

# Hear nature & heal nature

Facts about Our Actions

ECZACIBAŞI  
CONSUMER PRODUCTS



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# About the Report

## Purpose of our Integrated Sustainability Report

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

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

The Story of Our Ambition provides a detailed overview of our key sustainability initiatives and activities accompanied by case studies highlighting our achievements and impact.

The Facts about Our Actions presents a data-driven approach to analyze our sustainability performance and provides detailed insights into our sustainability practices.

## Scope of our Report

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

## Principles and Standards

This report has been prepared in accordance with the “GRI (Global Reporting Initiative) Universal Standards: Content Index Essentials”. The report also takes into account the ‘Stakeholder Capitalism Sustainable Value Creation Reporting Criteria’ set forth by the World Economic Forum (WEF) and indicates our contribution to the UN Sustainable Development Goals (SDGs). In addition, we sought to align our reporting with the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).

## Assurance

We have received independent assurance for the selected key performance indicators (KPIs), including data on energy, carbon emissions, water, waste, employee demographics and gender equality, occupational health, and safety, and production to support our transparency. This assurance engagement was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) to provide limited assurance. The selected KPIs that have been subject to limited assurance by PricewaterhouseCoopers (PwC) are denoted by the check symbol as displayed here:

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

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

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



# Message from the CEO

Dear Stakeholders,

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

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

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

I am proud of Eczacıbaşı Consumer Products' resilience, agility, and sustained growth in the face of global and local economic turbulence. In 2022, our strategic efforts revolved around three core pillars of our business strategy for the period 2023-2025: Expansion, Excellence in Operations, and Environment. Expansion encompasses our drive for growth, while

Excellence in Operations involves leveraging digitalization and innovation to enhance our operational efficiency. We also sharpened our focus on sustainability and responsible resource management, in line with our unwavering commitment to the environment.

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

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

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

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

Freshwater, a crucial input for paper production, is a vital and limited natural resource. Therefore, we have set ourselves the ambitious target of decreasing our water consumption and are on track to achieve 2025 water reduction target with a 6% decrease compared to 2020. In line with this goal, we reduced our per ton water consumption by 1% in 2022 compared to 2020.

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

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

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

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



**Bülent Kozlu**  
CEO

# 1 Eczacıbaşı Consumer Products at a Glance

As a leading company in the FMCG sector, Eczacıbaşı Consumer Products impacts consumers' lives through pioneering brands, reaching seven out of ten households. With extensive production in four domestic factories, we contribute significantly to the Turkish economy. Our exports span over 60 countries while employing over 1,700 individuals. Our purpose is to be present, in every moment of life, for clean and healthy living, anticipating and surpassing consumer expectations with high-quality health and hygiene products.

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# Overview of Eczacıbaşı Consumer Products

Eczacıbaşı Consumer Products began operating under the “İpek Kâğıt” brand in 1969. Quickly expanding its range with numerous household brands. In 2017, Eczacıbaşı Girişim, Eczacıbaşı Hygiene Products, and Eczacıbaşı Professional (EP) merged their operations and leader brands into Eczacıbaşı Consumer Products to create a single and more powerful structure for managing Eczacıbaşı Consumer Products’ businesses in a wide range of consumer product segments.

Eczacıbaşı Consumer Products works with leading and trusted brands in the categories of tissue paper, personal care, home care, baby care, and professional hygiene to accompany every moment of life for a clean and healthy living. The company sees producing and providing services in the areas of cleanliness and hygiene, which are fundamental needs of society, as a natural responsibility.

Eczacıbaşı Consumer Products brands rank first or among the top three in the market with innovative and reliable products that meet customers’ needs by anticipating their expectations and maintaining high quality standards. With the strength of its brands, the company continues to maintain its leading position in the industry.

## Corporate Introduction

<b>Name</b>	Eczacıbaşı Consumer Products Co.
<b>Location of Headquarters</b>	Rüzgarlıbahçe Mahallesi, Çam Pınarı Sokak No:3 Beykoz 34805, İstanbul
<b>Date established</b>	1969
<b>Industries</b>	Fast Moving Consumer Goods
<b>Number of Employees</b>	1,740 <sup>1</sup>

<sup>1</sup>Including subcontractors and excluding interns

## Our Strategic Objectives

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

## Our Values

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



# Our Organization, Brands and Products

## About Eczacıbaşı Consumer Products



**+25**  
Brands



**5**  
Production  
Plants



**25%**  
International  
Markets

**75%**  
Local Markets



**+1700**  
Overall  
Employees





## Tissue Paper

GRI 2-1

Eczacıbaşı Consumer Products has powerful tissue paper brands: Selpak, Solo, Servis and Silen for diverse consumer needs and expectations and Selpak Professional for the away-from-home market. Selpak, the company's flagship brand and a leader in regional markets as well as in Turkey.

Eczacıbaşı Consumer Products also has leading brands in a variety of personal care segments, including sexual well-being, hair styler, and eau-de-cologne.

Uni Baby offers specially formulated products that can be applied safely on babies' delicate skin from the first day onwards.

Detan and Defans, the company's pest control and pest repellent brands, are continually developing themselves to ensure pest-free and healthy home environments.

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



## Baby Care



## Personal Care



## Away From Home



## Homecare



## Consumer Distribution




















# Year in Review

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

## Financial Highlights

€ 391 million		Consolidated net revenue
24%		Share of international sales
€ 1 million		Total R&D expenditures

## Sustainability Highlights

0.8 <sub>MW</sub>		Renewable energy installed capacity
154 <sub>GWh</sub>		Green electricity procurement
2%		Decrease in energy intensity Compared to 2020
60%		Decrease in carbon emission intensity in our production plants (Scope 1+2) Compared to 2021
5%		Decrease in water intensity Compared to 2021
95.3%		Share of recycled waste ✓
40.1%		Total share of women professionals ✓ (Turkey)
55.6%		Women among new recruits ✓ (Turkey)
32.7%		Women in management positions <sup>1</sup> ✓ (Turkey)
11		Training hours per talent <sup>2</sup> ✓ (Employees in leadership programs)
23		Training hours per employee <sup>3</sup> ✓ (Turkey)
0.69		Accident frequency rate ✓ 30% decrease compared to 2021

<sup>1</sup> The ratio of the number of women employees at the managerial levels of the Company, including Manager, Senior Manager, Director to the Total Number of Employees.

<sup>2</sup> Leadership training program, provided for talent in Turkey operations, in the reporting period.

<sup>3</sup> Training programs, provided for employees in Turkey operations, in the reporting period.

<sup>4</sup> The ratio represents injury incidents reported to the Social Security Institution that resulted in employees (both payroll and contract) being unable to return to work on the next shift or working day, relative to the total working hours.

# 2

## Our Approach to Sustainability

The success of institutions is no longer evaluated solely based on the economic value they generate. Environmental, social, and corporate governance considerations are key to value creation. Today, only companies having sustainability strategies integrated into their core businesses can maintain their success in the long run.

At Eczacıbaşı Group, we approach sustainability from a broader perspective without limiting ourselves in a narrow framework and put it at the heart of our value creation approach. In line with Dr. Nejat F. Eczacıbaşı, our Group's founder's, "raising the prosperity of society as a whole" goal, we see sustainability efforts as our duty to all our stakeholders and the planet. We work to integrate sustainability into every stage of our business processes, ranging from investment strategies to organizational structure.

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# Our Value-Creating Business Model

## Building a Healthier Future, Together

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

### Our five capitals



Our **financial capital** is strategically allocated towards investments in production, sales and distribution of health and personal hygiene products, aligning with our overarching objectives of creating value for all our stakeholders.



Our diverse and empowered **human capital** comprises of outstanding talents and inspirational leaders across all levels of our organization.



Our **natural capital** encompasses operational excellence and a steadfast commitment to advocating for the well-being of the environment and stakeholders. We take care about nature with utmost importance in accordance with our extended producer responsibility.



Our **intellectual capital** includes innovation, being a digital pioneer, prioritizing product and product quality, and data driven agile decision making approach.



Our **social capital** is associated with well-being of both the environment and society, fostering an inspirational atmosphere that cultivates a socially responsible mindset.

### What we do

#### Our purpose

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

#### How we do it

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



### Our value chain

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



## Our inputs in five capitals

**€ 391 million** Consolidated net revenue

**37%** Increase in manufacturing capabilities due to investments in Manisa

**12** Offices

**5** Production Plants

**1,740** Total employees<sup>7</sup>

**40.1%** Total share of women professionals ✓

**55.6%** Women among new recruits ✓

**32.7%** Women in management positions ✓

**479,012 MWh** Total energy consumption ✓

**1.6 million m<sup>3</sup>** Total water withdrawal ✓

**€ 1 million** Total R&D expenditures

**Up to 1,900** Suppliers

More than **60** International markets

## Key outputs

**22%** Growth in international sales

**44%** Growth in total net sales

**23** Training hours per employee<sup>8</sup> ✓

**11** Training hours per talent<sup>9</sup> ✓

**0.69** Accident Frequency Rate<sup>10</sup> ✓

**154 GWh** Renewable electricity procurement

**2%** Energy intensity reduction<sup>11</sup>

**60%** CO<sub>2</sub> emissions intensity reduction in our production plants (Scope 1+2)<sup>12</sup>

**5%** Water intensity reduction<sup>11</sup>

**95.3%** Share of recycled waste ✓

**54** Cumulative patent application

**361** R&D projects

**66** Employees contributing to volunteering activities

<sup>7</sup> Total employees in Turkey and abroad, including subcontractors and excluding interns

<sup>8</sup> Blue collar employees are not included

<sup>9</sup> Employees in Turkey leadership programs

<sup>10</sup> Morocco facility is included

<sup>11</sup> Compared to 2021

<sup>12</sup> Compared to 2020

## The value we create for our stakeholders



### Employees

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

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

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

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



### Finance community

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

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

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



### Civil society

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

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



### Environment

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

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

We procure raw materials from responsibly managed forests.

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



### Supply chain

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

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



### Customers

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

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

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

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

# Sustainability at Eczacıbaşı Consumer Products

Eczacıbaşı Consumer Products embraces a holistic approach to sustainability. To this end, we aim to strike a balance between the needs of the business world and society.

This year, we have deepened our efforts in sustainability, shaped our Group’s sustainability strategy with our passion to “building a healthier future, together” with our stakeholders. Our unwavering dedication lies in cultivating prosperous societies and forging a sustainable relationship with our planet.

Our sustainability approach is based on four sustainability pillars, which supports our business strategy. The nine focus areas under the sustainability pillars, set the direction for sustainable value creation and address opportunities and risks throughout our value chains.



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

## Materiality








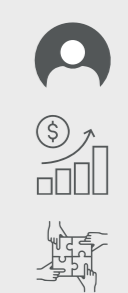
Eczacıbaşı Consumer Products is dedicated to improving our economic performance and providing value to our stakeholders as a responsible producer. We adopt an integrated approach that considers external factors, stakeholder priorities, and our ability to create value. We conduct comprehensive evaluations of our operations, assessing their impact on sustainable development and identifying risks that could hinder our business objectives. Regular engagement with stakeholders helps us understand their needs, expectations, and the impact of our activities on them.

**Step 1** We initiated the impact of our operations and sustainability initiatives. We engaged with over 564 employees and 79 external stakeholders to determine our sustainability priorities.

**Step 2** We conducted a detailed external analysis. We reviewed global risk and sustainability trends reports published by international institutions such as 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 also evaluated material issues advised by GRI, SASB, and S&P for each of the sectors in which the Group companies operate and conducted a benchmark study that includes both national and international peers.

**Step 4** By integrating the findings from our analysis and the 2021 study, we concluded our work and adjusted our sustainability priorities. This process led us to identify 15 critical subjects across nine strategic focus areas.

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



## Contributing to the UN 2030 Agenda

At Eczacıbaşı Consumer Products, we prioritize sustainable value creation and stakeholder engagement. We actively collaborate with diverse stakeholders, including people, consumers, employees, partners, media, academia, government, and civil society. By understanding their needs and feedback, we integrate sustainability into our business approach. Our commitment to stakeholder engagement reflects our dedication to sustainable practices and a better future for all.

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.](#)

Eczacıbaşı Consumer Products prioritizes ethical business practices and embraces corporate governance principles to drive sustainable development. We allocate resources to enhance our core business, expand production capacities, improve product quality, and create lasting value for stakeholders.

# 3 Corporate Governance



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# Governance Approach

We prioritize strong governance mechanisms to fulfill obligations and advance sustainability commitments. Our Board and Executive Management collaborate to align objectives with market dynamics and stakeholder expectations. Through accountability, transparency, and robust practices, we ensure long-term success and create sustainable value. As part of the Eczacıbaşı Group, we operate in alignment with the Group's objectives and strategy to seamlessly integrate with its vision and direction.

## Eczacıbaşı Consumer Products Board of Directors

Eczacıbaşı Consumer Products' Board of Directors (the BOD) promotes fair, responsible, transparent, and accountable management of the Group while upholding corporate governance principles.

Aligned with corporate governance principles, the Board is responsible for managing and representing the company, considering factors such as risk management, growth opportunities, financial returns, and long-term interests.

### Responsibilities of the Board of Directors

The Board's primary goal is to ensure the organization's sustained success. By overseeing effective governance practices, they contribute to the organization's long-term viability and value creation for stakeholders. Guided by principles of corporate governance, the Board prioritizes transparency, accountability, and ethical conduct.

The Eczacıbaşı Consumer Products Board of Directors comprises eight members, including the Group CEO of Eczacıbaşı Holding as the Chairperson and four members from Eczacıbaşı Holding. The Board also includes three non-executive members for diverse perspectives.

Name	Gender	Position
Atalay M. Gümrah	Male	<ul style="list-style-type: none"> <li>Eczacıbaşı Holding Board Member</li> <li>Eczacıbaşı Holding CEO</li> <li>Eczacıbaşı Consumer Products Chairperson</li> </ul>
Bülent Kozlu	Male	<ul style="list-style-type: none"> <li>Eczacıbaşı Consumer Products Vice Chairperson</li> <li>Eczacıbaşı Consumer Products CEO</li> </ul>
Esra Eczacıbaşı Coşkun	Female	<ul style="list-style-type: none"> <li>Eczacıbaşı Holding Board Member,</li> <li>Eczacıbaşı Holding Digital Transformation Coordinator,</li> <li>Eczacıbaşı Consumer Products Board Member</li> </ul>
Seyfettin Sarıçam	Male	<ul style="list-style-type: none"> <li>Eczacıbaşı Holding Chief Financial Officer,</li> <li>Eczacıbaşı Consumer Products Board Member</li> </ul>
İpek Güleç	Female	<ul style="list-style-type: none"> <li>Eczacıbaşı Holding Chief Investment Officer,</li> <li>Eczacıbaşı Consumer Products Board Member</li> </ul>
Stefan De Loeker	Male	<ul style="list-style-type: none"> <li>Eczacıbaşı Consumer Products Board Member</li> </ul>
Saffet Karpata	Male	<ul style="list-style-type: none"> <li>Eczacıbaşı Consumer Products Board Member</li> </ul>
Hervé Rose	Male	<ul style="list-style-type: none"> <li>Eczacıbaşı Consumer Products Board Member</li> </ul>

BOD gender ratio: Eight males (63%), two females (38%)

## Committees Under the Board of Directors

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



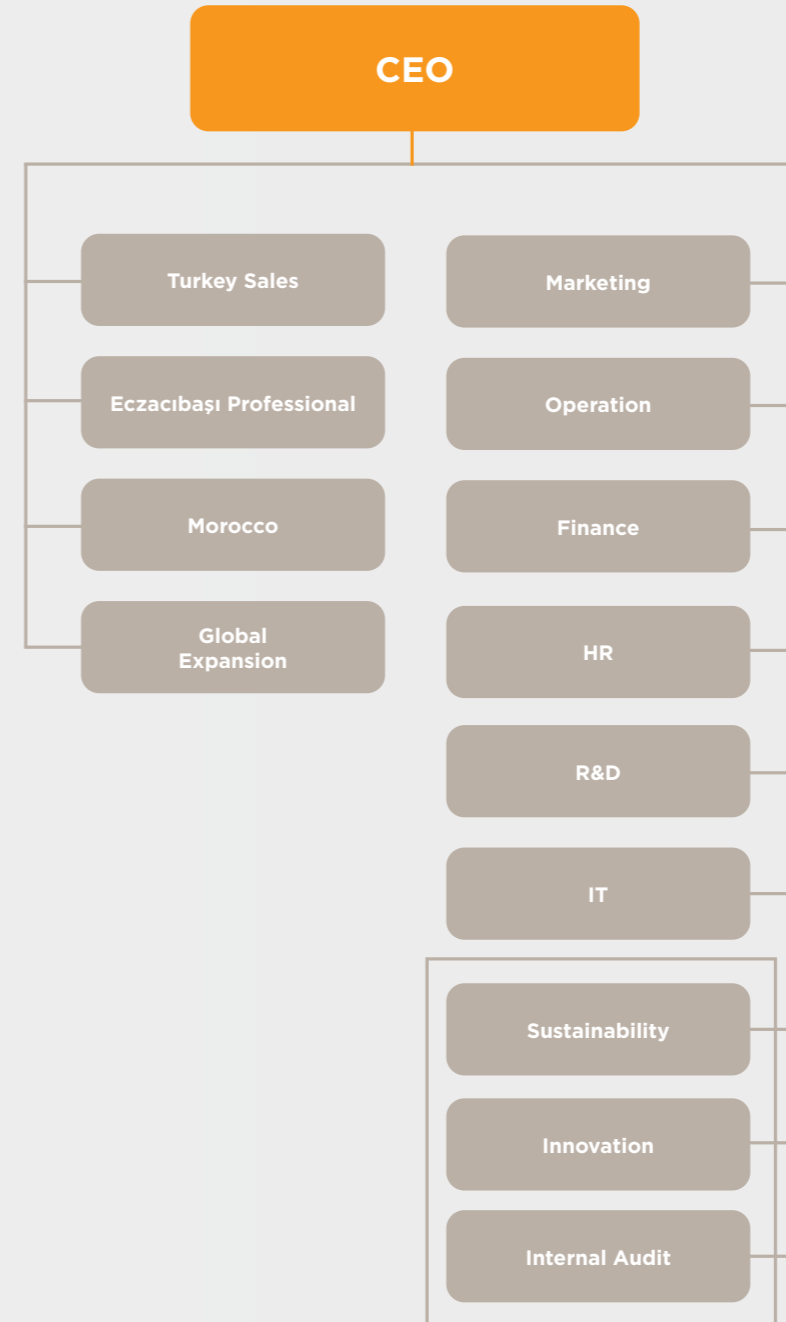
## Eczacıbaşı Consumer Products Executive Management

Our Executive Management team, consisting of 11 members, provides strategic guidance and ensures reliable, transparent, and high-quality services for stakeholders. They foster a culture of innovation, collaboration, and accountability, driving long-term growth. With their leadership and expertise, the team shapes performance, and strategic priorities, adapting to stakeholder needs. Upholding strong corporate governance, they strive for sustainable excellence in all areas of responsibility.

Name	Gender	Position
Bülent Kozlu	Male	CEO
Bilge Çiftçi	Female	CMO
Savaş Olgu Özden	Male	Sales Director
Güneş Soytürk	Male	Finance Director
Erdem Ülkümen	Male	Operations Director
Özgür Akyıldız	Male	Global Expansion Director
Tolga Yazgan	Male	Morocco Country Director
Sinem Kıranta	Female	HR Director
Utku Atak	Male	IT Director
Ürün Kandemirer	Male	R&D Director
Burak Kurtay	Male	Eczacıbaşı Professional Director

## Our Organizational Structure

Our organizational structure promotes collaboration and synergy among units led by senior executives. Each unit plays a crucial role in achieving strategic objectives, ensuring excellence, and industry leadership. This structure facilitates the implementation of short-term, medium-term, and long-term goals, supporting quality and our organizational vision.



# Sustainability Governance

## Group-wide Sustainability Oversight

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

### Eczacıbaşı Holding Board of Directors

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

### Eczacıbaşı Holding ESG Committee

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

### Sustainability, Corporate and Government Affairs (SCGA)

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

### Eczacıbaşı Holding Sustainability Coordination Council

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

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



## Sustainability Senior Management at Eczacıbaşı Consumer Products

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

### Sustainability Management

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

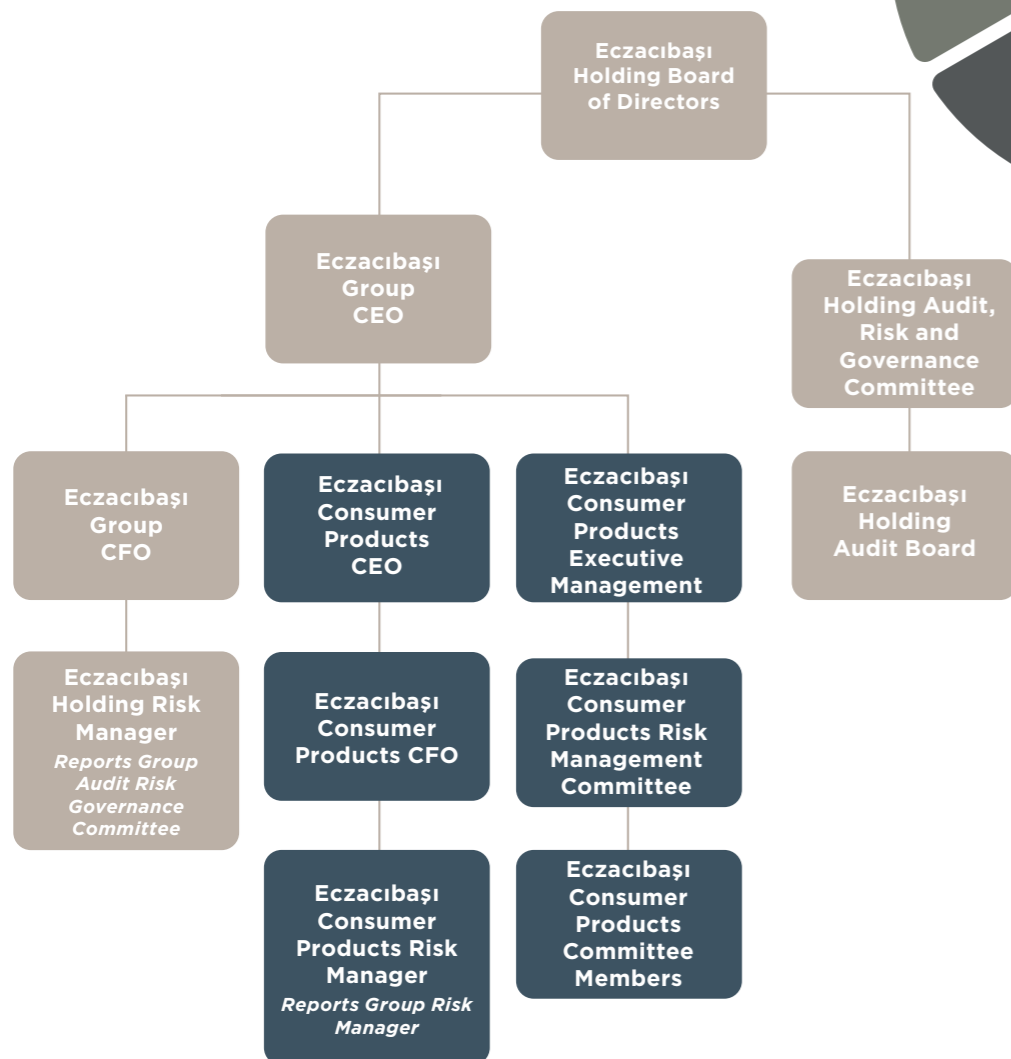
All identified focus areas, as determined by the Sustainability Strategy Committee, are closely monitored by relevant working groups. The responsibilities of these working groups encompass establishing tracking parameters for each focus area, tracking ongoing and planned improvement projects, and setting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

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

# Risk Management

- At Eczacıbaşı Consumer Products, risk management is a vital discipline integrated into our activities to foster a risk-oriented culture throughout the organization.
- Our main objective is to proactively identify and mitigate risks that could hinder our short-term and long-term objectives, impede our growth, or affect our sustainability efforts. Risk management at Eczacıbaşı Consumer Products is overseen by the Enterprise Risk Management Department, led by the CEO, in collaboration with the Eczacıbaşı Holding Enterprise Risk Management Department under the CFO's supervision.
- They coordinate and supervise risk management activities within the company. Regular reports on enterprise risk management activities are submitted to the Risk Management Committee of Eczacıbaşı Consumer Products and the Group Audit, Risk, and Governance Committee. These committees provide oversight of risk management activities across the company and receive periodic updates.

## Eczacıbaşı Consumer Products Risk Management Structure



## Risk Categories



Risks at Eczacıbaşı Consumer Products are classified into strategic, operational, financial, compliance, and sustainability categories, following the common risk universe of the Eczacıbaşı Group. While some areas like cybersecurity, human resources, and financial risks are centrally managed, others are specific to each organizational level within strategic and operational risks. The table below illustrates the risk categorization and provides examples of risk titles in each category.

## Management of Sustainability Risks

- At Eczacıbaşı Consumer Products, we prioritize a holistic sustainability approach, continuously evaluating our environmental, social, and economic (ESG) plans for their effectiveness.
- We align with international initiatives, such as the World Economic Forum's annual risk report, which highlights the importance of ESG in risk management. The scarcity of resources is a key concern for a sustainable world and our business.
- We address environmental and social risks related to natural disasters, climate change, biodiversity, resource utilization, and employee rights.
- For our business, sustainability-related risks include production delays due to water scarcity and higher production costs from energy supply issues.
- We manage these risks by implementing crisis management plans led by Eczacıbaşı Holding's corporate risk management during the energy crisis in 2022.
- We also assess governance risks, such as occupational health and safety, product responsibility, innovation, ethics, legal compliance, and anti-corruption measures.
- We evaluate all risk categories, considering their economic, social, and environmental impacts, to ensure business continuity and operational resilience.
- Eczacıbaşı Consumer Products is fully committed to contributing to the sustainability targets and risk mitigation efforts of the Eczacıbaşı Group, coordinated by the Group's Sustainability, Corporate, and Government Affairs team, to create a healthier future together.

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



# Ethics and Compliance

The Eczacıbaşı Group maintains strong adherence to corporate values, including strict compliance with business ethics and legal regulations in all operations. With a vibrant corporate culture, the Group upholds robust business ethics, emphasizing respect for individuals, the environment, continuous improvement, and contributions to society. These principles are deeply ingrained in the Group's founder, Dr. Nejat F. Eczacıbaşı, who exemplified a commitment to community service in both personal and business endeavors. It is crucial to ensure that all employees and subsidiaries understand and internalize these values, integrating them into their daily work.

## Business Ethics and Legal Compliance

### Commitment

- Aligned with our Group's commitment, we wholeheartedly embrace the principle of zero tolerance towards discrimination, bribery, and corruption.
- Our primary focus is to foster a fair and equitable work environment, where the human rights of our employees are respected, and our business practices remain untainted by any form of misconduct.
- We firmly prohibit the use of child labor and forced labor, ensuring that recruitment and subsequent processes are free from discrimination based on gender, language, belief, disability, or ethnic origin.
- We demonstrate unwavering dedication to protecting our employees' rights to unionize and organize, actively seeking to cultivate positive relationships with trade unions.

To provide comprehensive guidance, our Group Human Resources Handbook offers detailed information on human rights, freedom of association practices, as well as our esteemed values and codes of conduct.

<p>In line with the Eczacıbaşı Group's corporate sustainability management system, we prioritize fairness, ethics, and employee rights, with zero tolerance for discrimination, bribery, and corruption. Our aim is to foster a just work environment, free from any violations. We strictly prohibit child labor, forced labor, and discriminatory practices during recruitment. Additionally, we actively support employees' rights to unionize and organize, promoting positive relationships with trade unions. Our comprehensive Human Resources Handbook provides detailed information on human rights, freedom of association, and our esteemed values and codes of conduct.</p>	<a href="#">ESG (Environmental, Social, Governance) Policy</a>
	<a href="#">Eczacıbaşı Consumer Products Gender Equality and Equal Opportunity Policy</a>
	<a href="#">Eczacıbaşı Consumer Products Human Rights</a>
	<a href="#">Eczacıbaşı Consumer Products Environment and Climate Policy</a>
	<a href="#">Eczacıbaşı Consumer Products OHS (Occupational, Health and Safety) Policy</a>
	<a href="#">Eczacıbaşı Consumer Products Information Security Policy</a>
	<a href="#">Eczacıbaşı Consumer Products Energy Policy</a>
	<a href="#">Eczacıbaşı Consumer Products Quality Policy</a>
<a href="#">Eczacıbaşı Consumer Products Product Assurance Policy</a>	

### 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.
- As Eczacıbaşı Consumer Products, we have a detailed Code of Conduct for employees and partners, available on our website, ensuring transparency and accountability. If any violations, such as bribery, corruption, rights infringement, or conflicts of interest, are suspected, employees are obligated to report them to the Compliance Committee through designated channels. The Committee handles these reports confidentially and conducts thorough evaluations.

### Employee Communication and Training

- Our top priority is to ensure that our employees possess a comprehensive understanding of the standards and regulations pertinent to their roles. We are dedicated to providing extensive training and fostering transparent communication to clarify the implementation of these rules in their daily tasks. While we assume that our current staff has already completed this training, we also ensure that newly hired employees receive the necessary training within their first month.
- Starting from 2022, our employees received an average of 0.5 hours of Ethics training and 2 hours of Anti-Corruption and Bribery training.

2022	
Average Hours of Training by Program (hours per employee)	
Anti-Corruption and Anti-Bribery	2
Ethics	0.5

# Supply Chain Management

## Commitment

- We are committed to establishing a sustainable and responsible supply chain.
- We aim to create a supply chain that not only delivers quality products but also aligns with our values of sustainability and social responsibility.
- Our global supply chain, consisting of approximately 1,901 suppliers in various locations, operates in an environmentally friendly and socially responsible manner.
- We strive to forge partnerships with suppliers who share our vision, fostering a collective effort to drive positive change in the FMCG industry.

## Relations with our Suppliers

At Eczacıbaşı Consumer Products, we have two key procurement procedures in place.

- The Procurement Procedure involves selecting suppliers based on ESG criteria, especially energy consumption, while the Supplier Evaluation Procedure focuses on ensuring product quality and reliability.
- We conduct annual evaluations and take corrective actions to enhance supplier performance.
- Our procurement process integrates risk management aligned with sustainability goals.

Audits are conducted for material suppliers, assessing compliance with social suitability requirements such as preventing forced labor, ensuring safe working conditions, eradicating child labor, and more.

- Suppliers failing to meet these requirements are not considered suitable for collaboration.
- We maintain high standards through our Social Responsibility Policy and adhere to the principles of the Global Compact.

## Local Procurement

At Eczacıbaşı Consumer Products, we strongly emphasize the significance of local procurement, recognizing its economic, environmental, and quality control advantages.

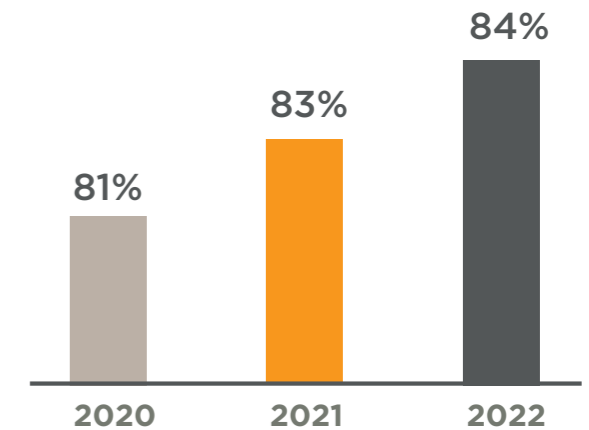
In 2022, we welcomed 80 new local suppliers, leading to an impressive local supplier ratio of 89.5%.

Our unwavering commitment is to continue expanding this ratio, contributing to sustainability, fostering economic growth, and ensuring the delivery of exceptional quality products.

- Our commitment to sustainable development also extends to our efforts to increase the number of local suppliers.
- We work closely with our suppliers to promote the socioeconomic development of our country, and in 2022, the total number of suppliers increasing by 5% through our collaboration with 104 new suppliers.

	2020	2021	2022
<b>Suppliers (#)</b>			
Local Suppliers	1,506	1,621	1,701
Foreign Suppliers	165	176	200
<b>Total Suppliers</b>	<b>1,671</b>	<b>1,797</b>	<b>1,901</b>

## Local Supplier Ratio (%)



# Economic Sustainability

At Eczacıbaşı Consumer Products, our strategic focus is on becoming a regional FMCG leader. Our key objectives include expanding in international markets, executing aligned projects, and supporting our factories and central operations. Despite price fluctuations, we successfully adjusted prices without tonnage decline. This achievement strengthens our determination to explore new markets, forge partnerships, and revitalize growth. We prioritize international expansion and view exports as crucial for our growth strategy. Localization initiatives cater to diverse markets, providing further opportunities for expansion and success.

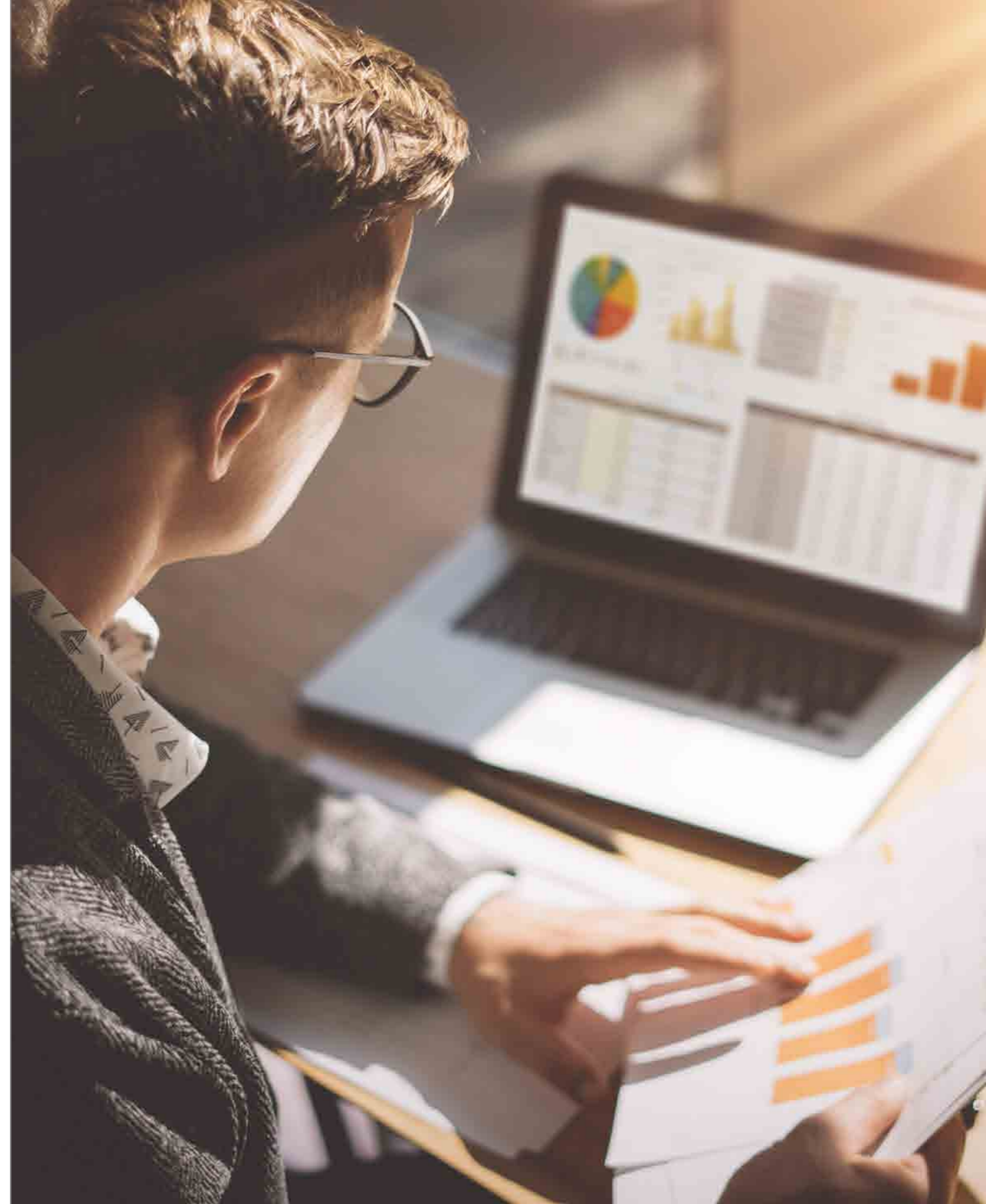
## Economic and Financial Performance

### Commitment

- We pledge to maintain our market leadership in the domestic sector by continuously strengthening our brands. Additionally, we are committed to expanding into targeted international markets to fuel our growth.
- Embracing digital innovation, we will pioneer new technologies and solutions to stay at the forefront of the FMCG industry. By fulfilling these commitments, we aim to deliver value to our customers, stakeholders, and communities, ensuring sustained success and making a positive impact.

### Performance

- In 2022, total net sales increased by an impressive 44% compared to 2021.
- We hold the fourth position overall in the personal care sector in Turkey, but rank second in the local market.
- We entered the Moroccan market by establishing a tissue paper plant, marking a significant milestone in our international expansion efforts in the Consumer Products division.
- Locally, we expanded our Manisa plant in March 2022, adding a 5th paper machine to support our ongoing investments.





# 4

## Investing in Planet



In response to the climate emergency, we must urgently take action. Transitioning to a sustainable future requires collective efforts from governments, institutions, and individuals to prioritize climate action, reduce emissions, conserve resources, and promote sustainability. At Eczacıbaşı Consumer Products, we are committed to sustainability and minimizing our environmental impact. Through initiatives like energy efficiency, renewable energy investments, optimized logistics, water and waste management, and responsible sourcing and production, we strive for a low-carbon economy.

Material Topics	Goals	Key Performance Indicator	Status (2022)
Energy Management and Carbon Emissions	By 2025, we will reduce our energy consumption per ton of production to 2.25.	Energy intensity (MWh/ton)	2.32 ✓
	By 2030, 50% of total electricity consumption will be met by renewable energy sources.	Renewable Energy Consumption (%)	Room for improvement
Water Management	By 2025, we will reduce our water consumption per ton of production to 7.49.	Water Intensity (m <sup>3</sup> /ton)	7.9 ✓
Waste Management	By 2025, we will reduce our waste generation per ton product to 32.14.	Waste (kg/ton)	35.1
	Our recycled waste ratio will be 95.3% each year.	Share of recycled waste (%)	95.3% ✓

<b>Climate and Environment</b>	<b>48</b>
Energy Management and Carbon Emissions	48
Water Management	53
<b>Circular Economy</b>	<b>55</b>
Resource Management and Responsible Procurement	55
Product Responsibility	56
Waste Management	58

# Climate and Environment

The COP27 climate summit in 2022 emphasized the need for urgent action to prevent a catastrophic future, especially regarding climate change and water. Despite the Paris Agreement’s goals, current trends indicate we may exceed the desired temperature limits. Even a 1.5°C increase would have severe environmental consequences and displacement.

Recognizing this urgency, the Eczacıbaşı Group is fully committed to integrating environmental management into our core business strategy. We believe these efforts will not only benefit our organization and stakeholders but also contribute to a sustainable future. We prioritize transparency, disclosing our environmental impact, and continuously improving in line with our sustainability goals. Collaboration and reduction of our environmental footprint are central to our approach.

To effectively address climate change, we have dedicated working groups for energy, carbon, and water management. These groups monitor progress, develop expertise, and report directly to the Sustainability Senior Manager. They work in coordination with our sustainability strategy committees, driving impactful actions towards our sustainability goals.

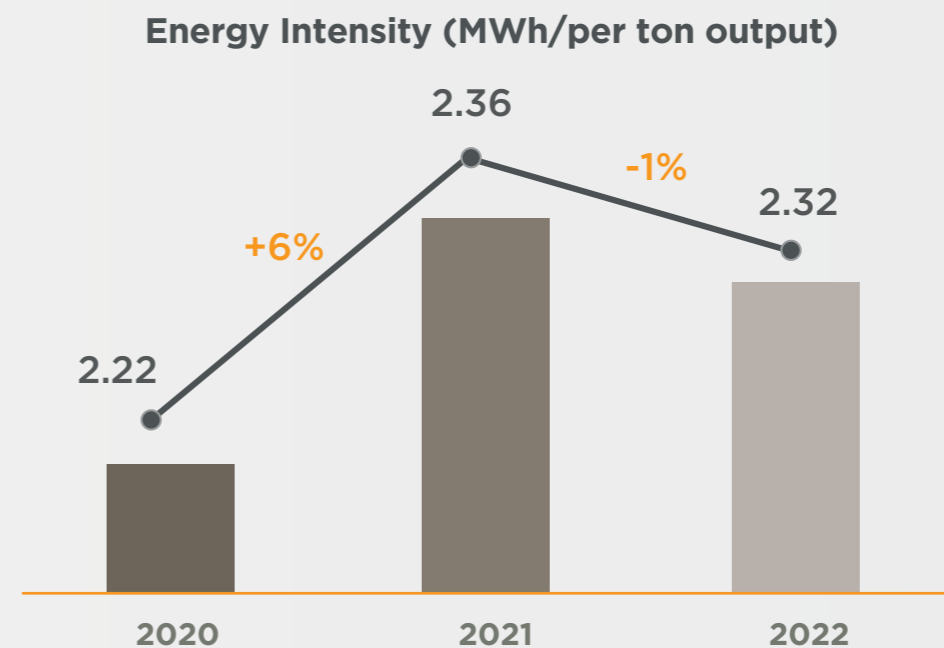
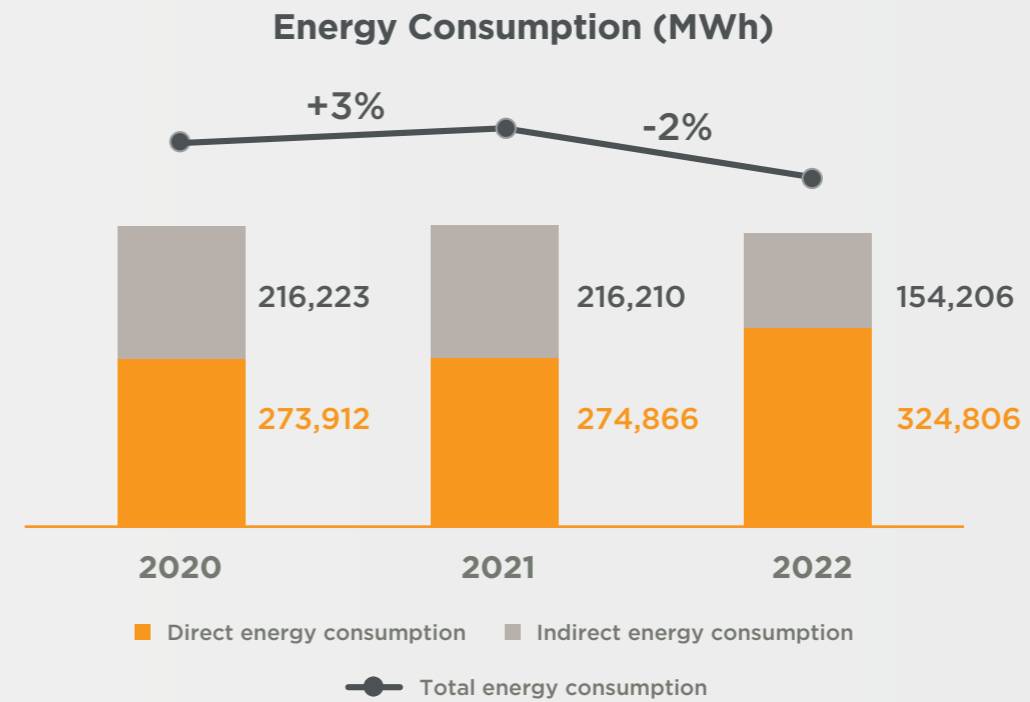
## Energy Management and Carbon Emissions

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

For additional details regarding the activities of our group companies, please refer to our [Story on Our Ambition report](#).

Energy Consumption (MWh)	2022
<b>Non-renewables</b>	<b>324,806</b>
Electricity	-
Natural Gas	256,592
Purchased Steam	65,749
Fuel Oil	2,044
Diesel	420
LPG/LNG	-
<b>Renewables</b>	<b>154,206</b>
Purchased Renewable Electricity	154,206
Self-Generated Renewable Electricity	-
<b>Total energy consumption</b>	<b>479,012</b> ✓

Energy Consumption (MWh)	2020	2021	2022
Direct energy consumption	273,912	274,866	324,806
Indirect energy consumption	216,233	216,210	154,206
<b>Total energy consumption</b>	<b>490,146</b>	<b>491,077</b>	<b>479,012</b>



**Performance**

We are dedicated to promoting resource efficiency and reducing greenhouse gas emissions through efficient energy use. By monitoring consumption, identifying energy-intensive processes, and implementing energy-efficient solutions, we strive for significant energy savings and a more sustainable future.

In 2022,

- We successfully achieved a 2% reduction in energy intensity compared to the previous year, resulting in an energy intensity level of 2.32 MWh/ton of product .
- Our ambitious goal is to further decrease our energy intensity to 2.25 MWh/ton of product by the end of 2025.

**Energy Efficient Project**

- In pursuit of energy optimization, we conduct regular assessments to identify areas for improvement. In 2022, our facilities undertook diverse energy efficiency projects aimed at optimizing production processes, reducing energy reliance, and mitigating environmental impact. These initiatives encompassed the adoption of efficient motors, the implementation of heat recovery and insulation measures, the enhancement of HVAC systems, the transition to efficient compressors, and the upgrade of lighting systems. These projects yielded a total savings of 727 MWh in 2022.

For additional details regarding the projects of Eczacıbaşı Consumer Products, please refer to our [Story of Our Ambition report](#).

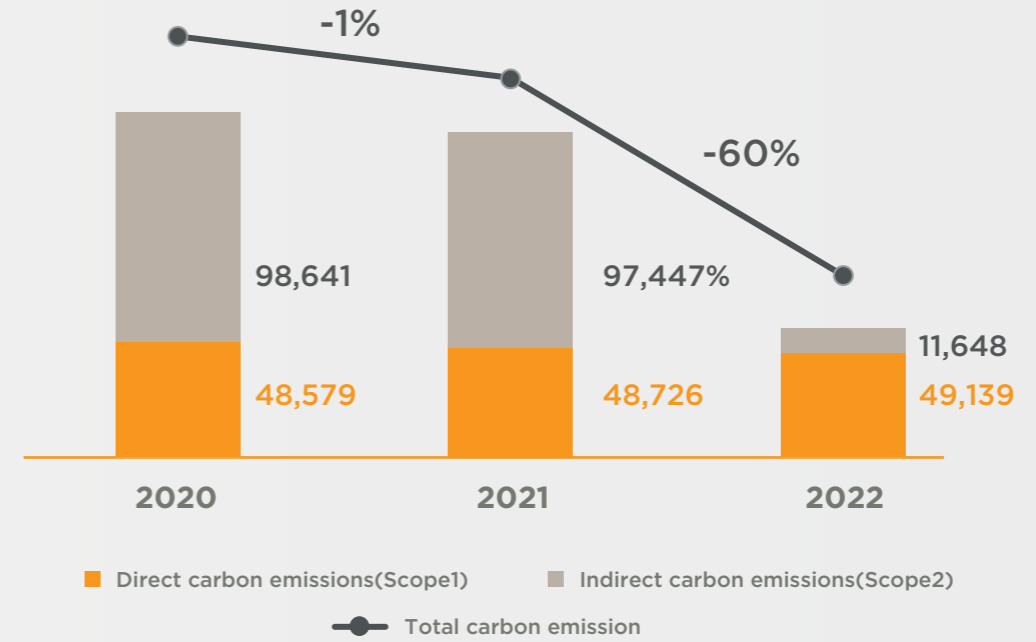
**Carbon Emission**

In 2022, our implemented initiatives and renewable electricity purchase resulted in a significant reduction of our Scope 1 and Scope 2 emissions. Specifically, our total emissions decreased to 57,787 tons of CO<sub>2</sub>, marking a 60% decline compared to the previous year. Moreover, our emission intensity decreased to 0.28 tons of CO<sub>2</sub> per ton of product.

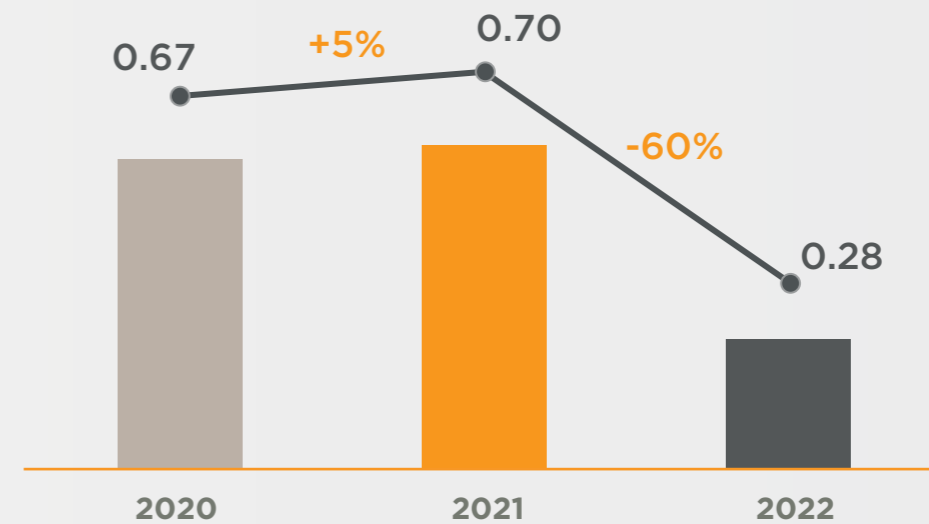
	2020	2021	2022
<b>Carbon Emissions (ton CO<sub>2</sub> )</b>			
Direct Carbon emissions (Scope 1)	48,579	48,726	46,139
Indirect Carbon emissions (Scope 2)	98,641	97,447	11,648 <sup>1</sup>
<b>Total (Scope 1 + Scope 2)</b>	<b>147,220</b>	<b>146,173</b>	<b>57,787</b>
<b>Carbon Emission Intensity (ton CO<sub>2</sub> / ton of product)</b>	<b>0.67</b>	<b>0.70</b>	<b>0.28</b>

<sup>1</sup>Scope 2 has decreased due to renewable electricity purchase

**Total Carbon Emission (ton CO<sub>2</sub>)**



**Carbon Emission Intensity (ton CO<sub>2</sub> / ton of product)**





## Carbon Emission Reductions in Logistics

### Commitments

As part of our sustainability commitment, we have implemented measures to reduce our carbon footprint in logistics.

### Performance

- By eliminating pallets for certain destinations, we increased truck load volume, saving 491 trucks and reducing CO<sub>2</sub> emissions by approximately 280 tons.
- We prioritize railway transportation whenever feasible, resulting in a significant 198-ton CO<sub>2</sub> emission reduction for products shipped to Bulgaria and Kazakhstan in 2022, compared to road transport.

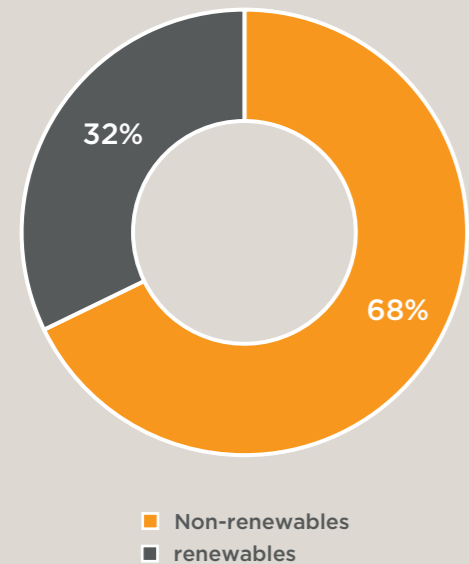
## Renewable Energy

### Commitments

- We are fully committed to investing in renewable energy technologies and infrastructure. By prioritizing these investments, we aim to reduce greenhouse gas emissions and decrease our dependence on fossil fuels.

### Performance

- **Generating Our Own Electricity from Renewables**
  - In 2022, we have installed 0.8 MW of solar panels on the roof of our Gebze production facility. The system has the capacity to generate approximately 1,307 MWh of electricity under optimal conditions. This amount covers around 72% of our Gebze Baby and Personal Care Products Plant's electricity consumption needs.
  - This project was commissioned in 2022 and was scheduled to be completed by the end of 2023.
- **Green Electricity Procurement**
  - In line with our firm dedication to renewable energy, we have implemented substantial measures to ensure that all our electricity consumption in 2022, amounting to 154 GWh, is sourced from renewable sources. This achievement highlights our commitment to fostering sustainable energy practices.



## Water Management

### Commitments

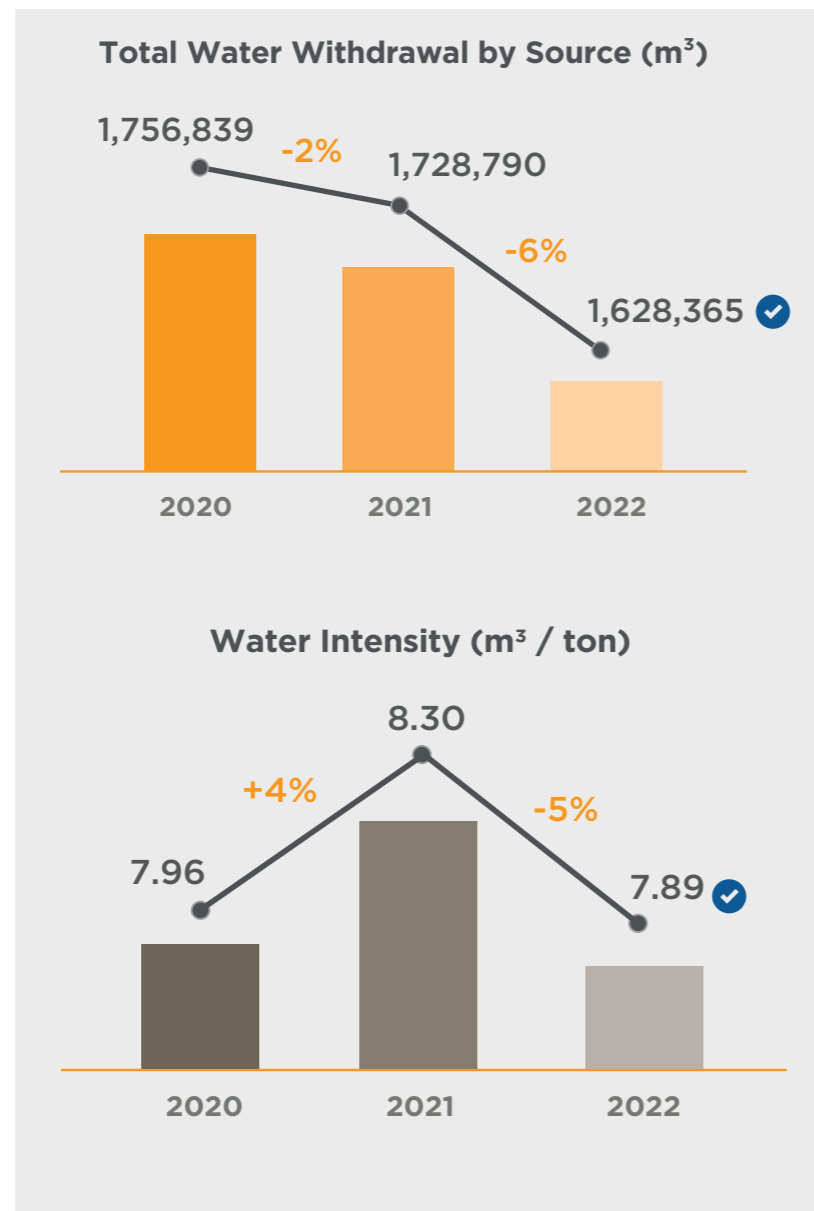
- As an FMCG company, we are committed to responsible water management. We prioritize efficient water use, implement water-saving initiatives, and mitigate water scarcity and pollution challenges. Our goal is to ensure sustainable water resources for future generations.
- In 2022, at Eczacıbaşı Consumer Products, we undertook a range of water management projects aimed at promoting responsible water usage and fulfilling our commitment to reduce water intensity.

### Performance

- **Process Modification:** We have implemented measures to reuse the steam, resulting in water savings of 1,080 m<sup>3</sup>/year.
- **Maintenance Works at Paper Machine:** Our maintenance team revised the cooling water return streams, saving 5,000 m<sup>3</sup> of cooling water. Cleanings are now done with treated wastewater, saving 240 m<sup>3</sup>/year of fresh water. Overall, our maintenance initiatives recycle 5,240 m<sup>3</sup> of water annually.
- **Equipment Modification at Paper Machine:** We achieved more efficient water use, resulting in water savings of 4,167 m<sup>3</sup> in 2022.
- **Wastewater Treatment Plant Process Optimization:** We have improved treatment facility. This optimization led to water savings of 27,345 m<sup>3</sup> in 2022.

**As a result of our efforts, in 2022;**

- Our efforts led to a total of 32,457 m<sup>3</sup> savings, corresponding to 2% of our freshwater usage.
- We have reduced our water intensity by 5% to 7.89 m<sup>3</sup>/ton product, compared to the previous year. ✓



	2020	2021	2022
<b>Water Circularity</b>			
Reused and Recycled Water	3,636	3,522	7,058
<b>Wastewater (m<sup>3</sup>)</b>			
Discharged Wastewater	1,238,758	1,239,842	1,241,853

# Circular Economy

The shift to a sustainable economy is crucial as global material consumption and waste generation are projected to increase significantly. The European Green Deal aims to scale up the circular economy and achieve climate neutrality. At Eczacıbaşı Consumer Products, we prioritize circular economy practices and have dedicated working groups focused on responsible production and resource management. Our commitment is to contribute to a more sustainable and environmentally conscious economy.

## Resource Management and Responsible Procurement

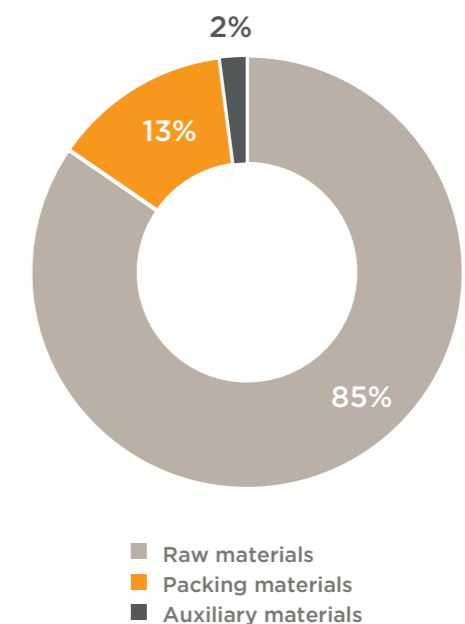


- We take significant steps to minimize our environmental footprint.
- We prioritize responsible sourcing, minimizing negative impacts and promoting positive outcomes.
- We strictly follow FSC guidelines for environmentally responsible products.
- We continuously strive to reduce waste through efficient practices.
- Our products meet high quality standards while being environmentally conscious.

**Performance**

- Our tissue paper production facilities have proudly received the Forest Stewardship Council Chain of Custody (FSC™ CoC) certificate.
- As part of our dedication to reducing material consumption, we offer consumers our Solo Giant Roll Towel product, which is three times longer than a regular roll towel. This innovative approach allows us to decrease the usage of glue and cardboard by two-thirds and reduce polyethylene packaging by three-quarters.
- By prioritizing local suppliers, we aim to reduce our logistical environmental impacts and support the prosperity of local communities. We are proud to have more than 1700 local suppliers which represents 90% of our total suppliers. It is not only strengthens local economies but also contributes to our efforts in reducing our carbon footprint.

**Material Use (ton)**



## Management Systems

FSC (Forset Stewardship Council) Management System
ISO 22716 Cosmetics Good Manufacturing Practice
ISO 9001.2015 Quality Management System
ISO 14001.2015 Environmental Management System
ISO 50001 Energy Management System
ISO 27001 Information Security Management System
Etko Cosmos Natural Certification
IFS HPC Personal Care and Household
Kasher Certificate
Halal Cosmetics and Disinfectant
AMFORI BSCI Social Compliance Certificate
Reliable Supplier Certificate
Domestic Product Certificate
Triple Bottom Line
TSE Turkish Standards Compliance Certificate

## Product Responsibility

Aligned with UN Goal 12, we develop sustainable products that prioritize responsible resource use. Our range enhances comfort, hygiene, and well-being in homes and external environments. By offering sustainable solutions, we meet evolving customer demands while contributing to a more sustainable future.

## Commitment

Our commitment includes prioritizing consumer health, reducing plastic usage with biodegradable alternatives, optimizing energy and water consumption, and developing eco-friendly cleaning formulas.

## Performance

Eczacıbaşı Professional (EP) focuses on responsible consumption and production in the cleaning and hygiene sector.

- EP offers a range of high-quality products, including tissue papers, cologne, hand disinfectants, soaps, surface disinfectants, and wet wipes.
- Selpak Professional dispenser series, such as the Selpak Professional Premium Sensor Towel Dispenser, contribute to reducing paper consumption in public spaces.
- Green Care products, the sub-brand of Tana Professional, which Ep sells, have EU Ecolabels, Nordic Swan Ecolabel, and Cradle to Cradle certificates. These environmentally friendly products feature 100% biodegradable surfactants and provide sustainable alternatives for cleaning and hygiene needs. The Maratem hero product line reduces water usage and minimizes packaging waste through a concentrated formula and refillable bottles.
- EP addresses drain blockages and waste accumulation with a biological product series containing beneficial bacteria and special surfactants.

## 1. Maratem Duo

The Maratem Duo special concentrate product series is designed with an automatic dilution cap to address the issue of excessive chemical use. The concentrated formulas offer storage advantages, optimizing logistics and reducing greenhouse gas emissions. Maratem Duo supports environmentally friendly practices in the industry.

## 2. Antimic Surface Disinfectant

Maratem M281 Antimic is a water-based nanotechnological cleaning and protection material that eliminates bacteria and viruses on the applied surface. It delivers highly effective and long-lasting results with a minimal amount of application.



## 3. Uni Baby

We have reformulated our wet wipes, shampoo, laundry detergent, and softeners with natural ingredients, ensuring a gentle and safe experience for babies. Recognized by Etko Cosmos, we meet global standards for naturalness and have received prestigious certifications. Uni Baby is the trusted companion of parents, offering innovative and high-quality products for the well-being of babies. Our newborn wet wipes are made with 100% plant-based fibers and organic cotton, ensuring a gentle and natural touch for babies. It is the first natural newborn wet wipes approved by Etko Cosmos in Turkey.

## 4. Responsible Care Initiative

Responsible Care is a voluntary commitment program in the global chemical industry that goes beyond legal requirements. It focuses on continuous improvement in environmental, health, safety, and information performance to prevent harm to human health and the environment. It also emphasizes resource efficiency, waste reduction, and collaboration with government institutions to develop and enforce effective regulations and standards.



## Waste Management

### Commitment

At Eczacıbaşı Consumer Products, we are committed to reducing and managing waste throughout our operations and supply chains. We prioritize waste minimization, maximize reuse and recycling, and ensure responsible disposal practices. At Eczacıbaşı Consumer Products, we prioritize circular economy practices in our production and sourcing. Through industry connections and partnerships, we aim to transform production waste into valuable resources within the circular economy.

### Performance

- 24% of our total waste generated from paper machines at our Yalova Tissue Paper Production Plant is used to produce shoe insoles.<sup>1</sup>
- We reduced waste intensity by 7%, resulting in only 35 kg of waste per ton of product. Our recycling ratio also surpassed the 2022 target, reaching 95.3%.<sup>2</sup>
- Selin product line eliminated PE shrink materials in cartons, preventing approximately 1.5 tons of plastic usage and environmental waste.

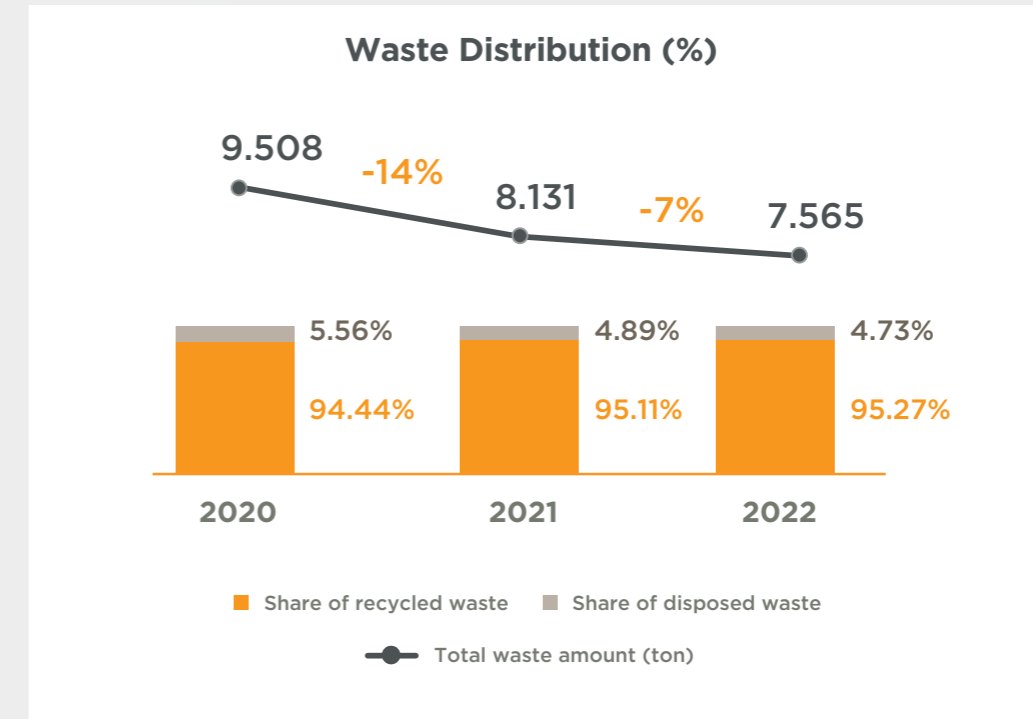
For more information on our waste management initiatives, please refer to our [Integrated Sustainability Report 2022: Story of Our Ambition.](#)

### Plastic Initiative

In 2022, we achieved 2% reduction in plastic use through initiatives to minimize packaging. We optimized bottle weight, dimensions, and thickness, eliminating unnecessary plastics to reduce our environmental impact.

<sup>1</sup>The other waste recovery methods are heat recovery and waste recycle from Manisa, Yalova and Gebze.

<sup>2</sup>The ratio covers waste from Manisa, Yalova, Gebze facilities.



	2020	2021	2022
<b>Waste Distribution (%)</b>			
Share of recycled waste	94%	95%	95%
Share of disposed waste	6%	5%	5%

	2022
<b>Waste by Type and Disposal Method (ton)</b>	
<b>Hazardous Waste</b>	<b>840</b>
Recovered and recycled	839
Disposed	1
<b>Non-Hazardous Waste</b>	<b>6,725</b>
Recovered and recycled	6,367
Disposed	358
<b>Total Waste Amount</b>	<b>7,565</b>
Waste recovered and recycled	7,207
Waste disposed	358 ✓

# 5 Investing in People



Material Topics	Goals	Key Performance Indicator	Status (2022)
Equal, Diverse and Inclusive Workplace	By the end of 2025, we will keep the share of women among new recruits at least 50%.	Women among new recruits (%)	55% ✓
	By the end of 2025, we will keep the share of women in employment at least 40%.	Total share of women professionals (%)	40% ✓
	By the end of 2025, we will increase the share of women in management positions to 35%.	Women in management positions (%)	33% ✓
Health, Safety and Wellbeing*	By the end of 2025, we will gradually reduce the accident frequency rate below 1 for every 200 thousand working hours	Accident Frequency Rate (%)	0.69 ✓
	We will reduce the lost workday (LWD) with respect to previous year.	LWD	12.08

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

Eczacıbaşı Consumer Products is highly dedicated to investing in our workforce to improve employee well-being and ensure long-term success for our organization. Our main goal is to create meaningful and fair employment opportunities for everyone, while fostering a diverse and inclusive culture that embraces individual differences

To achieve this, we are fully committed to establishing a work environment that adheres to exceptional standards of working conditions, prioritizes the health and well-being of our employees, and provides abundant opportunities for their professional and personal development. This enables them to reach their maximum potential. We recognize that our employees are the foundation of our organization, and as such, we have a fundamental responsibility to bring value to our wider community. As a result, we have implemented a comprehensive range of strategies designed to have a positive impact on the lives of those within our sphere of influence.

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# Equal Opportunity

Eczacıbaşı Consumer Products is committed to providing equal opportunities and a safe working environment. We value diversity as a vital part of our corporate culture. Our human resources strategy focuses on investing in our employees, promoting equal opportunities in all aspects of their lives, and prioritizing their overall well-being.

To achieve our strategic objectives, we diligently adhere to legal frameworks. In addition to the Eczacıbaşı Community's legal documentation, we have implemented specific policies at Eczacıbaşı Consumer Products, including our **Gender and Equal Opportunity Policy**, which operates in alignment with the broader **Eczacıbaşı Group's Gender and Equal Opportunity Policy**, as well as our **Human Rights Policy**. These policies are not confined solely to our company

but extend to every stage of our value chain, as we exert our utmost efforts to uphold and integrate human rights principles.

By promoting and safeguarding a respectful work environment, we build trust and connection with our employees. We believe in inclusivity by bridging the gender gap and have included the celebration of International Men's Day in our HR agenda as a testament to our commitment.

Nurturing an inclusive workplace involves offering equal opportunities to all candidates and employees, which is a key focus of our sustainability strategy. We are proud members of the Group's Equal Opportunities Committee, allowing us to benchmark our practices and engage in fruitful exchanges to enhance our HR policies and practices.

## Equal, Diverse, and Inclusive Workplace

### Our Management Philosophy

- Embracing inclusion, diversity, and equality is crucial for a healthy and thriving organization.
- At Eczacıbaşı Consumer Products, we believe in providing equal opportunities and treating everyone with equality.
- Our HR perspective is based on three pillars: equality, diversity, and inclusion.
- A diverse workplace helps us understand different segments of the population and cater to their needs effectively.

### Our Commitment

- We are committed to creating a peaceful, safe, transparent, equitable, and dignified work environment.
- We uphold ethical principles and human rights throughout suppliers to adhere to non-discrimination in their employment practices.
- Our commitment to non-discrimination encompasses all stages of the employment process.
- We support the right of employees to form and join labor unions in accordance with national law.
- Equal pay for equal work is a fundamental principle we promote and implement.

- The Eczacıbaşı Group Code of Conduct and the Human Resources Practices Handbook provide clear guidelines for our employees.
- Fostering enhanced gender diversity is a primary objective at Eczacıbaşı Consumer Products.
- We have implemented policies and procedures to address the need for gender balance improvement, especially in traditionally male-dominated fields like production.
- Our commitment remains strong to ensuring women are represented at all levels of our company.

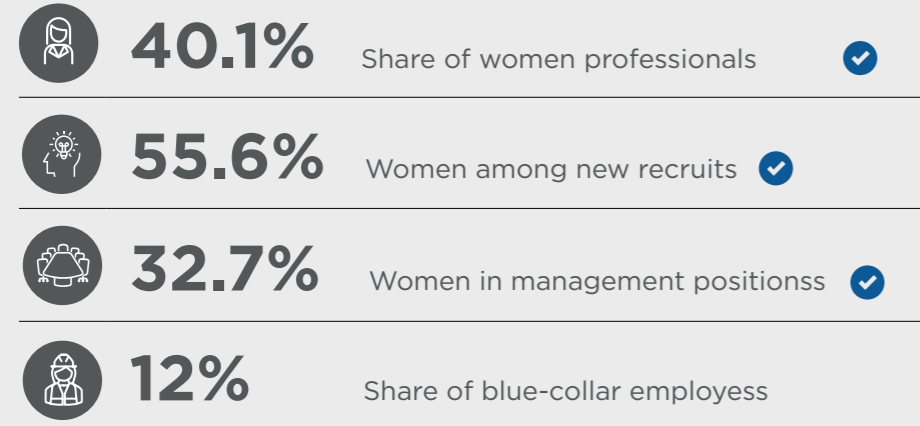
### Performance

In 2022, we made significant strides towards achieving greater gender diversity within our organization.

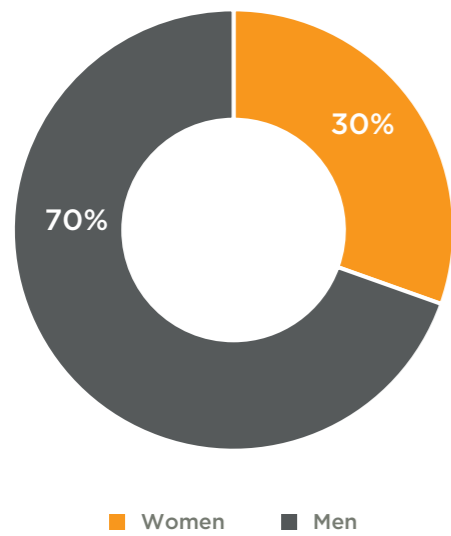
- There was a notable increase in the percentage of women among new recruits, rising from 49% to 55%.
- The overall percentage of women professionals improved, increasing from 39% to 40%.
- The representation of women in management progressed from 31% to 33% compared to the previous year.

		2022	
<b>Workforce by Gender</b>			
<b>Total Workforce</b>		<b>1,084</b>	
	Women	330	30%
	Men	754	70%
<b>White-collar employees</b>			
	Women	286	41%
	Men	416	59%
<b>Blue-collar employees</b>			
	Women	44	12%
	Men	338	88%

**Performance**



**Total Workforce**



	2020	2021	2022
Share of women in STEM positions	20%	24%	26%
Share of women in management positions in revenue-generating functions	31%	29%	29%

	2020	2021	2022
<b>Employee Demographics</b>			
Total Workforce	<b>987</b>	<b>994</b>	<b>1,084</b>
White-collar employees	618	651	702
Blue-collar employees	369	343	382
Number of employees in the management work family	54	51	55
Number of non-management employees	564	600	647
Number of subcontracted employees	-	-	566

## Attracting, Developing, and Retaining Talent

**Commitment**

- Continuous support for employees' professional growth is a top priority at Eczacıbaşı Consumer Products.
- Addressing critical areas such as career advancement, evolving nature of work, rewards and recognition, team collaboration, and sustainable commitment.
- Improving communication and understanding of unique employee needs through team-oriented structure.
- Preparing an environment that values recognition and assistance to inspire employees.
- Strong focus on collaboration, innovation, and ongoing professional growth.
- Dedication to empowering employees and aligning aspirations with collective objectives of the Group.



**Performance**

- Increasing training budget each year to support employee growth and development.
- Average training hours per employee increased from 19 to 23 hours in 2022.
- Total training hours per talent increased to 11 in 2022.
- Diverse training programs to identify common company needs and direct employees towards relevant programs aligned with shared goals.
- Launched “Competence Academy” in 2021, delivering customized competence development initiatives.
- “Mind Masters” mentoring/reverse mentoring program launched in 2021 with 63 participants, promoting collaborative learning and development.
- Actively monitored organizational backups and alarming points in the new system in 2022.
- Creating action plans to retain talent based on employee loyalty survey results.
- EP Academy developed comprehensive training program for industry professionals in cleaning and hygiene.
- Successfully trained 9,200 individuals across 500 locations in 2022, offering diverse training options under the slogan “We are here for you.”

	2020	2021	2022
<b>Employee Training</b>			
<b>Average hours of training per employee</b>	<b>11</b>	<b>19</b>	<b>23</b>
Women	5	24	28
Men	7	16	24
Total training hours provided for employees (employee*hours)	2,955	9,611	2,956
Women	1,226	5,488	6,719
Men	1,729	4,122	6,237

**Attracting the Best Talents**

- We prioritize attracting top talent through initiatives such as training programs, workshops, and competitive events like Career Test Drive, EnGenius, and Markatlon.
- Comprehensive internships offer valuable insights into our operations and position participants favorably for future recruitment.
- Our objective is to attract highly educated individuals who align with our core values and possess a dynamic and innovative mindset.
- We ensure fairness in recruitment through scientifically validated tools and our dedicated recruitment platform, Eczacıbaşı Career website.
- By fostering an inclusive environment that values diversity and encourages professional growth, we provide opportunities for individuals to thrive and contribute to our success at Eczacıbaşı Consumer Products.

2022

**New Recruits**

<b>Total number of new employee hires during the year</b>	<b>126</b>	
Women	70	56%
Men	56	44%
<b>Under 30 years old</b>	<b>85</b>	
Women	53	62%
Men	32	38%
<b>30-50 (including) years old</b>	<b>40</b>	
Women	17	43%
Men	23	58%
<b>Over 50 years old</b>	<b>1</b>	
Women	-	0%
Men	1	100%

2022

**Employees Who Left Work**

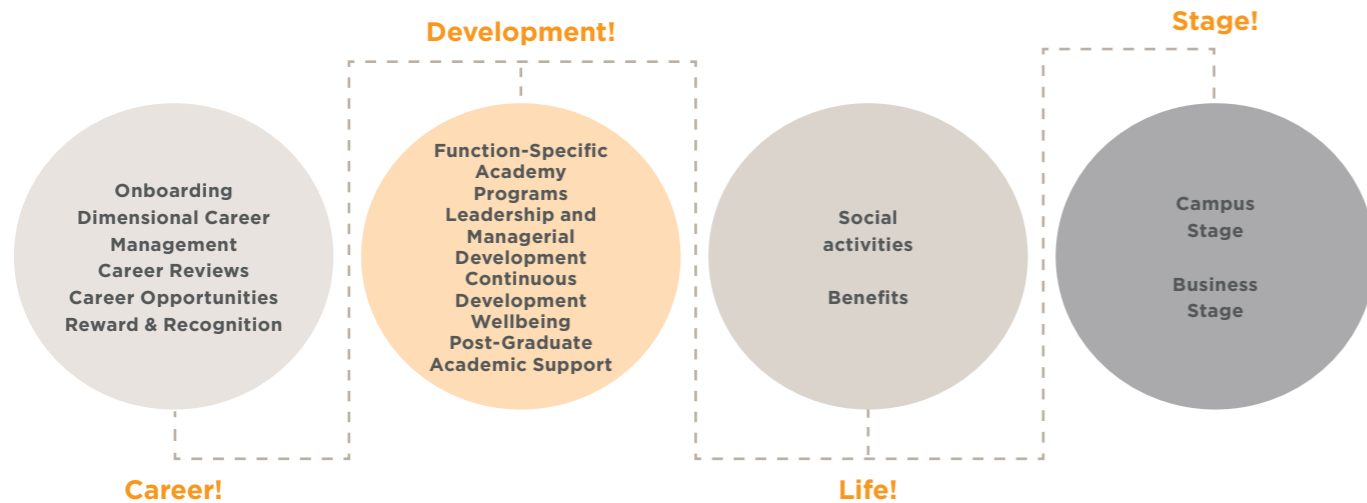
<b>Total</b>	<b>104</b>
Women	56
Men	48
<b>Under 30 years old</b>	<b>43</b>
Women	26
Men	17
<b>30-50 (including) years old</b>	<b>56</b>
Women	29
Men	27
<b>Over 50 years old</b>	<b>5</b>
Women	1
Men	4
<b>Number of employees who voluntarily left work</b>	<b>77</b>
Women	42
Men	35

### Performance and Career Development

- As a prominent player in the FMCG sector, we prioritize performance evaluation to nurture the personal and professional growth of our workforce.
- Our holistic approach includes performance assessments and career development evaluations, ensuring equal opportunities for all employees.
- Our three-phased Performance Management System provides regular feedback and corrective action when needed.
- We embrace career opportunities such as rotation and job transitions while maintaining transparent and fair practices.
- These initiatives enable us to sustain our leadership position in the FMCG sector by identifying and nurturing competent individuals within Eczacıbaşı Consumer Products.



### Career Journey At Eczacıbaşı Consumer Products



### Employee Engagement

- At Eczacıbaşı Consumer Products, we prioritize employee satisfaction and strive to create an inclusive, diverse, and equitable working environment.
- We value the exceptional talents of our workforce and are dedicated to their growth and retention.
- Active listening is key to understanding and addressing employee needs, contributing to our employee satisfaction initiatives.
- We conduct annual risk mapping to chart our roadmap for employee growth and adapt to flexible working conditions.
- We offer remote, hybrid, and in-office working patterns, and promote employee participation in decision-making.
- Our “Bi’Mola” program promotes physical and mental well-being through the Studio live mobile application, enhancing corporate vitality and overall well-being.

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

Category	Actions
Sustainable Engagement	A communication plan was implemented to internalize the company purpose house by the employees.
Leadership	Live broadcasts started to be made every quarter with the management team.
	Meetings with the leadership team began to be held every quarter.
Training and Development	Flexible training programs were launched in functional academies.
Pay & Rewards	The instant recognition and reward system was used effectively.

# Health and Wellbeing

At Eczacıbaşı Consumer Products, we prioritize employee health and well-being, recognizing its impact on engagement and productivity. Our culture promotes a safe work environment, aligned with the Group's Occupational Health and Safety policy. We have a dedicated OHS Committee that ensures safety and supports daily operations, fostering a thriving workplace.

## Health, Safety, and Wellbeing

### Commitment

- Eczacıbaşı Group is committed to a safe and healthy working environment, upholding regulations and improving OHS performance.
- The Group takes proactive measures to ensure the best OHS practices and eliminate workplace hazards.
- Regular risk analyses drive continuous improvement and aim for **zero occupational accidents and diseases.**
- Employee safety and well-being are top priorities for the Group.

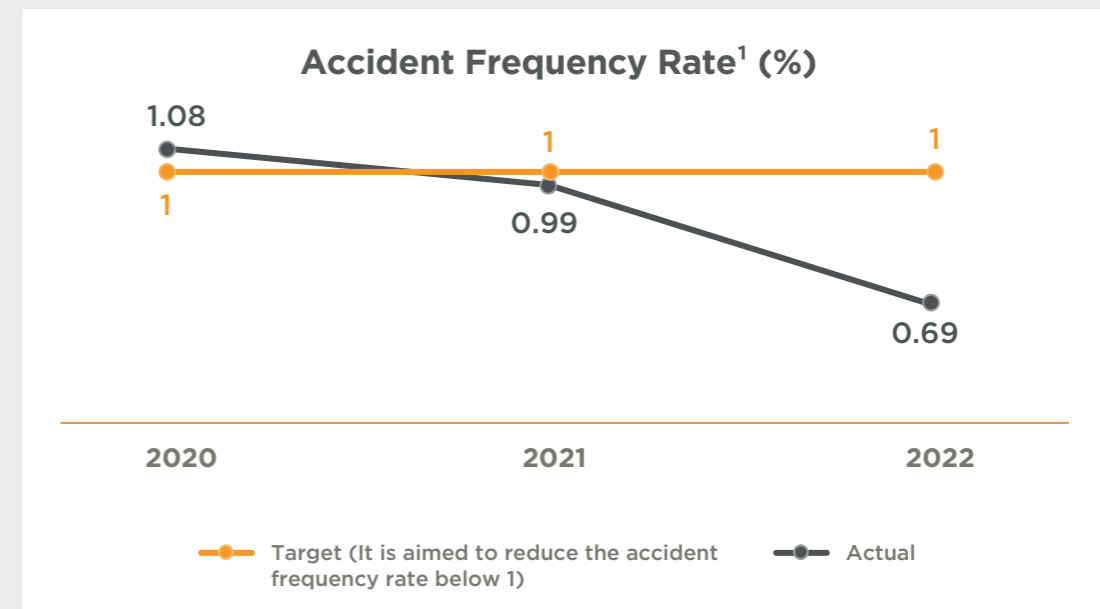
### Performance

- We have set a target to annually reduce our accident frequency rate by 10-30%
- Over an 12-month period, we have achieved remarkable results in improving safety:
  - Our proactive efforts led to a significant 30.3% decrease in the Lost Time Injury Frequency Rate (LTIFR), reducing it from 0.99 in 2021 to an impressive 0.69 in 2022.

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

	2020	2021	2022
<b>Occupational Health and Safety Training</b>			
Total training hours given to employees on OHS (employee*hours)	2,934	2,880	3,172
Number of employees who received training on OHS	889	993	1,220
Average training hours on OHS	3.30	2.90	2.50

	2020	2021	2022
<b>Incidents</b>			
<b>Incidents Resulting in Lost Time</b>	<b>19</b>	<b>17</b>	<b>12</b>
Employees	4	8	5
Contractors	15	9	7
<b>Incidents Not Resulting in Lost Time</b>	<b>26</b>	<b>38</b>	<b>36</b>
Employees	12	13	15
Contractors	14	25	21
<b>Total Number of Incidents</b>	<b>45</b>	<b>55</b>	<b>48</b>



<sup>1</sup>The ratio represents injury incidents reported to the Social Security Institution that resulted in employees (both payroll and contract) being unable to return to work on the next shift or working day, relative to the total working hours.

# Community and Social Vitality

One of the foundational values of the Eczacıbaşı Group revolves around “adding value to the communities” in which it operates. In order to uphold this commitment, the group actively seeks to implement sustainable solutions that promise enduring impacts on these communities. Collaborating with our dedicated employees, we tackle critical social issues and foster sustainable development through various social initiatives. As Eczacıbaşı Consumer Products, we understand that creating a significant and meaningful impact necessitates a comprehensive and sustainable approach.

## Social Investment

### Commitment

As an FMCG company, we're committed to positive change and sustainable growth in the communities we serve. Our corporate citizenship efforts prioritize community support, reflecting our values. Through our brands and employees, we make a meaningful impact by actively empowering communities worldwide.

### Activities

- Under the “Being a Beacon of Hope for Another Life” campaign, our factories have witnessed 71 blood donations and 20 organ donations.
- To address risks posed by natural disasters, outbreaks, conflicts, and technological threats in earthquake-prone regions, Eczacıbaşı Consumer Products has implemented the Disaster Management System (DMS) Program. The program includes task cards and has successfully piloted at the Yalova facility, earning recognition at the European Risk Management Awards 2022.
- Through our collaboration with the Turkish Association for Prevention of HIV/AIDS (TAPV), we set up stands at universities on World AIDS Day, providing information and answering questions. In 2023, we plan to expand our efforts in sexual health awareness through the Okey Sexual Health Initiatives, including collaborations with experts and digital channels.
- Eczacıbaşı Consumer Products, in collaboration with the Group, has established Rescue Teams on three campuses, receiving training through Akut. Emergency response teams were updated, trained, and participated in an evacuation drill. Earthquake training sessions were also conducted throughout the Group.
- In line with our social responsibility, we provide in-kind assistance during disasters such as forest fires, earthquakes, and conflicts.
- During the Russia-Ukraine war in 2022, we supported affected communities through our embassy and dealerships, donating hygiene products
- We have donated hygiene products to institutions like the SMA Association, Aziz Nesin Mathematics Village, Koruncuk Foundation, and Tohum Autism Foundation

	Unit	2021
<b>Volunteering</b>		
Total hours spent by employees on volunteering activities	Hour	480
Number of employees participating volunteering activities	#	66
Percentage of employees	%	5%
Number of Volunteer Projects	#	3
İKSV contribution amount	Euro	48,864
<b>Total amount of donations made within the scope of corporate social responsibility</b>	<b>Euro</b>	<b>17,443</b>

## Wellbeing and Hygiene

### Commitment

We are committed to creating value for consumers and business partners through innovative products that prioritize hygiene and efficient resource utilization. Aligned with the United Nations 2030 Agenda, our goal is to enhance comfort, hygiene, and overall well-being in people's daily lives. By focusing on consumer needs, responsible practices, and continuous improvement, we aim to make a positive social impact and address hygiene disparities in the community.

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

### Eczacıbaşı Hygiene Project

«In 2007, our project was rebranded as the “Eczacıbaşı Hygiene Project” and became an integral part of our Group's initiatives.»

#### Hello potty

«In 2022, we reached out to 5 million parents through digital channels.»



#### Personal Hygiene Education

«In 2022, we further expanded our reach by reaching out to two additional schools, providing personal hygiene education to 850 students.»





# Investing in Future



In the last thirty years, the incorporation of digital technology has become crucial for businesses to stay competitive and ensure continuity. Companies are dedicating greater resources to digital and innovative solutions to adapt to the constantly evolving technological environment. The combination of innovation, entrepreneurship, and digital transformation generates a strong collaborative force for sustainable development. It presents prospects to reimagine industries, reshape systems, and tackle urgent global issues. By embracing these catalysts of change, organizations can unlock fresh opportunities, expedite the shift towards a low-carbon economy, and improve the well-being of current and future generations.

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# Innovation and Entrepreneurship

Eczacıbaşı Consumer Products is dedicated to investing in and supporting entrepreneurship, while also integrating sustainability goals into our innovation initiatives. Our approach to innovation is guided by a sustainable and human-centric strategy, placing emphasis on environmental responsibility and value creation.

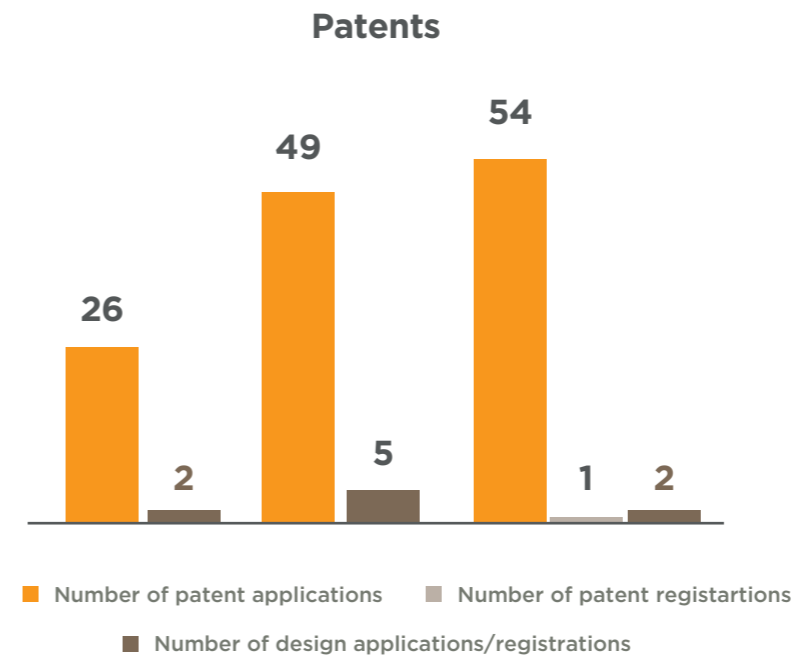
## Innovation

- At Eczacıbaşı Consumer Products, our commitment is to foster a creative ecosystem through a holistic approach that integrates open innovation into all our processes.
- We understand the importance of collaboration and partnerships with external stakeholders, including customers, suppliers, and research institutions, to cultivate an innovative culture and bring about impactful transformation.

### Performance

Eczacıbaşı Consumer Products prioritizes sustainability within our innovation approach. We integrate sustainability into various aspects, such as resource optimization, waste reduction, circular economy principles, responsible sourcing, and eco-friendly products. Our goal is to minimize our ecological footprint while maximizing positive impacts through innovation

	2020	2021	2022
<b>Patents</b>			
Number of patent applications	26	49	54
Number of patented registrations	-	-	1
Number of design applications/registration	2	5	2



### InovaLIG 2022 Competition

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

## Entrepreneurship

- At Eczacıbaşı Consumer Products, we actively encourage employee participation in our corporate entrepreneurship program. We believe it is crucial for driving innovation and generating new ideas.
- By providing a platform for employees to contribute their insights and creativity, we tap into their entrepreneurial potential.
- This inclusive approach empowers our team and fosters a culture of intrapreneurship.
- We organize events like pitch days and hackathons to foster a thriving innovation ecosystem and encourage collaboration among stakeholders.

### Startup Scouting

In collaboration with Innovation & Entrepreneurship Coordination and Eczacıbaşı Momentum, our corporate venture capital fund, we conducted a successful pilot study in Q4 2022 for our Startup Scouting program. Engaging with over 20 startups in our focus areas, we made significant progress in three projects.

### Engenius

We actively involve young individuals in the entrepreneurship ecosystem through the EnGenius competition. Our innovative organization promotes a culture of innovation and entrepreneurship, empowering young talents and supporting their ideas and ventures. Together, we nurture the next generation of innovators and entrepreneurs.

## Research and Development

### Commitment

- Our R&D Center is dedicated to innovation and creating environmentally responsible products. Through advanced technologies and scientific expertise, we develop cutting-edge solutions that meet high-quality standards.
- With a commitment to sustainability, we strive to make a positive impact on both the industry and the world. Our center is a hub for collaboration and excellence, addressing customer needs while promoting a greener future.

### Performance

- Through strategic investments in research and development (R&D), we drive shared value creation and enhance our competitive edge in the FMCG sector.
- Our dedicated innovation and R&D centers continuously strive to develop cutting-edge and sustainable solutions, enabling us to deliver top-tier products and services to our customers.

The Just Create Platform sparks innovation and improves consumer life through idea generation and R&D. Our goal is to explore and develop creative concepts that fulfill customer needs, fostering a culture of creativity and ideation.

In our Inno-Edu Program, we train R&D employees in entrepreneurship, cultivating an entrepreneurial mindset and empowering them to turn innovative ideas into successful ventures.

### Antibacterial Toilet Paper

To prevent the spread of microorganisms through flushing, we have developed an antibacterial toilet paper. It eliminates microbial growth caused by splashes and contacts with the floor, ensuring better indoor air quality and reducing health risks. Our product inhibits bacterial formation by 99% when stored for one month.



## Digital Transformation

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

## Digital Transformation

### Commitment

- Our commitment to digitalization is rooted in the belief that leveraging technology can drive our sustainability goals at Eczacıbaşı Consumer Products.
- By embracing digital transformation and Industry 4.0 applications, we integrate sustainability into our business processes, ensuring flexibility, quality, and operational efficiency.
- Through these advancements, we strive to optimize resource utilization, reduce our environmental impact, and maintain high performance standards.

### Performance

- Our advanced analytics-driven digital transformation projects have resulted in a €4.4 million profitability impact, transforming our business processes.
- By focusing on areas such as demand forecasting, campaign efficiency, data monetization, production efficiency, and packaging optimization, we have optimized operations, improved cost-effectiveness, and generated value from data.
- These efforts contribute to our strategic goals, financial sustainability, and overall business performance.

**Integrated Business Plan:** At Eczacıbaşı Consumer Products, we have implemented an integrated business plan to optimize efficiency. Through digital transformation, we leverage artificial intelligence and digitized prediction accuracy to enhance demand forecasting. This improves decision-making and enables us to better meet customer demands.

**Supply Chain Control Tower (SCCT)** provides end-to-end transparency and enables streamlined decision-making for efficient supply chain operations. With instant access to information and effective alert mechanisms, all stakeholders gain a comprehensive view, allowing for quick and flexible decisions.

**KNX Lighting Automation Software:** Updated KNX Lighting Automation Software at our headquarters in 2022 enabled time-scheduled programming, resulting in significant energy savings. Compared to 2021, our electricity consumption decreased by 18.8% in 2022, reaching its lowest level in three years. These measures align with our sustainability goals and responsible resource management commitment.

### Digital Transformation Office

In today's world, the disruptive innovations brought by digital transformation and the resulting transformation throughout the ecosystem are guiding us towards new horizons while deeply affecting our current way of doing business.

Under the leadership of Eczacıbaşı Group's Digital Transformation Office, we are working to adapt to this transformation and ensure the necessary development by anticipating changes in the near and distant future.

The digital transformation office's strategy, which consists of two different but complementary approaches, involves developing digital solutions to current problems with a "today forward" mindset, as well as identifying and implementing necessary changes with a "future-back". As Eczacıbaşı Consumer Products, we aim to strengthen our digital transformation initiatives by implementing exemplary projects in our sector.

### Digital Transformation Awards

As Eczacıbaşı Consumer Products, we have received eight awards from our brands Selpak, Uni Baby, Solo, Selin, and Okay, which are widely recognized as Turkey's most comprehensive digital transformation summit.

We are also the proud recipients of awards from Istanbul Marketing Awards and MMA Smarties Awards, further attesting to our commitment to excellence and our ability to successfully navigate the complex and rapidly evolving landscape of digital transformation.

Digital Marketing Awards	Recipient
Istanbul Marketing Awards 2022	
Location Based Technology Use Award: Selpak Antibacterial Online to Offline Frequency Management Approach	Eczacıbaşı Consumer Products, Selpak
Programmatic Use Award: Selpak Antibacterial Online to Offline Frequency Management Approach Uni Baby Stages DCO & DMP Approach	Eczacıbaşı Consumer Products, Uni Baby Eczacıbaşı Consumer Products, Selpak
Innovative Use of Technology Award: Selpak Antibacterial Online to Offline Frequency Management Approach	Eczacıbaşı Consumer Products, Selpak
Digital Marketing Campaign Through SM Award: Solo Cleaning Tips Influencer and Social Media Project	Eczacıbaşı Consumer Products, Solo
Repositioning Award: Selin Relaunch communication	Eczacıbaşı Consumer Products, Selin
Mansion Award (Honorary Award of the Jury) -Creative Use of Digital Media Award: OKEY Sports Cooperation Communication	Eczacıbaşı Consumer Products, Okay
MMA Smarties Awards 2022	
Geo Targeting- EMEA winner: Selpak Antibacterial Shield Launch O2O Approach	Eczacıbaşı Consumer Products, Selpak
Data Insights- Turkey winner: Uni Baby DCO	Eczacıbaşı Consumer Products, Uni Baby





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# Stakeholder Relations

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

Stakeholder Groups	Stakeholders	Communication Methods
<b>Finance Community</b>	Shareholders and investors	Sustainability Reports (Annual), Corporate Website (Continuous), General Assembly Meetings (Annual)
	Financial Institutions	Sustainability Reports (Annual), Community Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
<b>Employees</b>	Company Managers	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Community Meetings (Continuous/ Periodic), Cash Flow Reports (Monthly), Financial Results Reports (Monthly), Market Research
	Employees	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Community Meetings and Publications (Continuous/ Periodic/Instantaneous), Bulletins/Announcements (Continuous/Instantaneous), Employee Engagement Surveys (Annual), Trainings (Continuous), Social Responsibility Projects (Continuous), Human Resources Practices Handbook (Continuous)
<b>Customers</b>	Clients	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Market Research (Continuous), Audits (Instantaneous/ Periodic), Fair Participation (Instantaneous/Periodic)
	End Users	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Brand Websites (Continuous)
<b>Supply Chain</b>	Business Partners	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
	Suppliers (Materials and Equipment)	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Audits (Instantaneous / Periodic)
	Contractors	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous) Audits (Instantaneous / Periodic)

Stakeholder Groups	Stakeholders	Communication Methods
<b>Government and Regulators</b>	Public Institutions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (Project Based), Audits (Instantaneous/Periodic),
	Local Government	One-to-One Visits Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), One-to-One Visits
	International Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
	Sectoral Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (Project Based), Fairs (Instantaneous/ Periodic), Sectoral Conferences (Instantaneous/Periodic)
<b>Civil Society</b>	Trade Unions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
	Universities and Research Institutions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Career Days (Annual/ Periodic), Projects (Project Based), Internship Programs (Periodic/ Project Based), University Events (Instantaneous), Student Field Visits (Instantaneous)
	Civil Society Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Market Research (Continuous), Projects (Project Based), Memberships (Continuous) Brand Websites
	Local Community	Sustainability Report (Annual), Projects (Project Based), Social Media (Continuous), Corporate Website (Continuous), Social Responsibility Projects (Project Based)
	Society	Sustainability Reports (Annual), Community Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Brand Websites
<b>Supply Chain</b>	Media	Social Media (Continuous), Corporate Website (Continuous), Press Releases, Market Research, Brand Websites
	Business Partners	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
	Suppliers (Materials and Equipment)	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Audits (Instantaneous / Periodic)
	Contractors	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous) Audits (Instantaneous / Periodic)

# List of Associations, Initiatives, and Memberships

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

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

# Awards

Awards	Awarded by
<b>Selpak</b>	
Selpak Extra Antibacterial Protection Shield Toilet Paper Launch - Best Digital Communication Award	Dijitaliz
Radio & Audio Felis - Award for Non-Branded Advertising / Sneezing (Selpak)	Felis
Selpak Antibacterial Launch Communication / Online to Offline Approach - EMEA Region / Experience Technology - Geo Targeting Award	MMA Smarties
Innovative Technology Usage Award - Selpak Antibacterial Launch Communication / Online to Offline Approach	Istanbul Marketing Awards (IMA)
Location-Based Targeting Technology Usage Award - Selpak Antibacterial Launch Communication / Online to Offline Approach	Istanbul Marketing Awards (IMA)
Programmatic Buying Award - Selpak Antibacterial Launch Communication / Online to Offline Approach	Istanbul Marketing Awards (IMA)
<b>Uni Baby</b>	
Uni Baby DMP - DCO Lifecycle Strategy Award - Data Felis Targeting with Data Output	Felis
Uni Baby DMP - DCO Lifecycle Strategy in Turkey // Marketing Impact - Data Insights Award	MMA Smarties
Award in Health and Personal Protection Category for Uni Baby Lifecycle Launch Strategy	Effie
Uni Baby DMP - DCO Lifecycle Strategy has been awarded in the Programmatic Buying category	Istanbul Marketing Awards (IMA)
Award in the Wet Wipes category	Ebebek Parental Preference Award
Awards in the Uni Baby Wet Wipes and Uni Baby Detergent categories	Marketing Türkiye Product of the Year: Innovative Products
<b>Selin</b>	
Award in the Image Refresher category for the Selin Kolonya "Feel Good in One Breath" Launch with Transformative Marketing Strategy	Curios Felis
Award in the Brand Repositioning category for the Selin Kolonya "Feel Good in One Breath" Launch	Istanbul Marketing Awards (IMA)

Awards	Awarded by
<b>OKEY</b>	
Honorable Mention Award for the OKEY Sports Communication Project.	Istanbul Marketing Awards (IMA)
<b>Eczacıbaşı Consumer Products</b>	
Award for Innovation Organization and Culture for Just Create, known for its efforts in creating and sustaining an innovation culture and practices in all processes.	Inovalig
Technology Development Zone Summit Awards for R&D and Design Centers	
CMO Award - Bilge Çiftçi	Gold Leaders
Award for Turkey's Top 50 Most Influential CMOs - Bilgi Çiftçi	Milliyet Newspaper
CMO Award - Bilge Çiftçi	Fortune Turkey
The Most Influential Supply Chain Professionals of the Year - Kürşat Erdoğan	
Leadership in Sales Awards - Olgun Savaş Özden	



# WEF Stakeholder Capitalism Metrics

Principles of Governance			
Pillar	Core Metrics and Disclosures	Description	References
<b>Governing purpose</b>	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
<b>Quality of governing body</b>	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
<b>Stakeholder engagement</b>	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Eczacıbaşı Consumer Products Materiality, page 26-27
<b>Ethical behavior</b>	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.	
	2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption		
Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for:		Business Ethics and Legal Compliance, page 40-41
	1. Seeking advice about ethical and lawful behavior and organizational integrity; and 2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.		

Principles of Governance			
Pillar	Core Metrics and Disclosures	Description	References
<b>Risk and opportunity oversight</b>	Integrating Risk and Opportunity into Business Process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	Risk Management, page 38-39
Planet			
<b>Climate change</b>	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 <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions.  Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Energy Management and Carbon Emissions, page 48-52  Scope 1 and Scope 2 emissions are calculated and reported annually. We aim to calculate Scope 3 emissions across the Group in the coming years.
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C - and to achieve net-zero emissions before 2050	We initiated detailed studies for climate risk assessment across the Group. In this context, efforts to comply with TCFD are planned.
<b>Nature loss</b>	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in/or adjacent to protected areas and/or, key biodiversity areas (KBA).	Group companies do not have an operational center located in protected areas, especially RAMSAR areas.

Principles of Governance

Pillar	Core Metrics and Disclosures	Description	References
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 53-52
		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	Eczacıbaşı Materiality, page 26-27
	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.	Business Ethics and Legal Compliance, page 40-41
Dignity and Equality	Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage.	Equal, Diverse and Inclusive Workplace, page 60-65
		Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO	
Skills for the future	Training provided	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Risk Management, page 38-39; Supply Chain Management, page 40-43
		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 65-69
		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 70-71

Principles of Governance

Pillar	Core Metrics and Disclosures	Description	References
Health and Wellbeing	Health and safety (%)	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	Health, Safety and Wellbeing, page 70-71; Eczacıbaşı Group's Occupational Health and Safety Policy: <a href="https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-andSafety-Policy-3.pdf">https://www.eczacibasi.com.tr/_Media/Upload/Occupational-Health-andSafety-Policy-3.pdf</a>
		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 65-69
		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 65-69
Employment and wealth generation	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	Attracting, Developing, and Retaining Talent, page 65-69
		2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	Financial and Economic Performance, page 40-45
Employment and wealth generation	Financial investment contribution	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy	Financial and Economic Performance, page 40-45
		2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	

# References for the UN Global Compact

Prosperity			
<b>Innovation of better products and services</b>	Total R&D expenses (\$)	Total costs related to research and development.	Research and Development, page 78
<b>Community and social vitality</b>	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

UN Global Compact Principles	Principle	Reference
<b>Human Rights</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human right.	Equal Opportunity, page 60-69
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Equal Opportunity, page 60-69
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Equal Opportunity, page 60-69
<b>Labor</b>	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	Equal Opportunity, page 60-69
	Principle 5: Businesses should uphold the effective abolition of child labour.	Equal Opportunity, page 60-69
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Equal Opportunity, page 60-69
<b>Environment</b>	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Climate and Environment, page 48-54
	Principle 8: Business should undertake initiatives to promote greater environmental responsibility.	Climate and Environment, page 48-54 Circular Economy, page 55-57
	Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.	Circular Economy, page 48-54 Innovation and Entrepreneurship, page 77-78
<b>Anti-Corruption</b>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Ethics and Compliance, page 40-41

# Reporting Principles

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

Total share of women professionals (%), Women in management positions (%), Training hours per employee (#), Training hours per talent (#) indicators are obtained from Eczacıbaşı

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

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

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

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

Data used for Women among new recruits (%),

### General Reporting Principles

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

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

### Key Definitions and Scope of Reporting

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

Type	Indicator	Scope
Environmental	Total energy consumption (MWh)	In the reporting period, it refers to the total amount of energy consumption by the Company which is monitored monthly and invoiced by the service provider institutions. Energy consumption data includes electricity, natural gas, diesel, fuel oil and steam consumption.
	Total carbon emissions (tCO <sub>2</sub> )	In the reporting period, it refers to the sum of the Company’s Scope 1 GHG Emissions and Scope 2 GHG Emissions.
	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.
	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.
	Total water withdrawal (thousand m <sup>3</sup> )	In the reporting period, it refers to the total amount of municipal water, consumed, which is monitored from the invoices received by service provider institutions and ground, surface, rainwater, consumed, which is monitored by meters.
	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).
	Carbon intensity (tCO <sub>2</sub> / ton product)	In the reporting period, it refers to the ratio of the Company’s total carbon emissions to total production volume (in tons).
	Water intensity (m <sup>3</sup> /ton)	In the reporting period, it refers to the ratio of the Company’s total water consumption to total production volume (in tons).



Type	Indicator	Scope
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.
	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.
	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.
	Women in management positions (%)	In the reporting period, the ratio of the number of women employees at the managerial levels of the Company, including Manager, Senior Managers, Director to the Total Number of Employees.
	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.
	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

### Environmental Indicators

#### Total energy consumption (MWh)

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

#### Total carbon emissions (tCO<sub>2</sub>)

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

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

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

Emission Factors	Emission Factors (kg CO <sub>2</sub> )
1 kWh Electricity Engagement	0.56
1 m <sup>3</sup> Natural Gas	1.89
1 lt Fuel Oil	2.94
1 lt Diesel	2.68
1 kWh Steam	0.56

#### 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 m<sup>3</sup>)

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

#### Energy intensity (MWh/ton)

Formula: Total Energy Consumption / Total Production Amount

#### Carbon intensity (tCO<sub>2</sub> / ton product)

Formula: Total Carbon Emissions / Total Production Amount

#### Water intensity (m<sup>3</sup>/ton)

Formula: Total Water Consumption / Total Production Amount

## 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

## Limited Assurance Report to the Board of Directors of Eczacıbaşı Tüketim Ürünleri Sanayi ve Ticaret A.Ş.

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

### Selected Information


The scope of the Selected Information for the year ended 31 December 2022, which is subject to our limited assurance work, set out in the pages 18, 26, 33, 65, 68, 76 and 83 of the Integrated Sustainability Report 2022: Story on our Ambition Report and in the pages 17, 22, 46, 48, 54, 59 and 64 of the Integrated Sustainability Report 2022: Fact on our Action Report with the sign “

### Environmental Performance Indicators

- Total energy consumption (MWh)
- Total carbon emissions (tCO<sub>2</sub>)
- Share of recycled waste (%)
- Total waste disposed (Ton)
- Total water withdrawal (thousand m<sup>3</sup>)
- Energy intensity (MWh/ton)
- Carbon intensity (tCO<sub>2</sub> / ton product)
- Water intensity (m<sup>3</sup>/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 “

### Criteria

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

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

**The Company's Responsibility**

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

**Inherent Limitations**

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

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

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

**Our Independence and Quality Management**

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

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**

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

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

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

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

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

**Limited Assurance Conclusion**

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

**Restriction of use**

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

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

**Mehmet Cenk Uslu, SMMM**  
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# Info

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

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