

2020 SUSTAINABILITY REPORT

ADDING
VALUE TO
OUR LIVES,
NATURE &
BUSINESS



kimpur
KIMTEKS POLYURETHANE

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About Report

This report has been prepared in accordance with the GRI Standards: Core option. Our strategic sustainability subjects have been determined taking into account the Environmental Social Sustainability Performance Standards by IFC, the International Finance Corporation, to identify, evaluate and manage the relative social and environmental risks, the principles envisaged in the UN Global Compact.

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The main components of report include the values of environment, society and innovation determined by us within the scope of Sustainability Strategy of Kimpur in 2020. In all our business regions, we comply with laws and corporate ethical values, and work with the principle of the awareness of social and environmental responsibilities that we spread among all our employees.

Our understanding of sustainability is based on the purpose of creating economic value with our growing technology investments in polyurethane systems, as well as creating sustainable value for all our stakeholders, ensuring the continuous development of our talented human resources, and using natural resources responsibly.

In addition, we have planned to publish our report of impact and performance in these value fields for the first half of 2022.

You may submit your questions, feedback, and suggestions regarding the Kimpur 2020 Sustainability Report to sustainability@kimpur.com.



Message to Our Stakeholders



Our planet, which we have called our home for tens of thousands of years, has been recently subjected to rapid changes, and it is becoming more and more important to ensure the continuity of production and diversity, to perpetuate the life of humanity, and to meet our own needs without compromising the needs of future generations. The increase in the energy needs of the industry, which has grown rapidly with the Industrial Revolution in the last century, has led to the use of non-renewable natural resources such as oil and coal. In an age where the world's resources and the environment are close to depletion due to human activities, sustainability can only be achieved by utilizing the resources of nature at a rate that allows for self-renewal.

Although the first thing that comes to mind about sustainability is the protection of the environment, in fact, the concept of sustainability is a holistic approach that includes ecological, economic, and social dimensions.

As Kimpur, we are aware that the resources in the environment and nature are exhaustible. Therefore, we not only focus on utilizing our resources with rational approaches, but also on achieving a satisfactory level of quality of health, life and education for our employees, country and world. We support economic growth that will bring prosperity to societies without compromising social development and environment.

We strive to create a sustainable future with studies and actions that will contribute to the environment and society in all our business.



Message from our CEO



Dear Stakeholders;

We are passionate about chemistry, which is the cornerstone of the industry, and we believe in its potential to change the future of humanity for the better. The biggest promise of our industry is to offer solutions that will make the world and our country a better place by directly providing employment with our products and indirectly through our operations, accelerating the economy and raising the standard of living.

The Covid-19 Pandemic started to affect the economic activities in Turkey through foreign trade, tourism and domestic demand channels as of the middle of March 2020, and the effects on the entire economy deepened as of April 2020.

However, with our agile and determined organizational structure and Smart Business Model, we have further increased our leading position in the polyurethane sector and set bigger targets. In this way, we prevented the negative effects of the pandemic from distracting our company from our objectives, on the contrary, we reminded once again that protecting our environment, ecosystem, biodiversity and natural resources is our most important responsibility.

We are clearly focused on achieving these objectives. Our values of honesty, respect for people and protecting our planet are those that exist in our corporate culture and bring us together.

In this exceptional year, we have demonstrated extraordinary solidarity and resilience, preventing the negative effects of the pandemic from reflecting on our business results, and finding ways to turn it into an advantage. We have successfully implemented new methods such as remote working, by taking many useful measures to keep our employees away from the effects of the pandemic, and we have continued to work tirelessly in healthy environments in order to find special solutions for our customers. I would like to take this opportunity to thank all my teammates for their devoted work.

The adaptation to the changes due to the pandemic has gained ground for us in 2020. With our understanding of operational excellence, agile organizational structure and Smart Business Model, which forms the basis of success, we focused especially on efficient use of resources, prioritizing innovation above all else, differentiating competitive features and creating value and, we have taken many steps to increase employee satisfaction by reviewing many jobs and functions once again in the context of remote working. In this period, we have once again observed that the power of education is one of the most significant elements in helping us reach our objectives easily. We have continued internal and external trainings for employee development, mostly online trainings, that have increased the culture of working together and reinforce our ethical rules. In order to create and maintain a quality and efficient working environment in our company, we have successfully integrated the 5S Workplace Organization, which is one of the most effective tools for systematically implementing, managing, and maintaining industrial order and cleanliness within the organization. In addition, we have implemented significant projects, through 6 Sigma trainings, based on continuous improvement in order to increase efficiency. With these projects, we have achieved significant gains in the management process projects.

One of the most significant one in 2020 was the significant reduction of our energy consumption using the Energy Efficiency Project. Therefore, we have established an infrastructure that can present our carbon footprint values and improvements in our Sustainability Reports in the coming years.

In addition to the investments in the last 5 years, we have fulfilled our target of capacity increase at the right timeline with optimum cost, in order to maintain long-term and profitable growth in 2020, and we have focused especially on strategic investments. We have made investments to increase information security and digitalization within the scope of ISO 27001 Information Security standards.

All these significant activities have led to a successful conclusion. We have maintained our leading position in the footwear industry. The sales of our rigid polyurethane foam systems, used for thermal insulation, especially in the construction and white goods industry, increased by 200%. Briefly, 2020 has been a successful year for Kimpur.

We are pleased to share with you our first Sustainability Report, including the projects we have implemented in our sustainability plans.

As our Chief Executive Officer has always stated, with the aim of “to be a company that everyone can be proud of”, we continue our activities in the field of sustainability, being aware of our environmental and social responsibilities, in order to make a difference in everyone’s life with our innovative and uncommon solutions and to provide a sustainable life for future generations.

We are aware that sustainable growth is not possible without creating environmental and social value, therefore we expand the use of bio-based products that minimize environmental impacts and create long-term values.

We would like to thank all our employees, business partners and customers who have contributed to this journey. We are pleased to share with you our first Sustainability Report, including the projects we have implemented in our sustainability plans.

Cavidan Karaca
CEO

Corporate Profile



In all our business fields, we develop products with a sustainability perspective and create social, environmental and economic values.

37 Year Success

Kimpur, one of Turkey's Top 500 Industrial Enterprises, is a polyurethane system house, with a production capacity of 120.000 tons, the largest capacity in the region. The Company exports to more than 45 countries and leads the industry. The polyurethane systems are used in different industries such as footwear, automotive, furniture, heating and cooling, insulation and construction.

Being the first domestic polyurethane system manufacturer of Turkey, Kimpur continues to provide customers with tailored solutions through the investments on technology and R&D.

The Company's quality and service understanding is based on continuous improvement, investment on human resources, resilience and strong communication with stakeholders. In line with these goals, it has adopted as a principle to take care of environment and human health.

Kimpur has always attached great importance to the R&D. Kimpur shares the latest information about polyurethane techniques, application trends and technology with its customers and offers extraordinary solutions to its customers using unprecedented product and system designs.

Since May 2017, the "R&D Center" has been continuing its activities with an expert and experienced 25-person team.

The product design process in the R&D Center covers all stages, starting with the synthesis of molecules to be utilized in formulations, to the development of the system and the testing of final product by trials in the Application and Simulation Center.

Kimpur has aimed to simulate customer production, with machine and mold investments made in the simulation center established with an aim to obtain accurate and rapid analysis results for customer applications.

For the applications of product groups such as footwear, flexible foams and rigid products, it has the opportunity to test the means of production and the products developed by it in laboratory.

Kimpur aims to maintain its success and leading position in line with the satisfaction of its suppliers, customers and employees.

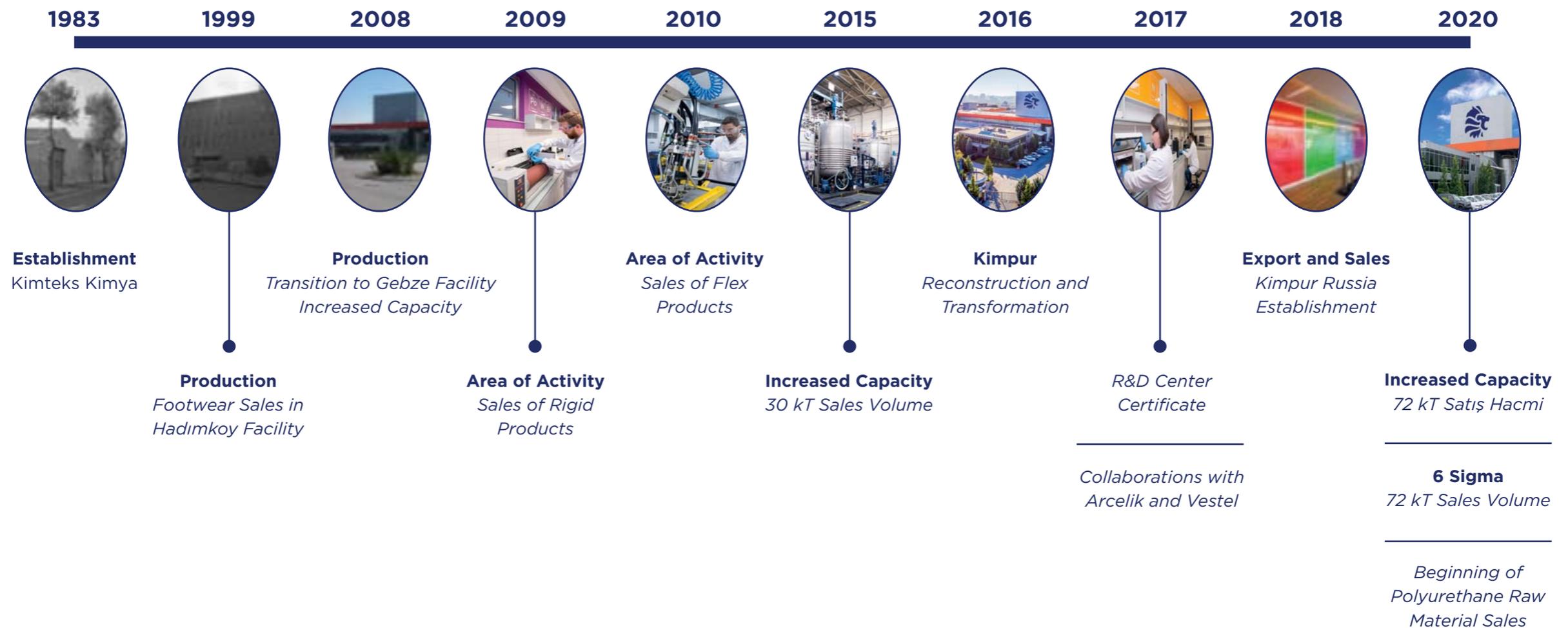


37
37 YEARS
EXPERIENCE

EXPORTS TO
+45
COUNTRIES

PRODUCTION CAPACITY
120.000
TONS

37 Years Success



Our Mission



To be a company that produces products with an understanding that respects the individual, the society, the law, and is sensitive to ethical values and the environment.

The foundation of our success is built on the values we believe in and implement.

To be a company followed in the world with innovative products and uncommon solutions in polyurethane systems.



Our Vision

Sectors

FOOTWEAR



CONSTRUCTION AND INSULATION



AUTOMOTIVE INDUSTRY



FURNITURE AND FOAM



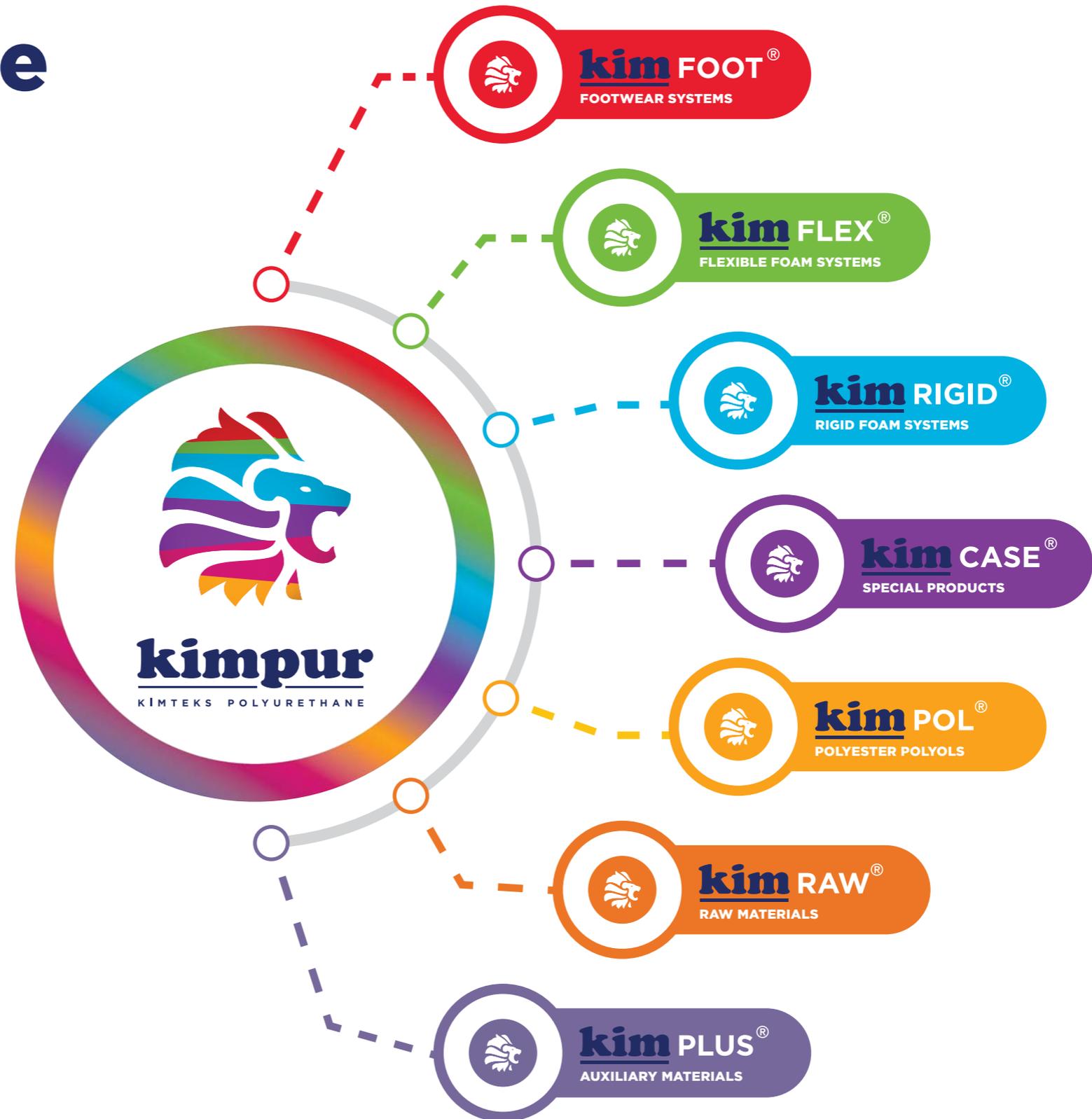
HEATING AND COOLING INDUSTRY



RAW MATERIALS



Product Line



kim FOOT[®]

FOOTWEAR SYSTEMS



KIMfoot[®] Footwear Systems have a wide range of areas, from the production of low-density slipper soles to the production of worker shoe soles that require high flexibility and durability.

kim FLEX[®]

FLEXIBLE FOAM SYSTEMS



MDI-based **KIMflex[®]** Foam Systems by Kimpur are classified as flexible foam systems, integral systems, filter systems and viscoelastic systems.

kim RIGID[®]

RIGID FOAM SYSTEMS



KIMrigid[®] Rigid Foam Systems, designed and manufactured at Kimpur System Facilities, are used in many application fields such as sandwich panels (PIR and PUR), solar panels, boiler, shutters, pipe insulation, wood imitation applications, refrigerators, cold rooms and spray applications in buildings.

kim CASE[®]

SPECIAL PRODUCTS



Kimpur has a wide range of portfolio of prepolymer and systems for several C.A.S.E applications under the **KIMcase[®]** Special Products.

Based on the innovative technology on unique polymers, **KIMcase[®]** Special Products are designed for construction industry, transportation, textiles and architecture.

kim POL[®]

POLYESTER POLYOLS



KIMpol[®] Polyester Polyol system consisting of carboxylic acid and polyhydric alcohol combinations with various multi-functional functions to provide the best solutions to industries such as footwear (system component), paint, foam, elastomer and insulation industries (rigid foam applications).

kim RAW[®]

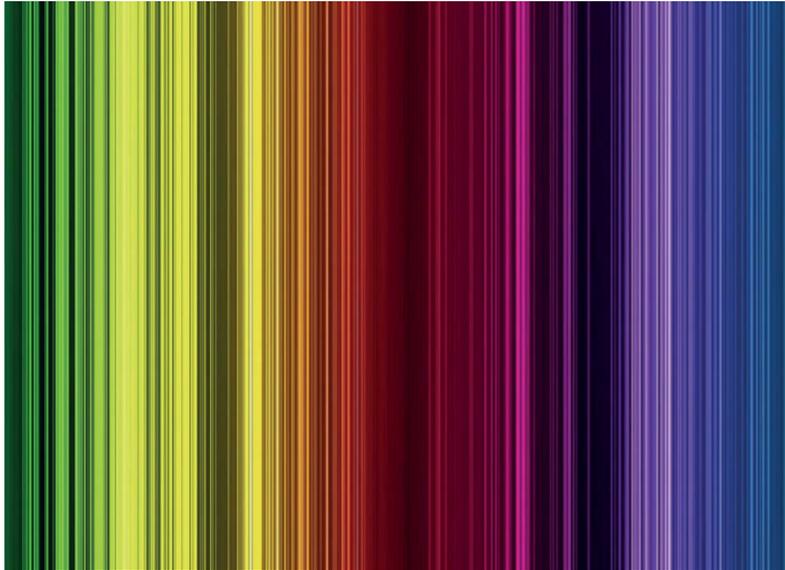
RAW MATERIALS



The **KIMraw[®]** Raw Materials product line is used in many different fields such as polyurethane systems, plasticizers, adhesives, construction chemicals and paints.

kim PLUS[®]

AUXILIARY MATERIALS



KIMplus[®] Auxiliary Materials product line has been developed by Kimpur to facilitate the production of polyurethane systems, including mold release agents and liquid colorants with suitable binders.

Mold release agents form a layer between the polyurethane and the mold and allow the product to be separated from the mold easily and without deformation. Liquid colorants (masterbatch) are used to color polyurethane systems.

OTHER PRODUCTS

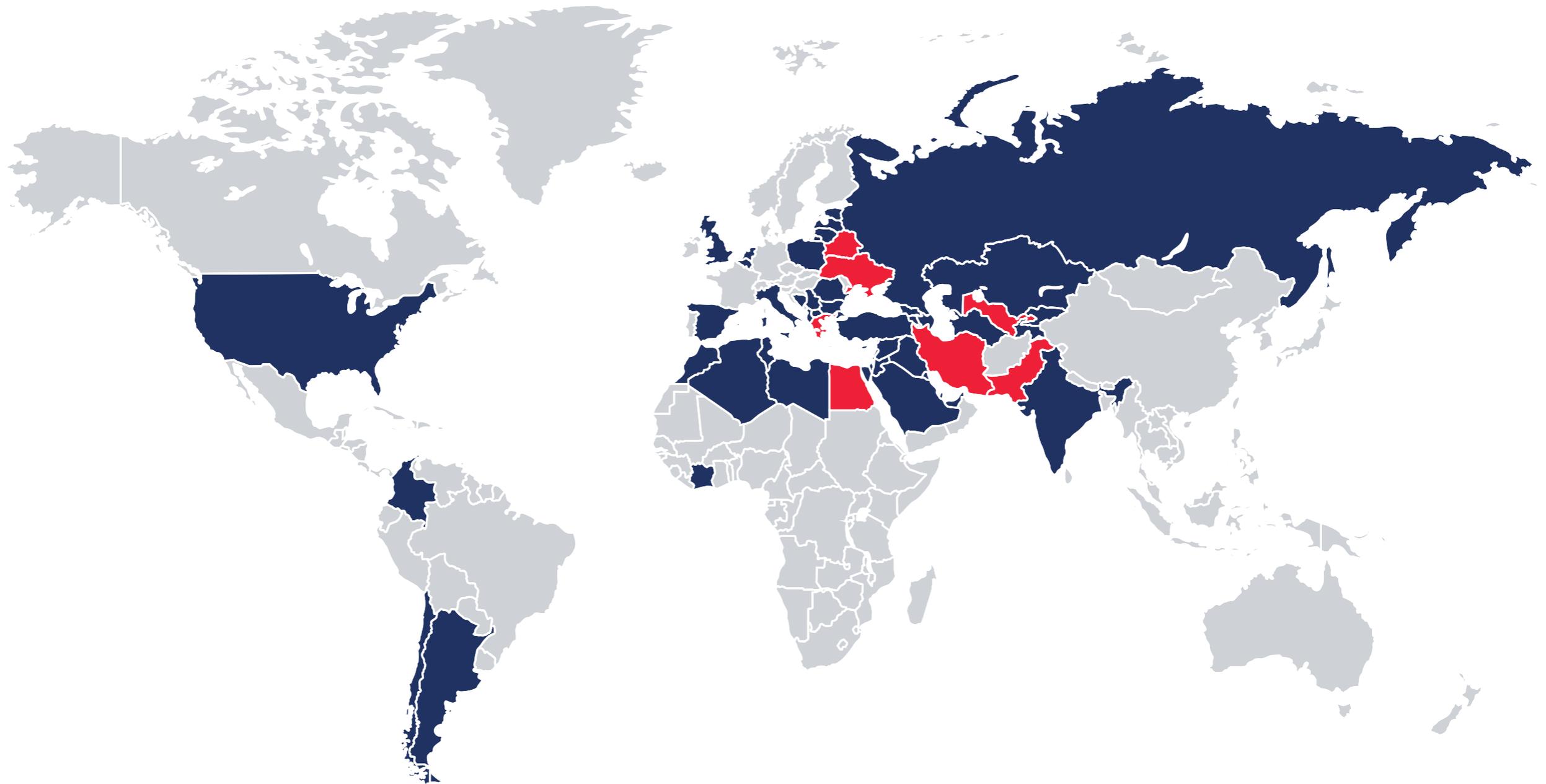
THERMOPLASTIC POLYURETHANE (TPU)



Thermoplastic Polyurethane (TPU) materials are used in many different fields such as shoes, wires and cables, hoses and tubes, films and sheets, adhesives and custom molded parts.

Markets

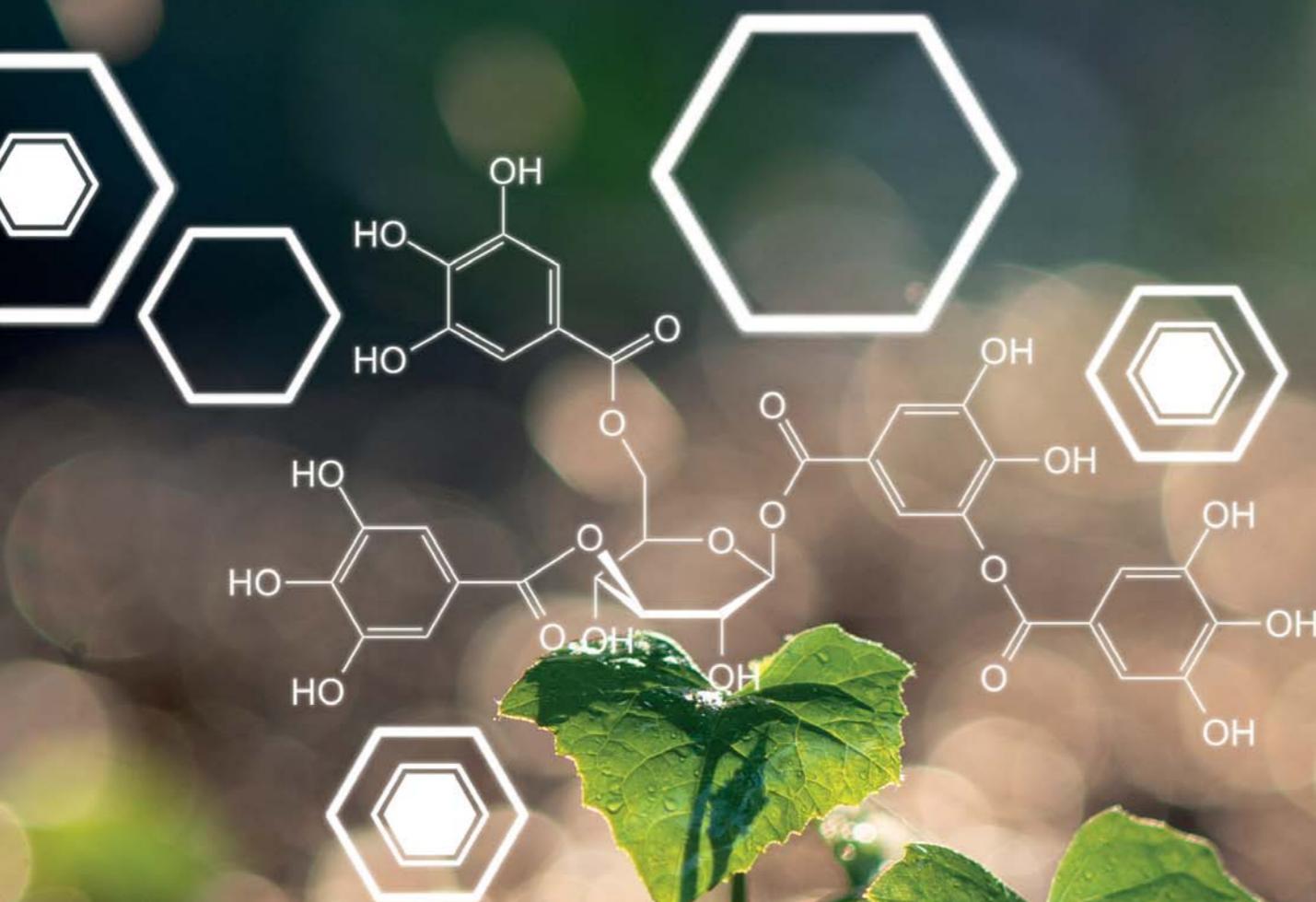
EXPORT TO **+45** COUNTRIES



- Our Distributors
- Countries we Export

 **kimpur** Rus and CIS - Russia

Strategy and Management



Our Purpose

Kimpur has a simple and plain goal, which is to promote a sustainable living.

We believe this is the best and longest term method to enhance our business.



Sustainability Management

Sustainability is a natural part of being successful for us and we always try to act ethically, transparently and responsibly. We also expect our business partners to do the same.

Today, the world needs leadership in environmental sustainability. Therefore, we have set new targets to advance a circular economy and climate protection by focusing on two closely related issues.

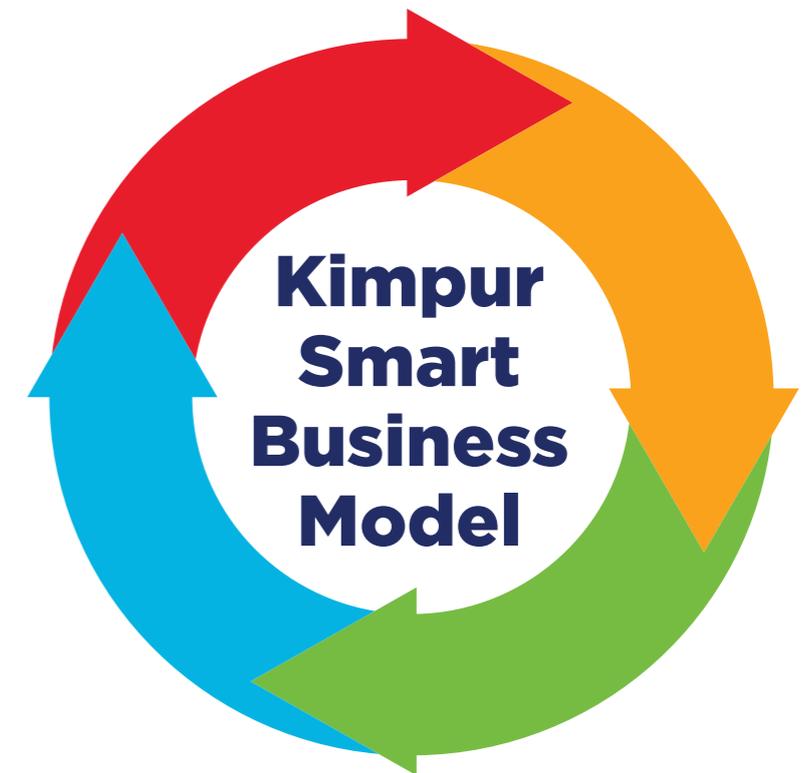


Strategic Approach



Kimpur Smart Business Model

“Smart Business Model”, a know-how structure, ensures time and capacity efficiency. Kimpur manufactures both additives and polyester polyols in a wide range, including raw materials, semi-finished products and polyurethane system, in a state-of-the-art manufacturing facility, through digitalization, artificial intelligence, predictive capabilities and automation, thanks to innovative solutions designed by the R&D Center, rapid and effective supply chain management and operational excellence supported by commercial excellence. Kimpur manufactures specially formulated polyol mixtures and prepolymers called “polymix”.



Business Excellence



Corporate Management Structure



Sustainability Management Structure

Kimpur, continues to develop and expand its Sustainability Management, created with a transparent, comprehensive and responsible governance approach, in all industries and regions in order to ensure economic, environmental and social sustainability.

Sustainability management has a great effect on both the company's strategies and all operational processes. For this reason, the **Kimpur Sustainability Committee** was established in 2020 under the leadership of the CEO, which consists of managers from different units and departments, in order to manage sustainability in a multi-layered and participatory structure. The company continues its activities by evaluating social and environmental risks and opportunities, following and analyzing related sustainability issues, determining the sustainability strategy and carrying out projects to achieve the targets.

The Committee meets at regular meetings. We ensure a dialogical environment that provides equal participation to all subsidiaries and departments.



What do we do for a sustainable life?

Sustainability is at the core of our production!



Thanks to the insulation systems we supply for the refrigerator and cold room industry, we contribute to a sustainable life by preventing more energy and food consumption.

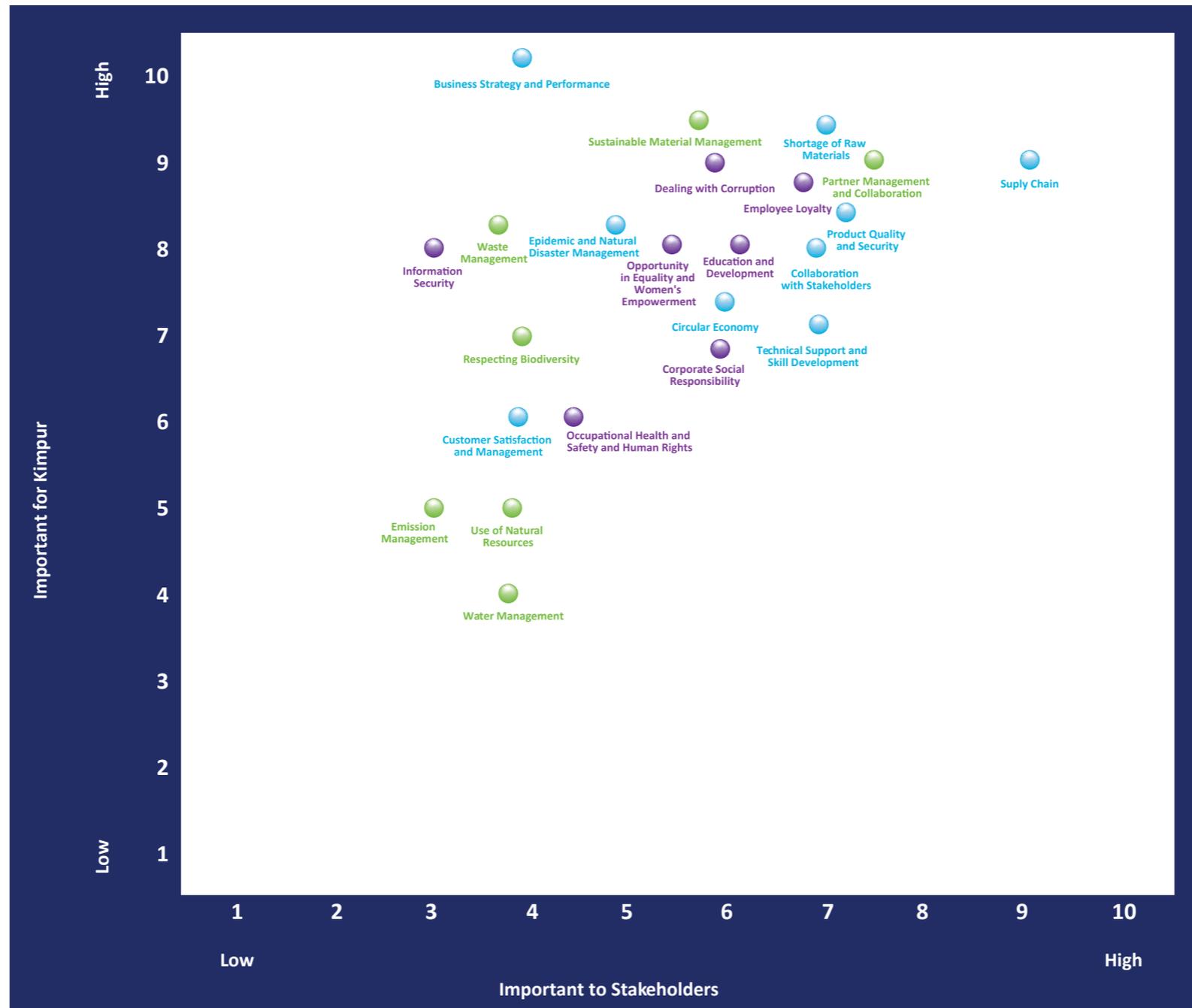


We ensure less energy consumption with our systems for the sandwich panel and solar panels sector.



We support the circular economy by producing binder systems for the use of waste tires and foam scraps.

Kimpur Sustainability Prioritization Matrix 2020



Our Sustainability Commitments

Section	Priority Description	Our Activities in 2020	Our Commitments for 2021	Interest Groups
Environmental	Sustainable Material Management	Removing the inflating gases that damage the ozone layer from our products, using more environmentally friendly inflating gases, expanding the use of less energy-consuming products and bio-based and biodegradable materials in the product range	Working with 10% bio-based materials in the footwear product portfolio. Conducting infrastructure activities for HFO products. Conducting studies on products that consume less energy for the refrigerator industry	Consumers Customers Kimpur Working Groups Suppliers Employees
Environmental	Use of Natural Resources	Saving resources with the awareness of responsibility towards the environment. Commencing energy efficiency projects	Ensuring 2% lower energy consumption. Determining renewable energy sources with solar energy system in the production facility of Gebze	Consumers Customers Suppliers Employees Kimpur Working Groups
Environmental	Respect for Biodiversity	Controlling waste, pollution and emissions that disrupt the balance between ecosystems and limiting the use of inflating gases that will cause climate change	Accelerating the activities to reduce the use of fluorocarbons. Raising the waste management awareness of our stakeholders	Consumers Environment Kimpur Working Groups Transport & Logistics Suppliers
Environmental	Water Management	Taking measures to reduce domestic water consumption, and raising awareness on them	Providing trainings to increase awareness of our employees	Environment Suppliers Regulatory and Supervisory Institutions
Environmental	Emission Management	Dissemination of low-emission formulations and reduction of emissions that may occur during production	Disseminating the use of scrubbers within the facility Prioritizing low-emission product designs	Consumers Customers Transport & Logistics Kimpur Working Groups Suppliers Environment
Environmental	Waste Management	Achieving the objectives of responsible disposal and reduction of post-production waste, and reduction of waste	14001 EMS infrastructure preparations	Consumers Communities Environment Kimpur Working Groups Transport & Logistics Suppliers
Environmental	Partner Management and Collaboration	Collaborating with customers and suppliers to improve sustainability performance; managing customer relationships and working with supplier feedback to increase customer satisfaction; using capabilities to ensure sustainability throughout the value chain	Designing environmentally friendly, sustainable products for our customers and end consumers	Customers Suppliers Kimpur Working Groups Employees

Our Sustainability Commitments

Section	Priority Description	Our Activities in 2020	Our Commitments for 2021	Interest Groups
Social	Occupational Health and Safety and Human Rights	Ensuring compliance with the Occupational Health and Safety legislation by constantly reviewing OHS processes and creating a safe working environment	Establishing a ISO 45001 Occupational Health and Safety Management System infrastructure	Kimpur Working Groups Employees Regulatory and Supervisory Institutions
Social	Social Responsibility	Creating the necessary infrastructure by reviewing all processes in line with the principles of SA 8000 Social Responsibility Management System	Developing processes in line with the principles of SA 8000 Social Responsibility Management System	Consumers Customers Societies and Foundations Kimpur Working Groups Suppliers Employees
Social	Equal Opportunity and Empowerment of Women	Carrying out our processes in line with our Kimpur Ethics policy, which includes equal employment opportunity and positive discrimination policies	Complying with the rules of our Kimpur Ethics policy and organizing trainings and events that will raise awareness within the company	Consumers Customers Society Related Institutions
Social	Training and Development	Raising the standards of developing countries and communities by providing better living and educational conditions for future generations	Despite the negative effects of the pandemic, increasing the training hours per person to include distance education	Consumers Customers Employees Kimpur Working Groups
Social	Anti-Corruption	Complying with local anti-corruption laws in all countries	Complying with the Kimpur Ethics policy	Employees Suppliers Customers Society
Social	Information Security	Improving information security with ISO 27001 standards and policies in order to provide better and more reliable service to our customers	Complying with ISO 27001 standards and Kimpur Information Security Policies	Kimpur Working Groups Regulatory and Supervisory Institutions Employees
Social	Employee Engagement	Keeping our qualified human resources in the company in order to attract our colleagues who are suitable for our corporate culture and meet our competency criteria, ensuring that our company is represented in the best way with our current employees, and achieving our goals in line with our company's strategies	Achieving 65% or more positive response in the Great Place to Work survey	Customers Employees Employees Candidates

Our Sustainability Commitments

Section	Priority Description	Our Activities in 2020	Our Commitments for 2021	Interest Groups
Finance	Product Quality and Safety	Carrying out activities in accordance with the Quality and Product Safety Policy throughout the value chain	Commencing inspections for all processes	Consumers Customers Kimpur Working Groups Suppliers Regulatory and Supervisory Institutions Environment
Finance	Customer Satisfaction and Management	Increasing the product and service quality in line with the needs and expectations of the customers	Increasing the effectiveness of surveys and similar studies to determine customer expectations	Customers Kimpur Working Groups Industry
Finance	Supply Chain	Securing the flow of raw materials, products and information	Creating different regional suppliers in each product group in order to reduce the dependence on the Far East Region, to improve the supply resources and to increase the existing resources	Customers Suppliers Industry
Finance	Collaboration with Stakeholders	Developing productive relationships with stakeholders to achieve the company's objectives	Increasing contracted purchases with suppliers, university-industry projects, cooperation with industry-related associations and foundations, and cooperating with universities for career days	Customers Suppliers Associations and Foundations Universities Industry
Finance	Business Strategy and Performance	Contributing to the sustainable growth of the communities	Managing and updating corporate risks, monitoring operational targets with KPIs and strategic components with company monitoring indicators	Stakeholders Kimpur Working Groups Suppliers Customers
Finance	Raw Material Shortage	Controlling the continuity of production with many alternative supply sources in different geographies in cases such as raw material shortage	Meeting the targets by eliminating the raw material shortages caused by the pandemic through effective supply management and strategic cooperation	Customers Industry Suppliers
Finance	Management of Epidemics and Natural Disasters	Carrying out the necessary activities and obtaining the results at every stage of the epidemic and natural disaster management (risk reduction, preparation, response and improvement activities) in accordance with the performance and targets determined by the company	Establishing infrastructure works and natural disaster working groups based on possible natural disaster scenarios	Stakeholders Kimpur Working Groups Employees Suppliers Customers
Finance	Circular Economy	Contributing to the circular economy with the recovery of products	Designing and manufacturing binder products to recycle waste tires and foam scraps	Consumers Customers Kimpur Working Groups Industry Associations and Foundations Retailers Suppliers
Finance	Technical Support and Skill Development	Keeping our technical support team and customers up to date on products and applications, and supporting them with trainings	Creating Webinar infrastructures on products and applications	Customers Kimpur Working Groups

Key Stakeholder Groups and Communication Platforms

We consider our stakeholders to have a great impact on our strategy structure and success and are most affected by our activities. We think that it is very important to establish open, transparent and honest communication with our stakeholders, and we care about our stakeholders' opinions and expectations.

The following table presents a list of our stakeholders and communication platforms.

Stakeholder Groups	Communication Platform	Description
Employees	Engagement Survey	A survey is conducted to measure the employee engagement for the company.
	Suggestion System	The system where the personnel put forward their suggestions within the company
	Semi-annual presentation to CEO	If the newly hired white-collar personnel complete six months, they make a presentation to the CEO in order to express their impressions about the company.
	Bring Your Friend	Selection of the most efficient blue-collar personnel based on the criteria determined on a monthly basis.
	HR Announcements	Sharing the changes and announcements within the company with the employees
	5S System	The system and processes are carried out by the personnel in order to create and maintain a quality working environment.
	HR Meetings	Meetings held by the Human Resources department with all personnel at certain periods
	Near-Miss Reports	A system in which the personnel inform on a condition contrary to the Occupational Health and Safety issues
	Seniority Awards	Rewards are given to the personnel who reach the defined seniority years within the company
	Kimpur Ethics	A system in which the personnel inform on a condition contrary to the Code of Ethics
	Lion of the Month	Selection of the most efficient blue-collar personnel based on the criteria determined on a monthly basis
Social Media	Transfer of developments and news about our company and products from social media platforms	

Stakeholder Groups	Communication Platform	Description
Customers	Customer Satisfaction Survey	A survey study is conducted to measure the satisfaction of our customers about our company, our products and our service and to identify the deficiencies
	Activity Report	Evaluation of the previous year's data of our company
	Website Press Release	Announcement of developments about our company and products on our website
	E-Bulletin Social Media	Announcement of developments about our company and products via mass mail
	Magazines and Newspapers	Transfer of developments and news about our company and products from social media platforms
	Fairs	Announcement of developments about our company and products
Supplier	Supplier Pre-Assessment Survey	A survey is conducted to determine how well the products and services from suppliers comply with the company's environmental and quality standards
	Website Press Release	Announcement of developments about our company and products on our website
	Social Media	Transfer of developments and news about our company and products from social media platforms
	Magazines and Newspapers	Announcement of developments about our company and products
	Fairs	Cooperation with current and potential suppliers
Public Institutions	Meetings, forums and conferences	Participating events organized by organizations
Non-Governmental Organizations	Social Responsibility Projects	Strategic cooperation with organizations to support social responsibility projects to benefit the local community and environment
Universities	University Events	Collaborating with the university clubs, with our employees participating in the event days as speakers
	Sponsorship	Sponsorship in university events

Risk Management

In the World Economic Forum (WEF) 2021 Risk Report, the five risks likely to occur are environmental and social risks arising from climate change.



	WEF Risks	Our Approach
1	Infectious Diseases	Our Precautions Against Covid 19
2	Failure to Take Steps on the Climate Crisis	Energy and Emission Management, Corporate Risk Management
3	Weapons of Mass Destruction	Product Management
4	Biodiversity Loss	Adding a warning clause in sales contracts to ensure that no waste is released into the environment
5	Natural Resource Crises	Corporate Risk Management - Water Management
6	Human Environmental Damages	Corporate Risk Management, EMS Risk Management
7	Financial Difficulty Crises	Financial Risk Management
8	Extreme Weather Events	Corporate Risk Management - EMS Risk Management
9	Debt Crises	Financial Risk Management
10	System Crashes in IT Infrastructures	Information Security Risk Management

- You can review our measures against infectious diseases under the section **“Our Measures Against the Covid 19 Outbreak”**

- You can review our performance to reduce our carbon footprint under the Energy and Emission Management.

- You can review our measures and investments regarding information technology infrastructure, including data theft and cyber-attacks, under the Digital Transformation.

Corporate Risk Management

Corporate risks are the risk analysis with threats and weaknesses, in which the strategic issues of the company are evaluated by the management team. Strategic Risks, Financial Risks, Compliance Risks and Operational Risks, Global Risks are also taken into consideration. In regular meetings, relevant risks and global risks (natural disasters, infectious diseases, etc.) are determined for each department, recorded in the Integrated Management System (QDMS) in corporate risk format, and risks are scored based on their priorities. Actions for high risks (score ≥ 12 -risk as per the assessment matrix) are defined. We make evaluations by reviewing the risks.

Our Measures against the Covid-19 Outbreak

In this harsh period of time due to the COVID-19 pandemic in the world, our first priority has always been to keep our employees, customers, all of our stakeholders and their families safe and healthy. Various administrative and operational decisions have been implemented within our head office, factory and offices abroad since the first day of the COVID-19 outbreak in our country, in accordance with the measures announced by our Ministry of Health and the Coronavirus Science Board on occupational and public health.

- Epidemic Committee was established. Urgent measures have been taken in consultation with the committee.
- The health and safety of our employees, customers and business partners has always been our priority. Therefore, all our employees have been informed about Covid-19 by our company doctor.
- Our production and office areas are disinfected regularly, and cleaning kits, masks and gloves are provided at certain points for the use by our employees. In addition, our office workers have continued to work from the office or remotely.
- Business trips have not been organized except for obligatory cases. We have conducted our meetings via video communication channels in order to keep our relations with our customers and business partners tight.
- In order to deliver the orders on time, production has continued by carefully following the hygiene, mask and distance rules.
- Necessary measures were taken quickly for remote access, and additional laptop computers were purchased.
- In order to avoid problems with remote access, the web infrastructure was changed and internet speed was doubled.
- For remote access and remote meeting organizations, all users have been informed and trained for the active use of the Microsoft Teams application, which had not been implemented very often even though it was active within the company.

Digital Transformation

Kimpur has attached great importance to information technologies since its establishment and has continuously invested in information technologies to incorporate the latest technologies. The company has ISO 27001 Information Security Management System certificate for 4 years.

The Information Security Management System is implemented in all units of the company. Our Company, It fulfills all the requirements of the Information Security Management System and checks it regularly with internal and external audits of independent organizations. In addition, it has established policies to continuously improve the Information Security Management System. Accordingly, it included the most up-to-date technologies and applications for information systems. The Company fulfills all legal requirements stipulated in the Personal Data Protection Law and receives training and consultancy on PDPL from experts.

In line with the SAP MRP activities by Kimpur in 2019, incoming requests, future budgets and forecasts, stocks are evaluated, and the amount of raw materials to be purchased and the prices received from alternative supply sources are evaluated on the basis of the “total cost”.

The Company uses SAP (System Analysis and Program Development), which is the world's leading ERP software, offering corporate business solutions for all operations such as production, stock, logistics, maintenance, quality, purchasing, domestic sales, export sales, fore-

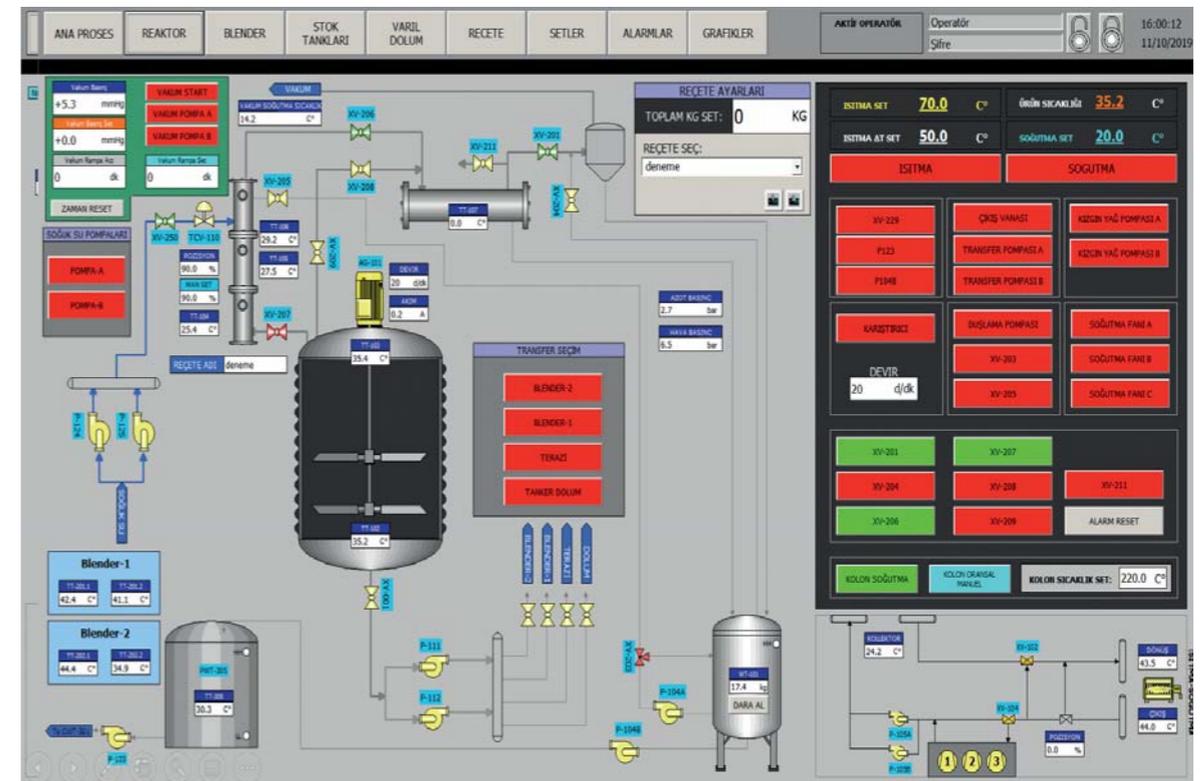
ign trade, accounting and finance.

In addition, all production, stock and logistics operations are monitored instantly via SAP ERP (Enterprise Resource Planning) software. The SCADA system can communicate with SAP, ensuring automation in the production.

For human resources applications, we utilize a software, named “Dakika” by Datasist Bilgi ve Teknolojileri A.Ş, running on the cloud. The company continues production throughout the year without any interruption in the supply chain. Therefore, it monitors the Maintenance and Repair activities through the SAP PM module under monthly and annual maintenance plans, which has led us to minimize the downtime. As in production operations, our barcode applications are used in our logistics operations, ensuring traceability of package lot numbers. The warehouse addressing system ensures rapid tracking and operation, along with active and rapid logistics services provided by the SAP. Thus, product quality and traceability have been guaranteed. The Quality Assurance System is monitored and controlled via the QDMS

Integrated Management System. Product Safety Data Sheets (MSDS) are prepared securely via CHMETER.

A reliable data provision infrastructure has been designed for all financial targets. Monitoring indicators (key performance indicator) have been defined with the rate provided by the information security infrastructure and the SAP system. Key performance indicators are reported to Senior Management on a weekly, monthly and annual basis. In this context, the budgets approved by the Board of Directors are reviewed with the same basis.



Kimpur's information systems have 31 virtual services running on six physical servers with one-to-one backups. These servers have a storage capacity of 27 terabytes and a backup unit of 65 terabytes. The system has a bandwidth of 1 Gbps and includes approximately 185 personal computers. A central backup is performed for all servers on a daily basis, in addition to monthly backups at different locations for these systems.

Kimpur's main internet service provider is Türk Telekom. Our company's factory and central data traffic connection is ensured with a end-to-end encipherment using Internet Protocol Security (IPsec) 256 Bit cryptographic encryption method via Türk Telekom fiber internet infrastructure. In addition, the current fiber lines of Türk Telekom are backed up with ADSL and 4G lines.

Wireless networks are available for users at factory and central locations. Separate wireless networks are provided for guests. There are solutions in regards to exiting from internet by the users and guests in accordance with Law no 5651. There are many security solutions available from providers such as Kaspersky, Sophos, Fortinet Firewall, Netwrix, to protect our company's data and records.

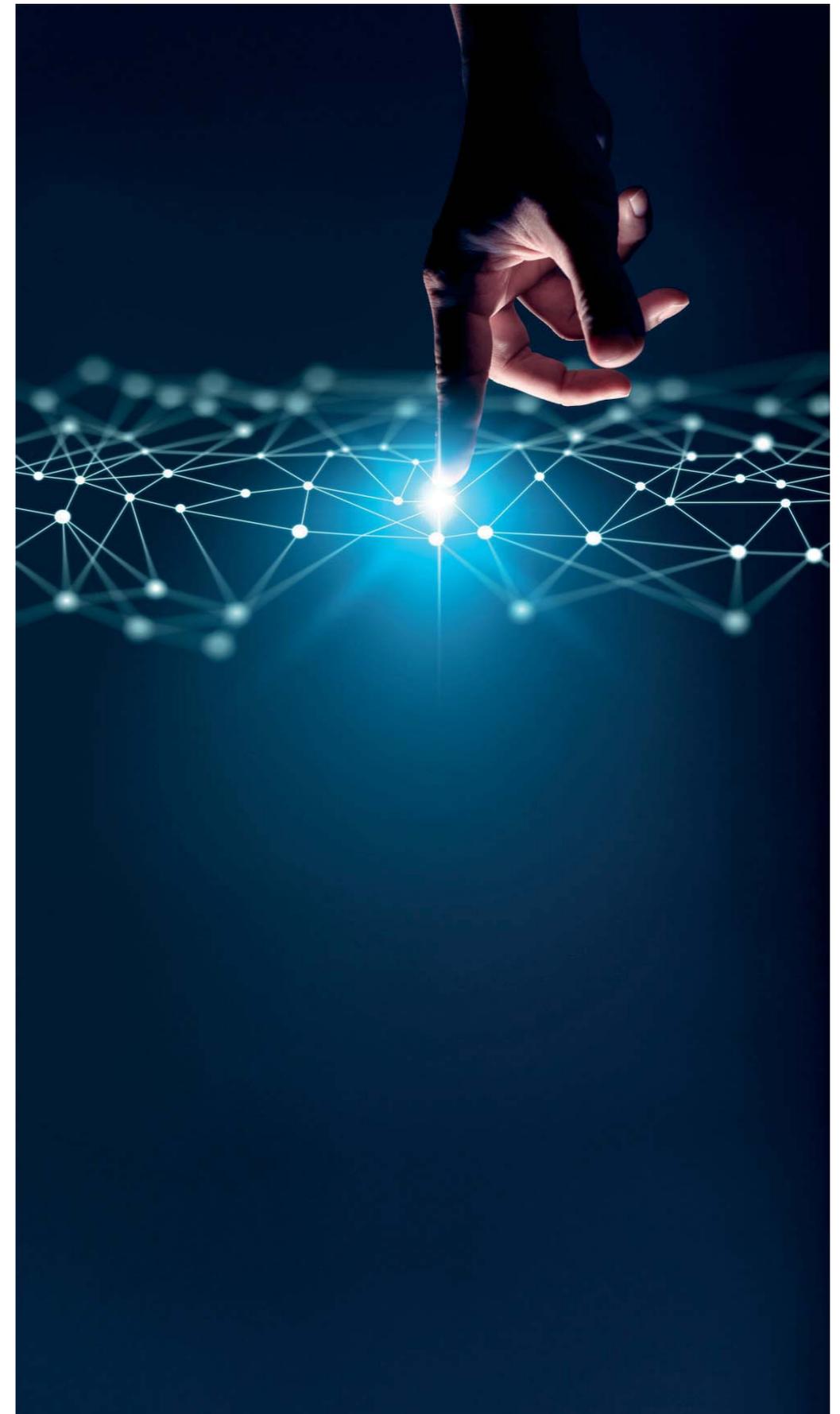
With the remote working environment, the authorized company employees are provided with the opportunity to actively use flexible working methods regardless of location, and this opportunity is also supported by an encrypted VPN (Virtual Private Network). Online meeting applications are used for space-independent communication opportunities of all users within the company. These applications are supported by conference systems in meeting rooms.

Two redundant uninterruptable power supplies (30 minutes and 10 hours) were positioned and supported by generators.

Emergency action plans and risks related to information technologies are regularly reviewed and tested periodically.

Resource capacities, network traffic and loads are constantly monitored. In case of new resource needs, necessary procedures are immediately implemented and budgets are created for issues that require investment.

Controls are carried out to ensure that only the relevant persons can see and change the data related to various authorization methods.





Our Contribution to Environment Our Values

Our Environmental Approach

Kimpur | Environmental



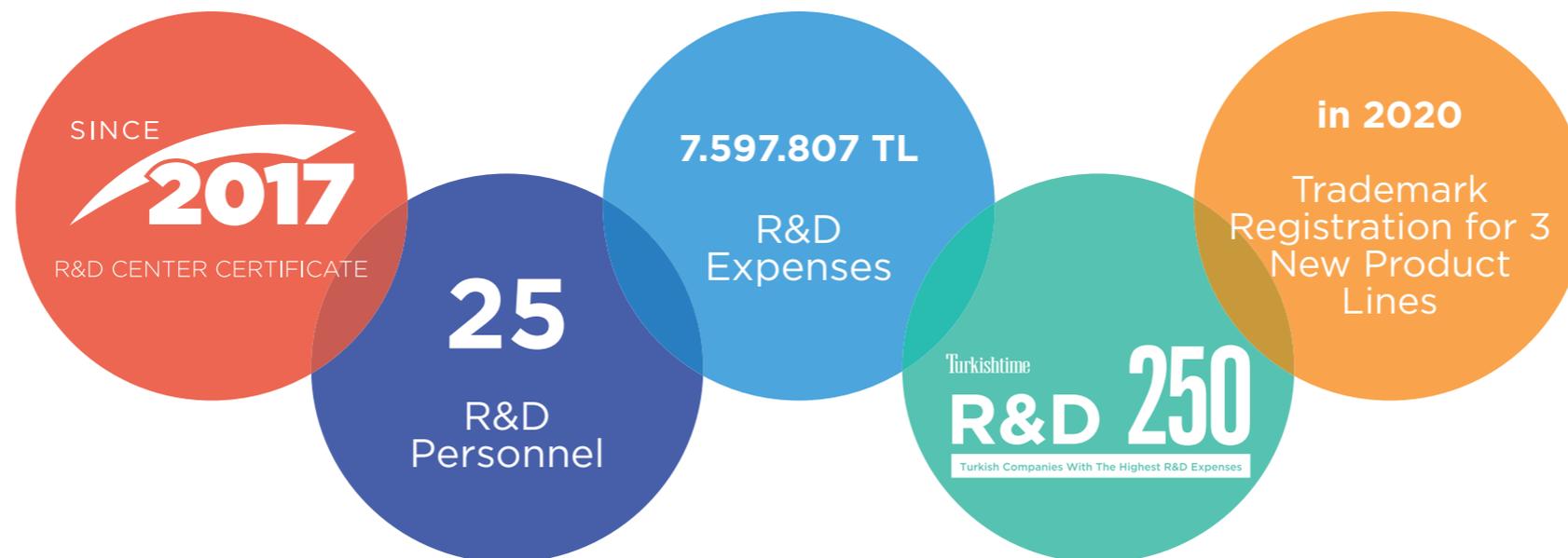
Disposal	2019	2020
Amount (Tons)	10.42	33,50
Amount (ppm)	142	367
Cost (TL)	21,130	55.750

Consultancy Expenses	2019	2020
Cost (TL)	12.550	14.566

Kimpur R&D Center

Our R&D team responds to consumer needs with science and supports Kimpur's innovation projects.

The **Kimpur** R&D Center project is supported by the Ministry of Science, Industry and Technology. We make our processes more effective with our digital transformation investments, and we continue to make a difference in all the industries. We consider R&D, innovation and digital transformation to be the facilitator of our sustainability objectives, and we continue our investments in this field with no interruption.



Based on the R&D 250 research conducted by Turkishtime, **we are the only Polyurethane System House among the top 10 companies that invest the most in R&D in the Chemicals and Products category!**

Innovation

Strong position in growing markets and an excellent innovation platform



Innovative Products

Our systems contribute to prolonging product life and saving resources.

Our commitment to research and development strengthens our position as an innovative company.

Innovative Applications

R&D Simulation Center

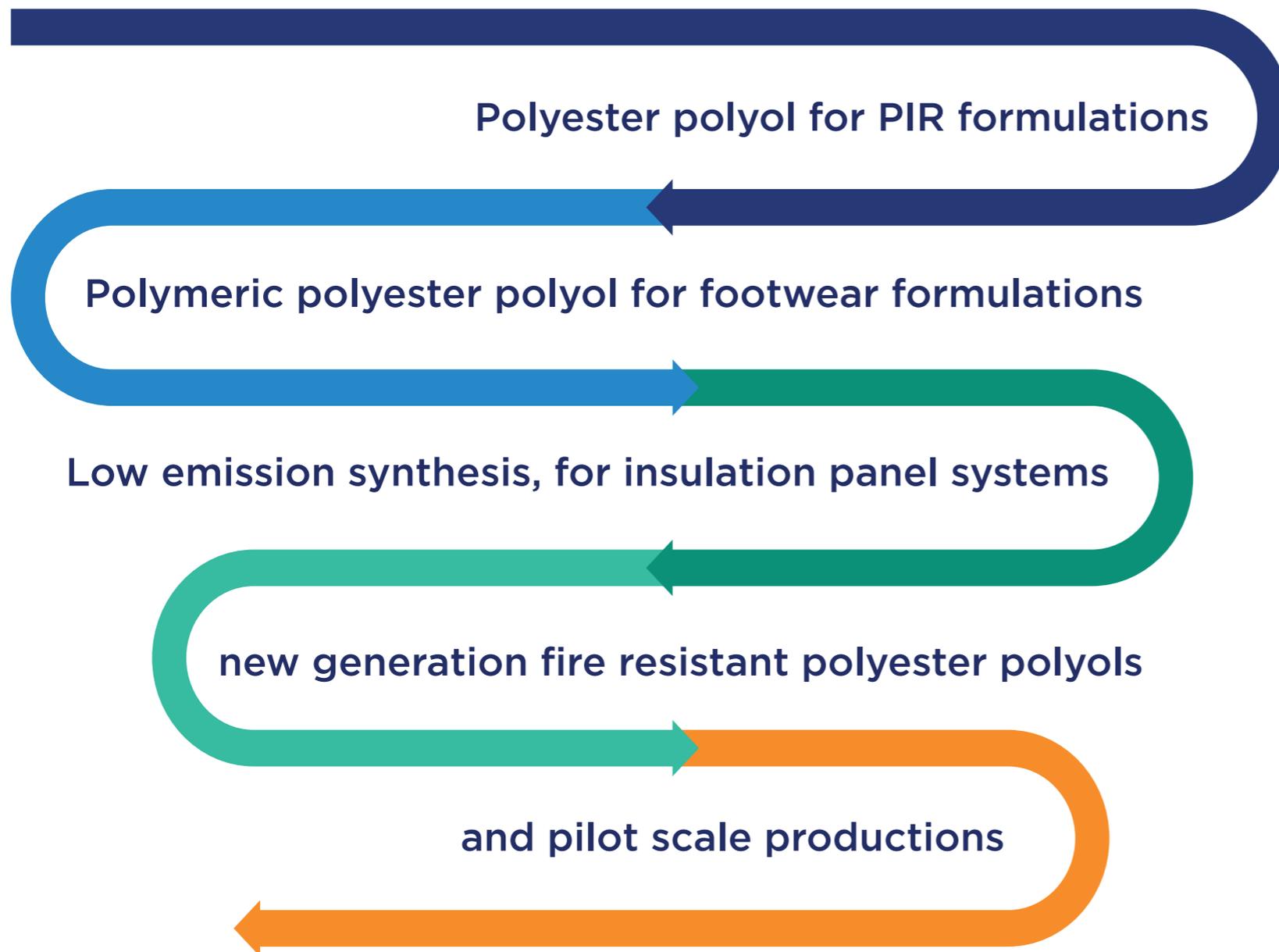
Kimpur, aims to simulate customer production with its investments in machine and mold technology in the simulation center in order to obtain accurate analyzes and rapid results for customer applications.

Innovative Technology

Projects developed by R&D to obtain sustainable, environmentally friendly and value-added products include innovative technologies.

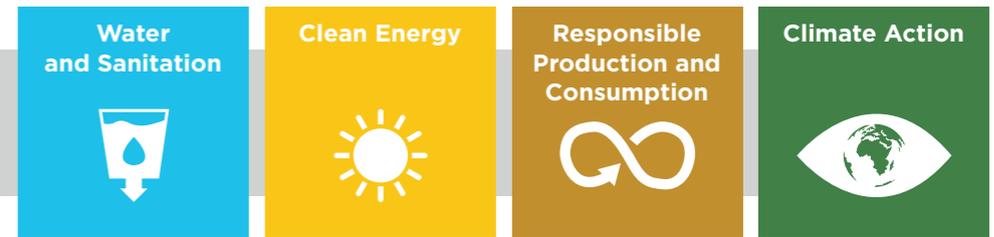
Teydeb Projects

Technology and Innovation Support Programs (TEYDEB) is a TUBITAK institution that provides support to companies with its Industrial R&D Support Program.



TÜBİTAK

Environmental Approach



Product Management

- Producing our products with innovative approaches, taking into account both social and environmental factors.
- Dissemination of bio-based raw materials in production

Energy Management

- Efficient use of energy
- Continuous improvement of the energy management system
- Increasing employee awareness on energy efficiency

Waste Management

- Reducing waste generation in production

Water Management

- Protecting available water resources
- Regularly increasing the practices of monitoring, measuring and reducing our water footprint

Emission Management

- Acting in accordance with the regulations on greenhouse gas
- Increasing our monitoring, measurement and reduction practices within the scope of reducing carbon footprint

Plastics Management

- Reducing the rate of plastic use in our operations

Product Management

All projects in our R&D center are handled in accordance with the principle of sustainability. When the final product is determined to be in a project that may harm society or the environment, the project in question is excluded from the scope of product management.

In accordance with the Montreal Protocol, an international agreement to combat global warming and climate change, we continue to use more environmentally friendly inflating gases, with the investments along with the encouragement of the United Nations Industrial Development Organization (UNIDO), by completely removing the inflating gases that harm the ozone layer from our products.

Ongoing sustainable projects

- Development of bio-based and biodegradable products and their use in product applications
- Development of bio-based solutions for recycling

Water Management

Water is one of the most important substances for the continuation of life in the world and is the most valuable resource for human life. In a world where water resources are depleted or access to water resources is difficult, the life of living things is in danger. Agricultural and industrial activities become unsustainable. With this awareness, we measure our water consumption and perform activities to reduce water consumption.

2019 Water Footprint

	Amount (tons/year)	%
Blue Water Footprint	6.734	10
Gray Water Footprint	58.722	90
Total	65.456	100

2020 Water Footprint

	Amount (tons/year)	%
Blue Water Footprint	8.553	12
Gray Water Footprint	60.878	88
Total	69.431	100

In 2020, we achieved water saving of 6.5% per ton of production.

Energy Management

With the awareness that energy is one of the most important factors in environmental management, we carry out our work in line with the following principles..

%11,58 Energy Saving

Yil	Total Energy Consumption (TEP)	Total Manufacturing (Tons)	Specific Energy (TEP/Tons)
2019	1.595	80,151	0.0199
2020	1600	90,907	0.0176

- Ensuring the availability of information and necessary resources for the realization of objectives and energy targets in the Energy Management System
- Fulfilling the applicable legal and other requirements regarding energy efficiency, energy use and energy consumption related to our activities.
- Continuous improvement of energy performance and Energy Management System,
- Supporting the supply of energy-efficient products and services that affect energy performance,
- Supporting design activities that take into account the improvement of energy performance

Carbon Management

Our company, which adopts and implements other internationally accepted and prestigious management systems, (especially the ISO 50001 Energy Management System) using the Corporate Carbon Footprint Calculation step, has adopted the principle of reducing the carbon burden on the basis of years and targets in order to institutionally examine the effects of greenhouse gases and raise awareness of the personnel by reporting its activities in compliance with the sustainability principle, on a voluntary basis.



2019 CO2 Emissions

	Tones of CO2	%
Natural Gas	2.887	53%
Electric	1.812	33%
Diesel	484	9%
Flights	249	5%
Gasoline	12	0,2%
Generator and Fire Pump	3	0,0%
Fire Extinguisher	0,01	0,0%
Total	5.447	100%

2020 CO2 Emissions

	Tones of CO2	%
Natural Gas	2.805	51%
Electric	1.995	37%
Diesel	536	10%
Flights	90	2%
Gasoline	13	0,2%
Generator and Fire Pump	11	0,2%
Fire Extinguisher	0,01	0,0%
Total	5.449	100%

Energy Management

Kimpur disposes of all wastes at its facilities in accordance with the laws.

isposal	2019	2020
Amount (Tons)	10,42	33,50
Amount (ppm)	142	367
Cost (TL)	21.130	55.750

Consulting Expenses	2019	2020
Cost (TL)	12.550	14.566

Plastics Management

Kimpur is aware of its environmental responsibilities to ensure a sustainable life for future generations, therefore it has added a new one to its efforts to increase its environmental benefits, aiming to sign the **Business Plastics Initiative (IPG)** in 2020 in order to take part in the joint solution of the plastic problem.

Supporting the international common sustainability vision, our plastic commitments will be regularly reviewed in the coming years and its progress will be shared with the public every year.



ADDING VALUE TO OUR LIVES

Social Approach



Kimpur | Social



Personnel (All Personnel)	Unit	2019	2020
Under 30 years of age	Rate	20%	17%
30-50 years of age	Rate	74%	75%
Over 50 Years of	Rate	5%	7%
Age White Collar	Rate	58%	56%
Blue Collar Total	Rate	42%	44%
Field Staff	Person	192	193
Total Training Hours	Hours	2470	3412
Training Hours Per Person	Hours	13	18
Training Expenses	TL	98.640	200.516

Social Approach



Meeting to the needs of society with uncommon solutions that has an impact on every aspect of life in our business regions

Cooperating with different associations and foundations for the education of children and young people regardless of gender and income level and supporting them

Supporting the needs of the local people in our society by cooperating with different associations and institutions

Encouraging the society for social responsibility projects

kimpurethnic

Kimpur Ethics is our code of business conduct and brings our employees together in line with the same values. These values are as follows:



Honesty

We believe that our promise is our most important element. Our word is our guarantee.

The relationships that play a critical role in our success depend entirely on maintaining the highest standard worldwide.



Respect For Human

We believe that all people are inherently valuable. **Kimpur** employees are the driver of value creation. Our imagination, determination and commitment are essential for development.



Protecting Our Planet

We believe that the earth's resources should be protected. Our sustainability projects include the world's best problem solvers working on the world's biggest challenges.

Our decisions, innovations and objectives we have achieved are all powered by our principle of "Setting the Sustainability Standard" and making the world a safer, cleaner and greener place for the next generations.

kimpurethnic

Standing for Code of Business Conduct, **Kimpur Ethics** takes these values into a versatile and clear framework by setting expectations and guiding our behavior.

We aim to enable ethical and legal decision processes and to create a respectful environment. We also believe that it is our duty to carry these values beyond the borders of our company. We believe that achieving these values will lead us to success.

The **Kimpur** Lion, with its upright and straight stance, represents righteousness and honesty.

The Eye reminds us that everyone around the world watches us and every employee must do their part meticulously. The compliance with the Code of Ethics is essential for both company activities and employees.

Kimpur Ethics regulates Kimpur's relations with its customers, employees, shareholders, suppliers, business partners, competitors, environment and society and covers the main topics of People, Business and Citizenship.

* To reach the **Kimpur Ethics** booklet, click [here](#).

Employee Training and Development

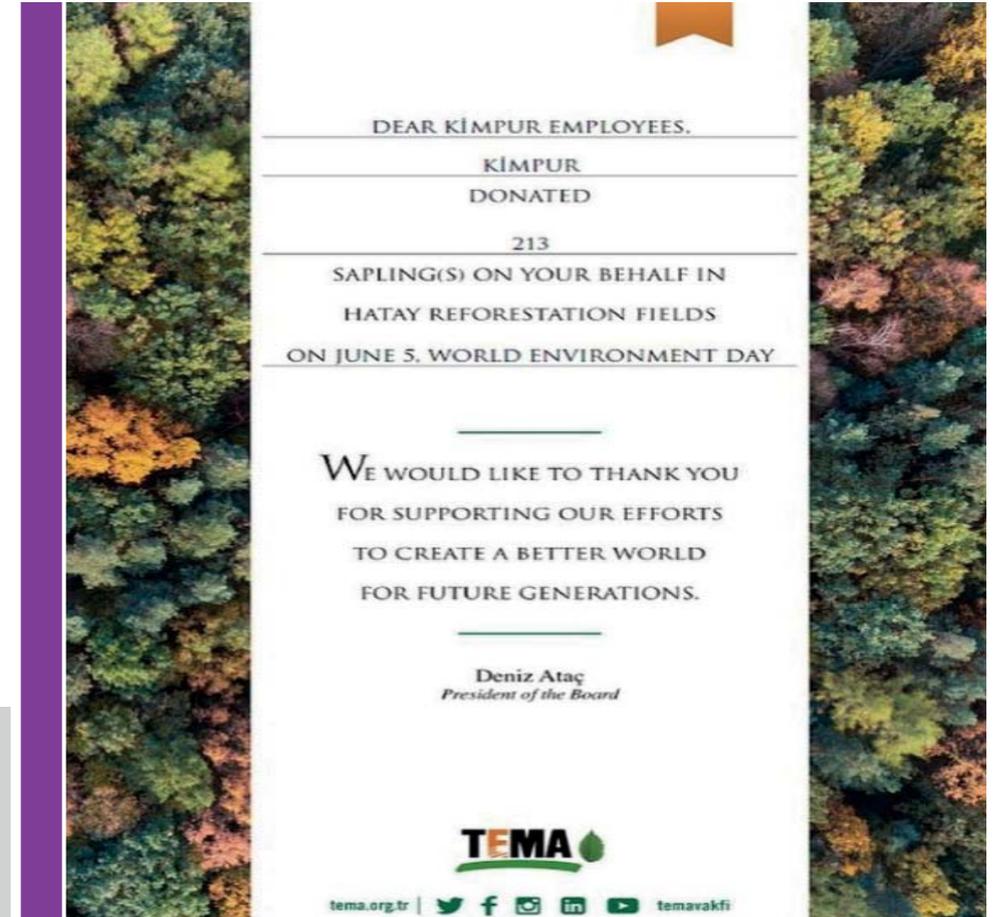
The training of our employees is one of the most significant elements of our development. Our Human Resources team plans annual personal development, job/position-specific expertise, and vocational training programs to improve working styles for our employees, in order to bring training development activities to the same level in all Kimpur's business lines, to meet local requirements and needs, and to support employees in achieving their career goals and performing their jobs safely and effectively.

We increased the total training hours from **2470** in 2019 to **3412** hours in 2020.

	Unit	2019	2020
Total Number of Trained Personnel	Kişi	192	193
Total Training Hours	Saat	2469,50	3412,00
Training Hours Per Person	Saat	12,86	17,68
Training Expenses	TL	98.639,47	200.515,68

Social Responsibility Projects

As part of our cooperation with **KACUV (Foundation for Children with Cancer)**, we presented vacuum flasks from “KACUV Hope Shop” to our female employees, on March 8, International Women’s Day.



As part of cooperation with **TEMA**, we purchased saplings for the Hatay Memorial Forest and donated on behalf of each of our employees, on June 5, Environment Day.

Social Responsibility Projects



As part of our cooperation with Kahve Dünyası, we became a part of valuable social responsibility project and contributed to the Mother Child Education Foundation by gifting all our employees with chocolate boxes containing the drawings of ACEV children.



We donated to the Koruncuk Foundation and contributed to the education, nutrition and healthy development of the children.



We sent flowers or wreaths to our stakeholders on their special days through TEGV (Turkish Education Foundation).

CONTRIBUTION TO BUSINESS



KIMTEKS POLIÜRETA

Financial Approach

Kimpur | Finance

Net Sales

939

Million TL

Operating Profit

Profit

156

Million TL

Export is
%33 of
Our Total
Business



Export

305

Million TL

2020

304

Million TL

2019

634

Million TL

2020

Turkey

411

Million TL

2019

939

Milyon TL

2020

Net Sales

715

Million TL

2019

%31 ↑

Increase in Turnover

%10 ↑

Capacity Increase

%20 ↑

Customer Increase in Rigid Product Group

Establishment of Raw Material Sales Organization and Start of Sales

2020



R&D Center Investments

**Second
Investment on
Footwear
Machinery**

**Flexible
Product
Line Mold
Investments**

**Laboratory
Test Equipment
Investments**



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