

2024 Sustainability Report



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A Message from our CEO

Dear Stakeholders,

As we entered 2024, the world witnessed both the tangible effects of the climate crisis and promising strides made toward sustainable solutions. Here at the Karaca Group, we are fully aware that sustainability is no longer a choice—it is a necessity. Guided by this feeling of responsibility, we continue to integrate sustainability across all our products and operations.

This year, our primary focus was on energy transformation and product-based sustainability initiatives. We are steadily progressing toward our goal of transitioning all operational processes to renewable energy by 2030. Our energy efficiency projects have already delivered significant gains, placing sustainability at the core of our actions.

One of our most impactful initiatives has been the establishment of our large-scale distribution center, covering an area of 120,000 m². Beyond transforming our logistics infrastructure, this investment has enhanced operational efficiency across our retail and e-commerce channels. By consolidating cargo shipments, we have also achieved a substantial reduction in logistics-related emissions. Most notably, 12% of this project was dedicated to sustainability efforts, reflecting our strong commitment to environmental protection.

At the same facility, we have initiated the installation of a solar power plant with the capacity to generate enough electricity to meet the annual needs of approximately 845 households. We plan to commission this plant by May 2025.

In our retail stores, we launched cloud-based energy monitoring systems that allow real-time analysis of energy consumption. A pilot project in Istanbul demonstrated a 40% energy efficiency gain outside business hours, saving 27,464 kWh of electricity.

By rolling out this system to all Karaca stores across Turkey in May 2025, we aim to save 1,757,952 kWh of energy annually and reduce carbon emissions by 762 tonnes.

On the product side, we increased the use of renewable energy in our small home appliance production to 85%. This step has not only helped us significantly reduce production-related emissions but also transformed our dependency on traditional energy sources.

During the product development phase, we continue to prioritize recyclable and bio-based raw materials. At Kaşmir Carpet, for example, we launched the Nature-Lover Collection by utilizing 3 million plastic bottles and approximately 13 tonnes of recycled cotton—an important milestone in sustainable product innovation.

In line with our commitment to creating social value, we reached over 16,000 children through our “A Future to Share” initiative in partnership with UNICEF. This project represents one of our most meaningful contributions to social sustainability and realizing equal opportunity in education.

As Karaca Group, with more than 50 years of experience behind us, we view every achievement as a legacy for the future. We embrace sustainability not merely as a strategic priority, but also as a core value deeply embedded within our corporate identity.

The year 2024 marked the beginning of a transformative journey, driven by our energy-focused initiatives and a clear vision for building the Karaca of tomorrow—starting today.

I extend my sincere gratitude to every member of the Karaca family who contributed to this transformation.

Sincerely,

Fatih Karaca

Chairman of the Board, Karaca Group

“We increased the use of renewable energy in our small home appliance production to 85%. This step has not only helped us significantly reduce production-related emissions but also transformed our dependency on traditional energy sources.”



About Karaca Group

From Our Roots to the Future

The Karaca story began in 1973, in a small glass workshop in Süleymaniye, Istanbul. Founded by brothers Arif, Muzaffer, Sami, and Rahmi Karaca, the workshop was more than a production space—it was where handcrafted glass products were transformed into high-value items through skilled artistry. This humble beginning marked the birth of what would become a pioneering global brand in the field of home and lifestyle products.

Today, Karaca products can be found in millions of homes, spanning categories from kitchenware and home textiles to décor and small appliances. Guided by our motto "We've Got a Lot to Share," we aim to be part of the meaningful moments people choose to share with their loved ones.

We don't just offer products—rather, we create thoughtful solutions that simplify everyday life while blending functionality with elegance and design.

A Brand That Brings Home and Living Together

Under the umbrella of Karaca Group, we house a portfolio of strong and trusted brands including Karaca, Karaca Home, Jumbo, Emsan, Cookplus, Kaşmir Halı, Homend, Nautica Home, Weimar Porzellan, Cooklife, Pera Bulvarı, İstanbul Porselen, Bovo, Flying Tiger Copenhagen, and Shark Ninja.

As of 2025, we operate over 500 stores and approximately 2,000 sales points. Together with our online platforms, dealer networks, and distributors, Karaca Group maintains a presence in 43 countries worldwide.

In addition to our own brands, we also offer products from 46 different labels through our retail and e-commerce channels—positioning Karaca as a comprehensive marketplace with one of the most diverse selections in the home and lifestyle category.

The Karaca logo features a stylized crown icon to the left of the word "karaca" in a lowercase, bold, sans-serif font.The Karaca Home logo features a stylized crown icon to the left of the words "karaca" and "Home" in a lowercase, bold, sans-serif font.The Jumbo logo features the word "Jumbo" in a stylized, cursive script font, with a small red elephant icon above the letter "o".The Emsan logo features the word "emsan" in a lowercase, bold, sans-serif font, with the letters "e" and "s" in a darker shade than "m" and "a".The Kaşmir Halı logo features a stylized icon of a rug or carpet to the left of the words "KAŞMİR HALI" in a uppercase, bold, sans-serif font.The Cooklife logo features the word "cooklife" in a lowercase, bold, sans-serif font, with the letters "c" and "l" in a darker shade than "o" and "i".The M.A.R.S. Technology logo features a stylized icon of a network or data flow to the left of the words "M.A.R.S. TECHNOLOGY" in a uppercase, bold, sans-serif font.The Homend logo features the word "Homend" in a bold, sans-serif font.The Bovo logo features the word "BOVO" in a bold, sans-serif font, with the letters "B" and "O" in a darker shade than "V" and "O".The Cookplus logo features the word "cookplus" in a lowercase, bold, sans-serif font, with the letters "c" and "p" in a darker shade than "o" and "l".The Pera Bulvarı logo features a stylized icon of a building or tower to the left of the words "PERA BULVARI" in a uppercase, bold, sans-serif font.The Flying Tiger Copenhagen logo features the words "flying tiger" in a lowercase, bold, sans-serif font, with "copenhagen" in a smaller, lowercase, sans-serif font below it.The Shark Ninja logo features the words "Shark NINJA" in a bold, sans-serif font, with "Shark" in a darker shade than "NINJA".The Kita Living logo features the words "Kita Living" in a bold, sans-serif font.

About the Karaca Group

Our Mission

To develop value-added products and services in tableware, kitchenware, and home & living categories through innovative and sustainable methods—delivering a seamless end-to-end customer experience.

Our Vision

To become a part of those moments people find worth sharing with their loved ones by creating value-driven ideas in the kitchen, dining, and home textile categories.

Our Purpose

To enrich and multiply the moments people enjoy sharing with those they care about.

Our Values

- We are driven by the needs of our customers—who we call ‘Karaca Lovers’—and develop innovative, effective solutions through agile working methods.
- We leverage technology to enhance both customer satisfaction and internal processes, while maintaining strong, hands-on connections with the field.
- We work as one unified team, collaborating seamlessly across departments and complementing one another’s strengths.
- We are committed to continuous learning and self-improvement, drawing inspiration from global trends to evolve and grow.





2024 Awards



Brandverse Awards

Film, Craft, Social Media, and PR Categories

- Swiss Crystal Commercial - Other Sectors, Silver Award
- Animation Design, Bronze Award
- Karaca x Şeyma Subaşı - Viral Engagement, Gold Award
- PR Campaign, Gold Award
- Content Marketing Campaign, Silver Award
- Special Jury Prize, Grand Prix
- Republic Century Collection - 100th Anniversary Communication Campaign, Bronze Award



Effie Awards Turkey

Marketing Category

- Innovations from Homend That Vaporize Ironing Woes - Durable Goods, Small Appliances, Bronze Award
- Karaca Swiss Crystal Launch Campaign - Home Décor / Tableware, Bronze Award



Kristal Elma (Crystal Apple)

Marketing Category

- Şeyma Subaşı x APC - Vertical, Crystal Award
- Celebrity Endorsement, Crystal Award
- Digital Crystal Grand Prize
- Fitbowl - Data Visualization, Bronze Award
- Karaca at the Oscars - Film, Silver Award; Integrated Campaign, Bronze Award
- Mother's Day - Outdoor Campaign, Bronze Award



Red Dot Design Awards Design Category

- Orbit Breakfast Set - Home Goods & Tableware
- Cappadocia Dinnerware Set - Home Goods & Tableware



Tech Brands Turkey Home Textile Category

- Most Technological Brand
- (Awarded by NielsenIQ Turkey and Pazarlamasyon.com)



MIXX Awards Europe Marketing Category

- Karaca x Şeyma Subaşı - Campaign Efficiency, Silver Award
- Influencer Marketing, Bronze Award



Golden Drum Awards Marketing Category

- Fitbowl - Groundbreaking Digital Ideas
- Use of Celebrities and Influencers on Social Media



Best Cloud IAAS Digital Transformation Category

- SAP RISE - Future of AI Cloud Summit



Felis Awards Grand Marketing Award

- Şeyma Subaşı x APC

Marketing Category

- Fitbowl - AI & Data, Healthcare & Wellness
- Şeyma Subaşı x APC - Low Budget, High Impact
- Social Media Influencer Commerce, Creative Influencer Use
- Engagement Campaigns, Viral Ideas



Epica Awards Marketing Category

- Fitbowl - Health & Beauty, Bronze Epica Award



E-Commerce Summit

Best User Experience Award - Marketing Category



Epica Awards Marketing Category

- Fitbowl - Product, Bronze Epica Award

2024 Sponsorships

Sponsor of the İncili Gastronomy Guide

We are proud to support the richness of Turkish cuisine and the rising international recognition of local flavors. With this vision, we are honored to be included among the sponsors of the İncili Gastronomy Guide 2024, a meticulously-curated resource that highlights our culinary culture and serves as a valuable reference for the industry. Featuring 677 restaurants and 537 Flavor Points, this guide showcases the gastronomic potential of our country and inspires both local and global food enthusiasts. At Karaca, we take pride as being a step on this cultural journey that begins at the dining table.



Red Carpet Sponsor of the Table Design Exhibition

Aligned with our commitment to supporting creative industries and the arts, we are delighted to have sponsored the “**Table Design Exhibition: Celebrating Art and Creativity**” project for the past three years. This unique event, which brings together table culture and art, featured participation from nine leading designers in the international invitation and wedding industry. Through this special initiative that unites cultural heritage and table artistry, we proudly uphold our cultural legacy while reflecting our global design vision.

Red Carpet Sponsorship

At Karaca, we take pride in sponsoring projects that showcase our design excellence and cultural heritage on a global scale. Following the prestigious Oscar Awards ceremony, a special event featured a bespoke menu prepared by world-renowned chef Wolfgang Puck, served using the Karaca “Red Carpet Collection” series.

Inspired by the magic of cinema and the brilliance of the stars, this exclusive 12-piece collection provided Hollywood’s elite with an unforgettable dining experience. As a brand born in Turkey, we are honored to celebrate our international achievements once again and to bring Turkish design excellence to the world stage.



2024 Sponsorships

Harbiye Cemil Topuzlu Open-Air Stage Events Sponsorship

We prioritize making cultural events and the arts accessible to all segments of society. In line with this commitment, we proudly sponsor the Harbiye Open-Air Events, organized by Istanbul Metropolitan Municipality's Culture A.Ş. since 2022. As one of Turkey's premier music and drama festivals, this partnership supports both art and art lovers. Through this collaboration, we are honored to contribute to the sustainability of cultural life.



Hatay Surf Center Education Sponsorship

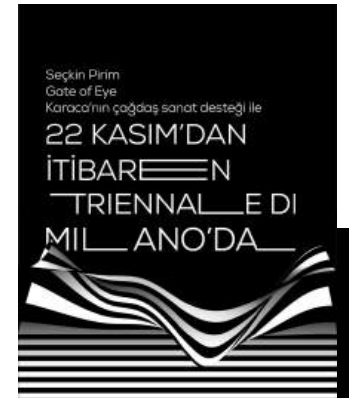
At Karaca, we are passionate about supporting projects that foster the physical, mental, and emotional development of young people. Accordingly, we became the educational sponsor of the Hatay Surf Center, which empowers children and youth to discover their potential through wave surfing while contributing to development of the local community. Sharing the vision of this valuable center—rooted in harmony with nature and fostering inclusive growth—we aim to bring hope and inspiration to the lives of young people in Hatay.



Seçkin Pirim Sponsorship

We continue to support projects that combine our innovative approach to design with art on an international scale. In this spirit, we proudly sponsored the first solo exhibition of one of contemporary art's leading figures, Seçkin Pirim, held at the Triennale di Milano.

Curated by Tommaso Tovaglieri, the exhibition titled "Gate of Eye" presented a special selection of the artist's previously unreleased works to art enthusiasts. Through collaborations that add value to both art and artists, we strengthen our creative vision while contributing meaningfully to cultural development.



Karaca Group Milestones


1973

The Karaca family entered the industry in 1973 with the establishment of Karaca Glassware in Süleymaniye, Istanbul, founded by Hüseyin Karaca. The business began by decorating glass products with intricate patterns.


1994

In 1994, Karaca started producing stainless steel cookware and cutlery sets under its own brand name in Istanbul. This expansion established Karaca as a sought-after brand known for high-quality products not only those manufactures using porcelain, but also those produced with steel.


2001

In 2001, Karaca opened its first retail store in Akmerkez Shopping Mall, Etiler, bringing the brand closer to its loyal customers.


2007

By 2007, the brand achieved exceptional transparency in porcelain dinnerware with its Fine Bone series, encouraging customers to choose transparent porcelain when purchasing dining sets.


2008

Continuing its steady growth, Karaca acquired the well-established cookware and small kitchen appliance brand Emsan in 2008.


2012

In 2012, Karaca launched Karaca Home, quickly becoming Turkey's most successful home textile brand.


2014

That same year, Karaca opened its first international store in Baku, Azerbaijan, and incorporated Jumbo into the group.


2016

Following 4.5 years of intensive research and development, Karaca introduced Fine Pearl — the world's first and only dinnerware made from genuine pearls.


2019

In 2019, Karaca introduced the Powersteel and Powersteel-Pro series—next-generation steel-based products featuring 316-grade steel technology. This special steel composition contains 18% chromium, 12% nickel, and 2% molybdenum, making these products significantly more durable and flexible than those offered by competitors.


2019

Pera Bulvarı, established in 2011, has been a leading name in home decor through its design focus, curated product selection, and strong brands. Joining the Karaca Group in 2019, Pera Bulvarı strengthened its position in the sector and, since July 2023, has evolved into a refined destination for sophisticated tastes with a refreshed brand identity and strategy.


2020

In 2020, Karaca Group expanded by acquiring Homend, Weimar Porzellan, and Nautica Home.


2021

The Group also launched innovative “container” stores under a new concept. That same year, Karaca acquired Kaşmir Halı, one of the most respected and recognized premium carpet brands known for its artistic designs and superior quality.


2023

Preparing to celebrate its 50th anniversary in 2023, Karaca launched the Republic Century Collection in commemoration of the 100th anniversary of the Turkish Republic. Inspired by Atatürk's personal belongings, this collection pays tribute to a century of heritage.


2024

The Red Carpet Collection porcelain sets, developed in collaboration with world-renowned chef Wolfgang Puck, premiered on the global stage at the prestigious Hollywood awards in March, followed by Cannes in May, showcasing Karaca's presence at the world's most glamorous red carpet events.


2024

Further expanding its portfolio, Karaca Group introduced the globally renowned Danish retail brand Flying Tiger Copenhagen to the Turkish market. In the same year, it also brought Shark Ninja, the best-selling vacuum brand in the US and UK, into Turkey.

2024 in Figures

16.000



Number of children accessing the right to education through the UNICEF Project

12%

Sustainability as share of Karaca Logistics Center investment budget

100%

Recyclability rate of product packaging



70,24%

Employee satisfaction rate



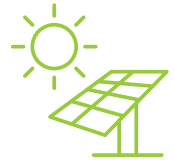
54%

Female employee ratio



85%

Percentage of products using renewable energy in the Small Home Appliances category



65%

Paper waste reduction rate



40%

Efficiency ratio achieved per store with the "Store Energy Efficiency Project"

171

Number of jobs created under the Women in Sales Project

Adding Value to Business

"We integrate our environmental, social and ethical goals into all business processes."



Our Sustainable Growth Strategy



Establishing Karaca as an industry-leading brand that consistently delivers added value to all stakeholders.



Integrating the insights of our loyal customers across all markets to prioritize the development and delivery of value-driven, sustainable products and services.



Driving sustainable financial growth through comprehensive risk management and evaluation.



Expanding our reach to diverse consumer segments by offering the right products at the right places with dynamic pricing strategies.



Fostering a culture of shared responsibility among all employees to meet and exceed our sustainability goals.



Working together with our partners, employees, and loyal customers to achieve the shared goals outlined in our 2030 Vision.



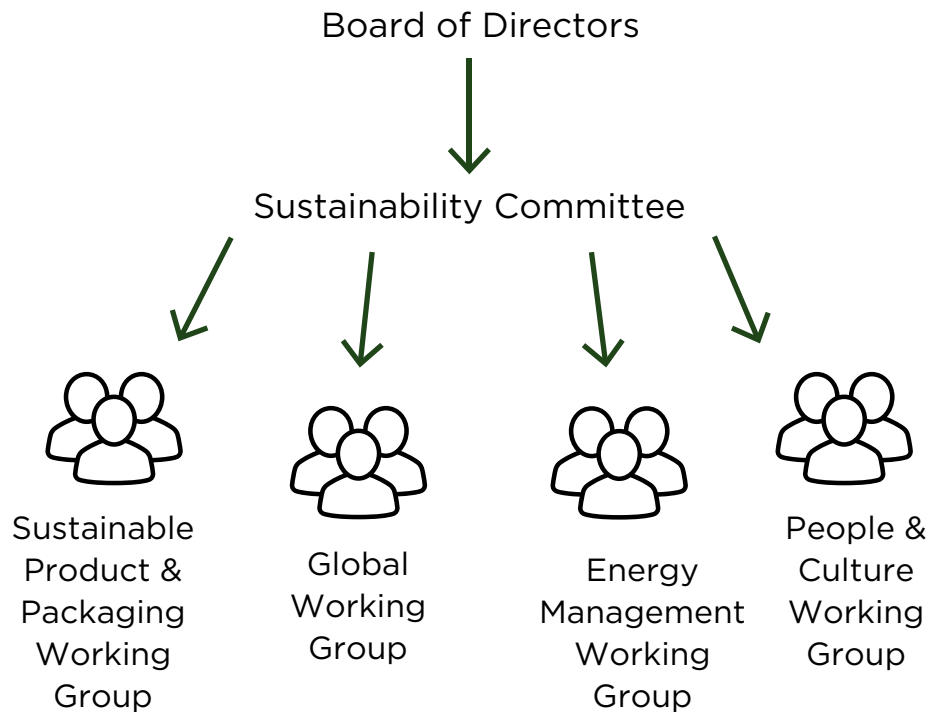
Achieving sustainable growth through a multi-channel sales organization across all operating regions.

Our Sustainability Management

Within the scope of our sustainability strategy, we focus our efforts on product and packaging, people and culture, energy management, and the sustainability of the supply chain.

To guide our sustainability initiatives, we established a Sustainability Committee at the Board of Directors level. This committee meets monthly to evaluate initiatives aimed at integrating and internalizing sustainability into our business practices.

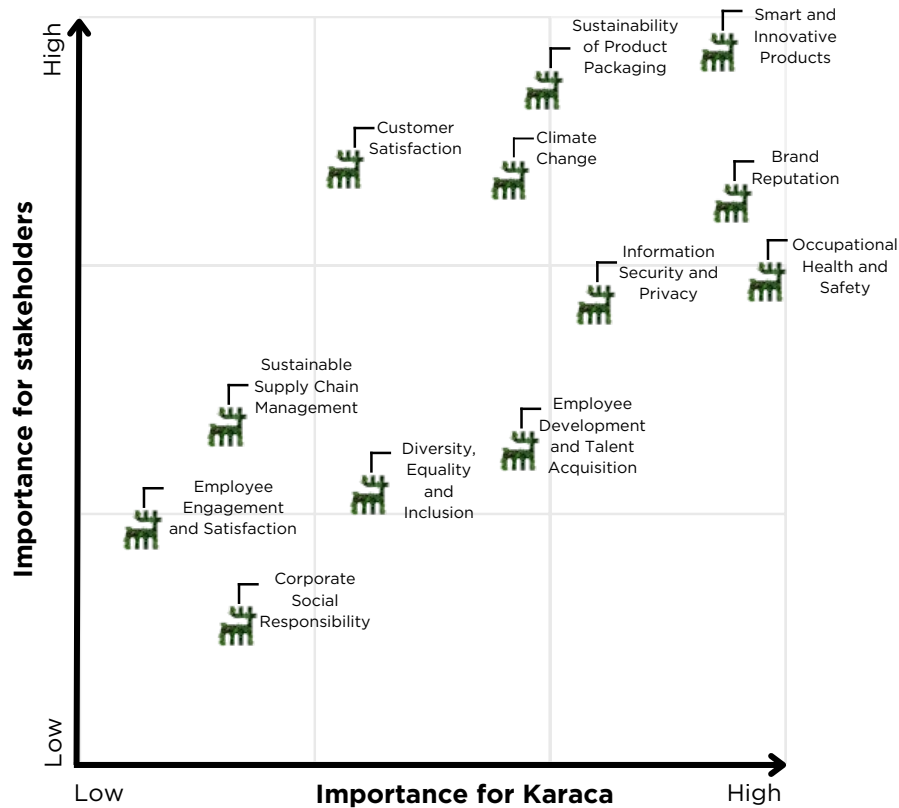
The initiatives set by the committee are executed through four main working groups. Additionally, we form sub-groups under these main teams as needed to advance and improve our processes.



Our Strategic Prioritization Analysis

In conducting our Strategic Prioritization Analysis:

- We examined global and sectoral trends to identify key focus areas and risks in the geographical regions in which we operate,
- Following the review of trends, risks, and best practices, we evaluated the “potential priority topics” with senior management and finalized them through engagement with all stakeholders,
- The identified priority topics were shared for evaluation with all our internal and external stakeholders.




PRIORITY	HIGH PRIORITY
<ul style="list-style-type: none"> Corporate Social Responsibility Employee Engagement and Satisfaction Sustainable Supply Chain Management Diversity, Equality and Inclusion Employee Development and Talent Acquisition 	<ul style="list-style-type: none"> Smart and Innovative Products Sustainability of Product Packaging Brand Reputation Customer Satisfaction Information Security and Privacy Climate Change Occupational Health and Safety

Our Stakeholder Engagement

We always work with our business partners in a relationship built on trust, authenticity, and transparency. We approach all our partners with the same humility and sincerity; sharing success, responsibility, and decision-making alike.

We believe that a relationship based on trust and sincerity with our partners inspires them to pursue their dreams with Karaca. As a team, we strive to provide a strong foundation to create impact and write success stories together.

Stakeholder Group	Method of Communication	Frequency of Communication
 Customers	Surveys, phone calls and activities	Continuous and real-time
 Suppliers	Supplier meetings, audits, site visits	At monthly periods
 Public	One-to-one meetings, conferences, digital channels, projects	When necessary
 Media	Press conferences, launches, interviews, press releases	Continuous communication
 Civil Society	Project development and follow-up meetings, workshops, seminars and conferences	At quarterly intervals
 Employees	Meetings, internal communication channels, training programs, events, development meetings	Continuous communication
 Business Partners	One to one meetings, E-mail correspondance	Continuous communication
 Society	Social/community projects, social media	Continuous communication
 Dealers/Franchising	Seasonal meetings	Continuous communication

Our Sustainability Goals



Adding Value to Business

To establish the necessary infrastructure so as to ensure the entire supply chain complies with Karaca's purchasing policies and all elements are traceable

To create innovative products and provide services to meet the expectations of Karaca's costumers

To employ technology in the most effective fashion both of terms of product accessibility and customer experience



Adding Value to People

To plan social responsibility projects that will contribute to social development and welfare in line with the partnerships we have established with our stakeholders

To create a fair working environment that protects the health and rights of all personnel employed at our company

To create working conditions that protect the health and rights of all employees involved in our supply chain

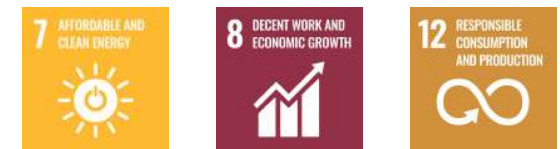
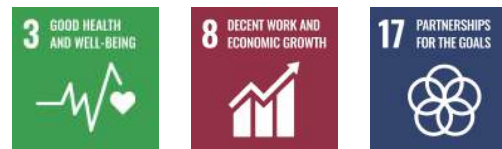


Adding Value to Services

To focus on end-to-end sustainable product design

To provide the energy used in all our operational processes from renewable sources

To optimize product packaging and responsible sourcing



1

Adding Value to Business and Stakeholders

"We integrate our environmental, social and ethical goals into all business processes."

We integrate our environmental, social and ethical goals into all our business processes as part of our sustainability strategy to add value to the society and environment we live in. In all markets where we operate worldwide, we strive to make a measurable contribution to a life worth living for future generations. We are increasing the transparency of the social and environmental impacts of all our operational activities by transitioning to systems that will facilitate data collection across all group companies.

In addition to fulfilling all the requirements for which we have legal responsibility, we operate both Karaca-specific and global management systems.

Impact on Sustainable Development Goals:



2

Adding Value to Society and Employess

" We've Got a Lot to Share"

Within the scope of our vision, we continue our efforts in employee engagement and talent development to create a diverse and happy team within the Karaca Family, and we are increasing the number and impact of our corporate social responsibility projects."

Impact on Sustainable Development Goals:



3

Adding Value to Product and Service

"Based on the principle of Responsible Production and Consumption, we build a sustainable product throughout its entire life cycle."

By 2030, we plan to ensure that our entire product range serves at least one Sustainable Development Goal. By 2030, we aim to source 100% of the electricity we use in all our operational processes from renewable sources.

We continue optimization efforts to reduce the use of packaging in product packaging, and we aim to obtain all our product boxes from sustainable sources by 2030.

Impact on Sustainable Development Goals:



Integration of Sustainability into Our Business Model

Our sustainable growth strategy is an integral part of corporate ethical culture and reflects our core values. We work with the support of all departments to achieve our company's goal of "becoming a sustainable company" and aim to create economic, social and environmental value for our stakeholders and contribute to sustainable development. We ensure long-term value creation along the entire value chain through the key elements we have identified within the scope of our strategy:

Contributing to Sustainable Development

At Karaca, we define our sustainability strategy in line with the United Nations 2030 Sustainable Development Goals. This provides an opportunity for our group companies to align their contribution to sustainable development and maximize the greatest positive impact together with their stakeholders and aims to cover all 17 Sustainable Development Goals (SDGs). However, due to the nature of our industry, context and business model, there are specific SDGs on which our company focuses more. Key areas of focus are SDG 8 (Decent Work and Economic Growth), SDG 12 (Sustainable Consumption and Production) and SDG 17 (Partnerships for the Goals).



Integrating Sustainability into Our Business Model

Human Rights

At the Karaca Group, we have a strong commitment to promoting and respecting human rights, as reflected in our Human Rights Policy. Our Group recognizes that respect for human rights is important and the key to sustainable development and proactively seeks to play an important role in promoting and respecting these rights. We therefore aim to ensure that human rights are respected throughout the value chain.

Diversity and Inclusion

At Karaca, we recognize that our differences and similarities make us unique and we promote respect and understanding between people. We believe that by attracting diverse talent, Karaca can better understand the diverse backgrounds of its customers and the communities it is associated with. At Karaca, we foster a culture of inclusion and respect by advocating for equitable workplace environments where everyone can thrive and succeed. In our company, we are committed to creating an atmosphere of understanding and acceptance where everyone can develop their talents every day. Our company is committed to creating a working environment where all employees are responsible for treating coworkers, candidates, suppliers, contractors and customers with the highest respect. We are against all forms of discrimination in our company. This principle applies to all corporate transactions, especially in the field of human resources.



Integrating Sustainability into Our Business Model

Combatting Bribery and Corruption

At Karaca, we display zero tolerance to all forms of corruption, fraud and bribery.

Environmental Sustainability

At Karaca, we are aware that moving towards a sustainable business model means more efficient use of the resources we utilise. At our company, we implement three environmental strategies (Energy, Cyclical Production and Biodiversity) that guide our efforts to achieve environmental excellence. Our Group aims to use resources more efficiently, not only with regard to the products it puts on the market, but also in its facilities such as its headquarters, stores and logistics centers.

Product Health and Safety

At Karaca, we recognize that advancing toward a sustainable business model requires more efficient use of resources. To guide our efforts toward environmental excellence, we focus on three key environmental strategies: Energy Management, Circular Production, and Packaging Optimization. These strategies are applied not only to the products we bring to market, but also across our offices, stores, and logistics centers to ensure efficient use of all resources.



Our Integrated Management System

Integrated management systems play a vital role in helping our organization achieve its sustainability goals. These systems provide a holistic approach to managing environmental, economic, and social impacts, allowing us to continuously monitor and improve our sustainability performance.

Our integrated management system promotes the efficient use of resources with a focus on minimizing environmental impacts. We are actively working to meet our targets in areas such as waste management, energy efficiency, and carbon footprint reduction.

In addition, this system allows us to optimize business processes and reduce costs. By enhancing cost-efficiency and process improvement through smarter resource use, we increase overall operational profitability and productivity.

Since 2018, within the Karaca Group, the companies Emsan and Karaca Züccaciye have operated under the ISO 9001 Quality Management System. Meanwhile, Emsan, Karaca Züccaciye, and Mars Teknoloji are all certified under the ISO 27001 Information Security Management System, forming part of our Integrated Management System framework.

This year, we revised both systems to comply with the 2022 standards, ensuring all non-conformities were resolved and our practices fully aligned with updated requirements.

[Click here](#) to access our Integrated Management System and all related policies.

Our Additional Policies:

- Prohibition of Forced Labor
- Diversity & Inclusion
- Occupational Health & Safety
- Environmental Policy
- Energy Management



Ethics

At Karaca, our guiding principle is to always work toward happiness in our dealings with everybody who works and cooperates with us. With this goal in mind, peace, trust, and equality in the workplace remain among our top priorities. With a deep-rooted legacy spanning half a century and a team of over 3,500 employees, we place unwavering importance on business ethics to ensure and maintain harmony at work and mutual trust between employees and the employer.

We have been reinforcing our commitment to transparency and impartiality since 2021 by partnering with an independent external ethics hotline provider. This 24/7 accessible service ensures that sensitive processes are handled as fairly and transparently as possible. Our ethics hotline—available via web, phone, and email—serves both white- and blue-collar employees across the Karaca organization. In 2024, all 162 reports submitted through the hotline were resolved with a 100% resolution rate.

Karaca is firmly committed to fighting bribery and corruption. We take all necessary measures to ensure that every employee embraces and upholds this policy. Effective implementation is essential to protect our corporate reputation and to foster a sustainable, ethical workplace culture.

In 2024, all 162 reports submitted through the hotline were resolved with a 100% resolution rate.



Human Rights

Karaca is committed to fostering a corporate culture that respects human rights and supports sustainable success on a global scale. The company aims to shape its work culture by embedding the principles of human rights into daily operations, while establishing a framework that defines practical implementation.

- Karaca strives to build an organizational culture grounded in respect for human rights and focused on long-term global success. In this context, the company implements best-in-class human resources practices to enhance the value of its employees and stakeholders. Its human rights approach is guided by compliance with laws, institutional values, and ethical standards, while prioritizing inclusivity and equal opportunity.
- With a vision of becoming the best employer in its field, Karaca adopts a fair, systematic, and development-focused approach across all HR processes, including recruitment, career management, training and development, and performance management. The company rewards consistent high performance and offers competitive compensation and benefits aligned with market conditions.
- Karaca respects the cultural diversity of its employees and is committed to preserving and passing down this heritage to future generations. It implements programs that support work-life balance and establishes communication channels that take into account employee suggestions and expectations. This approach enhances employee engagement and satisfaction while ensuring a healthy and safe work environment. With a culture that promotes continuous learning and innovation, Karaca aims to shape and empower the future of its workforce by offering ongoing training and development opportunities to help employees reach their full potential.



Consumer and Market Research

With over 300 stores across Turkey and our digital platforms, we provide Karaca's loyal customers with a seamless end-to-end shopping experience. Our Karaca mobile app, which has been downloaded more than 20 million times, is now a part of millions of customers' daily lives. We continuously enhance the user experience through personalized content, augmented reality features, and exclusive campaigns.

Mystery Shopper Evaluations

To maximize customer experience, we meticulously assess service quality at our sales points. We conduct a total of 620 mystery shopper visits annually across 160 stores, with four visits per store each year. These evaluations cover critical areas such as greeting and farewell, physical store conditions, service quality, staff knowledge and recommendations, payment processes, and product return procedures.

Based on our findings, we strengthen our strong points and address areas for improvement through targeted training and process enhancements. By focusing on key customer touchpoints like product recommendations, payment, and returns, we aim to elevate customer satisfaction to the highest level. These improvements help differentiate our brand from competitors and reinforce the positive experiences we offer to Karaca enthusiasts.

In-Home Testing and Product Evaluations

To assess the real-life performance of our products, we conduct in-home tests. These tests capture consumers' experiences, including functionality, durability, and overall satisfaction.

Following these tests, focus group discussions highlight both the strengths and areas needing improvement. This feedback allows us to understand how well our products meet user expectations and make necessary refinements to deliver higher quality and more satisfying products.



Customer Experience Improvement Initiatives

At Karaca Group, we are committed to continually enhancing customer experience through extensive research and evaluations. Since 2018, our regular studies have provided valuable insights across a broad range of topics—from brand image and customer profiles to purchasing behaviors and product categories.

These comprehensive analyses are conducted across five main categories (Home Textiles, Small Appliances, Tableware, Cooking, and Carpets) with an annual sample size of 3,000 participants. For each category, feedback from 600 participants is gathered to closely monitor our brand's progress. As part of these efforts, we carry out annual Brand Health studies, allowing us to evaluate changes in brand perception, customer profiles, and shopping habits compared to the previous year.

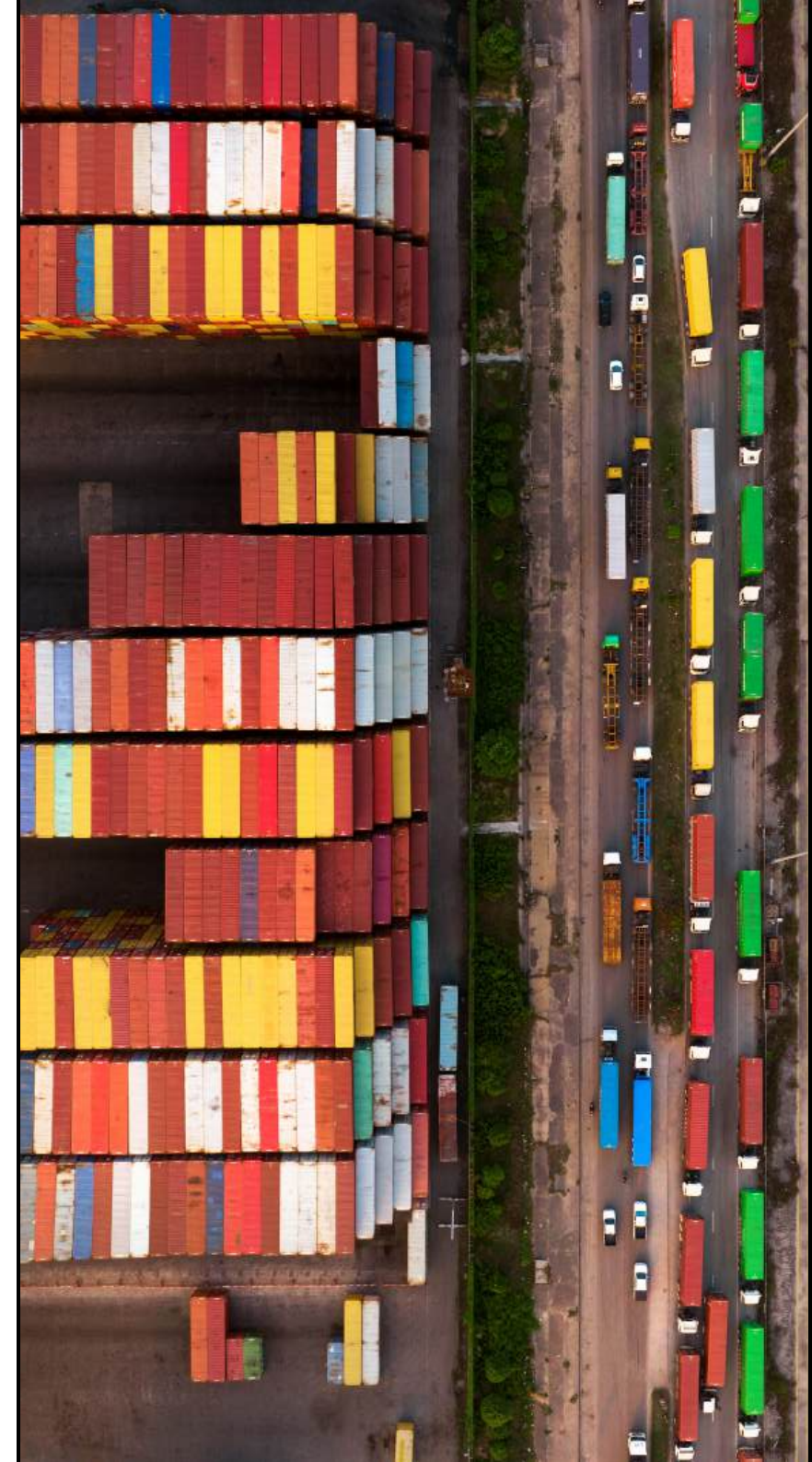
Sustainable Supply Chain

At Karaca Group, we consider our suppliers—who are vital business partners across all our companies—as key stakeholders, and we hold their compliance with internationally recognized environmental, social, and ethical standards and principles as a primary responsibility.

As part of our sustainable growth strategy, we aim to collaborate closely with our supply chain partners on sustainability management and its components, raise awareness about sustainability, and support our operations with environmentally responsible best practices.

Our Core Principles:

- Ensure that all operations within our supply chain comply with legal regulations and ethical standards.
- Establish sincere, honest, respectful, fair, impartial, and transparent business relationships with all our suppliers without discrimination; maintain fairness throughout all procurement activities, including supplier selection, and fulfill our obligations to suppliers promptly.
- Foster a sustainable supply chain culture by setting an example for our supply chain partners in sustainability and corporate social responsibility awareness, contributing positively to the environment and society.
- Encourage continuous improvement by cooperating with our suppliers, promoting feedback exchange, and sharing best practices.

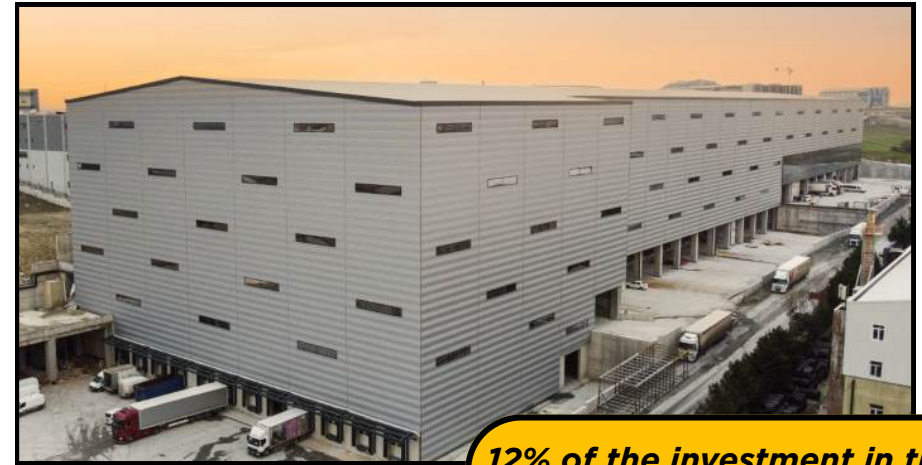


Karaca Logistics Center

Our massive new warehouse, covering an area of 120,000 m², has been established as the central logistics hub of our company, laying the foundation for a significant transformation in our logistics processes. By consolidating previously scattered warehouses and after-sales services under one roof, we have achieved a substantial increase in operational efficiency.

Integrating retail and e-commerce operations has enabled consolidated shipping of products, resulting in a reduction in the number of shipments and a decrease in logistics-related emissions—both positive outcomes for our business and the environment. Additionally, the centralized structure has shortened delivery times and enhanced speed and coordination in our workflows.

We have also implemented environmentally sustainable practices within our logistics processes. For example, shredded paper obtained from unusable boxes is repurposed as packaging filler, reducing environmental impact by 2.4 times compared to conventional plastic-based fillers.



12% of the investment in the Karaca Logistics Center was dedicated to sustainability initiatives.

Our Sustainability-Focused Initiatives

Allocating 12% of the investment to sustainability activities demonstrates our concrete commitment to environmental responsibility. In line with this approach, a solar power plant with an installed capacity of 1.6 MWh has been initiated at the warehouse facility, in compliance with the Energy Efficiency Regulation for Buildings, and is planned to be operational by May 2025.

To support operational efficiency, minimum and maximum stock levels have been defined, and new technological infrastructure has been implemented to accelerate warehouse operations. Significant process improvements have been achieved through measures such as reducing barcode scanning errors to zero, applying algorithms that minimize order splitting, and optimizing shipment work orders according to system load.

These investments and improvements have not only enhanced operational performance but have also played a critical role in meeting our environmental sustainability goals. The solar power plant enables more efficient energy consumption management, targeting a meaningful reduction in our carbon footprint. Digitalization and optimization of logistics processes have further supported more efficient use of resources, minimizing environmental impact.

Together, these advancements reinforce our company's leadership in the industry and secure long-term success by adopting an environmentally conscious and sustainable business model.

Sustainable Retail

At Karaca Group, driven by a strong sense of responsibility and respect for nature, we are implementing new store concepts focused on reducing environmental impact. Through our Container Store concept, developed with this vision, we are reshaping not only our retail approach but also our production and logistics processes.

Our Container Store locations in Paris, Ankara, İzmir, and Samsun prioritized eco-friendly practices even during construction. We minimized natural resource consumption by using recycled metals, pallets, furniture, and various building materials throughout the build. All metal parts and sheets inside the stores were sourced from second-hand products; pallet materials used for shelving were exclusively from second-hand or responsibly sourced suppliers.

To achieve energy efficiency, 100% LED lighting systems were installed across all stores. All painting was done with water-based, environmentally friendly paints, significantly reducing both energy consumption and chemical use.

Our sustainability efforts extend beyond store infrastructure. With the Container Store concept, we have transformed our logistics processes as well. By shifting to a decentralized distribution and service network, we took a significant step toward lowering carbon emissions from logistics. All shopping carts have been renewed using 100% recyclable materials. Store furniture at the end of its lifecycle is recycled, while repairable items are refurbished, contributing to the circular economy.

Aligned with our “Big Retail” vision, Container Stores offer not only our main product range but also end-of-season items to consumers. Supported by in-store promotions and package deals, these stores provide a more accessible and environmentally conscious shopping experience through an offline marketplace model. As of 2024, we proudly operate 7 Container Store locations across Turkey.

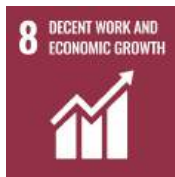
Karaca Group continues to make a difference in the industry as one of the pioneering brands in Turkey to develop and implement a sustainable store concept at this scale.



All sheet metal and metal components used inside the stores were selected from second-hand products.

Adding Value to People

“Within the scope of our vision, we continue our efforts in employee engagement and talent development to build a diverse and happy team within the Karaca family, while increasing the number and impact of our corporate social responsibility projects.”



Women in Sales

In 2023, in collaboration with Istanbul Metropolitan Municipality, we launched the project “Women Leave Their Mark in Karaca Sales” to support the employment of women by offering corporate work experience to those who wish to continue their active careers. Through this initiative, we offered women aged 35 and above across all Karaca stores in Turkey the opportunity to work during the second phase of their careers. Women with prior corporate experience can now work full-time or part-time at Karaca stores.

Inspired by the contributions women bring to life, we also launched the “Women’s Mark at Karaca Platform.” This initiative, which began in November 2023, continued in 2024 with the “Employment Support Through Education Project.” As part of this ongoing project, interviews were conducted at the employment office with women aged 35 and above. Over 500 candidates were interviewed, resulting in 171 hires, with 104 currently active employees.

Through this project, we aim to increase women’s participation in the workforce and take a significant step towards gender equality. Our goal is to strengthen women’s place in the workplace while creating an equitable environment based on equal opportunities. We work to empower women economically and to break down the male-dominated structures within the industry by fostering a more inclusive and equal working environment.

We aim to empower women to become strong leaders in the workplace. Beyond simply increasing the workforce, we strive to set an example for other businesses in the sector by providing equal opportunities that enable women to discover and realize their full potential.



During the reporting period, over 500 interviews were conducted, resulting in the employment of 171 women.

Women in Sales:

The Inspiring Career Journey of Derya Çağketi

In collaboration with the Istanbul Metropolitan Municipality, we launched the “Karaca Leaves a Mark with Women in Sales” project, aimed at reintegrating women aged 35 and over with corporate work experience back into the workforce. This meaningful initiative supports women’s employment and contributes to gender equality, welcoming many valuable women into the Karaca family.

One of the inspiring stories from this journey is that of 48-year-old Derya Çağketi. After taking a long break in her career, Derya joined Karaca on March 13, 2024, as a Senior Sales Consultant at our Tepe Nautilus store.

With her strong communication and professional skills, Derya quickly made a difference in our store. She enjoys engaging directly with Karaca customers, offering products tailored to their needs, and preparing displays for new arrivals.

Special moments during sales keep her motivation alive every day. Sharing the excitement with a customer preparing for her wedding and seeing her leave the store with a smile reminds Derya why her work is meaningful and special.

She enjoys spending quality time with her family and has built a strong synergy with her team members. Her warm smile and positive energy have left a unique impression both within the team and among Karaca customers.

Derya believes that women can return to the stage of life at any age and is happy to support them on this journey.



“I truly enjoy interacting with Karaca customers, helping them find the right products, and preparing displays for new arrivals.”

UNICEF Project

As Karaca, we have partnered with UNICEF to launch the project “A Future We Will Share” aimed at supporting the education of our children.

Through this project, we connected with 11 prominent figures including some of the world’s best photographers like Ara Güler; bestselling Turkish author Ayşe Kulin; acclaimed painter Devrim Erbil, recognized by Forbes as one of the top three artists; musician Ferhat Göçer, whose work spans opera to modern music; internationally renowned historian İlber Ortaylı; hit singer Kenan Doğulu; world-famous jazz composer and pianist Kerem Görsev; actor and writer Müjdat Gezen, who has appeared in over 100 plays and films; award-winning singer Nilüfer; Rahmi Koç, honorary chairman of Turkey’s largest holding company; and cartoonist and animator Varol Yaşaroğlu, the producer of Turkey’s first animated film. These artists designed Turkish coffee cups especially for the project.

Our communication efforts have reached 25 million people. We successfully engaged 15 million of the 47 million annual visitors to our stores, along with 4 million visitors to our e-commerce platforms, in supporting the project. Together with everyone who purchased a cup, we have brought joy to children’s faces and hope for their futures.

Since 2018, we have helped provide educational opportunities to 16,000 children. We plan to continue the project in 2025 with the participation of new artists.

GELECEĞİN İNCİLERİ
İÇİN EL ELE

unicef 
TÜRKİYE MİLLİ KOMİTESİ

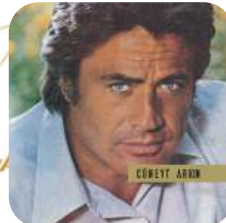
 karaca®

Since 2018, we have contributed to providing access to education for 16,000 children.

unicef
TÜRKİYE MİLLİ KOMİTESİ

karaca®

GELECEĞİN İNCİLERİ İÇİN EL ELE



BASE x Jumbo | Sustainability-Themed Installation Project

The "JumboxBase Sustainability Exhibition," launched in collaboration with Base to support art and celebrate the creativity of young artists, features timeless Jumbo designs that were damaged in the kitchen and no longer usable, reinterpreted by artists and transformed into works of art. This Sustainability exhibition aims to raise awareness about sustainable art and environmental consciousness. The exhibition, which embraces recycling with an artistic perspective, showcases 30 pieces created by 29 talented young artists.



Benefits for Employees

At Karaca, we strive to ensure that our employees feel valued not only in their professional lives but also in their personal lives. Under the Karaca Plus program that we have implemented, we offer our employees exclusive discounts and special offers from partner brands, aiming to enhance their quality of life.

Educational Opportunities

As part of our corporate training partnerships to support the personal and professional development of our employees, we offer special discounted tuition for graduate and doctoral programs. Through this initiative, we aim to foster a culture of learning and enhance skill development.

Foreign Language Support

Within the scope of our corporate collaboration, we provide our employees and their first-degree relatives with special discounts of up to 40% on language education. Our goal is to help employees strengthen their global communication skills, support their career growth, and take significant steps on their personal development journeys.

Health Discount Opportunities

Through our corporate health partnerships, we offer exclusive discounts on healthcare services to our employees and their first-degree relatives. This agreement aims to enable our employees to benefit from expert medical staff and modern technologies under the most appropriate conditions available.

Opportunities for Psychological Support

Based on the importance we place on our employees' mental health, we have established a partnership that provides special discounts on professional psychological support services. Our goal is to help employees strengthen their mental well-being by accessing personalized psychological support and to foster a healthier work environment at the corporate level.



Employee Satisfaction

Within our business model, embracing diversity throughout the organization, benefiting from differences, and ensuring that our most valuable stakeholders—our employees—can participate in processes where they feel fulfilled are key priorities. With this vision, we carefully address employee satisfaction and company loyalty, evaluating them with an emphasis on encouragement.

As the Karaca family, we continuously strive to increase employee satisfaction and encourage open sharing of their thoughts. We highly value the feedback we receive from them.

According to analyses conducted by the independent research institution PES Survey, focused on improving employee experience, a high participation rate of 77.61% was achieved. This strong engagement clearly reflects our teams' interest and willingness to contribute to this process.

Based on the data obtained:

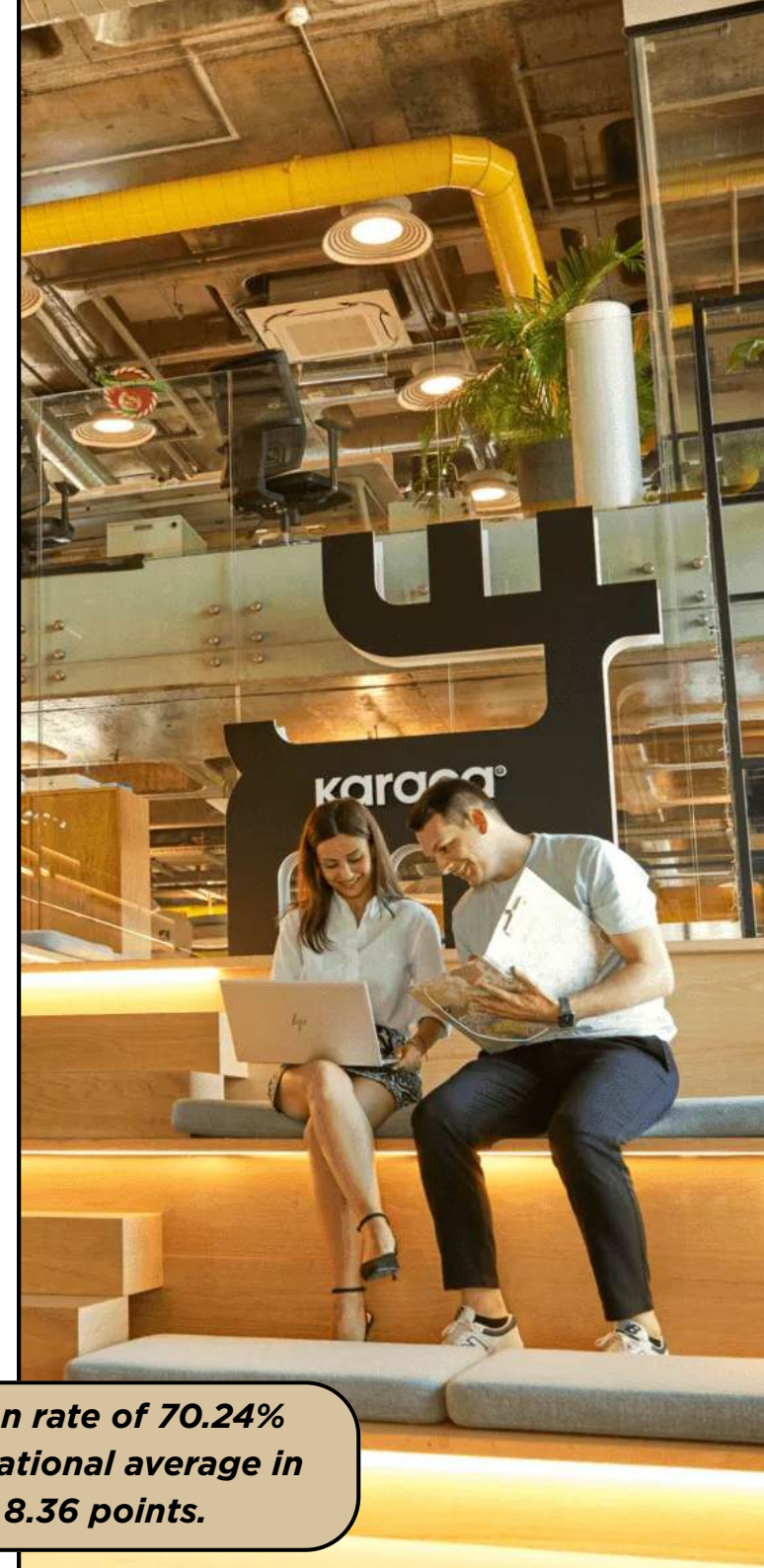
The rate of 'passion' displayed by our employees as defined by the criteria of the surveys reached 85.01%, surpassing the national average in Turkey (74.46%) by 10.55 points, indicating a high level of commitment and motivation among our employees.

These results demonstrate that under the Karaca umbrella, we are lucky to have a passionate, dedicated, and highly satisfied team. At the same time, they help us identify areas for improvement, inspiring us to create an even better working environment.

Based on the survey findings, focus group sessions will be conducted to better understand our employees' expectations and needs. Detailed action plans will be developed and implemented according to these insights.

We will continue working together to build a stronger, happier, and more inspiring workplace at Karaca.

Our satisfaction rate of 70.24% surpasses the national average in Turkey by 8.36 points.



Talent Management

At Karaca, we believe that sustainable growth is built upon a qualified and continuously developing workforce. Accordingly, we offer comprehensive training and development programs to enhance our employees' competencies and support their career journeys.

We plan our training activities in alignment with corporate strategies, aiming to ensure that our employees become proficient in their current roles while preparing for the future needs of the business. In addition to technical knowledge and skills, we provide development opportunities in strategic areas such as leadership, digital transformation, and sustainability, fostering a culture of continuous learning across all teams.

Our learning approach, which has become an integral part of our corporate culture, enables employees to realize their individual potential and contribute effectively to our organizational goals.

Future Leaders Program

At Karaca Group, through our "Future Leaders" Program, we aim to bring together the most successful and hardworking young talents from leading universities who can quickly adapt to the organization, and transfer the knowledge and experience of our current management team to enhance the abilities of tomorrow's leaders.

Candidates starting the program:

- Participate in process improvement projects aligned with the needs of business units.
- Take necessary actions in developing, monitoring, and implementing new business strategies.
- Are responsible for identifying gaps and areas for improvement in existing strategies.
- Work on current processes to ensure operational excellence.



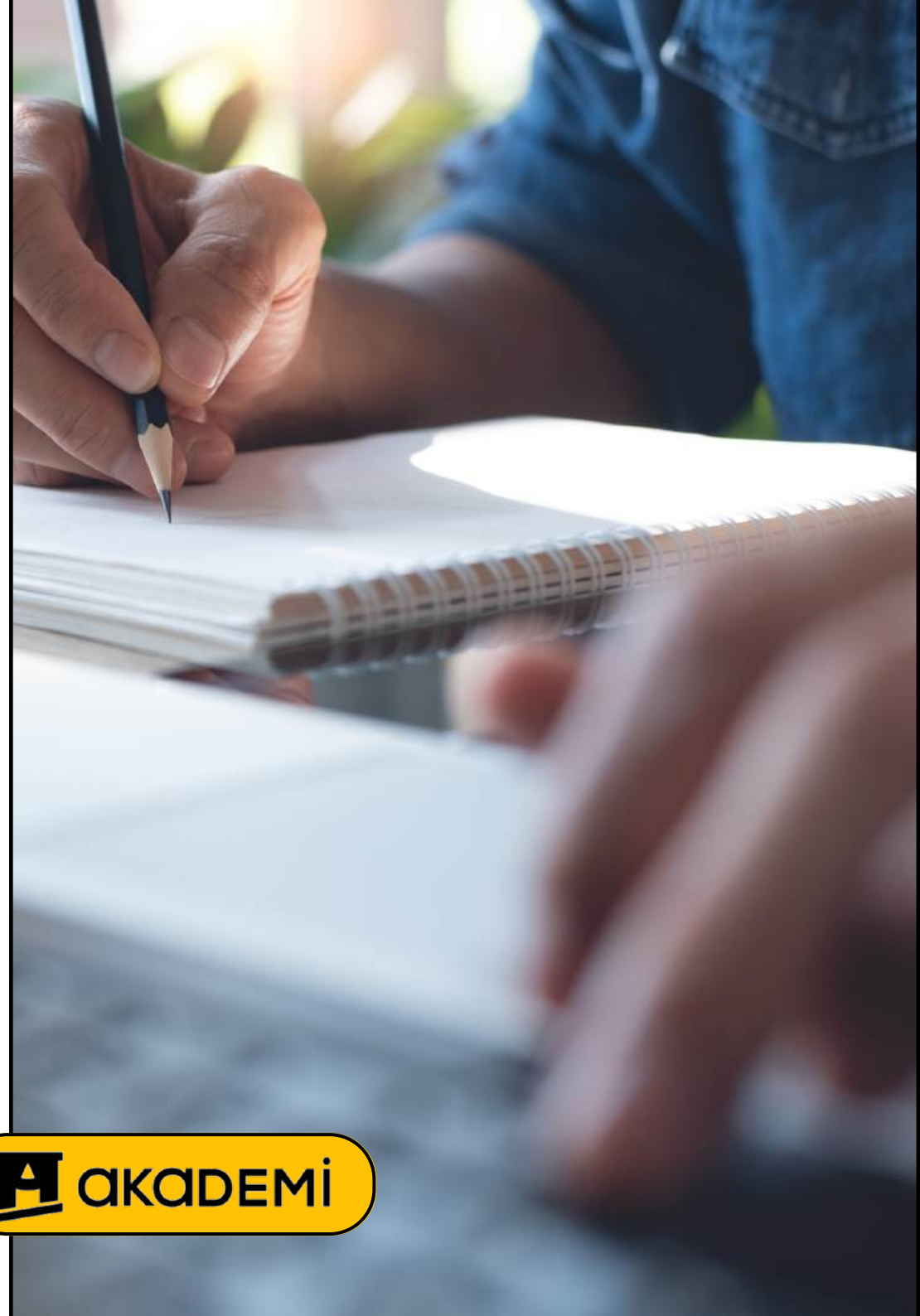
Talent Development

At Karaca, we continuously renew and enhance our employee development practices in line with our digitalization vision. With the implementation of our Online Campus platform, we have made learning processes independent of time and place, offering equal and uninterrupted development opportunities to all our employees.

Online Campus is a digital learning ecosystem that provides a wide range of training opportunities—from technical courses and personal development modules to leadership skills and sustainability-focused content. With its user-friendly interface and interactive materials, the platform allows employees to progress at their own learning pace while systematically enhancing in-house competencies.

Designed in integration with Karaca's digitalization strategy, this platform not only facilitates easy access to information but also contributes to the sustainability of corporate knowledge. As an organization that believes learning is a lifelong journey, we continue to support employee development through digital solutions, ensuring accessibility under all circumstances.

In this context, we conducted a total of 7,614 hours of training in 2024, including mandatory courses.



Talent Development — An Inspiring Career Journey

I began my role as Store Manager at the Metrogarden Karaca store on March 26, 2019, after undergoing an intensive training period of about two months. Following this training, I took on the Store Manager position at the Kartal Marina Karaca store. For nearly three years, I actively contributed in areas such as team management, customer satisfaction, monitoring operational processes, and achieving sales targets.

In June 2022, I assumed the management of the Maltepe Piazza Karaca store, taking on operational and administrative responsibilities there. Together with my team, I also achieved successful results in this role. In 2023, following a company-wide evaluation, I was honored with the "Store Manager with the Fewest Inventory Discrepancies" award, which once again demonstrated both my operational diligence and team leadership success.

As of February 2025, I have continued my career as a Training Manager in the Human Resources and Culture Department. In this new role, I organize training programs, particularly in product knowledge, contributing to the development of store employees and ensuring that brand standards are correctly reflected on the field. My responsibilities include preparing and delivering training content as well as monitoring employee development processes.

Nejmiye AKAY
Education Executive



Supporting Talent Development through Complementary Initiatives

Employment Processes Strengthened by Employee Participation: “Recommend a Friend” Program

At Karaca, as part of our human-centered recruitment strategies, we launched the “Recommend a Friend” program to actively involve our employees in the hiring process and foster a participatory culture.

Through this initiative, our current employees recommend candidates they believe align with our corporate values via the system, contributing to recruitment processes based on trust and high cultural fit. This program not only helps us reach the right talents faster but also significantly strengthens employee engagement and sense of belonging.

This approach enhances our human resources efficiency in line with our sustainable employment policies and expands employees’ influence within the organization, supporting the development of a collaborative corporate culture.

Competition and Development in Leadership: “Directors Compete” Project

Launched in 2024, Karaca’s “Directors Compete” project is designed to strengthen collaboration between sales teams and headquarters, enhance leadership competencies, and boost motivation among field teams.

Thanks to this project, communication between sales teams and headquarters has become more dynamic, increasing the effectiveness of our directors in team management. The competitive environment fosters healthy motivation among teams and serves as a platform for learning and sharing experiences to develop leadership skills.

More than just a competition, “Directors Compete” has evolved into a strategic development platform that supports sustainable leadership growth, nurtures team spirit, and increases interaction across the entire organization.



An Initiative Strengthening the Culture of Appreciation: “Stars of Shining Sales”

At Karaca, we launched the “Stars of Shining Sales” program to highlight the dedicated efforts of our employees and recognize their achievements. This program brings together our top-performing Sales Consultants and Store Managers every month.

This initiative is not just a performance-based reward system; it also serves as a tool to boost employee engagement, sustain motivation, and cultivate a culture of appreciation within the organization.

Gender Equality

With the goal of building a corporate culture that supports gender equality, Karaca implements various programs and strategic initiatives aimed at increasing women's participation in the workforce and their representation in leadership positions.

As of 2024, women make up 54% of our total workforce. This figure highlights the strength of female employment at Karaca and underscores our commitment to gender equality at the corporate level. Additionally, 42% of our managers are women, demonstrating strong and sustainable representation of women in leadership roles.

To support the leadership potential of our female employees, we continue to offer multidimensional situational leadership development training programs. Through these programs, women employees have the opportunity to enhance their leadership skills and advance to higher levels in their careers.

We prioritize gender equality in our recruitment processes by diversifying candidate pools and adopting an inclusive and equitable approach. Our efforts to increase the number of women in the workforce at Karaca support not only numerical representation but also foster an inclusive and equal workplace culture.

Furthermore, to better understand the potential challenges faced by women in the workplace and to develop solution-oriented actions, we regularly conduct feedback collection and analysis processes. Through this approach, we actively support women's participation in corporate development processes and make gender equality a cornerstone of our organizational culture.



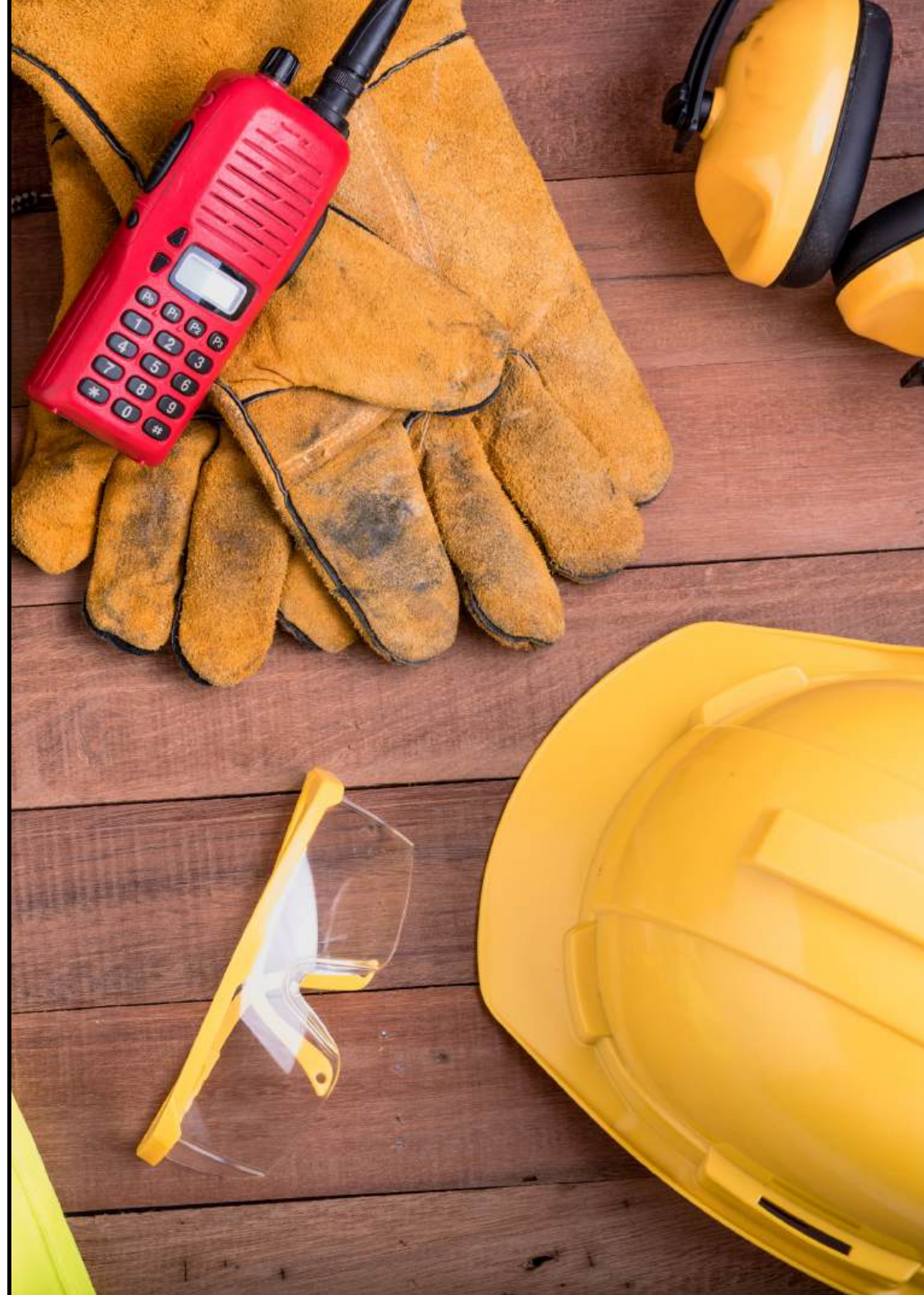
Occupational Health and Safety

The fundamental goals of Karaca Group's Occupational Health and Safety (OHS) Policy are to protect our employees from potential occupational diseases and accidents and to provide a healthy and safe working environment for them.

At Karaca, we prioritize Occupational Health and Safety as one of the most critical steps to enhance the quality of life and productivity of our employees, and more importantly, to safeguard and secure their health and lives.

To meticulously advance our OHS processes, our Occupational Health and Safety specialists, sustainability managers, warehouse managers, safety experts, and Human and Culture department hold monthly meetings concerning OHS procedures across our offices, warehouses, and stores. During these meetings, we review potential issues and receive expert reports on necessary precautions and improvements.

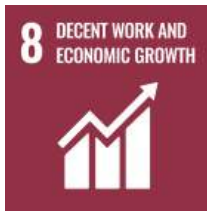
During the reporting period, we provided a total of 6,121 hours of Occupational Health and Safety training to 702 employees. Importantly, no fatal workplace accidents occurred during this time.



Adding Value to Service

"Since the establishment of our company, the greatest strength that has made Karaca what it is today has been our passion for achieving "firsts." We have revolutionized the industry with many innovative products such as Biogranit, FinePearl, Biodiamond, Powersteel, Swiss Crystal, Air Pro Cook, Quick & Safe Pressure Cooker, and the Tea Lover Robotea.

With special designs like the RedCarpet Collection, we have carried Turkish design excellence to the international stage. Guided by customer insights, our approach to innovation is not just about offering new products, but creating meaningful experiences that provide real solutions to genuine needs."



Responsible Production

At Karaca, we prioritize environmental and social sustainability principles throughout our product development processes, aiming to minimize the impact of our products on nature and society across their entire lifecycle for a more livable future. The sustainable product criteria we have established align with our company's sustainability vision and reflect a value-driven design and production approach.

Our sustainable products range from options containing recycled raw materials to those produced using renewable energy. For example, the Nature Lover Collection uses recycled cotton, while products like the Powersteel series are manufactured with alternative raw materials that offer high durability. By promoting long-lasting product use, we encourage sustainable consumption and contribute to the efficient use of natural resources.

The source of energy used in production is also critical for sustainability. By collaborating with suppliers who use renewable energy sources such as solar, wind, and biomass, we aim to reduce our carbon footprint. In the Small Home Appliances category, we increased renewable energy use from 78% last year to 85% this year.

Additionally, our locally produced products in Turkey support reducing environmental impacts by shortening logistics distances while also contributing to local economic development.



In the Small Home Appliances category, we increased renewable energy use from 78% last year to 85% this year.

Responsible Production

Within Karaca's sustainability criteria, the recyclability of products at the end of their lifecycle is an important evaluation measure. Our products, made entirely from recyclable materials such as glass or steel, are designed in accordance with circular economy principles and contribute to waste management processes.

Our special collections developed to preserve cultural heritage and pass it on to future generations are also part of our sustainability approach. Series such as Cumhuriyet Yüzyılı, Paye Selçuklu, and Alacahöyük ***not only offer aesthetics and functionality but also support cultural sustainability.***

Additionally, some of our products directly contribute to social responsibility projects. Through products whose post-sale revenues support corporate social responsibility funds, we collaborate with organizations such as UNICEF. These products directly contribute to the social dimension of sustainable development goals.

To reduce the use of single-use plastic products, we have developed alternatives such as thermoses, water bottles, and food containers, providing consumers with environmentally friendly and durable solutions. Moreover, our user-friendly designs add extra value and ease of use, encouraging sustainable consumer behaviors.



Responsible Production – Çaysever Robotea Pro Connect

Türkiye ranks as the country with the highest per capita tea consumption worldwide. For us, tea is more than just a beverage; it is a symbol of the table, conversation, and sharing. However, our consumer research revealed that brewing tea correctly is vital to fully enjoy this beloved drink. Incorrect temperature, timing, or equipment can all diminish the flavor of tea.

Inspired by this insight, Karaca set out to develop a tea machine that brews tea in a way befitting our culture. The result was the Çaysever Robotea Pro Connect. This machine focuses on key factors that enhance tea's flavor: a distillation technique that enriches taste, a stable brewing temperature of 90°C that prevents tea leaves from burning, an ideal brewing time of 15 minutes, and automatic brewing that perfectly times the water and tea infusion.

Additionally, the device offers a scheduling feature to prepare tea exactly when desired and a 60-minute freshness tracking function to ensure optimal flavor and convenience.



In line with our responsible production principles, 78% of the energy used in manufacturing the Çaysever Robotea series comes from solar power, minimizing its environmental impact.

But we didn't stop at technical excellence. With the Karaca Connect app, the tea brewing process is fully digitized, allowing users to control the device remotely. Voice notifications and light alerts facilitate accessibility for visually and hearing-impaired individuals. The inclusion of a special timer also makes the machine a perfect companion for sahur and iftar times during the holy of Ramadan.

All these features reflect Karaca's product development philosophy: innovation designed not just for novelty, but to provide real solutions to genuine needs. We listen to 'tea lovers' and shape our products according to their lifestyles. The Çaysever Robotea Pro is a clear embodiment of this approach.

Ethem ÇOKEKEN
Product Development Executive

***"We listen to 'tea lovers'
and shape our products
according to their
lifestyles."***



Our Sustainable Product Development Criteria

We shape our product development processes based on environmental, social, and economic sustainability principles. The sustainable product development criteria outlined below reflect our corporate sustainability approach and align with the United Nations Sustainable Development Goals (SDGs).

Use of Recycled and Responsibly Sourced Raw Materials

It is essential that products are manufactured using recycled or responsibly sourced raw materials certified by standards such as FSC, GRS, or RCS. These materials contribute to the conservation of natural resources throughout the entire production-to-consumption lifecycle.

Preference for Recyclable, Reusable, or Repairable Materials

Developed products primarily consist of environmentally friendly materials such as glass, steel, and wood that support the circular economy. These choices help reduce waste generation at the end of the product life cycle and increase resource efficiency.

Products Manufactured with Renewable Energy Sources

We encourage our suppliers and manufacturers to meet their energy needs through renewable sources such as solar, wind, or biomass. These products contribute to lowering the overall carbon footprint.

Reducing Carbon Emissions through Local Production

Products made in Türkiye result in lower fossil fuel consumption and greenhouse gas emissions in logistics processes. Local production also supports economic development and employment.

Design of Durable and Long-Lasting Products

Developing products that offer long-term use and come with warranty support is fundamental. Durable products reduce resource consumption and decrease the frequency of purchases, promoting sustainable living habits.

Alternative Products that Reduce Plastic Use

Products such as water bottles, thermoses, and food containers developed as alternatives to single-use plastics help prevent plastic waste accumulation.

Products Supporting Social Responsibility and Cultural Heritage

Products that generate funds for social responsibility projects through sales revenue aim to create social impact. Thematic product collections reflecting cultural values and aimed at preserving heritage contribute to raising societal awareness.

User-Friendly and Value-Added Functional Designs

Products that enhance user experience by offering ease of use, multifunctionality, and additional benefits encourage sustainable consumption behaviors.

Our Sustainable Packaging Principles

As part of our commitment to responsible production and consumption, which underpins our ability to offer sustainable products and services, we have developed specific packaging principles as of 2023. These principles aim both to reduce our environmental impact and to provide our customers with a more conscious consumption experience. Our sustainable packaging approach is summarized under five key pillars:



Fit for Purpose

We design our packaging to meet the minimum necessary requirements for protecting products and ensuring safe transport. By avoiding unnecessary packaging, we strive to preserve product quality and lifespan while minimizing environmental impacts. Functionality is paramount, and we ensure packaging is genuinely needed for the product.



Responsible Sourcing

In packaging production, we prioritize materials with low environmental impact, certified and derived from renewable sources. We increase the use of materials with high recycled content and uphold sustainability criteria in raw material sourcing. Transparency within our supply chain is essential, and we support practices respectful of nature and human rights.



Size Optimization

We optimize packaging dimensions according to product needs to limit material use and reduce our carbon footprint in logistics processes. By avoiding oversized or overly multilayered packaging, we save space during transportation and thus reduce energy consumption.



Recyclability

Our packaging is designed with materials that are as easily separable and recyclable as possible. We prefer single-material packaging or combinations compatible with recycling processes. This supports inclusion of post-use products into recycling systems without causing environmental harm.



Raising Consumer Awareness

To maximize the impact of our sustainable packaging, we emphasize consumer education. Clear recycling instructions, environmental benefit messages, and labeling on our packaging guide users properly. In doing so, we promote shared responsibility after consumption and contribute to the circular economy.

Our Sustainable Packaging Initiatives

GOAL

To source all our product packaging from responsible sources by 2030.



Responsible Sourcing

We prioritize packaging materials with lower environmental impact and certified sustainable origins. We initiated this approach in the small home appliances category and aim to extend it to all our packaging by 2030.



Size Optimization

We optimized the packaging size of our mono filter coffee machine by reducing empty space inside the box by 11%, preventing unnecessary material use. Similarly, we are applying optimal box designs for our dinnerware sets and expanding these efficient resource-use practices across our entire product range. This enables us to save space in logistics and reduce our carbon footprint.



Raising Consumer Awareness

We emphasize educating our consumers about sustainable packaging. We have added a special logo on the boxes of products manufactured using renewable energy. Additionally, we designed guiding logos to encourage Karacasever customers to recycle the packaging.



Recyclability

All our product boxes are made from 100% recyclable materials.



*Derived from solar energy



**RECYCLE!
GIVE ME
LIFE AGAIN.**

Energy Efficiency in Stores

Energy consumption is a primary focus of our ongoing efforts and occupies a significant place in our future plans. Accordingly, we have developed a comprehensive strategy aimed at using energy more efficiently across all our locations and increasing the use of renewable energy sources in our supply. As part of this strategy, starting in 2024, we accelerated efforts to identify energy losses by initiating consumption analyses at all our locations.

Within these efforts, to monitor uncertain energy consumption originating particularly from shopping malls on an hourly basis, we decided to implement cloud-based energy monitoring technologies in our stores. In August 2024, we launched a pilot project in 10 stores in Istanbul with varying physical characteristics.

The project was executed in two phases:

- In the first phase, we focused on minimizing energy losses during non-customer hours.
- In the second phase, we targeted improvements during customer hours.

At the end of the first four months of the pilot, we achieved 40% energy efficiency during off-hours in these 10 stores, saving a total of 27,464 kWh of electricity.

This saving is equivalent to preventing approximately 12 tonnes of carbon emissions, reducing the carbon footprint by an average of 1 tonne per store.



Energy Efficiency Project in Stores

At Karaca, we are committed to developing projects that contribute to all of the United Nations Sustainable Development Goals. Within this framework, we have placed the globally critical issue of “Clean and Affordable Energy” at the core of our environmental sustainability strategy.

In line with our target to source 100% of our electricity consumption from renewable sources by 2030, we are implementing energy efficiency projects across a wide range of operations—from our stores to our logistics centers—and systematically transitioning to renewable energy.

The “Energy Efficiency Project in Stores,” launched specifically for our retail locations, is one of the key initiatives among these efforts. Unlike other energy projects, this initiative not only involves technological investments but also includes significant adjustments in our operational processes.

Following the installation of monitoring systems, we established standards and roadmaps particularly for off-hours operations, product placement, warehouse stock shipments, visual merchandising, and cleaning-maintenance activities. We conducted training for all store personnel based on these standards, raising awareness about energy savings and sustainability. This approach aims to increase staff knowledge in areas such as energy efficiency, waste management, occupational health and safety, and quality, creating an environment where employees can prevent losses in their own workflows.

One of the most important outcomes of the project is empowering store personnel to act consciously and take initiative in operational processes that are difficult to monitor directly from headquarters.

As of February 2025, we have begun integrating monitoring systems in all Karaca stores across Türkiye, with full installation planned for completion by the end of May 2025.

İrem DOĞU
Sustainability Executive,
Project Leader



"One of the most important outcomes of the project is empowering store personnel to act consciously and take initiative in operational processes that are difficult to monitor directly from headquarters."

Our Circular Economy and Waste Management Practices

As the Karaca Group, we adopt circular economy principles for a sustainable future and take determined steps to minimize waste generation. Throughout 2024, we placed the zero waste approach at the center of our operations, achieving significant progress both in our operational processes and cultural transformation.

We completed the transition to zero waste principles at our Headquarters building. To ensure active participation of all employees in this transformation, we conducted various trainings and awareness-raising activities throughout the year. We make our zero waste vision not just a goal but the fundamental principle of all our business practices.

To prevent the use of single-use products in our advertising campaigns, we redirect these items to our after-sales service points where they are repurposed as spare parts. This way, we give our products a second life and increase efficiency in resource usage.

At our logistics centers, we compress packaging waste before recycling to reduce its volume. This reduces carbon emissions during transportation for recycling and minimizes our environmental impact in logistics. Moreover, we reduced our paper and cardboard waste from 355 tonnes last year to 127 tonnes, achieving a 65% waste reduction.

In our stores, we established tracking systems to reuse visual equipment used regularly in campaigns and window displays. By reusing the same equipment periodically, we prevent waste generation and manage our resources more effectively.

We evaluate our electronic waste in an environmentally friendly manner through integrated recovery systems. We separate old or unusable electronic devices from our offices and collaborate with authorized organizations to recycle them responsibly.

We accelerate digitalization in education processes, moving toward more sustainable practices by reducing paper use in our corporate internal trainings. We share documents digitally and aim to minimize the consumption of non-recyclable paper.



Last year, we reduced our paper and cardboard waste from 355 to 127 tonnes, achieving a 65% reduction in waste.

Annexes



Performance Indicators



Social Performance Indicators

Topic	2024	
Employment	Female	Male
Total Number of Employees	2154	1854
Number of White Collar Employees	500	507
Number of Blue Collar Employees	147	531
Number of Grey Collar Employees	1514	821
Number of Managerial Staff	Female	Male
Under 30 years of age	37	39
30-50 years of age	193	282
Over 50 years of age	9	8
Executive Board	3	3
Number of Employees According to Age	Female	Male
Under 30 years of age	1385	922
30-50 years of age	699	843
Over 50 years of age	47	44
Number of Employees Recruited During the Year	Female	Male
Under 30 years of age	662	409
30-50 years of age	200	198
Over 50 years of age	10	14



Social Performance Indicators

Topic	2024	
<i>Number of Disabled Employees</i>	Female	Male
Number of Disabled Employees	20	30
<i>Number of Employees by Duration of Employment</i>	Female	Male
0-5 years	2101	1779
5-10 years	50	74
10 years and over	3	1
<i>Employee Turnover</i>	Female	Male
Number of employees under 30 who left the company	2149	1380
Number of employees aged between 30 and 50 who left the company	549	604
Number of employees aged over 50 who left the company	20	25
Employee Turnover Rate (%)	109	127
<i>Number of Design Center Employees</i>	Female	Male
Total	19	9



Social Performance Indicators

<i>Occupational Health and Safety (OHS) Training</i>	2024
Total OHS Training Hours	6825
Average Training Hours per Employee	8
<i>OHS Performance</i>	2024
Number of Accidents	166
Total working hours	8109358
Accident frequency rate	20
Number of fatal cases	0
Number of occupational diseases	0
Occupational Disease Rate	0
<i>Karaca Academy Training (Hour)</i>	2024
Ethical Principles Training	6121
Personal Data Protection Law Training (PDPL)	6121
ISO 9001 Quality Management Awareness Training	6121
ISO 27001 Awareness Training	6121



Environmental Performance Indicators

<i>Water Management</i>	2024
Total Water Consumption (m3)	157460.63

<i>Emissions Management</i>	2024
Scope 1 Emissions (tonnes CO2eq)	4985.77
Scope 2 Emissions (tonnes CO2eq)	257210.35
Total (tonnes CO2eq)	30706.11

<i>Waste Management</i>	2024
Recycled Paper (tonnes)	126.22
Recycled Plastic (tonnes)	4.66
Total (tonnes)	130.88



About This Report

In this report, we have shared our perspectives and activities regarding environmental, social, and governance topics in the context of the value-added products and services we have successfully delivered for 50 years across small home appliances, kitchenware, tableware, and home textiles categories.

This is our second sustainability report, prepared under the motto “Adding Value Is in Our Nature.” The reporting period covers January 1 to December 31, 2024, and the scope includes the domestic operations of Karaca Group companies. We prepared our report with reference to the GRI Standards.

For feedback and suggestions regarding the report, feel free to contact us at surdurulebilirlik@karaca.com.



GRI

Content Index



GRI Content Index

GRI 1 Used	Statement of use	Location
GRI 1: Foundation 2021	GRI 1: Foundation 2021	Karaca Group has prepared its report for the period January 1-December 31, 2024 with reference to the GRI 1 Core Standard 2021
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Karaca Group, page: 4-5-6
	2-2 Entities included in the organization's sustainability reporting	About the Report, page: 59
	2-3 Reporting period, frequency and contact point	About the Report, page: 59
	2-4 Restatements of information	Our Strategic Prioritization Analysis page: 15
	2-5 External assurance	No external audit was obtained for the data in the report
	2-6 Activities, value chain and other business relationships	Our Stakeholder Communication page: 16
	2-7 Employees	Social Performance Indicators pages: 55-56
	2-8 Workers who are not employees	The information in the report belongs to Karaca's own employees.
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Governance page: 14
	2-15 Conflicts of interest	Sustainability into Our Business Model, pages: 20-21 Ethics page: 23 Human Rights page: 24

GRI Content Index

GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Our Sustainability Management page: 14
	2-22 Statement on sustainable development strategy	Our Sustainable Growth Strategy page: 13 Our Sustainability Goals page: 17-18
	2-23 Policy commitments	<u>Our Policies</u>
	2-24 Embedding policy commitments	Integration of Sustainability into Our Business Model pages: 19-20-21 Our Integrated Management System page:22 Ethics page: 23 Karaca Logistics Center page: 27 Gender Equality page: 41 Energy Efficiency in Stores pages: 50-51 Circular Economy and Waste Management page: 52
	2-26 Mechanisms for seeking advice and raising concerns	Ethics page: 23
	2-29 Approach to stakeholder engagement	Our Stakeholder Communication page: 16
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Strategic Prioritization Analysis page: 15
	3-2 List of material topics	Our Strategic Prioritization Analysis page: 15
	3-3 Management of material topics	Details are shared on the relevant pages.

GRI Content Index

GRI 3: Material Topics 2021 Corporate Social Responsibility	3-3 Management of material topics	Women in Sales page: 30-31 UNICEF Project page: 32-33
GRI 3: Material Topics 2021 Employee Engagement and Satisfaction	3-3 Management of material topics	Employee Satisfaction page: 36
GRI 3: Material Topics 2021 Sustainable Supply Chain and Management	3-3 Management of material topics	Sustainable Supply Chain page:26-27 Sustainable Retail page: 28
GRI 3: Material Topics 2021 Diversity, Equality, Inclusion	3-3 Management of material topics	Integration of Sustainability into Our Business Model page: 20 Our Integrated Management System page: 22 Human Rights page: 24 Gender Equality page: 41
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sosyal Performance Indicators page: 55
GRI 3: Material Topics 2021 Smart and Innovative Products	3-3 Management of material topics	Responsible Production pages: 44-45-46 Sustainable Product Development Our Criteria page: 47
GRI 3: Material Topics 2021 Sustainability of Product Packaging	3-3 Management of material topics	Our Sustainable Packaging Principles page: 48 Our Sustainable Packaging Initiatives page: 49
GRI 3: Material Topics 2021 Brand Reputation	3-3 Management of material topics	Our Awards page: 7 2024 Sponsorships page: 8-9

GRI Content Index

GRI 3: Material Topics 2021:
Climate Change

3-3 Management of material topics

Karaca Logistics Center page: 27
Sustainable Retail page: 28
Responsible Production page: 44
Energy Efficiency in Stores page: 50-51

GRI 305: Emissions 2016

305-1 Direct (Scope 1) GHG emissions

Environmental Performance Indicators page: 58

305-2 Energy indirect (Scope 2) GHG emissions

Environmental Performance Indicators page: 58

GRI 3: Material Topics 2021:
Customer Satisfaction

3-3 Management of material topics

Consumer and Market Research page: 25

GRI 3: Material Topics 2021:
Information Security and Privacy

3-3 Management of material topics

Our Intergrated Management System
page: 22

GRI 418: Customer Privacy 2016

418-1 Substantiated complaints concerning
breaches of customer privacy and losses of
customer data

We did not receive any complaints
during the reporting period.

GRI 3: Material Topics 2021:
Occupational Health and Safety

3-3 Management of material topics

Occupational Health and Safety page:42

403-1 Occupational health and safety
management system

Occupational Health and Safety page:42

**GRI 403: Occupational Health
and Safety 2018**

403-5 Worker training on occupational
health and safety

Occupational Health and Safety page:42
Social Performance Indicators page: 57

403-9 Work-related injuries

Social Performance Indicators page: 57

403-10 Work-related ill health

Social Performance Indicators page: 57



Legal Disclaimer:

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