pulver

2023
Sustainability
Report

Content

About The Report

Pulver has been a key player in the powder coating industry since its foundation in 1988, consistently ranking as Europe's leading manufacturer and exporter. Since its establishment, Pulver has played a role in the innovative development of the industry with its environmentally friendly surface coating solutions. As Pulver, we prioritise sustainability in our operations in line with the transformation of industry dynamics and stakeholder expectations, and we carefully manage our social, economic, and environmental impacts as our key priorities.

This year, with the publication of our first sustainability report, we aim to present our adopted sustainability approach and its reflections on our business model to the information and opinions of our stakeholders.

This report has been prepared by Pulver Kimya Sanayi ve Ticaret A.Ş. in accordance with the GRI Standards for the period between 1 January 2023 and 31 December 2023. The data disclosed in the report covers all activities carried out by Pulver at its production facility in Türkiye.

If you would like to provide your feedback or suggestions on our sustainability activities and reporting studies, please send them to sustainability@pulver.com.tr.

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Message from the Chairman

Dear Stakeholders,

As Pulver, with our innovative solutions in the industry and our sustainability-focused approach, we strive to fulfill our environmental and social responsibilities at the highest level. We are pleased to share with you our commitments in the field of sustainability and the implementation results we have achieved in this direction in a transparent manner. This is the first sustainability report we have published for this purpose.

For Pulver, sustainability is an integral part of our business model, competitive strength, and long-term vision. In pursuit of our objectives, we are committed to taking significant measures. These include enhancing energy efficiency, minimising our carbon footprint, optimising waste management and fostering diversity within our workforce.

In addition to all these efforts, we have made significant progress toward our goal of reducing greenhouse gas emissions and managing our energy consumption more efficiently as part of our commitment to combating global climate change. During the 2023 reporting period, a total of 6,332.3 tonnes of CO_2e emissions were generated as a result of our operations, and a comprehensive energy efficiency plan was implemented to reduce this emission. Our energy consumption has been reduced to 691 kWh/Tonne through the implementation of LED lighting systems, high-efficiency motors, and heat-recovery projects. During the reporting period, almost all of the 1,151 tonnes of waste generated in our operations was recycled. Our long-term objective in this area is to implement a zero-waste approach across all our operations.

We have made substantial progress in making our workforce more inclusive and improving employee wellbeing.

In supply chain management, we are working to increase cooperation with local suppliers and encourage them to reduce their product carbon footprint. In 2023, our local supplier ratio was 37.2% in terms of the number of suppliers and 31.4% in terms of turnover. Our objective is to enhance both environmental and commercial performance by integrating traceability and quality control mechanisms throughout the supply chain.

Revenues generated from the sales of products developed through our R&D and innovation activities amounted to TRY 209.94 million in the reporting period, while product optimisation efforts resulted in cost savings of TRY 20.28 million. In the coming period, we will continue to invest in innovative projects in line with our goal of incorporating more environmentally friendly solutions into our product portfolio. In this context, we continue to develop low-carbon and recyclable products.

As Pulver, we are devoted to environmental and social responsibility principles that form the basis of our business model and setting an example for our industry in the field of sustainability. Our current performance indicators and future goals have been developed with a view to strengthening our business strategy and serving our mission to create a more liveable world.

The contributions and feedback of our valued stakeholders play a critical role in shaping our sustainability journey. We will continue to work together to achieve our shared goal of creating a cleaner, safer and more sustainable world for the future.

Respectfully yours,

Metin Mızraklı
Chairman of the Board of Directors

> **We are pleased to share with you our commitments in the field of sustainability and the implementation results we have achieved in this direction in a transparent manner. This is the first sustainability report we have published for this purpose.**

Pulver at a Glance
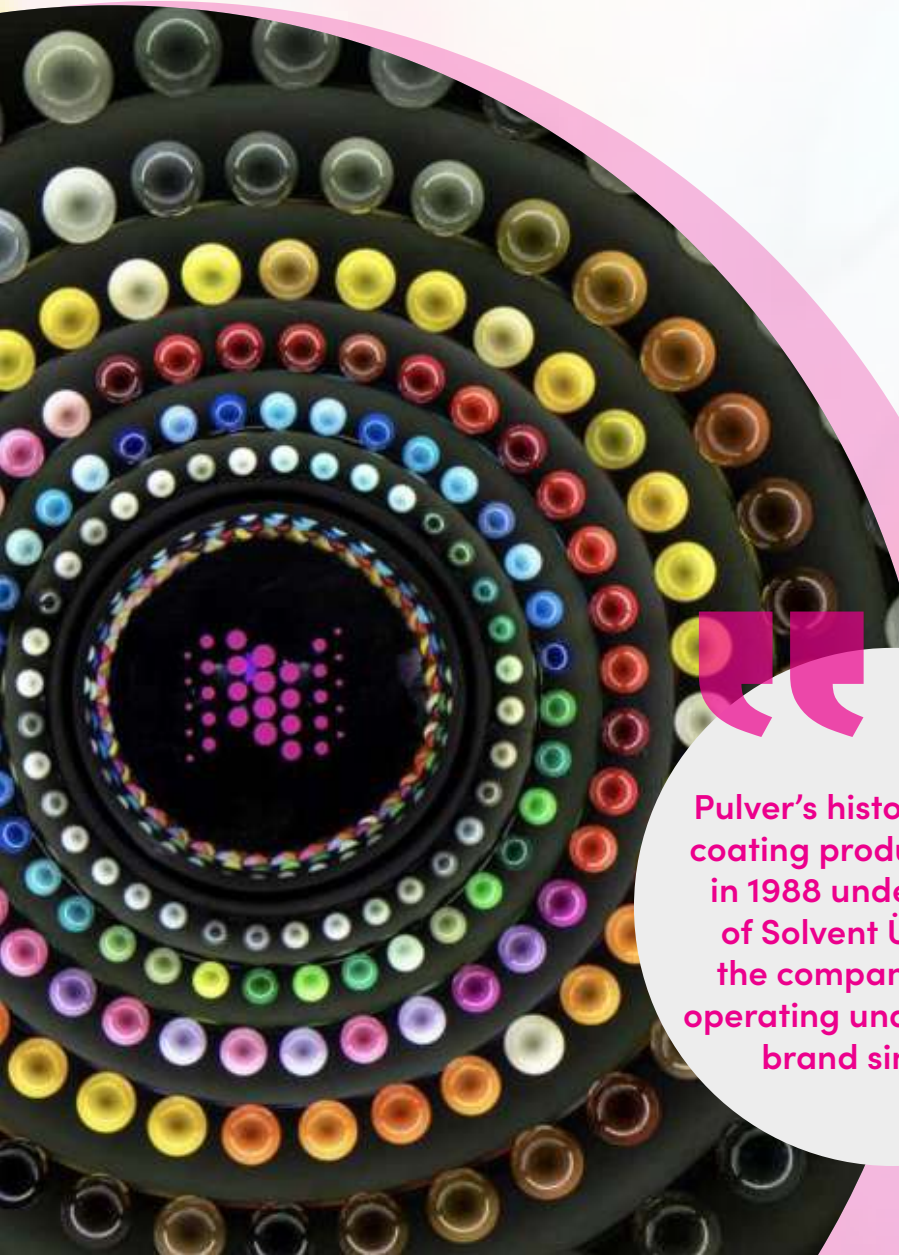
> Pulver's history in powder coating production began in 1988 under the name of Solvent Üretim, and the company has been operating under the Pulver brand since 1991.

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Pulver's history in powder coating production began in 1988 under the name of Solvent Üretim, and the company has been operating under the Pulver brand since 1991. Pulver is dedicated to adding value to the lives of its customers by leveraging the potential of colours. As Türkiye's leading and Europe's second largest powder coating manufacturer, Pulver maintains its strong position in the sector.
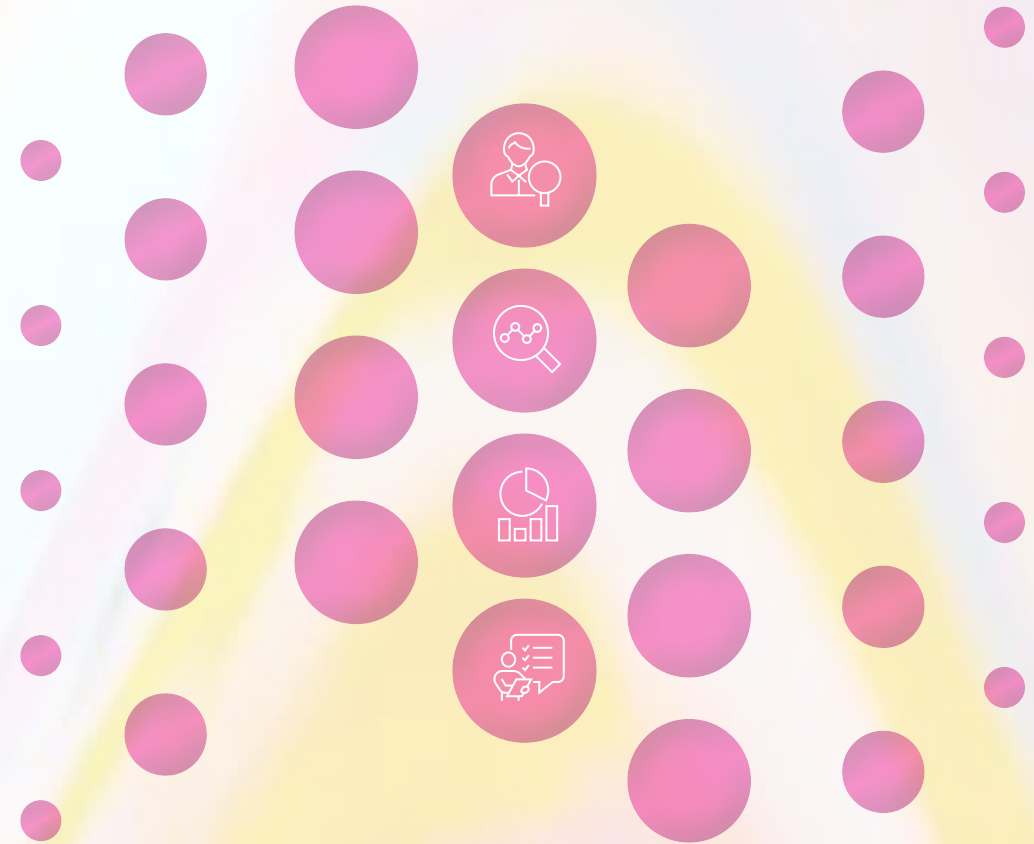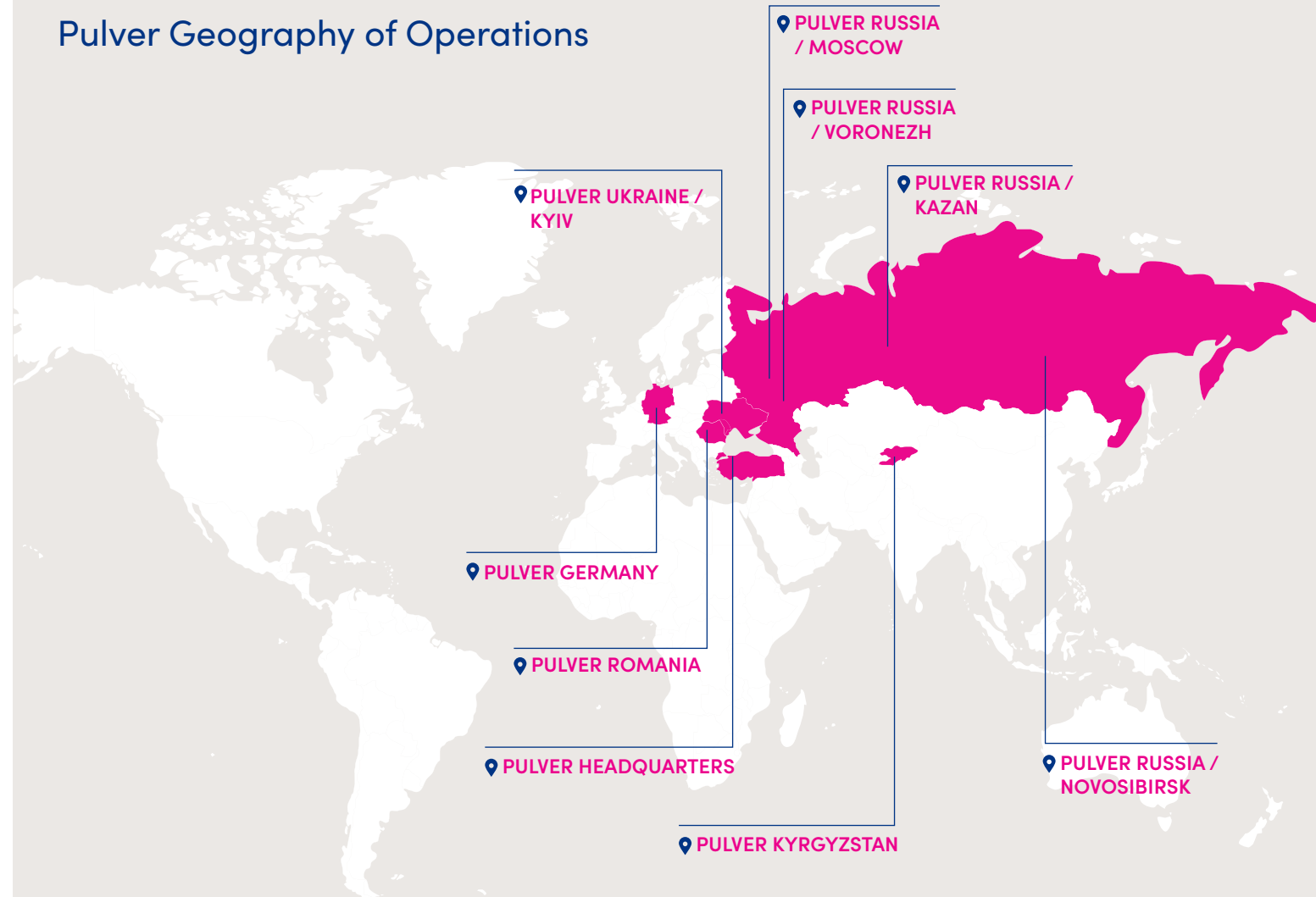
Pulver's production capacity meets approximately 25% of Türkiye's powder coating production needs, exporting 50% of its production to over 40 countries. As a result, Pulver has successfully retained its position as Türkiye's leading exporting coatings manufacturer for an extended period. With its high production capasity and sustainability focused approach, the company has succeeded in becoming a trusted brant in both local and international markets.

Since its establishment, Pulver has prioritised quality, innovation, environmentally responsible production and customer satisfaction, consistently setting industry standards through its modern manufacturing facilities and ongoing R&D investments. Pulver is a company that is open to technological innovations, offers sustainable solutions and successfully represents Türkiye in global markets. It is continuing to grow with strong steps towards the future.

Pulver Geography of Operations

PULVER RUSSIA / MOSCOW

PULVER RUSSIA / VORONEZH

PULVER RUSSIA / KAZAN

PULVER UKRAINE / KYIV

PULVER GERMANY

PULVER ROMANIA

PULVER HEADQUARTERS

PULVER RUSSIA / NOVOSIBIRSK

PULVER KYRGYZSTAN

Pulver's key export markets outside of Türkiye span over 40 countries, including the Russian Federation, Germany, Morocco, Belarus, Uzbekistan, Algeria, Lebanon, Romania and Bulgaria.

Milestones

1980 — Establishment of Solvent Üretim

1988 — Powder coating trials were initated by Solvent Üretim

1991 — Decision by Solvent Üretim to continue its activities under the name of Pulver

1994 — Qualicoat Class 1 certification and the commencement of exports to 3 continents

1995 — ISO 9001 Quality Management certification

2012 — GSB certification

2010 — Qualicoat Class 2 certification

2009 — WRAS Certification

2005 — Achievement of sales of over 10,000 tonnes per year

1998 — Relocation of production activities to Gebze Plant

2014 — Achievement of sales of over 20,000 tonnes per year

2015 — GSB Master certification

2018 — ISO 14001 and ISO 45001 certification

2019 — KTW certification

2020 — Qualicoat Class 3 certification

2022 — EPD product certification

Pulver in Figures

Capacity Utilisation Rate (%)

2021	2022	2023
65	59	60

Local Supplier Ratio (%)

2021		2022		2023	
34.6	39.4	31.4	39.5	31.4	37.2

● Based on turnover
● Based on Number of Suppliers
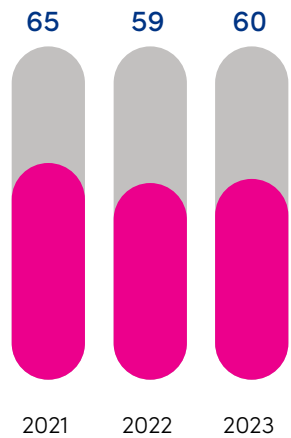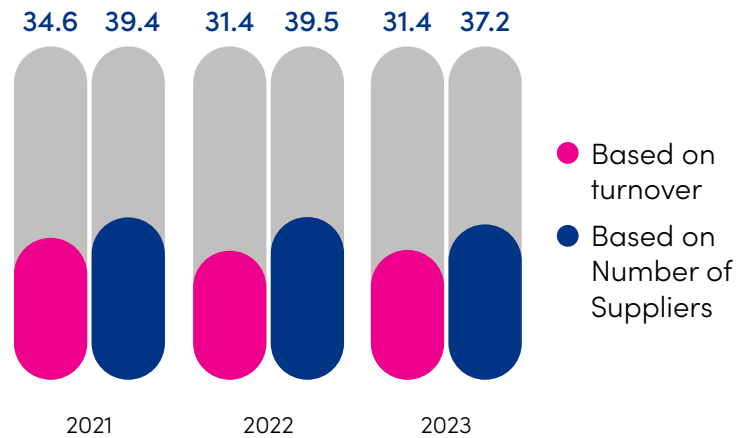
Turnover generated by newly developed products (Million TRY)

2021	2022	2023
71	174	210
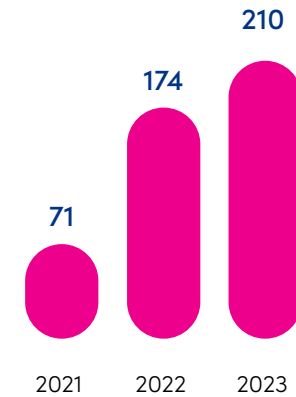
Savings of Product Optimisation (Million TRY)

2021	2022	2023
1.2	4.5	20.3

Total Workforce

● Male **87%**
● Female **13%**
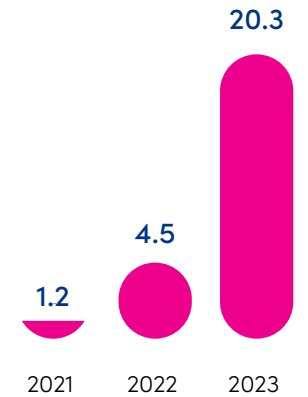
Greenhouse Gas Emission per product (Tonnes CO_2e/Tonne)

2021	2022	2023
0.300	0.285	0.283

Energy consumption per product (KWh/Tonne)

2021	2022	2023
761	719	691
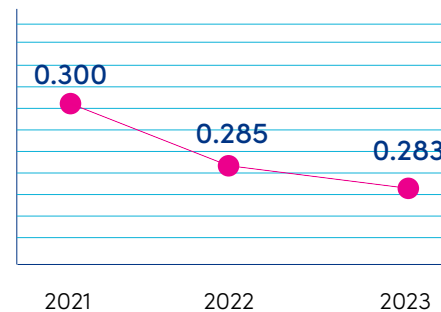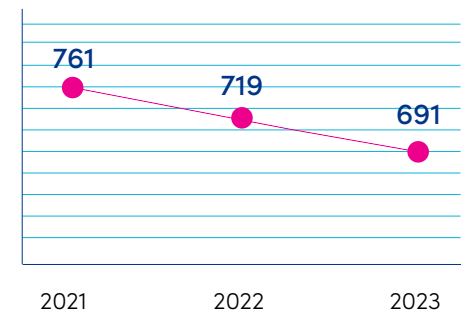
Our Products

Pulver is a trusted supplier of high-quality powder coating solutions for architectural, industrial, white goods and automotive sectors, offering a wide range of products to meet diverse customer needs. Pulver's product design principles are centred on durability, aesthetics and environmental responsibility.

Architectural Powder Coatings

Our Architectural range is distinguished by its extensive colour database, which is uniquely tailored for aluminium and metal systems. Architectural powder coatings are divided into three categories: The product is categorised as Class 1 (Standard Durable), Class 2 (Super Durable) or Class 3 (Hyper Durable). These powders offer long-lasting protection and aesthetics in interior and exterior spaces, and have a wide range of applications, from aluminium doors and windows to facade elements.

General Industry Powder Coatings

Pulver's industrial powder coatings are used in a variety of applications, including shelves, garden furniture, fire extinguishers and mailboxes. These powders are available with different gloss and texture options and are produced both in the RAL colour range and in special colours according to customer demands. These paints, which offer high UV resistance, resistance to temperature changes and long-lasting protection, are also 99% recyclable and environmentally friendly during application.
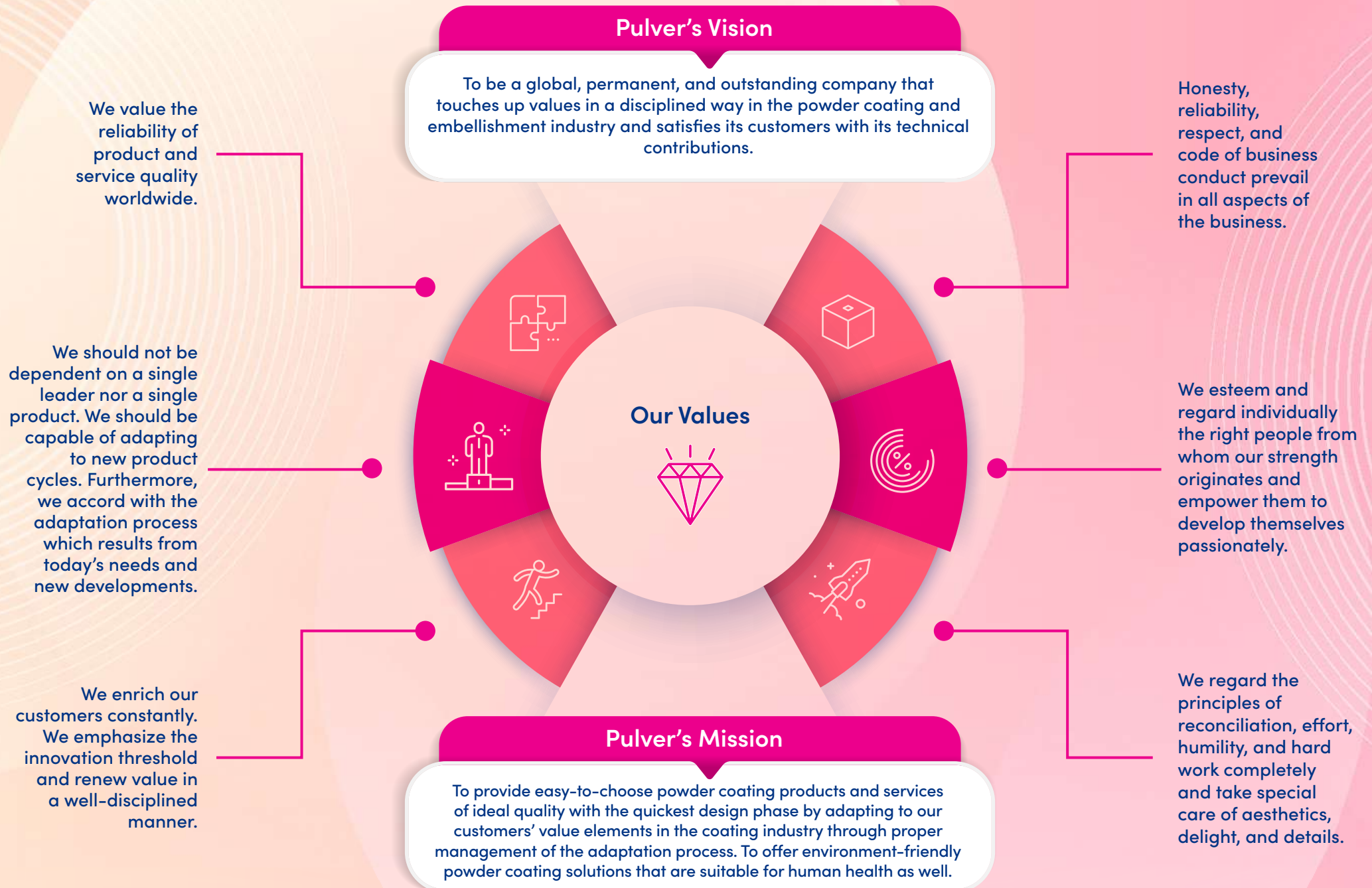
White Goods Powder Coatings

Pulver powder coatings used in durable consumer goods such as refrigerators, washing machines, dishwashers and ovens offer both aesthetics and functionality. These high UV and chemical-resistant paints are designed to provide energy and powder savings thanks to their low-curing and thin-film properties. Solvent-free and VOC-free paints are both environmentally friendly and safe for human health.

Automotive Powder Coatings

Pulver's powder coatings are used in the automotive industry for the coating of critical parts such as stabiliser bars, engine blocks, shock absorber springs and fuel tanks. These powders offer high corrosion resistance, durability and aesthetics, and are solvent-free and 99% recyclable during application.

Pulver is driven by delivering a high-quality service that prioritises customer satisfaction by offering reliable solutions across all sectors.
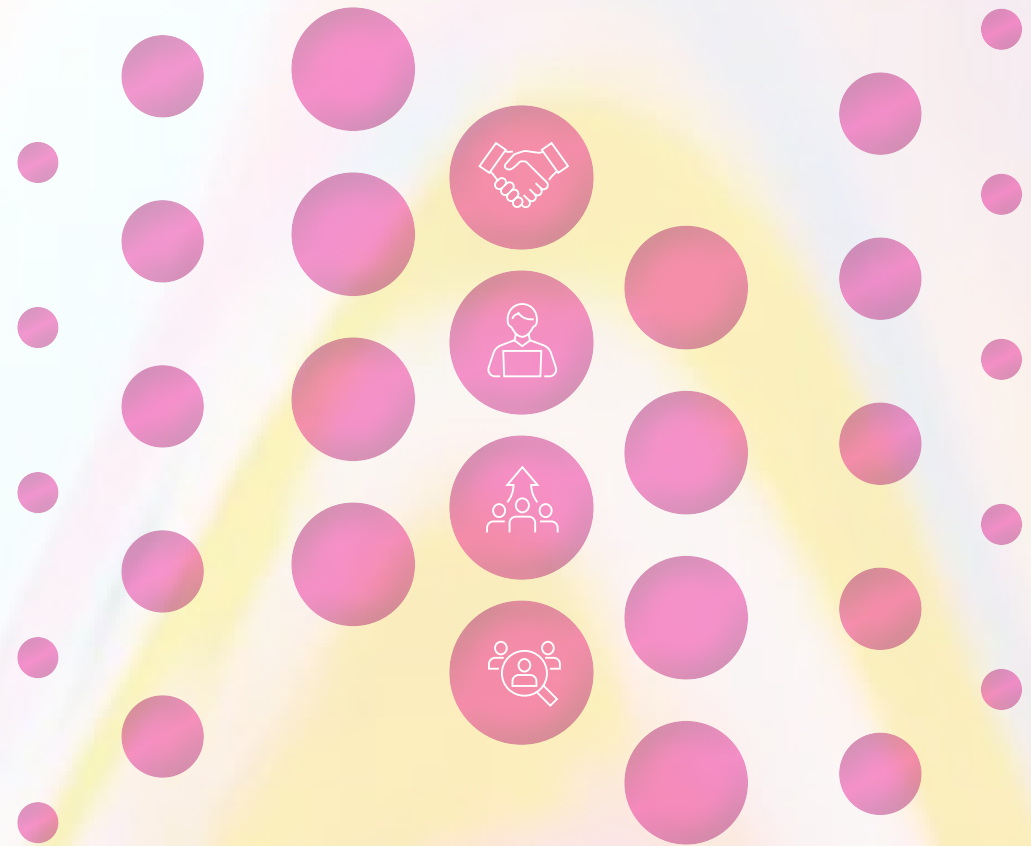
Details about our products can be found at https://pulver.com.tr/en/

Pulver's Vision

To be a global, permanent, and outstanding company that touches up values in a disciplined way in the powder coating and embellishment industry and satisfies its customers with its technical contributions.

We value the reliability of product and service quality worldwide.

Honesty, reliability, respect, and code of business conduct prevail in all aspects of the business.

We should not be dependent on a single leader nor a single product. We should be capable of adapting to new product cycles. Furthermore, we accord with the adaptation process which results from today's needs and new developments.

Our Values

We esteem and regard individually the right people from whom our strength originates and empower them to develop themselves passionately.

We enrich our customers constantly. We emphasize the innovation threshold and renew value in a well-disciplined manner.

We regard the principles of reconciliation, effort, humility, and hard work completely and take special care of aesthetics, delight, and details.

Pulver's Mission

To provide easy-to-choose powder coating products and services of ideal quality with the quickest design phase by adapting to our customers' value elements in the coating industry through proper management of the adaptation process. To offer environment-friendly powder coating solutions that are suitable for human health as well.

Corporate Governance

> To ensure high efficiency in our operations, we carry out our activities in full compliance with business ethics, legal regulations and internationally recognised quality and working standards. We adopt a transparent and accountable management approach.

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Corporate Governance

Board of Directors Practices

The Pulver Board of Directors, representing the highest level of the Company's organisational structure, is responsible for strategic planning, the direction of management processes and the execution of oversight duties. The Board of Directors consists of four members. The Chairman of the Board of Directors and the General Manager positions are held by different individuals.

The Company utilises the knowledge and experience of independent external experts and consultants in the processes of formulating its strategies and evaluating the results of its operations. The selection of these experts and consultants is made by the Board of Directors, and all costs related to the consultancy services provided are covered by the Company management.

Remuneration Policy

Pulver's remuneration practices are conducted with a fair, transparent and performance-oriented approach. The Company adopts a balanced remuneration policy in line with market conditions in order to ensure employee satisfaction and to retain talented professionals.

At Pulver, remuneration is directly related to the performance appraisal process that takes place once a year. At the end of each year, managers are provided with a detailed performance evaluation form to assess the overall performance of their employees. In this form, the contributions of employees during the year, their concrete work outputs and their future career plans are discussed. Depending on the results of the evaluation, appropriate promotional opportunities and year-end salary arrangements are made.

The determination of wage policies is made separately for white-collar and blue-collar employees. For white-collar employees, a grade-based salary scale is applied by taking into account market data obtained from independent consultancy companies. Salary offers are made with the approval of senior management according to the requirements of the position and the qualifications of the employee. For blue-collar employees, a wage scale is determined in line with the collective labour agreements made with the union.

Pulver adopts a competitive remuneration policy designed to retain current management staff. The policy is based on market analyses, salary seminars and reports from independent audit firms. In addition, salary levels for key positions are updated according to current market data.

In cases of unforeseen loss of talent, solutions are generated internally through the promotion system. This flexible approach reflects the company's dynamic structure and the value it places on its employees.

Internal Audit And Risk Management

Pulver implements a robust internal audit mechanism to ensure full compliance with legal regulations, strategic goals, company policies and ethical values. The Internal Audit Unit carries out proactive audit activities by analysing financial and operational processes in detail in order to identify potential risks in advance and prevent damages. These audit activities are carried out within the scope of the Audit Programme, which is prepared with a risk-focused approach throughout the company and its subsidiaries.

Pulver has developed comprehensive risk management procedures to identify and manage political, economic, social, environmental, legal and climate risks. These procedures ensure effective implementation of business strategies and long-term business sustainability. The relevant business units of the Company assess risk factors and formulate action plans in line with strategic measures such as risk avoidance, acceptance, mitigation or transfer. These plans are reviewed and approved for implementation at the Annual Review meetings, which take place on an annual basis and involve senior management.

In order to expand the scope of risk management, it is planned to initiate studies to evaluate sustainability risks with the participation of relevant business units as of 2024. The Company is committed to environmental responsibility and long-term corporate success.

The Pulver Board of Directors, representing the highest level of the Company's organisational structure, is responsible for strategic planning, the direction of management processes and the execution of oversight duties.

Business Ethics and Legal Compliance

Pulver has established the Code of Business Ethics with a view to shaping its work culture and corporate identity, ensuring that human values underpin its operations and establishing the basic rules of behaviour in its relationships with stakeholders. These rules, made available to employees through internal channels, are binding for all internal and external stakeholders.

The Ethics Committee, which has been established in order to ensure compliance with the Code of Ethics in the Company's activities and practices, has responsibility for the detection of business ethics violations and for taking necessary actions in these cases. The Ethics Committee is also responsible for developing actions to prevent business ethics violations at identified risk points. In instances where there is suspected non-compliance, the Ethics Committee's objective is to implement fair and acceptable resolutions.

Pulver employees at all levels are expected to comply with ethical rules and legal regulations, and to take all necessary steps to prevent violations. In this context, a secure and confidential reporting mechanism will be developed for reporting situations contrary to ethical rules. Employees can be confident that they will not face any negative sanctions when they act in accordance with ethical rules or report any suspicious situations.

Pulver's Code of Ethics is a comprehensive document that outlines the principles of preventing unethical practices against human rights. These practices include bribery, corruption, discrimination, inequality of opportunity, child labour and forced labour.

In addition, the prevention of laundering of criminal proceeds and international money laundering, compliance with international trade restrictions, avoidance of conflicts of interest, and fair competition are also principles monitored under the Code of Ethics. All new employees will be informed about these rules. Pulver expects all suppliers and business partners to comply with similar ethical standards.

In accordance with international norms, Pulver is committed to upholding recognised human rights principles, as outlined in the UN Universal Declaration of Human Rights and ILO Directives, in all its stakeholder relations. In this context, the rights of employees to organise and engage in collective bargaining are also guaranteed. Compliance with these principles is ensured in all business processes.

To strengthen the structure of ethical reporting, the "Ethics Reporting Hotline" will be activated in the next reporting period. In addition, training programmes will be implemented to enhance the awareness of managers and employees on business ethics and human rights.

During the reporting period, there were no incidents of bribery, corruption, discrimination and human rights violations within the scope of our operations. During the course of the operations, no activity that posed a risk of forced or compulsory labour, or child labour, was detected, including throughout the supply chain.

The Company's legal compliance processes are carried out in full alignment with the principle of full compliance with local and international legislation. The Legal Unit is responsible for monitoring all legal changes, while business units are informed through consultations with expert consultants as required. Training activities are also carried out. The Regulatory Affairs Department is responsible for ensuring full compliance with the Turkish Ministry of Environment, Urbanisation and Climate Change and EU legislation regarding chemical industry. In particular, laws, regulations and guidelines such as the REACH regulation and the KKDIK regulations are adhered to. In addition, operational norms, raw material and product component compliance criteria determined by sectoral organisations and customers are also complied with. In this context, the Regulatory Affairs Department is responsible for conducting compliance studies.

During the reporting period, the Company was not subject to any complaints, legal proceedings or sanctions as a result of violations of binding legal regulations. These regulations include legislation that governs the provision of products and services, environmental protection laws, breach of confidentiality of customer information, and international trade restrictions. No monetary or non-monetary penalties were imposed on the Company. During the period, TRY 1.6 million of expenses were incurred for legal proceedings, primarily due to the resolution of labour-employer disputes.

Pulver continues to operate in accordance with a responsible and sustainable approach, maintaining adherence to ethical management and legal compliance standards.

The materiality study, which also assessed sectoral requirements in social, economic and environmental areas, addressed 36 different topics.

Sustainability Management

During the reporting period, Pulver initiated a project with the aim of further strengthening and extending sustainability management throughout the company. To this end, the Company's management team was provided with comprehensive training on sustainability management approaches and practices. During this period, these training programmes continued to focus on more specific topics within the framework of certain sustainability themes. In addition, efforts initiated to identify sustainability risks and opportunities and to improve relevant policies, systems and processes will continue in the coming period.
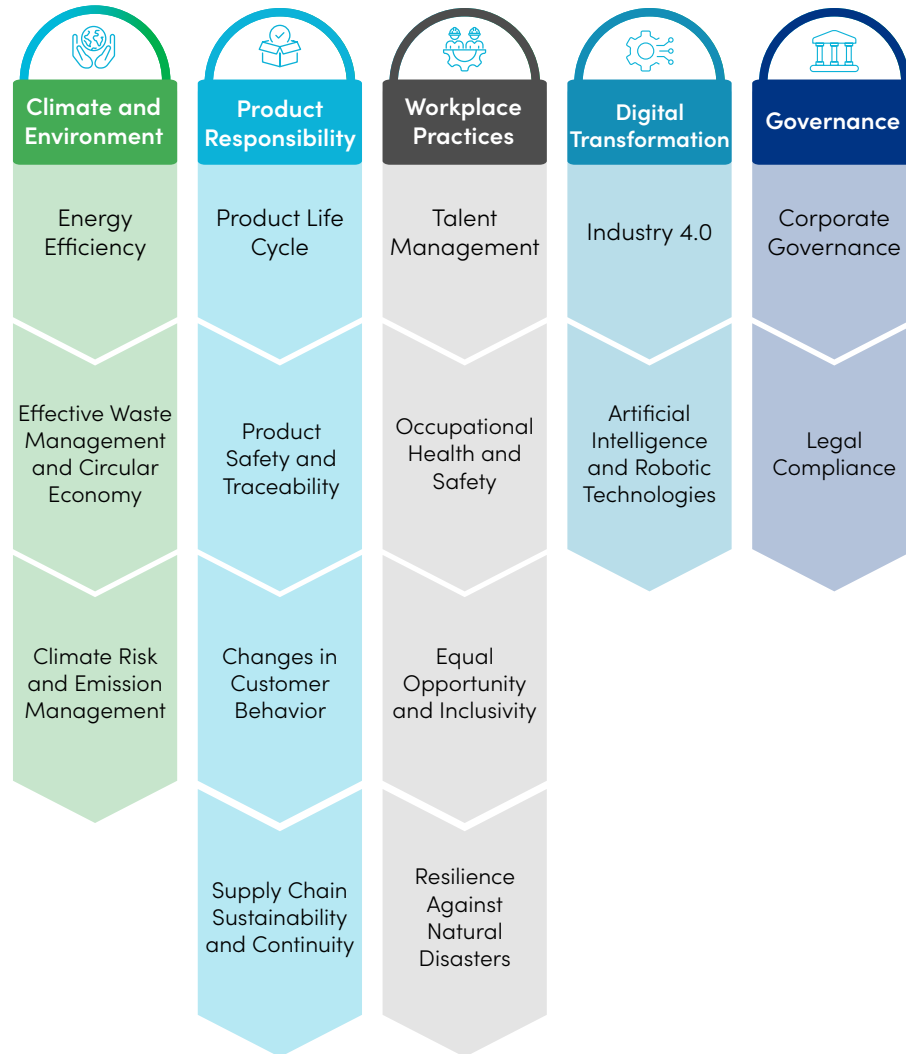
Sustainability Priorities

The primary focus of Pulver's sustainability management is guided by the material issues identified by the company's senior management. These material sustainability issues, which are identified with the outputs obtained as a result of the comprehensive analysis process carried out with the participation of internal and external stakeholders, constitute the main content of the reporting activities. In this prioritisation process, the Company's current and potential impacts on sustainability issues, as well as the risk and opportunity levels of these factors on the long-term success of the company, were evaluated.
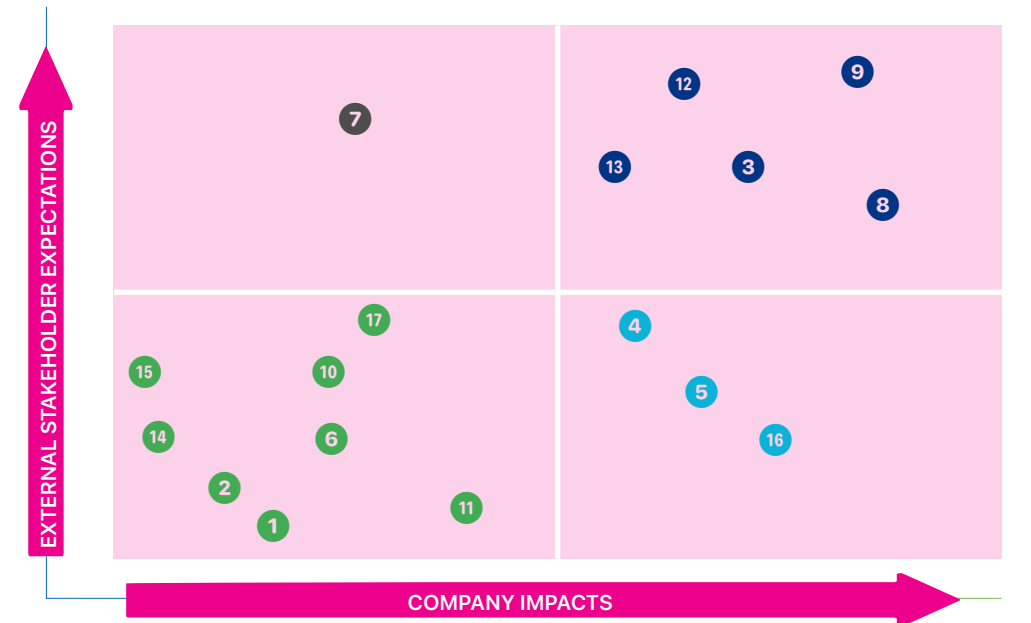
In this analysis, where social, economic and environmental factors are considered in a holistic manner, 49 different topics were analysed in line with the requirements of the sector. As part of the study, significant data were collected with the contributions of 25 company managers, 34 employees and 37 external stakeholders, including customers and suppliers. As a result of these analyses, 'Climate, Environment and Circular Economy, Governance, Product Responsibility, Workplace Practices, Digital Transformation and Innovation' were identified as the priority sustainability topics with the approval of the Company's senior management.

Furthermore, this process was carried out in accordance with the 17 United Nations Sustainable Development Goals (SDGs). Following a thorough evaluation, it was determined that the following Sustainable Development Goals (SDGs) would be prioritised in Pulver's sustainability strategy: SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure), SDG12 (Responsible Production and Consumption) and SDG13 (Climate Action).

Climate and Environment	Product Responsibility	Workplace Practices	Digital Transformation	Governance
Energy Efficiency	Product Life Cycle	Talent Management	Industry 4.0	Corporate Governance
Effective Waste Management and Circular Economy	Product Safety and Traceability	Occupational Health and Safety	Artificial Intelligence and Robotic Technologies	Legal Compliance
Climate Risk and Emission Management	Changes in Customer Behavior	Equal Opportunity and Inclusivity		
	Supply Chain Sustainability and Continuity	Resilience Against Natural Disasters		

External Stakeholder Expectations / Company Impacts

EXTERNAL STAKEHOLDER EXPECTATIONS

COMPANY IMPACTS

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation, and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals

Stakeholder Engagement

Pulver's approach to communication is based on principles of mutual benefit, transparency and fairness, particularly in relation to its main stakeholders. In this regard, it facilitates stakeholder communication in a manner and frequency that aligns with stakeholder expectations and requirements. The objective is to monitor and respond effectively to stakeholder expectations, and to take stakeholder opinions into consideration in the company's strategic decision-making processes.

Stakeholder Group	Communication Methods/Frequency	Expectations, Suggestions and Positive Effects
Employees	Sustainability Report (biennial), Vision Meeting (annual), Management Review Meeting (annual), Target Evaluation Meetings (quarterly), Internal Audit (annual), Staff meetings (monthly), Website (continuous), Core Ideology and Guide Book Summaries (continuous), Code of Business Ethics (continuous), Open Door Days (as needed), Collective Bargaining Agreement (biannual), Employee representative meetings (bi-monthly), Training Programs (as needed), E-mail and Announcements (as needed), Information and Analysis Reports (daily, weekly, monthly)	It has been detected that regular meetings increase the motivation and work focus of employees
Public Institutions, Supervisors and Regulatory Authorities	Sustainability Report (Biennial), Audit Activities (monthly, quarterly, annual), Declarations and Reports (monthly, quarterly, annual), Meetings and Discussions (annual)	The primary expectations of public institutions, supervisory and regulatory authorities are compliance with the relevant legislation, timely submission of required information and declaration activities, and timely and complete fulfilment of tax and similar payments. The Company is committed to fulfilling these obligations in a diligent manner.
Suppliers and Subcontractors	Sustainability Report (Biennial), Face-to-face and Online Interviews (as needed), E-mail communication and Information (as needed), Supplier Visits (as needed), Audits (as needed)	In order to resolve supply chain issues more quickly, the request to move face-to-face meetings to a virtual format was welcomed, and the necessary arrangements were made.
Customers	Sustainability Report (Biennial), Face-to-face and Online interviews (as needed), e-mail communication and information (monthly), Customer Visits (as needed), Audits (upon request)	Primary customer expectations revolve around the timely and quality-assured production and delivery of goods, competitive pricing and technical service support. Pulver managers stand by their customers throughout both technical and sales delivery processes, ensuring that all expectations are fully met.

Product Responsibility and Innovation

"Pulver develops solutions that reduce environmental impacts and meet customer expectations by approaching product responsibility and innovation through a sustainability-focused perspective.

Product Responsibility and Innovation

Pulver develops solutions that reduce environmental impacts and meet customer expectations by addressing product responsibility and innovation with a sustainability-oriented approach. Pulver prioritises quality, safety and traceability at every stage of the product life cycle, offering reliable products to its customers while complying with local and international regulations.

Our R&D investments are focused on producing innovative solutions that will improve both technical and environmental performance. Our objective is to generate both economic and sustainable value through the design of recyclable and low-carbon emission products that are planned for the future. Pulver continues to strengthen its position in the sector with this vision.

Product Lifecycle

At Pulver, Product Lifecycle Management is a strategic process that covers a wide range of areas, from designing products that meet customer needs to minimising environmental impacts. The risks and opportunities that may be encountered throughout the product life cycle directly affect the Company's long-term success. Lifecycle Management creates opportunities, especially in terms of fulfilling customer demands, complying with legal regulations, preventing interruptions in the supply chain, developing innovative products, expanding into new markets, gaining competitive advantage and increasing customer satisfaction. Pulver supports this process with a range of strategies, including customer-oriented R&D activities, cost optimisation, compliance with legal regulations and sustainable supply chain management.

Pulver complies with international standards such as ISO 14001 Environmental Management System and ISO 9001 Quality Management System when carrying out product lifecycle management. The Company's products meet the quality standards set by criteria such as Qualicoat and GSB certificates in architectural products, PPAP and IMDS requirements in the automotive sector, KKDIK for Türkiye and REACH compliance for Europe in general products. Furthermore, customer complaints and feedback are evaluated in accordance with ISO quality management standards. The root causes of problems are analysed, and solutions are developed.

Pulver's short, medium and long-term strategic objectives include the ability to respond rapidly to customer demands, the development of new raw material alternatives, and the reduction of its carbon footprint. In the short term, products are developed in line with customer demands, while certification processes are completed in the medium term. In the long term, the Company aims to design environmentally friendly products. For example, the development of product groups that do not contain substances of very high concern and efforts to reduce energy consumption by lowering powder curing temperatures contribute to the company's sustainability goals.

Product lifecycle management is also an important part of Pulver's corporate risk management. The performance of the products used throughout their life cycle and their compliance with local legal regulations are critical for the company to protect its reputation. Furthermore, projects with a focus on carbon footprints are underway to reduce the environmental impact of products. Production will be planned to design to be made with raw materials obtained from biological sources or recycled materials.

While there are currently general environmental product certificates for Class 1, Class 2 and Class 3 products, Pulver aims to reinforce its leading position in the sector by developing EPD-certified products and investing in projects that will minimise its carbon footprint.

Pulver plays a leading role in the sector through its sustainability-oriented innovation and digital transformation approach.

Innovation and Digital Transformation

Pulver plays a leading role in the sector through its sustainability-oriented innovation and digital transformation approach. The Company's strategic objective is to achieve sustainable growth through the development of innovative products that are environmentally friendly, meet customer expectations, are recyclable and with a low carbon footprint. Our R&D activities are based on digitalisation and efficiency in all processes from production to logistics, ensuring operational excellence while minimising environmental impacts. In line with this vision, Pulver aims to maintain its leadership in its sector by increasing its competitiveness in the global market.

The R&D Unit, which employs 72 highly qualified specialists, is responsible for the development, commercialisation and certification of new products that meet market expectations and customer requirements. In this context, during the reporting period, Pulver generated TRY 209.94 million in revenue from the sales of newly developed products. Following the implementation of optimisation practices for the product, savings of TRY 20.28 million were achieved.

With its R&D projects, Pulver aims to provide appropriate solutions to the product quality demands of its customers as well as environmental responsibility. In this context, a new coating system was developed for the automotive industry, with the wheel primer project being implemented during the period. Additionally, the pot paint designed for non-metal surfaces represents a significant innovation that will enable Pulver to enter a market where it has not previously been present. The fire exposure retardant primer project was developed to be compatible with intumescent liquid paints and patented to provide an important protective coating solution for the industry.

Pulver has also diversified its R&D activities with sustainability-oriented projects. The Qualicoat Class 3 powder coating project has successfully produced new generation coatings that meet high durability standards. In the spring paint project developed for the automotive sector, studies are underway to reduce the content of 'Substance of Very High Concern' (SVHC) by adopting a human health and environmentally friendly approach. In addition, the exterior paint reflects infrared light, thereby contributing to enhanced energy efficiency. The objective is to provide both energy savings and environmental sustainability by reducing the heating of buildings. These projects will consolidate Pulver's leadership in existing sectors and support its expansion into new markets.
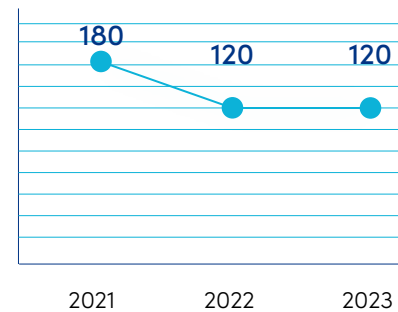
The Company's digitalisation process is centred on Industry 4.0, artificial intelligence and robotic process automation (RPA) technologies.

Digital Transformation

Pulver is implementing a far-reaching digital transformation strategy in line with its sustainable growth and operational efficiency goals. The Company's digitalisation process is centred on Industry 4.0, artificial intelligence and robotic process automation (RPA) technologies. This transformation aims to increase the company's competitiveness as well as to strengthen sustainability and data security in production processes.

One of the key projects in Pulver's digital transformation process is the implementation of the SAP MII (Manufacturing Integration and Intelligence) platform. SAP MII is a key tool for businesses looking to enhance production efficiency, reduce waste, and optimise energy consumption. This system enables real-time monitoring of critical data, including lot-based productivity analyses, downtime and failure cause monitoring, machine parameter measurement and cost calculations, facilitating data-driven operational decisions. Consequently, operational performance has been enhanced, resource utilisation has been optimised and competitive advantage has been secured.

Digital Transformation Investments (Thousand Euro)

180 — 2021
120 — 2022
120 — 2023

Pulver's digitalisation process incorporates artificial intelligence and robotic process automation (RPA) technologies. RPA solutions enhance personnel productivity by automating repetitive and routine tasks across functions such as accounting, human resources, production and logistics. For instance, software

robots are being used to carry out manual processes such as accounting, issuing invoice data entry and invoice scanning. This is having a positive effect on employee satisfaction while at the same time reducing time and labour loss.

In order to ensure the successful implementation of the digital transformation strategy, Pulver has developed corporate policies based on international standards. SAP, EBA and QDMS document management systems ensure the traceability and continuity of processes. In the context of cybersecurity projects, the Company prioritises data security through the implementation of practices such as regular penetration tests, data backup and disaster recovery scenarios. Cyber security measures are implemented in accordance with the principles of the ISO 27001 Standard.

In the short and medium term, Pulver plans to build on its achievements in digital transformation. These objectives include meeting new report requests in the SAP MII module, expanding existing robotic processes and increasing data analytics capacity. Integrating the digitalisation process into all the company's operational processes is a long-term strategy which, when implemented, will ensure sustainable growth and competitive advantage.

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Product Safety and Traceability

Pulver Kimya's strategic approach to product safety and traceability, underpinned by a commitment to sustainability, customer satisfaction and legal compliance, has firmly established the company as a leading player in the sector. In addition to ensuring the safety of products, the company is committed to enhancing traceability at every stage of the supply chain and optimising operational processes.

Product safety and traceability occupy a central role in both the Company's internal operational processes and its external marketing and customer relationship strategies. These two issues not only support Pulver's sustainable growth, but also enable the company to maintain and increase its competitive advantage. At every stage of the production process, from start to finish, product safety is regularly monitored through the SAP system. The process is closely monitored by a designated product safety officer, who is certified by the PSCR (Product Safety and Conformity Representative).

Pulver is able to identify potential risks related to product safety in advance and take the necessary precautions. For instance, the presence of undesirable chemical substances can pose significant risks to human health and the environment. In addition, the lack or incorrect preparation of Safety Data Sheets can lead users to misuse products, increasing health risks. Pulver tests and certifies its products in accordance with international standards in order to prevent such possibilities. At the same time, ensuring traceability throughout the supply chain helps prevent operational problems that may arise from disruptions in

raw material procurement processes. In this context, the effective use of digital systems and SAP-based tracking mechanisms increases the company's operational efficiency and ensures transparency.

Product safety practices also generate various opportunities for Pulver. By offering safe and environmentally friendly products, customer trust and loyalty is ensured and competitive advantage in international markets is increased. In today's market, where consumers are increasingly seeking safe and environmentally responsible products, Pulver distinguishes itself from competitors by prioritising investments in this area. For instance, the company's TGIC-free products, developed for the European market, allow it to fulfil its environmental responsibilities. Similarly, raw material projects that aim to reduce carbon footprints are essential in achieving environmental sustainability goals.

Achieving success in product safety and traceability is dependent on the effective implementation of corporate policies and management systems. Pulver operates in full compliance with international standards in this area. In order to comply with legal regulations such as REACH, CLP and KKDİK, the Regulatory Affairs Unit is responsible for a wide range of activities. These include the identification of hazardous substances and the preparation of Safety Data Sheets.

Pulver has established a range of targets at short, medium and long term, with the aim of continuously improving product safety and traceability processes. In the short term, Pulver's objectives are to establish hazard communication in the supply chain of raw materials and to ensure that data-based regulatory programmes such as SAP - ChemGes

and product SDSs are up-to-date. In the medium term, the Company aims to raise awareness by providing regular training to employees on chemical safety and regulatory compliance. It is aimed to complete new certification processes in accordance with international standards and to expand the environmentally friendly product portfolio.

Pulver's long-term strategy is to maintain its position as a leader in the sector by developing innovative solutions that will reduce its carbon footprint.

Product safety and traceability are also of critical importance in Pulver's export operations. It is vital to ensure that each exported product complies with the relevant safety standards applicable in international markets in order to protect the Company's reputation and increase customer satisfaction. Pulver operates in markets with high environmental standards, such as those of the European Union. The Company makes strategic investments to ensure that its products comply with these standards. Additionally, thanks to the traceability of the products, customer satisfaction is maintained at the highest level.

Product safety and traceability support both Pulver's internal operational processes and its enterprise risk management strategies. Chemical regulatory management is an integral component of corporate risk management, serving as a reliable instrument to ensure the long-term viability of the company. Pulver implements a strict monitoring and inspection mechanism throughout the supply chain to ensure the reliability of raw materials used in its products. Additionally, strict protocols have been implemented to ensure the safe storage and transportation of hazardous materials, aligning with international standards for safety and security.

Customer Behaviour Change

At Pulver, customer satisfaction is of the utmost importance in maintaining the Company's market position and achieving a competitive advantage. Changes in consumer demands, product preferences and purchasing habits are among the key factors that have shaped the company's strategies in both domestic and foreign markets. Pulver's strategy is founded on two key pillars: the protection of existing customer relationships and the proactive creation of new market opportunities. This approach involves constant monitoring of customer expectations and the development of responses to address evolving market trends.

Accurate identification of customer behavioural changes and compliance of products with technical or environmental standards increases customer expectations and market share. Increasing awareness, especially on sustainability and environmental impacts, has been shown to trigger customers' preference for environmentally friendly products with a low carbon footprint. In addition, product development focused on customer satisfaction, updating pricing strategies and optimising marketing campaigns creates opportunities. Pulver conducts regular customer satisfaction surveys to collect customer feedback and monitor market trends, and integrates this data into its business strategies.

Pulver is responsible for the management of customer satisfaction processes within the scope of the ISO 9001 quality management system. In both domestic and export markets, customer feedback is regularly analysed. This data is then used to improve product development processes. These processes are carried out in coordination by the Domestic Sales, Export, R&D, Quality Assurance and Technical Service teams.

In order to manage customer satisfaction and behavioural changes more effectively, Pulver aims to make product revisions based on customer feedback in the short term and to carry out more comprehensive product development processes in the medium term through market analyses and competitor assessments. Long-term goals include the development of sustainable and innovative products and increasing customer loyalty.
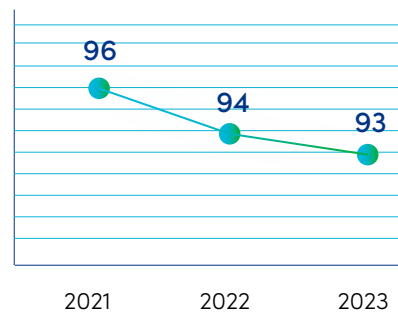
Pulver conducts thorough improvement activities in both domestic and export markets to enhance customer experience and satisfaction. During the reporting period, formulation revisions of certain products were made in line with customer feedback, technical specifications were improved and quality standards were improved. In addition, in order to be more competitive in the interior paints market, industrial primid paint designs were developed instead of e/p paints, and successful customer trials were carried out. As part of catalogue management, products with higher demand have been designed and included.

In terms of exports, Pulver revised product formulations and implemented technical improvements in certain regions in order to comply with international customer expectations. Product designs and colour studies were focused on meeting regional market demands, and optimisations were made to increase customer satisfaction. Pulver's customer-focused, innovative approach is designed to strengthen customer loyalty and market share in both domestic and international markets.

Pulver's strategy is founded on two key pillars: the protection of existing customer relationships and the proactive creation of new market opportunities.

Customer Satisfaction Rate (%)

2021	2022	2023
96	94	93

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Sustainability in the Supply Chain

Pulver's sustainability strategies focus on minimising risks and maximising opportunities within the supply chain. Pulver stives to reduce inventory costs and keep price fluctuations under control. A similar approach is adopted in the supply of packaging materials and spare parts, strengthening cooperation with local suppliers.

Pulver's supply chain management policy is based on international standards and quality management systems. Suppliers with ISO 9001, ISO 14001 and ISO 45001 certificates are prioritised in the selection process, while those who do not comply with these standards are encouraged to obtain the relevant certificates. Purchasing decisions are supported by data obtained from market analysis platform service providers such as ICIS. Pulver implements continuous improvement processes to ensure the uninterrupted supply of raw materials, packaging and spare parts.

The Purchasing Department is responsible for the company's supply chain management, and its short and medium-term targets include searching for different raw material alternatives and monitoring carbon footprint data. In the long term, the objective is to strengthen collaboration with local suppliers within the supply chain and to guarantee supply security. Supplier evaluations are analysed using data obtained from the SAP system, with a focus on both quality and commercial performance criteria.
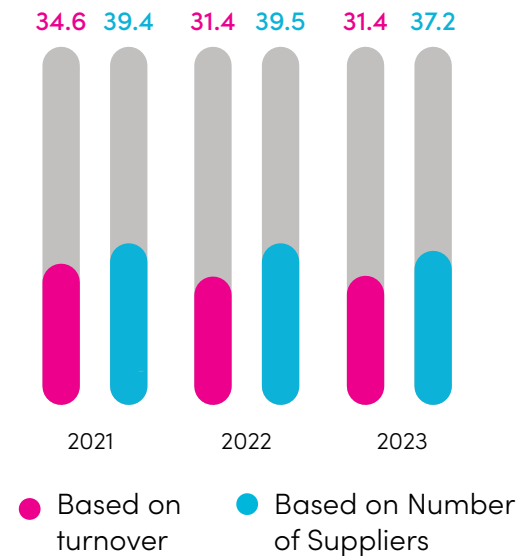
Pulver maintains strong supplier relations, guided by principles of ethics, social responsibility and respect for human rights. In order to increase the effectiveness of supply chain processes, at least three suppliers are worked with for each supply item and annual performance evaluations are carried out. The process is streamlined by reducing the amount of work with suppliers demonstrating low performance.

In line with Pulver's strategic goals, localisation efforts on raw material and supplier basis have an important place among responsible procurement practices. In light of the ongoing efforts, the domestic supplier ratio in 2023 stood at 37.2% based on the number of suppliers and 31.4% based on turnover.

Supplier Satisfaction Rate (%)
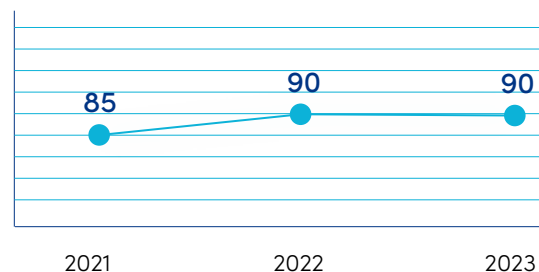
85 — 2021
90 — 2022
90 — 2023

Local Supplier Ratio (%)

	2021	2022	2023
Based on turnover	34.6	31.4	31.4
Based on Number of Suppliers	39.4	39.5	37.2

● Based on turnover
● Based on Number of Suppliers

Environment and Climate Management

> Climate and environmental management is a core component of Pulver's business strategy, underscoring our commitment to sustainability.

Environment and Climate Management

Climate and environmental management is a core component of Pulver's business strategy, underscoring our commitment to sustainability. Pulver adopts proactive approaches, especially in light of the global climate crisis, to fulfil its environmental responsibilities in the fields of energy efficiency, waste management and the circular economy. These efforts are reinforced by the Company's strategic focus on climate-friendly products, thereby strengthening its competitive business strategies. In this context, establishing climate-friendly production processes, adopting sustainable production models and developing products with low environmental impact are among the cornerstones of Pulver's long-term corporate strategies. The objective is to optimise the consumption of natural resources and reduce the carbon footprint at every stage of the company's operations.

While Pulver develops innovative solutions in the fight against climate change, it also encourages its supply chain and business partners to adopt environmentally friendly practices. It is committed to ensuring a more liveable world for future generations, implementing policies that are consistent with sustainability goals and promoting continuous improvement.

Pulver recognises the importance of environmental management and is dedicated to fostering a culture of sustainability within its operations. To this end, the Company periodically provides its employees with environmental training to enhance their knowledge of environmental issues and best practices. During the reporting period, a total of 532 person*hours of environmental training was provided to 266 company employees.

Environmental Trainings
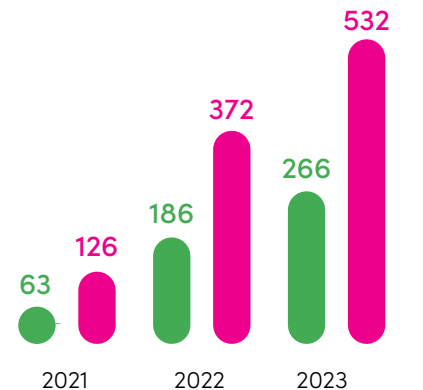
Year	Training hours (person*hour)	Number of Participants (person)
2021	126	63
2022	372	186
2023	532	266

● Training hours (person*hour)
● Number of Participants (person)

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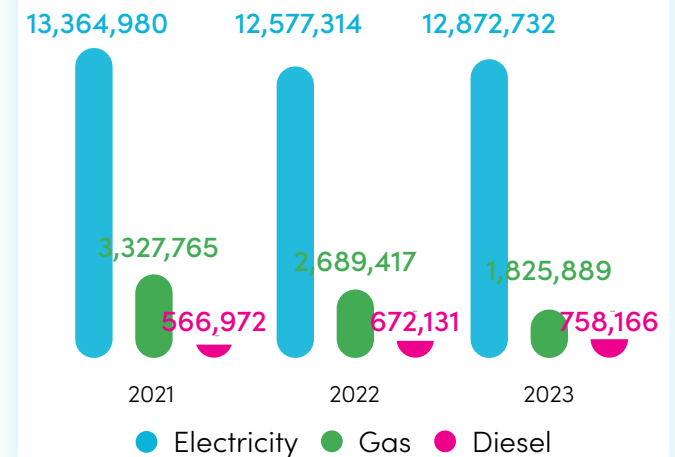Environment and Climate Management

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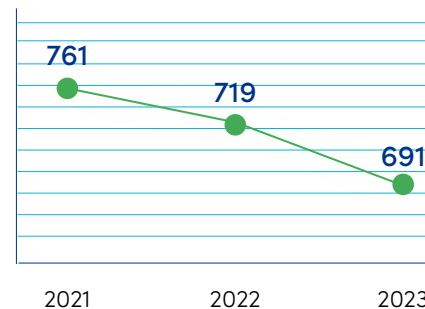# Climate Change and Energy Management

Pulver places climate change and energy management at the centre of its sustainability strategies, combining the goals of fulfilling its environmental responsibilities and achieving operational excellence. The Company develops innovative and proactive solutions to the risks posed by the global climate crisis and adopts modern approaches such as energy efficiency and the circular economy. Pulver's management approach in this area is focused on two key objectives: minimising environmental impacts and strengthening competitive business strategies.

Pulver conducts a thorough evaluation of the risks and opportunities associated with climate change and energy management. Key risk factors include rising temperatures, increasing energy demands in workplaces, challenges related to taxation and audits due to high emissions, rising energy costs, and the adverse impact of legacy technologies on energy consumption. In another respect, measures to combat climate change also generate innovative opportunities. In this context, Pulver aims to reduce both greenhouse gas emissions and energy costs by transitioning to renewable energy sources, such as solar energy systems, in the coming period.

Total Energy Consumption (KWh)

	2021	2022	2023
Electricity	13,364,980	12,577,314	12,872,732
Gas	3,327,765	2,689,417	1,825,889
Diesel	566,972	672,131	758,166

Energy Consumption per Product (KWh/Tonne)

2021	2022	2023
761	719	691

Energy and environmental management systems and processes across operations are planned in line with international standards. Pulver is proud to announce that it will be organising its operations within the scope of the ISO 14001 Environmental Management System. The Company will be working towards ISO 50001 Energy Management System certification by 2024. In this process, energy efficiency training programmes are being organised, and the necessary infrastructure work will be carried out by appointing managers who are experts in energy management.
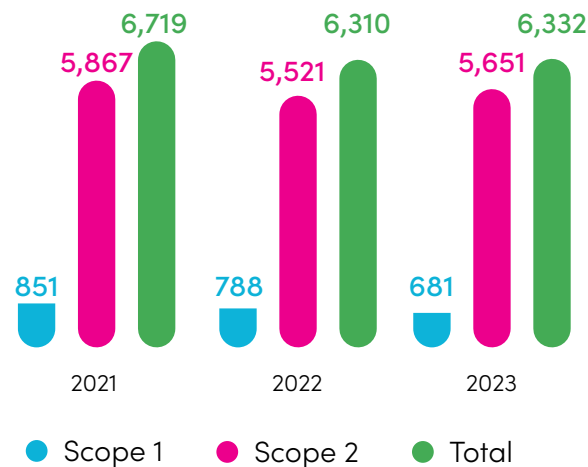
Pulver's environmental management activities undergo regular internal and external audits. During Management Review Meetings, senior management is presented with detailed reports, after which action plans are implemented in line with the decisions taken. In addition, energy consumption data are regularly analysed by technical teams and improvement opportunities are evaluated.
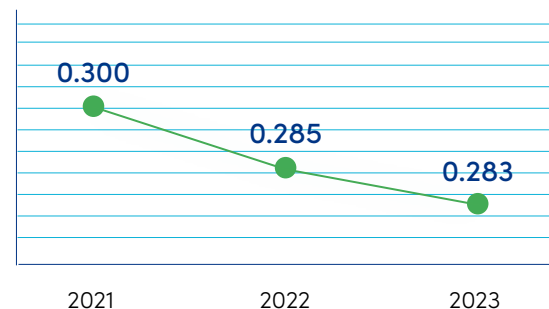
Pulver's short and medium-term objectives are focused on the implementation of efficient and intelligent systems in areas with high energy consumption. The long-term strategy is to expand the use of renewable energy sources on a broader scale, in order to reduce carbon emissions and minimise carbon emissions and minimising environmental impact. The Company adopts a strategy that supports its sustainable growth targets by adopting innovative technologies in energy management. Moreover, during the reporting period, a dedicated working group was established and greenhouse gas calculations were conducted. The findings from this work will inform a comprehensive risk and opportunity assessment, which will be used to develop the Company's corporate climate policies in the coming period.

In accordance with the calculations made at the Scope 1 and Scope 2 levels during the reporting period, a total of 6,332.3 tonnes of CO_2e greenhouse gas emissions generated by Pulver Operations. Accordingly, greenhouse gas emissions per product decreased to 0.285 tonnes CO_2e/tonne in 2022 and 0.283 tonnes CO_2e/tonne in 2023. In the next reporting period, the intention is to include Scope 3 level emissions in greenhouse gas calculations.

Greenhouse Gas Emissions (Tonnes CO_2e)

	2021	2022	2023
Scope 1	851	788	681
Scope 2	5,867	5,521	5,651
Total	6,719	6,310	6,332

● Scope 1 ● Scope 2 ● Total

Greenhouse Gas Emissions per Product (Tonnes CO_2e/Tonne)

2021	2022	2023
0.300	0.285	0.283

During the reporting period, total energy consumption was 15.46 million KWh. In comparison with the previous year, energy consumption per product reduced to 691 KWh/Tonne.

Among the concrete steps taken by Pulver in line with energy management and combating climate change are the replacement of lighting systems with efficient LED luminaires to increase energy efficiency in production facilities, the application of thermal insulation in pipelines and valves to prevent heat losses, the use of heat recovery devices at boiler outlets, and the replacement of motors used in production processes with more efficient IE4 and IE5 series. As a result of these efforts, there has been a significant reduction in energy costs and a substantial decrease in greenhouse gas emissions.
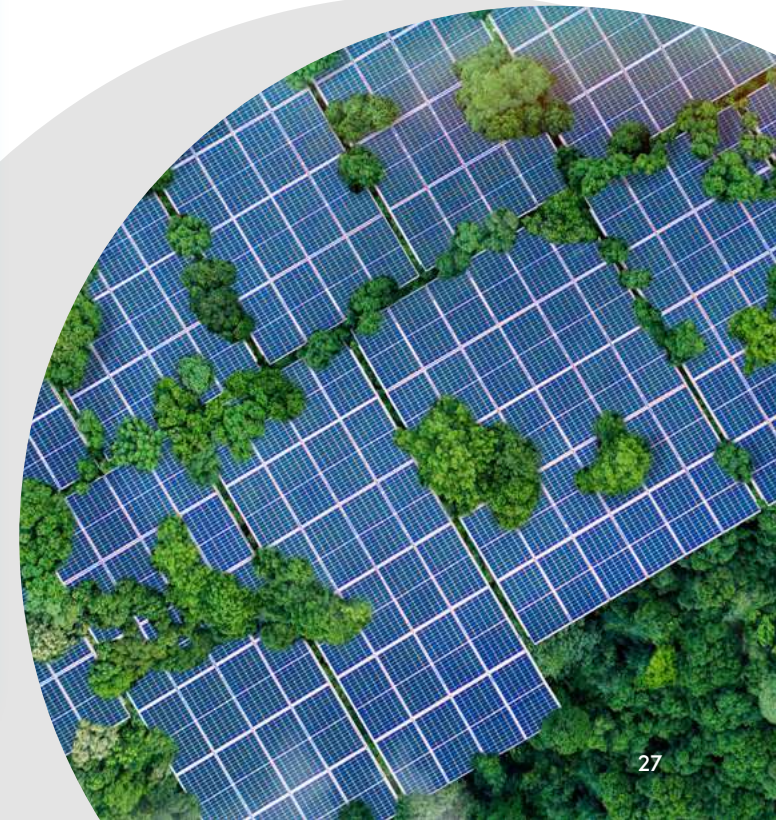
Waste Management and Circular Economy

In the current business environment, characterised by the emergence of a circular economy, the significance of recycling and effective waste management has increased significantly. This is not only due to the need to mitigate environmental risks, but also because companies can benefit from opportunities to enhance material efficiency. Accordingly, Pulver has adopted a waste management and circular economy approach as one of the main focus areas of its sustainability strategy.

Pulver is committed to minimising its environmental impact and enhancing the efficiency of its business processes. The Company achieves this by focusing on practices such as reducing waste and increasing recycling rates through efficient use of resources. In addition, effective waste management strategies such as separating waste at source and ensuring the effective disposal of recyclable materials provides meaningfull opportunities for companies for contributing to the circular economy.

Waste management and circular economy activities throughout Pulver operations are carried out in line with processes designed in accordance with ISO 14001 Environmental Management System Standard and in line with the environmental policy which is based on the principle of continuous improvement. At the Annual Management Review (AMG) meetings, environmental policies and waste management are evaluated, and action plans are determined in line with these evaluations. Pulver has been certified under the Zero Waste Regulation. This certification ensures that waste is separated at source, recyclable materials are managed efficiently, and the proportion of non-recyclable waste is reduced.

The Environment and Occupational Safety (HSE) unit is responsible for managing Pulver's waste processes. This unit plans waste management activities with international regulations, market expectations and company policies,

ensures its implementation and guarantees the sustainability of the processes. The Company's practices in supporting the circular economy include methods such as source-segregated waste management, reduced use of hazardous chemicals and increased recycling rates. At the same time, raw materials with low hazardous substance content are preferred in order to minimise the environmental impact of chemicals used in production processes. In line, with the zero-waste approach, the objective is to reduce the proportion of non-recyclable waste within total waste and to minimise the amount of waste disposed of.

In the short term, Pulver aims to enhance its waste sorting processes and expand practices within the scope of zero waste certification. In the medium term, The Company plans to reduce the proportion of non-recyclable waste within total waste, and to make these processes more systematic. In the long term, Pulver's objective is to achieve zero waste in all its operations by transitioning to a circular economy model.

During the reporting period, a total of 1,151 tonnes of waste was generated in Pulver's operational processes. 155.9 tonnes of this waste is classified as hazardous, while 995.1 tonnes were non-hazardous. The majority of the waste generated over the past three years was recycled. During the reporting period, a total of only 28 kg of waste were disposed by the Company.

Pulver conducts thorough audits and issues periodic reports on waste management and circular economy processes. Audits are carried on annually by both internal auditors and independent certification bodies. At the Annual Management Review meetings, reports on waste management and environmental performance are presented to senior management and these reports guide the development of necessary action plans.

As of 2024, it plans to develop various projects in order to procure raw materials with reduced environmental impact and use them in production processes. In this context, the objective is to enhance both environmental and operational performance by selecting materials with a reduced environmental hazard content.

Waste Amount (Tonnes)

	2021	2022	2023
Non-hazardous waste	762.57	767.36	995.12
Hazardous waste	160.96	163.08	155.91
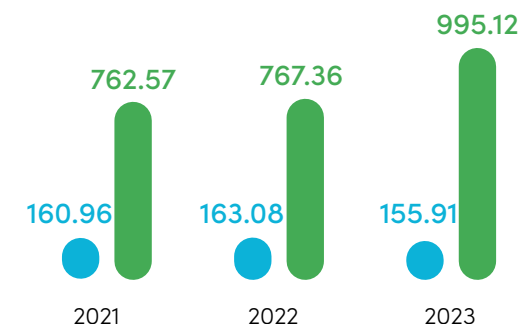
- ● Hazardous waste
- ● Non-hazardous waste

Amount of Waste per Product (Tonnes/Tonne)

2021	2022	2023
0.041	0.042	0.051
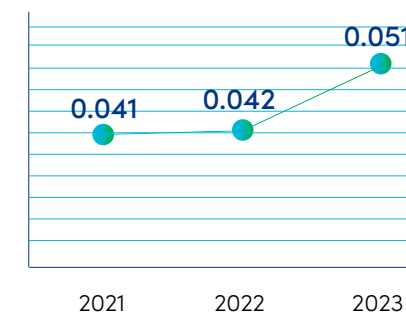
Workplace Practices

"Pulver's workplace practices are shaped by an approach that focuses on equal opportunities, talent management and occupational health and safety.

Workplace Practices

Pulver's workplace practices are shaped by an approach that prioritises equal opportunity, talent management and occupational health and safety. The objective is to establish a working environment that is safe, egalitarian and development-oriented, and which is respectful of human dignity.

The Pulver workforce consists of 438 employees, 298 of whom are field-based and 140 office-based. All employees are directly employed by the Company.

Workforce by Education

- 🟢 Post Graduate — **4%**
- 🔴 University — **31%**
- ⚫ High School — **39%**
- 🔵 Primary Education — **26%**

Workforce by Gender

- 🔴 Male — **87%**
- 🔵 Female — **13%**

Workforce by Category

- 🔴 Office Employees — **68%**
- 🔵 Field Employees — **32%**

Workforce by Age Group

- 🔵 18–30 — **27%**
- 🔴 30–50 — **67%**
- 🟢 50+ — **6%**

Effective talent management and equal opportunity practices are essential for the long-term success and sustainability of the company.

Talent Management and Equal Opportunities

Pulver's mission is to maximise the potential of its employees, foster a fair and inclusive working environment based on equal opportunities, and support the professional development of each individual. Effective talent management and equal opportunity practices are essential for the long-term success and sustainability of the company. In this context, Pulver has developed a series of talent management practices and strategies that aim to increase team dynamics and organisational efficiency along with individual performance.

Talent management is the process of effectively managing human capital, which is the most valuable asset of the company. This process serves as a strategic tool for the company to gain competitive advantage and achieve sustainable growth. Pulver has integrated talent management into its business strategy and aligned all human resources processes with the principles of equal opportunity, inclusion and diversity. All processes, including recruitment, promotion and career development, are managed in accordance with fair and objective criteria. Pulver encourages its employees to contribute as individuals from a variety of backgrounds and experiences. This approach is intended to inspire greater creativity and adopt a more inclusive approach in decision-making processes.

Pulver's talent management and equal opportunity practices are carried out in line with international standards. The Company adheres to global human rights norms, including the United Nations Universal Declaration of Human
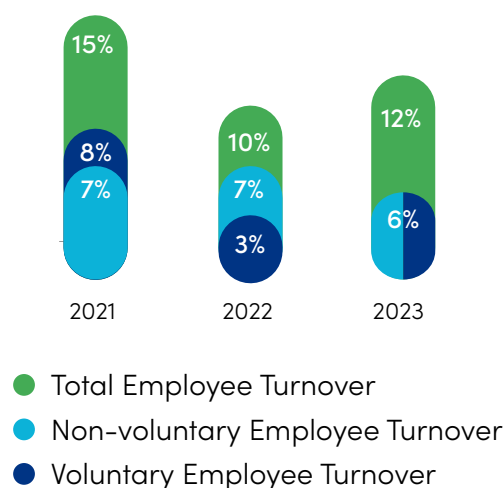
Rights (UDHR) and International Labour Organization (ILO) conventions. The steps taken in talent management and equal opportunities are discussed in detail and reported to senior management at Annual Management Review Meetings.

The Human Resources Department oversees talent management processes at Pulver. This department is responsible for the organisation of practices that promote an inclusive work culture throughout the Company. These practices include training programmes and talent development projects, the purpose of which is to support the professional
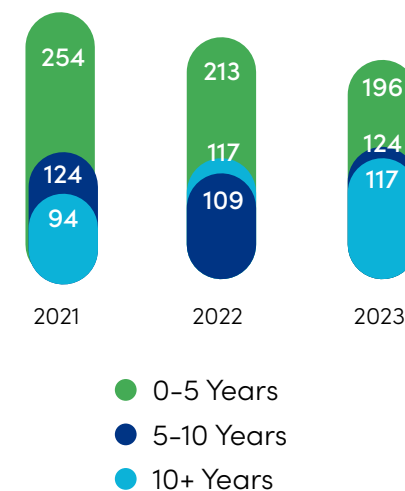
and personal development of employees. In recruitment processes, objective aptitude assessment tests and personality inventories are used to make fair evaluations, thus identifying the most suitable candidates for each position.

During the reporting period, a total of 68 new recruits were hired, including 8 female candidates. During the same period, a total of 55 employees, 13 of whom were women, left their jobs. While there was no loss of key personnel during the year, voluntary employee turnover was 6% and total employee turnover was 12%. During the period, the male and female employee turnover rates were 9% and 3%, respectively.

Employee Turnover

	2021	2022	2023
Total Employee Turnover	15%	10%	12%
Non-voluntary Employee Turnover	7%	7%	6%
Voluntary Employee Turnover	8%	3%	

- Total Employee Turnover
- Non-voluntary Employee Turnover
- Voluntary Employee Turnover

Employee Seniority Breakdown (person)

	2021	2022	2023
0-5 Years	254	213	196
5-10 Years	124	117	124
10+ Years	94	109	117

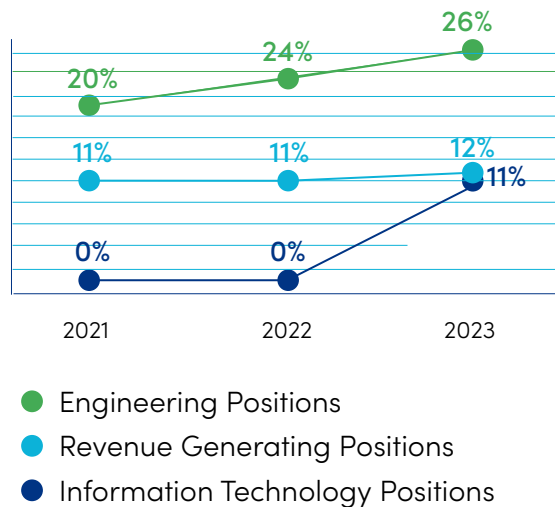- 0-5 Years
- 5-10 Years
- 10+ Years

In 2023, 44.9% of the labour force had up to 5 years of seniority, 26.8% had 5-10 years of seniority and 28.4% had more than 10 years of seniority.

As of 2023, the female employee ratio in the overall labour force was 13%, with 12% in income-generating positions, 11% in information technology roles, and 26% in engineering positions.

While 49% of candidates for promotion and 50% of promoted employees during the period are women, 25% of those promoted to managerial positions for the first time are women. While the waiting period for promotion remained consistent for both male and female employees over the last two years, in 2023 this period was 3 years on average for both male and female employees.

The principle of equal pay for equal work is adopted throughout the Company. Consequently, as part of our remuneration policy, we are committed to ensuring equal treatment across gender lines. Wage differences can only occur based on employee position, seniority and performance. In the Gender Pay Gap performance metric, which is calculated by taking into account employee demographics, there is no significant difference in the remuneration of men and women. Accordingly, the gender pay gap for field employees was 19.5% in favour of male employees based on the median salary level and 7.7% based on the average salary. For office employees, the rates were 16.3% based on the median salary and 20.2% based on the average salary.

The Company's policies guarantee employees' freedom to organise and engage in collective bargaining. In this context, 60% of employees are covered by collective bargaining agreements. During the reporting period, there were no work stoppages or loss of working days due to strikes or labour unrest.

Pulver offers comprehensive training programmes to support the professional development of its employees. Vocational training is provided for office employees,

while technical skills and safety training is organised for field employees. For instance, technical certification programmes such as Vocational Qualifications Authority (VQA) certificates and forklift operation enhance the professional competencies of field employees. Furthermore, objective evaluations are integral to our promotion processes, and we are committed to supporting the professional development of our employees.

Pulver also implements performance incentive mechanisms to increase the effectiveness of talent management processes and strengthen employee loyalty. Year-end performance evaluations are used to measure employees' achievements in terms of business goals and personal development processes. In line with the performance results, successful employees are offered both salary increases and promotion opportunities. At the same time, the managers of the employees carry out annual individual performance evaluations.

Pulver has established clear goals in talent management and equal opportunities, with a focus on short, medium and long-term strategies. In the short term, the Company's main priority is to expand its talent pool and to place the most suitable personnel in the most suitable positions. In the medium term, The Company plans to expand comprehensive training programmes in order to support employee development and to establish a more transparent system in promotion processes. In the long term, the objective is to enhance employee loyalty and ensure the ongoing cultivation of an inclusive organisational culture.

Female Employee Ratio by Function (%)

2021   2022   2023

- Engineering Positions
- Revenue Generating Positions
- Information Technology Positions

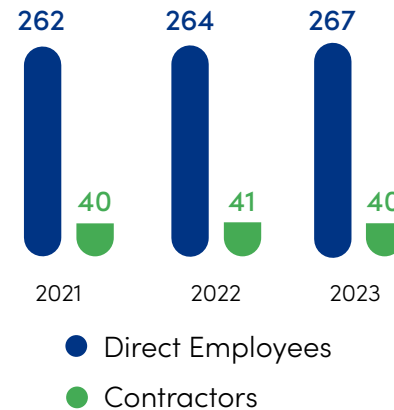# Occupational Health and Safety

Pulver has adopted Occupational Health and Safety (OHS) as a cornerstone of its corporate governance strategy. It has implemented a comprehensive OHS management system to ensure the safety of its employees. A safe and healthy working environment is key to increasing work efficiency and protecting the company's reputation. This approach is informed by the 'Zero Accident Policy' and is integrated into all business processes of the company.

Pulver is committed to achieving operational excellence that goes beyond legal obligations. In line with this commitment, the management of occupational health and safety is a critical priority. Comprehensive strategies are developed to ensure employee safety, prevent occupational accidents and occupational diseases, and improve employee welfare. The Company's occupational health and safety management system is regularly audited in accordance with the ISO 45001 Occupational Health and Safety Management System standard. At the same time, policies in full compliance with international standards, such as those established by the International Labour Organization (ILO) and the United Nations Global Compact (UNGC), are followed.
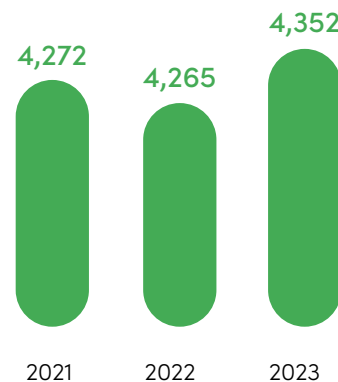
The Occupational Health and Safety (OHS) Department is responsible for ensuring that all business units operate in full compliance with safety standards. They work closely with Human Resources to ensure that these standards are met. This unit is also responsible for organising safety training for employees, conducting audits and preparing emergency action plans. The OHS unit works in cooperation with technical teams and carries out regular inspections to identify and prevent potential risks.

In accordance with its 'Zero Accident' Policy, Pulver implements proactive measures to safeguard the safety of its employees and prevent occupational accidents by identifying potential hazards in advance. As part of our commitment to comprehensive risk management, we assess and monitor occupational health and safety risks in conjunction with financial, operational and strategic risks. Preventive measures are taken in line with the findings obtained. This integrated approach ensures both legal compliance and the sustainability of the company.

Number of Occupational Health and Safety Training Participants

	2021	2022	2023
Direct Employees	262	264	267
Contractors	40	41	40

Occupational Health and Safety Training Duration (person*hour)

2021	2022	2023
4,272	4,265	4,352

A variety of performance incentive mechanisms are in place to encourage employees to participate in occupational health and safety processes. For instance, employees who report hazardous situations during the month, report near-misses or offer suggestions to improve safety standards are positively recognised in the year-end performance evaluation system.

Training activities are implemented to encourage the adoption of a culture of health and safety (OHS) in the workplace and to enhance safety performance. In this context, 307 Pulver and contractor company employees received a total of 4,352 person*hours of OHS training during the reporting period.

Following the natural disasters in Türkiye during the reporting period, emergency equipment was reviewed, and deficiencies were eliminated. The creation of emergency containers was a strategic decision that was made to ensure the effective storage of this equipment. On the other hand, a total of 420 person*hours of disaster and emergency training and emergency drills were conducted during the year.

Both internal audits and independent audit processes are implemented to evaluate the effectiveness of OHS policies and practices. Internal audits are conducted at least once a year by qualified internal auditors and reported in accordance with the ISO 45001 standard.

Occupational Health and Safety Performance

251.4

86.5

55.9

6.4

12.4

12.6

2021   2022   2023

● Injury Rate   ● Lost Day Rate
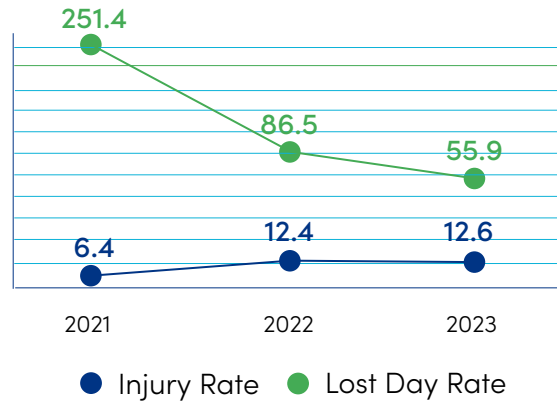
Cross-auditing enables different units to audit each other, creating a transparent evaluation process. Independent audits are carried out by third-party certification bodies to assess the company's legal compliance and its compliance with international standards. These audits also identify continuous improvement opportunities.

During the reporting period, OHS performance showed significant improvement compared to the previous period. Accordingly, the lost day rate per 1,000,000 working hours[1] decreased from 86.5 to 55.9, while no significant change was observed in the injury rate . There were no cases of occupational diseases, accidents resulting in serious injury and no fatalities during the period.

Pulver adopts a zero accident policy in occupational health and safety management. In the coming period, ergonomic improvements will be made to make working environments healthier and minimize the risk of occupational diseases. In addition, with the implementation of "Zero Accident

Practices," the goal is to eliminate workplace accidents and foster a culture of continuous improvement throughout the organization.

Pulver has developed a strategy for 2024 that includes various projects designed to enhance its occupational health and safety performance. The objective of this initiative is to enhance working ergonomics and alleviate the physical strain on employees. For example, the decision to increase the number of vacuum lifts to four in the main warehouse is expected to eliminate the need for personnel to manually lift heavy parcels.

Pulver periodically reports to senior management in order to monitor and improve its occupational health and safety performance. In accordance with the quarterly reporting cycle, the following detailed metrics are presented: occupational accident rates, safety training records, near-miss notifications and audit results. Annual reports provide a comprehensive evaluation of all OHS activities and contribute to strategic planning. These reports support the senior management team in making strategic decisions, while at the same time ensuring legal compliance and promoting corporate responsibility.

Pulver recognises that improving employee well-being is not only a legal obligation, but also a strategic element that strengthens business efficiency and employee engagement. In pursuit of enhancing employee satisfaction, promoting low staff turnover and cultivating a safe work environment, Pulver maintains a commitment to the continuous improvement of its OHS policies and actively encourages employee involvement.

[1] *Lost Day Rate: Total Number of Lost Days*1,000,000/Total Working Hours*
Injury Rate: Total Number of Injuries*1,000,000/Total Working Hours

GRI Content Index

Statement of Use	Pulver Kimya Sanayi ve Ticaret A.Ş. has reported in accordance with the GRI Standards for the period 01 January 2023–31 December 2023.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	/

| GRI Standard | Disclosure | Location | Omission | | |
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report (p.3); Pulver at a Glance (p.6–10)			
	2-2 Entities included in the organization's sustainability reporting	About the Report (p.3)			
	2-3 Reporting period, frequency and contact point	About the Report (p.3); Contacts (p.39)			
	2-4 Restatements of information	Since this is the first sustainability report published by the organization, there is no restatement.			
	2-5 External assurance	There is no external audit activity specific to this report.			
	2-6 Activities, value chain and other business relationships	About the Report (p.3); Pulver at a Glance (p.6–10)			
	2-7 Employees	Workplace Practices (p.30)			
	2-8 Workers who are not employees	Workplace Practices (p.30)			
	2-9 Governance structure and composition	Corporate Governance (p.12)			
	2-10 Nomination and selection of the highest governance body	Corporate Governance (p.12)			
	2-11 Chair of the highest governance body	Message from the Chairman (p.4)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance (p.12–14)			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance (p.12–14)			
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance (p.12–14)			
	2-15 Conflicts of interest	Business Ethics and Legal Complience (p.13)			
	2-16 Communication of critical concerns	Stakeholder Engagement (p.16)			

GRI Content Index

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Corporate Governance (p.12-14)			
	2-18 Evaluation of the performance of the highest governance body	There is no performance evaluation practice at the Board of Directors level.			
	2-19 Remuneration policies	Remuneration Policy (p.12), Workplace Practices (p.32)			
	2-20 Process to determine remuneration	Remuneration Policy (p.12), Workplace Practices (p.32)			
	2-21 Annual total compensation ratio	-		Confidentiality Constraints	Pulver is not a publicly traded company. The data subject to the indicator is not shared for confidentiality reasons as it contains indicators that may affect competition in the market.
	2-22 Statement on sustainable development strategy	Sustainability Management (p.14-15)			
	2-23 Policy commitments	Corporate Governance (p.13-14), Digital Transformation (p.22), Environment and Climate Management (p.25-28), Workplace Practices (p.30-34)			
	2-24 Embedding policy commitments	Corporate Governance (p.13-14), Digital Transformation (p.22), Environment and Climate Management (p.25-28), Workplace Practices (p.30-34)			
	2-25 Processes to remediate negative impacts	Corporate Governance (p.13-14), Digital Transformation (p.22), Environment and Climate Management (p.25-28), Workplace Practices (p.30-34)			
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement (p.16)			
	2-27 Compliance with laws and regulations	Business Ethics and Legal Complience (p.13)			
	2-28 Membership associations	The Company does not have a corporate membership.			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement (p.16)			
	2-30 Collective bargaining agreements	Workplace Practices (p.32)			

GRI Content Index

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Management (p.14–15)			
	3-2 List of material topics	Sustainability Management (p.14–15)			
Digital Transformation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management (p.14–15), Innovation and Digital Transformation (p.19–20)			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Innovation and Digital Transformation (p.19–20)			
	203-2 Significant indirect economic impacts	Innovation and Digital Transformation (p.19–20)			
Climate and Environment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management (p.14–15), Environment and Climate Management (p.25–28)			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Environment and Climate Management (p.25–28)			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment and Climate Management (p.28)			
	306-2 Management of significant wasterelated impacts	Environment and Climate Management (p.28)			
	306-3 Waste generated	Environment and Climate Management (p.28)			
	306-4 Waste diverted from disposal	Environment and Climate Management (p.28)			
	306-5 Waste directed to disposal	Environment and Climate Management (p.28)			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment and Climate Management (p.26–27)			
	302-3 Energy intensity	Environment and Climate Management (p.26–27)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment and Climate Management (p.26–27)			
	305-2 Energy indirect (Scope 2) GHG emissions	Environment and Climate Management (p.26–27)			

GRI Content Index

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Workplace Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management (p.14-15), Workplace Practices (p.33-38)			
GRI 403: Occupational Health and Safety 2018	403-1 Average hours of training per year per employee	Workplace Practices (p.33-34)			
	403-2 Hazard identification, risk assessment, and incident investigation	Workplace Practices (p.33-34)			
	403-5 Worker training on occupational health and safety	Workplace Practices (p.33-34)			
	403-6 Promotion of worker health	Workplace Practices (p.33-34)			
	403-9 Work-related injuries	Workplace Practices (p.33-34)			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Workplace Practices (p.32)			
	404-2 Programs for upgrading employee skills and transition assistance programs	Workplace Practices (p.32)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Workplace Practices (p.31-32)			
Product Responsibility					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management (p.14-15), Product Responsibility and Innovation (p.18-23)			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Product Responsibility and Innovation (p.23)			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Business Ethics and Legal Complience (p.13)			
Governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management (p.14-15), Corporate Governance (p.12-13)			

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