

VitrA

ARTEMA

INTEMA



burgbad

Eczacıbaşı Building Products Bathroom
Integrated Sustainability Report
2022

Building a Healthier Future, Together

Story of Our Ambition

ECZACIBAŞI
BUILDING PRODUCTS

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About the Report

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A PDF version of Eczacıbaşı Building Products - Bathroom Story of our Ambition, Facts about our Actions and all reports from previous periods can be accessed on the **corporate website**.

Purpose of our Integrated Sustainability Report

Here at the Eczacıbaşı Building Products-Bathroom (EBPB), it has been our steadfast commitment to fostering a sustainable future in all our activities and preserving the delicate balance between the environment, resources, society, and business. We take great pride in our unwavering dedication to pushing the boundaries of what is possible and leaving a positive impact on the world around us. 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 **Eczacıbaşı Building Products-Bathroom Integrated Sustainability Report 2022: Story of our Ambition Report** provides a detailed overview of our key sustainability initiatives and activities accompanied by case studies highlighting our achievements and impact.

• The **Facts about our Actions Report** 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 for **Istanbul Headquarters, as well as our production facilities in Bozüyük and Tuzla in Turkey, and in Russia** for the full calendar year 2022 or reflect status on December 31, 2022. Additionally, **burgbad operations in France and Germany** are included in this report with reference to burgbad's individual sustainability report and the

wholesale channel **Intema** is also referenced in the report. 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 (Global Reporting Initiative) 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 Report 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 Guidance** for non-financial KPIs document provides details and definitions of these selected KPIs and the Independent Assurance Report can be found at **Annexes**.

Navigation Icons



Financial



Human



Natural



Intellectual



Social

Message from the CEO

Dear Friends,

On behalf of Eczacıbaşı Building Products - Bathrooms, we are delighted to convey our profound gratitude to all our stakeholders, with a special emphasis on our employees, for their steadfast dedication and valued efforts working tirelessly towards a better and more sustainable future.

As of the time of writing, our hearts are heavy with sadness in the wake of the devastating earthquakes that shook our nation and the neighboring countries on February 6th, 2023. I humbly extend my heartfelt condolences to the families and friends of those who lost their lives, and my best wishes to those who were injured and are currently in the process of recovering.

The year 2022 heralded a new era of complexity and uncertainty on a global scale, as the aftermath of the pandemic rapidly led to a series of multidimensional challenges. The outbreak of the Russia-Ukraine war in February further aggravated the prevailing slowdown in the global economy, exacerbating supply chain disruptions, energy shortages, and

difficulties in accessing raw materials. The resulting global economic landscape is marked by a surge in inflation levels not witnessed in decades, thereby causing far-reaching implications for governments, companies, and households in an increasingly turbulent world.

Against the backdrop of a deteriorating economic environment, we also stand on the brink of a pivotal turning point in the fight against the climate crisis. The European Union (EU) remains at the forefront of the transition to a low-carbon economy, driven by its commitment to the European Green Deal. With growing interest in sustainability issues and increased momentum in sustainability investments, it is crucial for companies to strike a delicate balance between business profitability and safeguarding the limited resources of our planet.

Despite the challenges of 2022, I am proud of our company's resilience and success in proactively turning emerging risks into opportunities over the past year. As an international manufacturer operating 12 plants in four countries and an extensive global outreach spanning over 75 international markets, we closely monitor new developments in the global landscape and pivot our operations, commercial strategies, and innovation priorities to meet fast-changing market dynamics. This year, we achieved a remarkable increase in total sales, surpassing € 510 million, with 70% of our revenue generated from international markets and a surge of 21% compared to the previous year. We also successfully executed several major investments, totaling over 165 million euros, to boost our production capacity and extend our global reach. While advancing our core business, we took meaningful steps in 2022 to push the boundaries of what is possible and leave a positive impact on the world around us.

At Eczacıbaşı Building Products - Bathroom, we recognize the importance of preserving the delicate balance of the environment, resources, society, and

business. Throughout this year, we embarked on a transformative journey together with Eczacıbaşı Group to review and enhance the ESG governance mechanisms and established working groups across all departments to cultivate sustainability-oriented initiatives, reinforcing a corporate culture that fully embraces sustainability. We have also reviewed and updated our sustainability goals and roadmap to chart the course of our sustainability efforts for the years ahead. We set our targets under three main headings: people, product and production. We know that by empowering our people and fostering a culture of innovation and excellence, we can sustain efficient production and create high-quality and essential products that promote hygiene and well-being for all. In this way, we fulfill our responsibilities to the world in an effective and innovative way, and we develop our impact within the framework of our value chain with mutual interactions.

Our ability to address sustainability challenges relies on having diverse perspectives from skilled, healthy, secure, and innovative individuals on board. As we engage with people throughout the production and usage of our products, we recognize the importance of prioritizing human-centered structures that promote sustainable, long-term value. We place a strong emphasis on integrating this approach into our company's DNA, and we are standing firm on our commitment to promoting equal opportunities for all individuals, regardless of their gender, physical attributes, political affiliations, or religious beliefs. In 2022, we continued to make progress on our goals, including increasing the share of women among new recruits to 50%, women professionals to 38%, and women in management to 40.3% in Türkiye.

As consumers become increasingly aware of the environmental impact of products, our focus on sustainability has become a key competitive advantage, demonstrating our commitment to circular economy principles in product design and production processes. Our product range includes areas where millions of people consume water, and we are keeping our relentless focus on designing and developing products that have minimal environmental impact by using resources as efficiently as possible, extending the longevity of our products, and increasing the share of nature-friendly materials. We also provide our users with sustainable solutions, by offering innovative products designed to decrease the amount of water and energy used in common areas and houses. Moving forward, we will continue to leverage our expertise in innovation

and digitalization to pursue our sustainability agenda and develop products that cater to the hygiene and wellbeing needs of all people.

As an international player in the energy-intensive building products industry, we acknowledge our responsibility to respect planetary boundaries and reduce our environmental footprint. In this direction, we are accelerating our efforts to invest in renewable energy and exploring all opportunities to support our low-carbon transition roadmap. In 2022, we successfully installed our first 4 MW solar power plant on the roof of our Bozüyük facility. In line with our Group-wide commitment, we zeroed our electricity-related carbon emissions in Türkiye operations by sourcing green electricity. Looking ahead, we plan to increase our solar power generation capacity to 18 MW by 2025, which will provide us with renewable energy sources for 30% of our annual electricity demand, while the remaining electricity will be provided from certified green electricity. By the end of 2030, we will provide our entire electricity consumption from self-generated renewable energy, in Türkiye.

We are delighted to share our Integrated Sustainability Report with our stakeholders, hoping that it will serve as a medium to exchange ideas and expand our dialogue with all stakeholders. This year, we have also prepared two comprehensive reports that aim to transparently share our sustainability efforts. The first report, **"Story of Our Ambition,"** offers a detailed overview of our key sustainability initiatives and activities, accompanied by case studies that display our achievements and impact, whereas the second report, **"Facts about Our Actions,"** utilizes a data-oriented methodology to disclose our sustainability performance. Our reports are prepared in accordance with the Global Reporting Initiative (GRI) Standards and Stakeholder Capitalism Sustainable Value Creation Reporting Criteria of the World Economic Forum. Furthermore, we aligned our reporting with the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC).

As we continue our journey towards a more sustainable future, I am confident that our strong bonds with our stakeholders will allow our organization to be a force of meaningful and impactful change on behalf of our planet and people. With this in mind, we hope you enjoy reading our Integrated Sustainability Report 2022, and we kindly look forward to receiving your thoughts and feedback.



Özgen Özkan
CEO

1 Eczacıbaşı Building Products - Bathroom at a Glance

By creating the total bathroom concept and pairing it with robust production capabilities, Eczacıbaşı Building Products - Bathroom produces high-quality and innovative products for unique bathroom experiences with world-renowned brands including Vitra, Artema, Intema, burgbad.

In a world where needs, desires and choices are growing ever closer, and ever more singular at the same time, Eczacıbaşı Building Products - Bathroom is dedicated to addressing fundamental human needs as it blends extraordinary design concepts with cutting-edge technology to enhance contemporary urban living.

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Overview of Eczacıbaşı Building Products - Bathroom

GRI 2-1

Established in 1958, Eczacıbaşı Building Products-Bathroom (EBPB) started as a producer of ceramic sanitaryware with a mission to invest in essentially human spaces - the bathrooms. Today, Eczacıbaşı Building Products-Bathroom (EBPB) has emerged as a leading Turkish manufacturer and exporter in the building products industry, generating a total net sales of over €510 million, and employing more than 5,000 people across 12 production facilities in four countries.

As a designer and manufacturer of every essential element in the bathroom, EBPB creates inspiring bathrooms with a wide range of choices, admired by users around the world, in over 105 countries on five continents. With world-renowned brands including Vitra, Artema, Intema, Burgbad, Norm, Normus, Punto, Sea, and Selena; EBPB challenges the traditional perception of the bathroom as a purely functional space, instead seeing it as a beautiful, relaxing, and life-enriching environment.

By blending human-centric solutions and technology, EBPB continuously improves its in-depth expertise in hygiene and cleanliness in the bathroom, enhancing human health and elevating the personal hygiene experience to new levels. Placing accessibility, safety, and functionality at the core of its design philosophy, EBPB is dedicated to work towards creating inclusive bathroom experiences that serves the hygiene and wellbeing of all people regardless of age, gender, ability, or condition.

For additional details regarding the history of our organization, please refer to our website.



Our Mission

Our mission is to manufacture high-quality and essential bathroom products that promote hygiene and well-being for all. By empowering our employees and fostering a culture of innovation and excellence, we are dedicated to preserving the delicate balance of the environment, resources, and society for nourishing a sustainable future.

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 EUR 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 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 as 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 **servicing 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.



Vitra Liquid Collection

Our Organization, Brands and Products

GRI 2-1

4

Brands



12

Production Plants



105

International Markets



+5,000

Overall Employment



€ 510 Million

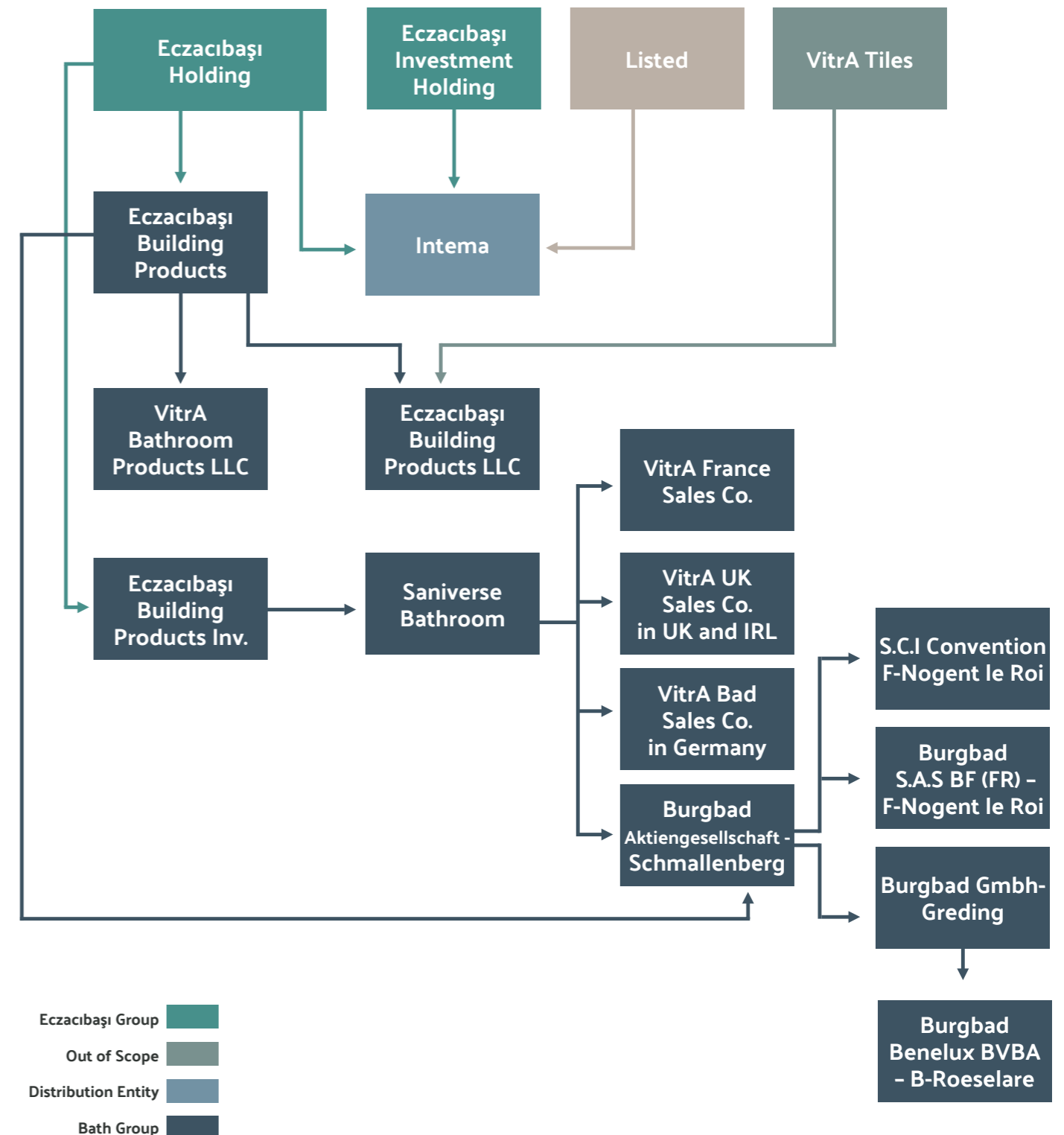
Net Sales



Eczacıbaşı Building Products - Bathroom (Eczacıbaşı Yapı Gereçleri A.Ş. ("EYAP")) produces ceramic sanitaryware, faucets, bathroom furniture, bathtubs, and bathroom complementary products. These products are offered under the Vitra and Artema brands in Turkey. In 2020, Eczacıbaşı Group became a stakeholder to burgbad AG ("burgbad") through its subsidiary, Saniverse Bathroom. A leading manufacturer of bathroom furniture, burgbad's facilities are located in Germany and France. EYAP also directly owns Vitra Bathroom Products LLC ("Santekhnika"), which is located in Russia and produces and sells ceramic sanitaryware and other bathroom products.

EBPB operates sales and marketing activities through Eczacıbaşı Group's subsidiaries and offices in Germany, France, Italy, and the United Kingdom and has representative offices in the United Arab Emirates and India. In 2021, EYAP transferred its Saniverse Bathroom shares to Eczacıbaşı Building Products Inv. (Eczacıbaşı Yapı Ürünleri Yatırım A.Ş.), a wholly owned subsidiary of Eczacıbaşı Holding. Eczacıbaşı Holding is the ultimate beneficial owner of both EYAP and Eczacıbaşı Building Products Inv.

GRI 2-1



GRI 2-1

Our Brands

VitrA

As the flagship brand of Eczacıbaşı, VitrA develops innovative products for unique bathroom experiences for a world where needs and tastes are growing ever closer, and ever more singular at the same time, and with unshakable commitment to sustainability.

Intending to be a universal fountainhead of inspiration for the most demanding professionals serving the most fastidious end users, VitrA addresses fundamental human needs as it blends extraordinary design concepts with cutting-edge technology to enhance contemporary urban living.

ARTEMA

Always striving for improvement and focusing on solutions that simplify life, Artema offers shower systems, bathroom, and kitchen faucets suitable for every style, habit, and need.

Developed with cutting-edge technologies and innovative design concepts, Artema's products set the standard for aesthetics, comfort, and durability with their functional superiority and award-winning designs.

İNTEMA

With its innovative and contemporary style, Intema provides high-quality kitchen furniture designed to enhance the ideal kitchen experience for consumers.

By fostering an emotional connection with its users, Intema provides diverse furniture alternatives that stand out for their form and design, while offering versatility in terms of product, material, and functionality.

burgbad

A leading manufacturer of premium furniture and furnishing concepts for the bathroom, burgbad offers compelling bathroom furniture solutions in all segments – from family-friendly bathrooms in lacquer wood veneer or country style to design-oriented product lines and timelessly classic collections all the way to individual architecturally progressive concepts for entire rooms.

With production facilities in Bad Fredeburg Greiding Lauterbach-Allmenrod (Germany) and Nogent le Roi (France) burgbad has been a wholly owned subsidiary of the Eczacıbaşı Building Products - Bathroom since 2010.

Germany
 Bathroom Furniture (3)

France
 Bathroom Furniture (1)

Turkey
 Sanitaryware (4)
 Faucet and Concealed Cistern (1)
 Bathroom Furniture (1)
 Showering Area (1)

Russia
 Sanitaryware (1)

Eczacıbaşı Building Products - Bathroom produces in seven facilities in Turkey, namely Bozüyük (Bilecik) and Tuzla (Istanbul); and has five facilities abroad, in Germany, France and Russia.



GRI 2-1

Product Portfolio



Ceramic Sanitaryware

- W.C. Pan
- Cistern
- Washbasin
- Pedestal
- Sink
- Urinal
- Separator
- Bidet
- Shower Tray
- Squatting Pan

46.0%



Bathroom Furniture

- Furniture
- Counters
- Mirrors
- Complementary products

27.7%



Faucets and Accessories

- Basin faucet
- Bidet faucet
- Kitchen faucet
- Shower set
- Hand shower
- Head Shower
- Shower column
- Shower systems
- Bathroom accessories

15.9%



Concealed Cisterns

- Concealed Cisterns
- Flush Plates

9.8%




Showering Areas


- Compact units
- Bathtubs
- Shower channels
- Shower trays



0.6%

Our Operating Environment

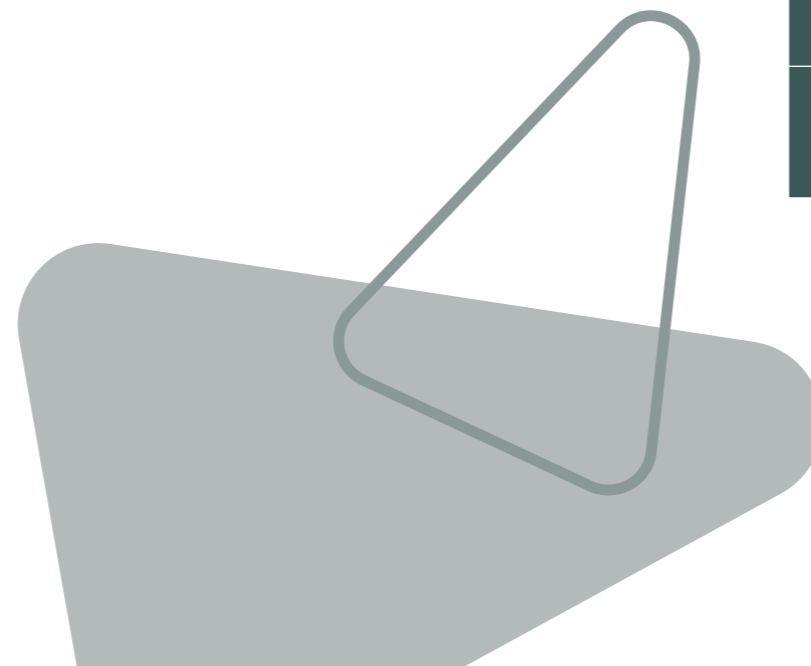
As an international manufacturer and exporter operating within a fast-paced global landscape, it is imperative that we remain vigilant in monitoring, anticipating, and responding to the challenges and opportunities that shape our present and future reality. We acknowledge the necessity to stay abreast of global trends and how they intersect with our strategic initiatives, empowering us to engage adeptly with our external environment and ensure our long-term success.


Global Trends	<p>Climate and Nature Crisis</p> <p>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.</p>
Impact on the Industry	<ul style="list-style-type: none"> • Impact of water scarcity on hygiene and diseases, adversely affecting the product portfolio • Growing risk of raw material shortages due to decreasing resources, particularly brass, which is an essential material for faucets production • The European Green Deal includes various actions for companies, such as the Circular Economy Action Plan, Packaging Waste Directive, and the world's first Carbon Border Adjustment Mechanism (CBAM) with a provisional agreement. • Implications for industrial companies in Turkey as a major trading partner with Europe: <ul style="list-style-type: none"> - Carbon tax and stringent regulations on environmental impact throughout the product life cycle, including packaging and material use. - Potential challenges in maintaining export levels and competitiveness due to increasing financial burden.
Our Response	<p>We recognize the multidimensional impact of the climate crisis and its impact on the economy, environment, and society. To address these challenges, we are constantly pushing the boundaries of advanced production facilities, embracing opportunities to bolster energy efficiency, employ renewable energy in both on-site and off-site projects, and promote the sustainable utilization of scarce resources. Furthermore, our organization has long recognized the imperative of water conservation and, as a result, we have undertaken extensive research and analyses aimed at reducing water consumption.</p> <p>Our primary focus also lies in the design and development of products that have minimal environmental impact, achieved through the utmost efficiency in resource utilization, extending the lifespan of our products, and increasing the share of nature-friendly materials. By mitigating the adverse effects of greenhouse gas emissions and decoupling our expansion from resource consumption, we strive to fulfill our responsibility to uphold planetary boundaries and reduce our environmental footprint throughout the value chain.</p>
Capitals Impacted	

Global Trends	<p>Technological Progress and Digital Age</p> <p>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.</p>
Impact on the Industry	<ul style="list-style-type: none"> • Keeping up with the pace of technological transformation to enable prompt decision-making in company strategies • Driven by rising energy and raw material costs, the impact of automation against the need for increased production efficiency • Cybersecurity risks in the supply chain and data privacy concerns • Compliance to increasingly stringent data security and privacy regulations such as Personal Data Protection Authority (KVKK) in Turkey and General Data Protection Regulation (GDPR) in the EU • Leveraging emerging technologies including the Internet of Things (IoT), Artificial Intelligence (AI), machine learning, and Industry 4.0 to maintain competitiveness
Our Response	<p>We acknowledge that keeping pace with the rapidly evolving digital landscape is imperative to accomplishing our long-term objectives and maintaining a competitive advantage in the marketplace. Our overarching objective is to offer unique and seamless experiences to our customers and stakeholders by transforming the challenges of the digital age into new opportunities through innovative digital systems. To this end, we harness the potential of digital technologies and data across all facets of our business processes, fostering enhanced productivity and generating value for our users. Vitra Innovation Center serves as the hub for our research and development endeavors, enabling us to remain vigilant in identifying and responding to emerging technological trends and shifts. In doing so, we actively deploy human-centric, sustainable, and innovative solutions for the bathroom of the future. Our dedication to science and innovation in every facet of product development is deeply ingrained in our environmental and social ethos. In our commitment to the sustainability movement, we foster collaborations with universities and undertake diverse projects, such as conducting Life Cycle Assessments (LCAs) and participating in the “Design for All” program (Sheffield Hallam study).</p>
Capitals Impacted	

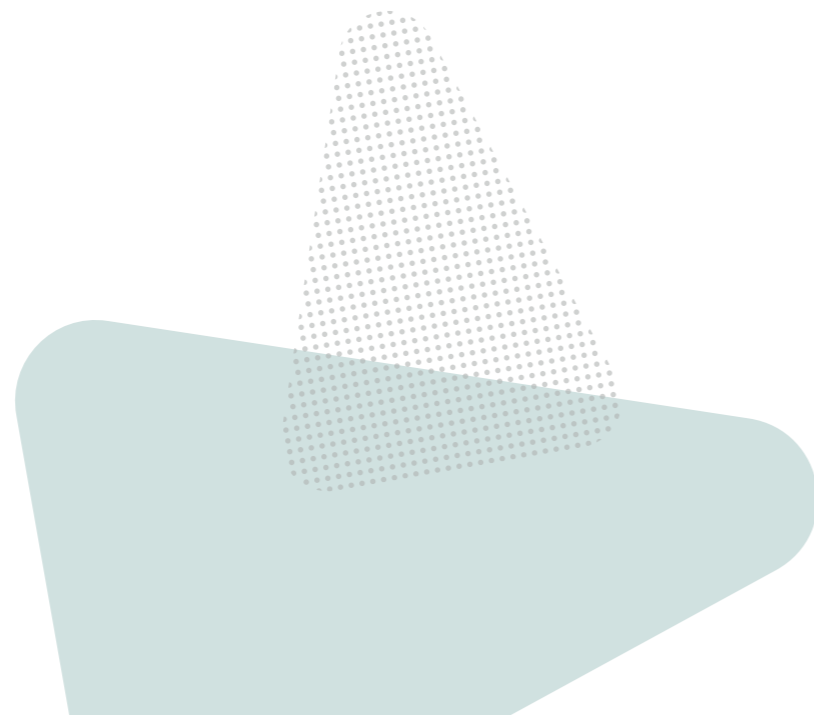
<p>Global Trends</p>	<p>Economic Considerations and Resilience</p> <p>In recent years, the global economy has experienced a slowdown across various regions and countries. This trend has been further exacerbated by the COVID-19 pandemic, which has caused widespread economic disruptions and recessions 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.</p>
<p>Impact on the Industry</p>	<ul style="list-style-type: none"> • Impact of rising commodity prices, particularly energy and natural gas, on financial performance and product pricing • Potential pressure on product prices resulting from consumer behavior in response to inflation and rising costs • Risk of not achieving the desired sales results arising from the economic slowdown in the European Union
<p>Our Response</p>	<p>We closely monitor the developments surrounding the deceleration of the global economy and swiftly adjust our operations, commercial strategies, and innovation priorities to align with the rapidly shifting market dynamics. Our primary focus lies in bolstering our production capacity and expanding our global reach through strategic investments. These investments enable us to fulfill our mission of manufacturing high-quality, essential bathroom products that promote hygiene and well-being for all our stakeholders worldwide.</p> <p>Through strategic investments and the adoption of agile business strategies, we strive to foster a proactive approach that anticipates and adapts to the prevailing economic challenges. Our ultimate objective is to cultivate resilience and navigate the intricacies of the ever-evolving economic landscape.</p>
<p>Capitals Impacted</p>	 

<p>Global Trends</p>	<p>Social Cohesion and Inequalities</p> <p>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.</p>
<p>Impact on the Industry</p>	<ul style="list-style-type: none"> • Compliance to due diligence and other supply chain regulatory developments, particularly in the EU • Consumer focus in transparent businesses and demand for accountability, with a specific emphasis on human rights and environmental footprint • Loss of interest and talent within the industry, leading to potential challenges in attracting and retaining skilled individuals • Employee expectations in fair employment practices, competitive compensation, and considerations for diversity and inclusion
<p>Our Response</p>	<p>Our unwavering commitment is to treat all individuals with the utmost respect and dignity. We steadfastly adhere to the fundamental principles of human rights and unequivocally condemn any transgressions against these values in our business operations. Through empowering our employees and cultivating a culture of innovation and excellence, we are dedicated to provide meaningful and equitable employment opportunities for all.</p> <p>Our commitment to promoting gender equality in the sector is underscored by our focus on developing initiatives aimed at increasing the representation of women. We harness the power of digital innovation and technology to enhance women's participation across our operations. Additionally, we have embraced a long-term approach to empowering women in the region, aligning with our commitment to the well-being of all stakeholders. Prior to offering employment opportunities, we invest in skill development within our community, thus contributing to the long-term sustainable development of the region.</p>
<p>Capitals Impacted</p>	 



Global Trends	<p>Geopolitical Developments</p> <p>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.</p>
Impact on the Industry	<ul style="list-style-type: none"> • Further supply chain disruptions due to the ongoing conflict between Russia and Ukraine, coupled with potential sanctions on natural gas imported from Russia, stemming from the EU's roadmap to decrease its dependence • Adverse impact of the ongoing conflict and the international sanctions on the export activities of companies with production facilities located in Russia
Our Response	<p>We actively adopt a proactive stance towards mitigating the risks associated with geopolitical developments, with a focus on the continuous monitoring of such developments and related sanctions to steer our strategies in the right direction. Our focus is on strengthening the resilience of our supply chain and minimizing operational disruptions through investments in research and development, product, and process optimizations. We continue to accelerate our investments in renewable energy and energy efficiency initiatives to mitigate related risks and eliminate the possible negative effects of both temporary and long-term geopolitical crises.</p>
Capitals Impacted	

Global Trends	<p>Lifestyle and Behavioral Changes</p> <p>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.</p>
Impact on the Industry	<ul style="list-style-type: none"> • Evolving expectations of young people, particularly Generation Z, regarding employment and purchasing decisions • Shift in consumer behavior, resulting in an increased demand for information content related to product carbon footprint, recycled material content, and the use of locally and ethically sourced materials • Increasing importance of diverse environmental and social product certifications, necessitating effective communication with consumers to maintain competitiveness
Our Response	<p>Our utmost priority lies in human health, so we work towards both personal and environmental hygiene in every sphere, from homes through to schools, hospitals, hotels, restaurants, and all other public spaces. We continuously work to engineer solutions that provide maximum hygiene benefits, including touch free toilet experience, ion-rich technology that inhibits the growth of harmful bacteria, smart toilets and Rim-Ex rimless WC bowls that are free of the channels and holes that can harbor harmful bacteria and micro-organisms.</p> <p>By promoting product stewardship, aiming for resource efficiency, and prioritizing sustainability in design, we adopt a strategic approach to move towards a more sustainable product portfolio in line with the changing needs and preferences of our users. We provide a diverse range of sustainable solutions designed to meet the requirements of globally recognized green building rating systems. Our products also boast an array of diverse environmental labels and certifications, and we are also the first brand receiving the Unified Water Label certificate in Turkey. Our steadfast dedication lies in remaining attuned to the shift in consumer preferences to be better positioned to remain competitive and responsive to their demands.</p> <p>We work to maintain a high level of sensitivity towards the evolution of contemporary lifestyles, recognizing that the needs and expectations of our employees are constantly evolving. As such, we are committed to crafting hybrid working conditions that are tailored to meet the diverse demands of our workforce. Our unwavering focus on health, safety and well-being is an integral pillar of our overall strategy. We are dedicated to cultivating a work environment that not only offers ample opportunities for growth and development but also prioritizes the physical, emotional, and mental well-being of our employees.</p>
Capitals Impacted	



Year in Review

Here are the key performances achieved by Eczacıbaşı Building Products - Bathroom in 2022.

€ 510.6 million
 Total net sales

36% Decrease in carbon emission intensity in our production plants (Scope 1+2) compared to 2020¹

70% Share of international sales

86.6% Share of recycled waste ✓

267 Cumulative registered patents

38% Total share of women professionals² ✓

39 Registered patents

50% Women among new recruits² ✓

4 MW Renewable energy installed capacity

40% Women in management² ✓

79 GWh Green electricity procurement

29 Training hours per talent³ ✓

93.4% Electricity use from renewable sources¹

25 Training hours per employee⁴ ✓

4% Decrease in energy intensity compared to base year (2020)

0.99 Accident frequency rate ✓

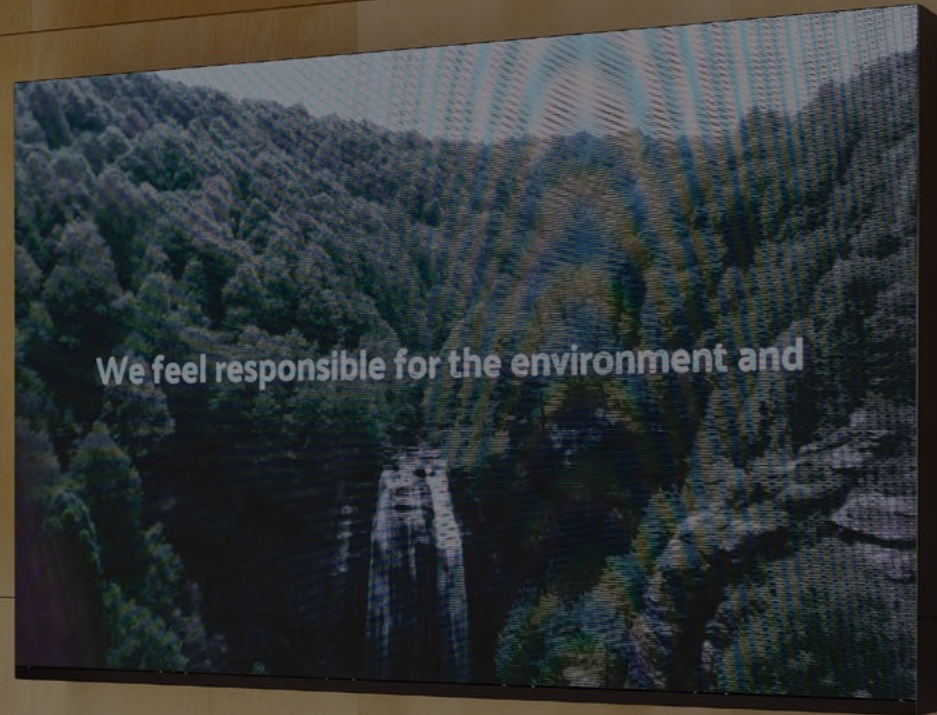
¹ Includes green electricity procurement for Turkey and burgbad operations and self-generated renewable electricity

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

³ Employees in leadership programs

⁴ Employees in Turkey





We feel responsible for the environment and

As we seamlessly blend design, innovation and sustainability in our products for users all around the world who encounter them in their daily lives, we work every day to preserve the delicate balance of the environment, resources, society, and business.

To deliver on this vision, we progressively incorporate aspects of sustainability into our strategic decisions and preferences from the procurement of raw materials to the sale of the end product, pushing the boundaries of what is possible and leaving a positive impact on the world around us.

Our Approach to Sustainability

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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** allocated to invest in our core business, ensuring sustainable growth and enabling us to deliver our purpose of making essential, high quality products that promote hygiene, cleanliness and well-being for all.
- Our **human capital** encompasses a motivated and talented workforce, an inclusive culture and institutional expertise that enable our business to thrive.
- Our **natural capital** refers to our careful use of the limited resources of our planet in our operations, including energy, water, and climate, as well as the influence we exert on them through our business activities.
- Our **intellectual capital** comprises our research and development capabilities, capacity for innovation, knowledge and expertise that collectively empower us to shape the future of the bathroom.
- Our **social capital** is built on our stakeholder relationships, founded on honesty, mutual respect, and trust. Through strategic partnerships and collaborations, we aim to create a lasting impact on the societies in which we operate, fostering the development of thriving communities.

What we do

Our mission

“To manufacture high-quality, essential bathroom products that promote hygiene and well-being for all.”

How we do it

As we work towards designing and producing for human health and well-being, we are dedicated to preserving the delicate balance of the environment, resources, society, and business. Sustainability is at the center of our business strategy, serving as a production, design, and management philosophy to enable us deliver our purpose. This strategic approach builds upon our competitive advantages and directs our investments and operational decisions, allowing us to continually contribute to a more sustainable and healthier future.

Our Value Chain



Our inputs in five capitals

€ 510.6 million
 Total net sales
4 Brands
12 Production Facilities

More than **5,000**
 Employees worldwide

38% Total share of women
 in professionals¹ ✓

50% Women among new
 recruits¹ ✓

40.3% Women in
 management² ✓

€ 1.5 million OHS
 investments

433,240 MWh Total energy
 consumption ✓

389,745 m³ Total water
 withdrawal ✓

197,580 tons Total material
 use

€ 1.6 million Environmental
 investments and expenditure

VitrA Innovation Center

1,470 Suppliers

105 International Markets

Key outputs

€ 9.1 million Total tax paid
€ 15.5 million Paid to
 capital providers

€ 113 million Paid to employees in
 wages and benefits

25 Training hours per employee ✓

29 Training hours per talent³ ✓

0.99 Accident frequency rate ✓

4 MW Renewable energy installed
 capacity

79 GWh Renewable energy
 procurement

4% Energy intensity reduction⁴

36% CO₂ emissions intensity
 reduction in our production plants
 (Scope 1+2)⁵

4% Decrease in total water
 withdrawal⁵

86.6% Share of recycled waste ✓

267 Cumulative
 registered patents

21 R&D projects

€ 1 million Total social
 contribution

The value we create for our stakeholders



Environment

- Our aim is to be a part of the climate change solution. We collaborate with partners throughout our value chain to reduce our carbon emissions, use scarce resources responsibly and develop circular solutions.
- Through innovation and strategic investments in infrastructure, resource-efficient technologies, and on-site/off-site renewable energy solutions, we actively contribute to solving environmental challenges for future generations.



Employees

- Our emphasis lies in attracting, nurturing, and retaining talented individuals, allowing us to drive progress on our economic and sustainability agenda.
- We foster a diverse, and inclusive workplace that prioritizes the health, safety, and well-being of our employees. We provide opportunities for everyone to explore their potential throughout their careers and actively pursue personal and professional growth.



Civil Society

- Our commitment is to create sustainable and meaningful change, fostering economic growth and development within the communities we interact with through our community investments and voluntary programs.
- We focus on strengthening collaborations among diverse stakeholders who share common goals, aiming to raise awareness and generate solutions for global challenges, including sanitation, hygiene, water conservation and climate action.



Supply Chain

- To build resilient and sustainable supply chains, we actively engage with our supply chain ecosystem, fostering collaborative actions, sharing best practices and tools, and promoting environmental stewardship and transparency.
- We prioritize collaborating with local suppliers in the geographies where we operate, enabling us to shorten our supply chain, minimize our carbon footprint, reduce supply-related risks, and support local production and job creation.



Customers

- Our high quality and innovative products offer users a unique bathroom experience that prioritizes comfort, health, and hygiene.
- Our bathroom solutions are designed to decrease water consumption and manufactured using responsibly sourced materials and have reduced environmental impact throughout their lifecycles, supporting our users' sustainability consciousness in their daily lives.



Finance Community

- Operating on the foundation of business integrity, ethics, and high quality standards, we are dedicated to delivering clear and transparent reporting to build and maintain trust.
- We ensure long-term financial resilience by implementing a strong and robust risk management approach, fostering a culture of risk awareness and accountability throughout our organization.

¹ White-collar employees in Turkey with a full-time, indefinite term contract

² Includes managers and higher management positions, board members are excluded

³ Employees in leadership programs in Turkey

⁴ Compared to base year (2020)

⁵ Compared to previous year

Sustainability at Eczacıbaşı Building Products - Bathroom

At Eczacıbaşı Building Products - Bathroom, our unwavering commitment is to foster a sustainable future across all our activities, preserving the delicate balance between the environment, natural resources, society, and business. We acknowledge that our responsibilities extend beyond our own operations, and we are committed to creating a bigger, lasting impact and building a healthier future, together with our stakeholders.

As we embark on our journey to shape the future of the bathroom, our steadfast dedication to sustainability fuels our passion to innovate, stretch our boundaries and push ourselves to discover new and better opportunities for creating sustainable value for our stakeholders, all while lessening our impact on our one and only planet.

This year, we have incorporated Eczacıbaşı Group's sustainability strategy and updated our approach to sustainability. This approach encompasses four sustainability pillars and nine focus areas, which we presented to our stakeholders through our 2022 Integrated Sustainability Report. By adopting this framework, we aim to transparently report our progress while ensuring that all our actions are deeply integrated into our business strategy and operations.



Investing in Planet	Investing in People	Investing in Future	Corporate Governance
<p>Respecting the right of future generations to inhabit a healthy planet, we are dedicated to mitigating the adverse effects of our operations on the climate and environment. At the heart of this effort is driving down carbon emissions and our resource use while partnering with stakeholders across our value chain to design solutions that reduce our environmental impact.</p> <p>Putting circular economy at the core of our business, we are embracing opportunities to minimize waste and maximize circularity. While producing using less resources, we are progressing towards an even more sustainable product portfolio. Driven by innovation, we seek to design sustainable solutions that facilitate energy and water conservation, effectively addressing environmental impacts across their entire lifecycle.</p>	<p>Investing in our people is essential for our success in our ambitious sustainability agenda. Our utmost responsibility to our people is to cultivate an inspiring, inclusive, and diverse working environment that prioritizes both physical and mental well-being. By empowering our people and enhancing their skills and competencies, we foster an agile and motivated workforce that enables us to achieve sustainable success.</p> <p>We strive to foster enhanced collaboration with all our stakeholders to address the economic, environmental, and social challenges of our time. Our objective is to create lasting impact and generate opportunities for economic growth and development in the communities we engage with.</p>	<p>At the core of our business lies our unwavering commitment to innovation and creativity, driving us to continually enhance comfort, sustainability, and the aesthetic appeal of bathrooms. We are dedicated to designing for a better future by developing purpose-driven products and technologies that deliver the utmost value to our users.</p> <p>As a data and technology-driven organization, we aim to offer unique and seamless experiences to our stakeholders. Our vision is centered around shaping the future of our business, enhancing customer value, and increasing productivity through the implementation of digital systems and leveraging data in all our business processes.</p>	<p>We are dedicated to maintaining accountable, fair, responsible, and transparent corporate behavior. Our operations are guided by comprehensive policies, standards, and management systems that address both risks and opportunities, allowing us to respond and adapt to future challenges and ensure sustainable growth.</p> <p>We adopt an integrated approach to managing corporate risks. Our focus extends beyond economic considerations to encompass environmental and social aspects, enabling us to drive progress on our commitments.</p>



Unveiling Our Brands' Approaches to Sustainability

VitrA

VitrA's sustainability efforts center around what the world needs, what the brand is good at, and what it is passionate about. VitrA focuses on inspiring **people** by achieving diverse culture, enhancing collaboration and creating lasting impact. By delivering innovation that delivers improved sustainability benefits, VitrA promotes **product** stewardship, aims for resource efficiency and increases sustainability awareness among its users. With advanced **production** facilities, VitrA seizes opportunities to use less resources, minimize waste, maximize circularity and invests in renewable energy to reduce emissions.

ARTEMA

Artema integrates sustainability in design, production and management by believing that protecting natural resources means protecting the future. With a focus on conserving every drop, Artema offers a diverse range of sustainable solutions designed to meet the requirement of globally recognized green building rating systems. Additionally, the brand takes a proactive approach by prioritizing user-friendliness and effective communication to raise awareness.



'INTEMA

Intema supports a sustainable and harmonious life in alignment with nature, meeting the needs of present and future generations. Intema strives to expand its sustainable product portfolio, optimize logistics operations to reduce emissions, and safeguard natural resources by using recycled materials in production. Additionally, Intema prioritizes increasing sustainability awareness by promoting the use of environmentally friendly products through various marketing campaigns.



burgbad

As a world-leading manufacturer of bathroom furniture, burgbad believes it has a special responsibility for people, nature and the climate. For years, burgbad has been working to embed sustainability not only within the company itself but throughout its global value chain. This entails a focus on responsibility in the supply chain, employee satisfaction, the development of sustainable products, and climate protection in production and at production sites.



Eczacıbaşı Building Products - Bathroom's Materiality

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

At Eczacıbaşı Building Products - Bathroom, we firmly believe that our success depends on understanding and addressing the evolving sustainability landscape and associated issues that may shape our future strategic direction. Our materiality assessment enables us to pinpoint the environmental, social, and economic issues that matter most to our business and our stakeholders. It also helps us understand how our activities impact our stakeholders and helps us allocate our efforts and resources to determine the areas where we can have the greatest impact both now and in the future. This also supports our risk management process to identify areas that may affect our ability to achieve our business objectives, and to uncover opportunities for value creation.

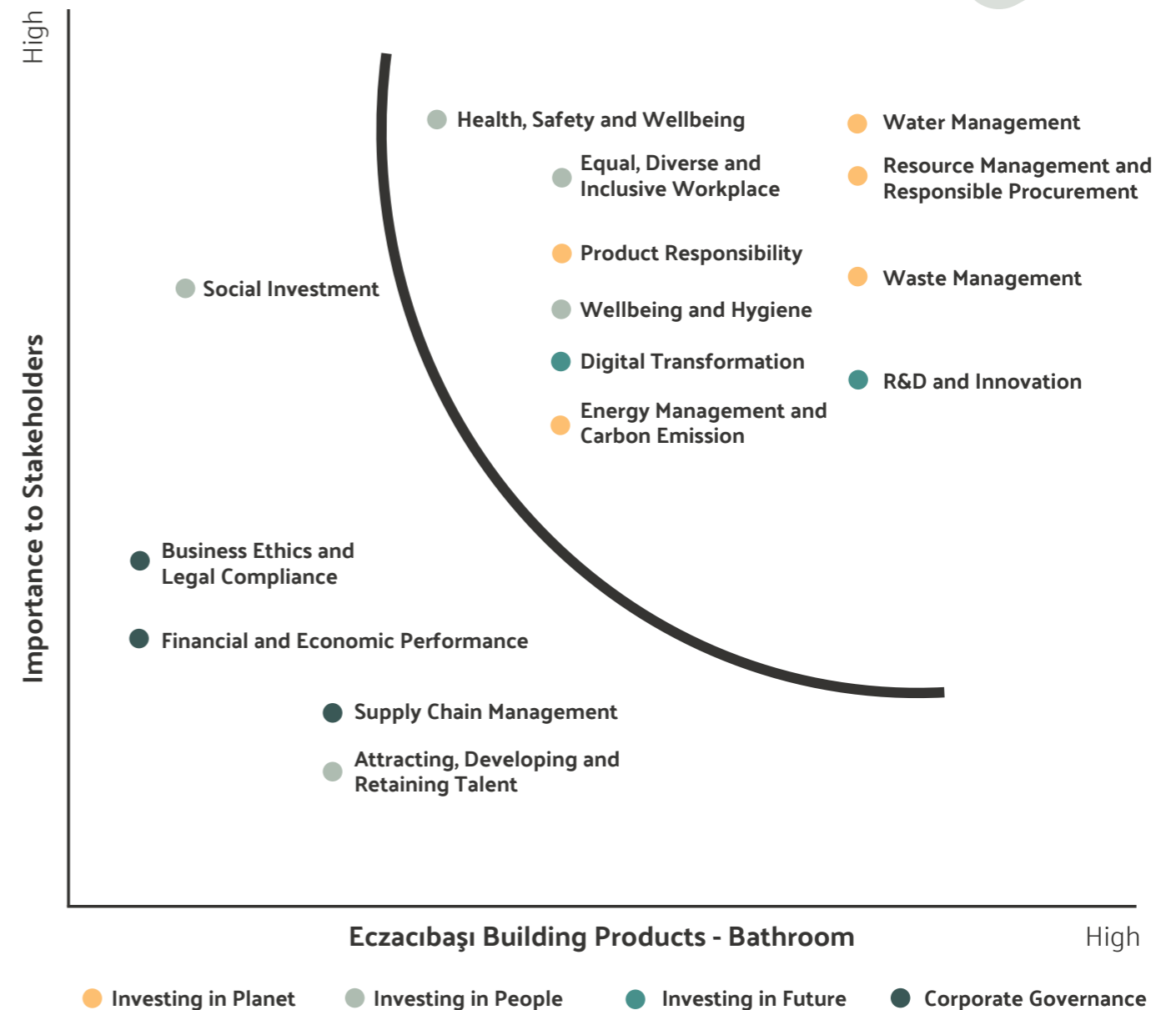
Last year, we reviewed Eczacıbaşı Group's materiality process and conducted a stakeholder engagement study to determine our company-specific materiality. We engaged with nearly 30 representatives from all the major functions of the company to assess what issues are material for our business, reflecting their relevance to our corporate success and forming the foundation of our sustainability strategy. These meetings with representatives also allowed us to identify stakeholders, opportunities, risks, and strategic objectives for stakeholder engagement. We then gathered the insights from over 40 stakeholders to assess these topics, reflecting their relevance to them. For more information, please refer to our [2021 Sustainability Report](#).

This year, we have refreshed our materiality assessment to ensure our sustainability agenda remains focused and responsive to developments, helping us gain a better understanding of the areas where we need to recalibrate our future efforts. We started by taking a deep dive into the impact of our operations, evaluating our sustainability initiatives, future targets, and progress. We then conducted a comprehensive external analysis, wherein we identified changes in our external environment, and assessed current and emerging sustainability trends by reviewing reports published by international institutions including the World Economic Forum's

























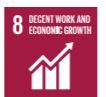





Global Risks Report, the OECD's Economic Outlook, and the World Business Council for Sustainable Development's Macrotrends and Disruptions Shaping 2020-2030 Report. We proceeded with evaluating material issues advised by GRI Standards, SASB and S&P specific to our industry. We have also conducted benchmark study from publicly available information of both national and international peers. The outcomes provided us with an evidence base to prioritize material topics and identify strategic opportunities for improving our performance moving forward. We finalized our work by combining the result of our analysis with last year's study and revised our sustainability priorities.

Our findings are outlined below, with each topic looked at in depth within this report. The materiality matrix presents a concise and clear overview of the most relevant issues for both our company and our stakeholders. Compared to the last materiality matrix, there were some key changes. New topics such as "Social Investment", "Business Ethics and Legal Compliance" and "Financial and Economic Performance" have been included. "Lifestyles Changes", "Privacy & Cyber Security", "Geopolitics", and "Business Continuity and Resilience" are no longer directly included in the matrix but are addressed under related material topics.

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






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	 	
		Wellbeing and Hygiene		
Investing in Future	Innovation and Entrepreneurship	R&D and Innovation	 	  
	Digital Transformation	Digital Transformation	 	
Corporate Governance	Ethics and Compliance	Business Ethics and Legal Compliance		
		Supply Chain Management		  
	Economic Sustainability	Financial and Economic Performance		

Sustainability Objectives

At EBPB, we place a high priority on setting targets and regularly evaluating our performance to drive meaningful change. We diligently monitor and assess our progress by aligning our sustainability objectives with key performance indicators (KPIs). By setting clear KPIs, we ensure a structured approach and allocate our resources strategically to foster sustainable practices throughout our operations. Moving forward, we aim to regularly report our historical performance against these KPIs, allowing us to inform our stakeholders about the pace of our progress and demonstrate our commitment to transparency in our sustainability efforts.

The following table outlines our sustainability objectives as to our selected material topics, provides an overview of our performance in 2022, and outlines our future objectives.

Material Topics	Goals ¹	Key Performance Indicator	Performance			Status
			2020	2021	2022	
Energy Management and Carbon Emissions	By the end of 2025, we will reduce our energy consumption per ton of product by 14% from 2020 levels	Energy consumption per ton of product (MWh/ton)	3.87	3.51	3.69 4% decrease compared to base year	Room for improvement
	By the end of 2030, we will provide the entire electricity consumption from self-produced renewable energy (in Turkey)	Renewable energy installed capacity (MWh)	-	-	4.027% of the total electricity consumption is from renewable energy	In progress
Water Management	By the end of 2025, we will reduce our water consumption per ton of product by 18% from 2020 levels	Water consumption per ton of product (m3/ton)	3.61	3.71	3.69 3% increase compared to base year	Room for improvement
Equal, Diverse and Inclusive Workplace	By the end of 2025, we will increase the share of women among new recruits to 53%	Share of women among new recruits (%)	57.0%	45.0%	50.0% 	In progress
	By the end of 2025, we will increase the share of women in employment to 41%	Total share of women professionals (%)	34.0%	35.0%	38.0% 	In progress
	By the end of 2025, we will increase the share of women in management positions to 43%	Share of women in management positions (%)	29.0%	34.0%	40.3% 	In progress
Health, Safety and Wellbeing	By the end of 2025, we will continue to keep the accident frequency rate below 1 for every 200 thousand working hours	Accident frequency rate	0.37	0.33	0.42	In progress

¹ The scope of the goals are limited to Turkey operations

Contributing to the UN 2030 Agenda

The United Nation's (UN) 2030 Agenda encompasses the 17 Sustainable Development Goals (SDGs), which serve as fundamental, tangible, and measurable references for fostering sustainable environmental, ethical, social, and economic development. Achieving these goals requires the participation of various stakeholders, including governments, civil society, and businesses. At EBPB, we are dedicated to taking action, and incorporating these goals into our business practices. The following index highlights our contribution to ten strategic SDGs that are aligned with our business and our stakeholders.



Good Health and Well-Being

- Our business is centered around human health; therefore, we strive to provide solutions that deliver the highest level of personal and environmental hygiene in the bathroom.
- We actively work to enhance people's quality of life through sanitation and hygiene initiatives.
- We are dedicated to achieving zero accidents across all locations and take continuous action to achieve our goal. These actions include reducing physical strain, conducting behavioral analyses, implementing artificial intelligence camera systems, and providing training to our employees through simulated scenarios of potential accidents.

Quality Education

- To build a teamwork-oriented, motivated, and qualified workforce, we offer impactful training programs that foster both personal and professional development opportunities, aiming to support our employees in reaching their full potential.
- We collaborate with universities to enhance the skills and competences of young talent by offering seminars, conferences, and sharing our sectoral and technical expertise.

Gender Equality

- Recognizing that achieving sustainability in business requires the equal participation of women across all domains of work, we are committed to implementing projects, activities, and practices that aim to close the gender gap. We establish targets to increase the representation of women throughout our entire business.
- We leverage digital innovation and technology in our production facilities to enhance women's participation in non-traditional roles.
- We deploy initiatives to empowering women in the regions where we operate. This includes investing in skill development, conducting regular training sessions, and providing employment opportunities.

Clean Water and Sanitation

- We improve people's quality of life through our sanitation and hygiene solutions. We develop innovative products that promote water conservation by reducing the amount of water consumed, optimizing water usage in buildings while maintaining high hygiene and sanitary standards.
- We set objectives to decrease our water intensity, and we are committed to implementing measures that enhance water efficiency, treat water for reuse in various processes and minimize freshwater withdrawal.

Affordable and Clean Energy

- We work towards decreasing our reliance on non-renewable fossil fuels and promoting the use of clean energy by investing in on-site and off-site renewable energy solutions.
- Through the implementation of energy efficiency projects, process and design optimization, the utilization of heat recovery systems, and the harnessing of digital technologies across our production facilities, we continuously seek innovative methods to achieve optimal energy efficiency in manufacturing.

Decent Work and Economic Growth

- We generate economic value by exceeding €510 million in total net sales. Our sustainable growth allows us to continuously generate added value for regional economic areas, suppliers, and business partners.
- We create fair and meaningful employment opportunities and provide avenues for personal and professional growth to our worldwide workforce, which comprises more than 5,000 employees.

Industry, Innovation and Infrastructure

- In our factories equipped with cutting-edge technologies, we continuously improve our processes to manufacture high-quality products while minimizing material usage and maximizing energy and water efficiency.
- We invest in designing, developing, and producing new materials, processes, and technologies to offer water-saving and sustainable products to our users. Through collaborations with universities and external consultants, we engage in a range of projects to generate new tools and skills that redefine form and function for the contemporary bathroom.

Responsible Consumption and Production

- We continuously implement new methods and technologies to reduce raw material usage and enhance the recovery and recycling of materials, thereby lowering our environmental impact throughout production. We actively collaborate with our supply chain partners to maximize industrial symbiosis opportunities and reduce our environmental footprint across the entire value chain.
- From the initial concept onwards, our products are designed with sustainability in mind. Our design approach focuses on minimizing water usage in developed products such as WC pans, urinals, taps & mixers, resulting in significant savings of fresh water per person, reducing power consumption and helping cut down on carbon emissions.

Climate Action

- We are advancing initiatives throughout our company to contribute to the global effort of limiting the increase in global temperature to 1.5°C. To achieve this, we are implementing various measures, including ensuring efficient production processes, investing in renewable energy solutions, and reducing our environmental impact by minimizing carbon emissions across the entire supply chain, from procurement to distribution.

Partnership for the Goals

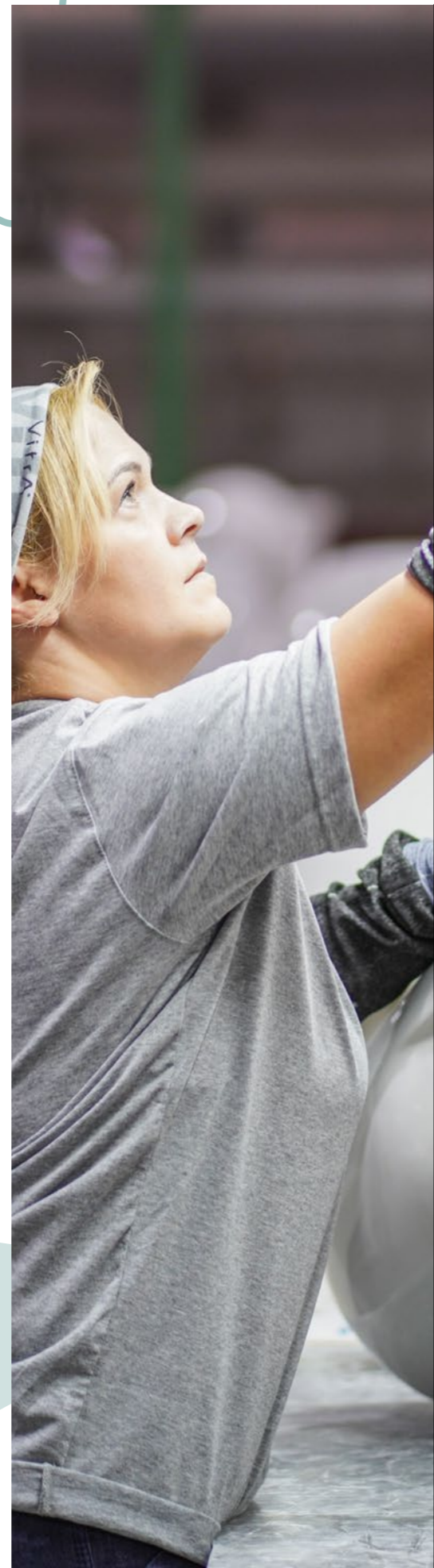
- In alignment with the Group's vision and objectives, we actively support multistakeholder initiatives, including the Business Plastics Initiative, UN Global Compact, WEF Stakeholder Capitalism, and Women's Empowerment Principles (WEPs).
- We place a strong emphasis on collaborating with all stakeholders to maximize our impact, contribute to the UN Sustainable Development Goals (SDGs) and achieve our sustainability commitments.

Stakeholder Relations

Engaging and building trust with our stakeholders is fundamental for our long-term success. We recognize that value creation is essential for all participants in the enterprise, as it establishes a shared purpose. By fostering synergy through shared goals and objectives among diverse stakeholders, we can create meaningful partnerships and engage in multistakeholder collaborations to address the pressing challenges of our time. To achieve this, we actively seek open dialogue to understand their expectations and respond accordingly.

Our stakeholder ecosystem comprises a diverse array of individuals and groups, including employees, customers, supply chain partners, R&D ecosystem, the finance community and civil society. We acknowledge the importance of maintaining regular and two-way communication with our stakeholders as they help us identify global trends, market expectations, and deepen our insights into their needs and expectations. This ultimately allows us to effectively manage risks and opportunities, improve the products and services we offer and maximize our impact.

The following table summarizes who our key stakeholders are, how we engage and hold regular dialogue with diverse groups through various platforms.



Stakeholder Groups	Stakeholders	Communication Methods
 Finance Community	Shareholders	Sustainability Reports (Annual), Annual Reports (Annual), Financial Reports (Quarterly), social media (Continuous), Corporate Website (Continuous), Material Disclosures (Instant), General Assembly Meetings (Annual)
 Employees	Board of Directors	Sustainability Reports (Annual), Annual Reports (Annual), Financial Reports (Quarterly), social media (Continuous), Corporate Website (Continuous), Material Disclosures (Instant), Community Meetings (Instant/Periodic), Cash-Flow Reports (Monthly), Group Financial Results Report (Monthly), Group Profit and Loss Forecast Report (Quarterly)
	Employees	Sustainability Reports (Annual), Annual Reports (Annual), social media (Continuous), Corporate Website (Continuous), Group Meetings and Publications (Continuous / Periodic / Instant), Bulletins / Announcements (Continuous), Material Disclosures (Instant), Employee Engagement Surveys (Annual), Training (Continuous), Social Responsibility Projects (Continuous), Human Resources Handbook (Continuous), CEO webinars (Periodic), Functional regular meetings (Periodic)
 Customers	Customers	Customer Surveys (Periodic), Sustainability Reports (Annual), social media (Continuous), Corporate Website (Continuous), Audits (Periodic), Customer Meetings (Periodic)
	Influencers	Sustainability Reports (Annual), Projects (Project Based), social media (Continuous), Corporate Website (Continuous)
 Supply Chain	Business Partners	Sustainability Reports (Annual), Annual Reports (Annual), social media (Continuous), Corporate Website (Continuous), Material Disclosures (Instant)
	Suppliers (Materials and Equipment)	Sustainability Reports (Annual), Annual Reports (Annual), social media (Continuous)
 Civil Society	Civil Society, Industry Platforms and Communities	Sustainability Reports (Annual), Annual Reports (Annual), Financial Reports (Quarterly), social media (Continuous), Corporate Website (Continuous), Customer Surveys (Periodic), Projects (Project Based), Memberships (Continuous)
	Research and Development Ecosystem	Sustainability Reports (Annual), Projects (Project Based), social media (Continuous), Corporate Website (Continuous)
	Others (Agencies, Media, Consultants)	Sustainability Reports (Annual), social media (Continuous), Corporate Website (Continuous), Press Releases (Instant)
 Government and Regulators	Public Institutions	Sustainability reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (project based), Audits (Instant/ Periodic)
	Local Governments	Sustainability reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (project based), Audits (Instant/ Periodic)

3

Corporate Governance



At EBPB, our foremost focus lies in upholding ethical business principles and holding ourselves accountable for conducting honest, fair, responsible, and transparent corporate practices. Our corporate governance approach is built upon these values, providing a solid foundation for addressing future challenges and fostering sustainable growth. We continuously invest in our core business to stimulate organic growth, strengthen our production capabilities, enhance the quality and range of our products, creating sustainable value for all our stakeholders.

Ethics and Compliance	56
Business Ethics and Compliance	57
Supply Chain Management	60
Economic Sustainability	64
Financial and Economic Performance	65

Governance Approach

Establishing robust governance is essential for creating a resilient and thriving organization that delivers value to stakeholders and drives progress on sustainability commitments. Through effective strategic planning, risk management, and decision-making processes, our Board of Directors, and Executive Management work together to align the company's objectives with the evolving market dynamics and stakeholder expectations. By overseeing the implementation of solid governance practices and fostering a culture of accountability and transparency, they strive to safeguard the long-term success of the organization and deliver sustainable value to all stakeholders.

Eczacıbaşı Group is an industrial conglomerate that comprises Eczacıbaşı Holding and its subsidiaries. As an integral part of the Eczacıbaşı Group, our organization operates in close alignment with the robust short, medium, and long-term objectives outlined within the Group's overarching business strategy. We place great emphasis on meticulously executing our operations in line with these strategic goals, ensuring a harmonious integration with the broader vision and direction of the Eczacıbaşı Group.

Board of Directors

The EBPB Board of Directors assumes the crucial role of implementing strategic decisions of the Eczacıbaşı Group, ensuring compliance with internal regulations and policies. In accordance with corporate governance principles, the Board manages and represents the company while considering factors such as risks, growth, returns, and long-term interests. Its primary responsibility lies in securing the long-term success of the company.

The EBPB Board of Directors consists of 8 members, led by the Group CEO of Eczacıbaşı Holding, who assumes the role of Chairperson. The Board includes three members from Eczacıbaşı Holding. Furthermore, the Board is strengthened by the presence of two non-executive members who provide valuable insights and perspectives. Notably, the EBPB CEO also serves as a member of the Board of Directors and maintains a direct reporting line to the Group CEO.



Atalay M. Gümrah
Chairperson of the Board
Group Chief Executive Officer
Talent and Remuneration
Committee



Seyfettin Sarıçam
Vice Chairperson
Group Chief Financial Officer
Investment Committee
Audit, Risk and Governance
Committee



Nejat Emre Eczacıbaşı
Board Member
Group Innovation and
Entrepreneurship Coordinator
Investment Committee Marketing
Committee



Mustafa Özgen Özkan
Board Member
Chief Executive Officer, Eczacıbaşı Building
Products - Bathroom Investment Committee
Talent and Remuneration Committee



Bülent Kozlu
Board Member
Chief Executive Officer,
Eczacıbaşı Consumer Products



Esra Eczacıbaşı Coşkun
Digital Board Member
Group Digital Transformation Coordinator



Andreas Josef Pfeiffer
Independent Board Member
Investment Committee
Marketing Committee
Talent and Remuneration Committee



Darius Padler
Independent Board Member
Managing Director, Ruter Gruppe
Audit, Risk and Governance Committee
Marketing Committee

Board Committees

The Board of Directors performs its duties through its committees: Investment, Audit, Risk and Governance, Talent and Remuneration, and Marketing Committees.

Board Committees	Investment Committee	Audit, Risk and Governance Committee
Members	Özgen Özkan, Seyfi Sarıçam, Emre Eczacıbaşı, Andreas Pfeiffer, İpek Güleç, and others (Strategic Planning Director, Senior Strategic Planning Manager, Strategic Planning Specialist, Financial Projects Manager).	Özcan Konak, Seyfi Sarıçam, Darius Padler, and others (Head of Risk Management and Internal Control, Senior Manager Internal Audit-Global Head, Assistant Risk Manager, Senior Internal Audit Risk Manager, Audit Committee Member-Internal Audit, Audit Committee Member - Tax&Audit)
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 behalf of Board of Directors to ensure reasonable assurance is provided for the interests of all stakeholders. <p>For more information, please refer to the Risk Management section.</p>
Board Committees	Talent And Remuneration Committee	Marketing Committee
Members	Atalay Gümrah, Andreas Pfeiffer, Eylem Özgür, Özgen Özkan, and EBPB HR Director	Andreas Pfeiffer, Darius Padler, Emre Eczacıbaşı, Sibylle Goettgens, and others (Senior Strategic Planning Manager, Strategic Planning Specialist, Financial Projects Manager)
Responsibility	<ul style="list-style-type: none"> 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.



Vitra Booth, ISH 2023

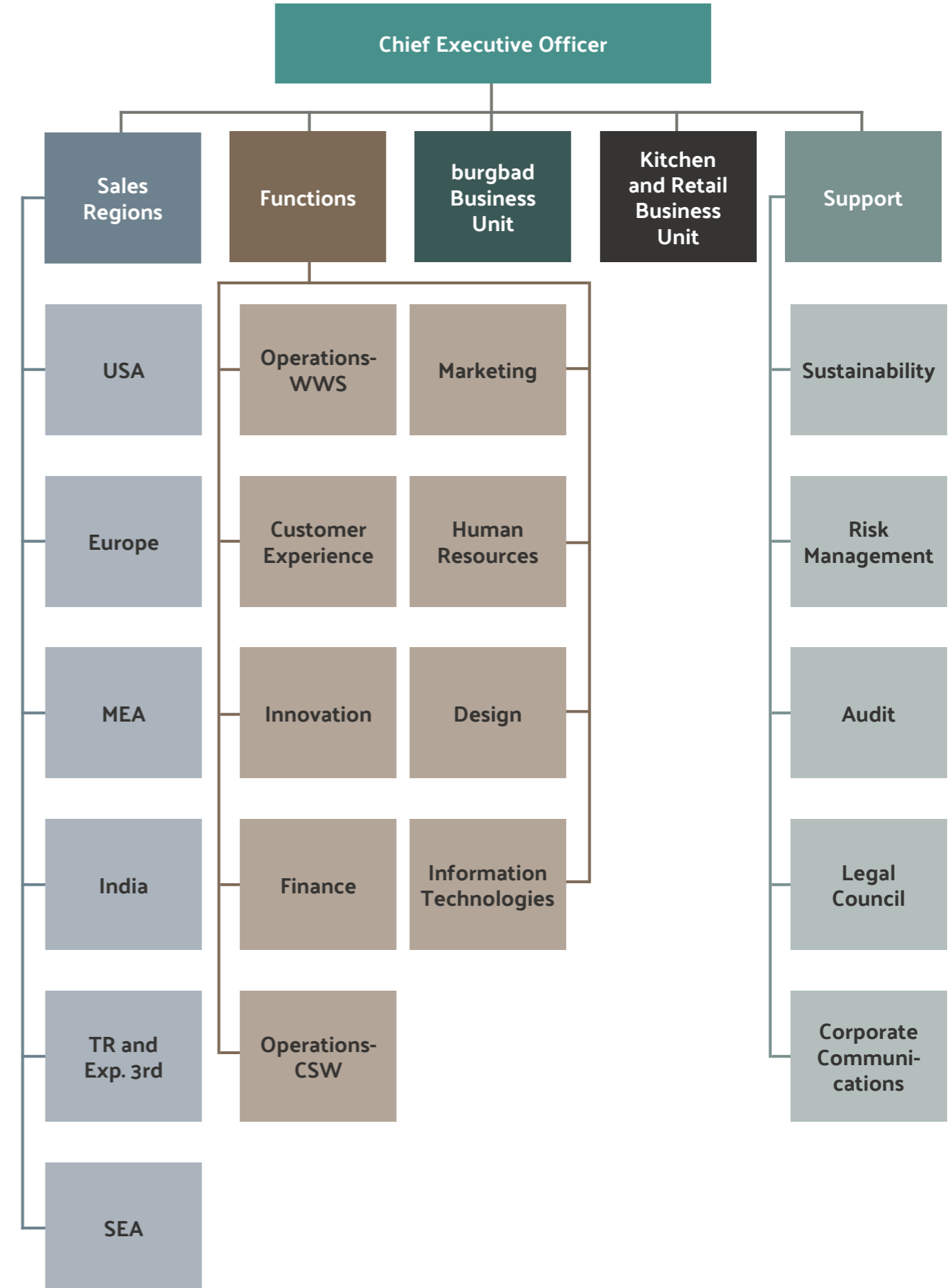
Executive Management

The role of Executive Management is to provide strategic guidance and direction to the organization, with a focus on delivering dependable, transparent, and high-quality services to all stakeholders.

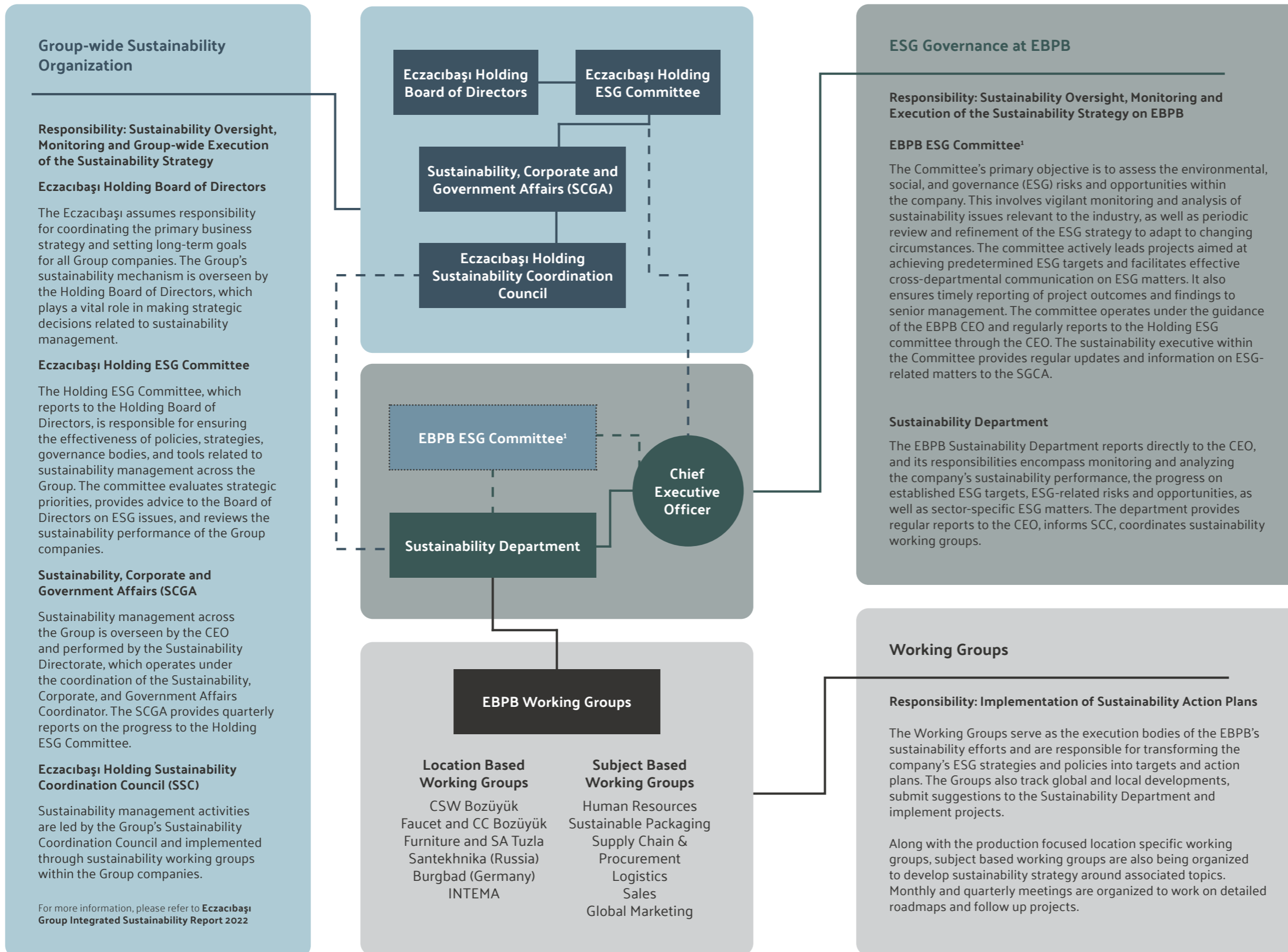
Comprising 22 members, including seven women, our Executive Management Team is committed to achieving sustainable excellence and leadership in alignment with the company's strategies and mission. They are committed to promoting a culture of innovation, collaboration, and accountability, while leveraging their collective expertise to enhance the long-term growth and success of the company.

With their leadership and expertise, the Executive Management plays a vital role in driving company performance and steering strategic direction, ensuring the organization remains agile and responsive to the evolving needs of stakeholders. They uphold the highest standards of corporate governance and are dedicated to promoting sustainable excellence in all aspects of their work.

Name	Gender	Position
Özgen Özkan	Man	Chief Executive Officer, Eczacıbaşı Building Products - Bathroom
Alp Güldür	Man	Information Technology Director
Sibylle Goettgens	Woman	Marketing Director
Tuna Tümer	Man	Operation Director
Boğaç Şimşir	Man	Innovation Director
Canan Kiran	Woman	Operation Director
İtir Avuncan Karagözoğlu	Woman	Corporate Communication Manager
Ferit Erin	Man	Regional Director - Europe
Emin Kurtoğlu	Man	Internal Audit Manager
Nazlı Dinçel	Woman	Lawyer
Burak Özlen	Man	Enterprise Risk Manager
Gökçe Ötkün	Woman	Sustainability Manager
Emrah Kaptanoğlu	Man	Finance Director
Asli Süel	Woman	Human Resources Director
Mert Karasu	Man	Customer Experience Director
Erdem Akan	Man	Design Director
Sibel Üğdül	Woman	Director of Kitchen and Retail Business Unit, İntema
Murat Helvacı	Man	Sales Director
Simon Shaya	Man	Regional Director - MEA
Jeremy Cressman	Man	Regional Director - USA
Denis Gass	Man	Regional Director - Russia
Stefan Sallandt	Man	Chief Executive Officer, burgbad



Sustainability Governance



Risk Management

At EBPB, we view risk management as a holistic discipline and integrate it into our operations, fostering a risk-oriented culture across the organization. Our primary objective is to proactively mitigate any incidents that could significantly impact the achievement of our short-term and long-term objectives, jeopardize our growth, or disrupt our sustainability efforts.

With the goal of achieving this objective, we strive to implement a risk management framework that aligns with global frameworks and standards. This initiative aims to cultivate a culture of risk awareness and promote data-driven decision-making throughout our organization. Our risk management approach begins with the identification of risks, involving contributions from all business units responsible for managing risks, followed by the assessment of impact and possibility to differentiate risk levels. Appropriate risk responses are then determined to mitigate identified risks, and the final risk inventory is calibrated by senior management, considering the risk appetite of the Board of Directors. The Risk Management Committee, operating at the Board of Directors level, diligently monitors and reports on all critical risks.

An inherently risk-averse operational system is firmly established, ensuring a consistent risk management approach is implemented at our production sites and throughout our entire value chain, serving to uphold and enhance our company-wide risk management mechanism. By leveraging this approach, we proactively manage and mitigate risks, optimize the allocation of time and resources, and foster sustainable growth by minimizing financial losses and preventing resource waste.

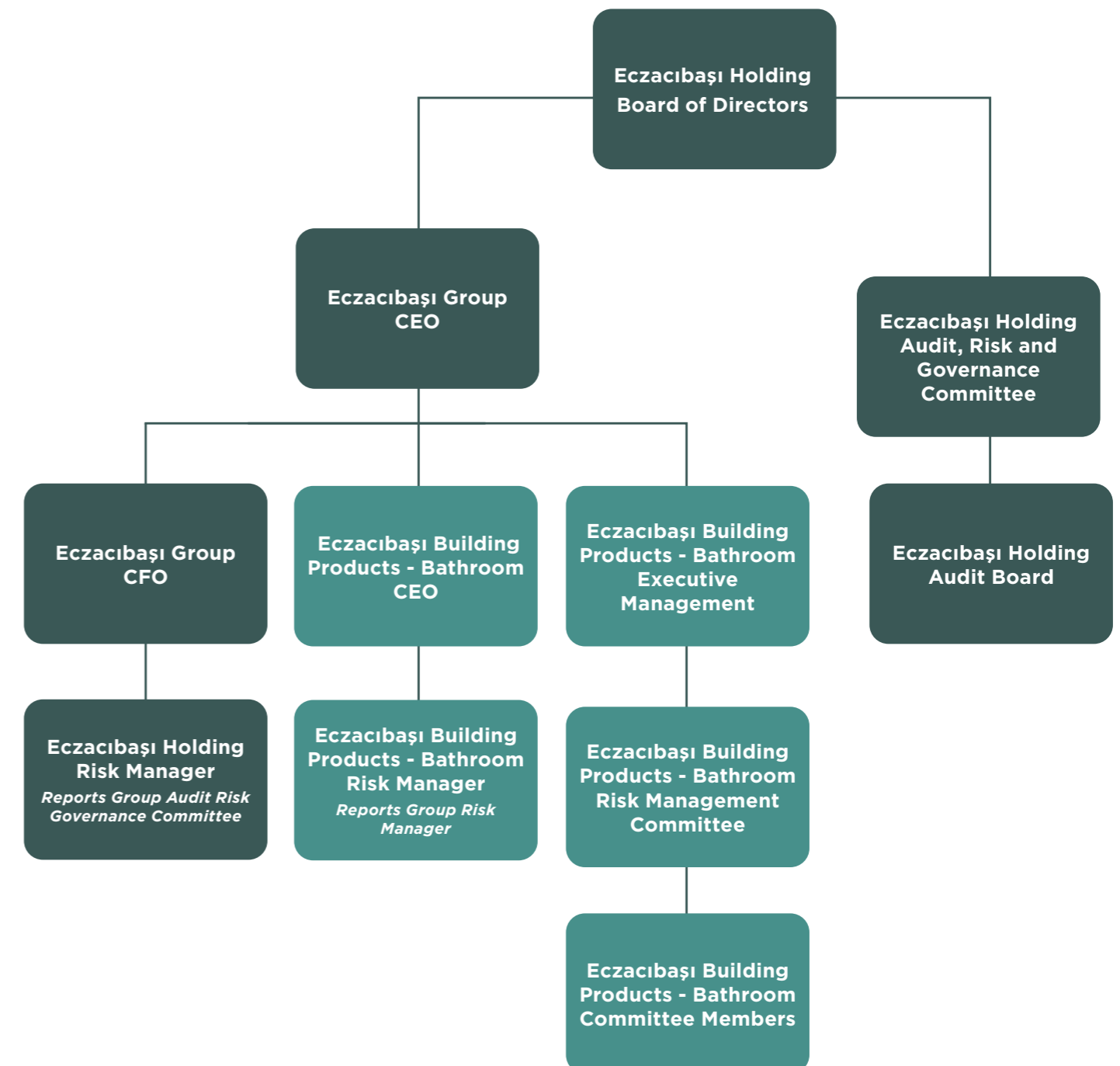


Eczacıbaşı Group's Risk Management Approach

EBPB's risk management activities are carried out by the Enterprise Risk Management Department, which operates under the leadership of EBPB's CEO in coordination with the Eczacıbaşı Holding Enterprise Risk Management Department, reporting to the Eczacıbaşı Holding Chief Financial Officer. EBPB's enterprise risk management activities are regularly communicated to both EBPB's Risk Management Committee and the Group Audit, Risk and Governance Committee, comprising the Chief Internal Auditor and independent board members with necessary background and expertise. These committees undertake the oversight function of risk management activities across the company and receive periodic reports on these activities.

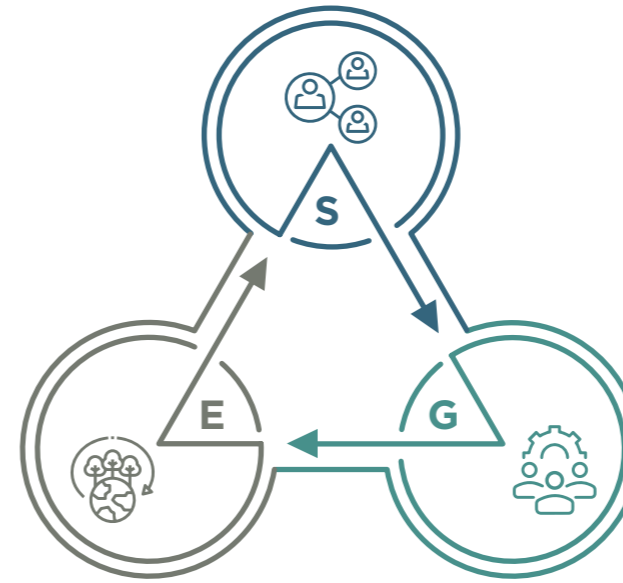
Eczacıbaşı Group Risk Management Structure

Risks are classified using the common risk universe of the Eczacıbaşı Group, which encompasses strategic, operational, financial, compliance, and sustainability as the main categories. The table below demonstrates how EBPB categorizes risks and provides examples of risk titles within each respective category.



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, sources-capacity usage, strategic planning, etc.)	Infrastructure / System (Energy, water, natural gas, communication, etc.)	Financial Instruments	License / Permission / Intensives	Sustainability Communication
Reputation / Image / Brand Value (Communication, social impact, etc.)	Human Resources / Employee	Commodity / Price	Legal Risks (taxation, customs, etc.)	Responsible Purchasing & Cooperations (Environmentally friendly, ethical and sustainability oriented)
Stakeholder Relations (Shareholders, business partners, customers, suppliers, etc.)	Information Technologies / Information Securities	Financial & Official Reporting	Legal Compliance with Foreign	Sustainable Economic Growth (Failure of economic productivity, value-based innovation activities)
Innovation / Digitalization (Technological improvement, R&D, business, and product development, etc.)	Process Management	Managerial Reporting	Industrial Relations	Lack of contribution to the Stakeholder Economy

Deeper Look at Management of Sustainability Risks



A comprehensive approach to sustainable development involves formulating strategies that encompass various facets of the future, incorporating not only the economic domain but also the environmental and social. As per the risk assessments presented in the World Economic Forum's reports, environmental, social, and governance (ESG) risks are expected to remain a pressing concern in the forthcoming decades. Therefore, it is imperative for all businesses to prioritize ESG factors, as they are no longer optional but indispensable obligations. At EBPB, we recognize this fact and work diligently to manage environmental and social risks. This includes addressing natural disasters, extreme weather events, biodiversity, and optimizing the use of natural resources. We also focus on enhancing employee rights, promoting equal opportunities, and contributing to a stakeholder-driven economy, which leads to sustainable economic growth. Our sustainability risk management framework, we carefully assess governance-related risks such as occupational health and safety, product and service responsibility, innovation, business ethics, legal compliance, and the fight against bribery and corruption. We analyze their potential impact on strategic, operational, and compliance risks with utmost care and consideration.

We thoroughly assess all risk categories, considering their possible economic, social, and environmental consequences. We are dedicated to actively supporting the sustainability goals of the Eczacıbaşı Group, which are coordinated by the Group's Sustainability, Corporate and Government Affairs. We strive to take effective measures to mitigate risks and seize opportunities that contribute to **build a healthier future, together.**



Ethics and Compliance

Compliance with business ethics principles and legal regulations is an absolute prerequisite for every endeavor we undertake, as explicitly stated in our corporate values. In line with the Eczacıbaşı Group, we have cultivated a vibrant corporate culture that upholds robust business ethics, rooted in the principles of respecting individuals and the environment, pursuing constant growth and advancement, and actively contributing to the collective welfare of society. The Group places significant importance on ensuring that all its members and subsidiaries comprehend and embrace these values, consistently adhering to them in their daily operations.

Business Ethics and Legal Compliance

We conduct our business with unwavering integrity, honesty, and transparency, ensuring strict adherence to all applicable laws and regulations. Our approach to work is characterized by impartiality and high moral standards, as we maintain a professional manner in all interactions with our colleagues, suppliers, and business partners. As a responsible corporate citizen, we embrace our responsibilities towards society, striving to uphold and respect them.

Our Group adheres to the highest standards of compliance with business ethics principles and legal regulations, which form the foundation of all our activities. The Audit Group, CHRO (Chief Human

Resources Officer), Legal Department, and Compliance Committee are all responsible for overseeing activities and practices related to business ethics, internal audits, and legal compliance throughout the Group. We are dedicated to ensuring that all our operations are conducted in a manner that is consistent with our values and principles, and that we operate with the utmost integrity and transparency.

Our Group has a comprehensive **Code of Conduct** that clearly outlines our ethical and compliance expectations, not only for our employees but also for third parties with whom we work. The Code is easily accessible to all stakeholders, including all Group's employees, on the Group's website.





EBPB Ceramic Sanitary
Ware Factory

We are unwavering in our commitment to upholding the principles of zero tolerance towards discrimination, bribery, and corruption, aligning with the core values of our Group. At EBPB, we take pride in providing our employees with a fair and equitable working environment that upholds human rights and does not tolerate any form of violation. We strictly prohibit practices such as child labor and forced labor and ensure that all recruitment and subsequent processes are free from discrimination based on gender, language, belief, or ethnic origin.

Furthermore, we are dedicated to protecting our employees' right to unionize and organize, striving to build constructive relationships with trade unions. Our Group Human Resources Handbook provides comprehensive information to our employees regarding human rights, freedom of association practices, as well as our core values and codes of conduct.

In cases where there is suspicion of a code of conduct violation, particularly relating to bribery, corruption, violations of rights, or conflicts of interest, it is the responsibility of every employee within the Group to report such information to the Compliance Committee through designated channels. All reports are thoroughly examined and evaluated by the Compliance Committee, adhering to strict confidentiality principles.

In compliance with the procedures established by the Eczacıbaşı Group, EBPB employees have multiple options to report violations. They can send an email to uyum@eczacibasi.com.tr, call +90212 371 7272, or fill out the violation form on Ebiflow.

Employee Communication and Training

Our dedication lies in ensuring that every employee possesses a clear understanding of the standards and regulations relevant to their individual responsibilities. To accomplish this, we provide extensive training initiatives and foster open channels of communication, clarifying the practical application of these guidelines in their day-to-day tasks. As of 2022, our employees have collectively received an average of 0.5 hours of Code of Conduct training and 2 hours of Anti-Corruption and Bribery training.

As part of Eczacıbaşı Group, we are fully in line with the Group's corporate sustainability management system, formulated in accordance with global business standards, instill confidence in our stakeholders and align the quality of all Group undertakings. Please find our Group's sustainability-related policies listed below which cover all Group's companies.

[ESG \(Environmental, Social, Governance\) Policy](#)

[Gender Equality Policy](#)

[Human Rights Policy](#)

[Environment and Climate Change Policy](#)

[OHS \(Occupational, Health and Safety\) Policy](#)

In addition to adhering to the Group's policies, EBPB has developed supplementary policies to further reinforce our commitment to various aspects of our operations. These policies serve as additional guidelines and standards within our organization to ensure compliance, efficiency, and responsible practices.

[Environmental Policy](#)

[Energy Policy](#)

[Quality Policy](#)

[OHS \(Occupational, Health and Safety\) Policy](#)



Supply Chain Management

At Eczacıbaşı Building Products - Bathroom, we leverage our extensive resources and knowledge to drive positive change and promote sustainable and responsible production practices, extending our influence beyond the boundaries of our own facilities. Our steadfast dedication to ethical and sustainable standards guarantees that every facet of our supply chain adheres to global norms and complies with relevant laws and regulations.

We work towards partnering exclusively with suppliers who share our values and exhibit unwavering commitment to them. To uphold the highest standards in our supply chain operations, we conduct thorough assessments of our suppliers, evaluating their product quality, safety, and their social, environmental, and ethical impact. As an Eczacıbaşı Group company, we uphold the principles and procedures of the Group on supply chain management, including child labour, force and compulsory labor, human rights, ethics, and etc. across all dimensions of our supply chain operations. Our Sustainable Purchasing practices prioritize economic, social, and environmental considerations, and we place significant importance on encouraging strong relationships with our suppliers. By doing so, we strive to ensure that our supply chain aligns with our sustainability goals and contributes to a better future for all.

Selecting New Suppliers

To enhance the quality of supplied materials, we employ various processes to select and engage with suppliers while adhering to sustainable procurement practices. Throughout the selection process, we prioritize fair pricing, contractual terms, and supplier adherence to ethical standards. We proactively gather necessary information and provide guidance to address any potential issues before entering collaboration. Our supplier selection process starts by collecting information through the Supplier Information Form, allowing us to gather essential details about prospective suppliers. Suppliers are then provided with a Self-Assessment Form to evaluate themselves based on our criteria. For strategic suppliers, the Preliminary Evaluation Form is assessed by EBPB. Throughout this process, we provide supplier candidates with the Supplier Handbook, which contains important documents and leaflets outlining our expectations and requirements. The

Supplier General Agreements are used to review and confirm aspects such as energy usage, environmental practices, social compliance, quality management systems, and general management systems. Within the Supplier Handbook and Supplier General Agreements, suppliers are informed about specific requirements, including quality certifications, health, safety, environmental expectations, social compliance (such as BSCI), and our monitoring methods.

Monitoring And Evaluating Existing Suppliers

The Procurement Department carefully selects suppliers who undergo annual audits conducted by the supplier development department. These audits focus on various aspects, including management practices, quality standards, social compliance, and environmental and energy management. Additionally, our material suppliers undergo assessments every six months, evaluating criteria such as quality, product offerings, pricing, shipment performance, communication, and flexibility. Through these monitoring processes, we aim to uphold the highest standards and continually improve our relationships with suppliers, fostering transparency, reliability, and mutual growth.



Economic, social, and environmental factors in our Sustainable Purchasing

Economic Factors

- Creating green technology, recycling industry
- Considering the entire lifetime cost
- Supporting small and medium-sized enterprises
- Ensuring that contracts with suppliers are at appropriate terms and price levels

Social Factors

- Giving equal opportunity to all suppliers
- Ensuring equal rights in recruitment
- Supporting workers' health and safety issues
- Providing opportunities for education and skill development
- Ethical trading, sourcing, and affordable pricing

Environmental Factors

- Carbon emissions reporting
- Use of raw materials and resources
- Use of renewable energy sources
- Waste and garbage (Recycling and waste reduction)

Contributing to The Social and Environmental Awareness of Our Suppliers

We proactively monitor and implement environmental and sustainability initiatives within our company and across our supplier network. Purchasing and Supplier Development departments organize supplier days and training sessions to disseminate information about EBPB requirements, policies, and quality and environmental management practices. Through these efforts, we strive to foster a culture of sustainability and continuous improvement throughout our supply chain.

Responsible Procurement Survey

We have been assessing the environmental and social compliance of our suppliers regularly through a comprehensive survey since 2021. We evaluate their responses based on the following criteria:

- Health and Safety Management in the Organization
- Commitment to Human Rights
- Conducting Audits
- Staff Training Programs
- Corporate Social Responsibility (CSR) Initiatives
- Code of Social Conduct
- Sustainability Reporting
- Environmental Management System
- Measurement of Consumption
- Pollution Control Measures
- Environmental Code of Conduct
- Certifications



Sustainability Initiatives in our Stores

Our stores serve as havens where users can explore diverse layout options, experience different materials, and immerse themselves in inspiring living spaces while embracing sustainable habits. Our commitment to sustainability resonates not just within our stores but also across our extensive network of sales points and distributors worldwide. By collaborating closely with our partners throughout the supply chain, we envision a future that fosters equity and regeneration. Guided by an unwavering determination to minimize our environmental impact, we embark on a transformative journey alongside over 200 dealers and suppliers. Together, we are forging partnerships that span the entire value chain, aimed at designing innovative solutions to reduce emissions, conserve resources, and eliminate waste, all while prioritizing convenience and simplicity. This commitment to sustainability is enshrined in our comprehensive action plan, which encompasses a wide range of initiatives to drive positive change.

Stores

With 7 stores across Turkey, our Intema stores cater to consumers by offering a wide range of products and services. In 2022, we increased the awareness of our sales personnel by broadening our product portfolio to encompass a wide range of materials bearing certifications such as Golden M, EMAS, ISO 50001, ISO 14001, and FSC. This expansion not only increased the availability of certified products but also amplified our commitment to raising user awareness regarding sustainable and environmentally conscious choices.

In our pursuit of reducing our carbon footprint and optimizing resource utilization, we implemented measures to streamline our delivery plans. By reducing the number of vehicles issued per order by 50% in 2022, we decreased the shipping cost per order and achieved greater efficiency in distribution.

To raise awareness among users, we launched various marketing campaigns, leveraging both printed and verbal communication within our stores. Taking on the title of responsible consumption across our social media accounts, we provided our followers with practical suggestions to reduce water and plastic usage, aligning with the zero-waste principle.



Vitra Showroom, Nişantaşı

Customer Experience

Our responsibility extends beyond the mere sale of our products to customers. With an unwavering commitment to delivering exceptional customer experiences, EBPB Customer Experience Directorate has measured customer satisfaction at every touchpoint throughout the year through regular surveys. Based on the feedback, we have made significant improvements to enhance customer satisfaction. We have diligently tracked the satisfaction levels of all our customers by implementing the NPS CSAT survey.

Validating our relentless pursuit of customer satisfaction, we achieved the top position among 96 brands by providing prompt and efficient solutions to customer complaints through the “şikayetvar” platform for the second consecutive year. Furthermore, our dedication to excellence was acknowledged and celebrated at the Turkish Customer Experience Awards (TCXA), where we received a total of six prestigious awards. As a pinnacle of our triumph, we further solidified our success by being honored with the International Customer Experience Award (ICXA).

For more information on how we leverage digital technologies to increase customer experience, please refer to **Digital Transformation** section of our report.

Our authorized service centers, strategically located in 46 provinces across 7 regions, play a pivotal role in ensuring the utmost customer satisfaction by promptly addressing inquiries and concerns from our valued users. Throughout the year, we conducted regular visits to these service centers, streamlining processes and fostering consistency in service delivery. Additionally, we prioritized the professional development of employees in the centers by providing 16 comprehensive training sessions encompassing technical expertise, effective communication, and essential soft skills. We have also organized a special event that brought together Vitra | Artema Authorized Services and our esteemed CEO.

New Customer Communication Center

In November, we initiated preparations for the transition to our new customer communication center partner, Turkcell Global Bilgi, scheduled to commence operations in 2023. In line with the evolving needs in areas such as complaint management, social media, and e-commerce, we formed the Customer Communication Center team. This dedicated team, comprised of 11 representatives and one team leader, underwent an intensive week-long training program at our factories in Bozüyük. During the training, the team gained valuable insights into our production processes, actively observing, and familiarizing themselves with the intricacies of our operations. Additionally, they received comprehensive product training through engaging presentations delivered by our Product Group Responsible, equipping them with in-depth knowledge about our offerings. This comprehensive training sets the stage for our new customer contact center to deliver exceptional service and effectively address customer inquiries and concerns.

Economic Sustainability

At EBPB, we recognize the intrinsic link between responsible business practices and sustainable growth. Our unwavering commitment is centered around advocating for a comprehensive sustainability framework that encompasses economic, environmental, and social aspects. Through our pursuit of export-oriented growth and the integration of sustainable practices across our operations, we are steadfast in our belief that we can achieve long-lasting prosperity while contributing to a more promising future for all.

The construction industry is a crucial driver of our national economy and plays a pivotal role in global economic activities. It holds strategic importance due to factors such as population expansion, urbanization, and infrastructure needs. Despite temporary disruptions caused by the pandemic, the construction industry has shown sustained growth. Bathrooms, which were traditionally overlooked, have now become focal points for rejuvenation and have gained prominence in the expanding home improvement and renovation market. The notion that consumers typically wait a decade before considering bathroom upgrades has been debunked, as more individuals are opting for bathroom renovations. The renovation movement, which began during the pandemic in 2020, not only endured but exceeded expectations in the last few years, resulting in significant growth in the renovation market, particularly in the bathroom sector.

Financial and Economic Performance

EBPB is deeply committed to enhancing competitiveness and generating sustainable value for all stakeholders. As an international manufacturer with operations across 12 plants in four countries and a global presence spanning over 105 markets, we closely monitor global developments and adjust our operations, commercial strategies, and innovation priorities to adapt to rapidly changing market dynamics. Our growth strategy centers around continuously investing in our core business to drive organic growth, strengthen our production capabilities, enhance product quality and variety, and expand our presence in new regions and markets.

This year, we achieved a substantial increase in total sales, surpassing €510 million, representing a significant 21% surge compared to the previous year, with 70% of our revenue originating from international markets. To bolster our production capabilities, we have recently

established a new ceramic sanitaryware plant in Bozüyük, Turkey, scheduled to commence operations in the first half of 2023. This expansion will raise our production capacity by one million units by the end of 2024, positioning the Bozüyük complex as the world's largest sanitaryware production hub. Currently, our facility already accounts for over 50% of Turkey's ceramic sanitaryware exports.

In addition to introducing new products in existing markets, we actively pursue opportunities for market diversification. Our presence in the MENA market continues to expand, and we have made promising initial progress in India. In a strategic move in 2022, we invested in a concealed cistern plant and a dedicated production line for sinks and shower trays, exclusively targeting the North American market. Furthermore, we have finalized our plans to expand our bathroom furniture capacity in Germany and France.

In response to the increasing importance of e-commerce in the retail industry, we have strategically invested in the establishment of new sales channels. Our launch of "online.VitrA.com" in March 2022, along with our presence on leading e-commerce platforms in Turkey, has yielded positive results.



Zero-Based Budgeting

We have adopted Zero-Based Budgeting (ZBB), an executive commitment of the Eczacıbaşı Group, as a dynamic management strategy to cultivate a culture of continuous improvement. Our objective is to proactively identify and capitalize on opportunities for cost reduction, process enhancement, and value generation.

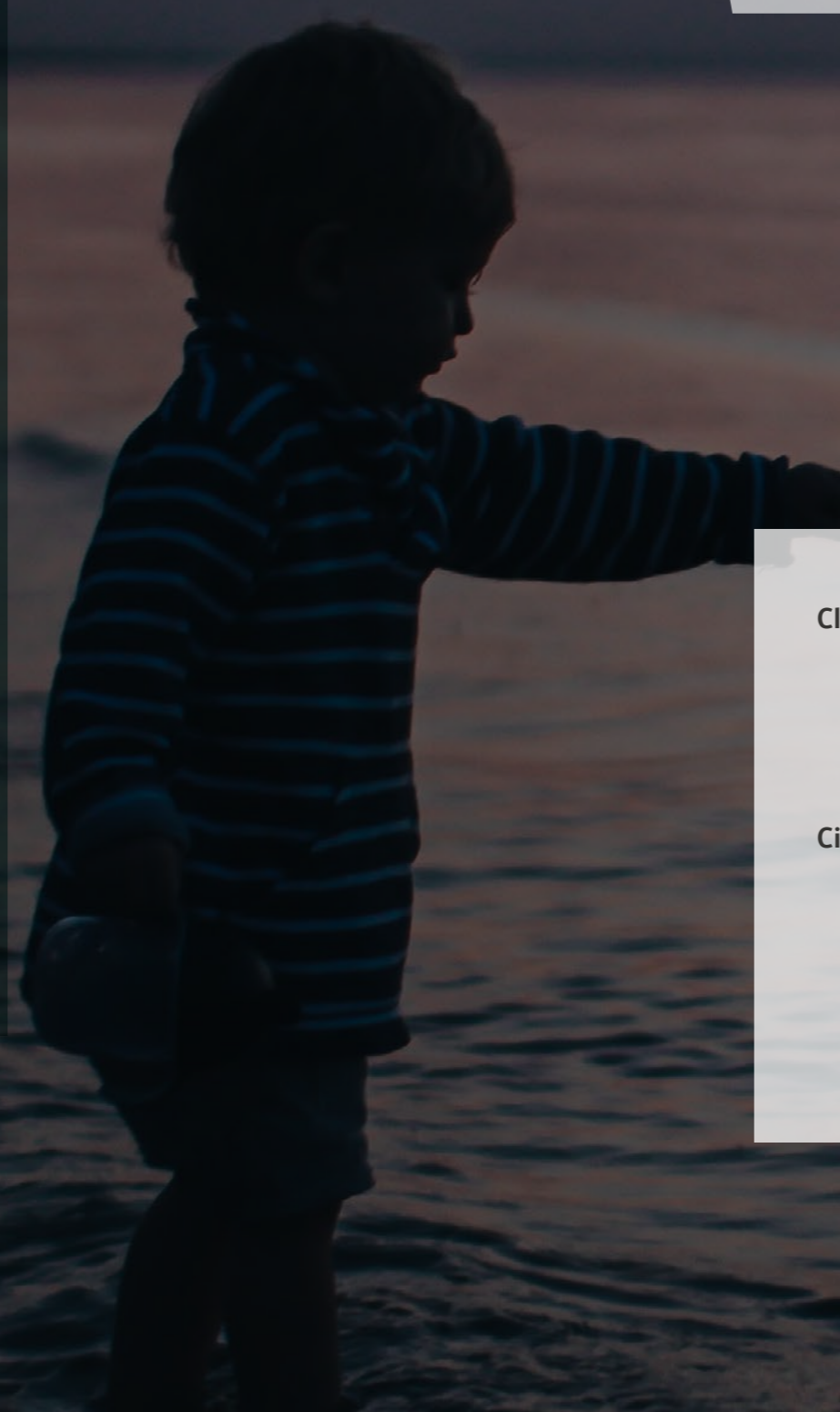
Through ZBB, the budgeting process diverges from traditional approaches by not relying on historical data as the foundation. Instead, all business owners are tasked with formulating their budgets based on specific activities, starting afresh with a clean slate. Furthermore, this process entails conducting cross-functional brainstorming sessions where potential avenues for productivity improvement are explored across various cost categories. The projects identified during these sessions are systematically tracked and evaluated in the subsequent year.

4 Investing in Planet



As the cumulative impact of a changing climate continues to be felt on a massive scale, we are once again reminded that climate change and environmental degradation remain the greatest challenges to the future of our planet and the wellbeing of everyone living on it. Now more than ever, it is critical for governments, businesses, and individuals to take collective action, ensuring a habitable and healthy planet for generations to come.

At Eczacıbaşı Building Products – Bathroom, we are determined to do our part as we collectively transition towards a low-carbon and circular economy. We are constantly pushing the boundaries to mitigate the adverse effects of our operations on the climate and environment, and we are working in partnership with our stakeholder ecosystem to tackle climate change, minimize resource use, and reduce the environmental footprint of our products by developing strategies throughout the entire life cycle of our products, including suppliers, our operations, consumer use, and end of life.



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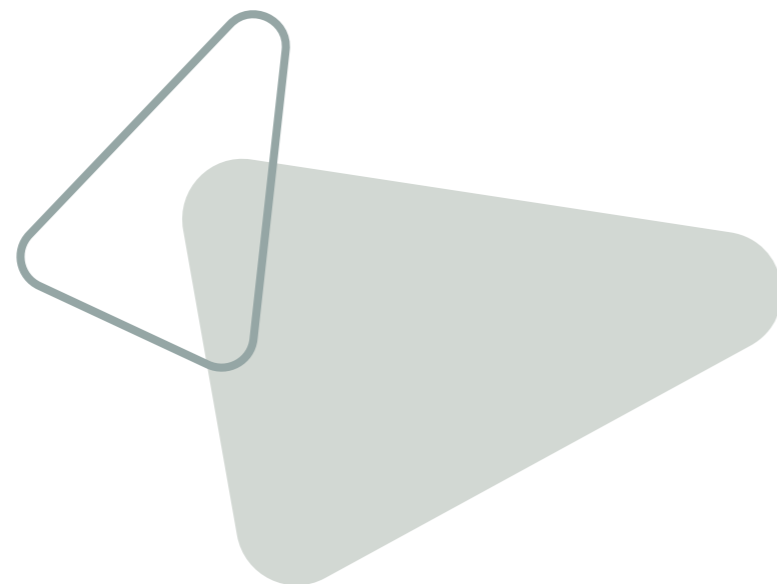
Climate and Environment

As human-induced global warming has reached approximately 1.1°C above pre-industrial levels¹, and the widespread impact of a changing climate on natural and human systems becomes evident, we are facing an ever-shrinking window to limit the rise in the global temperature to the 1.5°C threshold, in line with the Paris Agreement. Decarbonization continues to remain an economic, environmental, and social necessity to address one of the world's greatest challenges.

At Eczacıbaşı Building Products – Bathroom, we recognize the impact of climate change not only as a business risk, but also a threat to all livelihoods. Our success as a business relies on delivering our strategy to strengthen and scale our capabilities to be part of the transitions towards a low-carbon economy. We are determined to reduce the environmental footprint of our operations and our entire value chain, aligning ourselves to operate within the planetary boundaries.

Our approach to environmental management is deeply rooted in our corporate culture. This is shaped by our **Environmental** and **Energy Policies**, which serve as guiding principles for our operations. To drive progress, we establish long-term and interim targets, closely monitor, and evaluate specific key performance indicators (KPIs), coordinate and implement a diverse range of initiatives through our Working Groups and actively engage with Eczacıbaşı Group to harmonize our efforts.

We strive to mitigate climate-related risks and build resilient operations by leveraging innovative technologies, investing in renewable energy sources, and exploring all opportunities to support our low-carbon transition roadmap. We are focusing our efforts on maximizing efficiencies in resource use, including energy, and water, leaving minimal footprint behind, and partnering with stakeholders to tackle climate change and design solutions that reduce our environmental impact.



¹ IPCC AR6 Synthesis Report

Energy Management and Carbon Emissions

As we operate in an energy-intensive industry, how we use energy directly influences our ability to address the climate crisis and ensure the long-term sustainability of our business. With this in mind, we maintain a relentless focus on reducing our carbon footprint and the carbon intensity of our products, enhancing energy efficiency, striving for energy independence, and maintaining our reputation as a responsible corporate citizen.

Energy efficiency and operational improvements are key to mitigating adverse effects of our operations on climate and environment, leading to cost and energy savings, and avoided carbon emissions. Towards this end, we use certified environmental management system (ISO 14001) and energy management system (ISO 50001) across multiple facilities, and we are actively working towards integrating these systems in all our locations. Our teams continuously deploy a variety of tactics aimed at conserving energy, enhancing efficiency, and boosting productivity in our manufacturing processes. In 2022, we have successfully implemented approximately 80 projects, ranging from waste heat recovery, product and process optimizations, design enhancements, to efficient lighting and equipment upgrades, including the transition to more efficient motors. As a result of our collective efforts throughout the year, we have achieved significant achievements, including a total energy saving of over 8,700 MWh and a corresponding reduction of 4,891 tons of CO₂ emissions.

We have progressed well in line with our commitment to reduce our energy consumption per ton of product by 14% from 2020 levels by the end of 2025. This year, our energy intensity decreased by 4%, from 3.69 MWh/ton to 3.54 MWh/ton compared to base year, accompanied by a 7% decrease in total energy consumption.

On the other hand, we successfully decreased our total carbon emissions in our production plants (Scope 1+2) by 38.5% compared to the previous year through our procurement of renewable electricity, resulting in 64,041 tons of CO₂ . In parallel with this decrease, we achieved a 36% reduction in carbon emission intensity, from 0.82 tons CO₂/ton to 0.52 tons CO₂/ton , compared to 2021.



EPBP Ceramic Sanitary Ware Factory

A Closer Look at EBPB's Energy Efficiency Projects

Heat Recovery

The implementation of heat recovery systems is a highly effective method for reducing energy consumption in heating. At EBPB, we are committed to harnessing waste heat that is typically dispelled into the atmosphere from chimneys and converting it into usable energy through heat recovery initiatives. Throughout this year, we have expanded the utilization of waste heat recovery systems across various production processes, such as tunnel kilns, boilers, furnaces, predry, and casting processes. These efforts have yielded significant results, including energy savings of 1,468 MWh and the prevention of 824 tons of CO₂ emissions.

Product and Process Optimizations

To mitigate excessive energy consumption, we prioritize the optimization of our production processes through various initiatives. These include reducing the worktime of dryers, preventing the unnecessary use of hydraulic pump motors, and transitioning to an uninterrupted working system in the induction furnace. As a result, our initiatives have yielded significant outcomes, with a total energy saving of 2,606 MWh and the prevention of 1,464 tons of CO₂ emissions.



We have also taken significant steps in design optimization to increase product efficiency, leading to an energy savings of 220 MWh of energy and the prevention of 123 tons of CO₂ emissions. These measures included implementing design changes aimed at preventing issues such as mold, cover core, and cap core breakages, and reducing die break and bottom fracture occurrences. Additionally, design modifications were made to decrease the occurrence of deformation errors, crack rates, and scraps.

Efficient Motor Transition

We consistently invest in upgrading the technology of our motors and dryers to improve energy efficiency throughout our production processes. In 2022, we made the transition to high-efficiency motors, which led to a remarkable energy saving of 1,629 MWh. This not only translates into substantial cost savings but also helps in mitigating environmental impact by preventing the emission of 915 tons of CO₂.

Lighting

By replacing fluorescent lamps with energy-efficient LED lamps across multiple production facilities, we achieve annual energy savings of up to 600 MWh without compromising lighting intensity and illumination.

Compressed Air

In 2022, our initiatives on compressed air encompassed preventing compressed air leaks, addressing air leakages in mud pumps to optimize energy usage, conducting monthly monitoring of the air pipeline system to maintain air leakages below 10%, implementing separate compressor system separation to reduce electricity consumption in PVD production, and reducing pressure on inspectors' cabins and stations during glazing processes. As a result of these efforts, we achieved an energy saving of 142 MWh and prevented 93 tons of CO₂ emissions.

Energy Management in our Stores

To ensure energy efficiency in our Intema stores, we have implemented various measures throughout the year. One of them is the Air Conditioning Change and Maintenance Project, aimed at optimizing energy consumption and enhancing efficiency. We also carefully arrange the lighting hours for store windows to minimize unnecessary energy usage. Moreover, all lighting fixtures in our stores are exclusively LED, further contributing to energy conservation.



Vitra Showroom,
London

Logistics

Vitra Tiles is committed to enhancing We rely on a diverse range of logistics solutions to transport our products across the globe, and we are constantly seeking new ways to improve the sustainability of these processes. The primary mode of transportation for the majority of our shipments is sea transportation, accounting for 56.5% of our total shipments. The remaining shipments primarily utilize land transportation, comprising 42.9%, while train and air transportation are employed for the remaining portion.

Given our awareness that emissions associated with our operations extend beyond our in-house activities, we have implemented measures to mitigate emissions in our logistics operations. Our steadfast dedication lies in increasing transportation volume while simultaneously minimizing the adverse impact of greenhouse gas emissions on the environment. Towards this objective, we continue to implement several initiatives. We work towards reducing the number of transfers required by maximizing our containers' occupancy rates through digital solutions. We are also aligning our transport methods with dispatch sizes and minimizing the frequency of partial loading with route optimizations to minimize unnecessary movement. These efforts have resulted in significant benefits, including a reduction of 36 tons of material usage and savings of 4,180 liters of fuel through enhanced in-pallet and vehicle occupancy.

In our logistics operations, we are also actively pursuing material reduction initiatives, with a focus on optimizing processes to minimize material usage. For more information on how we are reducing packaging during logistics, please refer to the "Towards Sustainable Packaging" sub-section of our report.

Renewable Energy

Today, fossil fuels account for approximately 80% of the world's energy consumption and 66% of electricity production, resulting in 60% of the greenhouse gas (GHG) emissions that contribute to climate change². Clean, affordable, secure, and accessible energy plays a crucial role in the shift towards a low-carbon economy and bringing about prosperous economies, sustainable societies, and equitable human development. Despite the rapid pace of technological advancements and cost reductions in recent years, renewable energy technologies must still compete with heavily subsidized carbon-intensive energy technologies. To successfully decarbonize economies, governments and businesses need to play their part in maximizing the deployment of renewable energy solutions.

At EBPB, we firmly believe that transitioning to renewable energy in the production of our products in every region is essential to reduce our dependence on fossil-based energy sources and mitigating the twin crises of rising energy costs and inflation. We continue to take concrete steps towards this goal by accelerating our investments in renewable energy and utilizing every opportunity to support our low-carbon transition roadmap. Our endeavors include promoting on-site renewable energy for all our locations and investing in off-site projects.



EBPB Ceramic Sanitary Ware Factory

Generating Our Own Electricity from Renewables

As we strive towards a cleaner and greener future, we are committed to meeting our electricity needs through renewable sources. This year, we have successfully completed the installation of our first solar power plant (SPP) on the roof of our ceramic sanitary ware factory at the VitrA Production Campus in Bozüyük, Bilecik. The SPP boasts an impressive installed capacity of 4 MW, featuring 8,096 panels and 40 inverters. The SPP has been operating at full capacity since December, 2022. By the end of 2022, the SPP generated 72 MWh, and is expected to produce 5.4 million kWh of energy in 2023. Our ambition is to install SPPs covering an area of 112 thousand square meters by the end of 2025, achieving a cumulative renewable energy capacity of 18.8 MW. Once this milestone is reached, we will be able to meet approximately 30% of our annual electricity needs from self-produced renewable energy sources.

Apart from Bozüyük facility, we have also installed solar power plants on the roofs of our stores in Bodrum, Ankara and Istanbul. Looking ahead, we plan to further advance our sustainability goals by installing solar power plants on the rooftops of our faucets and concealed cistern factories. Our aim is for every building in our portfolio to be equipped with a solar energy panel on its roof by the end of 2025.

Green Electricity Procurement

Striving for a future powered by 100% renewable energy, we are dedicated to reducing our carbon emissions by procuring certified green electricity for our production facilities and stores. In line with this commitment, we have taken the initiative to purchase I-REC certified green electricity, amounting to 74 GWh, effectively eliminating electricity-related carbon emissions in our facilities located in Turkey. Additionally, burgbad has also obtained energy from renewable sources for our operations in Germany totaling 5.16 GWh. Consequently, our total purchase of green electricity reached 79 GWh, resulting in renewable sources accounting for 93.4% of our overall electricity usage when combined with our self-generated electricity.

Moving forward, our plan is to uphold our commitment to a cleaner and greener future by using electricity generated through our investments in renewable energy and sourcing the remaining electricity needed from certified green electricity sources.

² United Nations Environment Programme




Water Management

With the growing global population, resource-intensive economic development, and the increasing unpredictability of water due to climate change, it is crucial to recognize that water, being a limited resource, must be treated as a scarce resource. Projections indicate that over 40 percent of the world's population relies on water sources influenced by significant climate fluctuations, and an additional billion people will face the consequences of climate-related water insecurity and heightened climate variability by 2080³.

Water plays a significant role in all aspects of our business at Eczacıbaşı Building Products - Bathroom. As a vital component in our manufacturing processes and essential for the use of our products, water conservation has long been a critical area of focus for our organization. At EBPB, our efforts in this are focused on reducing water withdrawal, ensuring efficient use, and increasing water reuse in our operations. We also work towards designing innovative solutions that conserve water and promote minimal usage without comprising comfort, as we strive to prioritize hygiene and enhance human wellbeing in the bathroom.

Throughout the year, our teams have undertaken extensive research and analyses and implemented various projects to promote responsible water use. We have installed water control sensors, automatized mold cleaning and modernize vacuum pumps used in pressure casting to reduce and optimize our water consumption.

In 2022, along with an increase in production volume, we witnessed a slight 4% increase in water intensity compared to 2020 levels, reaching to 3.19 m³/ton,  but at the same time, we treated 155 thousand cubic meters of water and reused it in production. This resulted in recovering daily water use of an equivalent of 1,038 households⁴.

Maximizing Reuse of Water

Improving water treatment and promoting reuse, in alignment with SDG target 6.3, is a crucial strategy to reduce reliance on freshwater resources and alleviate water stress. This approach not only helps safeguard water-related ecosystems but also contributes to sustainable water management practices.

At our facilities, we have implemented various measures to enhance water reuse, which resulted in a total of 175,000 m³ of treated and reused water in 2022, corresponding to 44% of the total our water use. Our initiatives include reusing technical water in various processes, including in plaster mold preparations, glaze preparation, and slip preparation. We have also been using treated water instead of freshwater in the raw material preparation department for several years. In 2022 alone, we treated and reused 155,000 m³ of water through our Treated Water Use Project. This amount exceeds the initial saving at the project's outset in 2007 by five times.


We are also reusing glazed water in various processes, allowing us to save approximately 25,000 m³ of water every year. This includes reusing glazed water in mill filling during glaze preparation, collecting water in glaze recovery pools for reusing in cleaning of glazing robots, and enhancing the sensitivity of the glazing robots to detect contamination, which also results in reduced water usage.



Water Management in our Stores

We initiated various projects throughout the year to conserve water and reduce consumption in our Intema stores. We installed water purification technologies to eliminate the use of bottled water products. Additionally, we procured dishwashers for our stores to minimize water withdrawal resulting from handwashing dishes by our employees. Furthermore, we have limited the number of daily dishwasher runs to further reduce water consumption.

³ United Nations Development Programme, Human Development Report 2021/22 

⁴ The calculation was conducted based on the daily water usage per capita in the EU, provided by the European Environment Agency. 

Circular Economy

Our current economic model is exceeding the sustainable threshold of our planet. There has been a significant increase in the global extraction of materials, with a more than tripled growth since 1970 and an almost doubled growth since 2000, resulting in a staggering total of 100 billion tons today⁵. This rapid growth has led to the breach of five out of the nine crucial “planetary boundaries” that measure the overall health of our environment, primarily due to the linear approach of our economy known as “take-make-waste.” To reverse adverse effects and promote wellbeing within safe limits of our planet, it is crucial for both public and private sectors, as well as individuals, to take immediate and decisive action to accelerate the transition towards a circular economy.

At Eczacıbaşı Building Products – Bathroom, we recognize that putting circular economy at the core of our business is not only a significant opportunity for sustainable growth, but also a logical approach to ensure sustainable production and foster responsible

consumption models. Our strategy revolves around responsible resource utilization, which involves reducing our reliance on raw materials, maximizing circularity, and minimizing waste throughout our production processes.

Driven by innovation, we seek to design our products for longevity and functionality, offering our customers sustainable solutions that promote energy and water conservation throughout the use of our products. By consistently addressing the environmental impact throughout the entire lifecycle of our products, we actively contribute to being part of the solution, striving to achieve a safe and equitable balance between human well-being and the ecological limits.

Design lies at the center of our operations and circular design is a thinking process which covers the entire life cycle of the product at the beginning, during the design. To guide the design of more circular products, we have initiated the Vitra Circular Design Principles

⁵ The Circularity Gap Report



Vitra Circular Design Principles



Choose low impact materials.

- Prioritize local resources to minimize transport
- Replace hazardous substances with green chemistry
- Use sustainably produced or recycled materials to reduce resource footprint



Aim for durability.

- Imagine enduring appeal and functionality
- Develop high quality products that look beautiful and work well for years
- Create a forceful response to the throw-away culture



Plan for upgradeability & refurbishment.

- Envision easy and economical installation and repair
- Shape parts for easy upgrading to new performance levels



Avoid production waste.

- Maximize product commonalities
- Minimize material use
- Design for zero waste during production



Strive for multipurpose functionality.

- Envisage one product for different ages and needs
- Combine functions to increase convenience and reduce consumption



Consider the entire product cycle.

- Design with the end in mind
- Consider new lives for product components or materials
- Think “zero waste”



Reduce weight and size.

- Simplify products
- Eliminate unnecessary components
- Use light-weighted materials and compact designs to decrease transport volume



Maximize compatibility.

- Look for styles that adapt easily to new trends
- Strive for consonance with other Vitra products



Think packaging.

- Choose packaging materials that can be repurposed or recycled
- Consider non-toxic biodegradable options for disposal

Resource Management and Responsible Procurement

The global economy is becoming increasingly reliant on materials sourced from virgin sources, and projections indicate that by 2050, material extraction and usage will double in comparison to 2015 levels⁶. It is critical that we fundamentally change our relationship with materials to optimize our use for the wellbeing of all, while minimizing the pressure on the planet's life support systems, which are already under immense pressure.

In every manufacturing industry, it is imperative to produce while considering the self-renewal capacity of nature to reduce environmental impact and respect the ecosystem. At EBPB, our approach centers around strengthening our understanding of quality service aligned with caution for limited resource use. We keep our relentless focus on using less resources, extending product lifecycles, and promoting reuse, all in line with the principles of the circular economy.

Using Less Resources

We work towards using resources in a smart way, which ultimately results in reduced resource consumption, from raw materials to packaging. We have continued to identify and implement innovative solutions that decrease our reliance on materials through various means, including product innovations, design optimizations, and process improvements—all while upholding our stringent quality standards. This year, our efforts encompassed a range of initiatives aimed at enhancing resource efficiency. For instance, we focused on prolonging the lifespan of molds through meticulous maintenance practices. We also reduced the sludge used in our products by thinning the casting thickness, resulting in decreased waste. By adjusting parameters and adopting advanced filling system technologies in traditional casting processes, we successfully minimized scraps generated prior to furnaces. Additionally, we introduced design changes to prevent raw material losses and established a residue elimination system to mitigate the loss of valuable materials.

Under our Design Optimization Project, we redesigned the runner pieces in our faucet production and reduced the body thickness, resulting in a significant reduction of 15 tons of raw materials consumption while providing an annual energy saving of 3,840 kWh. In our furniture products, the introduction of new series ROOT involved changing the size of slabs, leading to a remarkable reduction in the scrap ratio from 16% to 9%, equivalent to preserving 90 trees annually. In ceramic sanitary ware production, Rim-ex product portfolio provides an average of 10% raw material saving. Furthermore, our Runner & Riser Design Optimization Projects have also yielded benefits. We have achieved a total raw material saving of 101.5 tons, along with a remarkable energy saving of 50,000 kWh.



⁶ United Nations Environment Programme

Towards Sustainable Packaging

A variety of packaging formats have a role to play in delivering our products, including cardboard, paper and shrinks. Our commitment lies in making all our packaging more sustainable and moving towards package-less solutions. Throughout the year, we have undertaken several initiatives to minimize material use and maximize the reuse of materials in our packaging.

Cardboards

We have implemented an innovative approach to utilize alternative boxes for products with similar dimensions, resulting in an annual average reduction of 50 metric tons of cardboard usage. Additionally, we have found uses for materials cut from scrap cardboard in set boxing operations, replacing the need for virgin cardboard separators. Furthermore, we maximize the reuse of inert and inactive packaging boxes in our stock for similar products, leading to an average annual saving of approximately 12,000.

Wood

By redesigning the existing pallets, we have successfully eliminated the use of wood separators from concealed cisterns. This change allows us to save 160 tons of wood annually, resulting in significant cost savings and a positive environmental impact.

Shrink Films and Styrofoam

Through collaboration with our suppliers, we are purchasing shrink films made from recycled materials, with up to a 30% recycled material ratio. This initiative has enabled us to save 122 tons of material. Furthermore, we have reduced the thickness of our shrink films from 120 microns to 100 microns, leading to an average annual saving of 72 metric tons of shrink film material, which corresponds to approximately a 15% decrease in our overall usage.

In cargo packaging, we have replaced honeycomb with Styrofoam, a byproduct of our production processes. This change has resulted in an approximate saving of 3,500 honeycombs, and we have eliminated the use of Styrofoam by changing the way we load semi-finished products, leading to an annual saving of 360 cubic meters of Styrofoam.

Pallets

We collaborate with our suppliers to adopt standard pallet sizes, promoting further use and reuse. Damaged pallets are repaired for both domestic and international shipping. Additionally, we optimize pallet layouts to increase the number of products per pallet, reducing shrink costs.

Responsible Procurement Practices

We strive to procure renewable forest products and actively seek out suppliers certified by the Forest Stewardship Council (FSC). Furthermore, we encourage our suppliers to adopt sustainable forestry practices. Since 2014, our German brand, burgbad proudly has the Program for the Endorsement of Forest Certification (PEFC). We have already incorporated FSC certified products into our packaging, and we are continuously working with our innovation team to expand our sustainable packaging efforts.

We emphasize voluntary sustainability standards as they help us better understand what constitutes a “sustainable” product. One of our products, the Eqio, manufactured by burgbad, has received the prestigious Blue Angel ecolabel, signifying its environmental friendliness. As the first bathroom furniture manufacturer in Germany's three-tier distribution system, burgbad offers a collection with the esteemed Blue Angel ecolabel. Moreover, in our German operations, we strictly utilize recycled paper with the Blue Angel ecolabel for all our office communications and business correspondence.

Localization

We acknowledge the importance of procuring local materials and collaborating with local suppliers to shorten supply chains and mitigate supply-related risks. Local procurement not only contributes to increasing the income and employment levels of communities but also helps to minimize the adverse environmental effects of long-distance transportation. At EBPB, we are committed to localizing our supply chain by prioritizing the procurement of resources from suppliers close to our facilities. Therefore, we mainly collaborate with suppliers in Turkey and burgbad collaborates with European Suppliers.

In 2022, 73% of our suppliers were local in our Turkey operations, and for our Russia operations, the figure was 93%. As for burgbad operations, 90% of its suppliers were local. Consequently, the overall percentage of our local suppliers stands at 84%.

For more information on our supplier selection and evaluation processes, please refer to Supply Chain Management section of our report.

Product Responsibility

As we strive to use fewer resources, we are also making progress towards developing a more sustainable product portfolio. Central to our mission of manufacturing high-quality, essential bathroom products that promote hygiene and wellbeing for all, is our dedication to providing users with environmentally friendly products and solutions. While designing our products with sustainability in mind and focusing on reducing environmental impacts through all stages of the product life cycle, we aim to inspire and enable people to make healthier and more sustainable choices.

Green Bathroom Solutions

The concept of green buildings requires an integrated design process that prioritizes environmental responsibility and resource efficiency throughout its entire lifecycle. This encompasses factors such as location, design, construction, administration, maintenance, renovation, and demolition. While the evaluation criteria may vary among different green building certification systems, they all share a common objective: to minimize the overall impact of buildings on human health and the natural environment.

Materials used in green buildings are engineered to surpass legal regulations and industry standards, resulting in enhanced building quality, energy efficiency, water conservation, ecological sensitivity, and indoor air quality, while simultaneously reducing their environmental footprint. One of the standards that has gained popularity in the construction sector is the green building rating system, with LEED in the U.S.A., BREEAM in the UK (United Kingdom), and DGNB in Germany being the most widely adopted certification systems by their respective countries.

At EBPB, we hold a deep regard for the environments in which our products are utilized. As a testament to our commitment to sustainability, we have designed a Green Bathroom Solutions Catalogue, featuring a collection of eco-friendly products that promote environmental consciousness. Our intention is to foster a collaborative community comprising industry professionals, designers, and homeowners who are dedicated to building a greener future.

For more information, please refer to our **Green Bathroom Solutions Catalogue**.

We offer a diverse range of solutions across various categories, encompassing ceramic sanitary ware, complementary products, faucets, and shower systems that meet the rigorous standards required for internationally recognized certifications such as LEED, BREEAM, and DGNB.

LEED with Vitra and Artema

We offer smart solutions to help earn points in various categories under the LEED certification system.

- Our certified products are specifically designed to minimize water consumption, rendering them ideal for earning points in the “water efficiency” category.
- By offering Environmental Product Declarations (EPDs) that transparently disclose the environmental impacts of our production processes, we make a valuable contribution to the “materials and resources” category. Furthermore, our local producer status in multiple markets further enhances our ability to earn points in this category.
- Our innovative technologies and product designs including economical toilets, waterless urinals and specially designed wall-hung toilets used with concealed cisterns, achieving up to 50% efficiency, help earn points in the “innovation” category.

BREEM with Vitra and Artema

Our range of smart solutions is designed to assist in earning points across multiple categories within the BREEM certification system.

- We create a healthy indoor environment by lowering the oscillation of volatile organic compounds in furniture solutions, contributing to earning points in “health and comfort” category.

Indoor Air Quality

The significance of indoor air quality in terms of human health, comfort, and efficiency has become evident, considering that we spend approximately 90% of our lives indoors. The chemicals released by indoor construction materials can evaporate at room temperature, leading to air pollution that poses risks to both users and the environment.

At EBPB, we design and manufacture our products with great care to ensure healthy indoor air quality. We prioritize the use of construction materials with low levels of Volatile Organic Compounds (VOCs). Ensuring the chemical emissions from indoor materials are minimized is vital in safeguarding consumer health, as we utilize board products that are free from any cancer-related risks and do not trigger allergic asthma.

- Our faucets that consume less water and lower hygiene-based water waste and our economical toilets, waterless urinals and specially designed wall-hung toilets used with concealed cisterns help earn points in the “water” category.
- We only use building products that have a reduced environmental impact during the building’s life cycle and only choose materials made responsibly for fundamental elements of the construction, contributing to earning points in “materials” category. Our local producer status in multiple markets further enhances our ability to earn points in this category.

DGNB with Vitra and Artema

We provide intelligent solutions that enable earning points in the environmental feature category within the DGNB certification system by utilizing building materials with lower environmental impacts and promoting the use of water-saving faucets to decrease overall water consumption.



Vitra Archiplan Collection

Products Certificates

In an era where the global focus is shifting towards sustainability, customers rightfully demand transparency from companies, particularly when it comes to sustainability claims. Third-party certifications enable us to validate the sustainability features of our products, gaining the trust of our increasingly conscious users.

With a steadfast commitment to release the true potential of bathroom design in modern urban architecture, our products are meticulously designed and certified with a diverse array of environmental labels and certificates, ensuring their adherence to rigorous environmental standards.

Environmental Product Declarations

In the construction industry, green building rating systems universally emphasize the importance of manufacturers providing transparent declarations of their environmental impact with Environment Product Declarations (EPDs). These EPDs are created through life cycle analysis (LCA) studies, which comprehensively assess the environmental impacts of various stages throughout the product or service's life cycle, from raw material acquisition to production, transportation, consumer use, and post-use waste disposal. EPDs are globally recognized documents approved by independent third-party validating institutions, and their utilization in construction products can significantly enhance the points awarded by green certification systems.

In accordance with the ISO 14040 standard, our ceramic sanitaryware, and faucets are certified with Environmental Product Declaration (Type III), which undergoes verification by Germany's esteemed third-party independent verification body, the Association of Building and Environment Institute (IBU). This certification serves to inspire the development of product sustainability and helps users to make conscious decisions regarding their purchasing choices.



Unified Water Label

As a recipient of the Unified Water Label certificate, Artema promotes transparency with its users by prominently displaying the label indicating water consumption, along with labels displaying energy usage. This certification, awarded to a Turkish brand for the first time, is labeled on Artema products, providing users with valuable information regarding the water consumption levels of the faucets.



Product Certificates

TUV LGA Product Certificate	LEED Declaration	WRAS Certificate (ceramic sanitary ware, bathroom furniture, concealed cisterns)
KIWA Certificate	REACH Declaration	ISO 14025: EPD
SII Certificate	ACS Certificate	CSTB-NF Certificate (ceramic sanitary ware, bathroom furniture, concealed cisterns)
Belgaqua V-Care Certificate (ceramic sanitary ware, bathroom furniture)	IAPMO Certificate	TS-EN 249 Sanitary appliances - Shower trays made from crosslinked cast acrylic sheets
SVGW V-Care Certificate	WATERMARK Certificate	FSC- Forest Stewardship Council
ANQAS Certificate	TS-EN 14749 Domestic and kitchen storage units and worktops	Blue Angel for program Eqio
DVGW Certificate (ceramic sanitary ware, concealed cisterns)	TS-EN 198 Sanitary appliances - Baths made from crosslinked cast acrylic sheets	Made in Germany Label



VitrA Plural Collection

Energy and Water-Saving Solutions

We aim to provide our users with sustainable solutions, by offering innovative products designed to decrease the amount of water and energy used in common areas and houses.

- **The World's Most Water Saving WC Pan:** 2.5/4 liters dual flush WC and flushing system is one of the Vitra's revolutionary solutions and the world's first WC approved by German Standard Institution (LGA). The system can reduce water consumption up to 60%.



- **Hygienic Waterless Urinal:** Vitra waterless urinal's environmental-friendly technology can save up to 150 tons of water every year and provide superior hygiene at the same time.



- **BlueEco Technology:** While conventional approaches to improve water and energy efficiency often involve separate efforts, it is important to recognize that reducing consumption in both areas aligns with the shared objective of minimizing greenhouse gas emissions. In fact, conserving water can directly contribute to energy savings by reducing the treatment requirements of public water systems.

By moving 90 degrees to the left, the BluEco cartridge provides a cold stream of water even when the tap handle is in the middle. Hot water flows when the handle is moved to the left, thereby preventing the unnecessary use of hot water. The cartridge offers up to 60% energy savings, enough to heat 17 tons of water per year.



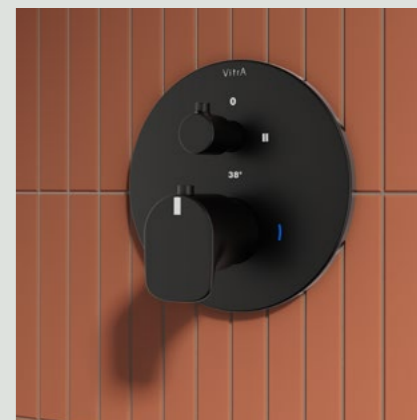
- **Touch Free Hand Wash Technology:**

- 40% of Vitra's touch-free basin mixers use only 1.3 liters/minute of water, reducing water consumption by up to 90%.
- Vitra is continuing to develop its touch-free technology and expand its touch-free product range to increase hygiene in public toilets and reduce excessive water use.
- Vitra's touch-free basin mixers are controlled by a built-in sensor which detects the user and contributes to water saving by stopping the flow as soon as the user moves away from the detection area.



- **Aquaheat Technology - Thermostatic Bath Mixers:**

- AquaHeat mixers are equipped with a thermostatic cartridge that ensures a constant temperature chosen by the user for a comfortable shower or bath experience.
- The thermostatic cartridge eliminates the need to adjust the temperature and the risk of scalding due to fluctuations in the water supply temperature. Additionally, it provides a constant temperature and prevents excess energy use.
- The safety button, which prevents water temperature from exceeding 38°C, makes AquaHeat mixers ideal for children and elderly individuals.
- The flow control button helps regulate the flow rate, leading to water savings of up to 35%. Safe touch technology ensures a safer and more enjoyable shower by keeping the mixer body from getting too hot.



Inclusive Design and Products

Each year, we proudly deliver a multitude of products to customers worldwide. We recognize the significance of creating a bathroom experience that caters to the hygiene and well-being of all individuals, regardless of age, gender, ability, or condition. At the heart of our philosophy is the belief that every user deserves equal levels of comfort in the bathroom. This is why we wholeheartedly embrace the principles of Design for All in our design process, ensuring that our bathrooms adapt to people's evolving needs throughout their lives. Our Design for All approach centers around accessible, safe, functional, and respectful bathroom design.

To further advance our commitment to inclusive design, we collaborated with the Art & Design and Health & Social Care Research Centers at Sheffield Hallam University's Lab4living. Together, we conducted research involving older individuals from local communities in Sheffield. The objective was to identify the challenges associated with bathroom use in later life and shape the design of our bathroom products to create a better bathroom experience for everyone.

The outcomes of this research serve to address these complex issues while highlighting the benefits of inclusive bathroom space design. The research provides valuable insights into key cognitive, physical, and technical considerations that should be taken into account when designing, remodeling, or redecorating bathrooms. As society continues to age, the importance of designing inclusively to support the concept of 'aging-in-place' becomes even more apparent, presenting a compelling case for adopting inclusive design principles. The guide we have developed offers inclusive and aesthetically pleasing solutions that cater to specific needs without stigmatizing anyone.

For more information, please refer to our guide on **Inclusive Bathroom Design**.



Waste Management

As the global population continues to grow, the consumption of materials and the generation of waste have witnessed a significant surge, making waste management an increasingly complex global challenge.

Recognizing the environmental risks associated with landfilling waste, we are dedicated to managing the disposal of our waste streams and strive to enhance the circularity of our material flows. Embracing the concept of “nothing goes to waste,” we define waste as valuable materials that are simply located in the wrong place. With this perspective, we are committed to extracting the maximum value from our production outputs and preventing them from becoming waste at the end of their life cycle.

Our ultimate goal is to send zero waste to landfills. Towards this end, our approach centers around establishing closed-loop systems that maximize the value extracted from materials during their use, followed by recovering and reusing through internal or external industrial symbiosis initiatives, and recycling them as a final resort.

The waste streams during our operations include industrial outputs, metals, cardboards, and other materials, consisting of both non-hazardous and potentially harmful waste. We employ a diverse range of technologies to ensure their responsible treatment and management. Our waste management system is comprehensive, encompassing efficient implementation, monitoring, information flow, and reporting. Throughout 2022, we continued to focus on waste recovery and exploring new avenues for repurposing our manufacturing waste. A total of 76,5344 tons of waste were generated this year, with 86.6% recovered and recycled.

Reuse of Brass

We have undertaken a project aimed at reusing brass, an alloy that we anticipate will pose sourcing challenges in the future. This project involves collecting metallic scraps from customer services and other brass waste generated during production processes, melting them in furnaces, and incorporating them into the production of our faucets. Through the implementation of this initiative, we save 341 tons of brass annually, accounting for approximately 27% of our total raw material usage.

Industrial Symbiosis

We continued to utilize our output in both internal and external symbiosis activities. This year, we reused 2,150 tons of waste fine fire Clay (FFC) product scraps in our production processes, leading to a yearly reduction of 110,500 tons of sludge. As part of our external symbiosis initiatives, we sent 18,500 tons of industrial sludge, treated in the wastewater treatment plant at our Bozüyük facility, to our adjacent tiles facility for utilization as an alternative raw material in tile production. We also engage in collaborations with partners from the cement industry. In 2022, we contributed 9,600 tons of waste plaster molds, 29,500 tons of waste ceramic products, 1,100 tons of core sand for reuse in cement production.

Minimizing Waste in our Stores

We have implemented multiple projects in our Intema stores throughout the year to reduce resource usage and minimize waste generation. Specifically, we prioritized the digitalization of our processes to reduce paper consumption. This involved implementing digital order outputs with electronic signatures, using digital price tags, and utilizing the Octet system for payments to reduce the need for paper receipts and photocopies. Additionally, we have implemented waste management practices in our stores by segregating PET bottles, paper, and other waste materials in recycling bins. Furthermore, we are actively sending recyclable display materials to recycling facilities.



As we embark on our sustainability journey, we recognize that inspiring our own people is a crucial starting point. We firmly believe that investing in our employees is vital for the success of our economic and sustainability agenda, enabling our business to thrive.

With over 5,000 people worldwide, our unwavering commitment lies in cultivating a diverse and inclusive workplace that places utmost importance on the health, safety, and well-being of our employees. By empowering our workforce, we drive efficient production and create high-quality bathroom products that are essential for promoting hygiene and well-being.

Investing in people extends beyond our internal operations. We actively extend our commitment to the societies in which we operate and work towards bringing about sustainable and meaningful change by fostering economic growth and development within these communities. We strive to raise awareness and generate solutions for global challenges, including sanitation, hygiene, water conservation, and climate action.



Investing in People



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Equal Opportunity

At EBPB, we recognize that effectively addressing sustainability challenges requires the inclusion of diverse perspectives from high-skilled, healthy, safe, and innovative individuals on board. Recognizing the importance of human-centric frameworks that foster enduring sustainable value, we are dedicated to empowering our employees and fostering a culture of diversity and inclusion. We are committed to providing equal opportunities for all individuals, irrespective of their gender, physical attributes, political affiliations, or religious beliefs.

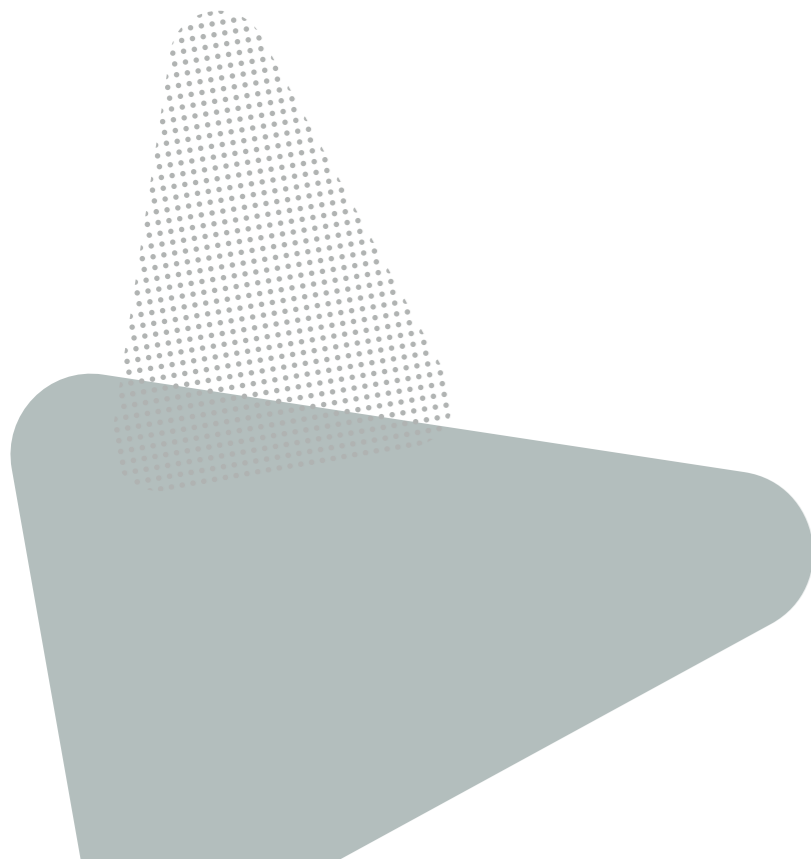
Eczacıbaşı Group places great importance on global inclusion and diversity and is deeply committed to developing human resource strategies and practices that align with internationally recognized standards. To demonstrate this commitment, the Group became a signatory of the United Nations Global Compact (UNGC) in 2006 and the Women's Empowerment Principles (WEPs) in 2013. In line with these principles, we evaluate all our projects, operations, and practices through a gender-balanced perspective and actively support the integration of women in all aspects of our company through various initiatives.

At EBPB, the "ALLforALL" Equal Opportunities Committee, which operates within the Eczacıbaşı Group's Sustainability Working Groups, is led by our CEO as co-chairman and consists of human resources representatives from companies within the Group. The committee is responsible for executing and applying the Group's approach to our processes and initiatives. By adhering to and implementing international and national standards related to equal opportunity, the committee significantly contributes to the Group's overall objectives and our human resource management.

Our commitment to providing equal opportunities is reinforced by the Group's **Gender Equality and Equal Opportunities Policy**, which guides our approach and strengthens our dedication. With our unwavering determination, we align our efforts with the strategic framework established by the Group, ensuring that our suppliers and business partners also adhere to the comprehensive guidelines outlined in the policy.



EBPB Head Office, Istanbul



Equal, Diverse and Inclusive Workplace

At EBPB, we place a strong emphasis on the power of diversity and have a strong commitment to fostering a culture that embraces diversity and inclusion across our organization. We firmly believe that by cultivating an environment where equality, diversity, and inclusivity flourish, we are better equipped to address complex challenges and seize emerging opportunities. Through actively promoting diversity in all its forms, we harness the collective strength of diverse perspectives, experiences, and backgrounds, which fuels innovation, creativity, and sustainability within our company.

We recognize that achieving a sustainable future depends on enabling women to participate as equals in all aspects of life. Therefore, we have made it a priority to ensure equal opportunities for all individuals, and we have developed initiatives and programs specifically aimed at fostering the professional growth and advancement of women within our organization.

Our objective is to increase the representation of women in employment to 41%, with new recruits comprising 53% women, and women in management positions to 43% by the end of 2025. Through our dedicated efforts, we have already made significant progress towards these goals. We have increased the share of women among new recruits from 45% to 50.0% ✓, the total share of women professionals¹ from 35% to 38% ✓, and the share of women in management positions² from 34% to 40.3% ✓, compared to 2021.



#becauseimeverywhere (çünkübenheryerdeyim)

Considering the underrepresentation of women in our industry, particularly in sales roles, we have developed the #becauseimeverywhere campaign, which aims to highlight the invaluable contributions that women can make to the sector, going beyond traditional job descriptions.

This campaign serves as our new manifesto, with the primary objective of increasing the presence of women in our sales department and nurturing future female sales leaders. To accomplish this, we have implemented a comprehensive program that includes mentoring, learning and advancement opportunities, and personalized development support. Currently, the project is in its initial stages, and we have published advertisements to attract talented individuals for recruitment.

#becauseimeverywhere initiative is a call to action, encouraging women to break barriers and demonstrate their capabilities across all aspects of our industry. We are excited about the potential impact of the #becauseimeverywhere initiative in reshaping the landscape of our industry and creating equal opportunities for women to thrive in sales.

KadınlarAnlatıyor

In our unwavering commitment to closing the gender gap and promoting greater female representation in key decision-making processes, we have embarked on a groundbreaking initiative called “KadınlarAnlatıyor.” This pioneering program aims to empower women in the business world and foster their perspectives through a series of comprehensive trainings and sessions.

Through this initiative, we have enlisted dedicated female volunteers within our company to serve as mentors, providing enlightening “Reverse Mentoring” sessions to their male colleagues. During these sessions, participants delve into addressing unconscious biases and discussing the workplace challenges experienced by women. By fostering open dialogue and raising awareness, our goal is to drive positive change and create a more inclusive and equitable work environment.

The program serves as a platform for knowledge sharing, mutual understanding, and collaboration between male and female employees. It allows for valuable insights and experiences to be exchanged, breaking down barriers and encouraging a more diverse and inclusive workplace culture. Through this initiative, we firmly believe that by actively involving both men and women in the conversation, we can work together to overcome gender biases and create a more equal and supportive professional landscape for all.

¹ Includes white collar employees with fixed and indefinite term contracts.

² Includes managers and higher management positions, board members are excluded.



Scholarship for Women Engineers

At EBPB, we are committed to supporting both our current and future female employees through various projects, one of which is the Vitra Scholarship Program. This program enables us to reach out to economically disadvantaged communities and address the unique educational and professional challenges that women face in STEM fields.

Since its inception in 2019, the Vitra Scholarship Program has provided valuable scholarship opportunities to female engineering students studying in specific departments at selected universities. Additionally, fourth-year students in the program receive mentorship support from experienced female administrators within our organization. As part of our ongoing efforts, we prioritize scholars from the program in both our internship processes and recruitment activities. By giving them preferential consideration, we ensure that they have access to promising career opportunities within our company. Moreover, we provide them with invaluable feedback on the hiring process, helping them identify areas for improvement and further enhance their skills and capabilities. The Vitra Scholarship Program has granted scholarships to 15 female engineers since it began, highlighting our commitment to supporting and empowering the next generation of women in engineering.

Literacy Mobilization - Public Education

Our dedication to gender equality extends beyond our operations to the communities we engage with. To promote employment opportunities for women, we have established a partnership with the Bozüyük Public Education Center, which operates under the District Directorate of National Education. This collaborative project received dedicated support through signing a three-year protocol, involving the participation of the Bilecik Governor and Bilecik District Governor.

In the initial phase of the project, our main objective was to raise awareness. To achieve this, we created visually engaging posters that were strategically displayed on billboards throughout the Bozüyük area. These posters served as powerful public announcements, effectively communicating the purpose and goals of our initiative to the community.

Specifically, our aim is to encourage the participation of illiterate women in literacy courses. By providing them with the necessary tools and educational opportunities, we empower these women to develop their skills and knowledge. As the next step, upon successful completion of the courses and meeting our minimum recruitment criteria, we offer them employment opportunities at our Bozüyük factory. We are delighted to welcome not only new participants but also trainees who have previously attended the course and demonstrated proficiency. Since the signing of the protocol, a total of 16 women have been actively engaged in the courses.

Furthermore, as part of this project, we have implemented additional measures to improve the working conditions for women. Through constructive negotiations with labor unions, we have successfully appointed female representatives, enabling our female employees to freely express their concerns and needs to these representatives at any time. This initiative fosters an open and supportive environment, ensuring that the voices of our female workforce are heard, and their needs are addressed.

Team Leader Training and Development

As part of our commitment to promoting gender diversity in managerial roles, we have developed the "Team Leader Training and Development" initiative. Scheduled to commence in April 2022, this project aims to cultivate a robust pool of future team leaders within our organization. The primary objective is to identify potential candidates for first-level manager positions in the production department and equip them with the necessary technical and behavioral skills through targeted training sessions. To ensure a balanced representation, we have placed a strong emphasis on including women in the candidate pool, with a target of 50% female participation. This not only aligns with our overarching goal of increasing the proportion of female managers but also fosters gender balance throughout our organization. Through initiatives like the "Team Leader Training and Development" project, we are fully committed to empowering women and providing them with the opportunities and skills required to excel in managerial roles.

Our Remuneration Approach

As part of the Eczacıbaşı Group, we are firmly dedicated to promoting the principle of “equal pay for equal work.” This commitment is deeply rooted in our core values and is supported by a comprehensive assessment of several factors, including business volume, performance, contribution to activities, knowledge/skills, and competencies. At EBPB, we are committed to adhering to the Group’s remuneration policies, which ensure that all employees receive fair and impartial compensation for their contributions, regardless of their gender, race, or any 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.



EBPB Head Office, Istanbul

Human Rights and Union Rights

At EBPB, we prioritize the well-being and rights of our employees by strictly adhering to Eczacıbaşı Group’s Human Rights Policy, which is in line with international and national standards. Our commitment is to create a work environment that is peaceful, safe, transparent, equitable, honest, fair, and dignified. We aim to foster high employee engagement and provide equal opportunities for all. Consistent with our Group’s values, we maintain a non-discrimination policy throughout the recruitment process and subsequent human resources procedures, ensuring that no individual is subjected to discrimination based on race, color, sex, religion or denomination, marital status, sexual orientation, sexual identity, political views or membership, ethnic identity, health status, familial obligations, domestic violence, economic status, union activities or membership, physical disabilities or age.

We have a zero-tolerance policy towards child labor, forced labor, and compulsory labor, actively working to prevent and eradicate such practices within our company and with our business partners. Furthermore, the Group’s core principles emphasize ethical standards and the protection of human rights, influencing every aspect of our employees’ journey, from recruitment to career development. Aligned with the Eczacıbaşı Group, we offer a comprehensive range of benefits to our employees, including support for marriages, assistance with meals, transportation allowances, pre-primary education fee, health insurance with birth coverage and generous maternity/paternity leave.

We value and respect the rights of our employees to unionize and organize, recognizing their freedom to exercise their union rights. We actively cultivate positive and productive relationships with labor unions, understanding the importance of collaborative engagement. As a member of the Turkish Employers’ Association of Metal Industries (MESS) and the Glass, Cement, Ceramic, and Soil Industries Workers’ Union of Turkey (ÇİMSE), authorized labor unions representing workers in our industry, we strive to ensure that the voices and interests of our employees are effectively heard and represented.



Design Studio - VitrA

Attracting, Developing and Retaining Talent

With a workforce spanning across more than 5,000 individuals in over 10 countries, it is crucial for us to inspire and enable our global employees to develop the necessary skills for both the present and the future. We firmly believe in providing all our employees with ample opportunities for continuous learning and growth, ensuring that they can unleash their unique potential.

Our primary focus lies in attracting, nurturing, and retaining exceptionally talented individuals. By doing so, we not only cultivate a skilled workforce but also empower our people to contribute to our business success. To achieve this, we remain vigilant in anticipating and responding to the evolving demands of society and our industry. To support the personal growth of every employee at EBPB, we have implemented comprehensive upskilling and reskilling programs. These programs aim to equip our employees with new and relevant skills that are essential for adapting to our dynamic needs and expectations. By continuously learning and

developing, our employees not only enhance their sense of belonging within the EBPB community but also maximize their impact in their respective or potential roles.

We understand that a constantly evolving world requires us to be proactive in nurturing the potential of our workforce. By investing in their growth and providing them with the necessary tools and resources, we ensure that our employees are well-equipped to navigate the challenges and opportunities that lie ahead.

Recruiting and Retaining Talent

In line with the principles of the Eczacıbaşı Group, we maintain a rigorous and standardized recruitment process. We utilize a range of selection tools that have been scientifically validated, ensuring their reliability and accuracy in assessing candidates. Our recruitment team meticulously applies and interprets assessment data to ensure fairness and objectivity throughout the process. We believe in providing a level playing field for all candidates, free from any form of discrimination or bias. Our selection criteria are solely based on the competencies and values that align with our organization and position, ensuring that every candidate is evaluated fairly and consistently. By upholding these recruitment practices, we aim to attract and identify the most qualified individuals who will contribute to our organization's success while promoting diversity and inclusivity in our workforce.

In 2022, our overall employee turnover rate stood at 12%, which includes a voluntary turnover rate of 8%. As we undergo continuous transformation, we understand the importance of attracting external talent to meet our evolving needs. However, our primary emphasis is on fostering internal mobility and promoting opportunities within our existing workforce whenever possible. We have an internal careers portal that promotes transparency and provides convenient access to growth opportunities for our current employees. By encouraging and supporting our employees to explore new roles and career paths within the organization, we aim to leverage the diverse talents and skills present within our workforce. We also have a similar concept in our intern talent pool. By creating an intern talent pool for the whole Group, we aim to fill the open entry level positions with our Group-wide intern talent pool. These approaches not only facilitate the professional development and satisfaction of our employees but also enables us to effectively mobilize our internal talent across different areas of our organization.

Future of Work

As part of our ongoing efforts to accommodate the changing needs of today and anticipate those of the future, we have restructured our working models to provide greater flexibility and attract talent from around the globe. In this process, we thoroughly evaluated all our positions to determine the feasibility of independent location-based work, and subsequently devised new working models that align with the specific demands of each role. These models include office/on-site roles, hybrid roles and remote/home office roles. To facilitate the smooth transition to these new working models, our Group extends support to remote employees and their managers. This support encompasses various aspects, ranging from occupational health and safety checklists to tools, such as Ergonomics support, Internet and phone fee support, that motivate and engage remote teams.



Performance Management and Employee Engagement

Performance and career development reviews are integral to fostering the personal growth of our employees and nurturing human capital within EBPB. We recognize that employee engagement plays a crucial role in achieving our organizational goals and sustainable success. Consequently, we view performance management and employee engagement as interconnected facets and implement practices that positively influence their sense of belonging within the company.

We are dedicated to maintaining elevated levels of motivation among our workforce. To accomplish this, we empower our employees to participate in management mechanisms, such as performance evaluations, open access to management, strategy meetings, innovation and entrepreneurship teams, and the suggestion system implemented within the company.

Recognizing that creating an engaged work environment is vital for advancing our business, we have established several incentives and programs. One of these initiatives is the development of leadership cards for managers and senior managers based on the development areas of our Employee Engagement Surveys' results. These cards are solely tailored to address areas that have room for improvement for the whole EBPB.

Furthermore, we provide performance-based incentives, including the "First Level Rewarding Project," which specifically targets white-collar employees at the first-level managerial positions (e.g., team leaders, group leaders). Under this initiative, teams set objectives, and measurements are conducted using key performance indicators (KPIs) that contribute to value creation within the organization. Departments that meet their targets receive monthly success bonuses in accordance with the principles outlined in the program.

Talent Development

The core of our talent management approach revolves around building a cohesive, motivated, and skilled workforce that embraces teamwork and takes on leadership responsibilities to achieve our company's goals. At EBPB, we recognize the importance of providing current employees with opportunities to upskill, re-skill, and gain new experiences. Much of this employee development occurs through on-the-job learning and participation in projects alongside their regular responsibilities. To unlock our employees' potential, we offer effective training and personal development initiatives.

During the reporting period, the average training hours per employee amounted to 25 ✓ hours, while the average training hours per talented employee were 29 hours ✓³. Throughout the year, we established a strong connection between development plans, the training process, and competency assessments. We have also introduced a comprehensive training catalog consisting of approximately 80 courses. Through these programs, we are committed to nurturing our employees' growth and equipping them with the necessary skills to excel in their existing or potential roles.

³ Includes white-collar employees in Turkey operations. Average training hours per talent includes employees in leadership programs in Turkey.



- **Leaders of Future:** This program targets employees who are within their first two years of their professional careers and hold junior specialist positions. The program aims to equip these employees whom we identify as future leaders, with both technical and behavioral competencies.
- **Language Classes:** As our company continues to expand globally, we actively support and encourage our employees to enhance their foreign language skills. Through regular English and German classes, ongoing language practice sessions, language applications such as Busuu and Babbel and private lessons throughout the year, we aim to eliminate language barriers and foster integration within EBPB.
- **First 90Days Program:** Designed for newly appointed senior managers and directors, this 90-day training program includes a company orientation in the first and last 15 days. Over the remaining two months, participants receive business training at prestigious institutions such as Columbia, MIT, or Tuck Universities.
- **Operations Leaders Development Program:** Developed in collaboration with Sabancı University, this program provides line managers and executives our operations with a mini-MBA training. The program, which spans one year, includes projects, a final exam, personal counseling, reflection sessions, Capsim simulation, sustainability simulation and webinars on current topics. It comprises eight modules aimed at enhancing technical, behavioral and managerial competencies.
- **Manage To Be Leadership Program:** This comprehensive learning and development program is designed to strengthen the leadership pipeline at Eczacıbaşı, ensuring the organization's sustainability. The program focuses on preparing Eczacıbaşı leaders for management roles either before or immediately after their appointment. Through a combination of synchronous and asynchronous learning methods, participants will enhance their leadership capabilities and be equipped to excel in their new positions.
- **Retail Academy:** This talent development program is specifically designed to enhance technical and personal development competencies for our store teams working in the retail industry, aligning with the company's strategy and vision. Through this program, participants acquire the necessary skills and knowledge to excel in their roles, fostering both professional growth and the ability to contribute to the company's overall success.
- **VitrA Sales School:** This comprehensive one-year training program is designed for the Sales Department, focusing on equipping sales teams with the skills and mindset to drive business growth and personal development. With a strategic and innovative perspective aligned with the company's values, the program aims to empower participants to excel in their roles and make a significant impact in the field of sales.
- **Agile Awareness Program:** Designed for all non-managerial employees, this program aims to enhance digital competencies and fostering awareness of the digital world and transformation within the company. By participating in this program, employees develop a deeper understanding of agile methodologies and gain the necessary skills to thrive in the digital landscape.
- **Purchasing Certification Program:** This program is designed to enhance the professional development of purchasing employees by updating their knowledge and transforming the purchasing function into a more specialized expertise, providing participants with the necessary skills and knowledge to excel in their roles and contribute to the advancement of the purchasing function within the organization.
- **Paraakademi:** This year-long multidimensional training program is specifically tailored for the Finance Department, focusing on developing finance teams that drive impactful outcomes through continuous improvement and strategic innovation. The program aims to cultivate a strategic and innovative mindset aligned with the company's values, enabling participants to make a significant difference in both their business and personal growth.
- **Masters of Marketing:** This year-long comprehensive training program is designed for the Marketing Department, aiming to equip all marketing teams with the skills and knowledge to drive business growth while fostering continuous personal and professional development. The program emphasizes a strategic and innovative mindset aligned with the company's core values, empowering participants to make a significant impact in their roles.

- **Leader in the Field:** This program is designed to develop the Business Management, Team Management, and Self-Management competencies of technical operations and business support employees overseeing blue-collar teams. Participants gain essential leadership skills, including resource allocation, project planning, and decision-making. The program focuses on team management, communication, conflict resolution, and self-management to empower participants to become effective and confident leaders in their field.
- **Project Management:** Designed to provide participants with comprehensive knowledge and expertise in project management, this program utilizes computer-aided techniques such as MS Project. Through practical examples and exercises, participants will gain a deep understanding of project management processes, tools, techniques, and industry standards. The program aims to specialize individuals in project management and prepare them for international project management programs. The curriculum includes an exploration of project management from the perspective of the Project Management Institute (PMI), addressing questions such as "How is project management executed according to PMI principles?" Additionally, participants will receive guidance on the Project Management Professional (PMP) exam conducted by PMI, along with sample question solutions to aid in exam preparation.
- **Effective Communication and Presentation Techniques:** This webinar series is specifically tailored for professionals working in Operation Departments, aiming to enhance their communication skills, mitigate communication mishaps, and improve their ability to deliver professional presentations.
- **NX Training Program:** With the aim of equipping design and engineering employees with the necessary skills to develop better products efficiently and cost-effectively. This program focuses on utilizing NX CAD/CAM/CAE software, specifically designed for design and R&D employees.



EBPB Ceramic Sanitary Ware Factory

Attracting and Developing Young Talent

At EBPB, we acknowledge the tremendous potential of young individuals and deeply value their unique perspectives. Our unwavering dedication lies in offering them significant opportunities to express themselves and make positive contributions through engaging projects. We understand the importance of harnessing their energy, creativity, and fresh ideas to drive innovation and bring about meaningful change.

EnGenius

EnGenius is a recruitment-oriented competition program specifically designed for engineering students and graduates, with a strong focus on recruitment. It provides participants with a platform to showcase their innovative thinking, analytical skills, and creative approach while gaining insights into various business processes within Eczacıbaşı Group companies. The program involves a case study, where competitors analyze predetermined issues and present their solution suggestions. At the conclusion of the program, the winning teams are recognized and rewarded, with the added possibility of a career opportunity within Eczacıbaşı Group.

As part of our approach to fostering new talents empowerment, we launched EnGenius'22-Metaverse edition. This special edition of the competition took place in a virtual environment, allowing participants to navigate and complete their tasks in the metaverse. The theme for this edition was 'Digital Transformation', challenging participants to develop the most innovative and practical solutions in that domain. We successfully reached out to over 27,000 students from 168 universities, providing mentoring support for 108 hours to 36 selected candidates.

Furthermore, organizing events on the metaverse platform had a positive impact on the environment. By eliminating the need for transportation associated with face-to-face events, we effectively prevented approximately 2869 tons of carbon emissions, making a significant contribution to reducing our carbon footprint. Additionally, our efforts saved the equivalent of seven trees, further emphasizing our commitment to sustainability.



Bootcamp

The Bootcamp project was initiated to adapt to the increasingly digitalized world and enhance our proficiency in data interpretation. Within our company, we offer seven-week training sessions on Python, SQL, and Data Science/Statistics/Mathematics to employees seeking to enhance their skills in analytics, coding, software, and data science. This program plays a crucial role in developing our internal capabilities in data analytics.

Moreover, the program extends to young talents and recent graduates aspiring to specialize in data analytics. Upon completion of the seven-week training period, candidates work on projects based on real-world data, which are then evaluated. Those who successfully complete the projects are recruited for suitable positions within our company or the broader Eczacıbaşı Group.

VBenzeri Campus

At EBPB, we recognize the significance of education and actively support it through our initiatives. One such project is the VBenzeri Campus Project, which stands as an innovative and collaborative platform aimed at fostering education among students. Specifically targeting those studying architecture, interior architecture, and industrial design, this project serves as a creative hub that facilitates interaction and knowledge-sharing.

Throughout the year, we organize a series of events, including conferences, workshops, and student meetings, to extend the project's reach and impact. This year, our focus remained on promoting sustainability as a central theme within the "VBenzeri Campus" Project. In alignment with this objective, a total of nine university visits were conducted, with sustainability being the main theme instead of the previous year's topic of BIM (Building Information Modelling). These carefully curated events were designed to align with our core objectives, providing students with valuable insights into sustainable practices and their positive influence on the environment. By actively engaging students through these events, we aim to promote sustainability and nurturing the next generation of environmentally conscious leaders.



University and NGO Collaborations

University activities play a crucial role in providing a centralized platform for young talent to connect with potential employers, explore career paths, and gain valuable insights into the business landscape. At Eczacıbaşı Building Products-Bathroom, we actively collaborate with universities to strengthen our employer brand, increase brand awareness, build a pool of candidates for our internship and new graduate programs, and provide young individuals with career guidance and social engagement opportunities.

As part of our university collaboration efforts, we organized various events throughout the year. On September 22, we conducted a workshop titled “Architecture for Health,” where students from the Moscow Institute of Architecture (MARCHI) brainstormed on how architecture can adapt to new requirements for well-being and wellness.

Additionally, we held events in partnership with several universities across different cities in our country. Here are some examples of these collaborative activities:

- We provided online ceramic sanitaryware and hygiene training sessions for faculty of architecture students at Izmir University of Economics and Kocaeli University.
- Technical product training sessions on ceramic sanitaryware, washing areas, non-contact technologies, and hygiene were conducted for faculty of architecture students at Kırıkkale University.
- We offered ceramic sanitaryware and hygiene training to faculty of architecture students at Bilkent University and Izmir Institute of Technology.

Overall, we successfully trained a total of 270 students through five events held in Turkey.

Campus Envoyers

The “Campus Envoyers” project aims to provide students with a deeper understanding of the work conducted at the Vitra Innovation Center. This program was introduced for the second time in 2022, welcoming new students to participate. A total of seven students were carefully selected from renowned universities such as Middle East Technical University, Bilkent University, Bilgi University, Eskişehir Technical University, and Eskişehir Osmangazi University. Each student was paired with a consultant from the research team at the Innovation Center, based on their respective fields of study.

Through this initiative, our envoys offer an insightful perspective into the professional world, showcasing the innovative endeavors taking place at the center. They effectively communicate the value of the work being conducted, ensuring that students gain a comprehensive understanding of these initiatives.

ESTÜ and İTÜ Vitra Academy

Vitra Academy serves as an opportunity to identify and engage with future talents at an early stage, aiming to enhance students’ sectoral and technical knowledge in the field of CSW – WSS and facilitate the transfer of valuable experiences by integrating it into university curricula. Additionally, our goal is to prepare these talents for the future by providing insights into business processes and increasing their awareness of upcoming expectations and required competencies.

Our ultimate objective is to cultivate highly skilled individuals who will contribute to the future workforce. Furthermore, this initiative presents an advantage over our competitors in terms of talent acquisition and helps raise awareness of our company among students, strengthening our corporate presence and reputation.

Within the program, we received a total of 175 applications, out of which 82 students were selected for further engagement. The detailed description of the recruitment process captured their attention and fostered an atmosphere conducive to conversation, enabling them to satisfy their curiosity and ask questions on relevant topics. As the program progressed, 36 students were integrated into our recruitment processes, and we conducted interview simulations. These students will be closely monitored and given priority consideration, particularly for our internship programs. We also gathered valuable suggestions from the students through case studies, which will inform future activities.

Through these initiatives, we aim to foster greater awareness among students about the industry, fostering closer University-Industry cooperation. The students’ curiosity regarding the ceramic and metal sector was fulfilled, and they had the opportunity to interact with experts in these fields. Moreover, we are pleased to announce that seven students from the program have been specifically selected for our Vitra Academy program and have now joined us as colleagues.

Career Test / Experience Drive for Young Talents

Since 2009, the Career Test Drive (CTD) Program has been instrumental in attracting young talent to our Group companies. This program offers university students the opportunity to engage in full-time or part-time internships in various positions, lasting for a minimum of two months. During their internship, students receive valuable mentorship, personal development training, and coaching.

This year, we have split our young talent student programs into two distinct categories: Career Test Drive (CTD) and Career Experience Drive (CED). Career Test Drive (CTD) is a recruitment-oriented, project-based internship program that caters to students who have completed their third year of undergraduate education or are in the graduate course stage. It runs from July to September in the respective year. Career Experience Drive (CED), on the other hand, is a recruitment-oriented internship program designed for senior undergraduate or graduate thesis students. To be eligible, students must be on track to graduate within the academic calendar of the relevant year, and the program takes place between October and June.

In both programs, interns have the opportunity to gain practical experience by working on real business projects, enabling them to fully immerse themselves in the corporate world’s dynamics. Successfully completing the internship process also qualifies interns for inclusion in the Group’s affirmative candidate pool for recruitment.

Through the CTD & CED Program, interns gain hands-on experience in real business projects, allowing them to immerse themselves in the dynamics of the corporate world. They also have the unique chance to present their projects to relevant managers within their respective companies. Successful completion of the internship process leads to inclusion in the Group’s affirmative candidate pool for recruitment.

In Europe, we also conduct initiatives aimed at attracting young talents through long-term internships and dual university programs. This year, we have planned a more effective internship program by revitalizing the career test driver process. The objective of this internship process, which offers significant advantages compared to the previous version, is twofold: to increase the hiring rate of junior specialists from internships and to provide interns with a superior internship and work-life experience.



Health and Wellbeing

At Eczacıbaşı Building Products – Bathroom, the safety, health, and wellbeing of our people always comes first. We incorporate clearly defined methodologies, procedures, and robust controls to ensure the wellbeing not only of our employees but also of their families, our social environment, and our stakeholders.

To ensure a systematic and tangible approach to safety, we have implemented the ISO 45001 Health and Safety Management System at our Bozüyük manufacturing plants. This system ensures that rules, training, information, and technical aspects are given utmost importance in identifying and managing risks while preventing injuries.

To successfully manage our health and safety procedures throughout our company, we have established a dedicated safety committee comprising 50 employees. This committee actively focuses on minimizing work-related accidents in alignment with our comprehensive **Health and Safety Policy**. Additionally, it collaborates with the Eczacıbaşı Group's "Occupational Health and Safety Committee" to report our OHS data and share best practices across the organization. Furthermore, our committee holds the responsibility of sustaining our company's occupational health and safety management system. They actively stay updated with technological and sectoral innovations, surpassing mere legislative obligations to proactively enhance our safety practices.



EBPB Ceramic Sanitary Ware Factory

Health, Safety and Wellbeing

Safety is of utmost importance to us, as it encompasses not only the prevention of injuries and accidents but also the overall well-being of our employees. We strongly believe in providing comprehensive support for both their physical and mental health care needs. This comprehensive approach to safety is a fundamental aspect of our commitment to sustainability.

The safety and well-being of not only our employees but also our families, social environment, and stakeholders is of utmost importance to us. We have established a comprehensive service security model that encompasses all our stakeholders. Through various initiatives, we aim to extend our culture of protection and care to include our stakeholders in the journey towards enhanced safety.

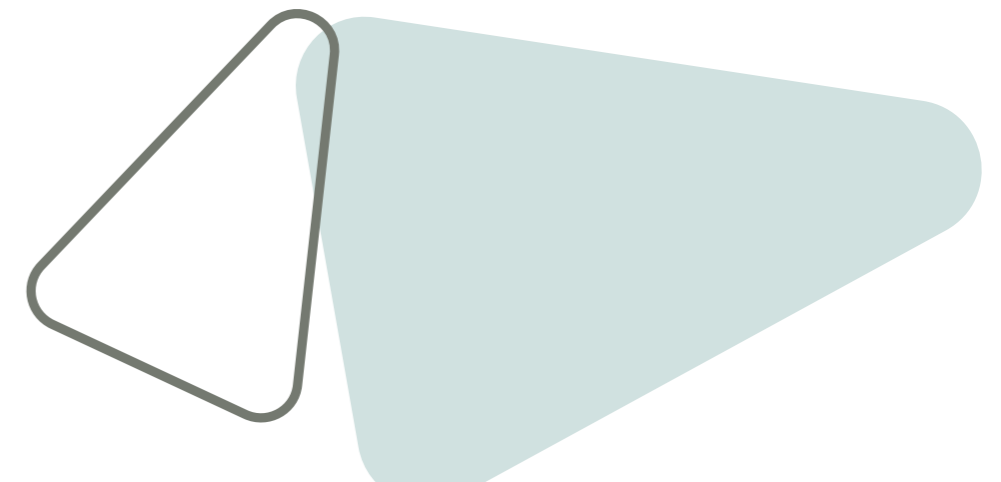
Furthermore, we actively promote a safe and secure working environment on our premises. Aligned with the Sustainable Development Goals (SDGs) set by the United Nations, particularly SDG 3 and SDG 8, we firmly embrace a "Zero accident mentality" within our facilities. This includes implementing robust security measures and protocols that address potential risks and hazards. We encourage open and transparent communication, ensuring that relevant information is shared promptly with our stakeholders to keep them informed and involved in maintaining a secure environment.

Our commitment to occupational health and safety is evident through our substantial investment of more than € 1.5 million. These resources have been dedicated to cultivating a safety-conscious culture, enabling us to achieve world-class safety

performance. Through the dedicated efforts of our employees, who have collectively contributed over nine million working hours, we take great pride in announcing a significant reduction in our overall accident frequency rate. Compared to the previous year, we have successfully decreased our accident frequency rate from 1.21 to 0.99, a testament to our unwavering commitment to continuous improvement and the well-being of our workforce.

To provide continuous support, we offer a 24/7 online health line and platform accessible to all individuals within the Eczacıbaşı Group. This line provides comprehensive assistance, psychological counseling, medical information and counseling, financial and legal counseling, guidance on healthy nutrition, ergonomics consultancy, newborn care information support, technology counseling and veterinarian consultancy. We recognize the importance of addressing not only physical health but also mental well-being, and our services extend to meet all needs.

We implement comprehensive training programs aimed at enhancing our understanding of occupational health and safety. These training courses are not only intended to benefit individuals but also to foster a culture of safety throughout our organization, ensuring that awareness is heightened at all levels. During the reporting period, we provided a total of 57,460 employee*hours of occupational health and safety (OHS) training to our dedicated workforce of 1,224 employees. These training sessions empower our employees with the knowledge and skills needed to prioritize safety in their daily activities and contribute to a hazard-free work environment. For employees at headquarters in Levent Office, there is also an online OHS training on Eczacıbaşı Academy, which is compulsory for them to complete.



OHS Initiatives

By proactively addressing these safety concerns and implementing innovative solutions, we continuously strive to enhance workplace safety and create a secure environment for our employees. In our Vitra CSW Bozüyük factory, we have identified areas within our glaze preparation process that require improvements, and we have taken significant steps to address them.

One particular concern was the glaze mixing system, which previously operated on a vertical axis with a piston. The manual adjustment of the piston's level using a wedge, depending on the tank size, posed a safety risk as the load could potentially fall and cause injuries. To mitigate this risk, we introduced a never-before-utilized worm screw mechanism, replacing the piston. This innovative solution effectively prevents the accidental fall of the system, enhancing workplace safety.

Another area of focus for improvement was the cutting processes. In the production of curtain structure products, cutting is necessary before the baking process, and large circular saws are used for this task. Despite the use of personal protective equipment, the proximity of the operators to the circular saws posed a risk of accidents. To address this, we conducted a kaizen study with the goal of keeping the operator at a safe distance from the operation. As a result, we designed an automatic table mechanism that brings the object closer to the circular saw, effectively eliminating the risk of saw-based accidents.

Additionally, we identified a potential risk of products falling when taking or placing items from upper shelves in our warehouses due to limited visibility. To mitigate this risk, we implemented a camera system attached to the vehicle's fork part, with a screen placed in the operator's cabin. This innovative solution provides the operator with clear visibility of the upper shelves, allowing them to reach the desired height safely and maintain balance.

OHS-Compliance Tracking with Artificial Intelligence

We continue to leverage the positive impact of digital transformation in our operations. At our Vitra CSW and Artema - Bozüyük facilities, we implemented a monitoring system in 2022 that harnesses artificial intelligence (AI) technology. This system is designed to track and analyze workplace safety regulations, aiming to prevent unsafe behaviors and promote a culture of safety. Through this advanced technological monitoring system, work zones are continuously monitored, and alerts are promptly sent via SMS and email whenever violations are detected. In the event of non-compliance, immediate action is taken by establishing a communication network, enabling swift intervention to address unsafe behaviors.

A total of six "Occupational Health and Safety Eyes," supported by artificial intelligence, have been deployed, with five located in our Vitra CSW factory and one in our Artema factory. Each workplace is equipped with 20 monitoring points, which are tracked using web-based software. Several factors that could pose a danger, such as the use of personal protective equipment, unauthorized entry into restricted areas, proximity to moving equipment, climbing, and more, are considered in the monitoring process.

Thanks to this robust technological infrastructure, we strengthen our employees' awareness of occupational health and safety by swiftly responding to non-conformities. In the second phase of this project, our aim is to enhance safety measures further by implementing immediate machine shutdowns upon receiving warnings and introducing audible and visual alarms that will operate simultaneously with non-compliant situations. These measures will facilitate even faster reactions to ensure a safer work environment.

OHS Control Unit

We have recently established an OHS Control Unit at The Vitra Ceramic Sanitaryware Factory in Bozüyük. This unit plays a crucial role in ensuring the implementation of occupational safety measures and controls specifically during the work carried out by contractors. With the establishment of the OHS Control Unit, a thorough verification process is conducted on contractors, their documents, and equipment before they commence their work. Additionally, the unit provides comprehensive training to contractors, informing them about the potential risks present in our factory. Apart from contractor controls, the OHS Control Unit also conducts regular inspections of the work areas. At the end of each day, the unit compiles a detailed report summarizing its observations and findings, which is then shared with the relevant managers.

Zero-Weight Project

We are dedicated to minimizing physical strain in our operation processes, and the Zero Weight project exemplifies our commitment. This initiative focuses on automating operation processes and integrating advanced glazing and casting technologies, reducing potential accident risks. By implementing automated and robotized casting and glazing technologies, we have significantly decreased the physical exertion required in our operation processes. This advancement has not only improved workplace safety but has also created opportunities for female employees to actively participate in this field. The Zero Weight project aligns with our strategy of harnessing digital innovation and technology to foster greater gender diversity and inclusion within our organization.

Through the integration of these advanced technologies, we continue to prioritize the well-being and safety of our workforce while simultaneously promoting gender equality and expanding opportunities for women in traditionally male-dominated sectors.

Reducing Occupational Accidents by Supporting with VR Glasses in Forklift Training

In 2022, we introduced the "Forklift Virtual Reality Simulation" at our Vitra CSW - Bozüyük factory as part of our occupational health and safety (OHS) training program. By leveraging the power of digital transformation, this initiative aims to enhance the effectiveness of training for our forklift operators.

Prior to implementing this initiative, we developed draft scenarios, conducted a needs analysis, and utilized historical data from previous years. We collaborated with a consulting firm during the project's creation and received training from them to enable us to develop similar simulation programs internally.

The virtual reality simulation provides a learning-by-experience model that serves as a reminder of occupational safety rules for forklift operators. The scenario incorporates 3D models specific to the Vitra CSW - Bozüyük factory, guiding operators on autonomous forklift maintenance and more than 10 essential occupational safety rules.

When using the simulation, operators are initially given the option to choose between training mode and test mode. In the training mode, users are presented with specific objectives to accomplish. In the test mode, operators are assessed without guidance, reinforcing what they have learned during the training. This evaluation process takes approximately 15 minutes, and participants are scored out of 100. The training continues until they achieve a minimum passing score of 70. Through this virtual reality application, we aim to minimize mistakes resulting from unsafe behavior.

Wellbeing in the Workplace

At EBPB, we are dedicated to cultivating a performance-driven workforce and are committed to helping employees maintain their well-being. Our goal is to create a flexible and comfortable work environment that increases employee satisfaction and promotes good health. We firmly believe that an engaged and resilient workforce is essential for achieving our future goals.

Developing a Flexible Work Framework

At Eczacıbaşı Group, we introduced flexible working arrangements in 2013 and remote working options in 2016 under the motto "Different Address, Same Company." Initially, not all departments practiced remote working, but with the onset of the COVID-19 pandemic, we swiftly transitioned to a home-office culture. As the pandemic subsided, we adopted a hybrid model that combines remote and on-site work. Depending on their location and job requirements, employees now have the opportunity to work remotely for a certain number of days per week. What used to be one day of remote work has now been increased to two days with the hybrid model.

Moving forward, our focus will remain on the mental and physical well-being of our employees. We aim to create a holistic state of health and happiness that encompasses various aspects, ensuring that employees are content in both their physical and mental realms, among others. Our well-being and happiness program will encompass a range of initiatives aimed at assisting employees in enhancing their physical, mental, and emotional resilience. Additionally, it will provide solutions to help manage stress and boost employee engagement and happiness. Presently, we have identified the areas of concern within the organization's well-being through an extensive survey. We will proceed to implement tailored solutions and programs to address these specific pain points.



Community and Social Vitality

Since its establishment, the Eczacıbaşı Group has been committed to not only delivering exceptional products and services, but also actively improving the welfare of the communities it serves. Good corporate citizenship is a fundamental aspect of the Eczacıbaşı Group's identity, and Eczacıbaşı Building Products - Bathroom has always been an integral participant in the Group's social and cultural initiatives.

At the core of our values and Eczacıbaşı's heritage is the aim to create a lasting impact on the societies we engage with. We recognize the importance of addressing critical societal issues, developing solutions, and contributing to the well-being of communities. This commitment extends to collaborating with a diverse range of stakeholders, including professionals, students, investors, and academicians.

Through our collaborative efforts, we strive to make a meaningful difference and positively shape the communities we serve. By leveraging our expertise and resources, we actively participate in projects that promote social progress, cultural enrichment, and sustainable development.



Istanbul Modern Museum

Social Investment

At EBPB, we are dedicated to creating a positive societal impact and forging impactful partnerships that align with our shared objectives. We actively collaborate with foundations and non-governmental organizations in line with our Group's overarching aim of contributing to culture, art, sports, education, women's empowerment, and local development.

Culture & Art

Culture and art play a significant role in fostering social cohesion, facilitating dialogue, and promoting understanding among diverse communities. Culture and art not only enrich lives but also serve as powerful vehicles for expressing creativity, preserving heritage, and fostering a sense of identity. At EBPB, we believe that investing in and supporting culture and art is essential for the growth, well-being, and flourishing of our communities.

The Eczacıbaşı Group is the founding sponsor of the Istanbul Foundation for Culture and Arts (İKSV), established in 1973 on the initiative of Dr. Nejat F. Eczacıbaşı. As a non-profit cultural institution, İKSV organizes the Istanbul Festivals of Music, Film, Theatre and Jazz, the Istanbul Biennial, Leyla Gencer Voice Competition, autumn film week Filmekimi, and one-off events throughout the year.

In 2022, İKSV celebrated its 50th anniversary with diverse range of events displayed the vibrant and dynamic nature of İKSV's, leaving a lasting impression on all who attended. Architects participated in multitude of activities, including "Tekfen Philharmonic Orchestra & Kirill Gerstein" concert, "Enrico Pieranunzi Trio" concert, "Melody Gardot" concert, and "Nick Cave & The Bad Seeds" performance.

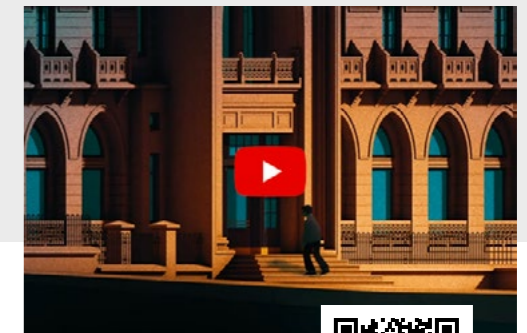
İKSV also organizes the Pavilion of Turkey at the International Art and Architecture Exhibitions of la Biennale di Venezia, conducts studies and drafts reports with the aim of contributing to cultural policy development, and supports artistic and cultural production through presenting awards, commissioning works, taking part in international and local co-productions, and coordinating an artist residency program at Cité Internationale des Arts in France.

Furthermore, the Eczacıbaşı Group is the main sponsor of the Istanbul Design Biennial. We strongly believe in the influential potential of design, and we support the notion that design serves as a powerful tool to understand humanity's complex role in contemporary society. As a part of Istanbul Biennial, we visited the biennial venues Barın Han, Çinili Hamam and Küçük Mustafa Paşa Hamam with architects.

The Illustrated History of Modern Turkish Architecture

In 2022, the "Lines in Modern Turkish Architecture" series was introduced through a collaboration between Vitra and Arkitera. This series was developed specifically to commemorate the centenary of the Turkish Republic and aims to highlight the drawings of pioneering architects and iconic structures that have played a significant role in shaping modern Turkey.

The coordination of this project is entrusted to the Vitra Architectural Relations Team and the Arkitera Architecture Center. The plan for 2023 includes the release of four graphic novels, each depicting the stories of different architects and their works. Additionally, animated short films featuring excerpts from each novel will be produced as part of this series.



Respect to Masters

As part of the 20th anniversary projects of the Istanbul Freelance Architects Association (Istanbul SMD), the “Respect to the Masters” initiative was launched with the generous sponsorship of Vitra. This initiative aims to honor influential figures in contemporary Turkish architecture who have made significant contributions to the profession over the past five decades. Through a documentary series, it delves into the architects’ careers, exploring various aspects such as architectural education, employer relationships, organizational development, construction practices, material advancements, technological innovations, and urban transformations. Furthermore, it provides valuable insights into Turkey’s recent history within the context of architecture.

The introduction of the “Respect to Masters” initiative took place during a special event at the Pera Palace, where the Istanbul Freelance Architects Association celebrated its 20th anniversary. The first seven episodes of the documentary series, filmed in 2022, are available for viewing on the Istanbul SMD and **VBenzeri** Blog YouTube channels.



GEMSS (Young Architects Selection & Exhibition)

The Young Architects Selection and Exhibition, which was first introduced three years ago, has continued to make significant contributions to the architectural culture in Turkey. This event, organized by The Circle and sponsored by Vitra, aims to showcase innovative practices that are shaping the future of architecture.

The exhibition features a diverse range of physical and digital creations, providing a comprehensive view of the selected practices. Visitors have the opportunity to explore panel discussions on production processes, gain insights into creative workflows, view sketches that reflect areas of interest and complementary elements and delve into portfolios. The Young Architects Selection and Exhibition not only seeks to enhance the visibility of talented architects under the age of 40 on both national and international platforms, but also aims to create a dynamic archive of contemporary architectural trends. By embracing inclusivity, pluralism, and international collaboration, this event celebrates the diverse approaches within the field of architecture, recognizing the value and relevance of all alternative practices.

Eczacıbaşı Volunteers

Established in 2007, Eczacıbaşı Volunteers is an initiative led by Group employees with the aim of executing projects that primarily benefit children and extend the knowledge, skills, and experiences of volunteers to a wider range of stakeholders. Eczacıbaşı Volunteers is dedicated to various areas such as education, science and IT, culture, and arts. Through active implementation of social responsibility initiatives, it promotes the overall well-being of children, encompassing their mental, physical, and emotional aspects. With the wholehearted involvement of over 250 employees, Eczacıbaşı Volunteers has successfully implemented 70 projects, positively impacting the lives of more than 15,000 schoolchildren to date.

Within Eczacıbaşı Volunteers, “8. Renk” (8th Color) operates as a team of 14 committed volunteers as of 2022. Throughout the year, “8. Renk” has successfully completed multiple projects in collaboration with the Bozüyük campus.

Let the Children Laugh

We launched a project with the objective of fulfilling the wishes of children undergoing cancer treatment at the Department of Pediatrics Hematology-Oncology in Eskişehir Osmangazi University. Recognizing the importance of their ongoing treatment, we established communication channels through the nurses to ensure their well-being and safety. To begin, we requested 24 children, ranging from 2 to 18 years old, to create drawings depicting their desired items. These drawings were then submitted to our Bozüyük campus via email. With the dedicated support of our volunteers, we made their wishes come true by presenting them with the exact items illustrated in their drawings as special gifts.

First Step Photography Workshop

We successfully continued the “First Step Photography Workshop,” an initiative that was originally introduced in 2019 before the pandemic. Renowned film producer and photographer Coşkun Aral participated in the event, providing valuable expertise. During the workshop, the children of our employees received comprehensive photography education and had the opportunity to capture stunning photographs. To showcase their remarkable works, we organized a photography exhibition. Coşkun Aral personally selected the winning photograph and presented his own camera as an award, acknowledging the children’s talent and creativity.

Furthermore, we have created a vibrant area and established six book collection stations throughout our Bozüyük campus, spanning three factories. These stations are specifically designed to fulfill the book

needs of schools. Our employees can now easily contribute by depositing books into these boxes at their convenience. We actively identify schools that require books and ensure timely delivery to them, ensuring that educational resources reach those in need.

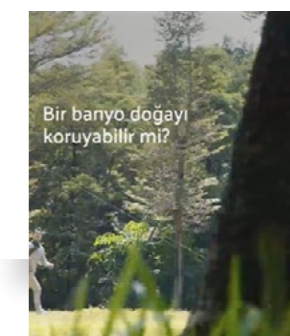
Afforestation

We actively participate in the preservation and expansion of forested areas, recognizing their critical role as the Earth’s oxygen source. In collaboration with the Bozüyük District Directorate of National Education and the Milas District Directorate of National Education, we initiated the “A Sapling from the Heart” initiative. This project was designed to raise environmental awareness among students and began with the successful cultivation of 3,500 saplings by Bozüyük students. The next step involved the joint efforts of students from both Bozüyük and Milas, who planted these seedlings at ESAN’s facility in Milas. Our primary objective was to instill a sense of responsibility for the environment in the students, allowing them to witness the tangible impact of their actions firsthand.

Additionally, we have proudly planted a total of 12,000 saplings in the Bilecik Gölpazarı area. This specific location has been officially designated as the “Eczacıbaşı Building Products Group Memorial Forest,” a name thoughtfully chosen in collaboration with our Corporate Communication Department. We have obtained all the necessary legal permits to establish this designation.

World Environment Day

To commemorate World Environment Day, we created a video that showcases the numerous projects implemented at our Bozüyük campus, accompanied by detailed explanations. The purpose of this video is to educate and inform the community about our initiatives and their positive impact on the environment.



Communication & Raising Awareness

At EBPB, engaging in social issues and raising awareness are fundamental pillars of our mission. We are committed to driving societal change and increasing awareness regarding the use of more sustainable bathroom products that reduce water and resource consumption while meeting the needs of all individuals inclusively. Throughout the year, we orchestrated a wide array of events and campaigns to actively pursue this objective.

VitrA + RIBA Talks

As of 2022, VitrA + RIBA (Royal Institute of British Architects) talks has successfully completed its fourth year and has evolved into a renowned series that provides a platform for esteemed international architects to showcase their expertise and share their unique perspectives. This series delves into critical topics within the realm of architecture, exploring the intersections of the environment, socio-economic factors, and culture. In the 2022 season, RIBA + VitrA organized six events in London under the theme of "Well Being: Well, Built." Additionally, a regional lecture took place in Birmingham, and the season's program concluded with a scheduled event in Istanbul at the beginning of 2023.



Inventors of the Future

On World Handwashing Day, the VitrA Innovation Center hosted the 7th edition of the "Inventors of the Future" gathering, involving the children of our innovation team members. The event focused on promoting hand hygiene and commenced with a child-friendly presentation on hygiene and care delivered by Prof. Dr. Rasime Demirel, a faculty member at Eskişehir Technical University. Throughout the day, the participants actively participated in exciting activities including soap workshops, finger painting, the pepper-soap experiment, and a visit to the laboratories of the VitrA Innovation Center.

Office Trainings | Sustainability & Bathroom & Tile

We organize training programs in collaboration with renowned architecture offices. This year, our training programs focused on sustainability, aiming to empower architects with the knowledge and skills needed to create environmentally conscious workspaces. In 2022, we provided training to 250 people within the scope of this initiative

World Water Day

As part of our ongoing efforts, we have renewed our collaboration with Şener Şen on World Water Day 2022, aiming to raise awareness about water conservation through the iconic slogan "Aç-Kapa Artema (Open-Close Artema)". In our latest commercial, Şener Şen delivers a compelling message: "I feel sorry for every wasted drop, so I close it." This simple yet impactful statement underscores the importance of preserving our planet's most precious resource. The commercial serves as an inspiration for individuals to take proactive steps and ensure that not a single drop of water is wasted, emphasizing the significance of collective efforts in water conservation.



World Architecture Day Events

VitrA celebrated World Architecture Day with a global A&D campaign for the first time. This year the announced theme for WAD was Architecture for well-being. VitrA invited 5 architecture/design students into our showroom in Turkey and in London. The students created an artwork within this year's theme and drew it on our showroom windows. This year's WAD gift was TicTacToe board, made from FSC - certified wood and recycled materials.

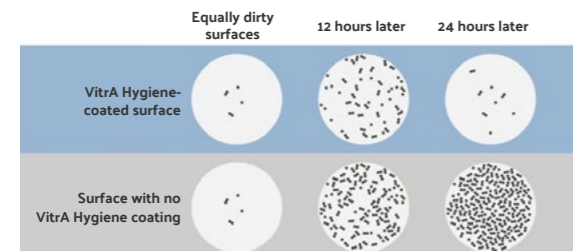


Wellbeing and Hygiene

Hygiene is an essential aspect of maintaining people's health, and we have come to realize its significance even more clearly in the wake of the pandemic. At Eczacıbaşı Building Products - Bathroom, we consider hygiene to be a crucial material issue, and we take pride in setting the standards for public hygiene in the new normal. Our priority has always been human health, which is why we have been at the forefront of providing the most hygienic bathrooms in various settings such as homes, workplaces, hotels, restaurants, and public areas. Our aim is to offer innovative solutions that transform lifestyle habits for the good of all.

To ensure exceptional hygiene, we utilize an innovative glazing technology known as "VitrA Hygiene" in all our ceramic products. This technology is based on ion-rich technology, which effectively hinders the growth of harmful bacteria on surfaces by disrupting their cellular structure. Our products undergo a high-temperature firing process after being coated with the VitrA Hygiene glaze on both the inner and outer surfaces. This integration of the glazing layer with the entire product guarantees continuous and comprehensive hygienic protection, even in the most demanding usage conditions. Tests in accordance with the national and universal ISO 22196, JIS Z 2801, ASTM E 3031-15, and TSE 13420 protocols have verified the efficacy of VitrA Hygiene against gram negative (Escherichia coli) and gram positive (Staphylococcus aureus) strains.

Creating a completely touch-free environment is paramount to ensuring optimal hygienic conditions. At VitrA, our leading brand, we prioritize offering a touch-free toilet experience that sets us apart from the rest. Our innovative solutions encompass various features designed to eliminate the need for physical contact, thereby reducing the risk of cross-contamination.



One of our notable offerings is the **Touch-free Auto and Periodic Flush** system. This advanced technology eliminates the necessity to touch the panel for flushing, minimizing the potential transfer of pathogens and ensuring a more hygienic restroom experience. Additionally, our **Touch-free Toilet Seat** automatically opens and closes the lid, further reducing the risk of pathogen cross-contamination and enhancing overall cleanliness. Furthermore, we have developed the **Touch-free Bidet**, which incorporates a built-in sensor for hands-free control. This intelligent feature not only provides convenience but also enhances personal hygiene in toilet facilities.



Approach

The V-Care Smart Panel drop shape lights on when the V-Care Smart Panel sensor has detected the user.

The WC is ready for use without the need to touch any surface.



Flushing

The VitrA Touch-free WC Seat closes automatically when the user stands up and moves away, and the toilet flushes only after the lid is shut.

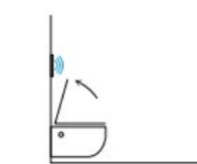
This prevents the risk of bioaerosol contamination via inhalation or contact with surfaces. It also guarantees a clean WC pan.



How it works

The VitrA Touch-free Bidet starts the wash when the sensor detects the user's hand, and stops when it detects the hand a second time.

This means there is no need to worry about who may have used the QC before you.



After flushing

After the toilet is flushed, the toilet lid opens again and is ready for the next user.

We continue to develop our **Touch Free Hand Wash Technology** and expand touch free product range to increase hygiene in public toilets and reduce excessive water use. VitrA's touch free basin mixers are controlled by a built-in sensor and it detects the user and contributes to water saving by stopping the flow as soon as the user moves away from the detection area. Powered by mains or batteries, these mixers are completely safe thanks to waterproof wiring conforming to IP 68 standards. As a result, 40% of VitrA touch free basin mixers use only 1.3 litres/minutes water and reduce water consumption up to 90%.



VitrA Rim-Ex is an innovative solution we offer to enhance hygiene standards. With its frameless design, this toilet eliminates any potential breeding ground for harmful bacteria and microorganisms. Additionally, it incorporates a water diverter that optimizes water flow throughout the bowl, ensuring more efficient flushing. Compared to industry standards, VitrA Rim-Ex provides a 25% better flush, leaving only a 65 mm unwashed area from the top, as opposed to the 85 mm gap specified by European Standards. Furthermore, it surpasses ordinary WC bowls in terms of hygiene, offering a 95% improvement in cleanliness and ease of cleaning.

Furthermore, our washbasins are equipped with a **VitrA Fresh** detergent dispenser and sensor. Each time the sensor is activated, a predetermined amount of detergent is dispensed into the flowing water. This proactive measure helps reduce the risk of cross-contamination by preventing the proliferation of pathogens in public areas where the washbasins are used.

Our **V-Care Smart Toilet** is equipped with cutting-edge technologies, including adjustable water consumption, drying options, and air purifiers, to deliver an exceptional toilet experience. Its customizable features, such as voice control, mobile applications, and kid mode, make it suitable for everyone. Additionally, the remote control enables touch-free operation, further enhancing convenience and hygiene. Furthermore, the smart panel of the toilet automatically recognizes users and provides tailored hygienic conditions to ensure optimal comfort and cleanliness.



Achieving economic empowerment requires meeting the demand for our products through efficient use of resources. This approach aligns with our dual objectives of creating more sustainable products and enhancing their affordability. To accomplish this, we prioritize the development of innovative designs and the implementation of streamlined, digitized production processes. Our innovation and digitalization agenda plays a pivotal role in realizing these goals.

6

Investing in Future



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Innovation and Entrepreneurship

Innovation holds a pivotal role in our commitment to sustainability, aligning with the values of the Eczacıbaşı Group. At EBPB, we recognize that effective innovation is capable of transforming lifestyle habits for the good of all. With a keen focus on functionality, hygiene, and aesthetics, we harness the power of innovation, research, and technology to develop high-quality, sustainable, and smart essential bathroom products that deliver the utmost value to our users.

R&D and Innovation

At the core of our business lies our unwavering commitment to innovation and creativity, driving us to continually enhance comfort, sustainability, and the aesthetic appeal of bathrooms. Our dedication to innovation drives us to constantly explore new possibilities and push the boundaries of what is possible. By continuously seeking innovative approaches, we strive to create products that cater to the evolving needs and desires of our users. We prioritize human-centric designs that enhance the overall experience and lifestyle of individuals while ensuring sustainability remains at the core of our development process.

Research and technology play integral roles in our pursuit of innovation. Through extensive research and analysis, we gain valuable insights into emerging trends, user preferences, and environmental considerations. These insights guide our product development process, enabling us to incorporate the latest technological advancements and sustainable practices into our designs.

By emphasizing sustainability in our innovation efforts, we aim to minimize the ecological footprint of our products and promote responsible consumption. We carefully consider the materials we use, the production processes we employ, and the life cycle of our products, ensuring that each step contributes to a more sustainable future.

Orientation Manual

In 2022, we released our orientation handbook, intended to serve as an informative guide for our newly joined members of the Vitra Innovation Center. This as a valuable bedside resource, introducing our cultural codes, including the Common Values of Innovation. The manual also provides detailed information about our innovation team, facilities, and support services, ensuring a smooth orientation process

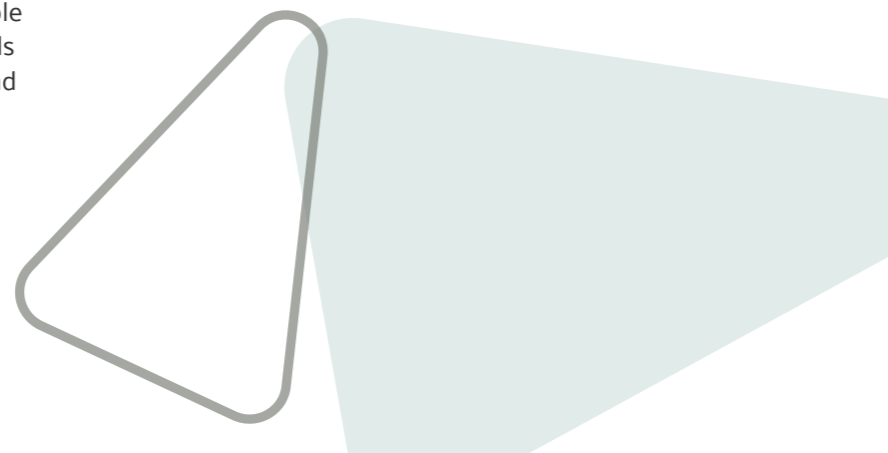
Vitra Innovation Center

The Vitra Innovation Center stands as the cornerstone of our extensive R&D investments, spearheading the advancement of our material, process, product, and technology development endeavors. With a highly skilled and dedicated team, this state-of-the-art facility, operational since 2011, serves as the central hub for our innovative research and development initiatives.

At the Vitra Innovation Center, we channel our efforts into three innovation fields: sustainable bathroom, healthy living bathroom, and smart bathroom. These fundamental concepts act as guiding principles as we pave the way for the bathroom of the future. To ensure that our solutions remain cutting-edge, we collaborate with esteemed universities and industrial partners, delving into diverse areas ranging from fluid dynamics to electronics to nanotechnology. By exploring various branches of science and industry, we constantly seek novel discoveries and breakthrough innovations within the Vitra Innovation Center.

Furthermore, we maintain close collaborations with the R&D centers of other companies within the Eczacıbaşı Group. Regular meetings are held in 2022 to explore potential collaborative opportunities, identifying common areas for improvement and exchanging unique solution ideas. Simultaneously, we actively engage with the external environment to broaden our scope. As an active participant, we have joined the Supervisory Board of Argemip, a platform dedicated to fostering communication and cooperation among R&D centers. Argemip plays a vital role in expediting R&D and design activities in Turkey, enabling us to contribute to the acceleration of technological advancements in the country.

Sustainability is a core focus at the Vitra Innovation Center, and it permeates all aspects of our work. We place significant importance on conducting thorough life-cycle analyses for our products, particularly in our exploration of new and innovative materials.



Vitra Innovation Center

VitrA Innovation Center

Life Cycle Assessment (LCA)

In 2022, the VitrA Innovation Center initiated Life Cycle Assessment (LCA) studies as part of our commitment to sustainability. Our teams underwent LCA training programs conducted by the Environmental Engineering Department of Eskişehir Technical University and MIT Professional Education. Equipped with this knowledge, we conducted life-cycle assessments for packaging materials used in ceramic sanitaryware products, furniture products, and shower spirals.

Our objective was to accurately measure, evaluate, and compare the sustainability of bathroom areas and products. To achieve this, we conducted life cycle analyses based on defined design criteria and usage scenarios. By integrating sustainability principles into our evaluation process, we aimed to identify areas for improvement and enhance our capacity to develop more environmentally friendly products.

Electric Shuttle Vehicles (EVs)

The widespread adoption of electric cars is one of the most powerful steps towards reducing carbon emissions. Unlike traditional vehicles that rely on fossil fuels, EVs operate using electric motors and do not have environmentally harmful components such as fuel tanks and exhaust pipes. As a result, electric vehicles produce zero exhaust emissions and are much more environmentally friendly compared to traditional vehicles with internal combustion engines.

In 2022, VitrA Innovation Center acquired two electric shuttle vehicles (EVs) with zero carbon emissions. These electric vehicles provide transportation for all employees within the EBPB campus. Our electric vehicles can be fully charged in three hours with 220 Volts and can travel up to 75 kilometers on a single charge. Since arriving at the Innovation Center on October 9th, 2022, the two vehicles have completed 170 trips, covering nearly 600 kilometers. During this period, 180 kg of CO₂ emission has been prevented.

Visualizing Data with 200 Liters of Water

To bring the daily personal water consumption of employees into focus, we placed 10-liter containers of water, totaling 200 liters, in the middle of the office floor at the Innovation Center. By carrying these containers from one end of the office to the other, we had the opportunity to understand how clean water is lost and ends up as greywater or blackwater. With each successful water-saving project, we took it upon ourselves to reduce the number of containers. This data visualization example was met with interest and praise by all visitors, and it was selected to be showcased in the Frankfurt ISH 2023 Fair in the same manner.

At the VitrA Innovation Center, our endeavors also focus on enhancing human health and wellbeing. Our primary objective is to develop cutting-edge, connected, touch-free, and functional products for both residential and public bathrooms. These innovative solutions are revolutionizing the concept of public hygiene by challenging traditional norms.

Our dedicated team at the VitrA Innovation Center is committed to pushing boundaries and redefining the standards of hygiene. By incorporating advanced technologies and forward-thinking designs, we aim to create products that prioritize user well-being and contribute to a healthier environment. Our connected and touch-free solutions not only enhance convenience and ease of use but also promote hygiene practices that help safeguard public health.

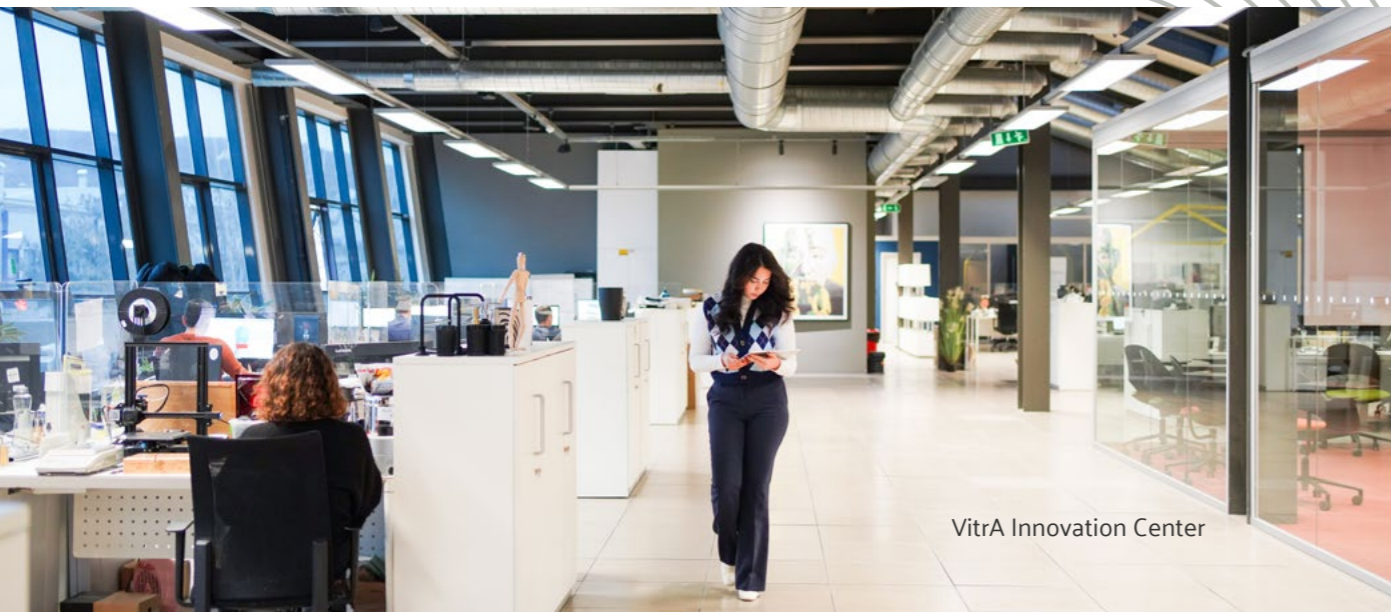
For more information, please refer to **Wellbeing and Hygiene** section of our report.

As a result of our ambitious efforts and innovative achievements, the VitrA Innovation Center was honored with the distinction of being selected as the best performing Research and Development (R&D) center at the Technology Development with R&D and Design Centers initiative, organized by the Ministry of Industry and Technology. This recognition validates our commitment to pushing the boundaries of technological advancement and fostering a culture of innovation.

Smart Connected Technologies Lab

In 2022, we expanded and moved our Eczacıbaşı Smart Connected Devices Laboratory (Smart Connected Technologies Lab.), located in Istanbul Technopark, to the new research building of Maltepe University, also located in Istanbul Technopark. This move allowed us to expand our capabilities and facilities, enabling us to further enhance our research efforts in smart technologies. As part of our expansion, we focused on strengthening our team's expertise in key areas such as embedded software, cloud computing, mobile device applications, and data analytics. We made substantial investments in talent acquisition, resulting in a team that has grown by 2.5 times. This expansion was vital to ensure that we have the necessary skills and knowledge to effectively develop and implement smart and connected bathroom solutions.

Furthermore, the structure of our lab is strategically aligned with our innovation focus areas, which encompass the sustainable bathroom, healthy living bathroom, and smart bathroom. This deliberate alignment allows us to concentrate our efforts on developing innovative solutions that address these specific areas of strategic importance. During the reporting period, we successfully developed a range of electronic, smart, and connected products that align with our strategic objectives. As a testament to our dedication to innovation, we submitted 24 patent applications for our innovative products in 2022.



We place a strong emphasis on staying abreast of global innovation advancements. In 2022, we published the Technology & Trend Report, which we consider a valuable resource for understanding the megatrends shaping the world and guiding our goals. This report serves as a comprehensive guide that enables us to align our strategies with the ever-changing landscape of innovation.

To address significant challenges and explore opportunities for collaboration, we conduct numerous studies in areas such as NVH (Noise Vibration Harshness) and microbiological risk detection and prevention. These research initiatives align with one of the core values of the Innovation Center, which emphasizes the importance of seeking collaboration when solving complex problems. By fostering partnerships and collaboration, we aim to create sustainable and transformative solutions that address global challenges and improve the lives of individuals and communities.

Furthermore, we are committed to addressing important environmental concerns related to water consumption and sanitation. Research topics such as reducing water footprint, water reuse, and the impact of smart products in the bathroom on user behavior have been key areas of focus. Through collaborative efforts and partnerships, we aim to develop sustainable solutions that promote water conservation and minimize environmental impact.

In addition to our internal research activities, we have embarked on a joint project with students from the Electrical and Electronics Engineering Department of Bilkent University. Carried out as industry-oriented graduation projects of students, this project focuses on the development of "RF/Microwave Safety Sensor Systems."

In addition to our ongoing studies, we actively engage in various panels and talks to share our unique perspective on innovation.

Above the Line with Emre Başkan

Recently, our Innovation Director, had the opportunity to participate in a program organized by Harvard Business Review. During the program, they delved into the significance of fostering an innovation culture within organizations, the purpose and importance of innovation, and the strategic roadmap that will shape the future.



Furthermore, we had the privilege of organizing a panel titled "Women's Power in Innovation" as part of the digital conference "Lead the Way for Transformation" hosted by the "YenibirLider" association. For this special event, we invited our esteemed female employees from the innovation team to share their valuable insights and experiences as panel speakers.

The panel aimed to highlight the significant contributions of women in the field of innovation and shed light on their unique perspectives and achievements. By showcasing the success stories of our female innovators, we aimed to inspire and empower other women to pursue their passion for innovation and make a meaningful impact in their respective fields. In 2022, our R&D Center employees participated in three congresses (one domestic, two international), six domestic conferences, four domestic symposiums, 11 fairs (seven domestic, four international).

By participating in and organizing such events, we aim to contribute to the broader conversation surrounding innovation and inspire others to embrace a forward-thinking mindset. We believe that by sharing our insights and experiences, we can foster a greater understanding of the transformative power of innovation and its role in driving sustainable growth and success.

TUBITAK BIGG

BIGG Team was established through a partnership with the technology transfer offices of Anadolu University, Bursa Uludağ University, and Eskişehir Osmangazi University. Eczacıbaşı Building Products - Bathroom has actively participated in this consortium as a project partner.

Under the TÜBİTAK 1512 Entrepreneurship Support Program, in collaboration with the BIGG Team, we aim to evaluate technology and innovation-oriented business ideas proposed by entrepreneurs. The objective is to identify business models with high added value and implement them by leveraging the resources and expertise of the participating institutions. As part of the program, aspiring entrepreneurs who apply will receive comprehensive support, including assistance in creating a business plan, building a team, setting up physical infrastructure, conducting simple modeling and prototyping. Additionally, support will be provided on legal matters and training. This project received support from TUBITAK in December 2022 and is scheduled to be carried out between 2023 and 2025.

Furthermore, our collaborative project with Sabancı University titled "Safe Data Collection from Smart Bathroom Products and Processing in Compliance with Data Privacy" has been approved under the framework of the TÜBİTAK 2244 Industry Doctorate Program. The objective of this project is to ensure secure and privacy-compliant data collection from smart bathroom products, along with developing robust data processing mechanisms. By partnering with Sabancı University, we aim to leverage their expertise in data privacy and advanced technologies to address the challenges and opportunities associated with smart bathroom products.

Eczacıbaşı R&D Centers Meetings

In 2022, the R&D Centers of different institutions within the Eczacıbaşı Group initiated regular meetings to come together. The first meeting, held on September 23rd, focused on evaluating collaboration opportunities, identifying common areas for improvement, and discussing solution proposals among the R&D Centers operating under the Eczacıbaşı umbrella, specifically ESAN and Consumer Products. The second meeting took place on November 22nd at the Eczacıbaşı Holding Ankara Representative Office. The third meeting, planned to continue in 2023, was held on January 10th at the VitrA Innovation Center.

CX Awards 2022 Best Innovation in CX

We applied to the Turkey CX Awards 2022 (Customer Experience Awards), organized by Awards International, with our UX Laboratory established at the VitrA Innovation Center. The laboratory enables us to examine the interaction between users and our products throughout all processes, including installation and cleaning, with a more comprehensive perspective on user experience. Competing against other leading organizations with their valuable projects, we successfully passed the application stages and reached the finals. We proudly received the gold award in the "Best Innovation in CX" category, surpassing strong competitors.

Digital Transformation

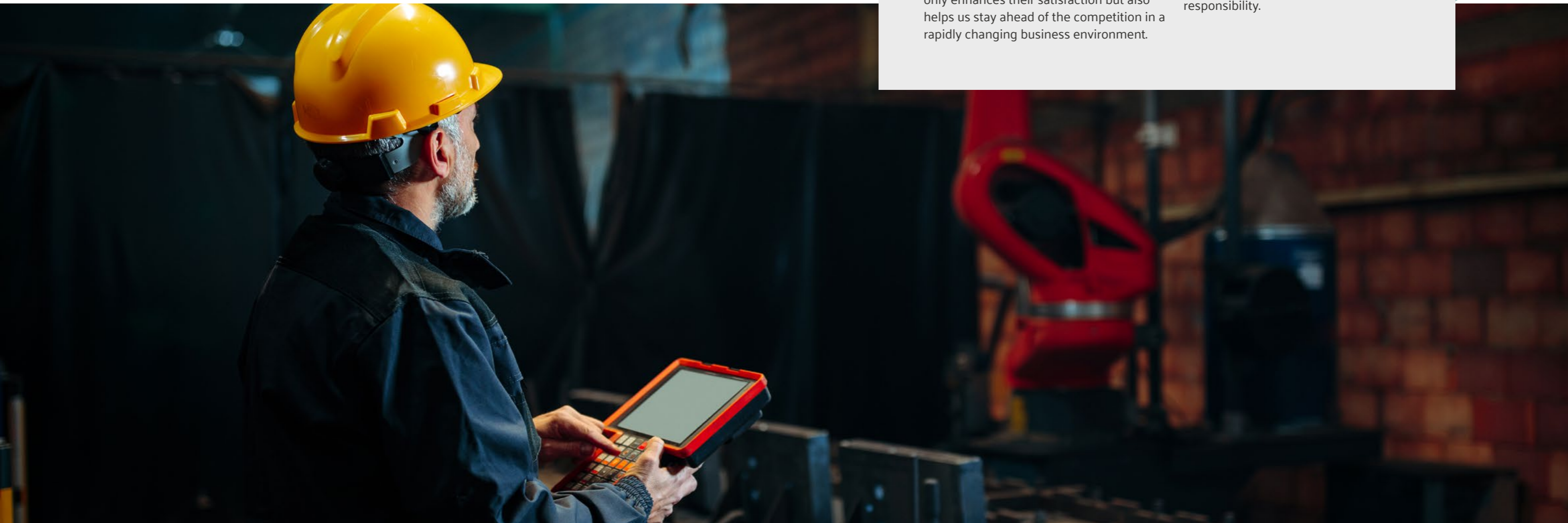
The rapid transformation of the digital world has brought about significant changes in how we conduct business and interact with the world. We continue to witness how the integration of digital technologies has become a critical factor in maintaining competitiveness and ensuring the sustainability of businesses. Technology now permeates every aspect of business, influencing communication methods, information retrieval, and decision-making processes. Furthermore, technological advancements have led to increased efficiency and productivity within the business environment. Today, companies are dedicating more resources to implementing digital and innovative solutions to keep pace with the constantly evolving technological landscape.

At EBPB, we embrace the challenges presented by the digital age and turn them into promising opportunities through the implementation of innovative digital systems and tools. We are committed to solidifying our position as a data and technology-driven organization by delivering unique and seamless experiences to all our stakeholders.

Our overarching vision for digital transformation revolves around harnessing the power of digital technologies and integrating data across all our business processes. By leveraging digital technologies and combining the expertise of our digital leaders and teams with the power of data-driven decision-making, we are well-positioned to shape the future of our business areas and deliver value to our stakeholders.

Through data integration, we can gain valuable insights that enable us to better understand user preferences and tailor our products and services accordingly. This not only enhances their satisfaction but also helps us stay ahead of the competition in a rapidly changing business environment.

Furthermore, our digital initiatives are designed to drive operational efficiency throughout our organization. By digitizing and automating processes, we streamline workflows, reduce manual errors, and increase productivity. For instance, we have eliminated the use of paper across all production processes in our Tuzla facility through our Smart Flow initiative. These initiatives enable us to reduce costs, optimize resource allocation, and improve overall operational performance. By incorporating sustainability considerations into our digital transformation strategy, we strive to achieve a balance between business growth and environmental responsibility.



Increasing Customer Experience

Maintaining a strong connection with our users plays a pivotal role in meeting their changing expectations and enhancing satisfaction. Our efforts in Service Cloud Integration and system updates have played a pivotal role in achieving this objective.

One of the ways we achieve this is through the implementation of instant SMS surveys, which allow us to promptly gather feedback from customers. This valuable feedback seamlessly flows into our Service Cloud system, enabling us to gain insights and take necessary actions. In cases where customers express dissatisfaction, the system automatically generates a ticket, ensuring that we can address and resolve any issues swiftly and effectively. Additionally, we have successfully integrated our call center system with the Service Cloud, streamlining the complaint approval process through automated workflows and ensuring that they are efficiently directed to the relevant departments.

As part of our business sustainability approach, we have upgraded our existing system to a more advanced version, aimed at digitizing of the production systems, ensuring real time data flow, increasing production visibility and providing efficiency gains. This upgraded application offers flexibility in terms of device and location usage. With customer-friendly interfaces, end-to-end system visibility, and enhanced traceability, the system equips us with the necessary adaptability to better serve our customers' needs and helps us gain a competitive edge in the market.

Sales Cloud Integration

We have successfully integrated our order system, "Sales Cloud," with multiple existing systems, leading to accelerated processes and increased convenience. This integration has revolutionized our operations by streamlining processes, improving efficiency, and enhancing customer experiences.

One notable integration is with "Yapıradar", a comprehensive platform that provides information on all construction projects. Previously, our sales representatives had to manually access the Building Radar system and periodically check for nearby construction projects. However, with the integration of the Sales Cloud, our sales representatives can now swiftly access all relevant project information in their location through the map tracking feature. This has significantly reduced the time required to gather project details, enabling them to be more efficient in their sales efforts. Additionally, our DIY (Do it yourself) store system has been seamlessly integrated with Sales Cloud, automating manual order processing operations and further improving efficiency.

As part of our ongoing efforts, we have also integrated Kareo into our Sales Cloud system. Kareo is a bathroom drawing program utilized in our stores. Prior to the integration, bathroom drawings were created manually in Kareo, taking into account the dimensions provided by the customer. This was followed by the laborious task of manually entering product codes and generating customized offers. However, with the seamless integration, the drawings created in Kareo now flow directly into our Sales Cloud system. This automation has significantly streamlined the offer creation process, resulting in notable improvements in business efficiency.

Digital Processes with our Dealers

Our sales activities are an integral part of our value chain, and we strive to enhance the efficiency of our sales operations. By harnessing the power of digitalization, we have significantly optimized our sales processes, improved communication with dealers, and enhanced monitoring capabilities, ultimately leading to increased efficiency and effectiveness in our sales activities.

As a part of our efforts, we have implemented the VSN (VitrA Sales Point) Portal as a crucial component of our sales digitization initiatives. Our sub-dealers are the sales points of our company. In our previous sales channel, our access to order information was limited to what the dealer reported, or our team had to exert considerable effort to obtain the data. With the implementation of the VSN Portal, sub-dealers now have the capability to place orders directly with the dealerships, while our teams can effortlessly manage the data. This enables us to have better control over the data and expands the VitrA ecosystem. Additionally, dealers can conveniently view real-time stock information for

our VitrA+ -luxury and hard-to-find- products, all from a single platform. Notably, the opening of a new storage area specially VitrA+ products has further contributed to this improvement. This streamlined process enables them to place orders instantly, facilitating prompt delivery.

Our communication with dealers has been significantly simplified through the implementation of Dealer Hub. We had to contact sales consultants to inquire about product stock at different dealerships, requiring them to reach out to multiple dealers in their respective regions, and this process was time-consuming and cumbersome. However, a single click provides us with access to comprehensive product stock information with the establishment of Dealer Hub.

Furthermore, we have leveraged digitalization to enhance monitoring capabilities. Within our stores, we have consolidated various information, such as target progress, best-selling products, and top-performing salespersons, into a single screen. This allows our sales teams to effectively track their targets and monitor their progress.

VitrA Tom Dixon Collection



E-Max

E-commerce has revolutionized business operations by offering companies global reach, cost-effective transactions, and round-the-clock accessibility. It is essential for companies to adapt to the digital era to stay competitive. In 2022, we took significant strides in this domain with our E-Max initiative.

As part of our annual activity plan, we have established agreements for annual or six-month marketing packages with various online marketplaces. Our aim is to enhance our visibility and presence on online sales platforms. In addition, we have recently launched our dedicated internet sales website, "online.vitra.com.tr", which serves as an additional avenue for selling our products.

We have also completed the transition to the new e-commerce warehouse, Arvato. This transition has allowed us to consolidate our entire e-commerce operation under one roof. Furthermore, we have prioritized customer satisfaction by introducing a tailored e-commerce compatibility analysis. This analysis enables us to present customers with 2-3 products that seamlessly align with their preferences and requirements.

Transport Management (TM) Optimization

Efficiency is at the forefront of our logistics operations as we implement a range of optimizations across all stages. Utilizing state-of-the-art 3D algorithms, we ensure that products are loaded onto trucks in the most optimal manner, maximizing space utilization and minimizing any unnecessary shipping. This approach not only enhances our resource efficiency but also reduces costs associated with transportation.

Furthermore, our focus on route optimization plays a crucial role in delivering products to customers via the most efficient routes available. By carefully planning and selecting the best routes, we not only minimize delivery time but also decrease carbon emissions associated with transportation.

VitrA Qualitics

Qualitics is a flagship project within the Eczacıbaşı Group, encompassing a wide range of elements including digital data collection, big data management, data analytics, machine learning models, and traceability-tracking technology. This project plays a crucial role in enhancing decision-making processes through iterative approaches, thereby boosting operational agility. Beyond its digital advancements, Qualitics also holds significant importance as a key project in strengthening the digital capabilities of our employees and fostering a transition towards a digital culture.

At EBPB, the implementation of the Qualitics project has been carried out in three distinct phases, comprising a pilot phase followed by two diffusion phases. In the pilot phase, which was successfully completed in 2021, we conducted 20 different correlation analyses, performed over 40 process analysis interviews, developed four machine learning models, and generated more than 60 decision trees. These activities spanned across our three facilities and involved five distinct product codes.

By the end of 2022, we successfully concluded the second phase, resulting in the acquisition of over 35 million daily data points from 189 equipment sources. We set a deadline for the final phase's completion by the end of 2023. This phase aims to collect and analyze 68 million daily data points from over 420 equipment sources and digital forms deployed in the field.

The overarching objective of the Qualitics project is to streamline the digital integration of our manufacturing processes, enabling effective monitoring and establishing correlations among all factors that impact product quality, and optimizing their respective values. Our ultimate goal is to achieve a 3% improvement in the production of high-quality products, thereby delivering enhanced value to our users and stakeholders.



7

Annexes

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List of Associations, Initiatives and Memberships

Institution	Status
Turkish Employers' Association of Metal Industries (MESS)	Chairmanship of the Board
Glass, Cement, Ceramic and Soil Industries Workers' Union of Turkey (ÇİMSE)	Membership
Association of Turkish Construction Material Producers (İMSAD)	Membership
Turkish Ceramic Federation (SERFED)	General Secretary
Ceramic Sanitary Ware Manufacturers Association (SERSA)	Membership
Ceramics Research Center	Membership
Kitchen and Bathroom Furniture Industrialists and Importers Association	Membership
Chain Stores Association	Board Membership
Eskişehir Bilecik Kütahya Ceramic Business Cluster Association	Vice-Chairmanship
Yanıdayız Association	Partnership
Sales Network Platform	Membership
R&D and Design Centers Communication and Cooperation Platform (ARGEMIP)	Membership
University & Industry Cooperation Centers Platform (USIMP)	Membership
Istanbul Chamber of Industry (ISO)	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 Building Products – Bathroom has reported in accordance with the GRI Standards for the period between 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 Building Products – Bathroom, page 10; Organizational Structure, Brands and Products, page 12-15
	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 161
	2-4 Restatements of information	About the Report, page 4-5; Info, page 161
	2-5 External assurance	Limited Assurance Report, page 152-155
	2-6 Activities, value chain and other business relationships	Organizational Structure, Brands and Products, page 12-15; Our Value-Creating Business Model, page 26-29
	2-7 Employees	Equal, Diverse and Inclusive Workplace, page 92-97
	2-8 Workers who are not employees	Equal, Diverse and Inclusive Workplace, page 92-97
	2-9 Governance structure and composition	Governance Approach, page 44-49
	2-10 Nomination and selection of the highest governance body	Governance Approach, page 44-49
	2-11 Chair of the highest governance body	Governance Approach, page 44-49
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Approach, page 44-49
	2-13 Delegation of responsibility for managing impacts	Governance Approach, page 44-49
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, page 50-51

GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Governance Approach, page 44-49
	2-16 Communication of critical concerns	Governance Approach, page 44-49
	2-17 Collective knowledge of the highest governance body	Governance Approach, page 44-49
	2-18 Evaluation of the performance of the highest governance body	Governance Approach, page 44-49
	2-19 Remuneration policies	"Governance Approach, page 44-49 Equal, Diverse and Inclusive Workplace, page 92-97"
	2-20 Process to determine remuneration	"Governance Approach, page 44-49 Equal, Diverse and Inclusive Workplace, page 92-97"
	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 Building Products – Bathroom, page 30-33
	2-23 Policy commitments	Ethics and Compliance, page 56-59
	2-24 Embedding policy commitments	Ethics and Compliance, page 56-59
	2-25 Processes to remediate negative impacts	Ethics and Compliance, page 56-59
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance, page 56-59
	2-27 Compliance with laws and regulations	Ethics and Compliance, page 56-59
	2-28 Membership associations	List of Associations, Initiatives and Memberships, page 138
2-29 Approach to stakeholder engagement	Stakeholder Relations, page 40-41	
2-30 Collective bargaining agreements	Equal, Diverse and Inclusive Workplace, page 92-97	
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Eczacıbaşı Building Products – Bathroom's Materiality, page 34-36
	3-2 List of material topics	Eczacıbaşı Building Products – Bathroom's Materiality, page 34-36
	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom's Materiality, page 34-36

Financial and Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Financial and Economic Performance, page 65
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Overview of Eczacıbaşı Building Products – Bathroom, page 10; Year in Review, page 22-23; Financial and Economic Performance, page 65; Our Value-Creating Business Model, page 26-29
	201-2 Financial implications and other risks and opportunities due to climate change	Operating Environment, page 16-21; Risk Management, page 52-55
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community and Social Vitality, page 114; Social Investment, page 115-119
	203-2 Significant indirect economic impacts	Community and Social Vitality, page 114; Social Investment, page 115-119
Business Ethics and Legal Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Business Ethics and Legal Compliance, page 57-59
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 92-97
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Legal Compliance, page 57-59
Supply Chain Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Supply Chain Management, page 60-61
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, page 60-61
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, page 60-61
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, page 60-61
Energy Management and Carbon Emission		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Energy Management and Carbon Emission, page 69-73 Energy Policy: https://storage-vitrageglobal.mncdn.com/vitra/global/Kataloglar/Energy_Policy.pdf

GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management and Carbon Emission, page 69-73
	302-2 Energy consumption outside of the organization	Energy Management and Carbon Emission, page 69-73
	302-3 Energy intensity	Sustainability Objectives, page 37; Energy Management and Carbon Emission, page 69-73
	302-4 Reduction of energy consumption	Energy Management and Carbon Emission, page 69-73
	302-5 Reductions in energy requirements of products and services	Energy Management and Carbon Emission, page 69-73
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Management and Carbon Emission, page 69-73
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Management and Carbon Emission, page 69-73
	305-4 GHG emissions intensity	Energy Management and Carbon Emission, page 69-73
	305-5 Reduction of GHG emissions	Energy Management and Carbon Emission, page 69-73
	Water Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Water Management, page 74-75
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, page 74-75
	303-2 Management of water discharge-related impacts	Water Management, page 74-75
	303-3 Water withdrawal	Water Management, page 74-75
Resource Management and Responsible Procurement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Resource Management and Responsible Procurement, page 78-79
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Resource Management and Responsible Procurement, page 78-79
Product Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Product Responsibility, page 80-85

Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Waste Management, page 86-87
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, page 86-87
	306-2 Management of significant waste-related impacts	Waste Management, page 86-87
	306-3 Waste generated	Waste Management, page 86-87
	306-4 Waste diverted from disposal	Waste Management, page 86-87
	306-5 Waste directed to disposal	Waste Management, page 86-87
Equal, Diverse and Inclusive Workplace		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Equal, Diverse and Inclusive Workplace, page 92-97
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Business Ethics and Legal Compliance, page 55-59; Equal, Diverse and Inclusive Workplace, page 92-97
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance Approach, page 44-49
	405-2 Ratio of basic salary and remuneration of women to men	Equal, Diverse and Inclusive Workplace, page 92-97
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Business Ethics and Legal Compliance, page 55-59; Equal, Diverse and Inclusive Workplace, page 92-97
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 55-59; Equal, Diverse and Inclusive Workplace, page 92-97
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Business Ethics and Legal Compliance, page 55-59; Equal, Diverse and Inclusive Workplace, page 92-97
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 55-59; Equal, Diverse and Inclusive Workplace, page 92-97
Attracting, Developing and Retaining Talent		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Attracting, Developing and Retaining Talent, page 98-107

GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Attracting, Developing and Retaining Talent, page 98-107
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Attracting, Developing and Retaining Talent, page 98-107
	404-2 Programs for upgrading employee skills and transition assistance programs	Attracting, Developing and Retaining Talent, page 98-107
	404-3 Percentage of employees receiving regular performance and career development reviews	Attracting, Developing and Retaining Talent, page 98-107
Health, Safety and Wellbeing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Health, Safety and Wellbeing, page 109-113
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	"Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitraglobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf "
	403-2 Hazard identification, risk assessment, and incident investigation	"Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitraglobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf "
	403-4 Worker participation, consultation, and communication on occupational health and safety	"Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitraglobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf "
	403-5 Worker training on occupational health and safety	"Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitraglobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf "
	403-6 Promotion of worker health	"Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitraglobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf "
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitraglobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf "
	403-8 Workers covered by an occupational health and safety management system	"Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitraglobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf "
	403-9 Work-related injuries	Health, Safety and Wellbeing, page 109-113

Social Investment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Community and Social Vitality, page 114; Social Investment, page 115-119
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community and Social Vitality, page 114; Social Investment, page 115-119
	413-2 Operations with significant actual and potential negative impacts on local communities	Community and Social Vitality, page 114; Social Investment, page 115-119
Wellbeing & Hygiene		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Wellbeing & Hygiene, page 120-121
R&D and Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; R&D and Innovation, page 124-129
Digital Transformation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eczacıbaşı Building Products – Bathroom’s Materiality, page 34-36; Digital Transformation, page 130-135

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 Our 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	Governance Approach, page 44-49
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 Building Products – Bathroom’ Materiality, page 34-36
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 57-59
		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.	
	2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption		
Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for:		Business Ethics and Legal Compliance, page 57-59
	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 52-55
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 (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions.	Facts about Our Actions report , Energy Management and Carbon Emissions, page 48-50
		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.
	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. 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).	We 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 74-75
		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 60-61
	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 92-97
	Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage.	Equal, Diverse and Inclusive Workplace, page 92-97
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 52-55; Supply Chain Management, page 60-61
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 62-65
		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 66-67
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.	Health, Safety and Wellbeing, page 109-113 Occupational Health and Safety Policy: https://storage-vitrablobal.mncdn.com/vitra/global/Kataloglar/Occupational_Health_and_Safety_Policy.pdf
		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 62-65
		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 62-65
	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 , Financial and Economic Performance, page 44-45
		2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	We received financial assistance within the scope of Investment Incentive Certificates, Inward Processing Permit, Turquality and R&D incentives.
	Financial investment contribution	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	Financial and Economic Performance, page 65
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.	
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 26-29

Limited Assurance Report

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Limited Assurance Report to the Board of Directors of Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş.

We have been engaged by the Board of Directors of Eczacıbaşı Yapı Gereçleri 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 22, 28, 37, 69, 74, 92 and 101 of the Integrated Sustainability Report 2022: Story on our Ambition Report and in the pages 17, 22, 49, 50, 52, 57, 61, 64 and 67 of the Integrated Sustainability Report 2022: Fact on our Action Report with the sign "✓" is summarized 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.

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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 – Reporting Principles" (the "Reporting Principles") on pages 156, 157, 158, 159 and 160 of the Integrated Sustainability Report 2022: Story on our Ambition Report and on pages 85, 86, 87 and 88 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.

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.

Limited Assurance Report

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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.

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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 Yapı Gereçleri Sanayi ve Ticaret A.Ş. as a body and Eczacıbaşı Yapı Gereçleri 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, 20 July 2023

Reporting Principles

Appendix-1: Integrated Sustainability Report 2022: Story of 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 Building Products-Bathroom’s “EBPB” or the “Company”) Eczacıbaşı Building Products-Bathroom 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 Eczacıbaşı Building Products-Bathroom 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 and abroad (Germany, Russia) for which Company is responsible, as detailed in the “Key Definitions and Scope of Reporting” section.

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 AŞ. Blue collar employees are not included in the social indicators’ calculations within the scope of assurance.

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 LPG 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, which is monitored by meters.
Environmental	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).
Environmental	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).
Environmental	Water intensity (m ³ /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, Director, Senior Management managers 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+LPG/LNG 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, LPG 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 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 m ³ Natural Gas	1.89
1 lt Fuel Oil	2.94
1 lt Diesel	2.68
1 kg LPG	2.98

Info

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In this report, “Eczacıbaşı Building Products”, “Eczacıbaşı Bathroom”, “the Company”, “we”, “us” and “our” refers to Eczacıbaşı Building Products – Bathroom unless otherwise stated.

Disclaimer

Eczacıbaşı Building Products - Bathroom has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this document. This Report is prepared only for information purposes and should not be taken as a basis for any investment decision. Eczacıbaşı Building Products – Bathroom and its BoD and employees contributing to the preparation of the Report shall not be liable for any direct or indirect damage resulting from the use of the information contained in this report. All information in this document is provided by Eczacıbaşı Building Products - Bathroom reserves all rights to the report.

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

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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