

ECZACIBAŐI
CONSUMER PRODUCTS



SUSTAINABILITY

REPORT
2021

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GRI-102-1, GRI-102-4, GRI-102-5, GRI-102-12, GRI-102-45, GRI-102-46, GRI-102-50, GRI-102-54

About the Report

Since 2008, Eczacıbaşı Consumer Products has shared its sustainable development activities in the Eczacıbaşı Group's consolidated report.

This year marks the first time Eczacıbaşı Consumer Products Co. has published a sustainability report detailing the specific activities of its organization, and we take great pleasure in informing our stakeholders of our corporate sustainability strategy and goals for the future.

We have prepared this report in accordance with Global Reporting Initiative (GRI) Standards' core option, setting out our corporate sustainability strategy, practices, methodology as well as our objectives and progress.

In preparing our report, we have used GRI Standards' content and quality as a guide to determine which material topics to focus on, and have referenced the principles of the

"UN Global Compact". Furthermore, we are committed to adopting the Stakeholder Capitalism Metrics of the World Economic Forum, and have therefore considered these principles in our reporting.

The information found in this report concerns the operations of Eczacıbaşı Consumer Products Co. for the period between January 1, 2021 and December 31, 2021 in Türkiye, and unless stated otherwise, contains no information pertaining to ECP Maroc S.A.R.L., İpek Kağıt Central Asia LLP, İpek Kağıt Kazakhstan LLP or Eczacıbaşı Eczacıbaşı Consumer Products Co. - DMCC Branch.

You can access the PDF version of the Eczacıbaşı Group Integrated Sustainability Report for 2021 and all past reports at www.eczacibas.com.tr and www.eczacibasituketim.com

CEO's Message



Dear Stakeholders,

Eczacıbaşı Consumer Products (ECP) aims to be present, in every moment of life, for clean and healthy living. Having long recognized the value of sustainability in our processes, we witnessed its benefits to stakeholders during the times of global pandemic, climate change and economic challenges. By adopting strategies that prioritize flexibility, agility and efficiency, we are managing the changing environment successfully and continuing to contribute to the wellbeing of our stakeholders with a value chain that is sensitive to society and the environment.

As Türkiye's premier personal care company, we work to support clean and healthy lifestyles with our leading brands in tissue papers, wet wipes, personal care, baby care, home care and away-from-home cleaning products. We attach great importance to sustainability and to combatting climate change by reducing our environmental footprint and generating creative solutions. To this end, our sustainability activities are closely integrated with our innovation and digitalization processes.

Our top sustainability priorities are energy and water efficiency, sustainable resource management, waste recovery and decreasing emissions. Through projects targeting these priorities, we have reduced our carbon emissions per ton of product by 2.7% and water consumption per ton of product by 5% since 2019.

In 2021, we recovered 95% of our waste. In the production of tissue papers, we use cellulose obtained from responsible forestry as a raw material. We are also decreasing the content of plastics in our packaging.

We believe in the importance of inclusivity and equal opportunities. In 2021, we continued our efforts to increase the ratio of women in overall employment and in management roles. We achieved our goal of increasing the ratio of women in recruitment to 50%. Our white-collar female employee rate has reached 39%, and we aim to increase this to 40%. A further goal is to increase the rate of female executives from 31% to 35%.

Occupational health and safety is another priority for us, and one in which we strive

to improve ourselves constantly. We want ECP to be a role model not just in its own sector but also for other industries. In 2021, we reduced the frequency of work accidents resulting in lost days by 9%. Our goal is to progress towards zero work accidents and zero occupational health issues.

For the past 13 years we have reported on our sustainability practices in the consolidated Eczacıbaşı Group sustainability report. This year, we are pleased to release our first standalone sustainability report, approved by the Global Reporting Initiative, in which we have applied the Stakeholder Capitalism Metrics of the World Economic Forum.

We will continue to work toward a future where every person has access to the high-quality health and hygiene products that they deserve, while creating value that contributes to the happiness of our stakeholders and sustainability of our planet.

Sincerely yours,

Alp Günvaran
CEO



**SUSTAINABILITY
MANAGEMENT**



Corporate Profile

Founded as Türkiye's first modern pharmaceutical factory by Dr. Nejat Eczacıbaşı in 1942, Eczacıbaşı Group is a diversified conglomerate with interests in consumer products, building products, natural resources (industrial raw materials, metals and mining), property, finance, insurance, commerce, real estate development and information technologies.

Eczacıbaşı Consumer Products (ECP) began operating under the "İpek Kâğıt" brand in 1969. Quickly expanding its range with numerous household brands, today ECP offers a wide array of care and hygiene products grouped under five distinct categories: tissue papers, personal care, baby care, household care and away-from-home segments.

ECP continues to grow its presence through strategic collaborations with companies that have proven track records in consumer-facing sales and distribution services. Domestically, ECP is Türkiye's leading company in personal care, with 25 brands, five production facilities and over 1,600 employees. Internationally, we export to more than 60 countries.

Our sustainability strategy attempts to find the right balance between the different environmental, social and governance targets we set for ourselves. We are guided by a desire to do better in each of our processes. This means we strive to provide high quality products to our customers while minimizing the environmental impact arising from meeting customer needs. Our R&D Center helps us meet this goal by carrying out research into recycling, waste, energy and water management. We also choose sustainable resources as raw materials where possible. On gender equality, we have been trying to increase the number and participation of women in employment according to our guiding principle of equality and inclusivity, and we attach great importance to increasing the involvement of women in decision-making processes and management roles.

Net Sales (million TL)	2,895
International Sales (million €)	76
Total Assets (million TL)	3,177
EBITDA (million TL)	298

GRI-102-4, GRI 102-6, GRI 102-7

Group Sustainability Organization Structure

Our parent organization the Eczacıbaşı Group, comprises Eczacıbaşı Holding and its subsidiaries and affiliates. Eczacıbaşı Holding's corporate purpose is to steer Group companies by determining business strategies in the short-term, mid-term and long-term for the Group as a whole. This creates Group-wide synergies that ensure resources are directed towards the most productive investment areas.

Eczacıbaşı Holding's Board of Directors has six full time members, one of which one is a woman. The Board of Directors steers through sub-committees for Investment, Risk, Audit and Governance, Talent and Remuneration and ESG (Environmental, Social, Governance).

The ESG Committee, established at the Board of Directors level, is responsible for guaranteeing the effectiveness of policy, strategy, governance, bodies and execution for the entire Group.

It also assesses the viability of strategic priorities and makes recommendations to the Board on environmental, social and economic matters.

The ESG committee meets at least four times a year, and always before every Board of Directors quarterly meeting for each reporting period.

There is a clear separation of duties between functions of the Chairman and the Group CEO. The Chief Audit Executive and the Group CEO report directly to the Board of Directors. The Group senior management comprises the senior executives and functional managers of Group companies that report directly to the Group CEO.

Sustainability is managed at different levels within the organizational structure. The Board of Directors decides sustainability strategy alongside its other strategic steering. At the level below, the Group senior management carries

out sustainability management through the functions of the Group CEO and the Sustainability Directorate under the aegis of the Sustainability, Corporate and Government Affairs which reports to the Group CEO.

Planned to be established in 2022, the Eczacıbaşı Group Sustainability Steering Committee shall be the strategic decision-making body formed with the participation of Eczacıbaşı Holding's executives working in related fields, and the top executives of the Group companies. It shall be accountable to the Group CEO, the ESG Committee, and the Board of Directors. The main purpose of the Board will be to strategically manage sustainability issues in relation to ESG areas across the Group.

The organs of the Group's sustainability management structure for field studies are the Sustainability Working Groups established under the Eczacıbaşı Group Sustainability Coordination Committee.

The Eczacıbaşı Sustainability Working Groups were formed to transform the Group's sustainability strategies into targets and action plans; to monitor practices emerging from the Group's strategies, policies and goals; and to make recommendations in line with the global agenda.

Sustainability Working Groups are formed on the basis of material issues determined by the Group Sustainability Coordination Committee, with the participation of the managers of Group Companies responsible for these issues. Working Groups are formed on the basis of sub-topics and projects so that committees work efficiently. The Group Sustainability Coordination Committee, which consists of Sustainability Working Group Leaders, monitors the performance obtained in the field studies and reports to the Group Sustainability Steering Committee.

GRI-102-18, GRI-102-19, GRI-102-20

Eczacıbaşı Consumer Products Sustainability Organizational Structure

ECP’s sustainability management structure has been designed to embed our sustainability strategy into our work processes.

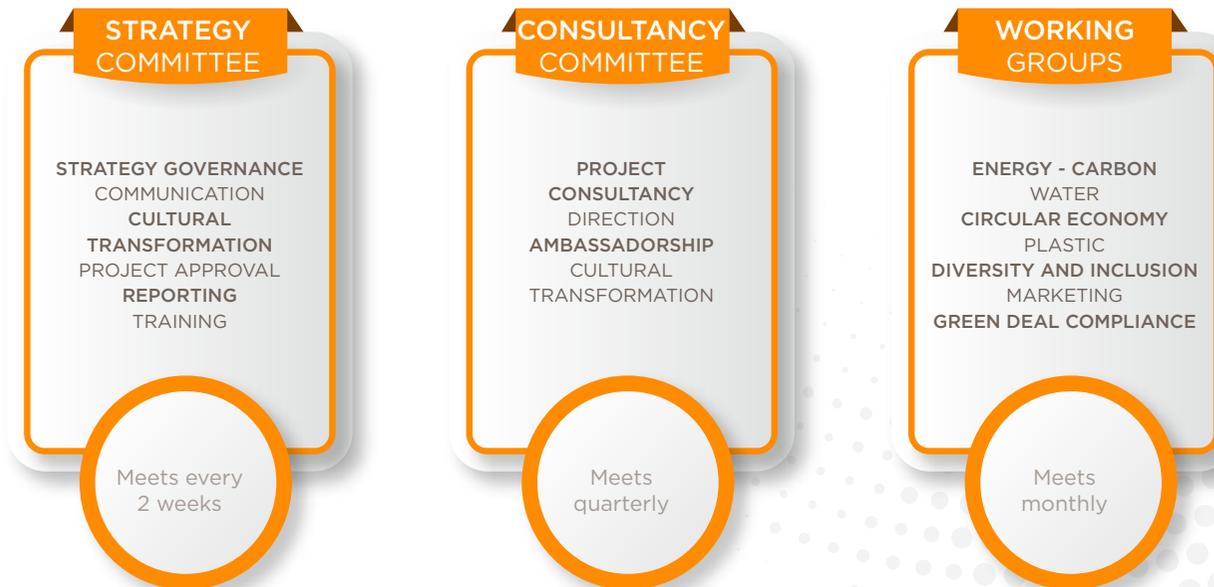
Led by the Strategy Committee responsible for developing strategies on sustainability-related risks and opportunities, sustainability management is shaped around stakeholder expectations and industry needs, focusing particularly on climate change issues. The Committee determines the governance practices that will lead to targeted outcomes. The Committee has a Sustainability Champion and a Sustainability Spokesperson.

The Strategy Committee decisions are executed by the Working Groups. They determine how to track data, which base year to choose, and they monitor existing and planned improvement projects and set actionable targets.

Since sustainability efforts cover all organizational activities, a Consultancy Committee has been established to disseminate the efforts to all departments and to increase the effectiveness of the working groups.

Members of these committees and working groups are tasked with embedding sustainability into the company’s culture, for transforming systems and operations, and for reaching out to external stakeholders when necessary.

The sustainability performance, within Eczacıbaşı Consumer Products, is reported to Holding Sustainability Execution Committee and the Coordination Committee. The various functions report to the EGSEB, each quarter progress on targets are discussed at company quarterly meetings led by the CEO. In addition, Group sustainability performance is assessed by senior executives tasked with sustainability performance targeting, and presented to the Board of Directors each quarter.



Looking Forward: Risks and Opportunities

Post-Pandemic Developments and the Fast-Moving Consumer Goods (FMCG) Sector

As the COVID-19 pandemic approached the end of its second year, its impact continued to be felt in all sectors, including public health, FMCG and retail.

Although the level and effects of the pandemic's impact differ from sector to sector depending on the maturity of its institutions, effective risk management and business continuity practices undoubtedly played critical roles. The second year of the pandemic was marked by a shift towards progressing and assessing initial solutions to its sudden onset, as well as a focus on dynamic and flexible operational structuring.

The need to adopt new behaviors brought about a systemic transformation in society and business. At Eczacıbaşı Consumer Products (ECP), succeeded in transitioning to a new workflow together with our stakeholders by expanding our supply chain network and providing solutions to our employees and suppliers through remote working opportunities. We achieved this in part by our ongoing digital transformation and through the new digital platforms we quickly commissioned. As a member of the Eczacıbaşı Group,

we share in their strategy of leading by example throughout our country in the various regions in which we operate.

We strive to be a role model in how we engage in our work and in the quality of our products. This means that our focus is not simply on growth and profits, but that we also pay careful attention to our environmental and social impact.

Our investment plans are aligned with the United Nations Sustainable Development Goals. In the years ahead, our investment projects will continue to focus on increasing operational efficiency and on more R&D to improve and design products with a lower environmental impact.

Climate Crisis: The Common Problem of Humanity

Although the pandemic has seemed to be one of the key risks facing our society today, science based research shows that the climate crisis represents a much greater risk. The World Economic Forum's (WEF) Global Risks Report highlights unsuccessful climate action as the biggest risk we face in the next decade. Two other environmental impact risks also rank in the WEF's top ten.

In 2021, Türkiye's Parliament ratified the

Paris Agreement and announced its net zero emissions target for 2053. Our major trading partner the European Union launched its carbon border adjustment regulation mechanism (CBAM), which will come into force in 2023, alongside its Green Deal, targets which include getting to zero net greenhouse gas emissions by 2050. These two important developments require us to take immediate and significant action, and we have accelerated our efforts to respond with a comprehensive climate change strategy under the framework of the Eczacıbaşı Group.

Our goal is to reduce our carbon footprint across the entire value chain. Given that successful outcomes in this journey depend on the use of clean energy resources and sustainable product development as much as on operational efficiency, our immediate plan is to increase our solar energy investments and energy efficiency efforts in 2022, and to focus on sustainable solutions in our packaging. These measures will make a long-term social contribution, and are a step towards effective management of the risks and opportunities associated with climate change. In addition to our production activities, we will continue to support the growth of sustainable products by focusing on environmentally and socially responsible brands in our sales.



GRI 102-15



Eczacıbaşı Consumer Products' Sustainability Priorities

Since it was established, Eczacıbaşı Consumer Products operated with an awareness of its duties to stakeholders in its value chain, society, and the environment at large.

The sustainability journey begun under the leadership of the Group has now transformed into our own sustainability vision as we pursue our own path in 2021. In a series of workshops and surveys with a wide range of stakeholders, we defined our ESG priorities. These priorities are anchored in the Eczacıbaşı Group's ESG priorities and reference the United Nations Sustainable Development Goals (UN-SDG), to which we continue to contribute with our existing initiatives.

GRI-102-44, GRI-102-46, GRI-102-47

GRI-102-44, GRI-102-46, GRI-102-47

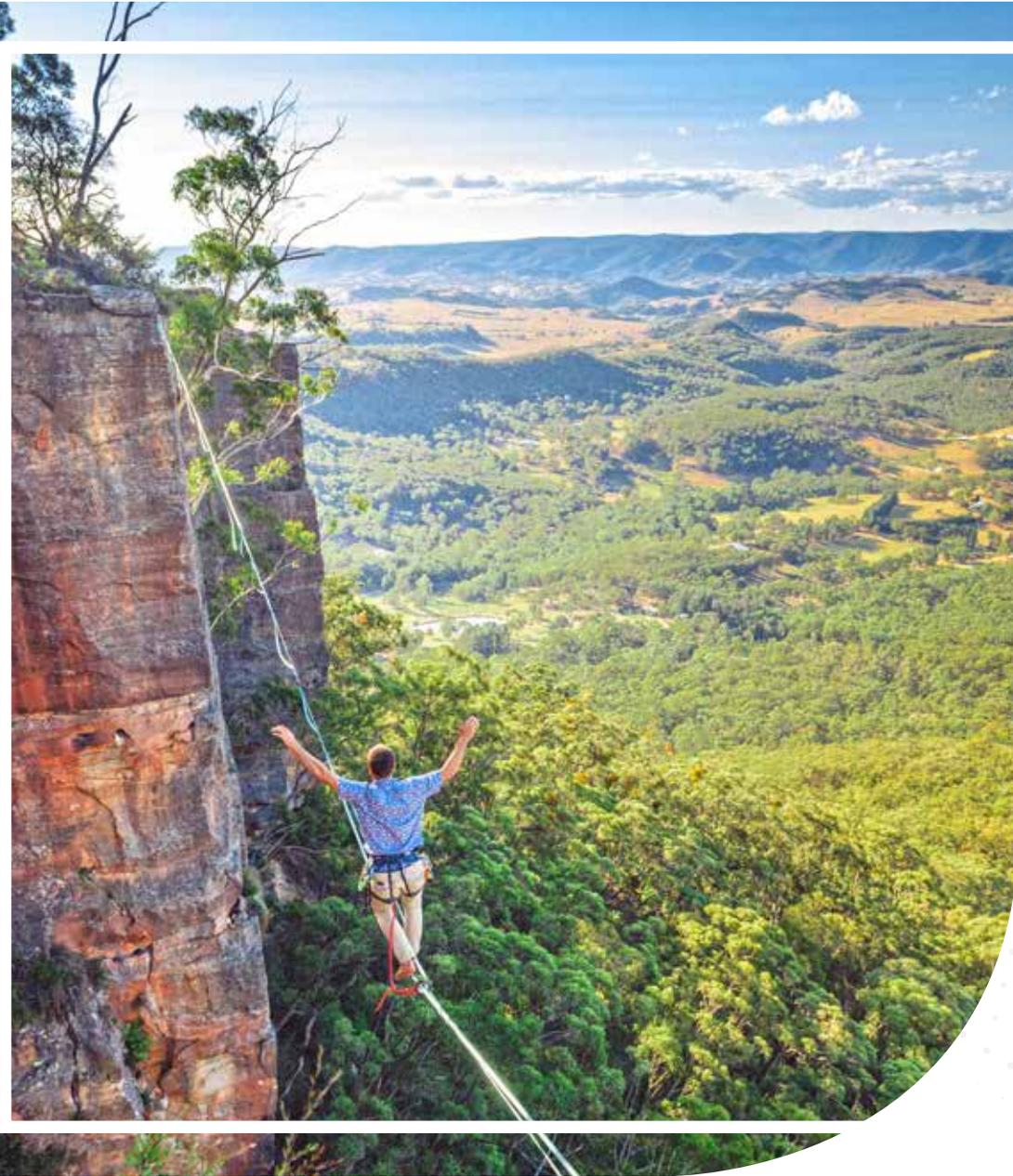
Eczacıbaşı Consumer Products Sustainability Priorities and Goals



Using our prioritization analysis, we identified six main sustainability focus areas. These focus areas (or topics) were each assigned to a working group, and the assigned working group determined tracking parameters for each topic. Based on these parameters, we determined a base year, and began to set targets and design improvement projects to help us meet these targets.



OUR GOALS	Period	2022 Target	2021 Actual
Increase the proportion of women in management to 35% by 2023 in comparison to base year 2020	2020-2023	35%	31%
Increase the proportion of women in employment to 40% in 2023 in comparison to base year 2020	2020-2023	40%	39%
Maintain the proportion of women recruits at 50% in 2023 compared to the base year 2020	2020-2023	50%	50%
Reduce energy consumption per ton of product (MWh/Ton) by 6% in comparison to 2021	2022	2.22	2.36
Reduce carbon emissions per ton of product (Ton CO ₂ /Ton) by 4.3% compared to 2021	2022	0.67	0.70
Reduce water consumption per ton of product (m ³ /Ton) by 5% in comparison to 2021	2022	7.9	8.32



Risk Management

Eczacıbaşı Consumer Products' risk management is aligned with that of the Group. Risk management activities in the Eczacıbaşı Group are carried out centrally by the Corporate Risk Management Department under the leadership of Eczacıbaşı Holding's Chief Financial Officer. The Corporate Risk Management Department coordinates with Early Risk Detection Committees in publicly traded Group companies and regularly reports to the Audit, Risk and Governance Committee, which consists of the Chief Audit Executive and Independent Board Members.

Corporate risk management is a management process in compliance with international standards that includes analyzing, reviewing, and reporting on the risks facing short and long-term strategic plans and the business objectives of Group companies, and taking the necessary measures to reduce their potential impact. A risk-oriented operational system adopted at all levels of the Group supports sustainable growth by reducing financial losses and preventing resource waste. Proactive risk management also optimizes the time and resources spent on these activities. The corporate risk management process is designed in compliance with international standards.

Corporate risk management activities are aimed mainly at evaluating any risks that may prevent goals from being reached, including those related to sustainability, and that might jeopardize the company's development and continuity. It covers all levels of the organization starting from the Board of Directors, and the risks it covers include those of a strategic, operational, compliance and sustainability-related nature.

ECP strives to adopt market best practice and the risk assessment is designed around providing meaningful indicators which are then presented to the Board of Directors, the Committee and senior management for monitoring and evaluation.

ECP pursues a holistic sustainability development approach, in which the aim is to ensure that its environmental, social and economic plans are functional in their current form and ensure future readiness.

We work on sustainability risks under different headings such as natural disasters, extreme weather events, climate change, biological diversity, efficient use of natural resources and employee rights, while closely monitoring current technologies and approaches and making any necessary management updates. Other important risks such as occupational health and safety, product and service responsibility, innovation, business ethics, legal compliance, and the fight against bribery and corruption are also assessed within the scope of sustainability risk management modelling due to their potential economic, social and environmental impacts as well their likely impact on strategic, operational and compliance risks.

In our efforts to develop our sustainability strategy in 2021, we have begun modelling new risks arising from the irregular and rapid transition to a low-carbon economy, in addition to the challenges brought by the combat the climate change.

GRI-102-11

Business Ethics and Legal Compliance

Eczacıbaşı Consumer Products views acting morally and ethically in the business environment as being an indispensable and underlying condition of our respect for human rights.

Throughout the ECP, activities and practices related to business ethics, internal audits and legal compliance are carried out by the Audit Group, CHRO (Chief Human Resources Officer) Office, the Legal Department, and the Compliance Committee.

Our Group is signatory to the UN Global Compact. As such, child, forced and compulsory labor which violate human rights are prohibited at Eczacıbaşı Consumer Products.

The HR team conducts regular internal audits and cross-audits to ensure full compliance with our principles at all our facilities. A similar ethical approach guides both our recruitment processes and daily working life to support inclusivity and diversity.

Our organization embraces its employees from an equal, fair and inclusive perspective, and in return, it expects its employees to behave in accordance with our business ethics and with a profound sense of corporate belonging.

Accordingly, if any of our employees witness an incident or

situation of discrimination, bribery, corruption or violation of rights, they are obliged to report this to the Compliance Committee using appropriate channels. The Compliance Committee will guard confidentiality when considering the violation notification and will act impartially. Eczacıbaşı Consumer Products keeps information and employee details strictly confidential, but exercises transparency and openness towards its employees in all other matters.

ECP aims to institutionally embed correct behavior in the right framework and thus to create collective awareness.

Our “Human Resources Handbook”, which was designed to combat discrimination, bribery and corruption, and to ensure human rights and freedom of association, should be an important guide for our employees.

Similarly, the “Eczacıbaşı Group Code of Conduct”, which has been prepared to ensure employees develop a common language, perspective and adopt Group values, serves as a guide for our employees throughout the Group. We have also issued a Social Media Usage Guide to guide our employees on how to use social media, which draws attention to the pitfalls of using these platforms, and which

is designed to improve our employees’ social media literacy. The Human Resources department periodically shares reminders with our employees and provides online training sessions to support the adoption and implementation of these resources, which are accessible to all our employees. In accordance with our rules, our employees cannot play a role in the administrative structures of political institutions or organizations, and cannot engage in promotional or donation activities with the aim of supporting a political movement. However, we support the unionization of our employees and their right to organize. We have constructive relations with trade unions. The Cellulose Workers Union is an example of a Union with which collective bargaining agreements are discussed at our tissue paper production plant every two years.

51% of Eczacıbaşı Consumer Products employees work in production plants and production functions. The rate of unionization among hourly wage workers is 76%.



GRI-102-16, GRI-102-17

Corporate Memberships

ASSOCIATIONS	POSITION
ETÜDER Foodservice Suppliers Association	Membership
Food Safety Association (GGD)	Membership
GSI 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
Membership Collaboration Network Association for the Empowerment and Development of Women Leaders in Retail	Membership
PERYÖN Türkiye People Management Association	Board of Directors Membership
Plat - Private Label Association of Türkiye	Membership
POYD (PROFESSIONAL HOTEL MANAGERS ASSOCIATION)	Main Sponsorship
Advertisers' Association	Board of Directors Membership, Board of Directors Vice Presidency
Advertising Self-Regulatory Board	Membership
Cellulose and Paper Industry Association	Board of Directors Membership
Health Products Association	Biocidal Product Working Group Presidency
Turkish Education Foundation	Membership
Turkish Industry and Business Association	Membership
Turkish Entrepreneurship Foundation (TEF)	Membership
Turkish Chemical Manufacturers Association	Membership
The Union of Chambers and Commodity Exchanges of Türkiye	Membership
Yalova Chamber of Commerce and Industry	Membership

Stakeholder Relations

GRI-102-21, GRI 102-40, GRI-102-42, GRI-102-43, GRI-102-44

Understanding the needs and expectations of our stakeholders and reflecting these priorities in our action plans is a basic element of sustainability. Accordingly, we seek out and carefully consider stakeholder feedback and inform our stakeholders of all our activities.

STAKEHOLDER GROUPS	COMMUNICATION
Shareholders and investors	Sustainability Reports (Annual), Corporate Website (Continuous), General Assembly Meetings (Annual)
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)
Trade Unions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
Business Partners	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
Customers	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)
Suppliers	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Audits (Instantaneous / Periodic)
Contractors	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous) Audits (Instantaneous / Periodic)
Public Institutions	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (Project Based), Audits (Instantaneous/Periodic), One-to-One Visits
Local Government	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), One-to-One Visits
International Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
Financial Institutions	Sustainability Reports (Annual), Community Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous)
Civil Society Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Market Research (Continuous), Projects (Project Based), Memberships (Continuous) Brand Websites
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)
Society	Sustainability Reports (Annual), Community Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Brand Websites
Local Community	Sustainability Report (Annual), Projects (Project Based), Social Media (Continuous), Corporate Website (Continuous), Social Responsibility Projects (Project Based)
Media	Social Media (Continuous), Corporate Website (Continuous), Press Releases, Market Research, Brand Websites
Sectoral Organizations	Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Projects (Project Based), Fairs (Instantaneous/ Periodic), Sectoral Conferences (Instantaneous/Periodic)



CLIMATE AND ENVIRONMENT



One of the fundamental issues at the heart of our sustainability management approach is reducing our environmental impact at the same time as collaborating with others to improve our processes in the ongoing combat climate change.

Our main action in this combat is disclosing our environmental impact transparently while ensuring continuous improvement in line with those goals, which are the output of our sustainability strategy.

Though climate change and its associated problems are mostly viewed as environmental issues, they also directly and indirectly increase the severity of other problems, such as food security, loss of biodiversity, and income and gender inequality. We see climate change risks in these areas as opportunities for improvement.

The Eczacıbaşı Group firmly believes that the steps we have taken in combating and adapting to climate change will not only contribute to a better environment for our institution and all our stakeholders, but will also lead to a more socially improved and habitable future.

ECP has established an Energy-Carbon Working Group which aims to build in-house skills and experience in this space and to monitor progress in global and national legislation.

To ensure that all the stakeholders within our value chain continue to have access to natural resources and raw materials in the future, as they do now, using these materials as efficiently as possible is very important. This means our resource use must have low environmental impact, the energy used

must be clean and our products must be brought into a circular economy with the lowest environmental impact at the end of their lifecycle. This approach prioritizes energy efficiency and low water consumption, in-house renewable energy, a focus on the circular economy and on recycling.

With these priorities set firmly in our sights, we are reviewing our operations and manufacturing processes to decrease our environmental impact. Working groups representing each production area have been established and they are responsible for ensuring goals are implemented.

We ensure compliance through internal audits, and present findings to our stakeholders. Beginning with senior management, employees who contribute to these processes have their work assessed via our performance system. The environmental impact performance is being rolled out throughout the company.



Energy Efficiency and Greenhouse Gas Emissions Management

In response to a significant increase in climate risks and their impacts around the globe, countries are establishing their climate targets. These targets are supported by strategies, legislation and regulations.

The inaugural Climate Council was held by The Turkish Ministry of Environment, Urbanisation and Climate Change and has announced 217 decisions which will be implemented in the coming months and years to contribute to the combat global warming and to promote waste management.

Announced as a 2053 roadmap, the final declaration of the Climate Council stated they intend to increase the use of renewable energy sources, to ensure energy efficiency, and to decrease the use of fossil fuels.

One of our main targets is reducing energy consumption and greenhouse gas emissions. ECP's Energy-Carbon Working Group, one of the seven working

groups reporting to our Sustainability Committee, is in charge of leading our company to meet these targets. The Working Group monitors and analyzes our energy consumption and greenhouse gas emissions performance, and reports results to our senior management and to Eczacıbaşı Holding.

Energy efficiency plays an important role in ensuring resource efficiency and reducing greenhouse gas emissions. Our production facilities have Energy Committees that monitor energy efficiency. We have specific targets for each factory and actionable plans to achieve these targets. Energy Committees monitor the execution of the process on a monthly basis and action plans and targets are reviewed at least twice a year.

The Energy Efficiency Working Group, which reports to Eczacıbaşı Group, is responsible for ensuring that best practice applications are shared throughout Group companies. These target the reduction of energy use in manufacturing and the

emission of greenhouse gases.

All new ECP investments are focused on sustainability. Continuing in its goal to be present in every aspect of a cleaner and healthier life, Eczacıbaşı Consumer Products has doubled its production capacity through new paper machine investments at its Manisa factory, while aiming to consume less energy using an auxiliary unit. By reusing waste heat discharged from the chimney after drying, energy consumption and emissions will be reduced.

During the reporting period, total energy consumption increased by 1.43% compared to 2019, while the energy consumption value per product decreased by 0.55%. Whereas carbon emissions increased by 0.08% compared to 2019, the amount of carbon emissions per ton of product decreased by 1.82%. Carbon emissions have been calculated to include Scope 1 and Scope 2 emissions.

The increased demand for personal

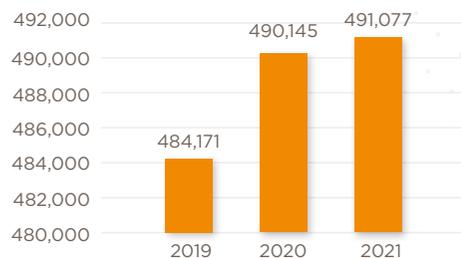
care and hygiene products as a result of the pandemic in 2020 led to above-expected levels of production, which increased energy efficiency. Consequently, the intensity of energy use and carbon emissions was lower in 2020. As the effect of the pandemic diminishes and demand declines to a level closer to historic averages, energy and carbon emission intensities in 2021 came in at the expected level. The comparative figures from 2019-2020 and 2021 in the report should thus be evaluated with this in mind.

Energy savings of 435,000 kWh were achieved through 16 energy efficiency projects carried out in 2021.

Energy consumption per product (MWh/ton)



Total energy consumption (MWh)



GHG emissions per product (ton CO₂ / ton)



Total greenhouse gas emissions (ton CO₂)



Renewable Energy



We view renewable energy as one of the most important tools in the combat climate crisis and the reduction of greenhouse gas emissions. In particular, installing renewable energy sources on our own facilities to use in our production processes is going to benefit us greatly in our journey to a lower carbon footprint. We have recently completed preliminary preparations for the installation of solar power panels on the roofs of our facilities, and are currently re-designing our roof areas. We aim to maximize our photovoltaic potential in our investment plans going forward. In 2021, we took our first steps in this direction with pilot scale 10 kW photovoltaic solar power station project of our Yalova Plant.

Transitioning to renewable energy sources in our manufacturing as far as possible will be important in our journey towards low carbon emissions. We are closely monitoring new legislation on electricity on the consumption of electricity from certifiable renewable energy production and will take and will take more steps to increase the share of renewable energy in our consumption in the future.

Water Efficiency



Water is one of the most important resources for life on earth. Due to the effects of climate change, clean water resources are at risk of further pollution, which is leading to a reduction in the amount of water available per capita. Therefore the protection of water resources, their efficient use and water saving techniques are of great importance.

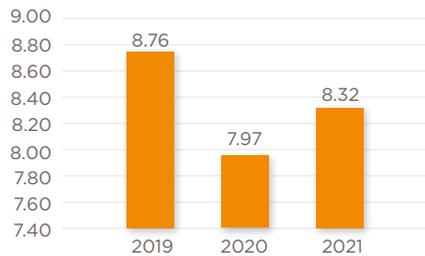
Our Water Working Group is one of the seven working groups reporting to our Sustainability Committee. It creates action plans to further water conservation. The Group is tasked with monitoring mains water and groundwater consumption together with the water consumption per ton of product manufactured.

Tissue paper production requires intensive use of water. To use water efficiently and to minimize waste water, water use and discharge points have been identified for our

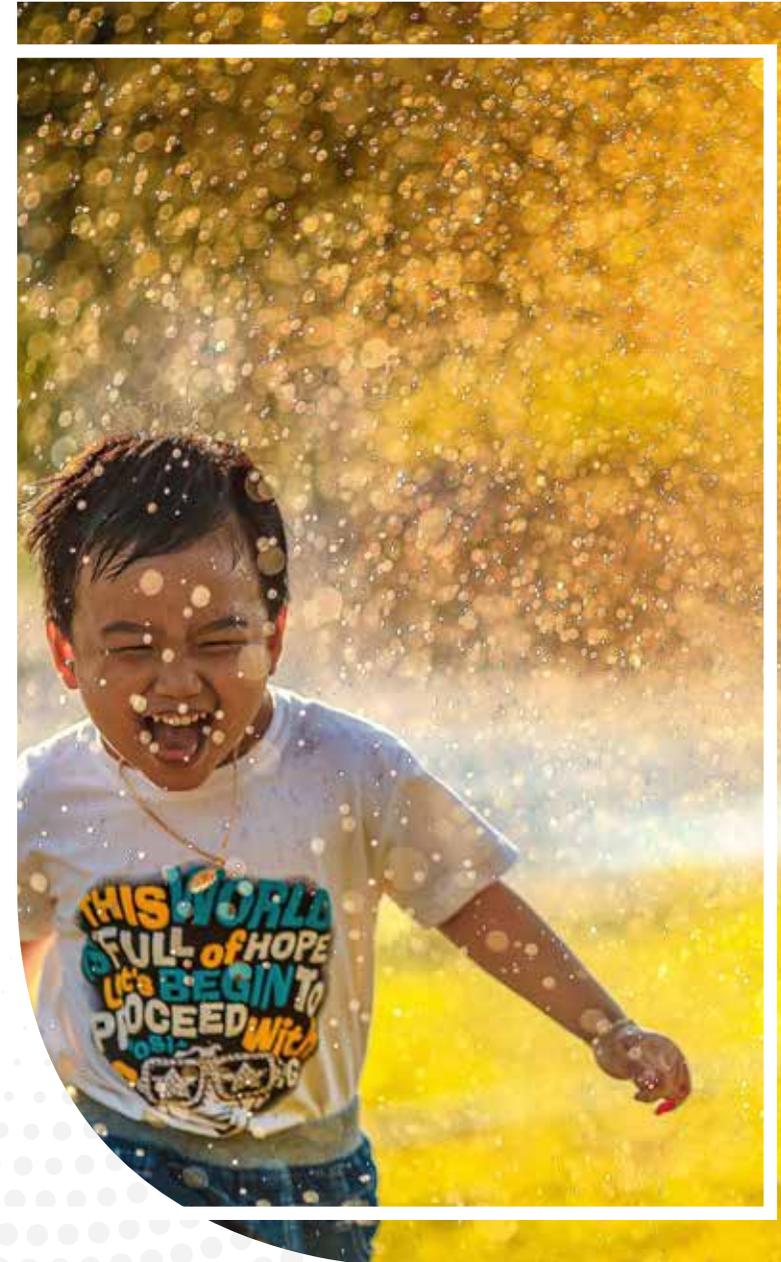
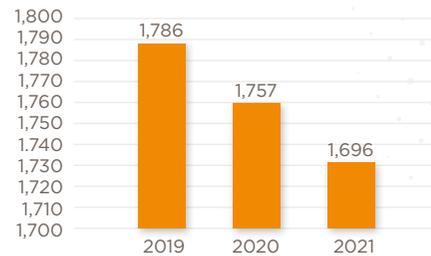
Manisa and Yalova tissue paper production facilities, and using these, we are mapping our water balance. Average m³/hour flow rate measurements are carried out at these discharge points to establish reference values for improvement and rectification projects. The aim of these studies is to reduce the water footprint of the production process with a view to increasing sustainability.

As a result, our total water consumption has decreased by 3.2% compared to 2019. The research is reviewed annually. Our goal for 2022 is to reduce water consumption by 5% per ton of product in comparison to 2021.

Water consumption per product (m³/ton)



Total Water consumption (thousand m³)





Recovery and the Circular Economy

The depletion of raw materials and natural resources combined with spikes in commodity prices and supply chain disruptions mean the circular economy and recycling are becoming increasingly more important for manufacturing companies. Using available feedstock with maximum efficiency and ensuring that the end product —as well as production process waste emerging from industrial processes- are suitable for recycling results in optimal resource utilization with the lowest amount of waste.

The recycling and reuse of waste from different or similar processes are essential components of a circular economy, and they also attract stakeholder participation and increase industrial symbiosis (the process whereby waste or by-products of an industrial process become the natural resources for another). Eczacıbaşı Consumer Products (ECP) utilizes its raw materials in the most efficient way it can, and strives to minimize the waste generated during production processes, with the support of its R&D center for recycling options.

We are particularly focused on utilizing circular economy practices in our production processes, not only in our manufacturing processes but also in choosing the products and materials we procure from our suppliers. ECP has industry connections, alternative solution partnerships and constantly

seeks to strengthen its existing ties to ensure the waste generated during production processes is transformed by the circular economy.

For example, the recyclable sludge from paper machines produced by our Yalova Tissue Paper Production Plant is utilized in the production of insoles. Our goal is to increase similar collaborations and find alternatives to support the utilization of our manufacturing waste as inputs for other production processes.

The content specification of waste determines its suitability for use in the circular economy. ECP reduces waste by recycling, reusing and using waste as an alternative fuel in significant quantities. In 2021, 66.5% of ECP's waste was recycled by licensed recycling companies and 28.6% was used as an alternative fuel feedstock. This waste became part of the circular economy with an increased number of sectors and companies taking part in 2021, particularly in the energy and cement sectors.



30% of Eczacıbaşı Consumer Products' waste and 35% of the tissue papers' waste generated in 2021 were recycled via sludge recovery activities to produce insoles.

The Zero Waste Management System initiated at the Yalova tissue paper Production Plant in 2020 was rolled out to all our production facilities in 2021.

Our waste recovery rate in 2021 was a record 95.1%.



**EQUAL
OPPORTUNITIES**



Eczacıbaşı Consumer Products' main human resources strategy is to retain and grow our talent by applying the best human resources practices.

Our HR Policy includes:

- **Ensuring that Group companies have dynamic organizational structures which are always ready for change, in line with their strategic plans and goals,**
- Accessing highly educated, talented employees who are innovators and change-makers, who have an entrepreneurial and energetic outlook, who are keen to develop themselves and their business areas, who are sharing, inclusive, and care about nature and living things, and who are aligned with our Group values,
- **Mobilizing talent in the most effective and efficient way to direct management power in line with the Group's goals, and to achieve individual and team performance through processes and systems improvement for continuous quality,**
- Creating a professional work environment and career development opportunities for employees.

It's very important that we recruit and keep the best talent by offering them a work environment in which they can realize their professional potential. In determining our Human Resources strategies, we leverage Eczacıbaşı Holding's excellent reputation, our sector dynamics and the Group's vision enshrined in their "journey to become the best and most preferred employer".

What can Eczacibaşı Consumer Products offer me?

There is a CAREER!

- Onboarding
- 4 Dimensional Career Management
- Career Talks
- Career Opportunities
- Reward and Recognition

- Functional Academies
- Leadership Development Programs
- Continuous Improvement
- Corporate Wellbeing
- Advanced Academic Support

There is DEVELOPMENT!

There is LIFE!

- Social Gathering Opportunities
- Sharing

- Stage@Campus
- Stage@Work
- Our Stage

There is a STAGE!



Equal Opportunities

We operate in the extremely dynamic and competitive fast moving consumer goods sector. While we sustain this pace our twin goals of “being present in every moment of a cleaner and healthier life”, and of being an inclusive and diverse organization is always at the forefront of our minds.

Our Group provides equal opportunities to all candidates and employees as one of its sustainability priorities. ECP is a member of the Group’s Equal Opportunities Committee, which has representatives from different levels and companies within the Group in different functions ranging from technology, technical supply, to sales and corporate communications. This Committee is tasked with keeping up to date on equal opportunities’ best practice internationally as well as domestically. It also makes recommendations to improve our equal opportunity practices.

In order to continue to compete in its sector, ECP must have access to the best talent. In order to attract and retain the best candidates, it strives to provide an excellent working environment in which employees can realize their full professional development. The Eczacıbaşı Group’s reputation as an excellent employer supports our company mission to “become the best and most preferred employer” within the Group. We believe this goal can only be achieved with an equitable, fair and inclusive growth model which is underpinned by our overall sustainability strategy. This means we need to include more women in business, and we continue to promote this within our talent acquisition and management policy.

GRI-102



Women's Employment

It is important to ECP that we increase the number of female employees in our company and we want to pursue any initiative that increases the role of women in our management and decision-making processes. To further this goal we have joined the "Equality at Work Platform" established in cooperation with the World Economic Forum and the Turkish Ministry of Family and Social Services, and have signed the UN Women's Empowerment Principles. To embed these principles within our organization more fully and to raise awareness, we hold regular Gender Equality Training Programs on the issue of gender equality.

Our flexible working hours also advance this goal by providing our employees with a better work/life balance. Recently, we have improved working conditions for new mothers by introducing waist and foot supports and renovating lactation rooms. To enable our employees to be close to their children during working hours, as of October 2021 we expanded the childcare support project, which we first started to implement in Gebze

and Yalova, for women employees at all campuses and offices of ECP.

Another initiative to promote gender equality and inclusion is our "zero weight" machinery. These take into account the differences between the physical strength of our female and male employees in operating our manufacturing processes. They also improve the occupational health and safety of employees overall. This has enabled us to increase female employment at the manufacturing plant.

Our policy is "equal pay for equal work". Employees are paid equally and according to the same parameters if they are performing the same tasks. In order to maintain objectivity in our remuneration policy, an employee's performance, potential, requirements and how critical the position is, will always be taken into consideration in determining remuneration.

In order to encourage more women to join our organization, in 2021 we launched a gift certificates program for employees

who recommended female friends under the "Bring Your Friend Award" scheme. In 2021, we also deployed a social media campaign in which we nominated female employees in technical positions at different locations to be spokespeople in our "Bu Ne İş" ("She Means Business") campaign.

Our ongoing projects challenge the perceived distinction between "women's work" and "men's work" with different narratives from female employees about the work they do through our social media accounts. Our focus group study in 2021 directed at female employees at ECP has helped us determine action plans for 2022 which will continue to focus on the needs and experiences of our female employees.

These initiatives have helped us raise our ratio of women employed to the target set for us by the Group. At the end of 2021, the ratio of women being recruited is 50%, our total ratio of women in employment is 39%, and our ratio of women in management positions is 31%.

Though we are extremely pleased to have met these targets, we will continue our efforts to achieve full gender equality in the years ahead.

**In 2021
the ratio of women
recruited was 50%,
female employees
are now 39% of
the workforce
and hold 31% of
all management
positions.**

liderizbiz

liderizbiz (We Are Leaders)

We reached out to 15 female executive candidates preparing to enter management positions through our program on the development and empowerment of female team leaders.

farkındayızbiz

farkındayızbiz (We Are Aware)

We raised awareness on gender equality with our program, aiming to break gender-based prejudices in all management staff.

Kadın İşi Erkek İşi (Women's Work Men's Work)

We organized a communication campaign to critique the "Women's Work, Men's Work" rhetoric. To reduce the use of sexist language, we organized a panel entitled "Women's Work, Men's Work - Doesn't Mean Anything To Us!".

Bu Ne İş (She Means Business)

By giving our female employees in technical positions a platform to air their views on social media, we aimed to deliver a blow to the "women's work" and "men's work" narratives.

Talent Management

ECP views its employees' professional success as an issue that needs continual support. We prioritize this with a digital and innovative human resources approach. Dividing our employees into five teams of 202, in 2021 we sought to address some key areas including careers, new generation work, rewards, team effectiveness and sustainable commitment. This teams approach enabled us to communicate effectively with our employees and to address employee needs more empathetically.

Training programs, workshops, interviews and panels help us support our employees' efforts to develop their talents and skills, while at the same time strengthening their motivation, team spirit and sense of belonging to our company.

We organize competitions such as Career Test Drive, EnGenius and Markathlon for new graduates and young people who are studying advanced degrees in order to attract the best candidates to our company.

Our highly successful Career Test Drive (KTS) Program continues to attract graduates to ECP, where they are given the opportunity to exercise their talents. We promote the KTS during campus visits, job fairs and conferences as well as through our social media accounts and advertisements. With KTS, university students take up intern positions at our company for least two months on a full- or part-time basis. Our interns are thus given insights into how we manage projects and are offered mentoring support, personal development training and coaching. Young talents who successfully complete the internship program are included in the candidate pool during the Eczacıbaşı Consumer Products recruitment process.

In 2021, **30%** of our recruits were discovered during university campus visits and competitions.



EnGenius

The EnGenius Program is a recruitment-oriented competition in which new graduate engineers or third-year, senior and post-graduate engineer candidates can demonstrate their creative and analytical thinking abilities, whilst finding out about how Eczacıbaşı Group companies operate.



Markatlon

Our Markathlon program provides a platform for third-year, senior and post-graduate university students interested in using their creative skills to pursue a career in marketing. In 2021, 10 teams competed in our OKEY brand category to develop a brand strategy and 3 teams were awarded wins in the competition. Students participating in the competition are offered internship opportunities and the winning teams are rewarded.

Markatlon

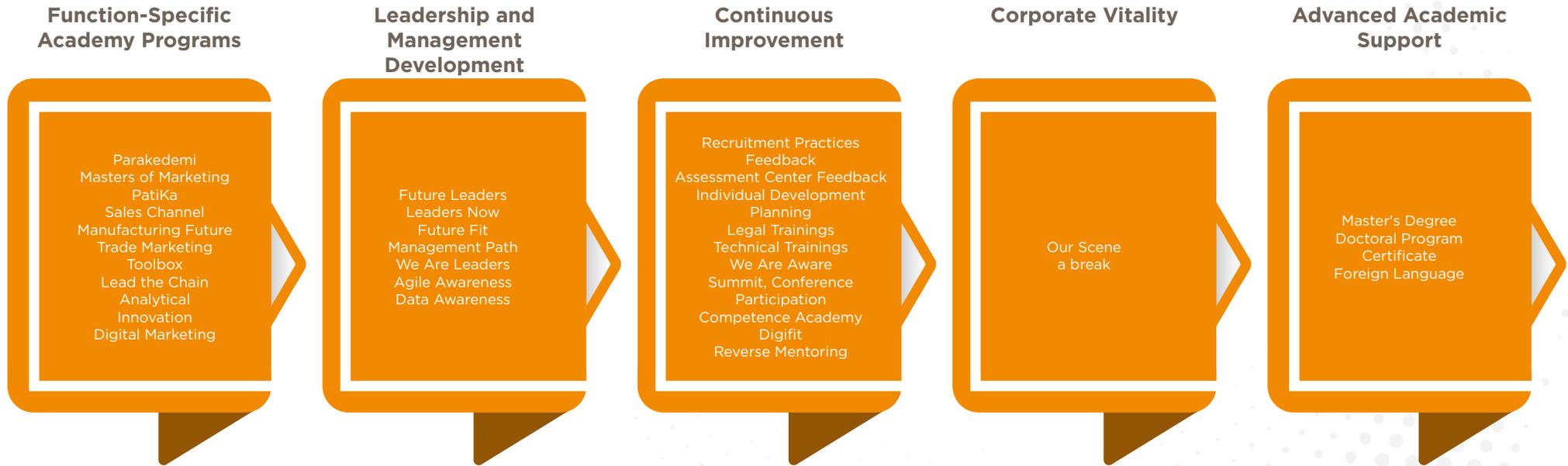
Employee Development

Each of our employees is a talent. To develop their work skills, we organize training sessions through which we aim to increase their professional competencies. As well as reinforcing their technical knowledge and skills, we offer them the opportunity to develop leadership and management attributes. We also finance doctoral and graduate student employees who want to enhance their professional development through academic studies. We provide funding or other support for employees who want to obtain a certificate in a particular area of expertise, or who aim to contribute to their personal development by learning a foreign language.

Our diverse training programs help us identify the common needs of our company and create opportunities for our colleagues to make the best use of their potential by pointing them towards programs that help us reach our common goals. In 2021, we launched the "Competence Academy" to conduct individualized competence development initiatives in different work areas.

Our common goal is to learn from each other's experience and knowledge and to develop together through our mentoring/reverse mentoring program "Mind Masters", which was also launched in 2021. In 2021 63 people participated in Mind Masters, and the program is set to continue in 2022.

Development in Eczacıbaşı Consumer Products



In 2021, Eczacıbaşı Consumer Products was

- Awarded the Silver Stevie Award for our 'Academy of Sales Arts'
- Awarded Best of Sales Award for the Human Resources Application by the Sales Network



Employee Loyalty

We regard employee satisfaction as key to our success as a company, and understand that employee loyalty is only possible if our employees are satisfied. ECP has unwavering confidence in the personal and professional abilities of its employees, and we endeavor to retain each talent in our organization. We work hard to ensure that our employees continue their career journeys with us. One of the ways we do this is by prioritizing Group employees in our internal recruitment process when a position becomes vacant.

To strengthen employee loyalty, we mapped our risks in 2021, analyzed the results of our work in this area and determined our action plans to create more opportunities for employee engagement in the year ahead.

At the same time, we continue to strengthen our connection with our employees by offering flexible working hours, remote working, enhanced participation in decision-making processes, and extra opportunities for self-development in the form of training, workshops, seminars and social events.

Our remote working model was launched before the pandemic and enabled us to be ready for the rapid adaptation to the flexible working conditions that emerged during this period and afterwards. We now have come to a point where we have three main working patterns for our white collar employees: full-time remote, hybrid and in-office/on-site.

Our white collar employees, who prefer full-time remote work, work their shifts entirely outside of the office, while those who work in hybrid arrangements work remotely for two days a week.

As part of our paternity leave package, we give fathers three weeks off after birth, and one day off per week for the subsequent three weeks.

We also give ECP product packages each quarter to our employees, who we position as our brand ambassadors.

We organize social events for our employees through our **Camping, Travel, Yoga, Pilates and Gastronomy Clubs.**

Our office staff enjoy “quiet hours” which are meeting-free hours between 12.00 and 13.00 and after 17.00

With our seminars and workshops on stress management, health, psychology, finance and personal development under the “Bi Mola” program, we believe we have increased our corporate vitality, got in better shape and been given the chance to recharge our batteries. In 2021, we made our content accessible through the “Studio live” application for anyone who needed a physical or mental detox, and to make more people happy.



**OCCUPATIONAL
HEALTH AND SAFETY**

Occupational Health and Safety



Providing our employees with a healthy and safe working environment (OHS) is undoubtedly among the most important duties we have to our internal and external stakeholders. Our approach is based on seeking continuous improvement in OHS.

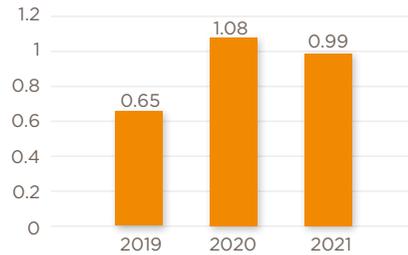
As a leading industrial company that produces to the highest standards globally, we monitor OHS best practice to advance our standards further each day. Our goal is zero accidents and zero occupational disease.

We use technological advances and opportunities presented by operations and production processes to improve our employees' working conditions on a continuous basis. This often leads to increased operational excellence and business continuity, as a virtuous by-product of our approach.

We expect all our business partners to operate with the same principles and care, and we encourage their tracking of relevant parameters. In order to prevent work accidents, we identify and minimize possible risks within the scope of our "Near Miss" and "Hazard Notification" programs. In particular, we ensure awareness of these risks through on-the-job training and one-point training sessions.

Eczacıbaşı Consumer Products achieved an accident frequency rate of 0.99 in 2021, an improvement of 9% on the 1.08 recorded the previous year.

Accident frequency rate*



* Accident Frequency Rate = (Number of Accidents Resulting in Lost Time * 200 000) / (Working Hours)

The relative increase in the accident frequency rate after 2019 is due to the workload resulting from the increase in domestic and international demand for our products, along with the ongoing pandemic. To address this observed increase, rapid action has been taken to improve our systems. As a result of these improvement efforts, the accident frequency rate decreased in 2021 and we aim to build on this improvement with more actionable plans in 2022 and beyond.



Occupational Health and Safety Practices in the Workplace

Health and safety measures are determined by internal needs, experience in the field and our observations. Every year, we add to our processes, drawing upon international best practice and sector-specific solutions.

In 2021, we measured variables relating to working at height, working under suspended loads, dust control, fire, scaffolding, ergonomics, slipping - tripping - falling, chemical exposure and rotating equipment. Where possible we sought to eliminate and if elimination was not possible, we sought to mitigate. Over 160 improvement studies were carried out at our Yalova plant, 190 at our Manisa plant, 15 at our Gebze Chemical plant and 33 at our Gebze Bebek plant to identify areas for improvement going forward.

We regularly examine our employees for occupational diseases and take any necessary measures to prevent risks. In addition, taking into account the age range and health status of our employees, we screen 'at-risk' groups for possible diseases. The Cancer Early Diagnosis, Screening and Education Center (KETEM) affiliated with the Cancer Department of the Directorate General of Public Health at the Turkish Ministry of Health at our Manisa and Gebze factories screened all of our employees in 2019 on a voluntary basis. Though suspended in 2020 and 2021 due to the pandemic, plans have been made to continue this successful program in 2022.

Disaster Readiness and Support

We aim to keep our disaster preparation and institutional resilience to natural disasters, epidemics and other emergencies at the highest level. Our top priorities are protecting our people and preparing our facilities for disaster. This means ensuring the working and physical environments are as resistant as possible to potential risks so as to minimize impact on our business continuity and safety. For this purpose, our Disaster Management System has been updated to bring our facilities up to the highest level of readiness, and all our facilities have been re-evaluated according to current standards. Older buildings were demolished in 2021.

Following the Elazığ and İzmir earthquakes in 2020, ECP, like the rest of the business world, took part in aid efforts, while also using this as an opportunity to increase disaster preparedness by initiating studies and preparing a roadmap with different scenarios for all of our facilities.

ECP's communications, information technologies, occupational health and safety, education and human resources departments cooperated to design scenarios and developed the Disaster Management Systems with simulations.



Our preparedness is focused on training and awareness and we include not only employees but their children, so that the entire family gains the necessary knowledge and awareness.



Efforts to Combat COVID-19



Unlike in 2020, 2021 has been a year in which we internalized the need to live with the measures applied against the pandemic while at the same time having the opportunity to be vaccinated. ECP applied to and was awarded a TSE COVID-19 certificate for all its facilities, and went beyond these standards. We provided incentives to facilitate access to vaccines, and thanks to our employees, were able to achieve high vaccination rates in a short time. Our struggle against the pandemic was marked by a feeling of solidarity and unity which has since continued.

In 2021, as in the early stages of the pandemic, we continued the work from home (WFH) arrangement for our employees and assessed how WFH could be made safely and securely using digital platforms. We continued to work remotely or with a hybrid working model, except when an on-site presence was required. We allowed access to common working areas at our facilities and within the wider Group to all employees. In 2021, we completed the transition of our field sales teams to a remote working model, guided by the motto "Different Address, Same Location".

We carried out recruitment, orientation and training for new colleagues using digital platforms.

Our internal and external meetings took place on online platforms whenever possible and continued to disinfect surfaces regularly and to take preventive measures against infection in common areas, shuttles, work areas and production facilities. Social distancing continued to be applied via seating arrangements and the use of protective equipment.

Continuous Communication

During the pandemic, in order to keep our health measures at the highest level, improve our awareness and maintain our business continuity we communicated internally on a non-stop basis. Employees were given information on workplace risks before and after travel, and the precautions that can be taken, under the motto of #BirlikteAşarız (Together We Can Make It). We provided our employees with access to health points and accurate information through an Online Health Line. We communicated with employees on home activities, and continued our 24/7 free consultancy service for those in difficulty (psychological, legal support, medical support, healthy nutrition).



**DIGITAL
TRANSFORMATION**



Digital Transformation

We believe that in making the most of the technologies we possess, we can contribute to our sustainability goals. By adopting a technology-oriented approach in our way of doing business, we can incorporate sustainability parameters into these tech processes. The flexibility, quality and operational efficiency of the digital transformation and Industry 4.0 applications are the biggest facilitators in achieving our efficiency targets in natural resource consumption.

ECP has fully digitized core processes such as the “Supply Chain Control Tower” and “Integrated Business Planning”, and we have implemented projects that increase our operational efficiency through the use of advanced analytical facilities. By means of these and other ongoing modern production management system applications, we have introduced more detailed management and monitoring capabilities into our processes. Using advanced analytical facilities to interpret the data we collect from our production processes, we continue to implement Industry 4.0 projects with a view to increasing our production efficiency, reducing machinery downtime, and most importantly, optimizing our energy use.

Efficiency derived from the Partner Connect platform will be converted into profits

To manage our sales, supply chain and finance processes effectively, we have implemented Partner Connect, an innovative digital platform that is considered the first of its kind in our sector. We use Partner Connect to carry out our order, demand management and financial processes digitally with our stakeholders, which include Türkiye’s leading market chains, retailers and distributors.

Partner Connect is an open platform shared by our business partners and will also be used by the sales team. The platform will digitize the communication between the sales team and the business partner, and will accelerate customer service notifications by moving them into the digital domain. With the transfer of the online product catalogue to the Partner Connect platform, up-to-date product information will become instantly accessible.



INNOVATION and ENTREPRENEURSHIP



Innovation Strategy

ECP considers innovation through R&D to be the cornerstone of its sustainability strategy. Appropriate and successful innovation allows us to revise and improve our key operations, and this transformation has positive value in our production chain. Our company invests in new technologies and applications and supports entrepreneurship. We take care to keep our innovation efforts in touch with our sustainability goals in all these investment and implementation processes. We shape our innovation strategy in a sustainable, human-oriented manner, respecting the environment in the process of creating value.

Housed within ECP, our R&D Center engages in innovative production research. The increased expectations for hygiene caused by the pandemic has increased our workload in this space.

Türkiye's first probiotic wet wipe Uni Baby Sensitive Touch; Selin Moisturizing

Cologne, a necessity in the pandemic; Solo Toilet Paper, which has been made 35% thicker with Airmill technologies; and Solo Wet Cleaning Wipes for All Surfaces with their practical cleaning and hygiene features are just a few of the innovative products developed recently by our R&D center.

Our Solo Wet Cleaning Wipes for All Surfaces and Selin Moisturizing Cologne Products were named "Innovative Products of the Year-Hygiene Category" in the 2020 competition organized by YouGov Turkey for Marketing Türkiye.

Our R&D Center aims to make the innovation culture a part of our daily business. The "Just Create" movement sets the stage for the development of innovative product ideas that increase consumer quality of life, with the aim of launching R&D studies after the culmination of feasibility studies related to these ideas. In addition, within the

scope of the "Inno-Edu" program, R&D employees are offered entrepreneurship training.

ECP integrates an innovative approach into all its processes and spreads this perspective throughout the company. Accordingly, a Product Lifecycle Management (PLM) system has been implemented to systematically track projects and new products in internal operations. This system increases internal transparency and auditability, allows employees to monitor data and facilitates cooperation between departments.

Collaborating to Innovate

Eczacıbaşı Consumer Products wants to build a bridge between the world of innovation and our company. As an organization, we support initiatives that have a win-win solution potential to ensure more effective progress in our processes. We therefore monitor the

entrepreneurship ecosystem closely and keep up to date with projects that are compatible with the needs, goals and processes of our organization. We cooperate with initiatives in the field of entrepreneurship, and organize promotional days with these initiatives to develop solutions specific to us. In addition, we carry out joint programs with institutions such as the Turkish Industry and Business Association (TÜSİAD), Technology Development Foundation of Türkiye (TTGV), Startups Watch, Endeavor Türkiye and the Keiretsu Forum. We support entrepreneurship financially by participating in the promotional days of these institutions.

Eczacıbaşı Consumer Products R&D Center

The Eczacıbaşı Consumer Products R&D Center was launched in 2019 and brings different teams and departments involved in R&D under one roof. Operating over an area of 1,128 m², the R&D Center has laboratories that conduct research and development studies in tissue papers, packaging, cosmetics, chemical products, microbiology, and analytical method development.

Adopting a benefits-focused product development approach, the ECP R&D Center carries out projects with a human-oriented perspective, taking into account the ecological balance in our production processes. We prioritize the use of raw materials from sustainable sources in our production processes, minimize the amount of waste material, promote the recycling of existing waste materials, minimize the use of plastic packaging and increase the use of recyclable packaging. In line with our commitment to the Business Plastics Initiative (IPG) that we signed in 2019, the plastic used in our wet wipes packaging was reduced by 20 tons, and the plastic used in our shampoo,

facial tissue packaging, wet wipe caps and multiplet bags was reduced by 19 tons in 2021. In addition to reducing plastic packaging, 19 tons of paper reduction was achieved as a result of the work we did on our boxes and parcels in the baby category. As part of our packaging reduction efforts, we held meetings with our suppliers and identified possible areas for improvement in the supply process, aiming to reduce the amount of aluminum and plastic used in packaging to the lowest possible level.

Similarly, we identified non-recyclable packaging issues in 2021 and initiated recycled material research studies. The types of recycled plastic raw materials that can be used in packaging groups were determined. Seven different packaging design alternatives were created from our R&D Center's technical designs for packaging that require solid modeling. These designs have been registered as new patents and will increase our control over the packaging production process.

ECP R&D Center made nine patent applications in 2019, 26 patent and seven packaging registration applications in 2020, and 31 patents and seven packaging design registration applications in 2021. The health of our consumers is our top priority, thus our R&D Center works to develop alternative natural ingredients. For our biocidal products, licensing, quality certifications and product safety information are handled according to the Turkish Ministry of Health standards to ensure consumers' safe access to our products by our consumers.

As a realistic projection of our environmental awareness, our center is also working on projects aimed at minimizing the use of water in production and subsequent processes, and managing wastewater in a way that will have the least impact on the ecological balance. Applications have been made to the TÜBİTAK TEYDEB program with projects developed as a result of these studies.

We are collaborating with domestic and international companies on the conversion and recycling of waste into raw materials through appropriate processes:

- Raw Material and Ceramic Trials with ESAN
- Industry Scale Trial with VITRA
- Combustion Trials with VARAKA KAĞIT, Pilot and Industrial Scale Incineration
- Project Partnership with KCL - S.KOREA
- Project Partnership with ZIAN CO LTD - S.KOREA

We also want to source locally to reduce our carbon footprint. Switching to 2.5 times concentrated essence in Selin lemon cologne essence helped us use 44 tons less essence in 2021. Similarly, we used 18.7 tons less essential oil in 2020 and 2021, by switching to a double-concentrated essence in Uni Baby hair and body shampoos. As a result of these reductions (consumption is confusing), the CO₂ emissions from our shipping processes have also been reduced.

Responsible Consumption Practices

Offering products in the cleaning and hygiene space, Eczacıbaşı Professional (EP) places responsible consumption at the center of its business strategy when it comes to its products: tissue papers, cologne, hand disinfectants and soaps, surface disinfectants, wet wipes.

In this context, our products Selpak Professional Premium Sensor Towel Dispenser, Selpak Professional Center Feed Toilet Paper Dispenser and Pickasso Napkin Dispenser contribute to minimizing the amount of paper consumed in public living spaces. In its chemical cleaning and hygiene products, EP offers the “Green Care Professional” brand to consumers. Products under this brand have Eco Labels, Cradle to Cradle and Nordic Swan certificates. These eco-friendly products, which contain surfactants that are 100% biodegradable, offer alternatives in cleaning and hygiene.

The concentrated formula of the Maratem hero product line in the field of cleaning and hygiene reduces the amount of water and packaging waste. Presenting the products in refillable bottles reduces plastic waste potential thanks to the possibility of multiple use.

Eczacıbaşı Professional offers its Maratem Duo special concentrate product series with an automatic dilution cap in order to prevent the excessive use of chemicals. The aim is to prevent

the faulty and excess use of products, while also providing enterprises with advantages in storage through concentrated formulas and reducing greenhouse gas emissions from logistics.

Organic wastes and oil deposits, which can cause congestion in the drains of professional enterprises, have a negative impact on the environment.

EP contributes to reducing the waste load of enterprises by preventing accumulations that may occur in drains with its biological product series consisting entirely of good or beneficial bacteria and special surfactants obtained from these bacteria.

Eczacıbaşı Professional Training and Auditing Activities

The Eczacıbaşı Professional Academy Unit provides services in auditing, training, tracking and safety to businesses with its “Excellence in Hygiene Certificate Program”. The program, comprising four steps, aims to increase the hygiene awareness of employees and the hygiene standard of the enterprise, to protect its established standard and to ensure that hygiene is sustainable.

During the COVID-19 pandemic, the importance of digital platforms has

become apparent and going beyond traditional methods has become necessary. The pandemic and its aftermath made social distancing a must and Eczacıbaşı Professional offers online training through its “Remote Education Program for Excellence in Hygiene”, as well as face-to-face training on hygiene issues.

Online training options reduce the time and effort spent and mitigate the environmental impact of transportation and other activities.

The Eczacıbaşı Professional Academy reached a total of 18,000 people in 2021 through online and face-to-face training sessions held interactively with the active involvement of participants.

The Eczacıbaşı Professional Academy has reached **27,000** people through online training since 2018 and **123,000** people through technical training since 2015.



Tissue Papers

ECP's tissue paper production facilities have been awarded a Forest Stewardship Council Chain of Custody (FSC™ CoC) certificate. The FSC™ CoC certificate (FSC™ C128664) is a document that declares that the cellulose used as raw material in our tissue paper products is a material of appropriate standards, obtained from responsibly managed forests. It further asserts that FSC™ CoC standards are observed in all of the production, storage and shipping processes, from production to the market, and from there to the consumer. Compliance control in processes is carried out by independent and accredited organizations.

We adhere to the FSC standards in our use of raw materials in our production process, and make use of sustainable methods in the production of tissue papers. In line with our efforts to reduce the amount of materials we use in manufacturing, we offer the consumer a product that is three times longer than the normal roll towel with our Solo Giant Roll Towel product, thus reducing the amount of glue and cardboard used to one third and the amount of polyethylene packaging to three quarters.



Uni Baby

For Uni Baby, our leading and pioneering baby care brand in Türkiye in the newborn category, we renewed our entire product family inspired by mothers and the changing needs of babies at different developmental stages. We broke new ground in Türkiye and in the world by prioritizing consumer needs and shaping our product family according to the developmental stages of babies.

We reconsidered our product content in wet wipes, shampoo, laundry detergent and softeners. We produce our newborn wet wipes with 100% plant-based fibers and organic cotton. We renewed the formula of our shampoos with natural ingredients and pure water.

As a result of our efforts, we have successfully passed the audits carried out by Etko Cosmos, the independent certification association that sets the naturalness standards for the entire supply chain of cosmetic products around the world, from production to consumer, in terms of product content, production facility, quality systems and production line. **The naturalness certificate we received for our Uni Baby newborn wet wipe product is a first for Türkiye, and we remain the only company in our sector to hold such a certificate.** In addition, we produce

Türkiye's only prebiotic wet wipes. As well as wet wipes, we continue to be the most reliable companion for mothers and fathers at every stage of baby care.

In 2021, our Uni Baby brand led two social responsibility projects. Under the "Every newborn is a new sapling" campaign, we started an afforestation project based on sales of newborn wipes. We donated 1,000 saplings to Çekül. In another project, conducted in cooperation with the Make a Wish Association, we helped five children with health problems reach their dreams.





**SOCIAL
INVESTMENTS**

Health and Education

Eczacıbaşı Hygiene Project

In 2002 we launched a project to raise awareness on hygiene education throughout the country. Over time, this project has evolved into the "Selpak Personal Hygiene Training for Primary School". In 2007, our project was rebranded the "Eczacıbaşı Hygiene Project" and taken owned by our Group.

As a result of our cooperation with the Ministry of National Education, we have provided hygiene training to **6,250,000 students in approximately 8,500 schools in 65 provinces across Türkiye since 2002.**

Using our "Selpak Personal Hygiene Training for Primary School" project as a starting point, we have provided personal care training to students, supporting them in gaining hygiene awareness, and we have donated tissue papers to our project schools. In recognition of our works, this activity was selected as one of the 10 projects that contributed most to the achievement of the United Nations Millennium Development Goals, and was recognized with the "2006 International Private Sector Award". Our project was also featured in the book "Integrating Human Rights into the Business World". Again in 2006, we were awarded the "Company Adopting Consumer

Satisfaction as a Principle" given by the Ministry of Industry and Trade and the "2006 Special Jury Award" given by TÜHİD.

The Eczacıbaşı Hygiene Project was also deemed worthy of many international awards for its success and social contribution. We have been given a "Social Responsibility" award at the International Public Relations Association (IPRA) Golden World Awards and a United Nations Special Award. We have been deemed worth of "Europe's Best Social Responsibility Project" award by the Stevies International Business Awards, a global awards program. We were a finalist in the "Social Relations" category under the Platinum Awards organized by PR News, and most recently, we were honored with a "Corporate Social Responsibility Award" by Active Academy.

Hello to the Selpak Potty Training

In 2011, we implemented the "Selpak Potty Training" project to teach children correct personal hygiene habits and toilet training. With the Türkiye Tour held in 2013, we provided training to more than 350,000 parents in six provinces. In 2018, we integrated digitalization and an online education format into our processes, thus reaching millions of parents.

Okey Sexual Health Studies

We carried out a communication campaign on sexually transmitted infections (STIs) under our OKEY brand, and drew attention to the importance of using products in this category, considered taboo in the period they were offered to the consumer. Thus, OKEY contributed to the normalization of the use of the products in this category and succeeded in raising awareness about sexual health.

Under the Reproductive Health Peer Education Project implemented by UNFPA for the sexual and reproductive health of young people between the ages of 18 and 24, the education of young people in universities by distributing condom.

Military personnel training was also supported in cooperation with the Turkish Armed Forces (TAF). In addition, our brand maintained a stance that undermined perceptual taboos by putting women's sexual pleasure at the center of its campaign in 2021, emphasizing gender equality. Thanks to the campaigns it has executed, OKEY was deemed worthy of a Golden Effie Award in the Health-Personal Protection and Gender Equality in Advertising categories at Effie, one of the most prestigious organizations in the advertising world.



Sports and Volunteering

Eczacıbaşı Sports Club

Established in 1966, today Eczacıbaşı Sports Club is one of the most successful names in Turkish sports, training athletes in basketball, volleyball and table tennis since 1967, when it became a member of the Federation. Our sports club has won 13 Turkish Table Tennis Championships in the Division 1 Turkish League, eight in men's basketball, three in chess and 40 in volleyball. Since the 1990s, our club has focused solely on women's volleyball and has increased the visibility of women's volleyball in our country with its local and international successes, thus contributing to an increase in the number of female athletes who take up volleyball.

In addition, our club has enabled thousands of young people to become acquainted with sports through high school and university scholarships. In 2016, the "Future Spike" project was implemented in cooperation with the Back to the Future Sports Club, and a platform was provided for our young girls to get involved in volleyball. As a result, more than 3,000 young girls have been provided with volleyball training through programs organized in various cities. Consequently, our club received a "World Trophy" from the International Olympic Committee for its inspiration in volleyball and for its efforts to increase the presence of women in sports, and thus it became the first club in Türkiye that won this award.

Eczacıbaşı Sports Club's approach allows women to develop themselves in sports and to feel more empowered. This initiative is supported by our Selin brand which began life with the advertising slogan "Feel better in one breath". Selin continues to convey this message to all its stakeholders through Eczacıbaşı Sports Club and makes a "fresh" contribution to the inclusion of women in sports.

Eczacıbaşı Volunteers

Eczacıbaşı Volunteers is a working group that has been carrying out projects since 2008 aiming to contribute to society and create value in the fields of culture-arts, science, informatics and education. A total of 68 employees of Eczacıbaşı Consumer Products have volunteered their time to the community. Our volunteers have collaborated with the "Young Guru Academy" and "Kodluyoruz" (We Code) platforms through the projects they have carried out, and are supporting children in acquiring knowledge in the fields of science, technology and software in the trainings they organized. In addition, open, online coding training has been offered to students who are interested in informatics. During the pandemic, a computer campaign was organized to help students overcome the difficulties they experience in remote education, thus contributing to the access of needy students to the necessary resources.

Our volunteers also developed the "Bir Şarkımız Biz" (There's Music In All Of Us) project for the Regional Boarding Secondary Schools (YBO), renovated under the Eczacıbaşı Hygiene Project, establishing music classes in these schools where students were introduced to various musical instruments.



PERFORMANCE INDICATORS

	2019	2020	2021
Net Sales (million TRY)	2,082	2,274	2,895
International Sales (million €)	90	70	76
Total Assets (million TRY)	1,344	1,934	3,177
EBITDA (million TRY)	310	393	298
Number of R&D Employees (persons)	23	24	27
Total R&D Expenditures (TRY)	4,877,687	7,927,936	8,803,056
Total Number of Patent Applications (unit)	9	26	31
Total Number of R&D Projects (unit)	20	19	25
Total Direct Energy Consumption (MWh)	270,694	273,912	274,856
Total Indirect (purchased) Energy Consumption (MWh)	213,477	216,233	216,221
Energy Consumption Per Product (MWh/ton)	2.37	2.22	2.36
Total energy savings (MWh)	260	47	435
Water Withdrawal by Source (Thousands ton / m ³)			
Municipal Water Consumption	1,651	1,681	1,584
Groundwater Consumption	135	76	112
Other Water Consumption	-	-	32
Water Withdrawal per product (m ³ /tons)	8.76	7.97	8.32
Total Water Recycling (m ³)	3,280	3,640	3,520
Total Waste Amount (tons)	8,231	9,508	8,131
Recycled (tons)	8,085	8,978	7,733
Disposed (tons)	146	530	398
Total Direct Greenhouse Gas Emissions (Scope 1) (tonnes CO ₂)	48,033	48,579	48,726
Total Indirect Greenhouse Gas Emissions (Scope 2) (tonnes CO ₂)	98,027	98,641	97,447
GHG Emissions Per Product (ton CO ₂ /ton)	0.72	0.67	0.70
Accident Frequency Rate	0.65	1.08	0.99
Average Training Time Per Person (hours)	31	11	19

	2019	2020	2021
Total Workforce (Number)	931	947	956
Female	270	278	278
Male	661	669	678
Total Labor by Contract Type (Number)	931	947	956
Permanent	929	945	949
Female	270	278	276
Male	659	667	673
Temporary	2	2	7
Female	0	0	2
Male	2	2	5
Total Labor Force by Employment Type (Number)	931	947	956
Full Time	923	939	951
Female	266	274	275
Male	657	665	676
Part Time	8	8	5
Female	4	4	3
Male	4	4	2
Senior Managers (Number)	50	54	51
Female	14	17	16
Male	36	37	35

GRI Index



GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
	Disclosures	Direct Answers or Page Numbers	
Organizational Profile	102-1	Name of the organization	3
	102-2	Activities, brands, products, and services	6, https://www.eczacibas.com.tr/en/brands/companies-consumer-products
	102-3	Location of headquarters	55
	102-4	Location of operations	3, 6
	102-5	Ownership and legal form	3
	102-6	Markets served	6
	102-7	Scale of the organization	6
	102-8	Information on employees and other workers	45
	102-9	Supply chain	There is a wide supplier network of different scales depending on product groups and purchasing criteria.
	102-10	Significant changes to the organization and its supply chain	It is the first year of reporting.
	102-11	Precautionary Principle or approach	12
	102-12	External initiatives	3, 4
	102-13	Membership of associations	14
Strategy	102-14	Statement from senior decision-maker	4
	102-15	Key impacts, risks, and opportunities	4, 9
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	13, www.eczacibasituketim.com/belgeler/politikalarimiz
	102-17	Mechanisms for advice and concerns about ethics	13

GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
	Disclosures	Direct Answers or Page Numbers	
Governance	102-18	Governance structure	8
	102-19	Delegating authority	8
	102-20	Executive-level responsibility for economic, environmental, and social topics	8
	102-21	Consulting stakeholders on economic, environmental, and social topics	10, 15
Stakeholder Engagement	102-40	List of stakeholder groups	15
	102-41	Collective bargaining agreements	13
	102-42	Identifying and selecting stakeholders	10, 15
	102-43	Approach to stakeholder engagement	15
	102-44	Key topics and concerns raised	10, 11, 15
Reporting Practice	102-45	Entities included in the consolidated financial statements	3
	102-46	Defining report content and topic Boundaries	3, 11
	102-47	List of material topics	10, 11
	102-48	Restatements of information	It is the first year of reporting.
	102-49	Changes in reporting	It is the first year of reporting.
	102-50	Reporting period	3

GRI Index

GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
	Disclosures	Direct Answers or Page Numbers	
Reporting Practice	102-51	Date of most recent report	It is the first year of reporting.
	102-52	Reporting cycle	<u>Once a year</u>
	102-53	Contact point for questions regarding the report	55
	102-54	Claims of reporting in accordance with the GRI Standards	3
	102-55	GRI content index	46
	102-56	External assurance	No independent audit has been performed.
GRI 200: Economic			
	Disclosures	Direct Answers or Page Numbers	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	11, 43, 44
	103-2	The management approach and its components	8, 43, 44
	103-3	Evaluation of the management approach	43, 44
"GRI 203: Indirect Economic Impacts 2016"	203-2	"Significant indirect economic impacts"	43, 44, 45
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	11, 13
	103-2	The management approach and its components	13
	103-3	Evaluation of the management approach	13
GRI 205: Anti - Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	13

GRI 300: Environmental		Disclosures	Direct Answers or Page Numbers
GRI 302: Energy 2016			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	11, 18
	103-2	The management approach and its components	8, 18
	103-3	Evaluation of the management approach	8, 18
GRI 302: Energy 2016	302-1	Energy consumption within the organization	18, 45
	302-3	Energy intensity	18, 45
	302-4	Reduction of energy consumption	18, 45
	302-5	"Reductions in energy requirements of products and services"	18, 45
GRI 303: Water and Effluents 2018			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	11, 20
	103-2	The management approach and its components	8, 20
	103-3	Evaluation of the management approach	8, 20
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	20
	303-2	Management of water discharge-related impacts	20
	303-3	Water withdrawal	20, 45
	303-5	Water consumption	20, 45

GRI Index

GRI 305: Emissions 2016

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	11, 18
	103-2	The management approach and its components	8, 18
	103-3	Evaluation of the management approach	8, 18
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	18, 45
	305-2	Energy indirect (Scope 2) GHG emissions	18, 45
	305-4	GHG emission intensity	18, 45

GRI 306: Waste 2020

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	11, 21
	103-2	The management approach and its components	8, 21
	103-3	Evaluation of the management approach	8, 21
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	21, 45
	306-2	Management of significant waste-related impacts	21, 45
	306-3	Waste generated	21, 45
	306-4	Waste diverted from disposal	21, 45
	306-5	Waste directed to disposal	21, 45

GRI 400: Social 2016

		Disclosures	Direct Answers or Page Numbers
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GRI 401: Employment 2016

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	10
	103-2	The management approach and its components	8
	103-3	Evaluation of the management approach	8, 23
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	45
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	23-26

GRI 403: Occupational Health and Safety 2018

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	10
	103-2	The management approach and its components	8
	103-3	Evaluation of the management approach	8
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	30
	403-6	Promotion of worker health	30-33
	403-9	Work-related injuries	45

GRI Index

GRI 404: Training and Education 2016

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	10
	103-2	The management approach and its components	8
	103-3	Evaluation of the management approach	8, 27-30
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	45
	404-2	Programs for upgrading employee skills and transition assistance programs	27-30

GRI 405: Diversity and Equal Opportunity 2016

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	10
	103-2	The management approach and its components	8
	103-3	Evaluation of the management approach	8, 26
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	8, 26, 45



Annex 3- Bibliography for the UN Global Compact

UN Global Compact References		
Areas	UN Global Compact Principles	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights; and	13, 34
	Make sure that they are not complicit in human rights abuses.	13, 34
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	13, 34
	The elimination of all forms of forced and compulsory labour;	13, 34
	The effective abolition of child labour; and	13, 34
	The elimination of discrimination in respect of employment and occupation.	13, 34
Environment	Businesses should support a precautionary approach to environmental challenges;	9, 12, 18
	Undertake initiatives to promote greater environmental responsibility; and	18, 34
	Encourage the development and diffusion of environmentally friendly technologies.	18, 34, 37
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	13

Annex 4 - WEF - Stakeholder Capitalism Metrics

PRINCIPLES OF GOVERNANCE

Theme	Core Metrics and Disclosure	Description	Reference(s)	
Governing purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	5	
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	8	
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	10	
Ethical behaviour	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, broken down by region.	13	
		a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and	13	
		b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.	13	
			2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	13
			A description of internal and external mechanisms for:	13
	Protected ethics advice and reporting mechanisms		1. Seeking advice about ethical and lawful behaviour and organizational integrity; and	13
		2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	13	
Risk and opportunity oversight	Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	12	

Annex 4 - WEF - Stakeholder Capitalism Metrics

PLANET			
Theme	Core Metrics and Disclosure	Description	Reference(s)
Climate change	Greenhouse gas (GHS) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	19, 45 Scope 1 and Scope 2 emissions are calculated and reported annually. We aim to calculate Scope 3 emissions.
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	We have started studies on the detailed assessment of climate risks within Eczacıbaşı Consumer Products. In this context, we also planned actions to comply with TCFD.
Nature loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	The organization does not have an operation center operating in protected areas, especially RAMSAR areas.
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.	21
		Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	It will be expanded in the coming years.

Annex 4 - WEF - Stakeholder Capitalism Metrics

PEOPLE				
Theme	Core Metrics and Disclosure	Description	Reference(s)	
Dignity and equality	Diversity and inclusion	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	25, 45	
	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.	25	
	Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage.	25	
	Risk for incidents of child, forced or compulsory labour		An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:	25
			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.	13, 25
Health and well-being	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. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	30-33	
Skills for the future	Training provided	Average hours of training per person that the organization'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). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	26-29, 45	

Annex 4 - WEF - Stakeholder Capitalism Metrics

PROSPERITY				
Theme	Core Metrics and Disclosure	Description	Reference(s)	
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.	In 2021, our white-collar female employee rate is 39.2%, employee turnover rate is 15.7%, and the average seniority is calculated as 8.	
		2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.		
	Economic contribution	1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by:		In this period, the company made TL 2,895 million in revenues. Operational expenses were 609 million TL, workers pay and benefits were 214.5 million TL, community investments were 283.2 thousand TL .
		- Revenues		
		- Operating costs		
		- Employee wages and benefits		
		- Payments to providers of capital		
- Payments to government				
- Community investment				
2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.		Received COVID-19 relief funds from the government.		
Financial investment contribution	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.		In the reporting period, the total amount of capital expenditures excluding depreciation is 111.3 million TL. We continue to increase your investments focused on capacity increase and international growth. Our main goal is to grow and expand more strongly with international investment and trade. As part of the international market, we prioritize production models and products based on the circular economy.	
	2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.		There are no share buybacks and dividend payments	
	Total R&D expenses		Total costs related to research and development.	8.7 million TL
Innovation of better products and services	Total R&D expenses	Total costs related to research and development.	8.7 million TL	
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	In the reporting period, a total of 15.6 million TL corporate tax and 17.8 million TL other categories of tax were paid.	

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