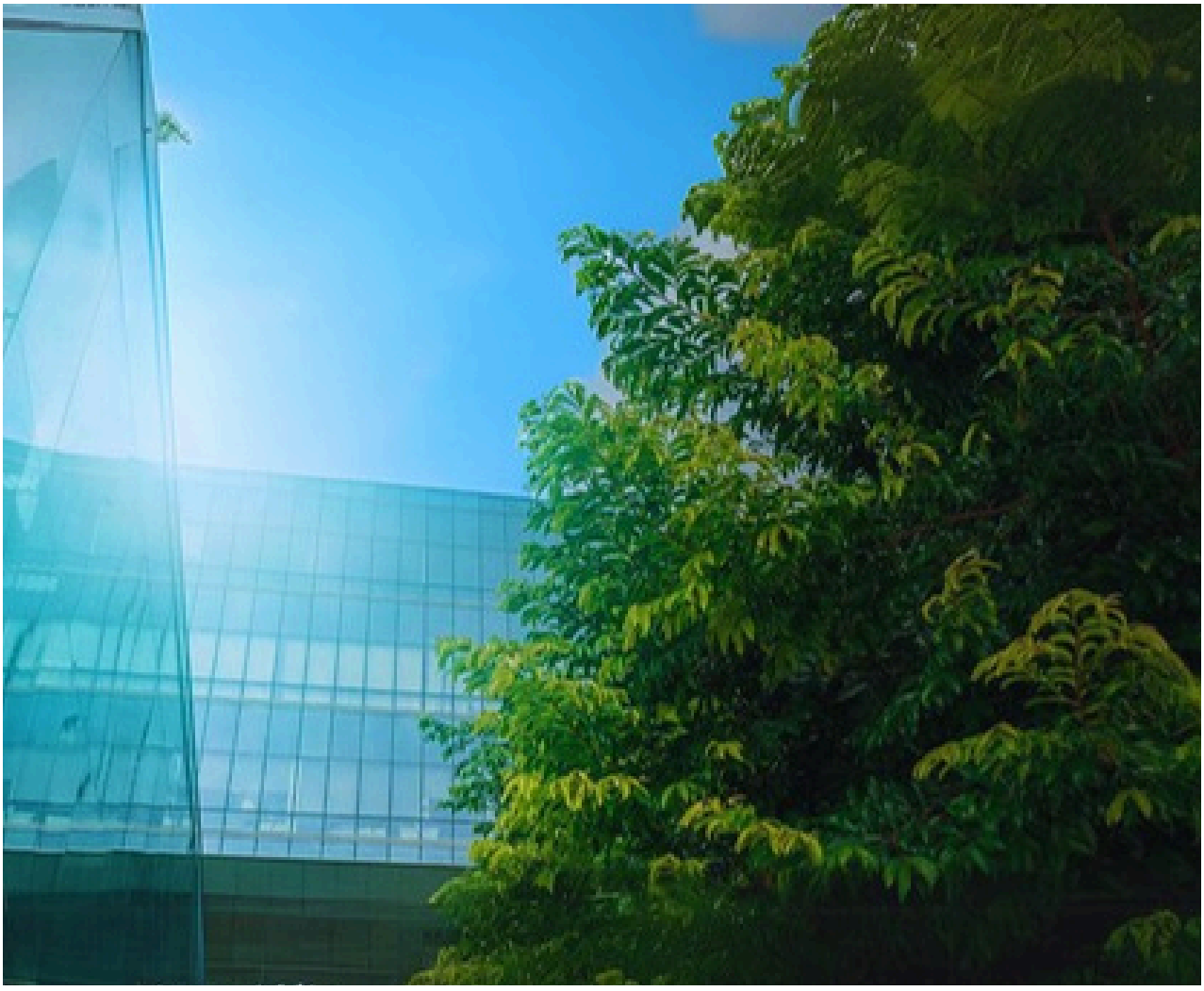
KİMPUR

SUSTAINABILITY REPORT COMPATIBLE WITH TÜRKİYE SUSTAINABALITIY REPORTING STANDARDS

2025



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01
INTRODUCTION

1. INTRODUCTION

1.1. Statement of Compliance and Scope of the Report

This report has been prepared by Kimteks Poliüretan Sanayi ve Ticaret A.Ş. and its subsidiaries ("Kimpur" or the "Group") for the period between 1 January and 31 December 2025, in accordance with the Türkiye Sustainability Reporting Standards (TSRS).

The report has been developed in compliance with the Türkiye Sustainability Reporting Standards (TSRS) published by the Public Oversight, Accounting and Auditing Standards Authority (KGK), specifically within the framework of TSRS 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and TSRS 2 "Climate-related Disclosures." In addition, climate-related disclosures have been supported by the approaches of TCFD (Task Force on Climate-related Financial Disclosures) and SASB (Sustainability Accounting Standards Board), which are internationally recognized reporting frameworks. The report structure is based on the four main sections defined by TSRS: Governance, Strategy, Risk Management, and Metrics and Targets.

Reporting Period and Scope

This report covers Kimpur's operational and performance results for the period from 1 January to 31 December 2025. The reporting scope includes all subsidiaries of Kimpur, namely Kimteks Poliüretan Sanayi ve Ticaret A.Ş., Kimpur International Trading Limited, Kimpast Granül Sanayi ve Ticaret A.Ş., Kimpur Europe, Kimpur Germany, Kimpur UK, and Kimpur USA. The data presented in the report were consolidated from the facilities where the Group's production and operational activities are carried out (Head Office, Gebze Production Facility, Düzce Production Facility and Latvia Production Facility). No equity share or operational control approach was applied in the calculation of greenhouse gas emissions.

As this is the second reporting year, the following exemptions under the transition provisions of TSRS have been utilized:

- Scope 3 greenhouse gas emissions disclosures were excluded from the report, as such disclosures are not mandatory during the first two years.
- Disclosures regarding sustainability-related risks and opportunities have remained within the exemption scope for 2025, as was the case in 2024.

Standards and Guidelines Referenced

The primary reference framework used in the preparation of this report is the Türkiye Sustainability Reporting Standards (TSRS). In addition, Sustainability Accounting Standards Board (SASB) Standards were considered for sector-specific indicators; the TCFD framework was referenced for the identification, management, and reporting of climate-related risks; and scientific climate scenarios and projections published by the Intergovernmental Panel on Climate Change (IPCC) were taken into account in climate-related assessments.

Accordingly, the report aims to align with both national regulatory requirements and international investor expectations.

02
GOVERNANCE

2. GOVERNANCE

2.1. Our Governance Approach

We position sustainability as a fundamental component of our business model and corporate decision-making processes, and we adopt a transparent, ethical, and accountable governance approach in line with our responsibilities toward all stakeholders. Our governance structure is built upon the principles of continuous improvement, institutional learning, and long-term value creation, which we believe support our sustainable growth objectives.

The effective implementation and corporate ownership of our sustainability strategy across the Group are ensured through a structured governance model based on clearly defined roles and responsibilities. All processes are planned, monitored, and evaluated in alignment with our strategic objectives.

In this context, our CEO also serves as a Member of the Board of Directors and Chair of the Sustainability Committee, thereby establishing a direct and strategic link between the sustainability governance structure and the Board of Directors. Regular updates regarding sustainability performance, priority issues, and activities related to risks and opportunities are presented to the Board of Directors by our CEO.

Our sustainability performance is monitored and continuously improved through a holistic, systematic, and cross-functional approach involving the Sustainability Committee as well as relevant functional, technical, and other corporate committees.

2.2. Board of Directors, Senior Management and Committees

2.2.1. Board of Directors

The Board of Directors, which is the highest governing body responsible for Kimpur's operations, consists of five members, including two independent members. Board members are elected for a term of three years, and the current term of office continues until May 2026.

Members of the Board of Directors		
Full Name	**Position**	**Term of Office**
Yuda Leon Mizrahi	Chairman of the Board	03.05.2023 - 03.05.2026
Cavidan Karaca	Vice Chair of the Board	03.05.2023 - 03.05.2026
İsak İzi Mizrahi	Member of the Board	03.05.2023 - 03.05.2026
Taç Kılavuz	Independent Member of the Board	23.07.2025 - 03.05.2026
Mehmet Mete Başol	Independent Member of the Board	03.05.2023 - 03.05.2026

Table 2.1 Board of Directors Members

2.2.2. Senior Management

The management of Kimpur's operational processes, the implementation of business strategies, and the effective execution of daily operations are carried out under the leadership of the senior management team.

Within their respective areas of responsibility, senior management coordinates activities in line with the Group's objectives and plays an active role in monitoring and improving performance processes.

Senior Management		
Full Name	**Position**	**Roles Undertaken Within the Company in the Last 5 Years**
Kadir Tuncay Halat	Deputy General Manager Responsible for Sales, Marketing and Sustainability	Export Manager / Export Director
Burak Söylemez	Deputy General Manager of Financial Affairs	-
Mustafa Özyılmaz	DeputyGeneral Manager of Technical Operations	Operations Director / Raw Materials and Polyester Business Unit Director
Derya Esnaf	General Manager of Kimpur GmbH	Marketing Manager / Marketing and Sustainability Director
Nazif Tuğrul Köstence	Director of Information Technologies	Information Technologies Manager
Hüsna Yaşar	Director of Procurement and Purchasing	Purchasing and Foreign Trade Director
Türker Tuncer	Director of Human Resources	Human Resources Director
Niyazi Tekindağ	Finance Director	Finance and Risk Control Manager

Table 2.2 Senior Management

2.2.3. Committees

Committee / Board / Team	Responsibilities	Meeting / Reporting Frequency
Committees Reporting to the Board of Directors		
Audit Committee	• Monitoring the effectiveness of the Group's accounting system, financial reporting and disclosure processes, internal control and internal audit systems, and overseeing their operation and efficiency. • Supervising the selection of the independent audit firm, the preparation phase of the independent audit process, all stages of the audit, and the independent auditor. • Reviewing and clarifying matters that are submitted to the Committee by the independent audit firm in writing and that require determination by the Board of Directors. • Overseeing the Group's accounting and internal control systems, the independent audit process, the operation of internal auditors, Group employees, and independent auditors regarding the confidentiality of notifications and complaints, and the methods and criteria to be applied in handling such matters. • Reviewing annual and interim financial statements to be disclosed to the public, assessing their compliance with the Group's accounting policies before submission to the Board of Directors, and presenting written opinions to the Board together with the views of the Group's responsible executives and independent auditors. • Immediately notifying the Board of Directors in writing of any findings related to matters falling within the Committee's duties and responsibilities, along with relevant recommendations.	Quarterly
Early Detection of Risk Committee	• Identification and assessment of all risks, including sustainability- and climate-related risks, that may jeopardize the Group's existence, development, and continuity, together with the evaluation of their likelihood and potential impacts, • Establishment of risk measurement models and risk management systems, and review of their effectiveness at least once a year, • Providing the Board of Directors with information and necessary recommendations regarding the measurement and monitoring of risks, as well as the integration of risk factors into decision-making processes, • Providing recommendations to the Board of Directors for the improvement of risk management practices and models, • Carrying out the necessary activities to ensure the adoption and implementation of risk management policies and practices across all Group units and among employees.	Once Every Two Months
Corporate Governance Committee	• Ensuring compliance with corporate governance principles. • Ensuring compliance with applicable legislation, regulations, and stakeholder expectations. • Ensuring the adaptation of corporate governance principles to the Group structure in line with the regulations published by the Capital Markets Board (CMB). • Providing recommendations during Board of Directors evaluations aimed at enhancing the Group's level of compliance with corporate governance principles.	As Deemed Necessary

Climate-Related Committees and Teams		
Sustainability Committee	• Ensuring the implementation and update of the Group's sustainability strategy, while overseeing its alignment with the Group's overall corporate strategy, • Coordinating sustainability projects and monitoring progress, • Measuring and reporting sustainability performance, • Evaluating the cost-effectiveness of sustainability investments, • Monitoring sustainability indicators with financial implications, such as carbon footprint and energy consumption, • Conducting analyses of climate crisis-related risks and ensuring their monitoring, • Developing projects aimed at increasing the use of renewable energy sources, • Developing new products and technologies through the use of environmentally friendly and sustainable materials, • Ensuring employee awareness and training on sustainability-related matters, • Establishing and implementing sustainable procurement policies and principles, • Ensuring compliance with local and international sustainability-related legal and regulatory requirements.	Quarterly
Strategy Committee	• Organizing the Group structure in line with the corporate strategy and allocating business activities and resources among strategic business units, • Establishing appropriate planning, motivation, and control systems to ensure the effective execution of strategies, • Preparing the Strategic Plan covering the Group's strategies and the business plans of individual units, and reviewing them annually, • Defining and periodically reviewing the Group's vision, mission, and values, • Developing new business opportunities and projects, • Monitoring departmental targets and performance results, • Organizing meetings with the Management Team to evaluate deviations from targets, implement necessary revisions, and monitor the execution of decisions taken, • Evaluating year-end departmental target achievement rates and budget utilization, and preparing advisory reports for submission to Senior Management.	Once a year and when deemed necessary
Corporate Risk and Audit Committee	• Identifying and prioritizing operational, financial, strategic, sustainability-, climate-, and other risk and threat categories that the Group may encounter within the scope of its activities, based on impact, severity, and likelihood criteria, and classifying such risks as "findings", • Identifying areas for improvement related to insufficiencies, deficiencies, and/or potential gaps within the internal control system of business processes; ensuring awareness of such risks and the assessment of preventive actions in line with the Group's strategies; and coordinating the implementation of relevant actions that will also support the Group's SWOT analyses through the integration of risks into objectives, • Ensuring the alignment between the Group's periodic performance targets (KPIs) and corporate risk findings by establishing mappings between them, providing corrective recommendations where necessary, and reporting to Senior Management.	Once a year and when deemed necessary
Environmental Management Team	• Coordinating and managing activities to ensure the establishment, implementation, maintenance, and monitoring of the Environmental Management System in compliance with the requirements of the ISO 14001 Standard, • Ensuring the implementation of planned activities aimed at monitoring and continuously improving environmental performance, • Coordinating and managing the determination of criteria and methods intended to ensure the effectiveness of the Environmental Management System, • Monitoring compliance with applicable legal regulations and conducting the necessary controls, • Coordinating the identification and analysis of environmental impacts, as well as the planning of related actions, • Providing regular reports to Senior Management regarding the performance of the Environmental Management System and improvement activities.	Once every two months

Energy Management Team	• Carrying out the necessary activities to ensure the establishment, implementation, maintenance, and continuous improvement of the Energy Management System, • Ensuring compliance of the Energy Management System with the requirements of the ISO 50001 Standard and managing the related processes, • Ensuring the implementation and follow-up of action plans prepared for the continuous improvement of energy performance, • Determining and implementing the necessary criteria and methods to ensure the effectiveness of Energy Management System practices and controls.	Monthly

Table 2.3 Committees

2.3. Sustainability Committee and Responsibilities

The Sustainability Committee, established to ensure the strategic management of sustainability activities within Kimpur, operates as the primary governance mechanism that enables the integration of the Group's sustainability approach into corporate decision-making processes. The Committee carries out its activities under the chairmanship of the CEO, who is also a Member of the Board of Directors, and operates through an interdisciplinary structure comprising senior executives representing different functions.

The Sustainability Committee establishes the framework required to ensure the holistic, coordinated, and effective management of activities carried out across environmental, social, and governance (ESG) dimensions, while also playing an active role in the assessment of risks and opportunities and the determination of strategic priorities. Through this structure, which takes stakeholder expectations into consideration, sustainability-related matters are addressed from a broad perspective and systematically embedded throughout the organization.

The targets defined within the scope of Kimpur's sustainability strategy are shaped in line with the evaluations of the Sustainability Committee and, following the approval of the CEO, are regularly reported to the Board of Directors, thereby gaining corporate-level validity. The defined sustainability targets are integrated into the organizational target structure through their linkage with the performance management system and incentive practices, ensuring that the sustainability approach is embraced by employees and becomes an integral part of the corporate culture.

2.3.1. Sustainability Committee Competencies and Roles & Responsibilities

The Sustainability Committee, which operates to ensure that our Group achieves its sustainability targets through an effective, measurable, and strategic approach, is positioned as one of the fundamental elements of our corporate governance structure. The Committee consists of senior executives representing different functions and disciplines and continuously enhances its knowledge and competencies in the field of sustainability through memberships and collaborations on both national and international platforms.

The Sustainability Committee works in coordination with all relevant committees, boards, and teams within the Group, primarily including the Strategy Committee, Corporate Risk and Audit Committee, Environmental Management Team, Energy Management Team, and Occupational Health and Safety (OHS) Board, thereby ensuring the integration of sustainability-related matters into corporate processes. Through this structure, sustainability is addressed in an integrated manner with risk management, strategic planning, operational practices, and performance monitoring mechanisms.

Committee members closely monitor global sustainability developments, sectoral trends, and changes in the regulatory framework, and make use of up-to-date knowledge and best practice examples in strategic decision-making processes. In this context, regular participation is ensured in trainings, conferences, and working groups organized through institutions such as the UN Global Compact, BCSD Türkiye, EUROPUR, and PPA Europe, and the knowledge gained through these platforms is integrated into corporate practices through Committee activities. In this way, strong alignment is established between the global sustainability agenda and the Group's strategies.

The duties and responsibilities of the Sustainability Committee have been clearly defined within the scope of our Group's integrated management system and integrated into the corporate structure through their alignment with relevant business processes. Committee members play an active role in the determination, implementation, monitoring, and continuous improvement of sustainability strategies, while also supporting the integration of the sustainability approach as an integral part of the corporate culture.

Sustainability Committee Members		
Committee Chair	**Competencies and Areas of Expertise**	**Roles and Responsibilities**
CEO Cavidan KARACA	• Senior Executive Experience (Member of the Board of Directors) • Core Industry Experience • Technical / Engineering Expertise • Environmental / Social Expertise (Sustainability Transformation Training	• Ensuring the overall management of sustainability and climate change strategies, • Ensuring the alignment of sustainability targets with the Group's overall strategy, • Supervising and directing all activities of the Committee, • Reporting sustainability-related matters to the Board of Directors and stakeholders.
Committee Members	**Competencies and Areas of Expertise**	**Roles and Responsibilities**
Deputy General Manager Responsible for Sales, Marketing and Sustainability Kadir Tuncay HALAT	• Core Industry Experience • Corporate Communications / Marketing Expertise (Membership in the Product Management Innovation Committee) • Environmental / Social Expertise (Sustainability Transformation Training)	• Leading the development and implementation of sustainability strategies, • Coordinating sustainability projects and monitoring progress, • Measuring and reporting sustainability performance, • Conducting the analysis and monitoring of TSRS-related sustainability risks and opportunities.
Sustainability Manager İlker DURUKAN	• Core Industry Experience • Technical / Engineering Expertise • Environmental / Social Expertise (ISO 14001 Environmental Management System and Public Oversight Authority (KGK)-Approved Corporate Sustainability Reporting Training, Member of the Energy Management Team, Member of the Environmental Management Team)	• Identifying and managing sustainability targets as well as environmental and social risks; implementing the strategies developed to achieve these targets; monitoring their effectiveness; and conducting quarterly evaluation meetings to report to Senior Management, • Leading the preparation of the Group's sustainability reports, • Encouraging all relevant departments to identify areas for improvement in environmental, energy, supply chain, and social responsibility matters, and to engage in optimization efforts and new projects, • Ensuring compliance with sustainability-related certifications and standards, • Managing and coordinating all activities of the Committee.

General Manager of Kimpur GmbH Derya ESNAF	• Core Industry Experience • Corporate Communications / Marketing Expertise (Membership in the Product Management Innovation Committee) • Environmental / Social Expertise (Sustainability Transformation Training, Membership in the Corporate Risk and Audit Committee, Membership in the Strategy Committee)	• Monitoring sustainability trends and regulatory developments in Europe, • Analyzing and reporting the sustainability expectations of customers in Europe, • Identifying sustainability certification requirements for the region, • Sharing developments related to regulations such as the European Green Deal and CBAM with the Committee.
Deputy General Manager of Technical Operations Mustafa ÖZYILMAZ	• Core Industry Experience • Technical / Engineering Expertise • Occupational Health and Safety Expertise (Member of the OHS Board) • Operations / Supply Chain Expertise • Environmental / Social Expertise (ISO 50001 Energy Management System, Sustainability Transformation Training, Membership in the Suggestion Evaluation Committee, Membership in the Corporate Risk and Audit Committee, Membership in the Strategy Committee, Member of the Energy Management Team, Member of the Environmental Management Team)	• Ensuring the integration of sustainable practices into production processes, • Developing and implementing energy efficiency and waste management projects, • Developing strategies to reduce carbon emissions in production processes, • Developing projects aimed at increasing the use of renewable energy sources, • Developing new products and technologies through the use of environmentally friendly and sustainable materials, • Implementing innovations aimed at minimizing the environmental impacts of products throughout their life cycle.
Human Resources Director Türker TUNCER	• Core Industry Experience • Occupational Health and Safety Expertise (Member of the OHS Board) • Environmental / Social Expertise (Performance Management Coaching, Sustainability Transformation Training, Rapporteur of the Kimpur Ethics Committee, Membership in the Suggestion Evaluation Committee, Membership in the Corporate Risk and Audit Committee, Membership in the Strategy Committee)	• Ensuring employee awareness and training on sustainability-related matters, • Developing employee incentive and reward programs that contribute to sustainability targets, • Managing occupational health and safety processes, • Managing social sustainability matters within the scope of employee rights, including gender equality, diversity, and inclusion, • Monitoring and reporting sustainability performance related to employee satisfaction and engagement, • Developing collaborations with universities, research institutes, and other companies.

Internal Audit Manager Makbule AYDUR	• Core Industry Experience • Technical / Engineering Expertise • Environmental / Social Expertise (ISO 14001 Environmental Management System, ISO 50001 Energy Management System and Sustainability Transformation Training, Membership in the Suggestion Evaluation Committee, Membership in the Corporate Risk and Audit Committee, Membership in the Strategy Committee, Member of the Environmental Management Team)	• Establishing and implementing quality standards that support sustainability targets, • Integrating environmental and social sustainability criteria into the quality management system, • Conducting regular internal audits to ensure compliance with sustainability criteria and reporting the related results, • Ensuring compliance with local and international sustainability-related legal and regulatory requirements, • Managing the quality processes required for compliance with environmental and social sustainability certifications (such as ISO 14001 and ISO 45001).
Procurement Director Hüsna YAŞAR	• Core Industry Experience • Technical / Engineering Expertise • Operations / Supply Chain Expertise • Environmental / Social Expertise (Sustainability Transformation Training, Membership in the Corporate Risk and Audit Committee, Membership in the Strategy Committee)	• Establishing and implementing sustainable procurement policies and principles, • Evaluating suppliers' environmental and social performance and rating them according to sustainability criteria, • Developing and implementing strategies to reduce the carbon footprint throughout the supply chain, • Implementing green procurement practices that enhance resource efficiency in purchasing processes.
Director of Information Technologies Nazif Tuğrul KÖSTENCE	• Core Industry Experience • Technical / Engineering Expertise • Environmental / Social Expertise (Sustainability Transformation Training, Leader of the Digitalization Committee, Membership in the Corporate Risk and Audit Committee, Membership in the Strategy Committee)	• Integrating sustainability into digital transformation processes, • Ensuring strategic alignment with technological transformation, • Ensuring digital security and resilience, • Integrating the carbon footprint calculation tool with the ERP system, • Leading e-waste management practices.
Finance Director Niyazi TEKİNDAĞ	• Core Industry Experience • Finance / Audit & Risk Expertise • Environmental / Social Expertise (Sustainability Transformation Training, Membership in the Corporate Risk and Audit Committee, Membership in the Strategy Committee)	• Conducting financial analyses and budgeting processes for sustainability projects, • Evaluating the cost-effectiveness of sustainability investments, • Monitoring sustainability indicators with financial implications, such as carbon footprint and energy consumption, • Conducting financial impact analyses of risks and opportunities identified within the scope of TSRS.

*** Based on the Glass Lewis Competency Matrix.**

Table 2.4 Sustainability Committee Members, Their Competencies and Areas of Expertise, and Role Descriptions

2.3.2. Sustainability Committee Meetings

Our Committee convenes four times a year, approximately once every quarter, and the following topics are analyzed and monitored during these meetings:

Meeting Topics	Meeting Content
Strategic Planning and Targets	• Reviewing and updating the sustainability strategy, • Reviewing the 2030 Climate Change Roadmap, • Defining short-, medium-, and long-term sustainability targets, • Defining and monitoring sustainability performance indicators (KPIs).
Environmental Sustainability	• Energy efficiency projects and the use of renewable energy sources, • Carbon footprint calculation and reduction strategies, • Waste management and recycling projects.
Social Sustainability	• Employee health and safety programs, • Training and development programs, • Diversity and inclusion policies, • Community relations and social responsibility projects.
Economic Sustainability	• Sustainable supply chain management, • Green investments and financing resources.
Compliance and Certification	• Environmental and social compliance matters, • Certification processes such as ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System), • Legal regulations and industry standards.
Innovation and R&D	• Development of sustainable products and technologies, • Contribution of R&D projects to sustainability targets, • Innovative sustainability solutions and practices.
Communication and Awareness	• Sustainability communication with internal and external stakeholders, • Preparation and disclosure of sustainability reports, • Sustainability trainings and awareness programs for employees.
Risk Management	• Identification and management of sustainability-related risks, • Climate change risk analyses and adaptation strategies, • Integration of sustainability risks into internal audit processes.

Table 2.5 Sustainability Committee Meeting Topics and Contents

2.4. Stakeholder Engagement

At Kimpur, the views, expectations, and priorities of our stakeholders form the foundation of our sustainability approach. We conduct our activities in line with the principles of transparency, accountability, and inclusiveness, and support long-term value creation through continuous and structured engagement with our stakeholders.

Employees, customers, suppliers, public institutions, non-governmental organizations, universities, and investors constitute our main stakeholder groups. In order to ensure that our employees embrace our corporate objectives and sustainability vision, regular training and awareness activities are carried out.

In addition to our customers' expectations regarding quality, performance, operational efficiency, and service improvement, their demands related to regulatory compliance, low-carbon production, sustainable product design, and environmental performance transparency are integrated into our strategic decision-making and product development processes. Through this approach, we continuously improve our production and service quality while further strengthening our sustainable product management approach.

Within our supply chain, compliance with ethical, environmental, and social criteria is taken as a basis, and supplier performance is monitored through supplier evaluation mechanisms. While collaborations carried out with public institutions and sectoral organizations contribute to regulatory monitoring and sectoral development, our investors are integrated into our sustainable growth strategy through regular and transparent communication.

Stakeholder Engagement Table

Stakeholder Group	Communication Channels	Frequency of Engagement
Employees	Employee Engagement Survey Open Door Meetings with the CEO Seniority Awards CEO Presentations for New Employees	Annually
	Sustainability Awareness E-mails HR Announcements Lion of the Month (Blue-Collar Employee Reward and Recognition Program)	Monthly / Weekly
	Kim-Like (Employee Recognition System) Önercem System (Employee Suggestion System) Near Miss Notifications (Notification System within the Scope of Occupational Health and Safety	Regularly / Periodically

Customers	Customer Satisfaction Survey	Annually
	Brand Perception Survey	Once Every Two Years
	Annual Reports	Four Times a Year
	Events	10 Events per Year
	Website E-Newsletters Social Media Publications	Regularly / Periodically
Suppliers	Supplier Evaluation Surveys	Annually
	Website Social Media Events Publications	Regularly / Periodically
Investors	Public Disclosure Platform (KAP) Website Social Media Publications	Regularly / Periodically
	Webinars	Four Times a Year
Community	Social Media Website Reports Public Disclosure Platforms	Regularly / Periodically
Universities	Joint Events Sponsorships Product Development Projects	Upon Request
Public Institutions	Meetings Forums Conferences	Regularly / Periodically
Non-Governmental Organizations (NGOs)	Social Responsibility Projects	In Line with Budget and Needs

2.5. Our Policies

2.5.1. Our Sustainability Policy

Kimpur acts with awareness of its social, environmental, economic, and governance impacts and promotes ethical, transparent, and responsible conduct in all stakeholder relationships. As in all matters, our Board of Directors serves as the highest governance body responsible for our management and performance in the field of sustainability and fulfills this responsibility through the Sustainability Committee.

In line with our corporate culture, we are committed to:

- Ensuring that our activities are conducted in compliance with applicable national and international legislation, as well as the certifications and standards we hold,
- Effectively assessing risks and opportunities related to environmental, social, economic, and governance matters,
- Acting in accordance with the principles of transparency, fairness, responsibility, and accountability within the scope of corporate governance,
- Conducting our activities in compliance with human and employee rights and ethical principles, based on the Universal Declaration of Human Rights, and taking measures to prevent all forms of discrimination,
- Remaining committed to the principles of equal opportunity and inclusiveness and refraining from discrimination in all stakeholder relationships based on language, religion, race, nationality, color, citizenship, age, gender, sexual orientation, philosophical and political views, beliefs, sect, disability status, military service status, pregnancy, marital status, and similar characteristics,
- Prioritizing the health and safety of all employees, including subcontracted workers,
- Respecting employees' rights and freedoms regarding unionization and collective bargaining,
- Ensuring information security and business continuity across all our activities,
- Ensuring and emphasizing compliance with the above-mentioned principles throughout our entire supply chain and encouraging our stakeholders to adhere to these values,
- Establishing a fair, honest, impartial, and sustainable value chain,
- Supporting sustainable development and the circular economy in all dimensions,
- Creating a participatory working environment and becoming an employer of choice by supporting corporate development through best practice examples,
- Supporting sustainability development by enabling the use and advancement of innovative technologies,

- Allocating resources annually to R&D activities in the sectors in which we operate,
- Adopting innovation and corporate entrepreneurship as part of the Group culture,
- Reviewing and continuously improving our Occupational Health and Safety system and policy,
- Acting fairly in recruitment, performance evaluation, career planning, promotion, and training processes for our employees,
- Ensuring effective information management in compliance with our obligations,
- Supporting the mitigation of climate change and establishing targets and actions in this direction,
- Continuously improving our environmental and energy performance and carrying out initiatives aimed at reducing our environmental and carbon footprint,
- Taking biodiversity and ecosystems into consideration within our environmental strategies and activities,
- Producing environmentally friendly, safe, and high-quality products and services,
- Using all resources efficiently, particularly energy, water, and raw materials, and promoting the use of renewable energy,
- Supporting the circular economy and striving to achieve zero waste,
- Acting in compliance with applicable legislation regarding the use of hazardous chemicals and wastewater discharge.

2.5.2. Our Climate Change Mitigation Policy

Kimpur monitors, controls, and reduces the environmental impacts of its operations by using its resources responsibly in order to leave a livable ecosystem for future generations and ensures compliance with environmental legislation.

In this context, we are committed to:

- Prioritizing climate change mitigation and sustainability across all areas in which we operate,
- Addressing climate change mitigation through the active participation of senior management and monitoring related processes through the Sustainability Committee and other management committees and teams; evaluating climate change-related risks across all business processes; and adopting a proactive approach by collaborating with all stakeholders in the management of risks and opportunities,
- Diversifying our sustainable product portfolio through R&D activities and implementing environmentally friendly and energy-efficient new technologies in our operations,
- Implementing actions focused on reducing waste generation, greenhouse gas emissions, energy consumption, and water consumption throughout all processes within the framework of our sustainability roadmap,
- Carrying out the necessary investment activities to expand the use of renewable energy,
- Contributing through our projects to the United Nations Sustainable Development Goals (SDGs) focused on combating climate change,
- Participating in relevant platforms, taking an active role, and contributing in order to follow national and international targets, commitments, strategies, and policies in this field,

- Organizing various activities and training programs aimed at increasing awareness among employees,
- Disclosing progress annually and transparently to the public in line with predetermined and consistent targets,
- Ensuring that this policy serves as a complementary and strengthening document to Kimpur's Sustainability Policy, as well as its Energy Policy, Environmental Policy, Sustainable Procurement Policy, and other corporate social responsibility policies,
- Acknowledging that all employees, primarily the Sustainability Committee, are responsible for the implementation and monitoring of each principle set forth in this policy.

2.6. Integration of Sustainability into Strategic Management

At Kimpur, sustainability and climate change are addressed not only as areas of environmental responsibility, but also as strategic priorities directly linked to our long-term value creation objectives. These topics are integrated into corporate decision-making processes through structured governance mechanisms.

Corporate strategies are developed by the Strategy Committee by taking into consideration internal and external analyses, sustainability trends, sectoral developments, stakeholder expectations, and global indicators. In line with the priorities identified through SWOT assessments, targets are defined and, following CEO approval, integrated into the corporate performance management system.

Within this framework, the Sustainability Committee has established the 2030 Climate Change Roadmap in order to systematically manage climate-related risks and ensure the effective execution of the sustainability transformation process. The roadmap includes concrete targets related to material innovation, operational excellence, digitalization, energy transformation, emission and waste management, and supply chain management, while implementation and monitoring processes are coordinated by the Committee.

Sustainability and climate-related matters are evaluated during Committee meetings held four times a year, and necessary revisions are determined in line with global developments, regulatory changes, and strategic risks. In cases where strategic updates are required, the matter is escalated to the Strategy Committee and targets are reassessed. This structure ensures the direct integration of sustainability outcomes into the corporate strategy.

Climate and sustainability-related risks are digitally monitored through the QDMS Integrated Management System. Risks are evaluated based on probability and impact scoring, and those scoring 15 points or above are classified as high-priority risks. Such risks are assigned to the relevant process owners and corresponding action plans are developed. In this way, risks are managed systematically through clearly defined responsibilities and monitoring mechanisms.

2.7. Governance of Performance Metrics

At Kimpur, sustainability and climate-related targets are structured in an integrated manner within the performance management system, and the contribution of these targets to the corporate strategy is regularly monitored through defined and measurable indicators. The main and sub-strategic sustainability and climate-related targets determined in line with the Group's vision are addressed together with the relevant business units during the annual strategic planning process and are disseminated across the organization by being reflected in individual target scorecards. Through this approach, sustainability strategy is intended to be managed within a governance framework that is organization-wide, measurable, traceable, and broadly embraced across the Company.

The defined targets are weighted by considering the duties and responsibilities of relevant employees and are systematically monitored through the Performance Management System (PMS). The evaluation process is supported by interim and year-end performance review meetings conducted at least twice a year and strengthened through a mutual manager–employee feedback mechanism. Indicators are structured in line with SMART criteria (Specific, Measurable, Achievable, Realistic, and Time-bound) and are updated through revision processes when necessary.

Performance results are evaluated together with the Group's annual target achievements and financial performance and are integrated into the compensation and bonus system. The level of achievement related to sustainability and climate targets is among the factors considered in determining individual performance bonuses. In this way, the sustainability approach is reinforced as a corporate responsibility area that is encouraged at the employee level and reflected in reward mechanisms through measurable outcomes.

The table presenting the distribution of sustainability and climate-related targets across relevant business units is provided in the fifth section of our report. This table demonstrates how these targets are structured throughout the organization and outlines the monitoring approach applied at the departmental level.

2.7.1. Integration of Sustainability Performance into the Performance Management System

In order to make sustainability a fundamental element of our corporate culture, our sustainability targets have been integrated into our Performance Management System. Within this scope, sustainability performance indicators are reflected in the annual target scorecards of relevant employees, particularly senior executives, with a defined weighting ratio. Depending on their duties and areas of responsibility, each employee is assigned environmental, social, or governance-related targets, and the level of achievement of these targets directly impacts the bonus system through year-end evaluations. Through this practice, sustainability has become not only a strategic priority but also a measurable and traceable performance indicator, forming an integral part of our corporate governance system. Our climate-related performance indicators are presented below;

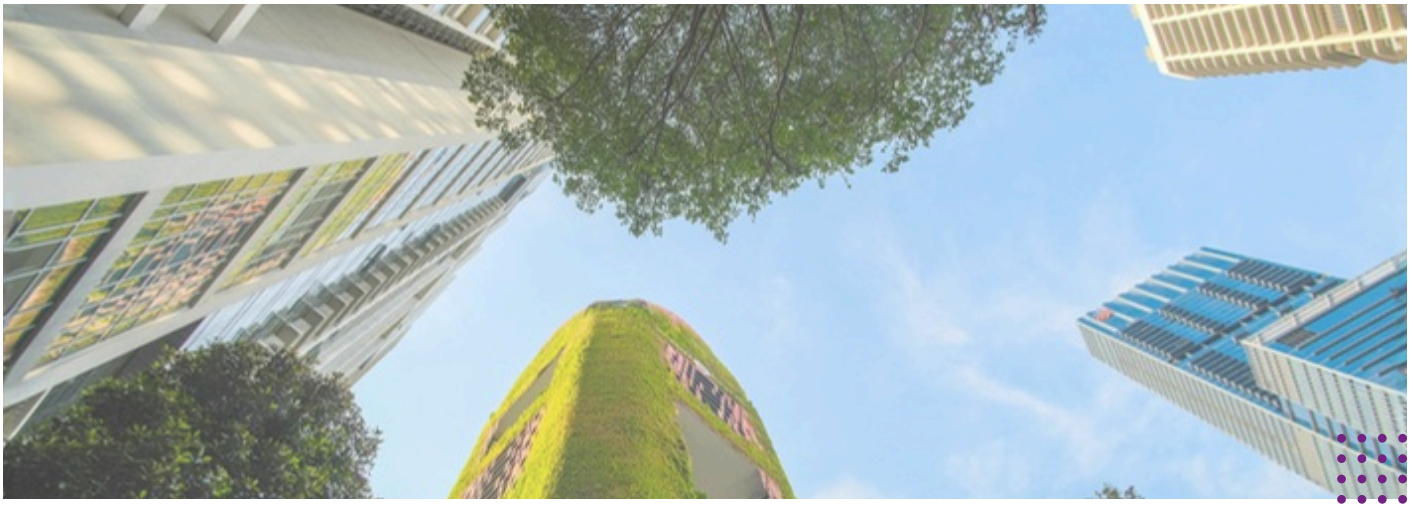
Priority Issue	Key Performance Indicator	Senior Executive
Climate Crisis and Carbon Management	Emissions Reduction and Energy Efficiency	Deputy General Manager of Technical Operations
	Waste Management	Deputy General Manager of Technical Operations Deputy General Manager Responsible for Sales, Marketing and Sustainability
Sustainable Product Management	Sustainable Product Portfolio	Deputy General Manager of Technical Operations Deputy General Manager Responsible for Sales, Marketing and Sustainability
	Sustainable Procurement	Procurement Director

Table 2.6 Climate-Related Performance Indicators

03
RISK MANAGEMENT

3. RISK MANAGEMENT

At Kimpur, sustainability- and climate change-related risks and opportunities are addressed within the framework of a structured and layered governance model. Through this structure, environmental, social, and governance impacts are integrated into the Group's strategy.



3.1. Risk Identification and Prioritization Processes

The initial assessment of sustainability and climate-related risks is carried out within the Sustainability Committee with the participation of relevant process managers. During Committee meetings, the scope, impacts, and strategic implications of risks are discussed, and prioritization is conducted in light of these evaluations.

The risks identified by the Committee are reported to the Corporate Risk and Audit Committee and reviewed once again for integration into the Group's Corporate Risk Register. In this way, sustainability- and climate-related risks are evaluated together with all other risk elements across the Group.

The risks incorporated into the corporate risk map are then submitted to the Early Detection of Risk Committee and, following the Committee's evaluation, are approved by the Board of Directors.

Kimpur classifies its climate-related risks in line with the TCFD (Task Force on Climate-related Financial Disclosures) framework, addressing transition risks (such as carbon regulations, market transformations, technological changes, and reputation management) and physical risks (including extreme weather events, floods, droughts, heatwaves, etc.) under separate categories. This classification approach is not limited to TCFD alone, but is further expanded to also consider systemic risk categories such as extreme weather events prioritized in the WEF Global Risks Report 2025.

In addition, the assessment of risks takes into account upstream and downstream impacts across the value chain, affected capital types (natural, intellectual, financial, social, etc.), and the priority sustainability topics identified by Kimpur.

The risk assessment process is based on two main components:

- **Probability:** The likelihood and frequency of occurrence of climate-, social-, and economic-related events.

Probability Level		Likelihood	General Description
5	**Very High**	⩾ %80	Almost certain; extremely likely to occur
4	**High**	⩾ % 60	Highly likely; expected to occur frequently
3	**Medium**	⩾ % 40	Possible; likely to occur under limited conditions
2	**Low**	⩾ % 20	Rare; may occur within certain conditions and would be considered unusual
1	**Very Low**	< % 20	Very rare; may occur only under exceptional circumstances and is highly unexpected

Table 3.1: Probability Level Matrix

Severity: The consequences of the risk in terms of financial impact, reputation/regulatory compliance, occupational safety, health, and environmental effects.

Impact Level		Reputation / Regulatory Compliance	Occupational Safety, Health, and Environment
5	**Very High**	• International impact • Events causing complete loss of trust among society and stakeholders • Severe damage to brand image or significant loss of brand value • Compliance violations resulting in long-term imprisonment for Group senior executives	• Disasters and incidents that may result in loss of life • Environmental impacts and accidents affecting areas outside the Group
4	**High**	• Impact affecting a single country • Long-term loss of trust among large audiences • Partial damage to brand image and reduction in brand value • Compliance violations resulting in imprisonment for Group senior executives	• Incidents that may result in serious injury • Environmental accidents whose impact remains limited within the Group
3	**Medium**	• Impact affecting a single country • Medium-term loss of trust among medium-scale (regional) audiences • Temporary damage to brand image and loss of value • Compliance violation cases requiring several weeks of management attention	• Incidents that may result in loss of working days • Other environmental issues such as noise and odor
2	**Low**	• Local and limited impact • Short-term loss of trust among a limited audience • Minor damage to brand image • Violations requiring review and investigation by legal authorities	• Other minor occupational and environmental incidents
1	**Very Low**	• Insignificant local and limited impact • No loss of trust • No damage to brand image • Violations not requiring review or investigation by legal authorities	• No ecological or social impact.

Table 3.2: Impact Level Matrix

Both criteria are scored on a scale from 1 (very low) to 5 (very high), and the overall risk score is calculated by multiplying these scores. Risks with a score of 15 or above are classified as high risks and are automatically assigned to the task list of the relevant process owner within the QDMS Integrated Management System for the development of action plans.

During the risk scoring process, not only numerical scores but also the financial materiality of impacts (the financial materiality threshold was calculated as 1.21% of 2025 revenue), brand reputation or regulatory compliance obligations, as well as impacts on occupational safety, health, and the environment are taken into consideration.

PROBABILITY *IMPACT		IMPACT				
		1	2	3	4	5
PROBABILITY	1	1	2	3	4	5
	2	2	4	6	8	10
	3	3	6	8	12	15
	4	4	8	12	16	20
	5	5	10	15	20	25

CODE	BALANCE
A	High
B	Medium
C	Low

Figure: Probability–Impact Matrix

Kimpur classifies risks as short-term (0–3 years), medium-term (3–10 years), and long-term (10–30 years), and uses climate change- and sustainability-related scenarios within this framework. The time horizons defined for climate-related risks are aligned with the ranges identified in the Group's corporate risk map and have also been approved by the Sustainability Committee.

Term Definition		Time Range	Description
1	**Short Term**	0 - 3 Years	Regulations and sustainability reporting obligations
2	**Medium Term**	3 - 10 Years	Impacts of climate change on business processes and changes in consumer behavior
3	**Long Term**	10 - 30 Years	Transition processes toward a carbon-neutral economy and technological transformations

Table 3.3: Risk Time Horizon Categorization

3.2. Inputs and Parameters Used

The main inputs considered for the identification, assessment, prioritization, and monitoring of risks are as follows:

- Group business model and strategic objectives
- Legal regulations and sustainability obligations
- Product, process, and supply chain data
- Climate variables (temperature increase, water stress, extreme weather events, etc.)
- Global events and market conditions (pandemics, wars, energy crises, etc.)

3.3. Monitoring and Auditing of Risks

At Kimpur, all risks are addressed within the framework of a structured governance and audit mechanism. Sustainability and climate-related risks are also included within this scope. Risk assessments are primarily conducted during Sustainability Committee meetings held four times a year, where the likelihood of risks occurring, their potential impacts, and the measures taken are regularly reviewed.

These monitoring processes have also been incorporated into the internal audit activities carried out by the Audit and Compliance Department. Within the annual audit plan, systematic approaches and practices aimed at controlling sustainability and climate-related risks are included within the scope of assessment. In this context, the Compliance Department will monitor the actions assigned to relevant individuals regarding risks through the QDMS Integrated Management System and ensure the effective progression of the process.

3.4. Assessment of Climate-Related Opportunities

Our Group addresses the management of climate-related risks through a holistic approach and systematically evaluates the potential opportunities arising from these risks. In this context, potential opportunities have also been considered for each identified climate-related risk, and these opportunities have been associated with concrete actions within our Climate Change Roadmap.

This risk-based approach ensures the integration of climate-related opportunities into operational and strategic decision-making processes. The identified opportunities are focused on areas such as energy efficiency, renewable energy investments, low-carbon product development, increased supply chain resilience, and certification processes. These opportunities have been aligned with strategic objectives in line with our Group's sustainability and carbon reduction targets.

Factors such as the time horizon of opportunities, operational feasibility, market demand, and competitive advantage are taken into consideration. In addition, the target deadlines related to identified opportunities are monitored, and the realization level, applicability, and effectiveness of such opportunities are regularly tracked.
For strategically prioritized opportunities, various resources such as investment plans, process improvement projects, human resource allocation, and technological transformation initiatives have been dedicated. In this regard, our Climate Change Roadmap aims not only to mitigate risks but also to create value from the opportunities presented by climate change.

3.5. Use of Scenario Analysis

Climate change has become a critical factor directly affecting the long-term strategic planning and operational sustainability of businesses. In this context, Kimpur has conducted scenario analyses for its high-priority risks by referencing the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios defined within the framework of the IPCC (Intergovernmental Panel on Climate Change) 5th and 6th Assessment Reports (AR5 and AR6), with the aim of strengthening resilience against climate-related risks and managing such risks through a systematic approach.

Through these analyses, physical risks (such as extreme weather events and sea level rise) and transition risks (such as carbon pricing, regulatory changes, energy costs, waste management costs, and supply chain vulnerabilities) that may arise under different climate scenarios have been assessed, and potential mitigation measures in these areas have been identified.

The findings obtained from the scenario analyses continue to be monitored within the scope of our climate risk management approach and are periodically reviewed and updated when necessary in line with changing conditions and regulatory developments.

3.5.1. IPCC AR5 and AR6 Assessment Reports and RCP Scenarios

The IPCC 5th and 6th Assessment Reports represent the most comprehensive and up-to-date scientific assessments prepared by the Intergovernmental Panel on Climate Change (IPCC) under the United Nations regarding the scientific basis of climate change, its impacts, adaptation, and mitigation strategies. Published approximately every seven years, these reports are prepared with contributions from thousands of scientists and approved by governments. The primary purpose of the reports is to provide decision-makers with the latest scientific information on climate change and to support the development of informed and effective policies.

The reports demonstrate the impact of human activities on the climate system and identify them as the primary driver of global warming. The effects of climate change manifest themselves in various forms, including increases in the frequency and severity of extreme weather events (such as heatwaves, droughts, and floods), sea level rise, melting glaciers and snow cover, ocean acidification, and biodiversity loss. These impacts adversely affect ecosystems, human health, livelihoods, and infrastructure.
For this reason, the rapid and significant reduction of greenhouse gas emissions is critical to limiting global warming. RCPs (Representative Concentration Pathways) are scenarios used to model the consequences of climate change according to future greenhouse gas emission levels.

- **RCP2.6 (Optimistic Scenario):** Represents a future in which greenhouse gas emissions are rapidly and significantly reduced. It reflects the likelihood of achieving the goal of limiting global warming to below 2°C above pre-industrial levels, and preferably to 1.5°C. The transition to a low-carbon economy accelerates through increased energy efficiency and renewable energy investments. This scenario foresees low physical risk but high transition risk.
- **RCP4.5 (Moderate Scenario):** Assumes that emissions will peak around 2040 and gradually decline thereafter. This scenario may result in approximately 2.5–3°C of global warming by 2100. Certain adaptation measures are implemented; however, fossil fuel use continues. It involves moderate levels of both physical and transition risks.
- **RCP8.5 (Pessimistic Scenario):** Represents a future characterized by continued fossil fuel-driven economic growth and uncontrolled increases in greenhouse gas emissions. Under this scenario, the global temperature increase is highly likely to exceed 4°C by 2100. It involves high physical risk and low transition risk.

Element	RCP 2.6	RCP 4.5	RCP 8.5
Emissions	Sharp decline after 2020	Gradual decline until 2040	Continuous increase
Carbon Pricing	Hİgh	Moderate	Low or none
Energy Transition	Renewable energy-focused	Mixed	Continued reliance on fossil fuels
Politika varsayımları	Strict regulations	Gradual policies	Weak or no policies

Table 3.4: Key Assumptions of RCP Scenarios

This scenario modeling approach has been selected as it ensures consistency, enables comparability, and aligns with corporate reporting practices. Although the report does not provide year-based projections for carbon taxes, energy costs, or freight prices, the figures used in potential financial impact calculations have been obtained from research institutions working on these scenarios.

In line with its **“We Create Values for a Sustainable Future”** approach, Kimpur has aimed to strengthen its resilience against climate-related risks by utilizing these scenarios within the scope of its 2030 Climate Change Roadmap, which reflects its climate strategy. Within the framework of the roadmap, the potential impacts that the business may face under different climate conditions have been assessed, and the timing of the actions to be taken has been structured flexibly according to the likelihood of realization of the scenarios. In this way, climate change-related uncertainties are incorporated into corporate planning processes, contributing to long-term value creation.

3.5.2. Reference Sources and Tools Used

In the assessments conducted in line with climate scenarios, various scientific databases and analytical platforms have been utilized in order to evaluate different types of risks. To assess the geographical, sectoral, and temporal impacts of physical and transition risks, indicators such as country-based water stress, emission distributions, and renewable energy ratios obtained from World Resources Institute (WRI) resources were used, while data related to temperature increase, sea level rise, and climate projections were monitored through the World Bank Climate Change Knowledge Portal.

In addition, the ICAP publication "Emissions Trading Worldwide," Sabancı University IICEC's "Türkiye Energy Efficiency Outlook 2025," the UN Global Compact's European Private Sector SDG Progress and SDG Ambition Benchmark reports were referenced in the assessment of transition risks and carbon pricing scenarios. Furthermore, European Union regulations such as the EU Clean Industrial Deal and the EU Carbon Border Adjustment Mechanism (CBAM), as well as country-specific policies including Türkiye's 2053 Long-Term Climate Strategy and China's Long-Term Low-Carbon Development Strategy, served as guiding references.

A third-party LCA software platform was used to analyze our corporate carbon footprint and product-based environmental impacts. Corporate carbon emissions and product life cycle calculations were conducted in accordance with the GHG Protocol and based on the operational control approach. The emission factors and conversion coefficients used in the calculations were supported by up-to-date data obtained from the IPCC, DEFRA, and Ecoinvent databases.

04 STRATEGY

4. STRATEGY

4.1. Business Model and Value Chain

Kimpur's business model is based on expanding customer-specific polyurethane systems, developed through its R&D capabilities, across different sectors and markets. This approach aims to create value through the combined strength of innovative product development capabilities and a global sales and distribution network.

Following our inclusion in the Turquality® Brand Support Program in 2025, our brand positioning, communication, and growth processes in target markets have begun to be addressed within a more structured framework, strengthening the planning and effectiveness of the related activities carried out within this scope.

While conducting Group activities, resource efficiency, environmental impacts, and sustainability criteria are taken into consideration, and financial and operational risk management practices are implemented in a manner that supports the continuity of this structure.

Our value chain encompasses all processes from raw material procurement to the delivery of final products to customers. In our upstream supply flows, collaborations are carried out with global suppliers, while operational processes such as R&D, production, digital transformation, and audit and compliance systems are managed in an integrated manner. In the downstream flow, a broad sales and distribution network is established through the environmentally friendly, customer-oriented, and market-adaptable structure of our product groups.

In these respects, Kimpur's business model and value chain represent a holistic value creation approach that goes beyond production and sales alone, aiming to reduce environmental impacts, generate social value, and transform intellectual capital into added value.

KIMPUR VALUE CHAIN			
Value Chain	**Sub-Process**	**Critical Resources**	**Location**
Upstream Flow	Raw Material Procurement	Procurement of key raw materials (Polyol, MDI, Adipic Acid)	China, Europe, Others
		Relationships with global and local suppliers	Multiple Supplier Locations
		Customs and logistics processes for raw materials	Multiple Supplier Locations
Operations	Human Resources	Occupational health and safety	Türkiye (Gebze, Düzce, Istanbul), Latvia
		Employee engagement, talent management, and corporate development	Türkiye (Gebze, Düzce, Istanbul), Latvia
	R&D Center	R&D personnel and equipment	Türkiye (Gebze)
		Development of customer-specific formulations	Türkiye (Gebze)
		Collaborations for R&D projects	International and Local
		Sustainable product portfolio and LCA analyses	Türkiye (Gebze, Düzce)
	Production	Targeted energy, emission, and waste values in production	Türkiye (Gebze, Düzce), Latvia
		Factory buildings and equipment	Türkiye (Gebze, Düzce), Latvia
	Information Technologies	Information security (ISO 27001, DLP, EDR, SIEM)	Türkiye (Gebze, Düzce, İstanbul)
		Digital transformation (DMI, ERP, RFID)	Türkiye (Gebze, Düzce, Istanbul), Latvia
	Audit and Compliance	Product certifications, ESG ratings, ISO standards, internal and external audits	Türkiye (Gebze, Düzce, Istanbul), Latvia
Downstream Flow	Product Groups and Markets	Product groups based on sales shares: KIMrigid Rigid Foam Systems, KIMfoot Footwear Systems, KIMraw Raw Materials, KIMflex Flexible Foam Systems, KIMpol Polyester Polyols, KIMcase Specialty Products	More than 60 Countries
		Core markets	Europe, CIS Countries, African Countries, Middle East and Gulf Region, Asia, Americas
	Logistics and Sales Channels	Management of product storage duration	Türkiye (Gebze, Düzce), Latvia
		Shipment process	International
		Customs clearance and export procedures of finished goods, regulations	International
		Distributors and sales offices	Türkiye (Gaziantep, Bursa, Ankara, Kayseri), Romania / Germany, United Kingdom, USA, Malta, Latvia

4.2. Climate-Related Risks

Climate change is a significant risk factor directly affecting the chemical and polyurethane sectors in which we operate. At Kimpur, we address the physical and transition risks arising from climate change not only as environmental issues, but also as a whole with financial, operational, and strategic impacts. Within this framework, while defining our sustainability strategies, we evaluate both climate-related risks and the opportunities arising from this process through a holistic approach.

Our risk and opportunity analyses are shaped in line with the principles of the Turkish Sustainability Reporting Standards (TSRS) and are also structured to align with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), which represents a global best practice framework. In addition, SASB (Sustainability Accounting Standards Board) standards are considered in identifying sector-specific risks, ensuring that climate-related impacts unique to the polyurethane and chemical industries are comprehensively addressed.

Lessons learned from past events and assumptions regarding future conditions are also integrated into our analysis process. Although Kimpur has not experienced any direct climate-related adverse incidents to date, historical records have been reviewed and assessed. As a result of these evaluations, no climate-related financial or operational adverse impacts were identified in past periods. Based on this outcome, our focus has shifted toward potential future impacts, and climate events with high-risk potential identified within current scenario analyses have been determined through forward-looking projections rather than historical events.

4.3. Climate Resilience, Opportunities, and Scenario Analyses

Climate change continues to maintain its importance as a multidimensional risk area affecting business operations, cost structures, and value chains on a global scale. In this regard, Kimpur integrates the current and potential impacts of climate change into its strategic planning processes and adopts a structured approach aimed at strengthening corporate resilience. This approach focuses on anticipating, measuring, and managing the impacts of both physical and transition-related climate risks.

During this reporting period, climate-related risks were reassessed, and as a result of the analyses conducted, it was confirmed that the high-priority risks identified in the previous period remain valid. Regulations related to greenhouse gas emissions, fluctuations in energy markets, potential disruptions in raw material supply chains, and waste management continue to be monitored as priority risk areas within this scope.

These risks are evaluated through scenario analyses based on the scientific projections of the IPCC, in line with the methodology defined in the previous reporting period. Within this framework, short- and medium-term projections are carried out under the RCP 2.6 (optimistic), RCP 4.5 (moderate), and RCP 8.5 (pessimistic) scenarios, and potential financial impacts are analyzed through quantitative methods.

The analysis process is conducted under the coordination of the Sustainability Committee and supported by the technical contributions of the relevant departments. The analyses prepared are periodically reviewed and updated at least once a year, then submitted to the Corporate Risk and Audit Committee and integrated into the corporate risk management system.

Scenario analyses not only form the basis for identifying risks, but also support the determination of investments and actions aimed at mitigating these risks. Strategic topics such as preparedness for carbon taxation, projects aimed at reducing energy costs, supply chain resilience, and sustainable waste management continue to be addressed in line with these analyses.

For each high-priority risk category, probability, impact magnitude, potential financial impacts, action plans, and implications across the value chain are evaluated through a holistic approach. In this context, the objective is to enhance our level of preparedness against climate-related risks and maintain our competitiveness by adapting to changing conditions.

Below, summaries of scenario analyses related to our high-priority climate risks are presented together with their impacts on decision-making processes and the actions carried out as of 2025.

Risk 1	**Implementation of carbon taxes under the CBAM framework.**
Risk Description	Our Group operates in the chemical industry and is expected to be included within the scope of the European Union's Carbon Border Adjustment Mechanism (CBAM) within the next five years. In this context, there is a risk of carbon taxation being imposed on the export of carbon-intensive products to the EU market. CBAM is a mechanism aimed at reducing greenhouse gas emissions by integrating carbon pricing into global trade. This may lead to increased costs and reduced competitiveness, particularly for products with a high carbon footprint. Accordingly, this development may have an impact on our Group's export costs and strategic planning processes.
Position in the Value Chain	Downstream Flow
Risk Type and TCFD Category	Transition Risk – Policy and Compliance
Projected Time Horizon	Medium Term
Probability	High
Impact Magnitude	Very High
Type of Financial Impact	Cash Flow

Scenario Descriptions			
RCP 2.6 (Optimistic Scenario): This scenario aims to keep the global temperature increase below 2°C and therefore requires strict climate policies and high carbon pricing.			
RCP 4.5 (Moderate Scenario): This scenario assumes that emissions will continue to increase until 2040 and then begin to decline, while carbon prices remain relatively stable at current levels.			
RCP 8.5 (Pessimistic Scenario): This scenario assumes continuous growth in emissions and weak climate policies. Under this scenario, carbon prices are expected to remain low or market mechanisms may become ineffective.			
Scenario Analysis	**RCP 2.6**	**RCP 4.5**	**RCP 8.5**
2030 Carbon Price (USD/tCO_2)	450	80	30
Description	The "Global Warming of 1.5°C – SR15" report, prepared based on the IPCC Fifth Assessment Report (AR5), provides projections regarding future carbon prices under different RCP scenarios. However, it has not yet been clarified when the Carbon Border Adjustment Mechanism (CBAM) will cover the chemical industry and the GTIP codes related to polyurethane product groups. In addition, CBAM establishes separate carbon emission benchmark values for each sector and activates the taxation mechanism for emissions exceeding these averages. However, since the benchmark value for the chemical sector has not yet been announced, it is currently not possible to calculate potential financial impacts. Likewise, as the average emission values of other sectors included within the scope have also not yet been clarified, a comparative analysis cannot be conducted at this stage. In light of all these uncertainties, no calculation has been performed due to the current lack of capabilities, competencies, or resources required to provide quantitative information regarding the projected financial impacts. Nevertheless, this matter is considered a high-priority risk for exporting companies.		
Impact on Strategy and Decision-Making Processes	Efforts related to emission management, product-based carbon footprint calculations, and transparency of supply chain data are ongoing. Group strategies are being developed with a focus on the CBAM compliance process and data-driven decision-making mechanisms aimed at reducing carbon footprint.		
Our Climate Resilience Action Plan	• Continuation of emission calculation studies and product life cycle analyses • Euro-Moulders membership for sectoral data sharing, monitoring of regulations, and meeting customer expectations • Requesting product carbon footprint data from our raw material suppliers • Structuring a sustainable product portfolio		
Opportunities Presented by the Risk	• Strengthening our brand reputation by meeting the expectations of our customers in Europe		
Resources	https://www.ipcc.ch/sr15/chapter/chapter-2/		
	https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors		

Table 4.3 Scenario Analysis 1

Risk 2	Energy consumption being largely dependent on fossil fuels.		
Risk Description	In an environment where carbon regulations and carbon pricing mechanisms are becoming increasingly widespread, financial and operational risks are also increasing. At the same time, fluctuations in fossil fuel prices and energy supply security concerns make energy costs less predictable. Although our production structure is not energy-intensive, this risk may threaten production continuity and create pressure on operational expenses due to rising energy costs.		
Position in the Value Chain	Operations		
Risk Type and TCFD Category	Transition Risk – Market		
Projected Time Horizon	Short Term		
Probability	High		
Impact Magnitude	Very High		
Type of Financial Impact	Cash Flow and Cost of Capital		
Scenario Descriptions			
RCP 2.6 (Optimistic Scenario): High carbon prices, decreasing demand for fossil fuels, and increased renewable energy investments are expected to lead to a decline in energy prices.			
RCP 4.5 (Moderate Scenario): Moderate increases in electricity and natural gas prices are expected.			
RCP 8.5 (Pessimistic Scenario): Significant increases in electricity and natural gas prices are expected due to the continued dependence on fossil fuels.			
Scenario Analysis	**RCP 2.6**	**RCP 4.5**	**RCP 8.5**
2030 Energy Cost Increase (%)	10%	18%	57%
Description	Annual energy cost increase projections were developed by Montel Analytics based on the IPCC's RCP scenarios. In this context, projections for 2030 were prepared using our current energy cost per ton for 2024 as the reference point and considering the projected full-capacity production and sales volumes for 2030, with cost increase rates applied according to the relevant scenarios. In order to keep pace with technological developments and adapt to the renewable energy transition trend, this risk has been classified as a high-priority category. However, based on the results obtained, the projected additional energy costs for the 2030 scenarios remain below the financial materiality threshold.		
Impact on Strategy and Decision-Making Processes	Energy efficiency has become a priority in operational and strategic decision-making processes. Production strategies are being shaped toward the expansion of energy management systems and the continuous improvement of performance through digital monitoring infrastructures.		
Our Climate Resilience Action Plan	• Expansion of the digital monitoring infrastructure to ensure more effective monitoring of energy consumption • Establishment of the ISO 50001 Energy Management System infrastructure in Düzce • Continued prevention of compressed air leakages • Continued renewal of insulation systems to prevent heat losses • Transformation of the hot water circulation system		
Opportunities Presented by the Risk	• Reduction of energy costs through energy-saving projects • Reduction of our Scope 1 and Scope 2 direct and indirect greenhouse gas emissions		
Resources	https://montel.energy/resources/blog/eu-energy-outlook-2060-how-will-power-prices-generation-and-demand-develop		

Table 4.4 Scenario Analysis 2

Risk 3	Negative impacts of climate change and extreme weather events on raw material logistics.
Risk Description	With climate change, the increasing severity and frequency of extreme weather events—particularly typhoons, heavy rainfall, coastal flooding, and sea level rise—have the potential to cause significant logistical disruptions in Far East-origin supply routes, especially those connected to China. Ports located along China's eastern coast are among the major hubs of global maritime transportation, and events such as storms, floods, or temporary shutdowns of port infrastructure in these regions may lead to delays in the supply process, fluctuations in freight prices, and unpredictability in delivery times. This risk creates a significant vulnerability in terms of production continuity and the fulfillment of customer commitments.
Position in the Value Chain	Upstream Flow
Risk Type and TCFD Category	Physical Risk – Acute
Projected Time Horizon	Medium Term
Probability	Medium
Impact Magnitude	Very High
Type of Financial Impact	Cash Flow
Scenario Descriptions	
RCP 2.6 (Optimistic Scenario): Sea level rise may remain limited. Pressure on port infrastructure is expected to be low. Extreme weather events are significantly less severe compared to other scenarios. Decarbonization policies are stricter, and the use of low-carbon fuels may increase transition costs.	
RCP 4.5 (Moderate Scenario): Sea levels may rise significantly, while the increasing frequency and intensity of storms may cause delays in maritime traffic, infrastructure damage, and higher insurance costs. Moderate carbon taxes and emissions trading systems may also be implemented, which could increase transportation costs.	
RCP 8.5 (Pessimistic Scenario): Dramatic sea level rise and severe storms may seriously threaten port cities in regions such as Southeast Asia, potentially causing frequent disruptions to transportation activities. In addition, although transition measures may be introduced later in the process, radical emission restrictions could rapidly increase transportation costs.	

Scenario Analysis	RCP 2.6	RCP 4.5	RCP 8.5
Percentage of raw materials procured from China transported via railway (%)	5%	10%	20%

Description	IOP Science has conducted research on the extent to which sea levels may rise at ports located along China's eastern coast under different climate scenarios. In the event that the climate crisis affects Far East maritime transportation, the additional procurement cost that may arise from transporting raw materials from China via railway—at the assumed ratios established to avoid disruptions at terminals—has been calculated and found to remain below the financial materiality threshold. However, this issue is considered a critical risk factor in terms of supply chain continuity. In response to more adverse scenarios, opportunities to increase sourcing volumes from alternative geographies are also being explored.
Impact on Strategy and Decision-Making Processes	Considering the potential long-term impacts of logistics disruptions related to climate change, monitoring and preparedness activities within supply chain strategies are ongoing. In decision-making processes, preliminary analyses focused on the evaluation of alternative supply sources and the monitoring of market data play a guiding role.
Our Climate Resilience Action Plan	• Participation in chemical industry fairs across different geographies in order to support growth in domestic and export markets and to develop collaborations with alternative raw material suppliers and more sustainability-focused logistics companies • Membership in the ICIS (Independent Commodity Intelligence Services) platform, which provides independent pricing, news, analysis, and strategic consultancy related to commodity markets • Membership in the SCI99 (Sublime China Information) platform, which provides detailed pricing, news, analysis, and strategic data for Chinese commodity markets
Opportunities Presented by the	• Increasing operational flexibility through supply chain diversification
Resources	https://iopscience.iop.org/article/10.1088/1748-9326/abfdea/pdf

Table 4.5 Scenario Analysis 3

Risk 4	**Increase in hazardous waste volumes due to the growth in our sales.**
Risk Description	The increase in sales volume leads to intensified production activities, resulting in a parallel increase in the amount of hazardous waste generated. This situation creates an additional burden on waste management processes, increases environmental compliance risks, and necessitates more careful and effective implementation of disposal practices in line with applicable regulations. Climate change may lead to stricter enforcement of environmental regulations and increased disposal costs. The growing volume of hazardous waste therefore constitutes a risk not only in terms of environmental impacts, but also with respect to costs and operational efficiency. Accordingly, the importance of waste reduction strategies and sustainable production techniques continues to increase.
Position in the Value Chain	Operations
Risk Type and TCFD Category	Transition Risk – Policy and Compliance
Projected Time Horizon	Medium Term
Probability	High
Impact Magnitude	Very High
Type of Financial Impact	Cash Flow and Access to Finance

Scenario Descriptions

RCP 2.6 (Optimistic Scenario): Direct climate change-related pressures on waste management costs may remain relatively limited. Investments in sustainable waste management practices and the adoption of a circular economy model may improve resource efficiency and reduce costs in the long term.

RCP 4.5 (Moderate Scenario): Waste management costs are expected to increase depending on policy changes. Growing awareness of environmental sustainability may lead to the adoption of more environmentally friendly and potentially more costly waste management methods. Energy costs and logistics disruptions may also periodically increase disposal costs.

RCP 8.5 (Pessimistic Scenario): The severity of climate change may damage waste management infrastructure and increase disposal costs. In addition, rising environmental concerns may lead to stricter waste management standards, further driving costs upward. Transportation costs may also increase, or the availability of waste disposal sites may decrease.

Scenario Analysis	**RCP 2.6**	**RCP 4.5**	**RCP 8.5**
2050 Waste Disposal and Hazardous Waste Cost Increase (%)	1%	56%	65%

Description	The UNEP "Global Waste Management Outlook 2024" report provides long-term projections regarding increases in waste disposal costs based on the IPCC's RCP scenarios. Within this framework, our current disposal cost per ton for 2024 was taken as the reference point, and projected cost increase rates were applied in line with full-capacity production and targeted sales volumes. Due to its critical importance in terms of environmental impacts and compliance with legal regulations, this risk has been assessed as a high-priority issue; however, the projected increase in disposal costs remains below the financial materiality threshold.
Impact on Strategy and Decision-Making Processes	Ensuring full compliance with environmental legislation and the continuous improvement of waste management performance are regarded as fundamental principles. At the Sustainability Committee level, the effectiveness of processes is monitored through environmental consultancy support and regular metric tracking, while areas for improvement are identified.
Our Climate Resilience Action Plan	• Disposal of band saw waste generated during R&D trials through more appropriate methods • Project for optimizing color variations in order to improve quality • Project for preventing raw material leakages through process optimization • Installation of additional hoods and chimneys on the production line • Establishment of the ISO 14001 Environmental Management System infrastructure in Düzce • Procurement of environmental consultancy services to improve compliance with environmental legislation and waste management processes • Conducting root cause analyses to prevent environmental incidents and increasing employee awareness through awareness trainings, informational e-mails, and regular drills • Reducing plastic use by having IBC packaging cleaned by companies operating in compliance with legal regulations for reuse within the facility, and additionally increasing tanker loading rates
Opportunities Presented by the Risk	• Optimizing resource utilization through more efficient production processes • Strengthening compliance with legal regulations and reducing audit-related risks
Resources	https://wedocs.unep.org/bitstream/handle/20.500.11822/44939/global_waste_management_outlook_2024.pdf?sequence=3

Table 4.6 Scenario Analysis 4

The resources required for the sustainability actions included in our action plan are primarily financed through the investment budget allocated within the Group budget. For projects eligible for incentives, relevant national government supports are utilized, while international financing sources such as EU funds and the World Bank are also closely monitored. In the coming periods, with the implementation of the Türkiye Emissions Trading System, access to voluntary carbon markets and the utilization of carbon credit opportunities are expected to become relevant. The resources to be allocated for these projects are reviewed annually during the strategic planning process, and in the long term, financing instruments such as green bonds and sustainability-linked loans may also be considered.

4.3.2. Scenario Analysis Update Process

Kimpur's scenario analyses are regularly reviewed by the Sustainability Committee at least once a year. However, in the event of the following situations, an extraordinary evaluation and update process is initiated:

- Significant climate-related changes in national or international regulations (e.g., expansion of the scope of the CBAM implementation)
- Major climate-related transformations in the Group's operations (e.g., new facility investments, transition to renewable energy)
- Emergence of new scientific data, scenarios, or methodologies (e.g., IPCC reports)
- Requests from the Corporate Risk and Audit Committee or the Board of Directors

In line with such changes, the relevant scenario analyses are reassessed, the methodology is reviewed, assumptions are updated, and impact analyses are revised and integrated into the sustainability performance management system.

As of 2025, our scenario analyses have been reviewed, and as a result of the evaluations conducted, no need for changes in the current methodology, assumptions, or analysis outputs has been identified.

05 METRICS AND TARGETS

5. Metrics and Targets

The environmental metrics presented in this section have been determined with consideration of the Sustainability Accounting Standards Board (SASB) and the "Sector-Based Implementation Guide" published within the scope of the Turkish Sustainability Reporting Standards (TSRS 2). These metrics cover topics such as greenhouse gas emissions, energy consumption, water management, air emissions, and waste management, enabling environmental impacts to be monitored in a holistic and comparable manner.

5.1. Data Sources and Reporting Process

At Kimpur, the data collection, calculation, and reporting processes related to these indicators are carried out through corporate systems, and the data obtained are regularly evaluated for the purpose of managing and improving environmental performance and transparently sharing the results with stakeholders.

Metric	Data Source	Collection Method	Processing & Calculation	Reporting Method
Emissions (GHG)	Data Source: Production Data, Fuel Consumption Slips, Electricity Bills, Gasoline/Diesel Invoices, Purchased Material Quantities/km Data, Sold Material Quantities/km Data, Employee Shuttle Services/km Data, GEKAP Declarations, Waste Invoices	Monthly Meter Readings & Data Extraction via ERP, CAGE Carbon Data Platform	Calculated in accordance with ISO 14064-1 and the GHG Protocol based on Scope 1, Scope 2, and Scope 3 emissions.	Reported annually on a scope basis in line with SASB requirements.
Energy Consumption	Invoice Records and Meter Data	Daily Meter Reading Records, Monthly Invoice Information	Total consumption is proportioned to unit production to calculate specific energy consumption.	Reported monthly in accordance with SASB "Energy Management" and the ISO 50001 Energy Management System standard.

Table 5.1 Metrics

5.2. Climate-Related Metrics

5.2.1. Greenhouse Gas Emissions and Measurement Approach

Due to its production processes and value chain impacts, the chemical industry holds a critical position in the management of greenhouse gas emissions. In this context, the effective management of environmental impacts has become not only a matter of regulatory compliance, but also an important component of companies' long-term sustainability and growth strategies. As Kimpur, in line with our responsibility to combat climate change, we regularly monitor, calculate, and assess our emissions.

Kimpur's corporate carbon footprint calculations for its 2025 operations were carried out in accordance with the ISO 14064-1:2018 standard and the Greenhouse Gas Protocol (GHG) framework. Within the scope of the calculations, Scope 1 and Scope 2 emissions were assessed to cover the Group's direct and indirect activities. Kimpur's carbon footprint calculations for 2025 include Scope 1 and Scope 2 emissions for the Gebze, Headquarters Office, Düzce, and Latvia facilities.

Greenhouse gas emission calculations are performed through a software program and are coordinated by the Kimpur Audit and Compliance Team. In the software used for greenhouse gas calculations, the IPCC's latest publication, the Sixth Assessment Report (AR6), is referenced for CO_2 equivalent calculations covering the seven major greenhouse gas components (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3). Within this framework, the net calorific values and global warming potential (GWP) coefficients recommended in AR6 on a sectoral basis are used.

As a factor guideline, sector-specific subcategories in line with IPCC AR6 are used in the calculation of direct emissions (Scope 1), particularly the emission factors under the "Manufacturing and Industrial" category. For the calculation of energy-related indirect emissions (Scope 2), 2024 data published by the International Energy Agency (IEA) have been taken as the basis.

Detailed GHG (greenhouse gas) breakdowns regarding the emission factors and Global Warming Potential (GWP) values used for each greenhouse gas component can be accessed through the calculation software.

Scope 1 emissions include direct emission sources such as stationary and mobile combustion, while
Scope 2 emissions include indirect emissions arising from purchased electricity and energy sources.

Carbon emissions have been calculated in parallel in accordance with both ISO 14064 and the GHG Protocol standards. Through this approach, compliance with global reporting frameworks such as CDP, SBTi, and GRI is targeted for future periods. The terminology and classifications used can be found in the table below.

Scope	GHG Protocol	Category	ISO 14064-1:2018
Scope 1	Direct Emissions	Category 1	Direct GHG emissions and removals
Scope 2	Purchased Energy Indirect Emissions	Category 2	Indirect GHG emissions from imported energy

Table 5.2 Terminologies and Categories Used in Carbon Emission Calculations

The data used in product-based carbon footprint calculations were evaluated in compliance with ISO 14040/44 standards, and calculations were carried out through LCA software based on the TS EN 15804+A2 methodology.

Through this comprehensive methodological framework, Kimpur aims to make its climate-related performance indicators internationally comparable and to manage them in an integrated structure aligned with its sustainability strategies.

5.2.2. Calculation System Boundaries

The table below presents the activities considered within the scope of the emission calculations and related explanations regarding the calculations.

Scope	Activity	Comments
Scope 1	Stationary Combustion	Natural gas is used to meet the heating and process energy needs of the Gebze, Düzce, Latvia, and Headquarters Office facilities. In addition to natural gas, diesel fuel is consumed in generators. Emissions arising from the combustion of these fuels have been calculated under this category.
	Refrigerant Gas	Relevant emissions arising from annual theoretical leakages and refills at the Gebze, Düzce, and Latvia facilities have been calculated under this category. Refrigerant gases used in vehicles were excluded from the calculation as they remained below the materiality threshold. There are no refrigerant gas emissions for the Headquarters Office.
	Fire Extinguishers	During the reporting year, CO_2-based fire extinguishers used in Gebze, Düzce, and Latvia were included in the calculations. There are no fire extinguisher emissions for the Headquarters Office. Emissions arising from usage and maintenance activities have been assessed under this category.
	Circuit Breaker Gas	SF_6 circuit breaker gas was calculated for both the Gebze and Düzce facilities during the reporting year.
	Process Emissions	There were no process emissions for any of the four facilities during the calculation year.
	Mobile Combustion	Emissions arising from fuel consumption of leased and owned vehicles have been assessed under this category.
Scope 2	Purchased Electricity	Emissions arising from electricity consumption at the Gebze, Düzce, Latvia, and Headquarters Office facilities have been calculated under this category.
	Purchased Heat/Cooling/Steam	There was no purchased heat/cooling/steam for any of the four facilities during the calculation year.

Table 5.3: Scope 1 and Scope 2 Calculation Boundaries

5.2.3. Our 2025 Climate-Related Metrics

Greenhouse Gas Emissions		2024	2025
Scope	Category	Emissions (tCO_2e)	Emissions (tCO_2e)
Scope 1	Stationary Combustion	4.015	4.309
	Mobile Combustion	321	273
	Fugitive Emissions	443	73
Scope 2	Purchased Electricity	3.486	3.508
	Total Emissions (tCO_2e)	**8.265**	**8.163**
	Production Volume (tons)	**134.499**	**133.662**
	Specific Scope 1+2 Emissions	**0,061**	**0,061**

Table 5.4: 2024–2025 Greenhouse Gas Emissions (Scope 1–2)

*Natural gas consumption of the Headquarters Office was included in the inventory in 2025. For comparability purposes, the 2024 emission data have been retrospectively updated.

Explanation: Compared to 2024, the 2025 greenhouse gas emission data indicate an approximately 1.2% decrease in total emissions (Scope 1 and Scope 2). When evaluated based on emission sources, a decrease was observed particularly in fugitive emissions, while limited increases occurred in emissions related to stationary combustion and purchased electricity. In parallel with the change in production volume, the emission intensity per unit of production (Scope 1+2) remained stable at 0.061 tCO_2e/ton. This indicates that there was no significant change in emission intensity and that operational emission performance generally remained at a level similar to the previous reporting period.

Energy Management		
Energy Consumption (GJ)	**2024**	**2025**
Total Electricity Consumed	31.222	35.151
Total Electricity Consumed from the Grid	28.469	29.192
Total Electricity Generated by Solar Power Plant (SPP)	2.753	5.959
Steam Purchased from External Sources	None	None
Heating Purchased from External Sources	None	None
Cooling Purchased from External Sources	None	None
Natural Gas	71.380	*76.732*
Fuel Oil	None	None
LPG	None	None
Lignite	None	None
Coke	None	None
Diesel (STATIONARY COMBUSTION – Generator, Boiler, etc.)	67	*35*
Diesel (MOBILE COMBUSTION – Vehicles)	1.941	*1.310*
Gasoline (MOBILE COMBUSTION – Vehicles)	2.499	*2.587*
GRAND TOTAL	**107.108**	**115.816**
Energy Consumption Intensity per Unit of Production (GJ/ton)	**0,80**	**0,87**

Table 5.4: 2024–2025 Energy Consumption

Explanation: The 2025 energy consumption data indicate an increase in our total energy consumption compared to 2024. This increase resulted from the effects of changes in product mix and operational dynamics on energy performance. Nevertheless, a significant improvement has been achieved in our use of renewable energy. While approximately 9% of our total electricity consumption was supplied through our solar power generation in 2024, this ratio increased to 17% in 2025.

Within the scope of energy management, we continue our monitoring and improvement efforts and consider projects aimed at increasing energy efficiency and renewable energy utilization among our priority areas for the upcoming period.

5.2.4. Our Assets Vulnerable to Risks

The proactive management of climate change-related risks is possible through the accurate identification of vulnerable assets that may be directly affected by these risks. Assets with high sensitivity to our identified risks are classified in the table below. While the assets included in the table demonstrate vulnerability to specific types of risks, our export operations targeting the European market have been identified as the most critical area that may be holistically affected by transition, physical, and market risks alike. Representing 18.1% of our total sales volume in 2025, our European export activities are positioned at the center of our strategic risk management approach due to the multidimensional risk spectrum to which they are exposed.

Nature of the Risk	High-Priority Climate-Related Risk	Related Opportunity	Our Vulnerable Assets
Transition Risk	• Implementation of carbon taxes under the CBAM framework	• Strengthening our brand reputation by meeting the expectations of our customers in Europe	• Share of exports to European countries within total sales
Transition Risk	• Energy consumption being largely dependent on fossil fuels	• Reducing energy costs through energy-saving projects • Reducing our Scope 1 and Scope 2 direct and indirect greenhouse gas emissions	• Energy infrastructure and production lines
Physical Risk	• Negative impacts of climate change and extreme weather events on raw material logistics	• Increasing operational flexibility through supply chain diversification	• Critical raw materials supplied from China
Transition Risk	• Increase in hazardous waste volumes due to the growth in our sales	• Optimizing resource utilization through more efficient production processes • Strengthening compliance with legal regulations and reducing audit-related risks	• Hazardous waste volume

Table 5.6 Climate-Related High-Priority Risks, Opportunities, and Vulnerable Assets

5.3. Climate-Related Targets

Kimpur, within the scope of combating climate change, our primary focus areas are emission reduction, energy efficiency, waste management, and sustainable products. The targets determined in these areas are established under the leadership of the Sustainability Committee based on risk and opportunity analyses and are reviewed every three months. During the target-setting process, SASB Standards, TSRS guidelines, and the Sustainable Development Goals are taken into consideration.

Targets are defined in line with historical performance data, future projections, sector dynamics, and market expectations. Target achievements are regularly evaluated by the Sustainability Committee. In the monitoring process, internal measurement systems—primarily SASB indicators—are utilized, and performance results are analyzed through comparison with targets while considering factors such as production volume, operational changes, and investments.

5.3.1. Management of the Target Revision Process

At Kimpur, sustainability targets are defined within a dynamic structure that allows for revisions when necessary in line with internal and external environmental conditions, sector dynamics, regulatory changes, and operational needs. In the event of any changes to the targets, such changes are first submitted to the Sustainability Committee by the relevant process owner together with their justifications and are subsequently evaluated by the Committee. Proposed changes are assessed with the aim of improving the achievability of targets, adopting more realistic approaches, or ensuring stronger alignment with corporate strategy.

In the event that target revisions are implemented, the nature, rationale, timing, and impacts of such changes are documented through Sustainability Committee meeting minutes. In addition, revised targets are transparently and publicly disclosed through the website, integrated reports, and sustainability reporting practices, and are systematically communicated to relevant stakeholders.

Currently, our Group does not have an internal carbon pricing mechanism in place. However, should such a mechanism be planned for implementation in the future, the relevant targets will be updated and restructured accordingly.

5.3.2. Our Climate-Related Targets

Within the scope of combating climate change, which constitutes one of the fundamental pillars of our sustainability strategy, we establish measurable targets in the areas of emission reduction and energy efficiency. No changes have been made to our main 2030 targets defined in the previous reporting period, and these targets remain valid.

The table presented below includes our environmental performance indicators planned to be achieved by 2030, together with base year values, target ratios, and the actual performance data for 2025. These targets are regularly reviewed in line with our sustainable growth vision and are monitored in an integrated manner through our performance management system.

							Progress Status			Main Target
Relevant Topic	Target Metric	Objective	Unit	Base Year	Target Year	Target	2022 F	2024 F	2025 F	2030 H
Emission Reduction	Reduction of Scope 1 and Scope 2 emission intensity per unit	Reduction	tCO2e /ton	2022	2030	%33	0,072	0,061	0,061	0,048
Energy Saving	Reduction of energy consumption intensity per unit	Reduction	GJ/ton	2022	2030	%22	0,94	0,80	0,87	0,73

Table 5.7 Climate-Related Sustainability Targets

* Our total production volume in 2025 was 133,662 tons. The projected production volume for the 2030 target year is 235,000 tons.

** 2022 actual figures are presented as the target base year. They have not been subject to limited assurance.

Our climate-related targets have not yet been verified by a third party. In order to ensure that these targets can be monitored transparently and reliably in line with international standards, it is planned to evaluate methodologies related to organizations such as the SBTi (Science Based Targets initiative) and CDP (Carbon Disclosure Project) and to initiate the relevant processes as of 2028 within the scope of our 2030 Climate Change Roadmap.

Target 1: Emission Reduction

KPI: Reduction of Scope 1 and Scope 2 emission intensity per unit

Explanation: Our target has been shaped by the Paris Climate Agreement, which entered into force in 2016, and Türkiye's 2053 Net Zero emission target announced within the scope of this agreement. The greenhouse gas emission target established by Kimpur is based on net emissions and covers total emissions generated throughout our operations and value chain. In determining this target, no carbon offsetting or compensation mechanisms are taken into consideration. Since mechanisms related to carbon credit markets have not yet been actively implemented, we currently have no plan to offset emissions through such instruments. However, if these markets become legally or operationally active, such mechanisms may be evaluated. Therefore, our gross greenhouse gas emission target and net emission target are identical and intensity-based.

Our emission intensity for 2025 was realized at 0.061 tCO_2e/ton, representing a 16% reduction compared to the base year 2022. This performance demonstrates that we are progressing in line with our 2030 target of achieving a 33% reduction.

Scope: Gebze, Düzce, and Latvia production facilities, and the Istanbul headquarters office

Integration with Corporate Strategy:

- Growing in global markets
- Collaborating with global manufacturers

Related Risk: Implementation of carbon taxes under the CBAM framework
Related Opportunity: Strengthening our brand reputation by meeting the expectations of our customers in Europe

Type of Capital: Our Natural Capital
Priority Topic: Climate Crisis and Carbon Management

Target 2: Energy Saving

KPI: Reduction of energy consumption intensity per unit

Explanation: This target aims to reduce the amount of energy consumed per unit of production (ton). In this way, it is intended to achieve energy savings while also reducing environmental impacts. The target is intensity-based.

Our energy intensity in 2025 was realized at 0.87 GJ/ton, representing a 7% reduction compared to the 2022 base year. In line with our 2030 target of achieving a 22% reduction, our operational efficiency improvement processes continue decisively in order to reach the final target.

Scope: Gebze, Düzce, and Latvia production facilities, and the Istanbul headquarters office

Integration with Corporate Strategy: Supporting investment plans for operational excellence and ensuring process efficiency

Related Risk: Energy consumption being largely dependent on fossil fuels
Related Opportunity: Reducing energy costs through energy-saving projects
Type of Capital: Our Natural Capital
Priority Topic: Climate Crisis and Carbon Management

06
APPENDICES

6. APPENDICES

6.1. Judgements

This section explains the key assumptions, measurement uncertainties, and scenario-based approaches used in the identification, assessment, prioritization, and monitoring processes related to Kimpur's climate-related priority risks. In line with the "judgement" requirement under TSRS, the effects of each risk on decision-making processes are detailed.

Risk 1: Implementation of carbon taxes under the CBAM framework

According to World Resources Institute data, the chemical sector is expected to be included within the scope of the European Union's CBAM in the medium term due to its high emission intensity. This situation has been assessed as a transition risk that may create financial impacts through carbon-related costs for exports to the EU. International sources regarding sectoral emission intensity and SASB disclosure topics for the chemical sector support this assessment.

Considering the importance of commercial relations with the EU market, the risk has been addressed as a high-priority issue. In the event that CBAM enters into force, emission reduction investments and operational improvement needs will be reassessed.

Uncertainties regarding the CBAM implementation timeline, methodology, and benchmark emission values for the chemical sector still continue. Therefore, the financial impact has not been quantitatively calculated during the current reporting period. IPCC RCP scenarios and generic datasets for product carbon footprint calculations were used in the assessments, and certain measurement uncertainties remain due to data limitations.

It is expected that these uncertainties will decrease as EU regulations become clearer and supplier-based data quality improves.

Risk 2: Energy consumption being largely dependent on fossil fuels

The continuation of fossil fuel-based energy consumption in parallel with the increase in production volume creates the risk of rising energy costs in the long term and additional financial burdens under potential carbon pricing mechanisms. This situation has been evaluated as a strategic risk in terms of financial performance. The SASB Chemical Industry disclosure topic “Energy Management” supports this assessment.

Due to the direct impact of energy costs on financial statements and the potential of fossil fuel consumption to trigger carbon-related costs, this risk has been addressed as a high-priority issue. Additional investments and process optimizations are regularly evaluated within the scope of energy efficiency projects. An increase in energy costs has been assumed within the projections. Montel Energy Analytics has been taken as the guiding reference source.

Uncertainties regarding the long-term trajectory of energy prices and the impact of the energy transition on market dynamics continue to exist. These uncertainties are expected to decrease as developments in the renewable energy sector and the impacts of energy efficiency projects become clearer.

Risk 3: Negative impacts of climate change and extreme weather events on raw material logistics

The increase in extreme weather events related to climate change has been assessed as a physical risk that may create logistical disruptions and operational uncertainties within the global supply chain. The significant reliance on Far East-origin suppliers for critical raw materials further increases the risk in terms of maritime transportation and supply continuity. According to the World Economic Forum’s Global Risks Report 2025, “extreme weather events” are identified as the second most significant global risk in the two-year outlook and rank first in the ten-year outlook.

Due to extended supply lead times, transportation disruptions, and potential production interruptions, this risk has been addressed as a high-impact issue. In order to mitigate the risk, efforts related to alternative suppliers, logistics routes, and raw material options are ongoing.

Climate scenarios and sea level projections included in the IOP Science Report were taken into consideration in the assessments, and there are measurement uncertainties inherent to the nature of climate projections. These uncertainties are expected to decrease through investments aimed at strengthening supply chain resilience and the wider implementation of adaptation practices.

Risk 4: Increase in hazardous waste volumes due to the growth in our sales

The increase in hazardous waste volumes in parallel with the growth in sales and production volume, together with the tightening of waste management regulations, has been evaluated as a risk that may lead to increased disposal costs. The SASB Chemical Industry topic “Hazardous Waste Management” supports this assessment.

Due to the impact of disposal costs on financial statements, this risk has been addressed as a high-priority issue. Waste management strategies are regularly reviewed in line with waste classifications, regulatory changes, and test results.

Uncertainties regarding the long-term trajectory of waste disposal costs and future regulatory developments continue to exist. International waste management projections were taken into consideration in the assessments, and cost increase assumptions were applied.

These uncertainties are expected to decrease through waste reduction efforts, recovery practices, and the clarification of regulatory developments.

6.2. TSRS Compliance Table

Main Heading	TSRS-2 Disclosure	Article Code	Related Report Section
Governance	a) Governance body/bodies	6	2.3. Sustainability Committee and Its Responsibilities
		6	2.4. Stakeholder Engagement
		6	2.5. Sustainability and Climate Change Mitigation Policies
		6	2.6. Integration of Sustainability into Strategic Management
		6	2.7. Governance of Performance Metrics
	b) Governance processes, controls, and responsibilities	6	2.3. Sustainability Committee and Its Responsibilities
Strategy	Climate-related transition plan	9	4.3. Climate Resilience, Opportunities, and Scenario Analyses
	Climate-related risks and opportunities	10	4.2. Climate-Related Risks
	Business model and value chain	13	4.1. Business Model and Value Chain
	Strategy and decision-making	14	4.2. Climate-Related Risks
	Financial position, financial performance, and cash flows	15	4.3. Climate Resilience, Opportunities, and Scenario Analyses
	Financial position, financial performance, and cash flows	16	4.3. Climate Resilience, Opportunities, and Scenario Analyses
	Measurement uncertainty	19	6.1. Judgements
	a) Climate resilience	22	4.3. Climate Resilience, Opportunities, and Scenario Analyses
	b) Climate resilience	22	3.2. Inputs and Parameters Used
Risk Management	a) Identifying, assessing, prioritizing, and monitoring climate-related risks	25	3.1. Risk Identification and Prioritization Processes
		25	3.2. Inputs and Parameters Used
		25	3.3. Monitoring and Auditing of Risks
		25	3.4. Assessment of Climate-Related Opportunities
	b) Climate-related scenario analysis	25	3.5. Use of Scenario Analysis
	c) How climate-related risks and opportunities are integrated into the overall risk management process	25	3.1. Risk Identification and Prioritization Processes
Metrics and Targets	Sector-specific metrics	28	5.1. Data Sources and Reporting Process
	a) Climate-related metrics	29	5.2. Climate-Related Metrics
	b) Vulnerable assets	29	5.2. Climate-Related Metrics
	g) Remuneration	29	2.7. Governance of Performance Metrics
	Guidance on the Sector-Based Application of TSRS-2	32	5.2. Climate-Related Metrics
	Climate-related quantitative and qualitative targets	33	5.3. Climate-Related Targets
	Establishment and review of each target	34	5.3. Climate-Related Targets
	Information regarding performance against each target	35	5.3. Climate-Related Targets
	Information for each greenhouse gas emission target	36	5.3. Climate-Related Targets

6.3. SASB Index and Performance Indicators

Greenhouse Gas Emissions		2024	2025
Scope	**Category**	**Emissions (tCO_2e)**	**Emissions (tCO_2e)**
Scope 1	Stationary Combustion	4.015	4.309
	Mobile Combustion	321	273
	Fugitive Emissions	443	73
Scope 2	Purchased Electricity	3.486	3.508
	Total Emissions (tCO_2e)	**8.265**	**8.163**
	Production Volume (tons)	**134.499**	**133.662**
	Specific Scope 1+2 Emissions	**0,061**	**0,061**

Table: 2024–2025 Greenhouse Gas Emissions (Scope 1 and 2)

Energy Management		
Energy Consumption (GJ)	**2024**	**2025**
Total Electricity Consumed	31.222	35.151
Total Electricity Consumed from the Grid	*28.469*	29.192
Total Electricity Generated by Solar Power Plant (SPP)	*2.753*	5.959
Steam Purchased from External Sources	None	None
Heating Purchased from External Sources	None	None
Cooling Purchased from External Sources	None	None
Natural Gas	71.380	76.732
Fuel Oil	None	None
LPG	None	None
Lignite	None	None
Coke	None	None
Diesel (STATIONARY COMBUSTION – Generator, Boiler, etc.)	67	35
Diesel (MOBILE COMBUSTION – Vehicles)	1.941	1.310
Gasoline (MOBILE COMBUSTION – Vehicles)	2.499	2.587
GRAND TOTAL	**107.108**	**115.816**
Energy Consumption Intensity per Unit of Production (GJ/ton)	**0,80**	**0,87**

Table 5.4: 2024–2025 Energy Consumption

KİMPUR

Headquarters Office
İnkılap Neighborhood, Dr. Adnan Büyükdeniz Avenue No: 13, Block B, Floor: 2, Door No: 6, 34768 Ümraniye / Istanbul, Türkiye

Gebze Production Facility
Gebze Plastics Organized Industrial Zone, İnönü Neighborhood, Cumhuriyet Avenue, Balçık Road, 7th Street No: 43, 41400 Gebze / Kocaeli, Türkiye

Düzce Production Facility
Organized Industrial Zone, Yakabaşı Location, 1st Street No: 12, 81850 Gümüşova / Düzce, Türkiye

Kimpur Europe Production Facility
Brīvības iela 103, Liepāja, LV-3401, Latvia

Kimpur Germany GmbH
Unter den Linden 10, 10117 Berlin, Germany

Kimpur UK
Building 3 North London Business Park, Oakleigh Road South, London, United Kingdom, N11 1GN

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