



KALTUN
MADEN

2021

**SUSTAINABILITY
REPORT**

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ABOUT THE REPORT

GRI Reference: 102-45, 102-46

This is the second sustainability report published on a voluntary basis by Kaltun Madencilik Sanayi Nakliye ve Akaryakıt Tic. A.Ş. prepared with an aim to present its sustainability policies and strategies, environmental, social, and economic performance, as well as future plans to its stakeholders, using a transparent and accountable approach.

The report focuses on material sustainability issues identified through stakeholder consultations and international standards.

The report has been prepared in accordance with the GRI Standards. The report covers the company's domestic (Turkey) and international commercial activities between (01.01.2021 - 31.12.2021). For the purpose of increasing the capacity in 2021, grinding plant in Çine and breaking-screening plant has been established in Harımcık. The disclosures in the report are included in the GRI Content Index table at the end of the report.

The greenhouse gas declaration for the year 2021 disclosed in the report has been verified by an independent organization in accordance with the ISO 14064-3:2019 standard. The Greenhouse Gas Verification Statement is included at the back of the report. With the exception of this statement, the report has not been subjected to independent third-party verification.

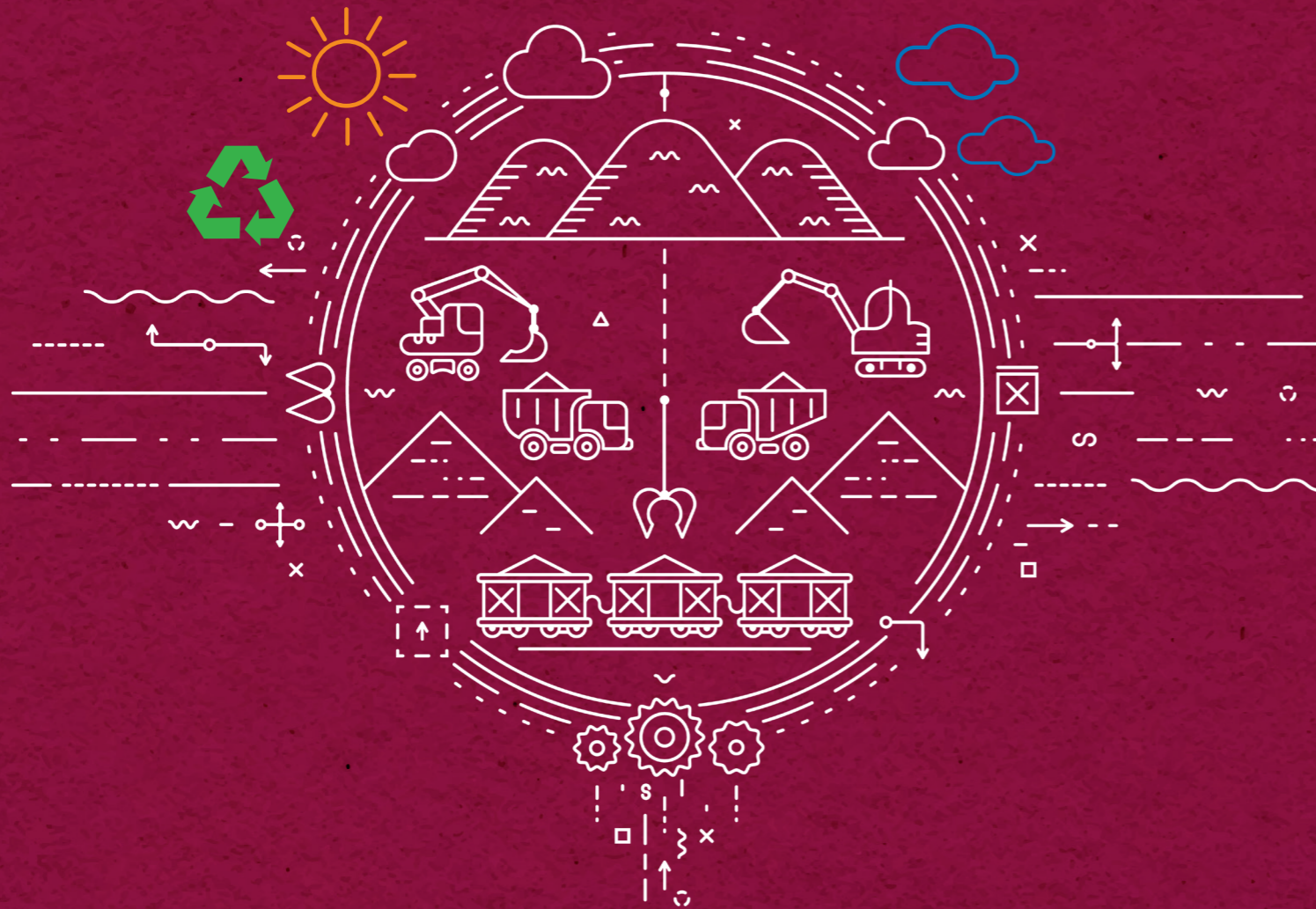
We report our performance on an annual basis in line with our goal of achieving constant improvement on our sustainability journey. We will continue to regularly report our sustainability performance. Please send all your feedback on our report and sustainability efforts to the email address sgungor@kaltun.com.tr



SECTION

01

ABOUT
KALTUN
MADEN



MESSAGES FROM EXECUTIVES

As a family-owned company with 58 years of mining experience and Turkey's sodium feldspar export leader, our family values are at the heart of our management approach from past to present.

Dear Stakeholders

Our management philosophy from past to present is based on our family values, as a family company that is the leader in sodium feldspar exports in Turkey, with 58 years of mining experience. **As a company that prioritizes family values, we manage our business processes with a vision of adding positive value to the geography and local community where we operate.** In line with this vision, I am delighted to share with you our second sustainability report that we have published.

For centuries, my family has lived in Çine. Our region's location, people, and natural beauty have a particular place in our hearts. In this context, our sustainability strategy is based on carrying out our operations responsibly, conserving the environment by lowering our environmental effects and contributing to the social and economic growth of our country, particularly the local region in which we operate.

We have been creating economic value for our country for 58 years with over a thousand employees, all of whom are employed in the regions where we operate, and our mobilized supplier network.

In 2021, we continued to provide raw materials such as sodium feldspar, potassium feldspar, quartz, and mica extracted from our 15 mines and 56 licensed mining areas to industries such as ceramics, glass, paint, composite stone, glaze, and filtration by exporting them to more than 50 countries.

We are adopting a systematic approach to sustainability in our business with the formation of the sustainability governance system in 2020. The Sustainability Committee, of which I am the Chairman, creates and implements sustainability plans and policies that address our environmental, social, and economic impacts, as well as routinely reviews our performance.

While building the future, we will continue our sustainability efforts focused on preserving our values, reducing our environmental impact, and establishing stronger bonds within society. We would like to express our gratitude to the entire Kaltun family, the local community whom we consider a part of our family and our other stakeholders for their valuable contributions on this journey.



YÜKSEL TUNCER

Chairman





Mehmet Tuncer

Board Member

We promote the implementation of international environmental, quality, occupational health and safety, and energy management standards that support the development of our processes, services, and human resources.

Our priority is to carry out our activities in accordance with the family values established by my late grandfather Mehmet Tuncer, the founder of Kaltun, which obliges us to be respectful to nature and humanity, customer-focused, quality-oriented, and committed to continual progress.

We promote social and environmental policies that take into consideration the needs and expectations of the local community and our stakeholders, and we advocate the application of worldwide management standards in the Sustainability Committee, of which I am a member. We will continue to work to maintain Kaltun's dynamic structure and contribute to its long-term growth by developing new resources.



Çağrı Tuncer

Board Member

We are aware of the importance of contributing to the fight against environmental and social risks that threaten our future, such as climate change, drought, and inequalities, while carrying Kaltun Maden, the sector leader, from the past to the future.

We have adopted an environmental management system based on measuring and monitoring our environmental impacts. We have established environmental management policies focused on energy, water, and waste management, as well as preserving biodiversity and efficient use of raw materials and resources. With our approach based on trust and transparency, we have independent organizations verify our carbon footprint calculations.

As a brand that believes women can be successful in every aspect of life when equal opportunities are presented, we develop projects that increase women's employment and aim to provide equal opportunities. In this context, I invite you to watch the documentary [From Skirts to Heights](#).

ABOUT US

GRI 2-1

Kaltun Madencilik Ticaret A.Ş., established 58 years ago by the Kalkan and Tuncer families who are locals of the Çine-Aydın region, has supported the employment of the local community and the development of the local industry up until today. Kaltun Madencilik is currently the main subsidiary of Kaltun Holding.

Our main activities include mining, extraction, processing, and enrichment of minerals, as well as the production and sale of raw materials to the ceramic, glass, paint, plastic, and composite stone industries for both domestic and international markets.

We are one of the largest mining companies in Turkey with 56 licensed mining sites in 5 main regions: Çine, Milas, Yatağan, Bursa, and Eskişehir. We mine sodium feldspar, potassium feldspar, quartz, and mica in 15 quarries on licensed lands. These products provide raw materials for ceramics, glass, composite stone, paint, plastics, glaze, filtration, and other related industries.

We operate with nearly 1000 employees in our Çine, Sarıkısık, and Hisarardı locations, in the quarries in this region and in the Güllük loading facility. Kaltun Maden, with 5 overseas companies, making sales to more than 50 countries, has become one of the most well-known enterprises in the field of Turkey's sodium feldspar exports and has also taken on an important position in the world as a manufacturer of micronized and granular quartz.

Our Mission

To provide solutions that will provide social, environmental, and economic value to our stakeholders by processing **our resources** in an innovative, efficient, and environmentally sensitive manner.

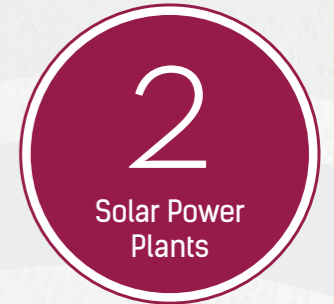
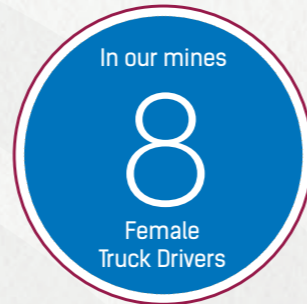
Our Vision

In the future, we see ourselves as a world and local market leader in the mining sector, especially in feldspar, quartz, and mica, as an innovative, reliable, and environmentally friendly organization.



KALTUN MADEN in 2021

GRI 2-1



KALTUN MADEN in 2021

GRI 2-1

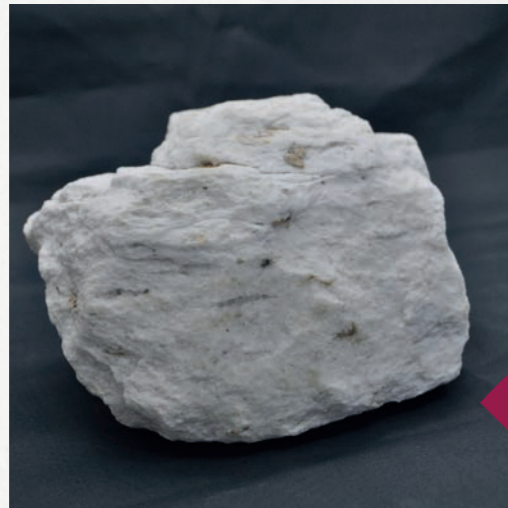
67,779
tones
Quartz Sales



1,283
tones
Mica Sales



8,642
tones
Potassium
Feldspar
Sales



2,345,318
tones
Sodium
Feldspar
Sales



Quartz and feldspar are used as raw materials for products with sustainability-oriented properties such as ceramics and glass, which have added value to the development of civilizations and human life from the past to the present

GRI 2-1

Quartz



Mica



Potassium Feldspar



Sodium Feldspar



SECTION

02

SUSTAINABILITY MANAGEMENT



SUSTAINABILITY APPROACH

We are committed to deepening our sustainability strategy, which we have built on an integrated management approach, every year with a focus on environmental and social issues.

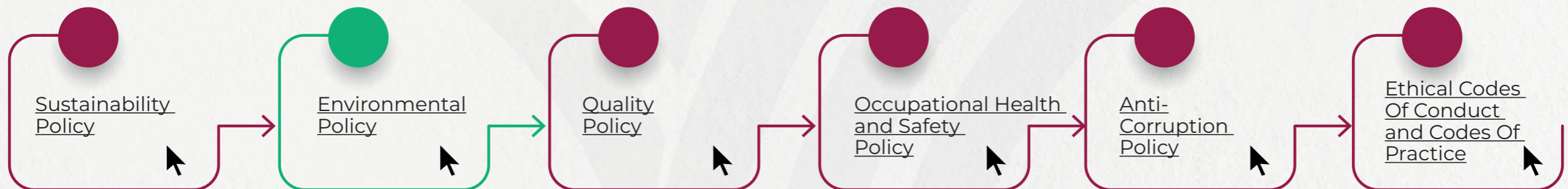
As worldwide participant in the mining sector with **58 years of expertise**, we act responsibly to leave the earth as a better place for future generations in an era of increasing uncertainty due to climate change, limited natural resources, and growing inequality. Accordingly, we have taken steps to establish the necessary systems to manage, monitor and improve our economic, social, and environmental sustainability performance.

We have established an Integrated Management System in Çine Central (Merkez) plant, Sarıkısık, Hisarardı, and Harımcık sites and stock and shipment sites in Güllük.

We have documented our efforts and disseminated them to internal and external stakeholders via policies on the environment, quality, occupational health and safety, anti-corruption, ethical codes of conduct and codes of practice, and associated procedures. Our Sustainability Committee, which is in charge of making decisions and overseeing

sustainability-related policies and practices, was formed and promptly got to work. We identified our Sustainability Policy, which covers all of our procedures that are under our operational control. **In 2021, we published our first sustainability report and presented it to our stakeholders. With every passing every year, we are determined to strengthen our sustainability plan, which is based on an integrated management approach and focuses on environmental and social concerns.**

Our Policies:



Our Sustainability Policy

Kaltun Madencilik, a pioneer in the utilization of feldspar as an input in the glass production industry in Turkey, has adopted the following principles to ensure environmental, economic, and social sustainability.



We carry out all our activities with an understanding of constant improvement based on the principle of sustainability.

We monitor and measure the impact of our activities on the environment and social structure and assess to eliminate or mitigate adverse impacts and improve our processes.

We ensure consumer trust by prioritizing environmental considerations, occupational safety, economic factors, and high quality in our activities.

We carry out all of our activities in compliance with applicable legal restrictions while adhering to ethical norms and using an open and accountable management style.

We provide our customers with high-quality products that are recognized according to international standards in the sectors in which we operate globally.

We are committed to fighting climate change and protecting natural resources.

We contribute to the development of the regions where we operate.

We employ hundreds of people in Turkey and contribute to local economies. We contribute to local socio-economic development by supporting the local communities.

We take notice of our stakeholders' expectations and adjust our activities appropriately in order to reduce future risks and develop and sustain long-term partnerships.

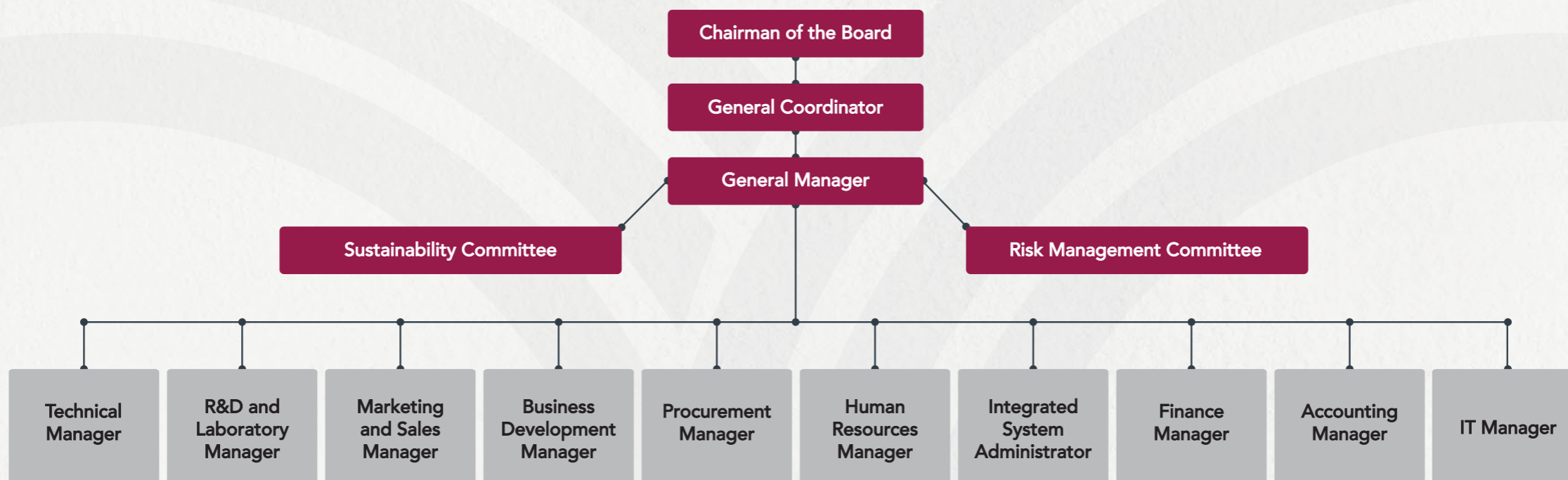
SUSTAINABILITY MANAGEMENT

The Kaltun Madencilik Sustainability Committee was formed in order to improve the effectiveness and efficiency of our sustainability activities. The Committee is in charge of legal compliance and reports to General Manager. All of our sustainability concerns defined as environmental and social goals, such as environmental preservation, occupational health and safety, and customer happiness, are implemented, monitored, and measured by the company.

The Committee is responsible for formulating our sustainability strategy, determining the relevant policies and targets, and assigning and supervising the necessary actions to the relevant departments. The Committee convenes at least twice a year as needed and meeting minutes are submitted to the Committee Coordinator.

Our Sustainability Committee is managed by General Manager and a member of the Board of Directors serves as the Committee Coordinator.

Committee members are appointed by the Board of Directors. In accordance with the scope of our sustainability issues, the Committee currently consists of General Manager, Board Member (Committee Coordinator), Technical Manager, Production Manager, Operations Manager, Business Development Manager, Sales and Marketing Manager, Integrated System Manager, and Human Resources Manager. The graphic below depicts the Committee's organizational structure.



Company Organization Chart

Responsibilities of the Sustainability Committee

Establishing sustainability strategies and policies

Setting sustainability goals, monitoring our performance and managing participation in business processes

Proactively managing economic, social, and environmental risks that impact our sustainability

Developing and implementing projects for the purpose of ensuring reduction in greenhouse gas emissions in our business processes

Following and adopting the development of national and international standards

Reviewing and improving our sustainability policy, principles, practices, and processes

Raising awareness of our employees about our sustainability policy and goals

Ensuring the participation of our stakeholders in our work toward the sustainability of our organization



MANAGING SUSTAINABILITY RISKS

We monitor economic, political, and regulatory events in global and local markets that are relevant to our business activity. We handle the risks on a corporate level. We also identify environmental and social risks triggered by climate change and take actions to prevent and mitigate these risks. Using an integrated management system approach, we strive continually to detect and remove all types of risks that may develop from our activities. To this end, we have adopted international environmental, quality, and occupational health and safety standards (ISO 9001, ISO 14001, ISO 45001) and we aim to apply them to all our facilities.

Risk Management Committee

was established in 2020 to evaluate organizational risks and opportunities and to ensure the continuity of our activities. This board's members are also members of the Sustainability Committee. This provides effective two-way risk and opportunity management. The yearly management evaluation includes a discussion of risk management.

Management Systems Table

Plant name	ISO 9001 Quality Management Standard	ISO 14001 Environmental Management Standard	ISO 45001 Occupational Health and Safety Standard
Çine Central (Merkez)	✓	✓	✓
Sarıksık	✓	We will initiate necessary actions to obtain the certificate in 2023.	In 2023, we will initiate necessary actions to obtain the certificate.
Hisarardı	✓	Necessary steps are being taken to obtain the certificate in 2022.	Necessary steps are being taken to obtain the certificate in 2022.
Güllük	✓		
Samadsan	✓		

Risk Area	Actions Taken to Mitigate Risk
Decreased competitiveness and sales due to increased energy costs	<i>It was planned to reduce fossil fuel-based energy by utilizing solar energy. Quality, environmental and occupational health, and safety management standards are implemented at Çine headquarters and all relevant ISO certificates are available. All our facilities are also certified with ISO 9001 quality management certification. Efforts are underway to obtain ISO 14001 and ISO 45001 standards at our other facilities in 2022, and plans are being made for 2023 for our Sarıksık location.</i>
Increased costs associated with carbon pricing mechanisms such as the European Green Deal	<i>A solar energy feasibility study was conducted. Greenhouse gas emissions were calculated and verified by an independent organization.</i>
Inefficiency in production due to decreasing water resources	<i>It was planned to install water meters in all sites where there were none.</i>
Loss of customers due to failure to meet the sustainability expectations of our customers	<i>The 2020 Sustainability Report was prepared and presented to customers and all other stakeholders.</i>
Waiting of the product at the port, health, and safety issues of port workers, and environmental damage	<i>Security personnel training</i>
Environmental impacts in the supply chain	<i>Supplier training and audits</i>
Employee health and safety	<i>It was aimed to expand the scope of the ISO 45001 Occupational Health and Safety standard. Expansion at Hisarardı, Güllük, and Samadsan Mica plants in 2022 inspections was planned.</i>

STAKEHOLDER RELATIONS

Key Stakeholder Groups

GRI 3-1

As Kaltun Madencilik, the needs, and expectations of our stakeholders are at the heart of our sustainability efforts. To this end, we first identified the stakeholder groups in our value chain. Given the stakeholder groupings we've identified, we check our communication channels and frequency of communication in order to increase and sustain our communication. We collect the needs and requests of our stakeholders through various communication channels and try to expand our positive effect by incorporating them into our sustainability efforts.

The impact of our stakeholders (relevant internal and external parties) on the achievement of our strategic goals within the framework of our Integrated Management System (Quality Management System, Environmental Management System, OHS Management System) and factors related to society, environment, and economic structure is taken into consideration to determine our company's stakeholders. In addition, as a mining company, there are many legal requirements and regulations that we are obliged to comply with. In this context, relevant ministries and local governments in the areas where we operate are also included in our stakeholder list.

As one of the leading companies in its sector, our company supplies inputs to porcelain, ceramic, glass, paint, and electronics manufacturers that produce on a global scale, and these customers play an important role in Kaltun's continued existence. Although we produce our own raw materials from our own quarries, our suppliers, particularly our machinery and packaging material suppliers, subcontractors, material suppliers, and organizations from whom we acquire services, are also stakeholders.



Communication Channels with Our Stakeholders

GRI 3-1

Our Employees	: Annual employee satisfaction and employee expectations surveys, training evaluations, one-on-one interviews, priority surveys
Our Customers	: Regular customer satisfaction surveys, social media, meetings, emails, priority surveys
Our Suppliers	: Supplier assessment, site visit, audit, meetings, e-mails, priority surveys
Our Shareholders	: Management meetings, shareholder meetings, public disclosure platform, notifications, priority surveys
Contractors	: Contractor assessment, one-on-one interviews, audit, meetings, emails, priority surveys
Our companies abroad	: Management meetings, site visits, meetings, social media, emails, priority surveys
Local communities	: Open door policy with Kaltun senior management, environmental impact assessment process, meetings, social media, priority surveys
Local and Central Authorities	: Face-to-face meetings, site visits, audit, environmental impact assessment process, official reports
Associations and Unions	: Meetings, emails

Our Memberships



We collect suggestions and requests from our employees, who are the most important stakeholders in our success, and measure their satisfaction levels through an employee satisfaction survey conducted every two years in accordance with our procedure called "Receiving and Monitoring Employee Suggestions and Requests". The information obtained from these surveys is analyzed and prioritized according to their subjects and necessary actions are planned. The opinions of our customers, another critically important group among our stakeholders, are regularly collected and evaluated by our Sales and Marketing Unit. The opinions of local and central authorities are obtained through reports prepared at the end of regular visits to our Çine headquarters and mine sites. Citizens living in our field of activity share their opinions, requests, and demands with Kaltun executives without any limitations. The above table summarizes our communication methods on the basis of stakeholder groups

OUR MATERIAL SUSTAINABILITY ISSUES

We analyzed our company's operations, environmental and social repercussions, global and local changes, and sectoral sustainability requirements of international organizations such as the Sustainability Accounting Standards Board (SASB) while identifying our 2021 material concerns. We ran a sustainability survey to get feedback from our stakeholders. We analyzed the findings of our survey, which included our blue-collar and white-collar staff, as well as 46 customers and suppliers. The findings of these research were compiled into a two-axis materiality matrix table.

Kaltun Madencilik sustainability issues with the highest priority

ECONOMY

Economic performance
Local employment



RESPONSIBLE BUSINESS CONDUCT

Employee health and safety
Training and career development
Gender equality and equal opportunity
Ethical work and human rights
Relations with the local community
Supplier environmental and social assessment



MINIMIZING ENVIRONMENTAL IMPACTS

Greenhouse gas emissions
Water management
Waste management
Energy management
Restoring biodiversity
Raw materials and supplies





SECTION

03

CREATING ECONOMIC VALUE

ECONOMIC PERFORMANCE

As Kaltun Madencilik, we create direct and indirect economic value for our stakeholders through our financial performance, market presence, employment of local people, mobilized supplier network, and tax payments.

2021 Breakdown of Economic Value Generated

Direct economic value generated	Economic income generated as a result of activities	TRY 1.140.164.172
Economic value distributed	Operating costs, employee wages, and benefits, payments to capital providers, payments to government and social investments	TRY 853.205.129
Economic value Retained	The difference between the direct economic value generated and the economic value distributed	TRY 286.959.044

Our firm intends to take advantage of the Ministry of Industry and Technology's tax breaks through investment incentive certificates at the greatest level. Every year, new investment strategies are developed and implemented to this end. The compliance of all transactions with all tax laws is regularly audited by a certified public accountancy firm and reported to the Ministry of Finance. In addition, all our activities are audited by an independent audit firm and reported to the Public Oversight Board.

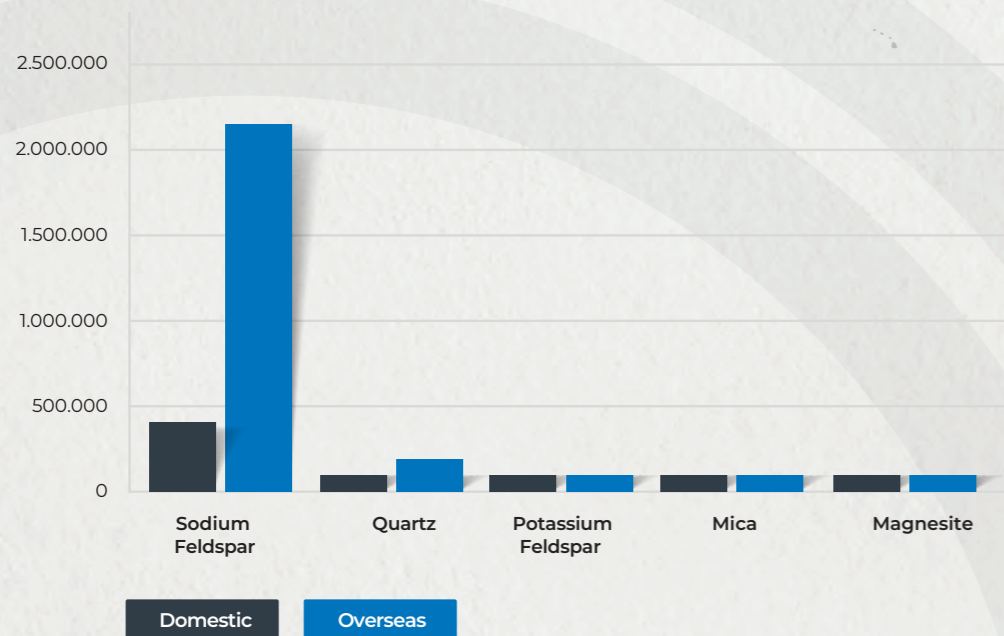
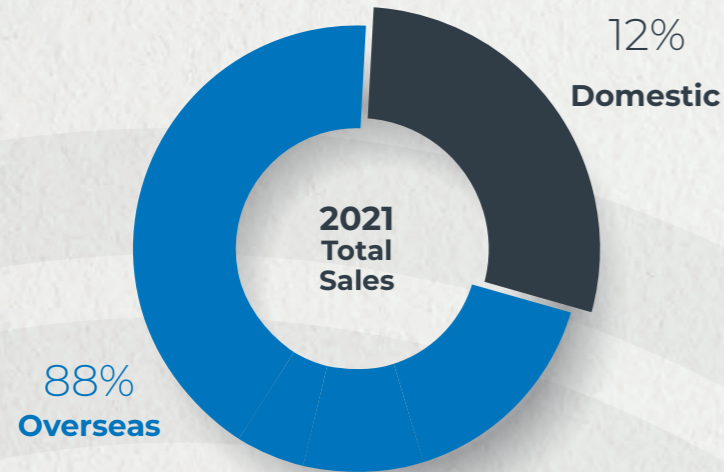
2021 Tax Reduction and Incentives Received

Tax Reduction	51 million TRY
Incentive amount	6.5 million TRY



As Kaltun Madencilik, 88 percent of our total revenues in 2021 were generated internationally, with the remaining 12 percent generated locally. Sodium feldspar sales account for our greatest tonnage overseas sales.

GRI 2-1



Geographical Location of Overseas Markets
 European Union Countries, Russian Federation, Ukraine, Azerbaijan, Iran, USA, United Arab Emirates, South American Countries, Australia
Far East Countries: Thailand, Vietnam, Taiwan, China, Philippines, Malaysia, Indonesia, Japan, Korea, Bangladesh, India
North African Countries: Egypt and Algeria

LOCAL EMPLOYMENT



As a local family business in the Aydın-Çine region, it is of great importance for us to contribute to the local community through our business activities.

Çine, Aydın headquarters, Sarıkısık Plant and Quarry, Hisarardı Plant and Quarry, Güllük stock and shipment area are our most important business units. As a result, we emphasize providing employment and sourcing required items and services locally in what we refer to as the local geography, which includes Aydın province, the Çine district and its territory, and the Muğla provincial region. The proportion of locally sourced goods and services, on the whole, is around 30%. We contribute to the local community both directly and indirectly via the growth of the local economy.

In addition to our blue and white-collar employees, all senior management level employees of the extraction-production (mining operations), mine processing, procurement, sales, R&D, and maintenance units, which are important operational units of our company, are employed from the local communities in Aydın or Muğla provinces where our operations are located.

Due to the labor-intensive nature of our primary operations, 84% of our total employees are blue-collar, and while the majority of our employees are male, we have been increasing the number of female employees every year. In 2021, we have a total of 1,016 employees, including 168 administrative staff and 848 blue-collar employees, who manage and carry out our operations, from production in our quarries to our export sales to many countries.

2021 breakdown of total employees by geographical location and gender

	Aydın	Çine	Güllük	Sarıkısık	Hisarardı	Female	Male
Administrative personnel	56	64	4	-	-	34	134
Blue-collar personnel	2	393	16	350	121	48	800



84%

Blue Collar Employee

1,016

Total Number of Employees

848

Blue Collar Employee

We carry out our activities as a firm built on family values in a small town in Aydın with the philosophy of people come first and with the understanding of being a fair employer that gives equal opportunity to its employees.

As Kaltun Madencilik, we provide livelihood and improve the living conditions of our employees and their families, as well as the indirect economic impact of increased economic activity in the region with the employment of **1,016** people from the local community as of 2021 in our primary operational units, which are production, operation, R&D, maintenance and repair, procurement, sales and marketing and human resources. The opening of the Hisarardı and Sarıkısık mine sites has expanded our reach and socio-economic impact in Aydın and Muğla. In 2021, we hired **211 new employees**. 13% of our new employees are women and 61% are over the age of 30 and its share in total employee costs is 6.

All of our activities are carried out by our own staff working within Kaltun A.Ş., with the exception of personnel transportation and maintenance and repair services, which are provided by contracted organizations as necessary. All of our workers work full-time, there are no seasonal fluctuations in staff numbers, and there is no unionized personnel. Human resource data are compiled using records held by the Kaltun A.Ş. Human Resources Department.

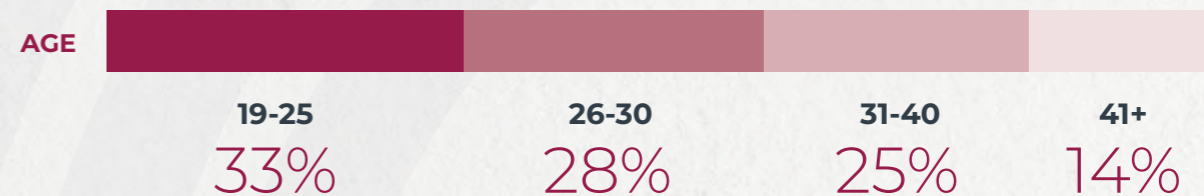


211
New Employment

61%
The percentage of Employees Under 30 Years of Age

13%
The Percentage of Newly Employed

Breakdown of 2021 new hires by age



It is very important for us to implement an equality-based remuneration policy in performance evaluation processes

Our principle is to pay the minimum wage for new employees with no work experience and above the minimum wage for experienced employees. The minimum wage amount is specified in our laws and is also set out in relation to the wages determined by the professional chambers to which important operations are affiliated. Beyond our own employees, this issue is stipulated in the contracts in order to ensure that the subcontractors we receive services from in carrying out the activities of the organization are paid at least the minimum wage and above. This issue is also regulated under applicable laws.

Benefits provided to employees

Life insurance and health services are provided to white-collar employees, social insurance is provided to blue-collar employees, and new mothers and fathers are entitled to maternity leave. In the 2021 reporting year, 34 employees became parents and went on maternity leave. At Kaltun Madencilik, one employee went on maternity leave and the other 33 employees went on paternity leave. Our employees have returned to work at the end of their leave and are still with us. We generally allow a minimum of four weeks for transition before implementing significant operational changes that could materially impact our employees.

About the retirement procedures of our employees

The retirement procedures of our employees are handled in accordance with the labor laws of our country. During the working period of our personnel, regular deductions are made from their salaries within the framework stipulated by law and transferred to the severance pay fund. The deductions accumulated in this fund during the working period are paid to our personnel as severance pay when they retire and a pension is paid to them within the framework of the applicable law.

Performance assessment

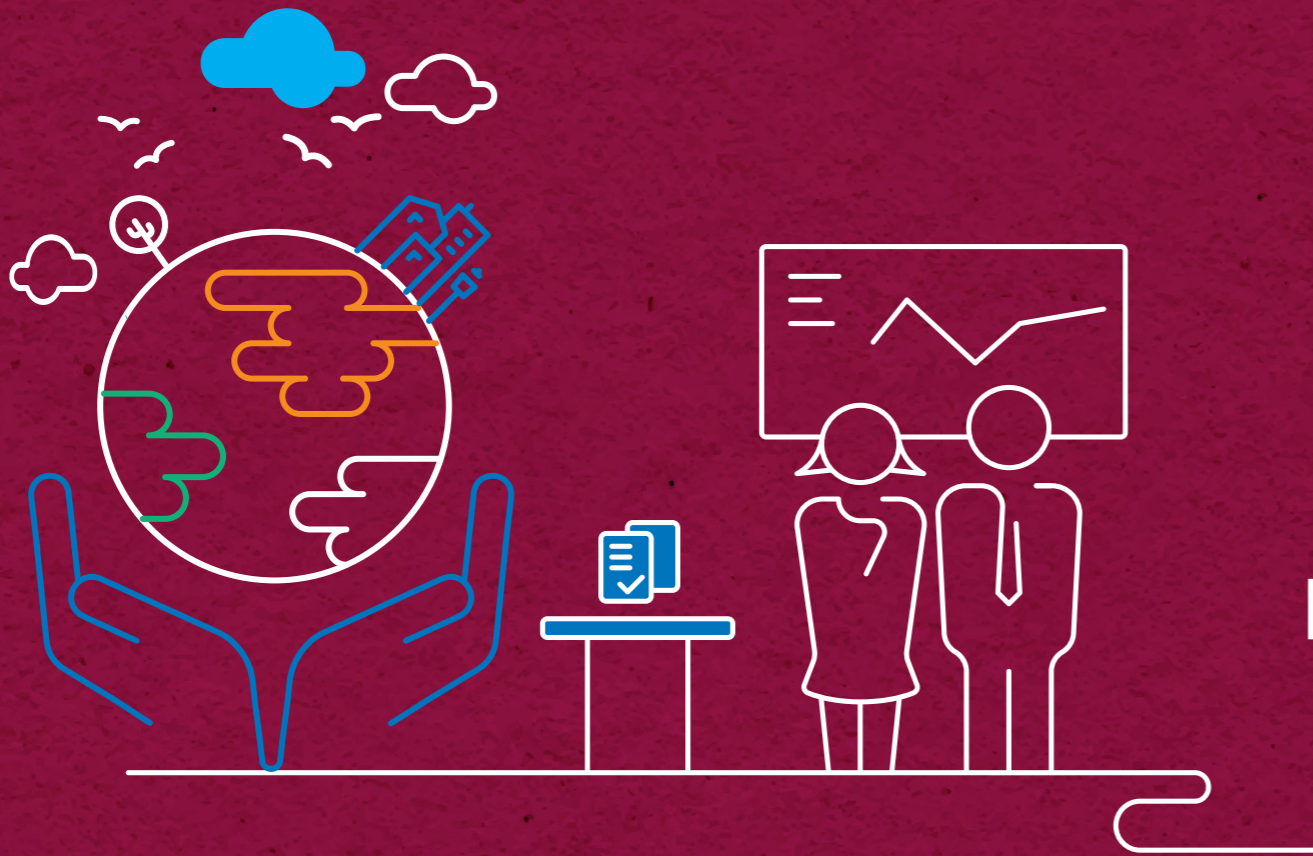
We have a principle of equal salary for equal work. There may be variations according to seniority and performance evaluations. Performance evaluations take the achievements of the targets set by managers into account for their units.

The company considers its environmental and social policies and goals when each management team carries out its production process. The managers are expected to be mindful of factors beyond just their production and to quantify their impact.

With our human resources management approach focusing on equal opportunities, we are committed to providing a highly competent and professional workforce and we continuously improve our human resource structure.

Distribution of employees participating in performance and competency measurements

Male employees: 90%
Female employees: 91%



SECTION

04

OUR RESPONSIBLE BUSINESS APPROACH

COMPLIANCE WITH CORPORATE POLICIES AND LAWS

As Kaltun Madencilik, we have a strict policy to operate in accordance with all applicable laws and regulations related to our sector, both nationally and internationally recognized.

As an important actor in a critical sector such as mining, our activities at our mines and facilities are carried out in cooperation with MAPEG (General Directorate of Mining and Petroleum), the Ministry of Family and Social Services, and the Ministry of Environment, Urbanization and Climate Change. Our operations are regularly audited by these government agencies for legal, social and environmental compliance.



ETHICAL WORK AND ANTI-CORRUPTION

As Kaltun Madencilik, our business ethics and ethical working principles are based on compliance with rules and regulations. In addition to national and international regulations, we follow, adopt and adapt to all relevant international declarations, practices, and conventions to improve the working conditions of our employees.

Kaltun Madencilik acts in compliance with all applicable anti-bribery laws, both national and international, in its operations in Turkey and in the international markets. In this context, our **Anti-Corruption Policy and Code of Ethical Conduct and Principles** define and articulate our tough stance against bribery. Our Anti-Corruption Policy describes the definition of bribery, gifts, facilitation payments, third-party relationships, the consequences of non-compliance with laws, and reporting of violations. The Anti-Corruption Policy and Code of Ethical Conduct are documented in the system in an accessible manner and the policies and principles are announced to employees and training activities are ongoing. In addition, activities and main risks where significant risks may occur within the scope of anti-corruption have been identified, and preventive policies and actions are taken in relation to them.

Kaltun Madencilik Management protects its personnel who report corruption and ensures that they are not penalized in any way, directly or indirectly. Corruption in daily activities Questions/queries regarding the struggle are reported to the immediate superior and the guidance of the immediate superior is followed.

Questions regarding the Anti-Corruption Policy or anti-corruption, in general, are evaluated and answered by Kaltun Madencilik Ethics Committee.

During 2021, there were no incidents of corruption. There were no incidents where employees were dismissed or disciplined due to corrupted practices, and there were no incidents of corruption that led to the termination or non-renewal of contracts with our business partners due to corruption-related violations. During the reporting period, There have been no corruption-related cases against Kaltun or its employees.

During the reporting period, there were no legal proceedings related to anti-competitive activity and illegal monopoly. There are no judgments or completed legal proceedings, including court orders.



OCCUPATIONAL HEALTH AND SAFETY (OHS)

We adopted ISO 45001 OHS management system

We are aware of the risks that our industry poses in terms of health and safety issues. **As Kaltun Madencilik, providing a healthy and safe working environment for all our employees is our top priority. We aim to eliminate occupational accidents that may occur in Kaltun facilities and minimize them when they cannot be eliminated.** In this context, we are committed to implementing an effective management policy and system to protect Kaltun employees and all personnel working in our fields of activity against health and safety risks and to create a resilient workforce in our business processes. We carry out our activities in compliance with all legal legislation and relevant regulations on occupational health and safety in relation to our field of activity. We perform risk analyses and take preventive actions in accordance with the requirements of the legislation.

Our OHS management system covers 100% of our employees and we have no excluded business activities. Our Çine Headquarters is certified to the international ISO 45001 occupational health and safety (OHS) management system and we continue to roll out this system across all our facilities (See Management Systems Table, page 16). Responsibilities, control procedures, and related processes are defined to manage health and safety risks that may arise from Kaltun Madencilik operations. All OHS-related standards, procedures, instructions, and forms are compiled on publicly accessible software maintained by the Integrated Management System.

We have adopted an OHS policy that complies with national and international rules and regulations, standards, and guidelines for mining activities. Our OHS policy focuses on identifying and controlling risks throughout our value chain, from mine management and R&D to human resources management. The scope of our OHS Policy extends from our employees to subcontractor employees and visitors.



Our OHS policy is an integral part of our operational processes, as its successful implementation is crucial for ensuring the safety and continuity of our company as well as the welfare of our employees and the quality and value of our products. Continuous improvement of the OHS Policy is one of the fundamental principles that underpin our OHS management system.

Occupational Health and Safety Board meetings are held at all locations as required. The units and other units (Maintenance and Repair, Purchasing, Integrated Management System, Plant Production, Quarry Production, On-site physician, Environmental Unit, etc.) and elected employee representatives who are required to attend the Board meeting within the scope of legal requirements regularly attend the meetings. The interval between meetings is determined as required by law and members are authorized to convene the Board in case of work accidents, high-risk situations, etc.

Management of OHS Risks and Measures Taken

At Kaltun Maden, OHS experts are assigned to the risk assessment team to minimize risks and prevent hazards, and the workplace physician, employee and employer representatives, and other relevant parties are periodically informed.

In order to identify and eliminate the hazard in all kinds of routine or non-routine situations, risk analyzes are created with the participation of the employer or employer representative, OHS experts, workplace physician, other health personnel, employee

representatives, support staff, the competent person responsible for the execution of the work in each working area, and necessary assignments are made to minimize the identified risks.

In addition, all employees report the hazards they identify in the field to OHS by filling out the non-conformance report. Hazard identifications and risk assessments are reviewed with the responsible personnel at each facility and field inspections are reported every month by occupational safety experts. There are suggestion and complaint boxes at all our locations, and our employees are encouraged to submit near-miss reports with our transparent management approach. We aim to receive at least 80 near-miss notifications per year. We prepare field observation reports and share them with the relevant process owners on various platforms to realize preventive and corrective actions. We regularly carry out dust, noise, lighting, and vibration measurements.

Periodic health examinations of our employees are performed every 6 months. Pa chest radiography, audiometry measurements, and ambient measurements are performed every year. Situations that may cause deterioration in health are reported by our OHS specialist and workplace physician. Depending on the decisions taken at OHS Board meetings, the continuity of the planned corrective actions is ensured.

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i. Method of identifying hazards: According to the risk assessment prepared, hazards are assessed according to 5 main factors (physical, chemical, biological, ergonomic, and psychosocial).

ii. Which of the identified hazards caused or contributed to high-consequence injuries during the reporting period: It is determined according to the degree of risk that hazards may pose.

iii. Actions taken or maintained to eliminate these hazards and minimize risks using the hierarchy of controls: According to the risk assessment prepared and after the hazards and risks are identified with the supervision of the occupational safety specialist, occupational physician, employer/employee representative, employee representative, support staff and competent persons in the risk assessment team, the hazards are reported to the responsible persons (Production, Maintenance and Repair, Purchasing, Human Resources, etc.) and the hazards are corrected/prevented within the deadline. In addition, field inspection reports are also compiled. Work machines and equipment are checked at annual intervals. Depending on the working environment of the employees, toolbox training is provided. Occupational hygiene measurements (lighting, dust, noise, vibration, thermal comfort, etc.) are carried out at annual intervals. Improvements are planned for places where the measurement results are above the limit value.

In this context, a noise exposure action plan has been prepared.

Other Measures Taken:

i. Method of identifying hazards: Health screenings at the time of employment, annual periodic health examinations, annual periodic health screenings

ii. Method for determining which of the identified hazards caused or contributed to illness during the reporting period: Causes of occupational diseases, principles of disease prevention and implementation of prevention techniques, both biological and psychosocial risk factors, first aid, and the harmful effects of tobacco products and results of passive exposure such products are evaluated.

iii. Actions taken or maintained to eliminate these hazards and minimize risks utilizing the hierarchy of controls: According to the risk assessment prepared and after the hazards and risks are identified with the supervision of the occupational safety specialist, workplace physician, employer/employer representative, employee representative, support staff and competent persons in the risk assessment team, the hazards are reported to the responsible persons (Production, Maintenance and Repair, Purchasing, Human Resources, etc.) and the hazards are corrected/prevented within the deadline.

Processes for identifying corrective actions and necessary improvements in the OHS management system

In case of purchasing new machinery or a new technological development or a major work accident, the risk analysis is revised and measures are increased pursuant thereto. At certain intervals, OHS experts prepare field

audit reports and inform the authorities about the non-conformities and CAPAs they have identified. In the OHS Board meetings held for the periods required by law, these are brought to the Board as an agenda and the process is followed up by giving deadlines.

OHS Training

We aim to continuously improve our OHS performance by increasing the awareness and competencies of our employees through training. Within the scope of legal regulations, refresher training on general occupational health and safety issues is provided at all locations on an annual basis. Afterward, depending on the working environment, training is given on manual lifting and transportation, flare, explosion, fire, and fire protection, safe use of work equipment, working with screened vehicles, electrical hazards, risks, and precautions, use of personal protective equipment, working at height, working in a confined area, working with welding and working with equipment carrying special risks. In addition to all of the above-mentioned training, toolbox training is also provided in areas where there are specific hazards specific to hazards identified in the work areas. **In 2021, 12 hours of OHS training per employee** was provided by an occupational safety specialist. We plan to continue with 4 hours of refresher training per person per year by the workplace physician.

OHS Data for the year 2021

There were no work-related fatalities in Kaltun Madencilik operations for the said reporting year, however, there was one injury due to a high-impact work accident. In 2021, there were no legal penalties related to OHS.

Number of deaths as a result of work-related illnesses: 0

Number of documentable cases of work-related illnesses: 0

The main types of work-related diseases: (-)

Number and rate of deaths from work-related injuries: 0

Number and rate of high-impact work-related injuries: 2 - 0,18%

Number and rate of recordable work-related injuries: 58 - 5,2%

The main types of work-related injuries: The most common injuries in our facilities are spraining of the leg, tripping and falling, penetrating stab wounds, fingertip entrapment injuries, and foreign bodies in the eye.



Occupational Health and Safety Policy

We believe that all accidents and occupational diseases are preventable. We aim to keep occupational accidents and occupational diseases that may arise from our activities under control by preventing or minimizing them. Continuous improvement of our OHS management system is among our basic management principles and our main working principles are determined as follows:

Production or economic benefits cannot take precedence over issues related to the health and safety of our employees.



All our activities will be based on eliminating hazards related to occupational health and safety and reducing risks, if any.

It will be ensured that all our employees and guests are aware of OHS and occupational diseases.

Personal protective equipment to protect the health and safety of all our employees and guests will comply with international standards.

Occupational health and safety issues will be given the same importance by all management units as environment and quality.

Our activities will be carried out in accordance with applicable laws and other requirements.

Our employees will be consulted on issues related to occupational health and safety and their participation will be ensured.

OHS technology developments will be taken into account while planning investments.

All activities will be based on preventing hazards at source.

DIVERSITY AND EQUAL OPPORTUNITY

Our principle is equal pay for equal work

As Kaltun is a company built on family values, we believe in inclusion and the importance of a diversified workforce for the development of our stakeholders and society at large. Therefore, we offer equal opportunity in all our human resources processes. Our Human Resources policy is to evaluate our employees and applicants objectively in terms of gender, ethnic origin, religion, disability, or age and to offer equal opportunities for everyone. Our principle is equal pay for equal work. **By no means child labor and forced labor are allowed at Kaltun.** In addition, in line with our occupational health and safety rules, there are no young workers employed in our operations. Working hours for employees are clearly defined and employee consent is obtained for other work-related matters.

Prior to the implementation of significant operational changes, employees and their representatives are usually notified at least 4 weeks prior to the transition.

We employ over a thousand people in various activities of Kaltun Madencilik. 10% of them are employed at the management level and 10% of them are women managers. Of our entire workforce 29% are under the age of 30 and 5% are over the age of 50.

We strive to increase youth employment while retaining our experienced employees within the company. In addition, no cases of discrimination were reported for the reporting year.

There were no cases of violations involving the rights of indigenous peoples for the reporting period. **In 2021, a total of 322 hours of training was provided on Human Rights Policies and operational aspects of human rights. Including employees responsible for internal security, 92% of our employees participated in human rights training.**

The mining industry is widely recognized to employ fewer women than men at all levels of operations. We aim to increase our female workforce as much as possible through our management systems in different operational units. We developed the From Skirts to Heights project to further improve our performance in women's employment.

2021 employee ratios by gender and age group



From Skirts to Heights

OUR OBJECTIVE: As a brand, we were founded on the belief that women can be successful in every aspect of life when provided with equal opportunities. Our position in Aydin, Çine, where we started, grew, and expanded to the world, aimed to prove that our values can be realized even in challenging circumstances like mining by providing employment opportunities for women residing in the region.

What happened?

We provided a Class C truck driver education course to 8 female candidates, some of whom had never worked before and some of whom had never driven a car. As a result of intensive training, our candidates who received their driver's licenses were ready to work in Kaltun and we hired female truck drivers for our mines in Aydin and Muğla.

Some of the women who dared to work in the mines had never worked before, and others had never driven a car. Every one of our colleagues, who learned driving to the finest detail with their efforts and perseverance, has turned into master drivers who know the challenging roads of Madran Mountain from the skirts to the heights. Our female colleagues who were part of the From Skirts to Heights project were also mothers, wives, or mothers soon-to-be. Contrary to those who believe that social roles will prevent women from standing on their own feet and those who say "What is a woman doing at the construction site?", these female workers are now the skilled drivers of the huge machinery that others fear to approach, along with their spouses and children, and have become a source of

pride and role models for many women living in their communities.

The inclusion of female drivers at the Kaltun mines is a huge step forward for the entire mining industry, since the ability to overcome challenges attributed to male strength, and their power eradicated prejudice against women working in the mining industry.

The initiative highlights women's resilience and the necessity of offering equal chances for female employees in all activities, expanding female employment, and contributing to women's social and economic development.

For all and more please watch the "From Skirts to Heights" documentary! [Click here to watch!](#)



TRAINING AND CAREER DEVELOPMENT

We support the career development of our employees by increasing their awareness and abilities through training. We emphasize personal development and technical training to improve our employees' skills.

During retirement and similar career termination periods, a one-on-one program is prepared with employees to plan the transition process. In cases of career termination, the person who will terminate his/her career and the person who will prepare himself/herself for the new position work together for at least two years in advance through backup programs and joint work programs during the final year of the person who will terminate his/her career. In addition, training is also provided in support of the newly hired person.



SUPPLIER ENVIRONMENTAL AND SOCIAL COMPLIANCE

We believe that achieving sustainability is only possible by expanding our sensitivity to environmental and social issues throughout our supply chain.

Accordingly, we also have included our suppliers in the scope of our Integrated Management System. Our suppliers are selected according to the environmental and social performance evaluation criteria set out in this system. To support this system, we have created a structure for social and environmental impact analysis to be used in the evaluation of suppliers during the downstream operations of our supply chain..

Our relationships with our suppliers are managed by purchasing manager. There has been no change in the geographical structure of our suppliers providing product and service. Our suppliers are selected according to technique specified in the Integrated Management System and their performance are being monitored.

We encourage our suppliers to participate in the social policies we adopt. Within this scope, we

evaluate our suppliers in terms of employment, human rights, and ethical practices. **For the 2021 reporting year, 100% of our 2,000 suppliers were evaluated according to the social assessment process.**

Our environmental policy is ensuring that our suppliers of chemical additives and packaging materials take the necessary measures to protect the environment and reduce environmental risks.

In this context, suppliers of chemicals and packaging materials must have a valid ISO 14001 certificate. We have no suppliers who have been identified as having substantial negative environmental impacts and whose relationships have been terminated based on the results of our assessment.



RELATIONS WITH THE LOCAL COMMUNITY

As a mining company built on family values, we have great respect for the local people, whom we consider part of our family.

Members of the local community work at our establishments, work in our offices and provide us with assistance during difficult times. Thus, we feel obligated to interact with the local community and build strong and everlasting ties with them.

representatives of local committees in the surrounding area that are affected in some way by our activities. The meetings allow us to maintain an open channel of communication between Kaltun and the local community, built on trust and transparency.

Kaltun management evaluates the demands and complaints of local stakeholders and determines the actions to be taken to improve conditions.

We operate in quarries with a positive Environmental Impact Report. Kaltun is subject to periodic inspections by official organizations such as MAPEG (General Directorate of Mining and Petroleum), the Ministry of Family, Labor, and Social Services, the Ministry of Environment, Urbanisation and Climate Change, and the Ministry of Energy and Natural Resources.

The results of these audits are evaluated according to our short, medium, and long-term impact on the environment and with an aim to improve processes and mechanisms for the development of local communities. During the reporting period, our mining activities did not cause any negative impact on the quality of the data.





SECTION

05

MINIMIZING OUR ENVIRONMENTAL IMPACT

ENVIRONMENTAL MANAGEMENT

As Kaltun Madencilik, we are committed to protecting nature, our source of activity, and reducing our environmental impact.

As Kaltun Madencilik, we are committed to protecting nature, our source of activity, and reducing our environmental impact. Our established Environmental Policy outlines the core concepts of our environmental management and is available to our stakeholders on our website. An Environmental Aspects and Effects List has been produced in this context, which describes and categorizes the environmental implications of operational processes. In order to reduce these impacts, we have identified our environmental focus areas and we continue to work with determination in such areas. Accordingly, we set environmental targets on an annual basis and prepare action plans to realize the targets we set..

(See *Environmental Objectives Table*) We monitor compliance with the targets and the effectiveness of actions and track our performance on an annual basis. With the ISO 14001 Environmental Management System, we strive to improve our environmental performance at every step of our business. We continue our efforts in pursuance of obtaining the international ISO 14001 environmental management certificate, which Çine Merkez (*Central*) currently holds, for our other facilities. (See *Management Systems Table, page 16*)

At Kaltun Madencilik, issues related to the Environmental Management System are administered by the Integrated Management System Unit, while other environmental

issues are controlled by the Production Department, which is staffed by environmental engineers.

The management of environmental impacts and our performance are discussed at regular Management Review meetings with the participation of the Sustainability Committee and General Manager.

All of our activities are carried out in compliance with the relevant legal regulations. In this context, there was not any non-compliance with environmental legislation for the reporting period of 2021, and no legal or administrative sanctions were imposed against Kaltun Maden due to environmental impacts.

Areas in which we environmentally focused on



Our Environmental Policy

Being our country's major producer of feldspar and quartz, we regard environmental and natural resource conservation as well as pollution avoidance and reduction, as fundamental principles of our long-term growth strategy. In collaboration with our customers, subcontractors, suppliers, and other stakeholders, we seek to guarantee that our staff has and retains environmental awareness as well as to keep the environmental effect of our actions under control. ***Our basic principles in this framework are as follows:***

Working by protecting existing reserves and preventing unnecessary destruction of nature in mining operations

Carrying out our processing activities in full compliance with applicable laws, applicable standards and our other commitments, taking into account their impact on the environment.

Reducing and, where possible, preventing waste

Using new technologies suitable for protecting the environment

Ensuring that the consumption of energy, raw materials, and natural resources is kept under control and improved

Effectively carrying out restoration works at abandoned quarries








Ensuring constant improvement of the environmental management system in order to increase environmental performance





Preventing or reducing air and water pollution, leaks and spills, and noise as far as possible

Ensuring the participation of our customers, suppliers and related parties in our commitment to protecting the environment, reducing environmental risks and controlling production and operation activities

2021 Environmental Objectives Program Monitoring Table

Subject	Target	Action Plan	Status
 Water	Identifying and reducing the amount of water consumed at relevant sites	<i>Additional water meters will be procured to determine the amount of water used for production, social facilities, and cleaning.</i>	Installation of additional meters for industrial and domestic use has been completed. For the year 2022, consumption amounts will be monitored monthly. There has been an increase in water consumption due to the pandemic.
 Water	Industrial use water should not exceed 10 m3/hour	<i>Water loss and leakage points will be identified. The research will be carried out to recover wastewater where possible.</i>	System improvements were made to monitor domestic and industrial water consumption separately. In 2021, necessary actions have been taken for the purpose of achieving improvement. In 2022, total consumption amounts will be revised.
 Water	Domestic water consumption should not exceed 13,500 m3/year	<i>Water loss and leakage points will be identified. The research will be conducted to recover wastewater where possible. Valves and faucets will be replaced where necessary.</i>	Within the scope of reducing domestic water consumption, the transition to sensor faucets has been completed in all locations. In 2022, total consumption will be determined.
 Waste	Reducing the amount of paper-cardboard, plastic, glass, and metal waste by 10%	<i>Waste will be segregated at source in all offices and sites and the Waste Management Procedure will be followed.</i>	For 2021, waste amount determination studies were conducted. 70,059 tons of paper, cardboard, plastic, and glass waste was generated. Re-evaluation of our metal waste in Çine Merkez (Central) in Kaltun Makine and Saraçlar facility is in progress.
 Waste	Monitoring of hazardous waste for a 10% reduction	<i>Environmental training will be provided to employees working in areas where hazardous waste is generated on regular basis.</i> - <i>Temporary waste collection containers will be available in areas where hazardous waste is generated.</i> - <i>Suitable cleaning kits for spills and leaks will be identified and kept at the places of use</i>	In 2021, the total amount of hazardous waste generated was 49,281 tons. Compared to 2020 due to the establishment of a new facility, there is an increase of 10%. In accordance with the Regulation on the Management Waste Oil, there is an additional increase due to the fact that motor oils (hazardous waste) previously taken away by the services remain in the facility.

Subject	Target	Action Plan	Status
 Waste	Non-hazardous waste monitored and reduced by 5%.	<i>Environmental training will be provided to employees working in areas where hazardous waste is generated on regular basis. Temporary waste collection containers will be available in areas where non-hazardous waste is generated..</i>	For 2021, quantification studies were carried out. 145 tons of non-hazardous waste was generated (paper, cardboard, plastic, glass). Re-evaluation of our metal waste in the center of Çine in Kaltun Makine and Saraçlar facility is in progress.
 Waste	Review and optimization of Sarıkısık and Hisarardı waste areas	<i>Temporary storage areas will be reorganized at all sites and a waste storage area manager will be appointed. Appropriate waste collection containers will be placed.</i>	Since the waste area in Sarıkısık will be changed, these works will start in 2022. Hisarardı waste areas have been reviewed and some of the improvement works have been carried out and some of them will be completed in 2022.
 Emission	Total dust emission from location-specific chimneys is equal to or less than 0.169 kg/hour	<i>Emission measurements will be carried out regularly.</i>	Emission measurements are conducted every 2 years and were made in 2020. Planned for 2022.
		<i>Regular maintenance of dust collection filters and sealing equipment.</i>	They are regularly maintained and replaced.
 Emission	Total flue gas emissions from location-specific chimneys equal to or less than 0.343 kg/h	<i>The dedusting systems in the units will be regularly maintained.</i>	They are regularly maintained and replaced.
		<i>Emission measurements will be carried out regularly.</i>	Emission measurements are conducted every 2 years and were made in 2020. Planned for 2022.

Subject	Target	Action Plan	Status
 Emission	Emissions from passenger cars, shuttles, and construction machinery are below the threshold set out in applicable legislation	<p><i>Periodic maintenance of all passenger cars will be carried out.</i></p> <hr/> <p><i>Periodic maintenance of all construction machinery will be carried out.</i></p> <hr/> <p><i>Periodic maintenance of service vehicles will be kept under control.</i></p>	<p>TAll vehicles are regularly maintained.</p> <hr/> <p>All vehicles are regularly maintained.</p> <hr/> <p>All vehicles are regularly maintained by subcontractors.</p>
 Greenhouse Gas Emission	Not using substances restricted by the relevant legislation on air conditioners	<p><i>Currently, available air conditioners will be reviewed and those that need to be replaced will be renewed.</i></p>	<p>All air conditioners have been reviewed and included in the refrigerant inventory for carbon footprint calculations.</p>
 Legal Compliance	Ensuring the continuity of compliance with legal requirements. Not receiving any penalties or sanctions from local and/or central government.	<p><i>Environmental permits, licenses, and other requirements of facilities will be reviewed. Necessary measures will be taken to ensure and maintain full compliance.</i></p>	<p>In 2021, no penalties were imposed.</p>
 Education	Ensuring that employees are aware of the relevant legal legislation and the environmental aspects and impacts of their work and ensuring the continuity of this awareness.	<p><i>Training programs will be prepared and implemented to provide regular training to all personnel on environmental management and requirements.</i></p>	<p>General information on environmental impact analyses and legal legislation is provided during induction training.</p>

Raw Materials and Supplies

Kaltun Madencilik provides raw materials to the ceramic, glass, composite stone, paint, and plastic industries.

We split the materials we use to carry out our activities into two categories: those we manufacture and utilize in production, and those we use in packaging and other procedures. We continuously enhance our procedures to boost mining and mineral enrichment efficiency and to make the best use of limited resources in our fields and quarries.

Mineral extraction waste is also recycled and utilized to make goods. The minerals are kept and transported in entirely recyclable paper bags and huge sacks. They are cardboard-wrapped and transported on reused wooden pallets.

Reactive chemicals are used in mineral beneficiation. In 2021, the increase in the number of reactive chemicals used compared to the previous year is thanks to the increase in production capacity.

Amount of minerals extracted (tons)	2020	2021
Mica	4.139	3.163
Quartz	217.551	206.608
Sodium feldspar	1.604.696	2.546.433
Potassium feldspar	5.176	2.991

Chemical materials used in production processes (reagents)

	2020	2021
Reactive chemicals (tons)	469	637

The materials we use for packaging and other processes in 2021

Pallet (tons): **2**

Cardboard (tons): **37**

Kraft bags (renewable) (tons): **87**

Bigbag sacks (renewable) (tons): **543**

**Kraft Bag: A paper bag that can hold 10-50 kg of material.*

***Big bag: A big bag that can hold between 500-1500 kg of material.*



Energy Management

We focus on the efficient use of energy in our processes, aiming to conserve energy resources, reduce greenhouse gas emissions that contribute to climate change, and reduce costs.

Energy is a major input in the mining industry. The mining, processing, and transportation phases of Kaltun Madencilik's activities are energy-demanding in terms of fuel and natural gas use (from quarries to facilities, from facilities to consumers). Compressed natural gas (CNG) is used in drying ovens during our production activities and is among our important inputs. Our electricity need is provided by the network.

We focus on the efficient use of energy in our processes, aiming to conserve energy resources,

reduce greenhouse gas emissions that result in climate change, and reduce costs.

Our efforts in ensuring efficiency are monitored by the primary operational units of our facilities. In 2023, we aim to establish the ISO 50001 Energy Management System and implement it all across our locations. The reason for the rise in overall energy usage in 2021 compared to 2020 is thanks to the increase in our facilities' production capacity by means of investments and the installation of new facilities and machinery.

Table of energy use

	2020	2021
CNG natural gas consumption (million Sm³)	3,8	5,3
Office and production facility total electricity consumption (million kWh)	30	46
Fuel consumption of construction machinery and vehicles (diesel fue) (liters)	4.587.949	5.845.321
Constant combustion (diesel) (liters)	42.803	41.132
Constant combustion (propane cylinders, LPG) (tons)	16	19



Greenhouse Gas Emissions

2021 greenhouse gas emission calculations have been verified by an independent organization

Reduced greenhouse gas emissions are critical in mitigating climate change, which is harming the entire planet. We have built a full and extensive system for monitoring and managing greenhouse gas emissions resulting from our activities through our responsible corporate management approach that highly respects people and nature. The system we have established is based on the international ISO 14064-1:2018 Corporate Carbon Footprint Standard and the GHG Protocol. Throughout this procedure, we initially inventoried our operations that emit greenhouse gases and began collecting data. We have been steadily broadening the scope of our activity since 2020. In 2021, in addition to scope 1 and scope 2 emissions, our emissions in the scope 3 category were also included in the data collection. With the operational control approach, our greenhouse gas emissions for 2021 for our Çine Merkez (Central), Sarıkısıık, Hisarardı, and Güllük facilities have been calculated and the calculations have been verified by an independent organization according to ISO 14064-3:2019 Standard and ISO 14065:2020 Principles. The verification statement can be found at the back of the report. **We aim to minimize energy-related greenhouse gas emissions by installing solar panels at our Çine and Güllük factories in the future.**

Our scope 3 emissions included in the calculations in 2021

- › In the category of indirect greenhouse gas emissions stemming from transportation: Emissions from personnel shuttles, business trips by plane, and emissions during the transportation of the product by road and sea were calculated.
- › In the category of indirect greenhouse gas emissions stemming from products used by the organization: Well-to-tank (WTT) emissions from the place of production of purchased fuel oil until its arrival at our facilities and emissions from auxiliary materials purchased for use in our production were calculated.
- › In the category of indirect greenhouse gas emissions stemming from the use of products owned by the organization: Emissions from alkaline earth oxides contained in the product during its use have been calculated.
- › In the category of indirect greenhouse gas emissions stemming from other sources: Carbon loss and leakage in terms of the electricity used are calculated.

Greenhouse Gas Emissions

	2020	2021
Direct Greenhouse Gas (GHG) Emissions (tCO₂e)		
Direct greenhouse gas emissions Scope 1	20.125	27.102
Indirect Greenhouse Gas (GHG) Emissions (tCO₂e)		
Resulted from purchased electricity (Scope 2)	14.585	21.128
Transportation-related	-	75.306
Resulting from products used by the company	-	3.775
Indirect greenhouse gas emissions associated with the use of the products owned by the organization	-	16.810
Indirect greenhouse gas emissions from other sources	-	5.231
Total Scope 3 indirect greenhouse gas emissions		101.121
Scope 1&2&3 Total (tCO₂e)		149.352
**Carbon footprint intensity (tCO₂e/TRY)		0,000114

*Turnover for 2021, TRY: 1.305.702.672

Water Management

Within the scope of our environmental policy, we aim to reduce our water consumption and increase efficiency with the closed-circuit process water management system

One of the primary consequences of climate change in our nation is a progressive reduction in water supplies and an increase in drought. We are concerned about water management in Kaltun Madencilik. We monitor our water use and establish goals to enhance our performance as part of the environmental management system.

The groundwater is our primary water source. Using the closed-circuit process water management system, we want to minimize our water usage and boost efficiency as part of our environmental policy. At our Çine Merkez (Central) plant, Sarıkısık plant, and Hisarardı plant, underground water is used for administrative buildings, beneficiation with wet processing, and related operations. The area where the plant is located is rich in groundwater. There is no specific amount of water consumption that would affect our suppliers, stakeholders, customers, or neighbors.

In 2021, a total of 210,500 tons of water was provided, including 27,500 tons/year for primary production

activities, 73,000 tons/year for drinking and potable water for personnel, and 110,000 tons/year for dust suppression activities. Data is collected through water meters.

Industrial wastewater from mining processes is collected in closed-type settling ponds within the facility and reused. In Çine Merkez (Central), treated domestic water is discharged to the dry streambed. At Sarıkısık and Hisarardı plants, treated domestic water is collected and treated in the balancing pond and used for in-plant road irrigation. These waters are periodically checked for compliance with the criteria set by the Regulation on water pollution control and discharged to the environment when it is deemed to be in compliance with the standards.

The priority pollutants in the discharged water are measured as chemical oxygen demand, biological oxygen demand, suspended solids, and pH according to Table 21.1 in the Regulation.

There is no biodiversity such as water bodies, habitats, nationally or internationally protected areas, and protected species significantly affected by wastewater discharge. Our 2021 wastewater discharge amounts are given in the table below.

2021 wastewater discharge quantities

Çine Merkez (central)	60 m ³ /day
Sarıkısık	20 m ³ /day
Hisarardı	20 m ³ /day
Total	100 m ³ /day



Waste Management

As Kaltun Madencilik, our waste management system is built on a hierarchy that includes waste avoidance – reduction – reuse – recycling - energy recovery – disposal.

Waste Management is one of the most crucial elements of the mining industry. As Kaltun Madencilik, at the basis of our waste management system, there is a waste hierarchy consisting of disposal steps such as waste avoidance - reduction - reuse - recycling - energy recovery. Our Integrated Management System adopts this waste management approach and aims to monitor waste generation and avoid and/or reduce waste through our business lines. Within the scope of the system, waste is classified and disposed of or recycled appropriately according to the laws and regulations in relation to the classification.

Disposal and/or recovery operations are not carried out in our facilities and wastes are delivered to licensed waste companies for recovery and/or disposal. **In 2021, the total amount of hazardous waste delivered to licensed waste companies was 49,281 tons/year and the total amount of non-hazardous waste was 145 tons/year. For the 2021 reporting period, there was no accidental waste disposal incident.**

Waste prevention and minimization activities



In 2021, in accordance with the Zero Waste Legislation, Zero Waste Management System was established and entitled to receive Zero Waste Certificate.



Construction equipment, trucks, and forklifts are refurbished and service guaranteed as of 2020 and maintenance and repair hours are monitored. Parts removed after the maintenance are examined in case of reuse within the facility.



Waste prevention and minimization training are provided to employees.



The use of dispenser-size bottled water instead of disposable water bottles reduced the amount of plastic waste in packaging, and the use of glass cups instead of cardboard cups reduced the amount of paper and cardboard.



Internal correspondence is encouraged to be conducted electronically whenever possible, thereby reducing the amount of paper used.



Rechargeable batteries are used instead of disposable batteries, and a take-back system has been established for waste batteries.



Waste generation is prevented by refilling cartridges and toners in the IT department.

Biodiversity

We follow national and international regulations to which our country is a signatory, and we follow the compulsory steps to safeguard and restore biodiversity in our mining sites.

We are grateful to our nation, which has the finest quality feldspar mines in the world, as well as to Aydın province and Muğla area, which is our center of operation, for these minerals that contribute to human comfort. The Aegean region, where Aydın and Muğla provinces are located, is an important geography with its forests and nature that is home to many species as well as its underground wealth.

We are aware of the direct impacts of mining activities on nature. We comply with the legislation and take the necessary measures. Our mining-licensed lands are registered as forest, treasury, and private-registered land. Our mining activities on licensed lands leased by the state are regularly inspected by the Ministry of Energy and Natural Resources. Our operations are controlled by the Ministry even if our quarries in Sarıkısık, Hisarardı, Harımcık, and their surroundings are outside the protected area, in case our impact spreads to a wider area than our mines. The measurements of our activity area are given below.

According to the legislation in Turkey, in order to open and operate new quarries, it is obligatory to submit Environmental Impact Assessment (EIA) reports to the Ministry. The EIA process requires mining companies to understand their great impacts on biodiversity. If certain flora, fauna, river, and stream beds, and natural protected areas mentioned in the EIA reports are found to contain biodiversity, they have a responsibility to report the findings to the relevant institutions in order to protect these lands.

Our assessment found no natural habitats that might be imperiled or destroyed as a result of our actions. In our areas, no uncommon or endangered species were discovered. We work in quarries with a favorable report on Environmental Impact Assessment. If any protected flora or fauna species are discovered in the regions where we operate, we shall take the required steps in line with national legislation and the terms of international treaties to which our country is a signatory, and the species in question will be safeguarded.

As of the end of the 2021 reporting period, our activities continue in Çine, Sarıkısık, Hisarardı, and other sites, and no rehabilitation project has been realized since we have no abandoned mine site. In line with our management approach that highly respects people and nature, we will continue to monitor our activities that will have an impact on nature within the scope of the environmental management system.

Measurements of our field of activity

Aydın	33,493.54 hectares
Çine	234,059 m ² (<i>Administrative buildings and facilities</i>)
Muğla	10,660.01 hectares
Güllük	56,095 m ² (Güllük1 + Güllük2)





SECTION

06

APPENDIX

GRI CONTENT INDEX

As part of the Content Index-Essentials Service, the GRI Services Team has examined that the GRI Content Index is included in the report and the disclosures 2-1 to 2-5 and 3-1, 3-2 are included and referenced correctly in the report. This service was performed on Turkish version of the report.



CONTENT INDEX
ESSENTIALS SERVICE

2023

DISCLOSURE Kaltun Madencilik Sanayi Nakliyat ve Akaryakıt Tic. A.Ş. has reported in accordance with the GRI Standards for the period 1 January 2021 – 31 December 2021.

GRI 1 used

GRI 1: Foundation 2021

GRI 2: GENERAL DISCLOSURES 2021			
GRI STANDARD	DISCLOSURE	PAGE NUMBER	
GRI 2: GENERAL DISCLOSURES 2021	2--1	Organizational details	3,7,8,9,10,22
	2--2	Entities included in the organization's sustainability reporting	3
	2--3	Reporting period, frequency and contact point	3
	2--4	Restatements of information	3
	2--5	External assurance	3,58,59
	2--6	Activities, value chain and other business relationships	7,17,18,36
	2--7	Employees	23,24
	2--8	Workers who are not employees	23,24,36
	2--9	Governance structure and composition	14,15
	2--10	Nomination and selection of the highest governance body	14,15

GRI CONTENT INDEX

GRI 2: GENERAL DISCLOSURES 2021			
GRI STANDARD	DISCLOSURE	PAGE NUMBER	
GRI 2: GENERAL DISCLOSURES 2021	2--11	Chair of the highest governance body	5
	2--12	Role of the highest governance body in overseeing the management of impacts	12,13,14,15,16
	2--13	Delegation of responsibility for managing impacts	12,13,14,15,16
	2--14	Role of the highest governance body in sustainability reporting	14
	2--15	Conflicts of interest	14,15
	2--16	Communication of critical concerns	16,17,18
	2--17	Collective knowledge of the highest governance body	16,17,18
	2--18	Evaluation of the performance of the highest governance body	14,15,16
	2--19	Remuneration policies	33
	2--20	Process to determine remuneration	33

GRI CONTENT INDEX

GRI 2: GENERAL DISCLOSURES 2021			
GRI STANDARD	DISCLOSURE		PAGE NUMBER
GRI 2: GENERAL DISCLOSURES 2021	2--21	Annual total compensation ratio	33
	2--22	Statement on sustainable development strategy	5,6, 12--19,39
	2--23	Policy commitments	12,13, 27,28,32,33,39,40
	2--24	Embedding policy commitments	12-16,27-34,39
	2--25	Processes to remediate negative impacts	12--18,37,41-43
	2--26	Mechanisms for seeking advice and raising concerns	17,18,37
	2--27	Compliance with laws and regulations	27
	2--28	Membership associations	18
	2--29	Approach to stakeholder engagement	17,18,19
	2--30	Collective bargaining agreements	24

GRI CONTENT INDEX

MATERIAL TOPICS			
GRI STANDARD	DISCLOSURE		PAGE NUMBER
GRI 3: Material Topics 2021	3--1	Process to determine material topics	17,18,19
	3--2	List of material topics	19
Economic Performance			
GRI 3: Material Topics 2021	3--3	Management of material topics	21-25
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	21
Local Employment			
GRI 3: Material Topics 2021	3--3	Management of material topics	23,24,25
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	23,24
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	23,24,25
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	25
Ethical Work and Human Rights			
GRI 3: Material Topics 2021	3--3	Management of material topics	28,33
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	28
	205-3	Confirmed incidents of corruption and actions taken	28
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	28
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	24
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	28,33
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	28,33
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	28,33
Occupational Health and Safety			
GRI 3: Material Topics 2021	103-3	Management of material topics	29-32








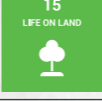

GRI CONTENT INDEX

MATERIAL TOPICS			
GRI STANDARD	DISCLOSURE		PAGE NUMBER
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	29-32
	403-2	Hazard identification, risk assessment, and incident investigation	29-32
	403-4	Worker participation, consultation, and communication on occupational health and safety	29-32
Training and Career Development			
GRI 3: Material Topics 2021	103-3	Management of material topics	35
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	35
	404-2	Programs for upgrading employee skills and transition assistance programs	35
Gender Equality and Equal Opportunity			
GRI 3: Material Topics 2021	3--3	Management of material topics	33, 34
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	33,34
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	28,33,34
Raw Materials and Supplies			
GRI 3: Material Topics 2021	103-3	Management of material topics	39,40,44
GRI 301: Materials 2016	301-1	Materials used by weight or volume	44
Energy Management			
GRI 3: Material Topics 2021	103-3	Management of material topics	39,40,45
GRI 302: Energy 2016	302-1	Energy consumption within the organization	45
Water Management			
GRI 3: Material Topics 2021	103-3	Management of material topics	39,40,41,47
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	41,47
	303-4	Water discharge	41,47




GRI CONTENT INDEX

MATERIAL TOPICS			
GRI STANDARD	DISCLOSURE		PAGE NUMBER
Restoring Biodiversity			
GRI 3: Material Topics 2021	103-3	Management of material topics	39,40,49
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value	49
Greenhouse Gas Emissions			
GRI 3: Material Topics 2021	103-3	Management of material topics	39,40, 42,43, 46
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	42,43, 46
	305-2	Energy indirect (Scope 2) GHG emissions	42,43, 46
	305-3	Other indirect (Scope 3) GHG emissions	42,43, 46
	305-4	GHG emissions intensity	42,43, 46
	305-5	Reduction of GHG emissions	42,43, 46
Waste Management			
GRI 3: Material Topics 2021	103-3	Management of material topics	39,40,41,42, 48
GRI 306: Waste 2020	306-3	Waste generated	41, 42, 48
	306-5	Waste directed to disposal	41,42, 48
Supplier Environmental and Social Assessment			
GRI 3: Material Topics 2021	103-3	Management of material topics	17,36, 39,40
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	17, 36
GRI 414: Supplier Social Assessment 2016	414-1	Negative social impacts in the supply chain and actions taken	17, 36
Relations with the Local Community			
GRI 3: Material Topics 2021	103-3	Management of material topics	37
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	37

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS INDEX

SDG	Page Numbers	SDG	Page Numbers
 03 GOOD HEALTH AND WELL-BEING	29-32	 10 REDUCED INEQUALITIES	21-25,33,34
 05 GENDER EQUALITY	25,33,34	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	14-18,23,29,36,39-43,48
 06 CLEAN WATER AND SANITATION	47	 13 CLIMATE ACTION	43, 45, 46
 07 AFFORDABLE AND CLEAN ENERGY	45	 15 LIFE ON LAND	49
 08 DECENT WORK AND ECONOMIC GROWTH	21-25,36		

GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

Verification Opinion

GHGEV 762890 – 10.12.2022

Responsible Party: Kaltun Madencilik Sanayi Nakliyat ve Akaryakıt Ticaret A.S.
Aydın - Muğla Karayolu 35.Km
Cine, Aydın, 09500
Türkiye

Type of GHG Statement:
Organisational

Identification of GHG Statement:
Kaltun Madencilik Sanayi Nakliyat ve Akaryakıt Ticaret A.S. GHG Report 2021

Scope of activities:
Design, Production, processing and sales of feldspar, quartz and mica

Organisational Boundary:
Operational Control


Sites Included in Organisational Boundary:

- Çine: Yolboyu Mah. 1150 Sk. Kaltun Madencilik Blok No:1 Çine/Aydın
- Sarıkısık: Ortaköy Mah. Merkez Sk. No: 414 Milas/Muğla
- Hisarardı: Hisarardı Mah. Hisarardı Sk. No:64 Yatağan/Muğla
- Güllük: Güllük Mah. Yeni Liman Cad. No:29 Milas-Muğla

Reporting Boundary:
GHG emissions aggregated into the following categories at the organisational level

- Direct GHG emissions and removals
- Indirect greenhouse gas emissions from imported energy;
- Indirect GHG emissions from transportation
- Indirect GHG emissions from products used by the organisation
- Indirect GHG emissions associated with the use of products from the organisation
- Greenhouse gas emissions from other sources

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GRI 2-5



Criteria for developing the organisational carbon footprint:

ISO14064-1:2018
Kaltun Madencilik Sanayi Nakliyat ve Akaryakit Ticaret A.S. GHG Management System Documentation

Level of Assurance:
Limited

Materiality level:
%5

Period:
01.01.2021-31.12.2021

GHG Emissions:

DIRECT GHG EMISSIONS		
1 - Direct GHG emissions and removals;	27.102	tCO2e
INDIRECT GHG EMISSIONS		
2 - Indirect GHG emissions from imported energy;	21.128	tCO2e
3 - Indirect GHG emissions from transportation;	75.306	tCO2e
4 - Indirect GHG emissions from products used by organization;	3.775	tCO2e
5 - Indirect GHG emissions associated with the use of products from the organization;	16.810	tCO2e
6 - Indirect GHG emissions from other sources	5.231	tCO2e
TOTAL (Location based)	149.352	tCO2e

Anthropogenic GHG emissions	149.352	tCO2e
Anthropogenic biogenic GHG emissions	0	tCO2e
Non-anthropogenic biogenic GHG emissions	0	tCO2e

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Verification Opinion: Verified as Satisfactory

Based on the process and procedures conducted, there is no evidence that the GHG report 2021 produced by Kaltun Madencilik Sanayi Nakliyat ve Akaryakit Ticaret A.S.

- is not a fair representation of GHG data and information;
- has not been prepared in accordance with ISO14064-1:2018

Verification Activities:

The following were the verification activities undertaken:

- Evaluation of the monitoring and controls systems through interviewing employees observation & inquiry
- Verification of the data through sampling recalculation, retracing, cross checking, reconciliation

The quantification and reporting of the carbon footprint have been independently verified by BSI against the specifications defined in ISO 14064-1:2018. The verification activity has been carried out in accordance with ISO 14064-3:2019 and the principles of ISO 14065:2020

Responsibilities:

The data on which the footprint is based has been provided by Kaltun Madencilik Sanayi Nakliyat ve Akaryakit Ticaret A.S. in the document GHG report 2021. This document is the responsibility of Kaltun Madencilik Sanayi Nakliyat ve Akaryakit Ticaret A.S. and is historical in nature.

The responsible party is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria.

The verifier is responsible for expressing an opinion on the GHG statement based on the verification

Lead Verifier: Mehmet Kumru

Signed on behalf of BSI:

Theens Kotze, Managing Director Assurance – IMETA

Issue Date: 10.01.2023

NOTE: BSI Eurasia Belgelendirme Hizm. Ltd. Sti. is independent to and has no financial interest in Kaltun Madencilik Sanayi Nakliyat ve Akaryakit Ticaret A.S. This verification Opinion has been prepared for Kaltun Madencilik Sanayi Nakliyat ve Akaryakit Ticaret A.S. only for the purposes of verifying its statement relating to its carbon emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Eurasia Belgelendirme Hizm. Ltd. Sti. has assumed that all information provided to it by Kaltun Madencilik Sanayi Nakliyat ve Akaryakit Ticaret A.S. is true, accurate and complete. BSI Eurasia Belgelendirme Hizm. Ltd. Sti. accepts no liability to any third party who places reliance on this Statement.

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For all inquiries regarding Kaltun’s sustainability endeavors and this report, please email: sgungor@kaltun.com.tr



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