

Building a Healthier Future, Together

Story of Our Ambition

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About the Report

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Purpose of our Integrated Sustainability Report

Here at Eczacıbaşı Tüketim Ürünleri Sanayi ve Ticaret A.Ş. (Eczacıbaşı Consumer Products), it has been our steadfast commitment to fostering a sustainable journey for clean and healthy living to create economic, environmental, and social value in all our activities. We take great pride in our unwavering dedication to this journey, and we are pleased to announce that our efforts in this regard have continued unabated in 2022. As we continue our journey towards a more sustainable future, we are delighted to publish our first Integrated Sustainability Report and our second stand-alone sustainability report.

This year, we have prepared two comprehensive reports revealing our sustainability strategy, performance, goals, and progress toward achieving them.

- The **Story of Our Ambition** provides a detailed overview of our key sustainability initiatives and activities accompanied by case studies highlighting our achievements and impact.
- The **Facts about Our Action** presents a data-driven approach to analyze our sustainability performance and provides detailed insights into our sustainability practices.

Scope of our Report

This report covers our operations and contains financial and non-financial data **Eczacıbaşı Consumer Products Co., Eczacıbaşı Consumer Products Maroc S.A.R.L., İpek Kağıt Central Asia LLP, İpek Kağıt Kazakhstan LLP or Eczacıbaşı Consumer Products Co. - DMCC Branch** for the full calendar year 2022 or reflects status on December 31, 2022. The demographic data of employees presented in the report pertains specifically to the operations conducted in Turkey unless otherwise stated.

Principles and Standards

This report has been prepared in accordance with the "GRI Sustainability Reporting Standards". The report also takes into account the 'Stakeholder Capitalism Sustainable Value Creation Reporting Criteria' set forth by the World Economic Forum (WEF) and indicates our contribution to the UN Sustainable Development Goals (SDGs). In addition, we sought to align our reporting with the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).

Assurance

We have received independent assurance for the selected key performance indicators (KPIs), including data on energy, carbon emissions, water, waste, employee demographics and gender equality,

occupational health and safety, and production to support our transparency. This assurance engagement was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) to provide limited assurance. The selected KPIs that have been subject to limited assurance by PricewaterhouseCoopers (PwC) are denoted by the check symbol as displayed here: ✓

Our **Reporting Principles** for non-financial KPIs document provides details and definitions of these selected KPIs and the Independent Assurance Report can be found at **Annexes**.

A PDF version of Eczacıbaşı Consumer Products Story of our Ambition, **Facts about Our Action** and all reports from previous periods can be accessed on the **corporate website**.



Message from the CEO

Dear Stakeholders,

I would like to start by conveying my condolences to everyone affected by the devastating earthquakes in Turkey and neighboring countries on February 6, 2023. We stand united both as citizens and compassionate neighbors; fortified by our resilience and unwavering solidarity, we will triumph over this calamity. The path to recovery is long and challenging, and we remain steadfast in our commitment to providing aid and support to affected citizens and employees throughout this journey.

In 2022, the world entered a new era characterized by heightened complexity and uncertainty. Despite the end of the pandemic, COVID-19 continued to create challenges for public health as well as for supply chain logistics and price stability. Additionally, the outbreak of the Russia-Ukraine war in February increased geopolitical tensions and created energy and commodity shortages that exacerbated inflationary pressures.

With climate related disasters on the rise, we must make every effort to limit global warming to 1.5 degrees and optimize the use of our planet's resources. Although first mention of an economic crisis realigned global priorities, we need to keep climate change, resource scarcity, and social issues at the forefront of our minds, so as to compel governments, businesses, and individuals to prioritize sustainability alongside their growth objectives.

I am proud of Eczacıbaşı Consumer Products' resilience, agility, and sustained growth in the face of global and local economic turbulence. In 2022, our strategic efforts revolved around three core pillars of our business strategy for the period 2023-2025: Expansion, Excellence in Operations, and Environment. Expansion encompasses our drive for growth, while Excellence in Operations involves leveraging digitalization and innovation to enhance our operational efficiency. We also sharpened our focus on sustainability and responsible resource management, in line with our unwavering commitment to the environment.

Bülent Kozlu
CEO

In 2022, we grew our sales by 44% in euro terms, securing our leading position in Turkey's tissue paper market with the launch of new and diverse products under our pioneering brands. We also continued our investments in new capacity. Abroad, we began operating a new plant in Morocco, where we are the first international company to both manufacture and market tissue paper. In Turkey, we completed the installment of our fifth paper machine at our Manisa plant, a major capex project which started in 2022 and that came on stream in March 2023.

With respect to the sustainability, we are focusing on responsibly sourced raw materials, energy and carbon emissions, water management, circular economy, health and safety, diverse and inclusive workplace, and social responsibility. For over ten years, we have sourced our cellulose from certified sustainable forests. We are dedicated to reducing our environmental impact further through the pursuit of sustainable practices.

To this end, we are fostering a culture of innovation, embracing digital transformation, exploring novel product categories, forging strategic partnerships, and nurturing talent retention. We have also made significant strides in decarbonizing our operational processes through energy management and new programs and policies. We believe these steps not only contribute to our sustainability goals but also enhance our corporate resilience.

This year, in alignment with the Eczacıbaşı Group's low carbon transition efforts, we began to procure all our electricity from renewable sources. Our next objective is to generate renewable energy ourselves. As a first step toward this goal, we aim to install 5.6 MW of solar panels on the roofs of our production facilities in 2023. By the end of 2030, we aim to procure 50% of our electricity consumption from self generated renewable energy. In addition to our renewable energy initiatives, we achieved energy savings of 727 MWh through energy efficiency projects in 2022. As a result, our energy intensity decreased by 2% compared to the previous year.

Freshwater, a crucial input for paper production, is a vital and limited natural resource. Therefore, we have set ourselves the ambitious target of decreasing our water consumption and are on track to achieve 2025 water reduction target

with a 6% decrease compared to 2020. In line with this goal, we reduced our per ton water consumption by 1% in 2022 compared to 2020.

Through the adoption of circular economy principles, we have embarked on a transformative journey toward a sustainable and thriving ecosystem that redefines resource consumption and disrupts conventional perceptions of waste by repurposing it. Currently, we successfully recycle 95% of our waste.

Social responsibility constitutes another crucial layer of sustainability. Within our company, we embrace a fair and respectful work culture based on equality of opportunity, diversity, and inclusivity. To this end, we are increasing the representation of women in our workforce. Outside our company, we take the lead in educational projects that create awareness about the relationship between hygiene and health. Some of these projects include a personal hygiene program for primary schoolchildren, a 24 hour sexual health hotline, and a potty training support program for parents of toddlers. We are also a member of Unstereotype Alliance, an industrywide coalition against stereotype driven advertising.

We are delighted to share with you our sustainability goals and their tangible outcomes in this two part sustainability report. The first part, "Story of Our Ambition," conveys our ambition in strategic areas and with respect to key sustainability initiatives. The second part, "Facts about Our Action," reports data centric outcomes of our actions. We have made every effort to ensure that our report complies with Global Reporting Initiative (GRI) Standards, the World Economic Forum's Stakeholder Capitalism Sustainable Value Creation Reporting Criteria and the International Integrated Reporting Framework issued by the International Integrated Reporting Council.

On behalf of Eczacıbaşı Consumer Products, I would like to express my heartfelt gratitude to all stakeholders, especially our employees, for their dedication and efforts to create positive change in our value chain. Together, we will drive our company's commitment to building a sustainable and prosperous future for all our stakeholders.

As a leading company in the FMCG (Fast Moving Consumer Goods) sector, Eczacıbaşı Consumer Products profoundly impacts the lives of consumers in seven out of ten households through our pioneering and market-leading brands. Our objective is to make significant contributions to the Turkish economy through the extensive production carried out in our four domestic factories, our direct employment of over 1,700 individuals, and our exports to more than 60 countries.

Our purpose is to be present, in every moment of life, for clean and healthy living. We are dedicated to enhancing the lives of our consumers by providing them with high-quality health and hygiene products that anticipate their needs and exceed their expectations.

1 Eczacıbaşı Consumer Products at a Glance

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Overview of Eczacıbaşı Consumer Products

GRI 2-1

Eczacıbaşı Consumer Products (Eczacıbaşı Consumer Products) began operating under the “İpek Kâğıt” brand in 1969. Quickly expanding its range with numerous household brands. In 2017, Eczacıbaşı Girişim, Eczacıbaşı Hygiene Products, and Eczacıbaşı Professional (EP) merged their operations and leader brands into Eczacıbaşı Consumer Products to create a single and more powerful structure for managing Eczacıbaşı Consumer Products’ businesses in a wide range of consumer product segments. As a Turkish company, we hold a leading position in the personal care category with our strong, pioneer and leader brands. Today, we are committed to meet consumers’ hygiene and care needs in five different categories: **tissue papers, personal care, baby care, household care, and away-from-home market.** At the same time, we offer training, auditing, and consultancy services to businesses through Eczacıbaşı Professional Academy.

Eczacıbaşı Consumer Products continues to grow its presence through strategic collaborations with companies that have proven track records in consumer-facing sales and distribution services. Domestically, Eczacıbaşı Consumer Products is Turkey’s leading company in personal care, with 25 brands, five production facilities and over 1,700¹ employees. Internationally, we export to more than 60 countries.

For additional details regarding the history of our organization, please refer to our website for Group Milestones

Our Strategic Objectives

- Keep leading the domestic market with our brands
- Grow in the target international markets
- Expand into categories with 3P-fit
- Be a digital pioneer
- Cultivate an innovation culture
- Transition from a good to great company to work
- Advocate for well being of environment and stakeholders
- Focus on operational excellence

Our Values

- Doing business with integrity and accountability
- Winning with innovation
- Combining global approach with local insights
- Promoting a diverse and inclusive environment
- Putting stakeholders at the heart of our business

The Eczacıbaşı Group

Eczacıbaşı Group has been a pioneer of modern, high-quality, and healthy lifestyles for more than eight decades.

Established in 1942, Eczacıbaşı is a prominent industrial conglomerate in Turkey, comprising of a total of 50 companies, a workforce of more than 13,500 employees, and a cumulative net revenue of € 1.9 billion in 2022.

Eczacıbaşı’s core sectors are centered around building products, consumer products and healthcare, further complemented by additional ventures in information technology, natural resources, and property development. In Turkey, the Group occupies a preeminent position in the majority of its sectors, leveraging its highly efficient distribution networks for building products, pharmaceuticals, and fast-moving consumer goods.

Our Group Mission

The Eczacıbaşı Group’s mission is to be a pioneer of modern, high quality and healthy lifestyles. Accordingly, the Group encourages each of its companies to surpass established standards and raise consumer benchmarks of product and service quality. Through sponsorship and responsible corporate practices, it also promotes social and economic development that nurtures cultural and scientific activity, protects the environment, and preserves scarce natural resources.

Our Group Values

As members of the Eczacıbaşı Group:

- We hold our **dignity and self-respect** above all else. Ethical business principles underpin our business activities.
- Our management style **respects the individual**. We believe that each of us has the right to learn about issues that affect us and to voice our opinions on these. We regard it our duty, as well as our right, to challenge our personal limits and develop our abilities.
- We believe that **quality is a way of life**. In all that we do, in every product and service we provide, we aim for the highest level of quality. Our customer is the focal point of this pursuit of quality.
- We are **open to the world and to change**; by nature, we are **pioneering and entrepreneurial**. The search to innovate in every area of activity is a fundamental aspect of our corporate tradition.
- We uphold the tradition of **serving our community** because we esteem our society and respect our environment. We are proud of the contributions that we have made to culture and the arts, education, science, and sports.
- We recognize that **participatory management** gives each of us the responsibility of working forcefully towards the objectives and goals of our institution. We are careful to observe the rules of our work environment as we understand that this reflects our respect for our colleagues.



¹ Including subcontractors, excluding interns

Our Organization, Brands and Products

GRI 2-1

€ 391 million

Consolidated net revenue



25

Brands



5

Production Plants



25% International Markets

75% Local Markets



+1,700

Overall Employment



Eczacıbaşı Consumer Products also has a unit focused on product and service solutions for away-from-home market. With its expert and customer-focused team and effective after-sales services, Eczacıbaşı Professional is one of the leading solution providers for away-from-home establishments in Turkey.



A collage of various personal care products. At the top left is the 'dk grey' logo. To its right are the brand names 'Selin' and 'EGOS' in large, stylized fonts, followed by 'Setale' in a pink script font. Below these are several product images: a row of 'dk' deodorant cans in various colors (purple, green, pink, blue, orange, black) on a wooden tray; three 'Selin' body sprays in different scents (lavender, citrus, and another lavender); and two 'Setale' body lotions, one in a white bottle and one in a pink bottle, both with floral designs.



A collection of Delanos disinfectant products, including various spray bottles and boxes in different colors (green, blue, red, yellow) and sizes, arranged in three rows. The products are labeled with 'delanos' and 'desinfektan'. The top row features a large green bottle, two smaller green bottles, a yellow box, and a green box. The middle row shows a green box, a red box, a red box, a blue box, and a red box. The bottom row displays a green bottle, a blue bottle, and a blue bottle.

The collage features a variety of consumer products. At the top, there are logos for Frosch (a green frog), LANA (a red sheep), green care (a green sheep), WTR (a blue and white logo), COSNOVA (a red and white logo), and JOHNSON'S (a red and white logo). Below these logos, there are several images of cleaning products, including bottles of Frosch, LANA, green care, WTR, COSNOVA, and JOHNSON'S. In the center, there are images of baby products, including a baby stroller, a baby car seat, and a baby crib. At the bottom, there are images of personal care products, including bottles of Nivea, L'Oréal Paris, and other brands.

Our Operating Environment

As one of the leading players in the consumer products sector, we recognize the importance of staying ahead of the curve in today’s rapidly changing marketplace. To achieve long-term success, we must be proactive in monitoring and responding to the latest trends and emerging opportunities that impact on our industry. This requires us to stay informed about the global trends and to understand how it affects our strategic goals, allowing us to effectively engage with our external environment and remain competitive.

Global Trends	Impact on the Sector	Our Response	Capitals Impacted
Climate and Nature Crisis As the planet undergoes a steady increase in temperature, the effects of the climate crisis are becoming more evident through prolonged periods of extreme heat and cold, which have far-reaching consequences for people, economies, and nature. Economic and population growth are leaving indelible marks on the environment, including deforestation, loss of biodiversity, water insecurity, and pollution, among other ecological degradation. This situation places mounting pressure on businesses, as investors, markets, and civil society demand a faster transition towards a sustainable economic model. Despite the urgency, reports and statements from various organizations focusing on the climate crisis, notably the IPCC, suggest that current efforts fall short of the required level to limit the rise in the global temperature to the 1.5°C threshold, thereby increasing the risk of climate action failure.	Primary Risks <ul style="list-style-type: none">• Increase in production costs due to possible natural gas supply problem and rise in energy costs Secondary Risks <ul style="list-style-type: none">• Disruption of production plans and halting of production due to water shortage caused by drought Tertiary Risks <ul style="list-style-type: none">• Potential physical impact of extreme weather events such as floods	Primary Risks <ul style="list-style-type: none">• Eczacıbaşı Consumer Products is closely monitoring the rising production costs associated with energy usage and exploring alternative energy sources such as renewable energy and hydrogen to offset these costs Secondary Risks <ul style="list-style-type: none">• We are utilizing the best available techniques to maximize wastewater recovery Tertiary Risks <ul style="list-style-type: none">• We have implemented an emergency action plan, and conduct regular streamside inspections and cleanings to mitigate the risk of flooding caused by obstructions	  
Technological Progress and Digital Age The rapid technological advancements witnessed in recent years have led to a transformative and revolutionary change in industries. Emerging technologies such as artificial intelligence (AI), robotics, and 3D printing are expected to be at the forefront of driving increased automation across different sectors. This will enable companies to improve their research and development (R&D) activities, foster product innovation and ultimately boost efficiency and productivity. Furthermore, as these technologies continue to gain prominence, data analysis will become an essential aspect of business operations for firms, financial institutions, and governments alike. In light of these advancements, it is crucial for organizations to maintain adaptability and stay abreast of technological progress to remain competitive in the digital age.	Primary Risks <ul style="list-style-type: none">• Loss of information of material, customer, and supplier• Cyber attacks Secondary Risks <ul style="list-style-type: none">• Violation of information security of visitors in working offices and facilities• Disruptions to internet access across the Group Tertiary Risks <ul style="list-style-type: none">• Disruption of production planning program infrastructure in manufacturing facilities• Risk of data loss during natural disasters such as earthquakes, fires, floods, etc.	Primary Risks <ul style="list-style-type: none">• We have been initiated A "Main Data Improvement Project" under Customer Relations and IT responsibility• We are periodically conducting cybersecurity tests for all websites under the coordination of the Group. Our e-commerce and website infrastructures that constantly cause findings in community security scans are updated. Information is provided to relevant security coordinators at periodic Information Security Coordinator meetings held in Consumer Products Secondary Risks <ul style="list-style-type: none">• Data security: We are obtaining consent regarding information to be taken, used, or shared within the framework of the personal data protection law.• We are keeping the external lines redundant and testing the redundancy periodically. Tertiary Risks <ul style="list-style-type: none">• We are aiming to monitor all processes through the system. Autonomous capacity planning and MRP process will be implemented for Gebze locations in 2023.• We are keeping critical data backups in durable safes environments.	  
Economic Considerations and Resilience In recent years, the global economy has experienced a slowdown across various regions and countries. This trend has been further exacerbated by the COVID-19 pandemic, which has caused widespread economic disruptions and recessions worldwide. To counter the economic fallout from the pandemic, central banks worldwide have implemented expansionary monetary policies such as low interest rates and quantitative easing to boost economic growth. However, the rising costs of energy and commodities, supply chain disruptions, and labor shortages have resulted in inflation becoming a significant concern in several countries. Moreover, the ongoing shift towards digitalization and automation has been revolutionizing the labor market, posing new challenges for policymakers and workers alike.	<ul style="list-style-type: none">• Changes in consumer behavior and deterioration in the overall economic situation due to negative inflation expectations and political uncertainties (Economic crisis)• Having difficulties to access the finance• Exposure to currency risk• Anticompetitive actions	<ul style="list-style-type: none">• We are targeting to increase foreign turnover and continuously review of prices and discounts according to market conditions, searching for alternative suppliers and creating communications that highlights the quality image of our brands.• We are creating borrowing strategies, managing the balance of collections/payments.• We are selecting appropriate financial products to hedge open positions and monitoring opportunities, and tracking cost-effective long-term investment credit opportunities for financing investments.• We are organizing in-house trainings, consulting, tracking costs and verifying price increases.	 

Global Trends	Impact on the Sector	Our Response	Capitals Impacted
Social Cohesion & Inequalities Globalization, rapid economic growth, and widespread improvements in livelihood have failed to bridge the deep divides within and across countries. In fact, these factors have exacerbated pre-existing inequalities and contributed to the erosion of social cohesion. Furthermore, the emergence of polarization trends in recent years has further intensified this phenomenon. Additionally, the COVID-19 pandemic has widened income disparities in societies even further. Uneven economic recoveries around the world have exacerbated income disparities, thereby fueling polarization. The growing inequalities in society have prompted civil society to become more attuned to and vocal about social injustices. Attention is now focused on the role that businesses can play in addressing social inequality and promoting human rights. To achieve these goals, businesses must intensify their efforts in diversity, equity, equality, and inclusion. These actions not only benefit society as a whole but also enhance the private sector's ability to attract and retain talent.	Primary Risks <ul style="list-style-type: none">• Damage to brand image, negative publicity in media and public, erosion of reputation, and loss of sales Secondary Risks <ul style="list-style-type: none">• Unavailability of cellulose or inability to procure cellulose• Financial problems and personnel relations of subcontractors Tertiary Risks <ul style="list-style-type: none">• Disruption or stoppage in the operations of suppliers and/ or subcontractors who provide critical production materials due to social issues in supply chain	Primary Risks <ul style="list-style-type: none">• We are managing advertising and corporate communication activities under the leadership of the Group, conducting social media crisis management training for employees every year, closely monitoring quality control processes, and tracking customer complaints. Secondary Risks <ul style="list-style-type: none">• There is enough stock of cellulose to meet production needs for a specified period. If necessary, we make inter-facility shipments and manage our production according to the current stock.• We are checking social security information, tax, payroll, attendance, and bank payment receipts monthly. Tertiary Risks <ul style="list-style-type: none">• We are continuously monitoring the existing business partners. Additionally, we are searching for alternative suppliers and contractors.	 
Geopolitical Developments The surge in polarization, populism, and nationalism continues to shape geopolitics, with the COVID-19 pandemic accelerating the shift towards nationalist authoritarianism in several countries. This trend has weakened multilateralism and international institutions, with populist leaders ignoring the complexity of the modern world and prioritizing their own agendas. The disruptions brought about by social, environmental, and economic changes are leading to a more polarized world, with politics becoming more radical. While the ongoing conflict between Russia and Ukraine remains the focus of discussions on geopolitical tensions with far-reaching implications for the global economy, other sources of instability are anticipated to emerge in the global arena. As a result, there is growing apprehension regarding a future that may be characterized by even greater instability and conflict.	Primary Risks <ul style="list-style-type: none">• Failure to collect payments of international sales due to the ongoing war between Russia and Ukraine• Local currencies of the countries where sales are made may be devalued, and there may be uncertainty/variability regarding economic/political/regulatory issues Secondary Risks <ul style="list-style-type: none">• Foreign operation regulatory uncertainties• Loss of sales due to critical progress in foreign policy (the risk of a decrease in our customer orders due to the decrease in the number of tourists from Russia and Ukraine)	Primary Risks <ul style="list-style-type: none">• We are maximizing the use of collateral systems, securing receivables, and receiving advance payments.• We are making action plans to increase revenue in economically more sustainable and stable markets, and using local currency for loans in foreign operations. Secondary Risks <ul style="list-style-type: none">• We are obtaining local consultancy services for regulatory transactions in countries where we operate.• We are monitoring the process together with the authorities, tour-hotel associations, and customers (especially in the Antalya region).	 
Lifestyle and Behavioral Changes In developed economies, especially among younger age groups, there is a noticeable inclination towards prioritizing experiences and accessibility over material possessions. This phenomenon signifies a more intentional and mindful approach to living, resulting in a surge in the need for comprehensive well-being beyond the confines of physical health. The quest for personal growth has also emerged as a prominent objective for many individuals, with a particular emphasis on learning and self-development. The pursuit of an elevated standard of living has also heightened global consciousness regarding the finite resources of the planet, compelling individuals to assume responsibility for their environmental impact. Millennials and Gen Z are at the forefront of a sustainable and mindful lifestyle movement, driving a growing demand for ethical and sustainable products. Consumers are willing to pay a premium for goods that reflect their environmental values, resulting in a significant shift in purchasing behavior.	Pandemic disease risks <ul style="list-style-type: none">• Situations contrary to equal opportunities arising in processes (gender, religion, language, race, disability, etc.)	Pandemic disease risks <ul style="list-style-type: none">• We have carried out risk management at Group level for Covid-19. In this direction, we are implementing social distancing, cleaning, and disinfection practices in production facilities under the leadership of HR and OHS units. In addition, we have created emergency action plans.• As stated in the Eczacıbaşı Group Code of Conduct, discrimination based on gender, religion, language, sect, marital status, sexual orientation, sexual identity, political opinion or affiliation, ethnic identity, health status, family responsibilities, domestic violence, economic situation, union activity or membership, physical disability, or age is strictly unacceptable in all HR processes and business relationships	  

Year in Review

GRI 2-1

Here are the key performances achieved by Eczacıbaşı Consumer Products in 2022.

€ 391 million Consolidated net revenue

24% Share of international sales

€ 1 million Total R&D expenditures

54 Number of Patent Applications

154 GWh Green electricity procurement

100% Energy use from renewable resource for scope 2 emissions¹

2% Decrease in energy intensity compared to 2021

60% Decrease in carbon emission intensity in our production plants (Scope 1+2) compared to 2021

5% Decrease in water intensity compared to 2021

95.3% Share of recycled waste ✓

40.09% Share of women professionals² ✓

55.6% Women among new recruits² ✓

32.7% Women in management² ✓

11 Training hours per talent³ ✓

23 Training hours per employee ✓

0.69 Accident frequency rate⁴ ✓

¹ Includes only green electricity procurement

² White-collar employees in Turkey with a full-time, indefinite term contract

³ Employees in leadership programs

⁴ Abroad operations (Morocco location) was included

Eczacıbaşı extends its international investments in Morocco

Eczacıbaşı Consumer Products has entered the African market with the establishment of a tissue paper factory in Casablanca, Morocco. With this investment, which took place in the 80th year of the Eczacıbaşı Group's establishment, Eczacıbaşı Consumer Products, has become the only international company in Morocco to manufacture and market tissue paper in this country.

The tissue paper market in Morocco, a country of 37 million people with an average age of 28, holds tremendous potential. Eczacıbaşı Consumer Products' new plant, built at a cost of €25 million, can manufacture more than 50 different types of tissue paper products under the Selpak and Solo brands, including paper towels, toilet paper, napkins, and hankies as well as 1,200 rolls of toilet paper per minute.

We introduced Selpak brand in Morocco in 2018, and quickly achieved a strong market position; Selpak is now the leading brand in the premium segment. With the support of our new plant, we aim to leverage our Solo brand to respond to the needs of a wider consumer base. In short term, we aim to be the leading player in every category of the Moroccan and tissue paper market with our Selpak and Solo brands.

2 Our Approach to Sustainability

At Eczacıbaşı Consumer Products, we embrace a holistic approach to sustainability, viewing it as a journey towards clean and health living of our stakeholder and environment. We strive to generate economic, environmental, and social value for all our stakeholders. In pursuit of this goal, we actively listen to our stakeholders and treat feedback as opportunities for continuous improvement, thereby enhancing the value we generate to the stakeholders in our extended value chain.






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Our Value-Creating Business Model

Building a Healthier Future, Together

Our value creation describes what we do, how we conduct our business to deliver on our purpose and how we allocate our resources -financial, human, natural, intellectual, and social capitals- to create long-term value for all our stakeholders.

Our five capitals

-  Our **financial capital** is strategically allocated towards investments in production, sales and distribution of health and personal hygiene products, aligning with our overarching objectives of creating value for all our stakeholders.
-  Our diverse and empowered **human capital** comprises of outstanding talents and inspirational leaders across all levels of our organization.
-  Our **natural capital** encompasses operational excellence and a steadfast commitment to advocating for the well-being of the environment and stakeholders. We take care about nature with utmost importance in accordance with our extended producer responsibility.
-  Our **intellectual capital** includes innovation, being a digital pioneer, prioritizing product and product quality, and data driven agile decision making approach.
-  Our **social capital** is associated with well-being of both the environment and society, fostering an inspirational atmosphere that cultivates a socially responsible mindset.

What we do

Our purpose

“To be present, in every moment of life, for clean and healthy living.”

How we do it

We are committed to achieving operational excellence, cultivating an innovation culture doing business with integrity and accountability, winning with innovation, combining global approach with local insights, promoting a diverse and inclusive environment, and advocating for the well-being of the environment and society. In line with our perspective on sustainable value creation, we place our stakeholders at the heart of our business **to build a healthier future, together.**



Our value chain

Consumer Insights	Marketing / R&D	Procurement	Manufacturing / Quality Assurance	Sales and Logistics
	 		   	 
Improving our products and services by continually tracking and analyzing customer satisfaction and feedback	Understanding consumer needs and insights to create superior features and solutions that surpass expectations	Purchasing responsibly managed raw materials	Producing hygiene and personal care products to the highest quality standards to ensure effectiveness, safety, and customer satisfaction	Providing efficient delivery of our products to customers while effectively managing the sales process, including after-sales support and service
	  	  		 

Our inputs in five capitals

€ 391 million Consolidated net revenue

37% Increase in manufacturing capabilities due to investments in Manisa

12 Offices

5 Production Plants

1,740 Total employees⁷

40.1% Total share of women professionals ✓

55.6% Women among new recruits ✓

32.7% Women in management positions ✓

479,012 MWh Total energy consumption ✓

1.6 million m³ Total water withdrawal ✓

€ 1 million Total R&D expenditures

Up to 1,900 Suppliers

More than **60** International markets

Key outputs



22% Growth in international sales

44% Growth in total net sales



23 Training hours per employee⁸ ✓

11 Training hours per talent⁹ ✓

0.69 Accident Frequency Rate¹⁰ ✓



154 GWh Renewable electricity procurement

2% Energy intensity reduction¹¹

60% CO₂ emissions intensity reduction in our production plants (Scope 1+2)¹²

5% Water intensity reduction¹¹

95.3% Share of recycled waste ✓



54 Cumulative patent application

361 R&D projects



66 Employees contributing to volunteering activities

⁷ Total employees in Turkey and abroad, including subcontractors and excluding interns

⁸ Blue collar employees are not included

⁹ Employees in Turkey leadership programs

¹⁰ Morocco facility is included

¹¹ Compared to 2021

¹² Compared to 2020

The value we create for our stakeholders



Employees

We empower our employees to reach their full potential to achieve their own personal and professional development.

We create an equal, diverse, and inclusive workplace that ensures health, safety and wellbeing of our employees and where everyone has the opportunity to achieve their individual and corporate objectives.

We put «equal pay for equal work» principle at the heart of our business.

We develop talents through extensive variety of training and mentorship programs.



Finance community

We set and are committed to ethical standards of business conduct in all countries that we operate and in all our operations.

We effectively manage our financial risks to maintain our mutually beneficial relationships with a diverse range of equity providers, banks, and other financial institutions.

We excel our operations with efficient sales price optimization which generate value to our stakeholders.



Civil society

We contribute to education, culture and arts, scientific research, and sports in collaboration with many foundations and NGOs.

We implement long-term and sustainable solutions to address personal health and hygiene focused societal issues through our community investments and voluntary programs.



Environment

We focus to reduce our environmental impact by ensuring efficiency in energy and water consumption, investing in renewable energy, and minimizing greenhouse gas emissions.

We adopt circular economy principles to safeguard our natural resources by focusing on using resources in the most efficient way.

We procure raw materials from responsibly managed forests.

We responsibly produce our products by reducing and recycling the plastic content of our packages.



Supply chain

We work together with each stakeholder in our supply chain ecosystem to protect human rights, prevent child labor, reduce environmental impact, and ensure supply chain flexibility and resilience.

We work with our suppliers to support sustainable practices and emission reduction plans .



Customers

We strive to offer modern lifestyles that are healthy, high quality and sustainable through our products and services.

We aim for the highest level of quality in every product and service and encourage our companies to surpass established industry standards.

We increased the frequency of our customer engagement by providing best support.

We hear the voice of customers and improve our products accordingly.

Sustainability at Eczacıbaşı Consumer Products

As a socially and environmentally conscious company, Eczacıbaşı Consumer Products strives to inspire others through its contributions to society and the economy. We are committed to promoting the well-being of the environment and our stakeholders. We have been working with a strong sense of responsibility towards our stakeholders, society, and the environment since our establishment. Each year, our goal is to enhance our practices and reports with the principle of continuous improvement.

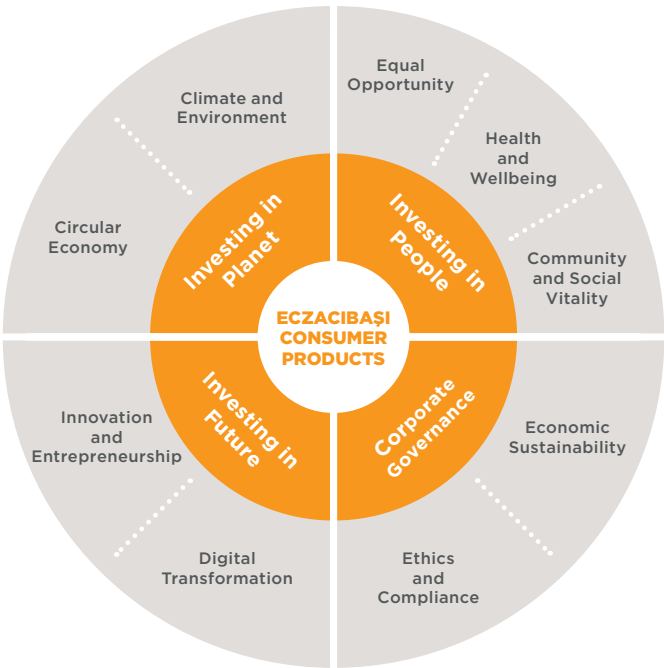
We are incorporating sustainability principles into every aspect of our business, encompassing production, marketing, human resources, and supply chain. These principles guide the development of our products, services, brands, and choice of technologies. Our objective is to reduce our environmental

footprint, safeguard our valuable resources, implement responsible sourcing and supply chain management, and generate value to our stakeholders and the planet through innovative solutions. To fulfill this commitment, we are prepared to expand, extend, and diversify our strategic objectives.

This year, in line with our Group’s sustainability approach, we have deepened our efforts and shaped our sustainability strategy with our passion to create value for all and presented our approach to our stakeholders with our 2022 Integrated Sustainability Report.

As we integrate sustainability into our business model, our primary focus is on advocating for the well-being of the environment and our stakeholders. We are dedicated to gathering consumer insights, which serve as the core input for developing our products. Throughout our extended value chain, we prioritize responsible production practices, aiming to minimize our environmental impact while maximizing the value we generate for our stakeholders and society.

Our sustainability approach is based on four sustainability pillars, which support our business strategy. Our sustainability pillars encompass nine focus areas that drive value creation and mitigate risks across our value chains, aligning with the United Nations’ Sustainable Development Goals (SDGs). At Eczacıbaşı Consumer Products, we incorporate our material issues under these nine strategic focus areas.



Investing in Planet	Investing in People	Investing in Future	Corporate Governance
<p>We firmly believe that environmental stewardship is not only a moral imperative but also an essential aspect of our corporate strategy. We recognize that our operations significantly impact the environment, and we remain fully committed to reducing our environmental impact throughout our value chain.</p> <p>Our sustainability efforts encompass every aspect of our business, sourcing raw materials from responsible forest, as we continuously seek innovative ways to enhance resource efficiency and reduce our impact on the planet. Through the implementation of circular business models and a transition to renewable energy sources, we strive to reduce emissions and combat climate change.</p>	<p>Guided by our corporate culture and values, we strive to provide the positive employee experience through our human resources strategies and programs, which prioritize the development of individual competencies and team collaboration.</p> <p>At Eczacıbaşı Consumer Products, our unwavering commitment is to create a workplace that is equitable, diverse, inclusive, and safe for all employees. By providing support and opportunities for growth, we empower each talent to reach their full potential by providing personal development opportunities and contribute to our collective success.</p> <p>We also work collaboratively with our stakeholders to build healthier societies through meaningful social initiatives.</p>	<p>We are committed to creating sustainable value for future generations through innovative and automated solutions that both excel our operations and minimize our overall impact on the planet.</p> <p>In line with our business strategy, we encourage to create an extensive innovation and entrepreneurship culture in our organization to broaden corporate horizons. Our R&D studies fuel our innovative ideas. We also believe that digital transformation is a key element in transforming and shaping our business towards a healthier and more sustainable future.</p>	<p>In line with Group’s principles, we are strictly committed to upholding the highest ethical standards and corporate behavior. We understand the importance of accountability, fairness, responsibility, and transparency in all our business practices.</p> <p>Our aim is to maintain a risk-oriented culture in which we effectively manage risks and seize opportunities for long-term sustainable growth. We strive for responsible corporate behavior and place ethical business practices at the core of our business operations throughout our extensive value chain.</p>

Eczacıbaşı Consumer Products - Materiality

GRI 3-1, GRI 3-2, GRI 3-3

At Eczacıbaşı Consumer Products, we are committed to enhancing our long-term economic performance by creating value to our stakeholders as a responsible producer.






























To fulfill our commitment and responsibility, we take an integrated approach that considers external drivers; what is most material to our stakeholders and our ability to create value. We carry out thorough assessments of our activities by examining their effects on sustainable development, evaluate the risks that may affect our ability to achieve our business objectives, and we regularly engage with our stakeholders to understand both their needs and expectations and how they are impacted by our activities.

In 2021, we conducted a study to evaluate the sustainability priorities of the Eczacıbaşı Consumer Products. We engaged with more than 564 employees from Eczacıbaşı Consumer Products and more than 79 external stakeholders to gain insights into their perspectives on where we should focus our efforts. We also evaluated the mega-risk trends that are shaping the world and analyzed our impact on the 17 UN Sustainable Development Goals. We then concluded our study with input from Eczacıbaşı Consumer Products senior management and Sustainability Strategy Committee of Eczacıbaşı Consumer Products.

With the rapid transformation of our business and our environment, we decided to review our assessment in 2022 to make sure our sustainability priorities are up to date. We started by taking a deep dive into the impact of our operations, evaluating Eczacıbaşı Group and Consumer Product's sustainability initiatives, future targets, and progress. This helped us to identify the environmental, social, and economic issues that matter most to our business, the areas where we plan to focus our resources in the future and also to recalibrate our efforts. We conducted a detailed external analysis, in which we reviewed reports on megatrends and sustainability trends published by international institutions including WEF's The Global Risks Report and WBCSD's Macrotrends and Disruptions shaping 2020-2030 Report. We also evaluated material issues advised by GRI, SASB and S&P for each of the sectors in which the Group companies operate and conducted a benchmark study that includes both national and international peers.

We finalized our work by combining the result of our analysis with our 2021 study and revised our sustainability priorities. As a result, we identified 17 material topics under nine strategic focus areas.

GRI 3-1, GRI 3-2, GRI 3-3

Sustainability Pillars	Strategic Focus Areas	Material Topics	SDGs	Capitals
Investing in Planet	Climate and Environment	Energy Management and Carbon Emissions	      	  
		Water Management		
	Circular Economy	Resource Management and Responsible Procurement		
		Product Responsibility		
		Waste Management		
Investing in People	Equal Opportunity	Equal, Diverse, and Inclusive Workplace	     	  
		Attracting, Developing and Retaining Talent		
	Health and Safety	Health, Safety and Wellbeing		
	Community and Social Vitality	Social Investment		
		Hygiene		
Investing in Future	Innovation and Entrepreneurship	Innovation	  	 
		R&D		
		Entrepreneurship		
	Digital Transformation	Digital Transformation		
Corporate Governance	Ethics and Compliance	Business Ethics and Legal Compliance	 	  
		Supply Chain Management		
	Economic Sustainability	Economic and Financial Performance		

Sustainability Objectives

At Eczacıbaşı Consumer Products, we set measurable, specific, achievable, relevant and time-bound goals to drive progress in our sustainability efforts. The table outlines our sustainability objectives as to our selected material topics, provides an overview of our performance in 2022, and outlines our future objectives.



Eczacıbaşı Consumer Products,
Tissue Paper Plant-Manisa

Material Topics	Goals	Key Performance Indicator	Performance			Status
			2020	2021	2022	
Energy Management and Carbon Emissions	By 2025, we will reduce our energy consumption per ton of production to 2.25.*	Energy Intensity Mwh/ton	2.22	2.36	2.32 ✓	Room for improvement
	By 2030, 50% of total electricity consumption will be met by renewable energy sources.	Renewable Energy Consumption (%)	-	-	-	Room for improvement
Water Management	By 2025, we will reduce our water consumption per ton of production to 7.49.	Water Intensity (m³/ton)	7.96	8.30	7.89 ✓	Room for improvement
Waste Management	By 2025, we will reduce our waste generation per ton product to 32.1.	Waste (kg/ton)	43.26	39.10	35.10	Room for improvement
	Our recycled waste ratio will be 95% each year.	Share of recycled waste (%)	94%	95%	95.3% ✓	Accomplished
Equal, Diverse and Inclusive Workplace	By the end of 2025, we will keep the share of women among new recruits at least 50%	Women among new recruits (%)	64%	49%	55% ✓	Room for improvement
	By the end of 2025, we will keep the share of women in employment at least 40%	Total share of women professionals (%)	40%	39%	40% ✓	Accomplished
	By the end of 2025, we will increase the share of women in management positions to 35%	Women in management positions (%)	31%	31%	33% ✓	Room for improvement
Health, Safety and Wellbeing ¹²	By the end of 2025, we will gradually reduce the accident frequency rate below 1 for every 200 thousand working hours.	Accident Frequency Rate (%)	1.08	0.99	0.69 ✓	Accomplished
	We will reduce the lost workday (LWD) with respect to previous year.	LWD	-	17.41	12.08	Accomplished

* Because of capacity increase

¹² Health, Safety and Wellbeing related targets include Turkey and abroad facilities.

Contributing to the UN 2030 Agenda

At Eczacıbaşı Consumer Products, we support the UN SDGs, and continuously monitor and develop our activities to help achieve them. We prioritized 13 UN SDGs that are strategically relevant for us and our stakeholders. On the prioritized SDGs, we strive to operate sustainably in support and focus our efforts to create value for our internal and external stakeholders.

Here is an overview of our 13 strategically relevant UN Sustainable Development Goals and our contributions to these SDGs.

Good Health and Well-Being



- Our purpose is “to be present in every moment of life for clean and healthy living “.
- We focus on creating a safe and healthy working environment for everyone involved in our value chain, including our employees, clients, contractors, and communities.
- We educate society on personal hygiene and health with building domestic and global partnerships in healthcare, education programs, and trainings.

Quality Education



- We are committed to fostering a culture of continuous development of our employees, enabling them to unleash their full potential. To achieve this, we provide comprehensive training and development programs designed to enhance their technical knowledge and leadership skills.
- We also prioritize the developing female leadership programs within our organization, creating diverse and inclusive opportunities for all employees to excel.



Gender Equality



- We are committed to ensuring equal opportunities for all employees at work, in leadership, and in pay.
- The essence of our entire business model is based on gender equality.
- We set targets to increase the share of women employees at all levels, implement various practices to raise awareness about gender equality and encourage the employment of women in non-traditional roles including in production and STEM roles.

Clean Water and Sanitation



- We set targets to increase water efficiency across our manufacturing sites, implement projects in line with our main strategy: reduce it if possible, then recycle and reuse it in the processes.

Affordable and Clean Energy



- We increase our investments in renewable energy to reduce our carbon footprint. Our goal is to increase our solar power investments over time and ultimately become a self-sufficient and energy independent company.

Decent Work and Economic Growth



- We are deeply committed to promoting the principle of “Equal pay for equal work”
- We create economic impact through domestic and international operations in both local and foreign markets. Furthermore, with our expanding business in Turkey and abroad, we create employment opportunities that add value to the economy

Industry, Innovation, and Infrastructure



- We are committed to digital transformation and have several projects currently in development, which will enable us to improve our production processes.
- We prioritize innovation and integrate it to the core of our strategy and values. Continuously striving to explore new ideas and technologies, we aim to enhance our products and services.

Sustainable Cities and Communities



- We actively invest in the communities surrounding our production sites to foster a culture of integrity within our organization and contribute to local development initiatives. This includes initiatives such as sexual health education, hygiene programs, and other social initiatives aimed at enriching this aspect of society.

Responsible Consumption and Production



- We aim to reduce our environmental impact through sourcing our raw materials through responsibly managed forests.
- Through supplier codes of conduct, we aim to engage our stakeholders in responsible procurement practices, such as Maretem Duo, Anti Mic, and Giant Roll Towel.
- We promote responsible consumption through our marketing events.
- We always look for ways to decrease our paper consumption and reduce plastic usage in our packaging. Additionally, we focused on circular economy practices throughout our value chain.

Climate Action



- To achieve our carbon emissions reduction goals and mitigate climate change, we employ a comprehensive strategy of reduce, recycle, and reuse. This involves measuring energy consumption, optimizing processes, and exploring efficient business models. Through these actions, we minimize our environmental impact and promote sustainability.
- We take climate change seriously and are dedicated to doing our part to promote sustainable energy transition. In line with our goals, we evaluate, procure renewable energy sources and invest in solar power sources.

Life Below Water



- We have made a firm commitment to wastewater treatment for our factory located near the coastline. We believe that it is our responsibility to play an active role in protecting our environment and preserving the earth's natural resources, and we are committed to doing our part in addressing these challenges. Actions are taken to enhance the efficiency of biological wastewater treatment.

Life on Land



- Our dedication to sustainable forestry practices ensures that all our cellulose (primary resource for paper production) is sourced from responsibly managed forests. By prioritizing sustainable sourcing and responsible forestry practices, we are taking proactive steps towards promoting the sustainable use of natural resources and mitigating our impact on the planet.

Partnership for the Goals



- In line with the Group's vision and objectives, we collaborate with our partners to support initiatives including the Business Plastics Initiative, Global Compact Turkey, Sustainable Development Association (Turkey), TUSIAD, Unstereotype Alliance, WEF Stakeholder Capitalism, Women Empowerment Principles (WEPs).
- We also build strategic partnerships to build a roadmap for our sustainability objectives together with contributing UN's SDGs.

Stakeholder Relations

At Eczacıbaşı Consumer Products, we strive to create sustainable value and develop our sustainability strategy in a way that addresses the needs and expectations of all our stakeholders. To achieve this, we place a strong emphasis on engaging with and listening to our stakeholders in order to establish meaningful partnerships and foster multistakeholder collaborations. Our stakeholder ecosystem includes a diverse range of individuals and groups, including people, consumers, employees, supply chain partners, media, universities, research and innovation centers, finance community, government, regulators and civil society. By understanding the diverse needs and expectations of our stakeholders and aligning our action plans accordingly, we prioritize sustainability as a fundamental aspect of our business approach. We actively seek out stakeholder feedback and incorporate it into our decision-making processes, while also providing transparent and timely communication to keep our stakeholders informed of our sustainability initiatives and progress. Our commitment to stakeholder engagement and collaboration underscores our unwavering dedication to promoting sustainable practices and contributing to a better future for all.

The table below summarizes who our key stakeholders are, how we engage and communicate through various platforms.



Stakeholder Groups	Stakeholders	Communication Methods
Finance Community 	Shareholders and Investors	Sustainability Reports (Annual), Corporate Website (Continuous), General Assembly Meetings (Annual)
	Financial Institutions	Sustainability Reports (Annual), Community Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
Employees 	Managers	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Community Meetings (Continuous/ Periodic), Cash Flow Reports (Monthly), Financial Results Reports (Monthly), Market Research
	Employees	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Community Meetings and Publications (Continuous/ Periodic/Instantaneous), Bulletins/ Announcements (Continuous/Instantaneous), Employee Engagement Surveys (Annual), Trainings (Continuous), Social Responsibility Volunteer Projects (Continuous), Human Resources Practices Handbook (Continuous)
Customers 	Clients	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Market Research (Continuous), Audits (Instantaneous/Periodic), Fair Participation (Instantaneous/Periodic)
	End Users	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Brand Websites (Continuous), Call Center (Continuous), Social Responsibility Projects (Continuous)
Supply Chain 	Business Partners	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
	Suppliers	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Audits (Instantaneous / Periodic)
	Contractors	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Audits (Instantaneous / Periodic)
Government and Regulators 	Public Institutions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (Project Based), Audits (Instantaneous/Periodic), One-to-One Visits
	Local Government	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), One-to-One Visits
Civil Society 	International Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
	Sectoral Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (Project Based), Fairs (Instantaneous/Periodic), Sectoral Conferences (Instantaneous/Periodic)
	Trade Unions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
	Universities and Research Institutions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Career Days (Annual/Periodic), Projects (Project Based), Internship Programs (Periodic/ Project Based), University Events (Instantaneous), Student Field Visits (Instantaneous)
	Civil Society Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Market Research (Continuous), Projects (Project Based), Memberships (Continuous), Brand Websites
	Local Community	Sustainability Report (Annual), Projects (Project Based), Social Media (Continuous), Corporate Website (Continuous), Social Responsibility Projects (Project Based)
	Society	Sustainability Reports (Annual), Community Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Brand Websites
	Media	Social Media (Continuous), Corporate Website (Continuous), Press Releases, Market Research, Brand Websites

3 Corporate Governance

Eczacıbaşı Consumer Products places utmost importance on upholding ethical business principles and takes responsibility for conducting all corporate activities with integrity, fairness, accountability, and transparency. This commitment to ethical conduct forms the basis of our corporate governance framework, enabling us to effectively tackle future obstacles and promote sustainable development. We consistently allocate resources to our core business, stimulating organic expansion, reinforcing production capacities, improving product quality and variety, and generating enduring value for our stakeholders.

Ethics and Compliance	54
Business Ethics and Legal Compliance	55
Supply Chain Management	58
Economic Sustainability	60
Financial and Economic Performance	61

Corporate Governance

The establishment of robust governance mechanisms is crucial for fostering a resilient and thriving organization that effectively fulfills its obligations to stakeholders and advances its sustainability commitments. To achieve this, our Board of Directors and Executive Management collaborate closely, employing strategic planning, risk management, and decision-making processes to align the company's objectives with evolving market dynamics and stakeholder expectations. Through the implementation of strong governance practices and the promotion of a culture characterized by accountability and transparency, we strive to safeguard the organization's long-term success and generate sustainable value for all stakeholders.

Our organization is an integral part of the larger Eczacıbaşı Group, an industrial conglomerate comprised of Eczacıbaşı Holding and its subsidiaries. Within this context, we operate in alignment with the Group's robust short, medium, and long-term objectives, which are delineated within the comprehensive business strategy of the Eczacıbaşı Group. Significantly, we prioritize the meticulous execution of our operations to ensure a seamless integration with the overarching vision and direction of the Eczacıbaşı Group.

Board of Directors

The Eczacıbaşı Consumer Products Board of Directors plays a crucial role in implementing strategic decisions within the Eczacıbaşı Group, prioritizing adherence to internal regulations and policies. Aligned with corporate governance principles, the Board is responsible for managing and representing the company, considering factors such as risk management, growth opportunities, financial returns, and long-term interests. Their primary objective is to ensure the organization's sustained success and prosperity. Through their oversight of

effective governance practices, the Board contributes to the long-term viability of the organization and the creation of value for stakeholders. The Board's actions are guided by the principles of corporate governance, which emphasize transparency, accountability, and ethical conduct.

Eczacıbaşı Consumer Products Board of Directors consists of eight members. The Group CEO of Eczacıbaşı Holding is the Chairperson and we have four members from Eczacıbaşı Holding. Additionally, the Board includes three non-executive members to provide diverse perspectives.



Atalay M. Gümrah
Eczacıbaşı Holding Board Member,
Eczacıbaşı Holding CEO,
Eczacıbaşı Consumer Products
Chairperson



Bülent Kozlu
Eczacıbaşı Consumer Products
Vice Chairperson,
Eczacıbaşı Consumer Products
CEO



Esra Eczacıbaşı Coşkun
Eczacıbaşı Holding Board Member,
Eczacıbaşı Holding Digital
Transformation Coordinator,
Eczacıbaşı Consumer Products Board
Member



Seyfettin Sarıçam
Eczacıbaşı Holding Chief
Financial Officer,
Eczacıbaşı Consumer
Products Board Member



İpek Güleç
Eczacıbaşı Holding Chief
Investment Officer,
Eczacıbaşı Consumer Products
Board Member



Stefan De Locker
Eczacıbaşı Consumer
Products Board Member



Saffet Karpaz
Eczacıbaşı Consumer
Products Board Member



Hervé Rose
Eczacıbaşı Consumer
Products Board Member

Board Committees

The Board has established several committees to assist with the execution of its responsibilities, including Investment, Audit, Risk and Governance Committee, Talent -Remuneration, and ESG (Environmental, Social, Governance) Committees.

Board Committees	Investment Committee	Audit, Risk and Governance Committee
Members	Bülent Kozlu, Esra Eczacıbaşı Coşkun, Seyfi Sarıçam, Hervé Rose, Güneş Soytürk	Seyfi Sarıçam, Saffet Karpaz, Özcan Konak, Bora Akdoğanlar
Responsibility	<ul style="list-style-type: none"> Ensuring the investment policies and practices align with the long-term financial and strategic objectives of the company in line with the Group's strategy. 	<ul style="list-style-type: none"> Implementing all essential actions to guarantee that all internal or external audits are conducted accurately and transparently. Undertaking oversight responsibility on behalf of Board of Directors to ensure reasonable assurance is provided for the interests of all stakeholders.
Board Committees	Talent And Remuneration Committee	Marketing Committee
Members	Atalay M. Gümrah, Stefan De Loecker, Hervé Rose, Bülent Kozlu, Eylem Özgür, Sinem Kıranta	Bülent Kozlu, Esra Eczacıbaşı Coşkun, Stefan De Loecker, Saffet Karpaz, Bilge Çiftçi
Responsibility	<ul style="list-style-type: none"> Including providing guidance and making decisions regarding human resources management, reviewing the performance of executive managers, monitoring the development of executives in the most critical top positions, and creating a succession plan in line with the Group's human resources strategy. 	<ul style="list-style-type: none"> Setting overall marketing strategy and direction and top-down marketing targets for the Business Unit.



Eczacıbaşı Consumer Products, Tissue Paper Plant-Yalova

Executive Management

Our Executive Management team plays a pivotal role in providing strategic guidance and direction to the organization, demonstrating an unwavering commitment to delivering reliable, transparent, and high-quality services to all stakeholders.

Comprising 11 members, our Executive Management team is dedicated to attaining sustainable excellence and leadership in alignment with the company's strategies and mission. They cultivate a culture of innovation, collaboration, and accountability, harnessing their collective expertise to drive long-term growth and success.

With their leadership and domain knowledge, the Executive Management team holds a critical position in shaping company performance and determining strategic priorities, ensuring the organization remains adaptable and responsive to the evolving needs of stakeholders. Upholding the highest standards of corporate governance, they are resolute in their pursuit of sustainable excellence across all aspects of their responsibilities.



Bülent Kozlu
CEO

Bilge Çiftçi
CMO

Savaş Olgu Özden
Sales Director



Güneş Soytürk
Finance Director

Erdem Ülkümen
Operations Director



Özgür Akyıldız
Global Expansion Director

Sinem Kıranta
HR Director

Tolga Yazgan
Morocco Country Director



Utku Atak
IT Director

Ürün Kandemirer
R&D Director

Burak Kurtay
Eczacıbaşı Professional
Director

Our Organizational Structure

Our organizational structure is designed to facilitate seamless collaboration and synergy among units which senior executives are responsible under CEO. Each unit assumes a vital role in driving the company's strategic objectives, ensuring sustainable excellence, and upholding our industry leadership in alignment with our mission. This cohesive structure enables the effective implementation of short-term, medium-term, and long-term strategic goals, promoting enduring quality and the fulfillment of our organizational vision.

Sustainability Governance

Group-wide Sustainability Oversight

Responsibility: Sustainability Oversight, Monitoring and Execution of the Sustainability Strategy on Group-wide

Eczacıbaşı Holding Board of Directors

The Eczacıbaşı Group coordinates primary business strategy and long term goal setting for all group companies. The Group sustainability mechanism is overseen by the Holding Board of Directors. The Holding Board of Directors plays a crucial role in making strategic decisions regarding sustainability management.

Eczacıbaşı Holding ESG Committee

The Holding ESG Committee, reports to the Holding Board of Directors, ensures the effectiveness of policies, strategies, governance bodies, and tools related to sustainability management throughout the Group. It evaluates strategic priorities, advises the Board of Directors on ESG issues and reviews sustainability performance of the Group companies.

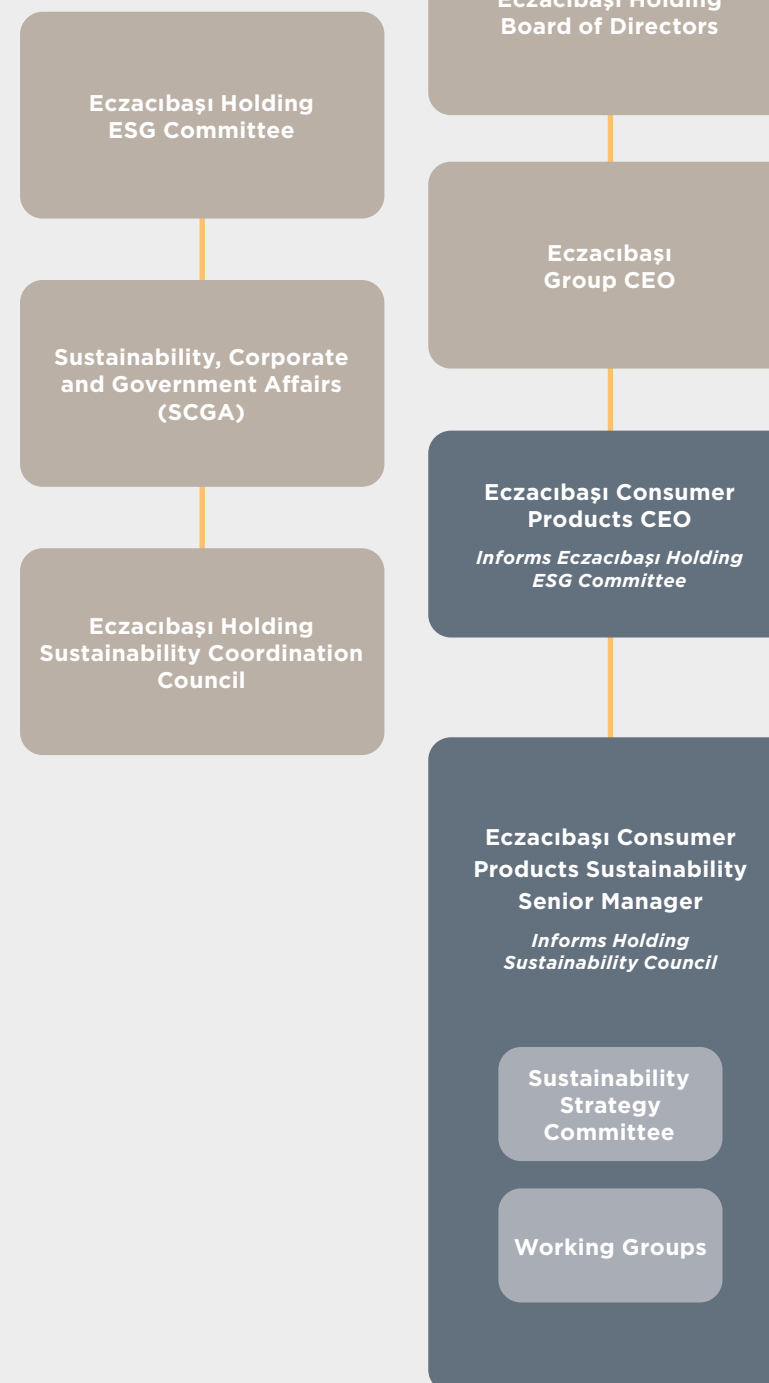
Sustainability, Corporate and Government Affairs (SCGA)

Sustainability management across the Group is overseen by the CEO and performed by the Sustainability Directorate, operating under the Sustainability, Corporate and Government Affairs Coordinator. The SCGA provides quarterly reports on progress to the ESG Committee.

Eczacıbaşı Holding Sustainability Coordination Council

Sustainability management activities are led by Group's Sustainability Coordination Council and deployed by sustainability working groups located in the group company.

*For more information, please refer to Eczacıbaşı Group **Integrated Sustainability Report 2022***



Sustainability Senior Management at Eczacıbaşı Consumer Products

Responsibility: Sustainability Oversight, Monitoring and Execution of the Sustainability Strategy on ECP

Sustainability Management

The leadership of this framework is provided by the Sustainability Strategy Committee within the organization. This committee develops strategies by considering sustainability risks and opportunities, stakeholder expectations, and industry needs, with a primary focus on the consequences and positive outcomes associated with climate change. Additionally, the committee defines governance practices to ensure the effective implementation of these strategies. The committee includes a Sustainability Leader who plays a key role in driving these efforts.

All identified focus areas, as determined by the Sustainability Strategy Committee, are closely monitored by relevant working groups. The responsibilities of these working groups encompass establishing tracking parameters for each focus area, tracking ongoing and planned improvement projects, and setting goals.

The sustainability performance achieved through this structure within Eczacıbaşı Consumer Products is reported to both the Sustainability, Corporate and Government Affairs within the Group. The results and progress of each reporting period are shared with all employees during quarterly CEO Sharing Meetings. Furthermore, the sustainability performance results of Eczacıbaşı Consumer Products are evaluated by relevant senior executives and presented to the Board of Directors.

Risk Management

At Eczacıbaşı Consumer Products, we consider risk management as an inclusive discipline and integrate it into our activities to adopt a risk-oriented culture across the organization. Our paramount objective is to proactively anticipate any unfortunate incidents that may delay the realization of our short-term and long-term objectives, threaten our growth path, or obstruct our sustainability actions.

To reach this goal, we are eager to build and sustain our risk management mechanism based on international frameworks and standards to ensure that we are well-prepared to respond to potential challenges. Risk management cycle is triggered by identification of risks with contribution from all levels of the organization from executive management to all employees, followed by the assessment of impact and possibility to differentiate risk levels. Risk responses are decided to mitigate identified risks in line with the risk appetite of the Board of Directors. The Risk Management Committee at the Board of Directors level closely monitors and reports on all critical risks.

An operational system that prioritizes risk awareness has been instituted to uphold and consistently enhance risk management activities throughout the company. By leveraging this approach, we can proactively manage and mitigate risks, optimize the time and resources spent on the activities, and thus support sustainable growth through reducing financial and resource losses

Eczacıbaşı Groups's Risk Management Approach



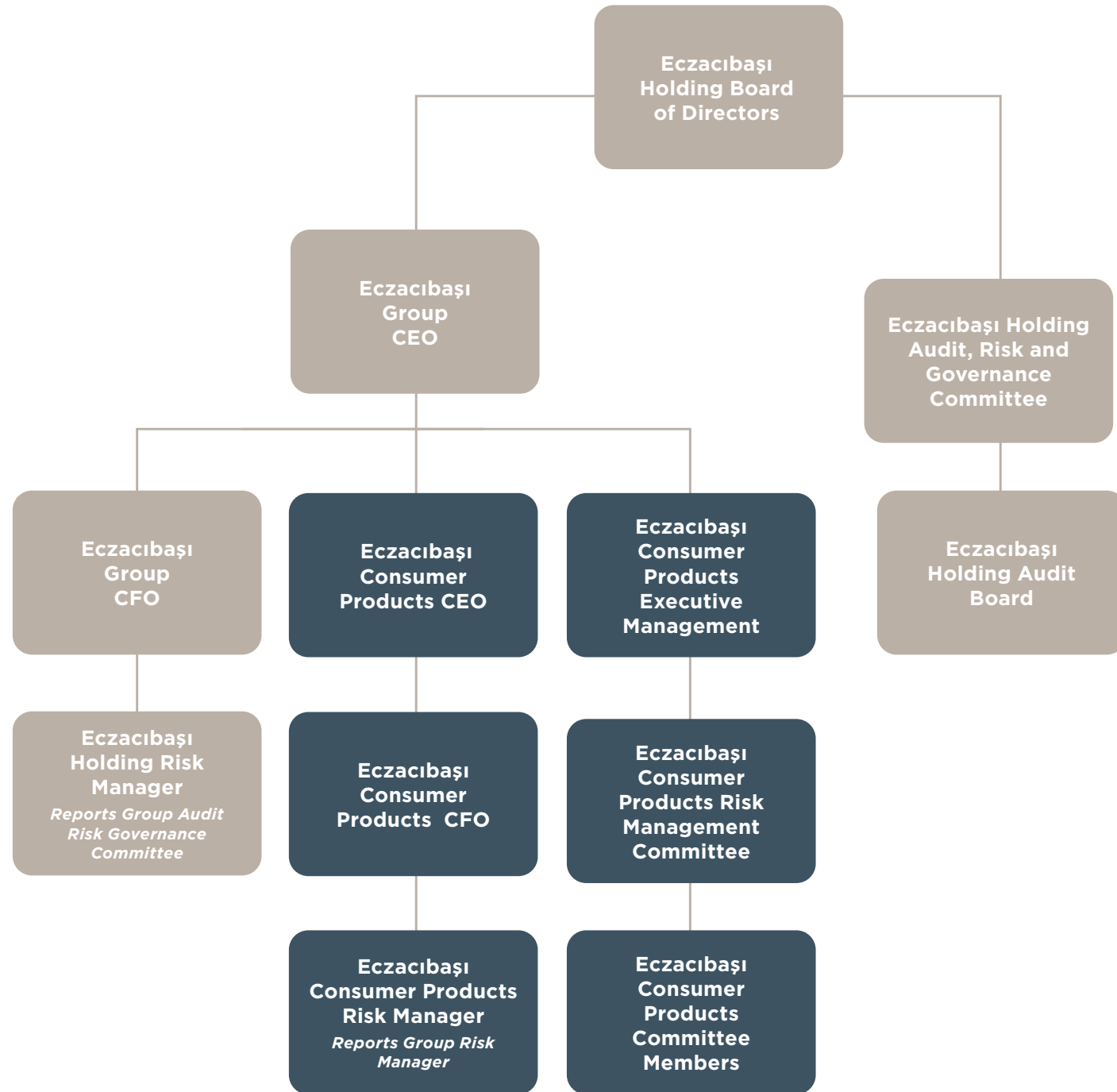
Eczacıbaşı Consumer Products manages its risks through the Enterprise Risk Management Department, led by the company's CEO. This department works closely with the Eczacıbaşı Holding Enterprise Risk Management Department, which reports to the Eczacıbaşı Holding CFO. Together, they coordinate and oversee risk management activities within Eczacıbaşı Consumer Products.

Eczacıbaşı Consumer Products' enterprise risk management activities are regularly reported to both Eczacıbaşı Consumer Products' Risk Management Committee and the Group Audit, Risk and Governance Committee. These committees undertake the oversight function of risk management activities across the company and receive periodic reports on these activities.



Eczacıbaşı Consumer Products,
Tissue Paper Plant-Manisa

Eczacıbaşı Consumer Products Risk Management Structure



Risks are categorized through a common risk universe of Eczacıbaşı Group consisting of strategic, operational, financial, compliance, and sustainability main categories. Although there are topic areas such as cybersecurity, human resources, financial and economic risks that are centrally managed, there are also topic areas that are differentiated at the organizational level under strategic and operational risks. The following table indicates how Eczacıbaşı Consumer Products categorizes risks and includes examples of risk titles in related categories.

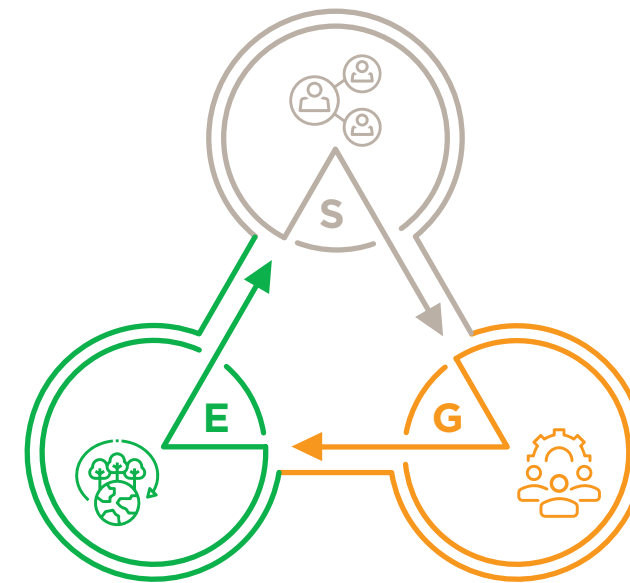


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The following table indicates how Eczacıbaşı Group handles risks per risk categories.

Strategic	Operational	Financial	Compliance	Sustainability
Economic / Macroeconomic	Disaster / Hazard / Security (Earthquake, fire, accident, theft, etc.)	Foreign Exchange / Parity	Legislation / Regulation	Natural Disasters / Extreme Weather
Political / Geopolitical / Country	Health and Safety & Environmental	Liquidity / Cash Flow / Debt Ratio	Ethics / Code of Conducts	Climate Change
Market / Competition	Supply Chain / Procurement (Quality, logistics, subcontractor, etc.)	Interest Rate	Fraud / Errors and Omissions	Resource Management (Energy, water, etc.)
Business Model / Value Chain	Productivity / Resource Usage	Counterparty / Credit	Contract Management	Biodiversity, Ecosystem
Portfolio Management (Customer, channel, region, etc.)	Project Management	Collection / Collateral	Compliance with Standards (ISO, etc.)	Occupational Health and Safety
Investments (Expanding, mergers and acquisitions, etc.)	Asset Management	Capital / Fund Management	Corporate Governance Principles	Employee Rights & Equal Opportunity
Governance (Organizational structure, source-capacity usage, strategic planning, etc.)	Infrastructure / System (Energy, water, natural gas, communication, etc.)	Financial Instruments	License / Permission / Incentives	Sustainability Communication
Reputation / Image / Brand Value (Communication, social impact, etc.)	Human Resources / Employee	Commodity / Price	Legal Risks (taxation, customs, etc.)	Stakeholder Relations
Stakeholder Relations (Shareholders, business partners, customers, suppliers, etc.)	Information Technologies / Information Securities	Financial & Official Reporting	Legal Compliance with Foreign Countries	Economic Impacts
Innovation / Digitalization (Technological improvement, R&D, business, and product development, etc.)	Process Management	Managerial Reporting	Industrial Relations	Responsible Procurement

Deeper Look at Management of Sustainability Risks



At Eczacıbaşı Consumer Products, we are extremely aware of the significance of a holistic sustainability development approach, and so we continuously assess our environmental, social, and economic (ESG) plans to ensure their effectiveness for current and future developments. To do that we follow international initiatives such as the World Economic Forum's annual risk report which also indicates that ESG will remain the hot topic for risk management.

We acknowledge the scarcity of resources should be treated carefully for a more sustainable world and for our business. We address environmental and social risks across various categories, including natural disasters, extreme weather events, climate change, biodiversity, effective utilization of natural resources, and employee rights. If we discuss the impact on our business; the risks such as production delays due to the scarcity and ineffective management of water resources, and increased production costs due to long-term energy supply problems in national grids are sustainability-related risk topics included in our risk inventory. During the energy crisis that occurred in the national industry at the beginning of 2022, crisis management was carried out under the leadership of the Eczacıbaşı Holding's

corporate risk management, and action plans were subsequently put into effect at the organizational level. Throughout the process, actions have been taken to manage the crisis in a coordinated manner with official sources and energy distribution companies, to monitor the increased production costs, and to accelerate efforts to evaluate alternative energy sources and compensate for possible production losses. We also assess and closely monitor other governance risks such as occupational health and safety, product and service responsibility, innovation for the society, business ethics, legal compliance, and anti-bribery and corruption measures.

To pledge business continuity and enhance operational resilience, all categories of risks are assessed, taking into account their potential economic, social, and environmental impacts. Eczacıbaşı Consumer Products is fully committed to continue contributing the Eczacıbaşı Group's efforts, which are coordinated by the Group's Sustainability, Corporate and Government Affairs, to achieve sustainability targets, to take solid risk-mitigating actions, and to evaluate related opportunities **to build a healthier future, together.**

Ethics and Compliance

The Eczacıbaşı Group maintains unwavering adherence to corporate values, necessitating strict compliance with business ethics principles and legal regulations throughout all operations. Underpinned by a vibrant corporate culture, the Group upholds robust business ethics, encompassing respect for individuals and the environment, continual improvement and progress, and active contributions to societal well-being. These guiding principles are deeply embedded in the Group's founder, Dr. Nejat F. Eczacıbaşı, who exemplified a profound dedication to community service that influenced both his personal life and business ventures. Ensuring comprehensive understanding and internalization of these values among all employees and subsidiaries is of paramount importance, with integration into daily endeavors being prioritized.

Business Ethics and Legal Compliance

As a member of the Eczacıbaşı Group, a signatory to the UN Global Compact, we uphold the values of integrity, honesty, and transparency in all aspects of our business operations, while ensuring compliance with applicable laws and regulations. Our commitment to impartiality and moral conduct extends to our interactions with colleagues, customers, and suppliers, fostering a professional environment. As responsible corporate citizens, we prioritize diversity, and actively fulfill our social obligations.

The Eczacıbaşı Group adheres to rigorous standards of business ethics and legal compliance, serving as the foundation for our activities. Oversight of ethical practices, internal audits, and

legal compliance is entrusted to the Audit Group, CHRO (Chief Human Resources Officer), Legal Department, and Compliance Committee across the Group. We are unwavering in our dedication to conducting all operations in alignment with our core values and principles, emphasizing integrity and transparency.

To guide our conduct, we have developed a comprehensive **Code of Conduct** that outlines our ethical expectations for both employees and third-party partners. The Code is readily accessible on the Group's website, ensuring transparency and accountability for all stakeholders, including our employees.





In accordance with the Eczacıbaşı Group's sustainability management system, which adheres to international business standards, we are strongly committed to building stakeholder trust and maintaining the quality of all our Group's activities. As Eczacıbaşı Consumer Products, we also strive to strengthen our sustainable management system by ensuring compliance with sustainable standards and group policies in all our operations.

Below, you will find our sustainability policies applicable to all our operations.

Eczacıbaşı Group ESG (Environmental, Social, Governance) Policy

Eczacıbaşı Consumer Products Gender Equality and Equal Opportunity Policy

Eczacıbaşı Consumer Products Human Rights

Eczacıbaşı Consumer Products Environment and Climate Policy

Eczacıbaşı Consumer Products OHS (Occupational, Health and Safety) Policy

Eczacıbaşı Consumer Products Information Security Policy

Eczacıbaşı Consumer Products Energy Policy

Eczacıbaşı Consumer Products Quality Policy

Eczacıbaşı Consumer Products Product Assurance Policy

In accordance with our Group commitment, we are fully devoted to the principle of zero tolerance towards discrimination, bribery, and corruption. Our paramount objective is to cultivate a fair and just working environment for our employees, upholding their human rights, and ensuring that business practices remain untainted by any form of violation. We maintain a steadfast prohibition on activities such as child labor and forced labor, guaranteeing that all aspects of recruitment and subsequent procedures are devoid of any discriminatory practices based on gender, language, belief, disability, or ethnic origin.

Moreover, we demonstrate unwavering dedication to safeguarding our employees' rights to unionize and organize, striving to foster constructive relationships with trade unions. Our Group Human Resources Handbook serves as a comprehensive resource for our employees, offering detailed information on human rights, freedom of association practices, as well as our esteemed values and codes of conduct.

Employee Communication and Training

Our foremost priority is to ensure that all our employees have a thorough understanding of the standards and regulations relevant to their roles. We are committed to providing comprehensive training and fostering open lines of communication to clarify how these rules are to be implemented in their everyday work. While we expect our current staff to have already completed this training, we also guarantee that newly hired employees receive the required training within their first month of joining us. As of 2022, our employees received an average of 0.5 hours of Ethics training and 2 hours of Anti-Corruption and Bribery training.

Whenever there is a suspicion of violation of the code of conduct, especially of bribery, corruption, violation of rights, or conflict of interest, every Group employee is obliged to convey the information to the Compliance Committee through the designated open channels. All notices are examined and evaluated by the Compliance Committee within the framework of the confidentiality principle.

As per our regulations, employees are prohibited from participating in the administrative bodies of political institutions and organizations, as well as engaging in promotional and donation activities aimed at supporting political movements. However, we fully support our employees' right to unionize and organize to the fullest extent possible, establishing and nurturing positive relationships with trade unions. Consequently, within our cleaning paper factory, the Cellulose Business Union operates, and collective bargaining agreements are regularly conducted every two years. Among the workforce of Eczacıbaşı Consumer Products, 53.1% of employees are engaged in production activities. Notably, the rate of unionization stands at 70.2% specifically among hourly wage workers.

Supply Chain Management

In the FMCG sector, achieving a sustainable supply chain and effectively managing supply chain risks requires responsible procurement processes, tools, governance, reporting, and supplier engagement. By adopting these practices, we ensure that our supply chain operates in an environmentally friendly and socially responsible manner. We strictly adhere to Group Code of Conduct in every aspect of our business operations, including our management of the supply chain.

Responsible procurement processes are crucial for our sustainable supply chain efforts. This involves carefully selecting suppliers who adhere to ethical and sustainable practices, including fair labor conditions, responsible sourcing of raw materials, and minimizing environmental impact. In 2022, our global supply chain

included approximately 1,901 suppliers operating in distinct locations.

At Eczacıbaşı Consumer Products, we employ two procedures for procurement management. The first is the Procurement Procedure, which includes selection criteria and processes for suppliers, considering ESG criteria, especially energy consumption for machinery and equipment purchases. The second is the Supplier Evaluation Procedure, which focuses on assessing the quality of purchased products and services to ensure reliability. We conduct annual evaluations of supplier performance and implement methods to enhance their performance.

Our procurement process integrates comprehensive risk management aligned with sustainability goals. We evaluate supplier performance, identify inherent risks

in our supply chain, and take corrective actions as necessary to ensure responsible practices.

The inspection of material suppliers for baby and households products manufacturing facilities involves thorough audits to ensure compliance with social suitability requirements. These requirements encompass various aspects such as preventing forced labor, preserving unionization and collective bargaining freedom, ensuring safe working conditions, eradicating child labor, preventing discrimination, regulating working hours, providing fair remuneration, and safeguarding fundamental rights. These criteria are considered minimum requirements and do not impact the audit score. Suppliers failing to meet these requirements are not considered suitable for collaboration. When evaluating multiple suppliers, adherence to social suitability requirements is taken into account.

To maintain our high standards and commitment, we uphold a management approach based on respect for people through our Social Responsibility Policy. We also demonstrate our unwavering dedication to the principles of the Global Compact by endorsing and adhering to them.

As Eczacıbaşı Consumer Products, we prioritize supporting local suppliers for their economic, environmental, and quality control benefits. In 2022, we added 80 new local suppliers, resulting in an 89.5% local supplier ratio. We are dedicated to further increasing this ratio to promote sustainability, economic growth, and deliver high-quality products.



Economic Sustainability

Eczacıbaşı Consumer Products aims to propel itself to the leading position of the regional fast-moving consumer goods (FMCG) sector. To achieve this, we prioritize several key objectives, including expanding our operations in international markets, executing projects that align with our company vision, and providing robust support to both our factories and central operations. As an export-oriented organization with a global outlook, we have encountered challenges during a transitional period characterized by shifting prices. Nonetheless, we consider it a noteworthy achievement that we have managed to adjust prices without experiencing a decline in overall tonnage. This success reinforces our determination to embark on new ventures, explore untapped markets in different countries, forge partnerships with new dealers, and revitalize our growth trajectory.

As an export oriented, we recognize the increasing significance of our international expansion efforts and regard export activities as a pivotal pillar of our growth strategy. Additionally, we believe that localization initiatives, tailoring our operations to the specific needs and preferences of diverse markets, will provide another avenue for expansion and success.

Financial and Economic Performance

In 2022, our international sales grew 22% in Euro terms, while our total net sales achieved an impressive growth rate of 44% with respect to 2021. These figures were particularly remarkable considering the challenging economic landscape, including the impact of inflation. It is important to note that the price adjustments we implemented were not voluntary but rather a necessary response to various cost factors, including rising cellulose prices and industry-wide inflation. Despite the complexity of managing this process, we successfully navigated through it while maintaining a profitable position.

Our growth in both the vertical and horizontal markets of the tissue paper category continue. We have invested 65 million Euro to increase our production capacity by 37% for tissue papers in Manisa with the addition of a 5th paper machine production line, enabling us to 140 thousand tons. Therefore, our total capacity reached the 250

thousand tons. Furthermore, we have initiated an investment for our 10th rewinder machine for roll paper products. As Eczacıbaşı Consumer Products, we have played a leading role in introducing tissue paper to Turkey, promoting the development of personal hygiene habits, and contributing to market growth. We are actively working to increase the use of paper towels in bathrooms, aiming to expand both the market and our market share. Additionally, we are focused on growing the category of new generation surface cleaning wipes, which have become an essential part of our lives due to the change in hygiene needs brought about by the pandemic. Our Solo Surface Cleaning Wipes, developed through a meticulous R&D process, provide practical hygiene solutions for various surfaces, incorporating detergent for enhanced cleaning effectiveness. With this product range, we differentiate ourselves in the home care category and strengthen our position as a trusted and preferred brand among Turkish consumers.

Furthermore, we are leveraging the strength of our Morocco tissue papers factory to drive our growth in international markets. In the premium segment, we have successfully introduced Selpak, and in the standard segment, we have entered with our Solo brand, which dominates a significant portion of the market. While maintaining our leadership in the tissue papers market in Turkey, we are accelerating our efforts to become a regional powerhouse, making steady progress towards achieving market leadership in Morocco.

In addition to our international investments, we have also continued our investments on a local level. These investments further strengthened our manufacturing capabilities and position us for continued growth and success in the industry.



The current state of the world calls for urgent action in response to the climate emergency we are facing. It is imperative that we shift into emergency gear and address the challenges head-on. The need for immediate and decisive measures to mitigate the impacts of climate change has never been greater. Transitioning to a sustainable and low-carbon future requires collective efforts from governments, institutions, and individuals to prioritize climate action, reduce greenhouse gas emissions, conserve natural resources, and promote sustainable practices.

At Eczacıbaşı Consumer Products, our commitment to sustainability is reflected in our efforts to minimize our environmental impact and transition towards a low-carbon economy. We have implemented various initiatives to achieve this goal, focusing on key areas such as energy efficiency and renewable energy investments, logistics optimization, water and waste management, and responsible sourcing and production practices.

4

Investing in Planet

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Climate and Environment

The COP27 climate summit, held in late 2022, played a crucial role in highlighting the urgent actions required to prevent a catastrophic future, particularly by addressing the interplay between climate change and water. Although the Paris Agreement aims to limit global warming to well below 2°C above pre-industrial levels through voluntary emissions reductions, current trends indicate that we are on track to surpass this threshold. Even a 1.5°C increase in global temperatures is expected to result in severe environmental consequences and widespread displacement¹.


In recognition of the pressing need for climate action, Eczacıbaşı Group is fully committed to integrating the management of our environmental impact into our core business strategy. As a subsidiary of Eczacıbaşı Group, we firmly believe that our efforts to combat and adapt to climate change will not only benefit our organization and stakeholders, but also contribute to a more sustainable and socially responsible future. By taking proactive steps in this direction, we aim to create a better environment and promote a habitable world for generations to come.



At Eczacıbaşı Consumer Products, we prioritize taking action to combat climate change by transparently disclosing our environmental impact and continuously striving for improvement in line with our sustainability goals. Central to our approach is the active reduction of our environmental footprint, as well as fostering collaborations with others to enhance our processes and collectively address the challenges of climate change.

To effectively manage our initiatives in addressing climate change, we have established dedicated working groups for energy and carbon, as well as water. These groups are responsible for monitoring our progress in key performance indicators and developing in-house expertise and skills. They report directly to the Sustainability Senior Manager and work in alignment with Sustainability Strategy Committee. By fostering collaboration and coordination, we aim to drive impactful actions towards our sustainability goals.

Energy Management and Carbon Emissions

At Eczacıbaşı, reducing the energy consumption and carbon emissions as a result of Group companies' activities is one of the main objectives within the framework of decarbonization roadmap. As Eczacıbaşı Consumer Products, we have set our targets gradually to decrease energy consumption and increase the percentage of renewable energy in our total energy consumption. These targets are tracked and reported by our Energy Committee working in coordination with the Group's Sustainability Directorate. To achieve these targets, we are investing in projects continuously and determinedly.

Through our initiatives in 2022, we successfully achieved a 2% reduction in energy intensity compared to the previous year, resulting in an energy intensity level of  2.32 MWh/ton of product. Looking ahead, our ambitious goal is to further decrease our energy intensity to 2.25 MWh/ton of product by the end of 2025.

The initiatives we took in 2022 also helped us to decrease our Scope 1 and Scope 2 total carbon emissions. In 2022, our total carbon emissions (Scope 1 and Scope 2) reduced to  57,787 tons of CO₂ which is %60 decrease compared to the previous year¹. Similarly, our carbon intensity reduced to  0.28 tons of CO₂/ ton product.

¹ Green electricity procurement (100% of electricity consumption) was a significant driver in the reduction of our emissions.



Eczacıbaşı Consumer Products, Baby and Personal Care Products Plant-Gebze

¹ WEF (World Economic Forum)

Energy Efficiency Projects

As we progress towards the transition to a low-carbon economy, the efficient use of energy becomes increasingly crucial for promoting resource efficiency and mitigating greenhouse gas emissions. We firmly believe that even small steps can contribute to significant energy savings. With this in mind, we continuously monitor our energy consumption, identify energy-intensive processes and equipment, and strive to implement more energy-efficient solutions.

Setting clear goals and developing actionable plans are essential components of our approach. Each year, we establish specific targets for every facility within our organization, focusing on reducing our energy-related impact. These targets guide our efforts in implementing measures to enhance energy efficiency and minimize energy loss.

We identify areas where energy consumption can be optimized through regular assessments. In 2022, we implemented various energy efficiency projects at our facilities to optimize our production processes and reduce our energy dependence, thereby minimizing our environmental impact. These projects included initiatives such as transitioning to efficient motors, implementing heat recovery and insulation measures, improving HVAC systems (heating, ventilation, and air conditioning), switching to efficient compressors, and upgrading lighting systems.

Project Classification	Location	Project Definition	Energy Savings
Production/ Process Optimization	Yalova	<ul style="list-style-type: none">Upgraded the pulper blades responsible for the cellulose processing.Optimized the set pressure of the wastewater reuse process.Automated the scrubber pump working cycle.	138 MWh
	Manisa	<ul style="list-style-type: none">Modified the pulper blade sequence software to reduce the time loss and loss of rotor energy.	
	Gebze	<ul style="list-style-type: none">Automated the reverse osmosis process to produce water as needed.Optimized the air supply system	
Efficient Motor Transition	Gebze	<ul style="list-style-type: none">Invested in a new compressor that has an efficient electric motor.	2 MWh
Heat Recovery and Insulation	Yalova	<ul style="list-style-type: none">Renewed insulation materials around the steam pipelines.	132 MWh
	Gebze	<ul style="list-style-type: none">Covered the ceilings of the production area to enhance the insulation.	
Compressed Air	Gebze	<ul style="list-style-type: none">Detected the air loss in the air supply system.Optimized and automated the temperature of the air conditioning unit.	74 MWh
	Yalova	<ul style="list-style-type: none">Exchange of master air compressor to higher energy efficient class.	342 MWh
Lighting	Yalova	<ul style="list-style-type: none">Switched to efficient led lighting.	39 MWh
	Manisa	<ul style="list-style-type: none">Switched to efficient led lighting.	

Total Energy Savings in 2022 727 MWh

Carbon Emission Reductions in Logistics

Logistics play a significant role in greenhouse gas emissions, and we recognize the need to actively address this environmental impact. As part of our commitment to sustainability, we have implemented measures to reduce our carbon footprint. One recent initiative involves optimizing the load carrying capacities of our trucks during deliveries. By removing pallets for certain destinations, we have increased the unit volume of our truck loads, resulting in a reduction of 491 trucks required to transport the same number of products. This has led to an estimated reduction of approximately 280 tons of equivalent CO₂ emissions.

Furthermore, we prioritize railway transportation whenever feasible. In 2022, we successfully transferred our products to Bulgaria and Kazakhstan via railways, resulting in a significant reduction of 198 tons of CO₂ emissions compared to road transport.

Through these carbon reduction initiatives, we are actively working towards minimizing our environmental impact and promoting sustainable logistics practices.

Gebze Solar Power Plant

In 2022, we have installed 0.8 MW of solar panels on the roof of our Gebze production facility. The system has the capacity to generate approximately 1,307 MWh of electricity under optimal conditions. This amount covers around 72% of our Gebze Baby and Personal Care Products factory’s electricity consumption needs.

This project was commissioned in 2022.

Renewable Energy

Fossil fuels have a significant and detrimental impact on global climate change, serving as the primary source of over 75% of global greenhouse gas emissions and nearly 90% of all CO₂ emissions¹. This staggering contribution underscores the urgent need for transitioning to cleaner and more sustainable energy alternatives.

Investing in renewable energy technologies and infrastructure is now more crucial than ever before. In addition to mitigating greenhouse gas emissions, investments in renewable energy can reduce the dependence on fossil fuels and promote long term economic benefits.

Eczacıbaşı Group has taken proactive steps towards addressing climate change by initiating a decarbonization roadmap and investing in renewable energy across its companies at the group level.

Generating Our Own Electricity from Renewables

At Eczacıbaşı Consumer Products, we have set our targets aligning with our Eczacıbaşı Group’s low carbon transition roadmap. In this scope, one of our key initiatives is the installation of solar panels on the roofs of our production facilities.

By the end of 2023, we plan to install 5.6 MW of solar panels on the roofs of our production facilities. Furthermore, our long-term vision extends to the year 2030. By that time, we have committed to sourcing 50% of our electricity consumption from self-produced renewable energy. This ambitious target reflects our dedication to increasing our renewable energy capacity and reducing our dependence on conventional energy sources.

Green Electricity Procurement

As part of our Group’s strong commitment to renewable energy, we have taken significant steps to ensure that the electricity consumed in 2022 was from renewable sources. We are proud to announce that procured all electricity consumption, a total of 154 GWh, from renewable sources, aligning with our goal of promoting sustainable energy practices.



¹ UN-Renewable energy – powering a safer future

Water Management

Water is indeed a vital resource for all life on Earth. However, climate change poses significant challenges to water resources and has the potential to disrupt the natural water cycle, leading to increased seasonal variability and creating a more unpredictable water supply. This variability can have severe implications for regions already facing water scarcity issues and may even introduce water stress in areas where it has not been a recurring problem. About four billion people, representing nearly two-thirds of the global population, experience severe water scarcity during at least one month of the year.¹

In light of these challenges, the protection of water resources, along with their efficient utilization and the implementation of water-saving initiatives, becomes paramount. By adopting responsible practices and implementing effective management strategies, we can mitigate the adverse effects of water scarcity and pollution.

¹ UN Water- Valuing Water

At Eczacıbaşı Consumer Products, we implemented various water management projects in 2022, to promote responsible water use and to meet our commitment of reducing our water intensity to 7.49 m³/ton product by the end of 2025.

These projects included a range of initiatives, including optimizing processes to maximize efficient water use and advancing water treatment to discharge less and reuse more wastewater. Our efforts led to a total of 32,457 m³ corresponding to 2% of our freshwater usage. Furthermore, thanks to these initiatives, we have reduced our water intensity by 5% to 7.89 m³/ton product, compared to the previous year.

- **Process Modification on the Yankee pH measurement:**

Previously, during the continuous pH measurement process, the steam sample that was taken would cool down and be discharged as wastewater. However, we have implemented measures to utilize this water within the system, rather than treating it as wastewater. This initiative resulted in water savings of **1,080 m³/year**.

- **Maintenance Works at Paper Machine-2:**

Our maintenance team revised the boiler's cooling water return streams which yielded 5,000 m³ of cooling water savings. In addition, regular manhole cleanings have started to be done by treated wastewater which yielded of 240 m³/year fresh water saving. In total, thanks to our maintenance initiatives, we are now recycling **5,240 m³** of water each year.

- **Equipment Modification at Paper Machine-1:**

We have changed the nozzle type from flat type to narrow type (reducing from 1.5 mm to 1 mm) in the headbox section of Paper Machine 1. This change has allowed for more efficient and precise use of water. By reducing the diameter of the high-pressure flat nozzle, the spraying area has become narrower and more focused on the target area. This has enabled the same operation to be performed with less water. As a result, we have achieved water savings of **4,167 m³** in 2022.

- **Wastewater Treatment Plant Process Optimization:**

By utilizing adapted bacteria in the biological treatment process, the treatment efficiency has been enhanced, leading to a decrease in the organic load accumulation and the need for treatment tanks cleaning in the system. This has resulted in significant water savings of **27,345 m³** in 2022.



Circular Economy

The shift from the traditional linear “take-make-dispose” model to a more sustainable and regenerative approach is becoming inevitable in the future’s economy model. Global consumption of resources such as biomass, fossil fuels, metals and minerals is expected to double in the next forty years, while annual waste generation is projected to increase by 70% by 2050¹.

To tackle this challenge, the European Green Deal has introduced a comprehensive strategy to transition towards a climate-neutral, resource-efficient, and competitive economy. A key aspect of this strategy is the scaling up of the circular economy, extending its reach from early adopters to become the norm for all economic actors. By embracing the principles of the circular economy, such as reducing resource consumption and waste generation, the EU aims to make significant progress towards achieving climate neutrality by 2050, decoupling economic growth from resource use, and ensuring the EU’s long-term competitiveness. Additionally, the EU is committed to ensuring an inclusive transition, leaving no one behind in the shift towards a more sustainable and circular economy.

Adopting circular economy principles is one of the Eczacıbaşı Group’s key strategic action plans. In this direction, at Eczacıbaşı Consumer Products, we are conducting circular economy practices with a responsible producer mindset. To drive this initiative forward, we have established dedicated working groups focused on circular economy, plastic, sustainable products, and green procurement. These working groups play a crucial role in addressing important aspects related to responsible production, procurement practices, and the effective management of resources and waste. Through their efforts, we aim to advance our commitment to sustainable practices and contribute to a more circular and environmentally conscious economy.



Eczacıbaşı Consumer Products,
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¹ EU Commission – A New Circular Economy Action Plan

Resource Management and Responsible Procurement

At COP 26, significant progress was made in safeguarding the world's forests. During the Conference of the Parties, the international community reached a crucial agreement to halt the loss of forest area and biodiversity by 2030. This landmark agreement encompasses over 90% of the global forested area, signifying a significant commitment to preserving and protecting these vital ecosystems¹.

As a responsible producer, we have taken significant steps to reduce our environmental impact on the environment. Our tissue paper production facilities have proudly received the Forest Stewardship Council Chain of Custody (FSC™ CoC) certificate. This esteemed certification, bearing the number FSC™ C128664, attests that the cellulose utilized as raw material in our tissue paper products adheres to stringent standards and originates from responsibly managed forests. The certificate also confirms that throughout the entire production, storage, and shipping processes, from inception to the hands of consumers, we strictly uphold FSC™ CoC standards. To ensure compliance, independent and accredited organizations conduct thorough inspections and audits.

We are committed to upholding FSC™ CoC standards in our use of raw materials and employing sustainable methods in our tissue paper production. As part of our dedication to reducing material consumption, we offer consumers our Solo Giant Roll Towel product, which is three times longer than a regular roll towel. This innovative approach allows us to decrease the usage of cardboard by two-thirds and reduce the amount of used polyethylene packaging.



By adhering to FSC™ guidelines and continuously seeking ways to minimize waste, we strive to deliver environmentally responsible tissue paper products that meet the highest quality standards.

At Eczacıbaşı Consumer Products, responsible sourcing is a cornerstone of our commitment to sustainability. We strive to minimize negative impacts on communities and the environment while promoting positive social and economic outcomes. One key aspect of responsible sourcing is our focus on local procurement practices. By prioritizing local suppliers, we aim to reduce our logistical environmental impacts and support the prosperity of local communities. We are proud to have achieved a remarkable 90% local supplier ratio, which not only strengthens local economies but also contributes to our efforts in reducing our carbon footprint.

Product Responsibility

Aligned with Goal 12 of the United Nations 2030 Agenda, which focuses on Responsible Consumption and Production, we are dedicated to developing sustainable products that prioritize the efficient and responsible use of natural resources. Our product range aims to enhance comfort and hygiene, catering to people's well-being and cleanliness needs both within their homes and in external environments. By offering sustainable solutions, we strive to contribute to more sustainable future while meeting the evolving demands of our customers.

Our commitment to product responsibility encompasses various crucial aspects. Foremost, the health and well-being of our consumers drive our product development efforts, as we prioritize meeting the highest standards of quality to fulfill their demands. Additionally, we actively work towards reducing plastic usage such as incorporating more biodegradable alternatives, contributing to environmental sustainability. We also focus on optimizing energy and water consumption per product to enhance efficiency and conserve resources. Furthermore, we prioritize the development of innovative and sustainable chemical formulas in our cleaning products, ensuring both effectiveness and minimized environmental impact.

Eczacıbaşı Professional

In the cleaning and hygiene sector, Eczacıbaşı Professional (EP) places great emphasis on responsible consumption and production as integral parts of its business strategy. EP offers a range of products including tissue papers, cologne, hand disinfectants and soaps, surface disinfectants, and wet wipes, all designed with a focus on providing high quality while also considering their environmental impact.

Selpak Professional dispenser series, including the Selpak Professional Premium Sensor Towel Dispenser, Selpak Professional Center Feed Toilet Paper Dispenser, and Pickasso Napkin Dispenser, contribute to reducing paper consumption in public spaces.

Green Care products, the sub-brand of Tana Professional, which EP sells, have EU Ecolabels, Nordic Swan Ecolabel and Cradle to Cradle certificates. These environmentally friendly products feature 100% biodegradable surfactants and provide sustainable alternatives for cleaning and hygiene needs.

The Maratem hero product line in the cleaning and hygiene field is formulated with a concentrated formula, reducing water usage, and minimizing packaging waste. The use of refillable bottles also helps in reducing plastic waste by enabling multiple uses.

EP addresses the issue of organic waste and oil deposits that can cause drain blockages in professional enterprises by offering a biological product series containing beneficial bacteria and special surfactants derived from these bacteria. This helps reduce waste accumulation and its negative environmental impact.

¹ UN Climate Change - COP26: Pivotal Progress Made on Sustainable Forest Management and Conservation

Maratem Duo

The Maratem Duo special concentrate product series is designed with an automatic dilution cap to address the issue of excessive chemical use. By preventing the misuse and overuse of products, our aim is to promote responsible consumption. Additionally, the concentrated formulas offer storage advantages for enterprises, leading to reduced space requirements. This not only optimizes logistics but also contributes to a reduction in greenhouse gas emissions. With sustainable features, Maratem Duo is committed to supporting environmentally friendly practices in the industry.



Antimic Surface Disinfectant

Maratem M281 Antimic is a water-based nanotechnological cleaning and protection material used against fungi, mold, microbes, bacteria, and viruses. It eliminates bacteria and viruses on the applied surface and creates an invisible protective layer.

It delivers highly effective and long-lasting results with a minimal amount of application. This innovative solution ensures maximum cleanliness and protection for surfaces, making it a reliable choice for maintaining a hygienic environment.



Uni Baby

Uni Baby, our leading baby care brand in Turkey, is dedicated to meeting the evolving needs of babies and their mothers. We have taken inspiration from mothers and the changing developmental stages of babies to completely revamp our product range. This groundbreaking approach, unique in wet wipes category in Turkey and globally, allows us to prioritize consumer needs and tailor our products to the specific stages of baby development.

We have carefully reconsidered the content of our wet wipes, shampoo, laundry detergent, and softeners. Our newborn wet wipes are made with 100% plant-based fibers and organic cotton, ensuring a gentle and natural touch for babies. It is the first natural newborn wet wipes approved by Etko Cosmos in Turkey. We have also reformulated our shampoos using natural ingredients and pure water, providing a safe and nourishing bathing experience.

Our commitment to quality and naturalness has been recognized through independent audits conducted by Etko Cosmos, a certification association that sets global standards for the naturalness of cosmetic products. We have successfully met their rigorous criteria for product content, production facilities, quality systems, and production lines. This achievement includes receiving the first-ever naturalness certificate for our Uni Baby newborn wet wipes in Turkey, making us the sole company in our sector to hold such a prestigious certification. Moreover, we are proud to produce Turkey's only prebiotic wet wipes.

Uni Baby continues to be the trusted companion of mothers and fathers at every stage of baby care. Our dedication to innovation and naturalness sets us apart, ensuring that we provide the highest quality products for the well-being of babies and the peace of mind of their parents.

Responsible Care Initiative

Responsible Care is a commitment program implemented worldwide to promote occupational health, safety, environmental protection, energy efficiency, resource utilization, and sustainability. It is supported at the European level by the European Chemical Industry Council (CEFIC) and at the global level by the International Council of Chemical Association (ICCA), and continuity is developed. In Turkey, the program is led by the Association of Chemical Industry of Turkey (TKSD), of which we are a member.

As a responsible producer, we proactively uphold our responsibilities and ensure adherence to the required standards and guidelines. In this scope, we renew our certification annually through the association.

Responsible Care is a voluntary initiative, commitment program of the global chemical industry, beyond legal or regulatory compliance.

Responsible Care, undertakes to companies, national chemistry associations and stakeholders:

- Continuous improvement in environment, health, safety, information, performance, process-(green production) technologies to prevent harm to human health and environment within the life cycle of its products
- Effective use of resources and minimizing waste (resource efficiency & circular economy)
- Cooperation with government institutions and organizations in the development and enforcement of effective regulation (legal legislation) and standards



Waste Management

At Eczacıbaşı Consumer Products, it is crucial for us to prioritize waste reduction and management throughout our operations and supply chains, focusing on both production and packaging processes. We strive to minimize waste generation and maximize reuse, recycling, and responsible disposal practices.

Waste can occur at various stages of our value chain, from sourcing and processing ingredients to consumer use and disposal. By emphasizing waste reduction in our manufacturing processes, we not only fulfill our environmental responsibilities but also enhance efficiency and cost-effectiveness, aligning with our business objectives.

Zero waste is not just a goal, but a shift in perception. It requires us to challenge our traditional notion of waste and view all materials as valuable resources rather than items to be discarded. It involves rethinking our approach to consumption, production, and disposal, and finding innovative ways to reduce, reuse, and recycle materials to their fullest potential. By embracing a zero-waste mindset, we can make significant strides towards creating a more sustainable and circular economy.

As Eczacıbaşı Consumer Products, we are particularly focused on utilizing circular economy practices in our production processes, not only in our manufacturing processes but also in choosing the products and materials we procure from

our suppliers. With industry connections and alternative solution partnerships, we constantly seek to strengthen the existing ties to ensure the waste generated during production processes is transformed by the circular economy. To this end, our process sludge from paper machines produced by our Yalova Tissue Paper Production Plant, which is 24% of our total waste generation, is utilized in the production of shoes insoles. Our goal is to increase similar collaborations and find alternatives to support the utilization of our manufacturing waste as inputs for other production processes.

In 2022, we continued our unwavering focus on minimizing waste and promoting recycling throughout our operations. We are delighted to share our accomplishments in line with our defined goals. We successfully achieved a remarkable 7% reduction in waste intensity, resulting in just 35.6 kg of waste per ton of product. Additionally, we take great pride in surpassing our target by achieving a 🟢 95.3% recycling waste.

Our Waste Management Highlights in 2022

- A zero-waste system has been implemented, and the amounts of waste generated are reported monthly and non-recyclable waste per ton is reduced by 10% compared to 2021. Regular training sessions are provided to employees to reduce our waste generation, and necessary actions are taken to establish a monitoring mechanism.
- We extended the lifespan of our corporate computers that had reached the end of their useful life by donating them to suitable beneficiaries, thereby promoting their reuse. For computers that were no longer suitable for reuse, we ensured their recycling by transferring them to certified electronic waste companies.
- In Selin, the PE (polyethylene) shrink materials inside the cartons have been removed, resulting in the avoidance of approximately 1.5 tons of plastic usage and preventing waste from entering the environment.

Plastic Initiative

As Eczacıbaşı Consumer Products, we are proud to support the “Business World Plastic Initiative,” a collaborative effort led by the Sustainable Development Association (SDA), the Turkish Industry and Business Association (TÜSİAD), and the local network of Global Compact Turkey. This initiative serves as a platform to collectively address the pressing challenges associated with plastic. We actively contribute to this important initiative, demonstrating our commitment to finding sustainable solutions and driving positive change in the management and use of plastic materials.

Plastic Initiative Progress Report 2022

In line with our commitment to the Business Plastics Initiative (IPG), in 2022, we successfully achieved a reduction of 89.8 tons through our initiatives to minimize the use of plastics in our product packaging. As part of these efforts, we undertook several measures. These included optimizing the weight of PET and PE packaging, developing bottles with lower weights, optimizing the dimensions and thickness of our flexible packaging structures, and eliminating unnecessary plastics. These actions aimed to reduce our environmental impact and enhance sustainability.



Eczacıbaşı Consumer Products places a paramount emphasis on investing in our workforce to enhance employee well-being and drive long-term prosperity for our organization. Our overarching objective is to create purposeful and equitable employment opportunities for all, while cultivating a culture of diversity and inclusivity that celebrates individual differences.

In pursuit of this objective, we remain steadfast in our commitment to establishing a working environment that upholds exceptional standards of working conditions, prioritizes the health and well-being of our employees, and fosters ample opportunities for their professional and personal growth, thereby enabling them to reach their full potential. We deeply acknowledge that our employees are the cornerstone of our organization, and as such, we hold a fundamental responsibility to contribute value to our broader community. Accordingly, we have developed a comprehensive range of strategies aimed at making a positive impact on the lives of those within our sphere of influence.

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Equal Opportunity

Eczacıbaşı Consumer Products operates under the guiding principle of “ensuring equal opportunities for all” throughout its human resources processes, with a steadfast commitment to providing every employee with a just, equitable, safe, and conducive working environment. The company recognizes and values diversity as an integral element of its corporate culture.

“To be present, in every moment of life, for clean and healthy living”

+1,700 Total human resources

70% Y* and **6% Z**** Generation

At Eczacıbaşı Consumer Products, we uphold an unwavering dedication to our employees and conduct our activities in alignment with internationally recognized human rights standards, upholding a fundamental ethos of “respect for individuals.” At the core of our human resources strategy lies the profound belief in investing in our people, promoting equal opportunities in every aspect of their professional and personal lives, and prioritizing their overall health, safety, and well-being.

To achieve our strategic objectives, we diligently adhere to legal frameworks. In addition to the Eczacıbaşı Community’s legal documentation, we have implemented specific policies at Eczacıbaşı Consumer Products, including our **Gender and Equal Opportunity Policy**, which operates in alignment with the broader **Eczacıbaşı Group’s Gender and Equal Opportunity Policy**, as well as our **Human Rights Policy**. These policies are not confined solely to our company but extend to every stage of our value chain, as we exert our utmost efforts to uphold and integrate human rights principles.

* Generation Y people (more commonly known as Millennials), born between roughly 1981 and 1996.
** Generation Z people born between roughly from 1997 to 2012.

By actively promoting and safeguarding a working environment that values and respects these principles, we establish a profound foundation of trust and connection between ourselves and our employees. Inclusivity extends beyond empowering our female workforce; it entails bridging the gender gap by cultivating awareness among our male employees. As a testament to our dedication to inclusivity, we have incorporated the celebration of International Men’s Day into our HR agenda for 2023, emphasizing our unwavering commitment.

Simultaneously, we acknowledge that nurturing an inclusive and egalitarian workplace necessitates offering equal opportunities to all candidates and employees. This principle stands as a paramount focus within our sustainability strategy. We take great pride in our continued membership within the Group’s Equal Opportunities Committee, which provides us with a valuable platform to benchmark our strategies and perspectives against industry-leading practices, as well as engage in a fruitful exchange of ideas to enhance our HR policies and practices continually.



Eczacıbaşı Consumer Products - Yalova Production Facility

Equal, Diverse and Inclusive Workplace

Embracing inclusion, diversity, and equality is not only about ensuring legal requirements but also about developing a healthy, high-performing, and thriving organization. At Eczacıbaşı Consumer Products, we truly believe that our business will be stronger when people of every ethnicity, gender, background have equal opportunities and are treated with equality. Our HR perspective is based on three pillars: equality, diversity, and inclusion. Without one, the others cannot be accomplished or promoted in our workplace.

Having a diverse workplace enables our organization to have a better understanding of different segments of the population and in our sector, it is extremely important to comprehend and anticipate the needs of the population and deliver it to them accordingly.

At Eczacıbaşı Consumer Products, we take great pride in our active promotion of women's empowerment. Our commitment to this important cause dates back to 2013 when we signed the United Nations Women's Empowerment Principles (WEPPs) and joined the "Equality at Work Platform."

The "Equality at Work Platform" is a partnership between the World Economic Forum and the Ministry of Family and Social Policies aimed at promoting gender equality in the workplace. As a member of this initiative, we have implemented our own Gender Equality Training Programs to further advance our efforts towards gender equality.

Furthering our HR perspective, "zero weight" machinery is thought to be an important initiative to increase female employment at the manufacturing plants.

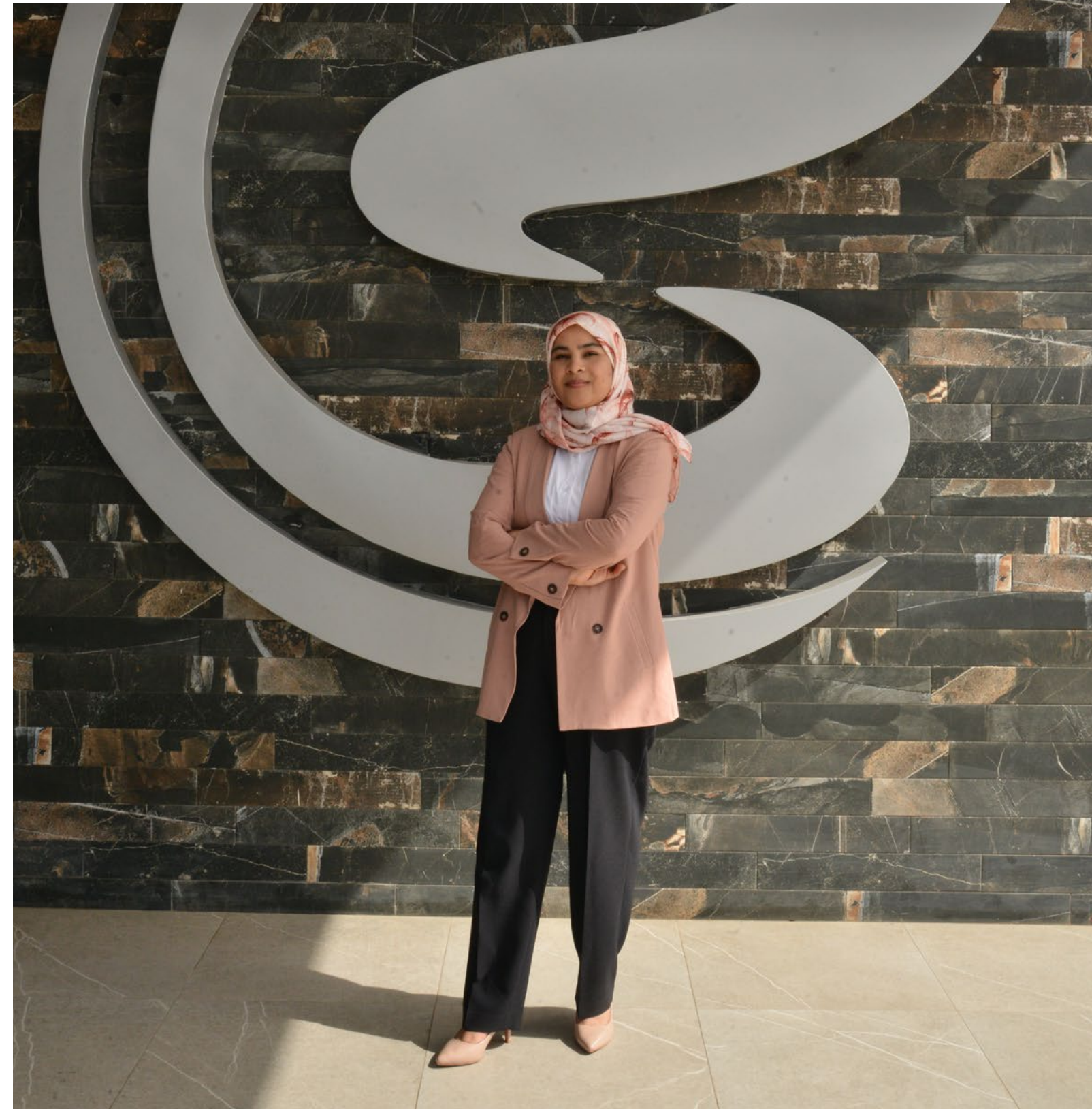
Eczacıbaşı Consumer Products has a primary objective of fostering enhanced gender diversity within our organization. By the year 2025, we are committed to achieving specific targets, including a representation of 42.5% women professionals, 37.5% women in management positions, and a 50% overall representation of women among new recruits.

Significant progress has already been made towards these goals as of the end of 2022. We had already made noteworthy progress towards these goals, having increased the percentage of **women among new recruits from 49% to 55%**, the total percentage of **women professionals from 39 % to 40%**, and the percentage of **women in management from 31% to 33%** as compared to the previous year. While we take pride in our accomplishments thus far, we acknowledge that there is still considerable work ahead to create a truly diverse and inclusive workplace.

To address the need for gender balance improvement, particularly in traditionally male-dominated fields such as production, we have implemented various policies and procedures. Currently, more than 330 women⁴ work in production and related roles.

We remain committed to continuing with our efforts to ensure that women are represented at all levels of our company.

As of 2022, Our employees¹ **1,084** with total share of woman professionals² at **40.1%** ✓. Women hold **32.7%** ✓ of management roles³ within the Eczacıbaşı Consumer Product.



¹ Includes white-collar employees in Turkey with a full-time, indefinite term contract.

² Includes white collar employees with fixed and indefinite term contracts

³ Includes managers and higher management positions, Board members are excluded

⁴ Includes white-collar and blue-collar employees

Eczacıbaşı Consumer Products Trailblazing Projects

- Convened by **UN Women**, the United Nations entity for Gender Equality, the alliance brings together partners with the aim of leveraging the advertising industry as a force for positive change worldwide. Their goal is to empower people from diverse backgrounds and foster an inclusive and tolerant world. We are proud to be a member of the Unstereotype Alliance, as it aligns with our commitment to promoting gender equality. Through our participation, we strive to create advertisements that depict balanced and qualified roles for all genders. Our primary motivation is to avoid reinforcing stereotypes in our advertising, as we prioritize equality and inclusivity. We have launched the “Let’s Erase Prejudices” communication campaign, aiming to disrupt entrenched stereotypes and foster an inclusive work environment. This initiative focuses on increasing awareness regarding the detrimental effects of stereotypes in the workplace. It also encourages employees to embrace diversity and inclusion as essential values.
- We firmly uphold the principle of ensuring equal gender representation across all levels and platforms within our company. As a testament to our dedication, in 2022, we surpassed our goal by recruiting 71 women, surpassing the number of 55 who had departed. Given our position in the fiercely competitive fast-moving consumer goods sector, our sales departments hold paramount significance in driving our overall operations. Hence, we attach great

importance to actively seeking out female candidates for sales positions, going as far as establishing a dedicated candidate pool. In every stage of our recruitment processes, we take meticulous care to ensure that at least one of our final two candidates is a female.

- Creating a well-balanced work environment is of paramount importance to us, and that includes our employee composition and distribution. In order to maintain gender equality across all units of our company, we actively prioritize the recruitment and employment of female staff members in permanent roles within our production sites. Our primary objective is to support and amplify the success stories of female employees in traditionally male-dominated technical departments and facilitate their transition into permanent positions.

Recently, we achieved a significant milestone by successfully transferring three women employees from our subcontractor in Manisa to our core staff. Furthermore, we have made a remarkable addition to our team by recruiting a female Forklift Operator, who now stands as the sole female employee in this role within our subcontractor in Yalova. As a result, two of our female employees have also been able to be transferred into Forklift Operator positions within the subcontractor. In addition, we are currently providing comprehensive training to three female employees who will soon assume the role of Forklift Operators.

- In our communication efforts, particularly on our social media platforms, we place special emphasis on showcasing the accomplishments of our female employees in technical roles. We highlight their valuable contributions through engaging posts titled “Bu Ne iş” (She Means Business”) and “Markanın Kahramanları” (Heroes of the Brand). On our social media accounts, we have proudly shared the stories of two female employees excelling in technical functions, alongside three female employees making significant strides in the field of marketing. Through these posts, we aim to underscore the important roles they play within our organization.
- Under the “Bring Your Friend Award” scheme, we have implemented a gift certificates program aimed at encouraging employees to recommend female friends. Through this initiative, we successfully recruited five women based on the recommendations of six individuals.

- In an effort to raise awareness about International Women’s Day on March 8, 2021, we conducted social media and internal communication studies. As part of these efforts, we created a video that not only sheds light on the history of this global day but also highlights the remarkable achievements of influential female figures throughout history. The video was distributed to our 900 female employees as an inspiring tribute during the year 2022, continuing our commitment to recognizing and celebrating women’s accomplishments.
- Recognizing the power of social media as a crucial tool for creating awareness, we strive to leverage this platform to drive meaningful change. Our strategic approach involves utilizing various social media posts to challenge preconceived notions of gender inequality and bridge the gap between perceptions of women’s work and men’s work. Additionally, we conduct ongoing focus group studies to maintain close communication with our female employees and gain valuable insights into their needs. These studies enable us to plan and execute our future steps effectively.



Our Remuneration Approach

As part of the Eczacıbaşı Group, we are fully committed to the principle of “equal pay for equal work.” To ensure alignment with this principle, we employ various measures in our compensation practices. Our compensation strategy at Eczacıbaşı Consumer Products takes into account factors such as an employee’s career progression, position level, performance, and market-based salary benchmarks. We implement a fair and objective pay policy that considers comprehensive evaluations and job requirements for each individual. By upholding the principle of “equal pay for equal work,” we strive to ensure that all our employees are compensated fairly and impartially, regardless of their gender, race, or other personal attributes. This approach not only promotes fairness and equality in the workplace but also attracts and retains talented individuals who value these principles.

In line with Group remuneration policy, we set targets based on performance, potential, position criticality, and employee needs. As part of our “Bring Your Friend Award” scheme, we have successfully implemented a gift certificates program to encourage employees to recommend female friends for employment. Additionally, we have strategically chosen and nominated female employees in technical roles from diverse locations to serve as influential advocates and spokespersons as part of our impactful “Bu Ne İş” (“She Means Business”) social media campaign.

Human Rights and Union Rights

Respect for human dignity and rights is integral to our business practices. The Eczacıbaşı Group enforces a **Human Rights Policy** that aligns with international and national standards. This policy is binding for all employees and activities. As Eczacıbaşı Consumer Products, we are accountable for compliance and encouraged to promote these principles among business partners. We actively disseminate these principles when necessary.

We are committed to establishing a work environment that is peaceful, safe, transparent, equitable, honest, fair, and dignified for all our employees. We adhere strictly to the fundamental principles of the Group, which align with ethical standards and human rights. This commitment applies throughout the entire employee journey, from recruitment to promotion, including development opportunities, as well as determining remuneration and fringe benefits.

Eczacıbaşı Consumer Products is dedicated to establishing and maintaining an equitable working environment that upholds the fundamental rights of all employees. We acknowledge and respect the right of its employees to form and join a labor union of their choice without any constraint or obstruction.

As of close to 2022, the company’s workforce was comprised of 35% blue-collar workers, of which 71 % were affiliated with worker unions. This reflects the company’s commitment to supporting the rights of workers to organize and collectively bargain.

Overall, the Eczacıbaşı Group’s commitment to creating a fair and equitable workplace reflects its broader commitment to promoting a culture of diversity, inclusion, and respect. By upholding ethical principles and human rights in all aspects of its human resource processes, we are committed to providing a safe, supportive, and fulfilling work environment for all employees.



Employee Development in Eczacıbaşı Consumer Products

Attracting, Developing and Retaining Talent

Eczacıbaşı Consumer Products places great emphasis on the continuous support of its employees' professional growth. We employ a digital and innovative human resources approach to prioritize this aspect. This approach allowed us to address critical areas such as career advancement, the evolving nature of work for the new generation, rewards and recognition, team collaboration, and fostering sustainable commitment. By adopting this team-oriented structure, we effectively communicated with our employees and demonstrated a heightened understanding of their unique needs, enabling us to provide more empathetic support.

Through the cultivation of an environment that values recognition and assistance, we are confident in our ability to continually inspire our employees to pursue greatness and make valuable contributions to our organization's achievements. Our strong focus on collaboration, innovation, and ongoing professional growth reflects our steadfast dedication to empowering our employees, enabling them to unlock their full capabilities and align their aspirations with the collective objectives of the Group.

Continuous Learning and Development

At Eczacıbaşı Group, we place a strong emphasis on providing our employees with comprehensive training programs to enhance their professional and technical knowledge, leadership skills, and management abilities. We constantly refine and update our training curricula to deliver the most relevant and effective content, and tailor these to meet the peculiar needs of our employees at all levels and across all departments.

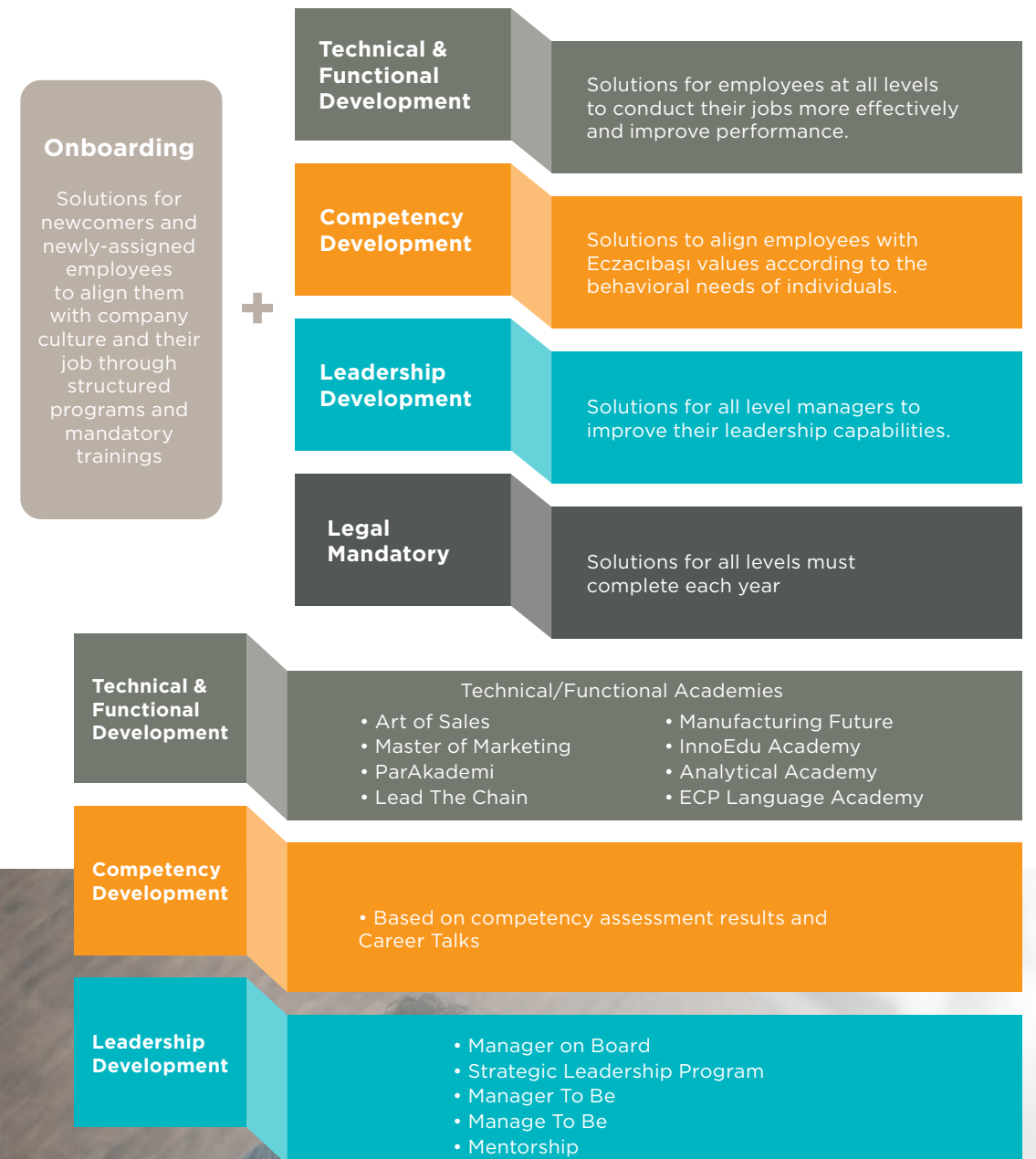
To support the growth and development of our employees, we increase our training budget each year. In 2022 increased the average training hours per employee from 19 to 23 hours, and total training hours per talent¹ from 4 to 11

We value each employee as a unique talent. Through targeted training sessions, we aim to enhance their work skills and increase professional competencies. Our focus extends beyond technical proficiency, offering opportunities for leadership and management development. We provide

financial support for doctoral and graduate students pursuing academic studies to advance their professional growth. Additionally, we offer funding and assistance for employees seeking specialized certifications or language proficiency, fostering personal development. Our diverse training programs enable us to identify common company needs, allowing colleagues to harness their full potential by directing them towards relevant programs aligned with our shared goals. In 2021, we launched the "Competence Academy," delivering customized competence development initiatives across different work areas.

Our collective objective is to learn from one another's experiences and knowledge, fostering mutual growth through our mentoring/reverse mentoring program, "Mind Masters," launched in 2021. With 63 participants in 2021, the program will continue to thrive in 2022 as we believe in the power of collaborative learning and development.

Learning and development programs are designed for employees at all levels according to their individual and collective needs



¹ Employees in Turkey leadership programs

Distance Education Program

EP Academy, the training and consultancy unit of Eczacıbaşı Professional, has developed a comprehensive training program aimed at enhancing the knowledge of industry professionals in cleaning and hygiene. This program provides accessible online training modules, enabling employees in the sector to expand their expertise. In 2022, we successfully trained 9,200 individuals across 500 locations, offering a diverse range of training options under the slogan “We are here for you.”

Our training initiatives are tailored to address specific business needs, encompassing both theoretical knowledge and practical on-the-job training. We prioritize online and/or distance education to ensure continuous learning opportunities. The training content focuses on various aspects, including raising awareness of basic hygiene practices at all levels, promoting environmentally friendly approaches in businesses through effective product

usage, ensuring chemical safety, maintaining personal hygiene, ensuring food safety, conducting environmental disinfection, understanding different surface types, optimizing costs, and more.

Given the importance of time and energy efficiency in today’s world, we provide the industry with user-friendly and practical solutions, elevating hygiene standards to new heights through appropriate, suitable, and timeless applications. Since the outbreak of the global pandemic in 2020, the concept of hygiene has gained even greater significance and rightfully deserves our utmost attention. The training program is designed for targeted participants such as department managers, quality department employees, business owners, and cleaning personnel who directly engage with the products.

Succession Planning and Talent Development Initiative

We have updated our 2022 backup lists to prioritize appointments within our organization and the community. Our goal is to announce opportunities for our talented individuals not only within our organization but also at other organizations in the community. We have analyzed critical roles and capabilities and integrated them into the new system. Throughout 2022, we actively monitored our organizational backups and alarming points in the new system. Based on the results of the employee loyalty survey, we have created action plans to retain talent. These plans include comprehensive training programs in our Academy tailored to each function, allowing employees to become experts in their respective roles. We have also made our academic schedule more flexible, empowering individuals to design their own training programs and shape their personal development according to their preferences.



Attracting the Best Talents

We understand the significance of attracting top talent to our company. To achieve this, we have developed a range of initiatives, including training programs, workshops, interviews, and panel discussions, all designed to support our employees' development while strengthening their motivation, team spirit, and sense of belonging.

One of our key strategies to attract the best candidates is through organizing highly competitive events such as Career Test Drive, EnGenius, and Markatlon. These competitions specifically target new graduates and individuals pursuing advanced degrees, providing them with an opportunity to showcase their skills and creativity. By participating in these events, candidates gain exposure to our company and its values, fostering a strong interest in joining our organization.

By offering such comprehensive internships, we provide young talents with valuable insights into our operations, showcasing our dynamic project management approach. Successful completion of the internship program also positions these individuals favorably within the candidate pool for future recruitment processes within Eczacıbaşı Consumer Products. We are committed to attracting and nurturing the best talent and our initiatives reflect our dedication to building a strong, talented workforce for our company's success.

Eczacıbaşı Consumer Products strives to attract highly educated individuals who possess a dynamic and innovative mindset, embrace change and growth, excel in team collaborations, demonstrate entrepreneurial aptitude, and align with the core values of the Eczacıbaşı Group. Our primary objective in talent acquisition is to provide equal opportunities to candidates of all levels who possess the requisite qualifications and competencies.

To ensure fairness and objectivity, we employ recruitment tools that have been scientifically validated and proven to be reliable. Through our dedicated recruitment platform, Eczacıbaşı Career website, both fresh graduates and seasoned professionals can easily access and apply for positions within our organization. Additionally, individuals can connect with us via our social media accounts, allowing them to stay updated with the latest news and developments concerning Eczacıbaşı Consumer Products.

We are committed to fostering an inclusive environment that values diversity, encourages professional growth, and rewards exceptional talent. By joining our team, individuals have the opportunity to thrive in a progressive and supportive workplace, where their skills and potential can be nurtured and developed. At Eczacıbaşı Consumer Products, we believe in attracting and retaining top talent who can contribute to our success and uphold our esteemed reputation in the industry.

Career Test Drive for Young Talents

The Eczacıbaşı Group's Career Test Drive Program presents a unique opportunity for aspiring individuals seeking to join our esteemed organization. Since its inception in 2009, the program has successfully attracted numerous young and talented individuals. Our program provides full or part-time internships for university students lasting at least two months, affording them a chance to gain invaluable experience across various company roles.

Our Career Test Drive (CTD) program is designed to enhance the representation of women in our sales department by recruiting female CTD interns for future employment in both central and regional sales offices. In order to maintain gender balance, any female employee who departs will be replaced by a new female employee, and for this specific position, the final selection will prioritize two female candidates. Currently, we have 10 female CTD interns who have commenced their roles. Our objective is to elevate the proportion of female field sales employees from the existing 32% to 40%. This target has been set due to the low recruitment of women in our other sales departments, often posing challenges in finding suitable female candidates for this particular position.

Our objective is to provide comprehensive training and mentorship programs to female interns, ultimately hiring them upon graduation and nurturing them into managerial positions. By doing so, we aim to increase the number of female employees in our sales department. We have initiated the process with 95 female interns, out of which 57 have been interviewed. Currently, 10 interns have been recruited, and we await the graduation of 7 female candidates. We will consider these candidates, along with other unemployed graduates, for suitable positions as they become available. Additionally, young talents who successfully complete the internship program are included in the candidate pool for future recruitment processes within Eczacıbaşı Consumer Products.

The organization of the "DesteklerizBiz" mentorship project, which is conducted throughout the community, was once again led by Eczacıbaşı Consumer Products, as in previous terms. The mentorship process began by bringing together 21 female CDT (mentees) with 21 female leader mentors. Additionally, the mentors and mentees in this project were taken to a match of the Eczacıbaşı Volleyball Team, highlighting the significance of female support on the field. We supported the 21 women in their career aspirations by providing mentorship regarding their desired roles prior to entering the workforce. Furthermore, we incorporated interns, constituting 52% of our colleagues.



EnGenius

EnGenius is a pioneering competition program with a recruitment focus, designed to provide engineering students and recent graduates with a unique opportunity to gain insights into sundry business procedures within Eczacıbaşı Group organizations. Participants are offered a platform to showcase their imaginative thinking, analytical dexterity, and team-working abilities, with the expectation of contributing substantial value to the organization.

In 2022, Eczacıbaşı Consumer Products launched EnGenius'22-Metaverse Edition, an explicitly tailored program designed for 3rd and 4th-year university students, as well as recent graduates, with a specific emphasis on research and development and digital transformation. This groundbreaking venture marks the industry's inaugural foray into the Metaverse universe, making it a remarkable landmark in the field.

On the day of the competition, ten teams vied for the topmost accolade, demonstrating their exceptional talents and prowess. The victorious teams were rewarded with a cash prize that exemplifies the program's commitment to fostering a culture of distinction and innovation, encouraging participants to strive for excellence in all their endeavors.

Markatlon

The Markatlon Program offers a platform for third-year, senior, and post-graduate university students who have a passion for leveraging their creative abilities in the field of marketing.

In 2022, Eczacıbaşı Consumer Products collaborated with 3rd and 4th-year university students and recent graduates to launch the Markatlon Program, specifically designed for the Okey brand. Ten teams enthusiastically participated in this exhilarating program, with each team focusing on crafting a pioneering marketing strategy for the brand. The program culminated in a highly anticipated final event where the victorious teams were announced and recognized with generous cash prizes, celebrating their exceptional contributions to the program.

University – Industry Collaborations

In the year 2022, Eczacıbaşı Group proactively engaged in more than 70 career-focused events, spanning a wide range from career fairs and classroom visits to interview simulations, webinars, and informal tea conversations. These events were meticulously organized by career planning centers and student clubs across nearly 20 universities, offering students a diverse array of opportunities to interact with Eczacıbaşı Group.

As Eczacıbaşı Consumer Products, we have devised a comprehensive strategy to establish effective and sustainable communication channels with students on various campuses. With the unwavering support of our dedicated volunteer employees, we diligently strive to connect with students whenever possible. We actively participate in classes, career days, and campus events at universities to introduce our esteemed company and the Eczacıbaşı Group. Furthermore, we extend exclusive invitations to students, encouraging them to visit our company offices, production facilities, and head office, enabling them to gain valuable insights into our organization and business operations. Notably, we organize insightful meetings between female students and women leaders within our organization, thereby fostering meaningful networking opportunities and serving as an inspiration for aspiring future leaders. In addition, we offer students unparalleled chances to explore their areas of interest by facilitating one-on-one meetings with professionals, hosting engaging question and answer sessions, and presenting captivating case studies.



Performance and Career Development

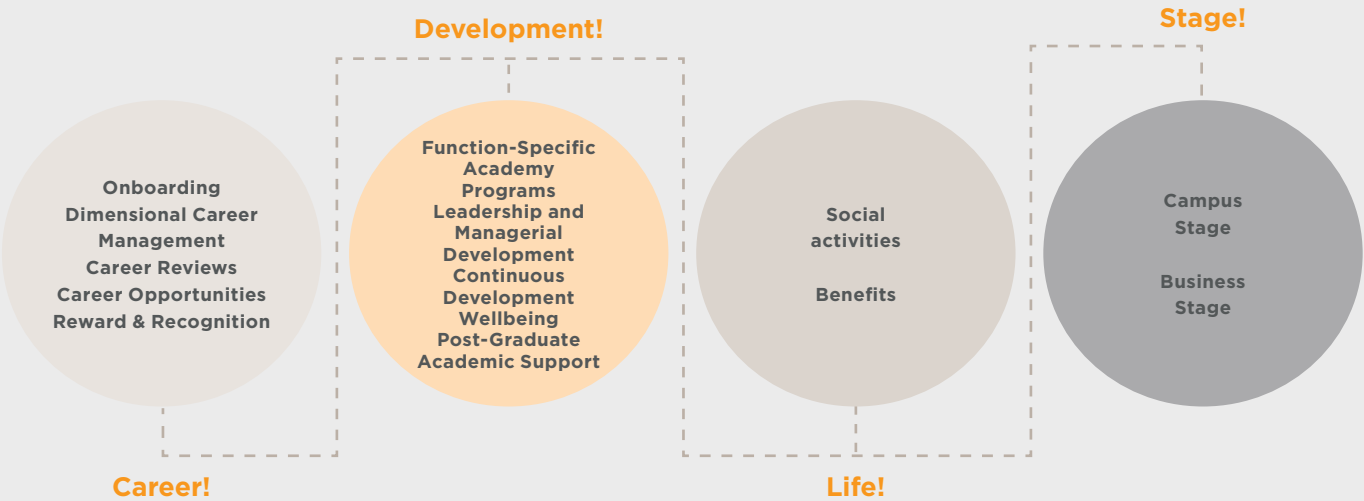
As a prominent player in the FMCG sector, we remain steadfast in our commitment to uphold the values established by the Group. Through an unwavering dedication to performance evaluation, we ensure that our employees are evaluated on an equal footing within the Group. Our unwavering focus lies in nurturing the personal and professional growth of our esteemed workforce, employing a rigorous process encompassing performance assessments and career development evaluations. This holistic approach not only propels the advancement of our human resources but also empowers us to effectively manage employee skills, fostering an environment where individual aspirations seamlessly align with the overarching objectives of our organization.



Performance Management System is a vital tool that enables our company to identify and nurture the talent within our organization. We have adopted a three-phased approach to the performance management process, involving planning, interim evaluation, and year-end evaluation. This approach ensures regular feedback for our employees, empowering them to achieve their goals and enabling us to take corrective action when necessary. By cultivating our employees’ potential, we ensure the attainment of our strategic objectives. Frequently encountering a multitude of career opportunities such as rotation, job transitions, and functional changes, we embrace the advantages of being a part of a large community, all while adhering to transparent, objective, and fair career practices.

Through these initiatives, we ensure that our human capital requirements are meticulously crafted, identifying and nurturing competent individuals within Eczacıbaşı Consumer Products, enabling us to sustain our position as a leader in FMCG sector.

Career Journey At Eczacıbaşı Consumer Products



Employee Engagement

At Eczacıbaşı Consumer Products, our foremost priority is to establish an inclusive, diverse, and equitable working environment that strongly emphasizes employee satisfaction. We firmly believe that employee satisfaction is a critical driver of our overall success, as it directly influences employee loyalty. We have unwavering confidence in the exceptional talents of our workforce, recognizing both their professional capabilities and personal qualities. Therefore, we are dedicated to creating an optimal work environment that fosters the growth and retention of every talented individual within our organization.

Active listening plays a pivotal role in achieving high levels of employee satisfaction. We firmly believe that without attentive listening, we cannot effectively address the needs and desires of our employees. By engaging in meaningful dialogue with our workforce, we gain valuable insights into their perspectives and can respond to their requests, thereby bolstering our employee satisfaction initiatives.

To cultivate employee loyalty, we conduct annual risk mapping and analyze the results, allowing us to chart our roadmap and identify opportunities for further employee growth. In light of recent developments, we have implemented flexible working hour arrangements, enabling employees to plan their schedules according to their needs. Our remote working model, which was introduced prior to the pandemic, positioned us to swiftly adapt to the flexible working conditions that emerged during and after the crisis. Presently, we offer three primary working patterns for our white-collar employees: full-time remote, hybrid, and in-office/on-site. Those who prefer full-time remote work conduct their duties entirely outside

the office, while employees in hybrid arrangements work remotely for two days per week. Additionally, we promote employee participation in decision-making processes, provide extensive self-development opportunities through training, workshops, seminars, and organize social events.

Under the “Bi’Mola” brand, we offer a comprehensive program that caters to the physical and mental well-being of our employees. The Studio live mobile application provides a wealth of content, offering physical and mental detox options to promote happiness among our workforces. This initiative has not only increased our corporate vitality and overall well-being but has also given us the opportunity to recharge our batteries.

As of the end of 2022, we had a total of 276 active participants, with participation in over 4,500 events and a cumulative total of 171,371 minutes spent on “Bi’Mola”.

Based on the results of the 2022 Employee Engagement Survey, we have implemented organization-wide actions to enhance the employee experience:

Category	Actions
Sustainable Engagement	<ul style="list-style-type: none">A communication plan was implemented to internalize the company purpose house by the employees.
Leadership	<ul style="list-style-type: none">Live broadcasts started to be made every quarter with the management team.Meetings with the leadership team began to be held every quarter.
Training and Development	<ul style="list-style-type: none">Flexible training programs were launched in functional academies.
Pay & Rewards	<ul style="list-style-type: none">The instant recognition and reward system was used effectively.

Health and Wellbeing

At Eczacıbaşı Consumer Products, we prioritize the health and well-being of our employees. We believe that a safe and secure work environment is essential for employee engagement and productivity, which are crucial for our success. To achieve this, we have established a culture that promotes employee well-being and safe behavior. The Eczacıbaşı Consumer Products Occupational Health and Safety Policy aligns with the Group's overarching Occupational Health and Safety policy and is applicable to our entire organization. This policy establishes a comprehensive framework that outlines principles and commitments aimed at ensuring workplace health and safety.

Our dedicated Group OHS Committee, part of our Sustainability Working Groups, ensures the safety of employees, contractors, and visitors while supporting daily operations. Through collective efforts, we strive to maintain a culture of safety and well-being, creating a thriving workplace.



Eczacıbaşı Consumer Products - Yalova Production Facility

Health, Safety and Wellbeing

Eczacıbaşı Group holds a steadfast commitment to providing a safe and healthy working environment for its employees, upholding all relevant laws and regulations, and improving its occupational health and safety (OHS) performance. This unwavering dedication to its employees, society, and stakeholders is reflected in the proactive and rigorous measures the Group takes to ensure that the best OHS practices are in place, and that its operations continuously improve to meet the highest standards possible.

Eczacıbaşı Group companies take a preventive approach to OHS, striving to eliminate all workplace hazards and strictly adhering to OHS rules and regulations. Regular risk analyses are conducted to assess all opportunities to plan, implement, develop, and continuously improve OHS measures. Our ultimate

objective at Eczacıbaşı is to achieve a net-zero occupational accident and disease level across all business processes, an ambition that underscores our unwavering commitment to employee safety and well-being.

To achieve this objective, we have set a target to reduce our accident frequency rate by 10-30% annually. As of 2022 year end, we are proud to report remarkable achievements over an 12-month period. Our proactive efforts have led to a significant 30.3% decrease in the Lost Time Injury Accident Frequency Rate (LTIFR), reducing it from 0.99 in 2021 to an impressive 0.69 ✓ in 2022. This accomplishment reflects our unwavering commitment to prioritizing the safety and well-being of our employees.



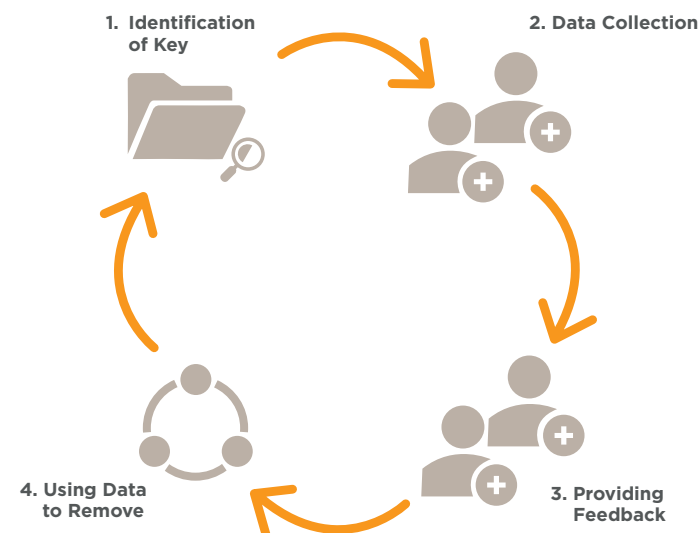
Eczacıbaşı Consumer Products, Tissue Paper Plant-Manisa

OHS Practices in Eczacıbaşı Consumer Products

1. The sensitivity and approaches towards occupational health and safety (OHS) can vary across different locations and countries. We recognized the necessity of establishing overarching guidelines during the initiation of our operations in Morocco and during certain company acquisition discussions, and we took prompt actions accordingly. As we continue to experience growth both domestically and internationally, we will proceed with greater assurance, adhering to our global OHS standards. As part of our Life Saving Rules launch activities, a total of 440 employees actively participated in simulations focused on road safety, specifically seatbelt impact at rollovers and Under Influence goggles. It is imperative to evaluate all OHS practices as tangible outcomes.
2. To enhance empathy and strengthen relationships, we implemented the shadow operator program. This initiative facilitated a connection between operators and OHS specialists, fostering a better understanding of each other's roles and responsibilities.
3. To ensure continuous and uninterrupted service, we made improvements by scheduling OHS specialists for night shifts. This enabled us to provide round-the-clock support.
4. Furthermore, we conducted concise 10-minute guerrilla training sessions, focusing on crucial OHS topics, to promote knowledge and awareness among our employees.
5. In 2022, the Behavioral Accident Prevention Process® (BAPP®) was activated to further improve the system. Previously, Gebze Chemical and Bebek factories, as well as subcontractors across all locations,

were not included, but now they are being integrated. The previous manual data entry process was time-consuming and prone to errors. With the digitization of the system, real-time data analysis can be performed. Collaboration with German company Dekra will allow us to benefit from the knowledge and expertise of over 3,000 global firms.

6. Our teams received specialized training on internationally recognized calculation methods to evaluate and score ergonomic risks in our factory and office environments. Pilot studies have begun to support management decisions and create an Ergonomics Map for our facilities. Additionally, we aim to prevent future occupational diseases, ensure the safety and health of our employees through field analyses and necessary improvements, and address musculoskeletal issues at home and office environment.



Corporate Wellbeing

At Eczacıbaşı Consumer Products, we prioritize the wellbeing and support of our employees by integrating various initiatives and programs. We believe that a healthy work-life balance and a supportive work environment contribute to the overall satisfaction and productivity of our workforce. Here are some key aspects of our corporate wellbeing practices:

1. Paternity Leave Package:

As part of our commitment to fostering a family-friendly workplace, we offer a comprehensive paternity leave package for fathers. Following the birth of their child, fathers are entitled to three weeks off and an additional day off per week for the subsequent three weeks. In 2022, 11 male employees benefited from this paternity leave opportunity, allowing them to bond with their newborns and actively participate in their care.

2. Product Packages:

We consider our employees as brand ambassadors and appreciate their contribution to our success. To show our gratitude, we provide product packages to our employees on a quarterly basis. These packages not only serve as a token of appreciation but also promote employee engagement and further strengthen their connection with our brand.



Eczacıbaşı Consumer Products, Tissue Paper Plant-Manisa

3. Support for Pregnant Employees:

We prioritize the well-being of our pregnant employees by offering various forms of support. In all locations of our company, we provide lumbar and foot support to ensure their comfort during pregnancy. Additionally, 11 pregnant employees have benefited from this support, experiencing reduced discomfort and improved workability. To further assist our pregnant employees, we have designated the Kavacık Office parking area for their exclusive use, ensuring convenient access to the workplace.

4. Childcare Support:

We understand the importance of supporting working mothers, not only during pregnancy but also when they have children. Our female employees with children can take advantage of our kindergarten assistance program, which helps them secure quality childcare services for their little ones. This initiative enables working mothers to have peace of mind, knowing that their children are well cared for while they focus on their professional responsibilities.

5. Awareness-Raising Seminars:

Throughout the year, we organize seminars aimed at raising awareness and promoting health and well-being among our employees. These seminars cover various topics such as gynecology, nutrition, and the importance of empathy in the workplace. By providing educational opportunities, we empower our employees to make informed decisions about their health and overall well-being.

6. Flexible Working Hours:

Recognizing the diverse needs of our workforce, we offer flexible working hours to support a better work-life balance. This flexibility allows our employees to better manage their personal and professional responsibilities, leading to increased job satisfaction and overall happiness.

7. Improved Facilities for New Mothers:

In our commitment to supporting new mothers, we have made enhancements to our working conditions. We have introduced support for pregnant employees renovated lactation rooms, to provide comfort and convenience for breastfeeding mothers. These improvements aim to create a supportive environment that enables new mothers to continue their professional journey while attending to the needs of their infants.



Eczacıbaşı Consumer Products, Baby and Personal Care Products Plant-Gebze

In summary, our corporate wellbeing practices at Eczacıbaşı Consumer Products prioritize the physical, emotional, and family-oriented needs of our employees. In 2022, we undertook several projects to enhance our corporate wellbeing practices in the FMCG sector. **Our commitment to prioritizing the physical, emotional, and family-oriented needs of our employees is reflected in the following initiatives with OHS department:**

- **Obesity Awareness:** Obesity paves the way for numerous chronic diseases and increases the risk of developing cancer, particularly in advanced age, leading individuals to rely on medications and healthcare institutions for their livelihood. Obesity, which is a treatable condition, can be effectively fought against. In this regard, health screenings conducted at our Yalova factory focused on examining the HbA1c levels of our employees. Vitamin D levels were assessed for employees with a Body Mass Index (BMI) exceeding 34%. By reviewing all health records and determining the BMI of our employees, their daily calorie needs were calculated. As a result, the burden of weight, prediabetes/diabetes, and cholesterol in our factory has been identified, and our employees have been informed. A total of 65 individuals have received education on diabetes and balanced nutrition. These educational sessions will continue in 2023.
- **Gender Health and Awareness:** A cancer screening program for both male and female employees in all positions, including permanent and contracted staff, was implemented, along with awareness seminars. To enhance inclusivity, a series of seminars focusing on nutrition and psychology were also conducted to further the process.
- **Working with the Cancer Early Detection Screening and Education Center:** As part of our efforts, we collaborate with the Cancer Early Diagnosis Screening and Education Center (Kanser Erken Teşhis Tarama ve Eğitim Merkezi) to conduct cervical cancer screening tests for female employees aged 30 and above, as well as breast cancer screening tests for female employees aged 40 and above. The primary objective of this collaboration

- is to ensure that employees who are identified with cancer through the screening process are promptly informed and provided with the necessary support.
- **Early Diagnosis for a Healthy Life:** As part of our commitment to promoting a healthy lifestyle, we have initiated the implementation of Fecal Occult Blood Test (FOBT) for all female and male employees aged 50 and above at our factory, with the aim of detecting colorectal cancer. The purpose of this screening is to inform and provide support to employees who are identified with cancer through the testing process.
 - **Be a Nutrition Expert:** We empower employees to become nutrition experts by promoting healthy eating habits with our health team's support. Our examination of health records at our Yalova factory revealed that the total weight of employees exceeded the ideal weight limits. By calculating individual calorie requirements based on BMI, age, and gender, we help employees reach their ideal weight or maintain it. During our October 2022 health screenings, we assessed blood lipids, HbA1c values indicating blood sugar levels, and Vitamin D levels for obese employees. Those identified with high blood lipids and prediabetes/diabetes were informed about the associated risks and referred to specialists for early treatment. We also displayed calorie information for meals in our cafeteria to aid informed choices. By empowering employees to make their own nutrition decisions, we aim to combat chronic diseases and improve overall well-being. Our ongoing efforts focus on enhancing employee happiness, productivity, and interpersonal relationships, while reducing hospital visits and medication usage.



Eczacıbaşı Consumer Products,
Baby and Personal Care
Products Plant-Gebze

Community and Social Vitality

One of the founding values of the Eczacıbaşı Group is “adding value to the communities” in which it operates. To fulfill this commitment, the group strives to implement sustainable solutions that promise to have long-term impacts on these.

Together with our employees, we address critical social issues and promote sustainable development through social initiatives. As a Eczacıbaşı Consumer Products, we recognize that creating meaningful impact requires a comprehensive and sustainable approach.

Social Investment

As a socially responsible company committed to driving positive change and fostering sustainable growth, we recognize our obligation to contribute to enhancing the well-being and quality of life in the communities in which we operate. Supporting communities is a key focus area of our corporate citizenship efforts and reflects the core values that define our company. In addition to the impactful work undertaken by our brands and employees, we have taken proactive measures to extend our support to communities across the globe, making a significant and meaningful impact on the lives of many individuals.



Social investments made throughout Eczacıbaşı Consumer Products

Under the “Being a Beacon of Hope for Another Life” campaign, within our company, a noteworthy 4.2% of our employees have generously donated blood at our factories. Furthermore, in the organ donation campaigns organized at our facilities, an impressive 1.1% of our employees have actively participated in this noble cause.

- Eczacıbaşı Consumer Products operates in earthquake-prone regions, including its Istanbul headquarters and production facilities in Yalova, Kocaeli, and Manisa. These regions are also susceptible to other crises like natural disasters, outbreaks, conflicts, and technological threats, which pose significant risks to both personal safety and business continuity. To address these challenges, Eczacıbaşı has implemented the Disaster Management System (DMS) Program, aiming to create an agile and integrated system that ensures the safety of all employees. The program includes task cards to guide employees in overcoming uncertainties during the first 72 hours of a crisis. By establishing a strong information, communication, and decision-making chain, Eczacıbaşı remains committed to crisis preparedness. The DMS program has been successfully piloted at the Yalova facility, and the project has been recognized as one of the top three business continuity programs at the European Risk Management Awards 2022 organized by FERMA.
- Within the scope of disaster preparedness, Eczacıbaşı Consumer Products, in collaboration with the Group, has established Rescue Teams on three of our campuses. The formed teams received training through AKUT. Emergency response teams were updated, provided with training, and an emergency evacuation drill was conducted. Participation in earthquake training sessions was ensured throughout the Group.

- In accordance with our social responsibility, we provide in-kind assistance during times of disasters such as forest fires, earthquakes, and conflicts. In 2022, during the Russia-Ukraine war, we extended support through our embassy and dealerships by donating hygiene products such as toilet paper, paper towels, hand sanitizer, and wet wipes. Additionally, we have also donated hygiene products to organizations such as the Turkey SMA Foundation, Nesin Maths Village, Koruncuk Foundation, and Tohum Autism Foundation.
- Within the scope of our collaboration with TAPV (Turkish Association for Prevention of HIV/AIDS), stands were set up at universities on December 1, World AIDS Day. Throughout the day, information related to the topic was provided to young people at different universities, and their questions were answered. In 2023, we will expand the scope of our efforts and continue with informative/expert communications on sexual health and well-being. Under the framework of Okey Sexual Health Initiatives, we advocate for everyone to have a healthy sexual life according to their desires. Therefore, we have taken on the mission of raising awareness in society about sexual health. We have a long-standing partnership with TAPV, and through the Okey Sexual Health Information hotline, we have been providing support for thousands of people's questions and concerns for years. We see the increase in digitalization as an advantage to reach more people. That's why in 2022, we collaborated with sexual health expert Rayka Kumru and reached consumers through digital channels. Additionally, in 2022, we create content with accurate sexual health information on platforms like “Kızlar Soruyor” and Onedio.

Hygiene

Our objective is to create value for both consumers and business partners by developing innovative products that prioritize hygiene and demonstrate efficient resource utilization. Aligned with Goal 12 (Responsible Consumption and Production) and Goal 3 (Good Health and Wellbeing) of the United Nations 2030 Agenda, Eczacıbaşı Consumer Products is committed to enhancing comfort, hygiene, and overall well-being in people's daily lives. We acknowledge that the expectations of consumers and the fast-moving consumer goods (FMCG) industry go beyond product offerings; they encompass environmental stewardship and responsible practices that raise hygiene awareness within the community. With a focus on meeting the needs of consumers and business partners, we strive to deliver exceptional products that not only meet their expectations and ensure consistent quality but also prioritize their health and safety. Through the implementation of rigorous procedures, comprehensive training, meticulous monitoring of production processes, and an unwavering pursuit of continuous improvement, we endeavor to make a positive social impact and address hygiene disparities within the community.

Eczacıbaşı Hygiene Project



In 2002, we initiated a project with the aim of promoting hygiene education across the nation. This project, originally known as the "Selpak Personal Hygiene Training for Primary School," has undergone transformations over the years. In 2007, our project was rebranded as the "Eczacıbaşı Hygiene Project" and became an integral part of our Group's initiatives.

Selpak Potty Training

Since 1970, we have been continuously developing innovative products of superior quality for your personal hygiene and happiness. Selpak, a brand of Eczacıbaşı Consumer Products, embraces the mission of reflecting advancements in the tissue paper industry to the Turkish consumer with a focus on quality and innovation. As a leader in the sector, Selpak offers "the highest quality" products in all categories such as toilet paper, towels, paper tissues, napkins, wet wipes, and pocket tissues. The brand name "Selpak" is a combination of the word "Sel," evoking cleanliness, and "Pak," symbolizing packaging, created based on suggestions from the employees of Eczacıbaşı Consumer Products Tissue Paper Factory, considering the primary raw material of paper, cellulose. As the leading brand in Turkey, Selpak continues to pioneer and not only produce tissue paper but also work to ensure your hygiene, enabling you to share enjoyable moments with your loved ones and safeguard the future of your children.

In 2011, we launched the "Selpak Tuvalet Merhaba" (Selpak Potty Training) project to instill proper personal hygiene habits in children and provide toilet training. In 2013, through the Turkey Tour, we provided training to over 350,000 parents in six cities. In 2018, we integrated online training formats into our processes through digitalization,

reaching millions of parents. In 2022, we successfully engaged with a staggering 5 million parents through digital platforms, utilizing a captivating video production specially crafted in collaboration with the esteemed artist, Ezo Sunal, to promote and advocate for children's education.

Personal Hygiene Education

As Eczacıbaşı Consumer Products, we launched a project in 2002 to underscore the significance of hygiene education throughout the country. Over time, our project evolved into the "Selpak Primary Schools Personal Hygiene Education" initiative. In 2007, our project was incorporated into the comprehensive "Eczacıbaşı Hygiene Project" led by our organization. Within the framework of our initial endeavor, the "Selpak Primary Schools Personal Hygiene Education" project, we facilitated personal care training for students, fostering their awareness and understanding of hygiene, while also contributing by donating tissue paper to project schools. Through our productive collaboration with the Ministry of National Education, we have delivered hygiene education to approximately 6.25 million students across 8,500 schools in 65 cities throughout Turkey since 2002. In 2022, we further expanded our reach by reaching out to two additional schools, providing personal hygiene education to 850 students.

Eczacıbaşı Professional Training and Auditing Activities

The Eczacıbaşı Professional Academy Unit provides auditing, training, monitoring, to businesses through its "Excellence in Hygiene Certificate Program." This comprehensive program, consisting of four stages, aims to enhance employees' awareness of hygiene and elevate the hygiene standards within the organization. By protecting and maintaining established standards, the program ensures the sustainability of hygiene practices.

To facilitate accessibility and convenience, Eczacıbaşı Professional offers remote training through its "Remote Education Program for Excellence in Hygiene," alongside traditional face-to-face training sessions addressing various hygiene issues. By offering online training options, the Academy reduces the time, effort, and environmental impact associated with transportation and other activities.

The Eczacıbaşı Professional Academy has successfully engaged with a total of 148,000 individuals through interactive online and face-to-face training sessions since 2015. In 2022, we reached 9,080 individuals through both online and face-to-face trainings.

6 Investing in Future

The convergence of innovation, entrepreneurship, and digital transformation creates a powerful synergy for sustainable development. It offers opportunities to reimagine industries, reshape systems, and address pressing global challenges. By embracing these drivers of change, institutions can unlock new possibilities, accelerate the transition to a low-carbon economy and enhance the well-being of both present and future generations.

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Innovation and Entrepreneurship

At Eczacıbaşı Consumer Products, we are committed to investing in new technologies and applications while supporting entrepreneurship. We ensure that our innovation efforts align with our sustainability goals, integrating them into our investment and implementation processes. Our innovation strategy is shaped in a sustainable and human-oriented manner, prioritizing environmental respect while creating value.

Innovation

As Eczacıbaşı Consumer Products, we adopt a holistic approach and strive to develop a creative ecosystem by integrating open innovation into all our processes. We recognize the value of collaboration and partnership with external stakeholders, such as customers, suppliers, and research institutions, to foster a culture of innovation and drive meaningful change.

InovaLIG 2022 Competition

We are proud to announce that we received 2nd place award in the “Innovation Organization and Culture” category at the InovaLIG competition organized by the Turkish Exporters Assembly

Eczacıbaşı Consumer Products recognizes the importance of sustainability as a distinct focus area within our innovation matrix. We believe in an integrated approach where innovation and sustainability are interconnected. Hence, our commitment to sustainability-driven innovation involves various aspects, such as optimizing resource usage, reducing waste and emissions, promoting circular economy principles, sourcing raw materials responsibly, and developing environmentally friendly products and packaging. We strive to minimize our ecological footprint while maximizing the positive impact of our innovative actions.

Entrepreneurship

We actively encourage the active participation of our employees in the corporate entrepreneurship program, which is formed by the Eczacıbaşı Group. We believe that fostering an entrepreneurial spirit among our workforce is crucial for driving innovation and generating innovative ideas. By providing a platform for employees to contribute their insights, expertise, and creative thinking, we aim to harness the collective intelligence and entrepreneurial potential of our team. This inclusive approach not only empowers our employees but also fosters a culture of intrapreneurship, where individuals are encouraged to take ownership, think outside the box, and drive positive change within the organization.

At Eczacıbaşı Consumer Products, we are planning to organize events such as pitch days, hackathons, and more to foster a thriving innovation ecosystem. Our goal is to create an inclusive ecosystem that encompasses all stakeholders, from customers to suppliers, employees to startups. These events will provide a platform for collaboration, idea generation, and the exchange of innovative solutions. By engaging with a wide range of participants, we aim to foster a culture of innovation and create opportunities for cross-pollination of ideas.

Startup Scouting

In collaboration with the Innovation & Entrepreneurship Coordination and Eczacıbaşı Momentum (Eczacıbaşı Group’s corporate venture capital fund) support, we conducted a pilot study in Q4 2022 as part of our Startup Scouting program. We engaged with over 20 startups related to our focus areas and made progress in three projects. One project is related to R&D and product innovation, while the others are focused on marketing and logistics process innovations.

EnGenius

We have actively involved young individuals in the entrepreneurship ecosystem through the EnGenius competition held among university students. By establishing an Innovation and Entrepreneurship governance model, we have created an innovative organization that fosters a culture of innovation and entrepreneurial mindset. This model encourages the participation of young talents, provides them with resources and support, and promotes their ideas and ventures. Through these initiatives, we aim to nurture the next generation of innovators and entrepreneurs, empowering them to contribute to the growth and development of our organization and the broader entrepreneurial ecosystem.



Research and Development

The establishment of the Eczacıbaşı Consumer Products R&D Center in 2019 has centralized the research and development efforts across all categories. On May 20th of the same year our R&D Center is approved by Turkish Ministry of Industry and Technology and finally, we were awarded the third place among the R&D Centers by the Ministry. Within our state-of-the-art laboratories, we conduct R&D studies in three key areas: tissue paper, cosmetics, and chemical products.

Our R&D Center is dedicated to finding innovative solutions and creating products that contribute to a cleaner and healthier future. Through our research and development (R&D) activities, we aim to develop cutting-edge products that not only meet the highest quality standards but also align with our commitment to environmental responsibility. By combining scientific expertise, advanced technologies, and a sustainability-driven approach, we strive to make a positive impact both on the industry and the world we live in. Therefore, our R&D Center serves as a hub for innovation, collaboration, and the pursuit of excellence in developing products that address the needs and aspirations of our customers while promoting a greener and more sustainable future.

Just Create Platform

Just Create Platform serves as a catalyst for generating innovative product ideas that enhance the quality of consumer life. Its primary objective is to initiate research and development studies following the completion of feasibility assessments associated with these ideas. By encouraging a culture of creativity and ideation, we strive to bring forward novel concepts that meet the needs and desires of our customers.

A total of 75 ideas have been developed across different innovation types (product, marketing, process, business model, work culture, etc.). Among these ideas, 6 patent applications have been filed, with 10 of them specifically focused on sustainability. Additionally, two ideas developed on the Just Create platform have been successfully commercialized and introduced to consumers.

In this advanced and concise version, I condensed the information while maintaining the original meaning and using more sophisticated language.

Inno-Edu Program

In our Inno-Edu Program, we provide entrepreneurship training to our R&D employees. This program aims to foster an entrepreneurial mindset among our talented individuals, equipping them with the necessary skills and knowledge to transform innovative ideas into successful ventures. In 2022, a total of 125 people participated in the Inno-Edu program, which lasted approximately 62 hours.



Our R&D Highlights

54 Number of Patent Applications in 2022

361 Total Number of R&D Projects

Antibacterial Toilet Paper

The airflow generated during flushing can cause the dispersal of microorganisms through droplets, contaminating the surrounding environment and the air. This environmental contamination can settle on various surfaces such as toilet seat covers, flush buttons, toilet paper holders, door handles, and can also remain suspended in the air. The microbial contamination present in the air can negatively impact indoor air quality and can be transmitted to users through respiratory pathways.

To eliminate potential health concerns arising from microbial contamination accumulating on toilet paper surfaces, we have developed an antibacterial toilet paper. This toilet paper is specifically designed to prevent microbial growth resulting from splashes, contact, or falling onto the floor during usage. The product, when stored in its packaging for a duration of one month, is capable of inhibiting bacterial formation by 99%.



Digital Transformation

Digital transformation has become a crucial factor for businesses to stay competitive in today's rapidly evolving technological environment. In recent years, we have seen a significant shift in the business landscape as organizations acknowledge the importance of adapting to and harnessing digital technologies. This transformation is driven by the desire to foster innovation, optimize operations, and deliver exceptional customer experiences. By embracing digital transformation, businesses can stay ahead of the curve and meet the ever-changing demands of the modern market.

Digital Transformation

At Eczacıbaşı Consumer Products, we strongly believe that leveraging our existing technologies can greatly contribute to our sustainability goals. By adopting a technology-oriented approach, we can integrate sustainability parameters into our business processes. Embracing digital transformation and Industry 4.0 applications offer flexibility, quality, and operational efficiency, serving as significant enablers in meeting our efficiency targets for natural resource consumption. Through these technological advancements, we aim to optimize resource utilization and reduce our environmental impact while maintaining high standards of performance.

We have successfully implemented projects aimed at enhancing our operational efficiency by leveraging advanced analytical facilities. Through the integration of modern production management systems and ongoing initiatives, we have introduced comprehensive management and monitoring capabilities to our processes. By utilizing advanced analytical facilities to analyze the data collected from our production

processes, we continue to drive Industry 4.0 projects focused on improving production efficiency, minimizing machinery downtime, and, most importantly, optimizing our energy consumption. These efforts enable us to take data-driven decisions, improve overall performance, and align with our sustainability objectives.

Through our advanced analytical infrastructure-supported digital transformation projects, we have transformed our business processes and generated a profitability impact of €4 million on the organization's finances. These projects have focused on demand forecasting, campaign efficiency, data monetization, production efficiency, and packaging optimization. By leveraging our advanced analytics capabilities in these areas, we have been able to optimize our operations, improve cost-effectiveness, and create value from data. This not only enhances our overall business performance but also contributes to our strategic goals and financial sustainability.

Integrated Business Plan

At Eczacıbaşı Consumer Products, we have implemented an integrated business plan that aligns various aspects of our operations including strategic planning, supply chain, resource allocation, performance monitoring, and regular evaluation to optimize our business efficiency.

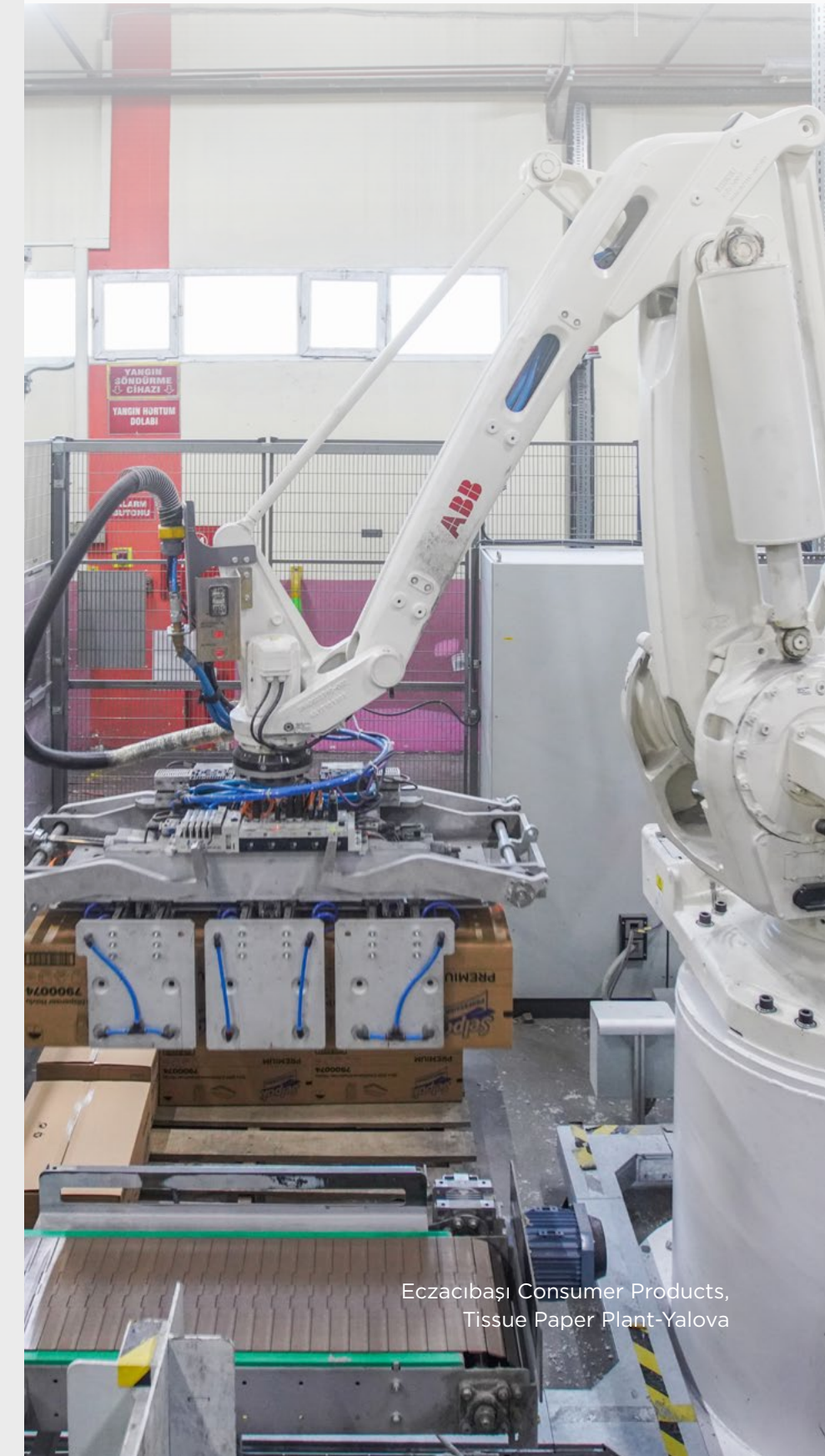
Through our digital transformation efforts, we are integrating digital solutions into our business plan. This includes leveraging the power of artificial intelligence and digitizing prediction accuracy to improve our demand forecasting. These advancements have significantly enhanced the accuracy of our forecasts, enabling us to make more informed decisions and better meet customer demands.

Supply Chain Control Tower (SCCT)

We strive to bring end-to-end transparency to the supply chain, enabling all stakeholders within the organization to have a clear and comprehensive view. To achieve this, we establish effective and streamlined alert mechanisms that will impact all stakeholders, providing them with instant access to information. This allows us to make and implement quick and flexible decisions, ensuring efficient and agile operations throughout the supply chain.

KNX Lighting Automation Software

In 2022, we have updated our lighting automation software at our headquarters. With the implementation of updates, we became capable of programming time schedules for lighting, resulting in energy savings. In 2022, our energy consumption reached its lowest level in the past three years. Compared to the electricity consumption of 931,492 kWh in 2021, we managed to reduce it to 756,041 kWh in 2022, achieving a savings of 18.8%. These energy-saving measures contribute to our overall sustainability goals and demonstrate our commitment to responsible resource management.



Eczacıbaşı Consumer Products,
Tissue Paper Plant-Yalova

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List of Associations, Initiatives and Memberships

Institution	Status
ETÜDER Foodservice Suppliers Association	Membership
GS1 Türkiye Foundation Economic Enterprise	Membership
Interactive Advertising Association	Board of Directors Membership, Board of Directors Presidency
Istanbul Modern Art Foundation	Membership
Istanbul Chamber of Industry	Membership
Istanbul Chamber of Commerce	Membership
Kocaeli Chamber of Industry	Membership
Cosmetics and Cleaning Products Manufacturers Association (KTSD)	Board of Directors Membership
Manisa Organized Industrial Zone (MOSB) Industrialists' Association	Membership
Manisa Chamber of Commerce and Industry	Membership
PERYÖN Türkiye People Management Association	Board of Directors Membership
PLAT - Private Label Association of Türkiye	Membership
POYD (Professional Hotel Managers Association)	Main Sponsorship
Advertisers' Association	Board of Directors Membership, Board of Directors Vice Presidency

Advertising Self-Regulatory Board	Membership
Cellulose and Paper Industry Association	Board of Directors Membership
Health Products Association	Membership
Turkish Education Foundation	Membership
Turkish Industry and Business Association	Membership
Turkish Chemical Manufacturers Association	Membership
The Union of Chambers and Commodity Exchanges of Türkiye	Membership
Yalova Chamber of Commerce and Industry	Membership

GRI Content Index

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.



Statement of Use:	Eczacıbaşı Consumer Products has reported in accordance with the GRI Standards for the period 1 January 2022 and 31 December 2022	
GRI 1 Use:	GRI 1: Foundation 2021	
Applicable GRI Sector Standard(s):	-	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Overview of Eczacıbaşı Consumer Products, page 10-11 ; Organizational Structure, Brands and Products, page 12-13
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 4-5
	2-3 Reporting period, frequency and contact point	About the Report, page 4-5 ; Info, page 143
	2-4 Restatements of information	About the Report, page 4-5 ; Info, page 143
	2-5 External assurance	Limited Assurance Report, page 134-137
	2-6 Activities, value chain and other business relationships	Organizational Structure, Brands and Products, page 12-13; Our Value-Creating Business Model, page 24-27
	2-7 Employees	Equal, Diverse and Inclusive Workplace, page 82-87
	2-8 Workers who are not employees	Equal, Diverse and Inclusive Workplace, page 82-87
	2-9 Governance structure and composition	Corporate Governance, page 40-45
	2-10 Nomination and selection of the highest governance body	Corporate Governance, page 40-45
	2-11 Chair of the highest governance body	Corporate Governance, page 40-45
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, page 40-45
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, page 40-45
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, page 46-47
	2-15 Conflicts of interest	Corporate Governance, page 40-45

GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Corporate Governance, page 40-45
	2-17 Collective knowledge of the highest governance body	<u>Corporate Governance, page 40-45</u>
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, page 40-45
	2-19 Remuneration policies	Eczacıbaşı Holding Remuneration Policy: https://www.eczacibasi.com.tr/en/investor-relations/eczacibasi-investment-holding/eczacibasi-investment-holding-corporate-governance/board-of-directors-remuneration-policy-investment
	2-20 Process to determine remuneration	Eczacıbaşı Holding Remuneration Policy: https://www.eczacibasi.com.tr/en/investor-relations/eczacibasi-investment-holding/eczacibasi-investment-holding-corporate-governance/board-of-directors-remuneration-policy-investment
	2-21 Annual total compensation ratio	GRI Content Index: This information is not disclosed due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	Message from the CEO, page 6-7 ; Sustainability at Eczacıbaşı Consumer Products, page 28-29
	2-23 Policy commitments	Ethics and Compliance, page 54-57
	2-24 Embedding policy commitments	Ethics and Compliance, page 54-57
	2-25 Processes to remediate negative impacts	Ethics and Compliance, page 54-57
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance, page 54-57
	2-27 Compliance with laws and regulations	Ethics and Compliance, page 54-57
	2-28 Membership associations	List of Associations, Initiatives and Memberships, page 120-121
	2-29 Approach to stakeholder engagement	Stakeholder Relations, page 36-37
	2-30 Collective bargaining agreements	Equal, Diverse and Inclusive Workplace, page 80-87
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31
	3-2 List of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31
	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31
Economic and Financial Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Economic and Financial Performance, page 60-61

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Overview of Eczacıbaşı Consumer Products, page 10-11; Year in Review, page 18; Economic and Financial Performance, page 60-61; Our Value-Creating Business Model, page 24-27
	201-2 Financial implications and other risks and opportunities due to climate change	Operating Environment, page 16-17; Risk Management, page 48-53
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community and Social Vitality, page 106-107 ; Social Investment, page 106-107
	203-2 Significant indirect economic impacts	Community and Social Vitality, page 106-107 ; Social Investment, page 106-107
Business Ethics and Legal Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Business Ethics and Legal Compliance, page 55 -57
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Eczacıbaşı Code of Conduct: https://www.eczacibasi.com.tr/_Media/Upload/Eczacibasi-Group-Code-Of-Conduct.pdf ; Equal, Diverse and Inclusive Workplace, page 82-87
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Legal Compliance, page 58-59
Supply Chain Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Supply Chain Management, page 58-59
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, page 58-59
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, page 58-59
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, page 58-59
Energy Management and Carbon Emission		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Energy Management and Carbon Emission, page 65-67
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management and Carbon Emission, page 65-67
	302-2 Energy consumption outside of the organization	Energy Management and Carbon Emission, page 65-67
	302-3 Energy intensity	Sustainability Objectives, page 32-33 ; Energy Management and Carbon Emission, page 65-67
	302-4 Reduction of energy consumption	Energy Management and Carbon Emission, page 65-67
	302-5 Reductions in energy requirements of products and services	Energy Management and Carbon Emission, page 65-67

GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Management and Carbon Emission, page 65-67
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Management and Carbon Emission, page 65-67
	305-4 GHG emissions intensity	Energy Management and Carbon Emission, page 65-67
	305-5 Reduction of GHG emissions	Energy Management and Carbon Emission, page 65-67
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Water Management, page 68-66
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, page 68-69
	303-2 Management of water discharge-related impacts	Water Management, page 68-69
	303-3 Water withdrawal	Water Management, page 68-69
Resource Management and Responsible Procurement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Resource Management and Responsible Procurement, page 72
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Resource Management and Responsible Procurement, page 72
Product Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Product Responsibility, page 73-75
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Waste Management, page 76-77
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, page 76-77
	306-2 Management of significant waste-related impacts	Waste Management, page 76-77
	306-3 Waste generated	Waste Management, page 76-77
	306-4 Waste diverted from disposal	Waste Management, page 76-77
	306-5 Waste directed to disposal	Waste Management, page 76-77
Equal, Diverse and Inclusive Workplace		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Equal, Diverse and Inclusive Workplace, page 82 -87

GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Business Ethics and Legal Compliance, page 55-57; Equal, Diverse and Inclusive Workplace, page 82 -87
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance Approach, page 40-45
	405-2 Ratio of basic salary and remuneration of women to men	Equal, Diverse and Inclusive Workplace, page 82 -87
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Business Ethics and Legal Compliance, page 55-57 ; Equal, Diverse and Inclusive Workplace, page 82 -87
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business Ethics and Legal Compliance, page 55-57 ;Equal, Diverse and Inclusive Workplace, page 82 -87
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Business Ethics and Legal Compliance, page 55-57 ;Equal, Diverse and Inclusive Workplace, page 82 -87
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Ethics and Legal Compliance, page 55-57; Equal, Diverse and Inclusive Workplace, page 82 -87
Attracting, Developing and Retaining Talent		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Attracting, Developing and Retaining Talent, page 88-97
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Attracting, Developing and Retaining Talent, page 88 -97
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Attracting, Developing and Retaining Talent, page 88 -97
	404-2 Programs for upgrading employee skills and transition assistance programs	Attracting, Developing and Retaining Talent, page 88 -97
	404-3 Percentage of employees receiving regular performance and career development reviews	Attracting, Developing and Retaining Talent, page 88 -97
Health, Safety and Wellbeing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Health, Safety and Wellbeing, page 100-105
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health, Safety and Wellbeing, page 100-107
		Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy:
		https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi

403-2 Hazard identification, risk assessment, and incident investigation	Health, Safety and Wellbeing, page 100-105
	Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy:
	https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi
403-4 Worker participation, consultation, and communication on occupational health and safety	Health, Safety and Wellbeing, page 100-105
	Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy:
	https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi
403-5 Worker training on occupational health and safety	Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy:
	https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi
403-6 Promotion of worker health	Health, Safety and Wellbeing, page 100-105
	Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy:
	https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety and Wellbeing, page 100-105
	Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy:
	https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi
403-8 Workers covered by an occupational health and safety management system	Health, Safety and Wellbeing, page 100-105
	Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy:
	https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi
403-9 Work-related injuries	Health, Safety and Wellbeing, page 100-105

Social Investment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Community and Social Vitality, page 100-107 ; Social Investment, page 100-107
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community and Social Vitality, page 100-107 ; Social Investment, page 100-107
	413-2 Operations with significant actual and potential negative impacts on local communities	Community and Social Vitality, page 100-107 ; Social Investment, page 100-107
Hygiene		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Hygiene, page 108-109
Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31 ; Innovation, page 112
Entrepreneurship		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Entrepreneurship, page 113
Research and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Research and Development, page 114-115
Digital Transformation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Consumer Products's Materiality, page 30-31; Digital Transformation, page 116-117

WEF Stakeholder Capitalism Metrics

Principles of Governance			
Pillar	Core Metrics and Disclosures	Description	References
Governing purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Message from the CEO, page 6-7
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation	Corporate Governance, page 40-45
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Eczacıbaşı Consumer Products's Materiality, page 30-31
Ethical behavior	Anti-Corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures	Business Ethics and Legal Compliance, page 55
		a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and	
		b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.	
	Protected ethics advice and reporting mechanisms	2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption	Business Ethics and Legal Compliance, page 55
		A description of internal and external mechanisms for:	
		1. Seeking advice about ethical and lawful behaviour and organizational integrity; and	
		2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	

Risk and opportunity oversight	Integrating Risk and Opportunity into Business Process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Risk Management, page 48-53
Planet			
Climate Change	Greenhouse Gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions.	Facts about Our Actions Report Energy Management and Carbon Emissions, page 48-52
		Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Scope 1 and Scope 2 emissions are calculated and reported annually. We aim to calculate Scope 3 emissions across the Group in the coming years.
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050	We initiated detailed studies for climate risk assessment across the Group. In this context, efforts to comply with TCFD are planned.
Nature Loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in/ or adjacent to protected areas and/or key biodiversity areas (KBA).	Group companies do not have an operational center located in protected areas, especially RAMSAR areas.
Freshwater Availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.	Water Management, page 68-69
		Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	

People			
Dignity and Equality	Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity	Facts about Our Actions Report Equal, Diverse and Inclusive Workplace, page 62-64
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Equal, Diverse and Inclusive Workplace, page 82-87
	Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage.	Equal, Diverse and Inclusive Workplace, page 82 -87
		Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO	
	Risk for incidents of child, forced or compulsory labour	"An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk."	Risk Management, page 48-53; Supply Chain Management, page 58-59
Skills for the future	Training provided	Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).	Facts about Our Actions Report Attracting, Developing and Retaining Talent, page 65-69
		Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Facts about Our Actions Report Health, Safety and Wellbeing, page 70-73
Health and Wellbeing	Health and safety (%)	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	Group Occupational Health and Safety Policy and Eczacıbaşı Consumer Products Occupational Health and Safety Policy : https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-and-Safety-Policy-3.pdf , https://www.eczacibasituketim.com/yasal/isg-politikasi
		An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	

Prosperity			
Employment and wealth generation	Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.	Facts about Our Actions Report Attracting, Developing and Retaining Talent, page 65-69
		2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Facts about Our Actions Report Attracting, Developing and Retaining Talent, page 65-69
	Economic Contribution	1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organisation's global operations, ideally split out by: – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment	Facts about Our Actions Report Attracting, Developing and Retaining Talent, page 65-69
		2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	Economic and Financial Performance, page 60-61
		1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	Economic and Financial Performance, page 60-61
	Financial investment contribution	2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	
Innovation of better products and services	Total R&D expenses (\$)	Total costs related to research and development.	Our Value-Creating Business Model, page 24-27
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Our Value-Creating Business Model, page 24-27

Limited Assurance Report

GRI 2-5




Limited Assurance Report

to the Board of Directors of Eczacıbaşı Tüketim Ürünleri Sanayi ve Ticaret A.Ş.

We have been engaged by the Board of Directors of Eczacıbaşı Tüketim Ürünleri Sanayi ve Ticaret A.Ş. (the “Company”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Integrated Sustainability Report 2022: Story on our Ambition Report and Fact on our Action Report (the “Integrated Sustainability Report 2022”) for the year ended 31 December 2022 and listed below.

Selected Information


The scope of the Selected Information for the year ended 31 December 2022, which is subject to our limited assurance work, set out in the pages 18, 26, 33, 65, 68, 76 and 83 of the Integrated Sustainability Report 2022: Story on our Ambition Report and in the pages 17, 22, 46, 48, 54, 60, 63 and 64 of the Integrated Sustainability Report 2022: Fact on our Action Report with the sign “” is summarised below:

Environmental Performance Indicators

- Total energy consumption (MWh)
- Total carbon emissions (tCO₂)
- Share of recycled waste (%)
- Total waste disposed (Ton)
- Total water withdrawal (thousand m³)
- Energy intensity (MWh/ton)
- Carbon intensity (tCO₂ / ton product)
- Water intensity (m³/ton)

Social Performance Indicators

- Accident frequency rate (%)
- Women among new recruits (%)
- Total share of women professionals (%)
- Women in management positions (%)
- Training hours per employee (#)
- Training hours per talent (#)

Our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with “” in the Integrated Sustainability Report 2022 and, any other elements included in the Integrated Sustainability Report 2022 and, therefore, do not express any conclusion thereon.



Criteria

The criteria used by the Company to prepare the Selected Information is set out in section

“Integrated Sustainability Report 2022: Story on our Ambition Report and Fact on our Action Report- Reporting Principles” (the “Reporting Principles”) on pages 138, 139, 140, 141 and 142 of the Integrated Sustainability Report 2022: Story on our Ambition Report and on pages 96, 97, 98, 99 and 100 of the Integrated Sustainability Report 2022: Fact on our Action Report.

The Company’s Responsibility

The Company is responsible for the content of the Integrated Sustainability Report 2022 and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work has not included examination of the derivation of those factors and other third-party information.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Limited Assurance Report

GRI 2-5



Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and
- undertook analytical procedures over the reported data.



Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Selected Information for the year ended 31 December 2022, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist the Board of Directors in reporting Company's performance and activities related to the Selected Information. We permit the disclosure of this report within the Integrated Sustainability Report 2022 for the year ended 31 December 2022, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Eczacıbaşı Tüketim Ürünleri Sanayi ve Ticaret A.Ş. a body and Eczacıbaşı Tüketim Ürünleri Sanayi ve Ticaret A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Cenk Uslu, SMMM
Partner

Istanbul, 11 July 2023

Reporting Principles

Appendix-1: Integrated Sustainability Report 2022: Story on our Ambition Report and Fact on our Action Report- Reporting Principles

This reporting principles (the “Reporting Principles”) provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Eczacıbaşı Consumer Products’s (the “Company”) Integrated Sustainability Report 2022: Story on our Ambition Report and Fact on our Action Report (the “Integrated Sustainability Report 2022”). The indicators include social indicators and environmental indicators. It is the responsibility of the Company's management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the principles.

The information contained in this guide covers the FY 22 fiscal year ending December 31, 2022 (January 1 – December 31) and only covers the operations that are under the responsibility of the Company and excludes information about subcontractors

The information contained in these principles covers the financial year ending December 31, 2022, and the relevant operations in Turkey for which Company is responsible, as detailed in the “Key Definitions and Scope of Reporting” section.

The Morocco location of Eczacıbaşı Consumer Products is only included in the calculation of the accident frequency rate indicator. Blue collar employees are not included in the social indicators’ calculations. Share of women among new recruits, share of women in management positions and share of women in employment are only includes Turkey locations of Company.

Data used for Women among new recruits (%), Total share of women professionals (%), Women in management positions (%), Training hours per employee (#), Training hours per talent (#) indicators are obtained from Eczacıbaşı Holding A.Ş. Blue collar employees are not included in the social indicators’ calculations.

General Reporting Principles

The following principles have been considered in the preparation of this principles document:

- In the preparation of information - to emphasize to users of information the basic principles of relevance and reliability of information,
- In reporting information - emphasizing the principles of comparability/ consistency of information with other data, including previous year, and the principles of understandability/transparency providing clarity to users.

Key Definitions and Scope of Reporting

For the purpose of this report, the Company makes the following definitions:

Type	Indicator	Scope
Environmental	Total energy consumption (MWh)	In the reporting period, it refers to the total amount of energy consumption by the Company which is monitored monthly and invoiced by the service provider institutions. Energy consumption data includes electricity, natural gas, diesel, fuel oil and steam consumption.
Environmental	Total carbon emissions (tCO ₂)	In the reporting period, it refers to the sum of the Company's Scope 1 GHG Emissions and Scope 2 GHG Emissions.
Environmental	Share of recycled waste (%)	In the reporting period, it refers the ratio of the waste that is recovered and recycled by the Company, followed up with the waste declarations and declared to the State, to the total amount of waste.
Environmental	Total waste disposed (Ton)	In the reporting period, it refers to the amount of waste disposed by the Company, tracked by waste declarations, and declared to the Government.
Environmental	Total water withdrawal (thousand m ³)	In the reporting period, it refers to the total amount of municipal water, consumed, which is monitored from the invoices received by service provider institutions and ground, surface, rainwater, consumed, which is monitored by meters.
Enviromental	Energy intensity (MWh/ton)	In the reporting period, it refers to the ratio of the Company's total energy consumption to total production volume (in tons).
Enviromental	Carbon intensity (tCO ₂ / ton product)	In the reporting period, it refers to the ratio of the Company's total carbon emissions to total production volume (in tons).
Enviromental	Water intensity (m3/ton)	In the reporting period, it refers to the ratio of the Company's total water consumption to total production volume (in tons).
Social	Accident frequency rate (%)	In the reporting period, it refers to the ratio of the number of injury incidents that occurred to the Company's payroll and contract employees during a work-related activity and prevented him/her from coming to the workplace on the next shift or the next working day, and which were followed up through notifications made to the Social Security Institution, to the total working hours.

Social	Women among new recruits (%)	In the reporting period, it refers to ratio of women to total employee number hired by the Company and declared to the Social Security Institution with the Employment Declaration.
Social	Total share of women professionals (%)	In the reporting period, it refers to the ratio of women to total employee number, who were monitored through Eczacıbaşı Holding A.Ş. Human Resources data platform and who were reported to the Social Security Institution.
Social	Women in management positions (%)	In the reporting period, the ratio of the number of women employees at the managerial levels of the Company, including Manager, Senior Managers, Director to the Total Number of Employees.
Social	Training hours per employee (#)	In the reporting period, it refers to the ratio of total training hours attended by Company employees to the average number of employees annually, which is monitored through the training tracking platform of Human Resources belonging to Eczacıbaşı Holding A.Ş.
Social	Training hours per talent (#)	In the reporting period, it refers the ratio of the leadership trainings attended by the employees and followed through the Eczacıbaşı Holding A.Ş. training platform, to the number of people who received the training.

Preparation of the Data

1. Environmental Indicators

Total energy consumption (MWh)

Formula: Total electricity + natural gas+ diesel + fuel oil + purchased steam consumption.

Total Carbon emissions (tCO₂)

Carbon emissions are calculated by the Company using published conversion factors. Conversion factors enable the determination of the amount of carbon released into the atmosphere per unit of energy consumption. Different types of energy sources have different conversion factors reflecting their carbon intensity. In future periods, conversion factors can be updated to reflect changes/improvements in published data.

Scope 1 emissions consist of natural gas, diesel and fuel oil emissions. Conversion factors are obtained from the calculation tool provided by the GHG Protocol (July 2009), which uses data provided by the IPCC (Intergovernmental Panel on Climate Change).

Scope 2 emissions consist of electricity and purchased steam emissions. Conversion factors are obtained from “2010 Guidelines to Defra / DECC’s GHG Conversion Factors for Company Reporting” provided by UK Government. Electricity conversion factors listed within “Annex-10 International Electricity Emission Factors” for year 2006 and Turkey are used. These conversion factors for electricity and steam have been used instead of the factors detailed within the GHG Protocol calculation tool because they include transmission and distribution losses.

Emission Factors	Emission Factors (kg CO ₂)
1 kWh Electricity	0.56
1 m3 Natural Gas	1.89
1 lt Fuel Oil	2.94
1 lt Diesel	2.68
1 kWh Steam	0.56

Info

GRI 2-3, GRI 2-4

Share of recycled waste (%)

Formula: *Total Recycled Waste (ton) / Total Amount of Waste (ton)*

Total waste disposed (Ton)

Formula: *Total Amount of Disposal Waste*

Total water withdrawal (thousand m3)

Formula: *Total municipal water consumption + total ground water consumption + total surface consumption + total rainwater consumption*

Energy intensity (MWh/ton)

Formula: *Total Energy Consumption / Total Production Amount*

Carbon intensity (tCO₂ / ton product)

Formula: *Total Carbon Emissions / Total Production Amount*

Water intensity (m³/ton)

Formula: *Total Water Consumption / Total Production Amount*

2. Social Indicators

Accident frequency rate (%)

Formula: *Number of accidents*200,000 / Total Working Hours*

Women among new recruits (%)

Formula: *Number of Women Hires / Total Number of Hires*

Total share of women professionals (%)

Formula: *Number of Women Employees / Total number of employees*

Women in management positions (%)

Formula: *Number of women in managerial position / Total number of employees in managerial position*

Training hours per Employee (#)

Formula: *Total training hours / Average number of employees per year*

Training hours per Talent (#)

Formula: *Total hours of leadership trainings (hours) /Total number of people who completed leadership trainings (number)*

Restatements

The measuring and reporting of data inevitably involve a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.

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In this report, “Eczacıbaşı Consumer Products (ECP)”, “ECP,” “the Company,” “we,” “us,” and “our” refers to Eczacıbaşı Consumer Products Co. and its subsidiaries, unless otherwise stated.

Disclaimer

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