

VitrA

ARTEMA

İNTEMA



burgbad

Eczacıbaşı Building Products Bathroom
Integrated Sustainability Report
2022

Hear nature & heal nature

Facts about Our Actions

ECZACIBAŞI
BUILDING PRODUCTS

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About the Report

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



A PDF version of the Eczacıbaşı Building Products-Bathroom Facts about Our Actions and all reports from previous periods can be accessed on the corporate website, <https://www.VitrAglobal.com/about-us/sustainability/>





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, Eczacıbaşı Building Products



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.

Overview of Eczacıbaşı Building Products - Bathroom	10
Year in Review	16



Overview of Eczacıbaşı Building Products - Bathroom

Eczacıbaşı Building Products-Bathroom (EBPB) started as a producer of ceramic sanitaryware with a mission to invest in essentially human spaces - the bathrooms. 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 75 countries on five continents. With world-renowned brands including VitrA, Artema, Intema, burgbad, EBPB challenges the traditional perception of the bathroom as a purely functional space, instead seeing it as a beautiful, relaxing, and life-enriching environment.

Corporate Introduction

Name	Eczacıbaşı Building Products-Bathrooms (EBPB)
Location of Headquarters	Levent 34394, İstanbul
Date established	1958
Industries	Building Products
Number of Employees	More than 5,000
Total Net Sales	€ 510.66 million

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.

Group Values

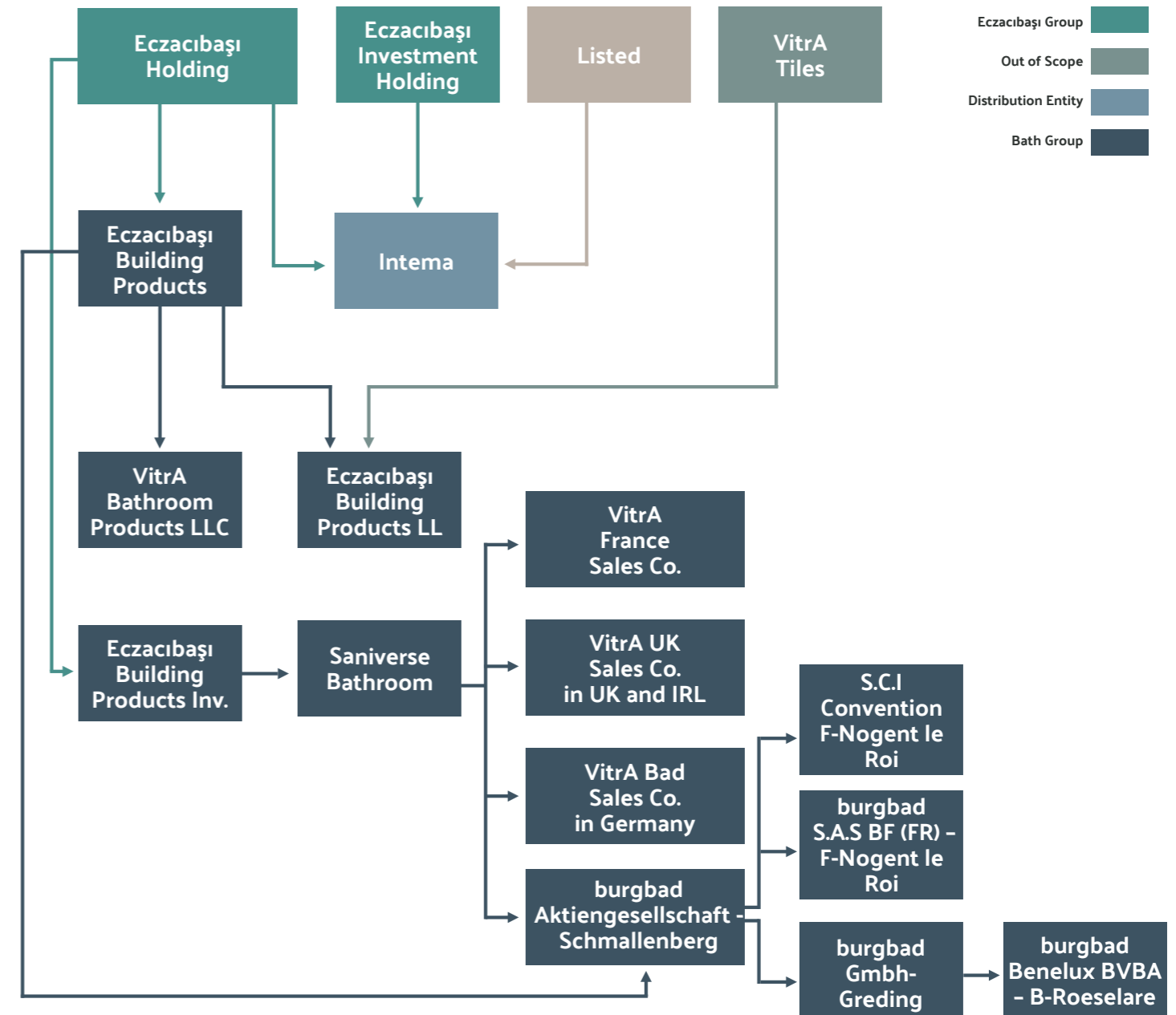
- We hold our dignity and self-respect above all else. Ethical business principles underpin our business activities.
- Our management style respects the individual. We believe that each of us has the right to learn about issues that affect us and to voice our opinions on these. We regard it our duty, as well as our right, to challenge our personal limits and develop our abilities.
- We believe that quality is a way of life. In all that we do, in every product and service we provide, we aim for the highest level of quality. Our customer is the focal point of this pursuit of quality.
- We are open to the world and to change; by nature, we are pioneering and entrepreneurial. The search to innovate in every area of activity is a fundamental aspect of our corporate tradition.
- We uphold the tradition of serving our community because we esteem our society and respect our environment.
- We 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.



Our Organization, Brands and Products

Dedicated to work towards creating inclusive bathroom experiences that serves the hygiene and wellbeing of all people, Eczacıbaşı Building Products - Bathroom (Eczacıbaşı Yapı Gereçleri A.Ş. ("EYAP")) produces ceramic sanitaryware, faucets, bathroom furniture, bathtubs, and bathroom complementary products under the Vitra and Artema brands in Turkey. In 2020, Eczacıbaşı Group became a stakeholder to burgbad AG, a leading manufacturer of bathroom furniture, through its subsidiary, Saniverse Bathroom. 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.



About EBPB



+5,000

People worldwide

Our Global Network



+5,100

Foreign Customers



4 Brands



12
Production
Plants



7
Offices
Worldwide



+1,000
Employees
overseas



+105
International
Markets



Our Brands

VitrA

As the flagship brand of Eczacıbaşı, VitrA develops innovative products for unique bathroom experiences 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.

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.

INTEMA

With its innovative and contemporary style, Intema provides high-quality kitchen furniture that stand out for their form and design, while offering versatility in terms of product, material, and functionality.

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.

Germany
Bathroom Furniture (3)

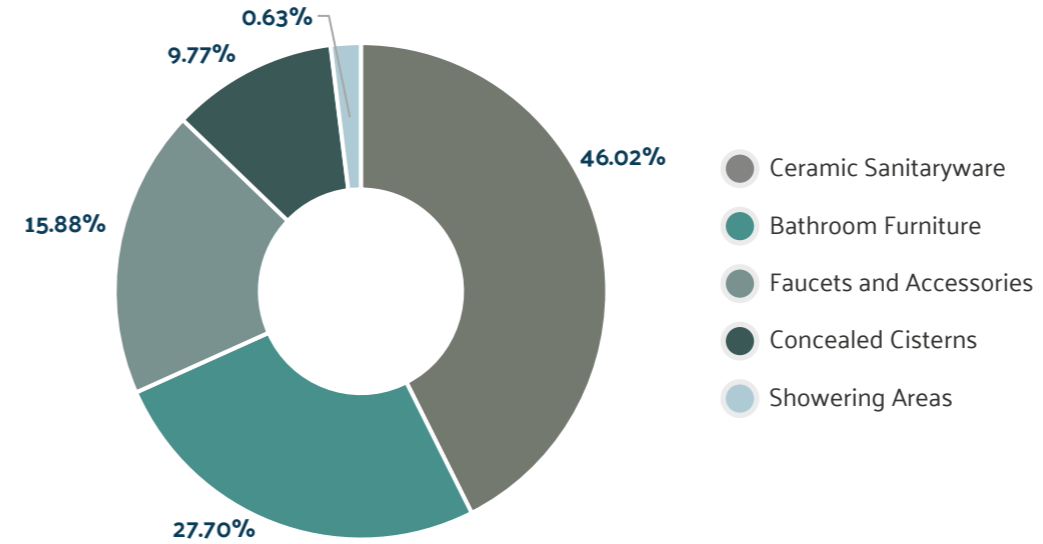
France
Bathroom Furniture (1)

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

Russia
Sanitaryware (1)



Product Portfolio



Ceramic Sanitaryware

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

Bathroom Furniture

- Furniture
- Counters
- Mirrors
- Complementary products

Concealed Cisterns

- Concealed Cisterns
- Flush Plates

Faucets and Accessories

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

Showering Areas

- Compact units
- Bathtubs
- Shower channels
- Shower trays





Year in Review

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

Sustainability Highlights

4 ^{MW}		Renewable energy installed capacity
79 ^{GWh}		Green electricity procurement
93.4%		Electricity use from renewable sources
4%		Decrease in energy intensity compared to base year (2020)
36%		Decrease in carbon emission intensity in our production plants (Scope 1+2) Compared to 2021
4%		Decrease in water withdrawal Compared to 2021
86.6%		Share of recycled waste
38%		Total share of women professionals (Turkey)
50%		Women among new recruits (Turkey)
40%		Women in management positions (Turkey)
29		Training hours per talent (Employees in leadership programs)
25		Training hours per employee (Turkey)
0.99		Accident frequency rate -27% compared to previous year

Financial Highlights

€ 510.6 million		Total net sales +21% compared to previous year
70%		Share of international sales



2

Our Approach to Sustainability

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 Value-Creating Business Model

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Sustainability at Eczacıbaşı Building Products - Bathroom

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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

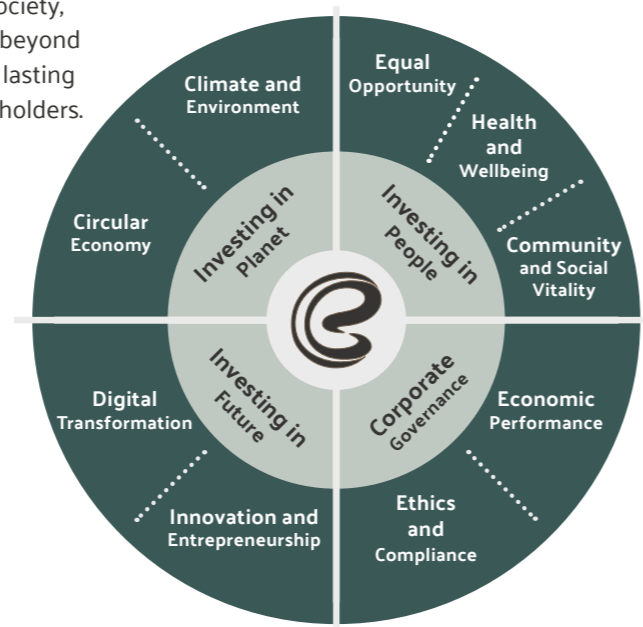


Sustainability at Eczacıbaşı Building Products - Bathroom

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.

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.

For more information on our sustainability approaches of our brands, please refer to our [Integrated Sustainability Report 2022: Story on our Ambition](#).



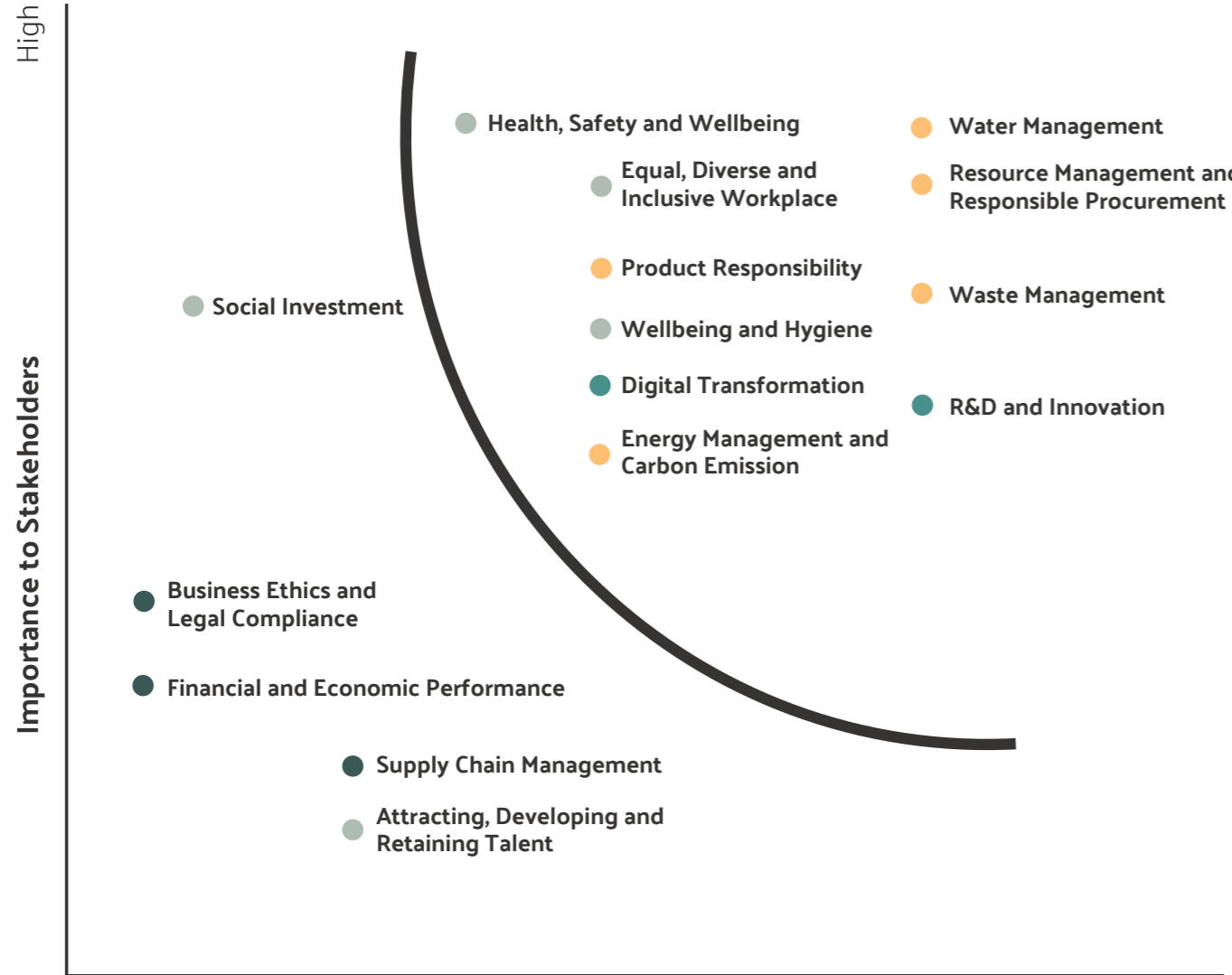
Materiality

At EBPB, 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 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.

Step 1	We started by taking a deep dive into the impact of our operations, evaluating our sustainability initiatives, future targets, and progress.
Step 2	We 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.
Step 3	We evaluated 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.
Step 4	We finalized our work by combining the result of our analysis with last year's study and revised our sustainability priorities.

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>



● Investing in Planet ● Investing in People ● Investing in Future ● Corporate Governance

Sustainability Pillars	Strategic Focus Areas	Material Topics	SDGs	Capitals
Investing in Planet	Climate and Environment	Energy Management and Carbon Emissions	6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY	
		Water Management		
		Resource Management and Responsible Procurement	9 INDUSTRY INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
	Circular Economy	Product Responsibility	13 CLIMATE ACTION	
		Waste Management		
Investing in People		Equal, Diverse and Inclusive Workplace		
	Equal Opportunity	Attracting, Developing and Retaining Talent	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION	
	Health and Safety	Health, Safety and Wellbeing	5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION	
	Community and Social Vitality	Social Investment	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS	
		Wellbeing and Hygiene		
Investing in Future	Innovation and Entrepreneurship	R&D and Innovation	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	
	Digital Transformation	Digital Transformation	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS	
Corporate Governance	Ethics and Compliance	Business Ethics and Legal Compliance	8 DECENT WORK AND ECONOMIC GROWTH	
		Supply Chain Management	17 PARTNERSHIPS FOR THE GOALS	
	Economic Sustainability	Financial and Economic Performance		

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.

For more information on our contribution to each SDG, please refer to our [Integrated Sustainability Report 2022: Story on our Ambition](#).



Stakeholder Relations

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.

For more information, please refer to [Annexes](#). 



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	40
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Governance Approach

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 is comprised of eight members, two of whom are independent, and one of whom is women.
- The BOD is led by the Group CEO of Eczacıbaşı Holding, who assumes the role of Chairperson and includes three members from Eczacıbaşı Holding.
- The EBPB CEO also serves as a member of the BOD and maintains a direct reporting line to the Group CEO.

Responsibilities of the 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.

Name	Gender	Position	Committees
Atalay M. Gümrah	Man	• Chairperson of the Board • Group Chief Executive Officer	• Talent and Remuneration Committee
Seyfettin Sarıçam	Man	• Vice Chairperson • Group Chief Financial Officer	• Investment Committee • Audit, Risk and Governance Committee
Nejat Emre Eczacıbaşı	Man	• Board Member • Group Innovation and Entrepreneurship Coordinator	• Investment Committee • Marketing Committee
Mustafa Özgen Özkan	Man	• Board Member • Chief Executive Officer, Eczacıbaşı Building Products	• Investment Committee • Talent and Remuneration Committee
Bülent Kozlu	Man	• Board Member • Chief Executive Officer, Eczacıbaşı Consumer Products	
Esra Eczacıbaşı Coşkun	Woman	• Board Member • Group Digital Transformation Coordinator	
Andreas Josef Pfeiffer	Man	• Independent Board Member	• Investment Committee • Marketing Committee • Talent and Remuneration Committee
Darius Padler	Man	• Independent Board Member	• Audit, Risk and Governance Committee • Marketing Committee

BOD gender ratio: Seven men (87.5%), one women (12.5%)

Committees under the Board of Directors

Board Committees	Responsibility
Investment Committee	• 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
Audit, Risk and Governance Committee	• 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. For more information, please refer to the Risk Management section
Talent And Remuneration Committee	• 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.
Marketing Committee	• Setting overall marketing strategy and direction and top-down marketing targets for the Business Unit.

Eczacıbaşı Building Products - Bathroom Executive Management

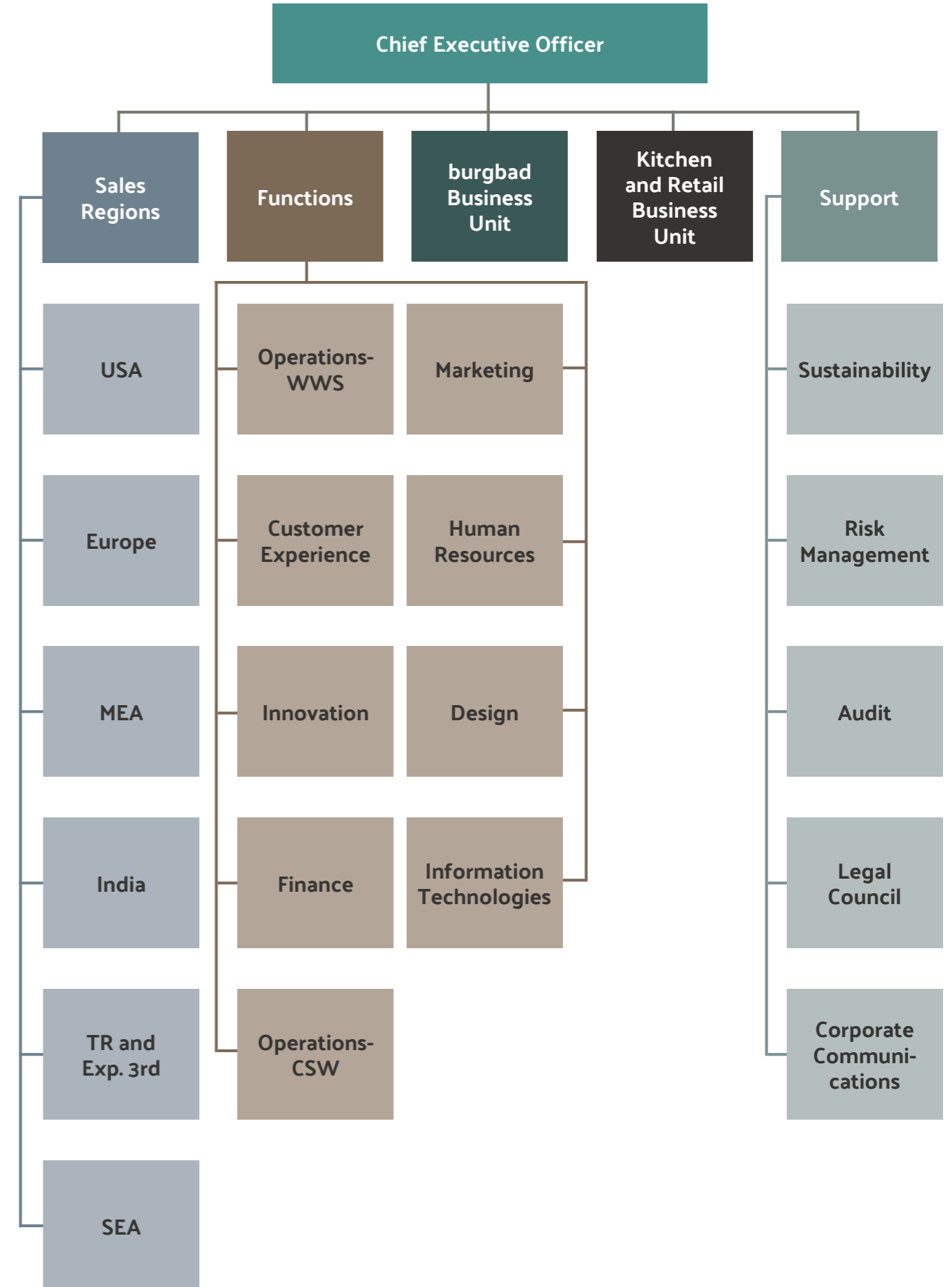
- EBPB Executive Management is committed to achieving sustainable excellence and leadership in alignment with the company's strategies and mission.
- They are dedicated to promoting a culture of innovation, collaboration, and accountability, while leveraging their collective expertise to enhance the long-term growth and success of the company.
- The Executive Management is comprised of highly experienced leaders in corporate functions, totaling 22 members, seven of whom are women.

Responsibilities of the 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.
- 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.

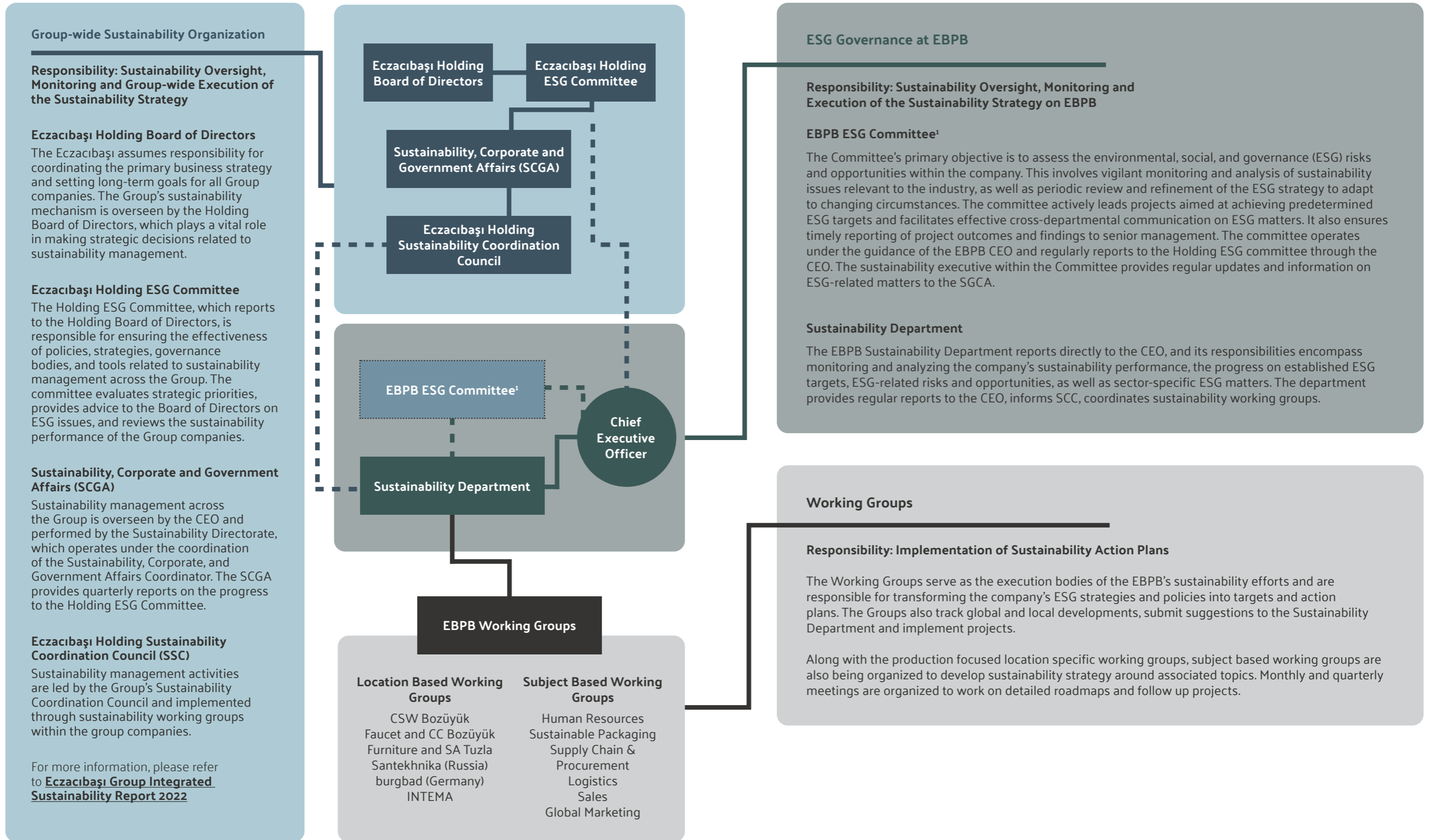


Name	Gender	Position
Özgen Özkan	Man	Chief Executive Officer, Eczacıbaşı Building Products - Bathroom
Alp Güldür	Man	Information Technology Director
Sibylle Goettgens	Woman	Marketing Director
Tuna Tümer	Man	Operation Director
Boğaç Şimşir	Man	Innovation Director
Canan Kiran	Woman	Operation Director
İtir 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	Corporate Risk Manager
Gökçe Ötkün	Woman	Sustainability Manager
Emrah Kaptanoğlu	Man	Finance Director
Aslı 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
Executive Management gender ratio: Fifteen men (68%), seven women (32%)		





Sustainability Governance



Group-wide Sustainability Organization

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

Eczacıbaşı Holding Board of Directors
The Eczacıbaşı assumes responsibility for coordinating the primary business strategy and setting long-term goals for all Group companies. The Group's sustainability mechanism is overseen by the Holding Board of Directors, which plays a vital role in making strategic decisions related to sustainability management.

Eczacıbaşı Holding ESG Committee
The Holding ESG Committee, which reports to the Holding Board of Directors, is responsible for ensuring the effectiveness of policies, strategies, governance bodies, and tools related to sustainability management across the Group. The committee evaluates strategic priorities, provides advice to the Board of Directors on ESG issues, and reviews the sustainability performance of the Group companies.

Sustainability, Corporate and Government Affairs (SCGA)
Sustainability management across the Group is overseen by the CEO and performed by the Sustainability Directorate, which operates under the coordination of the Sustainability, Corporate, and Government Affairs Coordinator. The SCGA provides quarterly reports on the progress to the Holding ESG Committee.

Eczacıbaşı Holding Sustainability Coordination Council (SSC)
Sustainability management activities are led by the Group's Sustainability Coordination Council and implemented through sustainability working groups within the group companies.

For more information, please refer to [Eczacıbaşı Group Integrated Sustainability Report 2022](#)

ESG Governance at EBPB

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

EBPB ESG Committee¹
The Committee's primary objective is to assess the environmental, social, and governance (ESG) risks and opportunities within the company. This involves vigilant monitoring and analysis of sustainability issues relevant to the industry, as well as periodic review and refinement of the ESG strategy to adapt to changing circumstances. The committee actively leads projects aimed at achieving predetermined ESG targets and facilitates effective cross-departmental communication on ESG matters. It also ensures timely reporting of project outcomes and findings to senior management. The committee operates under the guidance of the EBPB CEO and regularly reports to the Holding ESG committee through the CEO. The sustainability executive within the Committee provides regular updates and information on ESG-related matters to the SGCA.

Sustainability Department
The EBPB Sustainability Department reports directly to the CEO, and its responsibilities encompass monitoring and analyzing the company's sustainability performance, the progress on established ESG targets, ESG-related risks and opportunities, as well as sector-specific ESG matters. The department provides regular reports to the CEO, informs SCC, coordinates sustainability working groups.

Working Groups

Responsibility: Implementation of Sustainability Action Plans

The Working Groups serve as the execution bodies of the EBPB's sustainability efforts and are responsible for transforming the company's ESG strategies and policies into targets and action plans. The Groups also track global and local developments, submit suggestions to the Sustainability Department and implement projects.

Along with the production focused location specific working groups, subject based working groups are also being organized to develop sustainability strategy around associated topics. Monthly and quarterly meetings are organized to work on detailed roadmaps and follow up projects.

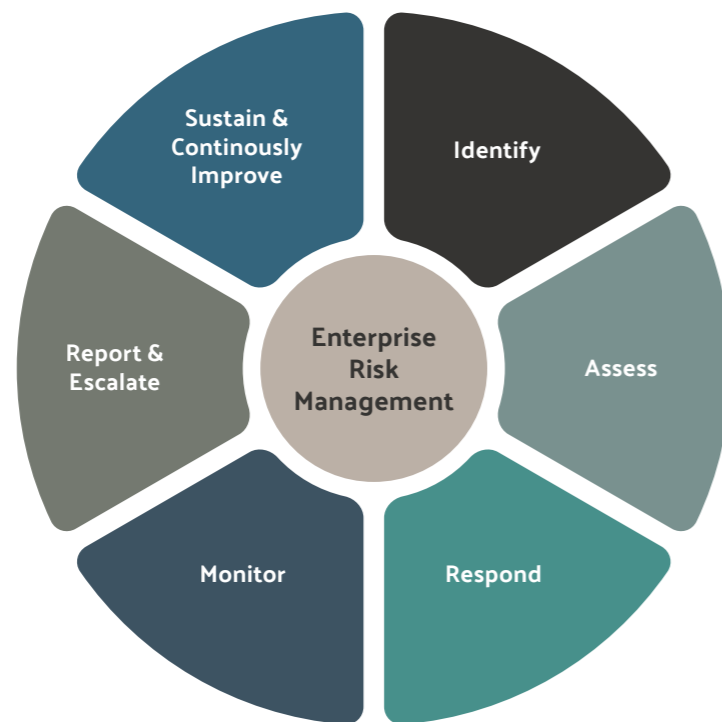


Risk Management

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.

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.



Risk Categories

Strategic Risks	Operational Risks
Financial Risks	Compliance Risks
Sustainability Risks	

Eczacıbaşı Building Products - Bathroom'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.

Management of Sustainability Risks

- At EBPB, we 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.

For more information on our risk management approach, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition](#).



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.

Business Ethics and Legal Compliance

Commitment

- 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.
- 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.

- 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.
- We are dedicated to protecting our employees' right to unionize and organize, striving to build constructive relationships with trade unions.

Code of Conduct

- The Eczacıbaşı Group's Code of Conduct clearly outlines our ethical and compliance expectations, not only for our employees but also for third parties with whom we work.
- Our Code is easily accessible to all stakeholders, including employees, on the Group's [website](#).
- The Code addresses critical risk areas, such as compliance with laws, discrimination, information protection security and data privacy, conflicts of interest, anti-competitive behavior, anti-corruption and bribery, and relations with third parties, among others.

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.

2022

Average Hours of Training by Program (hours per employee)

Anti-Corruption and Anti-Bribery	2
Ethics	0,5

- 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.

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.

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.

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

[Human Rights Policy](#)

[Gender Equality Policy](#)

[Environment and Climate Change Policy](#)

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

[Environmental Policy](#)

[Energy Policy](#)

[Quality Policy](#)

[Occupational, Health and Safety Policy](#)



Supply Chain Management

Commitment

- At EBPB, 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.

Relations with our Suppliers

- 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.
- Our Sustainable Purchasing practices prioritize economic, social, and environmental considerations, and we place significant importance on encouraging strong relationships with our suppliers.

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.

Economic, social, and environmental factors in our Sustainable Purchasing

Economic

- 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

- 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

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

Supplier Selection Process

Step 1	Our supplier selection process starts by collecting information through the Supplier Information Form, allowing us to gather essential details about prospective suppliers.
Step 2	Suppliers are then provided with a Self-Assessment Form to evaluate themselves based on our criteria.
Step 3	For strategic suppliers, the Preliminary Evaluation Form is assessed by EBPB.
Step 4	We provide supplier candidates with the Supplier Handbook, which contains important documents and leaflets outlining our expectations and requirements.
Step 5	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.
Step 6	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.

Our material suppliers undergo assessments every six months, evaluating criteria such as quality, product offerings, pricing, shipment performance, communication, and flexibility.

For more information, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition.](#)





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.

Economic and Financial Performance

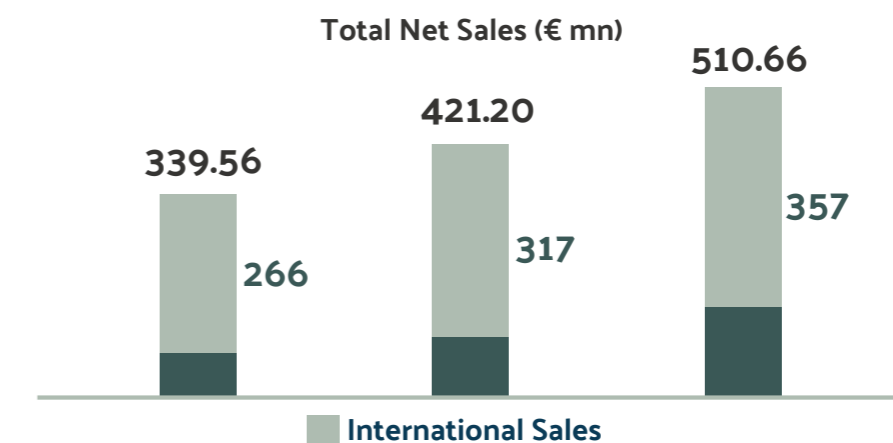
Commitment

- We are 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.
- 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.
- 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.

Performance

- 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.
- 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.

	2022
Total Net sales (€ million)	510,66
Ratio of foreign sales (%)	70
Economic Value Generated, Distributed and Retained (€ million)	
	2022
Total Net Sales	510,66
Economic Value Generated	510,66
Operating Costs	140,90
Employee wages and benefits	113,46
Payments to capital providers	15,53
Taxes	69,31
Total Social Investments	1,02
Economic Value Distributed	340,21
Economic Value Retained	170,45





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.

Goals ¹	Key Performance Indicator	Achievement (2022)
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)	3.69 4% decrease compared to base year
By the end of 2025, we will provide our entire electricity consumption from self-produced renewable energy (in Turkey)	Self-produced renewable electricity (MWh)	4.027% of the total electricity consumption is from renewable energy
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 (m ³ /ton)	3.69 3% increase compared to base year

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Resource Management and Responsible Procurement	53
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Climate and Environment

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.

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.

Energy Management and Carbon Emissions

Commitment

- 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, and striving for energy independence.
- Our teams continuously deploy a variety of tactics aimed at conserving energy, enhancing efficiency, and boosting productivity in our manufacturing processes.

Performance

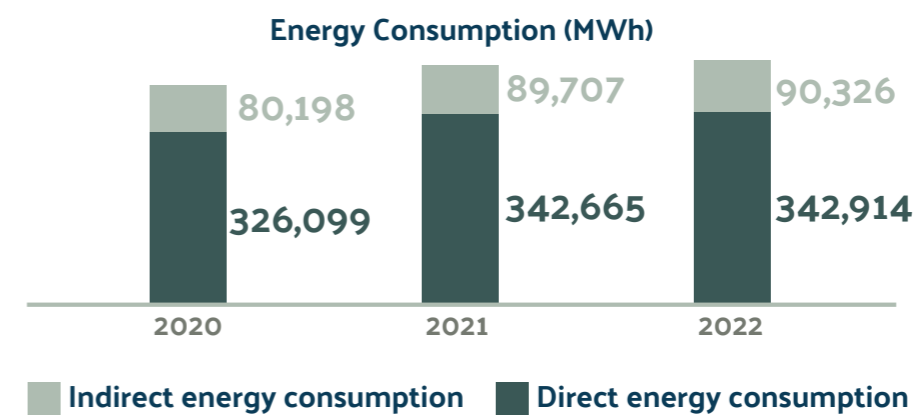
- In 2022, we have successfully implemented approximately 80 projects, ranging from waste heat recovery, product and process optimizations, design enhancements, to efficient lighting and equipment upgrades, including the transition to more efficient motors. As a result of our collective efforts throughout 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.

For additional details regarding our [initiatives](#), please refer to our [Story of Our Ambition](#) report.

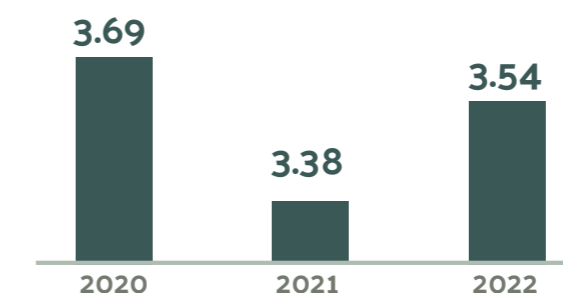
Our energy intensity decreased by 4%, from 3.69 MWh/ton to 3.54 MWh/ton ✔ compared to base year, accompanied by a 7% decrease in total energy consumption.

Energy Consumption (MWh)	2022
Non-renewables	348,453
Electricity	5,538
Natural Gas	340,991
Fuel Oil	776
Diesel	1,015
LPG/LNG	132
Renewables	84,708
Purchased Renewable Electricity	78,985
Self-Generated Renewable Electricity	79,2
Biomass ²	5,724
Total energy consumption	433,240

Energy Consumption (MWh) ³	2020	2021	2022
Direct energy consumption	326,099	342,665	342,914
Indirect energy consumption	80,198	89,707	90,326
Total energy consumption	406,297	432,372	433,240 ✔



Energy Intensity (MWh/per ton product)



²From burgbad operations

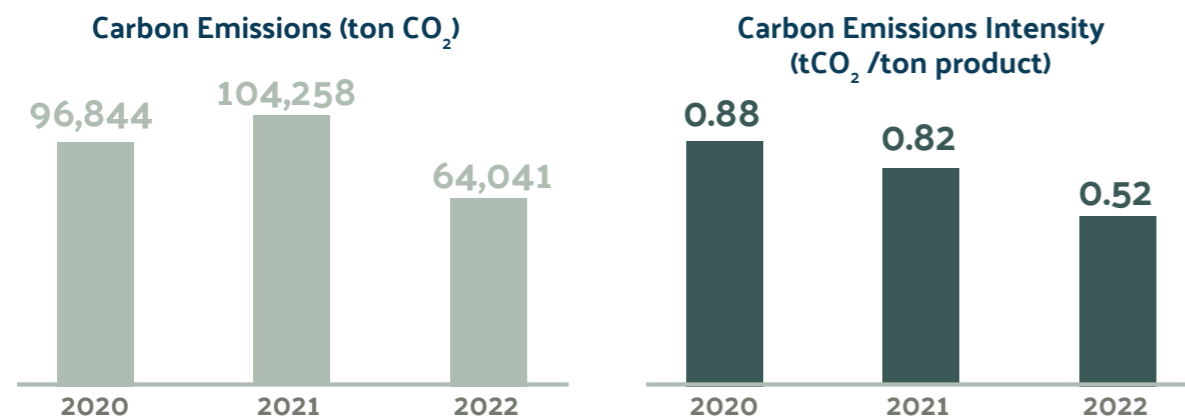
³As a result of enhancements in data coverage, the historical data (2020 and 2021) for energy consumption has been updated.



Carbon Emissions

- We 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.
- We achieved a 36% reduction in carbon emission intensity, from 0.82 tons CO₂/ton to 0.52 tons CO₂/ton ✓, compared to 2021.

Carbon Emissions	2020	2021 ⁴	2022
Total Scope 1 + Scope 2 Carbon Emissions (ton CO ₂)	96.844	104.258	64.041 ✓
Carbon Intensity (tCO ₂ / ton product)	0,88	0,82	0,52 ✓



Renewable Energy

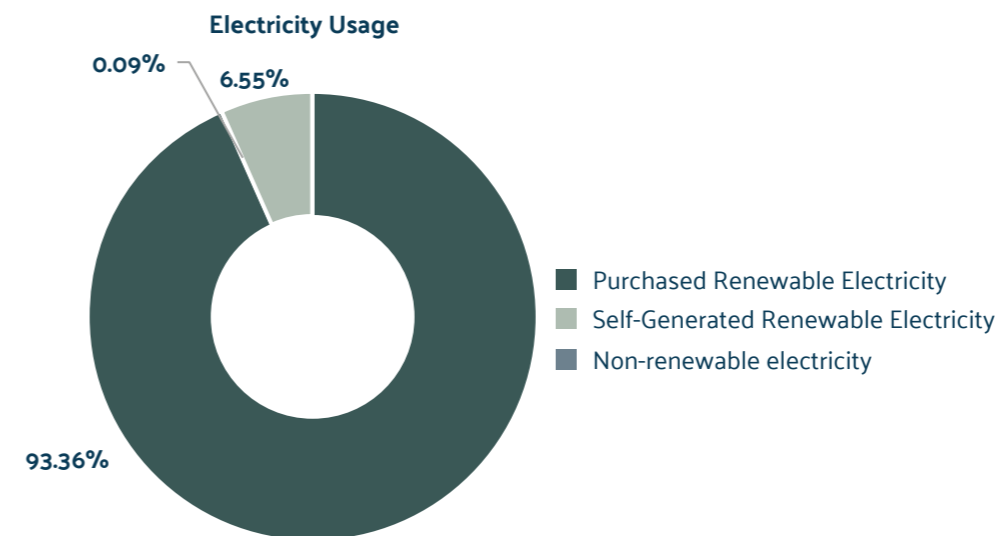
Commitment

- Clean, affordable, secure, and accessible energy plays a crucial role in the shift towards a low-carbon economy. 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.
- As we strive towards a cleaner and greener future, we are committed to accelerating our investments in renewable energy and utilizing every opportunity to support our low-carbon transition roadmap.
- 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 19.7 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.
- 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.

Performance

- This year, we have successfully completed the installation of our first solar power plant (SPP), with installed capacity of 4 MW, on the roof of our ceramic sanitary ware factory at the Vitra Production Campus in Bozüyük, Bilecik. Operating at full capacity since 15 December, the SPP generated 72 MWh by the end of 2022, and is expected to produce 5.4 million kWh of energy in 2023.
- Apart from Bozüyük facility, we have also installed solar power plants on the roofs of our stores in Bodrum, Ankara and Istanbul.
- We have taken the initiative to purchase I-REC certified green electricity, amounting to 73.82 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.

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.



⁴ In line with the updated data for energy consumption, carbon emissions and carbon emission intensity data for 2021 has been updated.



Water Management

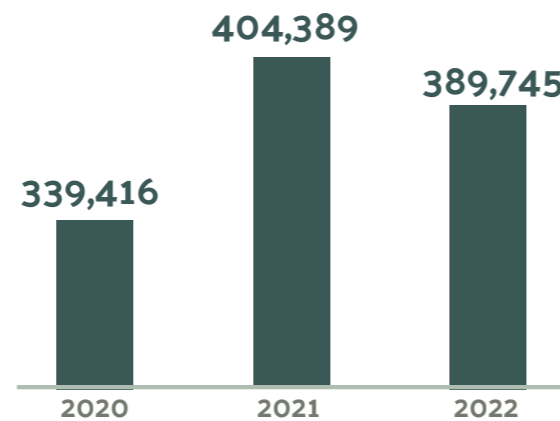
Commitment

- 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 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.

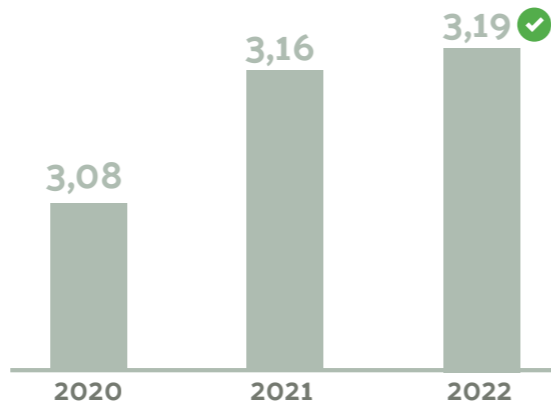
Performance


- 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.
- Our measures to enhance water reuse at our facilities have resulted in a total of 175,000 m³ of treated and reused water in 2022, corresponding to 44% of the total our water use.
- In 2022, along with an increase in production volume, we witnessed a slight 4% increase in water intensity compared to 2020 levels, reaching 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 households.⁵

Water Withdrawal (m³)



Water Intensity (m³/ton of product)⁷



	2020 ⁶	2021 ⁶	2022
Water Withdrawal by Source (m³)			
Municipal water	40,728	41,090	51,913
Ground water	298,688	363,299	337,832
Total	339,416	404,389	389,745 

⁵The calculation was conducted based on the daily water usage per capita in the EU, provided by the European Environment Agency.
⁶As a result of enhancements in data coverage, the historical data (2020 and 2021) for water withdrawal has been updated.
⁷In line with the updated data for water withdrawal, water intensity data for 2020 and 2021 has been updated.

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.

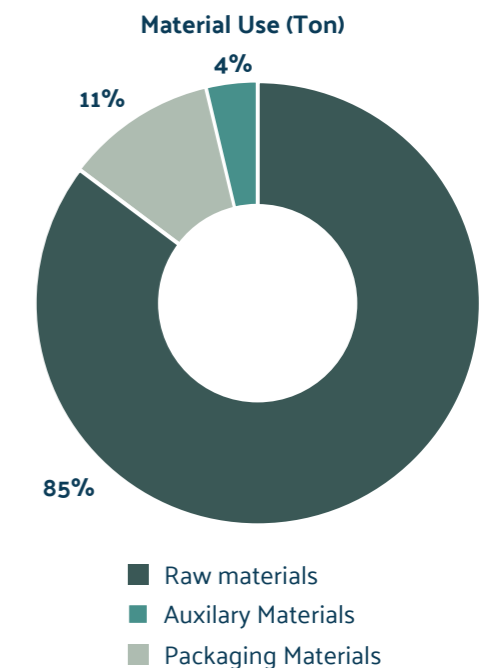
Resource Management and Responsible Procurement

Commitment

- 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.

	2020 ⁸	2021 ⁸	2022
Production			
Amount of product produced (ton)	110,245	127,848	122,347

	2022
Material Use (ton)	
Raw materials	168,492.94
Packaging Materials	21,707.17
Auxiliary Materials	7,380.05
Total Material Use	197,580.16



⁸Historical data regarding amount of product produced has been updated as a consequence of location-based improvements in the SAP system, leading to a more intricate flow of data.

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.

15 tons of raw material reduction and annual energy saving of **3,840 kWh** through redesigning runner pieces in faucet production

Reducing scrap ratio from 16% to 9% with the size changes in slabs in ROOT series

101.5 tons of raw material reduction and energy saving of **50,000 kWh** through Runner & Riser Design Optimization Projects

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.

Carboards

- Annual average reduction of **50 metric tons of cardboard usage** by using alternative boxes for products with similar dimensions
- Average annual saving of **11,857 boxes** by maximizing the reuse of inert and inactive packaging boxes

Wood

- Saving 160 tons of wood annually by redesigning the existing pallets

Shrink Films and Styrofoam

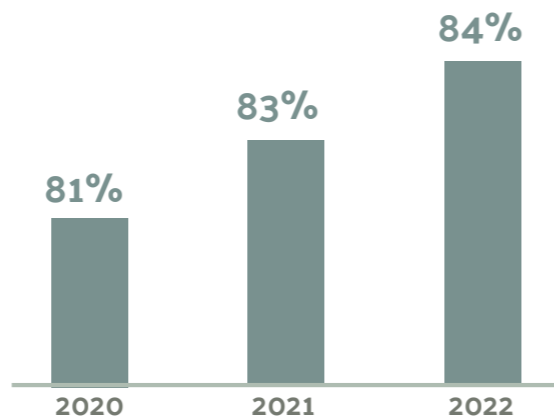
- Saving 122,419 kilograms of material by purchasing shrink films made from up to 30% recycled materials
- Average annual saving of 72 metric tons of shrink film material by reducing the thickness of shrink films
- Saving of 3,500 honeycombs by replacing honeycomb with Styrofoam
- Annual saving of 360 cubic meters of Styrofoam through eliminating the use of Styrofoam by changing the way we load semi-finished products

Localization

- 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.

	2020	2021	2022
Suppliers			
Local Suppliers	1,335	1,214	1,235
Foreign Suppliers	317	241	235
Total Suppliers	1,652	1,455	1,470

Local Supplier Ratio (%)



Product Responsibility

Commitment

- 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.

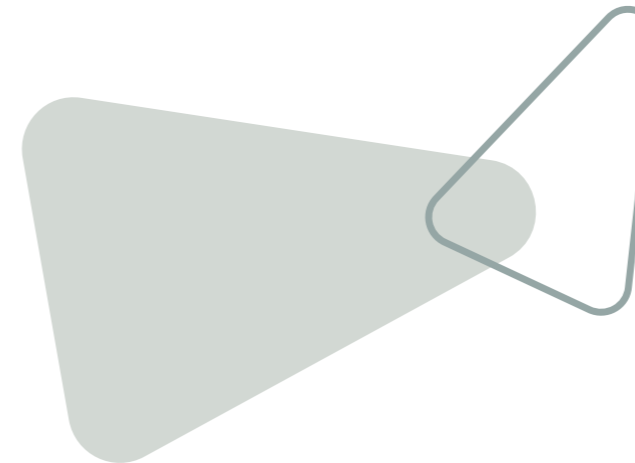
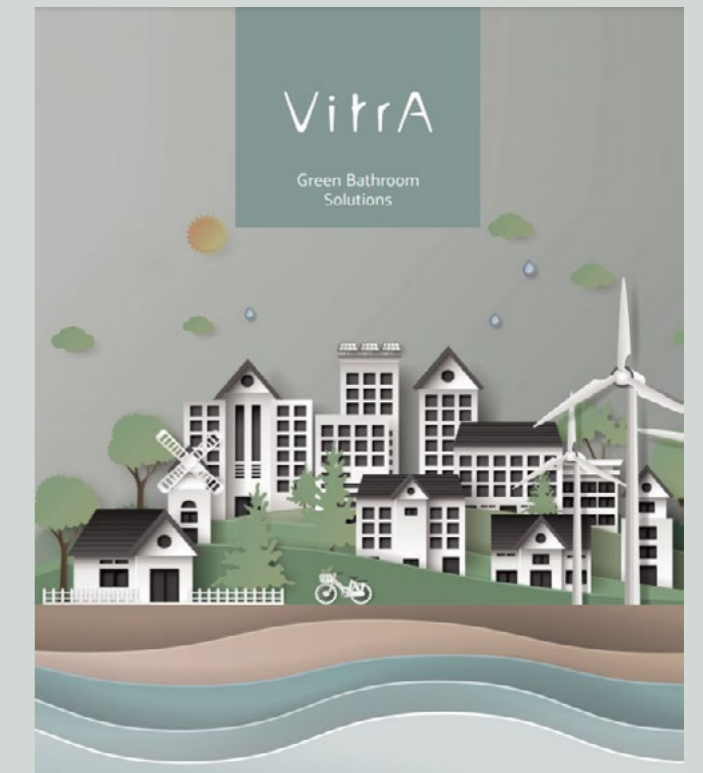


Green Bathroom Solutions

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.





Products Certificates

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.

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

Management Systems

- ISO 9001: Quality management systems
- ISO 14001 Environmental management system
- ISO 50001 Energy management systems
- ISO 27001 Information security management systems
- ISO 45001 Occupational health and safety (OH&S) management system

Waste Management

Commitment

- 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.

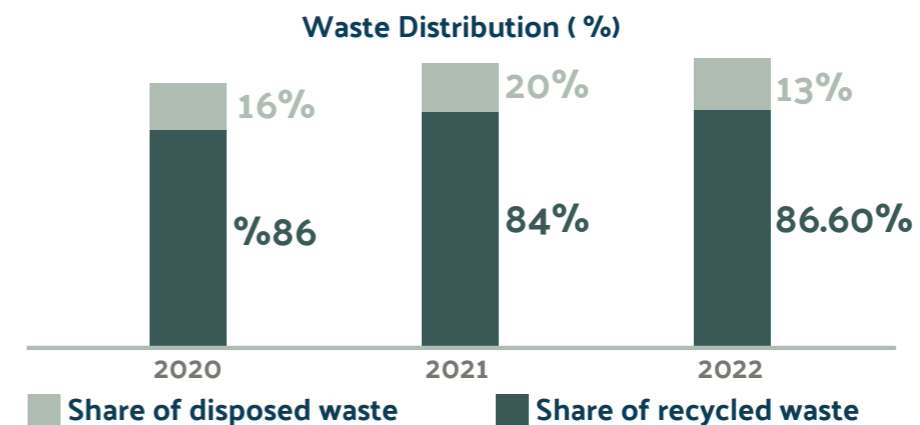
Performance

- 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.
- Throughout 2022, we continued to focus on waste recovery and exploring new avenues for repurposing our manufacturing waste. A total of 76,525 tons of waste were generated this year, with 86.6% recovered and recycled.

For more information on our waste management initiatives, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition.](#)

	2020	2021	2022
Waste Results (ton)			
Waste recovered and recycled	54,284	72,064	66,275
Waste disposal	9,069	13,604	10,249
Total Waste Amount	63,353	85,668	76,525

	2022
Waste by Type and Disposal Method (ton)	
Hazardous Waste	1,380
recovered and recycled	1,229
energy use	151
disposed	0,17
Non-Hazardous Waste	75,144
recovered and recycled	64,896
disposed	10,249
Total Waste Amount	76,525





5



Investing in People

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.

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Community and Social Vitality	68
Social Investment	68
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Goals ⁹	Key Performance Indicator	Achievement (2022)
By the end of 2025, we will increase the share of women among new recruits to 53%	Share of women among new recruits (%)	50.0%
By the end of 2025, we will increase the share of women in employment to 37.9%	Share of women in employment (%)	38.0%
By the end of 2025, we will increase the share of women in management positions to 41%	Share of women in management positions (%)	40.3%
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	0.42



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.

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.

Equal, Diverse and Inclusive Workplace

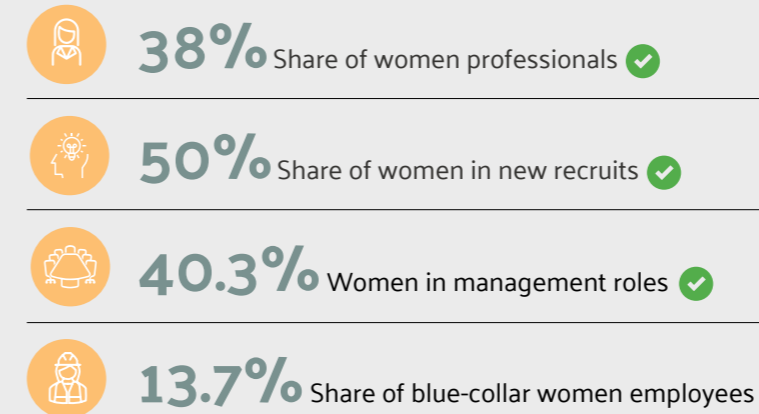
Commitment

- 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.
- 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 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.
- We value and respect the rights of our employees to unionize and organize, recognizing their freedom to exercise their union rights.
- We are committed to adhering to the Eczacıbaşı 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.

Performance



	2022
Workforce by Gender¹⁰	
Total Workforce	4,283
Women	867
Men	3,416
White-collar employees	1,046
Women	420
Men	626
Blue-collar employees	3,237
Women	447
Men	2,790

	2022
Total Workforce by Contract Type	
Employees with indefinite term contract	4,091
Women	789
Men	3,302
Employees with fixed term contract	192
Women	78
Men	114

	2020	2021	2022
Equal Opportunities			
Share of women in STEM positions	13%	14%	18%
Share of women in management positions in revenue-generating functions	17%	14%	11%

	2020	2021	2022
Employee Demographics¹⁰			
Total Workforce	3,431	3,733	4,283
White-collar employees	861	915	1,046
Blue-collar employees	2,570	2,818	3,237
Employees with indefinite term contract	3,393	3,502	4,091
Employees with fixed term contract	38	231	192
Number of employees in the management work family	55	58	66
Number of non-management employees	806	857	980
Number of subcontracted employees	-	-	120

¹⁰ Includes white and blue collar employees in Turkey Operations, subcontracted employees are excluded.



Attracting, Developing and Retaining Talent

Commitment

- 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.
- 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.
- 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

- 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.
- 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.

	2022
New Recruits	
Total number of new employee hires during the year	190
Women	95
Men	95
Under 30 years old	128
Women	69
Men	59
30-50 (including) years old	61
Women	25
Men	36
Over 50 years old	1
Women	1
Men	-

	2022
Employees Who Left Work	
Total	107
Women	38
Men	69
Under 30 years old	32
Women	15
Men	17
30-50 (including) years old	60
Women	21
Men	39
Over 50 years old	15
Women	2
Men	13
Number of employees who voluntarily left work	72
Women	24
Men	48

	2020	2021	2022
Turnover			
Employee turnover rate	8%	15%	11%
Voluntary employee turnover rate	6%	10%	8%
Female employee turnover rate	10%	17%	11%

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.

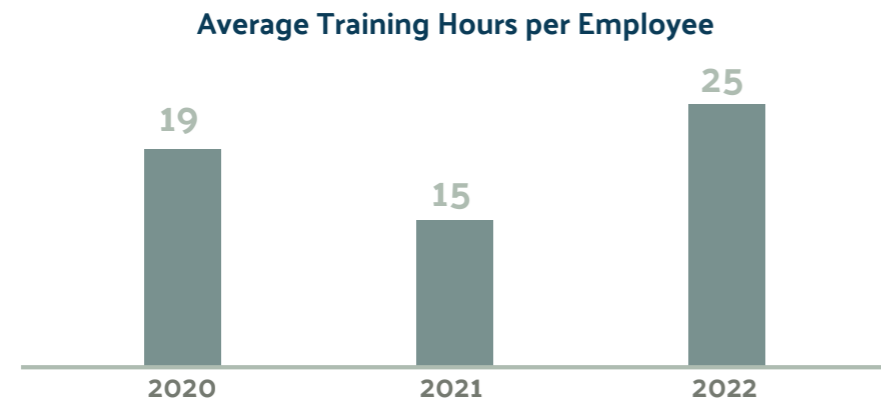
	2020	2021	2022
Employees receiving Regular Performance and Career Development Reviews			
Total	594	555	638
Women	225	208	259
Men	369	347	379



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.
- 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.
- 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.

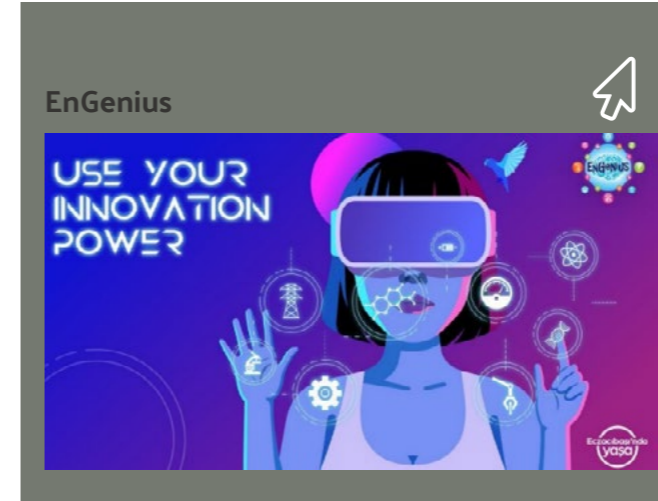
During the reporting period, the average training hours per employee amounted to 25 hours, while the average training hours per talented employee were 29 hours .



For more information on our upskilling and reskilling programs, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition](#).

Attracting and Developing Young Talent

- At EBPB, we acknowledge the tremendous potential of young individuals and deeply value their unique perspectives. We understand the importance of harnessing their energy, creativity, and fresh ideas to drive innovation and bring about meaningful change.



EnGenius

VBenzeri Campus



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.

University and NGO Collaborations

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.

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

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.

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.



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, along with our Occupational Health and Safety Policy, ensures that rules, training, information, and technical aspects are given utmost importance in identifying and managing risks while preventing injuries.

Health, Safety and Wellbeing

Commitment

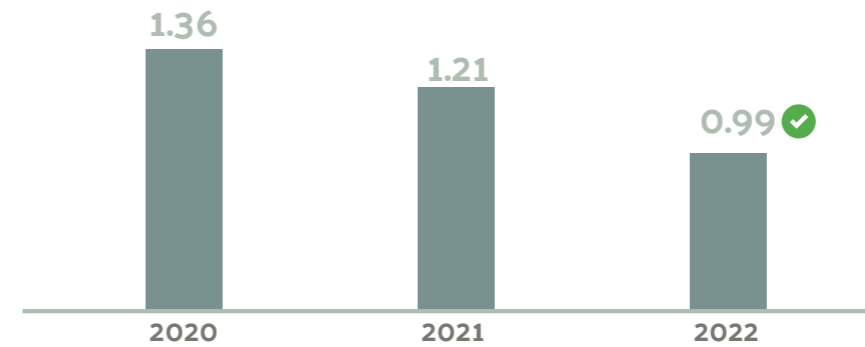
- Safety is of utmost importance to us, as it encompasses not only the prevention of injuries and accidents but also the overall well-being of our employees. We strongly believe in providing comprehensive support for both their physical and mental health care needs. This comprehensive approach to safety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

Performance

- 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.
- Compared to the previous year, we have successfully decreased our accident frequency rate¹¹ from 1.21 to 0.99. ✓
- 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.
- 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.

For more information on our health, safety and wellbeing initiatives, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition](#).

Accident Frequency Rate



	2020	2021	2022
Occupational Health and Safety Training			
Total training hours given to employees on OHS (employee*hours)	35,692	49,074	57,460
Number of employees who received training on OHS	856	1,030	1,224
Average training hours on OHS	41.70	47.64	46.94

	2020	2021	2022
Incidents			
Incidents Resulting in Lost Time	49	53	45
Employees	49	52	45
Contractors	-	1	-
Incidents Not Resulting in Lost Time	8	7	9
Employees	3	3	4
Contractors	5	4	5
Total Number of Incidents	57	60	54

¹¹Accident Frequency Rate: (Number of Lost Time Accidents*200,000)/(Working hours)



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.

Social Investment

Commitment

- 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.



For more information on our social initiatives, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition](#).

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.

Lines in 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.

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.

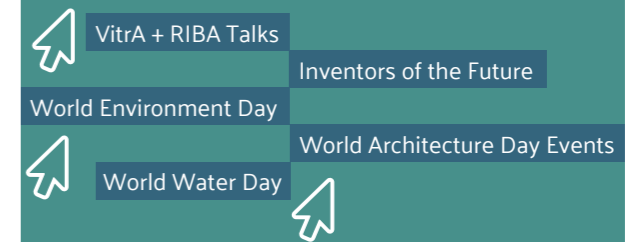
Eczacıbaşı Volunteers

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.

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.



Wellbeing and Hygiene

Commitment

- 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.

Performance

- 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.

- We prioritize offering a **touch-free toilet experience** that sets us apart from the rest. Our innovative solutions encompass various features, including **Touch-free Auto and Periodic Flush, Touch-free Toilet Seat, Touch-free Bideti and Touch-free Hand Wash Technology**, designed to eliminate the need for physical contact, thereby reducing the risk of cross-contamination.
- 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, surpassing ordinary WC bowls in terms of hygiene, offering a 95% improvement in cleanliness and ease of cleaning.
- With our washbasins that are equipped with a **VitrA Fresh** detergent dispenser and sensor, a predetermined amount of detergent is dispensed into the flowing water each time the sensor is activated, helping to reduce the risk of cross-contamination by preventing the proliferation of pathogens in public areas where the washbasins are used.



6



Investing in Future

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.

Innovation and Entrepreneurship

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R&D and Innovation

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Digital Transformation

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Digital Transformation

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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

Commitment

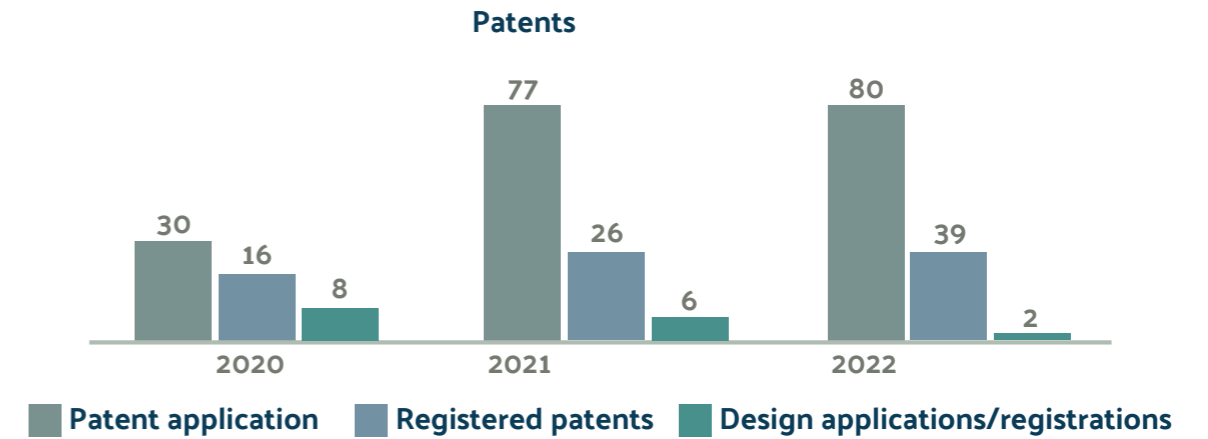
- At the core of our business lies our unwavering commitment to innovation and creativity, driving us to continually enhance comfort, sustainability, and the aesthetic appeal of bathrooms.
- By continuously seeking innovative approaches, we strive to create products that cater to the evolving needs and desires of our users.
- 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.

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.

Performance



Cumulative patent registrations (as of 2022) **267**

	2020	2021	2022
R&D			
Number of R&D employees	75	50	54
Total number of R&D projects	19	19	21

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.

For more information on our innovation initiatives, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition](#).



Digital Transformation

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.

Digital Transformation

Commitment

- 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.
- 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.
- By incorporating sustainability considerations into our digital transformation strategy, we strive to achieve a balance between business growth and environmental responsibility.

Digital Transformation Awards

International Customer Experience Awards ICXA 2022

Best Business Change and Transformation

Customer Experience v2.0 project awarded in the category of "Best Management of Change" by Dijitaliz

Eczacıbaşı Building Products was selected among the "50 Most Innovative" companies with EnGenius project by Fast Company Magazine

TCXA'22

Best Use of Technology | Predictive Maintenance

TCXA'22

Best Use of Insight & Feedback | Better Together

TCXA'22

Best Innovation in CX - UX Lab

TCXA'22

Measurement in CX - CX Dashboard

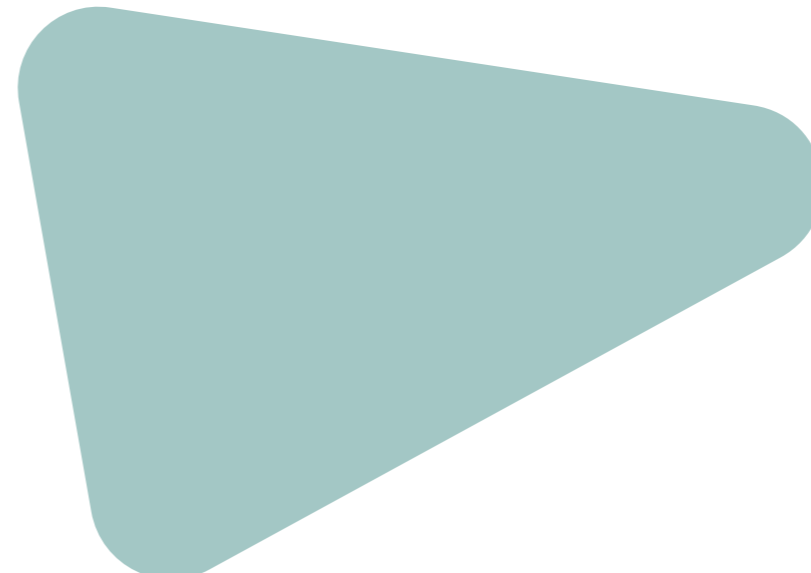
TCXA'22

B2B Customer Experience | CX Cloud

TCXA'22

Product or Service Development | Vitra Plus

For more information on our digital transformation initiatives, please refer to our [Integrated Sustainability Report 2022: Story of our Ambition.](#)





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Annexes

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Stakeholder Relations

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)
	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	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	Customer Surveys (Periodic), Sustainability Reports (Annual), social media (Continuous), Corporate Website (Continuous), Audits (Periodic), Customer Meetings (Periodic)
Customers	Influencers	Sustainability Reports (Annual), Projects (Project Based), social media (Continuous), Corporate Website (Continuous)
	Business Partners	Sustainability Reports (Annual), Annual Reports (Annual), social media (Continuous), Corporate Website (Continuous), Material Disclosures (Instant)
Supply Chain	Suppliers (Materials and Equipment)	Sustainability Reports (Annual), Annual Reports (Annual), social media (Continuous)
	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)
Civil Society	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)

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 (İSO)	Membership



Awards

Awards	Awarded by
"Liquid Collection" made with design icon Tom Dixon was awarded.	Wallpaper Magazine
	EDIDA (Elle Deco International Design Awards)
	Red Dot: Product Design
	iF Design Award
"Good Design" award for Vitra's Root Collection	Good Design
Vitra V-Care Smart Panel and Smart Toilet Prime was awarded.	Good Design
Vitra's ArchiPlan bathroom collection was awarded.	Good Design
Vitra was chosen as the most satisfying brand by Şikayetvar customers.	Şikayetvar
Vitra was awarded as export champion	Türkiye Exporters Assembly
Eczacıbaşı Building Products was selected among the "50 Most Innovative" companies with EnGenius project.	Fast Company Magazine
Vitra Innovation Center won Technology Development Zones Summit Award.	Industry and Technology Ministry
Best Use of Technology Predictive Maintenance	TCXA'22
Best Use of Insight & Feedback Better Together	
Best Innovation in CX - UX Lab	
Measurement in CX - CX Dashboard	
B2B Customer Experience CX Cloud	
Product or Service Development Vitra Plus	
Vitra London was deemed worthy of the gold award at the London Design Awards for its interior design.	
Vitra ranked 1st in the "Best Business Transformation" category with Untouched Hygiene (TaaP) project.	iCXA
Customer Experience v2.0 project awarded in the category of "Best Management of Change".	Dijitaliz
In Capital 500 list, Eczacıbaşı Building Products is 256th among 500 magic companies.	Capital Magazine
According to the results of Turkey's Top 500 Industrial Enterprises 2021 Survey, Eczacıbaşı Building Products is 162nd.	Istanbul Chamber of Industry (İSO)
In the Most Admired Companies of the Business World Survey, Vitra ranked 2nd in the ceramic - glass sector.	Capital Magazine

WEF Stakeholder Capitalism Metrics

Principles of Governance			
Pillar	Core Metrics and Disclosures	Description	References
Governing purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Message from the CEO, page 6-7
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation	Governance Approach, page 32-35
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 25-27
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 40-41
		a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and	
		b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.	
Protected ethics advice and reporting mechanisms	Anti-Corruption	2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption	Business Ethics and Legal Compliance, page 40-41
		A description of internal and external mechanisms for:	
		1. Seeking advice about ethical and lawful behaviour and organizational integrity; and	
		2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	



Risk and opportunity oversight	Integrating Risk and Opportunity into Business Process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	"Story of Our Ambition Report: 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 (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions.	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 52
		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	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.	"Story of Our Ambition Report: Equal, Diverse and Inclusive Workplace, page 92-97"
	Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage.	"Story of Our Ambition Report: 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."	"Story of Our Ambition Report: Risk Management, page 52-55, 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).	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).	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.	"Story of Our Ambition Report: 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 "
		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.	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.	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"	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. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	"Story of Our Ambition Report: Financial and Economic Performance, page 65"	
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 20-23

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 A.Ş. 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.

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

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.



Limited Assurance 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



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.

**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.

**Our Responsibility**

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

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

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

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

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

Limited Assurance Conclusion

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



Restriction of use

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

Info

Eczacıbaşı Building Products

Büyükdere Cad. Ali Kaya Sok. No:5

Levent 34394, İstanbul

Phone: +(90 212) 350 80 00

Fax: +(90 212) 350 85 58

www.VitrAglobal.com

For more information contact

<https://www.VitrAglobal.com/about-us/sustainability/>

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