (periodic)</p>	<ul style="list-style-type: none"> • Timely reporting of changes in financial risk within the organisation • Adherence to contracts and specifications • Continuity of operations, ensuring sustainability perspective • Protection of supplier information • Ensure confidentiality of business transactions 	<p>Information is provided to financial institutions on a regular basis and operational transactions are managed with appropriate authorisations and within the framework of the appropriate financial situation.</p>

CULTURAL TRANSFORMATION

Kale PW is embracing new ways of thinking and working by focusing on the future of work through “Cultural Transformation” and aims to be the employer of choice for employees in all sectors.



Kale PW is adopting new ways of thinking and working by focusing on the future of work through “**Cultural Transformation**” and aims to be the most preferred employer by employees in all areas. The aim of Cultural Transformation is to adopt decent workplace practices, create a dynamic working environment that respects gender and equal opportunities and that young talents will prefer, implement talent management that is in line with the requirements of the new age and use the appropriate tools. Talent management, fair working environment and employee rights, equal opportunities, diversity and inclusion, and occupational health and safety are the prioritised issues within the scope of Cultural Transformation.

The work in the Cultural Transformation impact area is 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 of our entire talent pool through diverse work experience opportunities, we provide a value-driven approach that works with passion 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 is created where fair, accountability, courage and persistence to achieve results are valued and rewarded.
- Employee experience processes are designed as a journey that supports continuous development, individualised and supported by digital processes, and 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.
- The aim is to generalise sustainability awareness throughout the Group.

Targets

- ⇒ Obtaining Sedex Ethical and Responsible Production Certificate by 2025
- ⇒ Implementation of the Workplace Health and Well-being Plan in 2025
- ⇒ Ensuring that 25% of the total number of employees are women by the end of 2030

Talent Management

At Kale PW, talent management is managed in line with the strategy of the Kale Group companies. A talent management model is adopted that supports the development of employees and considers future needs.

The aim is to create an agile, efficient and effective organisational structure that adapts to 21st century skills. In addition to recruiting employees with today's skills, training and development programmes are offered to help existing employees develop these skills.

Organisational needs planning also supports the strategies of Group companies. "Geleceğin Kaleleri" Talent Management Meetings are used as a platform to assess and approve talent. Each year at these meetings, employees are assessed for their technical skills and potential, and successors for critical positions are selected and presented to the Kale Group Talent Committee.

Candidates approved by the committee go through the assessment centre application and long-term development plans are prepared for these candidates. By 2025, the aim is to have standard technical competency levels for all roles and development plans in place.

The annual "Development Dialogue" process, in which all office staff participate, ensures that individual development plans are drawn up with managers. These plans contribute to the development of employees by supporting them with behavioural and professional training. Learning on the job and learning from other employees is used to enrich employees' learning experiences.

To develop potential future leaders, training and simulation activities focusing on people and business management are conducted under the umbrella of the Kale Pratt & Whitney Business School.

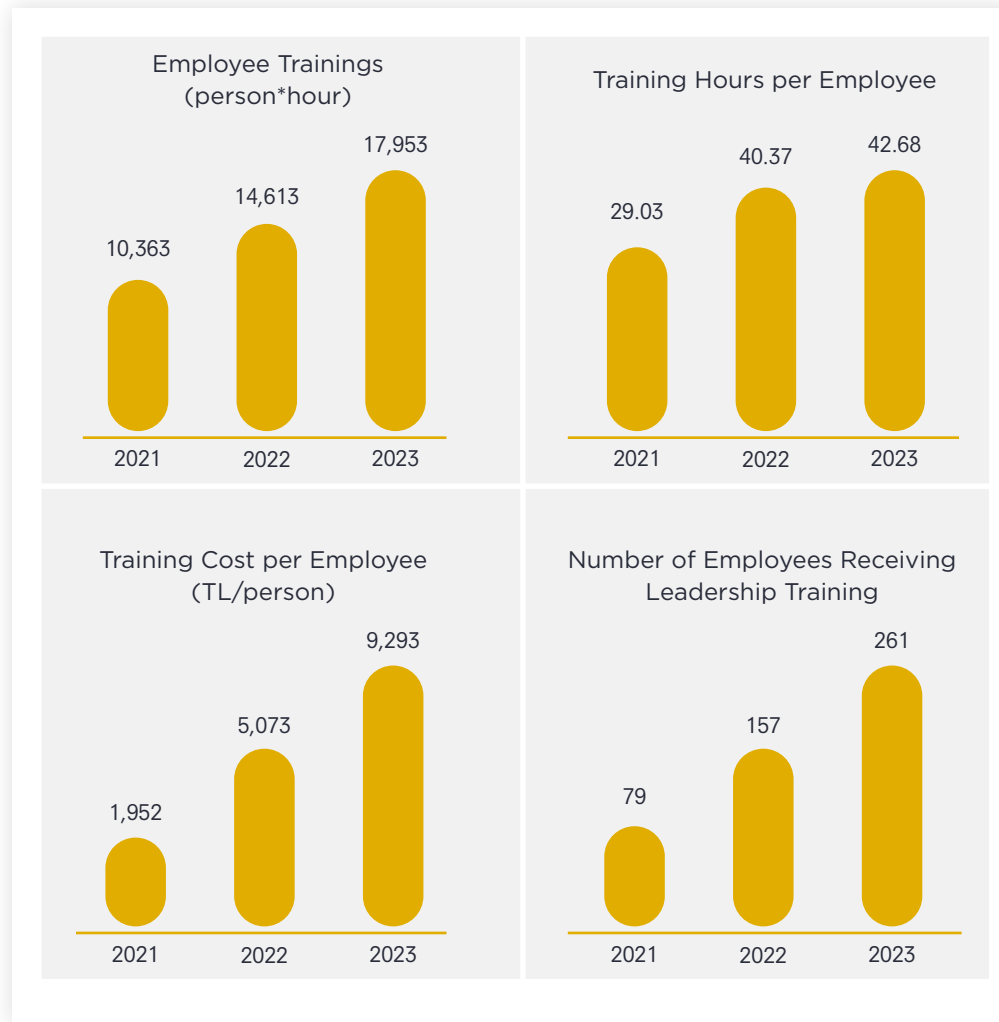
While the development process for blue-collar employees is managed through a five-step training and development plan, the development of employees in the technical talent pool is supported by behavioural and leadership training.



Training Programmes

Well-designed training programmes help employees adapt to change and support the company's transformation processes in a rapidly changing business environment. At Kale PW, the needs of the business and the development needs of employees are considered when engaging employees in training programmes. Leadership programmes support the development of all employees, regardless of title, work group or gender, and prepare them for their next position. Kale PW aims to create a "great for all" workplace culture with an equal and fair system.

For white-collar employees, an individual development planning process is in place where employees create their own development journey compass. In this context, employees identify their personal development, technical training or conference needs by completing the "SWOT Analysis and Individual Development Plan Form". For blue-collar employees in technical roles, the competencies to be acquired have been identified on a job-related basis. From their first week on the job, all blue collar employees are included in the competency matrix and receive training.



In 2023,
17,953 hours of training were provided to employees. The total number of training hours provided to employees has increased by **%73** over the last two years.

Competency Matrix

The Competency Matrix is used to determine the skills of employees. Successful employees are assigned to the appropriate competency level, while unsuccessful employees repeat the training process and are retested. At Kale PW, the competency matrices consist of 4 levels. Employees are required to attend and successfully complete the ‘Kale Masters Internal Trainer Programme’ in order to reach the 4th level “Trainer”.

Training Catalogue

White collar employees have the opportunity to choose one personal development and one technical training through the Training Catalogue, which is updated every year. In 2023, employees participated in personal development training on topics such as team building, effective presentation techniques, time management, collaboration, communication and instant decision making.

Orientation Trainings

Orientation training is organised to facilitate the adaptation process of new employees. These trainings are organised under 14 different topics ranging from Human Resources Orientation to Foreign Object Damage (FOD) and aim to support the adaptation process to the factory.

Technical Trainings

Technical training is organised by team leaders, operators and engineers. Technical training includes topics such as Lean Manufacturing, Engineering, Supply Chain, Maintenance, Quality, Human Resources, Business Development, Information Technology and Finance.

Kale Masters Internal Trainer Training and Development Programme

The Kale Masters Internal Trainer Training and Development Programme is an internal trainer training programme designed to increase the number and quality of internal trainings within the Kale Group. The aim of the project is to encourage employees who are experts in their field to transfer their knowledge, skills and experience to other employees, to share their experience and to develop new skills.

The aim is to transfer information from individual memory to corporate memory. In 2023, 17 Kale PW employees participated in the programme.

Group Leaders Development Programme

Work group leaders are enrolled in the Group Leaders Development Programme to improve their leadership skills. The programme is designed to meet the development needs of the participants. In 2023, 22 Kale PW employees participated in the programme.



Kalegends Young Talent Programme

Kalegends is a young talent programme that reaches out to young talents, gets to know them closely, supports them with long-term development programmes and prepares them for professional business life in order to train the future leaders of Kale Group. In 2023, one employee from Kale PW participated in the programme.

Digital Transformation and Innovation Academy

The programme aims to identify potential employees across Kale Group, provide them with the necessary technical knowledge and skills, and prepare them for roles that require more responsibility. The programme consists of two groups, Kale Su and Kale Ateş. Kale Ateş is a programme organised in cooperation with Sabancı EDU for senior engineers/senior specialists and specialists/engineers to train ambassadors for digital transformation and innovation. On the other hand, Kale Su is a leadership development programme for manager and director level employees organised in cooperation with Sabancı University, Executive Development Unit, EDU and Kale Group. In 2023, 2 Kale PW employees participated in the programme.

KPW Business School Leadership Programme

The KPW Business School Leadership Programme is a training programme specially designed for mid-level managers in executive, technical and engineering positions, which brings together the leading trainers and training companies in the sector. The aim of the programme is to enable our leaders to manage the business, manage relationships and manage themselves on the basis of Kale Group competencies. In 2023, 25 employees were included in the programme.

Kale Kampüs Digital Development Platform

Kale Kampüs is a platform that enables employees to benefit from personalised training and development opportunities. The platform provides employees with a new generation of learning opportunities through modern technology and a mobile-enabled social learning system, a rich training library and development opportunities independent of time and place.

Bizden Bize Mentoring and Reverse Mentoring Programme

The “Bizden Bize Mentoring and Reverse Mentoring Programme”, which aims to train and develop Kale’s future leaders from within by transferring Kale Group’s values, knowledge and experience from generation to generation, has been designed to create a continuous learning organisational culture, increase information sharing and communication between generations, and create a two-way development opportunity. Mentees and mentors, who voluntarily participate in the programme and are willing to take responsibility for development by stepping out of their comfort zone, have an important role and contribution to make to the programme. The programme runs for 6 months.

Bizden Bize Mentoring

Mentor

- Kale Group Top Management
- Senior Managers (Director / Manager)



Mentee

- Assistant
- Expert
- Senior Expert
- Supervisor

Reverse Mentoring Programme

Mentor

- Kale Group Employees under 28 years of age
- KSV Scholars
- University Students



Mentee

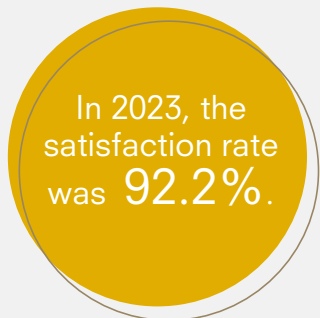
- Kale Group Top Management
- Senior Managers (Director / Manager)

Performance Management System

The purpose of the Performance Management System implemented within Kale PW is to accurately determine the growth potential of employees and business units and to take the necessary steps in this direction. The performance results obtained are integrated with other human resources systems to ensure holistic and effective management of human resources. The performance management process, which consists of three stages: initiation, review and closure, is monitored through the performance tracking programme called PUSULA.

Training Evaluation

The effectiveness of training at Kale PW is evaluated using a variety of methods, including manager evaluation; written exams including passing grades determined in the fields of environment, occupational health and safety. Employee satisfaction with the training is also evaluated.



Fair Working Environment and Employee Rights

Kale Group's key principles are to provide a fair working environment for employees and to respect employee rights. In line with this principle, gender equality and equal opportunities are clearly supported throughout the Group. The "Care for Your World" movement is a roadmap for the whole Group in this regard.

Kale PW has policies and programmes to support gender equality and equal opportunities. Increasing female employment in production and operations is one of Kale PW's strategic goals. Female employment increased to 15.8% by 2023. The number of female blue collar employees have increased from 1 in 2022 to 19 in 2023. The proportion of female mid-level managers is 41.2% and the proportion of female senior level managers is 50%. In 2023, 84% of the hires were female candidates.

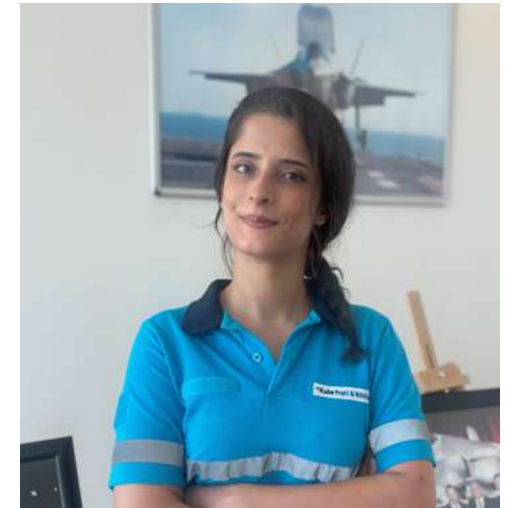
In accordance with its Code of Ethics, Kale PW offers equal opportunities to all candidates without discrimination in its recruitment, promotion and performance management processes. Kale PW's

employment approach is based on creating an equal and inclusive corporate culture, providing a working environment where all employees can thrive and ensuring that each employee achieves his or her highest potential.

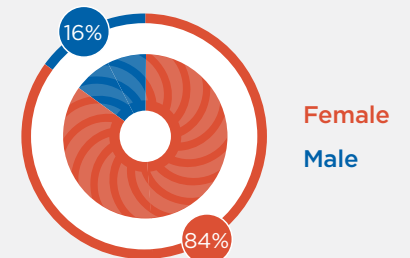
The "Postpartum Return to Work and Adaptation Programme" has been set up to facilitate the working lives of female employees who become mothers and to make them feel that Kale PW is always with them. The programme, which is designed to help women adapt to life at work and outside of work after giving birth and to support their return to work, involves three sessions of online therapy with our business partner Madalyon Psychiatry Centre.

In line with our approach to gender equality and a fair working environment, we recognise the uniqueness of each employee. Based on this awareness, there is an Individual Risk Assessment Form" application to monitor the health status of disabled, pregnant and chronically ill employees and to determine their needs in the work environment. The current practice has been recognised as a best practice in external audits.

In addition, financial support for employees whose children require special education and leave to care for a sick relative are among the benefits we offer our employees.



Employee Recruits by Gender



Rate of Female Employees (%)



Rate of Female Executives (%)





Great Place to Work Certificate

In 2023, Kale PW was awarded the Great Place to Work certificate with a successful result of 82 points obtained as a result of the survey conducted by the Great Place to Work Institute, which conducts research to determine the best workplaces worldwide. The Great Place to Work certificate recognises the company as one of the best places to work and places it on

the Best Workplaces list. In the survey conducted by Great Place to Work to determine the companies that make their employees the happiest in the Aegean region, the company ranked 4th in the category of 250-499 employees and was entitled to receive the Best Employers of the Aegean in 2023 award. In addition, the company was ranked 8th in the 250-499 employee category in the Great Place to Work Turkey 2023 Best Workplaces for Innovation By All list.

Social Clubs

There are 6 social clubs within the company for employees to socialise and share common interests and hobbies. These clubs are: Travel, Sports, Photography, Music, Gastronomy, Hiking, Cinema/Theatre, DIY (Do It Yourself) Clubs. The president of each club is elected by the employees to encourage a sense of belonging.



Communication with Employees

Kale PW promotes continuous improvement and growth by creating a feedback culture that actively listens to and values employee suggestions and feedback. In this way, continuous improvements are made in the workplace and the journey of growth and development is supported with the participation of employees.

Fikirden Kale

Employees at Kale PW can make suggestions via the Fikirden Kale digital platform. The platform facilitates the evaluation, implementation and follow-up of suggestions. Successful suggestion owners and implementers are rewarded.

In 2023, **859 suggestions** were received through the Fikirden Kale platform, of which **121** were implemented.



PortaKale

Kale PW wants to strengthen internal communication and inform employees through the company intranet called PortaKale. Through PortaKale, employees have easy access to up-to-date information, news, announcements and important information is shared within the company.

Ethics Line

The Ethics Line application allows employees to confidentially report to the Kale Group Ethics Committee by phone or e-mail. The Ethics Committee analyses

the complaints in a confidential manner. Senior management is informed by the Ethics Committee and involved in the process. In 2023, the Ethics Line received 5 complaints, all of which were investigated and resolved.

Employee Engagement

An annual Employee Engagement Survey is conducted to obtain the opinions of employees and to strengthen internal communication. Based on the results of the survey, action plans are drawn up and followed up. In 2023, the engagement survey score increased from 58% to 70%.

Employee Engagement Rate



EH&S Tigers

Kale PW has implemented the EH&S Tigers project to create a culture of health, safety and environmental behaviour and to raise awareness among employees. The project aims to reduce the risk of accidents and environmental pollution caused by behaviour. As part of the project, teams of volunteers take part in two-month processes. These teams are trained in the management of the process and provided with a behaviour-based monitoring book. At the end of the process, the volunteers' performance is rated out of 300 and their scores are recorded in the suggestion system.

Occupational Health, Safety, Environment & Sustainability Quiz Competition

Kale PW has organised an annual quiz competition since 2022 to promote the adoption of OHS, environment and sustainability issues. Employees compete in teams of 5 people. 17 teams participated in the 2023 competition. The General Manager awards a prize to the winning team.



ENERGY AND RESOURCE MANAGEMENT

Kale Pratt & Whitney is working towards an aviation sector with a lower environmental footprint, as it operates in a carbon-intensive sector due to its production stages and operations.



As the effects of the climate crisis are felt more and more every day, environmental problems and concerns are growing. As a result, companies are managing their operations with a focus on sustainability. As Kale Pratt & Whitney operates in a carbon-intensive sector due to its production stages and operations, it is conducting studies for an aviation sector with a lower environmental footprint.

In line with Kale Group's goals to achieve net-zero greenhouse gas emissions across its portfolio by 2050 and to increase its circular economy investments, Kale PW, which carries out its energy and resource management activities, addresses Kale Group's approach to energy and resource management in six main areas.

- Operational emissions do not harm people or the environment.
- Energy used is from renewable sources.
- All natural resources are used responsibly towards ecosystems and people.
- Products are designed to be reusable/recyclable.
- Eliminate operational waste.
- Water used is sourced through fair processes and used responsibly.

The company's total environmental expenditure in 2023 was TL 303.3 million. Financial savings of TL 3.82 million were achieved through environment-related investments and expenditures.



Our targets

By 2030;

- Reduce greenhouse gas emissions by 15%.
- Provide 30% of total energy consumption from clean energy sources
- Reducing water withdrawal by 15%

Greenhouse Gas Emissions and Energy Management

Climate change and energy management are key issues for Kale PW and the company manages these issues and develops projects taking into account the short, medium and long term objectives of the Kale Group.

Kale PW's environmental sustainability activities are approached from a holistic perspective through the Sustainability Action Plan. The company's performance in this area is monitored as part of its ISO 14001 Environmental Management System certification.

Kale PW is carrying out various projects to reduce and manage greenhouse gas emissions. In line with these studies, targets have been developed for 2030. With the aim of reducing greenhouse gas emissions by 15% by 2030, Kale PW is developing studies to ensure that the energy consumed comes from renewable sources and to increase energy efficiency. With the environmental studies carried out with this aim in view, the net energy consumption is reduced and the share of renewable energy in the energy consumption is increased.

Solar Energy System

In 2021, with the Solar Energy System project, all electricity consumption in the dining hall, except for air conditioning, is provided by renewable energy. The solar energy system, which was commissioned on the production roof in July 2023, generated 689,040 kWh of energy in 2023. With the panels installed, 25% of the production energy needs can be met. A carbon emission reduction of 240 tCO₂ was achieved in 2023.



In 2023
240 tCO₂
carbon emission
reduction has been
realised.

Greenhouse Gas Emissions (tCO ₂)	2020	2021	2022	2023
Scope 1	80	78	83	71
Scope 2	3,491	3,390	3,214	2,986
Total Emissions (Scope 1 + 2)	3,571	3,468	3,297	3,057

Energy Consumption Tracking Activities:

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 131 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.

Cooling System Revision Efficiency Study:

Two cooling towers and circulation pumps used in the works have been replaced, and with this change, an energy gain of 170,000 kWh per year is expected.

2023 Achievements

- ➔ Two efficiency studies on circulating pumps and cooling towers resulted in a total benefit of 58% and savings of 395,000 kWh/year.
- ➔ After Revision-1, three vacuum ovens reduced energy consumption by 14% benefit has been achieved, this benefit is 156,000 kWh/year energy savings.
- ➔ After Revision-1, the number of cooling water related breakdowns in three vacuum furnaces was reduced from an average of 10 to 1 per year. Labour efficiency was achieved.
- ➔ Compared to the old system, the system consisting of less equipment has taken on a lean and simple structure, and ease of follow-up, incidental and planned maintenance has been achieved.
- ➔ Improvements such as the installation of a water conditioning system, weekly water analyses and corrosion measurements have extended the life of the system and prevented production downtime and man-hours due to breakdowns.
- ➔ With the establishment of the SCADA system, the follow-up mechanism was strengthened, opportunities for closing system gaps were provided and visual benefits for improvements were made.
- ➔ The energy savings resulting from the energy efficiency studies carried out in the vacuum furnaces and the cooling system connected to these furnaces, where the factory's energy consumption is the highest (approximately 25%), represent approximately 8% of the factory's total energy consumption in 2023.
- ➔ The changes made in this area have made it easier to intervene in the system in terms of occupational health and safety.

Environment Award to Kale PW



Kale PW was awarded second place for its **"Energy Efficiency Project for the Cooling System"** in the Large Industrial Establishment Facility Group at the Aegean Region Chamber of Industry 2023 Environmental Award Ceremony held on 5 June, World Environment Day.



The annual energy recovery is expected to be **170.000 kWh**



Energy Consumption Works in Vacuum Furnaces:

The energy efficiency studies carried out in the vacuum ovens resulted in energy savings of 96,000 kWh per year by not operating the vacuum pumps in sleep mode, contrary to the previous process.

Air Leakage Reduction Project:

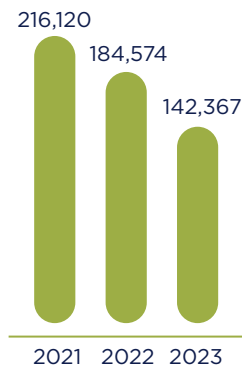
Launched in 2021, this project aims to prevent air leaks and reduce electricity consumption. The project has saved 16 MWh of energy.

Lighting Saving Project:

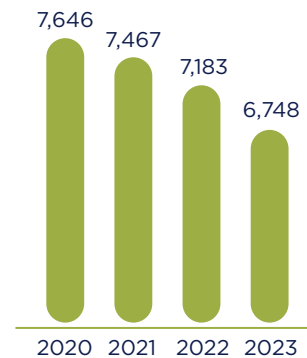
In Kale PW, a total of 256 high-power lighting fixtures were replaced with LED luminaires with lower wattage and higher lighting intensity. As a result, a saving of 101 MWh was achieved in 2023.



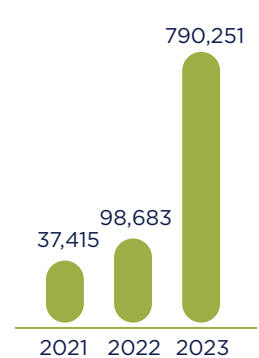
Energy Consumption per Product (kWh/ton)



Net Energy Consumption (mWh)



Amount of Renewable Energy Generated (kWh)



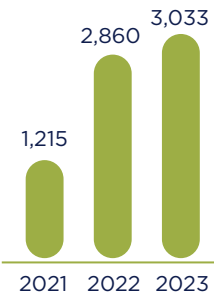
Resource Utilisation and Operational Efficiency

Population growth and changing consumption needs and demands on a global scale are creating problems of access to resources that are being felt across all sectors. As resource scarcity leads to difficulties in accessing raw materials, this process requires companies to rethink their operations. Kale PW recognises the importance of responsible resource utilisation and operational efficiency in creating a resilient business model and is implementing sustainable practices in this direction. In carrying out its operations and investments, the company focuses on the responsible use of resources, minimising waste generation and promoting circular economy principles.

Water, a strategic resource for the survival of the planet and for production processes, has become one of the natural resources under threat from events such as water scarcity and drought caused by the increasing impact of the climate crisis. For this reason, companies that use water intensively in their production processes due to the nature of their business are required to implement water management practices. In this context, Kale PW considers responsible water management as one of its priorities and contributes to the protection and sustainable use of natural resources.

Kale PW's water withdrawal in 2023 is **16,852 m³**, a **27% reduction** compared to 2020.

Amount of waste water recovered by reverse osmosis (m³)



Total Water Withdrawal (m³)



Operational Efficiency

One of the projects carried out by Kale PW, which carries out various studies to save resources, time and costs by increasing the efficiency of its activities, is the dissemination of the "Operator Certification" programme. In this programme, each operator measures the parts they produce themselves, thus implementing sustainable practices without having to go to the measurement laboratory for each part.

Vertical storage systems save space and avoid unnecessary building investment. Operational efficiency is increased by providing quick access to the required equipment.

Reverse Osmosis (RO) Water Treatment Plant - Wastewater Recovery Project

The project, which allows the waste water from the reverse osmosis system to be reused by returning it to the storage tanks, has recovered 3,033 m³ of waste water in 2023.

By the end of 2030, Kale PW aims to reduce water withdrawal by **%15**

Circular Economy and Waste Management

The circular economy approach aims to conserve valuable resources and reduce waste generation by implementing innovative recycling and reuse initiatives to reduce environmental risks, prevent pollution and reduce environmental footprint.

In 2018, Kale PW conducted a product life cycle design in accordance with the ISO 14001 Environmental Management System. This study identified the sensitive points where the company can intervene in the environment, and systematised waste reduction studies and follow-up. Environmental Risk Assessments were also commissioned and the entire product life cycle was monitored.

In 2021, Kale PW set up a team with the aim of designing all its operations according to sustainable and circular models. The **"Green Heroes"** team; to ensure more efficient use of resources through waste prevention, waste avoidance or reduction, proper waste collection and recycling;

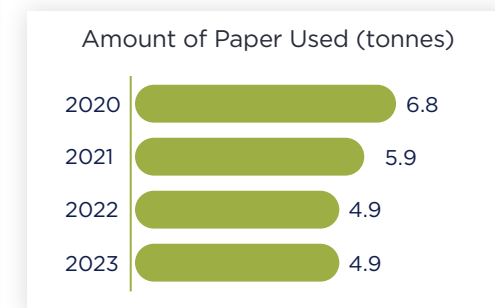
- ⇒ Prevention of waste generation, waste reduction, reuse where waste generation cannot be prevented,
- ⇒ Material or energy recovery of waste that cannot be reused,
- ⇒ Ongoing management support and communication with employees,
- ⇒ Use of training and communication tools to ensure that the zero waste approach becomes part of the corporate culture,
- ⇒ Monitoring the effective involvement of employees in the process studies is conducted.

Through the work of this team, Kale PW's waste management needs have been analysed and planning has begun. The team continues to monitor Kale PW's waste management by developing improvement projects based on annual performance data. Kale PW received Zero Waste certificate in 2021.



Kale PW manages the waste generated by its operations in line with the principles of zero waste. As part of this, the company aims to go paperless production by the end of 2026.

The Paper Consumption Reduction Project, which was implemented in 2019, accelerated digitalisation efforts in addition to paper reduction. In 2023, improvements were made in the areas of levelling the skills of production operators in measurements and increasing competencies, reducing costs and environmental impact by starting paperless production, and reducing paper consumption with new rules integrated into printing processes.



SUSTAINABLE BUSINESS MODEL

Kale Pratt & Whitney takes responsibility and works to reduce the environmental impact of aviation, increase the competitiveness of the industry and contribute to a more sustainable future.



Kale Group aims to build a **better world** by going beyond maximising revenue from sustainability-oriented businesses. To achieve this, the Group focuses on developing a business model that balances **sustainability and profitability**.

Our sustainable business model is based on investing in new business models that focus on environmental, social and governance (ESG) issues; developing sustainable business processes, products and services; acting in accordance with responsible investment principles; extending the sustainable business approach to the entire supply chain; investing in the future of business in all areas with end-to-end digital systems and new technologies; and managing all processes with R&D and innovation-oriented business models.

Product management, supply chain management, customer focus and experience, investment in clean technologies, R&D and innovation, and digitalisation are the priorities of the business model, which focuses on continuous improvement. Efforts are ongoing to make a positive contribution to the area of impact with a sustainable business model, which we believe is the key to long-term success and stakeholder value creation.

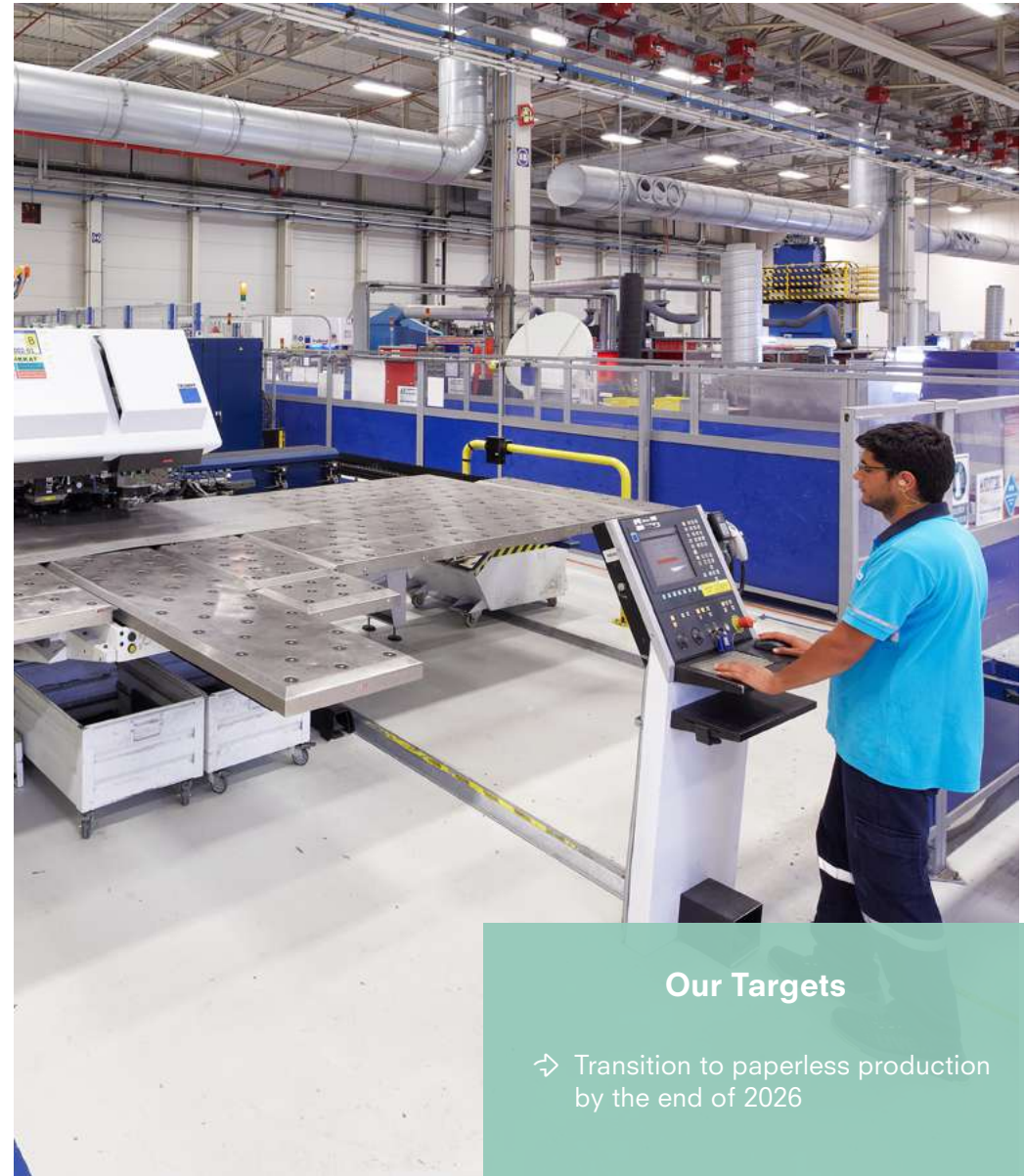
The aviation industry is undergoing significant change with the transition to alternative fuels such as **biofuels and Sustainable Aviation Fuels (SAF)**. This shift focuses on **sustainable energy sources and resource** conservation.

Under the leadership of Pratt & Whitney, Kale PW continues its efforts to increase engine efficiency through the use of smart technologies and the transition to cleaner fuels. This transformation is key to achieving a net-zero future for civil aviation. Pratt & Whitney has integrated the increased use of Sustainable Aviation Fuels (SAF) and the development of new technologies to support alternative, zero-carbon fuels such as hydrogen into its business strategy to help reduce aviation's dependence on fossil fuels.

All Pratt & Whitney engines are capable of running on SAF in blends of up to 50 percent with standard Jet A kerosene. The company continues to work with industry partners to ensure that this percentage reaches 100 percent in the future and is working to ensure that next-generation engines, such as the GTF Advantage™, meet this standard.

Across the industry, investment in improving operational efficiency to **reduce fuel consumption, waste and energy** consumption is growing rapidly. Kale PW, led by its major supplier Pratt & Whitney, continues to **invest in technology and innovation** to keep pace with this change.

Kale Pratt & Whitney is taking responsibility and working towards a more sustainable future by helping to reduce the environmental impact of aviation, increasing the competitiveness of the industry and working towards a more sustainable future.



Our Targets

- ⇒ Transition to paperless production by the end of 2026

Digitalisation

Kale PW maintains its strategic priority to deliver efficiency, speed, flexibility and agility in production and customer experience through the effective use of digital tools. Digital transformation will help achieve the goals of strategic plans and meet the expectations of all stakeholders by providing a competitive advantage.

Kale PW was selected as one of five plants to participate in Pratt & Whitney's global digital transformation pilot. Projects have been initiated in the areas of quality, operational efficiency, human resources and information technology. Improvements are expected in areas such as new customer and project wins, quality metrics, profitability, delivery and time-to-market, operational efficiency and employee engagement.

Efforts are underway to increase the score of the Digital Roadmap, updated in 2022, from 1.8 to 4.0. In addition, work is being carried out as part of Industry 4.0 to integrate business processes and increase real-time digital visibility. In 2023, work began to establish an IoT infrastructure at production sites, and an annual strategic plan focusing on cyber and information security is being implemented.



Activities carried out in 2023:

- ⇒ Compliance with information security standards,
- ⇒ Backup systems as part of business continuity,
- ⇒ 1+2 year strategic plan based on digitalization plans,
- ⇒ ERP/MES applications,
- ⇒ Paperless production,
- ⇒ Workflow/approval practices,
- ⇒ Business Intelligence applications,
- ⇒ Supply and development of software required for the transition to digital platforms

R&D and Innovation

The future of the aviation industry depends on investment in research, development and innovation. This investment ensures the sustainability, competitiveness and growth of the industry, enabling it to achieve higher standards and respond to changing demands. In order to keep pace with rapidly changing aviation technologies and follow innovations, R&D studies for safety and performance are critical to the success of the industry.

Accordingly, Kale PW places great emphasis on R&D and innovation. The company is working to conduct research that will develop and transform its business model, continue its innovation efforts by establishing strategic collaborations with stakeholders, and create new revenue and value opportunities.

Operators and engineers working at Kale PW contribute by coming up with innovative ideas to improve the production process for the parts in production. These ideas help to improve productivity.

Kale PW makes a significant contribution to the aviation industry by investing in its sustainability, competitiveness and growth.



Culture of Innovation

Kale PW attaches great importance to the continuous improvement of its business processes and the use of its employees' ideas in this area. To this end, projects such as the Appreciation, Recognition and Suggestion System and the Fikirden Kale platform have been implemented.

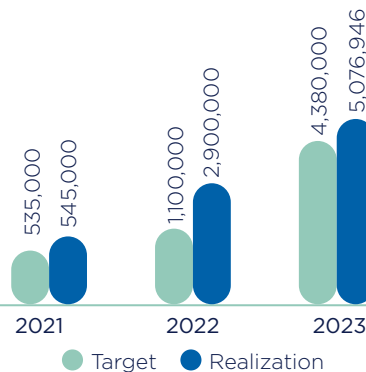
Fikirden Kale is an online platform that enables employees to submit their ideas for improving the current situation on issues that directly or indirectly affect the organisation in which they work.

The Fikirden Kale platform increases employee participation at Kale PW and creates a space for the exchange of new and innovative ideas. Business processes developed with new ideas give the company a competitive advantage.

At Fikirden Kale:

- ➔ Employees can easily enter their suggestions in Fikirden Kale.
- ➔ Interested parties can see and follow these suggestions.
- ➔ Award system can be managed through the platform.
- ➔ Every year, a target is set and tracked for the amount of improvement return from the suggestions received in the Fikirden Kale system.

The amount of improvement targeted and the amount of return achieved - TL



Customer Focus

Kale PW aims to maximise customer satisfaction and build long-term relationships through a customer-centric approach. To achieve this, the company focuses on factors such as cost competitiveness, on-time delivery, quality products and services, and high technology applications.

To understand customers' expectations and needs, the company regularly conducts a customer satisfaction survey (Market Feedback Analysis - MFA). Regular customers are also

surveyed once a year. In this system, where a minimum score of 6 out of 7 is required for success, Kale PW's average satisfaction score in 2023 was 6.45.

Pratt & Whitney uses Supplier Health Assessment (SHA) to evaluate supplier performance and encourage improvement. SHA evaluates four main categories: lean process management, quality, resource management and corporate responsibility. A minimum score of 80 out of 100 is required in each category. To become a Platinum supplier, a company must pass both the SHA audit and score at least six out of seven in the customer satisfaction survey (MFA). A number of efficiency projects have been initiated at Kale PW to meet these requirements.



Kale PW aims to maximise customer satisfaction and build long term relationships by emphasising continuous improvement with a **customer focused approach**.

SOCIAL INVESTMENTS

As Kale PW, in line with our responsible and sensitive leadership approach, we aim to develop by sharing the value we create with society, in addition to our production and growth.



As Kale PW, we aim to grow and develop by sharing the values created with society in addition to production and growth, in line with our responsible and sensitive leadership approach. In this direction, we adopt Kale Holding's corporate responsibility approach and policy and act with the responsibility of leading social change for a sustainable future.

Kale Group has established a Social Responsibility Procedure for all departments to be involved in the process. The purpose of this procedure is to approve social responsibility projects that focus on employees, society and the environment, to systematically monitor the process from the beginning of the project to its completion, and to ensure its sustainability. A corporate social responsibility process has also been established for Kale P&W. Health and education are at the forefront of the corporate responsibility projects carried out through the Kale Volunteering Programme. Supporting children in need of special education and organising aid campaigns for children with leukaemia and sick children are among our important projects.

Kale Group aims to donate a percentage of EBITDA each year to social programmes that contribute to the United Nations Sustainable Development Goals. To achieve this goal, Kale Group's activities in the area of **"social investments"** are based on seven basic 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, including employee volunteering, are based on positive impact and shared benefit.
- Social investments is scaled through strategic collaborations.
- Kale Design and Art Centre's mission is to be an incubator for impact-driven social investment, embracing circularity and fostering interdisciplinary work.
- İbrahim Bodur Social Entrepreneurship Programme supports initiatives that focus on social issues and contribute to the circular economy, and increases its brand value by collaborating with these initiatives.
- Kale Seramik Foundation recognises and supports new talents as potential Kale employees. The Group, together with the brands, in particular the Group HR department, proposes initiatives to support youth employment.
- 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.

Our Targets

- ⇒ To allocate at least 0.5% of EBITDA each year to social programmes that will contribute to the Sustainable Development Goals.

Social Investment Programmes

Kale Group operates with a people-centred, solution-oriented, sustainable and responsible approach to production. It works with the aim of creating lasting benefits for the environment, society and economy through original works planned to achieve a more sustainable, greener and fairer world.

Kale Group has allocated 107 million TL (through KSV) for social investments in 2023. The efforts to generate social investments cover the 4 main impact areas of the sustainability strategy pursued within the framework of the "Care for Your World" movement initiated by Kale Group with the aim of creating sustainable value.

Kaleseramik Foundation for Education, Health and Social Welfare - KSV

With a focus on sustainability, KSV contributes directly and indirectly to the 17 Sustainable Development Goals set by the United Nations. KSV implements programmes and projects that not only address the needs of society today, but also lead to social investments and positive change in the future.

Dr. (h.c.) İbrahim Bodur Kaleseramik Education, Health and Social Welfare Foundation (KSV) was established in 1991 by İbrahim Bodur in line with his understanding of fostering responsibility rather than problems. Since its inception, KSV has been providing scholarships to deserving and needy students through programmes aimed at ensuring equal opportunities in education and employment; providing physical infrastructure support to key areas such as schools, dormitories and training centres; establishing strategic and strong cooperation between industry and educational institutions to contribute to the development of local potential; and acting to train the skilled workforce needed by industry through vocational training programmes. In the light of

the same values, KSV is committed to expanding its scope of responsibility and contributing to the social enterprise ecosystem in many ways. The 8-year-old İbrahim Bodur Social Entrepreneurship Programme provides significant support to the ecosystem and initiatives, both financially and in terms of visibility.

Through local development programmes, it supports various women's cooperatives to improve livelihoods and carries out projects that serve as models for agricultural activities. In addition to all this, KSV continues to support society in times of need in our country, and especially in times of disaster, quickly arriving on the scene in the short term and carrying out activities to mitigate the effects of the disaster in the long term.

**İBRAHİM
BODUR** Sosyal
Girişimcilik
Programı **8.YIL**

Kale Group has allocated
107 million TL
(through KSV)
for social investments
in 2023.

In the Way of Solidarity, In Pursuit of Hope

Our country was deeply shaken by the earthquake that struck Kahramanmaraş on 6 February 2023, affecting 17 provinces. Since the day of the earthquake, the focus of all our social activities has been to help eliminate the negativity experienced and to heal the wounds of our citizens affected by the earthquake.

From the first day of the earthquake, KSV was designated as the main coordination centre.

- ⇒ Following the call for Kale Volunteers, more than 150 volunteers participated in the field and in the disaster area. Based on the information received from AFAD and the Needs Map, relief materials were distributed to the areas in need.
- ⇒ More than 40 trucks and vans, 2 forklifts, 10 packing teams were provided.
- ⇒ Packages containing water, winter clothing, food, hygiene items were prepared and distributed to the region with 5 generators.
- ⇒ Much-needed packing materials were provided.
- ⇒ Over 1,000 staff delivered food parcels to the collection centre.
- ⇒ Blood donations were organised in coordination with the Kızılay.
- ⇒ Medical supplies were coordinated with the Kale Group Health Team.
- ⇒ Financial support was provided to Kale employees and their families and to Kale distributors in the disaster areas.
- ⇒ -A total of 251 containers were sent, including 168 hygiene containers (including hygiene containers for the needs of the disabled) and 68 housing containers. 4 kindergarten containers were provided for the children of disaster victims' families.
- ⇒ -Toilets and showers were provided for the 1,000 container project of the Foreign Economic Relations Council (DEİK).
- ⇒ On 8 March, International Women's Day, at the suggestion of our female colleagues, a donation was made to KSV to support the establishment of day-care centres and playgrounds for children affected by the earthquake.
- ⇒ Community Support Programme was launched for social entrepreneurs supported under İbrahim Bodur Social Entrepreneurship Programme to implement their projects for the earthquake region and 7 projects were supported with a total value of TL 2 million.



A large ecosystem with social good at the forefront: İbrahim Bodur Social Entrepreneurship Programme Awards

İbrahim Bodur Social Entrepreneurship Programme Awards are 7 years old!

For 7 years now, the İbrahim Bodur Social Entrepreneurship Programme Awards have been honouring social entrepreneurs who take social investments as a principle and act with tenacity and courage. In the light of our principle of multiplying the positive impact created by social entrepreneurs, it is a large ecosystem in which social entrepreneurs who feel responsible for the world and the environment take part and where social investments is at the forefront. The İbrahim Bodur Social Entrepreneurship Programme Awards have become a magnet that brings together individuals and institutions that bear responsibility for society. The programme, which has received over 2,000 applications to date, is a large community with over 60 finalists and winners.

The “Value to Life Meeting”, an organic extension of the programme, which was held on 30 May last year in memory of İbrahim Bodur, the founder of the Kale Group, who was guided by the principle of “adding value to society and taking good care of the land” and whom we commemorate every year with great gratitude, respect and longing, is a new experience designed jointly by the key players of the social entrepreneurship ecosystem. This new experience in the

commemorative events, organised under the motto ‘Together with Social Entrepreneurs, In a First’, shows that there is a community that is closely connected with invisible ties and that young people need more support from the private sector to turn their ideas that look good to the world into reality.

In addition to the İbrahim Bodur Social Entrepreneurship Programme Awards, which have been held since 2017 to keep the memory of İbrahim Bodur, the founder of Kale Group, alive and to carry his values into the future, the Community Support Programme (CSP) was launched with the community of finalists and winning social enterprises.

Following the 6 February earthquakes in Kahramanmaraş, the social enterprises selected through the CSP implemented their projects in the disaster area and contributed to the reconstruction of the region.

Education and Employment

The Scholarship Programme, which has been running under the KSV umbrella for many years, has provided scholarships to more than 4,000 successful students.

The Scholarship Development Programme, launched in 2023, aims to improve the social and professional skills of young people in addition to providing financial support. As part of the programme, scholarship holders have been supported with mentoring, workshops and training, and have gained new perspectives through professional trips and meetings. After

KSV scholars have taken the first step in their careers, they contribute to the foundation by supporting new scholars.

Since 1991, KSV has been organising Vocational Training and Development Adaptation Courses in the field of “Ceramic Floor and Wall Tile Coating” throughout Turkey, within the framework of a cooperation protocol signed with the Ministry of National Education, General Directorate of Vocational Education. At the end of these courses, trainees are entitled to receive official certificates approved by the Ministry of National Education. A total of 254 vocational training courses have been organised throughout Turkey, and 5,041 young trainees have so far learned a trade. At the same time, 4,378 skilled craftsmen have been made available to the construction sector through 218 development and adaptation courses.



Kale Design and Art Centre (KTSM)

KTSM, which came into being with the transformation of Kale Group’s first headquarters in Karaköy, is a centre that contributes to the city’s creative industries attraction zone by providing a place for creative industry players to come together and co-produce through workshops, talks, presentations, exhibitions and other events held under the roof of KTSM. In addition, students and young graduates have the opportunity to come together at KTSM to share knowledge and experience.

In 2023, examples of social investments projects hosted by KTSM include the solo painting exhibition entitled Dokunun by artist Arif Aşçı, which was organised and curated by Art On and supported by KTSM, and the exhibition “In Transit | In Between”, which is one of the pillars of the Artist-in-Residence Programme launched as part of the “Care for Your World” movement.

Corporate Governance

A strong, transparent and accountable corporate governance structure ensures that our activities are conducted with high efficiency, in accordance with internationally recognised business ethics and labour standards, and in compliance with our legal obligations. To this end, our business is based on compliance with the Corporate Governance Principles established by the CMB.

BOARD PRACTICES

Kale PW's Board of Directors is the most senior body responsible for the strategic management of the company's activities. The Kale PW Board of Directors consists of a total of 7 members, 3 representing United Technologies and 4 representing Kale Group; 2 members have an interest in the capital.

In accordance with the Company's Corporate Governance Policy, the members, who are elected for a term of three years from among candidates who stand out for their business and industry experience, professional knowledge and reputation, are eligible for re-election at the end of their term with the approval of the General Assembly.

Remuneration Policy

In line with its remuneration policy, Kale PW is developing a competitive remuneration practice to retain key employees and attract potential talent to work for the Company.

The Company has practices in place to attract talented candidates at other levels to work for the Company and to retain existing executives. To determine these practices, independent research and expert third party advice is used to determine remuneration and benefits policies. Internationally recognised grading systems are used. Succession planning is undertaken to minimise the impact on the Group's strategies and performance of the loss of key managers and personnel for unforeseen reasons. This involves identifying potential successors for each key role in the company and ensuring that they receive the necessary development and preparation for their potential roles.

RISK MANAGEMENT

Kale PW follows a risk management model based on internationally recognised principles and best practices in order to achieve its strategic objectives, ensure the sustainability of the business, identify risks that may threaten the survival, development and continuity of the business at an early stage, take the necessary action on identified risks and manage risks effectively.

The Kale Group Early Detection of Risk Committee, which is responsible for the management of corporate risk management processes at the Board of Directors level, makes recommendations to the Board of Directors regarding the early detection, evaluation, calculation and reporting of the impact and probability of risks that may affect the company, taking into account the studies and reports of the experts of the Risk Management Unit, taking the necessary measures regarding the identified risks and establishing effective internal control systems in this direction. The Early Risk Identification Committee meets at least four times a year. Key Risk Indicators (KRIs) are defined for the effective monitoring of risk levels and risk monitoring. The KRIs are regularly monitored according to their timeframes, and additional actions are required to be defined for indicators that

exceed the threshold. In addition, all risks are evaluated monthly at the Board of Directors' meetings.

Corporate risk management activities are based on the principles set out in the 'Kale Group Corporate Risk Management Regulation'. Risk elements are defined in 5 main categories - financial, strategic, operational, compliance and external - and impact and probability analyses are performed and prioritised. In this way, by determining which risks to focus on, risk management is carried through to all levels of functions and operations, ensuring that it is intertwined with the decision-making mechanisms of senior management. Risk responses such as risk avoidance, risk acceptance, risk mitigation and risk sharing are determined according to the characteristics of the risks identified, and actions to reduce the impact and likelihood of the risk are defined.

A proactive approach to managing risk is adopted. Various risk factors that arise under new conditions are assessed in terms of their potential impact on the company and communicated to senior management. In this context, sustainability risks are also included in corporate risk management. This definition of risk includes failure to adapt to the issues of climate change, the circular business model, sustainable products, and

employee and community well-being. The associated operational risks are also included in process risks.

As with other risk and opportunity groups, sustainability risks and opportunities are assessed in terms of impact and likelihood. Prioritised risks are included in the company's risk inventory, and opportunities are included in SWOT analyses. Projects and investments aimed at exploiting the risk responses and opportunities identified as a result of these studies are included in the business plans of the relevant business units, following approval by senior management and the Board of Directors.

Among the sustainability risks, climate and environmental risks stand out in terms of both impact and likelihood. During the reporting period, these

risks were categorised according to the global agenda, climate change and sustainability priorities, taking into account environmental impact, proper use of resources, occupational health and safety, sales, profitability and all future expectations, and work was initiated to create a detailed risk inventory. In parallel, the Sustainability Committee is continuing its efforts to raise awareness of these risks within the company and in society. In the coming period, the aim is to complete these studies and start scenario analyses for sustainability risks, in particular climate change.

Once the sustainability risks and opportunities have been identified, project and investment studies will begin to minimise the risks and maximise the opportunities.

INTERNAL AUDIT

Kale PW has an effective internal audit system in order to conduct its activities in accordance with the company's strategies, in compliance with the company's policies and working principles, internationally accepted working and ethical standards and legal regulations, in a manner that is free from corruption and abuse, and to prevent damage to the company.

Kale Holding's Internal Audit Department has been established to carry out audit and control activities within the company. The department carries out its activities in accordance with the Annual Audit Programme. This programme is based on international internal audit standards and a risk-based audit plan approach.

In addition to criteria such as the reporting risk level of previous audit work, the completion rate of previous action plans, audit frequency, significant organisational or systemic changes, the opinions of the CEO, Audit Committee, Strategy and Risk units are also taken into account. In this regard, all business processes that are evaluated as priority in terms of importance are subject to audit work.

BUSINESS ETHICS AND COMPLIANCE

As required by the Kale Group's values, it is essential that Kale PW's activities and dispositions are carried out in compliance with the law and internationally recognised principles of business ethics, respecting the principles of human rights, justice and equality. In this context, binding rules have been established for all managers, employees and relevant stakeholders through the Code of Ethics Regulation, Personnel Regulations, company policies and procedures.

The rules set out in the Code of Ethics Regulation cover issues such as the acceptance of gifts, the prevention of bribery and corruption, commissions, payments for products and services, cross-border trade, conflicts of interest, corporate information and assets, competitive practices, public relations, human rights, environmental protection and sustainability, product management, equal opportunities and non-discrimination.

The Code of Ethics is communicated to each new employee and a commitment letter is signed. Universal principles, ethical rules and values are taken into account for all stakeholders in the supply chain, and compliance with the Code of Ethics is one of the evaluation criteria when selecting new suppliers. Code of Ethics clauses are included in all supply contracts. The audits carried out have not identified any practices in suppliers' activities that are in breach of business ethics rules.



Employees are required to act in accordance with the principles of business ethics and to report any suspected violations. Any conduct that results in a violation of ethical principles will be considered a violation of the Code of Ethics or Company policies and an attempt to conceal the violation.

Reports of ethical violations can be made on a confidential basis 24 hours a day, 7 days a week by calling 0 (212) 371 54 50, by emailing etikhat@kale.com.tr and through the Ethics Portal. External stakeholders, <https://www.kale.com.tr/etik-> can make their reports to the online address. All reports are kept confidential. Kale Group's internal audit department makes a preliminary assessment of the report and convene a meeting of the Ethics Committee. If it is concluded that there is evidence of a violation in the report, the Ethics Committee requests an investigation/audit. The Ethics Committee may assign department heads who are members of the Committee to the investigation. In cases where an investigation is to be conducted by Kale Group's Internal Audit Department, final approval to open an investigation is sought from Kale Group's President/CEO. The decision of the Ethics Committee to be taken as a result of the assessment report is submitted to the President/CEO of Kale Group. In accordance with the principles of confidentiality and independence, necessary reports are made to all relevant parties, including the

Board of Directors, depending on the nature of the report.

The decisions of the Ethics Committee become effective upon approval by the President/CEO of Kale Group.

If the report concerns an employee, the matter is referred to the Disciplinary Board if the Committee considers the report to be justified. The Board may decide to impose sanctions such as a verbal warning, a written warning, a reprimand, deduction of one or two days' salary or fringe benefits and dismissal of the employee who commits a disciplinary offence. Sanction decisions are also recorded in the personnel file.

During the reporting period, five reports were made to Kale PW's ethics hotlines. The timely response rate to issues reported to the ethics hotlines is monitored by Internal Audit as a performance indicator.

Training activities are organised to raise awareness of ethical issues among Kale PW employees, to improve ethical behaviour and decision-making processes and to ensure active use of reporting channels for any concerns or reports that may arise. As part of these activities carried out throughout the Kale Group, these activities have been permanently transferred to the 'KaleKampüs Digital Platform' application after all employees have completed their training in recent

periods. In 2023, 276 employees received 77.75 hours of training on business ethics, including anti-corruption and human rights.

Respect for internationally recognised human rights is a fundamental principle accepted in all of Kale PW's stakeholder relationships. In this context, the human rights of all our stakeholders, in particular our employees, are respected. The use of child labour, forced or compulsory labour is not permitted in any of our operations, including our supply chain.

In line with Kale PW's values and ethical principles, bribery, corruption and misconduct are not acceptable under any circumstances and will not be ignored when they occur. Such risks are also included in the internal audit programme and are taken seriously. During the reporting period, no such cases were identified and no complaints or transactions involving bribery and misconduct were made against employees of the company.

In line with our business ethics and corporate governance principles, it is essential that Kale PW complies fully with the law in relation to its activities. The responsibility and follow-up of all legal matters and transactions of Kale PW, including compliance monitoring and preventive legal activities, is carried out by the Group Legal Department.

The research and evaluation necessary to ensure the compliance of Kale PW's practices and savings with the applicable legislation both in Turkey and in other countries where it operates is carried out in coordination with the International Trade Control and Compliance Management in a process involving the Group Legal Department. We approach the issue of our traded products being subject to export controls and restrictions with special sensitivity. Kale PW is committed to complying with all national and international laws and regulations, including the United States International Traffic in Arms Regulations and the United States Export Administration Regulations, in the import/export of its products.

Kale PW has a heightened awareness of its obligations under competition law. The company's employees receive regular training on competition law regulations prepared by the Group Legal Department.

In 2023, the Audit Unit's Ethics Line and Awareness Training won the **most watched training award**.

INFORMATION SECURITY and DATA PRIVACY

Kale PW takes measures to protect the confidential information of the company and its stakeholders and to be prepared for cyber security risks. It conducts its Information Security Management System activities in a manner that meets legal compliance obligations, the expectations of all stakeholders, and the standards (National Institute of Standards and Technology (NIST), Cybersecurity Maturity Model Certification (CMMC)) and ISO 27001 that define the relevant United States Federal Government information security policies, procedures and guidelines.

We aim to make information security and data confidentiality part of our corporate culture. In this context, the importance of protecting information is kept on the agenda in our relationships with all stakeholders, in particular customers, employees, suppliers and visitors, by 'adhering to the principles of business continuity'.

The company is aware that information protection measures are not only provided by the technological infrastructure, but also by the human factor and awareness,

which is one of the most important elements of information security.

At Kale PW, the information security process is carried out by Information Security Management System representatives appointed by all departments. The cyber security culture is spread throughout the company by raising the awareness of all employees. Awareness and information is provided through annual management review meetings and internal/external audits, and needs in this area are also included in the strategic plan and budget requests as appropriate.

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 loss. Throughout the year, regular penetration tests are conducted on the relevant systems and immediate action is taken in response to any findings. Vulnerability scans, cyber-attack simulations and infrastructure outage exercises are carried out regularly to protect against malware.

Technical measures have been taken to protect the confidentiality of customer information. As part of these measures,

- Data labelling
- Data loss prevention and EDR
- Firewall and proxy
- Authorisation Applications (SOD).

Kale PW, which has made numerous investments in the field of information technologies, has achieved compliance with the NIST 800-171 standard, which defines the information security requirements of the United States of America, and has obtained the ISO/IEC 27001 Information Security Management System certificate.

You can access Kale PW Information Security Policy [here](#).



Performance Indicators

Social Performance Indicators

	2021	2022	2023
Direct Workforce (Number)			
Blue Collar	244	246	295
Female	1	1	19
Male	243	245	276
White Collar	113	116	116
Female	33	36	37
Male	80	80	79
Total Workforce by Contract Type (Number)			
Indefinite Term Employment Contract	357	362	411
Female	34	37	56
Male	323	325	355
Temporary Employment Contract	0	0	0
Total Workforce by Education Level (Number)			
Primary education	39	32	45
High School	170	178	203
University	132	131	143
Master's Degree	16	21	20
Total Workforce by Age Groups			
18-30	101	75	114
30-50	248	279	288
50+	8	8	9
Senior Management Structure (Number)			
Female			3
30-50	3	3	3
50+			0
Male			6
30-50	6	5	3
50+	2	2	3

	2021	2022	2023
Middle Level Management Structure (Number)			
Female			7
30-50	5	6	7
50+	0	0	
Male			17
30-50	11	14	17
50+	0	0	0
Newly Recruited Employees (Number)			
Female	12	9	115
Male	27	40	22
Employees Quitting (Number)			
Female	6	6	4
Male	45	38	83
Employee Turnover (%)			
Volunteer Employee Turnover	0	6.27	9.04
Female	1.1	0.86	0.26
Male	4.11	5.42	8.78
Non-Voluntary Employee Turnover		12.54	22.45
Female	1.64	1.71	1.03
Male	12.33	10.83	21.42
Employees with 0-5 years of seniority	290	264	290
Female	24	24	43
Male	266	240	247
Employees with 5-10 years of seniority	67	97	116
Female	10	12	11
Male	57	85	105
Employees with 10 years or more seniority	0	1	5
Female	0	1	2
Male	0	0	3

Social Performance Indicators

	2021	2022	2023
Number of Employees on Maternity/Paternity Leave			
Female	2	2	1
Male	0	0	20
Number of Employees Returning from Maternity/Paternity Leave			
Female	1	2	1
Male	0	0	20
Number of disabled employees			
Blue Collar	0	0	9
Female	1	1	2
Male	10	10	7
White Collar	0	0	1
Female	0	0	0
Male	0	0	1
Employee Trainings - Number of Participants (person)	5,033	7,568	9,568
Blue Collar	3,848	5,589	7,220
Female	1	5	276
Male	3,847	5,584	6,944
White Collar	1,185	1,908	2,319
Female	303	684	743
Male	882	1,224	1,576
Employee Trainings - Total Hours (personxhour)	10,362.6	14,612.55	17,952.8
Blue Collar	4,064.2	5,300.75	8,866.35
Female	0.4	6.75	614.85
Male	4,063.8	5,294	8,251.5
White Collar	6,298.4	9,259.15	9,033.45
Female	1,637.8	3,123.3	3,283.35
Male	4,660.6	6,135.85	5,752.1

	2021	2022	2023
Training hours per employee (hours)	29.03	40.37	43.68
Female	48.18	85.35	70.40
Male	27.01	35.24	39.47
Total training expenditure (TL)	696,775	1,836,518	3,819,556
Training expenditure per employee (TL/person)	1,951	5,073	9,293
Number of participants in leadership trainings (person)	79	157	261
Duration of leadership trainings (personxhour)	912.5	1,054.5	1,715.95
Number of employees participating in development programs	27	83	91
Employee engagement rate (%)	64	58	70
Number of employees participating in employee engagement / satisfaction survey	336	326	368
Percentage of employees participating in employee engagement/satisfaction survey (%)	96	96	97
Number of Injuries			
Direct Employment	26	11	18
Female	0	0	1
Male	26	11	17
Contractor Company Employee	0	0	1
Female	0	0	0
Male	0	0	1
LWDC- Lost time accident rate	2.17	1.10	1.18
Accident Frequency Rate	36.17	14.38	18.65
Accident Weight Ratio	1.73	0.12	1.12
Number of Lost Days	169	12	123
Direct Employment	178	13	93
Female	0	0	0
Male	178	13	93
Contractor Company Employee	0	0	0
Female	0	0	0
Male	0	0	0

Social Performance Indicators

	2021	2022	2023
Number of high-level injuries (excluding fatalities) that prevented return to work for at least 6 months	0	0	0
Female	0	0	0
Male	0	0	0
Number of Occupational Diseases	0	0	0
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Company Employee	0	0	0
Female	0	0	0
Male	0	0	0
Occupational Disease Rate	0	0	0
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Number of Work-Related Deaths	0	0	0
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Company Employee	0	0	0
Female	0	0	0
Male	0	0	0
Work-Related Mortality	0	0	0
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Company Employee	0	0	0
Female	0	0	0
Male	0	0	0

	2021	2022	2023
OHS Trainings Provided to Employees - Number of Participants	633	1,465	1,346
Direct Employment	633	1,452	1,345
Contractor Company Employee	0	13	1
OHS Trainings Provided to Employees - Total Hours (personxhour)	1,315.4	2,273.6	919.8
Direct Employment	1,315.4	2,259.1	918.8
Contractor Company Employee	0	14.5	1
OHS Committees			
Number of OHS Committees Established	1	1	1
Total Number of Members in Board OHS Committees	22	21	26
Number of Employee Representatives in Board OHS Committees	1	1	1
Disaster Emergency Trainings			
Number of participants (person)	0	388	363
Training duration (person*hour)	0	593	959,2
Number of Disaster Emergency Drills	2	2	2
Number of People Working in Positions with High Occupational Disease Risk	0	0	0
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Company Employee	0	0	0
Female	0	0	0
Male	0	0	0

	2023
Number of suggestions received from employees (number)	859
Number of employees sharing suggestions (person)	193
Number of proposals implemented (number)	195
Financial benefits provided through employee suggestions (TL)	5,058,900

Economic Performance Indicators

	2023
Total number of suppliers	623
Proportion of local suppliers	82.5%
Local supplier budget	34%
Total Investment Amount	\$4,278,397
Net Promoter Score (out of 7)	6
Savings achieved through operational excellence efforts (TL)	5,058,900
Total exports (million USD)	53,089,117

Environmental Performance Indicators

	2021	2022	2023
Energy Consumption			
Renewable Energy Consumption (kWh)	37,415	98,683	790,251
Natural Gas Consumption (kWh)	12,796	12,621	11,686
Diesel Consumption (kWh)	3.42	3.42	3.42
Electricity Consumption (kWh)	7,106,465	6,738,604	6,748,341
Energy consumption per product (kWh/ton)	216,120	184,574	142,367
Energy Savings Achieved through Efficiency Projects (kWh)	120,000		174,029
Greenhouse Gas Emissions (tCO₂)			
Scope 1	78	83	71
Scope 2	3,390	3,214	2,986
Total Emissions (Scope 1+ Scope 2)	3,468	3,297	3,057
Amount of Waste (ton)			
Recycled Hazardous Waste	240	210	261
Recycled Non-Hazardous Waste	105	114	145
Total Waste Amount	345	324	406
Amount of Paper Used (ton)	5.9	4.9	4.9
Water Consumption (m³)			
Mains Water	16,232	14,970	16,852
Amount of Water Saved through Efficiency Projects	1,215	2,860	3,033
Waste Water Discharge	58,8		84,2
Environmental Investments and Expenditures (TL)			
Environmental Investment Expenditures	1,955,443	200,463	303,336
Total Environmental Penalties	11,351	67,092	100,111
Savings from Environmental Investments and Expenditures	34,199	1,403,045	3,820,073
Environmental Trainings			
Training Participants (number of people)	450	628	1,336
Training Duration (personxhour)	338.5	1,507	1,385.3

GRI Content Index

Statement of Use

Kale Pratt & Whitney has reported the information set out in this GRI content index for the period January - December 2023 in accordance with GRI Standards.

GRI 1 Used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

N/A

GRI Standard	Disclosure	Location and Page Number	Omission		
			Requirement(S) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational Details	An Overview to Kale Pratt & Whitney, page 5,			
	2-2 Entities included in the organization's sustainability reporting	About The Report, page 3			
	2-3 Reporting period, frequency and contact point	About The Report, page 3			
	2-4 Restatement of information	GRI Content Index: There is no restated information in the report.			
	2-5 External Audit	GRI Content Index: There was no external audit during the reporting period.			
	2-6 Activities, value chain and other business relationships	An Overview to Kale Pratt & Whitney, page 5			
	2-7 Employees	Social Performance Indicators, page 51-53			
	2-8 Workers who are not employees	Social Performance Indicators, page 51-53			
	2-9 Governance structure and composition	Board of Directors Practices, page 47			
	2-10 Nomination and selection of the highest governance body	Board of Directors Practices, page 47			
	2-11 Chair of the highest governance body	Board of Directors Practices, page 47			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, page 14			
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance, page 14			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, page 14			
	2-15 Conflicts of interest	Business Ethics and Legal Compliance, page 48-49			
	2-16 Communication of critical concerns	Stakeholder Engagement, page 16 Communication with Employees, page 27			
	2-17 Collective knowledge of the highest governance body	Sustainability Governance, page 14			
	2-18 Evaluation of the performance of the highest governance body	GRI Content Index: This information cannot be shared.	2-18 a; 2-18 b; 2-18 c	Confidentiality constraints	Kale Pratt & Whitney does not share this information as it is not a publicly traded company.
	2-19 Remuneration policies	Remuneration Policy, page 47			
	2-20 Process to determine remuneration	Remuneration Policy, page 47			
	2-21 Annual total compensation ratio	GRI Content Index: This information cannot be shared.	2-21 a; 2-21 b; 2-21 c	Confidentiality constraints	Kale Pratt & Whitney does not share this information as it is not a publicly traded company.

GRI Standard	Disclosure	Location and Page Number	Omission		
			Requirement(S) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Sustainability Management, page 10			
	2-23 Policy commitments	Sustainability Management, page 10, Business Ethics and Legal Compliance, page 48-49			
	2-24 Embedding policy commitments	Sustainability Management, page 10			
	2-25 Processes to remediate negative impacts	Stakeholder Engagement, page 16			
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Management, page 10			
	2-27 Compliance with laws and regulations	Stakeholder Engagement, page 16 Communication with Employees, page 27			
	2-28 Memberships associations	GRI Content Index: This information cannot be shared.	2-28 a	Confidentiality constraints	Kale Pratt & Whitney does not share this information as it is not a publicly traded company.
2-29 Approach to stakeholder engagement	Stakeholder Engagement, page 16				
2-30 Collective bargaining agreements	There are no employees covered by collective labor agreements.				
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Priorities, page 13			
	3-2 List of material topics	Sustainability Priorities, page 13			
Greenhouse Gas Emissions and Energy Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Greenhouse Gas Emissions and Energy Management, page 32-34			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Greenhouse Gas Emissions and Energy Management, page 32; Environmental Performance Indicators, page 54			
	305-2 Indirect (Scope 2) greenhouse gas emissions	Greenhouse Gas Emissions and Energy Management, page 32; Environmental Performance Indicators, page 54			
	305-5 Reducing greenhouse gas emissions	Greenhouse Gas Emissions and Energy Management, page 32			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Greenhouse Gas Emissions and Energy Management, page 33-34 Environmental Performance Indicators, page 54			
	302-4 Reducing energy consumption	Greenhouse Gas Emissions and Energy Management, page 33-34			
Resource Utilization and Operational Efficiency					
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Utilization and Operational Efficiency, page 35			
Circular Economy and Waste Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Circular Economy and Waste Management, page 36			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management, page 36			
	306-2 Management of significant waste-related impacts	Circular Economy and Waste Management, page 36			
	306-3 Waste generated	Circular Economy and Waste Management, page 36 , Environmental Performance Indicators, page 54			
	306-4 Waste diverted from disposal	Circular Economy and Waste Management, page 36 , Environmental Performance Indicators, page 54			

GRI Standard	Disclosure	Location and Page Number	Omission		
			Requirement(S) Omitted	Reason	Explanation
Fair Working Environment and Employee Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	Fair Working Environment and Employee Rights, page 25-27			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators, page 51-53			
	401-3 Parental leave	Social Performance Indicators, page 51-53			
Clean Technology Investment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Business Model, page 37-38			
Digitalization					
GRI 3: Material Topics 2021	3-3 Management of material topics	Digitalization, page 39			
Talent Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Management, page 21-25			
	404-1 Average hours of training per year per employee	Social Performance Indicators, page 51-53			
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, page 21-25			
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators, page 51-53			
Occupational Health and Safety					
GRI 3: Material Topics 2021	403-1 Occupational Health and Safety Management System	Occupational Health and Safety, page 28-29			
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety, page 28-29			
	403-3 Occupational health services	Occupational Health and Safety, page 28-29			
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety, page 28-29			
GRI 403: Occupational Health and Safety 2018	403-5 OHS Trainings given to employees	Social Performance Indicators, page 51-53			
	403-6 Promotion of worker health	Occupational Health and Safety, page 28-29			
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to labor relations	Occupational Health and Safety, page 28-29			
	403-8 Workers covered by occupational health and safety management system	Occupational Health and Safety, page 28-29			
	403-9 Work-related injuries	Social Performance Indicators, page 51-53			
	403-10 Work-related diseases	Social Performance Indicators, page 51-53			

Kale Pratt & Whitney

CONTACT

Kale Pratt&Whitney Uçak Motor Sanayi A.Ş.
Ege Serbest Bölgesi Çamlık Sokak No:11 Gaziemir - İZMİR
+90 (232) 298 75 00

sustainability@kalepw.com

REPORTING CONSULTANT AND DESIGN

 KIYMET
harbiye

kiymetiharbiye.com

LEGAL NOTICE

Kale Pratt&Whitney Uçak Motor Sanayi A.Ş. 2023 Sustainability Report has been prepared for informational purposes only and information and sources believed to be accurate and reliable for the period covered by the Report have been used. The content contained in this Report cannot be interpreted as any statement, guarantee or commitment, nor is it guaranteed to be complete and unchangeable.