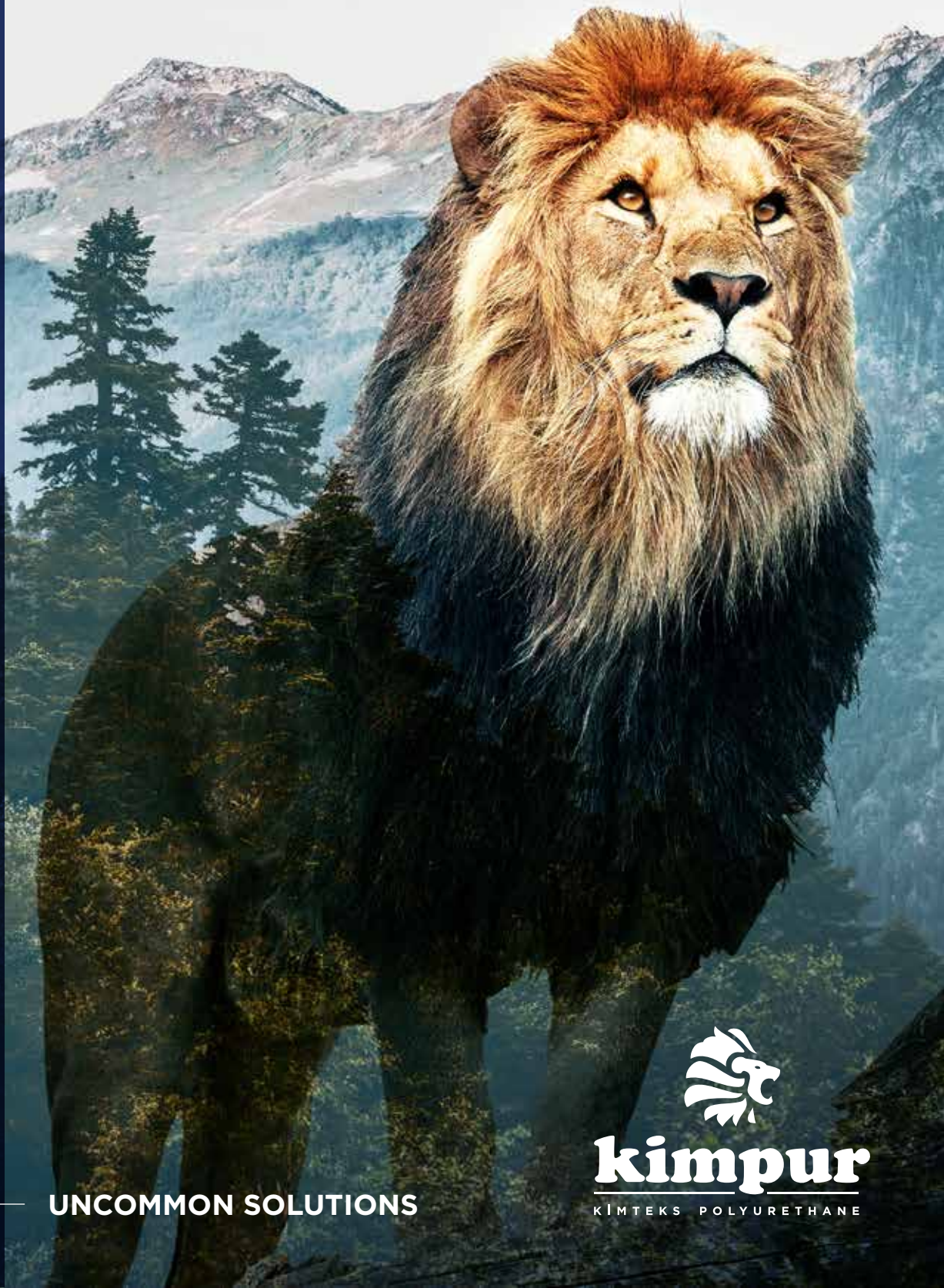

KIMPUR INTEGRATED REPORT

2022



UNCOMMON SOLUTIONS



KIMPUR INTEGRATED REPORT 2022

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ABOUT THIS REPORT

In order to integrate and manage the economical, social and administrative effects created by the company with its operations in a more systematic, holistic and transparent manner, we aim one step further in our journey of sustainability reporting. Kimpur exhibits the values created with this year's report within the framework of the "Integrated Thinking" approach, in which we consider the effects on all our functions and stakeholders in an integrated manner. To this end, we have followed the integrated reporting framework regulated by the International Integrated Reporting Council (IIRC) in our report. In the mentioned third report, we share our progresses and goals in the field of sustainability, qualified as an "Integrated Report". In addition, we have prepared the report as before on the basis of "Core" option GRI standards and have matched our operations and goals with the United Nations Global Compact Sustainable Development Goals (SDGs). Our report covers between January 1, 2022 and December 31, 2022 and has been prepared to inform our stakeholders in a transparent manner.

You can access our integrated report at <https://kimpur.com/en/> and send your questions, opinions and suggestions about the report via sustainability@kimpur.com.

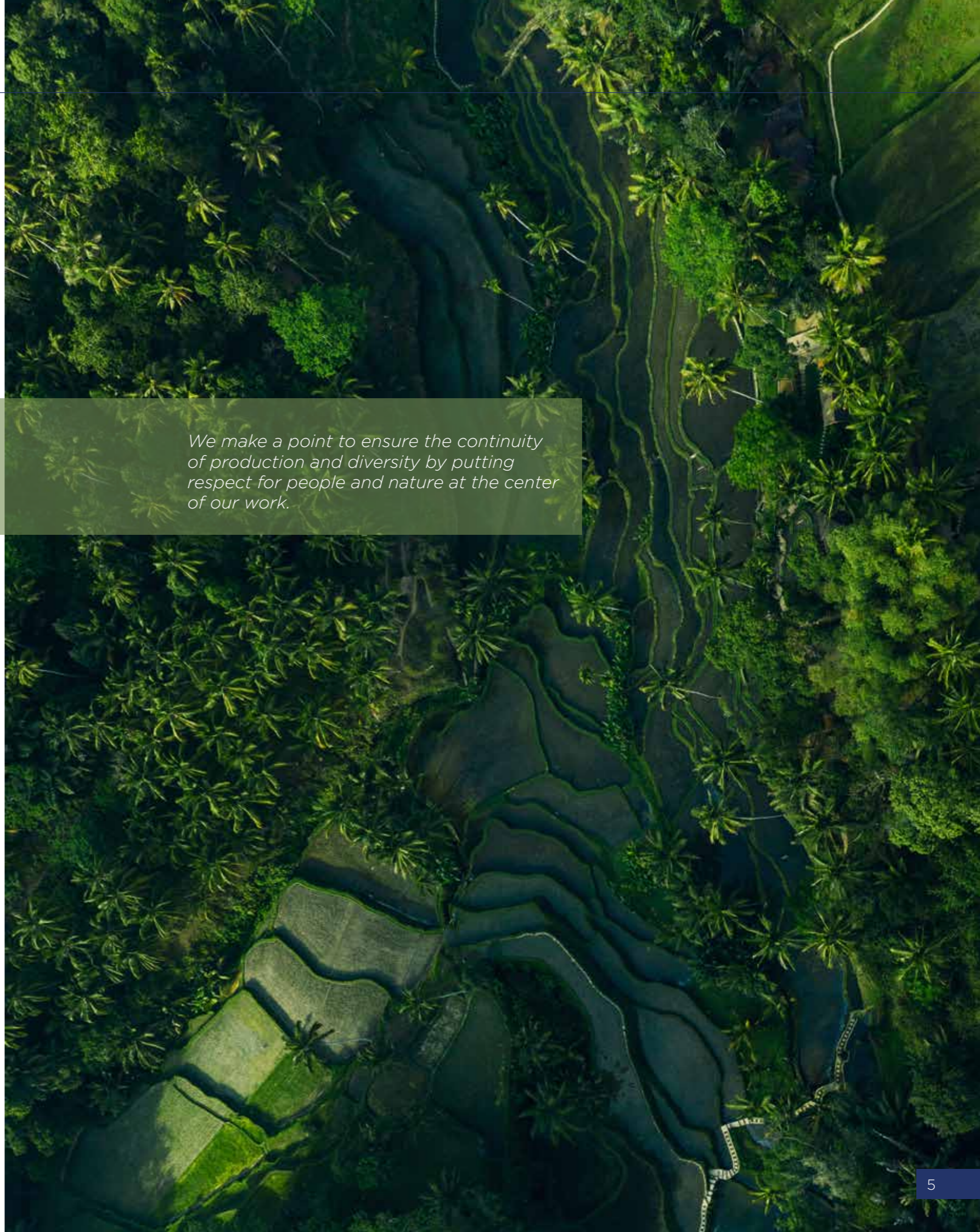
You can access our integrated report at <https://kimpur.com/en/> and send your questions, opinions and suggestions about the report via sustainability@kimpur.com

MESSAGE TO OUR STAKEHOLDERS

We have aimed to improve the current situation and leave a better future, considering the needs of future generations in every project we have realized and seek to realize. By placing respect for people and nature at the center of our work, we pay attention to ensuring the continuity of production and diversity and advancing our work with a sustainable perspective. With this philosophy, we are starting to move forward to have positive effects on nature and social activities, and we strive to minimize any possible negative impacts resulting from our business. Within the scope of the integrated thinking structure, our systematic approaches have become the culture of our institution, and we support our products, our intellectual point of view, our employees, our society and all other stakeholders on the basis of value creation.

We make a point to ensure the continuity of production and diversity by putting respect for people and nature at the center of our work.

We make a point to ensure the continuity of production and diversity by putting respect for people and nature at the center of our work.



CEO MESSAGE

Dear Stakeholders,

The year of 2022 was a productive year for us, in which we supported our respect for people and nature with our projects. Without backing down, we continued to walk on this direction with confident steps. In the polyurethane sector, in which we have been serving for nearly 40 years, we were able to achieve our current goals thanks to trust and brand loyalty in addition to the care that we have shown. We have placed the values and corporate culture we have created within **Kimpur** at the center of our actions and have carried out our work with an honest, fair and egalitarian perspective. In this direction we have presented our performance in 2022 in the economic, social, environmental and governance areas for the first time via the **“Kimpur Integrated Report”** that will be published this year.

In 2022, we aimed to continue to add value to the society and our country, by getting the least negative impact from the current economic situation, which showed its impact worldwide to a great extent. Whilst achieving this goal, we have increased our total asset size to 4.6 billion TL with our regular planning and systematic business process management. In addition to being the polyurethane system house with the largest production capacity and sales volume in Turkey, we became the first system house to be offered to the public. On April 28, we made a successful public offering of 957 million TL, with the disposition of our 27.15 percent shares.

We do not limit investments only to Turkey, but also carry out work in line with our goal of becoming one of the reputable companies abroad in the polyurethane sector. With the advantages of our geopolitical location, we currently export to more than 50 countries in 5 continents.

We aim to become one of the top 10 polyurethane system houses with the largest production capacity in the world, reaching a polyurethane capacity of more than 200,000 tons, with our facility located in Latvia in addition to our Gebze facility in Turkey, and our Düzce factory, the foundation of which was laid in May 2022. Keeping in mind to move forward each year, we continued to increase achievements this year. In the list of Turkey's Top 500 Industrial Enterprises (ISO 500), which we have been in since 2017, we have risen 93 steps this year and ranked as 221st. We have risen 102 places and ranked as 272nd in the Fortune 500 'Turkey's Largest Companies' list. In the Top 1000 Exporters List of Turkey announced by the Turkish Exporters Assembly, we have risen 71 steps this year. Based on the OSB (Organized Industrial Zone) Stars Survey, we became the top company with the highest increase rate in sales and highest sales rate in Gebze OSB in 2021. While we continue to grow by considering sustainable development; we also make configurations in our existing facilities with this viewpoint.

In 2022, we deployed our Solar Power Plant (SPP), which we established in our Gebze factory. Thus, while saving on our electricity costs, we will save about 20% of our annual energy requirement for our production. At the same time, we will prevent about 250-300 tons of carbon emissions annually. On the other hand, we carried out water treatment, dust collection unit installation and landfill renovation. In order to manage our effects on climate change more efficiently, we made our Carbon and Water Footprint inventories calculated based on ISO 14064 and ISO 14046 standards.



In the meantime, as before we spent the year 2022 in the light of science and technology. While developing our R&D targets in our R&D Center, which has been registered by the Republic of Turkey Ministry of Industry and Technology since May 2017, we have invested in 3 new devices. Prospectively, we have added “being one of the first companies that come to mind when R&D is mentioned” among our top materialities. This year, we were entitled to receive ISO 14001 Environmental Management System certificate, thanks to our technology and R&D investments, and our environment-oriented activities that we implement while producing tailor-made solutions for our customers. Thus, within the scope of business excellence, we have obtained 9 certificates.

By including renewable resources in our production, we have contributed to the nature and circular economy. In 2021, we implemented our 'Polyester Polyol Synthesis from PET Bottle Wastes and Commercial Use in Polyurethane Systems' project, which was awarded in the 10th R&D Project Market organized by the Istanbul Chemicals and Products Exporters' Association (İKMİB). By synthesizing polyester polyol from PET bottle waste, we succeeded in producing raw material for slippers that does not compromise its physical and mechanical properties compared to existing standard systems. We broke new ground in the industry with the product we obtained having an elastic structure. In addition, we have created high-performance products by including the Graphene material obtained from the recycling of automotive tire wastes in the production of our KIMflex HR Foam Systems, which are used for sound insulation in automotive. Thanks to the lightness of this material; we have succeeded in increasing the sound insulation performance without affecting the total weight of the car, since lightweight vehicle design is very important today in terms of energy savings.

With this project, we deemed worthy to first prize in the Plastic and Rubber Category at the 11th Chemistry R&D Project Market Award Ceremony this year. With Graphene, we also increased the performance of our KIMflex HR Foam Systems. Another sustainable product we added to our portfolio was bio-based polyols, which are in high demand in the global market. While we continue to contribute to nature by using the raw material we obtain with our high functionality bio-based polyols in sandwich panel, refrigerator and cold room panel formulas, we have produced and continue to produce sustainable solutions for the product life cycle of our customers.

At the same time, this year we accelerated our work on the Defence Industry and laid the groundwork for many new collaborations. In line with our goals to increase our activities for our project work in this field, we became a member of SaSaD (Defence and Aviation Industry Manufacturers Association) and SAHA Istanbul (Defence and Aviation Cluster). With the awareness of social responsibility, which is one of the core values of our company, we have created a memory forest in Izmit. In order to provide social benefit, we cooperated with various non-governmental organizations, associations and universities, taking into account the needs of the local community, and provided social incentives to our stakeholders.

We continued our work within the scope of SA 8000 Social Responsibility Management System, a global standard on human rights management. The works in which people and nature are prioritized continue to be executed. With this vision; we signed the Responsible Care® Global Agreement, which symbolizes our care to environment, human health and technical safety. For now, it is one of our top materialities to increase our contribution in 2023 to both Responsible Care® and the United Nations Global Compact and exceeding our contribution in 2022.

The happiness and well-being of our employees, who are the heroes of all our achievements, are always important to us. We sincerely believe that an effective result can only be achieved with well performing employees and we aim to adopt this to all our stakeholders. Through this point of view, as a result of achieving high trust rates from our employees; we were entitled to receive the “Great Place to Work®” certificate in Turkey and were included in the list of Turkey's Best Employers.

In order to create a common value with you, our valuable stakeholders; putting forward work by considering social, environmental and governance perspectives; we have also laid the foundations of our work for 2023. It was valuable for us to feel your endless trust and support by our side in every action we take. We will continue to represent our country proudly and add value to our stakeholders with the assurance of trust we have received from you.

To all our stakeholders who share our dreams so that we can leave a better future, to all our employees who put their heart and soul into their work, and to our Board of Directors, who is always with us; I sincerely thank you for your contribution.

Cavidan KARACA
CEO

CORPORATE PROFILE



ABOUT KİMPUR

As KİMTEKS POLİÜRETAN SANAYİ VE TİCARET ANONİM ŞİRKETİ, which has always increased its development momentum since its establishment, we are proud to be among **Turkey's Top 500 Industrial Enterprises**. We are the polyurethane system house with the largest production capacity in Turkey with our subsidiaries of 130,000 tons in Turkey and 25,000 tons in Europe. With the launch of our Düzce investment, we aim to reach a production capacity of more than 200,000 tons and to be one of the top 10 polyurethane system houses in the world.

We lead the industry by exporting to more than 50 countries in 5 continents. The polyurethane systems manufactured within the scope of our company allow the use of different fields such as shoes, automotive, furniture, heating and cooling, temperature-construction. We continue to invest in polyurethane system in the field of technology and R&D and produce customized solutions for our customers.

Our principle is to exhibit the highest level of performance in every field in which we operate, and we work in this direction. Through our investments in our employees, our ability to adapt quickly to change, and our strong communication network; we maintain our services at the highest quality.

We share all our experience and knowledge about polyurethane techniques, implementation trends and well-known polyurethane technologies with our customers, and offer them uncommon solutions that make them feel special by actively using new product and system designs. Since May 2017, we have been continuing these activities as an "R&D Center" with 27 R&D personnel who are experts in their fields.

The product design process in our Kimpur R&D starts with the synthesis of molecules to be used in formulations, and we organize it to cover the development of the system and the testing of the final product with trials by machine in the Implementation and Simulation Center.

We aim to simulate customer production exactly with the machinery and mold investments we have made in the simulation center we have established in order to obtain accurate analysis and fast results for customer applications. We are proud to have the opportunity to test the original products we have developed in the laboratory environment with the production equipment mostly used in the sector for the applications of product groups such as shoes, flexible foam and rigid foam.

Our goal is to make our success and leading position permanent in line with the emphasis we put on to the satisfaction of our suppliers, customers, and employees.



39

YEARS OF
EXPERIENCE

EXPORT TO
50+

COUNTRIES

130

kT
PRODUCTION
CAPACITIES
IN TURKEY

25

kT
PRODUCTION
CAPACITY
IN EUROPE



In the list of Turkey's Top 500 Industrial Enterprises (ISO 500), we climbed **93** places this year and ranked as **221st**.



We were ranked **272nd** in the Fortune 500 'Turkey's Largest Companies' list, climbing **102** places.



We became one of the **top 10** companies among 1.211 companies in the "Plastic Raw Material Export" category in the **Stars of Export** list.

We were ranked **28th** in the category "**Organic Chemicals Exports**"

and **41st** in the "**Miscellaneous Chemicals**" category.



In the **Top 1000 Exporters** list, we climbed **71** places among all companies, while in the industrial ranking, we climbed **12** places and ranked **55th**.



While being the company that had the **highest increase in sales and highest sales** in the OSB where we operate, we were among the **top 50** companies among all OSBs in Turkey.



We became one of the **top 100** companies that had the **highest increase in sales and highest sales** among all OSBs in Turkey.

The researches are conducted using data from the previous year.

MISSION

To be a firm that shows respect to individuals and society, has legal and ethical values, and is sensible to the environment and makes its employees and business partners proud and content.



VISION

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

HISTORY



1983

Establishment
Kimteks Kimya



1999

Production
Hadımköy
Facility Shoe
System Sales



2008

Production
Transition to
Gebze Facility,
Capacity
Increase



2009

**Field of
Activity**
Rigid
Foam
System
Sales



2010

**Field of
Activity**
Flexible
Foam
System
Sales



2015

**Capacity
Increase**
30 kT Sales
Volume



2016

Kimpur
Reconstruction
and
Transformation
Kimteks
Separation of
Polyurethane
from
Kimteks
Kimya



2017

R&D
R&D Center
Certificate
Partnerships with
Arçelik and Vestel



2018

**Export
and Sales**
Kimpur Rus
Establishment



2020

**Capacity
Increase**
72 kT Sales
Volume

6 Sigma
Model of
Excellence



2021

**90 kT Sales
Volume**

**Düzce Facility
Investment
Decision**

**PET Recycling
Facility Investment
Decision**
Eco-friendly
Products with 5 kT

10 kT Eva
Production
Capacity

**Kimpur Europe
Latvia Investment**
25 kT Production
Capacity



2022

**Kimpur Public
Offering**

**Kimpur
Commissioning
of Europe**

**Gebze
Factory
Roof SPP
Investment**

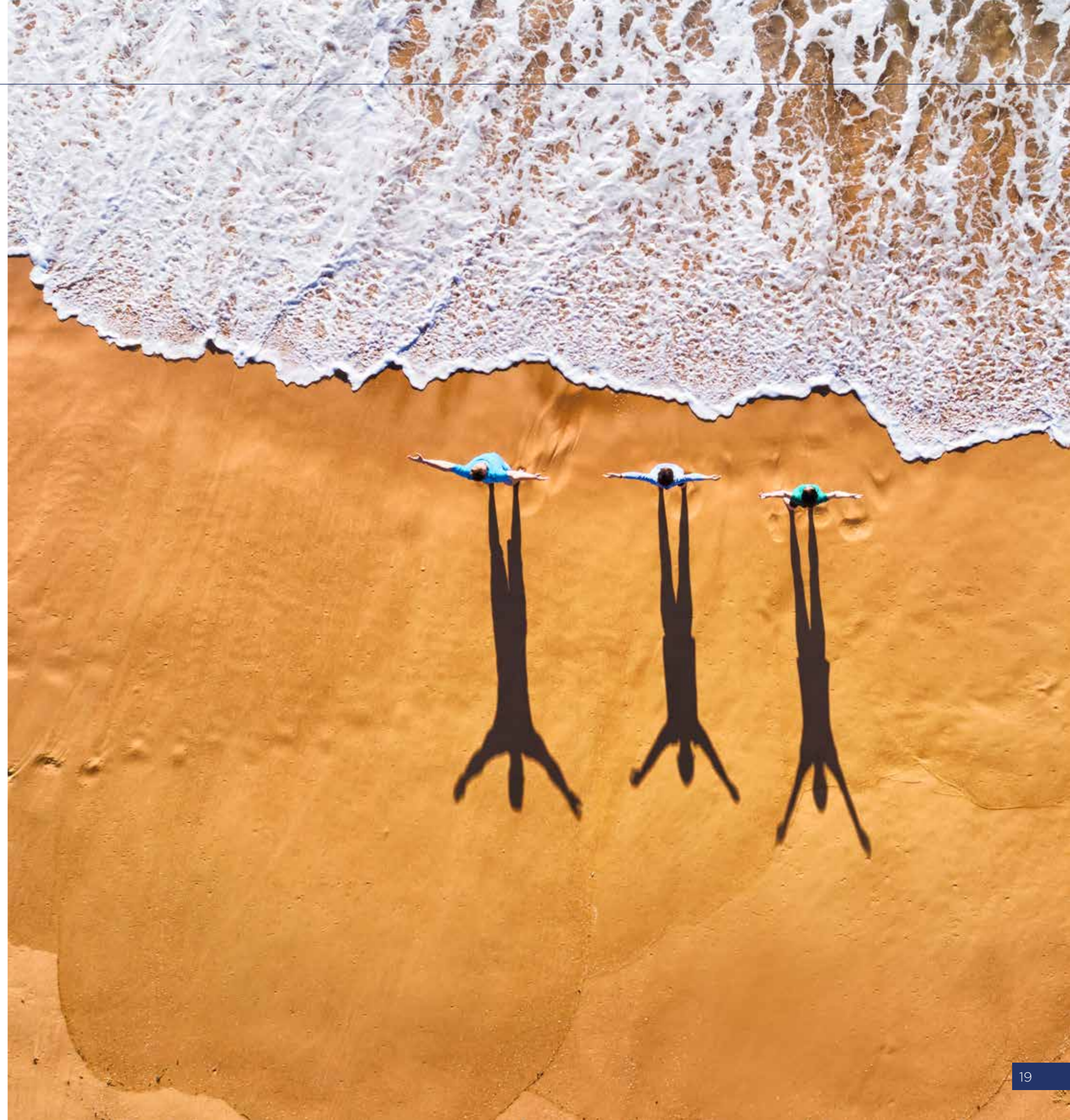
**Düzce
Facility
Laying The
Foundation
and
Construction**

PRINCIPLES

- Approaching our customers suppliers and employees with empathy and creating results that satisfy all of our stakeholders.
- Doing the best work and striving for having it done.
- Establishing relationships based on integrity with our customers suppliers and employees.
- Showing respect to ourselves team mates customers suppliers and the environment.
- Investing in knowledge technology and people and ensuring progress through continuous innovation.
- Being a company followed for its innovations and practices in the industries we operate in.
- Growing each year while maintaining our strong finances capital knowledge and human resources.
- Committing to what we can do and absolutely fulfilling our commitments.

VALUES

- Respect,
- Reliability,
- Honesty,
- Leadership,
- Success,
- Innovation,
- Empathy,
- Strength,
- Sustainability



INDUSTRIES



SHOE
INDUSTRY



AUTOMOTIVE
INDUSTRY



**CONSTRUCTION AND
INSULATION**
INDUSTRY



FURNITURE AND FOAM
INDUSTRY



HEATING AND COOLING
INDUSTRY



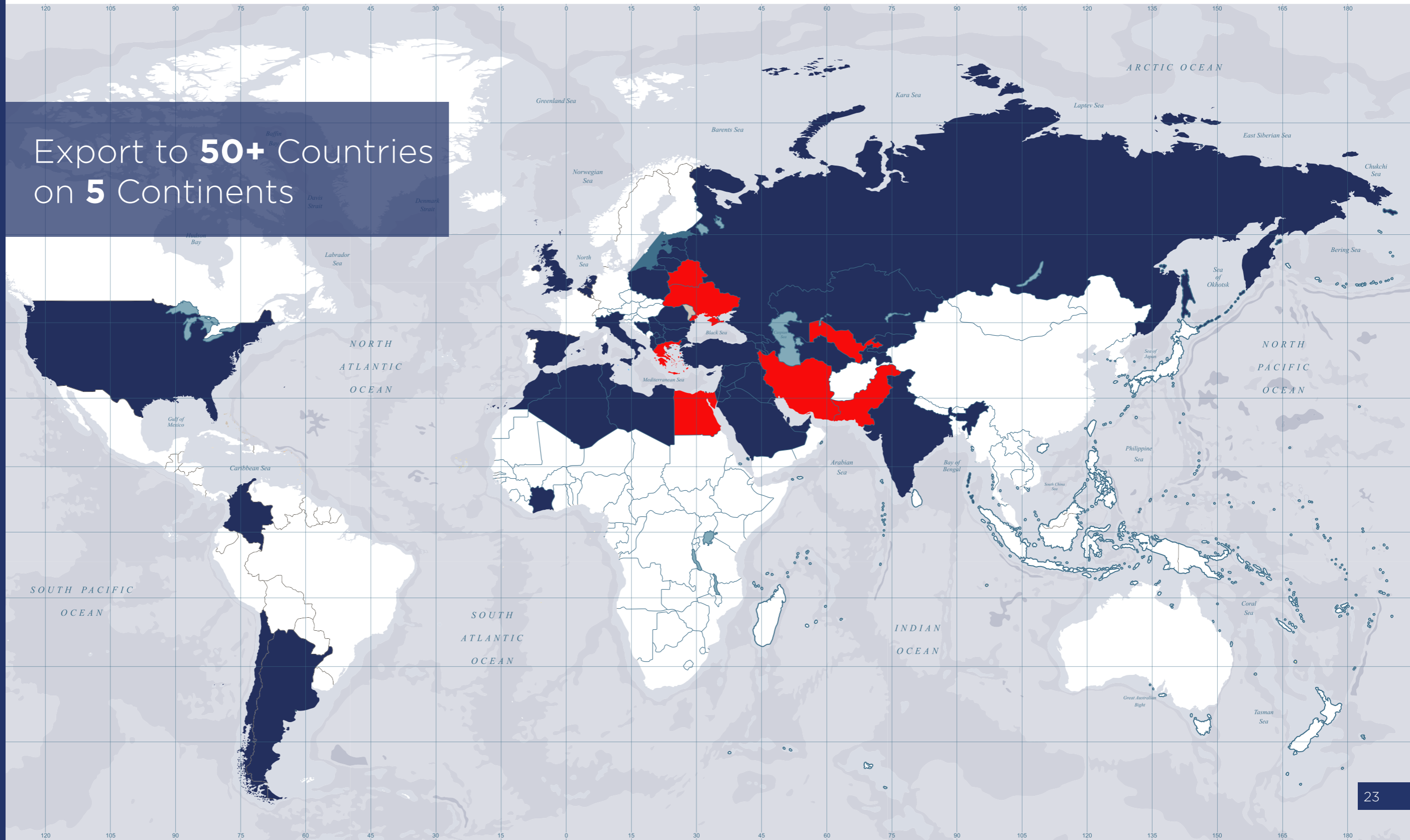
RAW MATERIALS

MARKETS

 **Export Countries**

 **Distributors**

Export to **50+** Countries
on **5** Continents



kimFOOT[®] FOOTWEAR SYSTEMS

Ergonomic, Steady and Comfortable Steps

We have been developing tailor-made polyurethane systems to provide all kinds of soles and footwear systems.

KIMfoot[®] Our shoe product group called KIMfoot[®] Footwear Systems has a wide range of products and is divided into various groups based on their areas of usage. These systems, which are designed according to the specific expectations of each sub-product group, can be applied using injection or casting machines. The footwear systems we have developed to provide tailor-made systems for our customers, is used in the production of the following products:

Shoe Polyurethane Systems

Sole Production

- Spring, Summer and Winter Systems
- Compact Soles Systems
- Wood Imitation Systems
- Insole Systems

Slipper Production

- High Flex Standards Slippers and Sandals Systems
- KIMlite Slipper Systems - Ultra-Low-Density Slipper Systems with Various Hardness
- New Generation (NG) Systems - Low Density and High Flex Resistance Slipper and Sole Systems

Occupational Safety Sole Production

- Single/Double Density
- Footwear Systems for Military Boots Requiring High Strength

Boot Production

- Double Density

TPU (Thermoplastic Polyurethane) Systems

- Shoe Sole and Accessories Production

*We started the activities of distributorship of thermoplastic polyurethane products, the trademark of Wanhua Chemical Group named 'Wanthane'.



kimFLEX[®] FLEXIBLE FOAM SYSTEMS

Superior Living Comfort

We develop MDI-based **KIMflex**[®] Flexible Foam Systems. We classify Flexible Foam Systems as; HR foam systems, viscoelastic systems, integral systems and filter systems.

HR Foam Systems

- Automotive Industry (car seat, sound proofing system, headrest, ceiling tile etc.)
- Furniture Industry (Pillow, sofa, office chairs)
- Orthopaedic Products (Waist pillow, lumbar support, seat cushion, reflux pillow, stress ball)
- Semi-Rigid Polyurethane Foams

Integral Systems

- Automotive Industry (Steering wheel, bumper, armrest etc.)
- Furniture Industry (Office chair armrest)
- Medical Industry (Stretcher parts)
- Cop and Toy Production
- Sound and Vibration Insulation (Shock absorber, stopper)

Filter Systems

- Automotive Industry (Air and oil filters, radial and panel filters etc.)

Viscoelastic Systems

- Furniture Industry (Visco pillow, reflux pillow, visco bed production etc.)
- Medical Industry (Earplug, head protection equipment, knee pads)



kimRIGID[®] RIGID FOAM SYSTEMS

Excellent Performance

The **KIMrigid**[®] Rigid Foam Systems, which we have produced and designed in Performance Excellence Kimpur System Facilities, are used in various special and industrial applications. We use this application in the following industries:

- Construction and Building Industry (PIR and PUR panel systems, MW/EPS panel adhesive systems, solar panel systems, boiler systems, blinds systems, pipe insulation systems, spray systems)
- Cooling Industry (Refrigerator systems, cold room systems)
- Furniture Industry (Wood imitation systems)



kimCASE[®] SPECIAL PRODUCTS

High Performance Solutions

Kimpur has a wide portfolio of prepolymers and systems that it has gathered under the **KIMcase**[®] Special Products group for various CASE (Coating, Adhesive, Sealent, Elastomer) applications.

KIMcase[®] Special Products; the result of an innovative technology based on special polymers, designed and developed after many applications, for the construction industry, transportation, textiles and architecture. We use these applications during the production of the following products:

Coatings

- Roofs, terraces, balconies, industrial floors, parking lots, swimming pools, aquariums, water tanks, irrigation reservoirs, etc.

Bindings

- Walking paths, sports field floors, children's playgrounds, park and garden flooring, window and door sills, rubber derivative products, etc.

Sealing Materials

- Production of power cable outer sheath in the automotive industry
- Production of "Filter Box" for automotive industry

Elastomers

- Padded mats, industrial cylinder linings, hydraulic seals, elevator chock, rail pads, industrial filters, flotation cells, textile cylinder etc.



kimPOL[®] POLYESTER POLYOLS

High Performance Formulations

We are aware of the fact that our customers need high performance solutions in order to develop their products. We produce **KIMpol**[®] Polyester Polyols; which stem from multifunctional carboxylic acid and polyhydric alcohol combinations with various functions to provide the best solutions to industries such as shoe industry (system component), paint industry, foam, elastomer and insulation industries (rigid foam applications).

Our polyester polyol is specially designed for the needs of our customers in line with the features requested.

Our polyols can serve many areas of usage:

- Polyurethane systems for shoe industry
- Flexible and rigid polyurethane foam systems
- Cast elastomers and thermoplastic polyurethane
- Polyurethane coating systems
- Polyurethane adhesive systems



kimPLUS[®] AUXILIARY MATERIALS

We collect mold release agents, which we have developed to facilitate the production of polyurethane systems, and liquid colorants used to color polyurethane, designed with appropriate binders, under the **KIMplus**[®] Auxiliary Materials product group.

Release Agents provide easy and non-deformable release of the product from the mold by forming a layer between the polyurethane and the mold, while liquid colorants (liquid color masterbatches) are used to color polyurethane systems.

Release Agents

- Shoe Industry
- Automotive Industry
- Furniture Industry
- Construction Industry

Liquid Colorants

- Shoe Industry



kimPLAS[®] SPECIAL COMPOUNDS

KIMplas[®] Eva Granule, which can be produced in different features in line with the demands of our customers, is developed with many different color options and superior advantages.

KIMplas[®] Eva Granule is used for various applications.

- Shoe
- Slipper
- Midsole
- Outsole
- Insoles
- Boots
- Bags
- Stroller Wheel
- Bicycle Wheel
- Bike Saddle
- Fishing Net Mushroom and Fender
- Door and Window Filtering Gaskets
- Filling and Sealing Gaskets in Vehicle Interior and Engine Accent Section
- Blinds
- Protection Barriers Against Paint Scratches During Transport



kimRAW[®] RAW MATERIALS

Our fast raw material supply and after-supply service understanding make us a preferable and strong supplier in various industries.

Under the **KIMraw[®]** product group raw materials are supplied. We use it in many different areas such as plasticizers, adhesives, construction chemicals and paint, especially polyurethane systems.

In our **KIMraw[®]** products line, raw materials are grouped into polyether polyols, polyester polyols, isocyanates, glycols, carboxylic acids, flame retardants and catalysts:

- Base Polyols
- Isocyanates
- Glycols
- Carbon Acids
- Flame Retardants
- Catalysts



KIMPUR WORLDWIDE



KIMPUR EUROPE

We have adopted a management style that we believe we can always do better, instead of being content with what we have. Therefore, we do not limit our production area with our country and make investments to take part globally. In order to expand our logistics network and take advantage of the geopolitical location.

Kimpur Europe was established in partnership with Adamantan SA Polyurethane System House in Latvia, one of the most important strategic points of Europe. Thus, as a polyurethane system house with Turkey's largest production capacity and sales volume, Kimpur has started to produce its uncommon solutions in Europe.

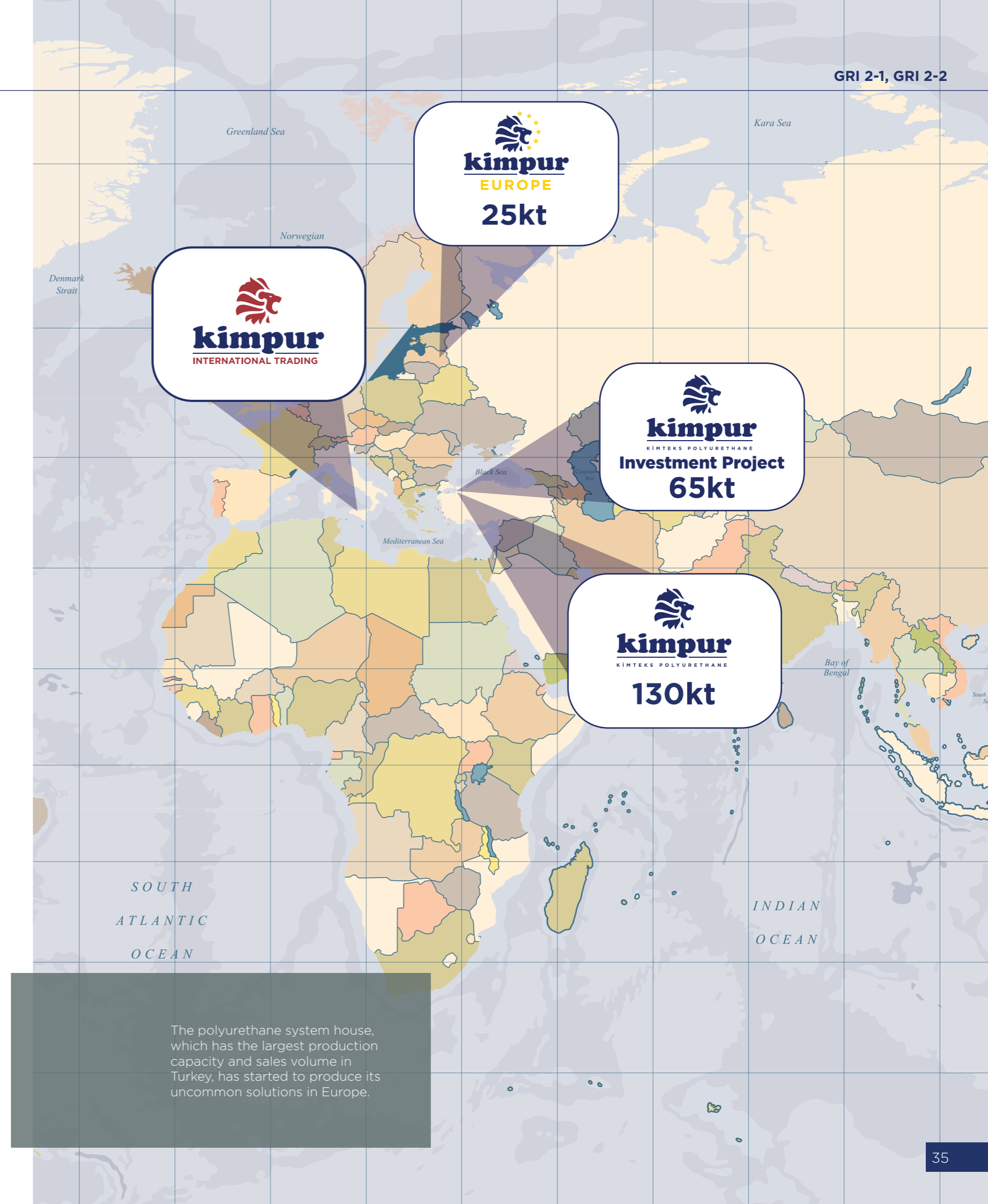
Our goal is to make our facility with a capacity of 25 thousand tons, located in Hidrolats SIA Industrial Zone in Latvia, a production base for spray systems.

KIMPUR RUS

We carry out our operations from our office in Russia in order to provide a closer service to our customers in the Commonwealth of Independent States countries.

KIMPUR INTERNATIONAL TRADING

Through our commercial establishment in Malta, we continue to carry out our product trade, which consists mainly of raw materials.



The polyurethane system house, which has the largest production capacity and sales volume in Turkey, has started to produce its uncommon solutions in Europe.

VALUE-ADDED OWNERSHIP STRUCTURE



GRI 2-27

| Name Surname / Commercial Title of the Partnership | Share in Capital (TL) | Share in Capital Ratio (%) | Vote Rate (%) |
|--|-----------------------|----------------------------|---------------|
| YUDA LEON MIZRAHI | 45,433.241 | 37.38% | 55.14% |
| ISAK IZI MIZRAHI | 10,253.885 | 8.44% | 12.80% |
| İNNOVİS TİCARET VE DANIŞMANLIK A.Ş. | 7,133.966 | 5.87% | 8.90% |
| ETEL SASON | 13,272.633 | 10.92% | 5.23% |
| BETİ MIZRAHI | 10,253.885 | 8.44% | 4.04% |
| SALVO ÖZSARAFATI | 9,511.952 | 7.83% | 3.75% |
| OTHER | 25,690.438 | 21.12% | 10.14% |
| TOTAL | 121,550.000 | 100% | 100% |

PROFIT DISTRIBUTION POLICY

The main purpose of profit distribution is to determine the profit distribution principles of the company in accordance with the regulations to which our company is subject to and the provisions of the 'Articles of Association', and the shareholders can predict the distribution methods and principles of the profit that the company will obtain in the future periods.

In terms of profit distribution, our company ensures that the interests of the shareholders and the company are provided in a balanced way. We comply with the Capital Markets Law No. 6362 ("CMB"), Turkish Commercial Code No. 6102 ("TCC"), capital market legislation, and other relevant legislation and regulations. Our company pays utmost attention to the realization of the principles included in the Corporate Governance Principles regulated in the current Corporate Governance Communiqué of the Capital Markets Board, which can be amended and changed from time to time.

AUTHORITY AND RESPONSIBILITY

The Profit Distribution Policy is created by the Board of Directors in the framework of Capital Markets Board Corporate Governance Principles and has been submitted to the approval of the shareholders as a separate item on the agenda in the General Assembly meeting of our company. The authority and responsibility of monitoring, developing and updating the Profit Distribution Policy of our company belong to our Board of Directors.

PROFIT DISTRIBUTION PRINCIPLES

In principle, as long as the relevant regulations and financial possibilities allow; profit distribution is decided by taking into account market expectations, our long-term strategy, capital adequacy of our company, its subsidiaries and affiliates, investment and financing policies, profitability and cash situation.

Dividends can be distributed to the shareholders free of charge by adding cash or profit to the capital, or a certain amount of cash can be distributed as bonus shares at a certain rate. As a principle; the goal is to distribute at least 50% of the distributable period profit calculated within the framework of the capital market legislation to the shareholders. Dividend is distributed equally according to existing shares of the shareholders as of the distribution date, regardless of their issuance and acquisition dates. The company does not have any shares with dividend privileges.

As per Turkish Commercial Law (TCL), unless the reserve funds to be set aside and the dividend determined for the shareholders in the articles of association or the profit distribution policy are reserved, it cannot be decided to allocate other reserves, to transfer profits to the next year, and to distribute dividends to members of our board of directors, partnership employees and persons other than the shareholders, and no dividends can be distributed to these persons unless the dividend determined for the shareholders is paid in cash. Dividends are distributed to the shareholders on the date determined by the General Assembly, following the approval of the General Assembly within the specified legal periods. The General Assembly decides on the profit distribution date. The General Assembly or, if authorized, the Board of Directors may decide to distribute the dividend in instalments in accordance with the capital market legislation. The Board of Directors may distribute advance dividends, provided that it is authorized by the General Assembly and complies with the capital market legislation.

ADVANCE DIVIDEND DISTRIBUTION PRINCIPLES

As per the Article 14 of the Articles of Association, titled "Advance Dividend", "The General Assembly may decide to distribute advance dividends to the shareholders within the framework of the provisions of the Capital Markets Board (CMB) and other relevant legislation. Provisions of the relevant legislation are compiled within the calculation and distribution of the advance dividend amount. In order to distribute advance dividends, it is obligatory to authorize the Board of Directors, limited to the relevant accounting period, with the decision of the General Assembly."

MANAGEMENT APPROACH



The competence of the Board of Directors and senior management, and the responsibility it feels towards all its stakeholders are at the forefront in the path that **Kimpur** has taken for nearly 40 years to produce uncommon solutions with its global vision.

BOARD OF DIRECTORS

The Board of Directors, which is the highest executive authority responsible for **Kimpur's** operations, consists of five members, two of whom are independent.

| Board of Directors | | |
|--------------------|--------------------------|-----------------------|
| Name-Surname | Job | Period of Office |
| Yuda Leon Mizrahi | Chairperson | 22.01.2021-22.01.2024 |
| Cavidan Karaca | Deputy Chairperson | 22.01.2021-22.01.2024 |
| İsak İzi Mizrahi | Board Member | 22.01.2021-22.01.2024 |
| Ömer Bakır | Independent Board Member | 05.10.2021-22.01.2024 |
| Mehmet Mete Başol | Independent Board Member | 05.10.2021-22.01.2024 |

Table 1.1: Board of Directors

We have included the declarations of independence of our Independent Members of the Board of Directors, including the issues regarding the prevention of conflicts of interest, in the annex of our report.

The term of office of Board Members, who are elected for a three-year term, will continue until January 2024.

BOARD OF DIRECTORS

| Board of Directors | | | |
|---------------------|---|---|---|
| Name Surname | Job | Tasks Undertaken in the Partnership in the Last 5 Years | Tasks Taken Out of the Partnership as of the Latest Situation |
| Zafer Demirel | CFO | - | - |
| Türker Tuncer | Human Resources Senior Manager | - | - |
| Mehmet Bürge Bilgin | Purchasing and Foreign Trade Director | - | - |
| Murat Kuzkan | Business Development and Global Sustainability Director | Sales Director / Business Director | Business Development and Global Sustainability Director |
| Yener Rakıcioğlu | R&D Director | R&D Director | R&D Director |
| Kadir Tuncay Halat | Export Director | Export Manager / Export Director | Export Director |
| Mustafa Özyılmaz | Business Director | Raw Material and Polyester Business Unit Director | Business Director |

Table 1.2: Board of Directors

MANAGEMENT COMMITTEES

Although the Board of Directors is the first degree and highest-level authority from the management of our company, it transfers some of its power of authority in accordance with the laws and regulations to which it is subject and receives support by utilizing the expertise of various committees. In this context, while our Corporate Governance Committee, Early Detection of Risk Committee and Audit Committee are classified as our committees directly reporting to the Board of Directors; Social Responsibility Committee, Occupational Health and Safety Committee, Energy Management Committee, Ethics and Compliance Committee and Information Security Management Committee have been formed within the scope of sustainability and with our Sustainability Committee.



CORPORATE MANAGEMENT COMMITTEE

The Corporate Governance Committee reports whether the Corporate Governance Principles are applied and the problems that may arise due to not fully complying with these principles, identifies conflicts of interest and makes suggestions to the Board of Directors to improve the practices. Corporate Management Principles can be considered under the main headings; fairness, transparency, accountability and responsibility. The committee aims to provide information to the public about the corporation, to help the corporation’s management in terms of accountability, to monitor investor relations, to help protect shareholders, to increase and build trust in our company.

In order to ensure diversity in the Board of Directors, our company has adopted the Capital Markets Law No. 6362 (“CMB”), the Turkish Commercial Code No. 6102 (“TCC”), the Corporate Governance Communiqué (II-17.1) of the Capital Markets Board (“CMB”) and has established the Corporate Governance Committee with the Board of Directors Decision No. 19 dated 12.10.2021.

CMB Corporate Governance Principles make it possible for companies not to establish a separate nomination committee and compensation committee within their Board of Directors’ structures. Accordingly, within Kimpur; The Corporate Governance Committee also fulfils the duties of the nomination and compensation committee specified in the Corporate Governance Principles.

THE STRUCTURE OF THE COMMITTEE

The committee consists of at least 2 members. If it consists of two members, both of them, and if it consists of more than two members, the majority of the members must be non-executive Board members. Whilst the President of the Committee is selected among Independent Board of Directors, people who are not Board members but experts at their fields can become a member of the Committee. Chief Executive Officer/General Manager can not take part in the Committee. It is important that a Board member does not take part in more than one committee. The members of the Committee are determined by the Board of Directors and announced through the Public Disclosure Platform. The head of the investor relations department must be appointed as a Committee member.



DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The duties and responsibilities of the Committee on corporate governance are presented below:

- Determining whether the corporate governance principles are applied in our company, if not, detecting the reason for it and the conflicts of interest that occur due to not fully complying with these principles,
- Making recommendations to the Board of Directors to improve corporate governance practices,
- Supervising the duties of the investor relations department. The duties and responsibilities of the Committee regarding nomination are given below:
- Establishing a transparent system for the identification, evaluation and training of suitable candidates for the Board of Directors and managerial positions with administrative responsibility, and working on determining policies and strategies in this regard,
- Evaluation of candidate proposals for independent membership, including the management and investors, by taking into account whether the candidate meets the criteria for independence, and submitting the relevant evaluation to a report for the approval of the Board of Directors,
- Making regular evaluations about the structure and efficiency of the Board of Directors and submitting recommendations to the Board of Directors regarding the changes that can be made in these matters. The duties and responsibilities of the Committee in determining wages are given below:
- Determining the principles, criteria and practices to be used in the remuneration of the members of the Board of Directors and executives with administrative responsibility, taking into account the long-term goals of our company and monitoring them,
- Submitting proposals to the Board of Directors regarding the remuneration to be given to the members of the Board of Directors and executives with administrative responsibility, taking into account the degree of attainment of the criteria used in remuneration.

COMMITTEE DUTIES AND MEETINGS

The committee convenes as often as it deems necessary and puts all its EFFORTS in writing and keeps a record. The Committee submits reports containing information about its work and meeting results to the Board of Directors. The Committee may invite the person it deems necessary to its meetings and take their opinions. The Committee benefits from the opinions of independent experts on the necessary topics regarding its activities.

The cost of consultancy services required by the Committee is covered by our company. Only in this case, information about the person/organization that receives service and whether this person/organization has any relationship with our company is included in the annual report.

CHANGES IN COMMITTEE WORKING PRINCIPLES

Suggestions for changes in these working principles are submitted to the Board of Directors by the Committee. The proposals that are prepared are put on the agenda at the first meeting of the Board of Directors.

ENFORCEMENT

These working principles and related changes and updates come into force with the decision of the Board of Directors.

| Audit Committee | | |
|-------------------|------------------------------------|---------------------------------|
| Name Surname | Task | State of Independence |
| Mehmet Mete Başol | Chairperson of the Audit Committee | Independent Board Member |
| Ömer Bakır | Member | Independent Member |
| Damla Mermeroğlu | Üye | Yatırımcı İlişkileri Yöneticisi |

Table 1.3: Corporate Governance Committee

AUDIT COMMITTEE

Our company's Audit Committee is responsible for auditing the accounting system, sharing financial information with the public, conducting independent audits, and overseeing the operation and effectiveness of the internal control and internal audit systems. The committee was established for the purpose of conducting these audits.

COMMITTEE STRUCTURE

The committee consists of at least two members. All members of our committee are Independent Board Members. At least one committee member must have a minimum of 5 years of experience in auditing/accounting and finance. When structuring our committees, we ensure that a board member does not serve on more than one committee. The composition of the committee is determined by the Board of Directors and is disclosed through the Public Disclosure Platform (KAP).

COMMITTEE DUTIES AND RESPONSIBILITIES

- The duties and responsibilities of the committee are as follows:
- Monitoring the company's accounting system, disclosure of financial information to the public, independent audit, and the functioning and effectiveness of the company's internal control and internal audit system,
- Selection of the independent audit firm, preparation of independent audit contracts, initiation of the independent audit process, and monitoring of the independent audit firm's activities at every stage,
- Determining the services to be obtained from independent audit firms that the company will receive and presenting them to the Board of Directors for approval,
- Reviewing and resolving complaints regarding our company's accounting and independent audit system, evaluating notifications related to accounting and independent audit issues made by our employees within the framework of the confidentiality principle, and determining the methods and criteria to be applied in this regard.
- The Committee is responsible for evaluating the annual and interim financial statements that will be disclosed to the public, in terms of their compliance with the accounting principles followed by our company, as well as their truthfulness and accuracy. To this end, the Committee shall review and assess the financial statements, taking into account the opinions of our company's responsible executives and independent auditors. The Committee shall then report its evaluations to the Board of Directors in writing, along with any recommendations it may have.
- Reporting to the board of directors in writing immediately on the committee's findings, assessments, and recommendations related to its duties and responsibilities.

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COMMITTEE DUTIES AND MEETINGS

The committee convenes as often as it deems necessary and puts all its EFFORTS in writing and keeps a record. The Committee submits reports containing information about its work and meeting results to the Board of Directors.

The Committee may invite the person it deems necessary to its meetings and take their opinions. The Committee benefits from the opinions of independent experts on the necessary topics regarding its activities. The cost of consultancy services required by the Committee is covered by our company.

Only in this case, information about the person/organization that receives service and whether this person/organization has any relationship with our company is included in the annual report.

CHANGES IN COMMITTEE WORKING PRINCIPLES

Suggestions for changes in these working principles are submitted to the Board of Directors by the Committee. The proposals that are prepared are put on the agenda at the first meeting of the Board of Directors.

ENFORCEMENT

These working principles and related changes and updates come into force with the decision of the Board of Directors.

| Audit Committee | | |
|-------------------|------------------------------------|--------------------------|
| Name Surname | Task | State of Independence |
| Mehmet Mete Başol | Chairperson of the Audit Committee | Independent Board Member |
| Ömer Bakır | Member | Independent Member |

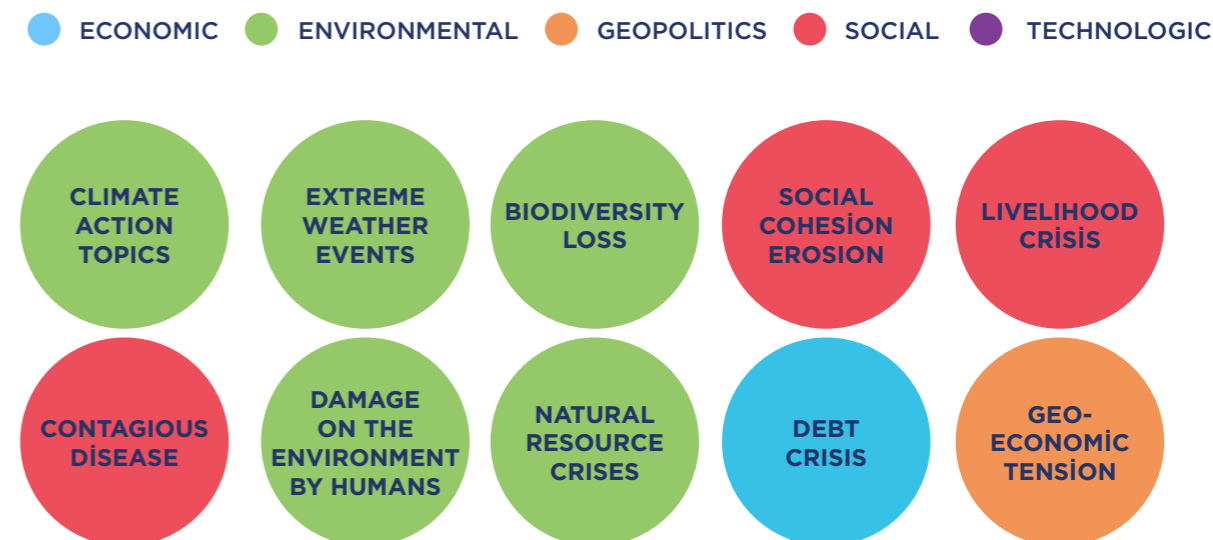
Table 1.4: Audit Committee

RISK MANAGEMENT

The Risk Management and Internal Control System are under the responsibility and control of the company. The Early Detection of Risk Committee operates in order to provide assurance and consultancy to the management on these topics. In our company, we have a Risk and Opportunity Management procedure within the scope of Quality Management System. The risks in this procedure are; defined as corporate risks and operational risks. While institutional risks are being defined as our corporate risks in achieving our company's vision and goals; operational risks are defined as the detection of potential situations that may cause loss of power, time, motivation and productivity in the internal processes of our company's departments. Information securities, environment, OHS, energy management, social responsibility etc. are handled under operational risk management.

GLOBAL RISKS AND MANAGEMENT

Within the scope of the World Economic Forum evaluations, we closely monitor the top 10 global risks announced annually and evaluate our management mechanisms and preparations. If at the end of this review, deficiencies are detected; we fulfil the requirements for their completion. As a result of the World Economic Forum (WEF) 2022, the top 10 risks that may cause the greatest global impact are listed as the following topics and main headings:



The following details how **Kimpur** manages these risks:

Top 10 Global Risks at the "World Economic Forum" 2022

Our Approach to Risk Management as Kimpur

- Climate action..... Energy, emission, waste, water waste, water management
- Extreme weather events..... Corporate risk management, ESG risk management
- Biodiversity loss..... Our waste management (2022): Adding a warning clause in sales contracts about not releasing packaging waste into nature
- Social cohesion erosion..... Social responsibility policy and applications
- Livelihood crises..... Our employee benefits, our Great Place to Work document, our financial risk management
- Contagious disease..... Covid 19 precautions
- Damage on the environment by humans..... Corporate risk management, environmental management, ESG risk management
- Natural resource crises..... Corporate risk management, environmental management
- Debt crises..... Financial risk management, capital structure
- Geo-economic tension..... Financial risk management, capital structure

In addition to the identified global risks, we have also developed a system for the management of unexpected emergency risks.

EMERGENCY CRISIS MANAGEMENT

In order to be prepared for emergencies and unexpected situations and provide the safest environment for our employees, we regularly review our prevention, preparedness and response processes. In order to cope with emergency and various crisis situations; our emergency teams, which we have formed with our employees who have the necessary technical and planning competencies and expertise, have authorities and responsibilities related to emergency crisis management. By conducting drills with these teams, we ensure that our teams receive training on their duties.

EARLY DETECTION OF RISK COMMITTEE

The Early Detection of Risk Committee was established in order to detect potential risks that may endanger the existence, development and continuity of our company, to take necessary measures with a proactive perspective regarding these risks, and to provide risk management in general terms.

THE STRUCTURE OF THE COMMITTEE

The committee consists of at least 2 members. In case the Committee consists of two members, both of them, and in case it consists of more than two members, the majority of the members must be non-executive members of the Board of Directors. While the Chairperson of the Committee is elected among the Independent Board Members, non-members of the Board of Directors who are experts in their fields may also be members of the Committee. The chief executive officer/general manager cannot serve on the Committee. It is significant that a member of the Board of Directors is not assigned to more than one committee. The members of the Committee are determined by the Board of Directors and announced through the Public Disclosure Platform.

DUTY AND RESPONSIBILITIES OF COMMITTEE

The duties and responsibilities of the Committee are as follows:

- Identifying all risks that may jeopardize the existence, development and continuity of our company by evaluating the probability of likelihood and their effects,
- Establishing risk measurement models and risk management systems and reviewing their effectiveness at least annually,
- Providing information and necessary warnings to the Board of Directors regarding the measurement and monitoring of risks and the use of risk factors in decision-making processes,
- Making recommendations to the Board of Directors to improve risk management practices and models,
- Carrying out the necessary work on the adoption and implementation of risk management policies and practices by all units and employees of our company.

COMMITTEE WORK AND MEETINGS

The Committee convenes as often as it deems necessary and puts all its activities in writing and keeps a record of them. The Committee submits reports to the Board of Directors containing information about its activities and the results of its meetings. The Committee may invite anyone it deems necessary to its meetings and receive their opinions. The Committee shall benefit from the opinions of independent experts on matters it deems necessary in relation to its activities. The cost of the consultancy services required by the Committee is covered by our company. However, in this case, information about the person/organization from which the service is received and whether this person/organization has any relationship with our company is included in the annual report.

CHANGES IN WORKING PRINCIPLES OF THE COMMITTEE

Proposals for changes to these working principles are submitted by the Committee to the Board of Directors. The prepared proposals are included in the agenda of the first meeting of the Board of Directors.

ENFORCEMENT

These working principles, any changes and updates thereof shall be enforced upon the decision of the Board of Directors.

| Early Detection of Risk Committee | | |
|-----------------------------------|------------------------------------|---------------------------|
| Name-Surname | Task | State of Independence |
| Mehmet Mete Başol | Chairperson of the Audit Committee | Independent Member |
| İsak İzi Mizrahi | Member | Not an Independent Member |

Table 1.5: Early Detection of Risk Committee



We are committed to the ethical standards and we have accordingly taken steps to gain the trust of our stakeholders and employees, especially our society, in every work we carry out. Even though time continues to move forward, we have continued to maintain our established ethical culture without shaking it. We recognize the basic principle of human rights wherever our name is mentioned and comply with labor and employment laws. We commit to our values of honesty and respect for people, and we take our promise to our customers seriously. During the realization of all these activities, we strive to cause the least negative impact on our planet and use our natural resources efficiently. We take care to approach every decision we make from a sustainability perspective and we endeavor not to break this line. The 'Kimpur Lion' in our logo represents honesty with its upright and correct stance. The 'Eye', the symbol of Kimpur Ethics, reminds us that the eyes of the world are on our company and that everyone should do their work meticulously. We always remember these values on this path that we set out from our symbol, and we act with the desire to fulfil them properly.



INTEGRATED THINKING APPROACH



VALUE CREATION MODEL

As an institution in Turkey's Top 500 industrial establishments; we continue to demonstrate our strong and determined structure in every field. In order to maintain our position, we support our development and change process with the importance we give to integrated thinking and show it in all our activities. In this context; we create our strategies by using our natural, financial, manufactured, social, human and intellectual capitals, and provide input with our activities to create value on the way to achieving our goals. In addition, we create values such as protecting our natural resources, sustainable development, increasing our production capacities, and employee satisfaction, and we strengthen our relations with our stakeholders. We share our Value Creation Model, which we have prepared in this direction, with you below.

INPUTS

NATURAL CAPITAL

1. Environmental Investment
2. Natural Resource Use
3. Sustainable Materials
4. Industrial Partnerships

MANUFACTURED CAPITAL

1. Facility Investments
2. Quality Management
3. R&D Management
4. Business Excellence
5. Information Technology Management

SOCIAL CAPITAL

1. Supplier Management
2. Customer Satisfaction Management
3. Strong Network
4. Community Projects

HUMAN CAPITAL

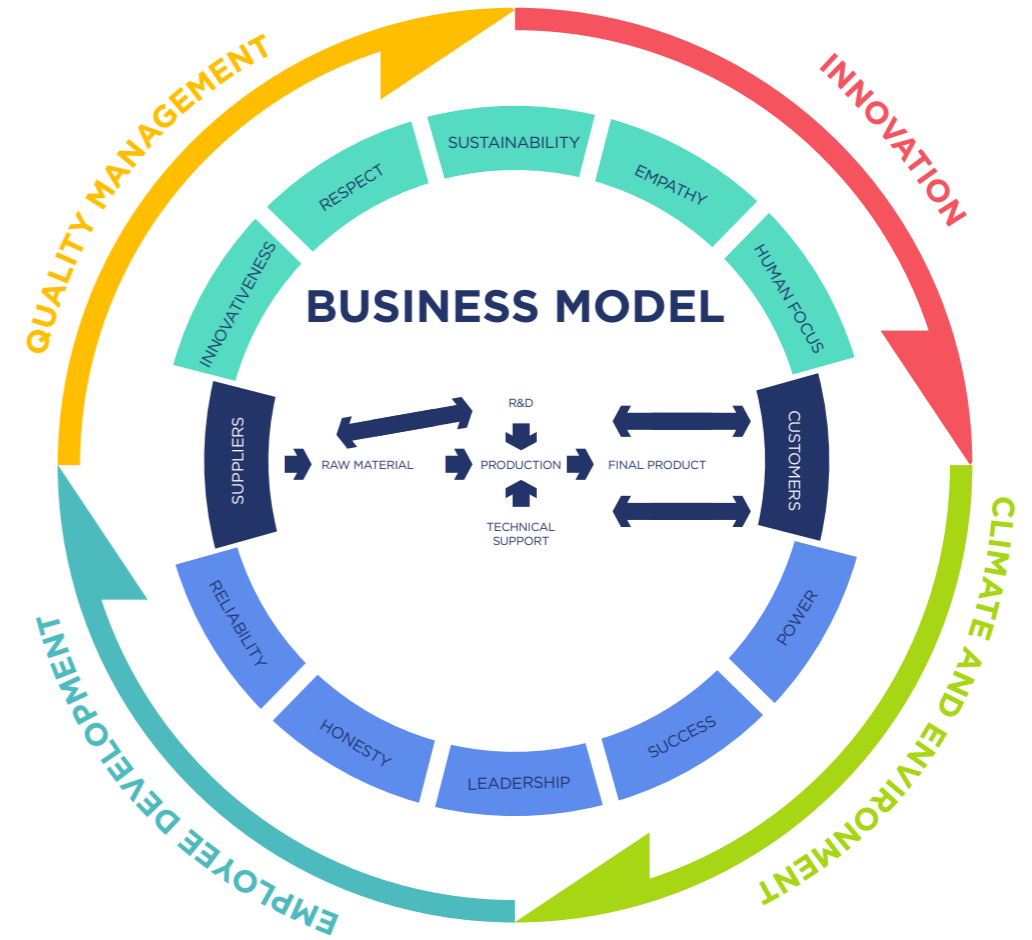
1. HR Management
2. Reliable Business Environment
3. Contribution to Employee Development
4. Corporate Culture
5. Great Workplace

FINANCIAL CAPITAL

1. Strong Capital Structure
2. High Value Creation
3. Effective Financial Management
4. Cash Flow Management

INTELLECTUAL CAPITAL

1. Innovation Talent
2. Innovative Projects
3. Well-equipped Staff



RESULTS AND OUTCOMES

- SPP Electricity Generation: 50.688 GJ
- Reduction in Domestic Water Withdrawal: 32%
- Production Emission Intensity: 0.3785 tCO₂e/ton
- Business Plastic Initiative Membership Production Volume: 104,550 ton

- Net Sales: 4 billion 890 million TL
- Net Profit: 598 million TL
- Net Financial Debt / EBITDA: 0.77
- Leading Position in the Market (Export to 50+ countries)

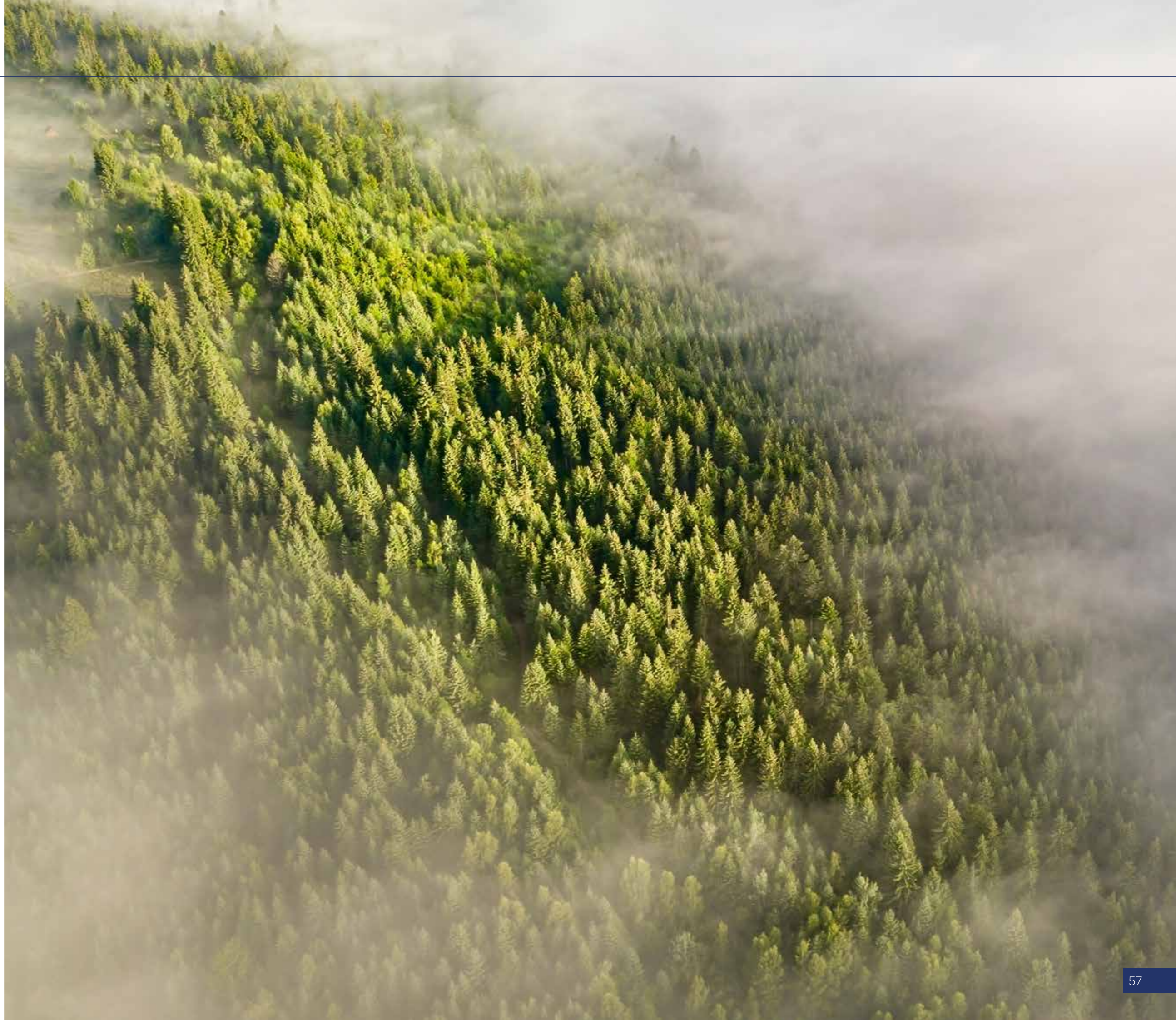
- Increase in Production Volume: 22.55%
- Increase in Capacity: 24%
- Zero-defect policy for products and services

- Total Training Hours: 4,252.16
- Training Hours per Employee: 16.60
- Number of Employees: 254
- Rate of White - Collar Female Employees: 40%
- Great Place To Work® List Participation
- Female CEO
- Rate of Female Managers: 32.43%

- Number of Raw Material Suppliers: 152
- Number of Cooperating Non-Governmental Organisations (NGOs): 8
- Sustainability Related Association Memberships: 10
- Customer Complaint Resolution Rate: 94.1%
- Number of Corporate Social Responsibility (CSR) Projects: 12
- Number of Saplings Planted: 10,000

- R.T. Ministry of Industry and Technology Approved R&D Center
- Number of Employees in R&D: 27
- Owned Certificate/Standard: 9
- R&D Expenditures: 31,146,113.34 TL
- Change in R&D Expenditures: 214% Increase

OUR SUSTAINABILITY STRUCTURE



SUSTAINABILITY APPROACH

While we strive to add value to our current position, we do not ignore our future and we plan it by aiming for a more liveable future. With our might and main, we strive to walk without deviating from this line and to realize each of our goals. In order to benefit from what our nature offers at the highest level; we know that we need to adopt the principles of sustainable living and we bring this irrevocable awareness to all our stakeholders. We believe that these efforts are the most correct and permanent way for our organization to become a global leader.

The importance of sustainability in today's conditions has reached undeniable dimensions. The sustainability approach that we have integrated into our activities is a natural part of being successful in our industry and we carry out sustainable activities in the light of the principles of being ethical, transparent, responsible and professional.

In order to meet the needs of our world, it is necessary to put into practice the work that will give life to the concept of sustainability not only in our industry, but in each industry today. For this reason, we strive to cause the least negative impact on our nature in our activities and take steps towards circular economy and climate protection within the scope of the environmental dimension of sustainability. We place importance to act with the awareness that each of our natural resources may one day be depleted. Through conducting studies on the efficient use of resources found in nature or produced and developing products, we increasing our intellectual capacity by participating in trainings. We desire to leave our mark in creating a liveable world with the vision of leaving a better tomorrow to future generations.

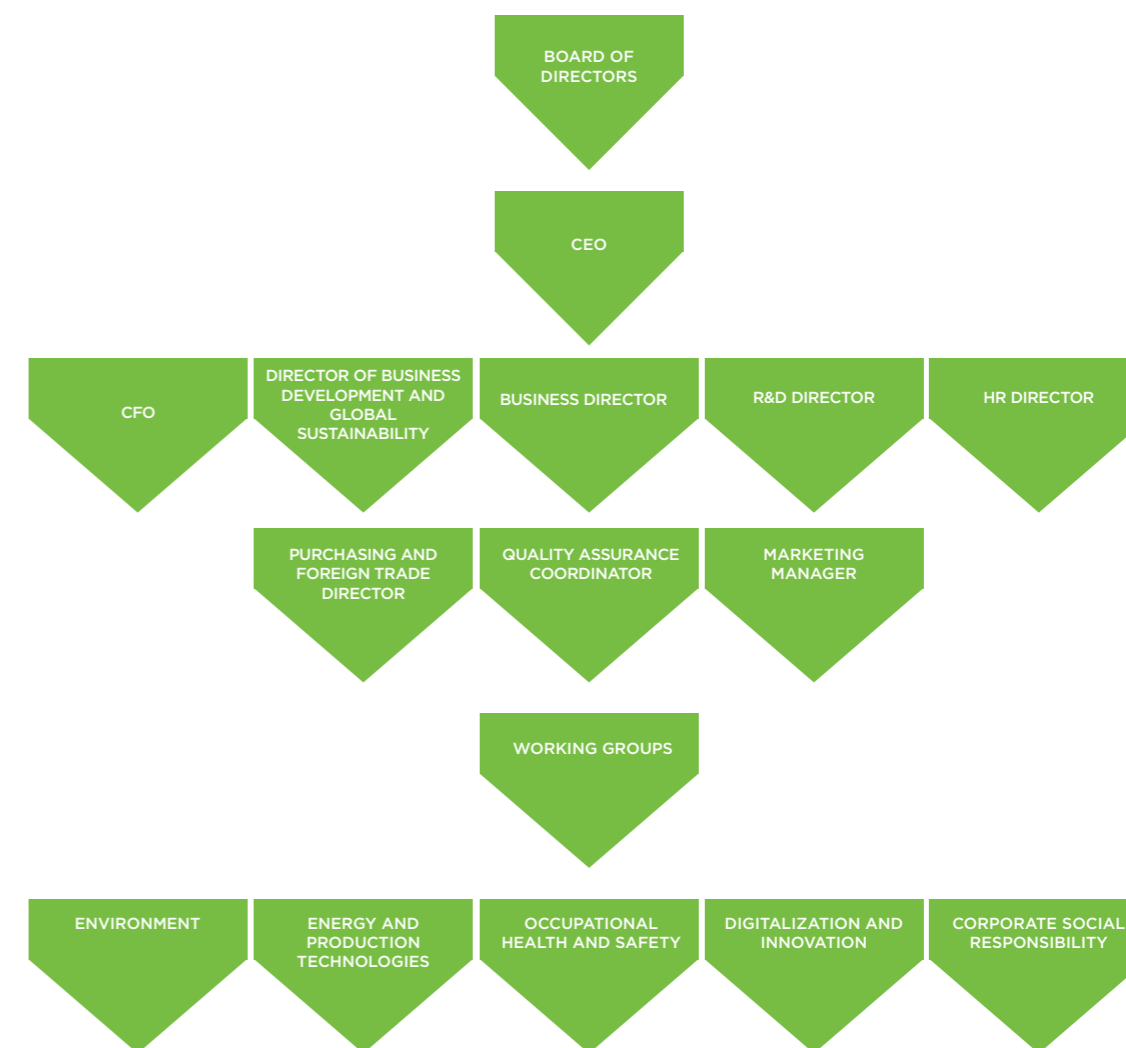
With the importance we attach to the social elements of sustainability, we would like to support the implementation of our environmental strategies and policies, which we consider within the scope of the environmental dimension of sustainability, and our effort to have the least negative impact on the climate crisis. For this reason, we are not only caring our activities on environmental focus, but also to all aspects of sustainability. In this context, we take actions to ensure that the quality of basic concepts such as education, living conditions, health, employee rights, occupational health and safety, and human capital management are above a certain level in a way that will be beneficial for our stakeholders, our country and humanity. While following through all these practices, we take care to cause the least negative impact on the environment and support an undeniable economic growth.

SUSTAINABILITY MANAGEMENT STRUCTURE

Our approach to sustainability is a reflection of our visionary, strategic, systematic and competent management approach. In order to support our sustainability approach that we have adopted, we have established a management structure within our organization and put it into full operation in all functions of the company. According to the organizational chart of our institution, we manage sustainability with a two-way communication and governance system that extends from our colleague at the entrance level to our Board members at the highest level of management. To that end, we established the sustainability committee. Thus, we enrich and shape our sustainability management style within the scope of the opinions of different units and departments. Consequently; we strive to do the best work we can for our company, stakeholders, humanity and nature.

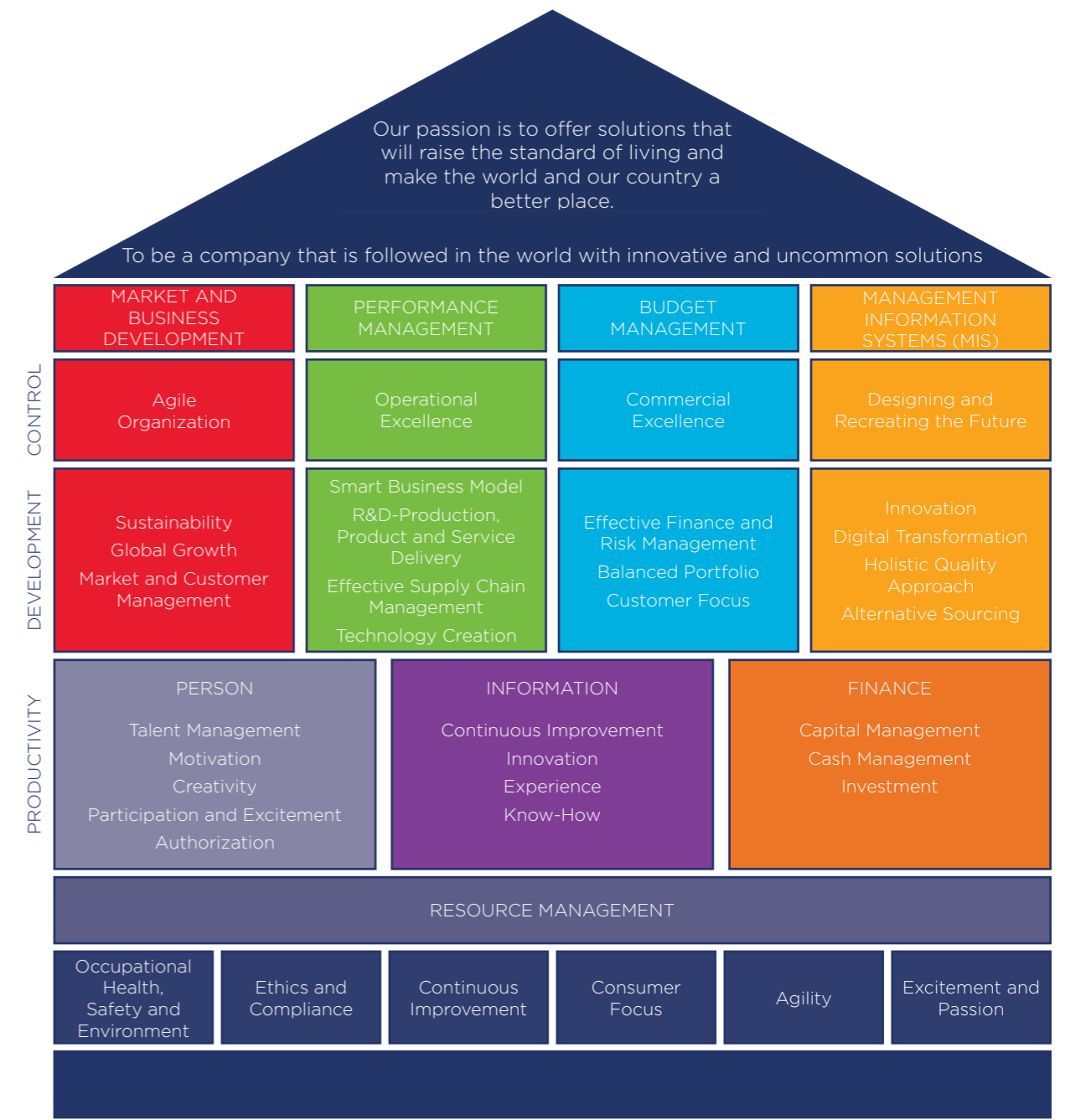
SUSTAINABILITY COMMITTEE

Within the scope of Sustainability Management Structure; we have a committee within Kimpur that manages sustainability topics in an effective, fast and holistic manner and reports directly to the Board of Directors. The Sustainability Committee is led by our CEO and consists of senior managers from diversified units. The duties of our committee include analyzing and/or following the topics and actions related to sustainability topics, determining our sustainability strategy, realizing our goals and developing and executing projects in this direction, evaluating the social and environmental risks and opportunities related to our activities, informing the Board of Directors on sustainability topics and supporting their decisions. The committee convenes four times a year, approximately quarterly. Our Sustainability Committee is authorized by the Board of Directors and reporting to the Board of Directors is performed by the Business Development and Global Sustainability Director.





SUSTAINABILITY STRATEGY



SUSTAINABILITY POLICY

We encourage an ethical and transparent management system in our relations with our stakeholders, while acting with the awareness of our social, environmental and economic impact to our environment.

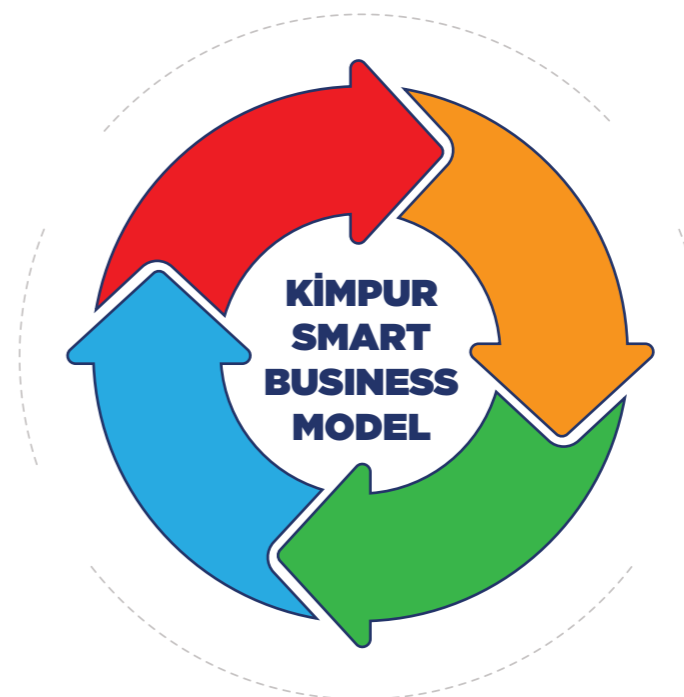
In line with these principles which have become a part of our corporate culture, our primary responsibilities are:

- Respecting both Human Rights and Ethical values while standing against any kind of discrimination,
- Promoting the equality of opportunity, one of the foundations of social sustainability. In addition, we are aiming for our stakeholders to comply with these values,
- Transparency, justice, responsibility in corporate administration and act according to principles of accountability,
- To ensure the continuity and improvement of the occupational health and safety management system by firstly prioritizing the health and safety of our employees and stakeholders,
- To create a participatory working environment and to be a preferred workplace by supporting corporate development with best implementation methods,
- To consider biodiversity and ecosystem in our environmental strategies and activities,
- Being environmentally friendly, safe and producing high quality services.
- Making studies to lower our carbon footprint by continuously improving our environmental performance,
- To ensure the continuity and improvement of both environmental and energy management system,
- Providing information safety and business continuity in all our operations,
- Following and obeying any kind of legal legislations,
- Trying to detect institutional risk soon as possible with taking the right precaution. In addition to this, supporting sustainable development and our firms risk management culture,
- To adopt innovation and corporate entrepreneurship as a corporate culture,
- Allocating resources to R&D studies in the sectors we operate,
- To support sustainable development by enabling the use and development of innovative technologies,
- To provide a sustainable supply chain in order to provide mutual benefit with our stakeholders in our supply chain and
- Strive continuously for sustainable development, in order with our sustainability production report for a more liveable world for ourself and for future generations,

- To treat all of our workers fairly during the hiring, performance review, career planning, promotion, and training processes,
- To effectively manage information and in compliance with our commitments,
- To support the prevention of climate change, to move in that direction, and to set goals,
- To carry out studies aimed at reducing our environmental and carbon footprint by continuously enhancing our environmental and energy performance,
- To prioritize biodiversity and ecosystem in our environmental strategies and activities
- To produce environmentally friendly, safe and high quality products and services,
- We use renewable energy in our operations in addition to utilising all resources efficiently, particularly energy, water, and raw materials,
- To focus on achieving zero waste by supporting the circular economy
- We are committed to acting in accordance with the legislation on the use of harmful chemicals and waste water discharge.

KIMPUR SMART BUSINESS MODEL

We are aware of the importance of focusing our resources on the right point in all our services we provide and develop innovative solutions to support them. Within our know-how structure that we have established under the name of "Smart Business Model", we provide efficiency from both our time and capacity. Within the scope of our Smart Business Model, we conduct new product designs, fast and efficient supply chain process management, operational excellence, digitalization, artificial intelligence, predictive capabilities and automation through the production of raw materials, semi-finished products polyurethane systems range, production and development of both additives and polyester polyols in our high-tech production facility by our Kimpur R&D Center.

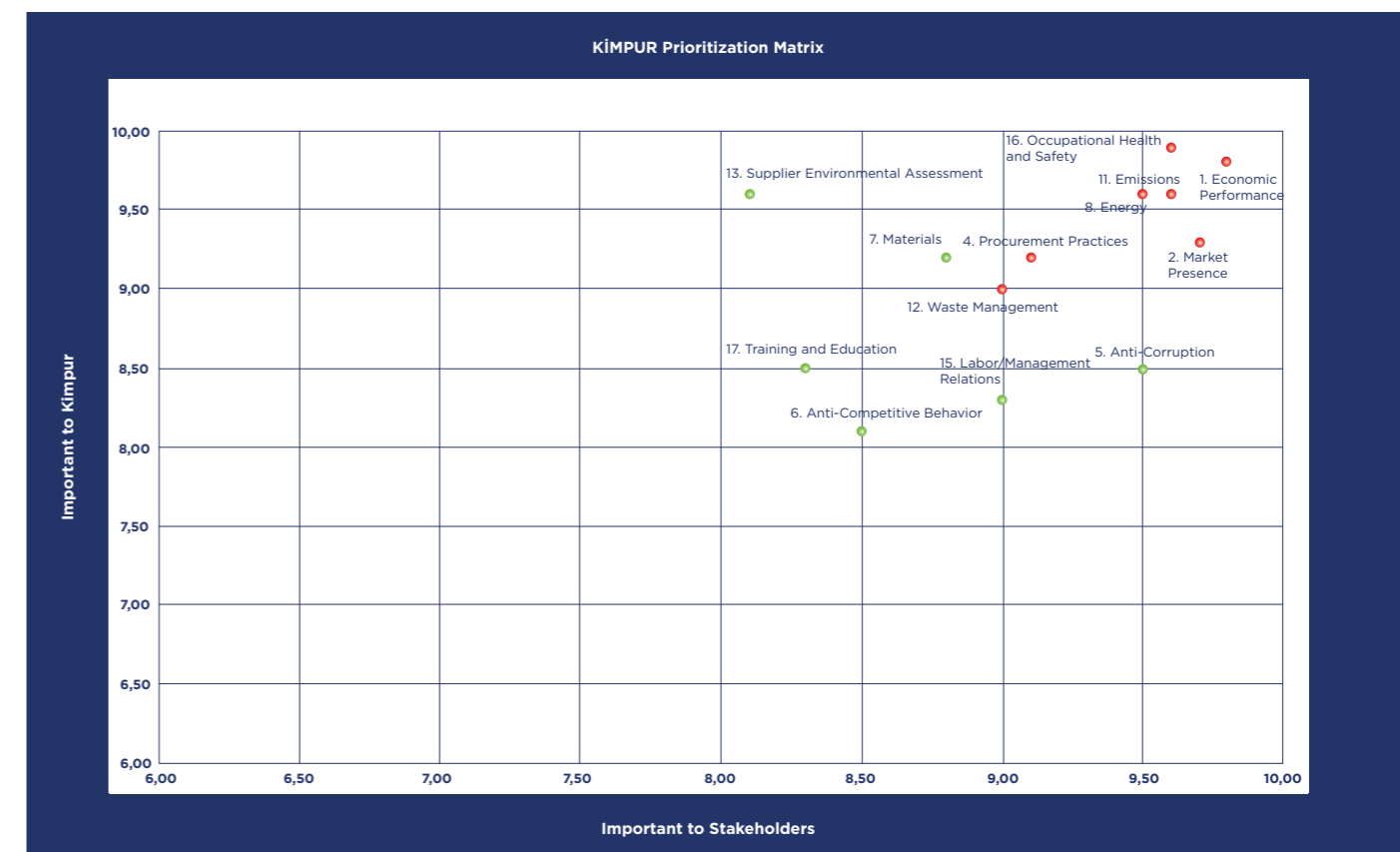


SUSTAINABILITY MATERIAL TOPICS

We conduct our sustainability work in line with a strategic management approach spread throughout the organization. Our strategies are kept dynamic and updated as needed in line with the conditions of the day. Within this focus, we conducted our processes according to GRI and Account Ability (AA 1000) standards in order to determine the materialities of our organization.

We benefited from the views of our internal and external stakeholders to determine our priorities. Through routine activities and some events held during the year, we not only benefited from the opinions of our senior management and employees, but also used the data derived from the workshop we held for sustainability stakeholder dialogue and topic materialization. In addition, we also sought the views of our external stakeholders. To make our sustainability material topics be integrated with our strategies and policies, we first share our material topics, then our material stakeholders and platforms for dialogue with our stakeholders.

We share our materiality matrix, which is formed when we overlap the expectations of our stakeholders with the sustainability topics that will affect the success of our organization, on the following page.



- | | |
|---------------------------|---|
| 1. MATERIAL TOPICS | <ul style="list-style-type: none"> 1. Economic Performance 2. Market Presence 4. Procurement Practices 8. Energy 11. Emissions 12. Waste Management 16. Occupational Health and Safety |
| 2. MATERIAL TOPICS | <ul style="list-style-type: none"> 5. Anti-Corruption 6. Anti-Competitive Behavior 7. Materials 13. Supplier Environmental Assessment 15. Labor/Management Relations 17. Training and Education |
| OTHER TOPICS | <ul style="list-style-type: none"> 3. Indirect Economic Impacts 9. Water and Effluents 11. Biodiversity 14. Employment 18. Diversity and Equal Opportunity 19. Non-discrimination 20. Freedom of Association and Collective Bargaining 21. Child Labor 22. Forced or Compulsory Labor 23. Safety Applications 24. Local People's Rights 25. Local Communities 26. Supplier Social Evaluation 27. Public Policy 28. Customer Health and Safety 29. Customer Confidentiality 30. Marketing and Labelling |

RESPONSIBLE CARE



Responsible Care®, which is supported by the European Chemical Industry Council (CEFIC) and the International Council of Chemical Associations (ICCA), outlines the global chemical industry’s unifying commitment to the safe management of chemicals throughout their lifecycle, promoting their role in improving quality of life and contributing to sustainable development and it is a voluntary initiative and commitment program. It emphasizes the sensitivity of organizations operating in the chemical industry on environmental, human health and technical safety issues and aims to continuously improve their performance. The company is a signatory to the Global Compact on Responsible Care.

We are committed to actively strengthening Responsible Care around the world by working to align our people, technology and business practices with the six pillars of the Compact. In this context, we do the following:

- **A Corporate Leadership Culture** that proactively supports safe chemicals management through the global Responsible Care initiative.
- **Safeguarding People and the Environment** by continuously improving our environmental, health and safety performance; the security of our facilities, processes and technologies; and by driving continuous improvement in chemical product safety and stewardship throughout the supply chain
- **Strengthening Chemicals Management Systems** by participating in the development and implementation of lifecycle-oriented, sound-science and risk-based chemical safety legislation and best practices.
- **Influencing Business Partners to promote** the safe management of chemicals within their own operations
- **Engaging Stakeholders**, understanding and responding to their concerns and expectations for safer operations and products and communicating openly on our performance and products.
- **Contributing to Sustainability** through improved performance, expanded economic opportunities and the development of innovative technologies and other solutions to societal challenges.

MATCHING OUR MATERIAL TOPICS WITH SUSTAINABLE DEVELOPMENT GOALS




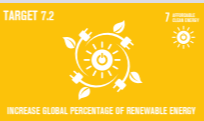









The United Nations invited all organizations to contribute to the Sustainable Development Goals with the aim of ending the main problems around the world by the end of 2030. Thus, public and private sector organizations and civil initiatives can operate in a focused manner in line with the 17 United Nations Sustainable Development Goals. In this context, we share the “Sustainable Development Goals” that we focus on contributing in line with our materialities and their related objectives below.

SDGs CONTRIBUTED BY KIMPUR

| SDG | Our Contribution Goal | |
|----------------------------|---|---|
| <p>HEALTHY INDIVIDUALS</p> | <p>GOAL 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p> <p>3.9.1. Mortality rate attributed to household and ambient air pollution</p> <p>3.9.2. Mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene (exposure to unsafe Water, Sanitation and Hygiene for All (WASH) services)</p> | <p>TARGET 3.9 REDUCE ILLNESSES AND DEATH FROM HAZARDOUS CHEMICALS AND POLLUTION</p> |
| | <p>GOAL 3.D: Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks</p> <p>3.D.1. International Health Regulations (IHR) capacity and health emergency preparedness</p> | <p>TARGET 3.D IMPROVE EARLY WARNING SYSTEMS FOR GLOBAL HEALTH RISKS</p> |
| <p>QUALIFIED EDUCATION</p> | <p>GOAL 4.B. By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries</p> <p>4.B.1. Volume of official development aid transfers for scholarships by industry and type of study</p> | <p>TARGET 4.B EXPAND HIGHER EDUCATION SCHOLARSHIPS FOR DEVELOPING COUNTRIES</p> |
| | <p>GOAL 5.1. End all forms of discrimination against women and girls everywhere</p> <p>5.1.1. Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex</p> | <p>TARGET 5.1 END DISCRIMINATION AGAINST WOMEN AND GIRLS</p> |
| <p>GENDER EQUALITY</p> | <p>GOAL 5.2. Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation</p> <p>5.2.1. Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age</p> <p>5.2.2. Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence</p> | <p>TARGET 5.2 END ALL VIOLENCE AGAINST AND EXPLOITATION OF WOMEN AND GIRLS</p> |
| | <p>GOAL 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p>5.5.1. Proportion of seats held by women in national parliaments and local governments</p> <p>5.5.2. Proportion of women in managerial positions</p> | <p>TARGET 5.5 ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION MAKING</p> |

SDGs CONTRIBUTED BY KIMPUR

| SDG | Our Contribution Goal | |
|--|---|---|
| 6 CLEAN WATER AND SANITATION  | GOAL 6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally | TARGET 6.3  IMPROVE WATER QUALITY, WASTEWATER TREATMENT AND SAFE REUSE |
| | 6.3.1. Proportion of wastewater safely treated 6.3.2. Proportion of bodies of water with good ambient water quality | |
| 7 AFFORDABLE AND CLEAN ENERGY  | GOAL 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix | TARGET 7.2  INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY |
| | 7.2.1. Renewable energy share in the total final energy consumption GOAL 7.3. By 2030, double the global rate of improvement in energy efficiency | TARGET 7.3  DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY |
| 8 DECENT WORK AND ECONOMIC GROWTH  | GOAL 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services | TARGET 8.3  PROMOTE POLICIES TO SUPPORT JOB CREATION AND GROWING ENTERPRISES |
| | 8.3.1. Proportion of informal employment in non-agriculture employment, by sex | |
| | GOAL 8.4. Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead | TARGET 8.4  IMPROVE RESOURCE EFFICIENCY IN CONSUMPTION AND PRODUCTION |
| | 8.4.1. Material footprint, material footprint per capita, and material footprint per GDP 8.4.2. Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP | |
| | GOAL 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value | TARGET 8.5  FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY |
| 8.5.1. Average hourly earnings of female and male employees, by occupation, age and persons with disabilities 8.5.2. Unemployment rate, by sex, age and persons with disabilities | | |

| SDG | Our Contribution Goal | |
|--|---|---|
| 8 DECENT WORK AND ECONOMIC GROWTH  | GOAL 8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training | TARGET 8.6  PROMOTE YOUTH EMPLOYMENT, EDUCATION AND TRAINING |
| | 8.6.1. Proportion of youth (aged 15-24 years) not in education, employment or training | |
| | GOAL 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment | TARGET 8.8  PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS |
| | 8.8.1. Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status 8.8.2. Increase in national compliance of labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status | |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  | GOAL 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all | TARGET 9.1  DEVELOP SUSTAINABLE, RESILIENT AND INCLUSIVE INFRASTRUCTURES |
| | 9.1.1. Proportion of the rural population who live within 2 km of an all-season road 9.1.2. Passenger and freight volumes, by mode of transport | |
| | GOAL 9.2. Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries | TARGET 9.2  PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION |
| | 9.2.1. Manufacturing value added as a proportion of GDP and per capita 9.2.2. Manufacturing employment as a proportion of total employment | |
| | GOAL 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities | TARGET 9.4  UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY |
| | 9.4.1. CO ₂ emission per unit of value added | |

SDGs CONTRIBUTED BY KIMPUR

| SDG | Our Contribution Goal | |
|---|---|--|
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | GOAL 12.1. Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries |  |
| | 12.1.1. Number of countries with sustainable consumption and production (SCP) national action plans or SCP mainstreamed as a priority or a target into national policies | |
| | GOAL 12.2. By 2030, achieve the sustainable management and efficient use of natural resources |  |
| | 12.2.1. Material footprint, material footprint per capita, and material footprint per GDP | |
| | 12.2.2. Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP | |
| | GOAL 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment |  |
| 12.4.1. Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals that meet their commitments and obligations in transmitting information as required by each relevant agreement | | |
| 12.4.2. Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment | | |
| GOAL 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse |  | |
| 12.5.1. National recycling rate, tons of material recycled | | |
| GOAL 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle |  | |
| 12.6.1. Number of companies publishing sustainability reports | | |

| SDG | Our Contribution Goal | |
|---|---|---|
| 13 CLIMATE ACTION  | GOAL 13.2. Integrate climate change measures into national policies, strategies and planning |  |
| | 13.2.1. Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national adaptation plan, nationally determined contribution, national communication, biennial update report or other) | |
| | GOAL 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning |  |
| 13.3.1. Number of countries that have integrated mitigation, adaptation, impact reduction and early warning into primary, secondary and tertiary curricula | | |
| 13.3.2. Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions | | |
| 16 PEACE, JUSTICE AND STRONG INSTITUTIONS  | GOAL 16.5. Substantially reduce corruption and bribery in all their forms |  |
| | 16.5.1. Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months | |
| | 16.5.2. Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months | |
| GOAL 16.6. Develop effective, accountable and transparent institutions at all levels |  | |
| 16.6.1. Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar) | | |
| 16.6.2. Proportion of the population satisfied with their last experience of public services | | |
| 17 PARTNERSHIPS FOR THE GOALS  | GOAL 17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships |  |
| | 17.17.1. Number of United States dollars committed to public-private and civil society partnerships | |

STAKEHOLDER ENGAGEMENT

We know that we are responsible to our stakeholders in this path we set out to add value to our stakeholders, and we act in this direction. At the same time, we know that the heart of sustainability is to consider stakeholder views and expectations. Therefore, taking into account the opinions and expectations of our stakeholders; we create and implement our sustainability strategies.

Below are our main stakeholder groups, which we determined as a result of the workshop we held with our internal stakeholders, and our communication platforms and frequency with them:

- **Employees**
- **Customers**
- **Suppliers**
- **Public Institutions**
- **Non-governmental Organizations**
- **Universities**
- **Society**
- **Investors**

Our employees are our stakeholders who add value to our brands and products.

Their ideas and contributions are critical to the sustainability of our business. We take care to provide a safe, healthy and fair working environment for our employees. We invest in the training and development of our employees and encourage them to contribute to the company's sustainability goals.

Our communication with our customers and our service process are valuable and important to us. It is very valuable for us to always be able to provide the same standard of service and to see the brand loyalty of our customers in return for the service they receive from us. Our goal is to provide our customers with high quality and environment-friendly products prepared in line with their demands. By listening to the expectations and opinions of our customers, we are constantly trying to improve our goods and services. In order to communicate with our customers and make improvements by getting feedback, we use interactive systems such as satisfaction surveys, social media and websites.

Our suppliers are an important part of the value chain and therefore our production. In order to complete the rings of this entire chain, we include our suppliers in their sustainability strategies and always support them. We take care to stay in constant contact with our suppliers through surveys and other communication channels to encourage and support ethical and sustainable practices in the supply chain.

Stakeholders such as public institutions, non-governmental organizations and universities play an active role in determining and implementing our sustainability goals. We organize activities such as social responsibility projects, conferences, sponsorships, events and speeches in order to find solutions to environmental and social problems by cooperating with these stakeholders, and we attach importance to exchange ideas to increase the sustainability of the company by adopting an open and transparent communication strategy and listening to their opinions.

Our investors are important to building a more sustainable business. We know that we need to use the resources of our world less in the realization of our work and act by adapting our works to the changes in technology. In order to support these efforts, we make our communication with our investors transparent and include them in our processes. We attach importance to the wishes of our investors regarding sustainability and develop strategies in this direction.

| Stakeholder Groups | Communication Channels | Communication Frequency |
|--------------------------------|---|---|
| Employees | 1- Employee Engagement Survey 2- Suggestion System 3- CEO 6-month Presentation 4- Bring your Friend 5- HR Announcements 6- 5S System 7- Open Door Meetings 8- Near Miss Notifications 9- Seniority Awards 10- Kimpur Ethics 11- Lion of the Month | Monthly, Weekly/ Regularly, Periodic |
| Suppliers | 1- Supplier Preliminary Evaluation Survey 2- Website Press Release 3- Social Media 4- Magazines and Newspapers 5- Fairs | Continuously |
| Customers | 1- Customer Satisfaction Survey 2- Activity Report 3- Website Press Release 4- E-Newsletter 5- Social Media 6- Magazines and Newspapers 7- Fairs | Continuously/ Customer Satisfaction Survey 1 time |
| Investors | 1- Public Disclosure Platform 2- Website 3- Social Media 4- Magazines and Newspapers 5- Financial Evaluation Webinars | Continuously, periodic |
| Society | 1- Public Disclosure Platform 2- Website 3- Social Media 4- Magazines and Newspapers | Continuously, periodic |
| Universities | 1- University Events 2- Sponsorships | On demand |
| Public Institutions | 1- Meeting, Forum and Conferences | Continuously |
| Non-governmental Organizations | 1- Social Responsibility Projects | Depending on the available budget |

Table 2.1: Stakeholders Communication Table

CONTRIBUTIONS TO SUSTAINABILITY

In order to leave a better future for future generations; we develop many projects; do not neglect to contribute to our industry, our country and the world. As a company consisting entirely of domestic capital, we aim to expand our economic growth in the industry within the framework of sustainability, and as the polyurethane system house with the largest production capacity and sales volume in Turkey, we plan to develop our investments in the country and abroad and maintain the 20% growth rate in the future.

In order to realize these goals as soon as possible, we have opened our **Kimpur Europe** facility (75% Kimpur subsidiary) in Latvia, a facility with a capacity of 25,000 tons. In addition to the Kimpur Europe investment, we have also laid the foundation for a new domestic production facility in 2022. In addition to the goal for our facility to reach a production capacity of 65,000 tons in 2023-2024, our goal is to become a major manufacturer with a polyurethane production capacity of more than 200,000 tons in global, with 2 facilities in Turkey and 1 facility in Latvia.

We believe that the path to sustainable growth is to add environmental and social value. In this context, we continue our sustainability efforts without slowing down. We have mentioned our efforts in this area below;

- In 2022, we received ISO 50001:2018 Energy Management System and ISO 14001:2015 Environmental Management System Certificates.
- In addition, we have integrated the SA 8000 Social Responsibility Management System into our infrastructure.
- With the solar power plants installed on the roof of our factory in Gebze, we aim to obtain 20% of the energy required for our production from renewable energy. In addition, with our solar energy investment to be made in the Düzce facility, we aim to reduce 679 tons of carbon dioxide emissions by meeting 55% of our electricity consumption from renewable energy in the future.
- We plan to recycle 5,000 tons of pet waste at our facility in Düzce, with our recycling facility that we will establish. The disposal of our waste is in accordance with legal obligations.
- As a member of the "Business Plastics Initiative (BPI)" with the aim of minimizing plastic pollution, we determine the measures we will take in this context. We conduct studies such as reducing the use of plastic significantly with the reuse method of BPI packaging, and choosing our BPI and plastic drum packaging from 100% recyclable high-density polyethylene materials. You can reach our BPI commitments from the link down below:

<https://plastikgirisimi.org/storage/uploads/2021/sign/kimpur.pdf>

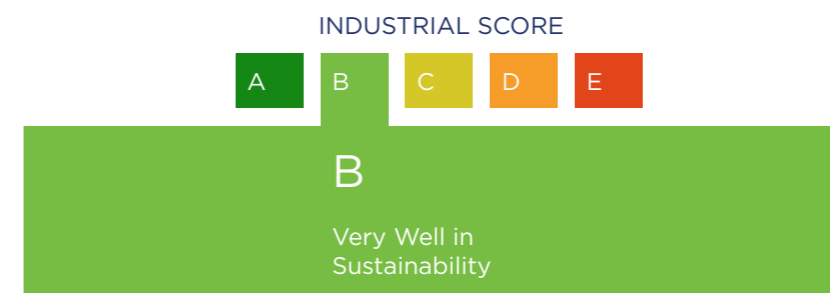
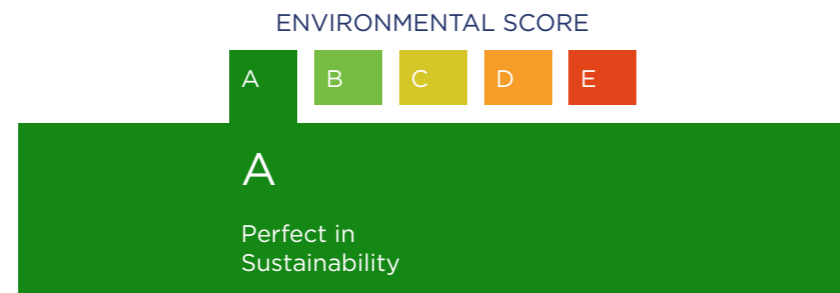
- Within the scope of our BPI commitments, we stopped the use of single-use plastic in 2022 and prevented the use of 800 kg of plastic, as well as preventing the use of 193 tons of plastic by safely washing BPI packages.
- By calculating carbon and water footprint in our manufactured products, we minimize the damage we cause to the environment.
- To care about the environment, human health and technical safety; we signed the Responsible Care® Global Agreement.

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- By calculating carbon and water footprint in our manufactured products, we minimize the damage we cause to the environment.
- To care about the environment, human health and technical safety; we signed the Responsible Care® Global Agreement.
- Thanks to our Great Place to Work® Certified title, we demonstrate the value we placed on our employees.
- We are also a signatory to the United Nations Global Compact (UNGC). We commit to the 10 articles mentioned in the contract, contribute to the Sustainable Development Goals (SDGs) and follow the regulations and trends. In line with the regulations in this area, we re-evaluate the strategies developed in the economic, environmental and social fields, and take the necessary actions by reviewing the measurement, monitoring and improvement steps we have taken regarding the effects and management of our activities.
- As a signatory of the United Nations Global Compact; all our processes are conducted in accordance with the 10 universal principles of the convention under the main headings of human rights, labor, environment and anti-corruption. The 10 basic principles of the United Nations Global Impact are included in the Annex of the report.

We handle all projects carried out in our R&D center in accordance with the principle of sustainability. Our efforts in this context are as follows:

- In 2022, we started to use the raw material we obtained by synthesizing high functionality bio-based polyols in our sandwich panel, refrigerator and cold room panel formulas. In this way, while continuing to contribute to nature, we also produce sustainable solutions for the product life cycle of our customers. Among these bio-based polyols, 20% bio-based raw materials are used in sandwich panel system polyol, 30% in refrigerator system polyol, and 30% in cold room system polyol.
- By implementing the 'Polyester Polyol Synthesis from PET Bottle Waste and Commercial Use in Polyurethane Systems' project, which was awarded in the 10th R&D Project Market organized by the Istanbul Chemicals and Chemical Products Exporters' Association (İKMİB) in 2021, we succeeded in obtaining the final product.
- We have deployed hard foam polyurethane system works for the refrigerator sector, which provides less energy consumption with its high thermal insulation.
- Since the use of ozone-depleting Hydrochlorofluorocarbons (HCFC gases), which are used as blowing gases in our polyurethane systems, is prohibited under the Montreal Protocol, we have switched to the most protective Hydrofluorocarbon (HFC) gases in the medium term. In addition, we have switched to the use of HFO gases, which will replace HFC gases in the future, in some of our product groups. In this direction; we continue the transition to HFO gases.
- We used the graphene material obtained from automotive tires in our flexible foam systems used for sound insulation and seat production in automotive. Thus, by enabling lightweight vehicle design, we contributed to the end consumer's reduction in fuel consumption and energy savings.
- We carried out an ultra-low density polyurethane slipper system work that provides a 20% weight advantage.
- Also; reactive silicone and paint system researches that provide cost advantage and production efficiency, were conducted.
- We have increased the number of Reach registered products to 56, which was 8 before.

- From the Synesgy survey for ESG evaluation of Fortune 500 companies, we received an "A Excellent Sustainability Score".



NATURAL CAPITAL



ENVIRONMENTAL MANAGEMENT

One of our most important goals is to make a positive contribution to environmental sustainability, which is one of the three basic dimensions of sustainability. Environmental management, efficient use of natural resources and leaving a liveable clean world to future generations is a fundamental part of our business, and we strive to achieve the environmental performance our stakeholders expect from us. The concerns of our stakeholders regarding the environmental problems are valid and they are anticipated to occur in the developing industry and the world, and we know that creating a sustainable environmental management model is a critical element in this context.

Once a month an environmental review meeting is held with our environmental management team in order to strengthen our environmental management structure and carry out systematic work. With the Quality Assurance Coordinator, our environmental management representative in our environmental management team, we take into account important environmental topics and related compliance obligations, evaluate risks and opportunities, and regularly monitor our sustainability targets and achievement rates. At the Management Review Meetings held once a year, we discuss our sustainability goals with the senior management and re-evaluate the need for resources.

While playing an active role in environmental management, we put emphasis on including all our employees in our environmental management processes. We provide routine trainings to ensure that our employees are informed about environmental topics. We continually encourage them to contribute to the company's goals, such as waste reduction, energy efficiency and conservation of natural resources.

In order to make our natural capital more effective, we carried out implementations in 2022 and invested approximately **1,052,400 €** for these transactions.

We aim to make continuous improvements in environmental management; we work diligently to improve our company's environmental management system by continuously measuring its environmental performance and using it. We have presented our environmental policy as follows:

Environmental Policy:

With the mission of leaving a more liveable environment to future generations and protecting the environment;

- To fulfil the terms of the Environmental Management System and the legal and other requirements related to our activities,
- To reduce waste at its source, to use technologies that will provide recycling/recovery, to prevent pollution,
- To reduce the environmental impacts caused by our activities and products and to ensure the protection of the environment,
- To increase the awareness of our employees on environmental topics,
- To continuously improve and develop the environmental management system for a more sustainable life,
- In order to provide social benefit, we are committed to sharing our knowledge and experience with the society.

SCOPE OF ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEMS

For polyurethane systems and raw materials, we conduct research, development, management, sales, foreign trade, logistics, warehousing, financial affairs, management and administrative organization, customs clearance process and related management and service provision activities. Within the scope of the Environmental Management System, we deal with the relevant internal and external factors and the expectations of the relevant parties.

- While carrying out senior management, purchasing, foreign trade, human resources, information technologies, finance, accounting activities at our address in Güvenlik Evleri Mahallesi, Eski Büyükdere Caddesi, Sapphire Plaza;
- Planning, production, R&D, quality assurance, quality control, logistics, maintenance and repair activities are done at our Gebze Plastikçiler Organized Industrial Zone 7th Street address.

| Relevant unit | Good Practice Content |
|--------------------------|--------------------------------------|
| Business | SPP Installation |
| Sustainability-Marketing | Preparation of Sustainability Report |
| Business | Transformer Investment |
| Business | Water Conditioning Project |
| Business | Installation of Dust Collection Unit |
| Sustainability -KG | Carbon-Water Footprint Calculation |
| Sustainability-Marketing | BPI Membership |

BUSINESS WORLD PLASTIC INITIATIVE (BPI)



Business World Initiative (BPI) is a cooperation platform created to encourage concrete actions of private sector organizations on the issue of plastics, to bring together existing studies in line with the Sustainable Development Goals, to raise awareness, to advocate and to support communication.

We are aware of our environmental responsibilities to ensure a sustainable life for future generations. That is why; we became a signatory to the Business Plastics Initiative (BPI) to fight against plastic pollution. In line with our goals; we have set our commitments and we have included these commitments below:

| BPI COMMITMENTS | |
|---|---|
| Take action to eliminate problematic and unnecessary plastic packaging until 2023 | Through complete elimination of packaging of disposable plastic cups, forks, straws, water bottles originating from cafeterias and offices in our Factory and Headquarters; we reduced 600 kg of plastics in 2022 and aim to reduce 700 kg in 2023. |
| Take action to move from disposable to reuse models, where applicable by 2023. | By washing the BPIs of the raw materials that come with the BPI packaging in a safe and environmentally friendly manner with advanced technology in accordance with environmental laws and awareness, in companies authorized by the T.R Ministry of Environment and Forestry and operating in accordance with legal regulations, and reuse within our company; we will reduce plastics by 153 tons in 2022 and 170 tons in 2023. |
| By the end of 2023, 100% of our plastic packaging will be reusable, recyclable or compostable | By the end of 2023, we will continue to cooperate with suppliers to ensure that our BPI and plastic drum-barrel packages are selected from 100% recyclable high-density polyethylene materials and recycled in recycling facilities. |
| Set an ambitious 2023 target for recycled plastic content in all plastic packaging used | 1- Thanks to our project "Polyester Synthesis from PET Bottle Wastes and Commercial Use in Polyurethane Systems", which aims to recycle PET and transform it into polyester polyol and ranked 2nd as one of the sustainable, high value-added and innovative projects in the 10th R&D Project Market organized by İKMİB, we will recycle 100 megatons of PET in 2023. 2-Starting from 2022, we started to coordinate with suppliers so that at least 10% of the plastic content in our BPI and plastic drum-barrel packaging can be selected from recycled materials by the end of 2023. |

WASTE MANAGEMENT

Within the scope of our waste management; we adopt a management model that complies with the ISO 14001 standard. While designing this system, we aim to minimize the negative environmental impact, and we act in this direction. With the model we have adopted, we constantly review our production processes, apply the understanding of continuous improvement for the efficient use of raw materials and energy, use innovative technologies, and develop projects to reduce waste in this respect. Reducing waste at source and separating products suitable for recycling or reuse are amongst are focus.

We implement storage, transportation, disposal and recycling processes in accordance with the legal requirements regarding our waste generated in our facilities. With the Zero Waste System we established in our factory, we collect waste separately at the source according to their type and ensure their recycling.

| WASTE INFORMATION | 2022 | | | 2021 | | | 2020 | | |
|--------------------|-----------------|----------------------|------------------|-----------------|----------------------|------------------|-----------------|----------------------|------------------|
| | Generated Waste | Non-disposable waste | Disposable Waste | Generated Waste | Non-disposable waste | Disposable Waste | Generated Waste | Non-disposable waste | Disposable Waste |
| Waste Components | Ton | Ton | Ton | Ton | Ton | Ton | Ton | Ton | Ton |
| Paper | 32 | - | 32 | 21 | - | 21 | 17 | - | 17 |
| Plastic | 1755 | - | - | 680 | - | 680 | - | - | - |
| Glass | | | | 1,256 | - | - | 4,76 | - | - |
| Metal | 20 | - | - | 28 | - | - | 20 | - | - |
| Food | 203 | 203 | - | - | - | - | - | - | - |
| TOTAL WASTE | 2.010 | 203 | 32 | 1.986 | 0 | 701 | 41 | 0 | 17 |

Table 3.1: Waste Component Table

| | 2022 | 2021 | 2020 |
|--|--------------|--------------|--------------|
| WASTES NOT GOING TO DISPOSAL WITH RECYCLING PROCESS | TOTAL | TOTAL | TOTAL |
| Hazardous Waste | Ton | Ton | Ton |
| Prepared for reuse | - | - | - |
| Recycle | - | - | - |
| Other Operations for Recycling | 2.035 | 1.615 | 1.103 |
| Non-hazardous Waste | Ton | Ton | Ton |
| Prepared for reuse | - | - | - |
| Recycle | - | - | - |
| Composted | - | - | - |
| Other Operations for Recycling | 463,2 | 347,3 | 36,6 |

| | 2022 | 2021 | 2020 |
|-----------------------------------|--------------|--------------|--------------|
| WASTE DIRECTED TO DISPOSAL | TOTAL | TOTAL | TOTAL |
| Hazardous Waste | Ton | Ton | Ton |
| Burning (With Recycled Energy) | - | - | - |
| Burning (Without Recycled Energy) | 0,008 | 0,014 | 0,006 |
| Landfill | 0,001 | 0,001 | 0,001 |
| Other disposal operations | - | - | - |
| Non-hazardous Waste | Ton | Ton | Ton |
| Landfill | 203 | - | - |

Table 3.2: Waste Recovery Table

ENERGY MANAGEMENT

Based on the environmental management business model of Kimpur, we strive that all of our natural resources are utilized efficiently. In this direction, we know the value of efficient use of energy within the scope of sustainability, and we position this idea as a fundamental part of our business model. We pay attention to be very careful about energy management and constantly strive to increase energy efficiency by using energy-saving equipment and technologies. Particularly, we try to reduce energy use to the lowest level possible in our production. On this purpose, we utilize equipment such as efficient heating and cooling systems, LED lighting and high efficiency motors. In our business plan, we also include the systems necessary to monitor and analyze energy consumption. In doing so, we can monitor regularly our energy consumption, identify and reduce unnecessary energy use and achieve significant savings. While we strive to continue our production at full speed in every field we operate, our energy consumption is increasing in proportion to our production amount. We continue to plan and conduct work aimed at reducing our energy consumption while increasing our production amount.

| Energy Resources Consumption (GJ) | 2022 | 2021 | 2020 |
|-----------------------------------|-----------|-----------|-----------|
| Total Electricity Consumed | 21,053.74 | 18,242.10 | 17,024.90 |
| Natural Gas | 61,459.59 | 49,865.08 | 44,629.01 |
| Diesel (Stable Combustion) | 264,11 | 53,54 | 142,05 |
| Diesel (Mobile Combustion) | 2,243.90 | 2,397.26 | 1,920.48 |
| Gasoline (Mobile Combustion) | 683.77 | 312.16 | 186.21 |

Table 3.3: Energy Consumption Table

| Electricity Generation & Consumption (GJ) | 2022 |
|---|------------|
| Total Electricity Received from the Grid | 21,053.736 |
| Total Electricity Generated from Renewable Energy (SPP) | 50.688 |
| Total Heat Energy Produced in Boilers | 73,198.8 |

Table 3.4: Energy Production Consumption Table

We carry out a series of efforts for a sustainable future. Within the scope of these efforts; we conduct various important projects such as solar power plant installation, evaluation of the heat coming out of natural gas chimneys, replacement of electric motors with newer and more efficient motors, insulation works and increasing energy efficiency.

In order to raise awareness for all our employees, we regularly organize trainings on energy efficiency, carry out the necessary audits, energy measurements, and keep up with our efforts to establish a sustainable energy management system, by keeping up with the latest technologies in energy management and providing the necessary financial resources.

ENERGY POLICY

In our company operating in the Polyurethane Sector, we commit;

- To ensure the availability of information and necessary sources to realize purposes of Energy Management System and energy targets;
- To fulfill implementation of legal provisions and other conditions regarding energy efficiency, energy use and energy consumption related to our activities,
- Continuous improvement of energy performance and Energy Management System,
- To support the supply of energy-efficient products and services that affect energy performance,
- To support designing activities that deal with the improvement of energy performance.

EMISSION MANAGEMENT

We constantly strive and improve in order to act aligned with our environmental policies and sustainability principles within our organization, and we work to extend our environmental management in all areas. In order to make environmental management holistic, we carry out many implementations within the scope of emission management, which is another sub-title. Our commitment is not only on providing sustainable products to our customers, but also adding value to our environment. Therefore, we play an active role in environmental management systems and emission management solutions.

It is significant for us to develop a comprehensive strategy for emissions management. Within the scope of this strategy, we work on diversified areas such as projects for zero waste, energy efficiency and renewable energy sources. We follow a strict zero waste policy to minimize wastes in our company. We attach importance to the recycling of wastes generated during the production process, and we pay attention to the reuse of wastes. In this way, we work to reduce our impact on the environment and to use natural resources more effectively. For energy saving within our company, we offer different solutions. In order to increase energy efficiency, we constantly check and maintain the process elements used in the production process. We also take simple but effective steps, such as replacing lighting systems with LED lamps to reduce energy consumption. In our company, we also try to reduce our carbon footprint by investing in renewable energy sources. We are working to minimize our emission levels as much as possible by using renewable energy sources such as solar energy and supplying most of the energy used in the production process from renewable sources.

In order to manage our greenhouse gas inventory and our impact on climate change, we have our carbon footprint calculated annually for 3 consecutive years in accordance with the ISO 14064 Standard for Monitoring, Calculation Reporting and Verification of Greenhouse Gas Inventories. We had our greenhouse gas inventory calculated for the year 2022 according to the 2018 version of the ISO 14064 standard, and for the years 2020 and 2021 according to the 2006 version of the standard, which was valid in those years. For comparison, we share our greenhouse gas inventory for 2020, 2021 and 2022 in the table below:

| Greenhouse Gas Emissions (ton CO ₂ e) | 2022 | 2021 | 2020 |
|--|-----------------|-----------------|-----------------|
| Scope 1 / Category 1 | 3,702.59 | 3,816.00 | 3,454.00 |
| Scope 2 / Category 2 | 2,573.00 | 2,137.00 | 1,995.00 |
| TOTAL (Scope 1+ Scope 2) | 6,275.59 | 5,953.00 | 5,449.00 |

Table 3.5: Greenhouse Gas Emission Comparison Table

Although we use more efficient and sustainable production methods compared to previous years; with the increase in our total production amount, our absolute value of energy consumption and absolute value of carbon emissions increased. As a result; although our production amount increased by 23% in 2022 compared to the previous year, our carbon emission amount increased by only 5.1% compared to 2021. This shows that we have succeeded in preventing 14% carbon emissions compared to the previous year.

We present our greenhouse gas emission inventory for the year 2022, calculated in accordance with the 2018 version, which is the current version of the ISO 14064 Standard, in the table below.

| Scope | Emission Category | Total (tCO ₂ e) | Rate (%) |
|--------------|---|----------------------------|-------------|
| Scope 1 | Category 1 Direct Greenhouse Gas Emissions | 3.702,93 | %9,4 |
| Scope 2 | Category 1 Indirect Greenhouse Gas Emissions from Imported Energy | 2.573,23 | %6,5 |
| Scope 3 | Category 3 Indirect Greenhouse Gas Emissions from Transportation | 20.395,89 | %51,5 |
| | Category 4 Indirect Greenhouse Gas Emissions from the Product/Service Used by the Institution | 9.064,13 | %22,9 |
| | Category 5 Indirect Greenhouse Gas Emissions from the Institution's Products/Services | 3.839,66 | %9,7 |
| TOTAL | | 39.575,86 | %100 |

Table 3.6: Emission Table

Within the scope of our inventory; we calculated our total greenhouse gas emissions in our 01 January 2022 - 31 December 2022 operating period as 39,575.86 t CO₂e. In this context; the sources that cause the highest emissions are Indirect Greenhouse Gas Emissions from Transportation (Category 3) with 51.5% and Indirect Greenhouse Gas Emissions from the Product/Service Used by the Institution (Category 4) with 22.9% in the total inventory. We will continue to focus on keeping greenhouse gas emissions from our operations under control with the projects we realize in the upcoming period.

As we continue to grow, increase in our production volumes and absolute emissions could be observed over the years. For this reason, we focus on keeping an eye on and reducing our emissions per unit of production. In 2022, we produced a total of 104,550 tons of Polyurethane systems. In this respect, according to the total greenhouse gas emission inventory, including all categories belonging to Kimpur; our carbon footprint per unit of production was 0,3785 tCO₂e/ton.

| Production Amount (ton) | Total Emission (tCO ₂ e) | Unit Carbon Footprint (tCO ₂ e/ton) |
|-------------------------|-------------------------------------|--|
| 104,550 | 39,575.86 | 0.3785 |

Table 3.7: Unit Carbon Footprint Table

In addition to the greenhouse gas emission calculation, we also monitor our air emissions caused by our flue gases, ensure that they do not exceed the limit values and focus on reducing them. For this purpose, we regularly make flue gas measurements in our Gebze factory. As a result of these measurements; while our nitrogen oxide (NOx) emission was 0.89 kg in 2022, we have seen that we have zeroed our sulphur oxide (SOx) emissions.

In the table below, we share our air emission values for the last 3 years:

| Air Emissions (kg) | 2022 | 2021 | 2020 |
|--------------------|------|-------|-------|
| NOx | 0,89 | 0,788 | 0,788 |
| SOx | 0 | 0,007 | 0,007 |

Table 3.8: Air Emissions Comparison Table

WATER MANAGEMENT

Water is the source of life on earth and a vital asset for the continuation and health of humanity. We are aware that the correct and efficient use of water is no longer a choice, but a necessity. In this direction, we aim to carry out an effective water management in order to consume water less, use it efficiently and pollute it at a minimum level. For this purpose, we take and implement a series of measures such as optimizing water use in production processes, using water-saving technologies, measuring and monitoring water use.

We implement various practices for the sustainable use and management of water resources. These practices include the use of technologies required for the recycling of the water we use, the design and development of a water treatment system, and the development of methods for the reuse of water. With these systems, we both protect our usable water resources and establish a sustainable water management system by reducing our water use.

Thanks to our management system, we withdrew 32% less water in 2022 compared to 2021 and used resources significantly more effectively.

| Water Withdrawal | 2022 | 2021 | 2020 |
|--|-------|--------|-------|
| Total Water Withdrawal (m ³) | 8.564 | 12.692 | 9.168 |

Table 3.9: Water Withdrawal Comparison Table

In our 2022 Water Footprint calculation, direct water resources and indirect water resources are included; Blue Water Footprint in 2022 is calculated as 421 m³/year, Indirect Blue Water Footprint is calculated as 83,987 m³/year, and domestic use water is calculated as 8,143 m³/year.

GOALS AND COMMITMENTS

| Natural Resource Commitments | | | |
|--|--|--|---|
| 2022 Materiality Description | 2022 Goal | 2022 Realized | |
| Sustainable Material Management | Ensuring the use of bio-based raw materials in rigid product groups | Polyurethane system work has been completed for the bio-based cold room and refrigerated case. | |
| | Conducting low density (up to 20%) system studies in the footwear product group | Work on ultra-low density slipper system providing 20% weight advantage completed | |
| | Carrying out infrastructure activities for HFO-based systems in rigid product groups | Refrigerator, boiler and spray system works have been completed. | |
| | Initiating system studies with the reuse of recycled polyurethane waste in refrigerator systems | Work in progress. | |
| | Use of recyclable resources in the production of polyurethane systems | | Polyester polyol synthesized from recyclable materials (PET, automotive tires) that harm nature and living things. |
| | | | Graphene obtained from automotive tire waste was used in sound insulation and HR foam systems. |
| | | | Polyol synthesis from PET waste and its application in shoe systems was completed. |
| | Project Design of Pet Recycling Plant Investment | | The project continues. |
| | Increasing the products to be registered in Reach by 50% | | 50% increase in the number of registered products in Reach |
| | Conducting studies on innovative product groups | | Reactive silicone and paint system studies, which provide cost advantage and production efficiency, were completed. |
| Ensuring the dissemination of hydrocarbon and water-based system studies | | Developed 3 types of water-based systems in Rigid group. | |
| Energy Efficiency | Conducting a system study for the refrigerator industry that consumes less energy (3-5%) | | 3% energy saving refrigerator system work was performed. |
| | Ensuring 2% energy savings | | 2% energy is saved. |
| | Installation of a solar energy system at the Gebze production facility for the use of renewable energy sources | | The SPP investment, which will provide up to 20% of our energy consumption annually, was deployed at our Gebze plant. |

| Natural Resource Commitments | | |
|------------------------------|---|--|
| 2022 Materiality Description | 2022 Goal | 2022 Realized |
| Respect to Biodiversity | Implementation of projects for the protection of biodiversity | <p>On the Day to Combat Desertification and Drought, Kimpur Memorial Forest with 10,000 saplings was established in Izmit.</p> <p>Saplings were donated to the Aegean Forest Foundation on behalf of all our employees.</p> <p>Wood consumption was reduced by producing wood imitation systems.</p> <p>Donations were made to the Turkish Animal Protection Association for the basic needs of stray animals.</p> |
| | <p>Until the end of 2022 within the scope of BPI commitments;</p> <ul style="list-style-type: none"> Eliminating the use of single-use plastics. Reuse of BPI packages Selection of our BPI and plastic drum-barrel packaging from 100% recyclable high-density polyethylene materials | <p>Within the scope of our BPI commitments, we stopped the use of disposable pet products and prevented the use of 600 kg of plastic, as well as reducing the use of 153 tons of plastic by safely washing BPI packages.</p> <p>Recycled BPI purchases - 100% recycled polyethylene was procured in the packaging procurement selection.</p> |
| Water Management | Taking actions to reduce domestic water use per person by 2% | Domestic water use per person was reduced by 2%. |
| Emission Management | ISO 14001 Environmental Management System Certification | ISO 14001 Environmental Management System certificate was obtained. |
| | Project design for the reduction of flue gas pollution | <p>The second scrubber installation project continues.</p> <p>Dust collection unit was installed.</p> |

| Natural Resource Targets | Target Year |
|---|-------------|
| Product Life Cycle Assesment Reporting | 2026 |
| Testing of Graphene Obtained from Waste Tires in Footwear Systems | 2023 |
| -%20 Reduction in Energy Consumption (Base Year 2022) | 2027 |
| -%33 Reduction in Targets Emissions (Base Year 2022) | 2027 |



FINANCIAL CAPITAL



We consider important that there is sustainable growth and we aim to create economic value for all stakeholders by using our financial capital effectively and efficiently, just like our natural capital.

We adopt our understanding of quality and service as our fundamental building blocks with continuous development, investment in our human capital, adaptability to change and strong communication ability. We owe our position among the 500 largest industrial companies in Turkey to the values we have adopted and to our strong capital. It is important for us to keep our financial capital structure strong in order to contribute to sustainable development and to increase the direct and indirect economic values we create for our stakeholders.

FINANCIAL AND ECONOMIC PERFORMANCE

With our table summarizing the value we add to our world and national economy, our state, our institution, our employees, our suppliers, our shareholders and our society in the last 3 years; we offer you the direct economic value we created and distributed

| | 2022 | 2021 | 2020 |
|--|----------------------|----------------------|--------------------|
| i. Direct Economic Value Created (TL) | | | |
| Net Sales | 4.890.048.530 | 2.172.688.464 | 938.761.333 |
| Profit share from investments revalued with equity | - | 1.115.290 | -941.024 |
| Income from investment activities | 199.116.731 | 3.153.555 | - |
| Revenues | 5.089.165.261 | 2.176.957.309 | 937.820.309 |
| ii. Economic Value Distributed (TL) | | | |
| Cost of Sales (Including operating expenses) | 4.041.987.517 | 1.565.347.662 | 759.321.273 |
| Employee wages and benefits | 106.099.087 | 70.127.188 | 23.083.242 |
| Social investment expenses | 387.548 | 69.745 | 2.200 |
| Financial revenues/expenses (net) | 391.315.329 | 134.827.699 | 55.716.868 |
| Tax expenses (Payments to the government) | -48.673.969 | 90.161.970 | 19.300.783 |
| Payments to the shareholders (Dividend) | 151.275.130 | 50.000.000 | 12.896.345 |
| Expenses | 4.642.390.642 | 1.910.534.264 | 870.320.711 |
| iii. Economic Value Remained (TL) | | | |
| Revenues | 5.089.165.261 | 2.176.957.309 | 937.820.309 |
| Expenses | 4.642.390.642 | 1.910.534.264 | 870.320.711 |
| Economic Value Remained | 446.774.619 | 266.423.045 | 67.499.598 |

Table 4.1: Created and Distributed Economic Value

| | Consolidated | Consolidated | Solo |
|---|--------------------------|--------------------------|------------------------|
| Profit or Loss Statement (TL) | January 01 - December 31 | 01 Ocak-31 Aralık 2021 | 01 Ocak-31 Aralık 2020 |
| Revenues | 2022 | January 01 - December 31 | 938.761.333 |
| Cost of Sales | 2021 | January 01 - December 31 | -746.872.265 |
| GROSS PROFIT | 2020 | 379.447.307 | 191.889.068 |
| General Administrative Expenses | -48.090.840 | -37.520.092 | -16.019.264 |
| Marketing Expenses | -138.220.140 | -53.136.879 | -29.358.807 |
| Other Income from Real Operations | 535.198.447 | 767.803.599 | 137.724.464 |
| Other Expenses from Real Operations | -376.034.812 | -519.450.065 | -127.880.843 |
| REAL OPERATING PROFIT | 741.574.378 | 537.143.870 | 156.354.618 |
| Revenues from Investments | 199.116.731 | 3.153.555 | - |
| Shares of Profits/Losses of Investments Valued by Equity Method | - | 1.115.290 | -941.024 |
| BUSINESS PROFIT BEFORE FINANCIAL REVENUES (EXPENSES) | 940.691.109 | 541.412.715 | 155.413.594 |
| Financial Revenues | 11.540.436 | - | - |
| Financial Expenses | -402.855.765 | -134.827.699 | -55.716.868 |
| PROFIT BEFORE TAXES | 549.375.780 | 406.585.016 | 99.696.726 |
| Tax Revenues / (Expenses) | 48.673.969 | -90.161.970 | -19.300.783 |
| PERIOD INCOME | 598.049.749 | 316.423.046 | 80.395.943 |
| Not to be Reclassified as Profit or Loss | 83.638.066 | 22.227.109 | -35.168 |
| To be Reclassified as Profit or Loss | 2.919.372 | - | - |
| COMPREHENSIVE INCOME | 684.607.187 | 338.650.155 | 80.360.775 |

Table 4.2: Independently Audited Consolidated Statement of Profit or Loss (Kimteks Poliüretan Sanayi ve Ticaret Anonim Şirketi and its Subsidiaries)

FINANCIAL APPLICATIONS

We conduct many practices in order to increase the direct and indirect values and offer for the benefit of our stakeholders. With the financial steps and practices in 2022, we have reflected the impact of our economic performance on sustainable development.

We engage in practices that will increase our economic efficiency and enable us to grow steadily. In this direction, we took an important step and successfully completed our public offering process of 957 million Turkish Liras in April 2022. Thus, we have contributed to our company's domestic and international brand awareness, have reached an important source of finance at low cost, and have increased our credibility with customers, suppliers and financial institutions.

With our strong portfolio and reliable brands, we strive to reap the rewards of the advantages based on the corporate value in the finance industry. Thanks to the strong relations we have established with banks, we achieved a significant increase in financing limit in 2022 and increased our total bank limit by 86% during the year. In addition, we offer our customers the opportunity to make a sale with all credit cards in the market in order to offer alternative financing solutions.

In order to support cash flow within our company, we significantly increased the number of customers and the amount of money in the Direct Debit System. In addition; in order to provide a financing solution to our suppliers, we develop a financing solution that provides cash payment. Moreover, in case that the amount cannot be met with cash; we provide an option to pay by credit card in installments.

With the ever changing and developing world conditions, financial operations can now be carried out on digital platforms. In this context, we have implemented e-invoice, e-dispatch, e-ledger, e-reconciliation, e-signature, e-notification, e-petition applications. In order to alleviate the workload and storage costs; we contribute to the environment by reducing the use of paper, toner, printer and electricity, thanks to our digital transformation. As a result of this, we enable our employees to use their time efficiently and increase our output quality.

In order to make our digital development steady, we do maintenance at regular intervals, closely follow the current digital transformation trends and try to implement them.

By integrating the e-invoice application, which we started to use within the scope of digital transformation, with the IPM- Invoice Control and Management Module, we provide control and registration in the digital environment. Thus, we bring speed and convenience to operational processes and significantly reduce our costs.

We do not forget to invest in our factories where we carry out activities within the scope of sustainable growth. In this direction, while modernizing our Gebze factory, we have established the facility of our new factory in Düzce. We receive incentives from the T. R. Ministry of Industry for investments in Düzce PET recycling facility and Solar Power Plant.

GOALS AND COMMITMENTS

| Manufactured Capital Commitments | | |
|-----------------------------------|--|---|
| 2022 Materiality Description | 2022 Goal | 2022 Realized |
| Business Strategy and Performance | Expanding sales in the targeted Eastern European markets | Kimpur Europe 75% subsidiary established. |

| Financial Capital Goals | Target Year |
|---|-------------|
| Quantitative growth of more than 15% of the total sales compared to the previous year | 2023 |
| 30% quantitative growth target in export markets | 2023 |
| Contracted purchases reaching 20% quantitative value in our total raw material purchases | 2023 |
| Reaching 5,000 tons of sales with the recycling of waste PETs and their use in polyurethane systems after the 2023 Düzce plant was deployed | 2028 |
| The halogen-free system and bio-based system, which we aim to be fully commercialized in 2023, and which we call Green PIR, will constitute approximately 5% of PIR system sales. | 2023 |
| Synthesizing high functionality biopolyols and using them in panel and refrigerator systems to reach 1-2% in the rigid workgroup volume. | 2023 |

MANUFACTURED CAPITAL



INVESTMENTS

We closely follow technological developments and reflect these technologies both in our business processes and in our investments. We utilize technology equipment within the scope of technology investments we make in order to improve our management systems, ensure our digital transformation, increase our efficiency, and save resources. In this context, we have a produced capital. Beyond this, we continue on our way by adding on our existing investments in order to increase the possibilities and capabilities of our R&D center, to support our high innovation power, to develop environmentally friendly products, to improve our quality control, to increase our production capacity, and to increase our customer satisfaction and all the environmental, social and economic values we create.

All these investments are the elements that will support the gradual increase of our existing produced capital, such as our machinery, equipment and the increase of the values we create.

| | | | |
|--|---|---|--|
| <p>Kimpur Gebze Factory Solar Power Investment Project was implemented.</p> <p>We aim save about 15-20% energy.</p> | <p>Kimpur Europe Facility Investment was implemented.</p> <p>Production Capacity 25,000 Tons</p> | <p>The foundation of Düzce Facility Investment Project was laid in May 2022.</p> <p>Planned Capacity 65,000 Tons (10,000 Tons Eva Granule Raw Material Production, 5,000 Tons PET Recycling)</p> | <p>Kimpur Düzce Facility SPP Project Investment</p> <p>In addition to meeting approximately 55% of our total electricity consumption, we aim to reduce approximately 679 tons of carbon dioxide emissions per year.</p> |
|--|---|---|--|

R&D CENTER INVESTMENTS

| | | | | |
|---|--------------------------------|--|--|---|
| <p>Polyurea Spray Application Room and Machine for Polyurea Spray Applications</p> | <p>Shoe Flex Tester</p> | <p>Patterns for Rigid System Applications</p> | <p>Laboratory Test and Production Equipment</p> | <p>Efforts to Grow the R&D Center Area</p> |
|---|--------------------------------|--|--|---|

QUALITY MANAGEMENT

Since the day we have adopted the understanding of quality products and quality service, we believe that all our activities are a whole. We believe that we will further develop our work thanks to the positive feedback from our customers. In the polyurethane sector we have been operating, we are working to fully meet the needs and expectations of our customers.

In order to keep our customer satisfaction above a certain standard; we follow technological developments closely and include them in our systems. As a leading company in its industry, we use our resources effectively and efficiently in this direction by setting ourselves the goal of being a leader and a company that is respected in the fields of R&D, Production, Sales and Quality.

Taking under consideration that being aware of our social, environmental and economic impact in order to increase the satisfaction of our stakeholders, we carry out various sustainability studies that will contribute to our sphere of influence. By adapting our proactive risk management perspective to all our business processes; we identify potential risks that may affect our quality management standard beforehand, constantly audit our business processes, and follow a zero-defect policy in our products and services.

Protecting our values by continuously improving our quality and management system is among our main goals. Thanks to our efforts in this direction, we were also deemed worthy to receive the **ISO 9001 Quality Management Certificate**.

GOALS AND COMMITMENTS

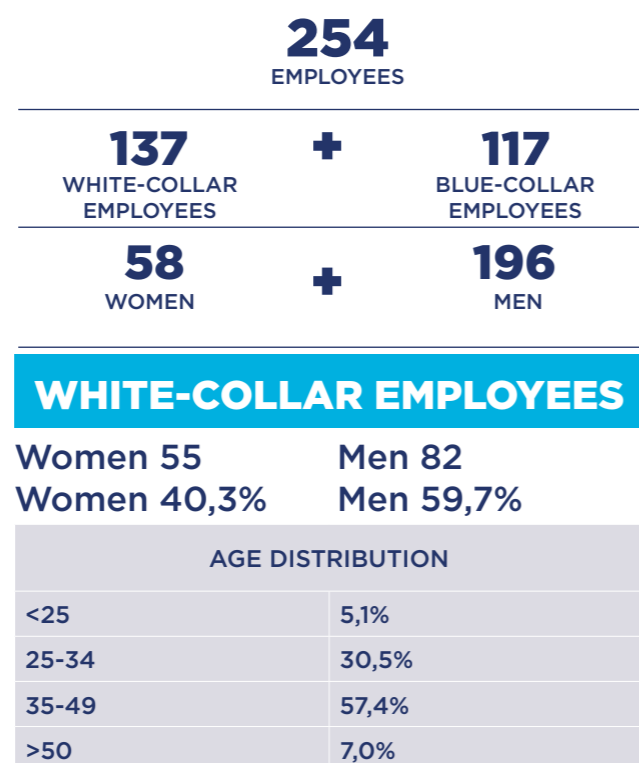
| Manufactured Capital Commitments | | |
|-----------------------------------|---|--|
| 2022 Materiality Description | 2022 Goal | 2022 Realized |
| Business Strategy and Performance | Starting the construction of the Düzce facility, which was invested in order to increase the capacity of Kimpur Europe, one of the investments determined by the company, Continuing the projects that improve business processes | Kimpur Europe 75% subsidiary established. |
| Circular Economy | Initiating PET-plant investments in Düzce Gümüşova OIZ in line with the feasibility studies | Pet Recycling Facility Investment project has been conceptualized. |

| Manufactured Capital Goals | Target Year |
|--------------------------------------|-------------|
| Obtaining the IATF 16949 certificate | 2023 |

HUMAN CAPITAL



OUR EMPLOYEES



HUMAN RESOURCES

While performing our Human Resources processes, we pay attention to use strong and effective communication ways. We accept an open communication approach with all our stakeholders, where they can openly share their opinions and suggestions or transparently convey their complaints about our organization. In this context; we strive to ensure that our employees at all levels can communicate with their upper levels.

It is important for us that our Human Resources approach is fair, modern and motivating. In this direction, we believe that each of our teammates, working individually or in teams, is no different from the other in every step we take, and we focus on creating a peaceful and productive working environment.

While managing our recruitment processes; we adopt as our basic principle to continue on our way with teammates who are disciplined, honest, adopt teamwork understanding and respect ethical values. We apply an effective and up-to-date selection and placement system in order to bring candidates with these qualifications into the institution.

We absolutely do not allow discrimination in our recruitment, promotion or dismissal processes. In our recruitment processes; we do not discriminate or support discrimination based on race, national, regional or social origin, class, place of birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, political views, age or any other similar circumstances that may lead to discrimination. We put emphasis on gender equality and carry out studies in this direction. We do not tolerate any threatening, abusive, physical contact behaviour in any place of our company. While protecting the rights and interests of each of our employees working on behalf of **Kimpur** regarding human and employee rights; we also grant them additional rights to increase their loyalty to the company.

HUMAN RESOURCES APPLICATIONS

| | | | |
|--|---|--|---|
| <p>Annual bonus system based on performance management system</p> <p style="font-size: 2em; font-weight: bold; color: purple;">1</p> | <p>Free Psychological and counselling services in different categories to employees and their families with the Employee Support Program (Avita)</p> <p style="font-size: 2em; font-weight: bold; color: purple;">2</p> | <p>Heating bill aid</p> <p style="font-size: 2em; font-weight: bold; color: purple;">3</p> | <p>Monitoring employee engagement with a pulse survey 2022: 69%</p> <p style="font-size: 2em; font-weight: bold; color: purple;">4</p> |
| <p>Every 3 months bonuses, holiday bonuses, new year and Ramadan food aid, monthly food aid etc. are provided for all employees</p> <p style="font-size: 2em; font-weight: bold; color: purple;">5</p> | <p>Private health insurance for all employees</p> <p style="font-size: 2em; font-weight: bold; color: purple;">6</p> | <p>Personal accident insurance for blue-collar employees</p> <p style="font-size: 2em; font-weight: bold; color: purple;">7</p> | <p>Private life insurance for white-collar employees</p> <p style="font-size: 2em; font-weight: bold; color: purple;">8</p> |
| <p>Company-contributed private pension fund for employees</p> <p style="font-size: 2em; font-weight: bold; color: purple;">9</p> | <p>Scholarship</p> <p style="font-size: 2em; font-weight: bold; color: purple;">10</p> | <p>Education allowance for the children of all employees</p> <p style="font-size: 2em; font-weight: bold; color: purple;">11</p> | <p>Bring Your Friend - Monthly selection of the most efficient staff among the blue-collar staff according to the determined criteria</p> <p style="font-size: 2em; font-weight: bold; color: purple;">12</p> |
| <p>Open Door Meetings - Meeting of the Human Resources department employees with all employees at certain time intervals</p> <p style="font-size: 2em; font-weight: bold; color: purple;">13</p> | <p>ÖNERCEM - Implementation of continuous improvements and development of company culture with suggestion application</p> <p style="font-size: 2em; font-weight: bold; color: purple;">14</p> | <p>LION OF THE MONTH - Selection of the most efficient blue-collar personnel according to the criteria determined on a monthly basis</p> <p style="font-size: 2em; font-weight: bold; color: purple;">15</p> | <p>Seniority Awards - Giving awards to personnel who reach defined seniority years within the company</p> <p style="font-size: 2em; font-weight: bold; color: purple;">16</p> |
| <p>Kimpur Ethics - The system that defines our ethical rules that both personnel and suppliers must comply with, which means the Kimpur Code of Business Conduct</p> <p style="font-size: 2em; font-weight: bold; color: purple;">17</p> | | | |

GREAT PLACE TO WORK



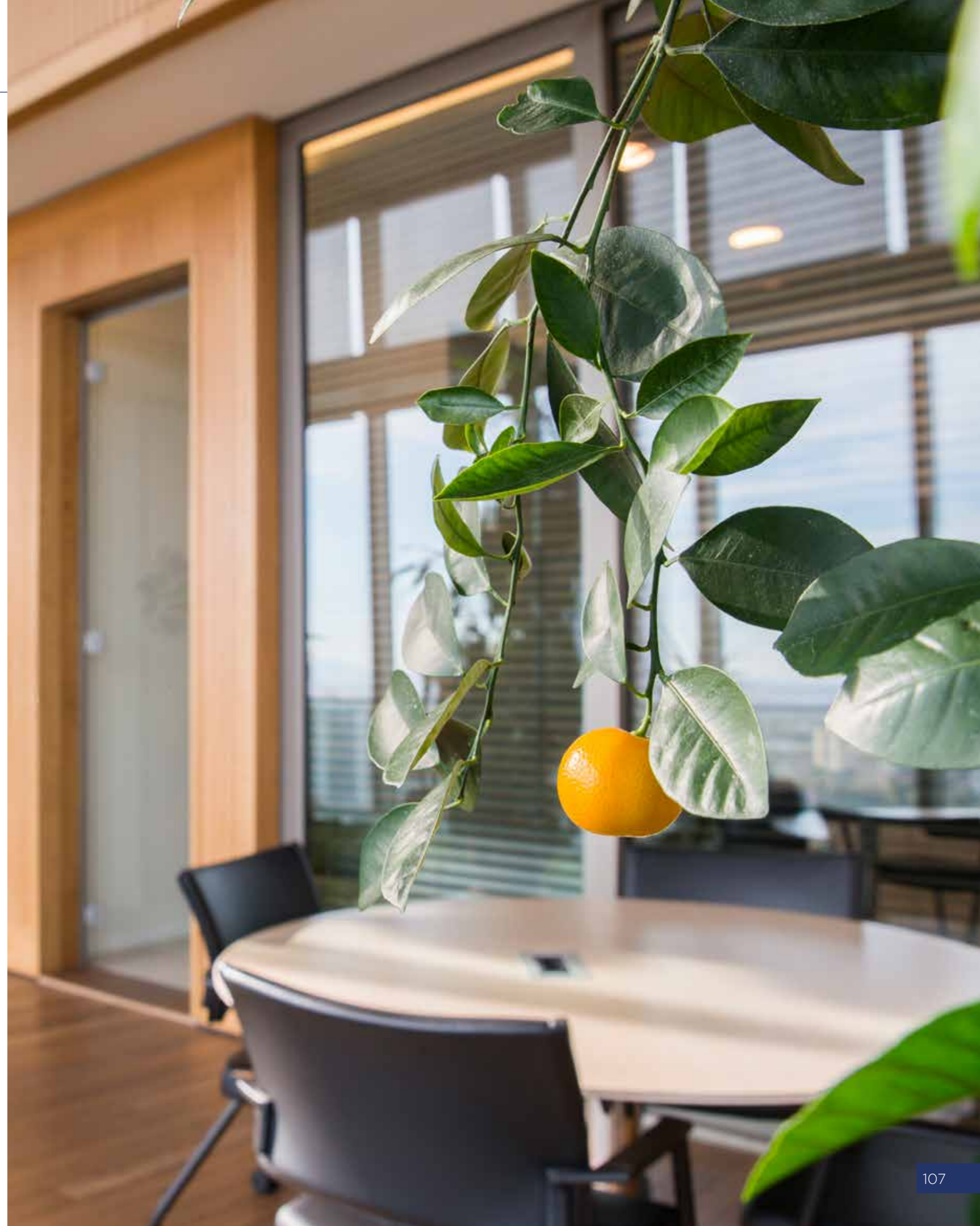
Once a year, we measure the satisfaction of all our employees with the work environment through the Great Place To Work survey in order to understand how all the work we carry out and the projects we create affect the value of our company in the eyes of our employees.

According to the results of this survey; as a result of the evaluation of the points open to improvement by our human resources and management team; we also realize the expectations and improvements deemed appropriate.

We have been awarded the Great Place to Work "Great Place to Work" certificate in Turkey thanks to the fact that we have always kept employee satisfaction at a high level and achieved high trust rates.

| | 2022 | 2021 | 2020 |
|--------------------------------------|------|------|------|
| Survey Participation Rate (%) | %92 | %83 | - |
| Employee Satisfaction Score (Figure) | 63 | 75 | - |

Tablo 5.1: Employee Loyalty Survey



SOCIAL RESPONSIBILITY POLICY

Our company undertakes to implement the following principles under SA 8000:2014, demonstrating the company's commitment and respect to people and its employees.

Prevention of Child Labor

The company will not participate in or support the use of child or youth labor and will not employ employees under the age of 18.

Prevention of Forced or Compulsory Labor

The Company will not participate in or support the use of forced labor and will employ all its employees on a voluntary basis. It will not take part in or support human trafficking in any way.

Providing Health and Safety Conditions

The company will adopt a proactive approach based on risk analysis and support the participation of all employees in occupational health and safety practices. The company will provide healthy and safe working conditions by prioritizing the general health of the employees. The risks to the health and safety of pregnant or nursing mothers will be eliminated or reduced. Actions will be taken to eliminate occupational hazards and reduce risks.

Anti-Discrimination

The Company will not tolerate or promote discrimination in hiring, payments, access to training, promotion, termination, retirement or employee benefits based on race, national or regional or social origin, class, religion, disability, gender, sexual orientation, family responsibilities, marital status, political views or age.

Threatening, abusive, behavior, including physical contact, will be allowed in any location belonging to our company will not be allowed.

Disciplinary Practices and Prevention of Abuse/Harassment

The Company will treat our employees in a manner worthy of human dignity and with respect. The Company will not participate in or support the use of corporal punishment, mental or physical violence, or verbal abuse. Abuse or inhuman treatment will not be allowed or tolerated.

Salaries and Payments

The Company will respect the minimum wage right of the personnel determined by the laws and will make overtime payments. The wages and salaries will be sufficient to meet the basic needs of the personnel and provide some discretionary income.

The Company will not make any deduction from salaries for disciplinary purposes.

Relations with Suppliers

The Company will evaluate the social compliance activities of its suppliers, monitor the evaluation results with action plans and gradually increase the social compliance levels.

Management System

Our Company;

- The Company will manage all its activities in accordance with the SA8000:2014.
- It will comply with the ILO Conventions stipulated by the SA8000 Standard and the legal local requirements.
- It will set up a Social Performance Team to ensure that all SA8000 components to be implemented.
- The senior management will be the first and only responsible for the implementation of the SA8000 Standards.
- The risks associated with the implementation of the standard will be evaluated periodically.
- The Social Responsibility Team will perform regular monitoring.
- The Company will inform its employees about the requirements of SA8000 at every stage and regularly.
- In case of disputes regarding the implementation of the SA8000 Standard, a confidential, impartial and non-retaliatory method for the solution of complaints will be established and be accessible to employees and interested parties.
- It will ensure that its suppliers/subcontractors and private employment agencies work in compliance with the SA8000 Standard.

REMUNERATION AND PERFORMANCE MANAGEMENT

It is valuable for us that each of our employees serving within Kimpur; their performance is evaluated fairly and that they are rewarded. We pay attention to act in an equitable and motivating manner in "Remuneration and Performance Management", which is an important sub-element of human resources management. We guarantee that our employees, who add value to us by working within our company, benefit from all the rights we have committed to.

To express our compliance with employee rights at the basic level; we respect our employees' right to the minimum wage determined by law, and we make the necessary payments to them in case of overtime work. Beyond this, while determining the salaries within our Company; we consider the levels that will be sufficient to meet the basic needs of our employees easily and to provide discretionary disposable income. We also do not deduct salaries for disciplinary purposes.

In our company, we act with the idea that the high-level performance of our employees will contribute to the growth of our company. Within the scope of the instructions, we have issued regarding performance management; we aim to ensure that the targets set in line with our company's strategies are disseminated at all levels, and that all departments and employees manage their performance within the framework of common values and maximize the performance of the organization

FEMALE BOARD MEMBERSHIP POLICY

It is very significant for us that our female employees play an active role in the management of the company. We strive to increase our female employee ratio as much as possible and support that they should have a say in our Board of Directors. The “Women Board Membership Policy”, which we created in line with this perspective, was shared with all our stakeholders on our corporate website.

We are pleased to share with you the purpose, authorities, responsibilities and principles of our policy.

- Within the scope of Article 4.3.9 of the Capital Markets Board’s (“CMB”) “Corporate Governance Communiqué” No. II-17.1, prepared within the scope of compliance with the Turkish Commercial Code No. 6102 (“TCC”) and Capital Markets Law No. 6362 (“CMB”), it is aimed to prioritize women in the selection of members to the Board of Directors and to strengthen the position of women at the highest decision-making mechanism.

Authority and Responsibility

The Women’s Board Membership Policy was created by our Board of Directors within the framework of the CMB’s Corporate Governance Principles and presented to the shareholders as a separate item on the agenda of the Company’s general assembly meeting.

The Board of Directors is under the authority and responsibility of monitoring, developing and updating the Company’s Women’s Board Membership Policy. Changes to be made in the Women’s Board Membership Policy are submitted to the information and opinions of the shareholders at the general assembly meeting, following the approval of the Board of Directors, and published on the Company website (www.kimpur.com)..

Women’s Board Membership Principles

The management of the Company and its representation and binding of the Company against third parties is composed of a Board of Directors consisting of at least 5 (five) and at most 9 (nine) members elected by the General Assembly for a maximum term of three years and possessing the qualifications specified in the Turkish Commercial Code and capital markets legislation. Our company sets a target of not less than 25% for the rate of female members to be on the Board of Directors and reviews this target every year.

The main shareholder or other shareholders carry out the research and recommendation of the female member candidate to the Board of Directors. The proposed female member candidates are forwarded to the Board of Directors by the Corporate Governance Committee, which assumes the duties of the nomination committee. The Board of Directors evaluates the suitability of the female member for the structure of the Board of Directors in accordance with the opinion of the main shareholder and shareholders. The privilege of Group A shareholders to nominate candidates to the Board of Directors, as set forth in Article 7 of the Company’s Articles of Association titled “Board of Directors and its Term”, is reserved.

If the female member is preferred to be an independent member, the Corporate Governance Committee, which undertakes the duties of the nomination committee, is responsible for the execution of the process in accordance with the legislation. The female member must comply with the “independent member” criteria of Article 4.3.6 of the Corporate Governance Communiqué (II17.1).

TRAINING AND EDUCATION

We are aware that our qualified human capital and our understanding of training and development, which we have integrated into our corporate culture, are some of the key elements of our position among the leading companies in our industry based on innovative products.

During our growth process; we see the science and education we owe as an expression of the respect we show to people. In this regard, in addition to the education of our employees, we support their children who are studying, and we also contribute to organizations that focus on education as part of our corporate social responsibility activities.

We know that our employees can contribute more to themselves, our company, our country and the world with the training they receive, and we are pleased and proud to support them to realize their potential. In 2022, we provided 4,252 hours of training to 254 employees within the scope of our training and development programs.

| Number of Employees Attending Trainings | Total Training Hours (Employee*Hour) | Training Hour per Employee (Hour) | Total Number of Employees |
|---|--------------------------------------|-----------------------------------|---------------------------|
| 254 | 4.252,16 | 16,74 | 254 |

Table 5.2: Training Participation Table

We plan our trainings beyond the specific trainings provided by employers to employees within the scope of legal obligation and we take care to provide training to our employees in many different subjects. In addition to the development of vocational and technical knowledge and skills; we include topics that will support following current topics, creating a vision and personal development in our training programs.

Sustainability is among the main training topics that we include in our employee trainings and monitor participation. In addition to sustainability, we also share with you figures on employee participation in trainings on business ethics, anti-bribery and corruption, environment and occupational health.

| SUSTAINABILITY | 2022 | | | 2021 | | | 2020 | | |
|--|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Sustainability Training | | | | | | | | | |
| Number of Employees Attending Sustainability Trainings | 26 | 36 | 62 | 20 | 37 | 57 | 0 | 0 | 0 |
| Total Sustainability Training Hours Provided | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 0 |

Table 5.3: Sustainability Training Table

| ETHICS | 2022 | | | 2021 | | | 2020 | | |
|---|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| Ethics Training | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending Ethics Training | 38 | 71 | 109 | 35 | 69 | 104 | 33 | 62 | 95 |
| Total Hours of Ethics Training Provided | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 2 |

Table 5.4: Ethics Training Table

| ANTI-BRIBERY AND ANTI-CORRUPTION | 2022 | | | 2021 | | | 2020 | | |
|---|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| Anti-bribery and Anti-corruption Training | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending Anti-bribery and Anti-corruption Training | 38 | 71 | 109 | 35 | 69 | 104 | 33 | 62 | 95 |
| Total Anti-Bribery and Anti-Corruption Training Hours | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 2 |

Table 5.5: Anti-Bribery and Anti-Corruption Table

| ENVIRONMENT | 2022 | | | 2021 | | | 2020 | | |
|--|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| Environment Training | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending Environment Training | 0 | 135 | 135 | 0 | 119 | 119 | 0 | 102 | 102 |
| Total Environment Training Hours | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 2 |

Table 5.6: Environment Training Table

| OSH | 2022 | | | 2021 | | | 2020 | | |
|--|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| OHS Training | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending OHS Training | 28 | 196 | 224 | 26 | 160 | 186 | 0 | 144 | 144 |
| Total Environment Training Hours | 0 | 0 | 16 | 0 | 0 | 16 | 0 | 0 | 16 |

Table 5.7: OHS Training Table

OCCUPATIONAL HEALTH AND SAFETY

In order to avoid any negativity while doing our job; employee health comes first. Based on our declaration of "Ensuring Health and Safety Conditions" that we commit to our employees; we work in cooperation to provide a working environment where all our employees can feel safe. We carry out activities to ensure that all our stakeholders adopt the occupational health awareness we have adopted within our organization, and we support these activities with training programs.

Within the scope of our understanding of occupational health and safety, we are committed to providing various measures in order to prevent all kinds of simple or serious injuries and health problems that may occur in the activities we carry out. In order to eliminate these problems completely, we put emphasis on using the latest technology products and offer our employees a workplace with safe and healthy working conditions.

Within the framework of legal regulations and legislation, we meticulously fulfill the measures and requirements we take. We identify all risks that may arise within the scope of Occupational Health and Safety with a proactive risk understanding and prepare and implement plans to eliminate these risks after the determinations.

In order to actively manage occupational health and safety, we use the "Near Miss Notification" and "Suggestion Notification" systems where our employees can provide feedback. With this system, we systematically collect and examine the notifications in the Near-Miss and Önercem boxes in our work areas at regular intervals and examine them meticulously. In all our processes, we manage our Occupational Health and Safety policy and environmental and quality management systems in an integrated manner.

| | 2022 | 2021 | 2020 |
|------------------------------------|---|--|---|
| Total Number of Recommendations | *Near-Miss: 58 *Önercem: 96 *Customer Satisfaction Survey: 62 customers *Great Place To Work: Sent to 250 people | *Near-Miss: 47 *Önercem: 69 * Customer Satisfaction Survey: 536 *Great Place To Work: Sent to 211 people | * Near-Miss:10 *Önercem: 77 |
| Number of Recommendations Answered | * Near-Miss: 49 completed, 9 continues. *Önercem: 42 rejections, 35 acceptances * Customer Satisfaction Survey: Feedback from 48 customers. *Great Place To Work: Received feedback from 220 employees | * Near-Miss: 47 completed *Önercem: 39 rejections,30 acceptances * Customer Satisfaction Survey: Feedback from 213 customers. * Great Place To Work: Feedback from 177 employees. | * Near-Miss: 10 completed *Önercem:34 rejections, 27 acceptances |

Table 5.8: Suggestion Notification Table

Within our organization, we organize Occupational Health and Safety trainings in order to raise awareness among our employees on this issue, and we strive to make these trainings widespread. In this context, we provided sixteen hours of OHS training to 224 employees in 2022.

| OHS | 2022 | | | 2021 | | | 2020 | | |
|---|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| OHS Training | | | | | | | | | |
| Number of Employees Attending OHS Trainings | 28 | 196 | 224 | 26 | 160 | 186 | 0 | 144 | 144 |
| Number of OHS Training Hours Provided | | | 16 | | | 16 | | | 16 |

Table 5.9: OHS Training Table

We strive to keep our Occupational Health and Safety management system constantly active and to improve it.

Within the scope of this understanding;

- By using technology, we aim to prevent injuries and health problems arising from our activities and to provide safe and healthy working conditions.
- We fulfil legal and other requirements related to our activities.
- We carry out studies to eliminate Occupational Health and Safety hazards and risks.
- We continuously improve the Occupational Health and Safety management system and keep it active.
- We ensure the participation of our employees within the scope of system studies.
- We raise awareness of our stakeholders on Occupational Health and Safety.
- We support social responsibility activities to raise public awareness of occupational safety.

As a result of our activities in 2022, we have encountered 14 occupational accidents. None of the accidents resulted in fatalities and the number of days lost due to accidents is 46.

| OHS Performance Indicators | 2022 | | | 2021 | | | 2020 | | |
|------------------------------------|----------|---------|-------|----------|---------|-------|----------|---------|-------|
| | Domestic | Foreign | TOTAL | Domestic | Foreign | TOTAL | Domestic | Foreign | TOTAL |
| Number of Accidents | 14 | 0 | 14 | 14 | 0 | 14 | 10 | 0 | 10 |
| Number of Work-Related Fatal Cases | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Number of Occupational Diseases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lost Days Due to Accident | 46 | 0 | 46 | 93 | 0 | 93 | 57 | 0 | 57 |
| Absence | 455 | 0 | 455 | 951 | 0 | 951 | 1,177 | 0 | 1,177 |
| Accident Frequency Rate | 32,90 | 0 | 32,80 | 42,80 | 0 | 32,80 | 33,20 | 0 | 23,43 |
| Occupational Disease Rate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lost Day Rate | %0,08 | - | %0,08 | %0,20 | - | %0,20 | %0,13 | - | %0,13 |
| Absence Rate | %0,77 | - | %0,77 | %2,05 | - | %2,05 | %2,71 | - | %2,71 |

Table 5.10: OHS Performance Indicator Table

| OHS Performance Indicators | Annual Total Working Hours | Work-related Injuries | | | | Serious Injuries | | | | Work-related Deaths | | | |
|----------------------------|----------------------------|-----------------------|---------------|-------|---------------|------------------|---------------|-------|---------------|---------------------|---------------|-------|---------------|
| | | Employee | Subcontractor | Total | Rate of Total | Employee | Subcontractor | Total | Rate of Total | Employee | Subcontractor | Total | Rate of Total |
| TOTAL | 177,345 | 14 | 0 | 14 | 78.94 | 0 | 0 | 0 | - | 0 | 0 | 0 | - |

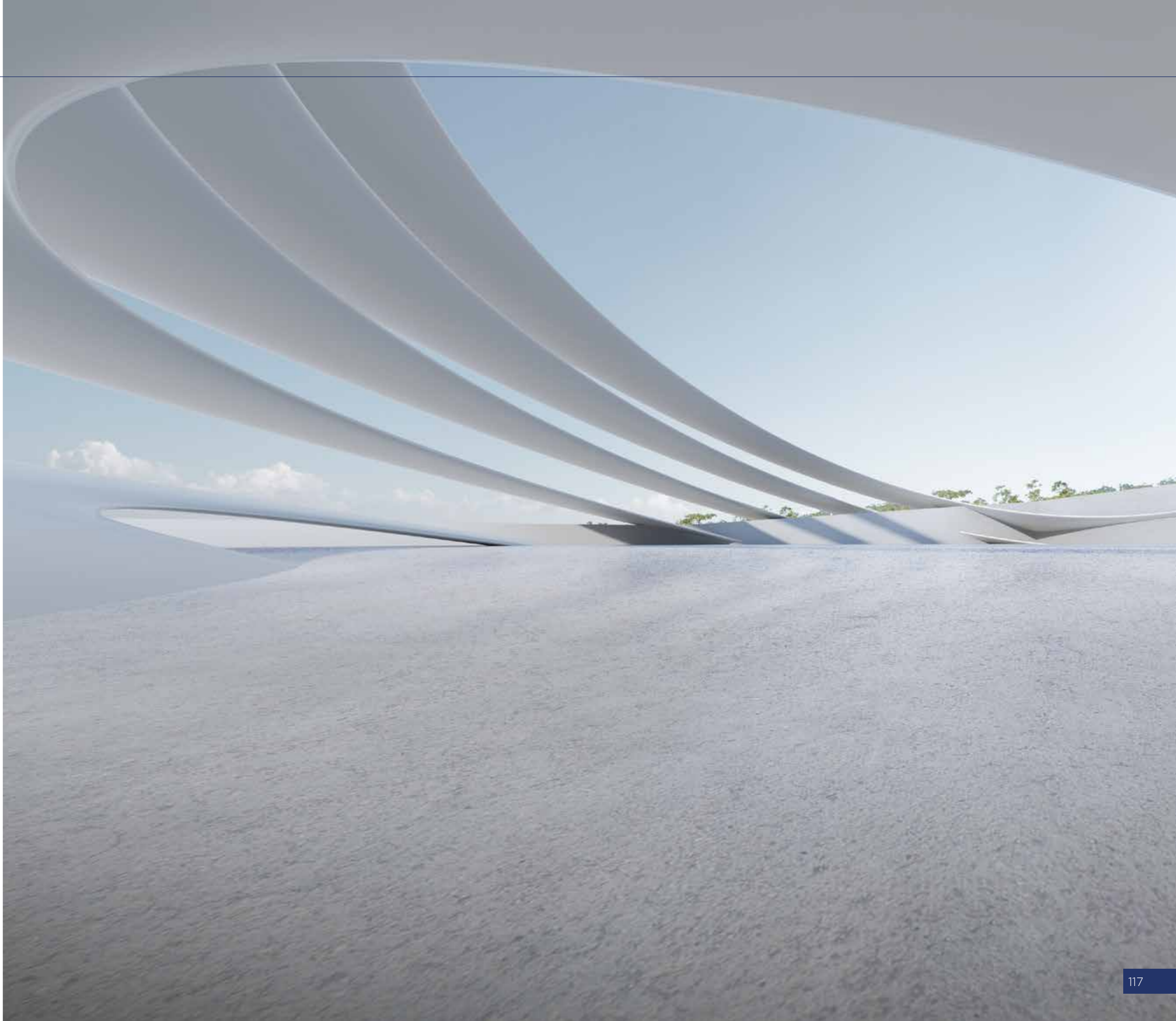
Table 5.11: OHS Injury Table

GOALS AND COMMITMENTS

| Human Capital Commitments | | |
|--|---|---|
| 2022 Materiality Description | 2022 Goal | 2022 Realized |
| Occupational Health and Safety, Human Rights | Continuous improvement efforts | Continuous improvement efforts were ensured |
| Equal Opportunity and Women's Empowerment | Full compliance with Kimpur code of ethics | Maintained 40% female white-collar employee ratio. |
| | Maintaining women's employment rate, which is quite high compared to Turkey's average | Business World Became a member of the Network of Companies Against Domestic Violence. Kimpur Ethics Trainings were held. |
| Employee Engagement | GPTW Great Place To Work included in the list of the best employers | Great Place To Work entered The Best Employers List. |

| Human Capital Goals | Goal Year |
|--|-----------|
| With the Business Network of Companies Against Domestic Violence, in addition to creating ways of prevention and support against domestic violence, raising awareness on women's rights in the business world, increasing the interaction and experience sharing of companies struggling in this field with each other and disseminating good practice examples in companies | 2023 |
| Preservation of female employee ratio among white-collar employees | 2023 |
| Maintaining 75 Points in the Employee Engagement Survey | 2024 |
| Obtaining the Occupational Health and Safety ISO 45001 certificate | 2025 |

INTELLECTUAL CAPITAL



R&D AND INNOVATION



In order to create value, we know that today's developing and changing technology should be widely used in all areas of life. We are aware that all of our practices that we realize or aim to realize will reach more positive dimensions in the light of science and technology. With this view, we make investments to develop technological innovations and offer them for the benefit of our company and all our stakeholders.

R&D INVESTMENTS

| R&D CENTER INVESTMENTS | | | | |
|---|------------------|-------------------------------------|--|---------------------------------------|
| Polyurea Spray Application Room and Machinery for Polyurea Spray Applications | Shoe Flex Tester | Molds for Rigid System Applications | Laboratory Test and Production Equipment | Efforts to Expand the R&D Center Area |

R&D EXPENDITURES



Since the day we were founded, we have moved forward with the goal of being an organization that attaches great importance to R&D studies. We share with our customers the up-to-date information we have gained in the fields of polyurethane technical and application trends and general polyurethane technology in our industry, and offer our customers special, uncommon solutions thanks to these new product and system designs. In addition, we are continuing our efforts to incorporate 1 of our patents.

We have been carrying out our R&D activities as an "R&D Center" since May 2017 with 27 R&D personnel who are experts in their fields. **With our R&D certificate since 2017, Kimpur R&D Center Projects are supported by the Republic of Turkey Ministry of Science, Industry and Technology.**

Product design in our R&D center starts with the synthesis of molecules to be used in formulations, system development, machine trials in our application and simulation center and covers the entire process until the final product is tested.

KIMPUR R&D SIMULATION LABORATORY

In the R&D Simulation Laboratory we have established; we aim to simulate the machine and mold investments we have made with customer production. This way; we can obtain accurate analysis and fast results regarding the applications we will make for our customers.

In our simulation center, we are able to test the production equipment mostly used in the industry for the applications of product groups such as footwear, flexible foam and rigid foam, as well as our own original products in the laboratory environment.

R&D TECHNICAL SUPPORT

We provide technical service to customers before and after sales with our expert and well-equipped technical support team operating under Kimpur R&D Center. In order to realize our activities in the most effective way, our R&D technical support team always strives to be in close and open communication with our customers. This way, we focus on the appropriate solution for the customer by taking into account customer needs and expectations as well as market trends, and we improve ourselves thanks to the feedback we receive from our customers.

Our technical support team, which plays an active role in new product designs, is also available whenever needed to support our customers with product trials and technical topics. With this structure, Kimpur R&D Center has a unique position in the industry.

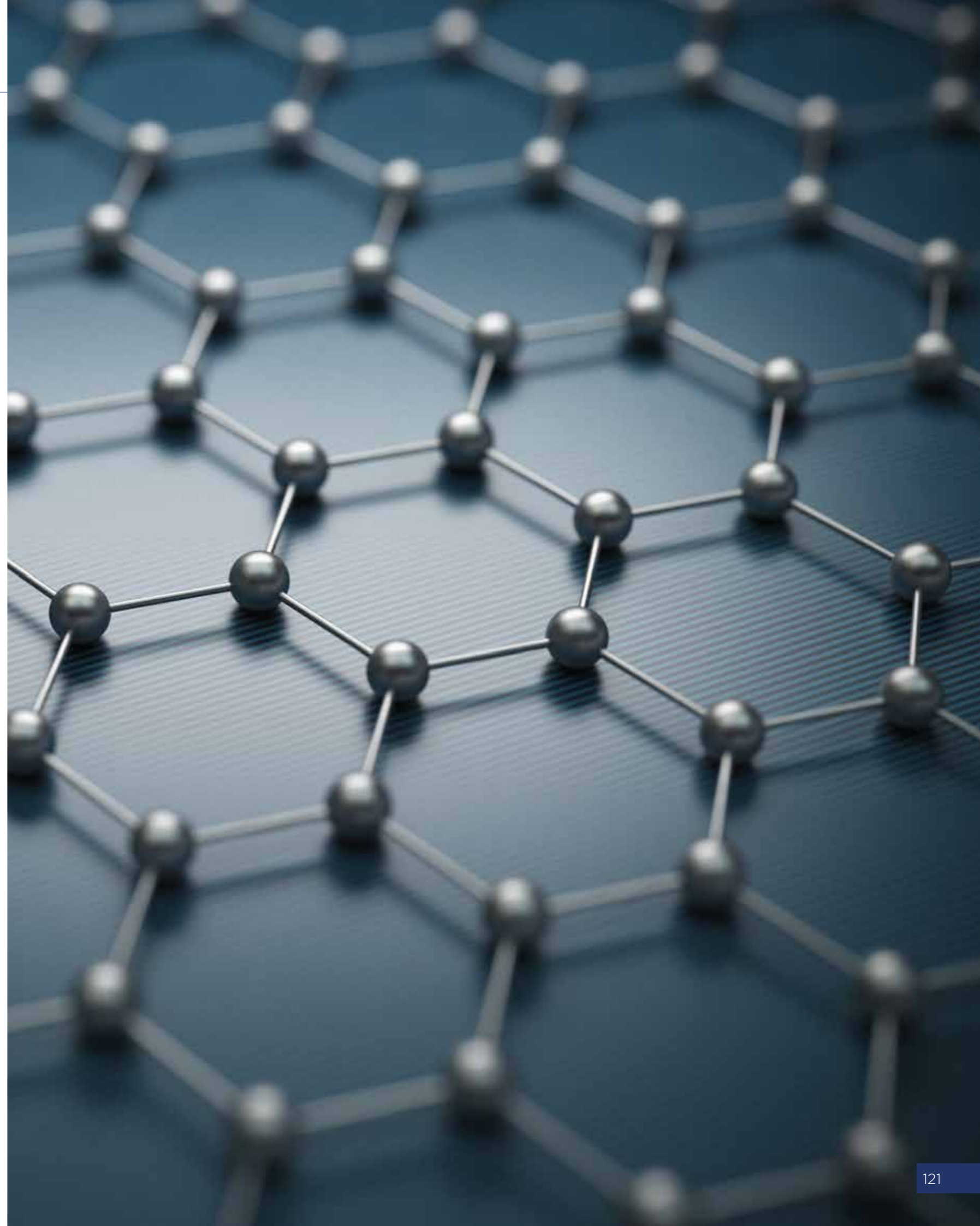
As Kimpur R&D Center, our main goal is to be one of the first companies that comes to mind in its industry when it comes to R&D.

Our strategies for the realization of our goals are as follows;

- Increasing the competence, skills and number of R&D personnel,
- To cooperate intensively with specialized units and universities in order to enrich staff training,
- Strengthening the infrastructure of our application and simulation center and providing our customers with the highest quality products,
- Increasing the competitiveness of our customers through innovative, industry-leading R&D activities.

R&D CENTER GOALS

| R&D Center Goal | Goal Year |
|---|-----------|
| Commercialization of flexible polyurethane systems using graphene from waste tires | 2023-2024 |
| Testing graphene from waste tires in footwear systems | 2023 |
| Continuation of efforts to recycle waste polyurethane foam in rigid, shoe, flexible group into the economy | 2024 |
| In 2023, we aim to fully commercialize the halogen-free system, which we call Green PIR, and the bio-based system to account for approximately 5% of PIR system sales | 2023 |
| Synthesizing high-functionality bio polyols and using them in panel and refrigerator systems to reach 1-2% of the rigid business group volume | 2023 |
| Achieving 5,000 tons of sales by recycling waste PET and using it in polyurethane systems after the Düzce 2023 plant is commissioned | 2028 |
| Development of an innovative, high value-added, sustainable product portfolio in all product groups - 20 or more new projects | 2023 |



CERTIFICATE AND STANDARDS

At **Kimpur**, we recognize the importance of following certain standards to adapt to global trends and expectations and to maintain our industry leadership. With the activities we have carried out in this direction, we have been entitled to use the certificates of national and internationally recognized standards. We continue to improve our management systems. We share our certificates and standards below.

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş - ISO 14001:2015 - SGS-UKAS

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş - TS EN ISO/IEC 27001:2017 - VERICERT-TÜRKAK

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş - ISO 9001:2015-SGS - UKAS

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş - TS EN ISO 50001:2018 - VERICERT-TÜRKAK

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş - AUTHORIZED OBLIGATION CERTIFICATE

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş - CE DOCUMENT - TURKISH STANDARDS INSTITUTION

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş - REACH DOCUMENT - REACH GLOBAL SERVICES



ISO 9001 Certificate
Environmental
Management Standard
Approval



ISO 27001 Certificate
Information Security
Management Standard
Approval



ISO 50001 Certificate
Energy Management
Standard Approval



ISO 14001 Certificate
Environmental
Management Standard
Approval



Authorized Economic
Operator Certificate,
Financial Competency,
Safety and Security
Customs Approval



Reach Certificate
EU Approval of
Environmental and
Health Requirements for
Chemical Substances



CE Certificate EU
Technical Structure
Compliant Products
Health and Safety Mark



Six Sigma Methodology
Management System
Using Effective
Statistical Tools to
Ensure Operational
Excellence



Error Types and
Effects Analysis Risk
Analysis, which includes
the prediction and
prevention of problems
that may occur in the
system

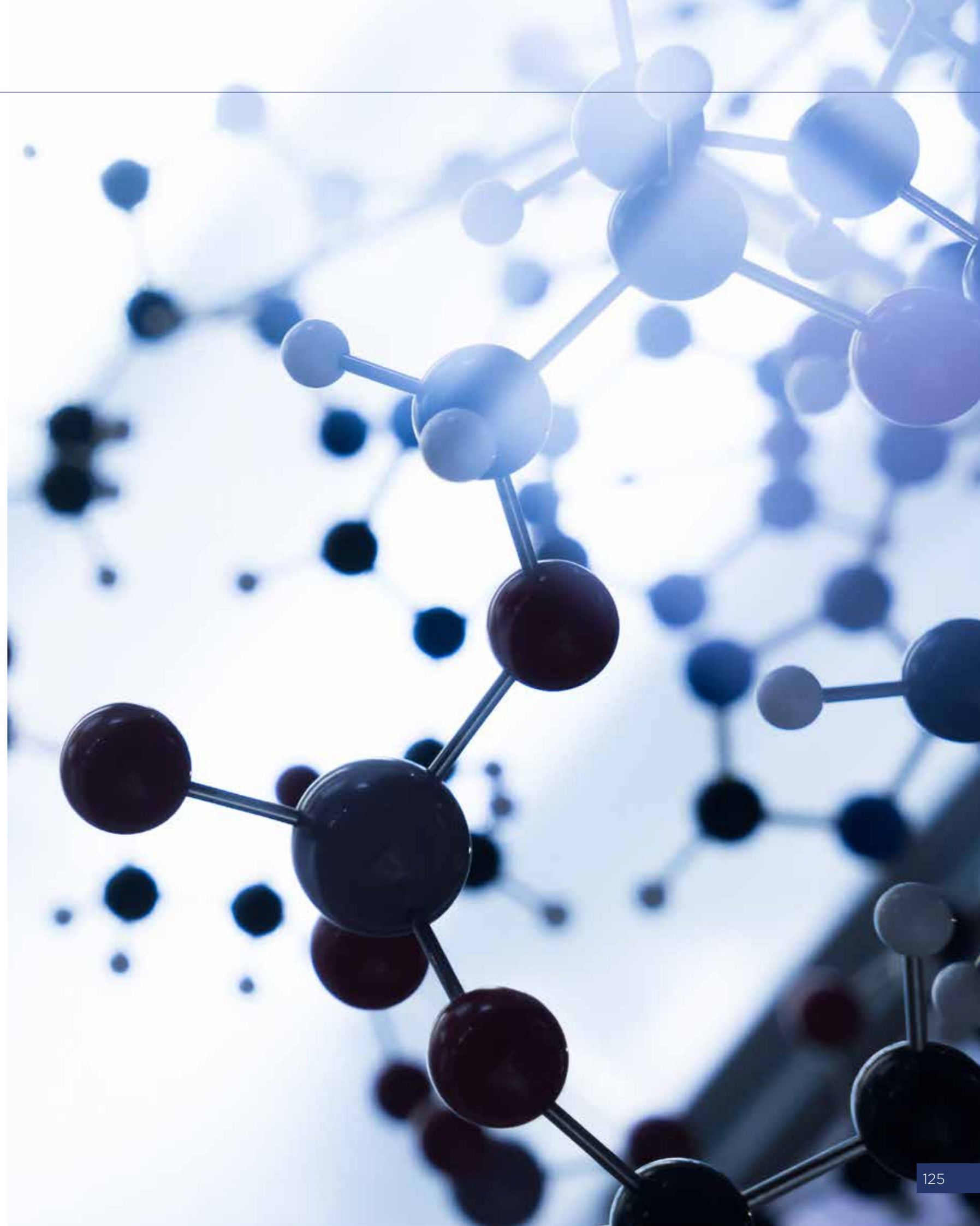


5S Methodology
Developed to Create
and Maintain a Quality
Working Environment

GOALS AND COMMITMENTS

| Intellectual Capital Commitments | | |
|----------------------------------|--|---|
| 2022 Priority Description | 2022 Goal | 2022 Realized |
| Information Security | <p>Full compliance with ISO 27001 Information Security Management System Standards and Kimpur Information Security Policy.</p> <p>Elimination of additional resource needs for Information Technologies infrastructure</p> | <p>DLP (Data Loss Prevention), a data loss prevention software, has been deployed (DLP detects potential data breaches/data leakage transmissions and monitors, detects and blocks sensitive data in use, in motion and at rest)</p> <p>Our 27001 Information Security Management System certificate was renewed without major/minor nonconformity.</p> <p>New servers and switches were purchased and infrastructure investments were made for additional resource needs.</p> <p>The IPM invoice control and electronic document transfer project with customs officials was commissioned. With this project, in addition to time savings, paper savings were achieved, information security was increased and the need for archives was reduced..</p> |

| Intellectual Capital Commitments | Goal Year |
|--|-----------|
| Obtaining the Industrial Competence Evaluation and Support Program (EYDEP) Certificate | 2023 |



SOCIAL AND RELATIONSHIP CAPITAL VALUE CHAIN



VALUE CHAIN

We take care to act together with our suppliers, whom we care about to complete the link of our value chain. We know that companies aiming to become a global brand in the industries in which they operate can reach large masses and a widespread geography by influencing the value chain. Thus, we act with the awareness that we can raise the bar on a large scale and realize change and transformation on a large scale.

We want to reflect our positive impact at as many points and at a high level as possible, beyond just ensuring sustainability in our own activities. However, we are also aware that the way to increase our social impact and reduce our environmental burdens is through our value chain and that we cannot be successful in our own sustainability without integrating with our value chain.

Managing social, environmental and economic risks and opportunities is important for sustainability. The supply chain has a large impact on the burdens on the three sustainability dimensions, as companies work with many large companies. For this reason, sustainability in the supply chain is important for companies to reduce their environmental, social and economic burdens. As in every area within our mission, we are committed to ensuring sustainability in our supply chain.

We start our value chain process with the procurement of raw materials, followed by the conversion of raw materials into finished products and distribution to customers. We divide purchases from suppliers into two main categories: raw materials and non-raw materials. We have 152 suppliers from whom we purchase raw materials and 445 suppliers from whom we make purchases other than raw materials. Although there is no significant change in the number of our suppliers, we increased the amount of our purchases from our suppliers by 15 percent compared to the previous year due to the increase in our sales volume.

In order to ensure continuity of supply in raw materials, we determine the amount and budgets of raw materials to be purchased every year in advance and formulate strategies in this context. We make necessary long-term contracts or periodic short-term purchases according to need.

Our customers, which constitute the next link in our value chain, consist of more than a thousand organizations operating in different sectors such as footwear, automotive, furniture, heating-cooling, construction-insulation. In this context, we export our products to more than 50 countries. We attach importance to the effective management of the supply chain in order not to lose our positive reputation in the eyes of our customers.

It is significant for us to cooperate by positively influencing the organizations in our value chain in terms of social, environmental and governance topics.

FEEDBACK MANAGEMENT MECHANISM

We attach great importance to feedback from our stakeholders in order to manage our relationships with them, to ensure that they create value as capital, and to protect and increase the value created. We see the effective management of feedback as an element of protecting our social and relationship capital. We always strive to keep our communication with our stakeholders active and healthy.

We take a systematic approach to manage the complaints and suggestions received from our customers and employees in particular, and to ensure that the feedback of all our stakeholders such as our suppliers and the public is quickly received, accessible to the relevant authorities, correctly evaluated and effectively resolved. In this regard, we use many systems in an integrated manner at the same time in order to ensure that both complaints and suggestions reach us or our management quickly and are resolved.

We track and resolve complaints received from our customers through QDMS (Quality Document Management System), an integrated management system software. We limit access to the software only to our authorized personnel and ensure that incoming complaints are monitored by Quality Assurance teams and reported to our CEO. We have a committee in our company that deals with this issue. Through the effective evaluation of these notifications, we aim to develop ourselves, further improve our quality and have a direct positive impact on our customers' brand satisfaction.

We hereby share with you below the "Customer Complaint Management Procedure", developed and performed in line with this purpose:

Customer Complaint Management Procedure

Kimpur defines a procedure for evaluating and resolving customer dissatisfaction with its products and services. The Quality Assurance department is responsible for the evaluation and follow-up of customer complaints. First of all, the relevant complaint is recorded in the QDMS system by the sales support and export support team or sales representative. The complaint is forwarded to the relevant sales representative, quality assurance, production, quality control, technical support and relevant R&D departments via the QDMS system.

- If the complaint originates from the product structure, the Technical Support specialist contacts the customer and makes the first intervention remotely. If the complaint cannot be resolved with the customer's guidance, Sales Support, Quality Assurance, Quality Control, R&D, Sales, Technical Support departments come together in a preliminary meeting to evaluate the complaint comprehensively. The results of laboratory studies are awaited to investigate the root cause. Technical work is carried out according to the subject and the customer is informed.
- If the complaint does not originate from the product structure, but from Production, Logistics, Financial Affairs, Purchasing and Supplier operations; improvement work is carried out by the relevant department responsible for the root cause of the complaint, its elimination and prevention of recurrence. Results are entered into the system.
- For open complaints, the relevant team leader writes a development report and, if resolved, a final report. For finalized complaints, the relevant departments come together once a month to evaluate the complaints, and the complaint whose result is deemed sufficient is closed from the system by the Quality Assurance department. In cases where it is thought that the root cause has not been eliminated, detailed studies/projects are initiated by the relevant departments.

Within the framework of our feedback management mechanism, we not only try to resolve and respond to complaints and suggestions from our customers, but we also care about our employees' feedback on our company. We take these opinions into consideration in order to provide them with a better working environment and take care to provide feedback in a short time. We attach importance to improving our Human Resources activities in line with the feedback we receive.

In addition to other topics and channels, employees can submit their complaints to the Human Resources unit with a petition or online to etikkurul@kimpur.com e-mail address. We make it possible for only Human Resources unit employees to access the complaints accepted in writing through "Tell HR". We ensure that complaints received via e-mail are evaluated anonymously by the Ethics Committee.

In addition, we receive supplier and public complaints via the same e-mail address and report them to our CEO.

We believe that effective management of feedback is a good guide to do our job better, increase the satisfaction of our stakeholders, and strengthen our social and relational capital.

MEMBERSHIPS AND PARTNERSHIPS

We know that there is strength in unity, that sharing experiences is important for development and that we can increase our positive multiplier effect through our network of relationships. Therefore, by participating in associations related to the areas in which we operate, we learn from each other, evaluate cooperation possibilities, stay informed about sectoral developments and best practices, manage expectations and offer our views on regulations when necessary.

We share our memberships and partnerships with non-governmental organizations related to sustainability below.



UN Global Compact



Business Plastics Initiative



SAHA İstanbul
- Defence and
Aerospace Cluster



Defence and
Aerospace
Industry
Manufacturers
Association



Türkiye Kimya
Sanayicileri Derneği
Turkish
Chemical
Manufacturers
Association



Business World
and Sustainable
Development
Association



Turkish Investor Relations
Association



Insulated Panel
Manufacturers
Association



Turkish Corporate
Governance
Association



Turkey Materials
Marketplace



Istanbul Minerals and
Metals Exporters'
Association



Kocaeli Chamber
of Industry

CORPORATE SOCIAL RESPONSIBILITY

We have made it our goal to benefit the society and touch someone's heart. In addition to our pioneering and innovative activities in our industry, carrying out activities that contribute to society also has a positive impact on our internal motivation.

Aware of the value and preciousness of being able to touch even just one life, we take care to play an active role in education, the environment and gender equality, and we provide and show our support to non-governmental organizations.

KIMPUR MEMORIAL FOREST

We created the **Kimpur Memorial Forest** in Düzce with 10,000 saplings in cooperation with the Aegean Forest Foundation as part of our project to leave green areas for future generations, combat drought and erosion, reduce our carbon footprint and contribute to biodiversity.



POSSIBLE TOGETHER

We participated in the Earth Hour global movement organized by WWF (World Wildlife Fund) to stop the climate crisis and encourage people to take action on the environment and protect the planet. We made a social incentive to turn off all lights between 20.30-21.30 on Saturday, March 26, saying "Stopping the climate crisis is possible #together. Join Earth Hour 2022 and be a part of the planet's change!".

FIGHTING DESERTIFICATION AND DROUGHT

On June 17, the Day to Combat Desertification and Drought, we donated saplings on behalf of all our employees in cooperation with the Aegean Forest Foundation.

SUPPORT MARKET

In order to support families in need, we donated to support markets in Istanbul and Antep regions during Ramadan in cooperation with the Basic Needs Association.

TEGV HAPPY DAY CARD

In order to support the education of children in need, we donated TEGV Happy Day Cards on behalf of all our employees on February 14th in cooperation with the Educational Volunteers Foundation of Turkey (TEGV).

HOLIDAY DONATIONS TO DARÜŞŞAFAKA

In order to support the education of children in need, we contributed to the education of children in cooperation with Darüşşafaka.

DARÜŞŞAFAKA EDUCATION DONATION

We cooperated with Darüşşafaka in order to provide annual education support to students in need.

SUPPORT TO EDUCATION

We provided supply support to Fethi Gemuhoğlu Primary School in Edirne.

WITH KIMFOOT® KIDS ARE HAPPY

In order to support children in need of shoes, we donated shoes produced with our KIMfoot® Shoe Systems in cooperation with Tider to children in need.

MOR ÇATI FIGHT AND SOLIDARITY NETWORK

In order to support the struggle of women who fight against violence against women and gender inequality, we provided support to the Mor Çatı Women's Shelter Foundation.

VALUE FOR WOMEN'S LABOR

As part of our cooperation with the KEDV Association, we bought the products manufactured by low-income women and added them to the gift boxes of our employees at the beginning of the year.

WE ARE HERE FOR OUR FRIENDS WITH PAWS

In order to support stray animals and encourage the society in this regard, we cooperated with the Turkish Animal Protection Association and supported the food needs of stray animals in winter.

GOALS AND COMMITMENTS

| Social Capital Commitments | | |
|--------------------------------------|--|--|
| 2022 Materiality Description | 2022 Goal | 2022 Realized |
| Education and Development | Preparation and implementation of a training plan to increase employee competencies and job skills Starting to measure the effectiveness of trainings through surveys, projects, feedback, etc. | Increased education per capita |
| Customer Satisfaction and Management | Ensuring that the survey results average 90%. | Achieved 92% customer satisfaction rate in customer satisfaction surveys. |
| Supply Chain | 15% of acquisitions become contract purchases | Contract purchases were increased by 15%. Substitute material studies were carried out for each raw material. In the raw materials used, 22 equivalent raw materials were added to the portfolio |
| Partnership with Stakeholders | Participation in product-oriented project and career days organized by universities Increasing cooperation with Social Community Organizations Leading the establishment of the Polyurethane Manufacturers Association | Collaborations were made with universities, foundations and social society organizations. Opening of the Polyurethane Manufacturers Association is underway. |

| Our Social and Relationship Capital Goals | Goal Year |
|---|-----------|
| Maintaining 90% satisfaction rate in Customer Satisfaction Surveys | 2023 |
| Participation and implementation of sustainability surveys with suppliers | 2023 |

ATTACHMENTS



UN GLOBAL COMPACT

Developed by the United Nations (UN), the Global Compact (UNGC) is an innovative approach to corporate responsibility that proposes universal principles to create a common culture of development in the ever-competitive business world.

Since 2000, the Global Compact, the world's largest voluntary corporate responsibility initiative with more than 9,000 corporate participants and stakeholders from more than 160 countries, has identified 10 universal principles under the main headings of human rights, labor, environment and anti-corruption.

As a signatory to the United Nations Global Compact, Kimpur is committed to these principles.

10 PRINCIPLES OF THE GLOBAL AGREEMENT

Human Rights

Principle 1:

Businesses should support and respect proclaimed human rights

Principle 2: Business should not be complicit in human rights abuses

Working Conditions

Principle 3: Business should support workers' freedom of association and collective bargaining

Principle 4: Forced and compulsory labor should be stopped

Principle 5: All forms of child labor should be stopped

Principle 6: Discrimination in recruitment and placement should end

Environment

Principle 7: Businesses should support precautionary approaches to environmental problems.

Principle 8: The business world supports all kinds of activities and formations that will increase environmental responsibility.

Principle 9: The business world should support the development and dissemination of environmentally friendly technologies.

Anti-Corruption

Principle 10: Business should fight all forms of corruption, including bribery and extortion.

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an "independent member" on the Board of Directors of KİMTEKS POLİÜRETAN SANAYİ VE TİCARET ANONİM ŞİRKETİ (the Company) within the scope of the legislation, articles of association and the criteria set forth in the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 and Article 4.3.6 of the Capital Markets Board's Corporate Governance Communiqué Annex, and within this scope;

a) The Company, the partnerships in which the Company has management control, the legal entities in which the shareholders who directly or indirectly hold 10% or more or privileged shares in the Company's capital have management control, and itself, its spouse and blood relatives and relatives by marriage up to the second degree have not, within the last five years, directly or indirectly, been employed in a managerial position to assume important duties and responsibilities, held more than 10% of the capital or voting rights or established a significant commercial relationship (it is sufficient if the significant commercial relationship is important for the independent member candidate or any of the company),

b) In the last five years, I have not been a partner (5% or more), an executive with significant duties and responsibilities, or a member of the board of directors in companies from which the company purchases or sells services or products to a significant extent within the framework of the agreements made, especially in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when the services or products were purchased or sold,

c) I have the professional training, knowledge and experience to duly fulfil the duties that I will undertake as an independent board member,

ç) I have not worked full-time in public institutions and organizations after being elected as a member, except for university faculty membership in accordance with the legislation,

d) I am considered a resident in Turkey according to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193,

e) I have strong ethical standards, professional reputation and experience that will enable me to make positive contributions to the Company's activities, to maintain my impartiality in conflicts of interest between the Company and shareholders, and to make decisions freely by taking into account the rights of stakeholders,

f) I will be able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfil the requirements of the duties I have undertaken,

g) I have not served as a member of the board of directors of the Company for more than six years within the last ten years,

ğ) I have not served as an independent member of the Board of Directors in more than three of the companies controlled by the Company or the shareholders controlling the management of the Company and in more than five of the companies traded on Borsa Istanbul in total,

h) I declare that I am not registered and announced on behalf of the legal entity elected as a member of the board of directors.

Mehmet Mete Başol



DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an "independent member" in the Board of Directors of KİMTEKS POLİÜRETAN SANAYİ VE TİCARET ANONİM ŞİRKETİ (the Company) within the scope of the legislation, articles of association and the criteria set forth in the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, Article 4.3.6 of the Corporate Governance Communiqué Annex, and within this scope;

a) The Company, the partnerships in which the Company has management control, the legal entities in which the shareholders who directly or indirectly hold 10% or more or privileged shares in the Company's capital have management control, and itself, its spouse and blood relatives and relatives by marriage up to the second degree have not, within the last five years, directly or indirectly, been employed in a managerial position to assume important duties and responsibilities, held more than 10% of the capital or voting rights or established a significant commercial relationship (it is sufficient if the significant commercial relationship is important for the independent member candidate or any of the company),

b) In the last five years, I have not been a partner (5% or more), an executive with significant duties and responsibilities, or a member of the board of directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of agreements, primarily in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, or in companies from which the company purchases or sells services or products to a significant extent within the framework of agreements made, during the periods when services or products are purchased or sold,

c) I have the professional training, knowledge and experience to duly fulfil the duties that I will undertake as an independent board member,

ç) That I have not worked full-time in public institutions and organizations after being elected as a member, except for university faculty membership in accordance with the legislation,

d) I am considered a resident in Turkey according to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193,

e) I have strong ethical standards, professional reputation and experience that will enable me to make positive contributions to the Company's activities, to maintain my impartiality in conflicts of interest between the Company and shareholders, and to make decisions freely by taking into account the rights of stakeholders,

f) I will be able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfil the requirements of the duties I have undertaken,

g) I have not been a member of the board of directors of the Company for more than six years within the last ten years,

ğ) I have not served as an independent member of the Board of Directors in more than three of the companies controlled by the Company or the shareholders controlling the management of the Company and in more than five of the companies traded on Borsa Istanbul in total,

h) I declare that I am not registered and announced on behalf of the legal entity elected as a member of the board of directors.

Ömer BAKIR



PERFORMANCE INDICATORS

NATURAL CAPITAL

| WASTE INFORMATION | 2022 | | | 2021 | | | 2020 | | |
|--------------------|-----------------|----------------------|------------------|-----------------|----------------------|------------------|-----------------|----------------------|------------------|
| | Generated Waste | Non-disposable Waste | Disposable Waste | Generated Waste | Non-disposable Waste | Disposable Waste | Generated Waste | Non-disposable Waste | Disposable Waste |
| Waste Components | Ton | Ton | Ton | Ton | Ton | Ton | Ton | Ton | Ton |
| Paper | 32 | - | 32 | 21 | - | 21 | 17 | - | 17 |
| Plastic | 1,755 | - | - | 680 | - | 680 | - | - | - |
| Glass | | | | 1,256 | - | - | Apr.76 | - | - |
| Metal | 20 | - | - | 28 | - | - | 20 | - | - |
| Food | 203 | 203 | - | - | - | - | - | - | - |
| TOTAL WASTE | 2,01 | 203 | 32 | 1,986 | 0 | 701 | 41 | 0 | 17 |

| | 2022 | 2021 | 2020 |
|--------------------------------------|--------------|--------------|--------------|
| RECYCLED NON-DISPOSABLE WASTE | TOTAL | TOTAL | TOTAL |
| Hazardous Waste | Ton | Ton | Ton |
| Prepared for recycling | - | - | - |
| Recycle | - | - | - |
| Other Recycling Operations | 2.035 | 1.615 | 1.103 |
| Non-hazardous Waste | Ton | Ton | Ton |
| Prepared for recycling | - | - | - |
| Recycle | - | - | - |
| Composted | - | - | - |
| Other Recycling Operations | 463,2 | 347,3 | 36,6 |

| | 2022 | 2021 | 2020 |
|-----------------------------------|--------------|--------------|--------------|
| DISPOSED WASTE | TOTAL | TOTAL | TOTAL |
| Hazardous Waste | Ton | Ton | Ton |
| Burning (With Recycled Energy) | | | - |
| Burning (Without Recycled Energy) | 0,008 | 0,014 | 0,006 |
| Landfill | 0,001 | 0,001 | 0,001 |
| Other Disposal Operations | - | - | - |
| Non-hazardous Waste | Ton | Ton | Ton |
| Landfill | 203 | - | - |

| Consumption of Energy Resources (GJ) | 2022 | 2021 | 2020 |
|--|-----------|-----------|-----------|
| Total Electricity Received from the Grid | 21.053,74 | 18.242,10 | 17.024,90 |
| Natural Gas | 61.459,59 | 49.865,08 | 44.629,01 |
| Diesel (Stable Combustion) | 264,11 | 53,54 | 142,05 |
| Diesel (Mobile Combustion) | 2.243,90 | 2.397,26 | 1.920,48 |
| Gasoline (Mobile Combustion) | 683,77 | 312,16 | 186,21 |

| Electric Energy Production & Consumption (GJ) | 2022 |
|---|------------|
| Total Electricity Consumed | 21.053,736 |
| Total Electricity Generated from Renewable Energy (SPP) | 50,688 |
| Total Heat Energy Produced in Boilers | 73.198,8 |

| Greenhouse Gas Emissions (ton CO2e) | 2022 | 2021 | 2020 |
|-------------------------------------|-----------------|-----------------|-----------------|
| Scope 1 / Category 1 | 3.702,59 | 3.816,00 | 3.454,00 |
| Scope 2 / Category 2 | 2.573,00 | 2.137,00 | 1.995,00 |
| TOTAL (Scope 1 + Scope 2) | 6.275,59 | 5.953,00 | 5.449,00 |

| Scope | Emission Category | Total (tCO ₂ e) | Rate (%) |
|--------------|---|----------------------------|-------------|
| Scope 1 | Category 1 Direct Greenhouse Gas Emissions | 3.702,93 | %9,4 |
| Scope 2 | Category 2 Indirect Greenhouse Gas Emissions from Imported Energy | 2.573,23 | %6,5 |
| Scope 3 | Category 3 Indirect Greenhouse Gas Emission from Transportation | 20.395,89 | %51,5 |
| | Category 4 Indirect Greenhouse Gas Emissions from the Product/Service Used by the Institution | 9.064,13 | %22,9 |
| | Category 5 Indirect Greenhouse Gas Emissions from the Institution's Products/Services | 3.839,66 | %9,7 |
| TOTAL | | 39.575,86 | %100 |

| Production Amount (ton) | Total Emission (tCO ₂ e) | Unit Carbon Footprint (tCO ₂ e/ton) |
|-------------------------|-------------------------------------|--|
| 104.550 | 39.575,86 | 0,3785 |

| Air Releases (kg) | 2022 | 2021 | 2020 |
|-------------------|------|-------|-------|
| NOx | 0,89 | 0,788 | 0,788 |
| SOx | 0 | 0,007 | 0,007 |

| WATER CONSUMPTION | 2022 | 2021 | 2020 |
|--|--------------|---------------|--------------|
| Total Water Consumption (m³) | 8.564 | 12.692 | 9.168 |

| Category | Sub Category | Emissions Caused by Activity | Emission (tCO ₂ e) |
|---|---|---|-------------------------------|
| Direct GHG Emissions | Stationary Combustion | Generator | 23,72 |
| | | Natural Gas - Boiler | 3,451,11 |
| | Mobile Combustion | Vehicle Fuels | 217,76 |
| | Leakage/Leakage of Gases | Fire Extinguisher | 3,63 |
| | | Gases ** | 6,73 |
| Category 1 Total (tCO ₂ e) | | | 3,702,93 |
| Indirect GHG Emissions from Imported Energy | Imported Electricity | Electric (Location-based) | 2,573,23 |
| Category 2 Total (tCO ₂ e) | | | 2,573,23 |
| Indirect GHG Emissions from Transportation | Transportation Paid by Organization | Land Route Transport | 5,933,92 |
| | | Seaway Route Transport | 2,494,34 |
| | Transportation Not-paid by Organization | Land Route Transport | 1,763,75 |
| | | Seaway Route Transport | 9,209,49 |
| | | WTT - Stationary Combustion | 5,52 |
| | | WTT - Stationary Combustion | 656,24 |
| | Employee Commuting | WTT - Mobile Combustion | 51,22 |
| | | Shuttle Bus Fuels | 29,95 |
| | | Employee Commuting - Others | 0,05 |
| | Customer and Visitor Transportation | Working From Home | 6,16 |
| | | Customer Transportation | 14,42 |
| | Business Travels | Air Flights | 196,27 |
| | | Taxi Use | 19,04 |
| | | Hotel Accommodation | 11,70 |
| | | Passenger Car Rental | 3,84 |
| Category 3 Total (tCO ₂ e) | | | 20,395,89 |
| Indirect GHG Emissions from the Product/Service Used by the Institution | Purchases Concerning Production | Raw Materials Purchase | 116,50 |
| | | Package Transport Materials Purchase | 8,788,14 |
| | | Tap Water Use (Production) | 0,18 |
| | Purchases Concerning Service | Paper Use | 2,57 |
| | | Tap Water Use (Domestic) | 3,43 |
| | | Drinking Water Use | 5,96 |
| | Use Of Services / Waste Disposal | Waste Management | 42,77 |
| | Use Of Services / Leased Assets | Leased Assets - Storage | 1,06 |
| | Use Of Services / Others | Energy Transmission Distribution Losses | 103,46 |
| | | Cargo | 0,05 |
| Category 4 Total (tCO ₂ e) | | | 9,064,13 |
| Indirect GHG Emissions Based on the Service Provided by the Institution | Institution's Product/Services Emissions for Life Time | Chemical Reaction | 3,726,98 |
| | Institution's Product/Services Emissions for End of Life Time | End of life Package of the Product | 112,68 |
| Category 5 Total (tCO ₂ e) | | | 3,839,66 |
| Indirect GHG from Other Sources | Others | - | - |
| Category 6 Total (tCO ₂ e) | | | - |
| GRAND TOTAL OF ALL CATEGORIES | | | 39,575,86 |

GHG: Greenhouse Gas Emissions

** In the VRF Device, 0.27 tCO₂e emission occurs due to HCFC-22/R22 gas.

FINANCIAL CAPITAL

| | 2022 | 2021 | 2020 |
|---|-----------------------------|-----------------------------|-----------------------------|
| i. Direct Economic Value Created (TL) | | | |
| Net Sales | 4.890.048.530 | 2.172.688.464 | 938.761.333 |
| Profit share from investments revalued with equity | - | 1.115.290 | -941.024 |
| Income from investment | 199.116.731 | 3.153.555 | - |
| Revenues | 5.089.165.261 | 2.176.957.309 | 937.820.309 |
| ii. Economic Value Distributed (TL) | | | |
| Cost of Sales (Activities expense included) | 4.041.987.517 | 1.565.347.662 | 759.321.273 |
| Employee wages and benefits | 106.099.087 | 70.127.188 | 23.083.242 |
| Social investment activities expense | 387.548 | 69.745 | 2.200 |
| Financial revenues/expenses (net) | 391.315.329 | 134.827.699 | 55.716.868 |
| Tax Expenses (Payment to the government) | -48.673.969 | 90.161.970 | 19.300.783 |
| Payment to stakeholders (Dividend) | 151.275.130 | 50.000.000 | 12.896.345 |
| Expenses | 4.642.390.642 | 1.910.534.264 | 870.320.711 |
| iii. Economic Value Remained (TL) | | | |
| Revenues | 5.089.165.261 | 2.176.957.309 | 937.820.309 |
| Expenses | 4.642.390.642 | 1.910.534.264 | 870.320.711 |
| Economic Value Remained | 446.774.619 | 266.423.045 | 67.499.598 |
| | | | |
| | Consolidated | Consolidated | Solo |
| Profit or Loss Statement (TL) | 01 January-31 December 2022 | 01 January-31 December 2022 | 01 January-31 December 2022 |
| Revenue | 4.890.048.530 | 2.172.688.464 | 938.761.333 |
| Cost of Sales | -4.121.326.807 | -1.793.241.157 | -746.872.265 |
| GROSS PROFIT | 768.721.723 | 379.447.307 | 191.889.068 |
| General Administrative Expenses | -48.090.840 | -37.520.092 | -16.019.264 |
| Marketing Expenses | -138.220.140 | -53.136.879 | -29.358.807 |
| Other Income from Main Activities | 535.198.447 | 767.803.599 | 137.724.464 |
| Other Expenses from Main Activities | -376.034.812 | -519.450.065 | -127.880.843 |
| OPERATING INCOME PROFIT | 741.574.378 | 537.143.870 | 156.354.618 |
| Investment Activities Revenues | 199.116.731 | 3.153.555 | - |
| Investment Activities Expenses | - | - | - |
| Shares of Profits/Losses of Investments Valued by Equity Method | - | 1.115.290 | -941.024 |
| OPERATING PROFIT BEFORE FINANCE INCOME(EXPENSE) | 940.691.109 | 541.412.715 | 155.413.594 |
| Financial Revenues | 11.540.436 | - | - |
| Financial Expenses | -402.855.765 | -134.827.699 | -55.716.868 |
| PROFIT BEFORE TAX | 549.375.780 | 406.585.016 | 99.696.726 |
| Tax Expense | 48.673.969 | -90.161.970 | -19.300.783 |
| PERIOD INCOME | 598.049.749 | 316.423.046 | 80.395.943 |
| Not to be Reclassified as Profit or Loss | 83.638.066 | 22.227.109 | -35.168 |
| Reclassified as Profit or Loss | 2.919.372 | - | - |
| TOTAL COMPREHENSIVE INCOME | 684.607.187 | 338.650.155 | 80.360.775 |

GRI 401-1

HUMAN CAPITAL

| Total Number of Employees | Male | Female | TOTAL |
|---------------------------|------|--------|-------|
| Total | 196 | 58 | 254 |

| Number of Employees | White-collar | | Blue-collar | |
|---------------------|--------------|--------|-------------|--------|
| | Male | Female | Male | Female |
| Total | 82 | 55 | 114 | 3 |

| Number of Employees by Years | MALE | | | FEMALE | | | TOTAL | | |
|------------------------------|------|------|------|--------|------|------|-------|------|------|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| Total | 197 | 166 | 145 | 58 | 52 | 51 | 254 | 218 | 196 |

| Age Distribution of Employees | Number of Employees |
|-------------------------------|---------------------|
| 25< | 12 |
| 25-34 | 77 |
| 35-49 | 147 |
| 50< | 18 |
| Grand Total | 254 |

| Employee Trainings | | | |
|---------------------------------|-------------------------------------|---|---------------------------|
| Number of Employees by Training | Total Training Hour (Employee*Hour) | Average training hour per employee (Hour) | Total Number of Employees |
| 254 | 4,252.16 | 16.74 | 254 |

TRAINING PARTICIPATIONS BY TOPICS

| SUSTAINABILITY | 2022 | | | 2021 | | | 2020 | | |
|--|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending the Trainings | 26 | 36 | 62 | 20 | 37 | 57 | 0 | 0 | 0 |
| Total Number Hours of Sustainability Trainings | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 0 |

| ETHICS | 2022 | | | 2021 | | | 2020 | | |
|---|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending the Ethics Training | 38 | 71 | 109 | 35 | 69 | 104 | 33 | 62 | 95 |
| Total Number of Hours of Ethics Training | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 2 |

| Anti-bribery and Anti-corruption | 2022 | | | 2021 | | | 2020 | | |
|--|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending the Anti-bribery and Anti-corruption Trainings | 38 | 71 | 109 | 35 | 69 | 104 | 33 | 62 | 95 |
| Total Number of Hours of Anti-bribery and Anti-corruption Training | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 2 |

| ENVIRONMENT | 2022 | | | 2021 | | | 2020 | | |
|--|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending the Environment Training | 0 | 135 | 135 | 0 | 119 | 119 | 0 | 102 | 102 |
| Total Number of Hours of Environment Training | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 2 |

| OHS | 2022 | | | 2021 | | | 2020 | | |
|--|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL | Headquarters | Factory | TOTAL |
| Number of Employees Attending OHS Training | 28 | 196 | 224 | 26 | 160 | 186 | 0 | 144 | 144 |
| Total Number of Hours OHS Training | 0 | 0 | 16 | 0 | 0 | 16 | 0 | 0 | 16 |

OHS PERFORMANCE INDICATORS

| OHS Performance Indicators - 1 | 2022 | | | 2021 | | | 2020 | | |
|------------------------------------|--------------|---------|-------|--------------|---------|-------|--------------|---------|-------|
| | Name of Firm | | | Name of Firm | | | Name of Firm | | |
| | Domestic | Foreign | TOTAL | Domestic | Foreign | TOTAL | Domestic | Foreign | TOTAL |
| Number of Accidents | 14 | 0 | 14 | 14 | 0 | 14 | 10 | 0 | 10 |
| Number of Work-Related Fatal Cases | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Number of Occupational Disease | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lost Days Due to Accident | 46 | 0 | 46 | 93 | 0 | 93 | 57 | 0 | 57 |
| Absence | 455 | 0 | 455 | 951 | 0 | 951 | 1,177 | 0 | 1,177 |
| Accident Frequency Rate | 32.90 | 0 | 32.80 | 42.80 | 0 | 32.80 | 33.20 | 0 | 23.43 |
| Rate of Occupational Disease | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rate of Lost Days | 0.08% | - | 0.08% | 0.20% | - | 0.20% | 0.13% | - | 0.13% |
| Rate of Absence | 0.77% | - | 0.77% | 2.05% | - | 2.05% | 2.71% | - | 2.71% |

| OHS Performance Indicators - 2 | Total Annual Working Hours | Work-related Injuries | | | | Work-related Injuries | | | | Work-related deaths | | |
|--------------------------------|----------------------------|-----------------------|---------------|-------|---------------|-----------------------|---------------|-------|---------------|---------------------|---------------|------------|
| | | Employee | Subcontractor | Total | Rate of Total | Employee | Subcontractor | Total | Rate of Total | Employee | Subcontractor | Total Rate |
| Total | 177,345 | 14 | 0 | 14 | 78.94 | 0 | 0 | 0 | - | 0 | 0 | - |

| Employee Satisfaction Survey | 2022 | 2021 |
|--------------------------------------|------|------|
| Survey Participation Rate (%) | 92% | 83% |
| Employee Satisfaction Score (Figure) | 63 | 75 |

| Suggestion Management | 2022 | 2021 | 2020 |
|----------------------------------|---|---|---|
| Total Number of Suggestions Sent | *Near-Miss: 58 *Önercem: 96 *Customer Satisfaction Survey: 62 customers *Great Place To Work: Sent to 250 people. | *Near-Miss: 47 *Önercem: 69 * Customer Satisfaction Survey: 536 *Great Place To Work: Sent to 211 people. | *Near-Miss:10 *Önercem: 77 |
| Number of Suggestions Answered | * Near-Miss: 49 completed, 9 continues. *Önercem: 42 rejections, 35 acceptances * Customer Satisfaction Survey: Feedback from 48 customers. *Great Place To Work: Feedback from 220 employees. | * Near-Miss: 47 completed *Önercem: 39 rejections,30 acceptances * Customer Satisfaction Survey i:Feedback from 213 customers. * Great Place To Work: Feedback from 177 employees. | * Near-Miss: 10 *completed Önercem:34 rejections, 27 acceptances |

INTELLECTUAL CAPITAL

| R&D EXPENDITURES | | |
|------------------|---------------|------------------|
| 2020 | 2021 | 2022 |
| 7.597.807 TL | 17.840.690 TL | 31.146.113,34 TL |

SOCIAL CAPITAL

| Number of Complaints by Years | 2022 | 2021 | 2020 |
|--------------------------------------|------|------|------|
| Total Number of Customer Complaints | 237 | 155 | 172 |
| Number of Solved Customer Complaints | 223 | 136 | 14 |

GRI IS IN APPROVAL PROCESS

GRI INDEX

| | |
|------------------|---|
| Statement of Use | Content Index-Essentials Service has verified that the GRI content index is presented in a clear and consistent manner with the standards and that references to disclosures 2-1 to 2-30, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. Kimpur has developed its sustainability reporting in accordance with the GRI Standards Core option requirements for the period January 1, 2022 to December 31, 2022. The service is provided through the Turkish version of the report. |
| Used GRI 1 | GRI1: BASIC PRINCIPLES 2021 |

| GRI STANDARD | NOTIFICATIONS | HEADINGS OR ANSWERS | PAGE / URL |
|--|---------------------------|---|-----------------------------|
| GENERAL DISCLOSURES | | | |
| GRI 2: General Disclosures 2021 | 1. Organizational Profile | | |
| | 2-1 | About This Report About Kimpur Kimpur Worldwide Contact | 2 10 34-35 154 |
| | 2-2 | About This Report About Kimpur Kimpur Worldwide Contact | 2 10 34-35 154 |
| | 2-3 | About This Report Financial and Economic Performance Contact It will be published on March 2023. | 2 94-95 154 148 |
| | 2-4 | No information has been changed. | 148 |
| | 2-5 | Except for our Financial Capital data, no external audit has been received. Financial Capital | 148 94-96 |
| 2. Establishment and reporting applications | | | |
| | 2-6 | Industries Markets Stakeholder Engagement Value Chain | 21 22-23 72-73 128 |
| | 2-7 | About Kimpur Kimpur by Numbers | 10 104 |
| | 2-8 | There are no subcontracted workers. | 148 |
| 3. Management | | | |
| | 2-9 | Management Approach Management Approach | 42-48 50-51 |
| | 2-10 | Management Approach | 42-43 |
| | 2-11 | Management Approach | 42-43 |
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| | 2-15 | Management Approach | 42 |

| GRI STANDARD | NOTIFICATIONS | HEADINGS OR ANSWERS | PAGE / URL |
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| GRI 2: Genel Göstergeler 2021 | 3. Management | | |
| | 2-16 | Stakeholder Engagement Feedback Management System | 72 128-129 |
| | 2-17 | Sustainability Approach Sustainability Management Structure Sustainability Committee | 58 58 59 |
| | 2-18 | Sustainability Management Structure Sustainability Committee | 58 59 |
| | 2-19 | Pricing and Performance Management | 109 |
| | 2-20 | Pricing and Performance Management | 109 |
| | 2-21 | Pricing and Performance Management | 109 |
| 4. Strategy, policies and applications | | | |
| | 2-22 | Sustainability Management Structure Sustainability Committee | 58 59 |
| | 2-23 | Sustainability Policy | 62-63 |
| | 2-24 | Sustainability Approach Sustainability Management Structure Sustainability Strategy | 58 58 61 |
| | 2-25 | Feedback Management System Kimpur Ethic | 128-129 51 |
| | 2-26 | Feedback Management System Kimpur Ethic | 128-129 51 |
| | 2-27 | Dividend Policy | 38 |
| | 2-28 | Contributions to Sustainability Membership and Collaborations | 74-77 130 |
| 5. Stakeholder Engagement | | | |
| | 2-29 | Stakeholder Engagement | 72-73 |
| | 2-30 | Sustainability Policy Pricing and Performance Management | 62-63 109 |
| MATERIAL TOPICS | | | |
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| GRI 200: ECONOMIC DISCLOSURES | | | |
| ECONOMIC PERFORMANCE | | | |
| GRI 3: Material Topics 2021 | 3-3 | Sustainability Priorities Financial Applications | 64-65 96 |
| GRI 201: Economic Performance 2016 | 201-1 | Financial and Economic Performance | 94-95 |
| | 201-2 | Financial Applications Goals and Commitments | 96 97 |
| | 201-3 | Human Resources | 105 |
| | 201-4 | Financial and Economic Performance Financial Applications | 94-95 96 |

| GRI 200: ECONOMIC STANDARD DISCLOSURES | | | |
|---|-------|--|---------------|
| INDIRECT ECONOMIC IMPACTS | | | |
| GRI 3: Material Topics 2021 | 3-3 | Contributions to Sustainability Financial Applications | 74-76 96 |
| GRI 203: Indirect Economic Effects 2016 | 203-1 | Contributions to Sustainability | 74-76 |
| | 203-2 | Contributions to Sustainability Financial Applications | 74-76 96 |
| PROCUREMENT PRACTICES | | | |
| GRI 3: Material Topics 2021 | 3-3 | Sustainability Policy Value Chain | 62-63 128 |
| GRI 204: Procurement Practices 2016 | 204-1 | Value Chain | 128 |
| ANTI-CORRUPTION | | | |
| GRI 3: Material Topics 2021 | 3-3 | Kimpur Ethic Training and Education | 51 111-112 |
| GRI 205: Anti-corruption 2016 | 205-1 | Kimpur Ethic Training and Education | 51 111-112 |
| | 205-2 | Kimpur Ethic Training and Education | 51 111-112 |

| GRI 300: ENVIRONMENTAL DISCLOSURES | | | |
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| ENERGY | | | |
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| WATER AND EFFLUENTS | | | |
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| GRI 303: Water and Effluents 2018 | 303-1 | Water Management | 88-89 |
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| | 303-3 | Water Management | 88-89 |
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| GRI 305: Emissions 2016 | 305-1 | Emissions Management | 86-88 |
| | 305-2 | Emissions Management | 86-88 |
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| | 305-4 | Emissions Management | 86-88 |

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| WASTE | | | |
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| GRI 306: Atıklar 2020 | 306-1 | Waste Management | 83-84 |
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| | 306-4 | Waste Management | 83-84 |
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| GRI 3: Material Topics 2021 | 3-3 | Sustainability Policy Value Chain | 62 128 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 | Value Chain | 128 |

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| LABOR/MANAGEMENT RELATIONS | | | |
| GRI 3: Material Topics 2021 | 3-3 | Human Resources | 104 105 |
| GRI 402: Labor/Management Relations 2016 | 402-1 | Notifications are made in reasonable advance. | 151 |
| OCCUPATIONAL HEALTH AND SAFETY | | | |
| GRI 3: Material Topics 2021 | 3-3 | Sustainability Policy Occupational Health and Safety | 62-63 113-115 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational Health and Safety | 113-115 |
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| GRI 404: Training and Education 2016 | 404-1 | Training and Education | 111-112 |
| | 404-2 | Training and Education | 111-112 |
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| DIVERSITY AND EQUAL OPPORTUNITY | | | |
| GRI 3: Material Topics 2021 | 3-3 | Sustainability Policy Human Resources | 62-63 104 108 |
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| NON-DISCRIMINATION | | | |
| GRI 3: Material Topics 2021 | 3-3 | Sustainability Policy Social Responsibility Policy | 62-63 108 |
| GRI 406: Non-discrimination 2016 | 406-1 | Kimpur Ethic | 51 |
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| GRI 3: Material Topics 2021 | 3-3 | Sustainability Policy | 62 |
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| GRI 3: Material Topics 2021 | 3-3 | Social Responsibility Policy | 108 |
| GRI 408: Child Labor 2016 | 408-1 | Social Responsibility Policy | 108 |
| FORCED AND COMPULSORY LABOR | | | |
| GRI 3: Material Topics 2021 | 3-3 | Social Responsibility Policy | 108 |
| GRI 409: Forced and Compulsory Labor 2016 | 409-1 | Social Responsibility Policy | 108 |
| SUPPLIER SOCIAL ASSESSMENT | | | |
| GRI 3: Material Topics 2021 | 3-3 | Value Chain | 128-129 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | Stakeholder Engagement Value Chain | 72-73 128-129 |
| | 414-2 | Stakeholder Engagement Value Chain | 72-73 128-129 |

DISCLAIMER

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