

ECZACIBAŞI BUILDING PRODUCTS  
BATHROOM

# 2021

SUSTAINABILITY  
REPORT





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# About The Report

(GRI 102-1, 102-4, 102-46, 102-50, 102-52, 102-54)

Since 2008, the Eczacıbaşı Group has been an acknowledged leader in its sector as well as Turkey in its publication of consolidated sustainability reports that include its companies and divisions. For 2021, the Eczacıbaşı Building Products-Bathroom (EBPB) publishes its stand-alone sustainability report alongside the other divisions and companies within the Group.

This sustainability report, which covers our Istanbul Headquarters as well as our production facilities in Bozüyük and Tuzla in Turkey, plus those in Russia is presented for the period between January 1st and December 31, 2021. burgbad activities in France and Germany are included in this report with reference to burgbad's individual sustainability report and the wholesale channel Intema is also referenced in this report. Previous reports have focused on the identification of risks and materiality analyses, elaborating on our stakeholder relations and have further described best practices. We have used our sustainability report to share our economic, environmental and social performance with our stakeholders in pursuit of providing full transparency. In this context, starting with this year we aim to share our journey on sustainability efforts with our stakeholders on a yearly basis.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 'core option' which requires organizations to include only important elements in their sustainability reports. The report also takes into consideration the 'Stakeholder Capitalism Sustainable Value Creation Reporting Criteria' set forth by the World Economic Forum (WEF) and committed to report on the Stakeholder Capitalism Metrics.



# CEO's Letter

(GRI 102-12,102-14-102-15-102-29)



## Dear Community and Friends,

Since 2008, Eczacıbaşı Building Products (EBP) has reported on the sustainability performance of its bathroom business in the Eczacıbaşı Group's consolidated sustainability report. This year we are pleased to publish our first stand-alone report with detailed information on our sustainability efforts in 2021, plans for 2022, and growing sustainability focus. To align our activities with the Eczacıbaşı Group's sustainability strategy, we are integrating all environmental, social, and governance (ESG) efforts into our business strategy and adopting Global Reporting Initiative (GRI) standards and the World Economic Forum's Stakeholder Capitalism framework for this report.

The COVID-19 pandemic triggered significant changes worldwide in consumers' hygiene-related awareness and expectations. The public expects higher hygiene standards in bathroom and toilet spaces and cares more about hand hygiene. Fortunately, we started our hygiene research long before the pandemic. Eczacıbaşı Building Products' mission is to serve the hygiene and wellbeing needs of all people, regardless of age, gender, ability, and health condition. Our material topics are care for nature, design with purpose, working for a better future, and - thriving on cultural and institutional advancement.

We respect planetary boundaries and work to eliminate our environmental footprint. In line with circular economy principles, we strive to use resources as efficiently as possible, extend the longevity of our products, and increase the share of nature-friendly materials. Blue Life, which we launched in 2010, is a set of guidelines devised to mitigate our impact on the environment. It is also a production, design, and management philosophy encompassing every stage of our business from the extraction of raw materials to the finished product in use. We strive to design and

produce sustainable products for every aspect of the bathroom experience. Recognizing our impact as a global brand, we design products that minimize water use, valuing every drop of water that they help to save.

The task of overcoming sustainability challenges starts with skilled, healthy, secure, and diversified people on board. Firmly committed to equal opportunity regardless of gender, physical attributes, and political or religious beliefs, we are working to ensure diversity in our workplaces and equal opportunities in our recruitment and career development processes. In 2021, we expanded daycare support to all our production sites and offices in Turkey and began offering new fathers three weeks of paternity leave after childbirth and one day a week for the next three weeks.

As a pioneering partner of the Eczacıbaşı Hygiene Project, we are also providing products and expertise to enhance the hygiene of the washing environments and improve the physical and emotional wellbeing of students at boarding schools serving rural and low-income regions in Turkey.

Our digitalization and innovation capabilities are critical to pursuing our sustainability agenda. In this report, we elaborate on our sustainability approach and how we are applying them to ambitious targets. One of our major achievements in 2021 was decoupling our revenue growth from energy use. Last year, we increased our production by 16.6 percent and our revenue by 24 percent in euro terms, while reducing our per-ton energy consumption and carbon emissions by respectively 9.5 and 8.6 percent. Additionally, we increased our recycled waste by 8.4 percent. Thanks to the agile management strategy and zero-based budgeting approach adopted by the entire Eczacıbaşı Group in 2020, we generated approximately € 2 million in savings through 34 different sustainability projects.

The environmental disasters of 2021, including wildfires and floods in Turkey have highlighted, once again, the importance of sustainability efforts and how crucial it is that all parties work together to solve global

environmental problems. One such initiative is the EU Green Deal, and we are making every effort to align ourselves as quickly as possible with the EU's green economy.

In 2022, with our new ESG organization in place, we will review our goals and commitments and carry our ESG activities to a new level. We will accelerate our investments in renewable energy for self-use to hasten our transition to renewable energy sources. We will extend our industrial symbiosis practices and study ways to strengthen the circular economies associated with our products. We will expand our sustainability collaboration to more platforms and stakeholders.

In light of global challenges like COVID-19 pandemic and climate change, we sincerely believe that prioritizing ESG issues is vital for the sustainability of our businesses and sustainable future of our planet. We hope that this report will serve as a medium to exchange ideas and expand our dialogue with all stakeholders and inspire more proposals for a better and more sustainable future. With this in mind, we kindly look forward to receiving your thoughts and feedback.

**Özgen Özkan**  
CEO



# About The Company

(GRI 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-45)

## The Eczacıbaşı Group

Founded in 1942, Eczacıbaşı is a leading Turkish industrial group with 46 companies, over 12,000 employees and combined net sales of EUR 15 billion in 2021.

Eczacıbaşı's core sectors are building products, consumer products and healthcare. The Group is also active in information technology, natural resources, and property development. In Turkey, Eczacıbaşı is the market leader in most of its businesses with some of the most effective distribution networks in the country for building products, pharmaceuticals, and fast-moving consumer goods. Globally, Eczacıbaşı has established itself among the world's top providers of bathroom and tiling solutions for homes and commercial venues with its Vitra, burgbad, Villeroy & Boch (tiles), and Engers brands. It is also a major exporter of tissue paper, electronic smart cards and industrial raw materials such as clay and feldspar.

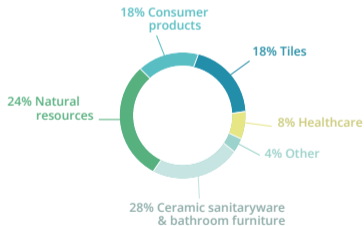
International partnership is a central component of the Eczacıbaşı Group's growth strategy. Eczacıbaşı has three international joint ventures and a number of cooperation agreements with major global businesses; these agreements are all founded on the principles of long-term mutual benefit and sustainable business practices.

The Eczacıbaşı Group's mission is to be a pioneer of modern lifestyles that are healthy, high quality and sustainable. The Group accordingly encourages each of its companies to surpass established standards and raise consumer benchmarks in product and service quality. Through sponsorship and responsible corporate practices, it also promotes social and economic development that nurtures cultural and scientific activity, protects the environment, and preserves scarce natural resources. Eczacıbaşı means 'chief pharmacist' in Turkish; this honorary title was conferred upon the father of the Group's founder at the turn of the century in recognition of his commitment to improve the health and well-being of his community and was subsequently adopted as the family surname.

### Group-wide Sustainability Organization

The Eczacıbaşı Group coordinates primary business strategy and long term goal setting for all group companies. The Board steers sustainability decision making. Sustainability management activities are led by Group's Sustainability Coordination Committee and deployed by sustainability working groups located in the group company.

Project-based groups are sometimes also formed. The Group Companies also have their own sustainability coordination organisation, which reports to the Group Company CEO.



**TL 15.9 BILLION**  
TOTAL NET SALES (2021)

**€ 1.5 BILLION**  
TOTAL NET SALES (2021)

**€ 292 MILLION**  
TOTAL INVESTMENTS (2019-2021)

## Pillars Of The Eczacıbaşı Businesses

|   |   |
|---|---|
| <b>80</b><br>YEARS'<br>EXPERIENCE       |  |
| <b>46</b><br>COMPANIES                  |  |
| <b>39</b><br>PRODUCTION<br>PLANTS       |  |
| <b>+120</b><br>INTERNATIONAL<br>MARKETS |  |
| <b>+12,000</b><br>EMPLOYEES             |  |
| <b>€ 1.5 BILLION</b><br>TOTAL NET SALES |  |

### Innovation & Entrepreneurship

New solutions that transform lifestyle habits for the good of all.

#### Vitra Innovation Center

Ranks #1 among R&D centers in its category in Turkey

#### Eczacıbaşı Consumer Products R&D Center

#### Esan R&D Center

Innovative venture capital investment fund



### Digital transformation

An enabler of rapid responses to changing customer expectations, adding value to their lives, and sustaining the Group's competitive advantage into the future.



### Design culture

A cross-team collaborative environment characterized by diversity, empathy, curiosity and experimentation and focused on technologies that enhance the sensory and functional experience of users while contributing to sustainable living.

### ESG | Sustainability

A business model focused on improving that quality of life and creating sustainable value that enhances both business results and the Group's sustainability performance.

# Risk Management

(GRI 102-11, 102-15, 102-30)

EBPB's risk management activities are carried out by the Enterprise Risk Management Department under the leadership of EBPB's CEO in coordination with the Eczacıbaşı Group's Corporate Risk Management Department reporting to the Group CFO. EBPB's Enterprise Risk Management activities are regularly reported to both EBPB's internal Risk Management Committee as well as to the Group's Audit, Risk and Governance Committee, which is chaired by the Chairman of the Group Audit Board and also includes Independent Board Members.

Enterprise risk management includes analyzing, reviewing and reporting to management on the risks facing short and long-term strategic plans and EBPB's business objectives including suggestions on measures to reduce their potential impact. A risk-averse operational system in place at all levels supports sustainable growth by reducing financial losses and preventing waste of resources. Accordingly, enterprise risk management ensures that best practices can be adapted, meaningful indicators are created for decision makers, and outputs are submitted to the Board of Directors, Risk Management Committee, and senior management for monitoring and evaluation. Proactive risk management also optimizes the time and resources spent on these activities. The Enterprise risk management process in EBPB is designed in accordance with international standards.

Starting from the level of the Board of Directors, the main purpose of corporate risk management activities is to evaluate the strategic, operational, financial, compliance, sustainability-related and all kinds of other risks at all levels of the organization that may affect the achievement of the Group's short-term and long-term goals, endanger its development and continuity.

With contribution from all business units, the process involves identification of risks, defining their impact and possibility, and hence setting various risk levels. Identification involves all stakeholders managing these risks and the inventory is calibrated at the top management level. Followingly, actions to manage these risks are set and monitored. This process is also run at the production sites and actions are set for prevention of the defined risks.

A comprehensive sustainable development approach aims to plan for different aspects of the future which are not just economic, but also environmental and social. Through its risk management system, EBPB strives to manage risks associated with natural disasters, extraordinary weather events, biological diversity as well as making more efficient use of natural resources, enhancing employee rights and providing equal opportunities, thereby contributing to a stakeholder economy and resulting sustainable economic growth. Risk management themes include occupational health and safety, product and service responsibility, innovation, business ethics, legal compliance, combatting anti-bribery and corruption are also dealt with under ESG.

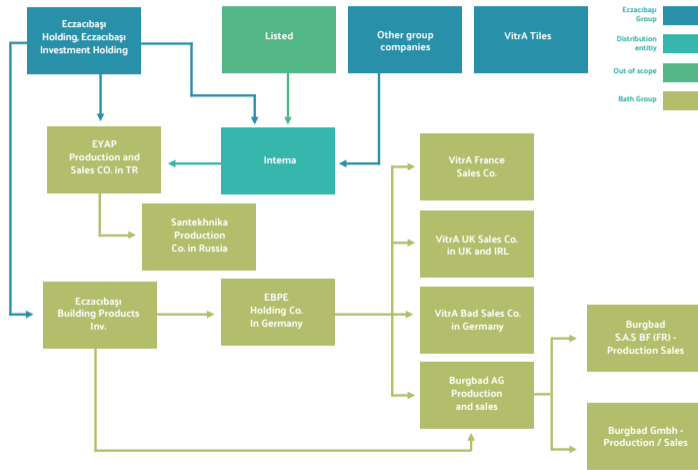


# Ownership Structure and Legal Form

( GRI 102-18,102-19,102-20)

Eczacıbaşı Building Products (Eczacıbaşı Yapı Gereçleri AŞ ("EYAP") produces ceramic sanitaryware, faucets, bathroom furniture, bathtubs and bathroom complementary products under the Vitra and Arterna brands in Turkey. As of 2020, EYAP has a controlling stake in burgbad AG ("burgbad") through its subsidiary, Eczacıbaşı Building Products Europe ("EBPE"). burgbad is a leading manufacturer of bathroom furniture through its facilities located in Germany and France. EYAP also directly owns Vitra Bathroom Products LLC ("Santekhnika"), which produces and sells ceramic sanitaryware and other bathroom products, located in Russia.

EYAP has other subsidiaries and offices in Germany, France, Italy and United Kingdom through which it performs sales and marketing activities and has representative offices in the United Arab Emirates and India. As of 2021, EYAP has transferred its shares of EBPE to Eczacıbaşı Yapı Ürünleri Yatırım A.Ş ("EYÜY"), a wholly-owned subsidiary of Eczacıbaşı Holding. The ultimate beneficial owner of both EYAP and EYÜY is Eczacıbaşı Holding.



## Eczacıbaşı Building Products - Bathroom

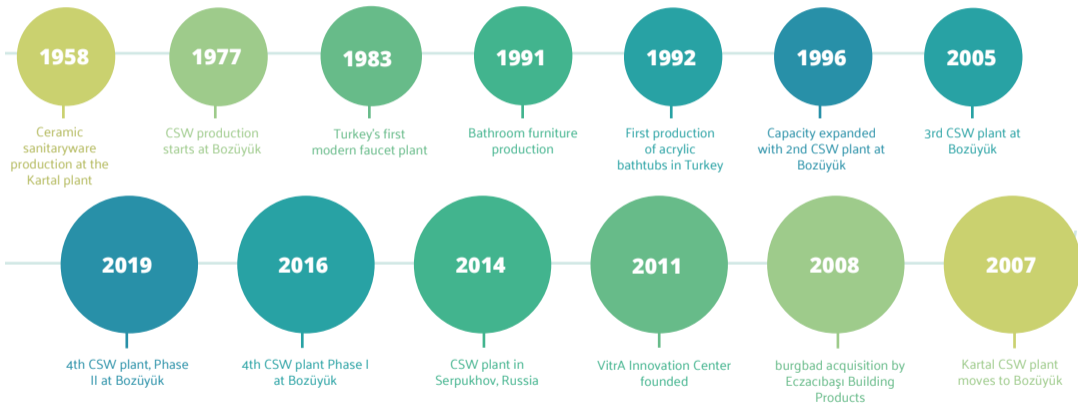
EBPB is Turkey's first and today the largest producer and exporter of ceramic sanitaryware. The company began producing VitrA branded ceramic sanitaryware in 1958, Artema faucets in 1983, VitrA bathroom furniture, bathtubs and shower trays in 1991, and Artema bathroom accessories in 1995. It designs many of these products in-house but has some very notable collaborations with renowned international designers and studios.

Our mission is to manufacture high-quality, essential-to-living bathroom products that promote the hygiene and well-being of all, regardless of age, gender or ability. Our corporate culture is designed to maximise efficiencies in resource and energy use in order to make our products more sustainable and affordable. We seek to achieve these outcomes by continuously simplifying and digitizing our processes and by reducing our waste.

Our vision for sustainable development, embodied in our philosophy 'Blue Life' is to design and produce for human health and wellbeing, leading the way on adapting to changing requirements and lifestyles. We respect planetary boundaries and work to eliminate our environmental footprint. By adopting circular economy principles, we aim to use resources most efficiently, extend longevity of our products and use nature-friendly materials. We acknowledge that in order to overcome sustainability challenges and for targets to be achieved, we need dedicated, skilled, healthy, secure and diversified people on board. Our digitalization and innovation capabilities are critical to pursue the agenda and generate green revenue opportunities.



## Company History



# Manufacturing Capability

## Germany

Bathroom Furniture (3)

## France

Bathroom Furniture (1)

## Turkey

Sanitary ware (4)

Faucet&CC (1)

Bathroom Furniture (1)

Bathtubs (1)

## Russia

Sanitary Ware (1)



Eczacıbaşı Building Products - Bathroom produces in 7 facilities in Turkey, namely Bozüyük (Bilecik) and Tuzla (Istanbul); and has in 5 facilities abroad, in Germany, France and Russia.

# At a Glance

## Key Figures

2021 Actual



Production  
in 4 countries



2.5 Million  
R&D Budget



Export to  
75 Countries



12 Plants



68 Patent Applications  
21 Registered Patents

4,653 Employees



3,312  
Blue Collar



1,341  
White Collar

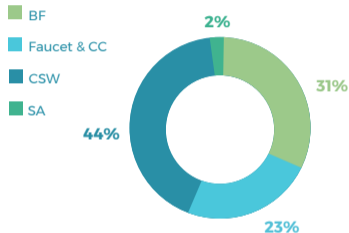


From  
8 Nationalities  
38 Languages

## Production Capacity

|             |                             |
|-------------|-----------------------------|
| 5,7 Million | Ceramic sanitary ware units |
| 1,2 Million | WC Seats                    |
| 1 Million   | Behind the wall solutions   |
| 2 Million   | Faucets                     |
| 1 Million   | Accessories                 |
| 200,000     | Acrylic Bathtubs            |
| 795,000     | Bathroom Furniture          |
| 140,000     | Mineral Cast Washbasin      |

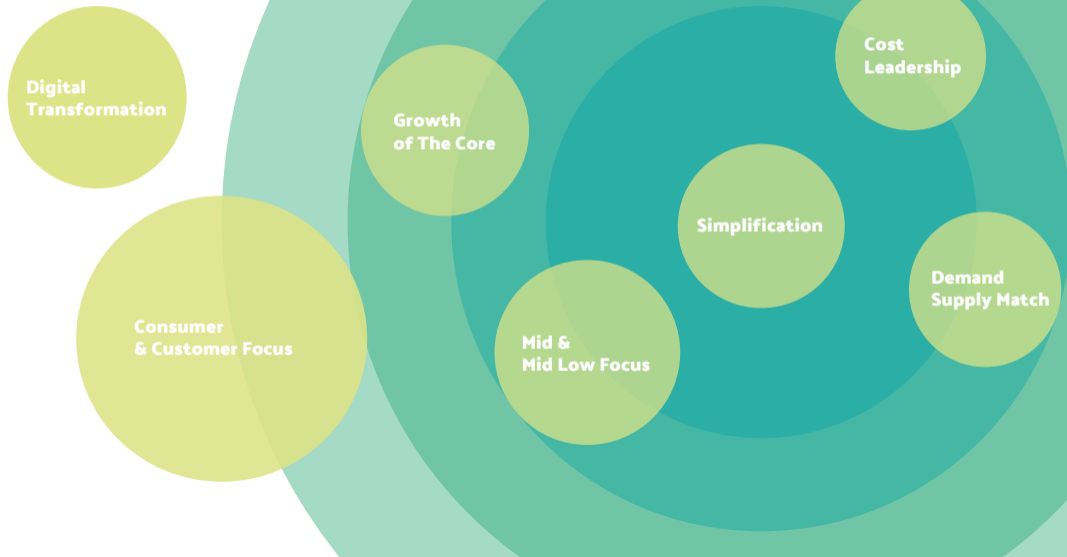
## Categories



## Market Share

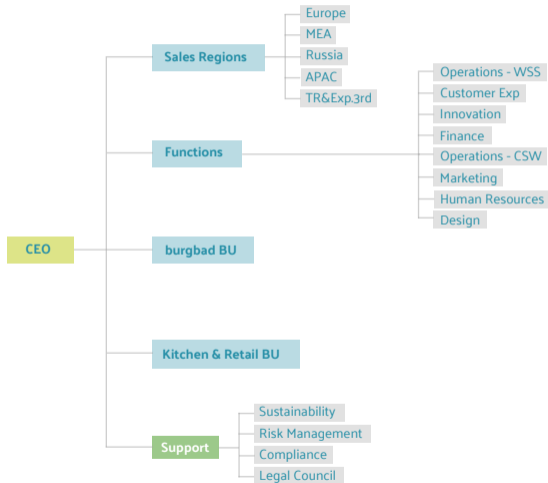
- Market leader by far in Turkish ceramic sanitaryware (CSW) market
- 2nd player in Turkish taps&mixers market

## 7 Pillars of Growth



# EBPB Organisational Structure

(GRI 102-18,102-19,102-20)



EBPB Board of Directors consists of seven full members. The Group CEO of Eczacıbaşı Holding is the Chairman of the Board and we have three members in the Board from Eczacıbaşı Holding. Our CEO is a member of the Division Board of Directors and reports directly to the Group CEO. Additionally, there are two non-executive members in the Board. The Division Board of Directors carries out its duties through sub-committees formed in the fields of Investment, Risk, Audit and Governance, Talent and Remuneration, and Marketing.

The Board of Directors also receives input from working groups, including the Sustainability Working Group. The Sustainability Working Group also reports to the Eczacıbaşı Group Sustainability Board, which has been established to transform the Group's sustainability strategies into targets and action plans, and also to monitor actual performance with the participation of the managers of Group Companies responsible for these issues. Likewise, business ethics and legal compliance is coordinated at the Group level. **Detailed information** Along with the production focused location specific sustainability working groups other working groups including packaging, supply chain, logistics, sales and stores are also being organized to develop sustainability strategy around these topics. Monthly meetings are organized to work on detailed roadmaps and follow up projects for each group.

## Sustainability Approach

The Earth's natural resources are not infinite and current consumption rates are beyond the earth can replenish or support. The science indicates that we are now at a critical juncture. EBPB cares about the future of our blue planet and is taking tangible steps to conserve natural resources. To this end we have embraced "Blue Life", both as a philosophy and a set of guidelines devised to mitigate our impact on the environment. We uphold Blue Life as a production, design and management philosophy - from the extraction of raw materials all the way to the finished product, every product is designed from the very first concept onwards with sustainability in mind: they are made to be durable, and to follow 'lean-design' principles for reduced use of resources. Significant investment in new technology reduces raw material use at all our plants and improves recovery and recycling rates throughout production. A series of stringent measures across all manufacturing sites have been delivering opportunities to reduce consumption amount of energy, water and raw materials.

In order to promote this, EBPB employees are being trained in water and power-saving practices, circular design and economy principles, sustainable materials, waste management and we are encouraging and guiding our suppliers to adopt similarly higher standards. With more revolutionary products in the pipeline, EBPB continues to shape the future of the bathroom - inspired by the Blue Life pledge for a world with a sustainable future.





## Brands and Products

(GRI 102-2)

EBPB produces, markets and sells the Group brands and products under the Vitra, Artema, burgbad and Intema segments.

Flagship Vitra develops innovative products for unique bathroom experiences and has an extensive range of products for a world where needs and tastes are growing both more uniform and ever more singular at the same time, with an unshakable commitment to sustainability. Vitra strives towards achieving a universal fountainhead of inspiration for the most demanding professionals serving the most fastidious end users, by addressing fundamental human needs as it blends extraordinary design concepts with cutting-edge technology to enhance contemporary urban living.

Vitra is the only brand in global markets offering every component of the bathroom. Applying design intelligence to the total bathroom concept, it creates inspiring bathrooms in a wide range of choices, complete to the smallest detail. Vitra supplies millions of pieces of ceramic sanitaryware each year to over 75 countries on five continents, accompanied by matching series of bathroom furniture, bathtubs, taps and accessories.



Vitra | ARTEMA | INTEMA |  burgbad

## Business Category

### Revenue Share 2021 By Product Categories

**44%**

CSW & Comp.



**31%**

Bathroom  
Furniture



**17%**

Faucet



**6%**

Concealed  
Cistern



**2%**

Showering  
Areas



# Product Portfolio

## Ceramic Sanitaryware

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

## Complementary Products

- Seat Cover
- Flushing Mechanism

## Concealed Cisterns

- Concealed Cisterns
- Flush Plates

## Shower Areas

- Compact units
- Bathtubs
- Shower channels
- Shower trays

## Bathroom Furniture

- Furniture
- Counters
- Mirrors
- Complementary products

## Faucets & Accessories

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



# Stakeholder Relations

( GRI 102-21, GRI 102-40, 102-42, 102-43)

Stakeholder engagement is fundamental to successful business as value creation is essential to everyone involved in enterprise in creating a common purpose. Companies are now more aware that to be effective, engaging stakeholders must be elevated from a risk-management tool to a deep-seated element of corporate strategic planning.

Regular and two-way communication with our stakeholders has an important role to play in our sustainability journey and learning about the expectations of our stakeholders and including the feedback we receive from them in our business approach allows us to improve the products and services we offer and to manage risks and opportunities effectively.

We believe that creating value for our world is an issue that should be taken very seriously by all stakeholders. From this point of view, we try to spread the same perspective to the entire ecosystem while trying to implement sustainability in all our business processes by involving all our stakeholders in our approach and activities.

In order to be able to insert stakeholder management within the sustainability framework, ten stakeholders have identified and they have been divided into three categories:

We have identified ten different categories of stakeholders which we have grouped under three headings:

- People/organizations we have legal, operational, and financial responsibilities towards
- People/organizations which are directly affected by our organization's operations
- People/organizations which are likely to influence our organization's performance

Significant stakeholder groups and our designated communication tools are listed as follows:



( GRI 102-21, GRI 102-40, 102-42, 102-43)

| Our Stakeholders                                    | Communication Tools  |
|---|--|
| Customers   | Customer Surveys (Periodic), Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Audits (Periodic), Customer Meetings (Periodic)   |
| Influencers   | Sustainability Reports (Annual), Projects (Project Based), Social Media (Continuous), Corporate Website (Continuous)   |
| Employees   | Sustainability Reports (Annual), Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Group Meetings and Publications (Continuous / Periodic / Instant), Bulletins / Announcements (Continuous), Material Disclosures (Instant), Employee Engagement Surveys (Annual), Training (Continuous), Social Responsibility Projects (Continuous), Human Resources Handbook (Continuous), CEO webinars (Periodic), Functional regular meetings (Periodic) |
| Business Partners                                   | Sustainability Reports (Annual), Annual Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Material Disclosures (Instant)  |
| Suppliers<br>(Materials & Equipment)                | Sustainability Reports (Annual), Annual Reports (Annual), Social Media (Continuous)  |
| Shareholders  | Sustainability Reports (Annual), Annual Reports (Annual), Financial Reports (Quarterly), Social Media (Continuous), Corporate Website (Continuous), Material Disclosures (Instant), General Assembly Meetings (Annual)   |
| Board of Directors                                  | Sustainability Reports (Annual), Annual Reports (Annual), Financial Reports (Quarterly), Social Media (Continuous), Corporate Website (Continuous), Material Disclosures (Instant), Community Meetings (Instant/Periodic), Cash-Flow Reports (Monthly), Group Financial Results Report (Monthly), Group Profit and Loss Forecast Report (Quarterly)  |
| Research & Development<br>Ecosystem                 | Sustainability Reports (Annual), Projects (Project Based), Social Media (Continuous), Corporate Website (Continuous)   |
| Civil Society & Industry<br>Platforms & Communities | Sustainability Reports (Annual), Annual Reports (Annual), Financial Reports (Quarterly), Social Media (Continuous), Corporate Website (Continuous), Customer Surveys (Periodic), Projects (Project Based), Memberships (Continuous)  |
| Others (Agencies, Media,<br>Consultants)            | Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Press Releases (Instant)   |

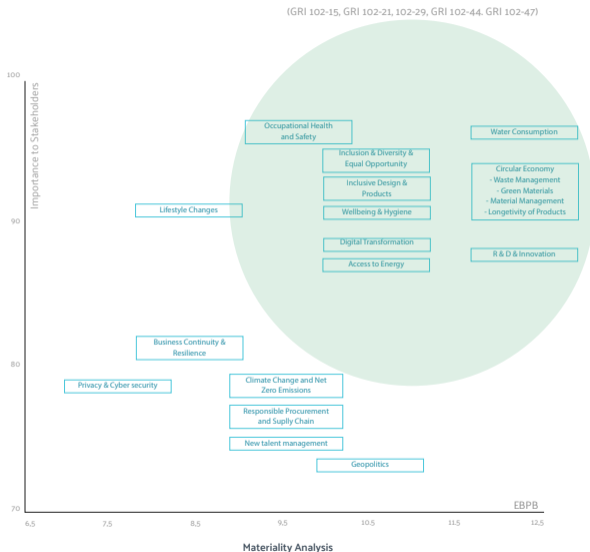
# Materiality and Prioritisation

We have reviewed the materiality process set forth under Eczacıbaşı Group's reporting terms and executed a 'stakeholder engagement' study with about 30 members who represented all the major functions of the Company and worked on the below steps:

- A Sustainability Assessment, which helped us to define gaps between sustainability trends vs existing sustainability initiatives under Nature, Well-being, Society and Economy pillars
- Identifying stakeholders and assessing priority for our business
- Identifying opportunities and risks for stakeholder engagement
- Developing strategic objectives and issues for stakeholder engagement

The process helped us to identify ten stakeholder groups and a list of significant topics. Each stakeholder group was then contacted (over 40 responses were received) and asked for materiality of these topics for their engagement with EBPB.

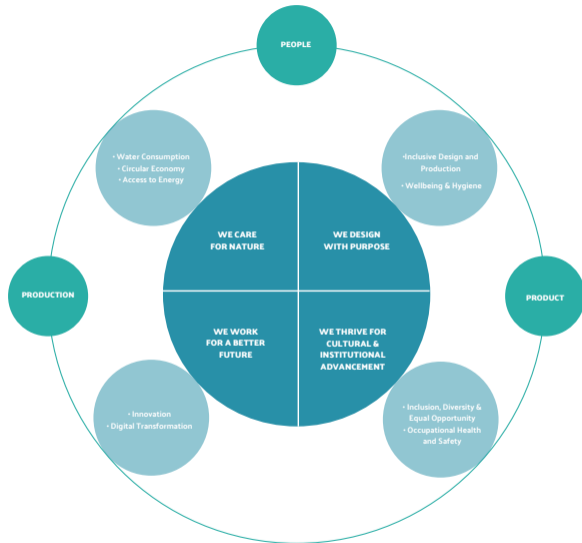
This resulted in EBPB's Materiality Matrix as below:



This report follows a structure based on our defined Material Topics, as defined in the matrix above, under four different pillars:



- **We care for nature:** This section emphasizes 'Water Consumption', 'Access to Energy', 'Circular Economy'
- **We design with purpose:** This section emphasizes 'Inclusive Design and Products', 'Wellbeing & Hygiene'
- **We work for a better future:** This section emphasizes 'Innovation' and 'Digital Transformation'
- **We thrive for cultural and institutional advancement:** This section emphasizes 'Inclusion, Diversity & Equal Opportunity', 'Occupational Health and Safety' and 'Value Chain'

When aligned with the United Nations Sustainable Development Goals (SDGs) which we refer to as a guiding set of principles to understand what our environment and society immediately requires, our framework looks as follows:



## Our Contribution To SDGs

We have identified our Sustainable Development Goals and their indicators according to our Material Topics.

| Philosophy | Pillars  | Material Topics                          | SDG Goals | SDG Target Explanation  | SDG   |  |
|------------|--|--|-----------|---|---|--|
| Product    | We design with purpose                               | Well being & Hygiene                     | SDG 6.2   | By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation.   |  |  |
|            |  | Inclusive Design and Products            | SDG 9.1   | Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being        |  |  |
|            | We work for a better future                          | Digital Transformation                   | SDG 9.5   | Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, encouraging innovation  |  |  |
|            |  | Innovation                               | SDG 9.5   | Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, encouraging innovation  |  |  |
| Production | We care for nature                                   | Water Consumption                        | SDG 12.2  | By 2030, achieve the sustainable management and efficient use of natural resources.   |  |  |
|            |  | Access to Energy                         | SDG 7.1   | By 2030, ensure universal access to affordable, reliable and modern energy services   |  |  |
|            |  | Circular Economy                         |           |   |   |  |
|            |  | Waste Management                         | SDG 12.5  | By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse   |  |  |
|            |  | Material Management                      | SDG 12.2  | By 2030, achieve the sustainable management and efficient use of natural resources  |  |  |
| People     | We thrive for cultural and institutional advancement | Inclusion, Diversity & Equal Opportunity | SDG 5.5   | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life                       |  |  |
|            |  | Occupational Health and Safety           | SDG 8.8   | Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment |  |  |



# 02

## We Care For Nature

How we work and consume is critical for making good use of nature's resources, leaving behind no net footprint, respecting livelihoods of communities, preserving bio-diversity and hence respecting the future generation's right to live on a habitable planet.

- Water Consumption
- Access to Energy
- Circular Economy



## Water Consumption

Water is a critical resource for life and increasingly under stress due to the climate crisis, population increase and exponentially growing human activities. According to the projections of OECD(1) water demand is expected to increase by 55% between 2000 and 2050. The increase in demand will come mainly from manufacturing (+400%), electricity (+140%) and domestic use (+130%). [Ref 1](#)

Sustainable water management plays a key role for our products' use and production. EBPB assumes responsibility for the manufacture of environmental-friendly products that conserve water and promote their minimal use as well as limiting the environmental effects of water use even as we strive for hygiene and human well-being.

EBPB has been keeping the data for all locations since 2016, and along with our production volume increase, our total water consumption has increased while the water intensity has decreased %7,6 since 2016. During 2021, intensity has increased slightly by 1,3% but at the same time we treated 125 thousand cubic meters of water and reused it in production. As the daily water usage per capita in EU is 0,144 ton(2), thanks to re-use of water in our plants, daily water use of an equivalent of 868055 people has been recovered.

[Ref 2: Water Use in Europe - Quantity and Quality Face Big Challenges](#)

Other water efficiency projects in production are as follows:

- Re-use of glazed water in mill filling during glaze preparation
- Conversion of glazing water with timed armatures
- Use of water collected in glaze recovery pools in cleaning of glazing robots
- Use of high pressure nozzle system for washing sludge tanks
- Transition of garden irrigation systems to automatic and timed pulverized spray systems
- Treated water use, instead of freshwater in the raw material preparation department
- Enhancement of glazing robots' sensitivity to detect pollution and thereby use less water.



**Eczacıbaşı Building Products** recovers the daily use of almost 1 million people with a 1-year internal water cycle.



26%

Showers



23%

Outdoors



20%

Toilets



12%

Washing  
dishes



12%

Inside  
Taps



6%

Bath  
tubs



1%

Dishwash  
er



## Faucets And Shower Systems

As of 2021, 100% of basin mixers, 93% of kitchen mixers and 25% of bath and shower faucets are equipped with water saving features in line with European Standards . Currently two third of Vitra branded basin mixers reduce water consumption from 12 liters per minute to only 5 liters per minute as standard and can achieve 60% water savings.

|               |              | 2019 | 2020 | 2021 |
|---------------|--------------|------|------|------|
| Basin Mixer   | ≥ 60% saving | 65%  | 67%  | 67%  |
|               | 30% saving ≥ | 35%  | 33%  | 33%  |
| Bidet Mixer   | ≥ 60% saving | 57%  | 58%  | 55%  |
|               | 30% saving ≥ | 43%  | 42%  | 45%  |
| Kitchen Mixer | ≥ 60% saving | 28%  | 25%  | 14%  |
|               | 30% saving ≥ | 66%  | 69%  | 79%  |
| Shower Set    | ≥ 60% saving | 38%  | 40%  | 40%  |
|               | 30% saving ≥ | 62%  | 60%  | 60%  |
| Hand Shower   | ≥ 60% saving | 33%  | 35%  | 38%  |
|               | 30% saving ≥ | 67%  | 65%  | 62%  |
| Head Shower   | ≥ 60% saving | 33%  | 25%  | 33%  |
|               | 30% saving ≥ | 67%  | 75%  | 67%  |
| Shower Column | ≥ 60% saving | 0%   | 0%   | 0%   |
|               | 30% saving ≥ | 100% | 83%  | 100% |

- 33% of Vitra basin mixers reduce water consumption from 12 liters/minute to only 9 liters/minute as standard and save water up to 30%.
- 40 % of Vitra branded touch free basin mixers use only 1.3 liters/minute of water and can reduce water consumption by up to 90%.
- Vitra Shower systems use up to 50% less water and provide a perfect shower experience without compromising your comfort.



### 2,5 / 4 L WC Pan: The World's Most Water Saving WX Pan

2,5/4 liters dual flush WC and flushing system, one of Vitra's revolutionary solutions and the world's first WC approved by German Standard Institution (LGA). It can reduce water consumption up to 60%.



Annual water saving for an average four-person family

2,5 / 4 |  
flush option  
**23 tonnes**

3 / 6 |  
flush option  
**17,5 tonnes**

Based on daily usage of toilet for a person 5 times in a day for average four person family (4 times 2,5 L and 3 L flush in a day for a person/ 1 times 4 L and 6 L flush in a day for person)

### Hygienic Waterless Urinal

Vitra waterless urinal's environmental-friendly technology can save up to 150 tonnes of water every year and provide superior hygiene at the same time.



All efforts to increase water and energy efficiency have been traditionally handled independently. However, decreasing energy and water consumption serves the common goal of reducing greenhouse gas emissions. Water conservation also helps save energy by reducing the treatment needs of public water. Vitra produces innovative solutions to combat the environmental impacts of excessive energy and water use without compromising comfort in the bathroom.

### BlueEco Technology

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

#### BluEco Faucet



#### Standard Faucet



### Touch Free Hand Wash Technology

- 40% of Vitra touch free basin mixers use only 13 litres/minutes water and reduce water consumption up to 90%
- Vitra continues to develop its touch free technology and expand touch free product range in order to increase hygiene in public toilets and reduce excessive water use.
- Vitra's touch free basin mixers are controlled by a built-in sensor and it detects the user and contributes to water saving by stopping the flow as soon as the user moves away from the detection area.
- Powered by mains or batteries, these mixers are completely safe thanks to waterproof wiring conforming to IP 68 standards.



### AquaHeat Technology – Thermostatic Bath Mixers

- AquaHeat mixers are fitted with a thermostatic cartridge to ensure a user-defined constant temperature and to provide comfortable use in both shower and bathtubs.
- Thermostatic cartridge eliminates the need to adjust the temperature and the risk of scalding due to fluctuations in the temperature of the water supply. Also, it provides constant temperature and prevents excess use of energy.
- The safety button is ideal for children and elderly people because it prevents water temperature from rising above 38 °C.
- The flow control button controls flow rate to provide water savings up to 35%. Safe touch technology offers a safer and more enjoyable shower by preventing the mixer body from heating up.



## Access To Energy

How we use energy has a direct impact on how we combat the climate crisis and the long-term sustainability of our business: reducing our carbon footprint and the carbon intensity of our products, improving energy efficiency, establishing energy independence, decreasing production and delivery costs and managing our reputation as a responsible business.

EBPB has alternative energy plans in order to ensure the continuity of our services and products, and copes with possible energy crisis scenarios using an adaptive and mitigation approach. We are working to increase resilience in line with renewable energy investments and risk management under the management of our joint Energy Committees and subcommittees with the Eczacıbaşı Group. EBPB uses the energy management standard (primarily International Organization for Standardization [ISO] 50001) and its production facilities in Bozüyük Ceramic Sanitary Ware (CSW) side has become the first facility in Turkey to be ISO 50001 compliant on a sectoral basis. We are currently working on the integration of this system for all of our locations.

As a continuation of our efforts on energy management, we carried out more than forty energy efficiency projects in 2021. Details of our energy use, total carbon, energy and carbon intensity can be found in Appendix III. Access to energy is divided into four topics: energy efficiency, renewable energy, climate risk management and geopolitics. All components of energy consumption, energy efficiency and greenhouse gas emissions are given in detail in the [appendix III](#).

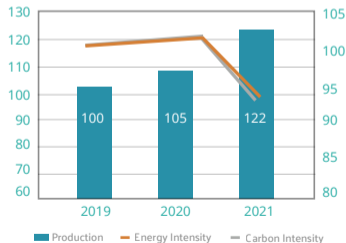
### In summary: We decoupled energy use from growth by 10%.

While the production volume has increased by 16.6% in 2021 compared to 2020, direct energy consumption has increased by only 4.6% to reach 341.5 GWh. Indirect energy consumption increased 10.1% from 801 GWh to 883 GWh. Our total energy consumption increased by 5.69% compared to previous year and increased from 406 GWh to 429 GWh. In 2021, EBPB produced 12.5 GWh of renewable energy. Our total energy footprint per ton decreased by 9.4% to 33 MWh. We have reduced our fuel oil consumption by 25.3% and our LPG/LNG consumption by 9.8% in 2021.

The total carbon emission of the bathroom group was measured to be 103.2 thousand tons of CO<sub>2</sub> equivalent and increased by 6.64% in 2021. Carbon emission per ton of production was 802 kg CO<sub>2</sub> equivalent/ton production and decreased by 8.6% in 2021.

We evaluate our energy efficiency projects under 6 different topics. These are; waste heat recovery with economizers (cooling systems), hot air transfers, automation, line isolation, efficient equipment and equipment reduction. We saved 16.56 GWh of energy through various energy efficiency projects we carried out in 2021. With the cumulative effect of our previous projects, we have achieved an energy saving of more than 45 GWh this year since 2016. Details of best practice energy saving projects are given below.

Energy & Production in EBPB



# Primary Energy Efficiency Projects

## Waste Heat Recovery

One of the most effective energy saving projects implemented in 2021 was the enhancement of waste heat recovery systems. With our economizer cooling systems, we utilize the waste heat discharged into the atmosphere from chimneys to heat the water we use in our operations. While heated water is transmitted to the sections where it is used in the facility, some of the excess heat is used in the operating boiler room.

Thanks to this heat recovery, the consumption of energy required for heating is prevented, resulted with exceeding 5.5 GWh energy savings only in 2021. With the use of economizer systems since 2016, a total of 32.39 GWh of energy has been saved until 2021. This rate corresponds to one third of energy saving projects in 2021, 71.9% of all energy savings since 2016.

Currently, most of the tunnel kilns in our factory have a waste recovery system. With recent developments and installation of our waste heat recovery systems, we have reduced the temperature difference at the boiler feed water outlet to almost zero and paved the way for tens of GWh energy saving potential.

**Replacement of Outdated Equipment:** By updating the technology of dryers and motors, we prevented a total energy consumption of 204 MWh in 2021.

**Change to Eco-Friendly Lighting:** By replacing fluorescent lamps with LED lamps in certain areas of our factories, we aim to achieve energy savings every year without changing the lighting intensity and lumination quality. We plan to save 536 MWh of energy annually with more efficient lighting systems.

**Digital Control and Adjustment of Heating:** We have prevented the use of unnecessary heating by digitizing our heating expenditures and adjusting our internal heating according to the outside temperature.

Upon completion of the Bozüyük CSW Site in 2021, we plan to implement more energy saving projects such as energy efficient hydraulic units, green product dryers, optimization on conventional casting benches etc. for an overall energy savings up to additional 10 GWh per year.





## Renewable Energy

We increased our renewable energy investments in 2021 in order to reduce dependence on fossil-based energy sources. We are making our plans to maximize the benefit to be obtained from renewable energy methods in the coming years. Our renewable energy plans are on Solar, Wind and Hydrogen power.

Our solar energy investments planned in 2021 will be implemented gradually until 2024. We already installed pilot scale panels on our factory roofs to observe the working conditions and seasonal conditions in Bozüyük. The power plant to be established will have a capacity of producing 30,000 kWh per year with 52 panels on an area of approximately 180 square meters.

With the total roof area of 125,000 m<sup>2</sup> solar power installation that we aim to establish by 2024, we plan to get an estimated 24.5 GWh of renewable energy capacity. When the targeted levels are reached by 2025, we will be supplying up to 32.7% of our electricity from solar energy. With this investment in harmony with nature, we plan to reduce our absolute carbon emissions in Vitra-CSW site by 12.2.

Due to our ongoing studies to lower our emissions, hydrogen seems to be the most efficient burning fuel for our production facilities as it gives off water as a byproduct instead of carbon dioxide. In order to reduce our dependence on natural gas, we plan to invest in hybrid ovens that cook not only with natural gas but also with hydrogen. We evaluate all aspects of hydrogen production and use with our hydrogen working group under the Group and are open to collaborating on this with other providers. We believe that using hydrogen cooking techniques will support more environmentally friendly production in the longer-term.

In the same way as solar and hydrogen, we want to expand our energy supply portfolio by making use of wind energy. We are also evaluating possible potential wind energy investments.



## Climate Risk Management

Our risk management framework, which is aligned with the Eczacıbaşı Group and Group Companies, assesses sustainability-related risks as one of our five primary pillars which are strategic, economic, operational, compliance and sustainability.

We identified sustainability related risks in 2021 as being extreme weather events, biodiversity loss, water and other natural resource depletion, inefficient resource management, occupational health and safety deficiencies, lack of green materials, lack of sustainable procurement standards, inefficiencies and lack of innovative capacity in the economic model, inadequate contribution to stakeholder wellbeing.

We are now in the process of integrating the identification and management of climate-related risks. The primary climate-related risks are defined for short (1-3 years), medium (3-5 years) and long-term (>5 years).

In the future, we plan to develop analysis for different scenarios including a 1.5 degrees of global warming scenario as well, in order to provide insights into how our business strategy deals with climate change.

The analysis is intended to be integrated into existing risk management frameworks.

Scope 1 and Scope 2 greenhouse gas (GHG) emissions have been reported since 2013. Based on the above analysis, the measurements will be extended to Scope 3, where we aim to report emissions associated with the upstream and downstream life cycle of our products, processes and services.

## Geopolitics

Geopolitical events occur at the intersection of geographical factors, political decisions, legal regulations, cultural differences and local impacts of climate change. Conducting an influential geopolitical risk assessment helps companies mitigate risk exposure. With this assessment, companies can proactively manage the threats that escalating international and internal political tensions threaten their operations, performance, and culture.

Due to its location, Turkey is often in close contact with political, climatic and economic crises. Turkey is highly dependent on imported natural gas, which can be affected by economic risks or the political attitudes of importing countries. This makes the production sector highly sensitive to geopolitical risks. Geopolitics is a material issue for EBPB's operations. We aim to ensure our energy security by investing in renewable energy and less harmful fossil fuels such as LNG in order to eliminate the possible negative effects of both temporary and long-term geopolitical crises.

The Green Deal, a set of policy initiatives by the European Commission to make Europe climate neutral by 2050, has the potential to create cooperation between the European Union and Turkey to work towards identical objectives. As one of the primary exporters to Europe, Turkey's integration into global supply chains and the attracting of green investments to Turkey is a significant upside for us in addition to maintaining and improving our competitiveness in exports. After ratification of the Paris Agreement and committed to 2053 carbon neutral target declared in 2021, Turkey is working on the new legislation related to climate change, in line with the Green Deal.

As a global player active in Turkey and Europe, we are actively following the geopolitical agenda in order to steer our strategies in the right direction.

## The Circular Economy

We believe that a 'circular economy' is a rational way to ensure sustainable production and create responsible consumption models. The circular economy rests on responsible resource use, design for longevity and functionality, eliminating the concept of waste and partnering with consumers. In other words, this is an attractive model for sustainable growth over time.

Moving forward from this premise, we measure environmental impact of our products from raw material procurement to the disposal phase. Our activities, which include sectors that consume intense energy, raw materials, and water for now, are critical areas for change when combating the climate crisis. With this transformation, we believe it will be possible to carry out our production, which corresponds to global needs, by considering the needs of society and the environment. In order to show that we respect the world we live in through tangible actions, we are using our resources efficiently and to produce without removing the capacity of nature to renew itself.

EBPB's prioritized initiatives are energy and water efficiencies, raw material reduction, waste and emission management. We are already aware that the journey of a resilient system has an ever-evolving structure, and there is a long way to go. We reformulate our commitment to nature in our production lines, and beyond, in line with the principles of the circular economy.

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



**Choose low impact materials.**

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

**Avoid production waste.**

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

**Reduce weight and size.**

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

**Aim for durability.**

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

**Strive for multipurpose functionality.**

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

**Maximize compatibility.**

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

**Plan for upgradeability & refurbishment.**

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

**Consider the entire product cycle.**

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

**Think packaging**

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



Choose low impact materials



Avoid production waste



Reduce weight and size



Aim for durability



Strive for multipurpose functionality



Maximize compatibility



Plan for upgradeability & refurbishment



Consider the entire product cycle



Think packaging

## Material Management

Producing with taking into account the self-renewal capacity of nature is a way of respecting the ecosystem. We strengthen our understanding of quality service aligned with caution for limited resource use. We are transforming ourselves and our supply chain to use less basic raw materials, packaging, plastics and paper. Our actions serving this purpose are as below:

### Responsible Procurement

We try to procure renewable forest products, primarily seeking out FSC (Forest Stewardship Council) suppliers and also encourage our suppliers to switch to sustainable forestry practices. Our German brand burgbad is a member of PEFC (Forest Certification Program) since 2014. FSC certified products are already being used in the packagings and we try to extend our efforts in sustainable packaging with our innovation team.

We value voluntary sustainability standards in order to improve our understanding of 'sustainable' products. The Eqjo product manufactured by burgbad has been awarded the highly sought-after Blue Angel ecolabel. burgbad is the first bathroom furniture manufacturer in Germany's three-tier distribution system to offer a collection with the Blue Angel ecolabel. Additionally, in our German operations, we only use recycled paper with the Blue Angel ecolabel for our office communications and business correspondence.

### Localization

We prioritize localization in the supply chain. We use local resources in our production, in order to reduce our carbon footprint and to strengthen the socio-economic structure in the communities we work in. In our Turkey operations, 74% of the raw materials we use in production in 2021 are supplied from local suppliers.

[Detailed information.](#)

## Green Packaging

We avoid using unnecessary raw materials in packaging. We reduced the amount of packaging to an extent by unifying the packaging of our products. We reduced our dependence on the material by reusing the waste nylon and plastics.

For example, by using less shrink nylon in packaging, we achieved the same function and ended the unnecessary use of tons of nylon. By reducing the micron thickness of the nylon bags, fewer (kg) nylon bags will be supplied, leading to planned savings of more than 2.5 tons of plastic every year. With a project implemented in December 2021, used nylons will be henceforth be recycled and used in repackaging, and more than 30% of the total nylon usage will be met from scrap nylon. (details in Business Plastic Initiative part in Waste Management section).

With four different projects ongoing since 2018, 88 tons of raw materials and 220 m<sup>3</sup> of water were recovered annually on the Santekhnikha site.

In order to support our self-efficiency in packaging and prevent excessive order amounts, we plan to prepare boxes with low annual usage in the factory. In this way, we aim to prevent packaging boxes from being scrapped, and gain material resistance that will positively affect our supply chain and purchasing processes.

Cardboard pans that were scrapped during packaging operations will be cut and used as intermediate separators of 312,039 cardboard plated used between products. By cutting and recycling cardboard waste, 650 thousand less purchases will be made of cardboard separators with an annual use of more than 2 million units.

## Waste Management

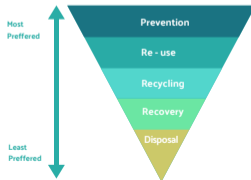
EBPB considers waste as "valuable material not found where it should be". By adopting an approach where 'nothing is wasted', we send most of our output to internal and external industrial symbiosis activities; and as the last resort we ensure everything is recycled.

EBPB is the first in its industry in Turkey that is complied with ISO 14001, which includes international environmental management system standards (1998). Additionally, ISO 14024 Environmental Labels and Declarations inclusion was attained in 2011, again as a first.

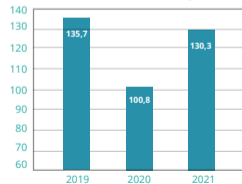
Having Zero Waste as our ultimate goal, the rate of re-used or recovered waste is reached 75-80% in the period between 2019 to 2021. The Zero Waste Management System, which covers the prevention of waste, more efficient use of resources, prevention and reduction of waste generation, separate collection and recycling at the source, was established in 2021 and a Zero Waste Certificate, valid for 5 years, was obtained.

Our system for the management of waste includes effective and efficient implementation, monitoring, information flow and reporting. Prior to installing this system, the current waste model was analyzed; deadline for implementation was set; equipment needed was defined; training for target audiences was delivered; information was communicated.

Despite the 16.6% increase in production in the 2021, the total industrial waste has increased by 41.5%, and industrial waste per ton has increased by 27%. In last 3 years, production has increased by 22.4% while total industrial waste has increased 13.9%, and industrial waste per ton has decreased by 5.7% in 2019-2021. Hazardous waste produced per ton in 2021 has decreased by 19%. In the same period, the amount of recycled paper has increased by 34.3% with 1477 tons. The total amount of recycled waste increased by 8.4% in the same period. 78% of all waste from production has been recovered. The detailed table can be seen as [Appendix III](#).



Total Waste Disposed Index



In order to expand the scope of waste management, EBPB has executed 20 different projects in 2021. These are detailed in the following sub-headings, together with the savings achieved:

**Towards Sustainable Packaging:** We have reduced our disposable products and packages to avoid waste. On the burgbad side, we have been receiving most of the raw material in the same polypropylene boxes since 2014. We rent and rotate storage containers of semi-liquid raw materials. We take care to use the same containers until they are unusable. burgbad aims to produce 25% less waste by 2023 compared to 2014.

- Additionally, we are executing 'multi packaging' of our products. The use of cardboard/nylon packaging and documents (paper) used in products will be reduced with the transition to bulk packaging instead of giving products in single packages.

**Internal & External Symbiosis:**

- Wastewater treatment sludge (non-hazardous), discarded ceramic products, discarded plaster molds are reused as alternative raw materials in the cement and tile industry.
- FFC (Fine Fire Clay) product scraps are reused in our own process.
- Nearly half a million tons of waste, which could be disposed of in 15 years, was recycled as an alternative raw material through internal and external industrial symbiosis practices. The relevant amount corresponds to 25 thousand earthmoving trucks.

**Reducing Material Dependence:** Without compromising the quality of service, we try to prevent waste by making our products lighter and by reducing the thickness of some of our products.

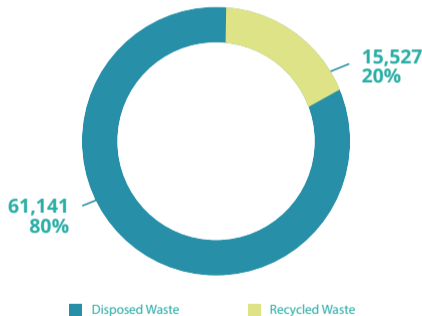
Some of our projects aiming to provide material and energy savings by lightening and reducing the materials are:

- Mirror production: Transition was made from 4 mm to 3 mm thickness.
- Some of our furniture models have been lightened by switching from MDF to chipboard. In our MDF products, MDF thickness has been changed from 18 mm to 16 mm.
- Styrofoam use in Adeo washing areas has been discontinued.
- Lightening studies were carried out on brass armature productions.
- Amount of re-cutting has been reduced for many products.

**Recycling:** Most of the time, recycling is much more beneficial than disposal, both economically and environmentally. Thanks to our recycling practices at Santekhnika, we recover more than 70 tons of extra material every year.

- We reuse 80% of our waste from bathroom production. This means avoiding the use of an additional 70 thousand tons of virgin raw material and the disposal of the same substance.

EBPB recycles 61 thousand tons of waste



## Business Plastic Initiative (IPG)

Established by TUSIAD, the Business Plastics Initiative (IPG), requires commitments regarding products and product packaging. The reduction targets of EBPB for 2021 for construction products as follows:

- To reduce the use of plastic in product packaging and eliminate the use of 25 tons of PE per year. We exceeded this goal as 78.2 tons.
- To reduce 25 tons for 6 months, starting at the end of Q2: Thanks to supplier cooperation, we decreased from 120 microns to 100 microns in the first phase in January 2021. Building on this, we reduced from 100 microns to 90 microns at the start of Q2 and used a total of 78.2 tons less shrink nylon in 2021 by performing an 11-month application instead of a 6-month application.

According to the Ministry of Environment, Urbanization and Climate Change's "Zero Waste" methodology, this saving of 78.2 tons of plastic gave us 3,206 kg of CO<sub>2</sub> (greenhouse gas) saving .

72.4 tons of Plastic Recycling means...



1158  
Barrel Oil



415,5  
MWh  
electricity



2968  
ton GHG  
emission



1665  
m2 storage  
space

Our new targets for 2022 are as follows:

- To deploy the waste shrink recycling system and the facility we commissioned in 2021 and recycle 170 tons of shrink nylon from second packaging until the end of 2022.
- Complete training to raise the level of awareness about plastic types and recycling within the organization and repeat this training on an annual basis.
- Examine our entire plastic packaging portfolio and determine which of our packaging materials to be optimized.





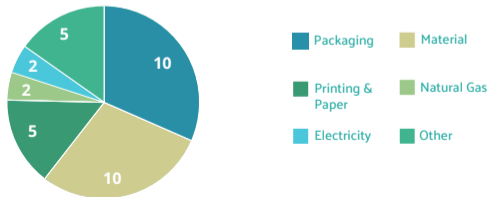
### Zero-Based Budgeting (ZBB) Projects

EBPB became one of the first groups within Eczacıbaşı Group to switch to Zero-Based Budgeting, an agile management strategy focused on cost and efficiency. ZBB is an executive commitment of Eczacıbaşı Group.

Unlike traditional budgeting techniques, previous years are not taken as a basis in Zero-Based Budgeting; instead, all business owners prepare their budgets on an activity basis, starting from scratch. In addition, within the scope of the same process, cross-functional brainstorming meetings are held where productivity opportunities are discussed on a cost category basis. The projects determined at these meetings are followed up systematically the following year as efficiency and value creation projects.

First implementation was in 2020, this technique has created over EUR 7.5 million value over 160 projects and continued in 2021. About EUR 2 million of this value came from 34 sustainability projects. In addition, more than 200 team members involved in the process were rewarded according to the project achievements, and steps were taken to ensure the continuity of the process by reaching more stakeholders.

ZBB in Eczacıbaşı Building Products - Bathroom by numbers:



# 03

## We Design With Purpose

We believe that we can overcome sustainability challenges by designing for human well-being and the environment.

- Inclusive Design & Products
- Wellbeing in the Workplace



## Inclusive Design & Product

The bathroom experience we create serves inclusively the hygiene and wellbeing of all people, regardless of age, gender, ability, and condition.

### Design For All

EBPB believes that every user deserves the same level of comfort in the bathroom. In the VitrA design process, we use 'Design for All' principles to ensure that our bathrooms meet this goal by adjusting to people's changing needs over time. Bathroom design that is accessible, safe, functional, and respectful is at the heart of our approach.

### Inclusive Bathroom Design: As We Age

In collaboration with Art & Design and Health & Social Care Research Centers at Sheffield Hallam Universities Lab4living, we conducted research directly with older people from local communities to identify the challenges of bathroom use that come with age. The outcomes of the research aim to help and address these issues with a view to highlighting the benefits of designing bathroom spaces more inclusively.



For many people, significant physical and cognitive changes are two principal aspects of aging. Benefitting from our research, we improved our design to generate more inclusive, 'family-friendly' spaces that facilitate users' requirements as they age or as their health or mobility needs change.





### Ion-Rich Technology That inhibits the Growth Of Harmful Bacteria

VitrA Hygiene, which coats all VitrA ceramicware, inhibits the growth of harmful bacteria by 99.9%. By disrupting the cellular structure of bacteria that cling to the surface during use, it prevents them from proliferating into a colony.

### VitrA V-Care Smart Toilet

- It is designed to offer the best toilet experience with its innovative features including adjustable water use, drying options and air purifications.
- Different washing options, adjustable nozzle, water&seat temperature control are the relaxing and hygienic features to get gentle and comprehensive personal water based cleaning while reducing the need for toilet paper for a more sustainable life.
- Touch free toilet experience is the standard of V-Care technology to ensure hygiene concerns
- Remote control, mobile app, voice control and child mode are the options for personalised preferences and guarantee both the accessibility for all and inclusivity.



### VitrA Rim-Ex - Rimless Technology

- VitrA Rim-Ex rimless WC bowls are free of the channels and holes that can harbour harmful bacteria and micro-organisms.
- The patented system flushes every part of the WC bowl.
- The VitrA Rim-Ex rimless WC bowls provides a 25% better flush than the industry standard by leaving only a 65 mm unwashed area from the top compared to 85 mm gap against European standards.
- Compared to standard pans, it is 95% more hygienic and easier to clean.
- With the help of all innovative features of VitrA Rim-Ex rimless WC bowls need less effort for daily cleaning routine and provide more sustainable user experience by requiring less water and cleaning agents.

|          | 2019 | 2020 | 2021 |
|----------|------|------|------|
| Rimless  | 49%  | 64%  | 66%  |
| With Rim | 51%  | 36%  | 34%  |

Table-2: share of percentage of rimless WC Pan in the overall portfolio



**burgbad**, which was founded in 1946, is a wholly owned subsidiary of the Turkish Eczacıbaşı Group since 2010. During earlier times, its activities focused on the production of wooden construction kits and shelves. Today, burgbad is a global market leader offering compelling bathroom furniture solutions in all segments - from family-friendly bathrooms in lacquer, wood, veneer or country style to design-oriented product lines and timeless classic collections, all the way to individual, architecturally progressive concepts for entire rooms - and generate a considerable share of our sales through distribution as private labels for our customers.

burgbad was therefore awarded the EcoVadis Gold Medal, numbers among the top 5% of rated companies in the furniture manufacturing industry in more than 160 countries.

Due to the requirements and segments it services, burgbad has been issuing sustainability reports since 2014 and it has presently identified four material topics to work on which are:

- Responsibility in the supply chain,
- Employee satisfaction
- Development of sustainable products
- Climate protection in production and at sites

### Responsibility In The Supply Chain

In order to ensure a sustainable supply chain, burgbad uses a combination of several approaches: choosing the suppliers carefully, staying in contact with them, requiring them to comply with the company's Code of Conduct and performing risk assessments. burgbad prefers to work with German (83%) and European suppliers (98.8%) so as to prevent exploitation, uphold quality and safeguard regional jobs. burgbad has set particular goals for the period 2020 to 2023, considering and addressing the requirements of the National Action Plan and the German Supply Chain Act.

### Employee Satisfaction

burgbad seeks to attract younger generations into its team and due to the aging population in Germany and among workforce, the decreasing share of apprentices is a major concern. To overcome this risk of

a deteriorating age structure, burgbad invests in the development of young talent and further training, collaborating with Industrial Chambers and schools. In 2020, the Schmallenberg site was once again certified a "family-friendly company". Women employees consist of about one third of the total workforce and among white-collar staff, there is a balanced ratio of men and women. In management positions that report directly to the executive board, women accounted for 22.2 %. 94.5 % of the employees have a collective bargaining agreement or a company-specific agreement.

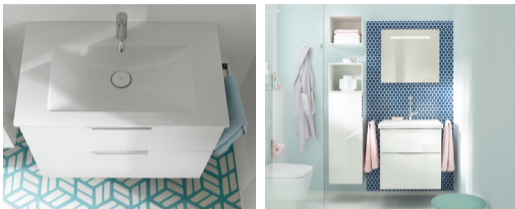
### Development Of Sustainable Products

As a manufacturer of top-quality bathroom furniture, burgbad works to contribute climate neutrality, efficiency, and waste reduction aims along the entire value chain.

burgbad develops bathroom furniture that delivers clear added value for its users: relying on quality, aesthetics, durability and functionality and the guarantee that products have been produced under fair conditions and are free of harmful substances. It's entire range of furniture has been awarded a Class A emissions rating and the Golden M quality label. In 2020, burgbad defined 'eco-design' as an overarching mission for sustainable corporate governance and added it to their agenda. In 2019, burgbad decided to increase the percentages of recycled materials in the raw materials purchased. Half of its production materials are wood based, followed by fillers, ceramic washbasins, mirrors and glass. More than 90% of the wood-based materials come from PEFC-certified forests.

Eqio, the best selling product range, has proved itself as a universally compatible bathroom furniture collection that is suitable for bathrooms of any size and blends in with a wide variety of styles while providing extremely good value for money. The collection satisfies high expectations in terms of customizability and function as well. It was certified with the Blue Angel in 2020.

Additionally, the new Mya series is made of solid wood. All the wood is PEFC-certified, and virtually no composite materials are used.



### Climate Protection in Production And At Sites

In order to reduce its negative impacts, burgbad has been working since 2014 to lower the overall energy consumption and increase the share of renewable energies in the energy mix, aiming to reach climate neutral in production.

Between 2014 and 2020, burgbad has reduced CO<sub>2</sub> emissions per unit produced by 68.6% until 2020. Since 2016, it has been using off-setting for unavoidable emissions. As a member of the Development and Climate Alliance, the CO<sub>2</sub> offsets are specifically channeled into climate protection projects in emerging and developing countries in order to generate a co-benefit in those countries. In 2018 and 2019, burgbad invested in Godawari Power and Ispat Limited (GPIL), a Gold Standard climate protection project in India. It enables the operation of a 20 MW biomass power plant in Siltara, Raipur, and creates local jobs and income opportunities.

burgbad is a member of the German Quality Assurance Association for Furniture (DGM) and has joined its Climate Pact for the Furniture Industry. According to the DGM guidelines, burgbad's business activities were



climateneutral in the financial years 2016 to 2020. Since 2015, burgbad has continuously reduced paper consumption; targeting - 50 % by 2023. In Germany, burgbad only uses recycled paper with the Blue Angel ecolabel for office communications and business correspondence.

# Certificates

Superior quality and reliable versatility are hallmarks of the Vitra brand firmly rooted in a long tradition of innovation. Coupled with a resolve to meet the challenges of urban living through constant multi-disciplinary investigations into needs, desires and choices, they serve as a fountainhead of ideas to release the true potential of bathroom design in modern urban architecture.

See further information on product page: <https://www.vitraglobal.com/brochures/>





## Communication & Raising Awareness

We focus on increasing awareness on use of more sustainable bathroom products, which decrease water and other resource use and serve everyone's needs inclusively. With this in mind, EBPB has organized a series of CSR events and campaigns in 2021 under the 'care for nature' and 'design with purpose' as follows:

### The Eczacıbaşı Hygiene Project

The Eczacıbaşı Hygiene Project is an international award-winning project launched in 2007 that aims to enhance the physical, intellectual and emotional environments of boarding schools serving students from rural and low-income regions in Turkey.

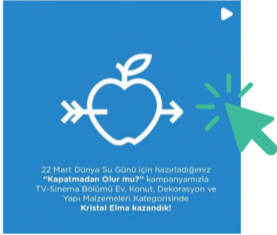
In collaboration with the Selpak brand, we are renovating the bathrooms and showers of Regional Boarding School dormitories and school buildings, ensuring that students know healthy personal care and hygiene practices, and supplying renovated schools with cleaning materials and basic supplies. Partnering with the Ministry of Education to determine the schools most in need we have rolled out the project to more than 19,500 students at 57 schools around Turkey as of end-2021. Our goal is to extend the project to 60 schools in all by 2022.

In 2021, Eczacıbaşı measured the social return on investment of the Hygiene Project for 2018 to 2020, showing increased student awareness of good personal hygiene practices, greater self-confidence, improved focus, stronger academic performance, higher motivation and enhanced social relationships.



## World Water Day

The cooperation between actor Şener Şen and our brand Artema started 33 years ago. With his experience of more than half a century, he is one of the most important names in the culture and arts sector in Turkey, and played an important role in the establishment of the iconic "Aç-Kapa Artema (Open-Close Artema)" slogan. On 22 March 2021 World Water Day, Artema and Şener Şen came together to remind that Artema is a 'water brand' and to raise awareness of wasted water. We relaunched the famous "Aç-Kapa" advertisement and this campaign was awarded with the Crystal Apple Award in the category of Home, Housing, Decoration, Building Materials in the TV-Cinema section and the Felis Award in the Housing Decoration Film category.



### Clean Ideas With Vitra

On our 'Vitra Türkiye' youtube channel, we launched a video series called "Clean Ideas with Vitra". In collaboration with experts and academics, this video addressed the issues of public use areas, cultural venues, educational venues and tourism venues in order to create awareness of the healthy usage of those areas in pandemic and post-pandemic periods.

Clean Ideas with Vitra – Educational Spaces

Clean Ideas with Vitra – Cultural Spaces

Clean Ideas with Vitra – Public Spaces

Clean Ideas with Vitra – Tourism Spaces



### 'Hygiene Without Touching' An Online Meeting With Architecture Ecosystem

The value we place on our communication with the architecture ecosystem continued in 2021 as well. With the "Hygiene Without Touching" online event, we met participants from 40 architectural offices. We shared the most up-to-date information on hygiene with the participants and gave information about our touchless products that increase hygiene in common areas.



## Architecture Anew

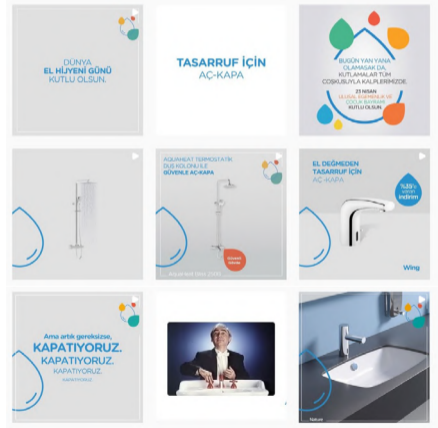
Royal Institute of British Architects (RIBA) and Vitra aimed to create a season of talks bringing people together to discuss new ideas about the role of architecture in designing a more sustainable future. Through interdisciplinary conversations, Architecture Anew features nationally and internationally acclaimed changemakers leading the way towards a more sustainable future, adopting social, economic, and environmental issues. Architecture Anew aims to inspire the audience with the power of good design and broaden their understanding of sustainability.

### Detailed information.



## Social Media Contents

Social media is an important communication tool to explain our ideas to our stakeholders. We drew attention to sustainability in our Facebook, Instagram, and LinkedIn social media accounts.



## Wellbeing in The Workplace

We aim to create a more flexible and comfortable work environment to increase employee satisfaction and health and we believe that we need engaged & resilient workforce to achieve our future goals. Some of the practices can be summarized as below:

- At Eczacıbaşı Group, flexible working type was introduced in 2013 and remote working type in 2016 with the motto "Different Address, Same Company". Before the pandemic, there were some departments that did not practice remote working, but with the COVID-19 pandemic, we adapted to a home-office culture.

We will continue to work in a hybrid model that will remain after the COVID-19 pandemic. Depending on their locations and job requirements for remote working, employees can work remotely on certain days of the week. Remote working, which was one day in the past, has been increased to two days with the hybrid model. Our field sales staff in Turkey permanently started a remote working system, starting January 1st.

- With "AVİTA Employee Support Program Service", we offer our employees and their families consultancy services that are provided in many different areas such as healthy nutrition, technology, law, financial issues, newborn care. Employees and their first-degree relatives can benefit from all services free of charge, with no usage limit. They can reach this free consultancy in 24/7.

### Team Green And The Green Office

Team Green was established at the VitrA Innovation Center in 2019 with the aim of reducing footprints and raising awareness about climate change. We successfully completed the Green Office program conducted by WWF-Turkey (World Wildlife Fund) and received our Green Office Diploma. Green Office program aims to encourage organizations reduce their ecological footprint and gain sustainable habits.

### Employee Engagement

We believe that when individual performance is enabled in a work environment, when both physical and emotional well-being of the employee is supported and the employees are committed to the company, commitment will provide positive financial and non-financial returns in the long run and this will be sustainable. For this reason, we regularly conduct our employee engagement research using the Willis Towers scale every year. In 2021, our surveys were conducted among 2345 participants in Turkey, and our foreign operations; and employee engagement was measured at 79 percent. Based on the results, we reviewed our priorities for 2022.



# 04

## We Work For A Better Future

We believe that our economic empowerment can be achieved only by meeting the demand for our products by efficient resource and energy use, which serves our dual objectives of (i) creating more sustainable products, and (ii) making our products more affordable. This can be done by creating innovative designs which are produced in simplified and digitized processes. To serve this purpose, our innovation and digitalisation agenda is critical.

- Innovation
- Digital Transformation



## Innovation

As a key sustainability pillar, innovation at Eczacıbaşı Group is one of our primary goals. We implement innovation-related activities in all our processes in an effective and systematic way. EBPB firmly believes that successful innovation leads to human-oriented, sustainable solutions that can "transform lifestyle habits for the good of all". Accordingly, we strive to improve our processes to minimize our environmental impact and to offer products and services that create the greatest value for end-consumers by including all of our stakeholders in the innovation process. To extend our impact, we allocated TL 15,6 million budget for VitrA Innovation Center in 2021.

### VitrA Innovation Center

Long established as a front runner in the sector eager to develop and adopt boldly original materials and production techniques, VitrA now prepares to push the frontiers further as its brand new Innovation Centre designs the bathroom of the future. Smart technology opens a secure window to the world from this most private space in the built environment.

Located in Bozüyük, Turkey, close to its main production facilities, the VitrA Innovation Center serves as the headquarters of the brand's Research&Development (R&D) activities with a strong team mainly involved in Materials and Process Development, Product Development and Technology Development. It collaborates on projects with universities and external consultants on a range of projects including elemental dynamics to nanotechnology and electronics, every branch of science and industry is a candidate for exploration at the VitrA Innovation Center, generating new tools and skills for VitrA to redefine form and function for the contemporary bathroom.

VitrA Innovation Center is at the forefront of EBPB investments in R&D. VitrA Innovation Center aims to find an innovative solution to human-oriented problems, to create habit change in people with the innovative solution it has found, to create social impact with this habit change and to lead the way on cultural transformation. In line with this aim, our hygiene studies had started before the pandemic period. During the pandemic, our hygiene projects were very consistent with our human-oriented strategy, and we focused on these projects and carried out our work with motivation.



At VitrA Innovation Center, research is also conducted on health, sustainability and smart technologies in the bathroom. Sustainability is always on our agenda, especially in our work on new materials where conducting a life-cycle analysis is a must. At the 8th R&D and Design Centers and Technology Development Zones Summit organized by the Ministry of Industry and Technology, the centers and regions that were successful according to the results of the 2020 Performance Index were awarded. At the ceremony where 42 awards were given in total, VitrA Innovation Center won the first prize in the C category.

Nation-wide, we are among the top companies in the number of patents. In 2021, we issued 61 patents, which was almost double the number we had in 2020.

Some of 2021 initiatives can be summarized as below:

### We Try To Understand Human Rituals Better

In collaboration with Imperial College, London Vitra Innovation Center conducted a study that focused on human behaviour, examining a person's journey in the bathroom from beginning to end. With the results of the research, we aim to understand the rituals people have and lay a solid foundation for projects aimed at creating behaviour change. We also established the User Experience (UX) LAB in order to further investigate the user's interaction with products, their experience, and the ergonomics of the products.

### We Share Our Knowledge And Skills

Under our mentoring program at Vitra Innovation Center, which plays a high ranking among R & D centers of the T.C. The Ministry of Industry and Technology, we set a goal to become a mentor in 2021. The purpose of the mentorship program to share knowledge, skills and experience with start-ups which will contribute to the development of the R&D and innovation ecosystem in Turkey. Conducting a joint study with the Turkish Technology Development Foundation called XnovateCircle, Vitra Innovation aims to disseminate best practices in innovation and technology management, developing a culture and capacity for innovation. Vitra participated "Innovation Case Studies" with the "Culture of Innovation" case study.

Within the scope of the TUBITAK Center of Excellence Support Program (1004) launched by TUBITAK as a multi-partner project, the "Integrated Scalable, Functional Nanostructures and Systems Development Platform" was created under the management of Sabancı University Nanotechnology Research and Application Center (SUNUM). Within the framework of the platform, 9 universities, 12 private sector organizations, 3 public research centers developed 15 different projects and 83 researchers involved these projects. The joint studies are carried out with SUNUM, TUBITAK MAM (Marmara Research Center), Istanbul Technical University (ITU), Ford Otosan, Yeditepe University, Arçelik, Sabancı University, Marmara University, Ankara University and Gebze Technical University.

### We Aim To Protect Public Health

As Vitra, we are making great efforts to be a pioneer in the sector to protect public health and we are developing smart bathroom technologies which offer touch-free experience, especially to reduce the risk of transmission in public spaces.

We received four patents for our smart toilet seat cover and three patents for our touch-free bidet nozzle products we developed. With our project that prioritizes the contactless toilet experience, we applied for the Turkey CX Awards 2021 (Customer Experience Awards) organized by UK-based Awards International and we competed with valuable projects of leading organizations in different sectors and received below awards:

Customer Experience During the Crisis | Gold

Product / Service Development | Gold

Best Customer Experience Strategy (25+ years) | Silver

CX Transformation | Bronze

During the COVID19 pandemic, there have been significant changes in the understanding of hygiene and the expectation of cleanliness worldwide. The expectation of hygiene in the bathroom and toilet areas has increased, and hand hygiene and antimicrobial products have gained more importance. In this context, Eczacıbaşı EBPB established the Hygiene Assurance Laboratory to produce innovative solutions.

### We Design For Excellence For Inclusivity And Functionality

At Plus X Awards, Good Design Award and Turkey IMSAD (Association of Turkish Construction Material Producers) 2020 Future Investment Awards, our products received the grand prize in 4 of the 7 categories (superior quality, design, user comfort and functionality) with Vitra's smart toilet seat V-Care. The Vitra V-Care Smart Panel and V-Care Smart Toilet Prime model by Arik Levy were also awarded at the Good Design Awards, which was held for the 71st time in 2021 and is considered the symbol of excellence in design.

EBPB also received the second prize in the field of economics with the project "V-Care Smart Panel" at the Turkey IMSAD 2020 Future Investment Awards.



## VitrA NExT

VitrA NExT opens a space that aims to inspire future bathrooms through design, technology and dialogue. Every one of our stakeholders, from architects and academics through to consumers and challengers in our industry, is invited to share their ideas and experiences and to interact with different user groups towards the common goal of a sustainable future.

Everything on this planet is increasingly interconnected. Distances are shrinking, opportunities for dialogue are expanding. Humanity is searching for new meanings and terms of reference that reflect the continually evolving conditions of our new world. This is the context of our quest to re-think everything familiar from different perspectives, to imagine what lies beyond the horizon. We're focused on designing users' next experiences. While bringing to life their current desires and expectations, we want to propose ideas that no one has yet imagined so as to inspire and facilitate the next generation of design.

Every day we have a deeper understanding of bathroom culture, rituals, space and health. Through timeless designs that remain relevant, smart technologies that reorient behavior, design approaches that respect user differences, we aim to develop bathroom solutions that push the frontier of sustainability. For a more livable world, we're reformulating basic questions to ensure that they're centered on people and their wellbeing. For us, a good product should be designed and engineered to do more than make life easier for people; a good product should also revitalize senses and feelings, and create moments of positive, life-affirming experiences. Every design journey has its own story, and with each new product we develop for bathrooms we want to relay these stories to people.

We've set out on a long design journey with a passion for continual discovery and renewal. Are you ready for what comes next? [Detailed information.](#)

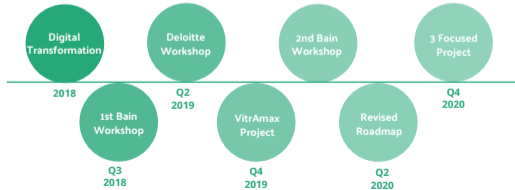


# Digital Transformation

Our digital strategy is to establish our leadership in the industry by offering unique and seamless experiences to our customers and stakeholders as a data and technology-driven organization. For this purpose, we aim to increase customer and operational excellence and reduce costs with human and data-oriented strategies. Our main approach is to create a digital core with the power of digital tools. We turn the digital age challenges into new opportunities with new digital systems.

In our company, we manage our digital operations with our digital leaders. Our digital transformation vision is to shape the future of our business areas by implementing digital technologies and data in all our business processes. In doing so, we aim to add value to our customers and increase productivity.

Our digital transformation journey started in 2018. Five focus areas were determined, and projects began to be implemented in these focus areas which are smart product discovery, omnichannel engine, customer experience, smart factory and digital supply chain. We needed to improve our technical infrastructure and digitize our operations to bring all of our projects to life. For this reason, we worked on a Target Business Model which was an assessment of our current situation and produced a roadmap which allowed us to complete the program of digital and process and customer experience improvements quickly and efficiently.



## VitrA Digital

VitrA Digimax is the name we have assumed to describe the deployment activities in our digital transformation journey. It is a project which is oriented towards communication and awareness dissemination. Beginning in 2018 as the initiative of the Group, this journey has no particular destination but is an opportunity to learn, adapt to every new development, and follow and pioneer digital trends.



Digimax aims to to place and spread digital in our culture with effective communication and processes, to make everyone a part of the digital transformation journey and to increase our competitiveness by strengthening our digital muscles. Training programmes are offered, employee ideas are funded, and Digimax Champions create core teams to work on ideas for improvement on a voluntary basis.

Digimax has resulted in some efficiency and productivity gains by delivery optimization (use of 3D algorithms to optimize loading and pick the best routes to customers), tracking, centralized communication platforms for distributors, and service providers. Robotics process automation and the VitrAmax project allows productivity gains through digital transformation. The whole systems is analysed by VitrA Qualitcs, an industry 4.0 project which collects operational data, monitoring it on a live basis with a view to improving process and product quality. The VitrAmax project was piloted in 2021 and is expected to produce 15% gain in waste rates during 2022.

Digimax has received numerous SAP quality awards placing in 1st place in 2021, and in third place for the IDC Turkey Future Enterprise Award. It has also received a TCXA Best Customer experience award. Digitaliz has also received awards for Best Change Management, Best Support at Bootcamp and Best Digital Customer Experience.

Ongoing projects are listed below:

### Omnichannel Project

Omnichannel project aims to generate leads for offline stores by providing online services, and also enhance online customer experience with custom interactions.

### V Care Prime Launch

Smarter products are already trending. V Care Prime enables using devices with smartphones and contributes to creating smart home concepts. [Detailed Information.](#)

### Customer Experience

With the products and services that provide 360-degree customer knowledge, we meet the needs of the customers. In this context, we started to use System Applications and Products in Data Processing (SAP) Consumer Experience (CX) Cloud modules to ensure continuity in consumer satisfaction.

### Commissioning SAP and Master Data Governance Tool (MDG)

To create a trackable and reportable approval process in code creation processes, we started to use SAP Master Data Governance (MDG) Tool. Thanks to that project, all material and code creation and change processes in the company are combined in a traceable, reportable, and progressing flows through the system.

### MDG -Website Integrations

To ensure that the main data updates in the system were also visible on websites, we established a system that makes material characteristics in MDG visible on the country websites that we operates in. Thus, the data on the websites is kept up to date according to the main data variability.

### MDG & Digital Asset Management Software (DAM) & Enterprise Content Management (ECM) Integration

To ensure that the codes created in the system are reflected on the DAM systems where visual data were kept and on the ECM systems where technical documents were kept; and to provide material code flow between MDG, ECM and DAM systems; we established this integration project. Every new code created in MDG is reflected in these systems, so that the updated data for each material can be followed on other data platforms.

### Digital Price Catalogue

Digital Price Catalogue aims to create a platform for sales teams to access up-to-date prices, features, documents, and visual and technical information on Vitra brand products. This system makes it easy for the sales team to offer alternative/complementary and compatible product suggestions to customers. Price catalogues currently available in print in sales channels will be included in the digitalization process, and updated information on products will be made visible, searchable and filterable via a website. In this way, it is aimed to establish a sustainable living system by increasing the efficiency of the sales teams and reducing the printed material.

### Digital Library

Digital Library is a product & category content system. Users can view product information, create lists, and download product documents with a single click. Vitra's products in 8 countries, including Turkey, have been included in the scope. Up-to-date information about the product can be accessed instantly, and the documents belonging to the products can be listed and downloaded easily.

# 05

## We Thrive For Cultural And Institutional Advancement

Knowing sustainability is a journey, we work to extend positive impacts internally as well as externally.

- Inclusion, Diversity and Equal Opportunity
- Occupational Health & Safety
- Value Chain



## Inclusion, Diversity & Equal Opportunity

Eczacıbaşı Group signed the United Nations Global Compact (UNGC) in 2006 and the Women's Empowerment Principles (WEPs) in 2013. As an Eczacıbaşı Group company, EBPB is committed to providing an inclusive business environment built on equal opportunity.

Our staff are distinguished by the following characteristics: 'well-educated, well-prepared for life, open to innovation and change, entrepreneurial, energetic, working for their own personal and professional development, open to educating others, adopting the basic values of the Group'.

Without this talent, we cannot achieve our future goals and shape our sustainability journey. Investing in our human capital is one of our priorities and thus we shaped our Human Resources (HR) strategy on three main pillars:

### 1) Fix the basics:

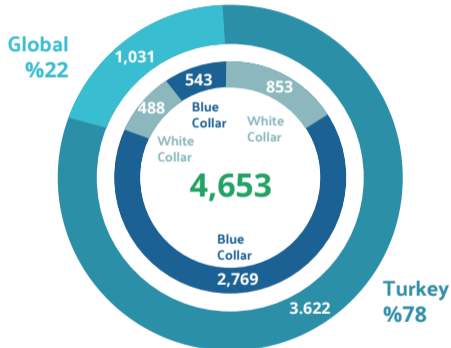
- Talent Development
- Leadership
- Communications

### 2) HR alignment with Corporate Strategy

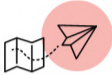
### 3) Get Ready for Future

- Global
- Digital
- Engaged and Resilient

Of our 4653 employees across our Turkey and global operations, 71% are blue-collar employees, and 29% are white-collar employees from 8 nationalities with 38 languages.



## Culture Of EBPB



### Değişimden heyecan duyarım.

Değişimi başlatmak, değişen dünyaya adapte olmak ve yenilikler beni motive eder.

### I'm enthusiastic for change.

I'm motivated by initiating change, adapting to changing world and innovation.



### I'm curious and I like to challenge.

I look for the better by thinking outside the box. I question and I'm eager to learn.

### Merak eder, sorgularım.

Kalıpların dışında düşünerek daha iyiyi ararım. Soru sormaktan çekinmem ve öğrenmekten vazgeçmem.



### One team one dream.

We work result oriented with my team for our shared goals.

### Ortak hedefler için çalışırım.

Şirketimizin toplam başarısı için ekibimle birlikte sonuç odaklı çalışırım.



### Fikrimle değer katarım.

Farklı fikirlerin fark yarattığını bilirim. Fikrimi belirtmekten çekinmem.

### I bring value with my opinion.

I know that diverse opinions make a difference and I am willing to express my opinion.



### I create agile solutions.

I channel my energy to create solutions rather than the problem itself.

### Çevik çözümler yaratırım.

Probleme değil çözüme odaklanırım. Enerjimi doğru yerde kullanarak çözüme ulaşırm.



### Pozitif bakar, empatiyle yaklaşır, güvenirim.

Pozitif bakış açımı dalma korur, karşımdakini dinler ve onu anlamaya çalışırım.

### I approach positively, I empathize and I trust.

I listen to hear and understand, I maintain my positive perspective.



### Değer veririm.

Verilen emeğe, alınan kararlara, uzmanlığa, tecrübeye, bilgiye, farklı fikir ve kültürlere saygı duyarım.

### I care.

I respect the time and effort spent, the decisions taken, expertise, experience, knowledge, diverse opinions and cultures.

## Equal Opportunity

As an Eczacıbaşı Group company, we aim to provide equal opportunities for everyone in our operations.

Implementation of the Group's equal opportunities approach and goals is coordinated by the Equal Opportunities Committee in the Sustainability Working Group, which comprises human resource representatives from each organization and the CEO when necessary. Our CEO is the co-chairman of the Equal Opportunities Committee. The Committee keeps track of national and international practices and of information and data that will contribute to equal opportunity management in the Group. The committee also evaluates the Group's equal opportunities approach and practices and offers suggestions for improvement.

Our HR strategy aims to create better business results through a diverse talent pool and inclusive culture. We value our employees regardless of their thinking styles, races, religions, languages, ages, nationalities, ethnic identities, and gender in human resources processes and offer equal opportunities. We value inclusion and diversity in our workforce globally. To contribute toward equal and fair societies, we support gender equality and integration of women and people with disabilities into social and economic environments under identical conditions.

### 2012

- The Eczacıbaşı Group receives the Social Gender Equality Award from the Ministry of Labor and Social Security and passes the audit of the Equal Opportunity Model Initiative founded by KAGİDER (Women Entrepreneurs Association of Turkey) and the World Bank successfully.

### 2014

- Prioritization of women candidates in recruitment is added to the key performance indicators of Eczacıbaşı Group companies in Turkey to which the Senior Management was introduced.

### 2016

- The Group's Vice Chairman of the Board of Directors becomes the first man to join KAGİDER.
- Remote working practices are introduced.
- The Eczacıbaşı Group launches the "AllforAll" Equal Opportunities Project to advance its efforts to empower women.

### 2018

- Efforts to increase women's employment in production are furthived by investments in "zero weight" equipment. At the previously male-dominated Ceramic Sanitaryware Plant, women presence on the production line soars to 50 percent.

### 2020

- The First Woman Production Manager was appointed.
- A scholarship program has been introduced for female engineering students.
- We signed the "Women in Sales" protocol with Sales Network and created action plans for our female candidates in sales.

### 2013

- Flexible working hours are implemented.
- "Social Gender Equality" training is launched.
- The Eczacıbaşı Group signs the United Nations Women's Empowerment Principles and joins the Equality at Work Platform.

### 2015

- Existing lactation rooms at production facilities and offices are renovated with new ones being established at locations where there were none.

### 2017

- Employment shares for women are analyzed in all functions across the Group. The Groups starts to monitor the recruitment of women for sales and technical functions, where their presence is lower. Special committees are established to increase the number of women employees in this field.
- Gender-blind CVs are introduced.
- Following the AllforAll manifesto and bulletin, "LiderizBiz" & "FarkındayızBiz" programs are initiated.

### 2019

- The Vice Chairman of the Eczacıbaşı Group becomes the co-chair of the UNGC Women's Empowerment Working Group.
- Day-care assistance for children of women employees at various production sites is launched.
- Female employees started being recruited on the minor assembly line at our bathroom furniture facility.

### 2021

- The First Woman Director in Production was appointed.
- Nursery Benefits started to be implemented in all locations. Paternity Leave program was revised.
- Rewards to encourage female candidates recruited within the scope of the "Refer a Friend" program were introduced.

## Gender Equality

We evaluate all our projects, operations, and practices through the perception of gender balance with the aim of closing the gender gap in line with the goals of Eczacıbaşı Group to increase the percentage of women in the Eczacıbaşı Group's professional recruitment to 50%, the percentage of women in professional employment to 40%, and the percentage of women employees in management to 35% by 2023. Also, we are aiming 50% female employee recruitment rate at our 5th production facility, which is under construction.

Our equal opportunity aim is supported by the projects we implemented and strategies we applied:

- "Equal pay for equal work" is a core policy of the Eczacıbaşı Group. Employees are paid equally when they take on the equal roles and responsibilities.
- We offer nursery benefits to women employees with 0-69 months old children in all our locations, both in Turkey and Europe. 58 children benefited from the nursery in the 2020-2021 academic year.
- The "Zero Weight" project enables us to increase occupational health and safety and the employment rate of women in production by offering "zero weight" equipment in production facilities. "Zero-weight" equipment refers to automated and robotized casting and glazing technologies to reduce physical effort. Additionally, we identified the needs of the newly hired women employees in production facilities and improved our facilities accordingly. By the end of the 2021, we established our first production line that is run just by women in our Bozüyük facilities. Additionally, 80% of one shift in facility 1 consists of women employees.

Within the scope of our 2021 - 2022 action plan, sales and production are determined as two focus areas where women's talents should be encouraged to work. As a signatory of Women in Sales protocol with the Sales Network, we aim to create job and development opportunities for our female candidates in sales. Also, we aim to improve our work environment to increase women's participation in production.

- We do not ask for gender-identifying information in the application forms to adopt gender-neutral recruitment practices.
- In the blue-collar hiring strategy, we aim to hire at least three women out of every ten recruitments.
- For every female employee leaving, we aim to recruit new female talent in order to preserve our female employment ratio.

- In 2021, a reverse mentoring project called "Women Mentors of VitrA" was implemented. Within the scope of the project, the volunteer female employees started mentoring male leaders to increase awareness and help eliminating unconscious biases.
- Through the FarkındayızBiz (We are Aware) development program, we are helping management increase awareness about equal opportunities.
- LiderizBiz (We are Leaders) is a Women Leaders Development Program that prepares our women employees with leadership potential for future leadership roles through a variety of learning modules, and mentoring.
- We offer a paternity leave program for our male employees for 3 weeks after birth and once a week for the next 3 weeks.
- Since 2020, we provide a scholarship program for female engineering students.
- With a planned project to increase literacy in Bozüyük in 2022, we are aiming to support women's participation in life by eliminating the literacy obstacle in front of them.





An inclusive workplace values all employees for their strengths. People who are talented are welcomed in the EBPB. The workplaces of our disabled employees are the areas where there are no moving and mechanical parts.

We have projects that aim to create more inclusive work areas such as the:

- Buddy Assignment: In order to support their current needs, we attain a colleague who stands by each of our disabled employees during working hours. The responsibility of the "buddy" is to convey the needs of the disabled employees and support them throughout the day.

### Future Of Work

In line with our work on different working models, taking into account the needs of today and tomorrow; We have renewed our working models in order to ensure that our current positions have the flexibility to work independently of location and to bring talents from anywhere in the world to our Group.

All of our roles were evaluated in line with the requirements of the work performed independently of individuals, and we determined the new working models in line with the requirements of the job:

- Office/On-Site Roles
- Hybrid Roles
- Remote / Home Office Roles

The Group supports remote employees and their managers with necessary equipment and guides ranging from OHS checklists to remote motivation tools, for the new working environment.

### Human Rights And Unions

We offer an inclusive and fair work environment that aims for high employee engagement and equal opportunity. Human rights violations in our workplaces are not tolerated.

We operate with an ethical and transparent management approach guided by the Eczacıbaşı Group Code of Conduct **Detailed Information**. The Eczacıbaşı Group Code of Conduct provides employees with guidelines on how to manage business situations in line with Group values. The Human Resources Handbook provides clear and understandable information on the Eczacıbaşı Group's approach to human rights and freedom of association.

Child labour, forced and compulsory labour are strictly prohibited throughout the Eczacıbaşı Group. We do not discriminate between people based on age, gender, language, belief, or ethnic origin during recruitment or subsequent human resources processes.

We respect the unionization and organizational rights of our employees and support their right to use their union rights freely. We establish constructive relations with unions. EBPB is a member of the Turkish Employers' Association of Metal Industries (MESS) and Glass, Cement, Ceramic and Soil Industries Workers' Union of Turkey (ÇİMSE), which are the authorized labour union representing workers. The unionization rate among our employees in our TR operations is 94,1%.



## Talent Management

The core of our talent management approach is to build a teamwork-oriented, open to communication, motivated, qualified workforce with leadership responsibility and with a focus on the company's goals. We create opportunities for rotation, both within the company and between organizations. Thus, we offer our employees different opportunities not only within the company but also between organizations. Likewise, we create different career opportunities for our employees with international assignment opportunities. Our ultimate goal in talent management consists of acquiring, retaining and developing the best talent. To unlock the potential of our employees, we offer effective training and personal development opportunities.

We offer newly recruited employees training development programs that are planned within the framework of the general technical competency needs of the departments. In addition to compulsory and vocational technical trainings, we offer programs that contribute both personal and professional development of our employees.

- Functional Academies
- Leadership Programs
- Digital Transformation Training Sessions (VitrA Digimax)
- Blue Collar Development Trainings

EBPB does not only focus on enlarging the talent pool with talented employees but also prioritizes creating awareness in order to eliminate social barriers derived from gender.

## Career Test Drive For Young Talents

Since 2009, the Career Test Drive (KTS) Program has been used to attract young talent to Group companies. Through this program, university students are given full-time or part-time internships in different positions for at least two months. They receive mentoring support, personal development training and coaching during their internship. Interns experience real business life by working on real business projects and are given the opportunity to present projects to relevant managers in their companies. Students who successfully complete

the internship process are included in the affirmative candidate pool of the Group's recruitment process. In our Europe region(Germany Offices) , we also carry out studies aimed at gaining young talents with long-term intern and dual university programs.

## University And NGO Collaborations

We participate in university events where we come together with young talent every year. In 2021, we participated in 9 events organized by the career planning centers and student clubs and had a chance to meet more than 30 universities. These events included career fairs, participation in classes, interview simulations, webinars, and talks. After the outbreak of the pandemic, we moved all occasions online.

Within the scope of our Sales Network cooperation, we came together with university students aiming for a career in sales at Youth Talk meetings. Sales Network is a community that offers networking, events and content created specifically for the sales sector. It works within the framework of partnerships for purposes, gender equality and climate action.

We participated with our innovation team in the "Lead the Way for Transformation" panel held in cooperation with Yenibirilider Association under "Women's Power in Innovation". Yenibirilider Association aims to support community leaders who can be influential in all areas of life, with the support of its members consisting of Turkey's new generation leaders and opinion leaders who have provided important services to our country.



## VitrA Academy

The VitrA Academy program's motto is "start getting to know the industry #withVitrA". We offer seminar series in universities at which our employees participate to inform students about their sector. In the 2020-2021 academic year, we conducted the program at Eskişehir Technical University, and we signed an agreement with Istanbul Technical University to continue that program in the 2021-2022 academic year. In the VitrA Academy program, we aim to come together with students and transfer their experience, to increase their awareness in the ceramics/industry and to provide future employment by discovering the talents of the future. Our managers participate in the sessions and inform students about the sector. We reached 118 students in total in our seminars. In the VitrA Academy program, we aim to come together with students from our target universities and access their experience, to increase their awareness in the ceramics/industry and to provide future employment by discovering the talents of the future. Our participants consist of 3rd, 4th grade and MSc students from the Metallurgy-Chemistry Faculty of the relevant university. We reached 65 students in total in our seminars and 1 student started to do an internship at our Ceramic Sanitary Ware factory as KTS-Technical Manager.

## Bootcamp

Bootcamp is an initiative in which we support the development of competence at a basic level by including new graduates or recent young talents who want to specialize in the field of data analytics. After the training, we aim to gain talent in the internship or assistant specialist roles that may be suitable for the candidates. One of our most important goals in the project is to acquire trained human resources that will enable the Group to reach the targets in the digital vision faster and play an active role in the projects. 5 people involved in this project had a job opportunity in our company.



650

Applications



77

Universities



32

People -  
completed  
first stage

7

Weeks -  
training period

85

Hours - personal  
training hours

## VBenzeri Campus

VitrA visits universities with its VBenzeri Campus project. As a creative platform that brings together students studying in the architecture, interior architecture and industrial product design faculties, it expands its scope with events such as conferences, workshops and student meetings held throughout the year.

In its first series of events, VBenzeri Campus has presented on next-generation applications that transform architectural projects into a collaborative model, shortening the construction process and reducing costs. In the programs where architects participate as speakers, the use of Building Information Modeling (BIM) in the field of architecture is explained through examples of projects. The VBenzeri Campus project, which hosted VitrA to universities, witnessed 14 online events under BIM in 2021.

[Detailed information.](#)

[YouTube](#)

**VitrA**

**VBenzeri**  
Campus

**BIM**  
BUILDING INFORMATION MODELING

Bolu Technical University  
Faculty of Architecture and Design  
Online Event

**01/12/2021**  
Wednesday  
15:00 - 17:00

**Speakers**

- Dursun Furkan ÇAPKIN** - Ph. D. Candidate -  
Yıldız Technical University  
"BIM and Information Management"
- Veysel AÇIKEL, Bujrohon ŞİEN** - I-PP International  
"Designing Form Creation Process"

**BAU**  
FACULTY OF  
ARCHITECTURE  
AND DESIGN

## Social Investment

Eczacıbaşı Group has sought to add value to the communities in which it operates while providing products and services of the highest quality since its foundation. In EBPB, we collaborate with foundations and non-governmental organizations in parallel with Eczacıbaşı Group's goal in order to contribute to culture and art, sports, education, women's empowerment and local development.

**“The meaning of life is best understood through art.”**

**Dr. Nejat F. Eczacıbaşı**

## Culture & Art

The Eczacıbaşı Group is the founding sponsor of the Istanbul Foundation for Culture and Arts (IKSV), established in 1973 on the initiative of Dr. Nejat F. Eczacıbaşı. IKSV organizes many cultural and artistic events throughout the year. In 2021, through awards, commissions, production support and diverse programs, IKSV directly contributed close to TL 5.7 million to culture and arts while welcoming over 122.5 thousand people to events both in physical venues and online. With the support of Eczacıbaşı, 1,200 students attended festival events and other IKSV activities free of charge.

IKSV is also in charge of the Pavilion of Turkey at the International Art and Architecture Exhibitions of la Biennale di Venezia and coordinates an artist residency program at Cité International des Arts, France. The Pavilion of Turkey presented Architecture as Measure at the 17th International Architecture Exhibition, La Biennale di Venezia between May 22 - November 21, 2021. As one of the two co-sponsors of la Biennale di Venezia (Venice Architecture Biennale), we created a space to raise awareness on the possible contribution of architecture to a new planetary imaginary of our contemporary environment in light of the current political crisis around climate change.

Additionally, the Group was the main sponsor of the 5th Istanbul Design Biennial, titled Empathy Revisited: Designs for more than one. The 5th Istanbul Design Biennial is a slowly changing and developing biennial from October 2020 to April 2021. Istanbul Design Biennial aims to bring together a diverse cross-section of design

ideas once every two years. We believe in the power of design and by supporting the Istanbul Design Biennial, we also support the idea that design is a tool for understanding humanity's complex role in today's society.



In 2013, Eczacıbaşı Building Products - Bathroom came up with a creating youtube channel and website idea that aims to be a local resource that inspires creative disciplines. The "VBenzi Blog" channel was created in 2014, and it believes in polyphony and producing up-to-date and original content; presents the subjects of architecture, interior and design in a unique way, together with innovation, which is their biggest supporter.

<https://www.vbenzeri.com/> & <https://www.youtube.com/c/VBenzeriBlog>

Vitra Ceramic Art Workshop (Atölye), which aims to bring new works to the art of ceramics and transfer them to society, was founded in 1957 by Dr. Nejat F. Eczacıbaşı. As a member of the International Ceramics Academy (IAC), Atölye has been continuing its activities under the name of MSGSÜ - Vitra Ceramic Art Workshop since 2011, within the framework of the protocol signed with the Ceramic Products Research and Application Center within the body of Mimar Sinan Fine Arts University (MSGSÜ). Every year, artists, two from Turkey and two from abroad, can use Vitra Ceramik Art Workshop as their working space. The works produced by the artists are exhibited once a year in the halls of the university.

## The Eczacıbaşı Sports Club

The Eczacıbaşı Sports Club was founded in 1966 to introduce young people to sports and contribute to the development of sports in Turkey. In subsequent years, the Club not only trained thousands of athletes, but it also played an important role in raising the quality of sports in Turkey to international levels.

Today, the Eczacıbaşı Sports Club is focused exclusively on women's volleyball, and its international achievements in this field have helped to convey the voice of Turkish volleyball throughout the world. Vitra has reinforced its support for men's and women's volleyball teams for many years and gave its name to Eczacıbaşı Vitra Women's Volleyball Team from the 2010-2011 season until 2020-2021 season. The support of EBPB, which believes that the feeling of women's power in sports, as in every field, is an essential social development criterion, was crowned with the team's consecutive world championships.



## Eczacıbaşı Volunteers

Eczacıbaşı Volunteers support social responsibility activities to contribute to society and the environment and create awareness. In our Turkey operations, our employees are willing to add value to society and the environment as Eczacıbaşı Building Products - Bathroom Volunteers.

We have supported science and technology learning and encouraged students to develop their innovation skills in programs organized jointly. We attended an online science session event in collaboration with Young Guru Academy (YGA). We came together with the students of Dodurğa Secondary School. In addition, we donated five science kits to the same school. We established a library and reading room in Bozüyük Selahattin Şeker Vocational and Technical Anatolian High School. In addition, we renewed the library and kitchen floors in collaboration with Vitra Tiles. We donated five computers to Bozüyük Hoca Ahmed Yesevi Primary School. We participated in the National Afforestation Day event organized by the Bozüyük Forestry Management Directorate. On June 5, World Environment Day, we organized a program across our community. Our employees' children aged 6-11 attended the program.

In July and August 2021, we experienced a series of forest fires in Turkey's Mediterranean Region. We sent aid boxes to Marmaris Municipality and Antalya Metropolitan Municipality. Aid was collected with donations from factory employees.



## Occupational Health and Safety (OHS)

Eczacıbaşı Building Products - Bathroom has always been placed the health and safety of workers as its most important topic. The Group has a Health and Safety policy that guarantees a commitment to compliance with good management to ensure a safe workplace. To ensure a systematic and tangible approach to safety, EBPP adopts the ISO 45001 Health and Safety Management System at our Bozüyük manufacturing plants. This ensures awareness of the rules, training, information and technical aspects play a key role in the determination and management of risks and the prevention of injuries.

In order to ensure compliance with current regulations, with support from the top management, various training programmes have been prepared depending on roles, duties, and levels of responsibility. Seven golden rules which guide employees have been identified and their execution is monitored by managers on a regular basis.

We adopt a zero accident mentality\* in our facilities. In line with the United Nations' Sustainable Development Goals (SDGs), Decent Work and Economic Growth (SDG 8) we also note that in 8.8 protection of workers' rights and safe work for all workers.

We have a safety committee that includes more than 50 colleagues that investigates how we can zero work accidents and discusses what kind of measures can be taken within the facility every month to further develop the working environment. We design systems where we can provide a secure work platform without encountering any problems. By taking advantage of the benefits of digitalization, we check the health and safety of our colleagues site of operations as well as in the office. We support the use of controlled machines and robots in activities that may pose a danger due to muscle power and integrate an infrastructure that supports business continuity into our system.

The safety of families, our social environment and our stakeholders is our priority as much as our employees. We adopt a service security model that includes all our stakeholders. We are expanding our protective culture to include our stakeholders with our informative seminars in case of disasters and emergencies, our COVID-19

handbook and our work on campus, our current information sharing, and our 24/7 online health line is open to everyone in the Eczacıbaşı Group, including psychological, healthy nutrition and legal consultancy services.

With a total of over eight million working hours, the EBPP achieved a 1.2 injury rate, performing 11 percent better than previous year. The table with the details of OHS is given in [Appendix III](#).



## Safety Dojo

To promote Health and Safety, regular and updated training programmes are important tools for raising awareness among employees and creating a safe work environment culture. In 2021, occupational safety specialists' teams organized a total of 56,282 hours of training on regulatory requirements and technical matters at facilities in our Turkish and Santekhnika factories.

We launched the Safety Dojo system to improve employee awareness and skills. A Safety Dojo system initiates training via the simulation of potential accidents in the work environment, thereby allowing employees to test whether their safety skills are in place and that facility rules are properly applied. We use the Safety Dojo to train all of our employees regularly and EBPB has some internal, specific requirements. For example, checking to see if the safety shoes that employees are using are fit-for-purpose, or whether they know how to switch on the safety interlock system of the press machine. The Dojo is open for updating and reshaping according to the expectations and employee feedback.



## Health and Safety at Our Facilities

Workflows are designed to maximise employee ergonomics by improvements to Mechanical Workshop Chip Trolleys, eliminating the risk of heavy objects falling from great heights is eliminated by using industrial pumps to transfer glazes between tanks, adjusting composite guards on mill filling caps to open and close ergonomically and eliminating mould fall on facilities staff.

Preventing accidents before they occur:

- Repairing automating the curtain cutting process before the second firing of the furnace
- Ensuring robot optimization in the lid production department
- Performing Fanuc Benches Jaw Overhauls - Handshake Hazard
- Positioning of automatic semi-finished transfer robots in the glazing-4 section
- Instead of opening the copper silo with a falcon, fixed drilling apparatus to the silo
- Fixing concealed reservoir sealant guns - Hot Silicone Splash Hazard
- Transition from diesel to electric forklift has improved sound and air health
- Planning shift changes by considering that there is no constant night work
- No one is alone in the field: Staff inactivity monitor for 3rd shift and lone worker safety.

Changes serving security in system and organising land use:

- Ensuring diesel fuel tanks are securely organized, and fuel leak-proof containers are installed.
- Firefighting pump station rebuilt and automated in water fire extinguishing with spatial organization of storage place for flammable materials (diesel, oil, etc).
- Fire alarm and extinguishing systems were installed in the warehouse (material assets warehouse) at Santekhnika.
- Asphalt repair and repair works were carried out in the truck parking area and repair work was carried out in the employees' parking area. Pedestrian roads were checked annually.

Other Ad-hoc safety projects:

- OHS Experience Center
- Establishment of the Contractor OHS Control Point: For supplier management, 22 document controls and vaccination controls are carried out at the door entrances. At least two unvaccinated suppliers are required to bring a PCR test performed within the last 72 hours.
- OHS Awareness Days
- Setting up the Hazard Prediction System (Kiken Yochi)
- Toolbox, Stop-6, Golden Rules, OHS Handbook Application
- COVID-19 Precautions
- OHS Mobile Communication Line

### Emergency Preparedness And Response

In 2021, earthquake preparedness seminars were held with AKUT (Turkish Search and Rescue Association) for all locations throughout the Group. Communication studies on earthquake awareness were carried out via email. Again, online family seminars were held for earthquake awareness throughout the community.

Fire extinguishing systems have been automated in all our factories. Action to be taken in case of foreign body detection were communicated to all employees in the field. Contribution to disaster management was made by creating disaster awareness and creating technical personnel in response stages.

### COVID-19 Precautions

We realized that the spread of Covid-19 might negatively affect production processes and the health and safety of our employees and stakeholders. In order to prevent this problem, we divided our employees into groups of 10 each, and enabled this group of 10 people to act together in the working and resting areas and services.

A booklet covering the practices and rules to be followed within the scope of the pandemic in the facilities was prepared and distributed to the employees. Vaccination tents have been set up with the Provincial Health Directorate at designated points on campus for the benefit of all employees during vaccination periods. Changing rooms, infirmary, cafeteria and social areas are regularly sterilized with an ozone generator in addition to disinfectants. In the Bozüyük location, two animated films were prepared for the rules that employees should pay attention to in their social lives, and they were broadcast on the screen in the cafeteria.





# Value Chain

( GRI 102-9)

## Supply Chain

We care about economic, social and environmental factors in our Sustainable Purchasing and prioritize our relations with our suppliers. We take all necessary action to protect human rights, prevent child labour, reduce environmental impact and ensure supply chain flexibility and resilience.

### Economic Factors of Sustainable Procurement;

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

### Social Factors of Sustainable Procurement;

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

### Environmental Factors of Sustainable Procurement;

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

## Selecting New Suppliers

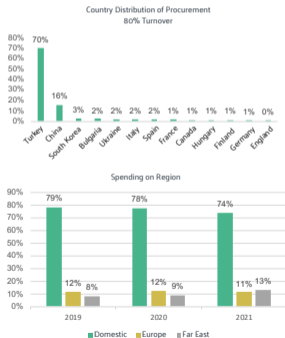
Changes in raw materials, simplification of the supply chain, standardization of purchased products are all factors that result in the need to improve supplied materials. In order to meet this need, to increase our supplier diversity and to develop different purchasing methods, we are constantly looking for new suppliers and will continue our journey in each selected procurement category in a more sustainable supplier group

During the selection process, we want to make sure that the appropriate prices and conditions are included in the contracts and that the supplier's minimum ethical, human rights and employer requirements are met. In order to prevent possible issues arising and to be prepared in advance, we collect the necessary information by asking the right questions and providing guidance before starting to work together. The timeline of the selection process is as follows:

- 1) Information is collected via the Supplier Information Form
- 2) A Self-Assessment Form allows them to evaluate themselves
- 3) For strategic suppliers, the Preliminary Evaluation Form is evaluated by EBPB.
- 4) Relevant instructions are determined via documents and leaflets of the Supplier Handbook given to supplier candidates
- 5) In Supplier General Agreements, energy, environment, social compliance, quality system, general management systems are questioned and confirmed.
- 6) In the Supplier Handbook and Supplier General Agreements, suppliers are notified of Quality certification requirements, HSE and environmental expectations, social compliance (BSCI) requirements and methods of monitoring suppliers.

We obtain 81% of our supplies under direct purchases from primary producers. Thus, we shorten the supply chain as much as possible, improve our carbon footprint and reduce our supply-related risks. EBPB mainly collaborates with suppliers in Turkey and burgbad collaborates with European (mostly German) suppliers. With this approach, both companies support local production and job creation. Also, we are lowering our carbon footprint by reducing the length of the shipments.

One of our criteria in both new and long-term supply chain partner selection is their contribution to the furthering the sustainability value of our supply chain.



## Monitoring And Evaluating Existing Suppliers

We regularly monitor our suppliers. The suppliers chosen by our Procurement Department are audited annually by the supplier development department in terms of management, quality, social compliance, environment and energy management. Our material suppliers are evaluated every six months in terms of quality, product, price, shipment performance, communication and flexibility.



## Contributing The Social And Environmental Awareness Of Our Suppliers

We follow the developments related to the environment and sustainability and investigate the possibilities of applying them to our company and suppliers. We aim to increase the use of recycling and environmentally friendly materials. In addition to environmental sustainability, we also prioritize human health and use raw materials and products that are sensitive to human health and the environment in wood-based panels. In order to reduce carbon emissions, we aim to increase the utilization rate of containers and trains during shipments.

Our Purchasing and Supplier Development departments organize supplier days and supplier trainings. In the stakeholder/supplier days and training, we share information on EBPB requirements, policies, quality and environmental management requirements.

## Responsible Procurement Survey

We measure the environmental and social compliance of our suppliers with a survey that we send to suppliers that make up 80% of our procurement turnover.

We ask for the following questions and then certified them as socially and environmentally compliant suppliers:

- Health and Safety Management in Organization
- Human Rights Commitment
- Audits
- Staff Trainings
- CSR (Corporate Social Responsibility)
- Code of Social Conduct
- Sustainability Reporting
- Environmental Management System
- Consumption Measurement
- Pollution Control
- Environmental Code of Conduct
- Certifications

The results of our Responsible Procurement Survey 2021 that was conducted among our 126 main suppliers that make up 80% of our procurement turnover, shows that our 63 suppliers are environmentally compliant and 60 suppliers are socially compliant.



## Our Other Projects

With our supply chain team, we are working on various projects to minimize our adverse effects on the environment by mainly reducing our material use and try to decrease our total carbon footprint. Following our investment decisions by considering the environment and energy criteria, we follow the footprint of our domestic and international shipments with annual carbon emission reports. By utilizing the GoGreen service offered by DHL logistics, we started working on actions to minimize logistics-related emissions, and other environmental impacts in our entire supply chain. We carry out localization studies for the materials we buy from abroad. With the collaboration of risk management team we work on possible crises in each product group, supplier locations and we try to determine alternative groups for suppliers. We try to bring together quality and sustainability in our packaging by working on FSC (Forest Stewardship Council) certified cardboard packaging studies. Along with the FSC transition we also carry out studies on the use of box packaging instead of styrofoam. We reduced raw materials by 25% by using melamine coated chipboard instead of mdf in bathroom furniture. In the "production with recycled materials" project developed with Eskişehir Oluklu company, we prevented 10,400 trees from being cut in 2021.



## Stores

In our stores, we focus on sustainability in customer experience by:

- Increasing digital interaction in order to understand the exact needs of our customer and offer our customers different layout options, different material uses and inspiring living spaces.
- Creating living spaces in our stores for our customers to experience our products which focus on saving water (e.g. recirculation systems).
- Increasing customer safety and convenience during their visit to our stores (especially during pandemic) by a personalized appointment system, remote product information, 360-degree store displays. Providing digital training portals for our store staff on new products for better customer service

Also, our stores are places where we promote sustainable habits:

- We manage our waste by separating pet bottles, paper and other waste in recycling bins.
- We save electricity by using photocell lights, led lights and clock-adjusted fixtures for all dental facades, interior displays and product lighting throughout the store.
- We consume less paper by turning display labels into digital displays, sending digital notifications, invoices and order forms.
- We consume less plastic by using reusable textile bags (instead of plastic bags) and recycled bottles (instead of disposable plastic or cardboard cups).
- We inform our customers by writing informative texts about water consumption in the images on the displays.



## Customer Service

We believe that our responsibility continues even after we sell our products to our customers.

In order to provide the best customer experience, we conducted an authorized service brand study in 2021. We then redesigned our authorized service logo and our corporate identity elements such as authorized service signs, authorized service employee clothes and badges to include our new logo.

In 2021, we took action to consider the speed and quality of our solution center operations. We provided faster turnaround times by authorizing our Customer Communication Center employees to have direct access to dealer stocks to resolve customer complaints related to product supply.

Additionally, we took advantage of many opportunities of digital transformation in 2021 in order to improve our business processes and address customer demands more quickly and through differentiated channels. By integrating platforms such as Instagram, Facebook, Twitter and sikayetvar.com into our Service Cloud system, we started to handle all customer requests and complaints with greater speed. A total of 2,113 customer complaints and requests were conveyed to our resolution center in 2021 through these channels. Thanks to all these improvements, we reduced our end-to-end solution time from 12 days to 8 days.

Previously, faulty product notifications requiring corrective action were tracked manually. In 2021, this process was digitized and the corrective action process began to be managed much more effectively and systematically. We included a lot of data that we tracked and started to measure its performance in customer experience processes. A dashboard structure was established to instantly observe these data, and the first phase was completed in 2021.

**06**

**Appendix**



# Appendix 1

(GRI 102-16,102-17)

## Appendix 1 - Business Ethics And Legal Compliance

Compliance with business ethics principles and legal regulations is a non-negotiable condition of every activity that we carry out, as clearly stated in our corporate values. Activities and practices related to business ethics, internal audit and legal compliance throughout the Group are carried out by the Audit Board, Group Head of Human Resources, Senior Legal Advisory and Compliance Board.

We consider compliance with business ethics principles and legal regulations to be a working standard. Respect for human rights is one of our fundamental principles in our relations with our employees, suppliers, business partners, and society. As a part of the Eczacıbaşı Group, a signatory to the UN Global Compact, we adopted the principle of zero tolerance for discrimination, bribery and corruption throughout its operations.

The "Eczacıbaşı Group Code of Conduct" is published on the Eczacıbaşı Group website as the Personnel Regulation to help our employees align their daily business decisions with Group values. We have prepared the Human Resources Practices Handbook in order to provide our employees with information on the Group's human rights, freedom of association and anti-corruption policies. We also carry out awareness-raising activities and periodically send information and reminder messages to all employees. The Eczacıbaşı Group Code of Conduct forbids employees from taking part in the governing bodies of political organizations and from undertaking promotional and donation activities in a manner that supports a political ideology.

To ensure compliance with the Eczacıbaşı Group Code of Conduct, we designed an abuse and corruption training program for 121 employees globally in 2021.

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

In compliance with the Eczacıbaşı Group procedures, EBPB employees can report violations by either sending an email to the [uyum@eczacibas.com.tr](mailto:uyum@eczacibas.com.tr) or calling +90212 371 7272, or filling the violation form on EbiFlow.

### Detailed information.



## Appendix 2

( GRI ( 102-12, 102-13)

### Appendix II - Corporate Memberships

EBPB is supporting initiatives under the signature of the Group and through the initiatives that are signed by the Group; through Eczacıbaşı Group, we are also a member of TUSIAD, the Business World Plastics Initiative and the Unstereotype Alliance and a signatory for Women Empowerment Principles (WEPs).

| Association & Initiative  | Status                    |
|---|---------------------------|
| Turkish Employers' Association of Metal Industries (MESS)                   | Chairmanship of the Board |
| Glass, Cement, Ceramic and Soil Industries Workers' Union of Turkey (ÇİMSE) | Membership                |
| Association of Turkish Construction Material Producers (İMSAD)              | Membership                |
| Turkish Ceramic Federation (SERFED)   | General Secretary         |
| Ceramic Sanitary Ware Manufacturers Association (SERSA)                     | Membership                |
| Ceramics Research Center  | Membership                |
| Kitchen and Bathroom Furniture Industrialists and Importers Association     | Membership                |
| Chain Stores Association  | Board Membership          |
| Eskişehir Bilecik Kütahya Ceramic Business Cluster Association              | Vice-Chairmanship         |
| Yanındayız Association  | Partnership               |
| Sales Network Platform  | Membership                |
| R&D and Design Centers Communication and Cooperation Platform (ARGEMIP)     | Membership                |
| University & Industry Cooperation Centers Platform (USIMP)                  | Membership                |
| Istanbul Chamber of Industry (ISO)  | Membership                |

## Appendix 3

(GRI 102-8)

### Appendix III: Environmental Performance Indicators

| TOTAL GHG FOOTPRINT                 |       |       |        |                         |                         |
|-------------------------------------|-------|-------|--------|-------------------------|-------------------------|
| Parameter (tons CO <sub>2</sub> )   | 2019  | 2020  | 2021   | Change in last year (%) | Change in 2019-2021 (%) |
| Total Carbon Emissions (Energy Use) | 91714 | 96844 | 103278 | 6,6                     | 12,6                    |

| PRODUCTION       |        |        |        |                         |                         |
|------------------|--------|--------|--------|-------------------------|-------------------------|
| Parameter (ton)  | 2019   | 2020   | 2021   | Change in last year (%) | Change in 2019-2021 (%) |
| Production (ton) | 105161 | 110363 | 128728 | 16,64                   | 22,41                   |

| CARBON INTENSITY PERFORMANCE                 |      |      |      |                         |                         |
|--|------|------|------|-------------------------|-------------------------|
| Parameter (tons CO <sub>2</sub> /ton output) | 2019 | 2020 | 2021 | Change in last year (%) | Change in 2019-2021 (%) |
| Total Carbon Emissions                       | 0,87 | 0,88 | 0,80 | -8,6                    | -8,0                    |





## Appendix 3

(GRI 102-8)

### Appendix III: Environmental Performance Indicators

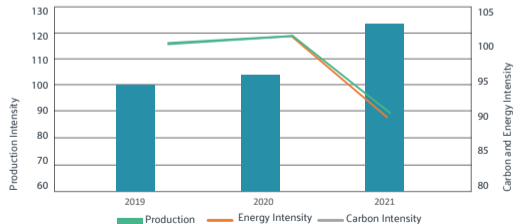
#### ENERGY INTENSITY PERFORMANCE

| Parameter (kWh/per ton)     | 2019   | 2020   | 2021   | Change in last year (%) | Change in 2019-2021 (%) |
|-----------------------------|--------|--------|--------|-------------------------|-------------------------|
| Direct Energy Consumption   | 2924,9 | 2960,3 | 2713,1 | -8,4                    | -7,2                    |
| Indirect Energy Consumption | 734,1  | 726,5  | 676,9  | -6,8                    | -7,8                    |
| Total Energy Consumption    | 3659,7 | 3685,6 | 3339,5 | -9,4                    | -8,7                    |

#### TOTAL ENERGY CONSUMPTION

| Parameter (MWh)             | 2019   | 2020   | 2021   | Change in last year (%) | Change in 2019-2021 (%) |
|-----------------------------|--------|--------|--------|-------------------------|-------------------------|
| Direct Energy Consumption   | 307675 | 326557 | 341593 | 4,6                     | 11,0                    |
| Indirect Energy Consumption | 77179  | 80198  | 88304  | 10,1                    | 14,4                    |
| Total Energy Consumption    | 384854 | 406756 | 429887 | 5,7                     | 11,7                    |

Energy & Production in EBPB



## Appendix 3

( GRI 102-8)

### Appendix III: Environmental Performance Indicators

| TOTAL WATER FOOTPRINT                |       |       |       |                         |                         |
|--------------------------------------|-------|-------|-------|-------------------------|-------------------------|
| Parameter (thousand m <sup>3</sup> ) | 2019  | 2020  | 2021  | Change in last year (%) | Change in 2019-2021 (%) |
| Fresh Water Consumption              | 327,2 | 342,4 | 404,4 | 18,1                    | 23,6                    |
| Total Water Consumption              | 509,5 | 531,1 | 528,3 | -0,5                    | 3,7                     |
| Municipal Water                      | 39,5  | 41,1  | 41,3  | 0,6                     | 4,7                     |
| Ground Water                         | 288,0 | 302,0 | 363,0 | 20,2                    | 26,0                    |
| Water Reuse                          | 183,0 | 189,0 | 125   | -33,9                   | -31,7                   |
| Wastewater                           | 22,5  | 27,1  | 100,3 | 270,7                   | 346,7                   |

| TOTAL MATERIAL FOOTPRINT        |       |       |       |                         |                         |
|---------------------------------|-------|-------|-------|-------------------------|-------------------------|
| Parameter (thousand tons)       | 2019  | 2020  | 2021  | Change in last year (%) | Change in 2019-2021 (%) |
| Raw Materials                   | 138,9 | 144,4 | 169,6 | 17,5                    | 22,1                    |
| Packaging Materials             | 4,1   | 4,3   | 4,7   | 9,8                     | 13,6                    |
| Auxillary Materials             | 15,0  | 15,0  | 17,0  | 13,4                    | 13,4                    |
| Recycled Materials              | 7,5   | 8,7   | 9,1   | 5,4                     | 22,2                    |
| Total Material Consumption      | 157,8 | 164,2 | 191,6 | 16,7                    | 21,4                    |
| Share of Recycled Materials (%) | 5,0   | 5,5   | 4,8   | -12,3                   | -2,9                    |

## Appendix 3

( GRI 102-8)

### Appendix III: Environmental Performance Indicators

| WATER INTENSITY PERFORMANCE                   |      |      |      |                         |                         |
|---|------|------|------|-------------------------|-------------------------|
| Parameter (m <sup>3</sup> /per ton of output) | 2019 | 2020 | 2021 | Change in last year (%) | Change in 2019-2021 (%) |
| Fresh Water Consumption                       | 3,11 | 3,10 | 3,14 | 1,2                     | 1,0                     |
| Total Water Consumption                       | 4,85 | 4,81 | 4,21 | -12,5                   | -13,2                   |
| Municipal Water                               | 0,37 | 0,37 | 0,32 | -14,5                   | -15,4                   |
| Ground Water                                  | 2,74 | 2,74 | 2,90 | 6,0                     | 5,9                     |
| Water Reuse                                   | 1,74 | 1,73 | 0,99 | -42,8                   | -43,3                   |
| Wastewater                                    | 0,21 | 0,25 | 0,80 | 218,7                   | 273,2                   |

| OHS PERFORMANCE     |         |         |         |                         |
|---------------------|---------|---------|---------|-------------------------|
| Parameter           | 2019    | 2020    | 2021    | Change in 2019-2021 (%) |
| Number of Accidents | 55      | 49      | 52      | -5,45                   |
| Total Hours Worked  | 7824008 | 7200213 | 8622693 | 10,21                   |
| Injury Rate         | 1,41    | 1,36    | 1,21    | -14,18                  |

## Appendix 3

( GRI 102-8)

### Appendix III: Environmental Performance Indicators

|                         | TOTAL WASTE PRODUCTION           |                   |       |       |                         |                         |
|-------------------------|----------------------------------|-------------------|-------|-------|-------------------------|-------------------------|
|                         | Parameter (m3/per ton of output) | 2019              | 2020  | 2021  | Change in last year (%) | Change in 2019-2021 (%) |
| Waste Disposed          | Total Domestic Waste             | 297               | 264   | 520   | 97,0                    | 75,1                    |
|                         | Total Industrial Waste           | 13226             | 10647 | 15068 | 41,5                    | 13,9                    |
|                         | Non-hazardous Industrial Waste   | 11943             | 9427  | 13930 | 47,8                    | 16,6                    |
|                         | Hazardous Industrial Waste       | 1283              | 1220  | 1139  | -6,6                    | -11,2                   |
|                         | Total Waste Disposed             | 13663             | 11016 | 15691 | 42,4                    | 14,8                    |
|                         | Total Waste Disposed Index       | 139               | 108   | 165   | 52,3                    | 18,7                    |
|                         | Recycled Waste                   | Paper - Cardboard | 1135  | 1100  | 1477                    | 34,3                    |
| Plastics                |                                  | 441               | 321   | 272   | -15,1                   | -38,2                   |
| Metals                  |                                  | 334               | 206   | 370   | 79,6                    | 10,8                    |
| Glass                   |                                  | 25                | 15    | 17    | 13,3                    | -32,0                   |
| Wood                    |                                  | 1370              | 1230  | 1219  | -0,9                    | -11,0                   |
| Total Recycled Waste    |                                  | 46194             | 56672 | 61411 | 8,4                     | 32,9                    |
| Share of Recycled Waste |                                  | 75                | 80    | 78    | -2,8                    | 3,8                     |

## Appendix 3

( GRI 102-8)

### Appendix III: Environmental Performance Indicators

|                         | WASTE INTENSITY PERFORMANCE                   |                   |        |        |                         |                         |
|-------------------------|---|-------------------|--------|--------|-------------------------|-------------------------|
|                         | Parameter (m <sup>3</sup> /per ton of output) | 2019              | 2020   | 2021   | Change in last year (%) | Change in 2019-2021 (%) |
| Waste Disposed          | Total Domestic Waste                          | 1,14              | 1,08   | 0,80   | -26,4                   | -30,3                   |
|                         | Total Industrial Waste                        | 127,95            | 95,00  | 120,65 | 27,0                    | -5,7                    |
|                         | Non-hazardous Industrial Waste                | 113,97            | 85,89  | 113,19 | 31,8                    | -0,7                    |
|                         | Hazardous Industrial Waste                    | 17,10             | 10,20  | 8,26   | -19,0                   | -51,7                   |
|                         | Total Waste Disposed                          | 130,04            | 96,52  | 121,88 | 26,3                    | -6,3                    |
|                         | Recycled Waste                                | Paper - Cardboard | 10,67  | 11,73  | 11,16                   | -4,9                    |
| Plastics                |   | 1,14              | 1,08   | 0,80   | -4,9                    | 4,5                     |
| Metals                  |   | 3,17              | 1,87   | 2,87   | 54,0                    | -9,5                    |
| Glass                   |   | 0,24              | 0,14   | 0,13   | -2,8                    | -44,4                   |
| Wood                    |   | 14,10             | 13,90  | 11,95  | -14,0                   | -15,2                   |
| Total Recycled Waste    |   | 443,07            | 512,85 | 484,90 | -5,4                    | 9,4                     |
| Share of Recycled Waste |   | 0,75              | 0,80   | 0,78   | -2,8                    | 3,8                     |

## Appendix 4

( GRI 102-8)

### Appendix IV: Social Performance Indicators

|  |           |
|--|-----------|
| Net Sales (million €)                        | 421       |
| International Sales (million €)              | 309,4     |
| Total Assets (million TL)                    | 327,64    |
| EBITDA (million €)                           | 77        |
| Number of R&D Employees (person)             | 50        |
| Total R&D Expenses (€)                       | 2,492,891 |
| Total Number of Patent Applications (number) | 68        |
| Total Number of Registered Patents (number)  | 21        |
| Total Number of R&D Projects (number)        | 25        |
| Training Hours per Employee - White Collar   | 17,36     |
| Training Hours per Employee - Blue Collar    | 10,7      |
| Accident Frequency Rate**                    | 1.21      |

\*Currency translations were made based on the rate of the Central Bank of the Republic of Turkey dated 31.12.2021.

\*\*Number of accidents with lost days for payrolled and contracted workers for every 200.000 hours

| EMPLOYEES BY CATEGORY |        |      |       |
|-----------------------|--------|------|-------|
| Turkey Operations     | Female | Male | Total |
| Blue Collar           | 257    | 2512 | 2769  |
| White Collar          | 301    | 552  | 853   |
| Foreign Operations    | Female | Male | Total |
| Blue Collar           | 74     | 469  | 543   |
| White Collar          | 198    | 290  | 488   |

| TOTAL WORKFORCE BY CONTRACT TYPE, GENDER AND CATEGORY IN TURKEY OPERATIONS |        |      |       |
|--|--------|------|-------|
| Total Workforce by Contract Type - White Collar                            | Female | Male | Total |
| Indefinite Term Contract   | 298    | 547  | 845   |
| Fixed Term Contract  | 3      | 5    | 8     |
| Total Workforce by Contract Type - Blue Collar                             | Female | Male | Total |
| Indefinite Term Contract   | 223    | 2414 | 2637  |
| Fixed Term Contract  | 34     | 98   | 132   |

## Appendix 4

### Appendix IV: Social Performance Indicators

| EMPLOYEES BY GENDER                                  |             |              |              |      |       |
|--|-------------|--------------|--------------|------|-------|
| Total Workforce                                      | 4653        |              |              |      |       |
| Female   | 830         |              |              |      |       |
| Male   | 3823        |              |              |      |       |
| NEW EMPLOYEES BY GENDER IN FOREIGN OPERATIONS        |             |              |              |      |       |
| Foreign Operations                                   | Female      | Male         | Total        |      |       |
| Blue Collar  | 18          | 168          | 186          |      |       |
| White Collar   | 34          | 45           | 79           |      |       |
| EMPLOYEES BY AGE AND CATEGORY IN TURKEY OPERATIONS   |             |              |              |      |       |
|  | Blue Collar | White Collar | Total        |      |       |
| 30 and Below   | 839         | 162          | 1001         |      |       |
| Between 30 and 50 years of age                       | 1904        | 650          | 2554         |      |       |
| 50 and Above   | 26          | 41           | 67           |      |       |
| Total  | 2769        | 853          | 3622         |      |       |
| NEW EMPLOYEES BY GENDER AND AGE IN TURKEY OPERATIONS |             |              |              |      |       |
|  | Blue Collar |              | White Collar |      | Total |
|  | Female      | Male         | Female       | Male |       |
| 25 and Below   | 19          | 168          | 8            | 4    | 199   |
| Between 25 and 29 years of age                       | 19          | 96           | 31           | 37   | 183   |
| Between 30 and 39 years of age                       | 25          | 74           | 15           | 25   | 139   |
| Between 40 and 54 years of age                       |             | 6            | 4            | 2    | 12    |

| EMPLOYEES WHO LEFT WORK BY GENDER AND AGE IN TURKEY OPERATIONS |             |      |              |      |       |
|--|-------------|------|--------------|------|-------|
|  | Blue Collar |      | White Collar |      | Total |
|  | Female      | Male | Female       | Male |       |
| 25 and Below   | 5           | 60   |              |      | 65    |
| Between 25 and 29 years of age                                 | 11          | 65   | 7            | 9    | 92    |
| Between 30 and 39 years of age                                 | 12          | 58   | 16           | 20   | 106   |
| Between 40 and 54 years of age                                 |             | 6    | 3            | 7    | 16    |

| SENIOR MANAGERS BY GENDER |        |        |       |
|---------------------------|--------|--------|-------|
|                           | Female | Male   | Total |
| Senior Managers*          | 26,5** | 70,5** | 97    |

\*Managers and higher management positions are included.

\*\*Some managers work for different locations at the same time.

## Appendix 5

### Appendix V: Boundaries And Scope

This report covers all of our operations in HQ located in Istanbul and our production facilities in Bozüyük, Tuzla, and Santekhnika-Russia over the January 1 - December 31, 2021 period. Additionally, we continue our France and Germany operations in partnership with burghad.

This report details our performance during fiscal year FY21 (1 January 2021 through 31 December 2021) in managing key issues and targets identified through our materiality assessment.

The report is reviewed and approved formally by Eczacıbaşı Building Products. Determining what to include in this report begins with an understanding of our impacts throughout our process, which include our impacts with our stakeholders. Since this is the first sustainability report of EBPB there are no restatements related to last year's publication.

Consistent with best practices and applicable reporting framework guidelines and internal data management and analysis systems we ensure to provide consistent and accurate data collection and aggregation from our facilities. For the majority of the data; we conduct periodical control checks with Eczacıbaşı Group. This report's data has been reviewed for accuracy and completeness, including the reliability of the systems used to obtain the data.

**Financial data:** Financial information referenced in this report is collected and reported in accordance with the applicable requirements valid in Eczacıbaşı Group

**Environmental, health, and safety (EHS) data:** The EHS data in this report is related to the environment, safety performance, management systems, implementation, and regulatory compliance. Internal data collection systems are in place at all reporting areas to track and collect environmental, health, and safety data through the reporting systems. (Hyperion)

**Social data:** data related to employee and training metrics, has been provided by Human Resources. All data has been reviewed and verified by the departments responsible for maintaining the sustainability reporting.

EBPB has conducted an internal verification of the information provided in this report. The objectives for internal assurance process included:

- Accuracy of data
- Completeness of data
- Reliability of systems used
- Adherence to the GRI Standards

We are continuously reviewing global reporting frameworks. After having reviewed "World Economic Forum's Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" we have placed Stakeholder Capitalism metrics into this report based on our strategic reporting strategy and other existing frameworks.

The GRI index outlines where specific GRI reporting elements and indicators are addressed in the report or other reporting sources.

Our material topics are identified and reflected in our sustainability principles aligned to the four principles:

- WE CARE FOR NATURE
- WE DESIGN WITH PURPOSE
- WE WORK FOR A BETTER FUTURE
- WE THRIVE FOR CULTURAL AND INSTITUTIONAL ADVANCEMENT



## Appendix 6 - GRI Content Index



| DISCLOSURE                        | DESCRIPTIONS AND PAGE NUMBERS                                  |
|-----------------------------------|--|
| GRI 101: Foundation 2016          |  |
| GRI 102: General Disclosures 2016 |  |
| Organizational profile            |  |
| 102-1                             | About The Report (P.3)   |
| 102-2                             | Brands & Products (P.17)                                       |
| 102-3                             | Eczacıbaşı Holding (P.6)                                       |
| 102-4                             | Eczacıbaşı Holding (P.10-11)                                   |
| 102-5                             | Eczacıbaşı Holding (P.6)                                       |
| 102-6                             | Eczacıbaşı Holding (P.6-7)                                     |
| 102-7                             | Eczacıbaşı Holding (P.6-7)                                     |
| 102-8                             | Social Performance Indicators (Appendix)                       |
| 102-9                             | Value Chain (P.73)   |
| 102-10                            | No Significant Change Has Occured During The Reporting Period. |
| 102-11                            | Risk Management (P.8)  |
| 102-12                            | CEO's Message (P.4-5)  |
| 102-13                            | Corporate Memberships Appendix                                 |
| Strategy                          |  |
| 102-14                            | CEO's Message (P.4-5)  |
| 102-15                            | Risk Management (P.8)  |
| 102-16                            | Business Ethics And Legal Compliance Appendix                  |
| 102-17                            | Business Ethics And Legal Compliance Appendix                  |

\*For the Materiality Disclosures Service, GRI Services reviewed that the GRI Content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This services has been performed through English version of this report.

## Appendix 6 - GRI Content Index



MATERIALITY  
DISCLOSURES SERVICE

2021

GRI-102-55

| DISCLOSURE                    | DESCRIPTIONS AND PAGE NUMBERS  |
|-------------------------------|--|
| <b>Governance</b>             |  |
| 102-18                        | Ownership Structure & Legal Form ( P.9), Organizational Structure ( P.15)          |
| 102-19                        | Ownership Structure & Legal Form ( P.9), Organizational Structure ( P.15)          |
| 102-20                        | Ownership Structure & Legal Form ( P.9), Organizational Structure ( P.15)          |
| 102-21                        | Stakeholder Relations ( P.20)  |
| 102-29                        | CEO's Message(p.4-5)   |
| 102-30                        | Risk Management (P.8)  |
| <b>Stakeholder Engagement</b> |  |
| 102-40                        | Stakeholder Relations (P.20-21)  |
| 102-41                        | Human Rights And Union Rights ( P.65)  |
| 102-42                        | Stakeholder Relations (P.20-21)  |
| 102-43                        | Stakeholder Relations (P.20-21)  |
| 102-44                        | Materiality & Prioritisation ( P.22)   |
| <b>Reporting Practice</b>     |  |
| 102-45                        | Eczacıbaşı Holding ( P.6)  |
| 102-46                        | About The Report (P.3)   |
| 102-47                        | Materiality & Prioritisation ( P.22)   |
| 102-48                        | There is No Restatement Made Regarding Disclosures Of Previous Year / First Report |
| 102-49                        | There is No Restatement Made Regarding Disclosures Of Previous Year / First Report |
| 102-50                        | About The Report (P.3)   |
| 102-51                        | First Report   |
| 102-52                        | About The Report (P.3)   |
| 102-53                        | Corporate Identity ( Appendix 9)   |
| 102-54                        | About The Report (P.3)   |
| 102-55                        | GRI Content Index ( Appendix 6)  |

## Material Issues

GRI-102-55

| STANDART                          | DISCLOSURE   | PAGE NUMBER(S) AND/OR URL(S)                    |
|-----------------------------------|--|---|
| <b>WE CARE FOR NATURE</b>         |  |   |
| <b>Water Consumption</b>          |  |   |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Materiality & Prioritisation (P.22)             |
|                                   | 103-2 The management approach and its components         | Water Consumption (P.26)                        |
|                                   | 103-3 Evaluation of the management approach              | Organizational Structure (P.15)                 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource       | Water Consumption (P.26-30)                     |
|                                   | 303-2 Management of water discharge-related impacts      | Water Consumption (P.26-30)                     |
|                                   | 303-3 Water withdrawal                                   | Water Consumption (P.26-30)                     |
|                                   | 303-4 Water discharge                                    | Environmental Performance Indicators / Appendix |
|                                   | 303-5 Water consumption                                  | Environmental Performance Indicators / Appendix |
| <b>Access to Energy</b>           |  |   |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Materiality & Prioritisation (P.22)             |
|                                   | 103-2 The management approach and its components         | Access To Energy (P.31-35)                      |
|                                   | 103-3 Evaluation of the management approach              | Organizational Structure ( P.15),               |
| GRI 305: Emissions 2016           | 305-1 Direct (Scope 1) GHG emissions                     | Access To Energy (P.31-35)                      |
|                                   | 305-2 Energy indirect (Scope 2) GHG emissions            | Environmental Performance Indicators / Appendix |
|                                   | 305-4 GHG emissions intensity                            | Environmental Performance Indicators / Appendix |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Carbon Intensity Performance / Appendix         |
|                                   | 103-2 The management approach and its components         | Materiality & Prioritisation (P.22)             |
|                                   | 103-3 Evaluation of the management approach              | Access To Energy (P.31-35)                      |
|                                   | 302-1 Energy consumption within the organization         | Organizational Structure ( P.15)                |
|                                   | 302-3 Energy intensity                                   | Access To Energy (P.31-35)                      |
| GRI 302: Energy 2016              | 302-4 Reduction of energy consumption                    | Environmental Performance Indicators            |
|                                   |  | Energy Intensity Performance                    |
|                                   |  | Access To Energy (P.31-35)                      |

## Material Issues

GRI-102-55

| Circular Economy                  |   |  |
|-----------------------------------|---|--|
| Material Management               |   |  |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary    | Materiality & Prioritisation (P.22)<br>Circular Economy (P.35-36)          |
|                                   | 103-2 The management approach and its components            | Organizational Structure (P.15)  |
|                                   | 103-3 Evaluation of the management approach                 | Circular Economy (P.35)  |
|                                   | 303-1 Materials used by weight or volume                    | Material Management (P.36)   |
| GRI 301: Materials 2016           | 301-2 Recycled input materials used                         | Total Material Footprint / Appendix<br>Total Material Footprint / Appendix |
| Waste Management                  |   |  |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary    | Materiality & Prioritisation (P.22)<br>Circular Economy (P.35-36)          |
|                                   | 103-2 The management approach and its components            | Organizational Structure (P.15)  |
|                                   | 103-3 Evaluation of the management approach                 | Waste Management (P.37-39)   |
| GRI 306: Waste 2020               | 306-1 Waste generation and significant waste-related impact | Waste Management (P.37-39)   |
|                                   | 306-2 Management of significant waste-related impact        | Waste Management (P.37-39)   |
|                                   | 306-3 Waste generated                                       | Waste Intensity Performance / Appendix                                     |
|                                   | 306-4 Waste diverted from disposal                          | Waste Intensity Performance / Appendix                                     |
|                                   | 306-5 Waste directed to disposal                            | Waste Intensity Performance / Appendix                                     |

## Material Issues

GRI-102-55

| <b>WE DESIGN WITH PURPOSE</b>                |   |   |
|--|---|---|
| <b>Inclusive Design &amp; Products</b>       |   |   |
| GRI 103: Management Approach 2016            | 103-1 Explanation of the material topic and its Boundary                                      | Materiality & Prioritisation (P.22)<br>Inclusive Design & Product (P.42)  |
|  | 103-2 The management approach and its components  | Organizational Structure (P.15)   |
|  | 103-3 Evaluation of the management approach   | Inclusive Design & Product (P.42)   |
| GRI 302: Energy 2016                         | 302-5 Reductions in energy requirements of products and service                               | Inclusive Design & Product (P.42)   |
| <b>Well Being and Hygiene</b>                |   |   |
| GRI 103: Management Approach 2016            | 103-1 Explanation of the material topic and its Boundary                                      | Materiality & Prioritisation (P.22)<br>Wellbeing & Hygiene (P.43-48)<br>Occupational Health & Safety (P.70-72)                      |
|  | 103-2 The management approach and its components  | Organizational Structure (P.15)<br>Wellbeing & Hygiene (P.43-48)  |
|  | 103-3 Evaluation of the management approach   | We Thrive For Cultural And Institutional Advancement<br>Occupational Health & Safety (P.70-72)<br>Wellbeing in The Workplace (P.52) |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system  | Occupational Health & Safety (P.70-72)  |
|  | 403-2 Hazard identification, risk assessment, and incident investigation                      | Occupational Health & Safety (P.70-72)<br>Risk Management (P.8)   |
|  | 403-3 Occupational health services  | Occupational Health & Safety (P.70-72)  |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety | Occupational Health & Safety (P.70-72)  |
|  | 403-5 Worker training on occupational health and safety                                       | Safety Dogo (P.71)  |
|  | 403-6 Promotion of worker health  | Occupational Health & Safety (P.70-72)  |
|  | 403-9 Work-related injuries   | Environmental Performance Indicators / Appendix   |

## Material Issues

GRI-102-55

| WE WORK FOR A BETTER FUTURE                              |  |  |
|--|--|--|
| <b>Innovation</b>  |  |  |
| GRI 103: Management Approach 2016                        | 103-1 Explanation of the material topic and its Boundary                               | Materiality & Prioritisation (P.22)<br>Innovation (P.54-57)        |
|  | 103-2 The management approach and its components                                       | Organizational Structure (P.15)                                    |
|  | 103-3 Evaluation of the management approach  | Innovation (P.54-57)   |
| GRI 203: Indirect Economic Impacts 2016                  | 203-2 Significant indirect economic impacts  | Innovation (P.54-57)<br>Social Performance Indicators              |
| <b>Digital Transformation</b>                            |  |  |
| GRI 103: Management Approach 2016                        | 103-1 Explanation of the material topic and its Boundary                               | Materiality & Prioritisation (P.22)                                |
|  | 103-2 The management approach and its components                                       | Digitalization (P.57-60)   |
|  | 103-3 Evaluation of the management approach  | Organizational Structure (P.15)                                    |
| GRI 203: Indirect Economic Impacts 2016                  | 203-2 Significant indirect economic impacts  | Digitalization (P.57-60)<br>Digitalization (P.57-60)               |
| WE THRIVE FOR CULTURAL AND INSTITUTIONAL ADVANCEMENT     |  |  |
| <b>Inclusion &amp; Diversity &amp; Equal Opportunity</b> |  |  |
| GRI 103: Management Approach 2016                        | 103-1 Explanation of the material topic and its Boundary                               | Materiality & Prioritisation (P.22)                                |
|  | 103-2 The management approach and its components                                       | Inclusion & Diversity & Equal Opportunity (P.61-70)                |
|  | 103-3 Evaluation of the management approach  | Organizational Structure (P.15)                                    |
| GRI 202: Market Presence 2016                            | GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Inclusion & Diversity & Equal Opportunity (P.61-70)                |
| GRI 405: Diversity and Equal Opportunity 2016            | 405-1 Diversity of governance bodies and employees                                     | Social Performance Indicators                                      |
|  | 405-2 Ratio of basic salary and remuneration of women to men                           | Equal Opportunity (P.62-63)<br>Human Right And Union Rights (P.65) |

## Material Issues

GRI-102-55

| Occupational Health & Safety                 |  |   |
|--|--|---|
| GRI 103: Management Approach 2016            | 103-1 Explanation of the material topic and its Boundary                                     | Materiality & Priorisation (P.22)<br>Occupational Health & Safety (P.70-72) |
|  | 103-2 The management approach and its components   | Organizational Structure (P.15)   |
|  | 103-3 Evaluation of the management approach  | Occupational Health & Safety (P.70-72)                                      |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system                                       | Occupational Health & Safety (P.70-72)<br>Risk Management (P.8)             |
|  | 403-2 Hazard identification, risk assesment, and indicent investigation                      | Occupational Health & Safety (P.70-72)                                      |
|  | 403-3 Occupational health services   | Occupational Health & Safety (P.70-72)                                      |
|  | 403-4 Worker participation, consultation and communication on occupational health and safety | Safety Dojo (P.71)  |
|  | 403-5 Worker training on occupational health and safety                                      | Occupational Health & Safety (P.70-72)                                      |
|  | 403-6 Promotion of worker health   | Occupational Health & Safety (P.70-72)<br>Risk Management (P.8)             |
|  | 403-9 Work-related injuries  | Environmental Performance Indicators  |



## Appendix 7 - WEF - Stakeholder Capitalism Metrics

| Principle of Governance   |  |   |  |
|---------------------------|--|---|--|
| Theme                     | Core Metrics and Disclosures           | Descriptions  | References   |
| Governing Purpose         | Setting Purpose                        | The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.   | CEO Message (p.4)  |
| Quality of governing body | Governance of 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. | Organizational Structure ( P.15), Stakeholder Relations ( P 20-21), Inclusion & Diversity & Equal Opportunity ( P 61-70) |
| 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.   | Stakeholder Relations ( P 20-21) Materiality & Prioritisation ( P .22)   |



## Appendix 7 - WEF - Stakeholder Capitalism Metrics

| Principle of Governance  |  |  |                                      |
|--|--|--|--------------------------------------|
| Theme  | Core Metrics and Disclosures                           | Descriptions   | References                           |
| 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.   | Business Ethics And Legal Compliance |
|  |  | a) Total number and nature of incidents of corruption Confirmed during the current year, but related to previous years; and  |                                      |
| b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.                                   |  |  |                                      |
| 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. |  |  |                                      |
|  | Protected ethics advice and reporting mechanisms       | A description of internal and external mechanisms for:<br>1. Seeking advice about ethical and lawful behavior and organizational integrity; and<br>2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.  | Business Ethics And Legal Compliance |
| Risk and opportunity oversight   | Integrating risk and opportunity into business process | Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship. | Risk Management (P.8)                |

## Appendix 7 - WEF - Stakeholder Capitalism Metrics

| Planet                  |  |  |   |
|-------------------------|--|--|---|
| Theme                   | Core Metrics and Disclosures                             | Descriptions   | References  |
| Climate Change          | Greenhouse gas (GHG) emissions                           | For all relevant greenhouse gasses (e.g. carbon dioxide, methane, nitrous oxide, F-gasses etc), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2<br>Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate   | Access To Energy (p.31-35),<br>Environmental Performance Indicators                               |
|                         | TCFD Implementation                                      | Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C - and to achieve net-zero emissions before 2050. | Climate Risk Management (p.34)  |
| Nature Loss             | Land use and ecological sensivity                        | 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).  | As EYAP we do not have an operational center located in protected areas, especially RAMSAR areas. |
| Freshwater availability | Water consumption and withdrawal in water-stressed areas | Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to the WRI Aqueduct water risk atlas tool.<br>Estimate and report the same information for the full value chain (upstream and downstream) where appropriate   | Water Consumption (p.26)<br>Environmental Performance Indicators                                  |

## Appendix 7 - WEF - Stakeholder Capitalism Metrics

| People                |   |  |  |
|-----------------------|---|--|--|
| Theme                 | Core Metrics and Disclosures                            | Descriptions   | References   |
| Dignity and equality  | Diversity and Inclusion                                 | Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).  | Inclusion & Diversity & Equal Opportunity (P.61-70)                                |
|                       | 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.   | Inclusion & Diversity & Equal Opportunity (P.61-70)                                |
|                       | Wage Level (%)  | Ratios of standard entry level wage by gender compared to local minimum wage.  | Inclusion & Diversity & Equal Opportunity (P.61-70)                                |
|                       | Risk for incidents of child, forced or compulsory labor | An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labor. Such risks could emerge in relation to:<br>a) type of operation (such as manufacturing plant) and type of supplier; and<br>b) countries or geographic areas with operations and suppliers considered at risk.  | Inclusion & Diversity & Equal Opportunity (P.61-70)                                |
| 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.<br>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. | Occupational Health And Safety (P.70-72)<br>/ Environmental Performance Indicators |
| Skills of 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).<br>Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees)                       | Talent Management (P.66)<br>Social Performance Indicators                          |

## Appendix 7 - WEF - Stakeholder Capitalism Metrics

| Prosperity                       |  |  |   |
|----------------------------------|--|--|---|
| Theme                            | Core Metrics and Disclosures           | Descriptions   | References  |
| Employment and wealth generation | Absolute number and rate of employment | <ol style="list-style-type: none"> <li>Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</li> <li>Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</li> </ol>  | Social Performance Indicators   |
| Employment and wealth generation | Economic contribution                  | <ol style="list-style-type: none"> <li>Direct economic value generated and distributed (EVG&amp;D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by:               <ul style="list-style-type: none"> <li>- Revenues</li> <li>- Operating costs</li> <li>- Employee wages and benefits</li> <li>- Payments to providers of capital</li> <li>- Payments to government</li> <li>- Community investment</li> </ul> </li> </ol> | While a total revenue of 421,2 million euro was generated in the reporting period, 130,1 million euro operating costs, 96,8 million euro employee wages and benefits and 11,2 million euro interest expense were made |
|                                  |  | <ol style="list-style-type: none"> <li>Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</li> </ol>  | The company received financial assistance for its employees regarding covid restrictions  |

## Appendix 7 - WEF - Stakeholder Capitalism Metrics

| Propriety                                  |                              |   |   |
|--|------------------------------|---|---|
| Theme                                      | Core Metrics and Disclosures | Descriptions  | References  |
| Innovation of better products and services | Total R&D expenses           | Total costs related to research and development.  | Social Performance Indicators   |
| 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. | During the reporting period, 7.367.316 euro of corporate tax, 18.759.071 euro of payroll tax and 1.035.034 euro of various other categories of tax has been paid which made 27.161.421 as total |

## Appendix 8

### Appendix VI: Group Sustainability Structure

The Eczacıbaşı Group is a group of companies consisting of Eczacıbaşı Holding and subsidiaries under Eczacıbaşı Holding's management. The main purpose of Eczacıbaşı Holding is to determine the business strategy and short-mid-long-term goals of the Group and to support activities of Group companies in line with these goals. With the synergy created, Group resources are directed to the most accurate investment fields.

Eczacıbaşı Holding's Board of Directors consists of six full members, one female and five male. The Board of Directors conducts its duties through sub-committees established for Investment, Risk, Audit and Governance, Talent and Remuneration, and ESG (Environmental, Social, Governance).

Established at the level of the Board of Directors, the ESG Committee ensures the effectiveness of the sustainability management policies, strategies, governance bodies and management tools throughout the Group and carries out tasks such as assessing the validity of strategic priorities and making recommendations on environmental, social and governance issues. During the reporting period, the ESG Committee initiated its work in full capacity, meeting at least once every quarter before the Board of Directors meetings.

The Chairman and Group CEO functions are carried out by separate individuals. In addition to the Group CEO, the Chairman of the Audit Board also reports directly to the Board of Directors. Group senior management consists of senior executives and function managers of companies reporting directly to the Group CEO.

The Board of Directors is responsible for making strategic decisions on sustainability management, just as it does for all other strategic decisions. At the senior management level, sustainability management is represented by the Sustainability Directorate which performs under Sustainability, Corporate and Government Affairs Coordinator who reports directly to the Group CEO.

The Eczacıbaşı Group Sustainability Executive Board, which is planned to be initiated in 2022, is 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 institutions, and is accountable to the Group CEO, ESG Committee and the Board of Directors. The main purpose of the Board is to strategically manage sustainability issues covering environmental, social and governance areas across the Group.

The organs of the Group's sustainability management organization for field studies are the Sustainability Working Groups established under the Eczacıbaşı Group Sustainability Coordination Committee. Eczacıbaşı Sustainability Working Groups, which were established to transform the Group's sustainability strategies into targets and action plans, to monitor practices regarding Group's strategies, policies and goals as well as making recommendations by following global agenda. Sustainability Working Groups are formed on the basis of priority 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 Executive Board.

In addition, there are also Sustainability Committees within Group organizations. Organization Sustainability Committee Leaders report to the Group Sustainability Executive Board and the Group Sustainability Coordination Committee. Organizations can differentiate their sustainability governance according to their needs.

At quarterly held CEO Meetings, outcomes achieved and progress status are shared with all employees and all their questions are addressed. Furthermore, the sustainability performance of every Group company is reviewed and evaluated with relevant senior managers every quarter and presented to the Board of Directors. At the end of each year, the Group's sustainability performance is shared with all employees during a Group-wide, end-year performance review.

## Appendix 9



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