

Kale Keramik



2024
Sustainability
Report

[#CareforYourWorld](#)

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About the Report

Through the third sustainability report we have published as Kaleseramik, we aim to communicate our sustainability vision more effectively to our stakeholders and foster shared ownership of our approach across all stakeholder groups.

The information included in our sustainability report covers our activities and performance in environmental, social, and governance areas from January 1, 2024, to December 31, 2024. All Kaleseramik operations in Türkiye and abroad are included in the scope of the report.*

The report has been prepared in accordance with GRI Standards and demonstrates how our activities contribute to the United Nations Sustainable Development Goals. You can send any questions, comments, and suggestions regarding the report and our sustainability efforts to

✉ kaleseramiksurdurulebilirlik@kale.com.tr

*Operations in Iraq that commenced during the reporting period are not included in this report.



Message From Kale Group President and CEO

Dear Stakeholders,

Today, the climate crisis has gone beyond being a prediction about the future and has turned into a concrete reality that directly affects all our lives. Extreme weather events, the rapid depletion of natural resources, increasing vulnerabilities in global supply chains, and new sustainability-driven regulations are pushing the business world toward a more resilient, fair, and inclusive transformation.

At this critical juncture, we continue to decisively implement the “Care for Your World” approach, which we advocate as Kale Group, within Kaleseramik. We regard sustainability not as a choice but as an existential responsibility, and we take steps toward shaping the future with this awareness.

The third sustainability report published by Kaleseramik is a clear declaration of our responsibility to our values, our stakeholders, and future generations. Prepared in full compliance with the Türkiye Sustainability Reporting Standards, this report transparently presents not only our financial achievements but also our environmental, social, and governance impacts. This step is also a strong indicator of our determination to integrate into international sustainability norms.

Within the scope of these standards, we incorporate the long-term financial impacts of climate-related risks and opportunities into our strategic planning. Through scenario analyses that take into account both physical and transition risks, we develop resilient, flexible, and sustainable business strategies.

We support this approach with a robust governance model. From the Kaleseramik Board of Directors to the Kale Group

“ As Kale Group, we remain committed to implementing our “Care for Your World” approach with determination at Kaleseramik.

Sustainability Committee and across all our teams, this culture of ownership enables us to continuously monitor and measure our performance and to take determined steps in areas open to improvement.

Contributing to the “Net Zero” target

In line with our 2030 sustainability goals at Kaleseramik, we have accelerated our strategic investments to prepare our operations for a low-carbon future. In particular, we prioritize energy efficiency, renewable energy sources, and clean technologies to reduce our Scope 1 and Scope 2 emissions. Through these efforts, we aim not only to contribute to the transformation of our sector but also to become a meaningful part of Türkiye’s 2053 Net Zero target.

At the same time, by embracing circular economy principles, we are implementing projects that set an example in the efficient use of resources and the reutilization of waste. Guided by the principle of “producing more with less,” we continue our investments in sustainable material use and the optimization of production processes.

To make our sustainability performance more visible on a global scale and to demonstrate our areas for improvement with tangible data, we also aim to actively participate in international ESG rating and index processes.

Let’s build a sustainable world together...

As Kale Group and Kaleseramik, we create sustainable value with the responsibility of leaving a livable world for future generations. For this process to be truly effective, the contribution and support of you, our stakeholders, is of great importance. We invite you to be part of this journey and to amplify the impact together with us. Because we believe that only by acting collectively can we build a more sustainable future.

Sincerely,

Dr. (h.c.) Hatice Zeynep BODUR OKYAY
Chairperson and CEO of Kale Group
Chairperson of the Board of Directors of Kaleseramik



Message From the General Manager

Dear Stakeholders,

Global warming and the climate crisis have made sustainability one of the most important priorities of our lives. Today, sustainability is not only a social responsibility but also the foundation of long-term corporate success. At a time when environmental, social, and economic challenges are deepening globally, it has become inevitable for companies to manage their impacts with a holistic approach.

We conduct all our processes with a human- and nature-centered approach

At Kaleseramik, we act with the awareness that our activities shape the future. In line with our sustainability strategy, we manage all our processes—from production to governance—with a human- and nature-centered perspective. Together with our stakeholders, we take responsibility for a more livable world and redesign our decisions in line with sustainability principles.

In this context, through transformation efforts focusing on sustainable production, energy efficiency, and renewable resources, we aim to reduce greenhouse gas emissions in our operations. With the commissioning of our

“ We are strengthening our resilience to the climate crisis and enhancing our capacity to benefit from the opportunities of the low-carbon economy.

large-format porcelain slab production line, we reduce carbon emissions per unit product by 42% compared to standard production. Additionally, with our pioneering 2 mm-thick super-thin porcelain slabs, the first of their kind in Türkiye, we achieve 33% less raw material use.

We embrace change, from responsible production to a circular business model

We produce in line with circular economy principles and lead the sector in energy-efficient kiln technologies and the integration of renewable energy sources. The year 2024 was a milestone in further strengthening our commitment to sustainability. We advanced our performance in resource efficiency, energy and water management, and waste recycling. While developing products that contribute to a low-carbon economy, we also transformed our business model around circular economy and digitalization. In this direction, we invested approximately 456 million TL in sustainability projects during 2024.

In line with our strategy, we have committed to doubling our closed-loop production rate by 2030 compared to 2021. During the reporting period, we achieved a 54.2% increase, marking significant progress. At the same time, we aim to reduce our water consumption in production by 25% by 2030.

We will continue to create positive impact throughout our value chain with a business model that uses resources efficiently and reduces waste at its source.

We have established an ESG management approach that focuses on opportunities rather than risks

Climate change, increasing regulations, and stakeholder expectations have made corporate risk and opportunity management a strategic priority. Accordingly, we systematically monitor our environmental, social, and governance (ESG) performance, analyze climate risk scenarios, and take preventive actions.

In alignment with the Türkiye Sustainability Reporting Standards (TSRS), we are enhancing our analyses to identify physical and transition risks related to climate change at an early stage. By testing our operational resilience against different climate scenarios, we shape our roadmaps based on these findings and take preventive actions.

In this process, we strengthen our decision-making mechanisms with the contribution of our Board members who are experienced in sustainability. In addition, through our Sustainability Committee, we regularly monitor, measure, and continuously improve performance indicators. To achieve our sustainability goals, we develop our entire value chain—from production to supply chain, from human resources to product design—in line with sustainability principles.

We have made ethical, transparent, and accountable management a cornerstone of our corporate culture

At Kaleseramik, we have taken significant steps in our governance structure, adopting an approach based on ethics, transparency, and accountability. In this context, we regularly share our ESG performance with our investors and all stakeholders, upholding the principle of accountability.

Thanks to the steps we have taken in corporate governance, we achieved a score of 9.22 out of 10 in the Corporate Governance Compliance Rating conducted by the international firm Kobirate across 456 criteria. This success demonstrates that our governance practices are recognized at an international level.

We are creating shared awareness with “Care for Your World”

We see sustainability not only as an environmental responsibility but also as a social and cultural value. With the “Care for Your World” movement we launched, we continue to inspire our entire ecosystem—from our employees to industry stakeholders. Pioneered by the Kale Group, this movement also forms the foundation of our sustainability strategy. Guided by the “Care for Your World” approach, our strategy further strengthens our commitment to leaving a more livable world for future generations.

As a company, we act in full alignment with national and global goals, particularly the United Nations Sustainable Development Goals (SDGs). Our aim is to create shared value across the economic, social, and environmental dimensions of our activities, fostering a more responsible perspective for the world.

A sustainable journey is only possible together

This report, prepared in line with the GRI Standards, not only documents our 2024 performance but also provides a roadmap for the sustainable future we are building together. In addition to our environmental, social, and governance efforts, it also highlights our contributions to the United Nations SDGs.

I sincerely thank all our employees and stakeholders who have accompanied us on this transformation journey.

For a more livable world, I invite everyone to care for our world. A sustainable journey is only possible together.

Sincerely,

Timur Karaoğlu
Kaleseramik General Manager

About Kale Group

Founded in 1957 by Dr. (h.c.) İbrahim Bodur, Kale Group today operates in diverse sectors including ceramic manufacturing, construction chemicals, logistics, and aerospace. With 26 companies and more than 5,000 employees, Kale Group ranks as the 4th largest manufacturer in Europe and the 21st largest in the world in the building materials sector, while also holding the market leadership position in construction chemicals in Türkiye.

Entering the aerospace industry in 1987, Kale Group has become a preferred supplier to the world's leading aerospace companies and a key partner in many major projects carried out in Türkiye.

With its industrial heritage and entrepreneurial spirit, Kale Group continues to operate as a pioneering, reputable, and responsible conglomerate that respects people and the environment while creating sustainable value for society. To make its contributions to society permanent, Kale Group established the Dr. (h.c.) İbrahim Bodur Kaleseramik Education, Health, and Social Aid Foundation in 1991, which actively supports initiatives in education and employment. Furthermore, with its vision focused on design, technology, and people, Kaleseramik is committed to supporting art and artists—primarily in ceramics—by backing creative and inspiring projects that produce original works and nurture aspiring talents and communities.



In the building materials sector, Kaleseramik is the 4th largest manufacturer in Europe and ranks 21st globally.

About Kaleseramik

Kaleseramik, which pioneered the establishment and development of Türkiye's ceramic industry, was founded in 1956 by Kale Group's Founder and Honorary President, İbrahim Bodur. The foundations of Türkiye's first ceramic tile producer, Çanakkale Seramik, were laid in 1957. In 2000, Çanakkale Seramik Fabrikaları A.Ş. and Kalebodur Seramik Sanayi A.Ş. merged under the name "Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş." In 2023, 21.25% of the company's shares were offered to the public and began trading on Borsa İstanbul.

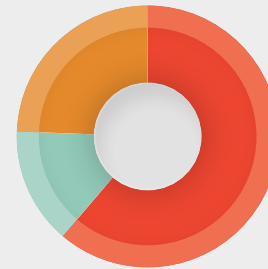
With an annual production capacity of 56 million m², Kaleseramik operates one of the world's largest integrated ceramic facilities under a single roof. With its 67-year history, Kaleseramik has consistently maintained its pioneering position in the ceramic industry, reinvesting the added value it generates into its homeland and building its growth on solid foundations.

While Kalebodur has become a generic brand in floor tiles, Çanakkale Seramik is positioned as a strong brand synonymous with quality in wall tiles. Enriching its portfolio with granite, porcelain, Sinterflex, and artisan tiles, Kaleseramik continues to provide innovative solutions to meet evolving user needs.



We continue our operations in more than 80 countries through retail and corporate channels.

Kaleseramik Shareholding Structure



H. İbrahim Bodur Holding A.Ş.	61.23%
Victory International AG	14.38%
Other	24.39%

Each year, we introduce approximately

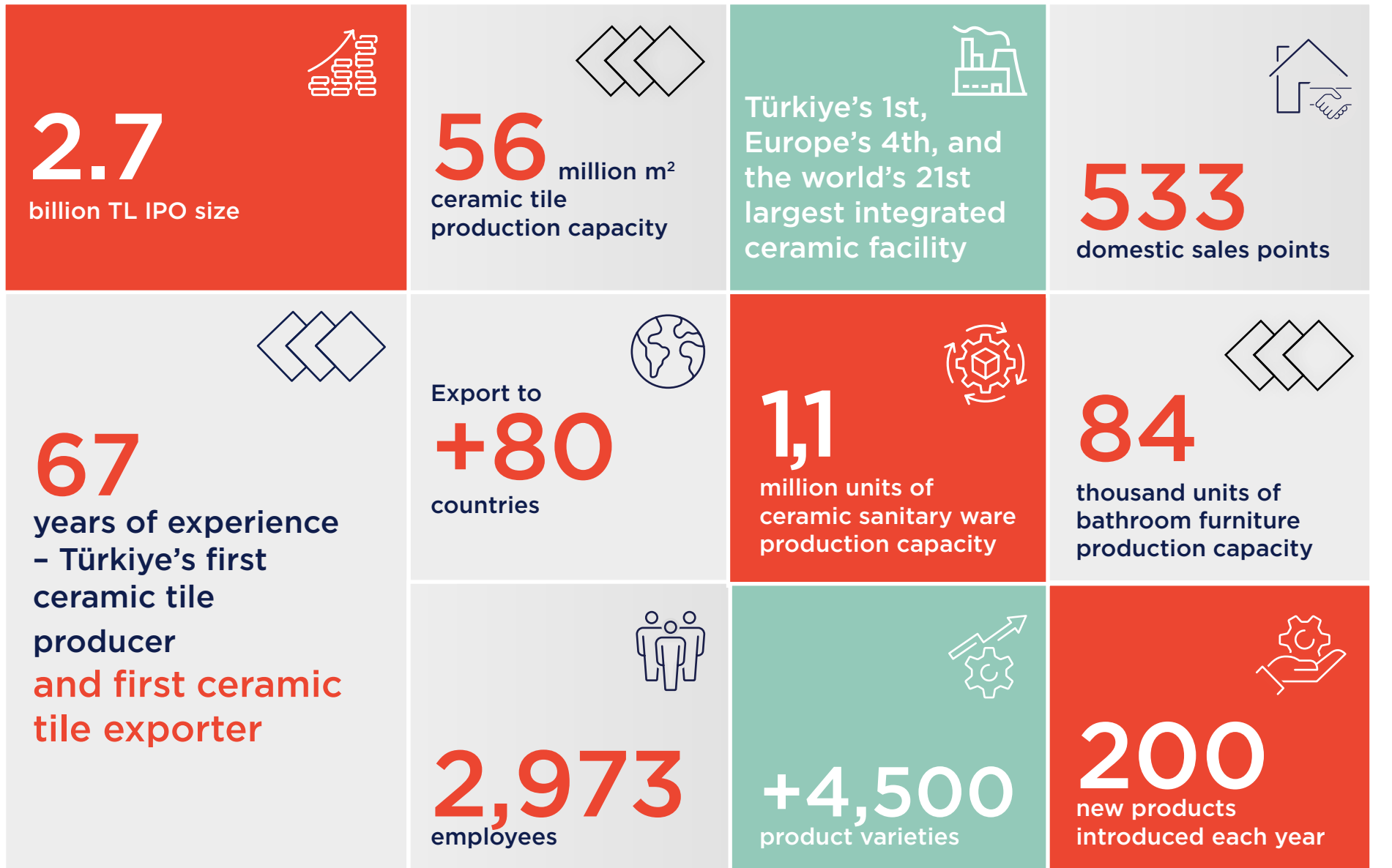
200
new products to the market.

With a wide product range extending from ceramic tiling to sanitary ware, faucets, and bathroom furniture, Kaleseramik aims to bring aesthetics and functionality to living spaces. Offering more than 4,500 products annually and introducing around 200 new products to the market each year, the company reinforces its leadership in the sector.

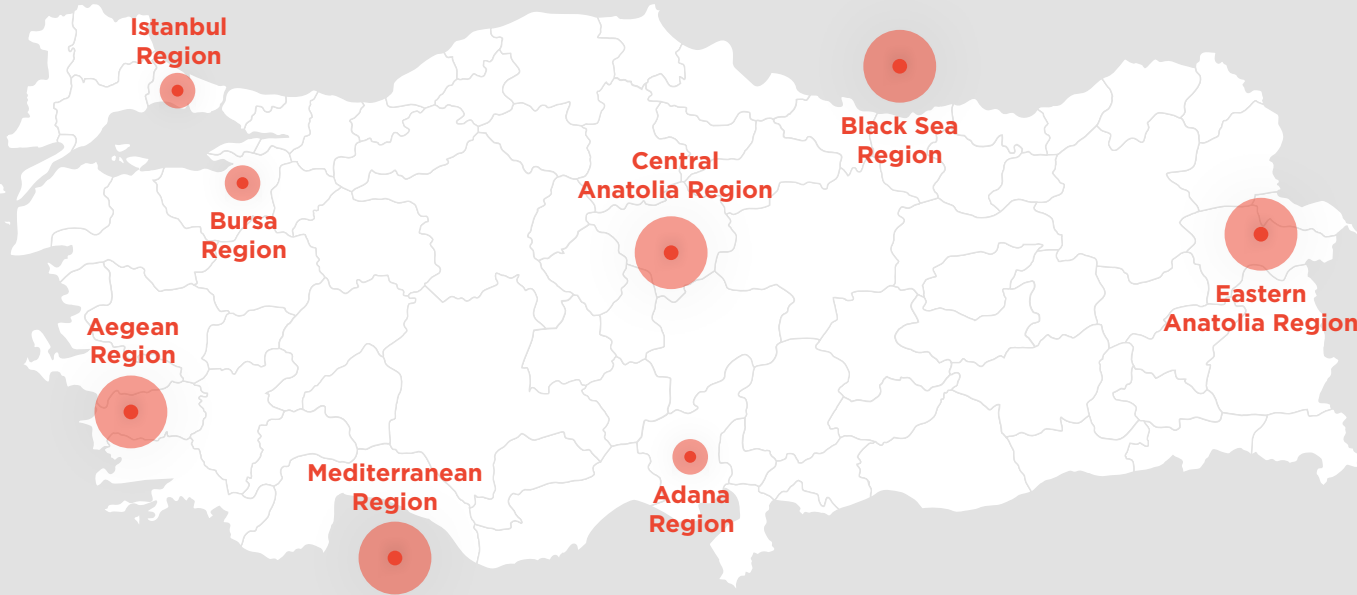
In the domestic market, Kaleseramik reaches consumers through retail, DIY stores, and corporate channels. Thanks to its extensive distribution network, the company offers its products in all 81 provinces of Türkiye through 123 main dealers, 349 sub-dealers, 6 Kaleseramik stores, and 55 DIY stores, totaling 533 sales points. Internationally, Kaleseramik operates in more than 80 countries through both retail and corporate channels.

Since its establishment, Kaleseramik has been carrying out its production activities with the goal of creating a more livable world. As one of Türkiye's global representatives in ceramics, the company is determined to continue leading and driving the sector into the second century of the Republic.

Kaleseramik at a Glance



Kaleseramik Operation Map



Istanbul Region

31 Dealers
98 Sub-Dealers
3 Kale Stores
20 DIY Stores

Bursa Region

16 Dealers
48 Sub-Dealers
6 DIY Stores

Aegean Region

16 Dealers
5 Sub-Dealers
2 Kale Stores
8 DIY Stores

Mediterranean Region

6 Dealers
23 Sub-Dealers
5 DIY Stores

Adana Region

12 Dealers
10 Sub-Dealers
3 DIY Stores

Black Sea Region

15 Dealers
42 Sub-Dealers
2 DIY Stores

Central Anatolia Region

13 Dealers
45 Sub-Dealers
1 Kale Stores
10 DIY Stores

Eastern Anatolia Region

14 Dealers
28 Sub-Dealers
1 DIY Stores

Milestones in Kaleseramik's History

1956

Establishment of Çanakkale Ceramic Factories Ltd

1957

Groundbreaking of the ceramic tile production factory

1958

Transformation into Çanakkale Ceramic Factories Inc

1962

Türkiye's first ceramic tile export

1972

Establishment of Kalebodur Ceramic Industry Inc., producer of floor tiles

1987

Establishment of Kalefrit Silicate Products Glaze and Paint Industry & Trade Inc.

1992

Start of granite ceramic production

1993

Launch of production at Semedeli Sanitaryware Factory

1994

Achievement of ISO 14001 Environmental Management System Certification

2000

Merger of Çanakkale Ceramic Factories Inc. and Kalebodur Ceramic Industry Inc. under one roof as Kaleseramik, Çanakkale Kalebodur Ceramic Industry Inc.

2004

Achievement of ISO 14001 Environmental Management System Certification

2005

Investment in Kalesinterflex technology and start of Türkiye's first slab-sinterflex production

2007

Start of production at Yerköy factory

Launch of operations at Bandırma Furniture Factory

Achievement of OHSAS 18001 Occupational Health and Safety Management System Certification

2011

Achievement of ISO 50001 Energy Management System Certification

Establishment of Kale Italia with the first acquisition in the Italian ceramic tile sector by a Turkish company

2012

Partial demerger of Kaleseramik, Çanakkale Kalebodur Ceramic Industry Inc., leading to the establishment of Bodur Project Real Estate Construction Industry & Trade Inc. and Bodur Investment Development Industry & Trade Inc

Life Cycle Assessment (LCA) carried out for all ceramic product groups, certified with Environmental Product Declaration (EPD)

Milestones in Kaleseramik's History

2014

Achievement of ISO 10002 Customer Satisfaction Management System Certification

2015

Groundbreaking of Slab-Sinterflex 2 Factory

2016

All ceramic tiling materials certified with Greenguard Gold Certification

Second slab-sinterflex production line commissioned within Slab-Sinterflex 1 Factory

2017

Achievement of ISO 27001 Information Security Management System Certification

2022

Slab-Sinterflex 2 fabrikası yeni üretim hattı yatırımları

2021

ISO 45001 İş Sağlığı ve Güvenliği Yönetim Sistemi Sertifikası'nın alınması

160x320 cm boyutunda ve 6, 10, 12 & 20 mm kalınlıklarında Türkiye'nin ilk ve en büyük porselen plaka yatırımı

2020

First company in Türkiye entitled to receive the Health Product Declaration (HPD)

2023

Completion of public offering

Commissioning of Kalesinterflex Porcelain Slab Production Line

Publication of the first sustainability report

2024

Investment agreement with System Ceramics Spa worth €15 million to expand Kalesinterflex production capacity

Groundbreaking of the "Supera Production Line" in cooperation with Italian company SITI B&T Group S.p.A. for granite production facilities

First overseas production facility launched in Iraq in partnership with Al-Sadaf

2024

Introduction of 2 mm ultra-thin porcelain slab production under the Kalesinterflex brand

Kaleseramik R&D Center joins the European Ceramic Society (ECerS) as the "first and only Turkish laboratory.

JCR Eurasia Rating upgraded Kaleseramik's Long-Term National Institutional Credit Rating to A+

59 Kalesinterflex products certified with the International NSF Certification for sustainability and quality standards



Corporate Roadmap and Core Values

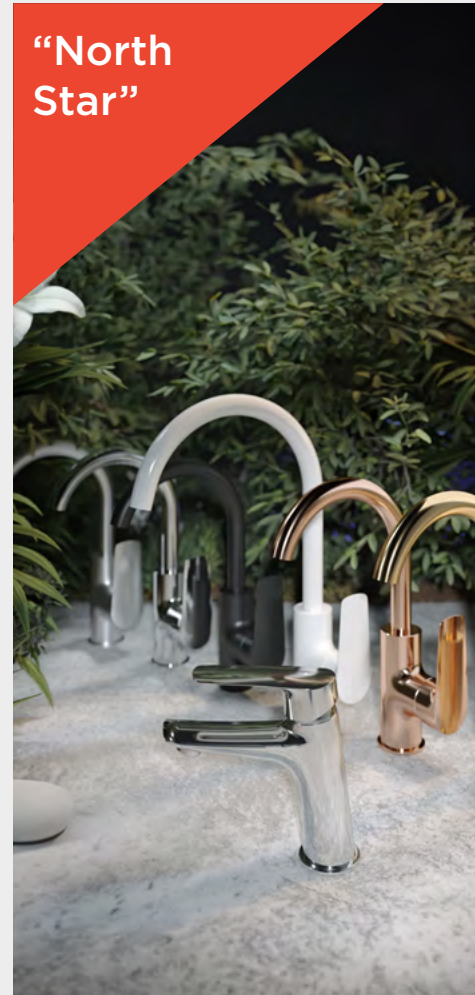
“ The Kaleseramik Cause is to inspire and encourage for happy living spaces. ”

“Care for Your World”




As Kale Group, we focus on creating value for a better world in every field. With this mission, we launched an initiative called **“Care for Your World”**. As Kaleseramik, as a part of this movement, we invest in projects that will create effective cycles for a sustainable future. In line with this vision, we believe that everyone bears responsibility for a fairer, greener world and we aim to raise awareness and mobilize people in this direction.

“North Star”



With the North Star vision, we strive to add new meanings to living spaces and shape many elements from our business culture to our internal processes around this vision. The North Star, which forms the basis of our company vision, is founded on the core values of **“People-Design-Innovation”**. Accordingly, as Kaleseramik, we take the North Star vision as a guide as we move forward in line with common goals and objectives at every step. We take this vision as a basis for every step we take and shape our investments accordingly.

Corporate Values



WE BUILD
Trust

We act ethically in our relationships with all our stakeholders, regardless of the conditions, while prioritizing the protection of our reputation.



WE ACT
with determination

Regardless of circumstances, we take initiative and push our limits without giving up and losing our motivation.




WE TAKE
responsibility

We take care and responsibility for the land we tread, our future, our community, our employees, and our customers.



WE
cooperate

We believe in the power of succeeding together and create shared synergy with all our stakeholders.



WE LEAD
The way

We work with dedication to generate authentic products & services and maintain our leadership and competitive position in our sectors.



WE PAVE
the way for
ENTREPRENEURSHIP

Based on our founding values, we support both corporate and individual entrepreneurship, and we pave the way for innovative ideas and initiatives.

Products

As Kaleseramik, a pioneer in the sector with sustainable production technologies and an innovative approach, we adopt a holistic perspective across all processes from design to production and place a customer-oriented mindset at the core of our business development processes. We offer large-scale and flexible usage options to develop products suited to modern lifestyles. In ceramic covering materials, our products such as floor tiles, wall tiles, slabs, and Sinterflex hold a significant place. In addition, our wide range of bathroom solutions includes ceramic sanitary ware, bathroom fittings, accessories, acrylic and cabin products, as well as bathroom furniture.



Çanakkale Seramik

Today, Çanakkale Seramik, one of the world's leading manufacturers, goes beyond the mould with its high-quality ceramic tiles and aims to offer special options for everyone looking for a unique style. Environmentally friendly, hygienic and long-lasting, Çanakkale Seramik products offer a wide range for those who want to add new meaning to their living spaces.



Kalebodur

Kalebodur, which is preferred in many buildings in Türkiye and identified with ceramic tiles, offers consumers an inspiring world. Focusing on architects and professionals, it considers their needs and wishes, thus developing unique and design-oriented products that they can bring their creativity to the forefront in their projects. It meets the expectations of its customers in the best way by offering special solutions for each project.



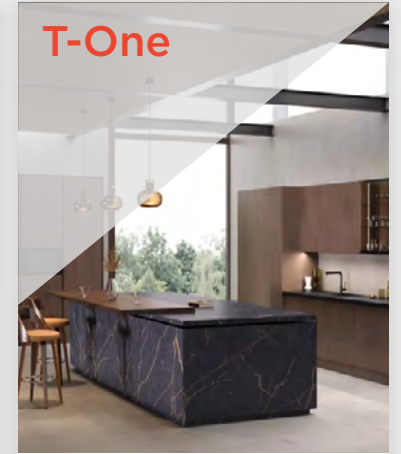
Kale

Our brand operates with an approach that values quality and design, embraces change, prioritizes efficiency, and is committed to customer satisfaction. Our products not only meet high-quality standards but also stand out with their aesthetic, functional, and accessible designs. In addition, with a philosophy of environmentally friendly production and strong after-sales support, Kale makes a difference in the bathroom industry.



Kalesinterflex Slab

Kalesinterflex is among the world's largest, thinnest, lightest, most functional and most special porcelain plates. With these features, Kalesinterflex has become the preferred choice of the architecture and construction sector in a short time and offers a safer usage experience by reducing the load of buildings with its lighter weight compared to normal ceramics. Kalesinterflex, which combines technology and design, is used in interior and facade areas, from kitchen countertops to furniture, bathroom solutions, thanks to its superior features.



T-One

The T-One Porcelain Kitchen Countertop, produced with Kalesinterflex slabs, one of the extraordinary ceramic applications in architecture, offers a structure that is fire-resistant, scratch-proof, durable, easy to clean, and resistant to high temperatures and cold. It meets all expectations effectively.

Kaleseramik 2024 Performance

Operational



27.7 million m² ceramic
tile production

692,000
units sanitaryware production

69,000
units furniture production

Environmental



26.4% share of sustainability
investments in total investments

97.46 million TL
environmental investments and
operational costs

2,664 hours
environmental training

456 million TL
investments made to reduce our
carbon footprint

814,843 kWh
energy savings achieved through
efficiency projects

54.2%
increase in closed-loop production
rate compared to 2021

27.3 million TL
savings achieved through resource
efficiency and operational
excellence projects

Social



26.7%
female employee ratio

27.6% female employee ratio
in management positions

20% female employee ratio in
information technology positions

24% female employee
ratio in engineering positions

26.3 hours training
per employee

43,680 hours
occupational health and
safety training

880
sustainable products

90.9%
local procurement rate

93.9% customer
satisfaction rate

21.7 million TL
savings achieved through
R&D activities

1.8 million USD
budget allocated to
digitalization initiatives

Financials



15.5 billion TL
total assets

7.3 billion TL
total equity

9.9 billion TL
net sales

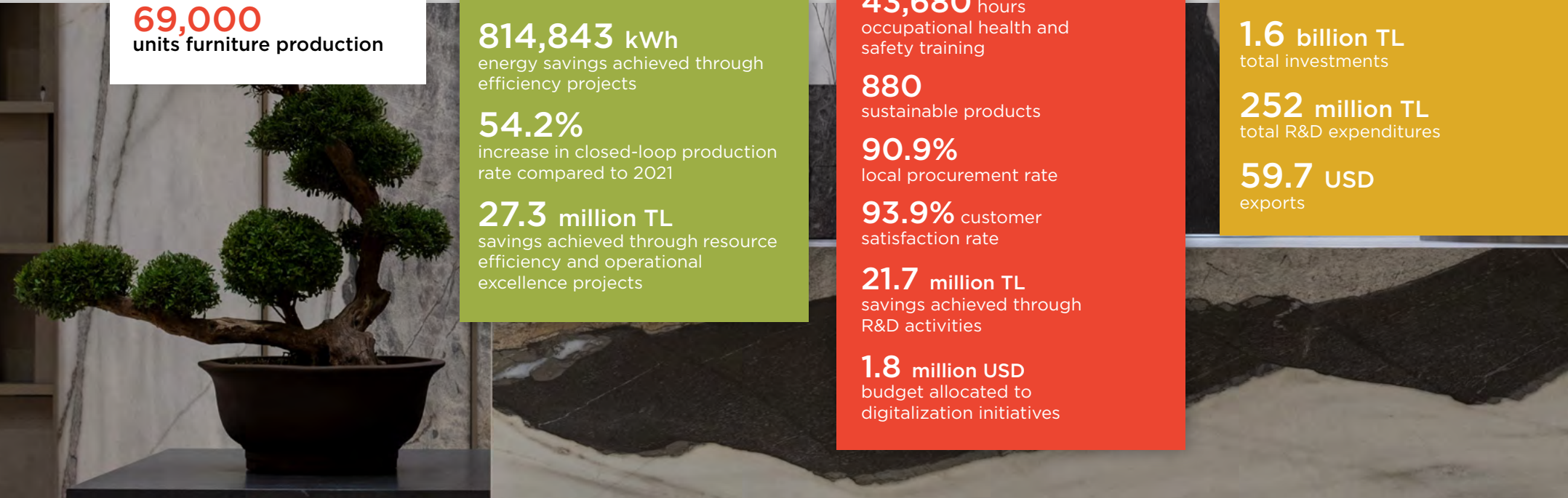
14 billion TL
gross profit

21.7% market share (ceramic
tile segment, revenue-based)

1.6 billion TL
total investments

252 million TL
total R&D expenditures

59.7 USD
exports





CORPORATE GOVERNANCE



As Kaleseramik, we have been adding value to the ceramics industry for 67 years, reflecting our sustainable production technologies and innovative approach in our processes since the day we were founded.

With our pioneering vision, sustainable production technologies, and innovative approach, we continue to lead our industry.

We shape our vision by closely monitoring market dynamics and evolving customer expectations in the sectors we operate, taking proactive steps to guide the industry. Based on this vision, we define long-term goals and strategies, develop a strategic plan, and monitor progress through a balanced corporate scorecard. Process scorecards and individual target cards, derived from the corporate scorecard, are reviewed monthly.

As a publicly listed company on Borsa İstanbul, Kaleseramik operates in compliance with the Corporate Governance Principles published by the Capital Markets Board of Türkiye (CMB). While fully adhering to mandatory principles, the company also strives to enhance compliance with non-mandatory ones.

Key business issues and performance indicators are regularly reported to the Board of Directors, which consists of Kale Holding executives and independent members, meeting on a monthly basis.

We place great importance on process management to effectively implement corporate strategies and meet customer needs. By managing processes proactively, we ensure strategy execution, increase agility with shorter cycle times, and enhance customer satisfaction. Our integrated approach supports continuous improvement and development.

Rooted in our North Star Vision, we prioritize innovation and create long-term value, building sustainable, trust-based relationships with stakeholders.

In line with Kale Group's corporate governance policy, individuals outside the founding family are not permitted to hold simultaneous board memberships in both the Holding and subsidiaries, in order to prevent conflicts of interest and preserve independent perspectives.

General Assembly and Shareholder Relations

At Kaleseramik, the General Assembly is the highest decision-making body, and its working principles are regulated by internal policies and the Articles of Association. The General Assembly convenes ordinarily once a year with the agenda announced by the Board of Directors and, in extraordinary situations, upon invitation. The relevant provisions of the Turkish Commercial Code and the Capital Markets Law apply when calling the General Assembly to a meeting. All shareholders, including minority shareholders, whether attending physically or online, have the right to submit proposals, as well as to ask questions to the Board of Directors and executives.

In our Company, there is no minimum shareholding requirement to acquire voting rights, nor is there any policy abolishing or restricting these rights. Each share entitles its holder to one vote. No shares with privileged voting rights exist. Likewise, there are no privileged shares in nominating candidates for the election of board members. While there is no "golden share" practice, there is a controlling shareholder. Decisions are taken by simple majority. In addition, at Kaleseramik, there are no practices such as "voting caps," "shareholding limits," "mandatory takeover provisions," "unlimited registered capital," "blank check," "cross-shareholding," "cumulative

voting," "cross-ownership between companies". Existing shareholders do not have preemptive rights. The Company also does not have "golden parachute" or policies restricting changes of control.

According to the Articles of Association, the Board of Directors is authorized to make decisions regarding the management of company affairs and assets, as well as all types of business and transactions necessary to carry out the Company's business scope—except for those matters that are left to the authority of the General Assembly by law or by the Articles of Association. In determining whether to take or refrain from any corporate action, including in the context of a takeover proposal, the Board may consider, in addition to any other matters it may lawfully take into account, the interests of the Company's **employees, customers, creditors and the communities** in which it operates, as well as those of its shareholders.

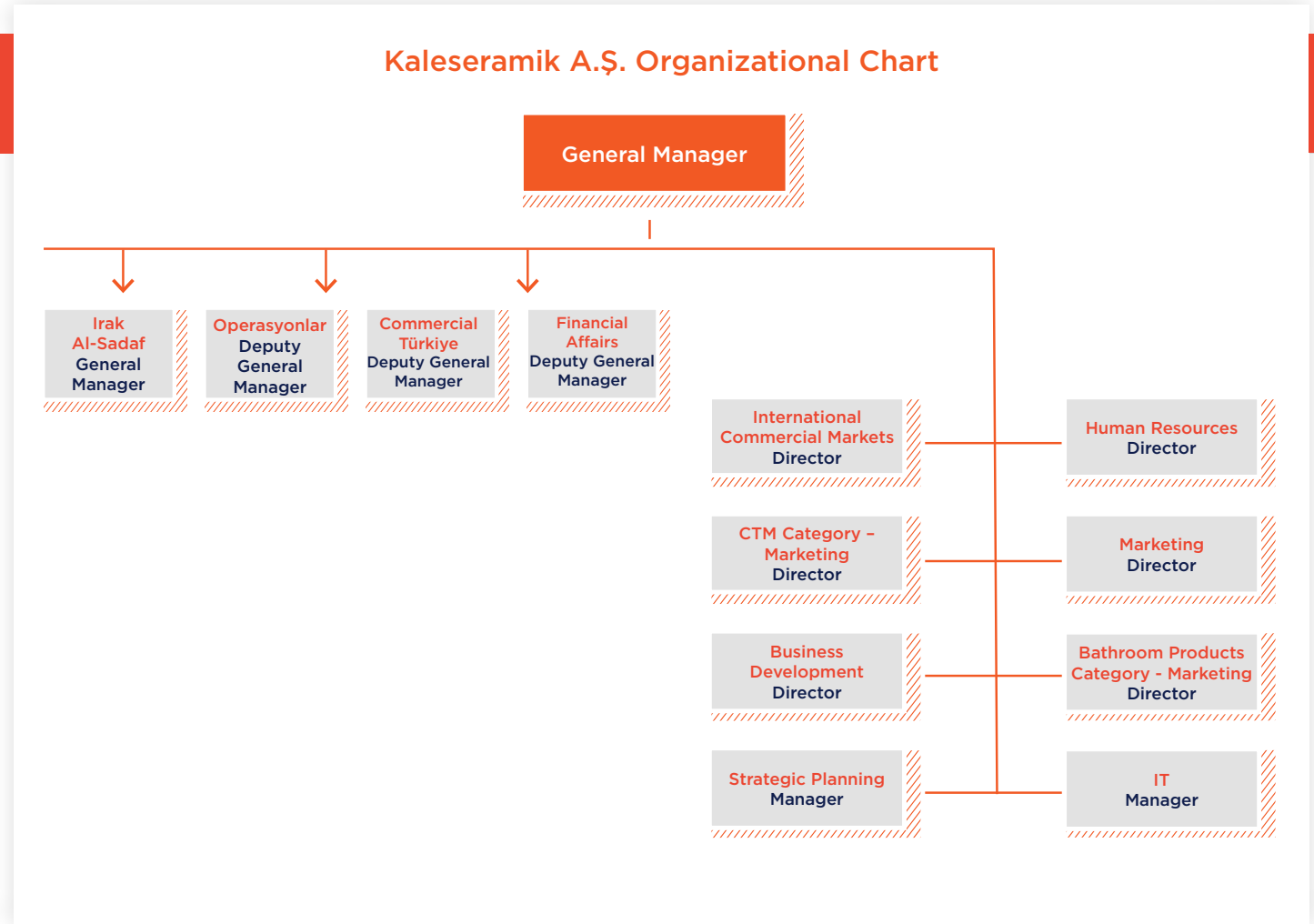
At General Assembly meetings, votes are cast openly by a show of hands. However, upon the request of shareholders representing one-tenth of the shares present, a secret ballot may be used. As with all General Assembly resolutions, Board of Directors members are elected by majority vote among candidates nominated by shareholders. Under the Turkish Commercial Code, the authority to remove board members is vested in the General Assembly. Shareholders constituting the General Assembly may remove board members by majority vote.

As of July 27, 2023, Kaleseramik shares began trading on Borsa İstanbul's Yıldız Market. In line with the Capital Markets Board's (CMB) Corporate Governance Communiqué and the classification determined for companies in 2024 following the end of the 2023 fiscal year, our Company has been included within Group 1 under the Corporate Governance Principles.

Board of Directors Practices

At Kaleseramik, the roles of Chairman of the Board and Chief Executive Officer are carried out by different individuals. The Company's affairs are conducted by a Board of Directors consisting of a minimum of eight (8) and a maximum of nine (9) members elected by the General Assembly. In the process of setting strategic decisions and evaluating activities, the Board of Directors benefits from the knowledge and opinions of independent external experts and consultants. The selection of these consultants is made by the Board of Directors, and their service fees are covered by Company resources.

In forming the structure of the Board, the nomination and election of members are carried out in compliance with the provisions of the Turkish Commercial Code, the Capital Markets Law, and the Articles of Association. The Board structure, determined by resolution of the General Assembly, must consist of at least eight and at most nine members, with a maximum term of office of three years, in accordance with the Turkish Commercial Code, the Capital Markets Law, and the Articles of Association. In addition, under the regulations of the Capital Markets Board (CMB), it is mandatory to elect independent members to the Board who meet the required qualifications and



in sufficient numbers. In accordance with the Turkish Commercial Code, the General Assembly has the authority, by majority vote, to replace existing members if deemed necessary and to appoint a new member in place of a member who leaves before the end of their term. Furthermore, diversity factors such as gender, academic profile, professional experience, knowledge, disability, origin, or age are taken into account. At the Ordinary

General Assembly held on June 10, 2024, a total of 9 members, including 4 independent members in compliance with the independence criteria of the CMB, were elected to serve for one year. Our Board of Directors currently includes 4 female members (45%), including our Chairperson. Decisions, other than those made at the General Assembly, are taken by Board resolution.

Within the Company's performance evaluation process, starting with the CEO, ESG (Environmental, Social, and Governance) and sustainability goals are included in the scorecards of the Company and senior executives. These targets cover a one-year period. The Company's 2030 sustainability goals are broken down into annual targets, with projects and strategies determined and integrated into the individual performance scorecards of employees. In line with the Company's Remuneration and Performance Evaluation Regulations, individuals with successful performance ratings are rewarded through performance-based bonus payments.

To assess compliance with the Corporate Governance Principles published by the Capital Markets Board, Kobirate International Credit Rating and Corporate Governance Services Inc. conducted the Company's first corporate governance compliance rating study. As of July 8, 2025, Kaleseramik's Corporate Governance Compliance Rating Score was determined as 9.22 out of 10.

Following its assessment, the credit rating agency JCR Eurasia Rating Inc. (JCR) assigned the Company's Long-Term National Institutional Credit Rating as 'BBB+ (tr)' with a 'Stable' outlook.

At Kaleseramik, the Board of Directors has established the Audit Committee, Corporate Governance Committee, and Early Risk Detection Committee. The Corporate Governance Committee also fulfills the functions of the Nomination Committee and Remuneration Committee, as stipulated by regulations. All committees are chaired by Independent Board Members.

The Board of Directors is fully accountable to the General Assembly for the decisions taken and the outcomes of its activities. Except for fundamental matters such as amendments to the articles of association, dividend distribution, or major policy changes, transactions can be executed with Board resolutions without requiring a shareholders' meeting. In line with CMB regulations, the Board is authorized to issue new shares within the registered capital ceiling, limit pre-emptive rights (without creating inequality among shareholders), and decide on mergers and acquisitions.

The Board plays a leading role in maintaining effective communication between the Company and shareholders, resolving disputes, and works closely with the Corporate Governance Committee and the Investor Relations Department in this regard. In 2024, the Board convened six physical meetings with 100% participation.

Remuneration of Board members and executives is determined by considering the Company's industry, macroeconomic indicators, prevailing market levels, company size, and long-term goals. Benchmarking reports from international HR consultancy firms and/or meetings with consultants are used to set lower and upper salary bands.

Board member remuneration is set based on whether they are executive or non-executive, taking into account the level of responsibility, knowledge, skills, experience, time commitment, and costs incurred. Compensation levels of similar companies in the sector are also considered. Independent Board Members receive remuneration at a level that safeguards their

independence, and they are not granted stock options, performance-based payments, or profit-sharing plans.

The remuneration of senior executives with administrative responsibility is determined by the Board of Directors upon the recommendation of the HR Directorate and the Corporate Governance Committee.

The Company rewards the impact of employees' individual performance on corporate results through the Performance Management System. At the beginning of each year, company goals are set with Board approval and cascaded into individual objectives. Based on year-end evaluations, employees receive performance-based bonuses depending on their grade, title, company performance, and individual results. This process is governed by the Kale Group Performance Bonus Principles.

When determining compensation and benefits for senior executives, several factors are taken into account, including the size and scope of production and sales activities, international operations, number of employees, subsidiaries, industry dynamics, competitive conditions, as well as the knowledge, skills, competencies, responsibilities, and problem-solving requirements of the role. Thus, the Company follows a fair and competitive remuneration policy that retains the talents within the Company.



For further details about our Board of Directors, please refer to our [2024 Annual Report](#).

Risk Management

At Kaleseramik, we act in line with the strategies defined by the Kale Group, reviewing our process management periodically. We adopt an effective risk management system in strategic decision-making.

Through the technological infrastructures we have developed, such as the risk management system, process and performance management program, we regularly monitor success metrics and report to senior management to ensure risk management is conducted effectively and sustainably.

The Strategic Planning and Business Development Department is responsible for identifying and monitoring corporate risks, organizing Risk Committee meetings, reporting periodically, and submitting such reports to the Board of Directors. The Early Detection of Risk Committee consists of four members: two independent board members, one Kale Group board member, and one independent risk assessor.

The process of identifying corporate risks is conducted annually by reviewing the previous year and analyzing potential risks for the upcoming year. This process is coordinated by the Strategic Planning and Business Development Department with the participation of the General Manager, senior executives, and relevant department managers. Considering global risks and potential threats, a corporate risk list is created. This list is reviewed by the Kale Group Vice Presidency of Corporate Strategy and Business Development, and recommendations are presented to Kaleseramik. Based on evaluations, risks are finalized and approved. Risk actions and indicators are monitored monthly and reported to the Early Detection of Risk Committee at least six times a year. The committee meets six times annually.

Regular reporting is made directly to the General Manager, senior management, and the company's Early Detection of Risk Committee, as well as to the Kale Group Risk Committee and the Executive Committee.

At Kaleseramik, the risk management process is carried out by the Risk Control and Collection Department, while risks are also monitored and evaluated at the holding level within the Risk Committee structure.

Sustainability risks are included in corporate risk monitoring processes. As of 2024, the Sustainability Risk and Opportunity Analysis has been updated under our TSRS report and will be shared with stakeholders. Through effective management of sustainability risks and opportunities, we aim to achieve our long-term objectives and strengthen our resilience with a proactive approach. We manage 19 climate and sustainability risks and 5 opportunity areas through our Sustainability Committee, core process owners, and working groups. Sustainability risks in our business processes are assessed in coordination with the Holding.

The European Green Deal adaptation process has been incorporated into our corporate risk portfolio as part of non-financial risks. Accordingly, we closely monitor both national and international sustainability-related regulations, such as the Carbon Border Adjustment Mechanism (CBAM) and the National Green Deal Action Plan. In line with evolving regulations, we follow the Türkiye Sustainability Reporting Standards (TSRS), integrating TSRS S1 metrics and risk-based scenario analyses into our processes. In the 2024 reporting period, Kaleseramik based its assessment of climate-related physical risks and opportunities on the RCP 4.5 and RCP 8.5 scenarios developed by the IPCC. These scenarios were chosen as they provide a comprehensive framework that enables the evaluation of the Company's resilience and adaptability to the short-, medium-, and long-term impacts of climate change.

Sustainability-related risks are monitored in coordination with the Early Detection of Risk Committee, with a particular focus on underperforming indicators in line with the Company's 2030 targets. While no sustainability risks have yet been identified that would necessitate the development of an emergency plan, sustainability data continues to be closely tracked. Macro-economic indicators in the ceramics sector, industry reports, and global reports on climate change and sustainability are also taken into consideration, and the metrics monitored in the Company's internal processes are reviewed. In this way, sustainability risks are scenario-based and systematically monitored.

Assessments of the financial impacts of climate-related risks are based on the IPCC's RCP 8.5 scenario, which considers more adverse climate projections. The

financial impact levels of risks and opportunities are classified using a three-tier system: "low" for impacts below 40 million TL, "medium" for impacts between 40 million and 100 million TL, and "high" for impacts above 100 million TL. This classification uses an exchange rate assumption of 1 USD = 40 TL. Financial impacts exceeding 1% of revenue are considered material and are given priority by management. This approach ensures consistency across the Company, as it aligns with the financial impact classifications used in existing corporate risk management processes.

In assessing climate-related risks and opportunities, short-term (0-5 years), medium-term (5-10 years), and long-term (over 10 years) time horizons are applied. This classification is preferred because the impacts of climate change typically emerge over the long term and are not limited to temporary effects. These horizons are designed to reflect the strategic and long-term nature of climate risks. Kaleseramik manages climate risks with an integrated approach under its Corporate Risk Management Policy. The Sustainability Committee establishes an annual "climate risk management work plan," within which risks are prioritized and monitored.

These time horizons for climate risks are also integrated into strategic planning and investment decision-making processes. In particular, medium- and long-term risk analyses are directly linked to long-term business objectives such as capital investment decisions, infrastructure projects, and decarbonization roadmaps, ensuring alignment with the timeframes of financial projections and feasibility studies.

We also analyze the potential impacts of emerging developments and shifting agendas on our business processes and regularly share the results of these analyses with senior management. Regular meetings are held with Sustainability Leaders from Holding teams and Group companies to ensure continuous knowledge sharing across the Kale Group.

Under the 2024 Türkiye Sustainability Reporting Standards, Kaleseramik's climate risks and opportunities, IPC methodology approach, climate indicators, and sustainability governance mechanism have been audited and verified by the independent audit firm PwC.

Risk Category	Risk Type	Risk Title	Risk Description	Maturity	Probability	Financial Impact Degree	General Impact Degree
Physical Risk	Acute	Land Exposed to Annual River Floods	The risk of soil and infrastructure damage from floods may result in logistical disruptions, production interruptions, and property losses.	Long Term (2035+)	Low	Low	
Physical Risk	Acute	Land Exposed to Annual Wildfires	The heightened risk of wildfires due to high temperatures and drought conditions threatens production facilities, forest assets, and supply chains.	Long Term (2035+)	Low	Low	
Physical Risk	Acute	Land Exposed to Annual Temperature Fluctuations	Extreme temperature increases and decreases may adversely affect energy consumption, as well as employee health and production processes.	Long Term (2035+)	Low	Low	
Physical Risk	Chronic	Snowfall	Decreasing snowfall negatively affects the replenishment of underground and surface water resources, increasing the risk of water scarcity. Excessive snowfall, on the other hand, may cause disruptions in transportation and logistics, while also putting pressure on infrastructure and energy demand.	Long Term (2035+)	Low	Low	
Physical Risk	Chronic	Wind Speed	Increasing wind speeds may cause destructive impacts on infrastructure, energy systems, and open-field operations.	Long Term (2035+)	Medium	Low	
Physical Risk	Chronic	Extreme Rainfall (for 5 days)	Reduction in periods of intense rainfall may negatively affect water resources, increasing water supply risks in production processes; irregular environmental conditions may complicate maintenance and infrastructure planning.	Long Term (2035+)	Medium	Low	
Physical Risk	Chronic	Humidity	High or low humidity levels may cause quality issues in production processes and increase energy consumption by affecting the efficiency of heating-cooling systems and indoor comfort conditions.	Long Term (2035+)	Medium	Low	

Risk Category	Risk Type	Risk Title	Risk Description	Maturity	Probability	Financial Impact Degree	General Impact Degree
Physical Risk	Chronic	Precipitation	Increases or decreases in precipitation levels may have significant impacts on water management, raw material production, and logistics.	Long Term (2035+)	Medium	Low	
Physical Risk	Chronic	River Discharge	Rising river flow rates may put wastewater discharge points at risk of flooding, leading to environmental regulation violations and operational disruptions.	Long Term (2035+)	Low	Low	
Physical Risk	Chronic	Atmospheric Pressure	Changes in surface pressure can increase operational risks by increasing the frequency and intensity of extreme weather events such as storms.	Long Term (2035+)	Medium	Low	
Physical Risk	Chronic	Average Air Temperature	Global and regional temperature increases may raise energy consumption, harm employee health, and disrupt ecosystem balance.	Long Term (2035+)	High	Low	
Transition Risk	Regulation Risk	Increased Carbon Allowance Costs with the Implementation of the TR ETS and Additional Taxes with the Introduction of CBAM in the EU and UK	Gradual reduction of free emission allowances leading to higher carbon costs or rising carbon prices; in a scenario where free allowances are removed, export-related tax costs may arise for sales to the EU and UK markets.	Short Term (2025-2030)	High	Medium	
Transition Risk		Rising Energy Costs	Rising energy costs and challenges in energy access can directly impact the company's production processes and cost structures.	Medium Term (2030-2035)	Medium	None	
Transition Risk		Tightened Policies / Regulations	Strict climate policies and/or increasing sensitivity to the circular economy may result in loss of market share or exposure to legal penalties.	Medium Term (2030-2035)	Low	High	

Risk Category	Risk Type	Risk Title	Risk Description	Maturity	Probability	Financial Impact Degree	General Impact Degree
Sustainability Risk	Market Risk	Loss of Financial Competitiveness	Due to competitive conditions in the ceramics sector—such as new production capacities, changes in consumer demand, and economic fluctuations—there is a risk of losing financial competitiveness.	Medium Term (2030-2035)	Medium	High	
		Changing Customer Behavior	Changing customer behavior and the shift in consumer demand toward more sustainable products may create new market conditions, and there is a risk of failing to adapt to them.	Medium Term (2030-2035)	Medium	Medium	
		Workforce and Talent Management	The risk of potential loss of human resources due to workforce and talent management creating negativity and disruption in operational processes.	Long Term (2035+)	Medium	Low	
		Investments and Resources Management	There is a risk of not achieving sustainability targets due to the inability to allocate sufficient resources for sustainability investments.	Medium term (2030-2035)	Low	High	
	Supply Chain Risk	Nonconformities That May Occur in the Supply Chain	There is a risk of disruptions in operational processes and negative impacts on brand perception due to potential nonconformities in raw material supply.	Long Term (2035+)	Medium	Medium	



Low Risk



Medium Risk

Opportunity Title	Opportunity Description	Horizon	Likelihood	Financial Impact Level	Overall Opportunity Rating	Point of Impact on the Value Chain	Financial Impact Location
Energy Efficiency and Carbon Reduction	Strategies to reduce greenhouse gas emissions (such as energy efficiency projects and the use of alternative and renewable fuels) not only limit the effects of rising fuel costs but also offer the opportunity to significantly mitigate the potential financial impact of greenhouse gas emissions. These opportunities contribute to reducing the additional financial burdens that may arise in scenarios where free allowances are expected to be phased out under the SKDM.	Short	High	Low		Operations (Production)	Turnover
Transition to Clean Energy	Energy consumption can be reduced by using renewable energy sources.	Medium	High	Low		Operations (Production)	Cash Flow
Changes in the Financial Market	Investments planned within the scope of combating climate change and adaptation not only contribute to environmental sustainability but also create opportunities for access to advantageous financing sources. In this context, it is possible to diversify financial assets through financial instruments such as green bonds and sustainability-themed credit mechanisms. Thus, it is possible to benefit from lower-cost and long-term financing options in the implementation of planned investments, strengthening the company's capital structure while contributing to sustainable growth targets	Short	High	High		Operations (Production)	Cash Flow



Low Opportunity



Medium Opportunity



High Opportunity

Opportunity Title	Opportunity Description	Horizon	Likelihood	Financial Impact Level	Overall Opportunity Rating	Point of Impact on the Value Chain	Financial Impact Location
Changes in Stakeholder Preferences	Companies operating in the ceramics sector that adopt sustainability-focused business models and improve their performance in this area directly influence the preferences of end consumers. Companies with high sustainability performance have the opportunity to increase their market share and sales volume, while also achieving a stronger competitive position in the sector.	Medium	High	Low		Sales, Marketing	Turnover
Development of Water Efficiency Enhancing Technologies	Through R&D efforts focused on waterless production, companies can improve their ESG scores and gain a competitive advantage. Products with a low water footprint can be produced, potentially leading to cost advantages in the future.	Medium	High	Low		Operations (Production)	Cost of Goods Sold

Business Ethics and Transparency

Business ethics and transparency form the foundation of our responsible business conduct and lie at the core of our corporate governance approach and sustainability strategy. The Kale Group Code of Ethics and Conduct clearly defines our core values and the individual responsibilities of our employees. The Kale Group Ethics and Compliance Committee is responsible for the effective implementation of these ethical rules within the framework of this regulation. Procedures and related documents defining behavior and ethical rules are accessible to all Group companies through the online portal.

All employees, suppliers, and external stakeholders of the Group can report ethical concerns 24/7 through the Kale Group Ethics Hotline (via email and telephone). Group employees can also use the Ethics Portal. All notifications are forwarded to and recorded by the Kale Group Internal Audit Department under the principle of “confidentiality.” In cases of potential ethical issues or dilemmas, employees may also request guidance from the Compliance Manager. The Kale Holding Internal Audit Department is responsible for forwarding notifications received through the Ethics Hotline to the Ethics Committee within 7 business days from the date of reporting.

Reports submitted to the Ethics Committee are reviewed by Committee Members within the designated timeframe and resolved in line with necessary actions. In accordance with principles of confidentiality and independence, all relevant parties, including the Board of Directors, are provided with reports based on the content of the notifications. In 2024, Kaleseramik stakeholders submitted eight notifications to the Ethics Hotline, all of which were reviewed and resolved.

To raise awareness on business ethics, Kale Group organizes Ethics and Compliance trainings for all Group employees. These trainings, delivered through the “KaleKampüs Digital Platform,” include modules on Business Ethics, Anti-Corruption, Whistleblowing and Human Rights, and are assigned as mandatory to all employees. The purpose of these trainings is to enhance sensitivity against unethical or unlawful practices, ensure compliance with legal regulations and principles, strengthen ethical judgment in critical decision-making, and promote effective use of ethics communication channels. In 2024, 778 employees completed these trainings.



Legal Compliance

The responsibility and monitoring of all legal affairs and processes of our Company are carried out by the Group Legal Department. Independent of subject matter, legal processes are managed either directly by the Group Legal Department or, including in international contexts, coordinated under its supervision. For legal compliance both in Türkiye and in the countries where we operate, necessary research and assessments are conducted in coordination with the International Trade Control and Compliance Directorate, with the involvement of the Group Legal Department. We approach the matter of identifying which of our tradable products are subject to export controls with the utmost diligence.

At Kaleseramik, strict compliance with legal rules is essential. All applicable laws and regulations are fully observed. As a Group and Company, we place significant importance on fulfilling the obligations of competition law. We expect all Group companies to consider competition legislation in their new agreements, operations, and relationships. Therefore, company employees receive regular training sessions on competition law regulations prepared by the Group Legal Department. These trainings aim to foster awareness of fair competition and ensure compliance with the law. The Group Legal Department oversees and monitors whether the law is effectively followed. No violations, legal cases, or disputes have arisen regarding competition laws, international sanctions, or trade restrictions.

Contracts are established with all dealers. As part of these agreements, dealers are periodically provided with sales circulars. If dealers fulfill the contractual requirements, they can transparently view the discounts or bonuses they are entitled to in these circulars. Accordingly, a fair pricing practice is implemented.

Audit

Internal audit activities are carried out by the Kale Group Internal Audit Department. Within the scope of monitoring legal compliance and preventive legal activities, the company's internal control mechanisms and the Group Internal Audit Department perform inspections in line with the annual audit plan. Annual Audit Programs are determined with a risk-based approach in accordance with International Internal Audit Standards.

Company strategy and sustainability activities are also taken into account in these audits. As part of the continuous audit approach, new scenario analyses and data analytics projects were initiated in 2024. The Group Internal Audit Department submits quarterly reports on audit activities and areas of improvement to the Audit Committee. The Audit Committee, composed of three independent Board Members, closely monitors internal audit activities and provides necessary guidance.

The Audit Committee convenes at least four times a year, on a quarterly basis, with meetings aligned as much as possible with the Board of Directors' meetings. In urgent cases, the Audit Committee may hold extraordinary meetings at the request of the Committee Chair, any member, or the Chair of the Board of Directors. The Audit Committee reviews reports prepared by management, the Group Internal Audit Department, and the independent audit firm, and forms its opinion on the internal control system accordingly.



Anti-Corruption

The primary responsibility for combating corruption and misconduct lies with company management. Efforts in this area are conducted under the leadership, guidance, and monitoring of Internal Audit, Internal Control, and Risk Management teams. Within this framework, the Internal Audit team carries out audits to identify potential gaps in authority-approval processes that could enable corruption or misconduct, and actions are determined for improvement. In 2024, no cases of corruption targeting our Company or our employees were identified.

Human Rights

Kale Group and Kaleseramik, referencing the Universal Declaration of Human Rights and the UN Global Compact, are fully committed to upholding human rights in all their operations. Employees, while carrying out their duties and responsibilities, must act in full compliance with applicable laws, international treaties to which Türkiye is a party, regulations, and the Group's human rights policies.

At Kale Group and Kaleseramik, harassment, discrimination, or degrading behavior is not tolerated. Recruitment decisions are based on competencies, and no discrimination is made on the basis of language, religion, race, or gender. Equal opportunity is one of the Company's core principles, and every individual is assessed on an equal basis.

We shape our ethical business practices in line with the United Nations principles on human rights, labor standards, environment, and anti-corruption.



Human Rights: Kale Group and Kaleseramik demonstrate full compliance with human rights in all their activities. Employees are required to act in accordance with the Company's human rights approach and strictly adhere to international conventions ratified by Türkiye (e.g., International Labour Organization), local laws, minimum age requirements, the prohibition of child labor, as well as forced and compulsory labor.

Respect for Human Dignity: Employees must always treat others with respect and dignity and must not engage in any behavior that undermines human dignity. Any form of harassment, discrimination, or degrading treatment must be avoided.

Equal Opportunity and Non-Discrimination: Employees must make decisions in recruitment processes based on competencies and avoid any form of discrimination on the basis of language, religion, race, or gender. Equal opportunity is one of the Company's fundamental principles, and every individual must be evaluated on equal terms.

Information Security and Confidentiality: Employees of Kale Group and Kaleseramik are responsible for protecting information related to all stakeholders, consumers, suppliers, and third parties within the Company. Employees must use information solely for business purposes, must not exploit weaknesses of customers, suppliers, or other stakeholders, and must not seek financial gain from misinformation or omissions.

Employees must be fully aware of and comply with applicable laws and regulations regarding the collection, processing, transfer, and use of personal data of customers, consumers, suppliers, and third parties. In certain countries, these data may be subject to very strict restrictions.

Zero Tolerance for Harassment: Kale Group and Kaleseramik enforce a zero-tolerance policy towards any form of harassment. Harassment may manifest in various forms, including derogatory remarks, sexually explicit approaches, or aggressive behavior in exchange for professional benefits. Harassment can occur when directed at or perpetrated by a Kale Group or Kaleseramik employee, or by employees of the Company's customers, suppliers, or other business partners.

Misuse of the Company's computer and communication systems, including access to racial, sexual, or other inappropriate content, also falls within the scope of harassment. The use of the Company's electronic communication tools for harassment or abuse constitutes a serious violation and will result in disciplinary action against the employee involved. Any employee who witnesses harassment or discrimination is required to report it immediately to the Company's Human Resources Department. This step aims to protect both the victim and the reputation and security of the Company.

As Kale Group and Kaleseramik, we commit to respecting the fundamental rights of all our employees, referencing the Universal Declaration of Human Rights and the UN Global Compact. We shape our ethical business practices in accordance with the United Nations principles on human rights, labor standards, environment, and anti-corruption. Employees must carry out all their duties and responsibilities in full compliance with applicable laws, regulations, and the Group's policies.

Crisis Management

At Kale Group companies, including Kaleseramik, crisis communication is managed effectively and transparently with all stakeholders in order to protect the company's and the brand's reputation and commercial activities, while ensuring the safety of customers, employees, and the environment.

The governance principles apply to all Kaleseramik employees, consultants, Board members, and any third parties, institutions, or organizations acting on behalf of the company.

Crisis communication refers to the communication of technical, economic, social, environmental, corporate, and similar issues that affect the life cycle of institutions to all relevant stakeholders, ensuring that the integrity and reputation of the institution are preserved in the eyes of stakeholders and the media. Integrating reputation management into crisis communication is essential. Every crisis must be managed; however, not every crisis requires communication.

Crisis communication is a long process that includes pre-crisis, during-crisis, and post-crisis activities. Pre-crisis efforts aim to identify risk factors and guide necessary preventive measures, while post-crisis communication activities focus on protecting the institution's reputation and strengthening a positive perception of the company.

The Kaleseramik and Kale Holding Corporate Communications teams prepare a crisis management plan that addresses potential crises, defines how accurate and effective information will be produced and by whom, and establishes guidelines for engaging with the media. The Crisis Management Committee is chaired by the Kale Group President and CEO. The committee also includes Kale Holding senior executives, the Head of Corporate Communications and Impact Investments, the Head of Legal, and the General Manager of Kaleseramik.

The Corporate Communications and Impact Investments Department has developed a guide outlining how potential incidents will be handled. In line with this guide, a crisis risk map is prepared, potential crises (employee-related, product/service-related, facility-related,

environmental and social, corporate governance, competition-related, or external factors) are analyzed, and a crisis roadmap is established. Key topics such as media relations, press conferences, and social media communication are included in this roadmap. After each crisis, an evaluation report is prepared, summarized, and archived internally.

Information Security and Data Privacy

Information security and data privacy are indispensable priorities for institutions in the digital era. At Kaleseramik, we act with the responsibility of protecting all our digital assets and stakeholder data. To safeguard both internal and external stakeholder information and minimize related risks, we apply the ISO 27001 Information Security Management System with a comprehensive and integrated approach. Through secure infrastructure, strong policies, and trained teams, we ensure confidentiality, integrity, and accessibility of information in a sustainable manner.

In accordance with our corporate responsibility, we ensure that all personal data belonging to individuals is protected in accordance with applicable laws and regulations. We have made compliance with the requirements of the law and relevant regulations an integral part of our corporate culture and conduct all our activities accordingly.

Under our Personal Data Protection Policy, we establish the necessary organizational structure to maintain the confidentiality and integrity of information in line with applicable legislation. As the data controller, we take the necessary technical measures to prevent unauthorized access, loss, misuse, disclosure, alteration, or destruction of personal data, thereby fulfilling our responsibility. In case of a breach of information security or data privacy, we notify the relevant authorities and follow up in accordance with the law. In 2024, no incidents related to information security or data privacy breaches were recorded.

Sustainability Management

Kale Group's Sustainability Strategy

As Kale Group, we view sustainability not only as an environmental responsibility, but also as an integral part of our corporate culture and our way of doing business. Our sustainability strategy, which has been developed basen on this approach, is intended to increase social impact, reduce environmental impacts and strengthen our reputation and credibility in the eyes of our stakeholders by creating long-term value.

Our strategy is structured around on two main focal points: to contribute to long-term value creation while strengthening our environmental and social impact through sustainability-focused practices, and to consolidate our position as an exemplary and highly reputable organization in the industry by embracing a responsible and transparent approach in this field. This means that we assess all our processes from a holistic perspective with reference to economic, environmental and social indicators. Financial and non-financial indicators are handled in a holistic manner. In this context, we strive to achieve collective success with both the Group Sustainability Committee and the sustainability committees of the companies that we have established.

We monitor the success of this process with a clear anchor indicator: As Kale Group, we are committed to getting ESG rating scores above the industry average.



We have defined our strategic goals in four areas of impact: cultural transformation, management of energy and resources, sustainable business model, and social impact. These four areas demonstrate that we consider sustainability as an agent of both an operational and a structural transformation.

Our objectives in the cultural transformation area are intended to create a common awareness and ownership among our employees by integrating sustainability into all business units. In this context, we attach special importance to strategic HR topics (talent management, career management, etc.) We also prioritize the health and safety of our employees in all our work environments by providing a fair working environment and protecting employee rights, supporting employee engagement, equal opportunities, diversity and inclusion, and strengthening the occupational health and safety culture.

In the field of management of energy and resources, our primary goals are to increase resource efficiency, reduce our carbon footprint and water consumption, contribute to the protection of biodiversity, and integrate circular economy principles into our activities. We are increasing our renewable energy investments and improving our sustainable production processes.

Regarding sustainable business models, we are implementing business practices that strengthen digitalization, R&D, and innovation efforts, reduce our environmental impact with clean technology investments, continuously improve customer experience, and create long-term value. We take environmental, social and governance criteria as a basis at every step, from supply chain to product development. In this way, besides maximizing Kaleseramik's ESG performance, we also contribute to the development of all stakeholders in the value chain in this direction.

In terms of social impact, we aim to increase our contribution to the communities in which we operate. We develop tangible and measurable projects in areas such as education and local development. With our understanding of responsible corporate citizenship, we aim to make our social impact permanent.

As Kale Group, we are aware of our responsibility in combating climate change and are taking decisive steps in this direction within the framework of our sustainability strategy. We aim to play a pioneering role in the sectors in which we operate by reducing our carbon footprint, increasing our energy efficiency and developing innovative solutions in line with our environmental, social and governance (ESG) goals.

We will continue our efforts to minimize the impacts of climate change by focusing on transparency, continuous improvement and stakeholder engagement. For a more sustainable future, we are rethinking all our business processes to ensure they are aligned with this policy and are committed to support the transition to a low-carbon and environmentally friendly production model by adopting a circular business model.

We are determined to move forward with all our stakeholders on our sustainability journey and to create value without compromising the principles of transparency and accountability. As Kale Group, we will strive to leave a more livable world to future generations and to preserve the ecosystem.

At Kale Group companies, sustainability is achieved in line with strategies established with a holistic approach and is implemented with a unique approach, taking into account the characteristics of the respective field of activity of each company.

Kale Group manages its sustainability strategy in the areas of Cultural Transformation, Management of Energy and Resources, Sustainable Business Model, and Social Impact, brought together under the motto of "Care for Your World", and aims to multiply the positive impact by adopting the environmental, social and governance principles for all business processes as guided by the "Sustainability Policy" across all Group companies and the value chain.

As Kaleseramik, we move forward with our sustainability journey together with Kale Group, our parent company. We put the "Care for Your World" movement, launched by Kale Group in 2021, at the core of our sustainability strategy. This strategy ensures that we are aligned with national and global goals, especially the United Nations Sustainable Development Goals. Our priority is to look at the world from a more responsible perspective by creating shared value in economic, social and environmental aspects in all our activities.



The "Care for Your World" Movement

"Care for Your World" is a movement without borders which encompasses the entire ecosystem necessary for building a better life, including aspects of production, consumption, ecology, and social life. The movement is intended to empower each individual to make a difference with a sense of care, starting with themselves, their habits, and their home, then in their sphere of influence, workplace, street, neighborhood, city, country, and ultimately, the planet, i.e. in everything that they touch. The "Care for Your World" movement covers the 4 main pillars of our sustainability strategy. By focusing on creating value for all our stakeholders in our ecosystem, we aim to leave a more livable planet for future generations.

Impact Area	The Human Being is Your Essence	The World is Your Home	Your Work is Your Strength	Society is Your Tomorrow
	Cultural Transformation	Energy and Resources Management	Sustainable Business Model	Social Impact
Our Approach	As a company that considers the future of business and embraces new ways of thinking and working, we prioritize the development and transformation of our employees. We aim to become the company of choice by adopting decent work practices and creating a working environment where the principles of gender equality and equal opportunities are upheld and embraced throughout the Group.	At Kaleseramik, we carefully analyze the environmental impact of our activities and rethink our processes to align them with our net positive impact vision. We are taking action to achieve our goals of reducing greenhouse gas emissions and increasing investments focused on circular economy. We aim to obtain the energy we use in our operations from renewable sources and develop projects to minimize and recover waste generated throughout the value chain.	We are working on ensuring the continuity of our business and developing a management approach that is resilient to the changes in the global landscape of business. Based on our goal of maximizing revenues from sustainability-oriented business operations, we aim to invest in new business models that focus on environmental and social issues and develop sustainability-oriented business processes, products and services.	Our aim is to become a pioneer through social investments that unite Group companies on a common ground, focus on positive impact and common benefit, and concentrate on social programs that will contribute to the Sustainable Development Goals.
Theme	Employee Well-being	Combating Climate Change	Sustainable Products	Social Well-being
Material Issue	<ul style="list-style-type: none"> ✔ Fair Working Environment and Employee Rights ✔ Talent Management ✔ Equal Opportunity, Diversity and Inclusion ✔ Occupational Health and Safety 	<ul style="list-style-type: none"> ✔ Greenhouse Gas Emissions and Energy Management ✔ Resource Utilization and Operational Efficiency ✔ Clean Technology Investment ✔ Circular Economy and Waste Management ✔ Product Management ✔ Water and Wastewater Management ✔ Biodiversity 	<ul style="list-style-type: none"> ✔ R&D and Innovation Customer Orientation ✔ Digitalization ✔ Supply Chain Management ✔ Risk Management ✔ Business Ethics ✔ Information Security and Data Privacy ✔ Transparency ✔ Compliance ✔ Stakeholder Relations 	<ul style="list-style-type: none"> ✔ Social Investments
Contribution to SDGs				

Sustainability Governance Structure

Appropriate governance mechanisms have been established within Kale Group to ensure that the sustainability strategy and targets determined within the scope of the "Care for Your World" movement are adopted by the Group companies and stakeholders, and to effectively manage the activities carried out to this end. In this context, a sustainability governance structure has been established in which roles and responsibilities are clearly defined, starting from Kale Group and senior management of the Group Companies extending to field operations.

The Group Sustainability Committee is responsible for leading sustainability-related activities across all Group companies. The Committee establishes Kale Group's sustainability strategies, policies and action plans in alignment with the Sustainable Development Goals and closely monitors progress in this direction. It also keeps an eye on global and local developments, conducts assessments of the sustainability risks that may affect the Group companies, and steers the relevant risk management processes. The Committee also evaluates Kaleseramik's sustainability goals and supports the Company in achieving these goals. The Group Sustainability Committee convened three times in 2024.

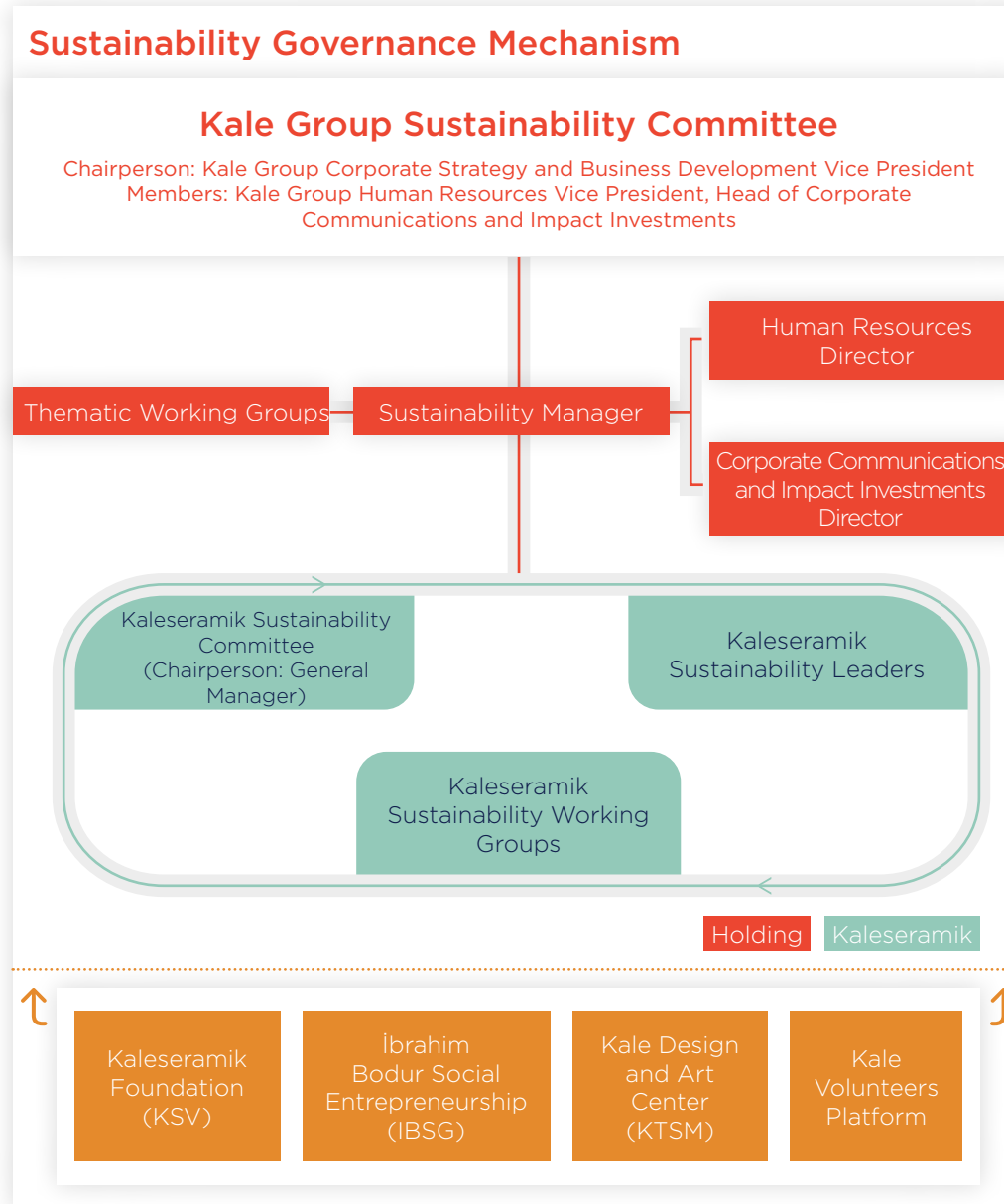
Since sustainability goals are included in the company's strategic plan, these goals and the investments and activities required to achieve them are evaluated and approved by the Board of Directors. Performance and work carried out are evaluated against indicators and followed up at the Board of Directors meetings held monthly throughout the year. Planned actions may be accelerated or revised based on the evaluation of the Board of Directors.

The governance mechanism, which was established to ensure that all Group companies and stakeholders adopt a sustainability perspective and progress towards specific goals in this area, is composed of the Group Sustainability Committee, Sustainability Manager, Group Human Resources Director, Corporate Communications and Impact Investments Director, Thematic Working Groups, Kaleseramik Sustainability Committee, Kaleseramik Sustainability Leaders, Kaleseramik Sustainability Working Groups, Kaleseramik Foundation (KSV), İbrahim Bodur Social Entrepreneurship (IBSG), Kale Design and Art Center (KTSM), and the Kale Volunteers Platform.



The Group Sustainability Committee leads, delegates and coordinates the sustainability organizational structure and is responsible for the management of the sustainability activities of the Group companies. It reviews and approves the sustainability strategic framework, focal Sustainable Development Goals, sustainability policy and action plans of Kale Group Companies, monitors progress and developments and gives feedback. It also assesses sustainability risks by keeping an eye on global and local developments and follows up on efforts to manage risks that may negatively affect the company's reputation and activities.

The Chairman of the Group Sustainability Committee, which convenes on a quarterly basis, is the Kale Group Vice President (VP) of Corporate Strategy and Business Development. The Vice President of the Strategy department evaluates Kaleseramik's sustainability goals and provides feedback on them. The VP assesses sustainability risks by monitoring global and local developments. The VP also monitors the mitigation efforts to address the risks that may negatively affect the reputation and activities of Kale Group and its companies.



Thematic Working Groups carry out their activities under the leadership of the Group Sustainability Committee, which plays a critical role in the implementation of the "Care for Your World" sustainability strategy. The term and members of the Thematic Working Groups are determined by the Group Sustainability Committee. The working groups are composed of a variety of members from the Holding and companies, depending on the relevant subject matters and the areas of expertise required, and work with an agile approach.

The Sustainability Leaders affiliated to the operations and strategic planning units are responsible for all sustainability-related internal activities, including setting, dissemination, follow-up, and integration of the sustainability goals into strategic processes. Sustainability Leaders also communicate with the Kale Volunteers Platform, KSV, KTSM and IBSG through the Working Groups, Sustainability Manager, Kaleseramik Communication Department, Head of Corporate Communications Department, and serve as a bridge between their efforts and the company's ESG agenda, ensuring that activities are planned and implemented effectively.

Sustainability Representatives are appointed to monitor the dissemination, communication, projects and activities in order to ensure that internal sustainability goals and efforts are adopted by all departments. Sustainability Representatives also take part in the Environment-Social-Governance working groups and, under the coordination of Sustainability Leaders, play a role in the implementation of internal sustainability activities and in identifying ESG requirements in their respective department.

In support of this main structure, our company's sustainability activities, sustainability goals, investments and projects/activities that are included in the strategic plan are evaluated and finally approved by the Board of Directors in accordance with the company's hierarchy of authority.

Established in 2022, the Kaleseramik Sustainability Committee aims to create long-term value in environmental, social and governance areas by incorporating sustainability into the corporate culture. The committee's purpose is to set the sustainability

policies, ensure the application of these policies, and develop strategies to improve performance. This also includes ensuring compliance with national and international sustainability standards and promoting transparent reporting processes. The committee, which consists of members of the Company's Executive Committee, convened three times in 2024 to evaluate the strategic sustainability approach and related practices of both Kale Group and Kaleseramik. Chaired by the General Manager, the committee reports the decisions taken to the Board of Directors through an Independent Board Member. This ensures that the committee's activities are carried out effectively. From 2025 onwards, the committee will be chaired by a female independent member who is also a member of the Company's Board of Directors.

The committee is designed to cover all units and processes of the company and provides guidance on activities in accordance with the principles of environmental protection, social responsibility and corporate governance. The committee assists the company with respect to its sustainability goals by establishing effective communication with stakeholders. During the Board of Directors meetings held throughout the year, the performance of the activities are evaluated against indicators and follow-up is carried out during the year. Based on the evaluation by the Board of Directors, actions required to achieve the goals can be accelerated or revised.

Kaleseramik Sustainability Working Groups convene to develop innovative approaches, identify strategic priorities, and prepare action plans. The working groups encourage the engagement of stakeholders in with their assessments and analyses in their areas of expertise. All employees involved in these processes support these efforts entirely on a voluntary basis, without any obligation.

The working groups directly incorporate the data they obtain as a result of their risk and opportunity assessments into their action plans. All these activities are periodically reviewed and continuously improved with the aim of increasing the efficiency of the sustainability management system and overall company performance. As of 2024, 22 of our employees are actively taking part in the working groups.



The Sustainability Manager is responsible for transforming business practices from a sustainability perspective, providing strategic direction, sharing expertise and disseminating good practices across the Group. The Sustainability Manager establishes the link between the Group Sustainability Committee and the efforts of the companies within the strategic framework of "Care for Your World". The Sustainability Manager holds monthly meetings with the Company's Sustainability Leaders, monitors the progress of the activities carried out by the companies, provides feedback, and contributes to these activities. By following global trends and developments, the Sustainability Manager ensures that goals, action plans, investment needs and sustainability risks are updated accordingly and submits related reports to the Group Sustainability Committee four times a year.

ESG Asset Management

As an organization that embraces sustainable development, we believe that the success of investments cannot be measured solely by financial results, and their sustainability impact must also be taken into account. Based on this approach, at Kaleseramik, we attach special importance to the management of non-financial assets, such as our human resources, innovation capacity and natural capital, in our Environmental, Social and Governance (ESG) asset management activities.

We are aware that stakeholder dialogue is a critical element in building a sustainable society. Therefore, we actively involve our key stakeholders in our decision-making processes and use their expectations and opinions as valuable input for our strategies.

In order to effectively communicate our sustainability strategies to all our stakeholders, we employ a wide range of communication channels and address our material topics with a communication plan that is integrated into our business model. We regularly monitor our key performance indicators, which are aligned with our company strategies, through the Kalekokpit Performance Management System.



Our Sustainability Targets and Contribution to Sustainable Development Goals

As part of our sustainability strategy at Kaleseramik, we monitor the targets defined under the "Care for Your World" movement, focusing on four main areas. We strive to advance performance in these areas to higher levels. By assessing the impact we create, we implement relevant projects accordingly. In this context:

Under the "Cultural Transformation" Focus Area:

- ✓ The reputation as a trusted company is maintained, ensuring an environment where young talents are eager to work.
- ✓ Opportunities and support are provided for young people (ages 18-30) to pursue their career plans and ensure equal opportunities.
- ✓ By offering diverse work experience opportunities and enhancing the impact created by the entire talent pool, a value-driven approach is established where employees work passionately and reflect this in their job outcomes.
- ✓ A fair, transparent, and flexible leadership model that supports the creation of innovative work is adopted, along with humane work practices.
- ✓ Being fair, taking responsibility, and demonstrating courage and perseverance until results are achieved are valued and rewarded, creating a supportive and rewarding climate.
- ✓ Employee experience processes are designed as a journey supported by continuous development, personalization, and digital processes, and are continuously improved through innovative practices.
- ✓ Next-generation tools are constantly researched and implemented to create agile, efficient, and high-performing organizations that meet the demands of the modern era.
- ✓ Equal opportunities are ensured in all human resources processes, without any discrimination based on gender, language, religion, race, ethnicity, age, etc.
- ✓ Efforts are made to spread sustainability awareness throughout the Group.

Under the "Energy and Resources Management" Focus Area:


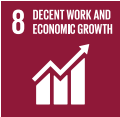



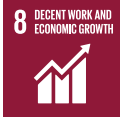



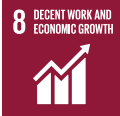


- ✓ Operational emissions do not harm people or the environment.
- ✓ The energy used comes from renewable sources.
- ✓ All natural resources are used responsibly towards ecosystems and people.
- ✓ Products are designed to be reusable/recyclable.
- ✓ Operational waste is eliminated.
- ✓ Water used is obtained through fair processes and consumed responsibly.

Under the "Sustainable Business Model" Focus Area:

- ✓ Investments are made in ESG-focused new business models.
- ✓ Sustainability-oriented business processes, products, and services are developed.
- ✓ Actions are aligned with responsible investment principles.
- ✓ The sustainable business approach is extended throughout the supply chain.
- ✓ End-to-end digital systems and new technologies are invested in to shape the future of work across all sectors.
- ✓ R&D and innovation are taken as the basis for sustainability-focused business models

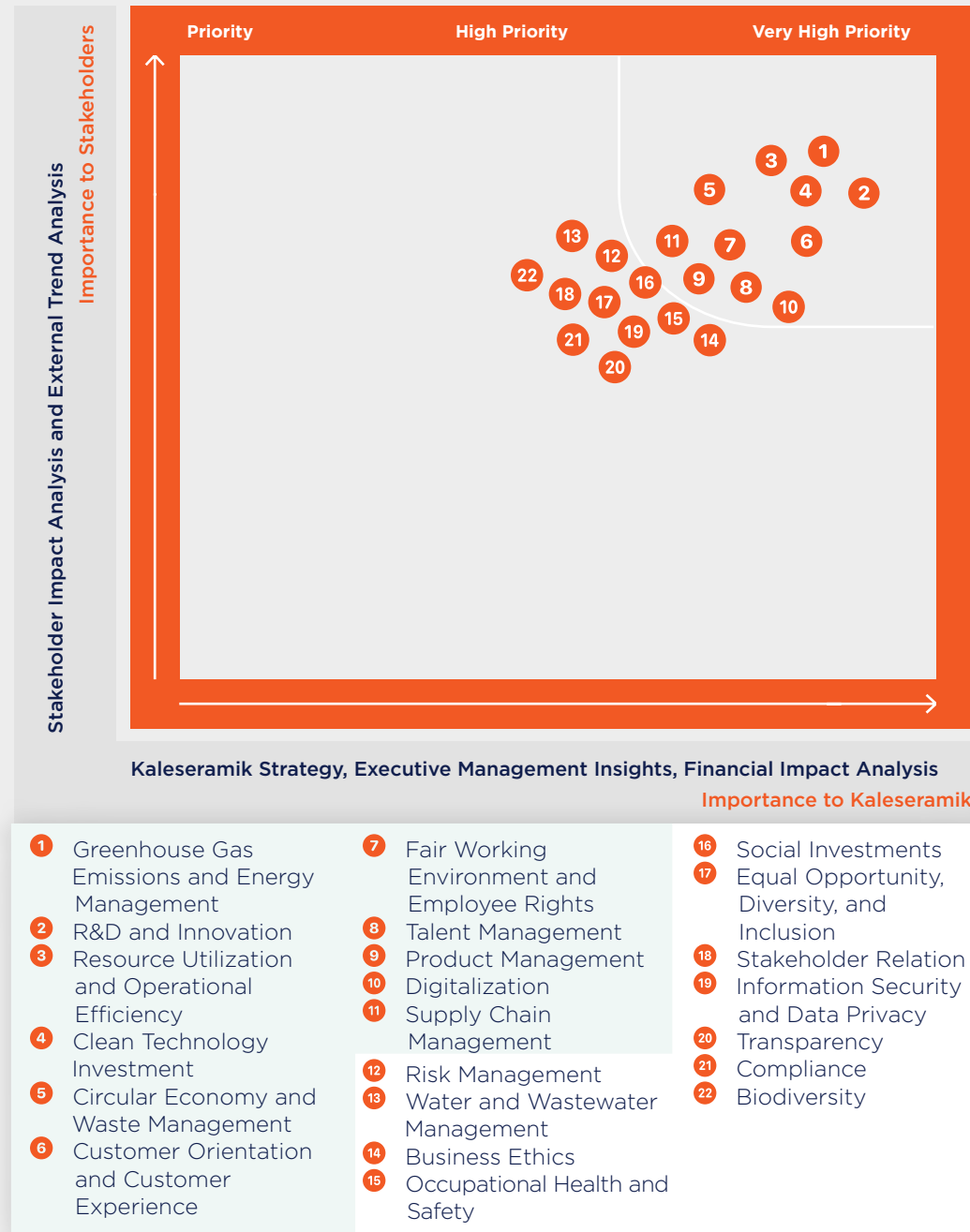
Under the "Social Impact" Focus Area:

- ✓ All social investments are implemented on the basis of positive impact and common benefit, uniting the Group companies around a shared goal.
- ✓ Social investment initiatives, including employee volunteering, support and enhance the Group's sustainability efforts.
- ✓ Social impact is scaled through strategic partnerships.
- ✓ Kale Design and Art Center adopts the mission of being an incubator for impact-driven social investments that embrace circularity and encourage interdisciplinary work.
- ✓ The Ibrahim Bodur Social Entrepreneurship Program supports initiatives addressing social issues and contributing to the circular economy, enhancing brand value through collaborations with these initiatives.
- ✓ Kaleseramik Foundation supports new talents, embraces them as potential Kale employees (stakeholders), and, in collaboration with Group Human Resources and other brands, initiates efforts to support youth employment.
- ✓ Collaborative programs with local and international NGOs are developed, supporting awareness and benchmarking processes within and outside the Group.

Kaleseramik's Sustainability Strategy	Goal No.	Sustainability Goals	2024 Realization	2025	2026	2027	2028	2029	2030	Relevant SDGs
CULTURAL TRANSFORMATION	1	Reducing turnover rate in critical roles below 5%	4.30%	<5%	<5%	<5%	<5%	<5%	<5%	 
	2	Keeping the turnover rate in the Kalegends Young Talent Program below 30%	27.80%	<30%	<30%	<30%	<30%	<30%	<30%	
	3	Keeping the turnover rate in the Future Kale Leaders Program below 5%	7.50%	<5%	<5%	<5%	<5%	<5%	<5%	
	4	Increasing the ratio of employees completing 40 hours of training per person to 80%	33%	40%	50%	60%	70%	75%	80%	
	5	Increasing the backup ratio for critical roles to 100% by 2030	27%	50%	60%	70%	80%	90%	100%	
ENERGY AND RESOURCES MANAGEMENT	6	Reducing direct greenhouse gas emissions by 25% by 2030 compared to 2021	-4.3%	-	-	25%	25%	25%	25%	 
	7	Increasing the share of renewable electricity to 100% by 2030	0%	-	-	-	5%	55%	100%	
	8	Reducing the amount of water used in production by 25% by 2030 compared to 2021	-20%	-	-	-	25%	-	25%	
	9	Increasing the closed-loop production rate by 100% by 2030 compared to 2021	54.2%	60%	65%	70%	80%	90%	100%	
SUSTAINABLE BUSINESS MODEL	10	Increasing revenues from sustainable products	Formulation and strategy are being worked on in 2025.							   
	11	Performing above the industry average on 3 ESG rating platforms	-	1	2	-	3	-	-	
	12	Ensuring 100% compliance of critical suppliers within the supply chain with environmental and social compliance criteria by 2030	-	-	20%	40%	60%	80%	100%	
SOCIAL IMPACT	13	Pioneering social investments and allocating at least 0.5% of EBITDA each year to impact investment / social investment programs that will contribute to the Sustainable Development Goals	In 2024, although 16.8 million TL was allocated to social investments, no EBITDA value was generated; therefore, the calculation could not be performed.	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	   

Materiality Analysis

While identifying its sustainability priorities, Kaleseramik conducted a comprehensive analysis based on the impact and value created for both the company and its stakeholders, in accordance with the concept of double materiality. This analysis was carried out by taking into account stakeholder analysis, impact analysis, external trend analysis, financial impact analysis, manager opinions and company strategy. While identifying the stakeholder groups within the scope of the analysis, the AA1000 Stakeholder Engagement Standard framework was taken as basis, and as a result of the study carried out within the scope of the feedback received from the stakeholder groups prioritized according to direct and indirect economic impact, material topics were determined and the "Material Sustainability Topics Matrix" was created. This matrix constitutes a key set of inputs for achieving Kaleseramik's sustainability goals. In 2024, the material topics in the matrix were reviewed by the relevant management units, and no factor was identified that necessitated a change in the topics as the strategic sustainability approach of Kale Group and Kaleseramik remained valid.



Stakeholder Communication

Establishing regular dialogue with our stakeholders and collecting their opinions, expectations and suggestions is one of the key methods that we employ in order to improve our performance on material sustainability topics. By integrating the feedback that we collect as part of our sustainability strategy and "Care for World" movement into our main decision-making processes, we ensure more effective operation of our existing systems. We ensure the continuity of our efficiency in this area by revising the frequency and methods of communication with our stakeholders when necessary.

Rise Ahead

Kale Group is not only the first and only private sector representative from Türkiye to sign the WEF and Schwab Foundation's Rise Ahead commitment, but also one of the first signatories on a global level. This pioneering role emphasizes that Kale Group not only supports social entrepreneurship but also aims to spread it in the private sector. The company is committed to expanding the role of the private sector in creating social impact by strengthening the social entrepreneurship ecosystem.

Catalyst 2030

As a member of Catalyst 2030 Türkiye, Kale Group continues its global collaboration activities in relevant areas to create social impact with sustainable solutions. Kale Group, which considers sustainability not only as an environmental responsibility but also as a goal that accelerates social transformation, strengthens its commitment to social impact by taking an active role in collective efforts that support social innovation.

Women's Empowerment Principles

Kale Group is a member of the Women's Empowerment Principles (WEPs) platform established in 2010 by UN Global Compact and UN Women.

İMSAD Sustainability Committee

Kale Sermaik is a member of the Sustainability Committee, which began its activities in 2011 under the Türkiye Construction Materials Manufacturers Association. The Committee contributes to public policies on sustainability, the environment, energy and climate change in the Türkiye construction materials industry, encourages necessary cooperation in these areas within the construction sector, raises awareness and carries out information activities.



30% Club

The 30% Club, of which Kale Group Chairperson and CEO Zeynep Bodur Okyay is one of the founding members in Türkiye, a global campaign led by Chairs and CEOs taking action to increase gender diversity at all levels of their organizations. This collaboration stems from the belief that gender balance will make companies more successful and boards of directors more effective.

Founded in the United Kingdom in 2010, the 30% Club operates in Australia, Canada, the Gulf Cooperation Council, Hong Kong, Ireland, Italy, Malaysia, South Africa, the United States and Türkiye. In Türkiye, the 30% Club campaign has been hosted by Sabancı University Corporate Governance Forum since 2017.

Kaleseramik’s core stakeholders include various groups, including employees, customers, suppliers, business associations, contractors, business and governance stakeholders. The expectations conveyed to us by our stakeholders during the reporting period and our responses to these expectations as Kaleseramik are as follows:

Stakeholder Group	Methods/Frequency of Communication	Expectations, Suggestions and Positive Effects	Kaleseramik’s Response
 EMPLOYEES	Meetings, trainings, information, e-mails, periodic employee surveys (loyalty, satisfaction, internal communication, etc.), holding meetings, communication and social events, internal communication bulletins, electronic communication tools (QDMS, SAP, Kalekokpit, etc.), social media, business/regional visits, Kale Intranet-Portakale, face-to-face meetings, web, printed visual materials, internal and external audits, communication boards, Kale employee meetings, FIKRİCİN suggestion system, E-magazine (BuKALEMun), new year and holiday gatherings, announcements	<ol style="list-style-type: none"> 1. Introducing remote or hybrid working arrangements and flexible working hours 2. Improving guesthouse conditions 3. Developing systems that allow employees to rotate 	<ol style="list-style-type: none"> 1. As the effects of the pandemic began to subside during the reporting period, remote or hybrid working and flexible working hours were implemented in line with the requests of our employees regarding their working arrangements. 2. The renovation of 18 guest rooms has been completed. Work continues on the remaining rooms. 3. Rotation is taking place; the Internal Ad System is one of the applications used for this.
 PUBLIC INSTITUTIONS, AUDITORS AND REGULATORS	Meetings and interviews, periodic audits, periodic statements and reports	Compliance with legal regulations, standards and criteria Providing opinions on changes in legislation or standards	Legal requirements are monitored and the necessary controls are ensured accordingly. Periodic environmental inspections are carried out by the Ministry of Environment, Urbanization and Climate Change and its Provincial Directorates. Periodic audits regarding occupational health and safety legislation are conducted by labor inspectors of the Ministry of Labor and Social Security. The Turkish Standards Institution (TSE) carries out audits of quality, environment, occupational health and safety, energy, and customer satisfaction management systems. Necessary preparations are made and participation in these audits is ensured. In the event of changes in legislation, standards, etc., opinions are submitted either directly to the relevant institution or through membership in NGOs
 ACADEMIC STAKEHOLDERS	Online and face-to-face meetings, workshops, field studies, project monitoring and visits by academic advisors, periodic reporting, participation in academic events and summits	<p>Monitoring of technology and literature through communication activities with academic stakeholders</p> <p>Creation and evaluation of potential opportunities for collaborations and open innovation across different channels</p>	We maintained regular communication with our academic stakeholders and carried out meetings, workshops, field visits, and academic events within the scope of university-industry collaborations. We worked with our academic advisors in TÜBİTAK projects and R&D Center audit processes to ensure transparent knowledge sharing and scientific contribution. These collaborations enabled us to closely follow technological developments and sectoral literature, while implementing joint projects on sustainable production, energy efficiency, and environmentally friendly technologies. In addition, we explored new project opportunities through exchanges of ideas on international funds and European Union projects.
 SUPPLIERS AND SUBCONTRACTORS	Phone, e-mail, online meetings, supplier visits	Improvement in purchasing process request for proposal, orders, deliveries and payment terms	<p>The SRM project aims to improve the purchasing process and supplier communication system. This project will ensure interactive and traceable communication with suppliers.</p> <p>Product-based cost improvement projects are carried out.</p> <p>Alternative suppliers are onboarded to improve costs and ensure continuity of product supply.</p>

Stakeholder Group	Methods/Frequency of Communication	Expectations, Suggestions and Positive Effects	Kaleseramik's Response
 <p>CUSTOMERS</p>	<ol style="list-style-type: none"> (Corporate Market) Internal meetings with sales teams to understand customer expectations Meetings with installers, distributors and kitchen architects Market research reports and analyses (International Market) Additional communications such as periodic field visits, mailing, store and factory events, training, social media, radio, outdoor events within the annual budget for foreign customers (Retail Market) Meetings and discussions (periodic), store and factory events, training sessions (periodic), announcements (continuous), corporate website (continuous), dealer special screen (continuous), visits (periodic) Mailing (periodic), social media (periodic), TV, radio and outdoor events within annual budgets for end customers Internal meetings are held with sales teams to understand customer expectations. Meetings are held with installers, distributors and architects. Market research reports were obtained, analysis studies were conducted, the results were shared with internal teams and actions were taken. Periodic field visits, mailing, store and factory events, training, and social media communications were carried out on the international customers' side within the annual budget. 	<ol style="list-style-type: none"> (Corporate Market) Customer expectation - Organizing communication activities by focusing on the main influential customers such as architects, masters, kitchen architects, and practitioners on the B2B customer side (Foreign Market) Ability to be effectively present in communication channels for the foreign market, greater presence in the field, price and product policies that will provide competitive advantage in the market (Retail Market) Various demands and expectations of Kale stores, dealers and DIY stores channel. Service expectations for end customers that can be received along with the product Customer expectations on the B2B customers side, which includes organizing communication activities with a focus on customers such as architects and craftsmen Various expectations of Kale stores, dealers and DIY stores channels from the marketing department 	<ol style="list-style-type: none"> (Corporate Market) All demands are planned by placing the customer at the center, communication plans are prepared for different customer and influencer groups. (Foreign Market) More and more active marketing activities are organized for target markets by prioritizing foreign markets to the extent that the budget permits. We were actively present in the field in 2023. We made maximum use of customer feedback to make product, service and price improvements. (Retail Market) In this regard, actions were taken on topics such as preparing and sending printed and digital communication materials; sharing current product and price information; and carrying out periodic consumer campaigns. In 2023, digital training was provided to store and selected dealer employees, and face-to-face training was organized for DIY store employees. Dealer meetings and sub-dealer focused product presentations and meetings were held. Installation services provided by a widespread authorized service network, turnkey services provided by premium installers in selected provinces, free shipping and installation on all Kale-branded bathroom furniture. More and more active marketing activities are organized for target markets by prioritizing foreign markets to the extent the budget permits. Active field visits were made in 2024. Customer feedback was used to improve products, services and prices. In 2024, digital training was provided to the employees of stores and selected dealers. Face-to-face training was provided for DIY store employees. Display arrangements are requested for product promotions. Environmental and social compliance audits are conducted by some customers. The content of these audits includes compliance with the Turkish legislation and international legal requirements in various areas such as environment, occupational health and safety, human rights, employee rights, working hours, child labor, as well as improvements made in these areas. The success achieved in these audits help us maintain the business relationship with our customers.

CULTURAL TRANSFORMATION



We address the theme of cultural transformation, which is a high priority across the Kale Group, with the same level of care at Kaleseramik and rethink our business processes accordingly.



While we encourage the innovative approaches of our employees, we also adapt to the working models undergoing transformation on a global level. We are making every effort to provide a fair and safe working environment that promotes development for each individual.

Our cultural transformation approach represents a radical change in common attitudes, beliefs, processes and behaviors. We are addressing this transformation in four basic steps:

1. Human Focus: Our priority is to introduce business practices that put employee experience at the center.

2. Equitable Approach: Creating an inclusive work environment that promotes gender equality and equal opportunities.

3. Digital and Agile Corporate Structure: Effectively using digital and innovative tools to create agile and high-performance structures that are suited to today's competencies and the expectations of new generation talents

4. Attraction Center for Young Talents: Attracting the attention of new generation talents by offering them dynamic, creative and diverse work experiences.

Fair Working Environment and Employee Rights

At Kaleseramik, we view our employees as our most valuable asset and believe that providing a fair, safe and inclusive working environment is among our core responsibilities. For us, a work environment in which employees are respected, feel safe and their rights are protected is essential for both the success and reputation of our company. Therefore, Kaleseramik offers its employees a fair, equitable and respectful working environment in accordance with the Universal Declaration of Human Rights.

We aim to guarantee long-term success through practices that prioritize employee well-being and satisfaction. Accordingly, we fully comply with legal regulations in all aspects of our business and strive to create a working environment that respects human rights, is based on equality and is free from discrimination. All our HR processes, such as recruitment, promotion, remuneration and career development, are based on the principle of equal opportunity and built upon an inclusive and fair approach

Remuneration and Benefits Policy

At Kaleseramik, we manage wages based on a fair, transparent and competitive system. In order to objectively evaluate the value that a job creates for the organization, we analyze all job descriptions using the internationally recognized Korn Ferry Job Evaluation System. With this system, we classify jobs within the framework of "Job Families" defined specifically for Kale Group, and rate jobs solely based on their content and contribution to the organization, regardless of individuals or titles. This



89
Number of female employees benefiting from nursery services in 2024

approach allows us to both ensure internal fairness in remuneration processes and to conduct talent management more effectively.

We compare the job grades we have established based on job evaluation results with domestic wage market data; taking into account our company's current wage structure and financial strength, we implement competitive and sustainable remuneration policies aimed at attracting and retaining talents.

We offer a Flexible Benefits Program to provide our employees with the opportunity to create benefit packages that best suit their personal preferences and needs. Within the scope of this program, which is updated every year, we ensure that our employees can flexibly use various benefits such as military service, marriage, education, vacation and death-related benefits. Our employee benefits include seniority bonuses, nursery, parent training, staff shuttle and travel benefits, meal allowance, private health insurance, holiday benefits, and other various benefits such as birth, marriage and death-related benefits. In 2024, a total of 89 female employees benefited from the nursery service offered to support the work-life balance of our female employees and facilitate their family life. This benefit, which is aimed at increasing employee satisfaction and women's employment, is an important indicator of our commitment to contributing to gender equality and sustainable development goals as an organization.

Flexible and Agile Working Models

We promote flexible and agile working models to adapt to today's rapidly changing ways of doing business. We view the remote work option as an important tool for our employees to maintain their work-life balance and increase their motivation. In this context, we offer our employees the opportunity to work remotely one day a week.

Competency Assessment

Competencies are divided into two categories (Managing the Business, Managing Relationships) and three levels (Level 1; Employees, Level 2; Management, Level 3; Senior Management) and behavioral indicators of competencies are defined. Competencies are aligned with values and are linked to HR processes such as selection and placement, succession plans, promotion, remuneration, development, training and performance management. A 360° assessment center is used in order to evaluate the competencies.

Employee Engagement, Motivation and Internal Communication

We see employee loyalty and satisfaction as one of the fundamental elements of our corporate culture and believe that it is essential in achieving sustainable success. We closely monitor workplace experiences and analyze the factors affecting satisfaction and loyalty in detail through employee engagement surveys conducted regularly every year. Based on the data obtained, we develop concrete action plans for areas of improvement and evaluate the process and results of surveys together with the Employee Engagement Focus Group, which includes representatives from different departments. Thanks to this participatory approach, we get the chance to better understand our employees and improve the effectiveness of the process with their suggestions. All these efforts ensure that our employees see themselves as valuable and an integral part of the organization's sustainability goals, while permanently strengthening their motivation and commitment to the organization.

Kale Family

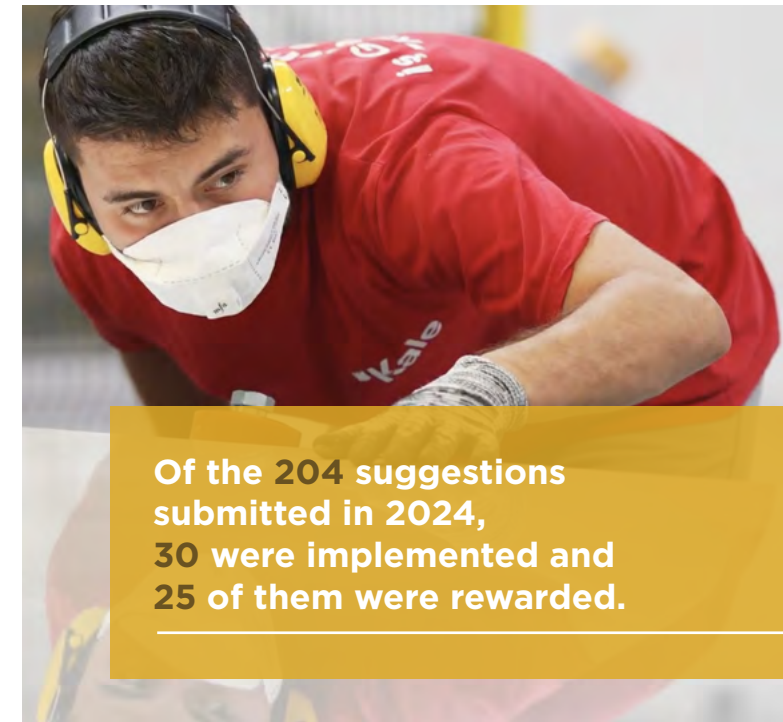
Strengthening the value creation process together with stakeholders, the Kale Family also comes together at various events that reinforce the understanding of social sustainability. Inspired by the cornerstones of our organization, we celebrate July 27th every year as Ceramics Day. On this special day, we come together with our employees, their families, and business partners in our Çan factories, reinforcing the sense of solidarity and belonging. This traditional event provides an important platform that strengthens internal ties and increases employee satisfaction and sense of community in line with our social sustainability goals. Thus, as the Kale Family, we both keep our corporate values alive and strengthen the foundation of a sustainable working environment.

Recognition-Appeal-Reward System

Our recognition, appreciation and reward system is an important element that supports the social dimension of sustainability in our corporate culture. Making employees' efforts visible, recognizing their achievements, and rewarding their efforts to create value not only increases individual motivation but also contributes to the creation of an inclusive, fair, and sustainable working environment. This system encourages our employees to behave in line with the values and long-term goals of the organization, while strengthening the culture of belonging, loyalty and collaboration. Thus, an ecosystem is created that continuously improves employee experience and supports sustainable success. We aim to increase sustainable success and employee loyalty and strengthen the employee experience with our Recognition-Appeal and Reward System. The system was developed with an approach that rewards effort and makes it feel systematic, sustainable and valuable. In line with this approach, we collect the innovative and creative ideas and suggestions of our employees with various rewards and incentives under the Fikricin system launched in 2022, and we reward our employees by implementing improvement suggestions in line with their opinions.

Social Clubs

We believe that our social clubs, which we establish based on our employees' interests, make significant contributions by, for example, increasing employee engagement, improving workplace culture, reducing stress, increasing motivation and encouraging creativity. Our company's social clubs are an important tool that strengthens social sustainability by supporting the diverse interests of our employees. Our various clubs, such as the Nature and Travel Club, Kids Club, Social Responsibility Club, Dance and Folklore Club, Kale Life, Culture, Art and Music Club, Photography Club and Sports Club, are intended to increase employee engagement, enrich workplace culture and support stress management. These clubs increase motivation, encourage creativity, and create a strong sense of solidarity and belonging among employees. Thus, our social clubs are one of the integral parts of an inclusive and participatory work environment that not only increases individual well-being but also contributes to the sustainable success goals of the organization.



Of the 204 suggestions submitted in 2024, 30 were implemented and 25 of them were rewarded.

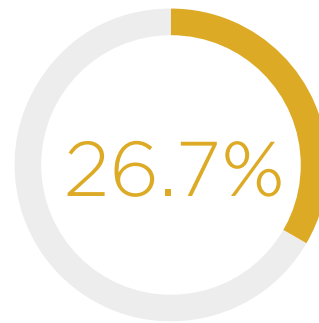
Diversity and Equal Opportunity

At Kaleseramik, we believe everyone must take responsibility for an inclusive, fair, and sustainable world. With the "Care for Your World" approach, we aim to contribute to the development of a culture of life that champions social equality and is free of discrimination.

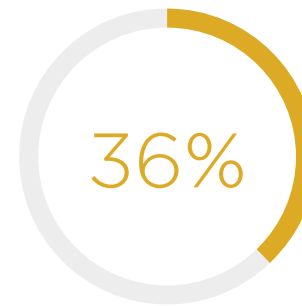
Diversity and equal opportunities are among the cornerstones of our business success. Regardless of their language, religion, race, age or gender, we offer equal opportunities to all our employees in connection with development of knowledge and skills, remuneration, performance evaluation, promotion and recruitment, and termination of employment, based on our Diversity Policy.

As Kaleseramik, we continue our commitment to gender equality on a global scale. In this regard, we joined the Women's Empowerment Principles (WEPs) platform, which was established in 2010 by the United Nations Global Compact and UN Women. These principles, which aim to empower women in business life, increase their presence in leadership levels, and ensure equality in the business world, serve as an important guidance for our operations.

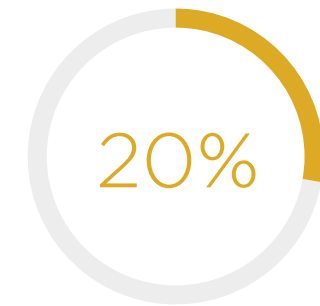
In 2024;



of our employees are female, and 26.7% of our management roles are occupied by women.



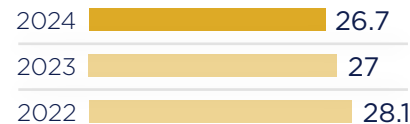
of the employees promoted during the year and 39% of those promoted to their first management roles are female employees.



Our women employees hold 20% of information technology roles and 24% of engineering roles.



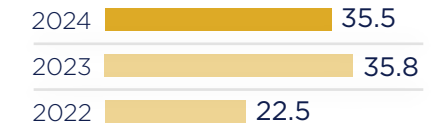
Female Employee Rate (%)



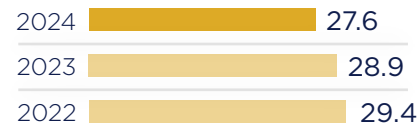
Rate of Female Employees in Information Technology Roles (%)



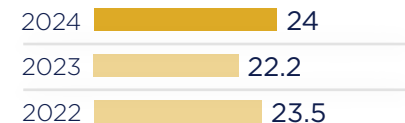
Rate of Female Employees Promoted During the Year (%)



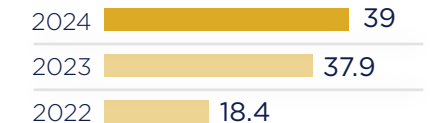
Rate of Female Employees in Middle and Senior Management Roles (%)



Rate of Female Employees in Engineering Roles (%)



Rate of Female Employees Promoted to a Management Role for the First Time (%)



Talent Management

At Kaleseramik, talent management is carried out through the Company Talent Committee under the leadership of Group Human Resources. By identifying critical roles and the technical requirements related to these roles, we create succession plans with existing and potential employees who have the required competencies. Using the 4-Box methodology, we define talent categories, identify development needs and prepare individual development plans. We review our talent management processes every other year and share the results with our Company and Group Talent Management Committees.

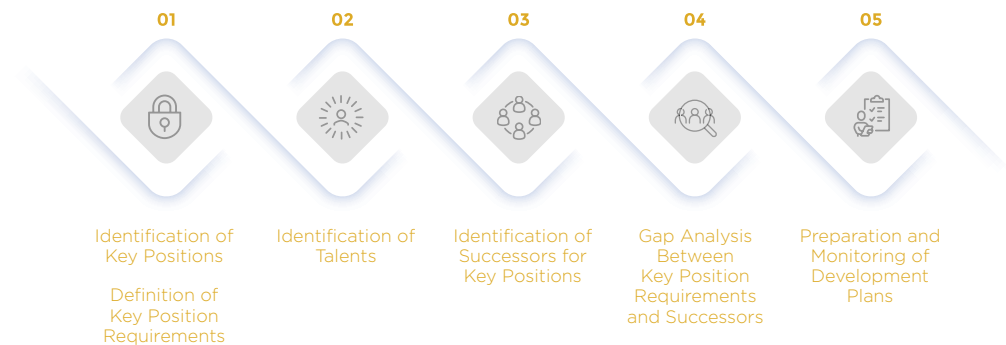
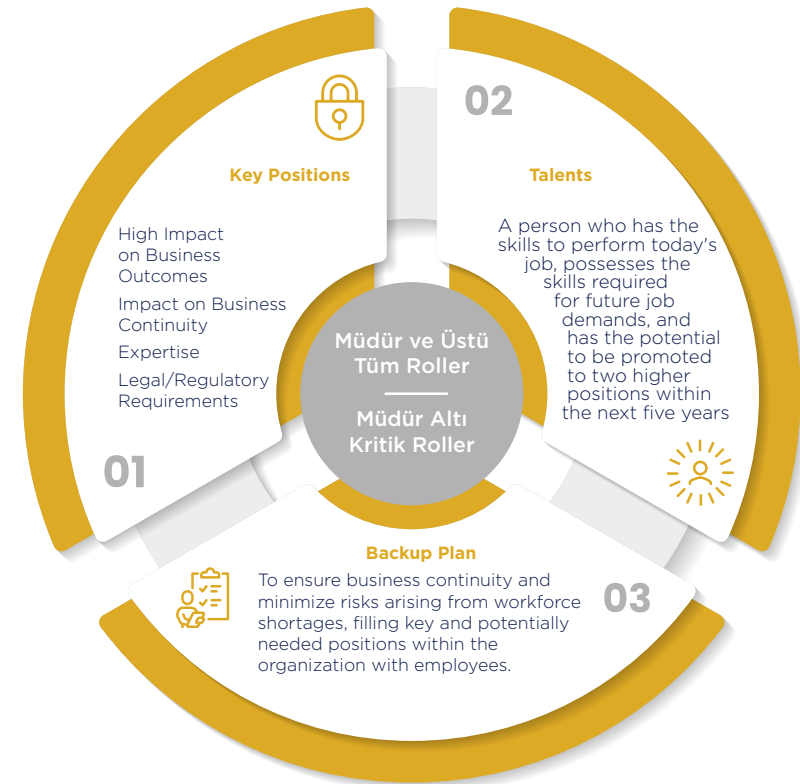
Talent management practices are intended to keep our organization in a dynamic and constantly evolving structure. In this regard, our priorities include improving the performance of our employees, strengthening team spirit and providing a modern, professional and peaceful work environment.

In order to ensure business continuity and minimize the risks that may arise from workforce shortages, our pool of current and potential employees are used to fill and back up critical roles within the organization and those that may be needed in the future. In this context;

- Key roles in the organization are identified,
- The requirements of key roles are defined,
- The skills required for these roles are determined,
- Backup staff for key roles are identified,
- The skill gaps between the role requirements and the backups are analyzed,
- Development plans are prepared and followed up regularly.

In 2024;

- ✔ We have completed behavioral and technical competency analyses for our current roles.
- ✔ We created the organizational structure of our new business in Iraq and successfully managed the recruitment processes.
- ✔ To increase employee engagement in all our locations, we held motivational management meetings.



Performance Evaluation System

At Kale Group, we run our performance management processes digitally through the Success Factors to create a culture that encourages high performance and ensures that employees are focused on sustainable growth goals.

With the Integrated Performance Management System, goal cards are defined at company and employee levels. In company goal cards, concrete targets set in line with strategic priorities are measured against critical performance indicators and included in the Balanced Corporate Scorecard. These goals are transformed into individual targets and monitored throughout the year. Development is supported through instant feedback conversations between employees and managers. A bonus system is implemented across the Group to reward success.

While the performance and development processes of our monthly paid employees are managed through the Success Factors, a periodic performance system is used for field sales teams. The performance of our hourly-paid employees is measured 50% by the business report card and 50% by individual evaluation.

360-Degree Competency Assessment Process

At Kale Group, we shape our 360-degree competency assessment process with feedback from managers, as well as matrix managers, team members and other relevant stakeholders. Thanks to this comprehensive process, our employees in managerial positions are evaluated in 13 competency areas, and our employees in non-managerial positions are evaluated in 8 competency areas, receiving comprehensive feedback on their strengths and areas for improvement.

The outputs we obtain constitute an important data source in development planning, career paths and talent management processes. We carry out the entire process digitally via the Success Factors platform to strengthen corporate memory and ensure sustainability.

Based on the results of competency assessments, we direct our employees to the Management Career Path or the Technical Career Path. While the Management Career Path aims to develop leadership and management skills, the Technical Career Path focuses on consultancy and expertise roles in specialized fields such as R&D and engineering.

Lean Leader Academy

With the Lean Leader Academy launched in 2022, we aim to increase the quality of training and improve the competencies of our employees by dividing the training we provide to our employees into segments and planning special training content for each segment. The Lean Academy Training Program is a comprehensive training program that aims to provide participants with the competencies to improve business processes with lean thinking and practices. In 2024, 1292 hours of Lean Leader training was provided.

MBA Support

In collaboration with Çanakkale Onsekiz Mart University Faculty of Business Administration, we have been supporting Kaleseramik employees in their educational journeys with the MBA support we have been offering since 2017. To date, 152 of our employees have participated in this program.

KaleKampüs Digital Development Platform

With KaleKampüs, launched in 2022, we offer our employees the opportunity to learn at their time and place of choice, taking ownership of their personal development. On this platform, supported by up-to-date technologies and designed with a hybrid education model, we offer rich content under the headings of competency development, legal and mandatory training, personal development, vocational and technical training, leadership and corporate development programs. During the reporting period, 15,448 hours of training were completed on this platform, which is available to all our employees.

Digital Transformation and Innovation Academy

We are providing our first-line managers and expert team members with the competencies required for digital transformation through the Digital Transformation and Innovation Academy, which we run in collaboration with Sabancı University Executive Development Unit (EDU).

Participants are selected from across the group through a special evaluation process and complete the 21-day training program consisting of 10 modules in about 1 year. During this process, our participants not only receive training on different topics but also develop a project to solve a specific problem in their company

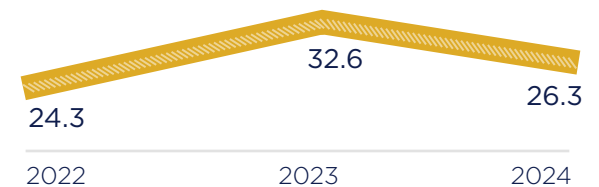
using new technologies. At the end of the program, our employees graduate after delivering a project presentation to senior management. Among the 33 employees who have participated in the program since 2018, the internal promotion rate has been 9.2%. Among those included in the program, 11 employees were promoted in 2024.

Future Kale Leaders Development Program

Through the Future Kale Leaders Development Program, we cultivate internal talent and prepare future leaders who will drive Kale Group forward. In this program, which we run in collaboration with Sabancı University EDU, we aim to develop managerial perspectives, deepen leadership competencies, and increase internal engagement.

Within the scope of the program, mid-level managers who work in different roles in different companies within the Group and are in the talent pool are included in a 22-day training program consisting of 9 modules, lasting 1 year. Participants receive training on various subject matters from experts in their fields and graduate from the program having gained practical experience in applying the theoretical knowledge they learned throughout the program through business simulations. Since 2018, 27 employees participated in the program, which was restructured under the umbrella of Digital Transformation and Innovation Academy 2.0 in 2024. In 2024, 9 employees participated in the program."

Hours of Training Per Employee



Since 2017, we have been empowering our employees' learning journeys with exclusive MBA support.



63.7% of the young talents that we have been employed since 2019 in connection with the Kalegens Young Talent Program continue to work for our company.

Kalegens Young Talent Program

Since 2019, we have been running the Kalegens Young Talent Program to discover, develop and recruit young talent. With this program, we are both strengthening our employer brand and shaping the future together with young professionals who possess the new generation of competencies. After the recruitment process, participants begin a hybrid development journey that lasts one year. During this process, we offer in-class and online training, and provide a versatile experience with team competitions, mentoring meetings and projects. 37 of the 58 young talents we have employed since 2019 through the Kalegens Young Talent Program are continuing to work for our company. In 2024, 7 young talents were included in the program, and 28.5% of them continue to work for our company.

Mentoring and Reverse Mentoring Programs

With our 'Bizden Bize' (From Us to Us) Mentoring and Reverse Mentoring Program, we aim to foster both the professional and personal development of our employees by enhancing knowledge sharing and strengthening intergenerational collaboration. In this voluntary journey, we build technical, managerial, and interpersonal skills, transfer our corporate culture and values to new generations, and create an environment for mutual learning. Through Reverse Mentoring, young team members benefit from the insights of senior management, while experienced leaders gain greater awareness of younger generations' perspectives, the digital world, and emerging trends.

Kale Masters Internal Trainer Training and Development Program

At Kale Group, in line with the principle of continuous learning, we implement the Kale Masters Internal Trainer Training and Development Program to ensure that training is provided by our employees who are experts in their fields and have training skills in order to contribute to the development of the behavioral and technical competencies of our employees. 36 employees at Kaleseramik who completed this development journey and became Internal Trainers contributed to the development of our other employees throughout the year.

Production Academy

With the Production Academy, we support the development of our engineers working in production processes with comprehensive online training, classroom training, applications, and projects on the production processes of ceramic tiles and ceramic sanitary wares. As part of the program, we also provide educational support through contracted organizations abroad.

Occupational Health And Safety

At Kaleseramik, we see occupational health and safety (OHS) not only as a legal responsibility, but also as a core corporate value and an integral part of our culture. We place people at the center of all our activities and for us it is a priority to provide an accident-free, safe working environment for our employees and subcontractors.

We carry out our OHS processes in accordance with the Occupational Health and Safety Law No. 6331, the Labor Law No. 4857, the ISO 45001 standard and the Kaleseramik OHS Management System, and we fully comply with legal requirements. In order to increase the effectiveness of these processes, we establish continuous communication between OHS functions and regularly share monthly performance data with senior management and relevant stakeholders.

We believe that the sustainability of OHS culture is directly associated with employee awareness. Based on this belief, we provide regular training to all our employees; aiming to reinforce safe behavioral habits and increase their knowledge about the standards. Since we think that OHS awareness should be developed not only in the workplace but also throughout society, we carry out awareness campaigns involving local people in our areas of operation and develop projects in cooperation with municipalities.



**In 2024,
43,680 hours
of OHS training to
2,730 employees.**

In occupational health and safety processes where employee participation is encouraged, we develop preventive measures by conducting risk assessments and hazard analyses by taking the opinions of employees on the job in the field. We carry out continuous improvement activities to eliminate life-threatening risks and property damage risks, such as risks of illness, injury and emergencies. Occupational health and safety performance is monitored by setting measurable and applicable targets, and process improvements are made through regular reviews and monitoring.

Employee representatives, who are elected by secret ballot voting system in which all employees can vote, play an active role in occupational health and safety processes. In addition to their participation in occupational health and safety committee meetings, their opinions and suggestions are taken regarding the risk assessment, emergency action plan, training plan and the contents of training. In addition, monthly meetings are held by Human Resources that are attended by employee representatives, and requests from employees are evaluated at these meetings.

Based on an understanding of continuous improvement, we implement innovative practices to improve our OHS performance. Since 2020, we have been providing our employees with the required personal protective equipment (PPE) through vending systems. This system encourages the use of appropriate equipment, while allowing us to monitor usage data and offering 24/7 access to the required equipment.

Additionally, we conduct weekly internal audits and field inspections to ensure that OHS is embedded in daily work. Thanks to the speakup line put in place to receive reports of potential nonconformities and risks at an early stage, we are able to quickly respond to risks and encourage the active participation of our employees in the process.

Where necessary, we re-design practices and processes by taking into account the suggestions and expectations of stakeholders. In this context, we conduct weekly internal audits to increase operational control and ensure that all employees embrace the security culture. The "Near Miss Reporting Line" is actively used to ensure that non-conformities and "near misses" in the worksite are quickly identified and appropriate intervention is done.

Regular periodic checks are carried out on the equipment used throughout the company. As of 2024, we have checked a total of 5,724 pieces of equipment.

As part of practices that support employee health, cancer screenings were conducted, mammography and smear tests were performed for female employees over the age of 40, and all employees over the age of 45 took fecal occult blood tests as part of colon cancer screening in collaboration with the District Health Directorate. As part of the efforts to prevent musculoskeletal disorders, practices carried out with manual therapists in factories continue. In this way, 80% improvement has been achieved in conditions that require early intervention, such as muscle spasms.

In the upcoming period, we aim to complete the installation of lifelines on roofs, install noise-insulated cabins for newly commissioned equipment, and complete and commission the transition to a digital system for use by contractors and visitors.

We are the first business in Çanakkale to receive the Breastfeeding Promotion and Baby-Friendly

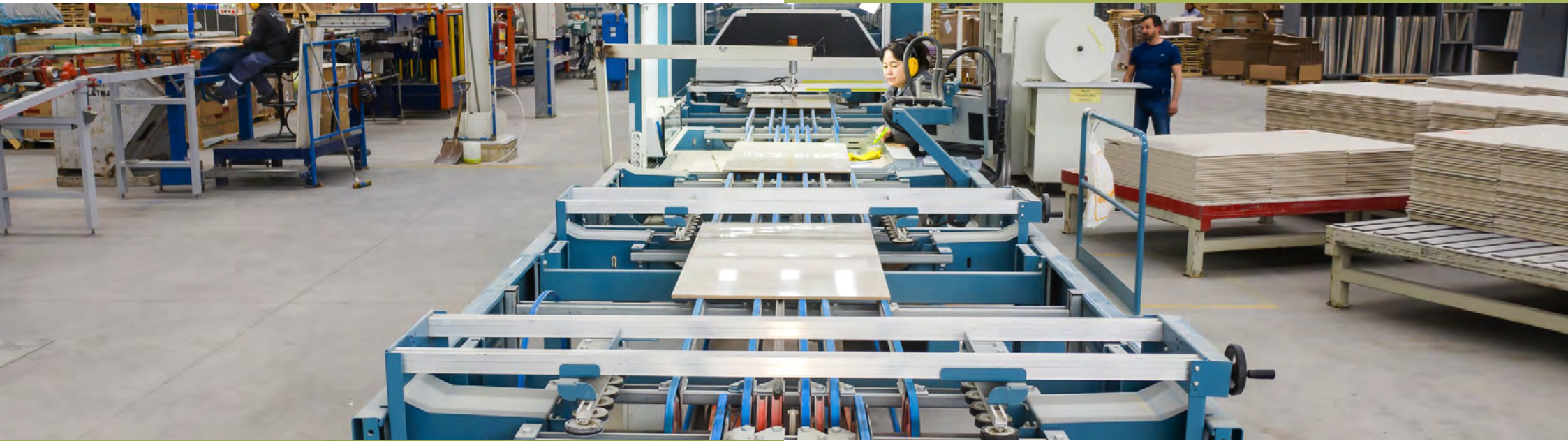


Workplace certificate issued by the Ministry of Health. The program, which is led by the Ministry of Health, aims to maintain and encourage breastfeeding, to ensure the implementation and continuation of the 10-step strategy for successful breastfeeding, which forms the basis of the program, in all health institutions and organizations, and to reduce morbidity and mortality rates in children by preventing nutritional disorders.

We were awarded the Nutrition-Friendly and Physical Activity-Supporting Workplace certificate issued by the Ministry of Health, which recognizes our efforts to protect and improve health by creating an environment that supports healthy lifestyle behaviors of employees in the workplace. We are the first workplace in Çanakkale to receive this certificate.

In 2024, a total of
5,724 equipment
inspections were
conducted.

ENERGY AND RESOURCES MANAGEMENT



By investing in renewable energy transition and energy efficiency projects, we strengthen our operational processes and contribute to our long-term growth strategies.



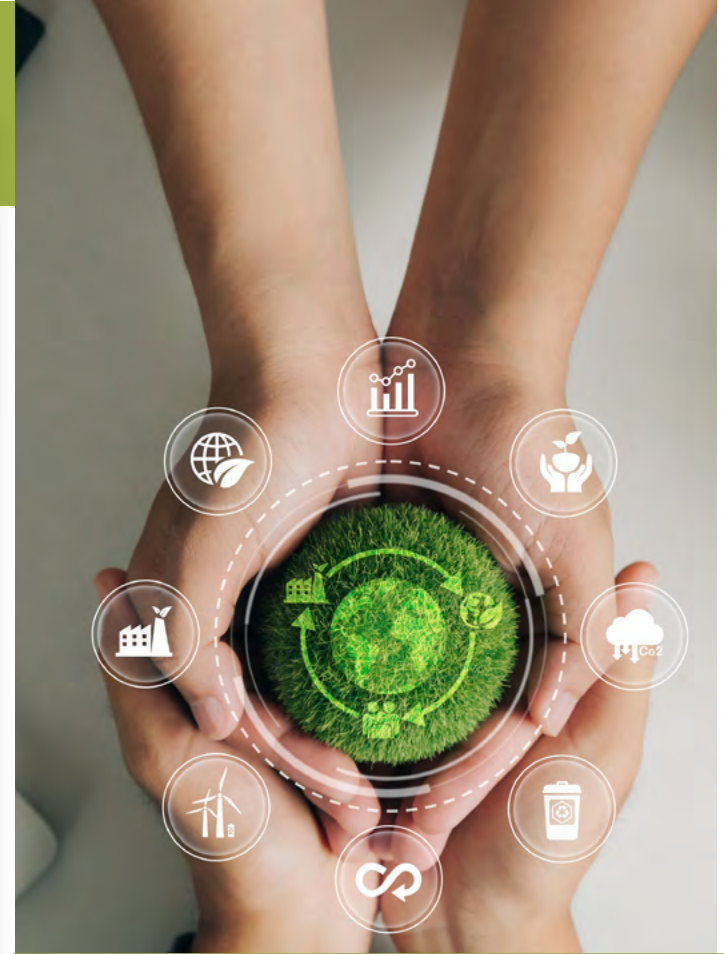
As Kaleseramik, within the scope of the Kale Group's "Care for Your World" movement, we take into account the environmental impacts of our business within our own sphere of influence and adopt a responsible and sensitive management approach to ensure that:

- Operational emissions do not harm people or the environment,
- The energy used is provided from renewable sources,
- All natural resources are used responsibly in a manner which cares for ecosystems and people,
- Our products are reusable/recyclable by design,
- Operational waste is eliminated, and
- The water used in our operations is obtained through fair processes and consumed responsibly.

We continuously monitor our environmental performance in line with our long-term goals and identify areas for improvement, thus ensuring the sustainability of our performance. As a demonstration of our commitment, we allocated a total of TL 97.52 million for our environmental investments and operational expenses during the reporting period. In line with our mission to spread environmental responsibility awareness among all our stakeholders, we provided 2,664 hours of environmental training to our employees and business partners during this period.



Prepared by the Technology Development Foundation of Türkiye (TTGV), the Climate Technologies Case Studies bring together innovative projects of Türkiye's leading industrial enterprises in the field of climate technologies. Within this study, Kaleseramik was represented under the built environment category, taking its place on this significant platform. For detailed information on projects related to climate crisis mitigation, emission reduction, energy efficiency, circular economy practices, and innovation, please [click here](#).



In 2024, a total of **2,664** hours of environmental training was provided to our employees and contractors/suppliers.

Greenhouse Gas Emissions and Energy Management

We are aware of the serious threat that global warming and greenhouse gas emissions pose to our planet. We believe that energy management can play a key role in solving this global issue. That's why, as Kaleseramik, we've launched a transformation based on energy efficiency and renewable resources for a more sustainable future. With this approach, we aim to reduce greenhouse gas emissions in all our operations and business practices and managing our work activities within a holistic framework with the ISO 14001 Environmental Management System standard that we have in place across all our facilities.

We meticulously manage the relevant processes regarding the management of climate risks, which is an important element of combating climate change. Climate risks and opportunities are managed under the leadership of Company Sustainability Leaders and Company Strategy and Business Development team. While overcoming climate-related barriers requires common sense, financial and human resources, we also aim to take advantage of sustainability opportunities by proactively managing climate risks. We are increasing the cooperation between the Holding and the Company, particularly in order to improve our governance mechanism. The governance mechanism between the Holding Executive Committee (ExCom), Group Sustainability Committee, Holding Sustainability Manager, Company General Manager, Company Sustainability Committee and Company Sustainability Leader is of critical importance to our business strategy. All our work is critical to creating long-term value, increasing the resilience of our business model and value chain, and improving our competitiveness, in accordance with global and local regulations.

While the Holding Sustainability Manager and Company Sustainability Leader evaluate global and sectoral risks and opportunities, they also analyze the risks that may hinder our Company's ability to achieve its 2030 Goals. Through the Company's Corporate Risk Management process, the impact and likelihood of climate risks and opportunities are evaluated through a collaborative effort with the Company Strategy and Business Development team. Risks and opportunities that the Company should monitor and take action, as identified according to the calculations of impact and likelihood, are submitted to the attention of the Company Sustainability Committee chaired by the Company General Manager for approval. Based on approved risks and opportunities, appropriate actions are taken with working groups and main process owners throughout the year, which are then monitored using risk indicators and set targets. The budgets required to carry out the actions are associated with the company's investment management and budget management processes and presented to the relevant committees and senior management.

During the reporting period, our scope 1 GHG emissions increased by 4.3% compared to 2021. In line with our renewable energy targets, we are continuing to work on our investment feasibility studies and investment plans which are based on resource efficiency.

During the reporting period, we completed the updates to our Sustainability Risk and Opportunity Analysis, which we conducted to more clearly demonstrate the impact of climate risks and opportunities on financial performance. In the "Risk Management" section of our report, you can find details about the risks and opportunities identified as a result of this analysis conducted within the scope of Türkiye Sustainability Reporting Standards. Moreover, we are closely monitoring current developments regarding the European Union Carbon Border Adjustment Mechanism (CBAM). Accordingly, we are calculating the potential future financial impact of the CBAM based on assumptions.

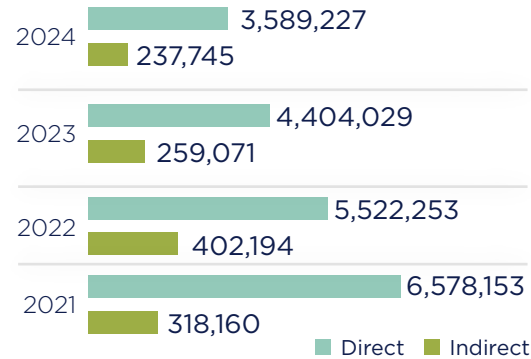
Our Goals for 2030 within the Scope of the Decarbonization Roadmap:

- ✓ Reducing our greenhouse gas emissions by 25% compared to 2021
- ✓ Increasing the share of renewable electricity to 100%

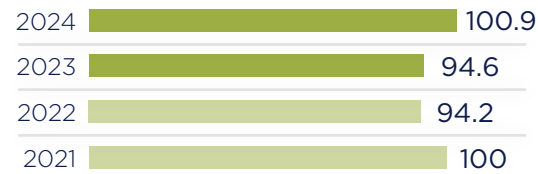


456 million TL
The amount of investment reducing our carbon footprint in 2024

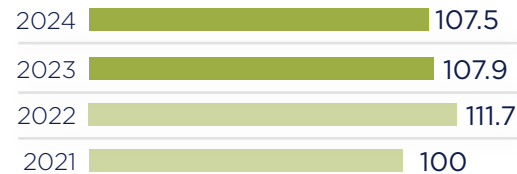
Total Energy Consumption (GJ)



Energy Consumption per Product (GJ/ton; Base Year: 2021=100)



Energy Consumption per Product (Ton CO₂e; Base Year: 2021=100)



814,843 kWh
Amount of savings achieved through efficiency projects undertaken during the reporting period

During the reporting period;

- A total of 2,400,000 sm³/year natural gas savings were achieved as a result of efficiency improvement projects in the wall and floor tile production processes, especially in the drying and firing processes. The financial savings value of these projects is 28,000,000 TL.
- With the energy saving projects carried out in the compressors at the Yerköy factory, compressor electricity consumption was reduced by 50%. The financial value of the savings achieved is 8,375,000 TL.
- With the energy saving projects carried out in the Ceramic Sanitary Ware factory, 660,000 sm³/year natural gas savings were achieved.
- With the efficiency and savings projects undertaken in Masse production facilities, 318,000 kWh of electricity and 16,000 sm³ of natural gas savings were achieved. The financial return of these savings is 1,200,000 TL.

Total Greenhouse Gas Emissions (tons CO ₂ e)	2021	2022	2023	2024
Scope 1	341,356	329,820	261,529	193,894
Scope 2	39,619	49,726	31,592	29,754
Scope 3	-	-	-	178,854
TOTAL	380,975	379,546	293,121	402,502

Circular Economy and Waste Management

The circular economy model that minimizes waste at its source and ensures efficient use of resources is at the core of our sustainability strategy. As Kaleseramik, our goal is to maximize the positive impact we create by integrating this model across our entire value chain. With this vision, we are committed to increasing our closed-loop production rate by 100% by 2030 compared to 2021. On the way to this ambitious target, we achieved significant success by recording a 54.2% increase during the reporting period compared to 2021.

In recent years, we have increased the amount of recyclable materials in our products through investments, projects developed based on a circular economy approach, and improvements in recipe compositions. The increase in recovery rates in various product groups has exceeded 100%.

We turn the cost and legal liability risks brought about by waste into opportunities through circular economy practices by viewing all kinds of waste as a potential resource. Projects aimed at reducing our carbon footprint and increasing the volume of closed-loop production are carried out in a holistic manner with the contribution of all our departments. In addition, we prioritize the circular economy projects we develop in our investment plans. We want to increase our circular economy performance by concentrating on our work in this area in the upcoming period.

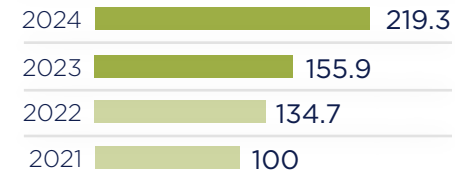
During the reporting period, improvements were made at 23 muda points through waste reduction projects undertaken at Yerköy factories. With these improvements, consumption of raw materials was reduced by an average of 1,700 tons per year.

During the same period, improvements were made in our Frit-Glaze production facilities, resulting in savings of TL 2,460,000 through waste reduction in grinding processes. Thanks to the waste reduction projects at the Frit-Glaze production processes, 660 m³ of wastewater generation was prevented and 160 tons of raw materials were reused in production.

Kaleseramik contributes to the conservation of resources by minimizing the environmental impact of waste through waste management practices and also implements various projects to recover waste and turn it into economic value. The blue bottle caps collected as part of the social responsibility projects carried out in 2024 were donated to the Turkish Spinal Cord Paralytics Association, thereby raising social awareness.

E-waste is collected separately through sorting within the scope of waste management. E-waste collected separately and recycled by licensed organizations contributes to both environmental protection and the economy. There are e-waste collection boxes at the company entrance and in the cafeteria that the employees can use to dispose the e-waste they bring from their homes.

Amount of Waste per Product (Ton/Ton; Base Year 2021=100)



	2021	2022	2023	2024
E-waste (kg)	1,405.1	2,370.2	1,230.3	8,795
Total Amount of Waste (tons)				
Non-Hazardous Waste				
Recovered	1,494.94	1,676.53	2,063.27	2,786.08
Disposed	0	0	272.28	162.75
Other	27,517	33,432	29,354	31,160
Hazardous Waste				
Recovered	245.74	624.75	537.04	409.15
Disposed	0.14	0.11	3.26	8.43
Other	0	0	0	0
Material Consumption (tons)				
Total Raw Material/Material Consumption	1,494,741.9	1,290,695.1	982,541.6	771,019.7
Total Renewable Raw Material/Material Consumption	0	0	0	0
Total Virgin Raw Material/Material Consumption	1,315,197.4	1,109,174.2	843,958	649,058.9
Total Recycled Raw Material/Material Consumption	179,544.5	181,520.9	138,583.6	121,960.8
Amount of Virgin Raw Material Eliminated	179,544.5	181,520.9	138,583.6	121,960.8

Water Management

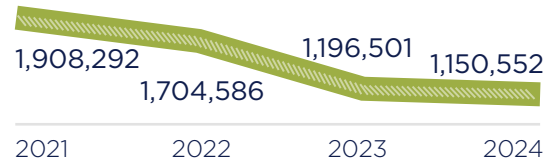
Increasing pressure on natural resources necessitates more efficient management of water at the heart of industrial processes. As Kaleseramik, we are aware of this global responsibility and consider protecting water resources and reducing our water footprint as one of our main priorities. In this regard, within the framework of our "Care for Your World" motto and sustainability strategy, we aim to reduce our water consumption in production processes by 25% by 2030 compared to 2021.

Due to the decrease in our total production amount in 2024, we worked more on adapting our production lines to different product groups. The cleaning and preparation processes performed during these adaptation efforts increased non-production operational water consumption. Although there has been an increase in absolute water consumption as a result, this is caused by a temporary operational necessity. Within the scope of our water management strategy, areas for improvement have been identified to increase water efficiency in production modification processes. In addition, more optimized transition actions are being worked on in production planning as of 2025. The impact of such changes on water consumption will be reduced.

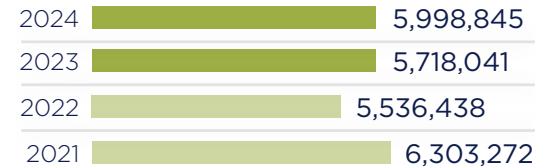
We treat domestic and industrial wastewater with our physical, chemical and biological treatment facilities located in our Çan, Semedeli, Yerköy and Bandırma factories. By using the wastewater generated in our Yerköy factory directly in production, we eliminate the need for water in production. We recover the wastewater treated in the Granit treatment facility located in our Çan factories by using it in factories with suitable physical conditions, thus saving on washing water. During the reporting period, 14,000 m³ of water recovered and used in production by recirculating the water in dust collection systems. As a result, savings of 139.000 TL/year were achieved.

As Kaleseramik, we continue our capacity building efforts to reduce water consumption and intensity, use water resources with minimal environmental impact, recover and reuse water, and get rid of pollutants in wastewater.

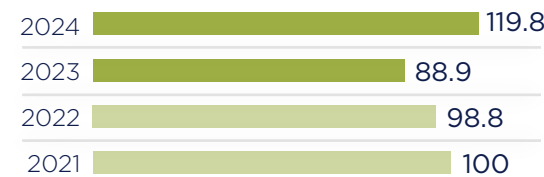
Total Water Intake (m³)



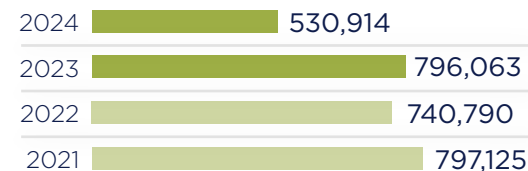
Recycled Water (m³)



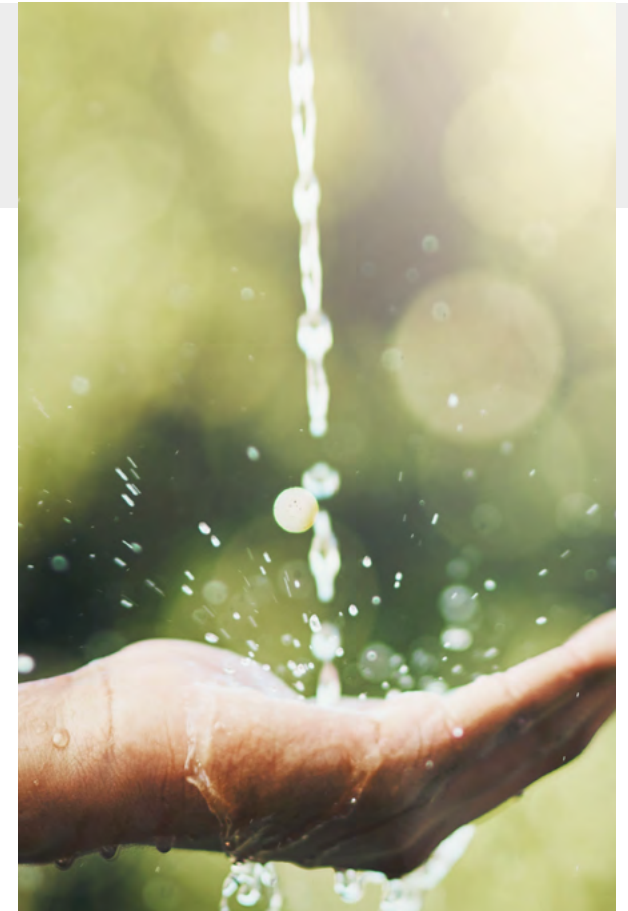
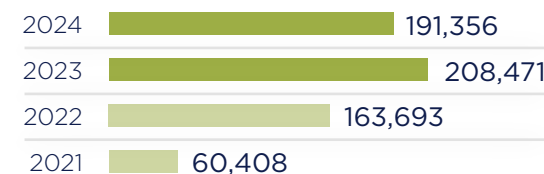
Water Consumption per Product (m³/Ton of production; Base Year 2021 = 100)



Total Wastewater Discharge (m³)



Water Savings Achieved through Efficiency Projects (m³)



Taking 2021 as our baseline year, we are committed to reducing water consumption in our production processes by **25%** by 2030.

Biodiversity

Kaleseramik regards the protection of natural life and the sustainability of ecosystem balance as a fundamental environmental responsibility in all areas where it operates. The company aims to minimize its impact on local flora and fauna by regularly assessing the risks and opportunities for biodiversity conservation in the regions where its production facilities are located. In this context, the protection of ecosystems and natural life is taken into consideration in land use planning, and possible negative effects on water resources and soil structure are kept under control. With this approach, Kaleseramik not only fulfills environmental compliance requirements but also actively contributes to the continuity of natural life.

Biodiversity management is an integral part of the company's sustainability strategy. Kaleseramik analyzes its direct and indirect environmental impacts at all stages, from the supply chain to production processes, and reports on its preventive activities in this area. Impact assessments for local ecosystems are supported by water and waste management plans, tracked with monitoring plans that also aim to monitor environmental and social impact through environmental performance indicators, and are disclosed transparently both in internal audit processes and in stakeholder communications.

The company follows an integrated management approach that brings together financial and environmental sustainability by detailing its biodiversity-related targets, monitoring mechanisms and improvement projects in its reports.



Among the works we carry out at Atölye Kale, the products we produce are inspired by nature and include flowers found in the Çanakkale region, where Atölye Kale and our factories are located.

In the upcoming period, Kaleseramik plans to further develop its biodiversity-focused work and develop new projects that support natural life and contribute to the strengthening of ecosystems. Thus, Kaleseramik will continue to contribute to both the conservation of natural resources and meet the increasing sustainability expectations of its stakeholders.

Kaleseramik manages its environmental impacts responsibly, prioritizing transparency towards both society and investors. Environmental Impact Assessment processes and all necessary environmental permits are carried out with meticulous care; continuous improvement efforts are being made, particularly in the areas of emission management, dust emission, and noise control. A series of measures have been taken to reduce particulate matter emissions. In this context, the roads inside the facility are made of concrete and equipped with water spray systems.

The regular monitoring and reporting activities carried out not only ensure legal compliance but also support our sustainability strategy of "Care for Your World," which is our long-term value creation strategy through our environmentally friendly production approach.

With zero waste practices and emergency preparedness plans, Kaleseramik contributes to the protection of natural resources and the sustainability of biodiversity. This strong environmental management system directly contributes to both the quality of life of local communities and the protection of ecosystems, while also delivering reliable and measurable performance for our stakeholders.

We are carrying out afforestation activities open to the participation of our employees and their families, both by Kaleseramik and in collaboration with our group companies and our largest raw material supplier, Kale Maden. This way we contribute to the continuity of the ecosystem.

SUSTAINABLE BUSINESS MODEL



In order to ensure the continuity of our business, a key focal point of our strategy involves creating an agile and sustainable business model to address changing global conditions and customer expectations.

Product Management and Sustainable Products

Our practices in the field of "Sustainable Business Model" are continued under six main categories:

- ✔ ESG-Oriented New Business Models
- ✔ Sustainable Products and Services
- ✔ Principles of Responsible Investment
- ✔ Supply Chain Sustainability
- ✔ Digital Systems and New Technologies
- ✔ R&D and Innovation-Based Business Models

At the core of our sustainable growth strategy lies product optimization and environmentally friendly product innovation. As a pioneer in the ceramics industry, we focus on developing high value-added, eco-friendly products and services with strong quality and safety standards. In this context, we carry out our production processes in line with sustainability, in full alignment with the New European Bauhaus* objectives of the European Green Deal and regularly monitor our performance against our defined targets.

From the design stage onwards, we develop our products in accordance with circular economy principles and meticulously track their life cycles through Product Life Cycle Management (PLM). With our "Smart" philosophy, we design eco-friendly, resource-efficient products that provide sustainable solutions to consumers and business partners. We prioritize the design, production, and use of water-saving products and encourage our customers to prefer them. Thanks to the Smart Hygiene glaze technology applied to our ceramic sanitaryware, we prevent the formation of bacteria and viruses on product surfaces, thereby contributing to user health while enabling easier cleaning with less water and fewer cleaning agents.

Through our product optimization initiatives, we continuously improve our production processes and product development activities. While reducing costs and increasing efficiency, we aim to enhance customer satisfaction by delivering products with optimum solutions. These initiatives are supported by product performance analyses, technical metrics, raw material and formulation improvements, design and packaging optimization, efficient use of resources—particularly energy—maintenance processes, process control, failure analyses, and customer feedback. We directly integrate these outcomes into our R&D, innovation, and product development processes.

All these efforts are underpinned by data analysis. We leverage data from every stage to maintain and continuously improve quality while generating cost advantages. Customer health and safety is one of our top priorities. Our products undergo international certification processes and fully comply with regulations such as REACH and RoHS. Product tests verified by independent audit institutions ensure user safety, while our Greenguard Gold certification confirms that our products have no adverse impact on indoor air quality.

The governance dimension of our sustainable product strategy is overseen by our Board of Directors' Sustainability Committee. The Committee encourages us to expand eco-friendly innovations within our product portfolio and prepares a roadmap to increase the share of revenues derived from low-carbon products. One of Kaleseramik's 13 sustainability targets is to increase the turnover of sustainable products. In 2024, sustainable products accounted for 87.7% of our total turnover.

With our sustainability approach to product optimization and eco-friendly innovation, we create both environmental and social value, supported by strong governance principles. In 2024, we achieved cost savings of 242.1 million TL through product optimization projects—representing an increase of more than 100% compared to the previous year.



*The New European Bauhaus is an initiative launched by the European Commission as part of the European Green Deal, aiming to design living spaces with aesthetic, sustainable, and inclusive solutions.

Kaleseramik Green Product Guide

We share in detail the usage areas of our products in green and sustainable buildings with the Green Product Guide, which we prepared by taking into account the requirements of green building rating systems such as LEED v4-v4.1, BREEAM, DGNB and BEST.



[Click here to access the Kaleseramik Green Product Guide.](#)

Milestones in Sustainable Products



Highlights

Kalesinterflex

We combine advanced technology and innovation with aesthetic design in Kalesinterflex, one of the largest, thinnest and lightest porcelain slabs in the world. We concretely demonstrate our sustainable production approach with Kalesinterflex, which we produce using 57% less energy, 20% less water and 57% less raw materials compared to standard ceramic tiles. Offering high resistance to scratches and chemical abrasions, this product has a wide range of uses, from kitchen countertops to bathroom and home furniture, from interior applications to exterior cladding. Available in thicknesses of 3 mm, 5 mm, 6 mm, 12 mm and 20 mm and in sizes of 100x300 cm, 120x360 cm, 160x320 cm and 162x323 cm, Kalesinterflex is the first porcelain ceramic sheet produced in Türkiye.

Kaleguard

With the Kaleguard technology offered in our Kalesinterflex products, we equip porcelain surfaces with superior protection. Through the Kaleguard application, we prevent the growth of harmful microorganisms and ensure hygiene. In collective living spaces such as homes, hotels, hospitals, shopping centers, poolside areas, and schools, we contribute to safeguarding public health.

Cura Tile

Cura Tile wall tile, which we developed to prevent Sick Building Syndrome as defined by the World Health Organization and named to reflect its benefits in protecting health and the natural environment, contributes to both the prevention of respiratory problems and energy savings by reducing the need for indoor air conditioning, thanks to its humidity balancing feature. Thanks to its patented production technology, it is produced with approximately 70% less energy and 62% less emissions compared to conventional ceramic tiles. Cura Tile makes significant contributions to the New European Bauhaus, as well as green building certificates such as LEED, BREEAM and DGNB.

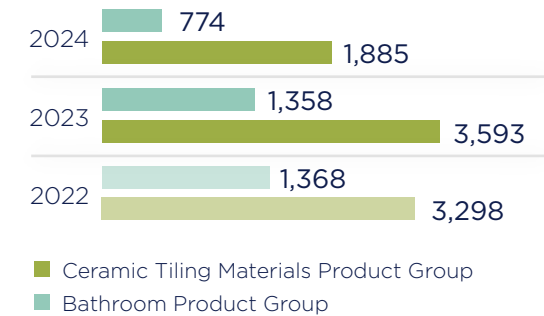
During the reporting period;

- ✔ We started producing 2-mm super thin porcelain tiles. With this innovative product, which offers high durability despite its lightweight and thin structure, we reduce raw material use by 33% and aim to minimize our environmental impact while ensuring energy efficiency.
- ✔ We launched the 12-mm thick Calacatta Extra, Calacatta Oro and Constantinapole series, developed with Genesis technology. Produced under high heat and pressure, these series offer functional sustainability with their superior durability, low porosity and long-lasting structure, while contributing to resource efficiency thanks to their low maintenance needs and long service life.
- ✔ The SmartX smart toilet seat, which raises hygiene standards by combining functionality, hygiene and comfort, is an innovative product that we developed and introduced to the market.
- ✔ We have added the D-Luna and Optimum toilet series, which carry the smart hygiene concept forward, to our product portfolio as models offering superior cleaning advantages by equipping them with their fully rimless structures and Smart Flow Flushing System.
- ✔ We developed the new, affordable countertop series in 80x320 cm size, taking into consideration material and production efficiency. Thus, we brought together the concept of sustainable design with affordability.
- ✔ We have added new closet cistern systems to our product range that support sustainable bathrooms and focus on water and resource efficiency. We have developed solutions that reduce the need for renovations and minimize maintenance and resource usage with long-lasting structures, with low-volume options that save water, designs that offer ease of installation and space efficiency.

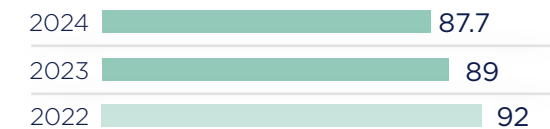
Smartedge Sink

With our thin-section Smartedge sinks, we use 38% less raw materials compared to conventional sink production, thus saving energy and contributing to the preservation of natural resources. They also provide ease of transportation and installation due to its light weight.

Number of EPD-Certified Products



Percentage of Revenues from EPD-Certified Products (%)



Number of Sustainable Products



Percentage of Revenues from Sustainable Products (%)



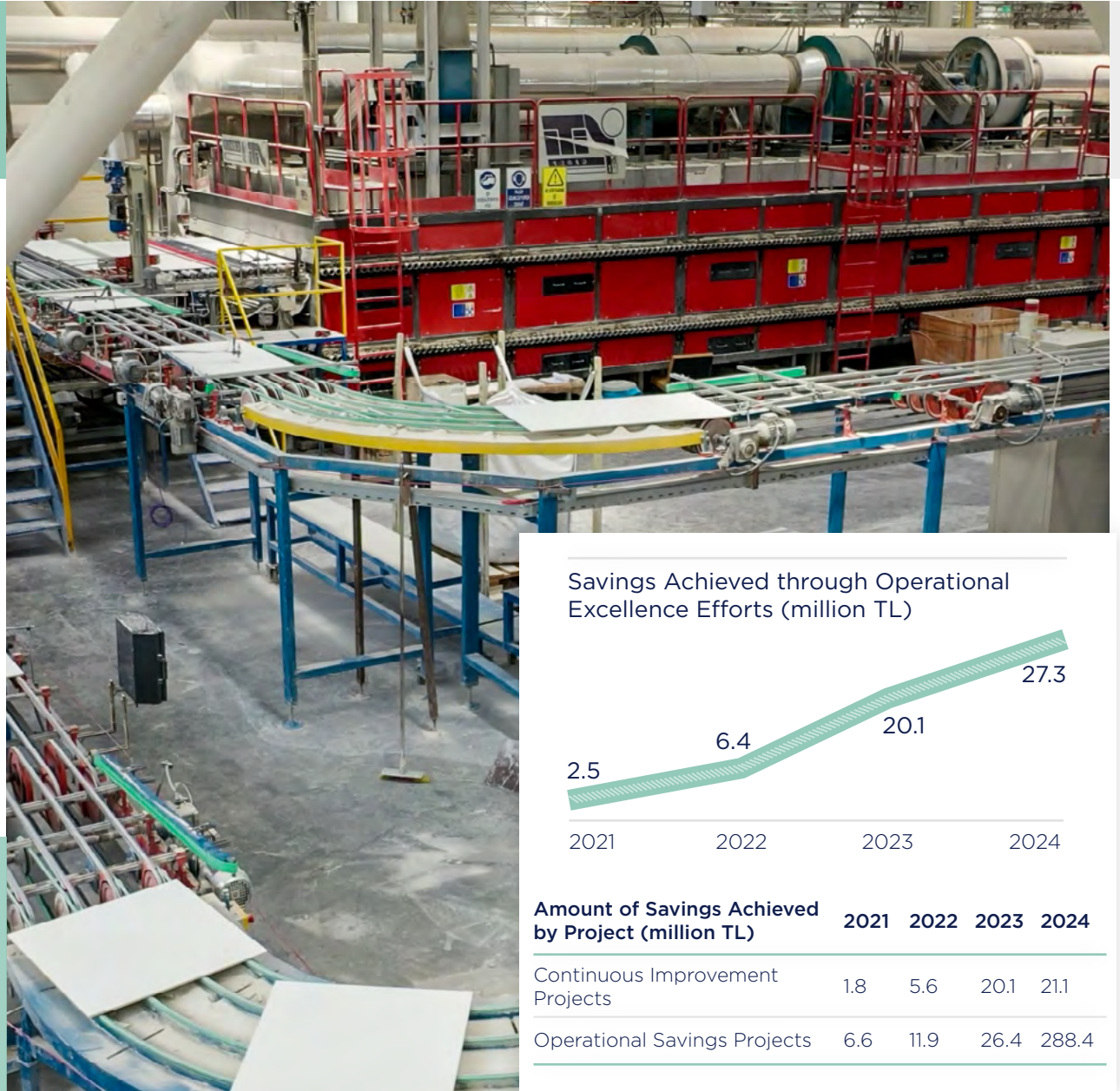
Resource Use and Operational Efficiency

As Kaleseramik, we adopt the Operational Excellence (OE) approach to reduce our environmental impact and increase efficiency in resource use. Within the framework of the Lean Transformation Program, we aim to continuously improve our processes and transform our way of doing business in the long term by utilizing lean production tools and 6 Sigma methodology.

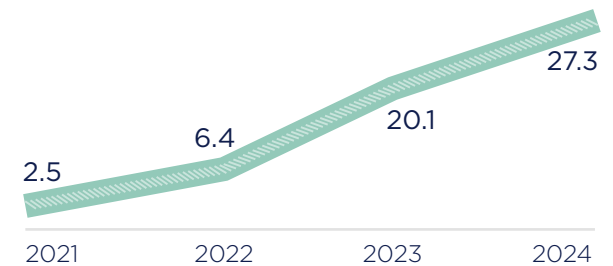
We launched the EFQM project with the slogan "Together to Excellence" in order to include all functions of the company in our continuous improvement journey, which we started with the production units. In this context, we aim to strengthen the culture of corporate excellence and make the concept of sustainable improvement permanent in all units. During the reporting period, we conducted benchmarking visits to 2 organizations abroad in 2024, sharing good practices in sustainability and lean production.

27.3 million TL

The amount of financial savings we achieved through resource efficiency and operational excellence efforts in 2024



Savings Achieved through Operational Excellence Efforts (million TL)



Amount of Savings Achieved by Project (million TL)	2021	2022	2023	2024
Continuous Improvement Projects	1.8	5.6	20.1	21.1
Operational Savings Projects	6.6	11.9	26.4	288.4



2,565
hours of Six Sigma Green Belt training delivered to **624** employees in 2024

Operational Efficiency Projects Carried Out During the Reporting Period

- ✔ We developed oxygen enrichment solutions in combustion systems to reduce natural gas consumption; thereby increasing our energy efficiency while reducing fuel consumption and carbon emissions.
- ✔ By working on the recovery of waste heat from factory chimneys, we made waste energy reusable, which reduced our energy costs.
- ✔ Within the scope of domestic technology development, we have completed the design process of the New Generation Domestic Ceramic Roller Kiln project. With this project, we have reduced our dependence on import equipment, lowered costs and increased our energy efficiency.
- ✔ By commissioning our domestically produced quality sorting and packaging machine, we automated our production processes, increased efficiency, and reduced our dependency on external suppliers.
- ✔ We established a Digital Effect Preparation Facility to substitute imported digital effect and paint materials with domestic ones and began using the facility in our Granit and Sinterflex factories; thus, we increased the utilization rate of domestic resources in raw material supply, reducing our supply risks and costs.

We actively carry out continuous improvement efforts in the areas of R&D projects, investment initiatives, operational processes and purchasing savings. Our Continuous Improvement Department closely monitors and reports all these efforts and contributes to the development of processes by using 6 Sigma methodology and lean production techniques where needed.

We carry out continuous improvement projects under the titles of "Before-After Kaizens" (short-term activities with small teams) and "Workshop-Kobetsu Kaizens" (team activities lasting at least three months and at most six months). We determine projects with the highest scores based on analyses conducted in areas such as quality, malfunction, and equipment efficiency.

We provide 6 Sigma Green Belt training in line with our goal of developing OE culture and competence in our operations. During the reporting period, 624 of our employees received 2,565 hours of training. To date, a total of 11,975 hours of training have been provided to 2,075 of our employees. In addition to 6 Sigma Green Belt training, we also provide 5S, lean production, problem solving, 10-step Kaizen, suggestion system, SMED (Single Minute Exchange Of Dies), autonomous maintenance and single-point training for all our employees. We also hold regular events such as "Asakai Meetings" and "Waste Hunts" to strengthen communication across departments and boost team spirit.

Supply Chain Management

At Kaleseramik, we address supply chain management under the themes of operational efficiency, digital transformation, and sustainability in the supply chain.

With the goal of operational excellence in supply chain management, we continue our efforts to reduce storage complexity, standardize warehouse management, and consolidate domestic and international warehouses at central hubs. Supported by annual R&D processes and benchmark analyses of supplier processes, we achieve up to 2% improvements in our total purchasing turnover. In addition, thanks to the Authorized Economic Operator (AEO) Certificate we obtained in 2018, we achieve up to 50% cost and time savings each year by simplifying safety and security controls in customs procedures.

Within the scope of digital transformation, we continue to develop AI-powered solutions to provide fast and data-driven services to our distributor, dealer, and wholesaler network. By using Robotic Process Automation (RPA) technologies, we increase process efficiency and minimize the risk of data-related errors. Moreover, through the Kaleseramik SAP & Declarant project, we enable integrated data tracking on a single platform, achieving up to 30% time savings while preventing nearly 99% of customs penalties arising from user errors.



Supplier Structure	2022	2023	2024
Local Suppliers (%)	93.0	92.7	90.9
Local Supplier Ratio by Purchase Value (%)	88.8	86.5	87.6

180
Number of suppliers trained in 2024



During the reporting period:

- ✔ We launched the Supplier Relationship Management (SRM) digital application to strengthen our supplier management processes. This system allows us to systematically evaluate the strengths and capabilities of our suppliers in line with their business strategies, plan collaborations more effectively, and optimize processes. We will continue integration efforts to enable full-capacity use of the SRM application in the coming period.
- ✔ We identified questionnaires to measure environmental and social compliance of our suppliers. In 2024, we started distributing these questionnaires to critical suppliers. Evaluations are carried out in line with the current status and Kale Group's targets, and improvement actions are being planned.
- ✔ We worked on tracking and reducing Scope 3 emissions related to the transportation of inputs and products.

In line with our sustainability strategy, we aim for 100% compliance of our critical suppliers with environmental and social compliance criteria by 2030. To this end, we are determinedly working to systematize supplier audits. In addition, within the scope of our local sourcing project launched in 2019, we aim to supply products from local resources by identifying alternative suppliers across all product groups to replace imported goods.

For suppliers working on Kaleseramik sites, it is essential that health examinations, OHS and technical training are complete, and that personal protective equipment (PPE) is fully provided to employees. Controls are carried out before work begins. Furthermore, at the start of the work, suppliers' personnel are informed about on-site environmental rules (waste collection, water consumption, energy use, 5S, etc.). Job hazard analyses and environmental impact analyses are conducted for the work to be performed. Based

on these analyses, suppliers' employees receive at least 2 hours of job-specific training on potential risks before work commences. Once work begins, periodic inspections are conducted to ensure safe operations. In 2024, 180 suppliers received training.

At Kaleseramik, we expect all our suppliers to comply with the principles of international human rights as outlined in the United Nations Universal Declaration of Human Rights. In cases where audits or third-party notifications identify serious human rights violations, a corrective action plan is requested from the supplier; if the non-compliance is not remedied, necessary sanctions, including termination of business relations, are implemented immediately.

To enhance efficiency in supplier management, we use a hybrid evaluation system. Suppliers are classified based on purchasing criteria (competitive, critical, bottleneck, non-critical) and competencies (ideal, competent, willing, non-valuable). Based on this classification, we develop and implement action plans to move suppliers into competitive and ideal categories. We regularly monitor the results to improve supplier performance.

We aim for 100% of our critical suppliers in the supply chain to comply with environmental and social compliance criteria by 2030.

Customer Focus and Customer Experience

At Kaleseramik, we are fully aware that all our products contribute positively to the health, safety, and quality of life of our customers. Across our product portfolio—from ceramic tiles to sanitaryware and bathroom furniture—we implement production processes that are harmless to human health and minimize environmental impacts at every stage, from raw material sourcing to final delivery. Our products are certified with national and international conformity standards (TS EN ISO, CE, etc.). Health-related parameters such as VOC (volatile organic compounds) emissions and radioactivity are analyzed.

One of the key components used in ceramic products is frits, which give the products a glossy, glass-like appearance. Since 2008, we have used lead-free frits, thereby contributing to both product and customer safety as well as chemical reduction initiatives. The inks and additives used in the printing on packaging materials are water-based and free from Mosh/Moah. One of the key certifications demonstrating product compliance for customer health and safety is the Greenguard label. All our ceramic coating products are Greenguard Gold certified, proving through testing and analysis that they do not adversely affect indoor air quality. Our approach to customer health is not limited to product safety; we also manage risks related to product usage.

Our after-sales technical support units provide training and technical support services to prevent risks arising from application errors. Product labels and technical datasheets include clear, understandable, and safe usage instructions,

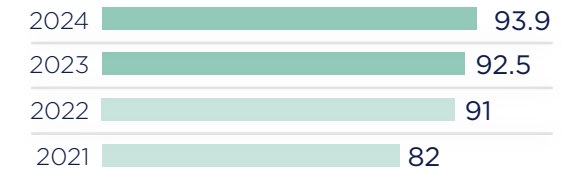
while training programs developed for architects, installers, and end-users help raise awareness of health and safety. Moreover, our customer feedback mechanism ensures that all product safety complaints from the field are promptly analyzed, and necessary actions are swiftly taken.

Across all our operations, integrated management systems systematically identify, prevent, and report all potential risks affecting customer health. At Kaleseramik, under the TS EN 10002 Customer Satisfaction Management System, all feedback received from customers regarding complaints, suggestions, product compliance, and safety is addressed and necessary actions are taken.

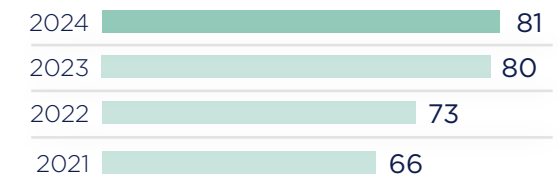
We continuously develop our operations in line with industry developments and customer needs, aiming to provide them with a seamless and complete service experience. Through our “Excellence in Customer Value Proposition” project, we not only improve customer experience but also enhance brand awareness and increase sales of profitable products. Within the scope of this project, we provide customer satisfaction training to our store, authorized service, and sales teams.

In addition to the services we provide before and after sales, we also conduct customer satisfaction surveys at regular intervals. Based on the feedback from these surveys, we identify areas for improvement and implement necessary actions. In particular, we closely monitor development processes for underperforming authorized services. As a result of the survey conducted during the reporting period, our customer satisfaction score

Net Service Score (%)



Customer Contact Center NPS Score (%)



was 93.9. Additionally, we conduct competitive analysis twice a year to better understand customer expectations and closely follow market developments.

Through our Customer Contact Center, we aim to understand customer expectations and meet them in the best way possible. We carefully analyze all complaints and suggestions received, implement the actions identified after the analysis, and develop permanent solutions. During the reporting period, all complaints/suggestions submitted to the Customer Contact Center were resolved.

At Kaleseramik, we aim to work together with all stakeholders in our ecosystem to offer innovative products and services, as well as to create a strong culture of cooperation and education. Through the training programs, seminars, and digital solutions we organize for our dealers, plumbing professionals, authorized service providers, and end customers, we create value at every stage and respond to our customers’ needs with comprehensive and holistic services.

Master Seminars

We organize “Master Seminars” to improve the professional knowledge and skills of plumbers, in line with the requests of our dealers and the Istanbul Plumbers’ Association. In these seminars, we introduce Kale’s innovative products and services, share current developments in the industry, and evaluate the needs and expectations of plumbers. In 2024, we organized two seminars attended by 135 plumbing professionals.

Dealer Training

With the aim of increasing customer satisfaction by providing the “right product in the right place,” we organize “Dealer Training” sessions for dealer employees, where we explain the technical features and services of our ceramic and bathroom products. In 2024, we provided these training sessions at 20 different locations to a total of 115 dealer employees.

Dealer Special Program

We enable our dealers and qualified sub-dealers to manage sales processes more efficiently and quickly access product and campaign information through the “Dealer Special Program,” which includes campaign announcements and product stock checks.

Dealer Satisfaction Survey

We regularly conduct satisfaction surveys to further strengthen the partnerships we have established with our dealer network. Through these surveys, we focus on continuously improving our service quality by understanding our dealers’ needs, expectations, and feedback.

Turnkey Comprehensive Application Service

Our premium authorized services conduct free surveys as part of our turnkey comprehensive application service. After the survey, a quote is prepared for the work to be done; the quote is carefully reviewed and approved by our relevant unit before being presented to the customer. Throughout this process, Kale’s guarantee is provided at all stages of service with the #ArkasındaKaleVar (Backed by Kale) approach.

Kale Core

With our digital retail application Kale Core, we actively involve consumers in the design process

in a digital environment using Augmented Reality technology, which is used for the first time in the industry, enabling them to design their own living spaces. With this application, we also give our users the opportunity to upload their designs or preferences to the system, share them with architects, and receive guidance.

Authorized Service Centers

We maintain our leadership in the industry not only through our high-quality product portfolio but also through our after-sales services focused on customer satisfaction. We offer a wide service network with 135 authorized service stations spread across 77 cities throughout Türkiye. As part of our authorized service structure, we visit our customers to identify issues on-site and provide expert support during the resolution process. We offer customers who purchase products from Kaleseramik the opportunity to request service directly in case of any issues. Additionally, we conduct regular audits of our authorized service centers to enhance service quality and customer satisfaction.

Mystery Shopper Research

We conduct Mystery Shopper Research to improve our retail and service standards and to identify shortcomings from the customer’s perspective.

Authorized Services Trainings	2021	2022	2023	2024
Number of Participants	1,006	550	480	382
Number of Trainings	86	55	59	21



During the reporting period:

- ✔ In line with our goal of enhancing customer experience in physical environments, we expanded our display concept projects and launched special showroom areas dedicated to large-format porcelain slabs.
- ✔ We organized special visit programs at our Çan Plant, allowing architects and contracting companies to directly observe the production processes of our T-One porcelain countertop products. During these visits, we provided detailed explanations of the production stages and gathered valuable feedback on the technical and aesthetic features of our products.
- ✔ As part of our digital transformation strategy, we launched our next-generation digital catalog platform to ensure faster access to our products and services, offering interactive and user-friendly solutions for easier discovery of our extensive product portfolio.
- ✔ We carried out needs analyses for large-format product applicators to enhance customer experience and manage our sales processes more effectively.
- ✔ To better understand the relationships between tile and sanitaryware installers, consumers, and other stakeholders, we conducted a comprehensive segmentation study. Based on the results, we developed strategies to increase installers’ influence in purchasing processes.
- ✔ Within our efforts to strengthen our authorized service network, we opened 12 new service stations during the year and monitored our service quality through 117 station inspections.

Clean Technology



We aim to increase
our use of renewable
electricity to
%100
by 2030.

At Kaleseramik, in line with our “Care for Your World” approach, we embrace a business model based on sustainability across our entire value chain. We integrate innovative and clean technologies into our production processes, prioritizing strategic investments that take into account the environmental and social impacts of our products and services.

We carry out our clean technology investments in integration with the Kaleseramik Sustainability Policy, ISO 14001 Environmental Management System, and ISO 50001 Energy Management System, shaping our efforts in alignment with the European Green Deal, the Paris Climate Agreement, and the Sustainable Development Goals (SDGs).

We define our investment areas with the aim of developing and innovating sustainable products. In addition, we are firmly committed to achieving 100% renewable electricity use by 2030.

For 2025, we have positioned carbon emission reduction among our top priorities, focusing on practices that increase energy efficiency. In this context, we continue feasibility studies for Solar Power Plant (SPP) investments to support the renewable energy transition.

R&D and Innovation

In our North Star vision, which forms a cornerstone of our mission to add value to living spaces, we position innovation as a key driver in achieving our sustainability goals. Within this framework, we integrate our priorities—reducing our carbon footprint, expanding the use of alternative energy sources, minimizing emissions, optimizing raw material usage, and increasing waste recycling—into corporate innovation and intrapreneurship processes.

Through our Intrapreneurship studies, we aim to unleash the creative and intellectual potential of our employees and make innovation an indispensable part of our corporate culture and business processes. To this end, we organize idea development workshops with the voluntary participation of employees from different departments, aligned with our sustainability and strategic priorities.

In addition to workshops, our “Idea Workshop” initiative encourages employees to share their ideas and suggestions through a common portal. All submitted ideas are evaluated based on “feasibility,” “value,” and “potential impact,” with selected ideas being incorporated into our corporate innovation process.



Idea Workshop	2021	2022	2023	2024
Number of Suggestions Received	27	142	170	204
Number of Suggestions Implemented	4	12	38	30
Annual Cost Savings (million TL)	0.6	3.6	11.8	8

100%

Share of sustainability-focused R&D and innovation investments in total R&D and innovation investments in 2024

In 2024, Kaleseramik R&D Center became the first and only Turkish laboratory to be included in the European Ceramic Society (ECerS) Laboratory Guide.



Kaleseramik R&D Center

In line with our future strategies and sustainable growth goals, we focus on innovative and eco-friendly projects. With this vision, we have been operating since 2012 in our 5,500 m² Kaleseramik R&D Center together with more than 50 colleagues. Our efforts concentrate on sustainable production techniques and material solutions to develop high value-added products, while contributing to ceramic science and engineering through groundbreaking innovations.

We actively participate in national and international congresses, symposia, workshops, and seminars to closely follow industry developments and new technologies. At the same time, we benefit from various national and international support and incentive programs offered by the Ministry of Industry and Technology of the Republic of Türkiye and TÜBİTAK, adding value to our projects. Within the scope of our emphasis on university-industry collaborations, we conduct joint studies with domestic and international universities and international research centers.

R&D in Numbers	2021	2022	2023	2024
R&D Expenditure Ratio to Turnover (%)	0.63	0.35	0.72	1.63
Share of Sustainability-Focused R&D and Innovation Investments in Total R&D and Innovation Investments (%)	13	37	63	100
Number of Patent Applications	1	1	0	0
Number of Patents Granted	14	15	15	15
Number of TÜBİTAK-Supported Projects	2	2	2	4
Number of EU-Supported Project Applications	0	0	1	2
National and International Publications	2	16	4	7
Number of R&D Center Employees	34	44	56	53

Through our annual R&D Steering Committee meetings, we evaluate the previous year's work, share our R&D and innovation plans for the upcoming period with all employees, and determine priority projects based on feedback. This ensures that all teams are engaged in R&D processes, encouraging collective progress.

During the reporting period, our R&D Center was included in the ECerS Laboratory Guide, bringing together more than 130 laboratories and research teams across Europe. With this significant step, our R&D Center became open to:

- young researchers within the ECerS network,
- institutions seeking laboratory services under EU-funded projects, and
- new collaborations with European Ceramic Research Groups.

	2021	2022	2023	2024
Savings Achieved through Product Optimization Projects (Million TL)	4.3	18.6	82.8	242.1
Revenue Generated from Newly Developed Products (million TL)	622	1,106	1,051	1,562

Through our R&D activities, we achieved:

21.7 million TL
in savings in 2024

143.3 million TL
in total savings since 2012



During the reporting period;

- ✔ We continued to apply for various national and international support programs. Among these applications, our projects aimed at efficiency and savings in natural resource consumption stand out in line with green transformation goals in industry. In particular, we focus on developing innovative technologies to improve energy efficiency, save water, and reduce environmental impacts in our production processes.
- ✔ We aimed to strengthen R&D and innovation networks for industry. With a sustainability-oriented ecosystem, we seek to bring together projects that will foster innovative and green transformation with the participation of different sectors under one umbrella.
- ✔ Within the scope of the European cooperation program **INTERREG NEXTMED**, we submitted a project proposal targeting the reduction of carbon emissions in industrial facilities in the region. Through this project, we developed various strategies to ensure energy efficiency and minimize environmental impacts in ceramic production processes.
- ✔ Through the European Union-funded **EUROKANET** program, we submitted a proposal to improve the technologies used in production lines in the ceramics industry. With this project, we aim to develop more sustainable solutions in our production processes and to promote the widespread adoption of innovative methods.
- ✔ We continued our work on waste heat recovery and increasing energy efficiency in production processes. With the projects we have developed, we are leading the research of advanced technologies that aim both to reduce environmental impacts and to optimize our energy consumption.

Sustainability-Focused R&D Activities

We prioritize sustainability in our R&D efforts, focusing on innovative technologies that reduce environmental impacts and enhance resource efficiency. With this approach, we not only develop eco-friendly solutions but also target lasting improvements in our production processes.

In the medium term, we aim to save energy, reduce water usage, and use natural resources more efficiently through practices such as waste heat recovery and dry granulation technology. In the long term, we target carbon-neutral production processes, positioning ourselves as a pioneer in sustainable production technologies in the sector by developing our current methods and integrating new technologies.

We also focus on raw material recovery, reuse of waste, and improving material efficiency to contribute to the circular economy, transforming not only our production processes but our entire value chain.

Additionally, we are participating in HYSouthMarmara – South Marmara Hydrogen Valley Project, Türkiye’s first Hydrogen Valley initiative, supported under the EU Horizon Program. Together with 16 leading domestic and international organizations, we aim to reduce carbon emissions in industry and promote the adoption of green hydrogen. Within the project, we plan to carry out production in our first domestically manufactured roller single-channel firing kilns using a hybrid combustion system fueled by a hydrogen-natural gas mix.

Digitalization

Since 2017, Kaleseramik has been implementing digital transformation programs to build a more agile, data-driven, and highly efficient business model. Within our Digital Transformation Roadmap, which we aim to fully implement by 2026, we carry out systematic and comprehensive projects under the following categories:

- Customer, Channel, Service Management
- B2B Trade Platform Management & Stakeholder Training
- Digital Experience Management
- E-commerce Platform Management
- Supply Chain Management
- Product Information Management
- Product Lifecycle Management (PLM)
- Industry 4.0
- Data Analytics
- Corporate Sustainability
- Other Process Improvements

Through the implementation of SAP Signavio process management software, we aim to improve process maturity, embed process-focused working culture into digital systems, and steer process optimization initiatives.



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KOLAY YOLU:

Kale Core

Banyonu Hemen Tasarla

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1.8 million USD
Budget allocated to
digitalization initiatives
in 2024

Product Lifecycle Management (PLM)

We are working on digitalizing processes through PLM applications. The goal is to ensure more effective and efficient information flow across the entire product lifecycle—from ideation, design, pilot production, and manufacturing to shipment, after-sales, and phase-out.

Kale Core

With our Kale Core digital retail application, we became the first in the industry to use Augmented Reality (AR), enabling consumers to actively take part in the design process in a digital environment and visualize their own living spaces. The application also allows users to upload their designs or preferences, share them with architects, and receive feedback.

E-Commerce Platform

By bringing the shopping experience to our e-commerce platform, we provide customers with an end-to-end holistic journey. With ongoing UX/UI optimizations, we continue to increase visitor-to-member conversion rates.

Kale 99

To ensure production efficiency and quality sustainability, we launched Kale 99, an IoT-based project that enhances the traceability of all tile production lines and integrates collected data into our ERP system. In the next phase, we will expand this with Industry 4.0 applications.

Kale 99 Predictive Quality Project

As a complementary initiative to Kale 99, this project helps predict quality issues, identify potential root causes, and report anticipated problems in real-time to relevant business units.

Robotic Applications in Production

We use robotic applications extensively to increase efficiency in production processes. Machines are pre-programmed for different product types, enabling operators to simply switch between programs according to production requirements and report issues to relevant units. Robotic arms in storage areas automatically recognize tile dimensions from software and perform storage and packaging operations.

KaleKampüs Online Development Platform

With KaleKampüs, our online learning and development platform, we manage employee training and development processes in a centralized way. Employees can easily follow trainings from different sources and provide feedback through the platform. Additionally, within the Kale Masters Internal Trainer Development Program, training content prepared by in-house trainers is also offered to employees via the platform.

Kalekokpit

Through our Performance Management System, we track key performance indicators aligned with company strategies.

CRM - Community Management

To ensure effective communication with our ecosystem stakeholders, we use digital tools such as dealer portals, architect portals, and dealer employee platforms. We also launched Learning Management System (LMS) applications for dealer employees, authorized services, and call centers, making continuous training and development opportunities easily accessible.

During the reporting period;

- ✔ We implemented the Product Lifecycle Management application in the Frit category.
- ✔ We completed version 2.0 of the Kale Core application; with this update, we added an English language option, the “View in Your Home” feature, and new collections to the platform.
- ✔ In line with our corporate website and e-commerce dynamics, we enhanced our online sales processes by adding new functions to Kale.com.tr.
- ✔ We launched the “Kale 99” project as a pilot application at our granite factory.
- ✔ We successfully implemented the SAP Profitability and Performance Management (PaPM) Module, which enables detailed analysis of profitability factors and effective management of distribution models by key users.
- ✔ To increase the use of data analytics in our sales and operations planning processes, we developed a Demand Forecasting Model and initiated forecasting processes. In 2025, we aim to further enhance and advance this model.
- ✔ To accelerate the digitalization of our workflow processes, we established the E-flow infrastructure, fully transferring our departments’ approval processes and information sharing to a digital environment.
- ✔ By implementing Robotic Process Automation (RPA) applications, we integrated processes such as OGS/HGS payments, POS reconciliation transactions, and e-dispatch and e-invoice entries into our SAP system.

SOCIAL IMPACT



At Kaleseramik, with our vision of “Care for Your World,” we support projects that contribute to the well-being of the planet and the future, creating transformation in line with the Sustainable Development Goals.

Social Impact Programs

We adopt a leadership approach that places social responsibility at its core, and we view creating social impact not merely as a supportive activity but as a holistic business model. All our social investment projects—including employee volunteering—are implemented across our Group companies in a way that creates shared value, focuses on positive change, and delivers long-term benefits. By building strategic partnerships, we aim to expand our impact area and contribute more to society.

With the people-centered approach and shared-value vision embraced across our Group, we prioritize social impact by developing strong collaborations with both local and international NGOs and stakeholders in areas such as education, gender equality, environment, design, architecture, and arts.

We approach this process with a belief in a “shared future,” convinced that social transformation is only possible through collective effort. Within this framework, through our Volunteering Club, we actively involve our employees in volunteer activities and support them in becoming part of the social impact we create.



Contributions to Social Development and Cultural Life

Kaleseramik Education, Health and Social Aid Foundation (KSV)

Founded in 1991 under the leadership of our Founder İbrahim Bodur, the Kaleseramik Education, Health and Social Aid Foundation (KSV) was established to turn Kale Group's vision of creating sustainable value for society into a permanent institution. Since its inception, KSV has carried out comprehensive initiatives focusing on "Education" and "Employment." From scholarships and vocational training programs to school, dormitory, and education center investments, as well as industry-university collaborations and capacity-building projects, KSV has provided scholarships to 4,500 successful students in need to date.

Today, inspired by its founding principles, KSV continues to expand its scope of responsibility while contributing to the social entrepreneurship ecosystem in multiple dimensions. Through the İbrahim Bodur Social Entrepreneurship Program, which has been running for eight years, the foundation provides entrepreneurs with both financial resources and visibility support, helping to scale social impact. It also supports women's cooperatives engaged in livelihood-improving activities and develops exemplary models in agricultural production.

In line with its strong sense of solidarity, KSV also mobilizes quickly during extraordinary circumstances such as disasters, addressing urgent needs while focusing on long-term recovery projects that deliver lasting solutions.

KSV Scholarship Development Program

In addition to financial support, the Scholarship Development Program aims to enhance young people's social and professional skills. Within the program, scholarship students are supported with mentorship, workshops, and training, while technical visits and networking events broaden their perspectives. Once they embark on their careers, KSV scholars contribute back to the foundation by supporting new scholarship students.

During the reporting period, 135 scholarship students benefited from mobile access to psychologist, dietitian, and personalized sports services through a collaboration with LifeClub. A new step was taken with the launch of the "At the Beginning of Your Journey, KSV by Your Side" Mentorship Program. With contributions from Kale Group employees, social entrepreneurs from the İbrahim Bodur Social Entrepreneurship Program ecosystem, and professionals from various industries, a wide mentor pool was created. A total of 44 mentor-mentee pairs were matched, initiating a mentorship process built on mutual learning and development.



KSV Vocational Training Courses

Since signing a cooperation protocol with the Ministry of National Education's Directorate General for Vocational Education in 1991, KSV has been organizing Vocational Training and Development Adaptation Courses in the field of "Ceramic Floor and Wall Tiling" across Türkiye. Participants who successfully complete these courses receive official certificates approved by the Ministry of National Education. To date, 258 vocational courses have enabled 5,120 young people to gain a profession, while 219 Development and Adaptation Courses have trained 4,391 qualified masters for the construction sector.

My First Job is the Transformation in Schools

With the “My First Job is the Transformation in Schools”, KSV enables trainees who have completed the Vocational Training Course on Ceramic Floor and Wall Tiling to take part in a social responsibility initiative as their very first professional experience. Since its launch in 2009, the project has allowed trainees to lead transformation efforts in village schools across Anatolia, contributing to the creation of cleaner and more hygienic learning environments. Through an additional initiative titled “We Wanted to Carry Something from You as Well,” the project also encourages donations of books, toys, stationery, clothing, and shoes. So far, 27 training programs have been carried out in 138 village schools across 25 provinces, with a total of 542 graduates completing the courses.

İbrahim Bodur Social Entrepreneurship Program Awards (IBSG)

Since 2017, the İbrahim Bodur Social Entrepreneurship Program Awards have been held without interruption, aiming to bring together social entrepreneurs who embrace social impact and act with courage, while creating a strong ecosystem that generates positive change. Having received more than 2,000 applications to date, the program has evolved into a large community with over 70 finalists and winners. It supports and rewards social enterprises without being limited to the Sustainable Development Goals, and by addressing the capacity development and financial needs of both finalists and winners, it stands by them at every stage of their entrepreneurial journey.

The first annual gathering of the IBSG Community—comprising finalists and winners—was held at the Armaş Foundation. Guided by content co-created with IBSG Fellows, entrepreneurs learned not only from speakers and workshop leaders but also from each other, fostering collaborative knowledge production.

The “Value to Life Meetings”, an organic extension and the second step of the program that brings together the social entrepreneurship ecosystem, have been restructured as the “Value to Life - University Meetings” to expand social entrepreneurship into Anatolia. The first gathering took place in Çanakkale, in collaboration with Çanakkale 18 Mart University. Over 500 high school and university students were introduced to social entrepreneurship, and more than 80 participated in workshops, engaging in collective creation.

The Academy of Good Caregivers for World

The Academy of Good Caregivers for World supports university students from across Türkiye to act responsibly toward the world and drive positive transformation. Launched in collaboration with Boğaziçi University Lifelong Learning Center (BÜYEM) and the Boğaziçi University Alumni Business Association (BRM), this mobile academy offers comprehensive programs in management, leadership, and social entrepreneurship, providing a unique learning experience.

Collaboration with Çan Vocational Training Center

Through our partnership with the Çan Vocational Training Center, we aim to enhance the qualifications of young people unable to continue their education after secondary school. In this program, 35 students receive technical training one day a week at school, while gaining hands-on experience at our facilities for the remaining four days.



In the reporting period, over 300 applications were received, and four initiatives won the IBSG Award.

Istanbul University Training

Since 2014, we have been offering a Building Materials course for students at Istanbul University Vocational School of Marketing. As of 2024, the program concluded after 10 semesters, with 231 students having participated.

Kale Design and Art Center (KTSM)

Created by transforming Kale Group's first headquarters building in Karaköy, the Kale Design and Art Center hosts workshops, exhibitions, presentations, and events focused on design and art. It serves as a hub for interaction and co-creation across creative disciplines while providing a platform for students and young professionals to share knowledge and experience, thereby contributing to the growth of the creative industries.

Contributions to Gender Equality

Atölye Kale

At our factory in Çan (Çanakkale), we established Atölye Kale to support women's greater participation in production and to empower female entrepreneurs. Under the Atölye Kale brand, we highlight women's craftsmanship in unique, personalized products across tableware, gifts, and tiles. Proceeds contribute to the education of girls.

Women of Nevruz Village

In Nevruz Village—birthplace of Çanakkale Seramik founder Ibrahim Bodur—we launched a volunteer-driven project to empower women and promote their participation in employment. Through a women's cooperative, handmade products are sold domestically and internationally, fostering cross-cultural exchange and strengthening women's communities.



Contributions to Environment and Social Impact

Mavruz Agriculture Project

Located in Çan, where Kaleseramik was founded, this project is Türkiye's first greenhouse heated with energy from factory chimney emissions. With 95% of its workforce consisting of women, the project contributes both to women's employment and to the empowerment of local communities.

Efficient Faucets Project in Çanakkale

In collaboration with the Ağadağı Kusca Chestnut Spring Water Protection and Development Association, this project provides maintenance and faucet needs for local fountains in Çanakkale, working to preserve freshwater sources for future generations.

Sen De Gel Association Africa Well Inauguration

With the motto "Access to clean water is everyone's right," we contribute to addressing water scarcity by opening water wells in regions of Gambia without access to clean water, in collaboration with the Sen De Gel Association. During the reporting period, we inaugurated a new water well in the village of Nyoro Bamba, providing nearly 1,000 people with access to clean water. With this addition, the total number of wells we have opened in Gambia has reached nine.



Sectoral Contributions

Since 2012, we have established strong communication with the architectural ecosystem, reaching a community of 37,500 architects with regular e-bulletins that share industry innovations, current developments, and inspiring projects. Through interviews, workshops, and digital video content, we contribute to the growth of the architecture and design world.

ARKIV

With Kalebodur's support since 2003, we digitally document architectural works, systematically providing access to architects, architecture offices, and architectural production, as well as various related fields.

SALT Research Architecture and Design Archive

In collaboration with SALT, we digitize and catalog the professional and personal archives of prominent Turkish architects and designers, making them publicly accessible. Supported by Kalebodur, the archive now contains nearly 200,000 items, including sketches, drawings, correspondence, contracts, reports, maps, photos, slides, audio, and video recordings.

Kalebodur Presents: Architects Speak

Under the Kalebodur brand, we aim to inspire professionals by engaging with architects. Since 2013, under the moderation of Prof. Dr. Celal Abdi Güzer, our "Architects Speak" series has produced newsletters and interviews with leading experts. To date, more than 100 prominent figures have been hosted. We plan to publish the series as a book in the future.

We Are Discussing Buildings

Restarted after its 2018–2019 launch, this interview series has featured 15 architects and 15 projects, highlighting the importance of material choices in quality architectural production processes.

Architecture with Kalebodur

Prepared and presented by Cüneyt Özdemir and his team with Kalebodur's support, "Architecture with Kalebodur" is Türkiye's first regularly published architectural video program. Since 2016, it has covered local and international news from the architecture world on a weekly basis.

Coffee Break with Kalebodur

Through Coffee Break meetings, we bring together leading architects and interior designers in Türkiye, introducing our new products while strengthening knowledge-sharing and collaboration in the sector.

Open Architecture

Since 2011, the "Open Architecture" radio program, sponsored by Kalebodur and broadcast on Açık Radyo (Open Radio), has raised awareness of architectural practices in Türkiye. With its digital archive, it provides insights into the architectural agenda of the past twelve years.

Workshops and Symposiums

On March 5–6, 2024, we participated as a sponsor in the 18th World Congress on Ceramic Tile Quality (QUALICER 2024) in Spain, where we also delivered three oral scientific presentations. Additionally, we sponsored and contributed two oral presentations at the XVIII International Mineral Processing Symposium held in Eskişehir.

VOLUNTEERING ACTIVITIES

During the reporting period, 76 KSV scholarship students participated in 115 social responsibility projects through the AbilityPool platform, completing a total of 176 volunteer hours.



Corporate Memberships and Collaborations

Kitchen and Bathroom Furniture Industrialists and Importers Association

(MUDER)

R&D Centers Communication and Cooperation Platform (ARGEMİP)

Balıkesir Chamber of Industry (BSO)

Bandırma Chamber of Commerce (BTO)

Cermunie Environment Committee

Çanakkale Industrialists and Business People Association (ÇASIAD)

Çanakkale Chamber of Certified Public Accountants

Çanakkale Chamber of Commerce and Industry

Center for Research and Application of Environmental Issues
(University of Çanakkale 18 Mart)

Association of Railway Transportation (DTD)

Aegean Mineral Exporters' Association

Energy Exchange Istanbul (EXIST)

Republic of Türkiye Ministry of Energy and Natural Resources

Turkish Chamber of Shipping (TCS)

Association of Turkish Construction Material Producers (İMSAD)

İstanbul Mineral Exporters' Association (İMİB)

İstanbul Chamber of Industry (İSO)

İstanbul Chamber of Certified Public Accountants (İSMMMO)

İstanbul Chamber of Commerce (İTO)

Italian Chamber of Commerce and Industry in Türkiye

İzmir Chamber of Commerce (İZTO)

Coaster Shipowners and Operators Association (KOSDER)

Independent Industrialists' and Businessmen's Association
(MÜSİAD)

Supreme Organization of Organized Industrial Zones (OSBÜK)

Ceramic Research Center

Ceramic, Glass and Cement Raw Materials Manufacturers
Association (SERHAM)

Ceramic Tiling Materials Producers Association (SERKAP)

Ceramic Sanitary Ware Manufacturers Association (SERSA)

Ceramic and Refractory Manufacturers Association (SEREF)

Turkish Ceramics Federation (SERFED)

Turkish Electricity Transmission Corporation (TEİAŞ)

Türkiye Exporters Assembly (TİM)

Union of Chambers of Turkish Engineers and Architects- Chamber
of Environmental Engineers

Union of Chambers of Turkish Engineers and Architects- Chamber
of Geology Engineers

Union of Chambers of Turkish Engineers and Architects- Chamber
of Mining Engineers

Union of Chambers of Turkish Engineers and Architects- Chamber
of Forest Engineers

Turkish Standards Institute (TSE)

Association of Turkish Construction Material Producers (İMSAD)

Turkish Forwarding and Logistics Association (UTİKAD)

Yerköy Chamber of Commerce and Industry

Yozgat Industry and Technology Cooperation Board

Certificates

Product Certificates	
Product	Standard No
Ceramic Tiling Materials	TSE DOUBLE STAR CERTIFICATE CRITERIA- UB-YLD-YMS-BK-006
	CSTB 3778- France Product Compliance Standard
	ISO 13006 / EN 14411 Ceramic tiles- descriptions, classification, characteristics, performance continuity assessment, verification and marking
	Israel Standard No. 314
	China Standard GB 6566
Sinterflex	TS EN 14411 Ceramic tiles- descriptions, classification, characteristics, performance continuity assessment, verification and marking
Furniture	TS EN 14749 Furniture - home and kitchen storage cabinets and worktops - safety requirements and test methods
Sanitary Ware	TS EN 14055+A1 WC and urinal reservoirs
	TS EN 997 Single piece and set toilet bowls - Flushable
	TS EN 14688 Sanitary ware - washbasins - functional requirements and test methods
	TS EN 13407 Suspended urinals - functional requirements and test methods
	TS EN 14528 +A1 Bidets - functional requirements and test methods
	TS 13420 Windows - behavior in different climates - experimental method
	TS 799 Turkish style toilet bowl
	TS EN 249 Sanitary plumbing - shower trays made of cross-linked cast acrylic plates - properties and test methods
	TS EN 198 Sanitary plumbing - bath tubs made of cast acrylic sheets with interconnection - properties and test methods
	Closet-sink-shower tray (NF 017)
Armature	TS EN 817 Sanitary plumbing armatures - Faucets with mechanical mixer (PN 10) - general technical specifications
	Waterlabel certificate

System Certificates
ISO 9001 Quality Management System
ISO 14001 Environmental Management System
ISO 45001 Occupational Health and Safety Management System
ISO 50001 Energy Management System
ISO 10002 Customer Satisfaction Management System
ISO 27001 Information Security Management System
Covid-19 Safe Production Certificate
Authorized Obligation Certificate

100% of company operations are certified for ISO 14001 Environmental Management System, ISO 9001 Quality Management System and ISO 45001 Occupational Health and Safety Management System.

AWARDS

2014

Altın Çekül Building Product Award with Smart Wash Closet and Wall-Hung Closet Integrated Installation Set

Awards in 3 different categories at the Istanbul Chamber of Industry Environment and Energy Awards

2015

Altın Çekül Building Product Award with Smart Edge washbasins

3rd Place Award at the Republic of Türkiye Ministry of Industry and Technology Productivity Awards

2017

1st Place Altın Çekül Idea Award with “Kale Construction Foam”

3rd Place Award in the “Environment” category at the Association of Turkish Construction Material Producers (IMSAD) Investing in the Future Awards

2018

Encouragement Award at ÇEVKO Green Dot Industry Awards

2021

1st Place Award in the “R&D” category at the Republic of Türkiye Ministry of Industry and Technology “Productivity Project Awards”

1st Place Award in the “Waste Management” category at the Sustainable Business Awards

2022

Jury's Special Award at the Istanbul Chamber of Industry Green Transformation Awards

2023

3rd Place Award in the Economy category with Cura Tile at the IMSAD Investing in the Future Awards

1st Place Award in the Social category with Atölye Kale at the IMSAD Investing in the Future Awards

“Gold” Award with Kale Banyo brand and **“Silver” Award** with Çanakkale Seramik brand in the “Ceramics” category at the Brandverse Awards

“Red Dot Award: Brands & Communication Design 2023” with the 2022 Cersaie booth design

2024

Ranked 211th in the “Top 500 Industrial Enterprises of Türkiye 2024” research conducted by ISO

Ranked 223rd in the Fortune 500 Türkiye list

iF Design Award with Kalesinterflex Earth Collection

“Partner Country Türkiye – **Best Companies” Jury's Special Award** at TecnAwards 2024 organized by ACIMAC and IEG

Bronze Award in the “Water Management Brand of the Year” category at the Climate and Sustainability Summit organized within the scope of Marketing Türkiye's Climate and Sustainability Awards

“Contribution to Sustainable Architectural Communication” Award with the “Kalebodur’la Mimarlar Konuşuyor” (Architects Talk with Kalebodur) project at the Altın Çekül Awards

Gold and Silver Awards in the “Socialbrands Data Analytics Awards – Building Materials” category with Çanakkale Seramik and Kale Banyo brands at Brandverse Awards 2024

1st Place Award in the “Environmentally Friendly Practice” category with the project “Electricity Production and Storage through Piezo Ceramic Composite Materials” at the ISO Green Transformation Awards

Performance Tables

Social Performance Indicators

Employee Demographics	2021	2022	2023	2024
Total Number of Employees				
Blue-collar	2,683	2,964	2,635	2,332
Female	663	809	677	585
Male	2,020	2,155	1,958	1,747
White-collar	533	573	565	506
Female	169	187	190	173
Male	364	386	375	333
Number of Contractor Employees				
Blue-collar	432	502	650	585
Female	125	91	87	44
Male	307	411	563	541
White-collar	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0
Total Number of Employees by Contract Type				
Permanent	3,208	3,529	3,200	2,838
Female	828	981	867	758
Male	2,380	2,548	2,333	2,080
Temporary	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0
Total Number of Employees by Education Level				
Primary Education	821	820	644	581
High School	1,514	1,735	1,576	1,425
University	334	366	375	700
Master's Degree	120	135	157	130
PhD	3	4	3	2
Doktora	3	4	3	3
Total Number of Employees by Age Group				
18-30	718	863	736	558
30-50	2,386	2,510	2,279	2,061
50+	112	164	185	219

Employee Demographics	2021	2022	2023	2024
Senior Management Structure (Number)				
Female				
18-30	0	0	0	0
30-50	14	13	12	0
50+	3	3	3	4
Male				
18-30	0	0	0	0
30-50	34	31	34	0
50+	19	20	23	11
Middle Management Structure (Number)				
Female				
18-30	0	1	1	0
30-50	47	49	53	55
50+	3	3	3	6
Male				
18-30	0	0	1	0
30-50	97	99	100	124
50+	9	15	19	35
Number of Newly Hired Employees				
Female	149	178	82	35
Male	439	324	179	210
Number of Leaving Employees				
Female	54	60	215	169
Male	286	209	439	541
Employee Turnover (%)	10.6	7.6	20.4	25.0
Voluntary Turnover	8.4	4.4	6.0	6.4
Female	4.8	3.1	3.5	3.0
Male	9.6	5.0	7.0	7.6
Involuntary Turnover	2.2	3.2	14.4	18.6
Female	1.7	2.9	21.3	19.3
Male	2.4	3.3	11.8	18.4
Key Employees	10.8	1.4	2.6	3.9
Female	11.8	5.6	5.6	11.1
Male	10.5	0.0	1.7	1.7



Social Performance Indicators

Employee Demographics	2021	2022	2023	2024	Employee Development	2021	2022	2023	2024
Total Number of Employees by Seniority					Employee Trainings- Total Hours (person*hour)				
0-5 Year					Blue-collar	2,407	939	2,646	2,036
Female	340	495	352	294	Female	630	243	710	516
Male	858	967	778	616	Male	1,777	696	1,936	1,520
5-10 Year					White-collar	480	409	630	448
Female	154	157	221	196	Female	144	136	214	153
Male	434	416	444	368	Male	336	273	416	295
10 Year and Above					Employee Trainings - Total Hours (person*hour)	63,502	29,349	102,794	68,519
Female	338	344	294	268	Blue-collar	42,252	4,776	49,508	47,066
Male	1,092	1,158	1,111	1,096	Female	10,352	820	12,320	12,407
Number of Employees on Maternity and Paternity Leave					Male	31,900	3,957	37,187	34,659
Female	34	27	39	27	White-collar	21,250	24,573	53,287	21,453
Male	86	102	99	85	Female	5,944	9,216	16,984	7,814
Total	120	129	138	112	Male	15,306	15,357	36,303	13,639
Number of Employees Returning from Maternity and Paternity Leave					Training Hours per Employee (hours)	19.7	8.8	32.6	26.3
Female	34	27	39	27	Female	19.6	10.1	33.8	29.4
Male	86	102	99	85	Male	19.8	7.6	31.5	25.2
Total	120	129	138	112	Trainings for Contractors/ Subcontractors- Number of Participants (person)				
Number of the Employees Remained Employed by the Company 12 Months After Their Return					Blue-collar	432	502	650	585
Female	33	24	36	20	Female	125	91	87	44
Male	86	102	99	71	Male	307	411	563	541
Duration of Maternity/Paternity Leave (weeks)					Subcontractor Trainings- Total Hours (person*hour)				
Female	16	16	16	16	Blue-collar	864	1,004	1,300	1,170
Male	1	1	1	1	Female	250	182	174	88
Total Number of Disabled Employees					Male	614	822	1,126	1,082
Blue-collar					Total Education Expenditure (TL)	570,883	1,191,152	4,498,779	12,629,631
Female	26	33	31	19	Training Expenditure per Employee (TL/person)	177.51	336.77	1,405.87	4,391.39
Male	59	64	64	47	Number of Participants in Leadership Trainings (person)	4	16	7	9
White-collar					Leadership Trainings Duration (person*hour)	128	315	173	180
Female	0	0	0	0					
Male	2	2	3	5					
Number of Employees Covered by Collective Bargaining Agreement									
Female	0	0	0	0					
Male	0	0	0	0					

Social Performance Indicators

Employee Development					Occupational Health and Safety (OHS)				
	2021	2022	2023	2024		2021	2022	2023	2024
Number of Employees Participating in Development Programs	7	11	12	10	Injury Rate				
Percentage of Employees Receiving Regular Performance Feedback					Direct Employment				
Female	100	100	100	100	Female	0.80	1.70	1.20	1.51
Male	100	100	100	100	Male	6.39	4.72	3.87	2.26
Number of Employees Receiving Master's/PhD Support	26	28	24	19	Subcontractor Employee				
Number of Long Term Interns	0	5	3	3	Female	0.99	-	-	0.73
Number of Interns Hired	0	0	3	0	Male	3.96	1.70	2.63	1.46
Local Employment Rate (%)	100	100	100	100	Total	0.18	0.15	0.09	0.06
					Female	0.02	0.04	0.02	0.03
					Male	0.16	0.11	0.07	0.04
					Number of Lost Days				
					Direct Employment				
					Female	69	216	118	221
					Male	1,133	737	480	396
					Subcontractor Employee				
					Female	5	0	0	0
					Male	12	60	33	0
					Total				
					Female	74	216	118	221
					Male	1,145	797	513	396
					Lost Day Rate				
					Direct Employment				
					Female	0.07	0.20	0.12	0.25
					Male	1.13	0.67	0.48	0.45
					Subcontractor Employee				
					Female	0.04	0	0	0
					Male	0.09	0.38	0.16	0
					Total				
					Female	0.07	0.17	0.10	0.21
					Male	1.00	0.59	0.40	0.37

Employee Satisfaction				
	2021	2022	2023	2024
Employee Engagement Rate (%)	0.59	0.71	0.65	No surveys conducted
Employee Satisfaction Rate (%)	0.79	0.85	0.79	No surveys conducted
Number of Employees Participating in Employee Engagement / Satisfaction Survey	2,770	3,050	2,653	No surveys conducted
Percentage of Employees Participating in Employee Engagement / Satisfaction Survey (%)	0.89	0.89	0.83	No surveys conducted

Occupational Health and Safety (OHS)				
	2021	2022	2023	2024
Number of Injuries				
Direct Employment				
Female	6	14	9	10
Male	48	39	29	15
Subcontractor Employee				
Female	1	0	0	1
Male	4	2	4	2
Total				
Female	7	14	9	11
Male	52	41	33	17



Social Performance Indicators

Occupational Health and Safety (OHS)	2021	2022	2023	2024
Number of Occupational Diseases				
Direct Employment	1	1	1	1
Female	0	0	0	0
Male	1	1	1	1
Total	1	1	1	1
Female	0	0	0	0
Male	1	1	1	1
Number of Occupational Diseases Rate				
Direct Employment				
Female	0	0	0	0
Male	0.031	0.028	0.031	0.033
Total				
Female	0	0	0	0
Male	0.031	0.028	0.031	0.033
Fatality Rate				
Direct Employment				
Female	0	0	0	0
Male	0	0	0	0
Subcontractor Employee				
Female	0	0	0	0
Male	0	0	0	0
Total				
Female	0	0	0	0
Male	0	0	0	0
Number of Participants to Join OHS Trainings (person)				
Direct Employment	2,778	3,104	2,828	2,730
Total Hours of OHS Training Programs (person*hour)				
Direct Employment	44,440	49,576	47,260	43,680

Occupational Health and Safety (OHS)	2021	2022	2023	2024
OHS Committees				
Number of OHS Committees	12	12	12	12
Number of Members in OHS Committees	27	27	28	28
Number of Employee Representatives in OHS Committees	1	1	1	1
Disaster and Emergency Trainings				
Number of Participants (person)	1,345	1,538	2,609	2,143
Training Duration (person*hour)	672.5	769	1,304	1,071
Number of Disaster Emergency Drills	24	30	23	26
Number of People Working in Positions with High Occupational Disease Risk				
Direct Employment				
Female	39	46	38	83
Male	330	353	320	513
Gender Equality	2021	2022	2023	2024
Total Employee Wage Payment by Gender (TL)				
Blue-collar				
Female	3,040,383	7,247,435	11,360,608	16,325,072
Male	9,835,743	20,897,363	36,266,684	54,318,658
White-collar				
Female	2,074,909	5,885,313	8,774,100	13,415,160
Male	5,177,207	11,050,649	20,919,872	32,316,145
Average Salary by Gender (TL)				
Blue-collar				
Female	4,586	8,958	16,780	27,906
Male	4,869	9,697	18,522	31,093
White-collar				
Female	12,278	27,629	46,179	77,544
Male	14,223	28,629	55,786	97,632

Social Performance Indicators

Gender Equality	2021	2022	2023	2024
Ratio of Lowest Employee Wage to Minimum Wage by Gender (%)				
Female	0.5	0.5	0.5	0.5
Male	0.5	0.5	0.5	0.5
Ratio of Female Employees in Information Technology Positions (%)	18	18	27.7	20
Ratio of Female Employees in Engineering Positions (%)	22	23.5	22.2	24
Percentage of Female Candidates Among Job Applicants (%)	63	50	45	42
Percentage of Female Candidates Among Interviewed Applicants (%)	25.3	35.5	31.4	14.3
Ratio of Female Employees Among Those Promoted During the Year (%)	27.1	22.5	35.8	35.6
Ratio of Female Employees Among Those Promoted to Managerial Positions for the First Time During the Year (%)	26.7	18.4	37.9	39.0
Ratio of the Top 10% Compensated Female Employees (%)	20.0	33.0	22.0	20.0
Ratio of Female Employees in the Top Pay Quartile (%)	43.0	43.0	39.0	37.0
Ratio of Female Employees in the Upper Middle Pay Quartile (%)	45.0	48.0	49.0	48.0
Ratio of Female Employees in the Lower Middle Pay Quartile (%)	58.0	56.0	55.0	53.0
Ratio of Female Employees in the Lower Pay Quartile (%)	42.0	53.0	59.0	55.0
Number of Female Employees Benefiting from the Right to Part-Time Postpartum Work	6	5	4	8
Number of the Plants with On-Site Lactation Rooms	1	1	1	1
Number of Employees Receiving Back-Up Child/Elder Care Services	0	0	0	0

Human Rights	2021	2022	2023	2024
Number of Employees Reporting Discrimination, Harassment, Mobbing, Oppression and Violence	6	8	5	2
Female	2	3	1	-
Male	4	5	4	2
Number of Employees and Managers Who Received Training On the Prevention of Harassment, Mobbing, Coercion and Violence	-	-	-	-
Manager	-	-	-	6
Non-manager	-	-	-	19
Business Continuity	2021	2022	2023	2024
Number of Work Stoppages Due to Strikes	0	0	0	0
Number of Non-Working Days Due to Strike	0	0	0	0
Number of Remote/Hybrid Employees				
Female	59	142	53	92
Male	69	214	99	139
Remote/Hybrid Working Hours (person*hour)				
Female	442.5	1,065	397.5	20,949
Male	517.5	1,605	742.5	16,153
Total Working Hours (person*hour)	690,473	763,343	593,603	601,748



Environmental Performance Indicators

	2021	2022	2023	2024		2021	2022	2023	2024
Energy Consumption (GJ)	6,896,313	5,924,447	4,663,098	3,826,972	Disposed (D-coded)	0	0	272.28	162.75
Natural Gas	6,578,153	5,522,253	4,404,029	3,589,227	Other	27,517	33,432	29,354	31,160
Electricity	318,160	402,194	259,069	237,745	Hazardous Waste	245.88	624.86	540.30	417.58
Energy Consumption per Product (GJ/ton)	100	94.2	94.6	100.9	Recovered (R-coded)	245.74	624.75	537.04	409.15
Energy Savings Achieved Through Efficiency Projects (kWh)		8,975,000	3,464,421	814,843	Disposed (D-coded)	0.14	0.11	3.26	8.43
Water Withdrawal by Source (m ³)					Other	0	0	0	0
Ground Water	1,908,292	1,704,586	1,196,501	1,150,552	Waste per Product (ton/ton)	100	134.66	155.91	219.33
Municipal Water	0	0	0	0	Total Greenhouse Gas Emissions (ton CO ₂ e)	380,975	379,576	293,121	402,502
Recycled Water (m ³)	6,341,572	5,576,987	5,743,603	5,998,845	Scope 1	341,356	329,820	261,529	193,894
Water Consumption per Product (m ³ /ton)	100	98.3	88.6	119.8	Scope 2	39,619	49,726	31,592	29,754
Water Savings Achieved Through Efficiency Projects (m ³)	60,408	163,693	208,471	191,356	Scope 3	-	-	-	178,854
Total Wastewater Discharge (m ³)	797,125	740,790	796,063	530,914	Greenhouse Gas Emissions per Product (ton CO ₂ e/ton)	100	111.7	107.9	107.5
Wastewater Discharge Pollution Parameters					Offset Greenhouse Gas Emissions (ton CO ₂ e)	0	0	0	0
pH	7.4	7.3	7.6	7.7	Total Number of Saplings Planted in Afforestation Activities	0	500	232	0
TSS (Total Suspended Solids)	12.7	10.2	6	5.6	Material Consumption (ton)				
COD (Chemical Oxygen Demand)	13.7	12.7	12.5	6.4	Total Raw Material/Material Consumption	1,494,742	1,290,695	982,542	771,020
Total Waste Amount (ton)		35,733.39	32,230.31	34,526.41	Total Renewable Raw Material/Material Consumption	0	0	0	0
Non-Hazardous Waste	29,011.94	35,108.53	31,690.01	34,108.83	Total Virgin Raw Material/Material Consumption	1,315,197	1,109,174	843,958	649,059
Recovered (R-coded)	1,494.94	1,676.53	2,063.73	2,786.08	Total Recycled Raw Material/Material Consumption	179,545	181,521	138,584	121,961
					Avoided Virgin Raw Material Amount	179,545	181,521	138,584	121,961
					Total Paper Packaging Consumption	7,262	3,528	3,253	2,660

Environmental Performance Indicators

	2021	2022	2023	2024
Total Recycled Paper Usage	4,720	2,293	2,114	1,729
Total Certified Paper Usage (e.g., FSC)				1,729
Number of Products in the Sustainable Product Category	5,027	4,666	4,951	2,659
Revenue from Products in the Sustainable Product Category (million TL)	2,356	5,559	6,239	6,773
Number of EPD-Certified Products	5,027	4,666	4,951	2,659
Revenue from EPD-Certified Products (million TL)	2,356	5,559	6,239	6,773
Environmental Expenditures (TL)	15,077,481	39,215,508	99,600,000	97,522,239
Environmental Investment Expenditures	1,261,113	12,296,554	55,809,101	42,265,000
Environmental Operational Costs	13,816,368	26,918,954	43,790,899	55,257,239
Percentage of Facilities Covered by ISO 14001 (%)	100	100	100	100
Air Emissions (ton)				
SOx	173	142	37	29
NOx	329	272	665	525
VOC (Volatile Organic Compounds)	16	13	0.3	0.2
PM (Particulate Matter)	47	38	50	40
Percentage of Products Eligible in Sustainable Building Design and Construction Certification Projects (%)				0.4
Total Accessible Market Share for Products that Reduce Energy, Water, or Material Impacts during Use or Production (%)*				0.04

*Global building materials data has been included in the evaluation.

GRI Content Index

Statement of Use

GRI 1 Used

Applicable GRI Sector Standard(s)

Kaleseramik Çanakkale Kalebodur Seramik San. A.Ş. (Kaleseramik) has prepared its report covering the period from January 1, 2024, to December 31, 2024, in compliance with the GRI Standards.

GRI 1: Foundation 2021

N/A

GRI Standard	Disclosure	Location	Omission		
			Required (G)-Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	About Kaleseramik, p: 9-16			
	2-2 Entities included in the organization's sustainability reporting	About the Report, p: 3			
	2-3 Reporting period, frequency and contact point	About the Report, p: 3; Communication, p: 99			
	2-4 Restatements of information	GRI Content Index: There is no restated information in the report.			
	2-5 External assurance	GRI Content Index: No external audit was received.			
	2-6 Activities, value chain and other business relationships	About Kaleseramik, p: 9-16			
	2-7 Employees	Performance Tables, p: 86-90			
	2-8 Workers who are not employees	Performance Tables, p: 86-90			
	2-9 Governance structure and composition	Corporate Governance, p: 19-21			
	2-10 Nomination and selection of the highest governance body	Corporate Governance, p: 20-21			
	2-11 Chair of the highest governance body	Corporate Governance, p: 20-21			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, p: 20-21			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, p: 20-21			
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance, p: 20-21			
	2-15 Conflicts of interest	Business Ethics and Transparency, p: 28			
	2-16 Communication of critical concerns	Business Ethics and Transparency, p: 28; Stakeholder Communication, p: 42-44			
	2-17 Collective knowledge of the highest governance body	Corporate Governance, p: 20-21			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, p: 20-21			
	2-19 Remuneration policies	Fair Working Environment and Employee Rights, p: 46			
	2-20 Process to determine remuneration	Fair Working Environment and Employee Rights, p: 46			
	2-21 Annual total compensation ratio	GRI Content Index: This information is not disclosed for confidentiality reasons.	2-21 a; 2-21 b; 2-21 c	Confidentiality constraints	Kaleseramik does not disclose this information as there is no law in Türkiye on wage disclosure.

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report.

GRI Standard	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Our Sustainability Goals and Contribution to Sustainable Development Goals p: 39-40			
	2-23 Policy commitments	Sustainability Management, p: 32-34			
	2-24 Embedding policy commitments	Sustainability Management, p: 32-34			
	2-25 Processes to remediate negative impacts	Stakeholder Communication, p: 42-44			
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Transparency, p: 28; Stakeholder Communication, p: 42-44			
	2-27 Compliance with laws and regulations	Business Ethics and Transparency, p: 28			
	2-28 Membership associations	Corporate Memberships and Collaborations, p: 83			
	2-29 Approach to stakeholder engagement	Stakeholder Communication, p: 42-44			
	2-30 Collective bargaining agreements	GRI Content Index: There is no collective labor agreement in the Company.			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis, p: 41			
	3-2 List of material topics	Materiality Analysis, p: 41			
Risk Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Risk Management, p: 22-25			
Business Ethics					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Business Ethics and Transparency, p: 28			
Transparency					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Business Ethics and Transparency, p: 28			
Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Business Ethics and Transparency, p: 28			
Information Security and Data Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Information Security and Data Privacy, p: 31			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Sustainability Management, p: 23-24			
Stakeholder Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Stakeholder Communication, p: 42-44			
Fair Working Environment and Employee Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Fair Working Environment and Employee Rights, p: 46-47			

GRI Standard	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Equal Opportunity, Diversity and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Diversity and Equal Opportunity, p: 48			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Tables, p: 86			
	401-3 Parental leave	Performance Tables, p: 87			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performance Tables, p: 86			
	405-2 Ratio of basic salary and remuneration of women to men	Performance Tables, p: 90			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Performance Tables, p: 89- 90			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	GRI Content Index: There are no operations or suppliers in which the right to freedom of association and collective bargaining may be at risk.			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	GRI Content Index: There are no operations and suppliers at significant risk for incidents of child labor.			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI Content Index: There are no operations and suppliers at significant risk for incidents of forced or compulsory labor.			
Talent Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Talent Management, p: 49-51			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Management, p: 49-51			
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, p: 49-51			
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Occupational Health and Safety, p: 52-53			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, p: 52-53			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p: 52-53			
	403-3 Occupational health services	Occupational Health and Safety, p: 52-53			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p: 52-53			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p: 52-53			
	403-6 Promotion of worker health	Occupational Health and Safety, p: 52-53			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p: 52-53			
	403-9 Work-related injuries	Performance Tables, p: 88-89			
	403-10 Work-related diseases	Performance Tables, p: 88-89			

GRI Standard	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Greenhouse Gas Emissions and Energy Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Greenhouse Gas Emissions and Energy Management, p: 55-57			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Greenhouse Gas Emissions and Energy Management, p: 57; Performance Tables, p: 91			
	302-3 Energy intensity	Greenhouse Gas Emissions and Energy Management, p: 57; Performance Tables, p: 91			
	302-4 Reduction of energy consumption	Greenhouse Gas Emissions and Energy Management, p: 55-57			
	302-5 Reductions in energy requirements of products and services	Greenhouse Gas Emissions and Energy Management, p: 55-57			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions and Energy Management, p: 57; Performance Tables, p: 91			
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions and Energy Management, p: 57; Performance Tables, p: 91			
	305-4 GHG emissions intensity	Greenhouse Gas Emissions and Energy Management, p: 57; Performance Tables, p: 91			
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions and Energy Management, p: 57			
Circular Economy and Waste Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Circular Economy and Waste Management , p: 58			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Circular Economy and Waste Management , p: 58; Performance Tables, p: 91			
	301-2 Recycled input materials used	Circular Economy and Waste Management , p: 58; Performance Tables, p: 91			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management , p: 58			
	306-2 Management of significant waste-related impacts	Circular Economy and Waste Management , p: 58			
	306-3 Waste generated	Circular Economy and Waste Management , p: 58; Performance Tables, p: 91			
	306-4 Waste diverted from disposal	Circular Economy and Waste Management , p: 58; Performance Tables, p: 91			
	306-5 Waste directed to disposal	Circular Economy and Waste Management , p: 58; Performance Tables, p: 91			
Water and Waste Water Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Waste Management, p: 59			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Waste Management, p: 59			
	303-2 Management of water discharge-related impacts	Waste Management, p: 59			
	303-3 Water withdrawal	Waste Management, p: 59; Performance Tables, p: 91			
	303-4 Water discharge	Waste Management, p: 59; Performance Tables, p: 91			
	303-5 Water consumption	Waste Management, p: 59; Performance Tables, p: 91			

GRI Standard	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Product Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Product Management and Green Products, p:			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Management and Green Products, p: 61-63			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: There were no such incidents during the reporting period.			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	GRI Content Index: 100% of our products are labeled in accordance with legal regulations.			
	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: There were no such incidents during the reporting period.			
Resource Utilization and Operational Efficiency					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Resource Utilization and Operational Efficiency, p: 64-65			
Supply Chain Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Supply Chain Management, p: 66-67			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, p: 66-67			
Customer Orientation and Customer Experience					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Customer Orientation and Customer Experience, p: 68-69			
Clean Technology Investment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Clean Technology, p: 71			
R&D and Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, s 41; R&D and Innovation , p: 72-74			
Digitalization					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Digitalization, p: 74-75			
Social Investments					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, p: 41; Social Impact Programs, p: 77-82			

Annexes for Sustainability Performance Disclosure

These disclosures have been prepared by Kale Seramik as an annex to the Kale Seramik Sustainability Report in order to provide additional information to relevant parties about Kale Seramik's sustainability performance and practices that they can use in their evaluations.

STAFF TRANSPORTATION IMPACT REDUCTION

In order to ensure efficiency in the employee commuting between work and home, there is a corporate transport service instead of individual vehicles. In this way, employees travel between home and workplace via the company's shuttle services, and energy savings and emission reductions are achieved through operational efficiency resulting from staff transport. For this purpose, a total of 55 shuttle vehicles operate on 27 different routes.

Company pool cars are used to meet business transport needs instead of providing separate vehicles to individuals. In this way, a reduction in GHG emissions is achieved due to the reduction in fuel consumption.

The practice of working from home, which we started during the pandemic period, continues. By working from home one day a week, we contribute to reducing carbon emissions caused by commuting to work. In addition, we continue to hold our meetings online as much as possible

ENVIRONMENT MANAGEMENT TEAM:

The Environmental Management team is located under the Machinery, Energy and Investments Directorate. There is a treatment facilities team, a waste collection team and a reporting unit under the Treatment and Environment Management, which reports to the Machinery, Energy and Investments Manager. The Machinery, Energy and Investments Manager reports to the Deputy General Manager. Under Environmental Management, waste management, treatment facilities management, legal permits and processes, environmental management system, environmental measurements and reports, and environmental labels studies are carried out.

DIVERSITY / EQUAL OPPORTUNITY TARGETS:

Diversity and equal opportunity programme of Kale Seramik goes beyond the gender diversity and includes employment of disabled individuals. In that vein, Kale Seramik aims to recruit minimum 3% of its workforce from disabled individuals. In 2024, disabled employees account for 3.18% of the total workforce.

EMPLOYEE HEALTH & SAFETY:

At Kale Seramik, Occupational Health and Safety processes are carried out by Occupational Safety and Occupational Health managements organised under the Human Resources Department. There are 10 full-time occupational safety specialists and 2 part-time occupational safety specialists working in the Occupational Safety management. Occupational Health management consists of 3 full-time and 2 part-time occupational physicians and 8 full time health personnel. An Occupational Health and Safety Committee was established to control and improve occupational health and safety processes throughout the Company. This board consists of the employer's representative, occupational safety specialist, workplace physician, administrative affairs representative, financial affairs representative, foreman and chief employee representative.

GENDER PAY GAP:

Accordingly, when the average salary levels for male and female employees are evaluated, the Gender Pay Gap ratios change according to the years: 2022: -4.87% 2023: 5.26% 2024: 5.80%. Hence, Female to Male employee average salary ratio: 2022: 104.87% 2023: 94.74% 2024: 94.20%

Kale Seramik

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