



**KASTAMONU ENTEGRE**  
**Sustainability Report**  
**2024**

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# About the Report

At Kastamonu Entegre, we build our ambition to become a globally recognized brand on the principles of adherence to ethical values, transparency and accountability. With 55 years of deep-rooted experience, we develop and implement sustainable business models that place environmental sensitivity, economic responsibility and social impact at their core.

We formulated our 2024 Sustainability Report under the guidance of our Sustainability Working Group and in accordance with the Global Reporting Initiative (GRI) Standards. In this report, we disclose the sustainability performance of our operations in Türkiye for the period between 1 January and 31 December 2024, taking into account all stages of our value chain.

In line with our target of minimizing our environmental impacts, we are presenting this year's report entirely in a digital format. In addition to sustainability data, the report comprehensively outlines our governance model, strategic priorities, sustainability approach and forward-looking targets. We prioritize our stakeholders expectations and aim to transform our reporting process into a structure that is regular, transparent and continuously improving.

We place great emphasis on stakeholder opinions across all our business processes and continuously improve ourselves in line with their feedback. We believe that all comments and suggestions regarding our report will guide us in further advancing our sustainability efforts. In this context, you may share any questions, opinions or suggestions regarding our report with us via [surdurulebilirlik@keas.com.tr](mailto:surdurulebilirlik@keas.com.tr).



# 1. About Kastamonu Entegre



# 1.1. About Us

Operating under the umbrella of Hayat Holding, we have held a pioneering and innovative position in our sector since 1969 through our manufacturing expertise, strong sales structure and extensive distribution network. In wood-based panel production, we deliver our products to millions of people worldwide through our manufacturing facilities located in 6 different countries. We meet the needs of the furniture, decoration and construction sectors with our portfolio of raw and melamine-faced MDF and particle board, laminate flooring, glossy panels, door panels and other high value-added products.

Our manufacturing journey, which began in Kastamonu with entirely domestic capital, has been one of the pioneering steps contributing to Türkiye's industrialization process. Today, in addition to our facilities in Kastamonu, Gebze, Balıkesir, Samsun, Adana and Tarsus in Türkiye, we are expanding our production network globally through investments in Romania, Bulgaria, Bosnia and Herzegovina, Russia and Italy. We manage our wood chip supply and logistics chain through our subsidiary in the United States.

As the leading producer in Türkiye with a 30% market share, we also hold a strong position in the international arena. Our global investments spanning more than 25 years have made us the third largest producer in Europe and the fourth largest producer in the world in MDF and particle board production. We alone account for 7% of global laminate flooring production and continue to hold the titles of "the largest Turkish investor in the Italian sector" and "the largest MDF producer in Russia".

Through our export network spanning six continents, we reach more than 100 countries and have maintained Türkiye's export leadership in our sector for many years. In 2024, with a turnover of 1.8 billion USD, we further strengthened our production capacity, know-how and competitive power.

We operate with approximately 7,000 employees in our domestic and international production facilities and offices. With our belief in diversity, inclusion, respect for differences and equality, we create value alongside colleagues from different cultures. We act in line with the principles of protecting natural resources, sustainable production and social contribution. We are the first company in Türkiye's wood-based panel sector to publish a sustainability report and responsibly continue our pioneering role in this regard. Our R&D Center, established in Teknopark Istanbul in 2018, was officially certified as an R&D Center by the Republic Of Türkiye Ministry of Industry and Technology in 2020. Together with our multidisciplinary R&D team of 29 people, we bring together expertise from various fields such as chemistry, forest industry, polymers, environment, industry, materials, nano and bioengineering. Combining our accumulated knowledge with an innovative perspective, we continuously improve our products and production processes and shape the technologies of the future.



**100%**  
Domestic  
capital

## 1.2. Our Purpose and Strategic Priorities

Inspired by nature, we aim to build a sustainable future together. In the wood-based panel sector, we consider it a responsibility to create value for the environment and society and shape all our business processes with this understanding.

We develop projects focused on innovative products, resource efficiency and the circular economy at our R&D Center. We bring technology and nature together to continue to produce solutions that add value to living spaces. Our “bridging from nature to life” approach forms the foundation of our production and sustainability strategy.

Beyond adapting to changing global conditions, we create lasting value in our sector through steps taken in digital transformation, innovation, operational excellence and sustainability. Our strong corporate culture is the most important force carrying us into the future.

Our goal is to build a business model that shapes the future with a focus on sustainable growth, innovation and social benefits. In this direction, our strategic priorities are as follows:



### Sustainable Growth

We aim for long-term, stable growth by using our resources efficiently and maintaining a balance in turnover, profitability, production capacity and supply chain management.



### Customer and User Focus

We prioritize understanding the needs of our customers and users (craftsmen, architects, carpenters, and end consumers) and delivering solutions that exceed their expectations.



### Operational Excellence and Agility

We manage our processes with a focus on efficiency and quality, aim to exceed stakeholder expectations, and adapt to rapidly changing market conditions with our flexible structure.



### Digital Transformation

By integrating technologies such as big data, Industry 4.0, and artificial intelligence into our business processes, we are transforming into a digital business model and supporting our strategic goals through digitalization.



### Innovation and Sustainability

We enhance our competitiveness by developing new products, services, and business models, while leading projects that strengthen economic, social, and environmental sustainability.



### Global Thinking

We design all our operations by taking our global structure into account and strengthening our brand worldwide by scaling successful practices internationally.



### Human and Nature-Oriented Approach

In all activities carried out with our stakeholders, we place human and nature at the center and sustain a corporate culture that is sensitive to society and the environment.

## 1.3. Our Principles

Our principles are the outcome of an extensive process of reflection, active listening and co-design. Each step was grounded in deepening our understanding of our corporate identity, to establish a framework that carries our shared values into the future, and to collectively enhance our working culture.

Through seven workshops held with the participation of our Board of Directors, executives and employees, ideas were openly shared and values were reinterpreted. Embracing inclusion as a key component of our corporate culture, we ensured that every perspective was represented in the surveys conducted with the involvement of our teams in Türkiye, Bulgaria, Romania, Italy and Russia.

The resulting principles guide us as a living reflection of our organizational culture. Each one reinforces our sense of responsibility, our passion for learning and our respect for people and the environment. Together, they serve as a guide that carries today's achievements into the future, nurtures a sustainable corporate culture and strengthens our belief in achieving success together.



# 1.4. Product Portfolio and Brands

We deliver comprehensive solutions to our customers in the wood-based panel sector with a broad range of products. Our portfolio, which was designed to meet the varied needs of the furniture, decoration and construction sectors, stands out through its functional features, aesthetic diversity and high-quality standards. Our main product groups include:



### MDF/Particle Board

- Raw
- Fire and Moisture Resistant
- Compact Panel
- Colorpan



### Decorative Panel

- Acrylic Coated Panel (Acrylic Panel, Industrial Acrylic Panel)
- Painted Panel (Printpan)
- Lacquered Panel (Mattplus, Glossmax Pro, Glossmax)
- Melamine Faced Compact Panel
- PVC-PET Coated Panel (Evogloss, Evogloss Reflections, Evosoft)
- Melamine Coated Panel (MDF, Particle Board)



### Laminate Flooring (Floorpan)



### Skirting Board



### Door Panel (Doorpan, Doorlam)



### Laminate Worktop (Technotop, Neotop)



# 1.5. Our Production Network

As a global brand, we have a robust production network that brings together different cultures and perspectives. Approximately 7,000 employees work together in our production facilities and offices in 6 countries, within a corporate culture that is grounded in diversity, inclusiveness, respect for differences and equality.

Our production activities in Türkiye are carried out at our facilities in Gebze, Kastamonu, Balıkesir, Adana and Samsun. This strong domestic production network not only contributes to the economic and social development of the regions in which we operate but also provides a solid foundation that supports our leadership in global markets.

Drawing strength from our roots, we remain firmly committed to creating value across the world, uniting around a single vision in different geographies and continuing our growth on a global scale.



## Kastamonu Romania

Our facility in Romania, as our first international investment, is the world's third largest door panel producer. As the second largest Turkish investment in Romania, the facility contributes to the national economy while playing a pivotal role across regional markets.

At this facility, we produce door panels, raw and melamine-coated particle boards, and kitchen worktops, supplying to the Romanian domestic market as well as exporting to various regions worldwide, particularly to the Balkan countries. In the particle board product segment, we further consolidate our strong market position as one of Romania's top three players, with a 30% market share. In 2024, we generated revenues of 148.6 million EUR, achieving 13% year-on-year growth compared to the previous year. This strong performance continues to stand out as one of the most tangible indicators of our globally competitive and sustainable production infrastructure.

## Kastamonu Bulgaria

Our Kazanlık (Gabrovnitsa) facility in Bulgaria has evolved beyond being a production hub serving only the Balkans, becoming a symbol of our global targets. Commissioned in 2000 with an investment of approximately 30 million EUR, the facility strengthened its production infrastructure through a comprehensive modernization process completed in 2019, as part of which the former production line was decommissioned and replaced with a new, state-of-the-art particle board line with an annual capacity of 330,000 m<sup>2</sup>. Today, the facility continues its operations with a total investment volume exceeding 100 million EUR. Raw and melamine-coated particle boards form the core of our production portfolio at our facility, with products delivered to various European markets, primarily across the Balkans. Holding a 33% share of the particle board market, we are the second largest player in the sector and continue to strengthen our presence in international markets through this solid positioning.

## Natron-Hayat

Our facility, incorporated into the Kastamonu Entegre and Hayat Kimya portfolio in 2005, has become the largest producer in the region of kraft paper used in packaging and cement sack manufacturing. With our high-quality products used in packaging and cement sack production, we currently export to more than 70 countries worldwide. 95% of our production is offered to global markets, 85% of our sales are made to Türkiye and Europe, and the remaining 15% is distributed across the Middle East, the Far East and Africa.

## Kastamonu Russia

Our facility operating in Tatarstan stands out as one of the world's highest-capacity MDF plants operating under a single roof. We are the largest MDF producer in Russia, with an annual MDF production capacity of 1 million m<sup>3</sup>. In addition to serving the domestic market, we export our products to neighbouring countries and Asian markets, continuing to create value on a global scale. With a 30% market share in the MDF and laminate flooring product segments, we hold a leading position in the Russian market. The commissioning of our third production line in 2021 increased our laminate flooring production capacity to 45 million m<sup>3</sup> per year, further enhancing our competitiveness in international markets.

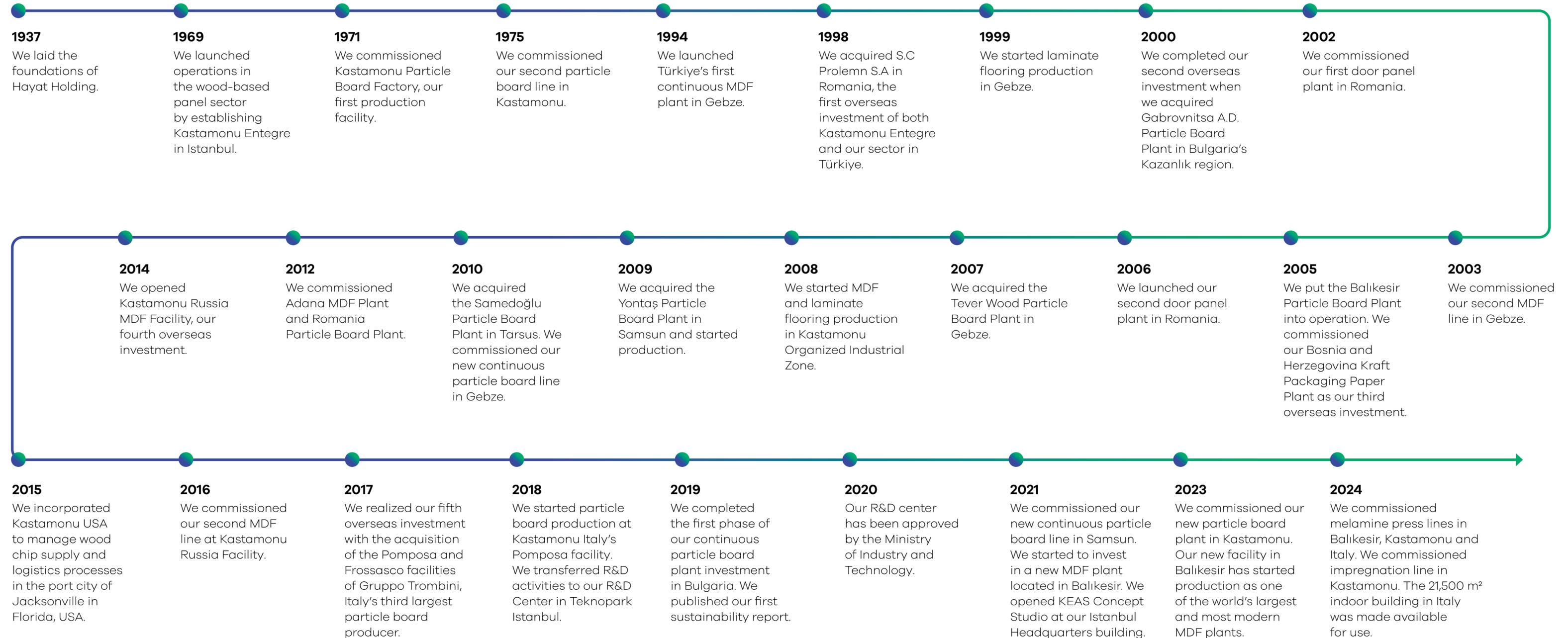
## Kastamonu USA

Operating in Jacksonville, Florida since 2015, Kastamonu USA serves as a strategic hub that efficiently manages the wood chip supply chain and logistics processes. We deliver reliable and sustainable solutions by supplying high-standard wood chips to pulp producers and business partners in the wood-based panel industry. With an annual production capacity of 500,000 tonnes and a storage capacity of 60,000 tonnes, the facility supports our operational strength and functions as a key component of our global supply network, driven by a structure focused on resource efficiency and process optimization.

## Kastamonu Italy SPA

In 2017, we made a strategic investment to strengthen our presence in Europe by acquiring Gruppo Trombini, one of Italy's long-established particle board manufacturers. Through this acquisition, we became the largest Turkish investor in Italy, as well as one of the world's third largest furniture producers and exporters; in addition, with a 15% market share, we became a significant player in the country's particle board sector. At our Italian facility, where total investments exceed 215 million EUR, we produce raw and melamine-coated particle boards for the furniture industry. Using 100% recycled raw materials in our production processes, we prioritize environmental sustainability and implement an environmentally responsible production model supported by technologies that boost resource efficiency.

# 1.6. Milestones



## 1.7. Achievements and Awards

The projects we implemented throughout 2024 enabled us to achieve significant accomplishments within our sector as well as at national and international levels. The awards we received from various institutions and organizations stand as clear indicators of our innovative vision, sustainability-driven approach and the strong performance delivered by our teams. These achievements reinforce our global leadership position while also contributing meaningfully to our forward-looking targets.



### TEGEP Learning and Development Awards

As Human Resources, through our KEAS Academy Digital Development Platform, our Human Resources function ranked among Türkiye's top three finalists in the "Best Digital Learning Solution in Training" category at the TEGEP Learning and Development Awards. This achievement, accomplished through the innovative digital learning and development practices we have implemented, reflects the importance we place on employee development as well as the strength of our digitalization vision. Guided by our principle "Raise The Bar, Make A Difference", we will continue to renew and expand the impact of our digital development solutions in line with employee needs.

### ISO 500

As a brand with more than half a century of experience in the wood-based panel industry, we ranked 41st in the "Türkiye's Top 500 Industrial Enterprises" survey conducted by the Istanbul Chamber of Industry (ISO). Continuing our steady progress, we advanced 11 places compared to the previous year.



### Global 50 Turkish Companies

We ranked 17th in the "2023 Largest 50 Turkish Companies Established Abroad" list prepared by Capital Magazine. In addition, according to the 2023 data of the Capital 500, which ranks Türkiye's largest 500 private companies, we rose to 80th place.

As Türkiye's leading, Europe's third largest and the world's fourth largest wood-based panel producer, we continue to maintain our position in the sector through our production facilities in Romania, Bulgaria, Bosnia and Herzegovina, Italy and Russia. We sustain our presence in international markets in a consistent manner, supported by our overseas operations, which account for 40% of our total revenue, together with our innovative product portfolio and robust global organization.

### R&D 250

We maintained our leadership position in the wood-based panel industry this year in the "R&D 250" list. In this prestigious survey, which ranks companies in Türkiye by R&D expenditure, we once again proved our commitment to innovation and sustainability.

Through our R&D investments, we not only strengthen our pioneering role in the sector but also continue to develop competitive, innovative and environmentally friendly solutions for global markets. Ranking 173rd nationwide, we continued our consistent upward momentum in R&D performance.

Furthermore, our inclusion among the top 50 companies based on national patent registrations in the same "R&D 250" list published by Turkishtime also highlights our innovative strength and technological production vision.

### Balıkesir Economy Awards

At the "Balıkesir Economy Awards 2024", organized in collaboration with the Balıkesir Chamber of Commerce, Chamber of Industry and Commodity Exchange, we were honoured with an award for our performance in the ISO 500 Top Industrial Enterprises and TIM Top 1,000 Exporters lists. Through our initiatives focused on production, employment and export, we continue to contribute to the Turkish economy as well as Balıkesir's industrial and commercial ecosystem.

## 27<sup>th</sup> Quality Circles Sharing Conference

We received two awards in the “Quality Circle” category at the 27th Quality Circles Sharing Conference organized in 2024 by the Ankara Branch of the Turkish Quality Association (KalDer). With these achievements, the total number of awards we have received from KalDer over the past five years has reached nine.



## Top 50 Most Innovative Companies

We ranked 15th on the “Top 50 Most Innovative Companies” list published by Fast Company Türkiye, with the products we developed using coffee grounds at an industrial scale for the first time globally, and agricultural waste for the first time in Türkiye. Following an evaluation by a jury composed of leading representatives from the technology and business communities, we were awarded in the “Social Impact” category.

By using organic waste such as coffee grounds in particle board production, we generate environmental and economic value while also contributing to sustainable transformation in the sector through our industrial symbiosis practices. Through the projects carried out at our R&D Center in Teknopark Istanbul, we continue to develop innovative and environmentally friendly production processes while strengthening our position in global markets.

## Platin Global 100

We received an award in the “Wood Industry” category at the Platin Global 100 Awards organized in collaboration with Platin Magazine and IPSOS. This recognition was attributed to our initiatives focused on technology integration, digital transformation and sustainable production.

Through our innovative approach, digital transformation practices and sustainability-based projects, we continue to advance our technology-integrated production model and move forward in line with our goal of achieving sustainable growth in industry.

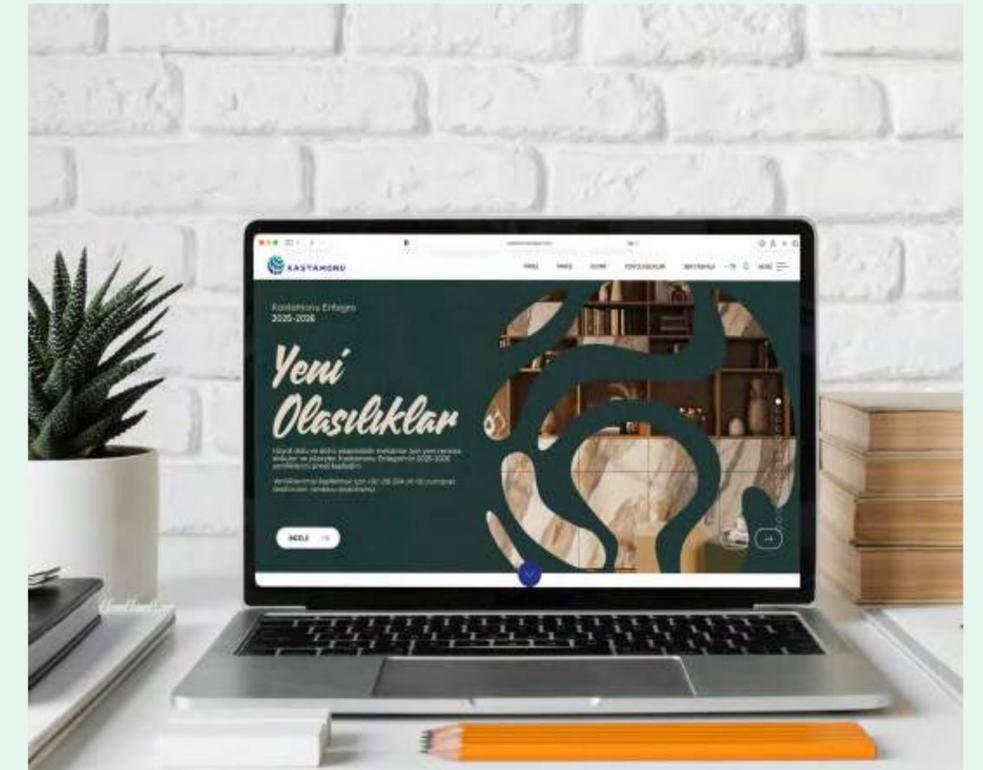


## Prestigious Award for the Kastamonu Entegre Website

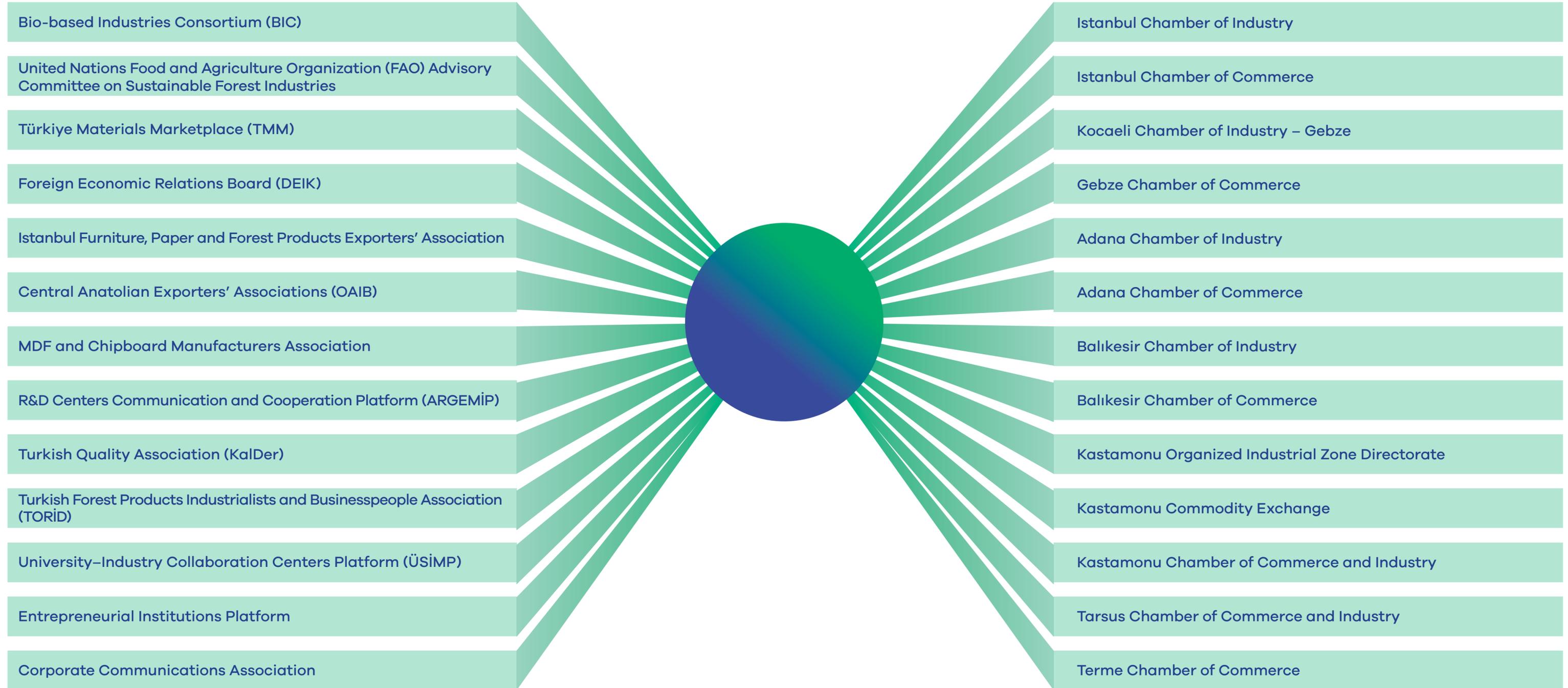
Our corporate website received the “Silver” award in the “Corporate&B2B” category at the internationally recognized Horizon Interactive Awards. This achievement, won in a program in which more than 20,000 applications from over 40 countries are evaluated, demonstrates that our digital initiatives and user-centric approach resonate on a global scale.

Standing out with its modern design, user-friendly interface and rich content structure, our website delivers a creative and functional digital experience in the wood-based panel industry, owing to its infrastructure fully compatible with next-generation technologies.

Click [here](#) to visit our website.



# 1.8. Sectoral and Corporate Memberships



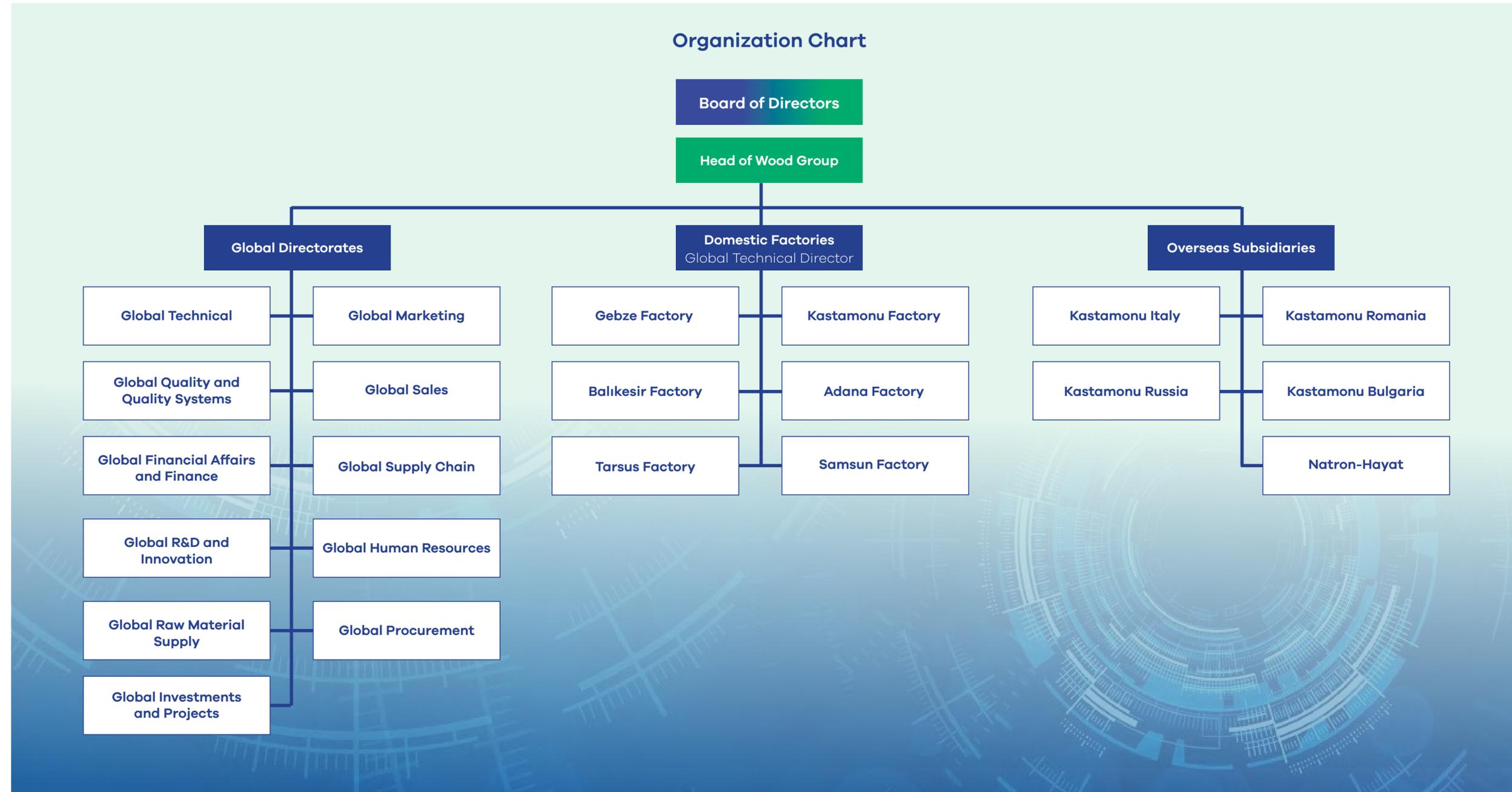
# 2. Responsible Governance Approach



# 2.1. Organizational Structure

We build our corporate governance understanding on the principles of transparency, integrity, adherence to ethical values, and compliance with legal regulations. This approach guides all our decisions and practices, supporting a sustainable, accountable and balanced management model. In line with our corporate governance principles, we ensure an effective distribution of duties and responsibilities among Board members when structuring our Board of Directors. Through its strategic decisions, our Board aims to sustainably maintain the balance between risk, growth and profitability. Beyond focusing on short-term outcomes, these decisions also prioritize the Company's long-term stability and sustainability.

We operate with a rational and careful risk management approach, and progress steadily towards our objectives while safeguarding our corporate values. As the Company's highest governing body, our Board of Directors consists of five members with experience in diverse areas of expertise. This structure enhances diversity in decision-making and contributes to a stronger culture of holistic evaluation.



## 2.2. Corporate Policies

We conduct our operations with a sustainability approach, viewing our environmental and social responsibilities as an integral part of our business processes. The management systems implemented in this context continuously support our operational efficiency and corporate development.

Through the ISO 9001 Quality Management System, we continuously improve our quality processes and treat customer satisfaction as a main priority. Under the ISO 45001 Occupational Health and Safety Management System, we provide our employees with a safe, healthy and sustainable working environment. With the ISO 14001 Environmental Management System, we develop practices aimed at minimizing our environmental impacts and making our production processes environmentally responsible. The ISO 50001 Energy Management System enables us to increase energy efficiency and contribute to the conservation of natural resources. Through the ISO 27001 Information Security Management System, we safeguard our information assets and ensure continuity in data security. In addition, through policies aligned with FSC® (Forest Stewardship Council®) standards, we support the protection of forest ecosystems. In line with our Social Compliance Policy, we adopt an inclusive working approach that respects human rights and is grounded in ethical values.

At Kastamonu Entegre, we place great emphasis on achieving harmony between economic development, environmental balance and social benefit, and we build our long-term strategies on this foundation. We manage our business processes with a responsible and innovative approach that adds value to the future.



## 2.3. Code of Ethics and Business Conduct

Our Code of Ethics and Business Conduct serve as a comprehensive guide covering our core values such as integrity, transparency, fairness and responsibility. The fundamental elements of the guide include preventing conflicts of interest, safeguarding confidentiality principles, protecting trade secrets and fully fulfilling our ethical responsibilities. The functioning of our ethics system, the structure of our Ethics Committee and the management of potential non-compliances are described in detail in the Governance and Implementation section.

We base all our activities on the principles of honesty and integrity. We expect our employees and business partners to act in line with the same understanding and to prioritize trust, transparency and ethical conduct in all relationships. Fairness and equity lie at the heart of our decision-making processes and work model, while respect for people, society and the environment constitute the building blocks of our corporate culture. We always uphold courtesy, equality and mutual trust in our relationships with all employees and stakeholders.

At Kastamonu Entegre, compliance with rules and responsible behavior are not merely obligations; they are reflections of the respect we have for one another and our shared values. Our Code of Ethics and Business Conduct clearly set out how to perform our duties and the values by which we must continue to conduct our business.

### The shared responsibilities of all employees include:



Carrying out duties with a sense of responsibility, transparency and accountability,



Refraining from any behavior or activity that could harm the reputation of our Company,



Refraining from directly or indirectly participating in unlawful initiatives and, when becoming aware of such situations, informing the top-level human resources authority,



Learning about our corporate policies and participating in the training programs provided within this scope.

Any non-compliance that may arise within the scope of our Code of Ethics and Business Conduct is carefully reviewed by our Global Ethics Committee, which manages the resolution process with due diligence. In addition to its permanent members, the Committee operates with the participation of temporary members appointed based on the relevant country or function. With the Audit Director serving as the rapporteur, the Committee convenes with the participation of four permanent members. Decisions are taken by majority vote and are implemented promptly. The Global Ethics Committee is also authorized to establish country-based sub-committees when deemed necessary. Details regarding the Committee's functioning are defined in our internal regulations.

The Ethics Committee evaluates reported violations submitted via the ethics hotline or other communication channels in accordance with confidentiality principles and, where necessary, appoints the Audit Director to conduct investigations. All reports are treated as confidential, the identities of whistleblowers are protected, and retaliation of any kind is strictly prohibited.

Our Code of Ethics and Business Conduct are published with the approval of the Board of Directors and reviewed in line with changing conditions, emerging needs and current practices. All employees and business partners may submit reports related to ethical violations via <http://ethics.kastamonuentegre.com>. In addition, to enable employees to access information on ethical matters more effectively and to confidently share their concerns, we have launched the Kastamonu Ethics platform as part of our Governance, Risk and Compliance (Highbond GRC) system. The platform also serves as a secure communication channel for reporting potential cases of harassment and violence within the organization. Our ethics hotline strengthens our culture of ethical conduct while also contributing to reinforcing the principles of transparency and accountability throughout the Company. Employees may submit reports either openly or anonymously, thereby actively contributing to the process.

## 2.4. Risk Management and Internal Control Mechanisms

We conduct our internal audit activities under the guidance of the Hayat Holding Global Internal Audit Directorate and under the Board of Directors, in compliance with internal audit standards. These standards ensure the independence and objectivity of our internal audit activities as well as clearly defining our working principles, organizational structure, spheres of authority and responsibilities.

**Our audit activities are carried out under the following main topics;**



Corporate,  
Commercial and  
Technical Processes



Audit  
Analytics



Ethical  
Compliance



With the contribution of team members possessing diverse areas of expertise in these fields, we conduct in-depth analyses of our processes and aim to identify potential risks at an early stage and minimize their impact.

In our Audit Analytics processes, we leverage the most up-to-date technological tools to enhance the continuity and effectiveness of our audit activities. We use the Governance, Risk and Compliance platform (Highbond GRC) together with analytical applications developed in the R programming language and adopt a data-driven approach. We regularly monitor critical controls and data deviations through automated control scenarios and strengthen and ensure the sustainability of our audit processes by identifying potential risks and taking timely actions.

We implement a comprehensive management process led by the Audit Directorate to holistically assess the risks and opportunities we may encounter in achieving our corporate targets. The early identification of any risks that could adversely affect business continuity, employee safety, financial resources and the environment lie at the core of our risk management approach.

We closely monitor local and global developments and analyze sectoral trends as well as evolving customer expectations. Changes in consumer behavior are evaluated as opportunities to improve our business processes and create innovative solutions. We conduct our process in four stages to manage risks and opportunities effectively. First, risks and opportunities are identified, followed by an analysis of their potential impacts and likelihoods. Based on these assessments, monitoring and implementation plans are drafted, and the results are reported to the Executive Committee, ensuring transparency and monitoring capability throughout the process.



## 2.5. Innovation and R&D

We carry out our innovation and R&D activities with a holistic perspective under Global R&D and Innovation Directorate. We, as Kastamonu Entegre, are among the few industrial companies in Türkiye that have an innovation structure established at the directorate level.

All our innovation and R&D activities are planned and implemented in alignment with our corporate strategy. At every stage, we view innovation as a key element that enhances our competitiveness and creates sustainable value.

At Kastamonu Entegre, we have built our innovation model on the principles of the circular economy and sustainability. In this context, we encourage the use of renewable resources, aim to reduce our carbon footprint and seek to establish closed-loop systems that minimize waste. We aim to actively contribute to the transformation process of the sector through the leadership role we take. Our R&D Center located at Teknopark Istanbul represents one of the most important steps towards realizing this vision.

We become part of the global innovation ecosystem by taking an active role in projects supported by European Union (EU). These projects strengthen our expertise in sustainability, circular economy and innovative material applications, while continuously enhancing our international collaborations. Such collaborations elevate our R&D capacity to global standards and make strategic contributions to our sustainable growth objectives.

We carry out the projects listed on the right side with EU funding support, through strong partnerships established with universities and industrial organizations domestically and internationally.

As part of the 2244 Programs, we contribute to the development of qualified researchers holding doctoral degrees. Through temporary assignments carried out under Horizon projects, we support our researchers in conducting periodic research at reputable institutions across Europe. Through these initiatives, in line with SDG 4 – Quality Education of the United Nations Sustainable Development Goals, we support the provision of inclusive and equitable quality education and the promotion of lifelong learning opportunities for all.

### HORIZON

In the **Bioacouis** project, we aim to develop bio-based solutions with high acoustic performance for indoor building applications.

In the **Countless** project, we aim to produce boards using bio-based adhesives and flame-retardant materials.

In the **Superbark** project, we aim to develop adhesives and bio-based boards with a bio-content of at least 95% derived from waste tree bark.

In the **SNUG** project, we focus on developing sustainable solutions for buildings.

In the **Circular C** project, we aim to develop circular designs for biorefineries and to produce bio-adhesives and bio-panels from waste biomass.

### EUREKA

In the **MoreWOOD** project, we aim to develop sustainable and recyclable wood-based panels that contribute to energy efficiency and zero-emission targets in buildings.

In the **WoodCUBIC** project, we aim to develop more sustainable and environmentally friendly applications for wood-based panels.

In the **SUSBOARD** project, we aim to develop bio-based adhesives for use in MDF production.

In the **SUSPENSE** project, we aim to develop sustainable, cost-competitive and environmentally friendly bio-based adhesives and binders as alternatives to fossil-based chemicals.

In the **Lignofun** project, we aim to develop lignin-based products and technologies.

In the **Ecofunc** project, we aim to develop insulation panels containing bioplastics and natural materials that contribute to reducing high carbon emissions of the construction sector.

In the **SAUNA** project, we aim to make biomass waste generated by paper mills usable in the wood-based panel industry.



In 2024, we further advanced our collaborations with universities and industrial organizations to strengthen our sustainable production approach and develop innovative material technologies.

In cooperation with Istanbul Technical University (ITU) and TEMSA, we continue our efforts funded by TUBITAK 1004 Program to develop lightweight and sustainable composite materials. Through this project, we aim to deliver innovative material solutions that reduce carbon footprint in the automotive and construction sectors.

At the same time, by establishing strong collaborations with external ecosystems, we take an active role in the innovative ecosystem and further advance our objective of creating sustainable value. Within this framework, we participated as an industry stakeholder in the "Advanced Materials and Chemicals" vertical of the TUBITAK-UNIDO Global Clean Technology Innovation Program (GCIP), aimed at supporting entrepreneurship in clean and advanced material technologies. Within the scope of the program, we supported startups' scaling processes by providing mentorship, serving on evaluation juries and offering various in-kind

contributions, while transferring our sectoral expertise in sustainable material technologies to the entrepreneurship ecosystem.

We develop and structure sustainability focused innovative ideas through our Innovation School program, which is another component of our innovation strategy. The resulting projects are evaluated and supported by our senior management. During project evaluations, sectoral developments are closely monitored from economic, environmental and social perspectives. Sponsorship presentations delivered during graduation ceremonies are meticulously reviewed by our General Manager and senior management team in terms of alignment with our sustainability policy and strategic targets.

Through our Idea Platform application, which encourages employees to share innovative ideas, we organize idea campaigns each quarter around specific themes aligned with our sustainability priorities. Submitted ideas are evaluated in alignment with our existing strategy, and those considered appropriate are transformed into projects, contributing to the achievement of our sustainability targets.



## 2.6. Digital Transformation and Technology

The Digital Transformation and Technology Group Directorate views digitalization not merely as an area of technological advancement, but as a fundamental driver of corporate sustainability, competitiveness and long-term value creation. Accordingly, project management methodologies, agile management approaches, horizontal and vertical data integration, as well as advanced analytics and application development activities are carried out within a holistic and integrated structure. This organization offers a pioneering model that brings together global governance and local expertise, representing a distinctive governance approach that integrates strategy, implementation and operational excellence under a single framework, which is a somewhat uncommon approach in the sector.

Our organizational structure, comprising the Digital Transformation and Process Improvement, Industrial Technologies and System Design, and Master Data Management teams, is supported by a hybrid digitalization model. This structure enables the development of our digital roadmap and the implementation of our projects in end-to-end integration throughout the organization.

Our digitalization model enables each department to develop digital strategies specific to its own field of operation in full alignment with the Company's overall digitalization vision; while the highly collaborative environment with strong synergy enhances the capacity to generate rapid, agile and continuous innovation in digital transformation processes.

The core stages of our digital transformation journey consist of measuring digital maturity levels, establishing a strategic roadmap and preparing action plans translated into concrete projects.

The **strategic and competitive targets** we have set in this framework are as follows:



Creating value through digital solutions that enhance efficiency and interaction with a strong focus on customer experience,



Developing pioneering, integrated and interactive communication ecosystems within the sector,



Delivering sustainable and scalable solutions that support localization in industrial technologies,



Achieving data-driven production and operational excellence through digital twin and smart factory applications,



Contributing to the development of next-generation devices and software for industrial use by combining our sectoral knowledge and experience with those of our technology partners within the scope of industrial collaborations, while supporting domestic and national technology initiatives.

Through this approach, we aim not only to boost internal efficiency, but also **to establish a sustainable and innovative transformation model that sets an example for the sector.**



Within the scope of our 2024 digital roadmap, we implemented projects focused on standardizing systems, ensuring process integrity and harmonizing usage practices across all our domestic locations. In this context, under the leadership of our Procurement Unit, we procured SAP Ariba software to digitally monitor and manage supplier lifecycle and performance management, as well as tendering, bid collection, analysis and contracting processes. The software was customized, adapted and integrated into our internal systems.

Led by our Supply Chain Unit, we are developing a new system that will enable our import operations to be digitally monitored and managed by our business units, customs brokers and suppliers. Through this system, we aim to increase the monitoring capability of post-order processes, enable simultaneous operational data entry by internal and external stakeholders, facilitate task assignments and conduct performance evaluations. We plan to commission this system in 2025 and subsequently expand it to cover export operations.

We regard digitalization and digital transformation as one of the strongest building blocks of sustainable productivity growth, global competitiveness, and high value-added manufacturing in industry. With this perspective, we implement innovative, domestically developed, and advanced technology-focused projects by leveraging technological collaborations and the expertise of our Industrial Technologies and System Design Unit under the Digital Transformation and Technology Group Directorate.

We successfully completed our production quality forecasting project, which integrates artificial intelligence and image processing technologies and focuses on horizontal and vertical data integration. Our projects qualified to participate in an international competition (Champs I4.0 2024), jointly funded by the Austrian Federal Ministry for Climate Action Environment, Energy, Mobility, Innovation and Technology (BMK) and the German Federal Ministry for Economic Affairs and Climate Action (BMWK), addressing strategic data integration and the development of innovative products, services, processes and business models. This achievement stands as a significant indicator reinforcing our strength in technology and innovation on a global scale.

In addition, within the scope of the HORIZON program, we earned the right to participate as a partner in the E2Comation project. Developed under the technical leadership of our Industrial Technologies System Design Unit, with contributions from our Innovation and Production units, this project aims to enhance the monitoring capability of energy consumption and implement optimization metrics. With 18 partners from 9 different countries, the project further strengthens our international collaboration capabilities.

We developed an integrated system covering lubrication processes in mechanical and digital dimensions with a view to improving the efficiency of preventive and predictive maintenance activities for production equipment. Implemented in collaboration with a domestic technology company, this solution facilitates operational steps such as the creation, tracking and reporting of work orders,



while also enabling the monitoring of lubrication points and quantities directly via devices.

In line with our focus on the localization of technological developments and R&D activities, we developed our in-house software to enhance the efficiency of field data collection and analysis processes. In addition, we developed web- and mobile-based interfaces that enable the digital creation and tracking of field maintenance

and fault reports. Interactive guidance and solution support are provided through these interfaces, ensuring that operational processes are fully digitized from end to end. As a result, human resources were mobilized, significantly increasing flexibility and efficiency in workforce utilization. The systems and software we developed have been successfully deployed across all our locations in Türkiye.

## 2.7. Quality Management and Our Continuous Improvement Approach

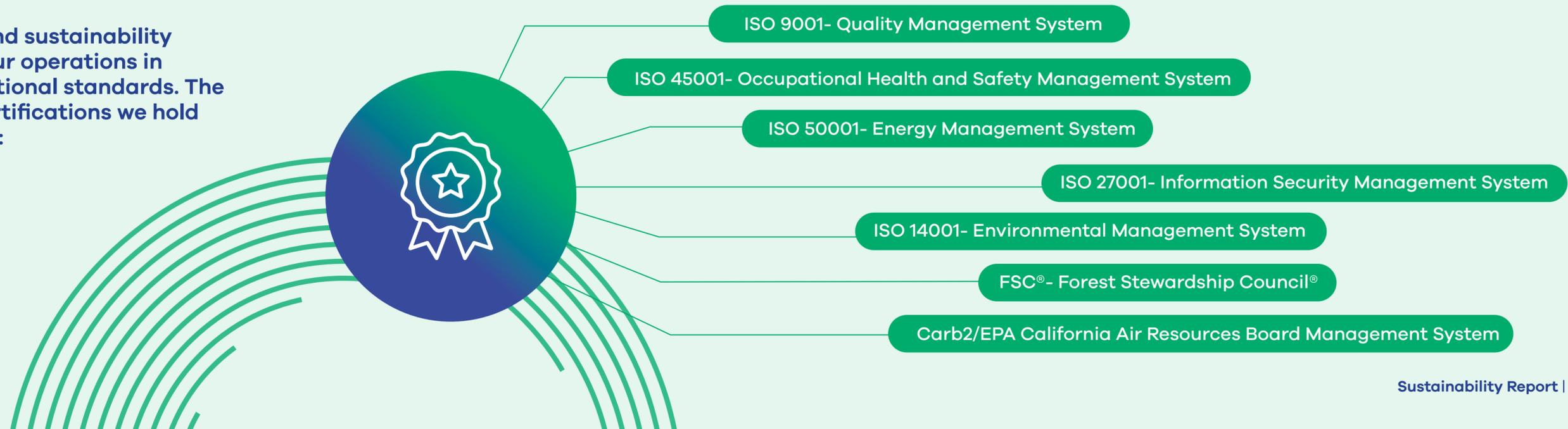
At Kastamonu Entegre, we have been working for many years to embed quality management systems at the very core of our corporate culture. Since 2002, we have strengthened our pioneering position in the sector by integrating various management system certifications into our operations. Throughout this journey, we aim to have a quality mindset embraced throughout the company by providing regular management system training to all our employees every year. With a view to maintaining excellence in our production processes, we integrate lean management principles into our operations, enhance efficiency through Total Quality Management practices, reduce waste, and strengthen occupational safety. The ISO 9001 Quality Management System Certification, which covers all our Company's activities, stands as a tangible reflection of this approach.

To ensure the standardized implementation and continuity of all our quality management systems throughout the organization, we manage all required procedures, instructions, forms and related documentation through QDMS (Quality Documents Management System). Within this system, we actively utilize modules for document management, corrective and preventive actions (CAPA), internal customer complaints and action tracking. Through QDMS, we continuously monitor, measure and improve the effectiveness of our quality management systems. We share the CAPA Report formulated every six months with all departments to promote the widespread adoption of our continuous improvement culture throughout the organization. We also established the QDMS infrastructure in our newly commissioned factory in Italy, integrating our global quality management system into a unified structure.

Each year, we provide regular training to all employees and internal auditor teams to ensure the sustainability of the effectiveness of our management systems. With our robust audit personnel, we successfully carry out planned internal audits in 99 units and locations annually. Through these audits, we ensure the continuity of all practices and continuously monitor the effectiveness of our processes. In addition, within the scope of 48 external audits, the effectiveness of our management systems at our domestic facilities is regularly assessed and approved by independent organizations. We reinforce sustainability and continuous improvement in all our practices by ensuring the continuity of our training programs, enhancing our audit processes and diligently managing our QDMS system.



**In line with our quality and sustainability approach, we conduct our operations in compliance with international standards. The management system certifications we hold within this scope include:**





The importance we attach to product quality enables us to consistently maintain the trust of our customers and a strong perception of quality associated with our brand. In addition to our standard product portfolio, our certified new products, such as Glossmax, Evogloss, Acrylic Panel, Floorplan Aquamax, DoorFR and Kitchen Worktops, are met with strong demand both in Türkiye and in international markets. All our products are manufactured in compliance with national and international standards, and we demonstrate our quality and environmental compliance through certifications such as Blue Angel (German Ecolabel), EPD (Environmental Product Declaration), VOC test results, and GREENGUARD GOLD (certification aimed at improving indoor air quality).

Our quality management system covers all operations of the Company. Through the Global Quality and Quality Systems Directorate, we integrate Total Quality Management (TQM) and lean transformation practices, placing quality and continuous improvement at the core of our corporate culture. This approach ensures that quality awareness is disseminated throughout the organization and that our development is secured in a sustainable manner. Since 2014, our unit operating under a matrix structure has continued to provide active support to all our factories.

We initiated our TQM journey in 2014 at our domestic factories and extended this approach to our international facilities in 2016 by implementing first-phase training programs. With this process, we organized comprehensive training programs covering such topics as Customer Relationship Management, Problem-Solving Techniques, Quality Circles, SMED (Single-Minute Exchange of Die), G8D (Global 8D), FMEA (Failure Modes and Effects Analysis), and SPC (Statistical Process Control). Training content is

tailored specifically to our Company, and we establish internal trainer teams in each factory, composed of employees from different areas. By expanding the scope of our programs each year, we support the development of our quality culture and encourage active employee participation in processes. As of 2024, a total of 6,529 employees have benefited from these training programs delivered online and face-to-face.

We launched our Quality Circle and SMED practices in 2015 through initial training sessions and pilot implementations, integrating them into the KPI targets of our factories. Throughout this period, we continuously increased the number of teams and applications. As of 2024, participation rates among blue-collar employees exceeded 95% in some of our domestic factories, while our overall participation rate surpassed 70%. Between 2015 and 2024, we delivered a total of 43,197 training sessions and implemented 1,299 Quality Circle projects.

During the same period, we introduced the Japanese 5S (Seiri: Sort, Seiton: Set in order, Seiso: Shine, Seiketsu: Standardize, Shitsuke: Sustain) practices through pilot studies and training programs. Since 2017, we have incorporated 5S practices into the KPI targets of our factories, making them an integral part of our operational excellence approach. Through the 5S initiatives successfully implemented across 190 sites by 2024, we continue to continuously improve order, efficiency and occupational safety in our production areas.

Our FMEA studies, which were initiated in 2014, were completed across our core processes by 2019. In line with the updates resulting from our customer relations and improvement activities, we regularly revise our FMEA documents, thereby making a risk-based thinking approach an integral component of our business processes.

# 3. Sustainability Vision



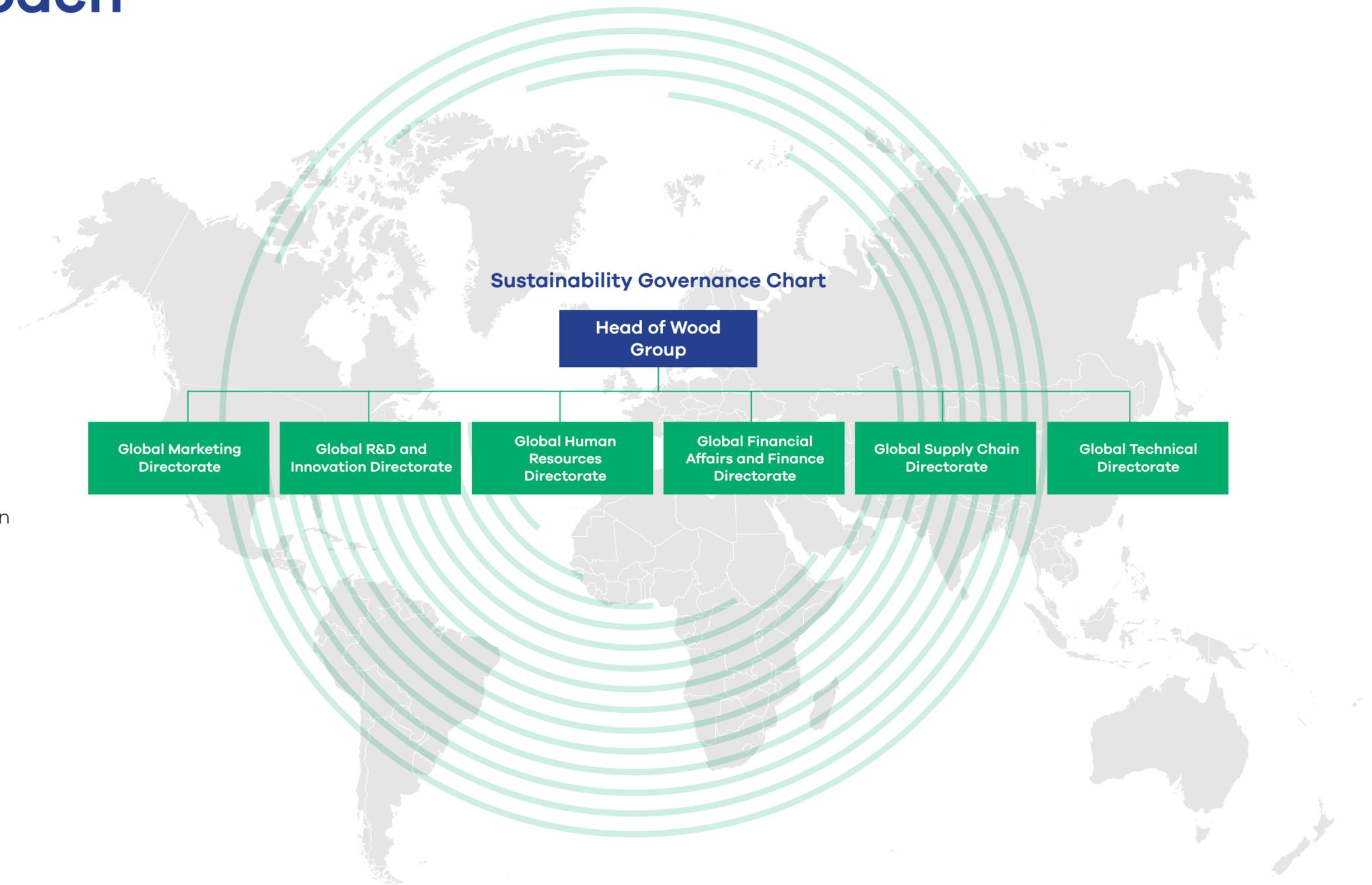
# 3.1. Sustainability Approach

Sustainability is at the core of our approach of simultaneously assessing and managing the environmental, social and economic impacts of our operations. We shape our business processes in line with this understanding and embrace long-term value creation as our fundamental objective.

To this end, we have established a governance model within our corporate structure that strengthens sustainability-related decision-making processes. Led by our General Manager and comprising representatives from various functions, the Sustainability Committee enables us to define our strategies, systematically monitor our performance and continuously improve our governance processes. We have also formed a Sustainability Working Group consisting of representatives from relevant departments to support the Committee's work. It is through this group that we closely monitor the implementation and progress of our sustainability targets.

At Kastamonu Entegre, we do not address sustainability solely from an environmental perspective; we also consider it holistically in terms of economic contribution and social value creation. In this context, we develop innovative, environmentally friendly products and implement social responsibility projects that create direct value for society.

We believe that, in the future, production processes based on fossil resources will be replaced by bio-based material solutions. We have established a robust R&D infrastructure with a view to becoming one of the leading actors of this transformation. In line with our green transformation targets, we consider the development of an innovative framework that sets an example for the sector among our strategic priorities.

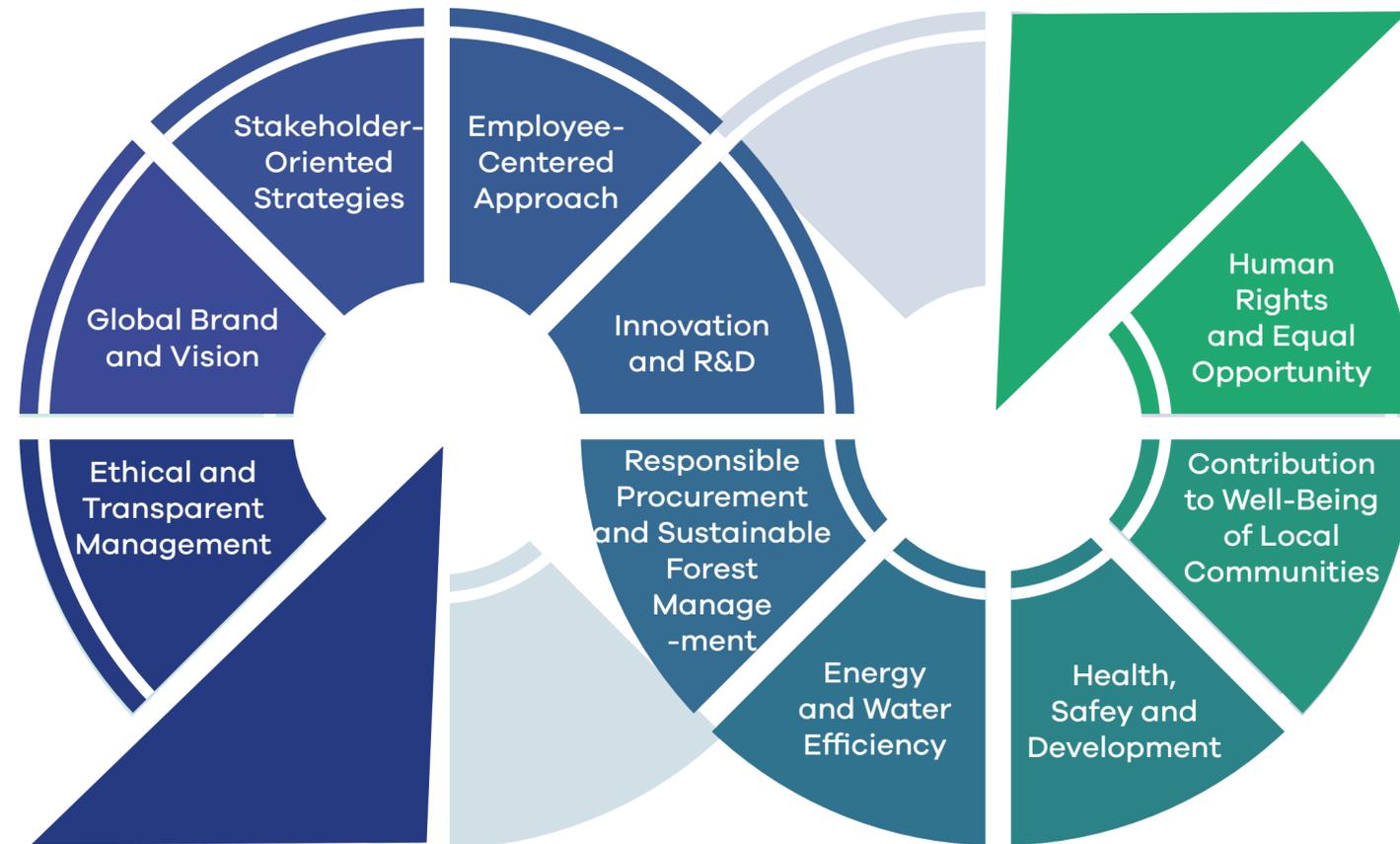


## 3.2. Sustainability Policy

For our Company, sustainability constitutes the main pillar of all our strategic decisions and operational processes, beyond merely being an outcome to be achieved. We evaluate our environmental, social and economic impacts through a holistic approach to fulfil our responsibilities towards society and the environment, as well as taking concrete and measurable steps to sustainably enhance our brand value on a global scale.

In designing our business processes, we collaborate with our employees, customers, suppliers and all stakeholders, and position ethical governance, transparency and accountability as integral parts of our corporate culture.

Our Sustainability Policy, developed in line with this approach, is built upon the following core components:



Our core principles include transparency, fairness and adherence to ethical values across all our operations. We integrate the decisions we take by considering our economic, social and environmental responsibilities with the principle of accountability, and take steps that support long-term, sustainable growth to achieve a stronger position on a global scale. Through our strategies based on a sustainable development approach, we aim to elevate the impact we create at the local level to a global dimension.

In shaping our strategic plans, we consider the expectations of our stakeholders and establish long-term partnerships based on mutual trust. Our priorities in this regard include providing a safe, efficient and peaceful working environment for our employees. We build an organizational structure that supports continuous development by increasing employee commitment and motivation and implementing occupational health and safety standards at the highest level. In addition, we contribute to enhancing our employees' knowledge and competencies through continuous training and development opportunities.

We manage our supply chain in line with responsible procurement principles and support initiatives aimed at sustainable forest management and the conservation of natural resources. Through our R&D and innovative investments, we develop high-technology, environmentally friendly products that enhance quality of life. We place respect for human rights at the core of our operations and build an inclusive corporate culture through practices that ensure equal opportunities.

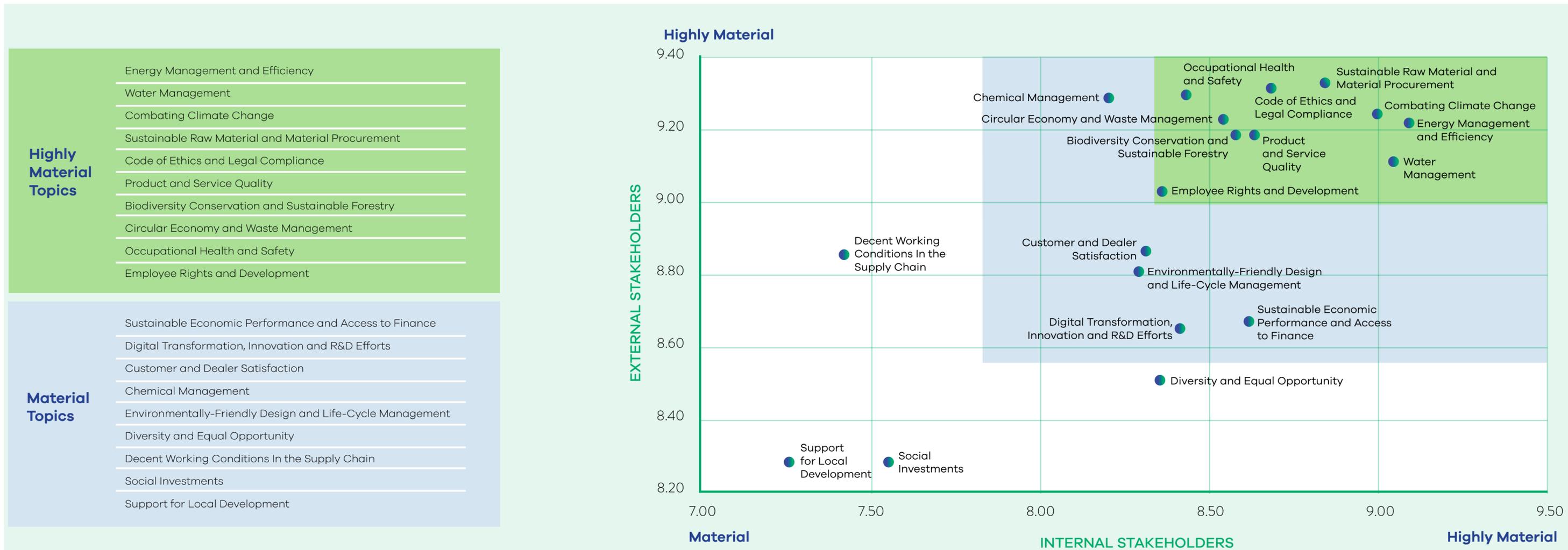
We develop projects aimed at increasing energy and water efficiency and reduce our environmental impact through renewable energy investments. While we focus on reducing our environmental footprint through innovative solutions, we also aim to enhance social welfare by creating employment, contributing to local development and generating economic value in the regions where we operate.

# 3.3. Sustainability Priorities

At Kastamonu Entegre, we continuously enhance our sustainability approach and continue to position it at the core of our corporate strategy. In line with this approach, we regularly review our material sustainability topics to manage our environmental, social and governance impact more effectively.

In 2023, considering current global trends and the dynamics of our sector, we conducted a comprehensive "Survey for Determining Sustainability Priorities" to identify the issues that should be prioritized within the scope of sustainability. In this process, 19 sustainability topics were identified based on our areas of activity, our impacts across the value chain and the expectations of our

stakeholders. The survey was shared with our internal and external stakeholders of strategic importance to our organization, and their views were obtained regarding the level of significance of each topic as well as its potential strategic impact in the future. We established our Materiality Matrix because of this comprehensive analysis carried out with stakeholder contributions.



# 3.4. Contributions to United Nations Sustainable Development Goals

Considering the results obtained from our survey, we assessed the alignment of the top ten material topics with the United Nations Sustainable Development Goals (SDGs). As part of this study, we identified the global goals that overlap with our priority areas and strengthened the alignment of our sustainability strategy with the international framework. Accordingly, we conducted a comprehensive mapping study by matching our material topics with the SDGs.

## Material Topics

### Energy Management and Efficiency



### Water Management



### Combating Climate Change



### Sustainable Raw Material and Material Procurement



### Code of Ethics and Legal Compliance



### Product and Service Quality



### Biodiversity Conservation and Sustainable Forestry



### Circular Economy and Waste Management



### Occupational Health and Safety



### Employee Rights and Development



The United Nations Sustainable Development Goals that are directly associated with our highest-priority topics were identified as follows:

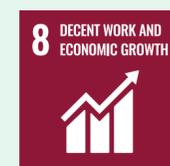


In addition to these, there are also SDGs with which we interact indirectly through our operations. For example, we indirectly contribute to SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 15 (Life on Land), SDG 16 (Peace, Justice and Strong Institutions), and SDG 17 (Partnerships for the Goals).

### Directly Associated SDGs



**SDG 7** aims to ensure access to affordable, reliable, sustainable, and modern energy for all. **Energy Management and Efficiency and Combatting Climate Change** focus on this global goal.



**SDG 8** aims to ensure sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. It is directly associated with **Sustainable Raw Material and Material Procurement, Code of Ethics and Legal Compliance, Product and Service Quality, Circular Economy and Waste Management, Occupational Health and Safety, and Employee Rights and Development.**



**SDG 9** aims to support sustainable industrialization and strengthen innovation. The development of a sustainable production model is possible through the topics **Energy Management and Efficiency and Product and Service Quality.**



**SDG 10** aims to **reduce inequalities** between and within countries. Reduction of inequalities will be ensured by focusing on the topics **Employee Rights and Development** and **Code of Ethics and Legal Compliance.**



**SDG 12** aims to ensure sustainable production and consumption patterns. The topics **Water Management, Sustainable Raw Material and Material Procurement, Circular Economy and Waste Management, Product and Service Quality and Energy Management and Efficiency** are significant for integrating responsible business practices into solutions and for sustainable development.



**SDG 13** encourages urgent action to combat climate change and its impacts. Focusing on **Water Management, Combatting Climate Change, Circular Economy and Waste Management and Energy Management and Efficiency** enables effective action against climate change.



**SDG 14** aims to conserve and sustainably use the oceans, seas and marine resources for sustainable development. **Water Management, Sustainable Raw Material and Material Procurement and Biodiversity Conservation and Sustainable Forestry** focus on this global goal.

### Indirectly Associated SDGs



**SDG 3** aims to ensure healthy lives promote well-being for all at all ages and is indirectly associated with **Occupational Health and Safety.**



**SDG 4** aims to **ensure inclusive and equitable quality education** and promote lifelong learning opportunities for all. Activities under **Employee Rights and Development** support sustainable education.



**SDG 5** aims to achieve gender equality and **empower all women and girls.** It is associated with **Employee Rights and Development.**



**SDG 6** aims to ensure availability and sustainable management of water and sanitation for all. **Water Management** focuses on this global goal.



**SDG 15** aims to protect, restore and promote the sustainable use of terrestrial ecosystems; **sustainably manage forests**; combat desertification; halt and reverse land degradation; and **halt biodiversity loss. Biodiversity Conservation and Sustainable Forestry** are associated with this goal.



**SDG 16** aims to **establish peaceful and inclusive societies for sustainable development and build accountable and inclusive institutions.** It is associated with **Code of Ethics and Legal Compliance.**



**SDG 17** aims to strengthen the means of implementation and **revitalize the global partnership for sustainable development.** The topic **Combatting Climate Change** focuses on this global goal.

# 4. Environmental Sustainability and Resource Management



# 4.1. Environmental Management

At Kastamonu Entegre, we do not merely regard the environment as an asset that must be protected but also as a trust that must be passed on to future generations. With this awareness, we continuously enhance our environmental management system and adopt it as a fundamental objective to minimize the environmental impacts arising from our operations.

Our environmental policy goes beyond meeting legal requirements and focuses on ensuring the effective protection of natural resources, the preservation of ecosystem balance and the safeguarding of biodiversity. We strengthen this approach through practices that do not contribute to climate change, that prioritize energy efficiency and that are supported by innovative technologies.

We conduct environmental risk assessments at every stage to proactively identify potential risks and promptly implement the necessary measures. In doing so, we maintain the current situation and also aim to achieve higher environmental performance through continuous improvement. We strengthen our environmental sensitivity through tangible actions by identifying areas open to improvement and developing action plans.

Environmental management at all our factories is carried out in line with the ISO 14001 Environmental Management System Standard. The Occupational Health and Safety (OHS) and Environment Group Directorate under our Global Technical Directorate plays a key role in coordinating these processes. The Environmental Directorate reporting to the Group Directorate monitors the environmental management performance of our Wood Group operations, ensures the efficient use of resources and regularly reports the results to senior management. It also leads the efforts to identify and reduce OHS and environmental

risks in all facilities. Within each directorate, designated individuals are responsible for implementing environmental decisions and integrating sustainability initiatives into business processes. This organizational structure enables us to implement environmental management robustly at the corporate and operational level.

Our expert environmental engineers regularly monitor regulatory compliance and environmental performance at our factories. We identify areas for improvement through our internal audit mechanism, and update our environmental targets annually, implementing them across all directorates. We implement sustainable and environmentally friendly practices to reduce our direct environmental impacts, such as energy, water, emissions and waste management.

In 2024, we incurred approximately 1,582,000 EUR in operating expenditures in line with our target of reducing environmental impacts and achieving continuous improvement. These expenditures cover critical areas such as the control and regular monitoring of emissions arising from operational processes, effective management of wastewater generated from our production activities, environmentally responsible disposal or recycling of various types of waste, implementation of environmental management systems aligned with international standards, and full compliance with all applicable environmental legislations.

In addition, we continue to invest in projects that further advance our continuous improvement approach. In this context, we made environmental investments totaling to 23,217,000 EUR in projects supporting our sustainability strategies, including the installation of renewable energy systems, the development of wastewater recovery technologies and the establishment of recycling facilities.





We place great emphasis on improving environmental management not only within our organization but also together with all our stakeholders. In this direction, we provide mandatory environmental training for our employees on waste management, energy efficiency and water saving, and prioritize raising environmental awareness among new recruits. In 2024, we expanded our internal training programs to include “Sustainable Energy Management and Climate Action Training”, which addressed critical environmental topics such as climate change, greenhouse gas emissions, global warming and carbon footprint, while also covering current environmental policies including the Emissions Trading System, the Carbon Border Adjustment Mechanism and the European Green Deal. In addition, energy efficiency, the use of renewable energy resources and our corporate energy policy were incorporated into the training content, ensuring comprehensive guidance on sustainable energy management. We made our tangible progress more visible by sharing examples of our carbon footprint efforts, sustainability initiatives, and opportunities related to carbon credits and green finance for new investments.

With a view to enhancing environmental awareness among our employees, we publish monthly environmental bulletins covering current topics such as voluntary carbon markets, life cycle analysis and industrial water management.

We also evaluate our alignment with the European Green Deal and our environmental performance indicators during regular meetings with our managers and directors. We encourage the submission of environmental suggestions through our Idea Platform and Suggestion Evaluation System to support employee engagement. In this context, successful ideas are rewarded and transformed into new environmental projects, thereby continuously strengthening our corporate environmental culture.

Prioritizing transparency in our stakeholder relations, we share our environmental and sustainability efforts with the public through our website and social media channels, particularly LinkedIn, to present our sustainability projects to wider audiences. In collaboration with our Global Human Resources Directorate and Global R&D and Innovation Directorate, we support university students in developing innovative ideas aimed at reducing carbon emissions. Furthermore, we take our sustainability vision to broader audiences through sectoral knowledge-sharing activities conducted within the scope of academia-industry collaborations. For example, we participated in the “Smart and Sustainable Forestry: A Future Outlook from an Engineering Perspective” workshop organized by Bartın University to share our sectoral experience and approach on such topics as carbon footprint calculation, carbon trading practices and carbon management through biomaterial production.

## 4.2. Climate Change and Emissions Management

Today, climate change has become one of the largest global issues threatening living ecosystems, biodiversity and socio-economic systems. Mitigating this threat requires reducing greenhouse gas emissions, increasing the use of renewable energy and developing sustainable solutions based on energy efficiency. At Kastamonu Entegre, we believe that this struggle can only be won through the collective contribution of all our employees, and we ensure that each individual takes active part in the process through our training programs.

Since 2015, we have regularly calculated our greenhouse gas emissions to better understand the environmental impacts of our operations and to guide or relevant initiatives. These efforts strengthen our accountability towards stakeholders while enabling continuous improvement in our environmental performance. We conduct our carbon footprint calculations in accordance with the Greenhouse Gas Protocol (GHG Protocol) Corporate Accounting and Reporting Standard, based on the operational control approach. The emission factors used in our calculations are taken from reliable and internationally recognized references. We apply the IPCC 2006 Guidelines for fuel- and energy-related emissions, while we use national emission factors published by the Ministry of Energy and Natural Resources for emissions arising from

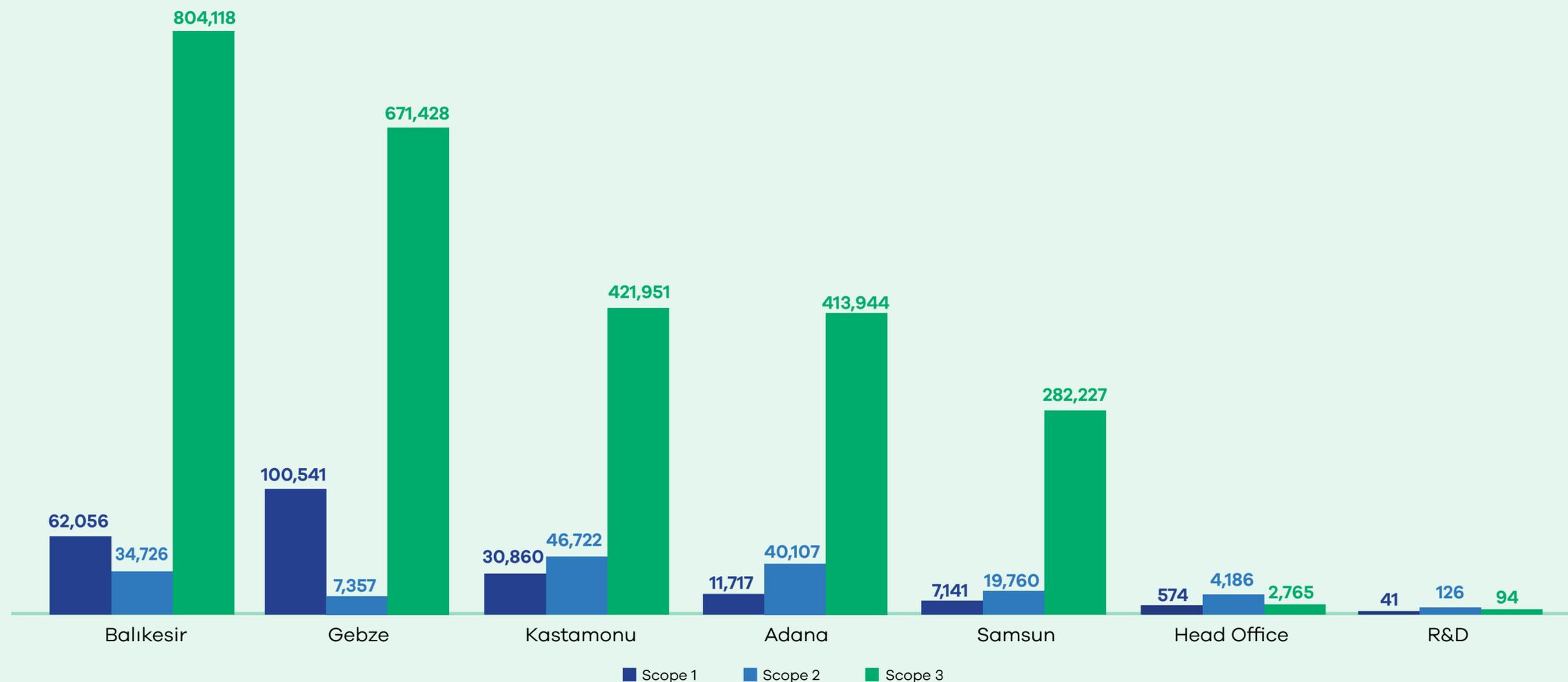
electricity consumption. In addition, process-related emissions, such as those from adhesive production, are calculated using the mass balance method in line with the applicable legislation.

Our factories in Kastamonu, Balıkesir, Gebze and Adana are subject to monitoring, reporting and verification processes under the Regulation on Monitoring of Greenhouse Gas Emissions. Annual greenhouse gas reports formulated for these facilities are verified by accredited organizations and submitted to the Ministry of Environment, Urbanization and Climate Change.

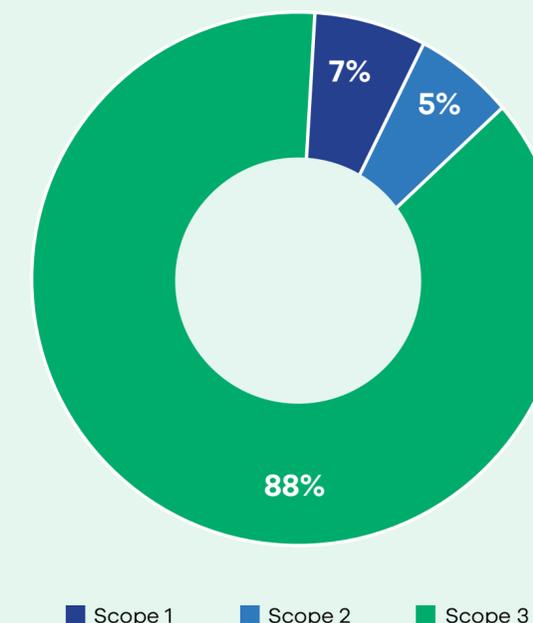
With a view to addressing emissions management with a more holistic approach, we conduct our greenhouse gas calculations within the Scope 1, Scope 2 and Scope 3 frameworks. Each year, we implement improvements aimed at enhancing data quality, measurement methodologies and reporting accuracy. As of 2024, we expanded our organizational boundaries in line with the operational control approach by completing greenhouse gas emissions calculations not only for our domestic production facilities but also for our headquarters and the R&D Center. This year, we also broadened the methodological scope of our Scope 3 emissions, enabling a more detailed assessment of indirect impacts in our value chain, and included this comprehensive analysis in our report for the first time.



### Greenhouse Gas Emissions by Location (tCO<sub>2</sub>e)



### Emissions by Scope (tCO<sub>2</sub>e)



Our Scope 1 emissions represent direct greenhouse gas emissions from sources owned or controlled by our company. These include combustion emissions from natural gas and biomass used in production and heating processes, as well as all stationary and mobile combustion emissions arising from fuels used in machinery, equipment and company vehicles. In addition, process emissions generated at facilities

where adhesive production is carried out, as well as emissions resulting from potential refrigerant losses from cooling and fire extinguishment systems, are monitored and reported under Scope 1 in accordance with the applicable methodology.

Our Scope 2 emissions cover indirect greenhouse gas emissions resulting from the generation of electrical energy supplied from the grid.

Finally, our Scope 3 emissions inventory, through which we assess indirect impacts in our value chain, covers purchased goods and services, capital goods, fuel- and energy-related activities excluded from Scope 1 and Scope 2 emissions, upstream transportation and distribution, operational waste management, business travel, employee commuting, and downstream

transportation and distribution processes. In line with our methodological scope, the assessment also includes end-of-life treatment of sold products, and investments.

According to our 2024 calculations, Scope 1 emissions amounted to 212,929 tonnes of CO<sub>2</sub>e, Scope 2 emissions to 152,984 tonnes of CO<sub>2</sub>e, and Scope 3 emissions to 2,596,527 tonnes of CO<sub>2</sub>e.

As part of our R&D efforts, we develop innovative projects based on bio-based raw materials by leveraging EU funds as well as internal resources and focus on further reducing greenhouse gas emissions.

We also prioritize national and international collaborations as part of our sustainability vision. In this regard, we took part with our Gebze facility in the “ClimaTech 4 Industry” Project, which is jointly funded by the European Union and the Ministry of Environment, Urbanization and Climate Change, coordinated by the Istanbul Chamber of Industry (ISO) and implemented in coordination with TUBITAK MAM. As part of the project, on-site studies focusing on climate risk and cleaner production were carried out; the impacts of climate change on our operations were analyzed; and critical areas were identified through the assessment of exposure and vulnerability parameters. The resulting findings provide valuable input for the development of adaptation strategies and policy recommendations for climate-sensitive sectors.

In emissions management, in addition to greenhouse gases, we also focus on other parameters that directly affect air quality and are of critical importance for the wood industry and wood-based panel sector, such as dust and volatile organic compounds (VOCs). In compliance with the Regulation on the Control of Industrial Air Pollution, all our facilities in Türkiye monitor flue gases, dust emissions and flow rates in real time through Continuous Emission Monitoring Systems (CEMS), and measurement results are

regularly reported to the Ministry of Environment, Urbanization and Climate Change. We have installed dedicated systems at our facilities to reduce VOC emissions originating from chemical storage areas. At our Gebze facility, we prevent evaporation-related emissions by using floating roof systems in methanol storage tanks and carry out tanker loading and unloading operations through closed-loop systems. VOC emissions arising from process are eliminated through gas incineration units by integrating the outlet stacks of formaldehyde production columns and the vents of storage tanks into Emission Control Systems. In addition, we keep dust and VOC emissions under control through advanced filtration technologies such as cyclones, bag filters, wet electrostatic precipitators (WESP), and scrubbers, thereby ensuring regulatory compliance while minimizing our environmental impact. We perform regular maintenance and inspections of all chimney systems to ensure the uninterrupted and high-efficiency operation of our emission control equipment.

At Kastamonu Entegre, we recognize our responsibility in combatting climate change and, accordingly, we develop innovative and pioneering practices in emission management through investments in technology, renewable energy resources and our human capital. Through projects implemented in all areas of our operations, from production processes and logistics activities to energy management and R&D, we reduce our environmental impacts, use resources efficiently and contribute to building a more sustainable future.



### Climate Change-Related Risks and Opportunities:

Raw materials obtained from forest ecosystems are at the foundation of our production activities. However, these resources are becoming increasingly vulnerable due to climate change caused by droughts, floods, storms and wildfires. This situation not only leads to disruptions in access to raw materials but also creates significant risks that may affect our costs and operational stability. On the other hand, growing demand for sustainable products and the need to comply with climate regulations are creating new opportunities in our sector.

At Kastamonu Entegre, we assess climate change-related risks and opportunities through a holistic approach, supporting forest management while building a resilient supply chain. As the second largest partner of Industrial Tree Farming (ENAT), we contribute to the development of industrial forest plantations in Türkiye and prioritize the procurement of raw materials from certified and traceable sources. We strategically manage our import processes through Kastamonu USA to ensure global supply continuity. By adopting a circular economy approach through our recycling investments, we aim to increase the use of recycled materials by reprocessing by-products of the wood industry at our Gebze, Balıkesir and Romania facilities.

The transformation in energy systems and the fluctuations in fossil fuel prices pose long-term risks in terms of production costs and operational continuity. Therefore, we invest in low-carbon production technologies and systems that enhance energy efficiency. Through these investments, we aim not only to reduce our environmental impacts but also to achieve cost advantages. With a view to strengthening our energy supply security, we utilize turbine systems and solar panels installed on factory rooftops, meeting a portion of our energy needs from renewable resources.

Climate change also creates risks in our logistics operations. Disruptions in access to raw materials, price fluctuations and increasing wildfires complicate supply planning, while extreme weather events may cause physical damage to production facilities. Floods and inundations at facilities located at low elevations or near water resources can damage infrastructure, inventories and raw materials, threatening production continuity. Such events may also lead to additional impacts, including increased insurance costs and operational delays. Moreover, heavy rainfall can reduce the quality of wood raw materials stored in open areas, adversely affecting production processes, as well as causing additional loads on treatment systems due to high flow rates. To mitigate these risks, we establish large-scale collection basins to control rainwater and surface water.

Employee health is another area directly affected by climate change. Heatwaves increase heat stress and occupational safety risks, particularly for personnel working in hot and dusty environments. This may lead to indirect effects such as productivity losses, workforce turnover, and increased maintenance needs. Similarly, high temperatures may strain the cooling capacity of process equipment, resulting in production halts.

From a water resources perspective, both droughts and excessive rainfall pose significant risks. Surface and groundwater resources decline during dry periods, while excessive rainfall may increase treatment costs due to the contamination of surface water sources. Therefore, we prioritize diversity in water supply, implement wastewater recovery practices and continuously monitor water consumption through detailed monitoring and mapping studies, aiming to ensure the efficient and sustainable use of water.



## 4.3. Energy Efficiency and Sustainable Energy Investments

### 4.3.1. Energy Consumption

We adopt a systematic and strategic approach in energy management that considers all dynamics affecting our performance. The Electricity and Energy Systems and Renewable Energy Departments under the Global Technical Directorate work in close coordination with energy managers at our facilities to define common targets and prepare long-term roadmaps accordingly. This structure enables us to maintain a consistent, robust and permanent management approach to energy efficiency and sustainability throughout the organization.

We regard energy management as a strategic priority and implement an effective and sustainable energy policy that is open to continuous improvement. The policy aims to continuously enhance our energy performance, increase efficiency, and minimize impacts across all areas of operation.

We regularly review our processes and continuously improve our systems by closely following technological developments in order to ensure efficient energy use. Our goal is to be an organization that uses energy in the most efficient manner and integrates sustainability into its work model.

We conduct regular training programs to boost employee awareness and competencies, and achieve continuous improvement together through open communication and a participatory management approach.

We implemented the ISO 50001 Energy Management System in all our facilities in 2014 to make energy efficient an integral part of our corporate culture. Through this system, we continuously monitor and improve our energy performance and systematically ensure energy efficiency through a management model aligned with international standards.

Our investments in renewable energy are fully aligned with the United Nations Sustainable Development Goals “Affordable and Clean Energy” and “Responsible Consumption and Production”. While prioritizing the use of renewable raw materials in our products, we also regard increasing the share of renewable resources in our energy consumption as a strategic priority. In this direction, we closely follow technological developments that enhance energy efficiency and integrate innovative applications into our processes.



## Our key renewable energy investments include the following:



### Organic Rankine Cycle Turbine

With the high-efficiency ORC (Organic Rankine Cycle) system, we generate electricity and thermal energy in our energy conservation processes with losses as low as 2%. Our Gebze production facility, which commissioned its ORC turbine at the beginning of 2015, became the first facility in Türkiye to adopt this technology and obtain the CE (Conformité Européenne) certification. With a thermal input capacity of 6.5 MW, the facility generates an average of 6.5 million kWh of energy annually, enhancing resource efficiency and reinforcing our environmentally-responsible production approach.



### Solar Power Plant (SPP)

In line with our vision for the transition to renewable energy, we utilize rooftop areas at our various production facilities for solar power investments.

**Adana MDF Facility:** The system, consisting of 17,720 PV modules (photovoltaic), has an installed capacity of 9,750 kWp and generates 13,600 MWh of electricity annually.

**Kastamonu MDF Facility:** With 20,868 PV modules and panel capacity of 11,4774 kWp, the system generates 11,600 MWh of energy annually.

**Samsun Particle Board Facility:** Commissioned in January 2024, the system includes 6,665 PV modules with an installed capacity of 3,3325 kWp and produces 3,200 MWh of electricity annually.

**Balıkesir MDF-Particle Board Facility:** Commissioned in December 2024, the rooftop SPP with 29,982 PV modules and an installed capacity of 16,490 kWp generates 18,000 MWh of energy annually.

**Gebze MEP Facility:** With the SPP planned to be commissioned in February 2025, we aim to generate 6,000 MWh of renewable energy annually through 11,400 PV modules with an installed capacity of 6,270 kWp.

As of 2024, we generated 52,400 MWh of electricity through rooftop solar panels and met 8% of our total electricity consumption from our own renewable sources.



### Gasification Plant

We successfully completed our TUBITAK - TEYDEB (The Scientific and Technological Research Council of Türkiye - Technology and Innovation Support Programs Directorate) project titled "Gasification of Waste Biomass and Renewable Clean Energy Generation (ABIGAS)", which aims to convert biomass waste generated in our production processes into energy. Based on gasification technology, this project provides high-efficiency energy conversion as an alternative to conventional combustion methods. The syngas produced by gasification reactors developed within the project is converted into electricity and heat using ORC turbines.

Commissioned in 2017, the facility processes approximately 20,000 tonnes of biomass waste annually, generating 6.5 million kWh of electricity and 43.6 million kWh of thermal energy.

Furthermore, to meet the thermal energy needs of our facilities, we convert by-products such as bark, sawdust and sanding dust generated in our processes into energy by burning them in our boilers. As of 2024, a total of 7,390,700 GJ of energy, corresponding to 60.6% of our total energy consumption, was obtained from biomass waste sources.



### Biomass Power Plant

Biomass is a key resource in our energy conversion strategy, enabling the recovery of waste and serving as the foundation of sustainable energy generation. With this approach, our Balıkesir ORC-1 facility, commissioned in 2021, converts approximately 20,000 tonnes of biomass waste annually into energy, generating 7.6 million kWh of electricity and 43.5 million kWh of thermal energy.

Our Kastamonu ORC-1 facility, commissioned in the same year, operates with a similar capacity, converting 20,000 tonnes of biomass waste into energy and producing 7.6 million kWh of electricity and 43.5 million kWh of thermal energy annually. These two facilities form the cornerstone of our circular energy approach by reintegrating waste from production processes into the economy.

In 2023, we significantly increased our biomass conversion capacity with the commissioning of our Balıkesir ORC-2 facility. The facility converts 150,000 tonnes of biomass waste annually into energy, generating 100 million kWh of electricity per year. Our Kastamonu ORC-2 facility, also commissioned in the same year, processes 150,000 tonnes of biomass waste annually, achieving a production capacity of 88 million kWh of electricity and 750 million kWh of thermal energy. Instead of releasing the 400 million kWh of thermal energy we generated directly into the atmosphere, we reuse it in drying processes at our facility, maximizing energy efficiency.

Within this framework, as of 2023, we initiated the voluntary carbon crediting process under the International Carbon Registry (ICR) for six different projects. We design our projects in compliance with the methodological standards of ICR and carry out project planning, emission reduction calculations and verification processes meticulously. We have determined emission reduction potential in detail for each project, implemented MRV (Monitoring, Reporting, Verification) systems, and initiated collaboration processes with independent third-party verifiers. As a result of these efforts, we aim to complete the carbon crediting processes and have the resulting emission reduction credits registered on the ICR platform and traded in voluntary carbon markets.

As of 2024, we generated 481,120 GJ of electricity through biomass power plants operating within our company. This production enables us to meet our energy needs from cleaner sources while making a tangible contribution to emission reduction, increased resource efficiency and strengthened environmental sustainability.

As of 2024, we meet 26% of our electricity consumption from renewable sources. Upon completion of our ongoing SPP and WPP (Wind Power Plant) investments, we aim to increase this rate to 76% by 2027.

The table below presents the increase in our renewable energy capacity between 2024 and 2030 and the corresponding share of this capacity in our total energy consumption:

Description	Unit	2024	2025	2026	2027	2028	2029	2030
 <b>Total energy consumption</b>	MWh	673,013	673,013	673,013	673,013	673,013	673,013	673,013
 <b>Rooftop SPP generation</b>	MWh	32,000	53,000	53,000	53,000	53,000	53,000	53,000
 <b>Biomass generation</b>	MWh	140,000	140,000	140,000	140,000	140,000	140,000	140,000
 <b>Ground-mounted SPP generation</b>	MWh	-	-	130,317	260,634	260,634	260,634	260,634
 <b>Onshore WPP generation</b>	MWh	-	-	-	58,000	58,000	58,000	58,000
 <b>Total renewable energy</b>	MWh	172,000	193,000	323,317	511,634	511,634	511,634	511,634
 <b>Share of renewables in total energy consumption</b>	%	26%	29%	48%	76%	76%	76%	76%



## 4.3.2. Energy Intensities

We calculate energy intensity (specific energy consumption) on an annual basis for each of our facilities in order to regularly monitor our energy performance. The energy intensity rate is derived by dividing each facility's total energy consumption excluding biomass by its total production volume over the same period.

Based on the assessments conducted in 2024, our calculated energy intensity values are as follows:

- 2.93 GJ/m<sup>3</sup> for particle board production,
- 4.90 GJ/m<sup>3</sup> for MDF (fibreboard) production

The primary reason for the higher energy intensity in MDF production is the fibre refining process (refiner unit), one of the most critical stages of production, which requires high levels of electricity and steam.

## 4.3.3. Energy Efficiency Projects

We implement comprehensive energy efficiency practices aimed at reducing energy consumption and optimizing resource utilization in all our production locations. On our production lines, we continuously carry out improvement efforts in numerous areas, including compressors and compressed air systems; water lines and hot oil systems operated by pumps; air lines operated by fans; lighting systems; and power factor correction systems. In addition, through optimizations implemented in heat generation and transfer systems, we recover waste heat generated during production processes, thereby significantly reducing energy losses.

Our energy efficiency efforts are not limited to internal practices. We also develop efficiency-enhancing projects supported by the General Directorate of Renewable Energy of the Ministry of Energy and Natural Resources. Through our long-standing collaboration, we continue to make our processes more sustainable from both an economic and environmental perspective.

As part of our energy efficiency investments, we commissioned a new system at our Balıkesir MDF facility in 2023 and installed two SOLAR Mars100 natural gas turbines to enable combined heat and power generation (cogeneration). Each turbine has an electrical capacity of 10.68 MWe and an electrical efficiency of 31.8%, providing a highly efficient energy conversion process. The overall system efficiency (heat + electricity) varies between 80% and 90%, depending on the MDF

production type. The electricity generated in the turbines is used directly in the MDF production process, while exhaust heat is utilized to generate steam for the refiner process and hot air for the drying line.

While the average efficiency of natural gas combined cycle power plants in Türkiye is around 59%, our cogeneration system, which is integrated into our panel production processes, achieves an efficiency of up to 85%, significantly exceeding sectoral standards.

### Energy Saving Through Bio-Based Materials

Wood-based materials play a significant role in reducing the overall energy consumption of buildings, due to their inherently low embodied energy during production and use. In this regard, we implement innovative projects focused on increasing the use of bio-based raw materials and developing environmentally responsible building panels. We continue our R&D efforts with determination to develop bio-based panel solutions that can contribute points under green building certification systems such as Leadership in Energy and Environmental Design (LEED). As a result of these efforts, we introduced PUREBOARD, a product manufactured entirely from bio-based content. This innovative product made a difference in the sector by offering a lower environmental impact and higher durability compared to the conventional panels. Moreover, in EU-funded SNUG Project, where we focus on

developing insulation materials used in buildings and energy-saving strategies, we enhance building insulation performance, reduce energy consumption and minimize environmental impacts arising from construction processes.

All of these initiatives enable us to develop innovative solutions that boost energy efficiency, reduce environmental impacts and strengthen sustainable building practices.

### E2comation Project

As part of the HORIZON Program, we became entitled to participate as a partner in the E2comation Project, which is carried out by an international consortium. The project aims to increase energy efficiency in industrial production and to develop sustainable production models through digitalization.

With the E2comation Project, we aim to optimize energy use across different hierarchical layers of our production processes and adopt a life cycle-oriented management approach throughout the value chain. With this approach, we monitor and manage energy consumption effectively in all stages, from raw material supply to the end-of-life of the product. The project brings together 18 organizations from 9 different countries, strengthening knowledge and experience sharing while contributing to the development of advanced energy management technologies and scalable solutions applicable at the industrial level.



## 4.4. Sustainable Management of Forest Resources

We operate with awareness of the role forests play in sustaining life, economic development and social well-being. Accordingly, at Kastamonu Entegre, we base our sustainable forest management approach on preserving the holistic structure of forest ecosystems, supporting biodiversity and ensuring the continuity of natural cycles. The wood raw materials used in our production processes are sourced from trees obtained through regeneration and maintenance activities that promote forest renewal. In this way, we ensure the responsible use of resources while contributing to the establishment of healthy forest ecosystems.

Transparency and monitoring capability are fundamental principles of our sustainable forest management policy. Within this framework, we strictly prohibit the use of raw materials of unknown or unregistered origin and do not procure raw materials from high conservation value ecosystems. Through our cooperation with the General Directorate of Forestry (GDF), we supply products obtained through planned forest maintenance to our facilities in line with legal allocations. In addition, we procure raw materials from forest resources in different regions through tender processes and incorporate industrial by-products (such as sawdust, covers, laths, etc.) into our production processes, thereby strengthening circular resource utilization. The share of such by-products in total raw material consumption, which stood at 13% in 2016, reached 28% by 2024.

With a 21.83% stake, we are currently the second largest shareholder of Industrial Wood Agriculture Industry and Trade Joint Stock Company (ENAT), which was founded in 2005 to support the development of industrial forestry in Türkiye and strengthen the role of the private sector in this regard. ENAT expands privately managed fast-growing tree plantations over an average area of 300 hectares annually, generating multiple environmental and economic benefits, including the protection of natural forests, securing a sustainable raw material supply, increasing carbon sinks and preventing erosion.

Having been holding the FSC®- Forest Stewardship Council® (FSC®-115698) certification since 2013, we conduct our production processes in compliance with forest stewardship and chain of custody standards. Domestically, our Gebze, Balıkesir, Kastamonu and Adana facilities, as well as our production facilities in Romania and Bulgaria, operate under this international sustainability standard.

The inherently renewable and fully recyclable nature of wood directs us towards circular economy-focused investments. With this mindset, we made a major recycled-material processing investment in Italy in 2017, modernizing the particle board facility owned by Gruppo Trombini and commissioning it in 2018. This investment represented a strategic step that contributes to waste management, job creation and economic growth.

Recycling and the use of innovative materials are also focus areas within the Technology Roadmap

of our R&D Center. We develop projects aimed at reintegrating sector-specific and non-sector-specific wastes obtained from internal and external sources into production processes, thereby bringing sustainable material technologies together with manufacturing.

We adopt a short-distance procurement model to reduce our carbon footprint and increase logistics efficiency in our raw material supply strategies. The distance between our facilities in Türkiye and forest resources ranges on average between 100 and 225 kilometers. By optimizing these distances, we reduce transportation costs as well as emissions. During periods when regional resources are insufficient or production capacity increases, we partially utilize imported raw materials at our Gebze and Adana facilities. We manage this process more effectively through Kastamonu USA, established in 2015, and conduct wood chip procurement and logistics operations on an international scale.

We closely monitor the development of national environmental policies and share our knowledge and experience with public authorities and sector stakeholders. We regularly participate in the Forestry and Water Council initiatives organized by the Ministry of Agriculture and Forestry and contribute to the development of policies and strategies for the sustainable management of forest and water resources. Furthermore, our global R&D and Innovation Director actively serve on the FAO Sustainable Forest Industries Advisory Committee, supporting knowledge sharing at the global level.



## 4.5. Sustainable Management of Materials

At every stage of our operations, we regard the efficient use of raw materials and the responsible management of resources as core priorities. In our production processes, we prioritize materials sourced from renewable and sustainable resources and therefore, produce environmentally friendly, high-quality products while enhancing operational efficiency. We continuously improve our material management processes and implement systematic enhancements to increase resource efficiency, reduce production losses and strengthen our circular economy approach.

We ensure that our products are fully recyclable and use recyclable and environmentally responsible materials in our packaging processes. We adhere to the principles of sustainable forestry in wood procurement and apply the “Reduce – Reuse – Recycle” principle in supply chain management.

We conduct production activities using 100% recycled materials at our facility in Italy, whereas in all other production facilities, we increase resource efficiency by reintegrating industrial by-products into our production processes. Approximately 28% of the wood raw material used at our domestic facilities is sourced from industrial by-products such as sawdust and edge trims; in particle board production alone, this rate reaches 50%.

We aim to transfer our experience in producing with 100% recycled materials at our facility in Italy

to our other production sites. In this direction, in 2023, we commissioned recycling facilities with capacities of 40 tonnes/hour at our Gebze and Balıkesir facilities and 20 tonnes/hour at our Romania facility. Through these investments, we aim to increase the share of recycled raw materials used in particle board production to 70%.

With a view to supporting sustainable raw material use, we regularly analyze production performance indicators and carry out continuous improvement efforts to achieve the highest levels of efficiency in resource utilization. Guided by 5S practices, we prevent unnecessary consumption at our sites and particularly reduce waste of metal and plastic raw materials.

Within the scope of our R&D activities, we develop innovative projects focused on the use of bio-based resins, annual plants and organic waste in panel production. We also work on replacing fossil-based adhesives with alternative adhesives produced from renewable natural resources. These projects enhance the environmental performance of wood-based products while contributing to the circular economy by reducing our carbon footprint.

### Impregnated Paper Waste Recovery Project

At our impregnation facilities, where we produce impregnated papers used on the surfaces of MDF and particle board products, we recover waste papers generated during edge trimming

in the production process. In this context, waste papers are first processed to an appropriate flake size using special shredding systems and then reintroduced into the production process by being incorporated into the core layer of particle board on the production line. This practice enables us to recycle production-related waste while achieving significant efficiency gains in raw material use.

Through this project, we achieved substantial savings in resource consumption by reducing the use of approximately 650 tonnes of wood and 900 tonnes of adhesive over the past year. As a result, we optimize our production costs while contributing to the conservation of natural resources.

### Bio-Based Resin Project

Our efforts to boost environmental performance are not limited to resource efficiency alone. Although we are capable of commercially producing panels that meet the lowest formaldehyde emission class limits, we continue our R&D efforts to develop bio-based and formaldehyde-free alternative systems to replace formaldehyde-based resins used in wood-based panel production.

With the Bio-Based Resin Project carried out in this regard, we aim to develop alternative adhesive formulations derived from renewable raw materials. This project represents a strategic step towards reducing our environmental impacts as well as strengthening our sustainable production approach.



## 4.6. Water Management



Increasing global water scarcity and the impacts of climate change have made the protection and efficient use of water resources a strategic priority. At Kastamonu Entegre, we base our production processes on the sustainable management of water and continue our efforts with determination to use resources efficiently and to integrate a circular economy approach in all our operations.

Within the scope of our water management strategy implemented throughout 2024, we recovered a total of 304,515 m<sup>3</sup> of wastewater at our production facilities in Türkiye, thereby meeting approximately 9% of the annual water demand of our domestic factories. In the same period, we procured a total of 2,902,193 m<sup>3</sup> of water, 67% of which was sourced from the municipal water supply, 21% from groundwater and 12% from surface water resources. As a result of the investments we have made at our domestic and international facilities, the volume of recovered water has reached a level equivalent to the annual water consumption of approximately 6,100 people. We regularly analyze areas within the water cycle that have improvement potential and systematically implement efficiency-enhancing practices based on the outcomes of these analyses.

Wastewater recovery constitutes one of the core components of our targets to protect water resources and reduce the use of natural resources. In this context, we enable the reuse of significant volumes of wastewater through reverse osmosis

(RO) membrane systems, backwash recovery technologies and internal recovery processes implemented at our MDF and adhesive units. In addition, we are implementing various projects at our factories to collect and utilize rainwater.

We treat and discharge the wastewater generated at our Gebze, Kastamonu, Samsun, Balıkesir and Adana facilities with chemical and biological treatment systems, in line with legal limits. We regularly monitor the performance of our treatment systems and continuously analyze the physical, chemical and biological parameters of water at every stage of production processes. Through this systematic approach, we increase our operational water efficiency while minimizing our environmental impacts.

We assess the impacts of climate change on water resources from a holistic perspective. We closely monitor the effects of decreasing precipitation, rising temperatures, floods, deterioration in water quality and potential changes in regulations on our operations. We take preventive and adaptive measures to mitigate the potential impacts of these risks on production continuity, cost management and regulatory compliance. We increase our investments in water-saving initiatives, enhance our wastewater recovery technologies, implement efficiency-focused production practices and integrate digital monitoring systems into our processes. We leverage advanced water technologies and sustainable management approaches to optimize our production costs

and continuously improve our environmental performance.

We deliver regular awareness training to our employees in order to strengthen our water management culture throughout the organization. We advance our sustainability vision together with all our employees by increasing knowledge levels regarding the strategic importance, efficient use and circular management of water.

### Adana Facility

At our Adana facility, we enhanced our water management practices by replacing the demineralized water unit with reverse osmosis technology. This transformation resulted in a significant reduction in the use of chemicals such as sulfuric acid, hydrochloric acid and caustic soda, achieving chemical savings and lowering water treatment resin costs. At the same time, this practice minimized the exposure of receiving water bodies to harmful chemicals, thereby reducing environmental risks.

### Kastamonu and Samsun Facilities

We implemented an air-cleaning method instead of washing with water in the belt dryer systems to improve water efficiency at our Kastamonu and Samsun facilities. Through this application, we achieve daily water savings of approximately 200 tonnes at our Kastamonu facility, reducing water consumption in our production processes as well as contributing to environmental sustainability by using water resources more efficiently.

## 4.7. Waste Management

We shape our waste management practices in line with circular economy principles and carry out processes in accordance with the waste management hierarchy, which includes the prevention, reduction, reuse, recycling and recovery of energy and, as a last resort, environmentally sound disposal of waste. While minimizing the amount of waste generated in our production processes, we simultaneously increase recycling practices. We deliver environmental benefits and achieve efficiency in resource use by converting our by-products into secondary raw materials. We design our products to be long-lasting and durable, thereby contributing to the efficient use of natural resources through their entire lifecycle.

Our waste management strategy is based on the principles of prevention at source, segregation by type, effective collection, safe storage, disposal in compliance with relevant legislation, and recovery at the highest possible rate. Energy recovery constitutes a significant part of this process. Waste that cannot be recovered is disposed of in full compliance with environmental regulations, without posing risks to human health or the environment.

We segregate our hazardous waste by type, store it safely in temporary storage areas in accordance with the legislation, and send it to the licensed companies for recovery or disposal. Recycling is always our priority method in this process; where recovery is not possible, waste is disposed of using safe methods.

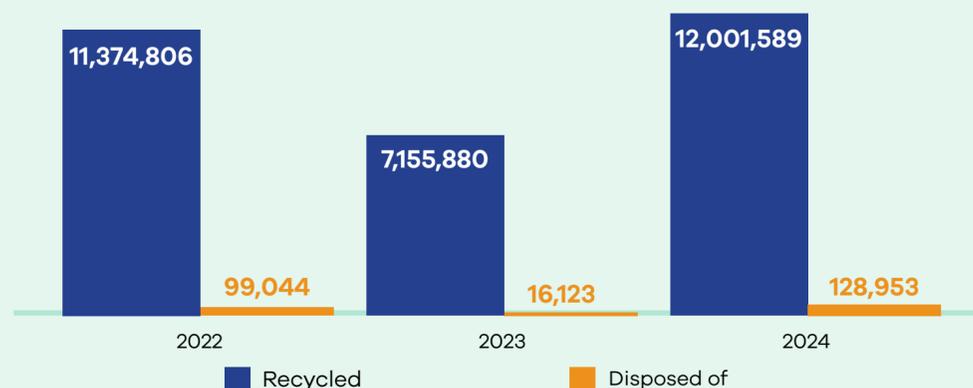
The biomass waste generated in our production processes (sanding dust, bark, etc.) is utilized as fuel at our facilities in accordance with TS EN ISO 17225-1 Solid Biofuels – Part 1: General Requirements and with the approval of the Ministry of Environment, Urbanization and Climate Change. In this way, we generate energy while contributing to the circular economy. We implement the necessary technical measures to protect soil and water resources at all our facilities. We control potential leakage and spillage risks through preventive systems and maintain up-to-date emergency response plans for unexpected situations. In addition, we regularly raise awareness among all employees through waste management training and continuously ensure the effectiveness of our waste management system.

We conduct our waste management practices in full compliance

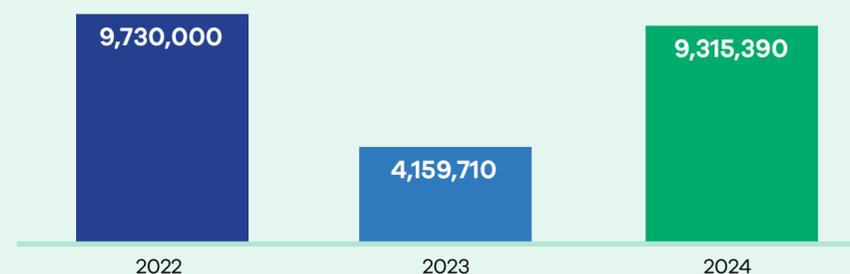
with the Waste Management Regulation, Zero Waste Regulation and all relevant national regulations. All our factories hold the Zero Waste Certificate issued by the Ministry of Environment, Urbanization and Climate Change. In our offices and production areas, we segregate waste at source, collect it in zero-waste bins and send it to the licensed recycling companies to be reintroduced into the recycling cycle.

We regularly monitor the waste generated on an annual basis and carry out initiatives to continuously increase our recycling rates. In 2024, we generated a total of 12,131 tonnes of waste, 9,315 tonnes (77%) of which consisted of non-hazardous waste and 2,815 tonnes (23%) of hazardous waste. We recycled 99% of our waste, while only 1% was disposed of in accordance with the environmental legislation. We achieved high recycling rates in both categories by managing hazardous and non-hazardous waste separately. More than 99% of hazardous waste was directed to recovery, while the recycling rate for non-hazardous waste reached 98%. We carry out the processes of segregation at source, collection through licensed companies and inclusion in the recycling cycle with the same level of diligence in all our facilities.

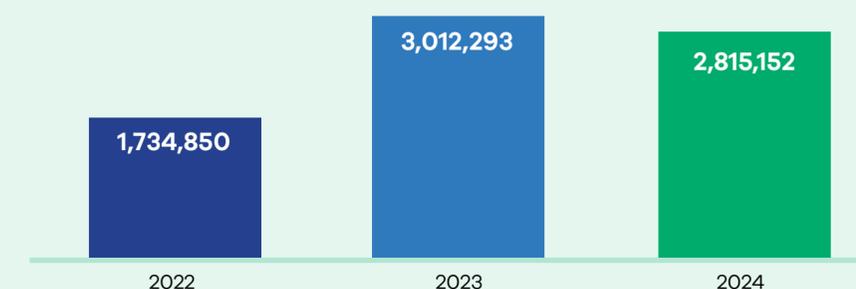
Quantity of Waste Recycled and Disposed Over the Years (kg)



Quantity of Non-Hazardous Waste Over the Years (kg)



Quantity of Hazardous Waste Over the Years (kg)



**Some examples of the circular economy practices we implement at Kastamonu Entegre include the following:**



**Environmental Protection:**

We subject refiner wastewater to evaporation and recovery processes and prevent them from being discharged into the environment.



**Waste Reduction:**

We reduce the amount of discharged wastewater through our wastewater recovery systems.



**Effective Resource Management:**

We convert the biomass waste resulting from production into energy through gasification and combustion.



**Innovation and Economic Growth:**

At our facility in Italy, we use waste wood in particle board production, integrating the circular economy approach into our production processes. Our digitalization investments help to boost process efficiency and contribute to sustainable economic growth.



**Cost Savings:**

We reuse impregnated paper waste in particle board production, thereby eliminating disposal costs as well as reintroducing waste into the economy as raw material.

**Good Practice Examples**

**Innovative Pallet Production from Waste Impregnated Paper as part of Industrial Symbiosis**

Impregnated papers produced but separated as non-standard due to quality issues are reutilized in a different facility as part of the industrial symbiosis approach, rather than being treated as waste. In this context, they are used as raw material in pallet production and turned into a new product. As a result, we enhance resource efficiency while also generating significant environmental and economic benefits through waste recovery.

**Production of Bio-Based Materials from Waste**

In line with circular economy principles, our R&D team conducts studies to derive bio-based components from waste and to transform these components into industrially valuable products. Within this scope, we develop collaborations with research institutes, innovative start-ups and industrial organizations to explore the potential use of the bio-based materials we obtain in the production of boards, resins, impregnation solutions, and surface coatings within the wood-based panel industry.

Through our projects focused on reutilization of sector-specific and non-sector-specific waste, we aim to reintegrate these materials into the wood-based panel industry. At the same time, we convert such waste into high value-added products through industrial symbiosis practices. A notable example of this approach is the project "Furniture Panels Produced through the Upcycling of Coffee Grounds", carried out in collaboration with the start-up Wastespresso. In this project, we transformed coffee grounds into bio composite panels. Through this partnership, we contribute to the collection, processing and preparation of coffee waste for industrial use, which results in the reduction of carbon emissions as well as more efficient use of natural resources. Moreover, by developing an alternative non-wood raw material, we help preventing the generation of wood waste and offer a new option to businesses that support environmental sustainability. This innovative collaboration was recognized by Fast Company with the "Start-up Collaboration Jury Special Award".

Our R&D efforts focused on circular economy continue at the international level, as well. In this context, we are actively involved in 2 Eureka, 1 Eurogia, 5 Horizon Europe, 1 TUBITAK 1004, 2 TUBITAK 1505 and 1 Horizon Europe: Marie Skłodowska-Curie Actions projects. In addition, we currently have 6 Horizon Europe and 1 TUBITAK 1833 projects at the application stage. Through these initiatives, we aim to develop new technologies for waste recovery and to promote a culture of sustainable production throughout the sector.

# 5. People and Culture



# 5.1. Human Resources Management

Our employees are the architects of more than half a century of success and represent our most valuable asset. At Kastamonu Entegre, it is our top priority to provide a safe, healthy, and fair working environment based on the principles of equality and justice. We ensure the success and sustainability of our company together with our employees by transparently sharing with them our corporate culture, goals and principles. With a view to achieving our long-term strategic targets, we continuously improve our human resources policy to ensure the development of our talented workforce and to attract new talent.

## In line with our Human Resources Policy;

- We act in accordance with the principles of protecting human rights and respect for people in all human resources processes.
- We do not discriminate on the basis of ethnic origin, religion, language, race, age, gender, nationality, disability or cultural differences, and we refrain from any behavior that may be considered discriminatory.
- In addition to the continuous development of our qualified human capital, we focus on consistently increasing motivation and commitment.
- We care about supporting our employees' work-life balance, health and psychological well-being.
- In recruitment processes, we provide equal opportunities to all candidates who possess the required education, knowledge, skills, competencies and experience.

- We adopt the principle of equal pay for equal work. We designate similar salaries for equivalent positions, and any differences in pay among employees performing comparable roles are based solely on seniority and performance.
- With the aim of maintaining a competent workforce, we seek to provide career development and learning opportunities for our employees in different geographies.
- Through our globally adapted matrix organizational structure, we establish feedback and guidance mechanisms within management teams to whom employees report administratively and functionally.
- This structure enables us to embrace a global strategy and culture across shared functions of different organizations within the Company.
- We maintain strong internal communication and create platforms where our colleagues can freely express their ideas.

Drawing strength and guidance from the Kastamonu Principles, we continue to develop our processes within the framework of our human resources policies and to create added value for our Company and our employees.

Our corporate principles serve as a guiding compass for all colleagues, enabling us to act in line with our shared values.

**We aim for these principles to be a guiding reference in each of our lives, with a view to achieving success and creating sustainable value.**



Be Responsible, Instill Confidence



Be Constructive and Humble



Listen, Succeed Together



Raise The Bar, Make A Difference



Get Strength From Data, Generate Results



Notice, Noticed



Become A Guide, Develop



We continuously enhance our human resources processes with a focus on digital transformation. The digital library, candidate tracking system, digitalization of career and talent management, the "Career Page" that allows employees to access and update their personal information, and the ability to view organizational charts digitally are some of the tangible outcomes of this transformation. Through these applications, we aim to reduce paper consumption, save time, and create an efficient and positive employee experience.

In 2024, we advanced our performance management system by integrating artificial intelligence support into our OKR (Objectives and Key Results) processes. With this innovation, employees can now receive AI-generated suggestions during goal setting and obtain feedback on the quality of the results they create.

In the same year, we launched the "Compliance Management Platform", enabling more effective management of explicit consent and ethical declaration processes as part of the Personal Data Protection Law (KVKK). On a global scale, we digitized travel approvals and travel-related expense management processes, thereby increasing efficiency. In addition to new practices, we restructured and improved existing HR digital processes during the year to make them more efficient and user-friendly.

By anticipating future needs, we implement our strategic workforce planning through a systematic approach that includes reorganization, alternative working models and workforce sizing updates. In 2024, we took significant steps towards organizational transformation and restructured our work models based on efficiency and lean principles. We support this process with HR Analytics practices and build a more effective and agile structure through data-driven decisions.

The Blue-Collar Job Evaluation System (MIDS), developed for our blue-collar and grey-collar employees, continues to be implemented in alignment with current conditions. This system strengthens the sense of fairness between roles and ensures that compensation processes are managed based on objective, transparent and balanced criteria.



We apply flexible working models depending on the nature of the work and the needs of our teams. While generally maintaining a hybrid working arrangement, we also offer full-time remote working options for certain roles. Through this approach, we prioritize productivity and employee satisfaction as well as adapting to transformation in the business world through agile and up-to-date practices.

We implement a “Principle-Based Instant Rewarding” practice to make exemplary behaviors and positive contributions visible within the organization, positioning recognition as a key element that boosts motivation and supports a strong corporate culture.

We conduct our recruitment processes in line with the principles of transparency, diligence and objectivity. The process begins with the identification of needs by our human resources unit and the relevant department managers, followed by the preparation and publishing of job descriptions through appropriate channels. Applications are reviewed in line with predetermined criteria, and suitable candidates are invited to the next stage following a preliminary screening. Phone and online interviews are conducted with candidates to assess their motivation level and competencies. This is followed by technical interviews, which involve an in-depth analysis of candidates’ knowledge, skills and experience. Candidates who receive positive evaluations undergo English proficiency tests, personality inventories and general aptitude tests. The job offer process is initiated after reference checks are completed for candidates who successfully pass all stages. Candidates who accept the offer sign their employment contracts and are included in our orientation program. During orientation, new employees receive comprehensive information about our corporate culture, policies, processes and values, with a view to supporting their quick and effective integration into the organization.

Through our Code of Ethics and Business Conduct Procedure, we aim to provide a safe, fair and discrimination-free working

environment for all employees. We apply a zero-tolerance policy towards harassment, violence and mobbing. Definitions of such behaviors are clearly established, and employees can submit reports securely and confidentially via the “Ethics Hotline”.

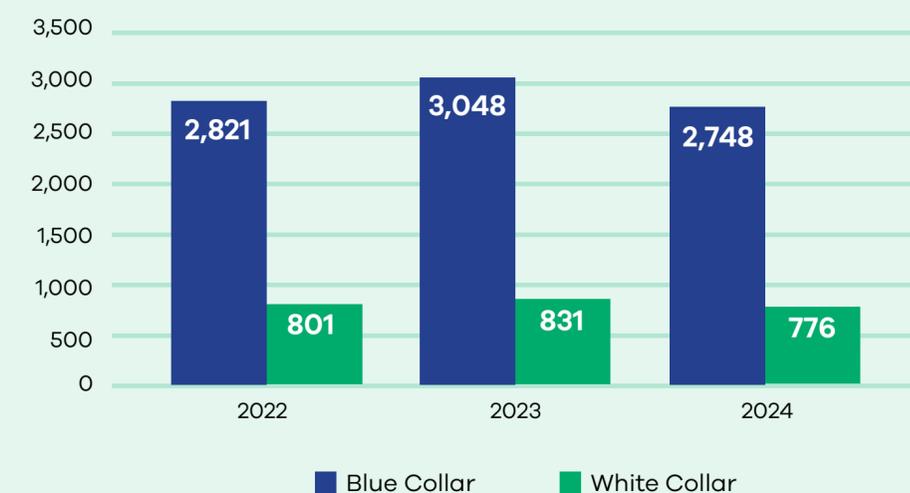
As part of our OHS Policy, we provide all employees with appropriate working conditions, personal protective equipment (PPE) and regular training. We expect our employees to diligently comply with relevant procedures, act with the awareness that safe behavior is an individual responsibility, inform their managers when they become aware of risky situations, and actively participate in OHS training sessions regularly assigned to them.

We strictly reject child labor and forced labor. All our activities are conducted in accordance with the Labor Law and the International Labour Organization (ILO) conventions to which Türkiye is a signatory. We apply the same level of sensitivity throughout our supply chain and regard full compliance with these obligations by our business partners as a fundamental requirement.

We recognize the protection and enhancement of human rights as one of our main responsibilities for the sustainability of social well-being and peace. Acting with this awareness, we encourage our employees to demonstrate sensitivity towards social issues and to contribute to society as ethical, responsible and informed individuals.



**Number of White- and Blue-Collar Employees**



## 5.2. Diversity, Inclusion and Equal Opportunity

In line with our Code of Ethics and Business Conduct, we adopt an honest, fair and respectful approach towards our employees at all times. We regard it as a key responsibility to create a discrimination-free, safe, healthy and fair working environment. We guarantee that our employees fully and timely exercise all their employment rights and make continuous efforts to support their professional and personal development.

In accordance with our Fair and Safe Working Environment principle, we place great emphasis on establishing and ensuring the sustainability of a corporate culture in which fairness and trust are genuinely felt in all our companies. We evaluate our existing employees and candidates based on the principles of equality and equity. Our decisions regarding training, career development, recruitment and promotion are made in line with our corporate policies, taking into account job requirements as well as individual's competencies, experience, behaviors, job performance and potential.

We respect our employees' private lives and personal space. We do not tolerate any form of discrimination at our company on the basis of language, race, color, gender, age, belief, sect, political opinion, physical disability, etc. We create an inclusive, positive and supportive working culture to ensure that people with different beliefs, thoughts and opinions can work together, in harmony and cooperation.

Our policies aimed at enhancing diversity and inclusion extend beyond internal practices and constitute a significant part of our approach to social responsibility. In this direction, whenever processes or initiatives that promote diversity and equality are organized, we seek to actively contribute to such projects in line with our sense of social responsibility. Our core objectives include safeguarding human rights and democracy, and strengthening social peace and well-being. We also encourage each of our employees to act with a strong sense of responsible citizenship, to remain sensitive to social issues and to assume a leading role in this regard.

We shape our compensation policy based on employees' job descriptions, responsibilities, experience and their contributions to the organization. To establish a fair and competitive remuneration system, we regularly review

market conditions and job evaluation results and associate remuneration with performance criteria. This approach helps to boost employee motivation, encourage cooperation and contribute to corporate success.

We apply fair remuneration practices by embracing the principle "Equal pay for equal work". We ensure that any pay gaps among employees in the same positions are based solely on seniority and performance. We also guarantee that there is no gender pay gap between our female and male employees.

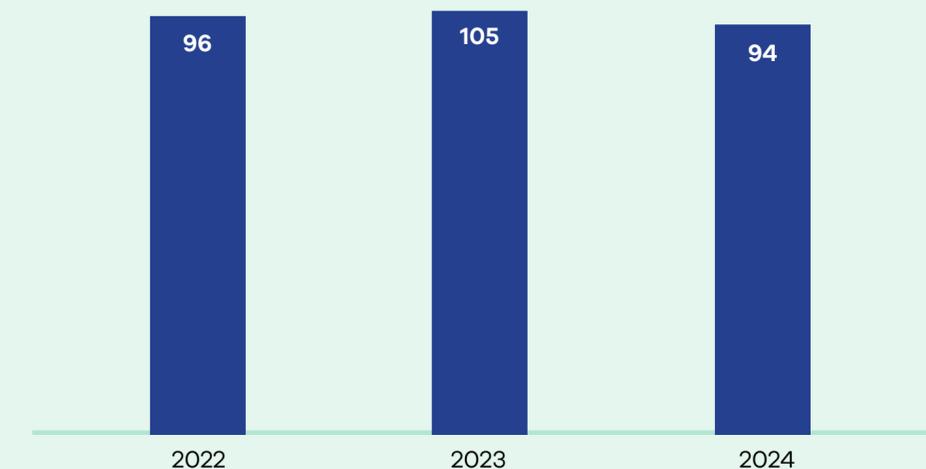
We prioritize initiatives aimed at increasing female employment. In recent years, we have achieved a notable increase in the proportion of female employees across all units, particularly in managerial positions. To sustain this progress, we support female candidates throughout our recruitment processes and leverage the flexibility offered by our hybrid working model to facilitate women's career development. We actively support our female employees' career journeys through our policies that reinforce equal opportunities and remain committed to increasing women's representation at management levels.

We also implement various practices to support the active participation of employees with disabilities in working life. We ensure accessibility in all areas of our facilities through such features as disability ramps, elevators, and restrooms aligned with hygiene standards. We create a productive and inclusive working environment by employing employees with disabilities in roles suited to their specific disabilities. In addition, we grant 10 days of administrative leave to employees who have a child with a disability rate of 70% or above, regardless of the employment status of their spouse. In cooperation with the Turkish Employment Agency (ISKUR), we continue our efforts to increase the employment of people with disabilities with determination.

As of 2024, a total of 94 employees with disabilities, 87 of whom are men and 7 are women, are employed at our Company. Such a strong participation rate stands as a tangible indicator of our diversity policy as well as our corporate culture, which provides equal opportunities for every individual to realize their potential.



**Number of Employees with Disabilities**



## 5.3. Employee Experience

We believe that a solid organization can only be achieved through happy and motivated employees. For this reason, employee well-being, motivation and commitment have always been among our top priorities. We continuously develop innovative practices to create a working environment where employees can maintain a healthy work-life balance, address their individual needs and truly feel valued.

We offer various cash and in-kind benefits in order to boost employee satisfaction, delivering solutions for daily needs through cafeteria and transportation services, and supporting our flexible working model by providing meal allowances and internet support for remote workdays. In 2024, through our FlexUp flexible rewards platform, we introduced the "Flexible Benefits" practice, enabling our white-collar employees to personalize their existing benefits according to their individual needs.

We expanded the scope of our performance-based bonus system to make employees' contributions, aligned with our Company's performance, more visible. This system is now available not only to senior roles but also to employees in certain positions. Additionally, we provide work clothing to ensure a professional appearance and a safe working environment, and allocate mobile phones and company vehicles according to the nature of work performed.

We continue our private health insurance program, offered to meet the healthcare needs of our employees and their families. As part of cash benefits, we provide support during significant life events such

as childbirth, marriage and bereavement. We also offer holiday and fuel allowances, travel allowances, duty indemnities, performance bonuses, seniority incentive awards, postgraduate education allowances, relocation support and contributions to children's education. Through these comprehensive benefits and practices, we aim to have our employees better focused on their work and maintain their work-life balance.

As part of our hybrid working model, we offer Headquarters employees the opportunity to work three days from the office and two days from home each week, supporting efficient task execution as well as enabling them to spend more time with their families. To support working mothers, we allow the collective use of breastfeeding leaves and provide monthly diaper support for employees with children aged 0-3, as well as adult diaper support for employees with sick relatives.

Taking into account our employees' different life circumstances, we grant three days of administrative leave every year. In addition, we support educational and career development by offering 60 hours of additional leave for employees pursuing a master's degree and 90 hours for those pursuing a doctoral degree.

We value our employees' opinions and suggestions and consider them a significant part of our decision-making processes. As part of the "Let's Talk" initiative we have developed in this regard, our Human Resources team organizes periodic department-based meetings each year, analyses

the feedback collected during these sessions, and translates relevant data into action plans. We conduct regular site visits to directly observe working environments and identify employees' expectations and needs on the spot. In doing so, we continue to foster a more efficient, participatory and satisfaction-oriented working environment.

We support a culture of common development and corporate learning through the "Idea Platform", established to encourage the innovative ideas of our employees. With the "Kastamonu Entegre Well-Being Application", launched as a complementary step for our flexible working model, we provide our employees with an opportunity to maintain a healthy work-life balance and support their physical and mental well-being.

We adopt a more dynamic approach, rather than relying solely on annual surveys, to measure employee satisfaction. We conduct instant pulse surveys following internal practices or events to collect quick feedback on employee experiences and, based on the data obtained, implement continuous improvements with the aim of steadily enhancing employee satisfaction.

Strengthening social bonds is also among our priorities at Kastamonu Entegre. In line with our employees' interests, we have established seven Social Activity Clubs, including Gastronomy, Photography, Chess, Social Responsibility, Aquarium, Music and Outdoor Sports Clubs, as a reflection of this approach. Activities are organized within the annual budget and coordinated by

club representatives. These initiatives serve to strengthen team spirit and corporate belonging by enhancing interaction among employees beyond the workplace. All communications and announcements related to social activities are shared via the KEAS Social Platform, a digital media platform created for easy employee access. All of these efforts serve to continuously support active participation, interaction and a sense of community throughout the Company.



## 5.4. Learning and Development

We regard learning as one of the most critical drivers of sustainable success and organizational growth. With a learning approach placed at the center of our corporate culture, we focus on developing the knowledge and competencies required by the evolving demands of the era and aligned with our corporate strategies. We support our employees' professional, personal and academic development through a holistic approach, leveraging next-generation learning technologies and global collaborations to deliver personalized learning experiences.

### Training Programs

#### Requirements Definition and Scope Change Management and International Business Analyst Training

We developed a dedicated program, drawing on globally recognized practices in business analysis. We designed job-specific content focusing on requirements definition and scope change management within a scenario-based structure. In addition, by establishing a framework that supports the IIBA CBAP certification process, we contributed to the development of competent business analysts aligned with international standards.



#### Supply Chain Operations Academy

To strengthen the knowledge and capabilities of our supply chain team, we launched the "Supply Chain Operations Academy" in 2024 as a time-bound development program. The program, comprising four modules, brought together digital transformation, cost management, agile project management and optimization to offer participants theoretical as well as practical development opportunities.



#### Fundamental Marketing Academy

Through the Fundamental Marketing Academy Program implemented in 2024, we enabled new recruits to build capabilities in fundamental marketing, brand management, pricing, market research and planning areas. The Program supported employees in adapting quickly to current market practices.



Within the scope of leadership development, we regularly participate in the Yenibirlider Development Program to support the transformation of our potential leaders. The program provides participants with in-depth development in leadership, communication, strategic thinking, problem solving and innovation.

We leverage the Capsim Business Simulation application to reinforce our employees' fundamental business management and decision-making skills through realistic scenarios, strengthening managerial reflexes through an almost-on-site experience.

We have consistently participated in the TURQUALITY® program organized by Turkish Exporters Assembly (TIM) since its first year. This engagement supports sustainable success in international markets by keeping our competitive corporate competencies continuously up to date.

The "Communication Is Our Business" program implemented at our Balıkesir factory strengthens the team culture of our growing workforce, reinforcing internal communication while making a tangible contribution to individual and professional development.

Within the framework of the Technical Development Program, and as part of our targets to reduce environmental impacts and ensure sustainable energy management, our electrical and mechanical managers at the Gebze facility participated in the "Energy Manager Training" program. The training covered key topics such as the fundamentals of the ISO 50001 Energy Management System, energy audits, efficiency analyses and performance indicators. Supported by factory-wide energy saving projects and model practices, this initiative contributes to reducing our carbon footprint and scaling up cost-efficient applications.

We planned the "Fiberglass 100 Usage Information" training together with our quality and laboratory teams to ensure rapid and standardized adaptation to new materials. This training strengthens consistency in product processes and quality standards, thus ensuring sustainable production quality.

We implement the EKAT (High-Voltage Electrical Installations) training focused on safe response, risk assessment and emergency management awareness to reinforce a culture of safe work practices in electrical installations.

We also implement electro-hydraulic and pneumatic systems training for our production, maintenance and technical service teams. Through these programs, we aim to enhance rapid and effective response to malfunctions, reduce maintenance costs and ensure production continuity.

Manlift training programs, organized to promote the adoption of safe working-at-height principles, strengthen occupational safety awareness among employees. This training is intended to increase the number of certified personnel.

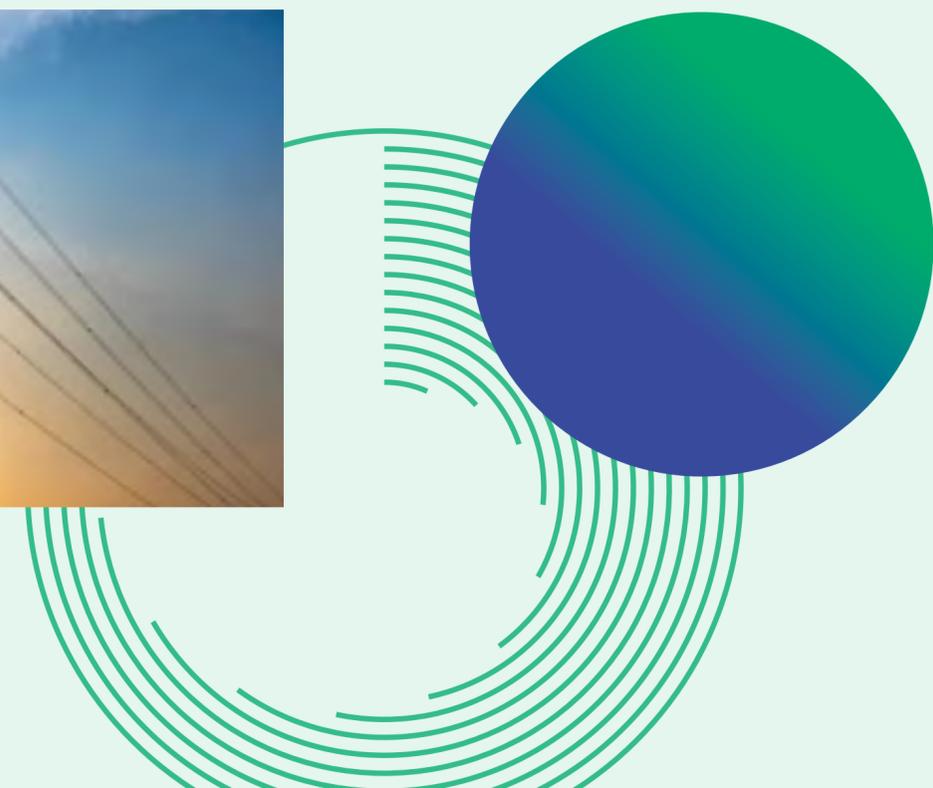
Through our Lean Six Sigma Training Program implemented in line with our process excellence approach, we integrate data-driven methodologies into our business processes, aiming to reduce waste, enhance quality and deliver lasting improvements in customer satisfaction.

Through our university collaborations, we provide professional development opportunities for employees at all levels. We offer special discounts to employees and their first-degree relatives, making learning support more accessible.

As part of the Foreign Language Development Program, we use an online platform accessible 24/7 throughout the year. We offer one-on-one speaking sessions with native English-speaking, internationally certified instructors, along with personalized content and interactive activities. We convene at regular Foreign Language Development Program Experience Sharing meetings to collectively assess the outputs and needs of the program.



*EKAT Training*



In line with our principle “Raise The Bar, Make A Difference”, we made the KEAS Academy Digital Development Platform available to our employees with more than 7,000 pieces of content. We designed a Digital Orientation Journey on the platform for new recruits to enhance the effectiveness of the adaptation process.

We added five new audiobooks this year to our dedicated KEAS Digital Library, supporting a culture of learning independent of time and place while enriching content diversity.



*KEAS Digital Library*

Through the Kastamonu Entegre Well-Being Application, we provide employees with free psychologist consultations via a call center and, with the addition of dietitian support this year, we systematically promote physical health as well. The platform also offers access to a rich information repository consisting of written, audio and video content.

With a sustainability focus, we introduced the “Sustainable Energy Management and Combatting Climate Change” training to our portfolio in 2024, with a view to raising awareness on reducing carbon footprint, boosting energy efficiency, ensuring compliance with regulations and fostering climate consciousness.

Sustainability modules integrated into our TalenTree and Global Innovation School development programs integrate an environmental responsibility perspective into every stage of our learning journeys.



*TalenTree 2024 (internship program)*



*Global Innovation School Education Program*

We implement the “How to Be Environmentally Friendly?” training with the aim of strengthening environmental awareness in day-to-day life as well as in business processes. The program promotes practical habits related to waste reduction, recycling, and energy and water conservation, encouraging the reflection of environmental sensitivity in everyday behaviors.

In the “Protecting Natural Balance and Forest Management” training, we translate critical topics such as biodiversity conservation, sustainable forest management, erosion control and soil protection into practice by mapping them to our corporate policies.

In collaboration with Turkish Foundation for Combating Soil Erosion, Reforestation and Protection of Natural Habitats (TEMA), we continue to donate saplings on behalf of every new employee who joins our organization. This practice represents a natural extension of our learning culture and our understanding of social contribution.

We celebrated World Environment Day 2024 with events hosted at our Gebze facility, organized with the contributions of our OHS and Environmental units. We further strengthened environmental awareness by maintaining high employee participation.

We continue our efforts in the collection of waste batteries, waste reduction, and the separation of waste for recycling, and make tangible contributions to the environment while also reinforcing sustainability awareness throughout the organization.

## 5.5. Performance and Career

At Kastamonu Entegre, we manage talent through a holistic system that draws strength from our values and principles. This model helps us to identify, develop, retain and build a talent pipeline for the talents we need in the short, medium and long term.

At the core of our talent management framework are Objectives and Key Results (OKR), the 360-degree feedback process, and the “Discover Yourself” and “Discover Your Potential” practices. Through these processes, we systematically assess employee performance, potential and development areas, and directly integrate the resulting data into our decision-making processes.

All our processes, such as assignments, promotions, bonus and rewarding decisions, succession planning and development program participation, are based on this data. By implementing the Performance Improvement Process, we create individual development plans and support our employees in transforming their potential back into performance.

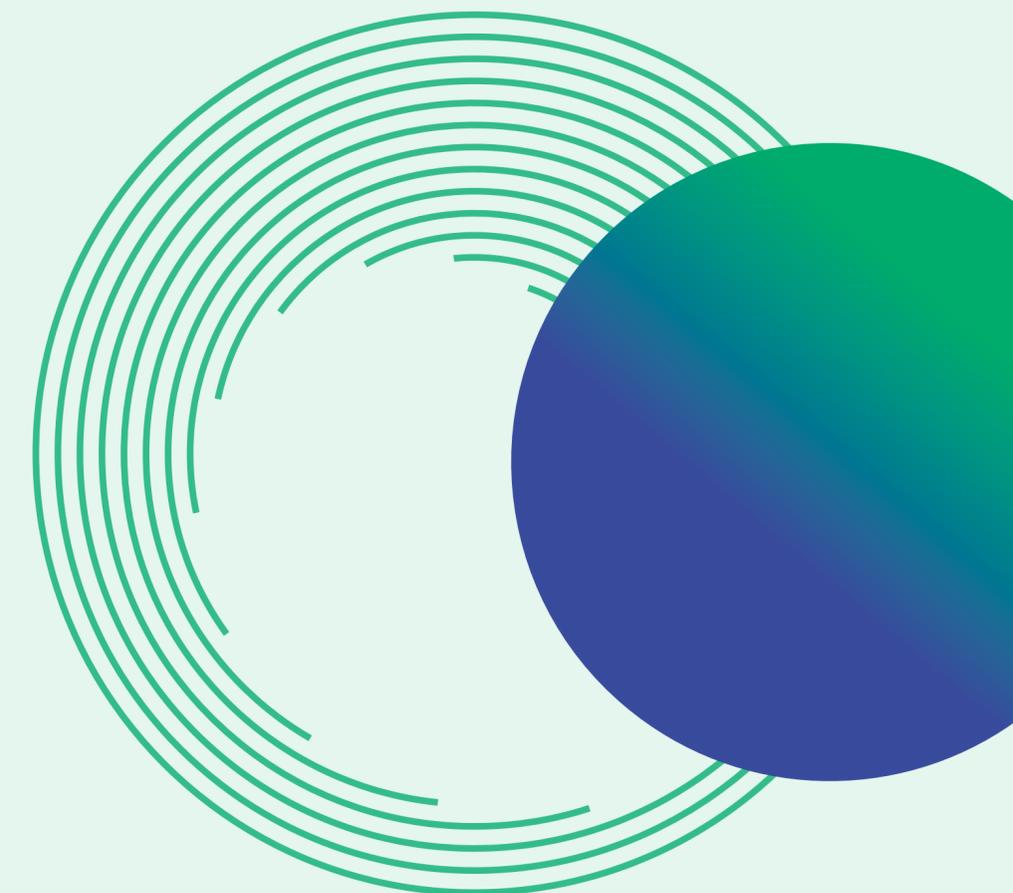
The OKR-based performance system implemented for our white-collar employees reinforces our agile working culture. This system enables us to respond quickly to emerging needs and manage changes dynamically. We operate this process on a global scale under the name KEŞİF|DISCOVERY, covering our international subsidiaries.

In production sites, we monitor the performance of our blue- and grey-collar colleagues through MaYa (Blue-Collar Performance System), based on SMART goals. This data serves as a critical guide in enhancing quality standards and achieving our targets. MaYa outputs are actively used within the Blue-Collar Promotion System for career development, with the process conducted regularly on a quarterly basis. Through this holistic approach, we transform employee potential into performance, and performance into sustainable success.

We manage career development in full integrity with our corporate strategies and objectives. Rather than viewing this system solely as a mechanism for tracking goals, we treat it as a strong enabler of development that fosters a robust culture of feedback, recognition and appreciation. Individually defined OKRs are managed in a measurable, achievable and fully transparent manner. Through this approach, company-wide, departmental and individual goals become visible; while ownership, accountability and a shared success culture are further strengthened. As we advance towards our corporate strategies, we place great importance on ensuring that each employee finds meaning in their work and feels that their contribution is valued. In doing so, we support sustainable success and ensure that our behaviors remain fully aligned with our corporate culture and values.



*Blue Collar Performance System*



As part of our Development Center Application, participants receive structured feedback on their strengths and development areas under the guidance of our managers and experts. This process enables them to gain role clarity and adopt a development-oriented perspective.

Through our One-on-One Executive Coaching program, employees define their personal goals based on feedback received from their coaches, and we track their progress through regular sessions. In doing so, we strengthen the performance-development cycle in line with the principle of continuous improvement.

Our Mentor & Mentee Program serves to enable us to transfer the knowledge and experience of our experienced executives to employees at the early stages of their careers. We pair one mentor and one mentee from each directorate to accelerate the development of young talents while enhancing our leaders' mentoring capabilities.



Mentor & Mentee Program

We support our young talent ecosystem through the TalenTree Development Journey Internship Program. The fourth term of the program, which is aimed at identifying and developing future talents at an early stage, was completed in 2024 with an intensive two-week training plan followed by a comprehensive five-week development journey. Throughout the program, interns enriched their learning experiences through online training on digital platforms, gained experience by actively participating in real projects, received mentoring support from experienced employees and attended leadership meetings. In 2024, 28 students selected from among more than 5,000 applicants joined us on this development journey as TalenTree Interns.



TalenTree Development Journey Internship Program

Our Youth Voice project serves to strengthen our participatory management culture. In line with the outputs of our integrated talent management system, a young council composed of participants under the age of 30, selected from each directorate, received training in design thinking, Agile, creative thinking and effective presentation techniques, and developed sustainability-themed projects that were presented to senior management.



Youth Voice: Youth Energy is Here Program

## 5.6. Occupational Health and Safety

We regard translating our occupational health and safety (OHS) culture into behavior through our “people-centered” approach as a corporate priority. In this regard, we continued the OHS Leadership Development Program, which we launched in 2023, throughout 2024 without reducing its scope. Through this program, we have established a management culture that carries safety awareness over to day-to-day business practices in field and office teams.

We operate our OHS management system in full compliance with the TS ISO 45001 Occupational Health and Safety Management Standard and all applicable legislation. We conduct systematic risk analyses at our facilities classified under the “highly hazardous workplaces” category and prioritize the elimination of hazards in line with the hierarchy of prevention. Where risks cannot be eliminated, we implement engineering solutions to create safe working conditions below regulatory limits.

We place people at the center of our OHS Policy. From the project phase onward, we evaluate new products, processes and facilities from an OHS perspective, and we strengthen safe working environments for our employees, contractors and visitors through technology and continuous training. We are committed to minimizing losses in the event of potential accidents and emergencies and to continuously improving our performance.

Through the OHS Leadership School, we deliver training programs for managers and field employees, with the aim of internalizing OHS as

a “value”. These programs enable us to address on-site risks through visible leadership practices while supporting our managers in developing OHS competencies that serve as a model.

Through Behavior-Based OHS Training, we systematically analyze risky behaviors arising from human error and reinforce safe behaviors by means of structured feedback mechanisms. In this way, we integrate safe working habits into the natural part of business flow.

The OHS Culture Analysis studies conducted in all our locations are based on the Hudson & Parker model. We integrate the data obtained from field observations, employee interviews, system reviews and maturity tests using the 18-dimension OHS Culture Maturity Scale and directly reflect this data in management decisions.

At the beginning of 2024, we planned OHS Leadership Training covering production facility managers at the supervisor level and above, focusing on enhancing leadership competencies, updating legal rights and responsibilities, and integrating visible leadership practices into our processes.

Our general OHS training programs are delivered in a remote learning environment, in compliance with the legislation, for all employees outside leadership roles working at the headquarters, factories and field operations. By tailoring content to our company’s risk profile, we adapt the learning experience to the specific characteristics of each role and work environment. These training programs

increase safety awareness, make behavioral factors visible and support lasting change through feedback loops.

We employ the K-Safe System to enhance on-site safety. Through planned observations conducted via this system, we identify risky behaviors, prevent recurrence through real-time feedback, and increase monitoring capability by digitally recording and monitoring corrective actions.

The Kastamonu 10 Audit System, implemented in all our factories, integrates our annual OHS audits into a common reference model, thereby ensuring consistency among facilities, highlighting development areas and continuously enhancing the maturity of our OHS system through a continuous improvement approach.

We regularly collect employee feedback through an active near-miss reporting system. We conduct root cause analyses for incidents to eliminate underlying causes and minimize potential accidents through preventive actions.

We hold OHS Committee meetings on a monthly basis, with the participation of employees. Decisions are taken unanimously, performance indicators are reviewed weekly and monthly, and a synchronized management cycle aligned with on-site practices is maintained.

In 2025, in line with the findings obtained from our OHS Culture Analysis studies and the outputs of our leadership programs, we plan to organize OHS Workshops in all our locations. Through these

workshops, we aim to jointly identify strengths and development areas among our units and to standardize and disseminate salient successful practices throughout the organization. Shaped by collective knowledge and experience sharing, these platforms will form the foundation of our OHS strategic development plan. We believe that the planned workshops will play a critical role in ensuring the sustainability of our occupational health and safety policy.

In the long term, we foresee the reduction of losses, increased productivity and stronger employee engagement as natural and lasting outputs of our OHS programs. With this approach, we aim to build a safe working environment as well as a continuously evolving OHS culture.



# 6. Stakeholder Engagement and Responsible Business Partnerships



# 6.1. Stakeholder Dialogue

We believe that the key to achieving a sustainable future is collaboration based on mutual trust. With this belief, we position our open, trust-based and continuous communication with our stakeholders as one of the building blocks of our sustainability strategy.

We define all our stakeholders who affect and who are affected by our activities as our employees, customers, suppliers, shareholders, public institutions, non-governmental organizations, academia, and local communities. In all our relations with these stakeholders we act in line with the principles of mutual trust, transparency and cooperation.

We collect regular feedback through different communication channels and use the feedback and insights to enhance our business processes and strengthen our sustainability strategies. In every region, we focus on understanding the expectations of stakeholders, creating shared value and developing long-term collaborations.

This approach enables us to meet the needs of today while also contributing to sustainable solutions for the future. At Kastamonu Entegre, we remain firmly committed to increasingly reinforce the strong bonds we have built with all our stakeholders, in line with our sustainable growth targets.



Stakeholders	Communication Channel/Method	Communication Frequency
<b>Employees</b>	Intranet	Continuous
	Social Media	Continuous
	Announcements	Continuous
	KEAS Academy	Continuous
	Tenure Recognition Ceremony	Annual
	Global Quality Summit	Annual
	KEAS Blog	Continuous
	CEO Factory Visits	Continuous
	Idea Platform	Continuous
	Open Door	Continuous
	Discovery	Continuous
	Let's Talk	At Regular Intervals
	KEAS Social Platform	Continuous
<b>Customers</b>	Dealer Order System	Continuous
	Social Media	Continuous
	Website	Continuous
	Customer Satisfaction Surveys	Periodic
	Meetings	At Regular Intervals
	Announcements	At Regular Intervals
	KEAS Blog	Continuous
	Showroom Visits	At Regular Intervals
	Innovation-Driven Customer Meetings	At Regular Intervals
	Fairs	Continuous
	Customer Visits	Continuous

Stakeholders	Communication Channel/Method	Communication Frequency
<b>Business Partners (Suppliers, Subcontractors, Service Providers, Financial Institutions, Consulting Firms, etc.)</b>	Supplier Entry System	Continuous
	Social Media	Continuous
	Websites	Continuous
	Meetings	At Regular Intervals
	Annual Report	Annual
	KEAS Blog	Continuous
	Architects Meetings	At Regular Intervals
	Stakeholder Visits	Continuous
	<b>Social Stakeholders</b>	Social Media
<b>Media, Non-Governmental Organizations, Local Communities</b>	Communication Activities	Continuous
	Websites	Continuous
	Meetings	At Regular Intervals
	KEAS Blog	Continuous
	<b>Public Agencies</b>	Social Media
<b>Governments, Universities, Academic Institutions, Local Administrations</b>	Communication Activities	Continuous
	Website	Continuous
	Meetings	At Regular Intervals
	Audits	At Regular Intervals
	Annual Report	Annual
	Membership Affiliations	Every other year
	Forest Products Assembly of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB)	At Regular Intervals
	Foreign Economic Relations Board (DEİK)	At Regular Intervals
	MDF and Chipboard Manufacturers Association (YOMSAD)	At Regular Intervals
	Turkish Exporters Assembly (TİM)	At Regular Intervals
	Chambers of Industry	At Regular Intervals
	KEAS Blog	Continuous
	Official Correspondence	Continuous

## 6.2. Customer and Dealer Experience

We consider accurately analyzing our customers' needs and expectations —and maintaining the highest level of service quality through an innovative working model open to change— as one of the main pillars of our corporate strategy. Our end-to-end experience management processes operate within an integrated structure including order management, feedback mechanisms, root cause analysis and direct field engagement.

As a pioneering initiative in the sector, our Customer Services organization, which was established to ensure lasting customer satisfaction and a standard level of service in sales and order operations, commissioned the SAP GATP module in 2019 and integrated it with our customer portal. Since 2020, we have continuously strengthened system integrations and enhanced the Kastamonu Entegre Portal (KEP) in line with emerging technologies and customer needs and have steadily improved order visibility and service levels year over year.

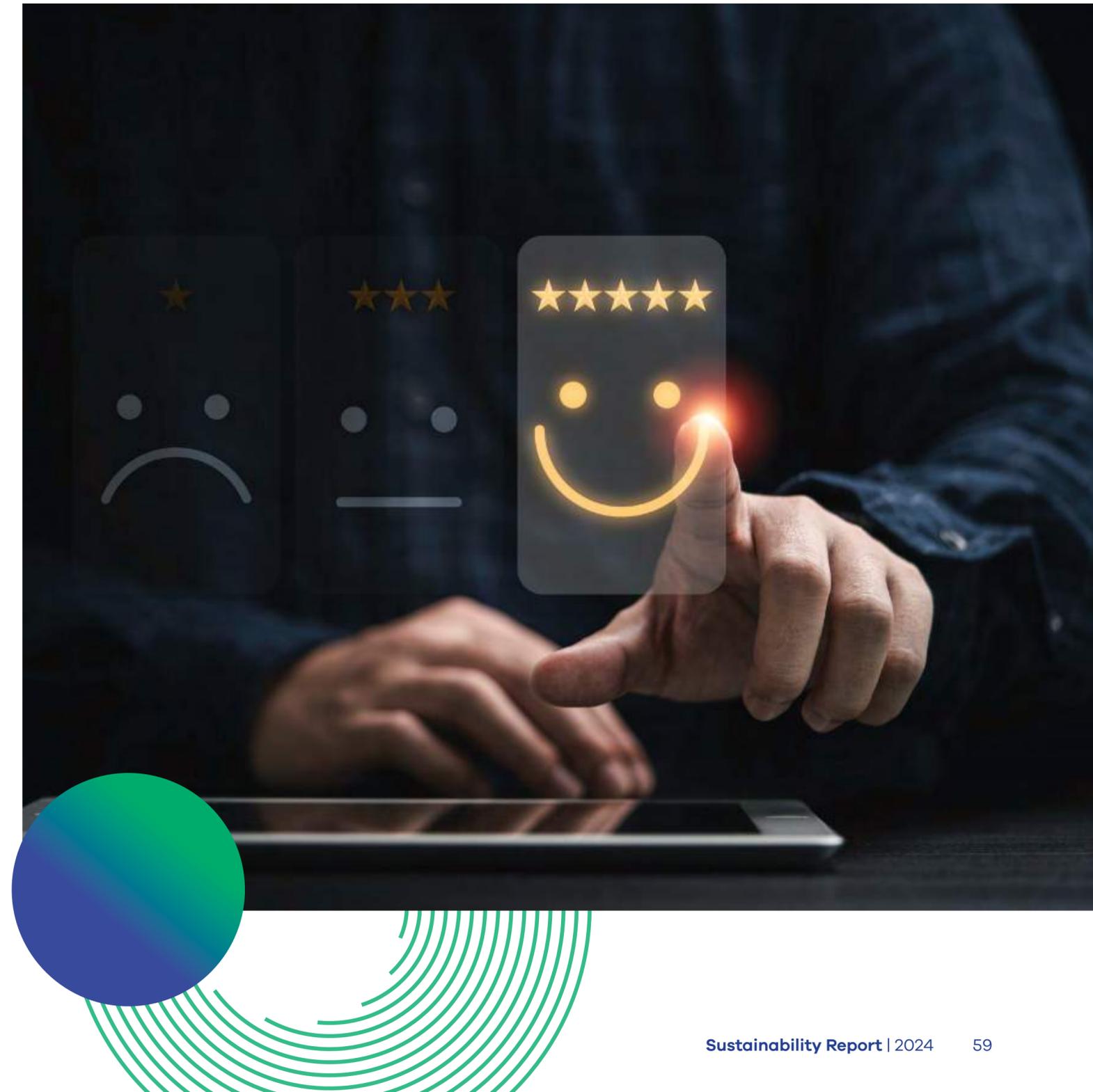
Our feedback system is designed as a dynamic, multi-channel structure that enables us to effectively hear the voice of our customers. Feedback collected via telephone, KEP, e-mail, social media and field visits is prioritized, while records created through KEP are tracked in an integrated manner via our CRM system. This approach enables us to manage complaints and requests in a systematic, traceable and measurable rhythm and continuously increase our resolution speed and process transparency.

We manage complaint and notification management across our domestic and international factories through Microsoft Dynamics 365 (CRM), and offer our customers the opportunity to track every stage in real time. We conduct root cause analyses using the QDMS DIF module to prevent recurring issues; we also contribute to the development of our sector by engaging in regular exchanges with relevant institutions and organizations to support the development and updating of quality standards.

Our customer relations go beyond complaint management, but they are enhanced through a proactive approach. In 2024, we conducted 186 customer visits, directly gathering insights on needs and expectations on-site and integrating these insights into our product, process and service designs.

We monitor our operational performance regularly and quantitatively, and resolve all notifications submitted through the Kastamonu Entegre Complaint Portal within timeframes shorter than target durations, thereby maintaining our culture of swift action and process discipline. In 2024, every notification received through the Complaint Portal was diligently evaluated and fully concluded.

Through all these building blocks, we manage customer and dealer experience in a data-driven, transparent and traceable manner, continuously strengthen our long-term, trust-based relationships by combining standardized service quality with innovation-focused engagement.



## 6.3. Responsible Supply Chain Management

We build our supply chain upon the principles of environmental compliance, occupational safety and operational efficiency. Our suppliers' compliance with the environmental legislation is central to our decision-making processes. In cases where non-compliance of regulation is identified among suppliers operating on-site, we promptly issue the necessary warnings and implement corrective actions in accordance with our ISO 14001 Environmental Management System procedures.

We manage raw material management through an approach based on sustainable forest resources. The wood we utilize is procured as an output of forest maintenance and regeneration activities carried out to ensure forest continuity. These resources are processed at our facilities transforming into high value-added products, and directly contributing to the green economy. In addition, we enhance resource efficiency by reintegrating suitable waste generated from lumber, veneer, pallet and similar wood-processing activities back into our production processes.

We are transforming our circular economy vision into an corporate program through the Wood Recycling Facility planned to be commissioned in 2025. In line with our principle of working with facilities licensed for recycling collection and segregation, we aim to reintroduce end-of-life wood waste into production, thereby increasing resource efficiency and our contribution to the national economy.

We consider occupational health and safety as an integral part of our supplier and visitor management. Drivers delivering materials to our facilities are informed of OHS measures upon site entry and provided with the necessary PPE. The PPD use of guests and drivers is supervised by all our teams, with necessary sanctions, including site access bans, enforced in the case of non-compliance to OHS rules within the facility. We regularly deliver briefings to our suppliers and contractors through presentations, prepared by our OHS teams, on compliance with facility rules and caution signs.

With the commissioning of the VisitPro digital visitor and contractor management system in 2024, we now manage these processes within a more systematic, traceable and auditable framework. The system enables the holistic management of OHS criteria by digitally pre-approving site access, training completion status, up-to-date health reports, PPE compliance and authorizations of contractor personnel.

We are digitalizing supplier lifecycle and performance management end to end. The tendering, bid collection, analysis and contract formulation processes conducted by our Procurement Unit are managed through SAP Ariba, which is fully integrated with our internal systems, thereby establishing a lasting standard for transparency, monitoring capability and process speed.

We are also developing a new system that will enable our impart operations to be jointly monitored by our business units, customs brokers and suppliers on a single platform. We seek to ensure that post-order processes will be managed through synchronized data entry, task assignment and performance evaluation through this system, which is planned to go live in 2025, and further extend the system to cover export processes in the future.

We demonstrate strong performance in localization and supplier base management. In 2024, we worked with 1,190 local suppliers and only one foreign supplier for wood raw material procurement. We sourced 99.9% of our raw material supply from domestic suppliers and met 93% of our total raw material requirements through local sources. Our total supplier base reached 3,590 in 2024, 94.40% (3,388) of which were local and 202 were foreign suppliers. The share of local suppliers in total procurement amounted to 68.70%.

Through this integrated structure, which involves control mechanisms that verify environmental compliance on site, digitized supplier processes, rigorous OHS practices and a high share of local sourcing, we manage our supply chain in a more resilient, transparent and sustainable manner.



## 6.4. Community and Social Contributions

We plan our community investments under the coordination of our Corporate Communication team and with the voluntary contributions of our Social Clubs; we focus on projects that provide actual benefits to society in each location where we operate.

In line with the principle of “creating value for society” which we have embraced since 1960, we carry out initiatives that generate lasting value in the fields of environment, education, sports and culture, and translate our field experience into sustainable contributions.

In 2024, our social impact continued through projects focused on children’s education and happiness. As part of the April 23 National Sovereignty and Children’s Day celebrations, we came together with students from Şehit Emin Yıldırım Primary School and Açıkdere Middle School in Hatay, sharing the festive spirit with children by presenting them with gifts. Attended by volunteer teams from our headquarters and from our Adana and Tarsus facilities, this event helped us to make our culture of solidarity visible on the field.



*April 23 National Sovereignty and Children’s Day, Hatay Şehit Emin Yıldırım Primary School*

We continued to strengthen our bond with the children and families affected by the earthquake. At the Hayat Good Life Center in Malatya, we shared the joy of children receiving their report cards with a music recital organized under the coordination of our Social Responsibility Club and with the contribution of our Music Club. We regularly participated in the social and psychological support activities carried out at the Center to ensure the sustainability of activities that promote well-being.

We also press ahead with carrying our initiatives aimed at the empowerment of women and girls directly to the field. At the 46<sup>th</sup> Istanbul Marathon, we participated in the corporate run in collaboration with the Koruncuk Foundation to raise awareness on the access to rights for girls receiving education in Koruncuk Villages. Our employees further contributed to expanding this support by creating individual fundraising campaigns through the “Run for Goodness (İyilik Peşinde Koş)” platform.

In the upcoming period, we will continue to conduct our social investments with a focus on equal opportunities for children and young people, post-disaster recovery, access to special education, and contribution to the innovation ecosystem. In every project, we will continue to focus on learning from the field and to make our impact more inclusive and sustainable.



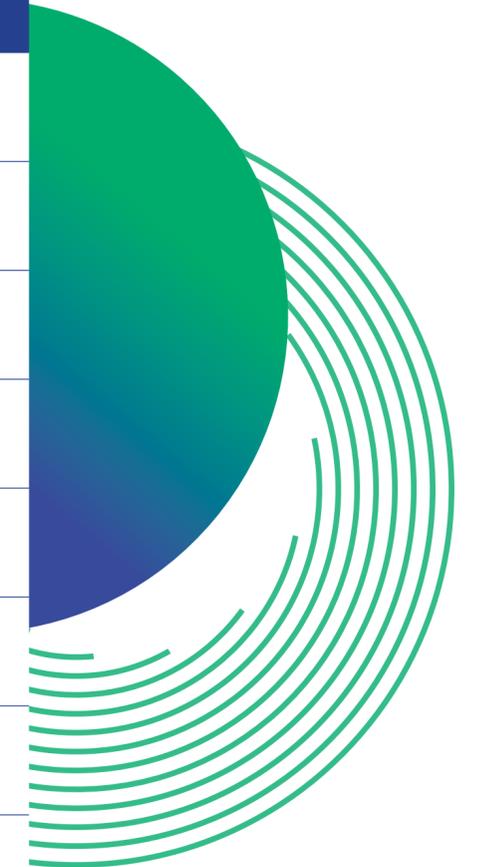
*46<sup>th</sup> Istanbul Marathon*

# 7. Annexes

# 7.1. Environmental Performance Indicators

## Emissions Data by Location

Location	Unit	Scope 1	Scope 2	Scope 3
Balıkesir	tCO <sub>2</sub> e	62,056	34,726	804,118
Gebze	tCO <sub>2</sub> e	100,541	7,357	671,428
Kastamonu	tCO <sub>2</sub> e	30,860	46,722	421,951
Adana	tCO <sub>2</sub> e	11,717	40,107	413,944
Samsun	tCO <sub>2</sub> e	7,141	19,760	282,227
Head Office	tCO <sub>2</sub> e	574	4,186	2,765
R&D	tCO <sub>2</sub> e	41	126	94
<b>Total</b>	tCO <sub>2</sub> e	<b>212,929</b>	<b>152,984</b>	<b>2,596,527</b>



## Water Consumption Data

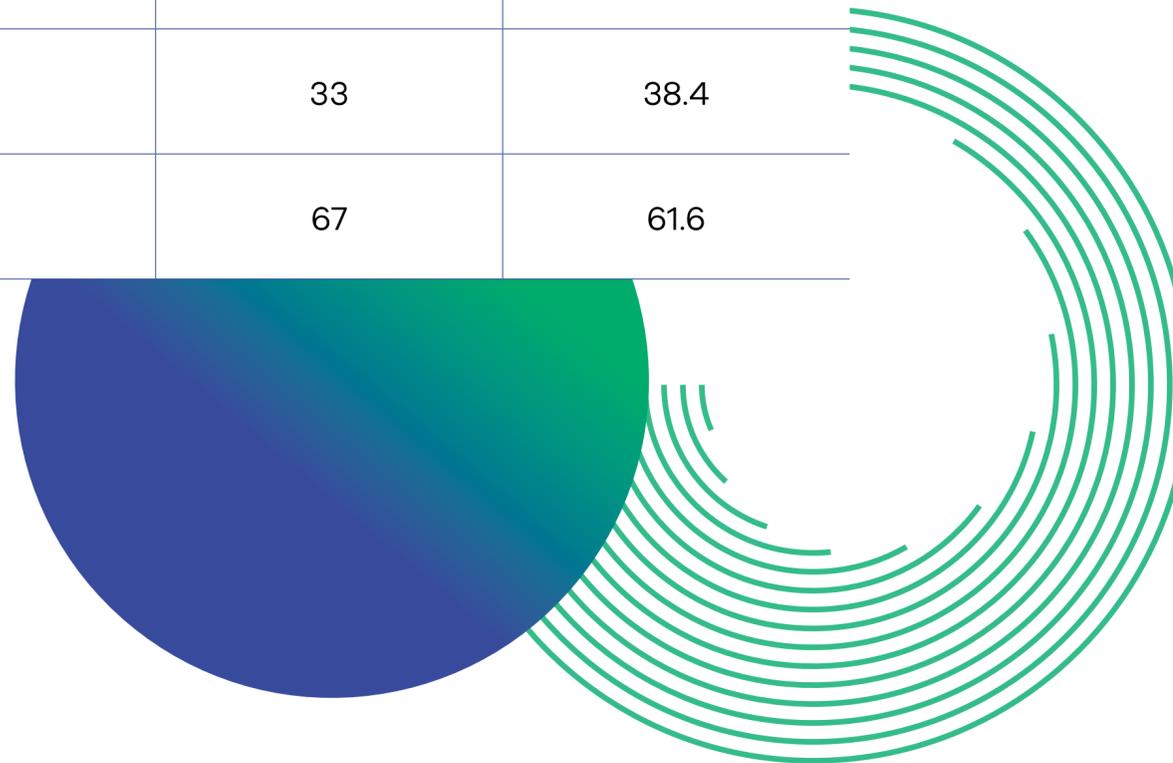
Water Consumption	Unit	2022	2023	2024
<b>Mains Network Consumption</b>	m <sup>3</sup>	1,370,649	1,741,315	1,933,885
<b>Groundwater Consumption</b>	m <sup>3</sup>	733,224	636,962	609,998
<b>Surface Water</b>	m <sup>3</sup>	219,485	272,195	361,310
<b>Amount of Water Recovered/Reused</b>	m <sup>3</sup>	145,466	234,005	304,515
<b>Total Water Consumption</b>	m <sup>3</sup>	2,387,814	2,884,477	3,206,708

## Waste Generation Data

Waste Management	Unit	2022	2023	2024
<b>Total Waste</b>	kg	11,473,850	7,172,003	12,130,542
Recycled	kg	11,374,806	7,155,880	12,001,589
Disposed	kg	99,044	16,123	128,953
<b>Total Hazardous Waste</b>	kg	1,734,850	3,012,293	2,815,152
Recycled	kg	1,743,726	3,012,170	2,815,079
Disposed	kg	124	123	73
<b>Total Non-Hazardous Waste</b>	kg	9,730,000	4,159,710	9,315,390
Recycled	kg	9,631,080	4,143,710	9,186,510
Disposed	kg	98,920	16,000	128,880

## Energy Consumption Data

Energy Consumption		Unit	2022	2023	2024
<b>PB</b>		GJ/m <sup>3</sup>	2.28	2.30	2.93
<b>MDF</b>		GJ/m <sup>3</sup>	3.88	4.41	4.90
<b>Total Energy Consumption</b>		GJ	9,274,600	12,787,722	12,175,067
<b>Ratio of Renewable Energy</b>	<b>Conventional Resources</b>	%	-	33	38.4
	<b>Renewable Resources</b>	%	-	67	61.6



## 7.2. Social Performance Indicators

		2022		2023		2024	
		Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
<b>Total number of employees</b>		2,821	801	3,048	831	2,748	776
		3,622		3,879		3,524	
		Male	Female	Male	Female	Male	Female
<b>Number of white-collar employees</b>		649	152	671	160	623	153
		801		831		776	
		Male	Female	Male	Female	Male	Female
<b>Number of blue-collar employees</b>		2,794	27	3,025	23	2,726	22
		2,821		3,048		2,748	
		Male	Female	Male	Female	Male	Female
<b>Number of foreign employees</b>		2	1	2	2	1	1
		3		4		2	
		Male	Female	Male	Female	Male	Female
<b>Number of foreign managers (senior managers)</b>		0	0	0	0	1	0
		0		0		1	
		Male	Female	Male	Female	Male	Female
<b>Average tenure (in years) of employees by level</b>		18.1	0	17.9	0	17.8	0
	<b>Senior managers</b>	11.5	9	12.9	9.7	13.8	8.4
	<b>Mid-level managers</b>	6.9	4.7	7.8	5.3	7.8	5.7
	<b>Experts &amp; officers</b>						
<b>Demographics of senior management</b>		Male	Female	Male	Female	Male	Female
	<b>Senior managers</b>	19	0	22	0	17	0
<b>Number of persons in governing bodies and Board of Directors</b>		Male	Female	Male	Female	Male	Female
		5	0	5	0	5	0
		5		5		5	
<b>Number of employees under 30 years of age</b>		Male	Female	Male	Female	Male	Female
		680	44	837	45	719	36
		724		882		755	

		2022		2023		2024	
<b>Number of employees at 30 to 50 years of age</b>	Male	Female	Male	Female	Male	Female	
	2,548	126	2,618	133	2,401	131	
	2,674		2,751		2,532		
<b>Number of employees above 50 years of age</b>	Male	Female	Male	Female	Male	Female	
	237	9	241	9	229	8	
	246		250		237		
<b>Number of employees by working hours</b>	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
	3,619	3	3,876	3	3,520	4	
<b>Number of employees by contract type</b>	Indefinite	Fixed term	Indefinite	Fixed term	Indefinite	Fixed term	
	3,622	0	3,879	0	3,520	0	
<b>Number of employees with disabilities</b>	Male	Female	Male	Female	Male	Female	
	91	5	98	7	87	7	
	96		105		94		
<b>Ratio of employees with disabilities (%)</b>	Male	Female	Male	Female	Male	Female	
	3%	0.1%	3%	0.2%	2%	0.2%	
<b>Number of employees on maternity/parental leave</b>	Male	Female	Male	Female	Male	Female	
	198	13	216	6	177	9	
	211		222		186		
<b>Number of employees returning to work after the end of maternity/parental leave</b>	Male	Female	Male	Female	Male	Female	
	13		6		8		
<b>Number of employees who left work after the end of maternity/parental leave</b>	Male	Female	Male	Female	Male	Female	
	0		0		1		
<b>Ratio of employees returning to work following end of maternity/parental leave (%)</b>	Male	Female	Male	Female	Male	Female	
	100%		100%		89%		
<b>Number of new recruits</b>		Female	Male	Female	Male	Female	
	<b>Recruits by gender</b>	465	27	482	18	207	23
	<b>Total recruits</b>	492		500		230	
	<b>Under 30</b>	287	13	310	10	115	6
	<b>30 to 50</b>	161	14	170	8	86	16
<b>Above 50</b>	17	0	2	0	6	1	

		2022		2023		2024	
<b>Number of employees leaving job</b>		Male	Female	Male	Female	Male	Female
	<b>Leavers by gender</b>	220	15	973	36	609	36
	<b>Total leavers</b>	235		1,009		645	
	<b>Under 30</b>	61	1	167	4	144	10
	<b>30 to 50</b>	116	14	577	24	385	19
	<b>Above 50</b>	41	0	229	8	80	7
<b>Ratio of leavers to total workforce (%)</b>		Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
		3.10%	1.85%	5.97%	1.94%	6.78%	11.52%
<b>Workforce turnover rate (%)</b>		4.94%		8.7%		18.30%	
<b>Average tenure of employees in years</b>		Male	Female	Male	Female	Male	Female
		7.8	5.6	8.2	6.3	8.8	6.5
		7.7		8.1		8.7	
<b>Number of employees with high school diploma or less (including BoD)</b>		Male	Female	Male	Female	Male	Female
		2,298	31	2,449	35	2,183	29
		2,329		2,484		2,212	
<b>Number of employees with bachelor's degree (including BoD)</b>		Male	Female	Male	Female	Male	Female
		950	103	1,041	102	963	95
		1,053		1,143		1,058	
<b>Number of employees with postgraduate degree (including BoD)</b>		Male	Female	Male	Female	Male	Female
		195	45	206	46	203	51
		240		252		254	
<b>Ratio of employees subject to regular performance evaluation (%)</b>		2022		2023		2024	
<b>Technical (white collar)</b>		Female	Male	Female	Male	Female	Male
		118	556	102	548	103	501
		674		650		604	
<b>Production (blue collar)</b>		Female	Male	Female	Male	Female	Male
		2,399		2,575		2,748	

## Training Data

Training programs	2022		2023		2024	
	Hour	Person	Hour	Person	Hour	Person
Vocational development - technical training programs	34,209	2,562	83,088	2,823	37,280	3,443
Sustainability-themed training programs	434	340	956	1,837	1,739	2,000
Management candidate – leadership training programs	8,083	103	429	97	663	186
Training programs for senior managers	224	19	1,506	17	-	-

Vocational, personal development, technical training (excluding mandatory training)	2022		2023		2024	
	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
Total number of trainees	2,230	661	2,561	887	2,375	1,048
	2,891		3,448		3,443	
	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
Total training (hour)	22,469	41,361	62,262	41,005	17,097	20,183
	63,831		103,266		37,280	
	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
Total training (person*hour)	50,105,870	27,339,621	159,452,982	36,371,435	40,947	21,151
	77,445,491		195,824,417		62,098	
	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
Total number of trainees	130	2,761	188	3,260	210	3,233
	2,891		3,448		3,443	
	Female	Male	Female	Male	Female	Male
Total training (hour)	5,722	58,109	6,248	97,018	2,749	34,531
	63,831		103,266		37,280	
	Female	Male	Female	Male	Female	Male
Total training (person*hour)	743,860	160,438,949	1,174,624	316,278,680	577,290	111,638,223
	161,182,809		317,453,304		112,216,013	
	Female	Male	Female	Male	Female	Male

Sustainability-themed training	2022		2023		2024	
Total number of trainees	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
	120	220	1,288	549	1,730	270
	340		1,837		2,000	
Total training (hour)	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
	185	249	5,283	4,274	1,461	278
	434		9,557		1,739	
Total training (person*hour)	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
	22,200	54,780	6,804,504	2,346,426	2,527,530	75,060
	76,980		9,150,930		2,602,590	
Total number of trainees	Female	Male	Female	Male	Female	Male
	37	303	118	1,719	57	1,943
	340		1,837		2,000	
Total training (hour)	Female	Male	Female	Male	Female	Male
	51	383	911	8,646	39	1,700
	434		9,557		1,739	
Total training (person*hour)	Female	Male	Female	Male	Female	Male
	1,887	116,049	107,498	14,862,474	2,149	3,301,546
	117,936		14,969,972		3,303,695	

## Suppliers Data

	2022		2023		2024	
Total number of suppliers	Local	Foreign	Local	Foreign	Local	Foreign
	3,867	183	3,981	208	3,388	202
	4,050		4,189		3,590	
Ratio of local suppliers (%)	96%		95%		94.40%	
Ratio of local supply within the total purchase amount (%)	63%		61%		68.70%	

## OHS Data

OHS data on Kastamonu Entegre's own employees	2022		2023		2024	
	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar
Total number of OHS Training Recipients	1,615	196	3,020	519	3,144	369
	1,811		3,539		3,513	
	Employee	Subcontractor	Employee	Subcontractor	Employee	Subcontractor
Total number of OHS Training Recipients	1,811	0	3,539	0	3,513	0
	1,811		3,539		3,513	
	Employee	Subcontractor	Employee	Subcontractor	Employee	Subcontractor
Total OHS training (hour)	25,424	2,734	64,565	9,803	36,563	4,631
	28,158		74,368		41,194	
	Employee	Subcontractor	Employee	Subcontractor	Employee	Subcontractor
Total OHS training (hour)	28,158	0	74,368	0	41,194	0
	28,158		74,368		41,194	
	Employee	Subcontractor	Employee	Subcontractor	Employee	Subcontractor
Number of accidents	66	0	77	0	-	-
	66		77		-	
	Employee	Subcontractor	Employee	Subcontractor	Employee	Subcontractor
Number of fatal accidents	0	0	0	0	-	-
	0		0		-	
	Employee	Subcontractor	Employee	Subcontractor	Employee	Subcontractor
Number of work-related fatalities	0		0		0	
Lost days due to accidents	1,150		1,343		2,384	
Occupational disease rate	0		0		0	
Absence rate due to accidents	-		-		2,384	
Lost workday rate (%)	-		-		60.13	
Number of person employed in conditions / tasks involving high risks of accidents, occupational disease	-		-		-	
Accident Frequency Rate	8.6		9.3		12.1	
Accident Severity Rate	0.15		0.16		0.30	

# 7.3. GRI Content Index

**GRI 1: Foundation 2021**

Kastamonu Entegre has reported the information cited in this GRI content index for the period of 01 January – 31 December 2024 with reference to the GRI Standards.

**GRI 2: General Disclosures 2021**

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Corporate Profile, Corporate Governance and Risk Management</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1 Corporate Profile	About the Report, p.1 About Kastamonu Entegre, p.3-12	-
	2-2 Entities included in the organization’s sustainability reporting	About the Report, p.1 Message from the Management, p.2 Our Production Network, p.8	-
	2-3 Reporting period, frequency and contact point	About the Report, p.1	-
	2-4 Restatements of information	Organizational Structure, p.14 Innovation and R&D, p.18-19 Sustainability Approach, p.25 Climate Change and Emissions Management, p.33-36 Learning and Development, p.52-54 Occupational Health and Safety, p.57 Customer and Dealer Experience, p.60 Community and Social Contribution, p.62 Environmental Performance Indicators, p.64-66 Social Performance Indicators, p.67-72	-
	2-5 External assurance	No external audit has been conducted as part of the sustainability report.	-
	2-6 Activities, value chain and other business relationships	About Us, p.4 Our Goals and Strategic Priorities, p.5 Product Portfolio and Brands, p.7 Our Production Network, p.8 Milestones, p.11 Sectoral and Corporate Memberships, p.12 Corporate Policies, p.15 Stakeholder Engagement and Responsible Business Partners, p.58-62	-
	2-7 Employees	About Us, p.4 People and Culture, p.48-59 Social Performance Indicators, p.67-72	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Corporate Profile, Corporate Governance and Risk Management</b>			
<b>GRI 2: General Disclosures 2021</b>	2-8 Workers who are not employees	Social Performance Indicators, p.67-72	-
	2-9 Governance structure and composition	Our Production Network, p.8 Milestones, p.11 Organizational Structure, p.14 Code of Ethics and Business Conduct, p.16 Sustainability Approach, p.25	-
	2-10 Nomination and selection of the highest governance body	-	Confidentiality Restrictions In line with its confidentiality policies, Kastamonu Entegre does not publicly share information regarding the process of determining the competencies and qualifications of the members of its highest governance body.
	2-11 Chair of the highest governance body	Message from the Management, p.2 Organizational Structure, p.14 Code of Ethics and Business Conduct, p.16 Sustainability Approach, p.25	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Message from the Management, p.2 Organizational Structure, p.14 Code of Ethics and Business Conduct, p.16 Sustainability Approach, p.25	-
	2-13 Delegation of responsibility for managing impacts	Corporate Policies, p.15 Risk Management and Internal Control Mechanisms, p.17 Sustainability Approach, p.25 Sustainability Policy, p.26	-
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Approach, p.25	-
	2-15 Conflicts of interest	Code of Ethics and Business Conduct, p.16 Human Resources Management, p.47-49	-
	2-16 Communication of critical concerns	Risk Management and Internal Control Mechanisms, p.17 No critical concern has been communicated to Kastamonu Entegre in the reporting period.	-
	2-17 Collective knowledge of the highest governance body	Organizational Structure, p.14	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Corporate Profile, Corporate Governance and Risk Management</b>			
<b>GRI 2: General Disclosures 2021</b>	2-18 Evaluation of the performance of the highest governance body	-	Confidentiality Restrictions In line with its confidentiality policies, Kastamonu Entegre does not publicly share information regarding the performance evaluation of its highest governance body.
	2-19 Remuneration policies	Human Resources Management, p.47-49 Diversity, Inclusion and Equal Opportunity, p.50 Employee Experience, p.53	-
	2-20 Process to determine remuneration	Human Resources Management, p.47-49 Diversity, Inclusion and Equal Opportunity, p.50 Employee Experience, p.53	-
	2-21 Annual total compensation ratio	-	Confidentiality Restrictions In line with its confidentiality policies, Kastamonu Entegre does not publicly disclose information on total annual salary rates.
	2-22 Statement on sustainable development strategy	Sustainability Approach, p.25 Sustainability Policy, p.26 Sustainability Priorities, p.27 Contribution to United Nations Sustainable Development Goals, p.28-29 Energy Efficiency and Sustainable Energy Investments, p.37-40	-
	2-23 Policy commitments	Corporate Policies, p.15 Code of Ethics and Business Conduct, p.16 Sustainability Policy, p.26 Environmental Management, p.31-32	-
	2-24 Embedding policy commitments	Corporate Policies, p.15 Code of Ethics and Business Conduct, p.16 Sustainability Policy, p.26	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Corporate Profile, Corporate Governance and Risk Management</b>			
<b>GRI 2: General Disclosures 2021</b>	2-25 Processes to remediate negative impacts	Code of Ethics and Business Conduct, p.16 Risk Management and Internal Control Mechanisms, p.17 Quality Management and Continuous Improvement Approach, p.22-23 Sustainability Approach, p.25 Environmental Sustainability and Resource Management, p.30-45 Diversity, Inclusion and Equal Opportunity, p.50 Employee Experience, p.53 Occupational Health and Safety, p.57 Stakeholder Engagement and Responsible Business Partners, p.58-62	-
	2-26 Mechanisms for seeking advice and raising concerns	Code of Ethics and Business Conduct, p.16 Human Resources Management, p.47-49 Employee Experience, p.53 Customer and Dealer Experience p.60	-
	2-27 Compliance with laws and regulations	Organizational Structure, p.14 Code of Ethics and Business Conduct, p.16 Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36 Waste Management, p.44-45 Human Resources Management, p.47-49 Occupational Health and Safety, p.57	-
	2-28 Membership associations	Sectoral and Corporate Memberships, p.12	-
	2-29 Approach to stakeholder engagement	Sectoral and Corporate Memberships, p.12 Sustainability Priorities, p.27 Stakeholder Engagement and Responsible Business Partners, p.58-62	-
	2-30 Collective bargaining agreements	Kastamonu Entegre does not have any workforce covered by a collective bargaining agreement.	-

GRI 3: Material Topics 2021			
GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Priorities, p.27	-
	3-2 List of material topics	<p><b>Highly Material Topics:</b></p> <ul style="list-style-type: none"> <li>- Energy Management and Efficiency</li> <li>- Water Management</li> <li>- Combating Climate Change</li> <li>- Sustainable Raw Material and Material Procurement</li> <li>- Code of Ethics and Legal Compliance</li> <li>- Product and Service Quality</li> <li>- Biodiversity Conservation and Sustainable Forestry</li> <li>- Circular Economy and Waste Management</li> <li>- Occupational Health and Safety</li> <li>- Employee Rights and Development</li> </ul> <p><b>Other Material Topics:</b></p> <ul style="list-style-type: none"> <li>- Sustainable Economic Performance and Access to Finance</li> <li>- Digital Transformation, Innovation and R&amp;D Efforts</li> <li>- Customer and Dealer Satisfaction</li> <li>- Chemical Management</li> <li>- Environmentally-Friendly Design and Life-Cycle Management</li> <li>- Diversity and Equal Opportunity</li> <li>- Decent Working Conditions In the Supply Chain</li> <li>- Social Investments</li> <li>- Support for Local Development</li> </ul>	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Energy Management and Efficiency</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Message from the Management, p.2 Corporate Policies, p.15 Quality Management and Continuous Improvement Approach, p.22-23 Sustainability Approach, p.25 Sustainability Policy, p.26 Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36 Energy Efficiency and Sustainable Energy Investments, p.37-40 Sustainable Management of Forest Resources, p.41 Waste Management, p.44-45	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Energy Consumption, p.37-39	-
	302-3 Energy intensity	Energy Intensities, p.40	-
	302-4 Reduction of energy consumption	Sustainability Policy, p.26 Climate Change and Emissions Management, p.33-36 Energy Efficiency and Sustainable Energy Investments, p.37-40 Energy Consumption, p.37-39 Energy Efficiency Projects, p.40	-
	302-5 Reductions in energy requirements of products and services	Energy Efficiency and Sustainable Energy Investments, p.37-40 Energy Efficiency Projects, p.40	-
<b>Water Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Sustainability Policy, p.26 Environmental Management, p.31-32 Water Management, p.43	-
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water Management, p.43	-
	303-3 Water withdrawal	Water Management, p.43 Environmental Performance Indicators, p.64-66	-
	303-5 Water consumption	Water Management, p.43 Environmental Performance Indicators, p.64-66	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Combating Climate Change</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Innovation and R&D, p.18-19 Quality Management and Continuous Improvement Approach, p.22-23 Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36	-
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36 Environmental Performance Indicators, p.64-66	-
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and Emissions Management, p.33-36 Environmental Performance Indicators, p.64-66	-
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and Emissions Management, p.33-36 Environmental Performance Indicators, p.64-66	-
	305-5 Reduction of GHG emissions	Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36 Energy Consumption, p.37-39 Sustainable Management of Forest Resources, p.41 Sustainable Management of Materials, p.42 Waste Management, p.44-45	-
<b>Sustainable Raw Material and Material Procurement</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	About Us, p.4 Our Goals and Strategic Priorities, p.5 Innovation and R&D, p.18-19 Sustainability Approach, p.25 Sustainable Management of Materials, p.42 Waste Management, p.44-45 Responsible Supply Chain Management, p.61	-
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Sustainable Management of Materials, p.42	-
	301-2 Recycled input materials used	Energy Efficiency Projects, p.40 Sustainable Management of Forest Resources, p.41 Sustainable Management of Materials, p.42	-
	301-3 Reclaimed products and their packaging materials	Sustainable Management of Materials, p.42 Waste Management, p.44-45	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Code of Ethics and Legal Compliance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Organizational Structure, p.14 Corporate Policies, p.15 Code of Ethics and Business Conduct, p.16 Sustainability Policy, p.26 Human Resources Management, p.47-49 Diversity, Inclusion and Equal Opportunity, p.50	-
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	Code of Ethics and Business Conduct, p.16	-
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There is no legal action relating to anti-competitive behavior or activities.	-
<b>Product and Service Quality</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Message from the Management, p.2 About Us, p.4 Our Goals and Strategic Priorities, p.5 Innovation and R&D, p.18-19 Quality Management and Continuous Improvement Approach, p.22-23 Sustainable Management of Materials, p.42	-
<b>Biodiversity Conservation and Sustainable Forestry</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Sustainability Policy, p.26 Environmental Management, p.31-32 Sustainable Management of Forest Resources, p.41 Learning and Development, p.52-54	-
<b>GRI 101: Biodiversity 2024</b>	101-1 Policies to halt and reverse biodiversity loss	Corporate Policies, p.15 Environmental Management, p.31-32	-
	101-2 Management of biodiversity impacts	Sustainable Management of Forest Resources, p.41 Learning and Development, p.52-54	-
	101-8 Ecosystem services	Sustainable Management of Forest Resources, p.41	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Circular Economy and Waste Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Achievements and Awards, p.10-11 Innovation and R&D, p.18-19 Environmental Management, p.31-32 Sustainable Management of Forest Resources, p.41 Waste Management, p.44-45	-
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Climate Change and Emissions Management, p.33-36 Energy Efficiency and Sustainable Energy Investments, p.37-40 Waste Management, p.44-45	-
	306-2 Management of significant waste-related impacts	Climate Change and Emissions Management, p.33-36 Energy Efficiency and Sustainable Energy Investments, p.37-40 Sustainable Management of Forest Resources, p.41 Sustainable Management of Materials, p.42 Waste Management, p.44-45	-
	306-3 Waste generated	Waste Management, p.44-45 Environmental Performance Indicators, p.64-66	-
	306-4 Waste diverted from disposal	Waste Management, p.44-45 Environmental Performance Indicators, p.64-66	-
	306-5 Waste directed to disposal	Waste Management, p.44-45 Environmental Performance Indicators, p.64-66	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Occupational Health and Safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Occupational Health and Safety, p.57	-
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Quality Management and Continuous Improvement Approach, p.22-23 Occupational Health and Safety, p.57	-
	403-2 Hazard identification, risk assessment, and incident investigation	Social Performance Indicators, p.67-72	-
	403-3 Occupational health services	Occupational Health and Safety, p.57	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p.57	-
	403-5 Worker training on occupational health and safety	Social Performance Indicators, p.67-72	-
	403-6 Promotion of worker health	Occupational Health and Safety, p.57	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.57	-
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p.57 Social Performance Indicators, p.67-72	-
	403-9 Work-related injuries	Social Performance Indicators, p.67-72	-
	403-10 Work-related ill health	Social Performance Indicators, p.67-72	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Employee Rights and Development</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Message from the Management, p.2 Our Goals and Strategic Priorities, p.5 Our Principles, p.8 Code of Ethics and Business Conduct, p.16 Sustainability Approach, p.25 People and Culture, p.48-59	-
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Social Performance Indicators, p.67-72	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Resources Management, p.47-49 Employee Experience, p.53	-
	401-3 Parental leave	Social Performance Indicators, p.67-72	-
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Social Performance Indicators, p.67-72	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Development, p.52-54	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators, p.67-72	-
<b>Sustainable Economic Performance and Access to Finance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Message from the Management, p.2 Our Goals and Strategic Priorities, p.5 Risk Management and Internal Control Mechanisms, p.17 Sustainability Approach, p.25 Sustainability Policy, p.26 Sustainable Management of Forest Resources, p.41	-
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Message from the Management, p.2 Waste Management, p.44-45	-
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management and Internal Control Mechanisms, p.17 Climate Change and Emissions Management, p.33-36	

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Digital Transformation, Innovation and R&amp;D Efforts</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Innovation and R&D, p.18-19 Digital Transformation and Technology, p.20-21	-
<b>Customer and Dealer Satisfaction</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Our Goals and Strategic Priorities, p.5 Digital Transformation and Technology, p.20-21 Stakeholder Dialogue, p.59 Customer and Dealer Experience, p.60	-
<b>Chemical Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Water Management, p.43 Occupational Health and Safety, p.57	-
<b>Environmentally-Friendly Design and Life-Cycle Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Message from the Management, p.2 Sustainability Approach, p.25 Environmental Management, p.31-32 Sustainable Management of Materials, p.42 Learning and Development, p.52-54	-
<b>Diversity and Equal Opportunity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Sustainability Approach, p.25 Human Resources Management, p.47-49 Diversity, Inclusion and Equal Opportunity, p.50	-
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Diversity, Inclusion and Equal Opportunity, p.50 Social Performance Indicators, p.67-72	-
	405-2 Ratio of basic salary and remuneration of women to men	Human Resources Management, p.47-49 Diversity, Inclusion and Equal Opportunity, p.50	-
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	No discrimination has occurred in the reporting period.	-
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Code of Ethics and Business Conduct, p.16 Human Resources Management, p.47-49	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
<b>Decent Working Conditions In the Supply Chain</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Code of Ethics and Business Conduct, p.16 Human Resources Management, p.47-49 Stakeholder Dialogue, p.59 Responsible Supply Chain Management, p.61	-
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Human Resources Management, p.47-49 Responsible Supply Chain Management, p.61	-
	414-2 Negative social impacts in the supply chain and actions taken	Code of Ethics and Business Conduct, p.16 Responsible Supply Chain Management, p.61	-
<b>Social Investments</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Message from the Management, p.2 About Us, p.4 Our Goals and Strategic Priorities, p.5 Our Production Network, p.8 Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36 Energy Efficiency and Sustainable Energy Investments, p.37-40 Sustainable Management of Forest Resources, p.41	-
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Message from the Management, p.2 About Us, p.4 Our Goals and Strategic Priorities, p.5 Our Production Network, p.8 Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36 Energy Efficiency and Sustainable Energy Investments, p.37-40 Sustainable Management of Forest Resources, p.41	-
	203-2 Significant indirect economic impacts	Message from the Management, p.2 About Us, p.4 Our Goals and Strategic Priorities, p.5 Our Production Network, p.8 Environmental Management, p.31-32 Climate Change and Emissions Management, p.33-36 Energy Efficiency and Sustainable Energy Investments, p.37-40 Sustainable Management of Forest Resources, p.41	-
<b>Support for Local Development</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topic	Sustainable Management of Forest Resources, p.41 Responsible Supply Chain Management, p.61	-



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