

VitrA

Villeroy & Boch
1748

engers

Eczacıbaşı Building Products - Tiles

Integrated Sustainability Report

2024

ECZACIBAŞI
BUILDING PRODUCTS

Contents

About the Report	4
Message from the CEO	6
1. Eczacıbaşı Building Products - Tiles at a Glance	8
Overview of Eczacıbaşı Building Products - Tiles	10
Our Organizational Structure, Flagship Brands and Products	12
Flagship Brands	12
Our Global Footprint	12
Our Operating Environment	16
Year in Review	26
2. Our Approach to Sustainability	28
Our Value-Creating Business Model	30
Sustainability at Eczacıbaşı Building Products - Tiles	36
Double Materiality	38
Sustainability Objectives	42
Contributing to the UN 2030 Agenda	44
Stakeholder Relations	48
3. Corporate Governance	56
Governance Approach	58
Risk Management	64
Ethics and Compliance	72
Supply Chain Management	74
Economic and Financial Performance	76
4. Investing in Planet	78
Climate and Environment	82
The Eczacıbaşı Building Products - Tiles'	
Climate-Related Risks and Opportunities	84
Energy Management and Carbon Emissions	86
Water Management	92
Circular Economy	94
Resource Management and Responsible Procurement	94
Product Responsibility	95
Waste Management	99
5. Investing in People	100
Equal Opportunity	104
Equal, Diverse and Inclusive Workplace	104
Attracting, Developing and Retaining Talent	108
Health and Well-being	111
Health, Safety and Well-being	111
Community and Social Vitality	113
Social Investment	115
6. Investing in Future	116
Innovation	118
Innovation	118
Digital Transformation	120
Digital Transformation	120
7. Annexes	124
List of Associations, Initiatives and Memberships	126
Awards	127
Performance Indicators	128
Social Performance Indicators	128
Environmental Performance Indicators	132
Technical Glossary	135
GRI Content Index	136
WEF Stakeholder Capitalism Metrics	144
Limited Assurance Report	148
Reporting Principles	152
Greenhouse Gas Verification Statement	157
Info	159

About the Report

GRI 2-2, GRI 2-3, GRI 2-4

GRI 2-2, GRI 2-3, GRI 2-4

Purpose of our Integrated Sustainability Report

At **VitrA Tiles Co. (Eczacıbaşı Building Products - Tiles)**, we continue our efforts to create long-term value that will benefit both our planet and society with the aim of leaving a sustainable world for future generations. By embracing our responsibility to create a better world at every stage of the process, we are dedicated to providing tile solutions that harmonize innovation and sustainability, making sustainable transformation a core aspect of our business processes.

As Eczacıbaşı Building Products - Tiles we are proud to release our third Integrated Sustainability Report that transparently shares the steps we have taken in our sustainability journey. **Eczacıbaşı Building Products - Tiles 2024 Integrated Sustainability Report** presents our sustainability strategy, performance, goals, and the significant progress we are making towards achieving them. As we progress with the determined steps we have taken towards a sustainable future, we are thrilled to amplify the impact of our achievements and efforts in this journey, and to advance these successes even further.

Scope of our Report

This report covers our operations and contains financial data for VitrA Tiles Co. and non-financial data for **VitrA Tiles, Türkiye and VitrA Tiles LLC, Russia** for the fiscal year of **January 1 to December 31, 2024**.

The demographic data of employees presented in the report pertains specifically to the operations conducted in Türkiye unless otherwise stated. All financial statistics are provided in Euro (€) unless otherwise stated.

Principles and Standards

This report has been compiled in accordance with the **GRI (Global Reporting Initiative) Standards**. It also considers the “**Stakeholder Capitalism Sustainable Value Creation Reporting Criteria**” established by the World Economic Forum (WEF). This demonstrates our contribution to the UN Sustainable Development Goals (SDGs). Furthermore, we endeavor to align our reporting with the International Integrated Reporting Report Framework, as published by the **International Integrated Reporting Council (IIRC)**.

- For additional details, please refer to the **Annexes** to the [GRI Index](#).

Updates in Presentation of Report

Updates to last year's reporting:

- Our Group-wide climate strategy was developed as part of the Low Carbon Transition Roadmap project launched in 2023. In line with the Eczacıbaşı Group's established climate strategy, we held interviews with C-Levels and directors, provided training on SBTi and completed carbon footprint measurements. In addition, work on emission reduction targets was initiated, and this work is ongoing, especially in terms of the necessary investments being evaluated.

For additional details please refer to [Investing in Planet](#).

- We are proud to present our first Double Materiality Analysis in this report. Leveraging the insights from the double materiality assessment, we have reviewed our sustainability strategies and targets.

For additional details please refer to [Our Approach to Sustainability](#).

- A thorough climate scenario analysis was conducted for Eczacıbaşı Building Products-Tiles, assessing physical and transition risks at its operational facilities and five key suppliers. To ensure the resilience of the strategy, two different climate scenarios were assessed (low and high carbon) to capture a broad range of potential climate trajectories and their associated risks and opportunities.

For additional details please refer to [Risk Management](#).

Assurance

We have obtained independent assurance for the data covering energy, carbon emissions, water, waste, employee demographics and gender equality, occupational health and safety as well as production key performance indicators (KPIs) presented in this report. The assurance, conducted in accordance with ISAE 3000 (Revised) and ISAE 3410 by **RSM Turkey Uluslararası Bağımsız Denetim A.Ş. (“RSM”)** provides limited assurance on the accuracy and reliability of the information.

Our Reporting Guidance for non-financial KPIs document provides details and definitions of these selected KPIs and the Independent Assurance Report can be reached at [Annexes](#). The selected KPIs that have been subject to limited assurance by RSM Türkiye Bağımsız Denetim are denoted by the check symbol as displayed here: ✓

Navigation Icons

 Financial Capital	 Natural Capital	 Social Capital
 Human Capital	 Intellectual Capital	 Manufacturer Capital
 Spotlight Projects	 Stakeholder Perspective	



A PDF version of Integrated Sustainability Report of Eczacıbaşı Building Products - Tiles and all reports from previous periods can be accessed on the [corporate website](#).

Message from the CEO

Dear Stakeholders,

I extend my gratitude to our stakeholders, particularly our employees, whose dedication has played an instrumental role in driving progress towards our sustainability vision.

2024 was a year of strategic progress, during which we laid a solid foundation for the future. Embracing agility, collaboration, and a commitment to continuous improvement, we turned evolving economic conditions and rising cost pressures into opportunities for growth. Our teams demonstrated outstanding resilience and adaptability, managing complexity with clarity of purpose and foresight. With a strong focus on our strategic priorities, we took bold steps to bring our long-term vision to life, anticipating global trends and acting on emerging opportunities.

By generating sustainable value across our operations and markets, we strengthened both our internal capabilities and international competitiveness. As a result of this shared commitment and forward-thinking mindset, we were proud to be recognized once again as Türkiye's export champion in our sector for the seventh consecutive year. This achievement reflects our ability to lead with vision, act responsibly, and grow together toward a sustainable and resilient future. By emphasizing our global reach driven by 74% of our sales coming from international markets, we demonstrate our unwavering dedication to excellence and sustainable growth.

As a company that derives over three-quarters of its value globally, we maintain a close watch on the regulatory landscape in Europe, including key initiatives such as the EU Green Deal and the forthcoming Carbon Border Adjustment Mechanism (CBAM). In 2024, we advanced our Low Carbon Transition Project, calculating Scope 3 emissions to understand our full value chain impact, in addition to Scope 1 and 2. The objective of our Low Carbon Roadmap Project is to develop and implement a climate strategy aligned with international standards. We also conducted a climate risk assessment aligned with the international standards.

In 2024, we expanded our Environmental Product Declarations (EPDs) by adding Porcelain 20mm products, reinforcing transparency in environmental impact reporting. Updated EPD data for VitrA products showed a reduction in our m² carbon footprint by as much as 60% relative to 2019.

One of our value-added achievements at the beginning of this year was our inclusion in the Global Lighthouse Network, an initiative of the World Economic Forum that identifies and awards the most advanced operational sites in the world. We are the first and only ceramic tile production facility to receive this prestigious recognition. Our commitment to sustainability and innovation was recognized with a Bronze Medal from EcoVadis, reflecting our improved performance across environmental, social, labor, human rights, ethics, and sustainable supply chain practices. In 2024, we initiated a double materiality assessment, analyzing the reciprocal impact of sustainability issues on both our financial performance and decision-making processes, as well as our impact on the environment and society. It will help us prioritize the most relevant environmental and social topics for our business and stakeholders. This proactive approach demonstrates our commitment to staying ahead of emerging sustainability reporting standards. This assessment, conducted in collaboration with Eczacıbaşı Holding, provides a crucial foundation for our future sustainability strategy and reporting.

Furthermore, I am pleased to announce that our Solar Power Plant in Aksaray, Türkiye, initiated in 2024 as a key investment in our sustainability strategy, will be commissioned in February 2025. Our investment constitutes an important milestone in terms of our Türkiye operations. This project will fulfill more than 60% of our electricity needs of production operations in Türkiye, significantly reducing our environmental impact and boosting our energy efficiency, in line with our goal to meet half of our electricity consumption from our own renewable energy facilities by 2025 and achieve full self-sufficiency by 2030. Dedicated to our planet's well-being, we aspire to be the leading sustainability partner for our customers. Sustainability is now an integral part of our decision-making process. We are committed to minimizing our environmental footprint, not only through our renewable energy investments like Solar Wall technology, but also by embracing circular economy principles and expanding our digitalization efforts. These projects not only reduce our carbon emissions but also optimize resource utilization and improve operational efficiency.

Recognizing the vital role of innovation and digital technologies in advancing sustainability, we continued to future-proof our operations by expanding our DigiTile projects. These AI-driven systems optimize raw material grinding and sludge drying, reducing energy consumption while enhancing product quality. Their broader implementation increased our digitalization rate from 13% to 26%, with further growth expected in 2025.

We continue to broaden our sustainability focus—extending it beyond environmental and digital responsibility to embrace social and governance dimensions with the same determination. We are taking meaningful steps to advance gender equality across our organization and embedding a 'people-first' mindset that prioritizes the health, safety, and wellbeing of all our employees. At the same time, we are reinforcing our governance model with globally recognized standards that support transparency, accountability, and long-term value creation. Guided by a global perspective and a deep commitment to inclusion, innovation, and integrity, we are integrating sustainability into the core of how we operate and grow as a business.

We believe that this holistic and behavior-driven approach to sustainability encompassing environmental, social, and governance factors not only create long-term value and enhance overall performance, but also ensures we are well-positioned to meet evolving global sustainability expectations and regulations.

In 2024, we closely monitored the evolving market requirements and competitive landscape in France, which highlighted the growing importance of transparency and product-specific sustainability information. In response, we took proactive steps to align with these expectations and strengthen our position in the market. This was evident in the requests we received for Health and Environmental Declarations (FDES) for both our VitrA brands and Villeroy & Boch. In line with our strategic focus on international markets, we closely monitor local expectations and shape our actions accordingly. As part of our efforts to address the specific needs of the French market, we obtained FDES certifications for both of our brands through third-party verification and ensured their publication.

This proactive step reflects our commitment to anticipating and meeting stakeholder demands for comprehensive sustainability data and product transparency, reinforcing our vision-driven and customer-centric approach.

We are pleased to present our third Integrated Sustainability Report that is prepared in accordance with the GRI Sustainability Reporting Standards, Stakeholder Capitalism Sustainable Value Creation Reporting Criteria of the World Economic Forum and aligned with the International Integrated Reporting Framework issued by the International Integrated Reporting Council. The report highlights our key sustainability initiatives and activities, along with a comprehensive disclosure of our sustainability performance.

As we embark on our global mission to disseminate the invaluable heritage of ceramic culture across international borders, we steadfastly uphold our commitment to prioritize the well-being of our planet and its inhabitants. Our unwavering dedication to sustainability permeates every aspect of our decision-making, and we take great pleasure in displaying our endeavors in the **Integrated Sustainability Report 2024**, illustrating our collective efforts on an international scale.

Sincerely,

Mert Karasu
CEO, Eczacıbaşı Tiles Group



1

Eczacıbaşı Building Products - Tiles at a Glance

Overview of Eczacıbaşı Building Products - Tiles	10
Our Organizational Structure, Brands and Products	12
Our Operating Environment	16
Year in Review	26

Overview of Eczacıbaşı Building Products - Tiles

GRI 2-1

Established in 1991, Eczacıbaşı Building Products - Tiles is a leading manufacturer of ceramic and porcelain tiles that offers sustainable and systematic solutions, responding to the ever-changing needs of customers and business partners.

With a blend of cutting-edge innovation and well-established brands, including VitrA, Villeroy & Boch, and engers, Eczacıbaşı Building Products - Tiles is transforming Türkiye's ceramic production heritage into an ever-expanding product offering, admired by customers in nearly 90 countries around the world. The company operates three production facilities, two in Türkiye, and one in Russia, with an annual production capacity of **33 million m²**.

As of 2024, Eczacıbaşı Building Products - Tiles is Türkiye's number one exporter to the European Union, with over 30 years of experience, total net sales exceeding **€300 million** and **more than 2,000 employees**.

For additional details regarding the history of our organization, please refer to [our website](#).

Overview of The Eczacıbaşı Group

Founded in 1942 in Türkiye, Eczacıbaşı Group, the leader of a modern, quality, and healthy lifestyle, is a significant industrial conglomerate with **46 companies**, **47 production facilities**, **more than 13,000 employees**, and a consolidated net sales of **€1.9 billion** in 2024.

Eczacıbaşı Group's core sectors are centered around building products, consumer products, and healthcare, further complemented by additional ventures in information technology, natural resources, and property development.

In Türkiye, the Group occupies a preeminent position in the majority of its sectors, leveraging its highly efficient distribution networks for building products, pharmaceuticals, and fast-moving consumer goods. On a global scale, Eczacıbaşı has positioned itself as a premier supplier of bathroom and tiling solutions, catering to the needs of both residential and commercial spaces.

For additional details regarding the history of our organization and our group values, please refer to [our website](#).

Group Mission

The Eczacıbaşı Group's mission is to be a pioneer of modern, high quality and healthy lifestyles.

It drives each of its companies to exceed current standards and elevate consumer expectations for product and service quality. Additionally, through sponsorships and responsible business practices, the Group supports social and economic development, fosters cultural and scientific activities, safeguards the environment, and conserves natural resources.



Our Organizational Structure, Flagship Brands and Products

GRI 2-1

Eczacıbaşı Building Products – Tiles, known as Vitra Tiles, specializes in producing ceramic and porcelain tiles for spaces like bathrooms and building exteriors.

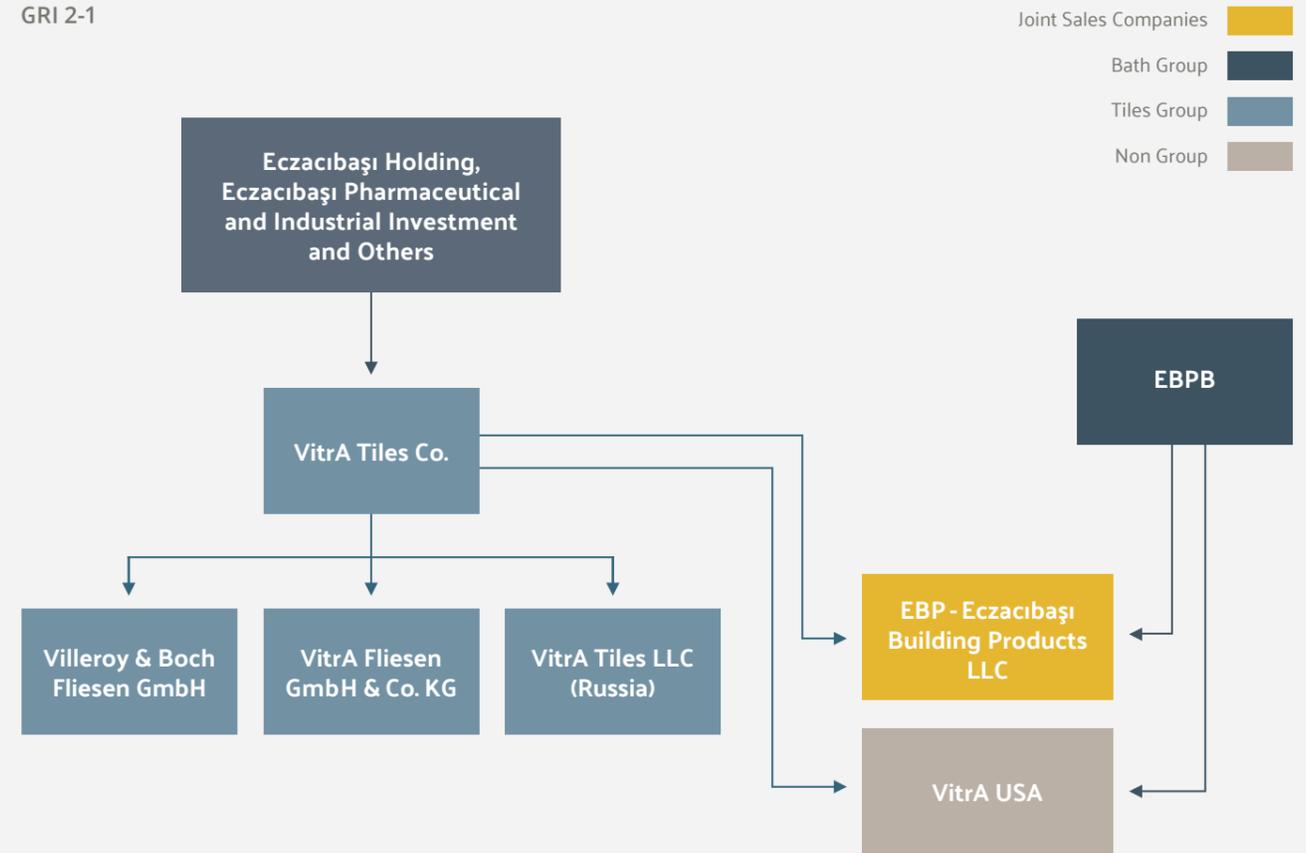
Operating under the Vitra brand since 1991 in Türkiye, it is ultimately owned by Eczacıbaşı Holding. The company holds a majority share in Villeroy & Boch Fliesen GmbH, a renowned ceramics brand, managing sales operations in Germany for high-quality porcelain tiles.

In 2006, it acquired engers Keramik, a historic German tile brand, now managed by Vitra Fliesen, focusing on marketing, sales, and distribution. Vitra Tiles has expanded to Russia through Vitra Tiles LLC and conducts sales activities via “Eczacıbaşı Building Products LLC,” also holding shares in Vitra USA with Eczacıbaşı Building Products - Bathroom.

For more information please refer to the [Eczacıbaşı Building Products - Tiles Integrated Sustainability Report 2023: Story of Our Ambition Report](#).



GRI 2-1



Flagship Brands

Vitra

As the flagship brand of Eczacıbaşı, Vitra develops extensive range of tiles for a world where needs and tastes are growing ever closer, and ever more singular at the same time, and an unshakable commitment to sustainability.

Spanning a vast range of styles developed for all types of indoor and outdoor areas from the kitchen and living room through to terraces and swimming pools, Vitra tiles today extend well beyond the boundaries of the bathroom.

Villeroy & Boch
1748

As the world’s oldest and best-known ceramics brand, Villeroy & Boch is a renowned brand in the ceramic tile industry that produces high-quality tiles with unique designs and advanced technology.

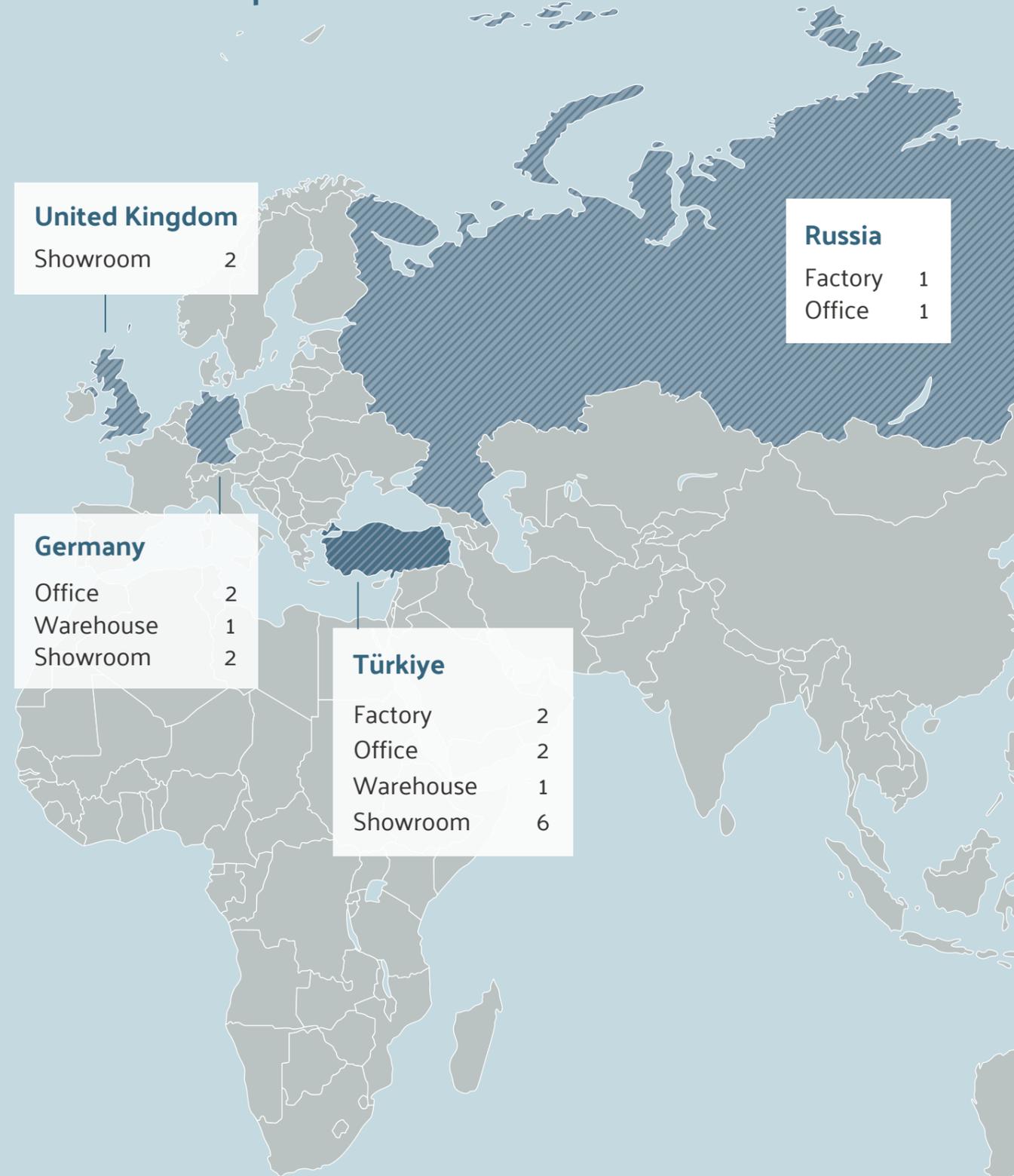
With over 260 years of experience, the brand draws inspiration from the latest interior design trends, offering collections that range from classic to contemporary styles.

engers

engers high-quality, reliable, and award-winning tile series that go beyond traditional applications, catering to all types of indoor and outdoor areas, from kitchens and living rooms to terraces and swimming pools.

The brand’s extensive collection of tiles includes a variety of colors, formats, and decorative designs, allowing customers to showcase their unique style and personalize their living spaces.

Our Global Footprint



Product Portfolio and Revenue Share

GRI 2-1



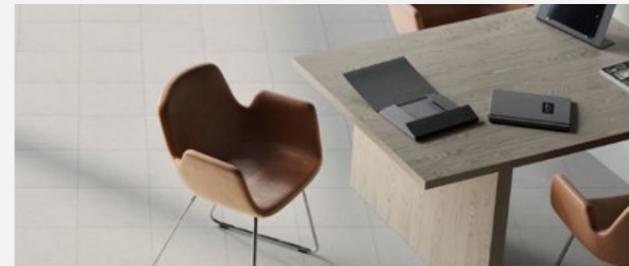
Porcelain Tiles

73%



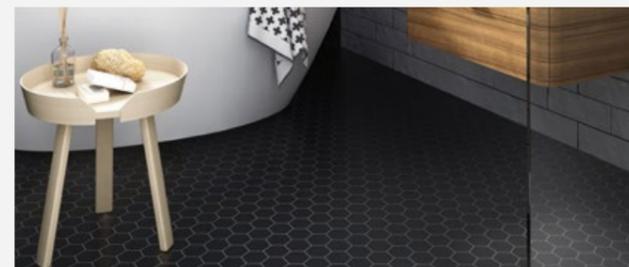
Wall

13%



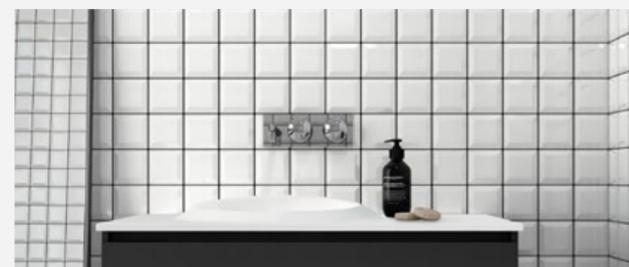
Technical Porcelain

9%



Floor

3%



Mosaics

2%

Our Operating Environment

As an international manufacturer operating in the building products industry, we take a rigorous approach to monitoring, anticipating and responding to the challenges and opportunities shaping both the world and our industry, and we take responsible steps to create sustainable value.



Climate and Nature Crisis

Global Trends

The climate crisis is becoming increasingly evident with extreme weather impacting people, economies, and nature. Economic and population growth contributes to deforestation, biodiversity loss, water insecurity, and pollution. Businesses face pressure to adopt sustainable practices as climate change disrupts supply chains and reduces productivity. Regulatory demands for transparency in corporate climate efforts are rising. Despite urgency, reports and statements from various organizations focusing on the climate crisis, notably the IPCC, current measures are inadequate, raising the risk of failure in climate action.

Impact on the Industry

Impact on supply chain:

- Extreme weather events, accelerated by climate change, increase soil erosion in clay deposits, which degrades the clay's quality and reduces accessible reserves.
- Increased severe adverse conditions due to climate change affect the delivery of raw materials and finished products, making transportation logistics more difficult.
- Tiles products are needed to meet certain "green" certifications requirements to prove their recyclability or lower environmental impact.

Emerging regulations:

- New regulations on climate change may drive tile manufacturers to switch to more sustainable production processes, increasing investment costs.
- Accelerating crises in climate and nature have enabled the emergence of regulations. These regulations focus on mitigating carbon emissions and minimizing their environmental impact.

Our Response

We recognize the varied impacts of the climate crisis on the economy, environment, and society, and strive to address these challenges by reducing carbon emissions in our manufacturing through investments in energy-efficient technologies and renewable energy. This year we embarked on implementing SolarWall panels to help achieve natural gas savings in the spray dryers, and replacing two inefficient kilns with a new, energy efficient model. We prioritize reducing material usage and advancing the circular economy through innovative product design, recycling, and eco-friendly packaging. Additionally, we are committed to reducing our water consumption across all operations.

This dedication is evident in our implementations aimed at optimizing water usage, including innovative water recycling techniques in frit production. This approach allows us to reuse the same water throughout the year, significantly enhancing efficiency and sustainability in our processes. Furthermore, we have successfully concluded our Low Carbon Roadmap Project within the Eczacıbaşı Group, and our Scope 1, 2, and 3 emissions have been thoroughly calculated.

Capitals Impacted



Global Trends	<h3>Technological Progress and Digital Age</h3> <p>Recent technological advancements, particularly in AI, machine learning, robotics are revolutionizing industries with increased automation, boosting R&D, innovation, efficiency, and productivity. AI aids in predicting equipment failures, optimizing supply chains, enhancing quality control and reshaping business models. Data analysis is becoming crucial for all sectors, requiring attention to transparency, governance, and cybersecurity. Addressing ethical considerations in AI use and regulatory scrutiny is vital. AI aids in predicting equipment failures, optimizing supply chains, enhancing quality control, and reshaping business models.</p>
Impact on the Industry	<ul style="list-style-type: none"> • The adoption of technologies can have an impact on increasing efficiency, reducing costs and creating more productive business processes. • The effective use of emerging technologies such as the Internet of Things (IoT), Artificial Intelligence (AI), machine learning and Industry 4.0 in business processes contributes to maintaining the competitiveness of businesses. • Stock management provides benefits in areas such as acceleration of business processes and inventory control; thus, it provides a more efficient and effective management of the supply chain.
Our Response	<p>We understand that keeping pace with the fast-changing digital environment is essential for reaching our long-term objectives and preserving our competitive advantage in the market. By encouraging innovation and adopting digital technologies, we strive to enhance our operations and generate lasting value for our stakeholders. With this goal in mind, we have effectively established the transformation of the project DigiTile, that is composed of components like DigiMill, DigiSpray, DigiPress, DigiPredictive within its subcategories and as an overall goal we aim to reduce the use of energy, raw materials and water.</p> <p>By using machine learning and artificial intelligence in our processes within the scope of digital transformation, we continue our endeavors for saving water and natural gas in our operations. Additionally, as part of the DigiMill project, we minimize energy consumption by using data analysis and predictive models within the process. We also launched the Vitra Tiles LLC, Russia S/4HANA Project, which is one of the important steps in our digital transformation journey and an important contribution to our goal of making our operations stronger, more efficient and sustainable. Furthermore, we minimize energy consumption by performing the sludge drying process in the spray dryer with artificial intelligence and machine learning.</p>
Capitals Impacted	

Global Trends	<h3>Cyber Security</h3> <p>With rapid digital transformation, cybersecurity has become a critical global risk, affecting business continuity and national security. The 2025 WEF Global Risks Report highlights increasing threats like data breaches and ransomware attacks, affecting critical infrastructure and personal data. Complex digital networks exacerbate these risks, pressuring organizations to enhance cybersecurity and digital identity management. The 2024 MSCI report stresses these risks, especially in financial services. Technologies like AI and blockchain offer both opportunities and challenges for cybersecurity. Companies must prioritize strong cybersecurity frameworks to protect against evolving threats and maintain operational stability.</p>
Impact on the Industry	<ul style="list-style-type: none"> • Increased vulnerability to cyberattacks with the adoption of digital technologies in the tile sector such attacks can disrupt production processes, compromise sensitive information. • Establishing secure digital communication channels with suppliers, retailers, and consumers helps prevent cyber risks such as fraud and data manipulation. • The digitalization of the procurement processes of materials used in production can lead to disruptions in the supply chain due to cyber-attacks. • Investing in cybersecurity has the potential to increase customer loyalty by creating a secure business environment in the long term. • Developing emergency plans to ensure business continuity and minimize operational disruptions caused by cyber-attacks have become critical. • Supply chain cybersecurity risks and data privacy concerns necessitate compliance with increasingly stringent regulations, such as Türkiye's Personal Data Protection Law (KVKK) and the EU's General Data Protection Regulation (GDPR).
Our Response	<p>We operate an information security management system in compliance with the ISO/IEC 27001 standard and integrate various global standards and risk methodologies within our cybersecurity approaches. We also plan our cybersecurity investments through regular audits and risk reviews and ensure that the entire community is protected through cyber risk insurance. By monitoring emerging technologies and threats, we ensure cyber resilience. Additionally, through our data security efforts, we implement measures to secure operational continuity both within the company and in production areas. As part of a community-wide cybersecurity intelligence service, we monitor current threats and cyberattacks 24/7. Our Legal Department has proactively launched a Personal Data Protection Project to ensure company-wide alignment with KVKK standards, reinforcing our commitment to a secure business environment and the prevention of personal data breaches.</p>
Capitals Impacted	

<p>Global Trends</p>	<p>Economic Downturn and Global Inflation</p> <p>Global inflation is marked by rising prices of raw materials and services due to supply chain disruptions, increased energy costs, monetary policies, and higher labor expenses. Climate-related events like extreme weather further intensify these pressures by affecting agricultural production and resources. These factors impact company cost management, pricing, profitability, and growth strategies. Businesses need flexible approaches, such as optimizing cost structures and diversifying supply chains, to navigate these challenges.</p>
<p>Impact on the Industry</p>	<ul style="list-style-type: none"> • The increase in the cost of raw materials such as clay, pigments and glazes due to inflation directly affects the overhead costs of tile manufacturers. • The high costs force manufacturers to optimize cost management and review their pricing strategies. • Inflation-driven spikes in energy prices increase operational costs, further straining profit margins. • High fuel prices can increase transportation costs for raw materials and finished products, disrupting supply chains and delaying deliveries. • Businesses that can manage their costs effectively can gain competitive advantage, while those that cannot manage them adequately can lose market share.
<p>Our Response</p>	<p>We have established alternative suppliers for critical materials to ensure supply chain continuity. Additionally, as part of our Zero-Based Budgeting (ZBB) project, we're developing alternative formulations to cut raw material costs and extend stock days in anticipation of price increases. In this regard, the ZBB project has saved €6,139,569 in 2024, underscoring our commitment to fiscal discipline and resource optimization.</p>
<p>Capitals Impacted</p>	

<p>Global Trends</p>	<p>Social Polarization and Inequality</p> <p>The WEF Global Risks Report 2025 highlights that rising income inequalities and social divides lead to workforce challenges, deepened by uneven economic recoveries. Civil society is increasingly vocal about social injustices, prompting businesses to address inequality and promote human rights. Globalization and economic growth have failed to reduce divides, instead worsening inequalities and social cohesion. Regulations urge companies to take steps for human rights protection and social justice. Businesses are expected to focus on diversity, equity, inclusion, and sustainability, which benefit society while enhancing talent attraction and retention.</p>
<p>Impact on the Industry</p>	<ul style="list-style-type: none"> • Unfair treatment of employees damages the company's reputation in the eyes of potential customers, business partners and investors, which negatively affects customer satisfaction. • Increases employee turnover rates and leads to costly recruitment processes. • Loss of interest and talent within the industry, leading to potential challenges in attracting and retaining skilled individuals. • Employee expectations on fair employment practices (wages, benefits, etc.) make competitive remuneration and diversity and inclusion considerations important. • It requires harmonization with due diligence and other supply chain regulatory developments, especially in the EU.
<p>Our Response</p>	<p>We are dedicated to offering meaningful and fair employment opportunities to everyone. Following the Eczacıbaşı Group's principles, we strictly forbid child labor, forced labor, and any human rights violations within our company. As creating a safe working environment is of utmost importance, psychological support has been made available for employees who have experienced work accidents due to unsafe behavior, as well as for all other employees in need of assistance. The newly established DOJO experience and learning center will significantly contribute to our employees' safe working culture.</p> <p>Recognizing diversity as a fundamental source of strength and prosperity, we actively promote and celebrate it in all forms. As part of our commitment to providing equal opportunities for all our employees, our LiderizBiz education programmes ensure equal representation of women in work and management roles and accelerating the development of women leader candidates and leaders. Additionally, we have successfully increased the number of suppliers subject to Environmental and Social audits from last year. We have also initiated sustainability supply chain training for our supply chain team and suppliers.</p>
<p>Capitals Impacted</p>	

<p>Global Trends</p>	<p>Geopolitical Developments and Economic Instability</p> <p>Polarization, populism, and nationalism are reshaping geopolitics, weakening multilateralism and international institutions. Populist leaders prioritize their agendas, ignoring global complexities, leading to a polarized and radical political landscape. Geopolitical tensions, like the Russia-Ukraine conflict, impact the global economy, risking persistent inflation or stagnant growth. The WEF Global Risks Report 2025 cites interstate conflicts as a major risk, alongside misinformation, eroding trust, and hindering cooperation. Multinationals may choose sides, furthering economic divergence. Shortened supply chains to mitigate disruptions could increase exposure to localized risks like labor shortages and natural disasters.</p>
<p>Impact on the Industry</p>	<ul style="list-style-type: none"> • Geopolitical tensions could have a significant impact on raw material and energy costs and consumer demand in the tile sector. • Economic uncertainties and high costs can lead companies to reduce production and labor. • Adverse impact of the ongoing conflict and the international sanctions on the export activities of companies with production facilities located in Russia. • Geopolitical conflicts exacerbate labor shortages and create challenges in attracting and retaining talent. • To respond to geopolitical risks, companies may need to diversify their operations and supply chains geographically.
<p>Our Response</p>	<p>We acknowledge that geopolitical instability and economic fluctuations are affecting global supply chains, energy prices, and production dynamics. In response, we have taken proactive steps to ensure operational continuity and reduce our exposure to external shocks. To mitigate the impact of the Suez Canal disruption and delays in container availability, we have increased our stock levels of critical raw materials sourced from the Far East. Likewise, challenges in sourcing Ukrainian clay have led us to establish relationships with alternative suppliers and maintain high inventory levels.</p> <p>Given the effects of sanctions and regional conflicts on export activities, we are diversifying both our supply network and export markets to reduce geographical dependency and strengthen resilience. We are also addressing labor market pressures by focusing on workforce retention and capability development, ensuring operational stability amid uncertainty. Through these strategic actions, we aim to manage risks effectively while continuing to meet customer expectations and deliver sustainable performance.</p>
<p>Capitals Impacted</p>	 

<p>Global Trends</p>	<p>Lifestyle and Behavioural Changes</p> <p>In developed economies, especially among younger generations, there is a shift towards valuing experiences and accessibility over material possessions, emphasizing comprehensive well-being and personal growth. This trend increases awareness of limited planetary resources and environmental responsibility. Millennials and Gen Z lead a movement for sustainable living, driving demand for ethical products and influencing purchasing behavior. Consumers are willing to pay more for goods that align with their values, prompting companies to adopt more sustainable and ethical practices in response to this conscious consumer base.</p>
<p>Impact on the Industry</p>	<ul style="list-style-type: none"> • Evolving expectations of young people, particularly Generation Z, regarding employment and purchasing decisions. • Creating a competitive advantage by offering innovative products and services that meet the needs and expectations of young consumers. • Shift in consumer behavior, resulting in an increased demand for information content related to product carbon footprint, recycled material content, and the use of locally and ethically sourced materials. • Growing sensitivity to environmental issues could drive manufacturers to enhance their efforts to develop energy-efficient, recyclable, and sustainable products. • Increasing importance of diverse environmental and social product certifications, necessitating effective communication with consumers to maintain competitiveness.
<p>Our Response</p>	<p>We prioritize staying attuned to contemporary lifestyle changes, acknowledging that our employees' needs and expectations are ever-evolving. Our strategy places a core focus on health, safety, and well-being, aiming to create a work environment abundant in development opportunities while protecting our employees' physical, emotional, and mental health. Additionally, we aim to drive portfolio adjustments based on consumer insights. Our products contribute to green building solutions and boast an array of diverse environmental labels and certifications, including Environmental Label issued by Turkish Ministry of Environment, Urbanization, and Climate Change, Underwriters Laboratories' Green Guard and Green Guard Gold certificates. We also continued our endeavors and expanded our EPD scope and obtained FDES certification for 4 product groups for our VitrA and V&B brands in 2024. By aligning with the changing needs and preferences of our customers, we enhance our competitiveness and ability to respond to their demands effectively.</p>
<p>Capitals Impacted</p>	 

<p>Global Trends</p>	<p>Energy Transition</p> <p>The S&P Global's 2025 Global Sustainability Trends Watch report highlights challenges in the energy transition due to rising global energy demand from data centers and new technologies, complicating carbon neutrality goals. While developed countries shift from fossil fuels, developing countries must balance low-carbon transitions with economic needs. Clean energy technologies like batteries, hydrogen, solar, and wind are crucial, and carbon market regulations increase investor confidence. However, most companies lack sufficient plans for climate risks, underscoring the need for stronger policies and strategies in the energy sector.</p>
<p>Impact on the Industry</p>	<ul style="list-style-type: none"> • Increasing tendency in embracing renewable energy solutions, such as solar or wind power, to mitigate energy-related costs and reduce carbon footprints. • Demand for the use of technologies such as solar energy and energy storage systems is increasing. • Tightened environmental regulations in response to climate change and stricter compliance standards. This includes meeting emission reduction targets and deploying energy-efficient production methods. • Rising energy costs can encourage the adoption of technologies that improve energy efficiency in tile production processes, reducing operating costs resulting from this transition. • Investor confidence is shifting towards clean energy and energy efficiency technologies.
<p>Our Response</p>	<p>Recognizing the increasing shift towards renewable energy solutions like solar and wind power to mitigate energy costs and reduce carbon footprints, our company is taking decisive action by constructing a solar power plant in Aksaray to support operations at our Bozüyük production plant, which will be producing more than 60% of the electricity consumed in our production operations in Türkiye. As environmental regulations tighten in response to climate change, our initiative will help us meet emission reduction targets and deploy energy-efficient production methods, ensuring adherence to stricter compliance standards. With our investments in renewable energy, we aim to not only meet current regulatory and economic challenges but also position ourselves as a pioneers in the clean energy sector, ensuring long-term growth and resilience.</p>
<p>Capitals Impacted</p>	<div style="display: flex; justify-content: center; gap: 20px;">    </div>



Year in Review

Here are the key performances achieved by Eczacıbaşı Building Products - Tiles in 2024.

Financial and Economic Performance

+€300 million

Total net sales



74%

Share of International sales



Investing in our Planet

3.76 MWp

Renewable energy installed capacity



99.48 GWh

Green electricity procurement



89%

Share of renewable electricity consumed ✓



11%

Decrease in energy intensity compared to base year (2020)



40%

Decrease in water intensity compared to base year (2020)



Investing in People

39%

Total share of women professionals¹ ✓



50%

Women among new recruits¹ ✓

21%

Women in management positions¹ ✓

32

Training hours per employee² ✓



1.66

Lost Time Incident Rate (LTIR) ✓



2.00

Total Recordable Incident Rate (TRIR) ✓

Investing in Future

€1.2 million

R&D budget



5

Registered industrial property applications



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

² Employees in Türkiye

2

Our Approach to Sustainability

Our Value-Creating Business Model	30
Sustainability at Eczacıbaşı Building Products - Tiles	36
Double Materiality	38
Sustainability Objectives	42
Contributing to the UN 2030 Agenda	44
Stakeholder Relations	48

Our Value-Creating Business Model

Building a Healthier Future, Together

Our value creation approach outlines an understanding of our business model and approach to business operations, summarizing the way we allocate our financial, human, natural, intellectual, and social capital resources to create long-term value for all our stakeholders.

Our six capitals

- 

Our **financial capital** is integral to driving our sustainable growth and profitability, in line with our long-term objectives and strategies.
- 

The **human capital** within our organization consists of a team with a broad array of skills that are essential to our success. As part of our commitment to nurturing our workforce, we have developed a corporate culture that values, appreciates, and empowers everyone to succeed.
- 

Our **natural capital** underpins our efforts with vital resources driving our progress. We aim to responsibly and efficiently use these resources to ensure a healthy environment for present and future generations.
- 

Our **intellectual capital**, comprising technical expertise and institutional knowledge, fuels innovation and improves our products and processes. We leverage this asset to drive transformation and maintain industry leadership.
- 

Our **social capital** is rooted in our community and stakeholder relationships, built on respect, understanding, and trust. Through stakeholder engagement, we foster collaboration to create shared value.
- 

Our **manufacturer capital** consists of the resources and assets for production. By efficiently managing these, we aim to optimize processes and deliver quality products.

What we do

Our Group mission

To be a pioneer of modern lifestyles that are healthy, high quality and sustainable.

How we do it

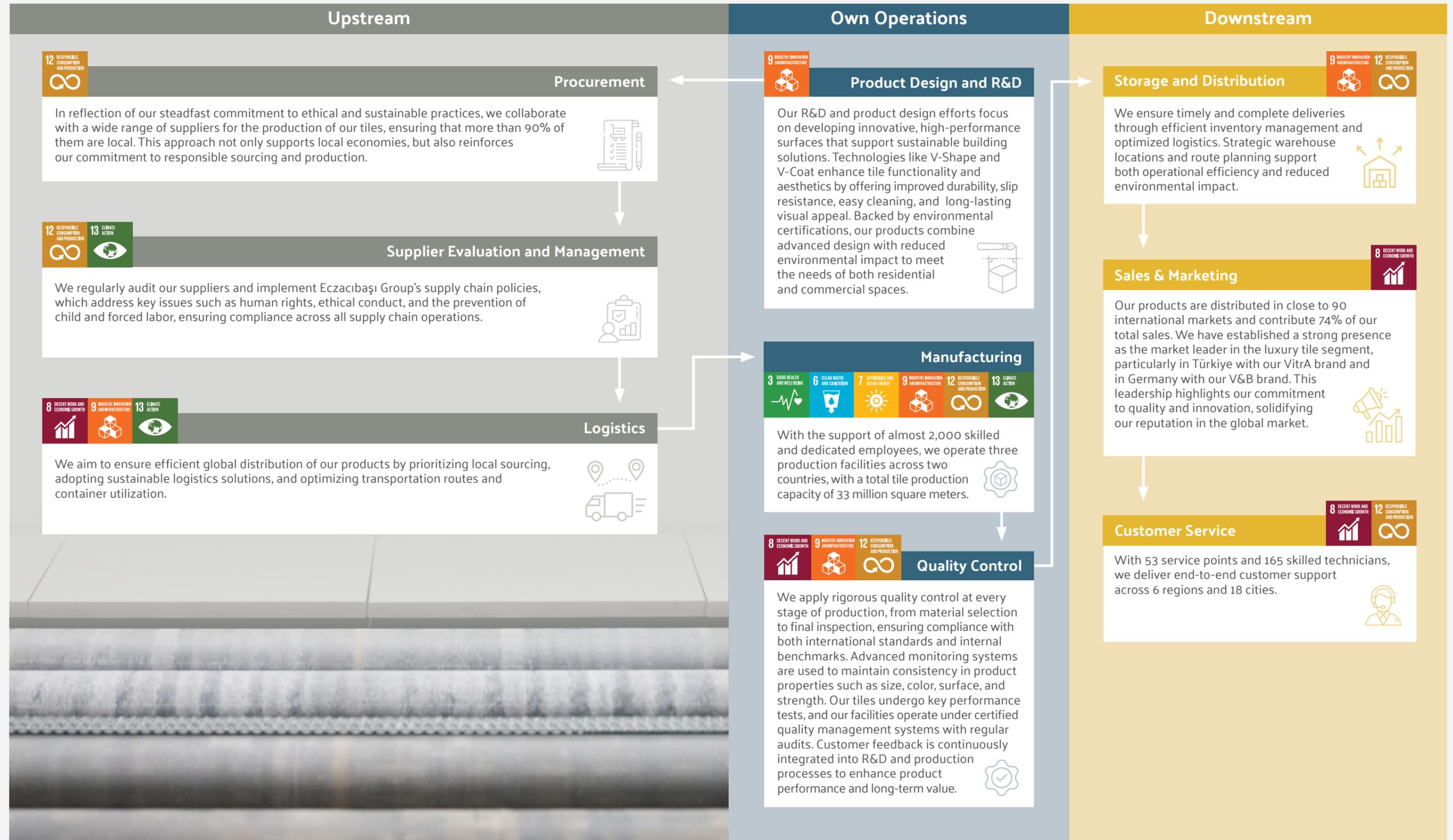
Aligned with our commitment to being responsible corporate citizens, we measure our success not only based on our economic performance, but also by the value that we create in a sustainable manner.

The concept of sustainability is a part of our purpose, culture, and strategy, and serves as the catalyst driving our operational activities.

Our sustainable value creation approach is based on an integrated perspective that considers external drivers, the most material aspects for our stakeholders and our ability to generate value.



Our Value Chain



Our inputs in six capitals

3 brands
+€300 million total net sales*
Management approach compatible with corporate management principles
Integrated risk management approach



€90.4 million
economic value retained
€211.1 million
economic value distributed

1,570 overall employment
More than **2,000** employees worldwide
€199,380
training and development expenditures
€150,000
OHS investments
30,624 hours
OHS training



39% total share of women professionals ✓
50% women among new recruits ✓
21% women in management positions ✓
38.55% share of women in STEM position
34% share of women in value generated roles
32 training hours per employee ✓

875,684 MWh energy consumption ✓
400,746 m³ water withdrawal ✓
€14.96 million environmental investments
16% use of recycled raw material
€21.17 million emission (energy) reduction-related investment
3 energy efficiency projects



3.76 MWp renewable energy installed capacity
99.48 GWh renewable electricity procurement
12% renewable energy consumption
89% share of renewable electricity consumed ✓
10% energy intensity reduction compared to 2020
5,251 MWh energy saving
3% increase in total water withdrawal compared to 2023
60% share of recycled waste ✓
32% plastic consumption reduction rate (Plastic consumption rate only refer Türkiye operations.)
7% CO₂e emissions reduction compared to base year (Scope 1+2)

37 R&D and Innovation employees
Management System Certification



5 registered industrial property applications
377 new products

Our inputs in six capitals

1,384 suppliers
21 dealers and distributors
9 universities and high schools collaborated with



73 students participating in internship programs

3 production plants
33 million m² production capacity
6 regions and **18** cities customer service



90 international markets
Export to **54** countries
19.2 million m² exported product



* It has been rearranged according to inflation accounting.

Sustainability at Eczacıbaşı Building Products - Tiles

At Eczacıbaşı Building Products - Tiles, sustainability is at the core of our organization's purpose, culture and strategy and is a key driving force of our operations.

It is with this understanding that drives our operations, we consider not only economic performance, but also the sustainable values offered to our stakeholders in environmental and social terms, focusing on creating long-term positive impacts.

As we progress on our sustainability journey, we ensure that sustainability remains a core part of our focus in all areas of our business - from design to production to our product portfolio. All our initiatives are shaped by an understanding that demonstrates the depth of our environmental awareness and our responsibility to future generations.

We continuously evaluate our sustainability strategy to ensure it aligns with our business strategy, the external environment, and Eczacıbaşı Group's sustainability objectives. In this regard, our Executive Management team fulfills a crucial role in integrating this sustainability approach into all company operations.

In line with Eczacıbaşı Group's goals, we keep our sustainability strategy effective and up-to-date, regularly assess new challenges and opportunities, and communicate our strategy and performance to our stakeholders in line with our commitment to **building a healthier future**.



Corporate Governance	Investing in Planet	Investing in People	Investing in Future
<p>By embracing strong ethical business principles in our operations, we integrate a fair, transparent, responsible and accountable corporate governance approach at the core of our business processes.</p> <p>To maintain the resilience of our company and deliver value to our stakeholders, we are vigilant in monitoring, anticipating and addressing risks and opportunities.</p>	<p>Driven by the need to take rapid and effective action against climate change, we focus on a holistic and sustainable approach in our product design, manufacturing and solutions to reduce our environmental impact and preserve the planet's resources.</p> <p>We reflect our commitment to addressing climate change and the unsustainable use of resources by prioritizing energy and water efficiency, renewable energy investments, and circular economy strategies throughout our entire value chain, from production processes to the end-of-life management of our products.</p>	<p>We are acutely aware of the crucial role our employees play in our broader business accomplishments and our commitment to sustainability. We are dedicated to creating an inclusive and diverse workplace that offers everyone equal opportunities to do the right thing for our people, ensure their safety, promote their well-being and help them reach their full potential.</p> <p>We are committed to improving the lives of the people we interact with and contributing to the development of resilient societies beyond the scope of our operations.</p>	<p>We are committed to promoting and supporting innovative solutions and applications that facilitate the seamless integration of digital technology into our production processes.</p> <p>We are continuously dedicated to improving our products, processes and operations to enhance quality of life and reduce environmental impact, and to leverage digitalization and technology to prepare our business for the future. By incorporating these advancements into all aspects of our operations, we maintain our competitive edge in a rapidly evolving digital environment.</p>

Double Materiality

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

The tile industry is a dynamic sector that maintains its innovative structure within the scope of technological manufacturing approaches and environmental sustainability. Recent technological developments and rapid advances have reshaped consumers' expectations of decoration and functionality, with an emphasis on combining innovation and sustainability.

At Eczacıbaşı Building Products - Tiles, we are committed to adapting to the evolving sustainability landscape of our industries. To enhance our ability to meet stakeholder expectations and consider what is best for corporate governance, people, the planet, and our shared future, we updated our material sustainability topics in 2022 and adopted the Double Materiality Analysis in 2024.

This comprehensive assessment covers our impact on both society and the environment (impact materiality) and the potential risks and opportunities that sustainability-related matters may pose to our operations and financial performance (financial materiality).

The DMA process incorporates three main evaluation stages, for an integrated approach to address both impact and financial materiality.



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

1. Sectoral and Peer Analysis

During the first stage of our double materiality assessment, which identifies our key sustainability topics, we analyzed developments both within the broader business environment and our specific sector.

The purpose of this assessment is to keep pace with changing trends and maintain our competitive advantage in the sector. To this end, we conducted a sectoral and peer analysis that included a review of industry-specific research from authoritative organizations such as the Sustainability Accounting Standards Board (SASB), the World Economic Forum, and S&P Global, as well as international reporting standards and sustainability reports published in the sector. These insights were critical in informing our Double Materiality Assessment and enhancing our understanding of shifting stakeholder expectations.

2. Stakeholder Engagement

We conducted a comprehensive and inclusive stakeholder engagement process, encompassing internal and external stakeholder surveys, workshops, and executive interviews, to evaluate 28 material issues aligned with our strategic pillars: Investing in Planet, Investing in People, Investing in the Future, and Corporate Governance. This process also integrated the findings from the external environment and peer analysis carried out during the identification of our sustainability materiality topics.

The insights gathered during the stakeholder engagement process, together with the outcomes of workshops and interviews, were considered in the evaluation of the impacts, risk and opportunities (IROs) lists and scores, while survey results had a direct impact on the development of the matrix.

Internal and External Stakeholder Surveys

We conducted an online stakeholder survey to understand the views and expectations of our internal and external stakeholders regarding our sustainability topics. In total of **684 people** from a wide range of stakeholder groups including investors, customers, suppliers, academics, members of the media, public authorities and local community representatives participated in this survey.

Workshops

To evaluate the impact of sustainability topics identified through internal and external stakeholder surveys, we organized workshops focused on assessing the environmental, social, and financial effects of our activities. These sessions were attended by the General Manager, key directors and managers, representatives from Human Resources and Finance teams, as well as members of our Sustainability Department.

During the workshops, participants were asked to identify the five most critical sustainability topics for our company from those highlighted in the materiality survey. Subsequently, working groups were formed to assess various dimensions of the selected topics, including their significance, strengths, challenges, and strategic implications for Eczacıbaşı Building Products-Tiles.

Interviews

Another component of stakeholder engagement was the in-depth interviews conducted with the CEO and key directors/managers of Eczacıbaşı Building Products - Tiles. These interviews followed a semi-structured format, with separate question sets tailored for CEO and key directors. A total of 8 interviews were conducted for Eczacıbaşı Building Products - Tiles. The in-depth interviews with CEO aimed to gather insights into how Eczacıbaşı Building Products - Tiles integrate ESG practices and address related issues within their corporate strategy. Meanwhile, interviews with key directors and managers focused on material issues, risks and opportunities, and the impact of these topics on their respective companies, in depth.

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

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

3. Impact and Financial Materiality Assessment

In determining potential material issues, we developed a long list based on the sustainability topics at the sub-sub-topic level in ESRS 1 Application Requirement 16 (AR 16) and prevailing industry trends, while considering the impacts, risks and opportunities (IROs). This list was further refined by assessing key sustainability topics identified through extensive input from both internal and external stakeholders, as well as insights gathered from senior management interviews.

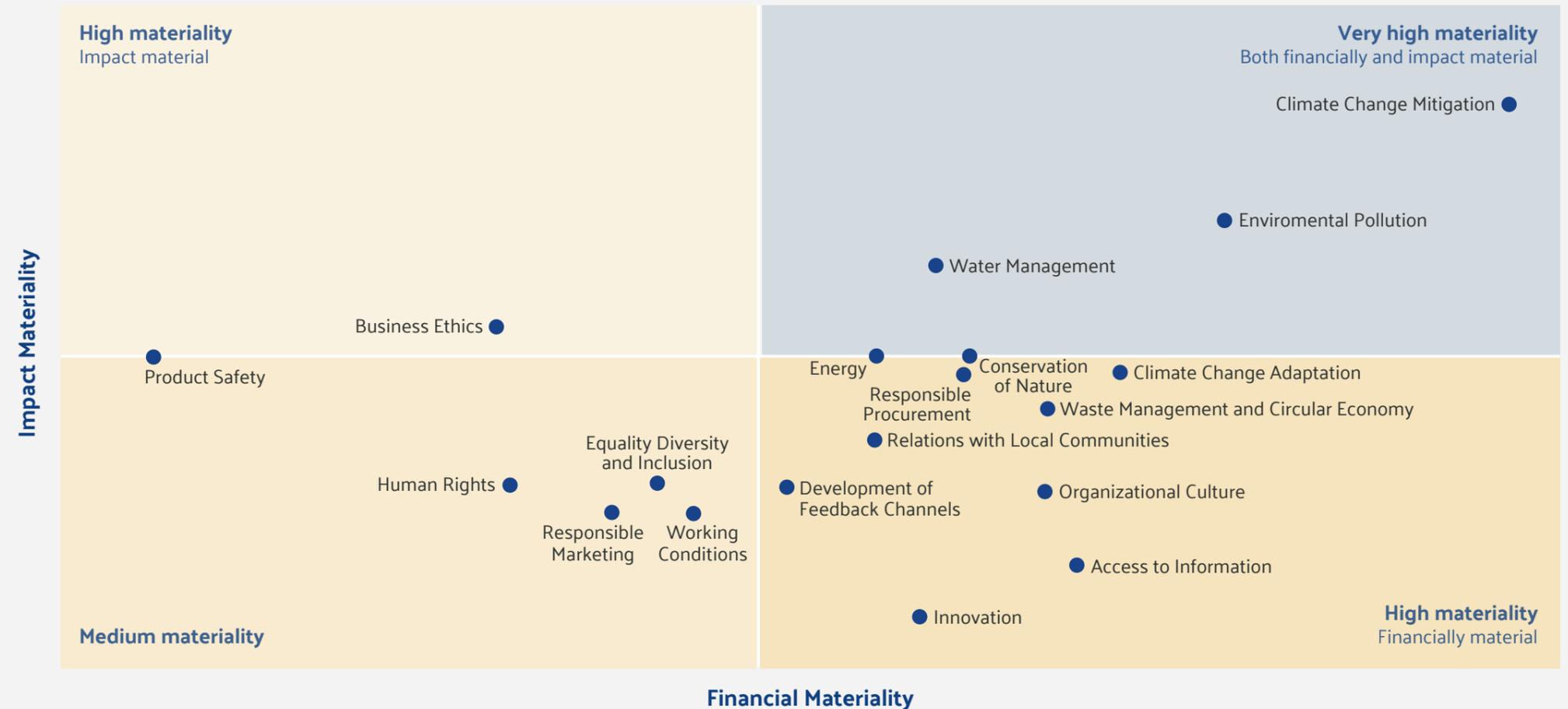
Impact materiality focused on the Eczacıbaşı Building Products-Tiles' actual or potential effects on people and the environment, while financial materiality evaluated risks and opportunities that may affect financial performance, such as cash flow and financial position.

Both assessments were carried out across short- (0-1 year), medium- (2-6 years), and long-term (7-25 years) horizons, in accordance with the Eczacıbaşı Group's strategic planning framework and ESRS requirements. Key internal and external stakeholders were engaged to support this phase. Our evaluation incorporated multiple factors, such as the nature and timing of risks and opportunities, their impact on our value chain, and existing mitigation and precautionary measures. IROs were calculated using the following formulas, in accordance with [EFRAG's Materiality Assessment Implementation Guidance](#) and the Enterprise Risk Management Procedure.

In the materiality matrix, financial and impact materiality were plotted on the X- and Y-axes, respectively, using a threshold score of 6. Topics scoring above this threshold on both axes were classified as very high materiality, those above on one axis as high, and those below on both axes as medium materiality.

The findings from this year's Double Materiality Analysis (DMA) provide a fundamental foundation for our forward-looking strategy. Guided by this comprehensive assessment, we are identifying priority areas, reviewing key performance indicators, and aligning our priorities with stakeholder expectations and industry trends. This process enhances our organizational resilience and supports long-term value creation across financial, environmental, and social dimensions.

The results of double materiality assessment, which constitutes one of the key inputs for shaping the sustainability strategy in the short, medium, and long-term starting from this year, are as follows:



Sustainability Objectives

At Eczacıbaşı Building Products - Tiles, we set clear, time-bound objectives with KPIs to measure success and drive sustainability efforts.

Our reports provide transparency on KPI performance, offering stakeholders insight into our progress. The table below outlines our sustainability objectives, 2024 performance, and future goals.



Material Topics	Goals	Key Performance Indicator	Performance					Status
			2020	2021	2022	2023	2024	
Energy Management and Carbon Emissions	By the end of 2025, we will reduce our energy consumption per ton of product by 14% from 2020 levels	Energy intensity (MWh/ton)	1.89	1.80	1.71	1.67	1.69 ✓	In progress
	By the end of 2030, we will provide our entire electricity consumption from self-produced renewable energy	Renewable energy installed capacity (MWp)	-	0.06	3.76	3.76	3.76 4% of the total electricity consumption**	In progress
Water Management	At the end of 2025, we will reduce our water withdrawal per ton of product by 39% from 2020 levels	Water intensity (m ³ /ton)	1.28	1.00	0.91	0.8	0.77 ✓ 40% decrease compared to base year	Achieved
Equal, Diverse and Inclusive Workplace	By the end of 2025, we will increase the share of women among new recruits to 50%*	Share of women among new recruits (%)	42.00%	55.20%	56.32%	38.80%	50% ✓	Achieved
	By the end of 2025, we will increase the share of women in employment to 43%*	Total share of women professionals (%)	34.00%	38.00%	39.19%	38.20%	39% ✓	In progress
	By the end of 2025, we will increase the share of women in management positions to 38%*	Women in management positions (%)	24.00%	21.70%	19.23%	20%	21% ✓	In progress

* The scope of the goals above are limited to Türkiye operations.

** The share of renewable electricity in total electricity consumption in Türkiye when operating at full capacity.

Contributing to the UN 2030 Agenda



The United Nations' 2030 Agenda presents 17 Sustainable Development Goals (SDGs) as crucial benchmarks for promoting sustainable development across environmental, ethical, societal, and economic areas.

At Eczacıbaşı Building Products - Tiles, we are dedicated to integrating these objectives into our daily activities, focusing on contributing to 10 key SDGs that align with our company's values and meet stakeholder expectations.

Good Health and Well-Being



- Ensuring a healthy and safe work environment, we offer comprehensive training programs that equip employees with the knowledge and skills to protect them from accidents, injuries and illnesses. Additionally, we contribute to the safe working culture of our employees and contribute to their learning processes with our DOJO Experience and Learning Center.
- Our products, featuring innovative surface technologies, offer advanced hygiene and contribute to healthy living spaces through anti-slip properties, easy-to-clean features, and hygienic qualities.

Quality Education



- We aim to improve the professional expertise of our workforce by offering training programs that contribute to their skill enhancement. In parallel, we provide leadership and management training workshops tailored for our executive staff.
- We support talented female engineering students and aiding their educational journey through our VitRA Women Engineers Scholarship program.

Gender Equality



- We strengthen our adherence to gender equality and equal opportunity in line with the principles of the **Eczacıbaşı Group's Gender Equality and Equal Opportunities Policy**.
- We are committed to increasing the representation of women in management positions and throughout the company, creating an environment where women can advance their careers free of barriers.

Clean Water and Sanitation



- Our easy-to-clean and self-cleaning tile solutions reduce water consumption in the product lifecycle and eliminate the need for chemical cleaning agents that can pollute water resources.
- We contribute to enhancement of water efficiency within the facility through our initiatives on sludge liter weight, water reuse in the frit production process and the integration of artificial intelligence and machine learning into our processes.
- We recycle 100% of our industrial wastewater and reuse it in our production processes in our Bozüyük and Russia facilities.

Affordable and Clean Energy



- We are boosting the availability of green energy resources in our operations by expanding investments in renewable energy, as demonstrated by the commissioning of our solar power plant in Aksaray, procuring green electricity, and we aim to minimize our environmental impact by reducing our carbon emissions.
- To increase energy efficiency in production processes, we are renewing or modifying equipment, implementing automation systems, and optimizing processes through digital technologies.

Decent Work and Economic Growth



- We create economic value through total net sales exceeding **€300 million** and sell our products to nearly **90 countries**, contributing to Türkiye's economic growth.
- We offer a fair, safe, diverse, and inclusive workplace for approximately **2,000 employees**, providing good working conditions, skill development opportunities, a focus on physical and mental well-being, and meaningful employment.
- By sourcing **91%** of our suppliers locally, we actively contribute to driving local economic growth and development. In collaboration with our stakeholder ecosystem, we are building resilient communities.

Industry, Innovation and Infrastructure



- As part of our commitment to data-driven decision-making and end-to-end visibility, we emphasize high-quality projects that focus on digitalization, sustainability, and innovation in production processes.
- In our digital transformation journey, we've made significant strides by adopting Vitra Tiles LLC, Russia S/4HANA, a next-generation enterprise resource planning (ERP) system that facilitates accelerate business processes, optimize data management, and improve decision-making efficiency.

Responsible Consumption and Production



- Our optimization processes are crucial in reducing raw material consumption and saving energy. As part of the DigiMill project, we minimize energy consumption by using data analysis and predictive models to manage the grinding process in sludge preparation.
- Our products contribute to green building solutions and carry a range of diverse environmental labels and certifications. In 2024, we expanded our EPD scope and obtained FDES certification for 4 product groups for our Vitra and V&B brands..
- We strive to increase the recycled content in our products and reduce waste generation during manufacturing through prevention, reduction, recycling, and reuse.

Climate Action



- We are enhancing the resilience of our operations to adapt to climate change by setting targets and taking proactive measures across our value chain to support the transition to a low-carbon economy.
- We are actively working to reduce carbon emissions through initiatives such as improving energy efficiency, procuring and generating renewable electricity, undertaking decarbonization projects, optimizing logistic operations, and minimizing environmental impact throughout our products' lifecycle.

Partnership for the Goals



- We actively collaborate with stakeholders and execute initiatives to address our material issues, aiming to contribute to a healthier future for all and support the achievement of the United Nations' Sustainable Development Goals (SDGs).
- In alignment with Eczacıbaşı Group's vision and objectives, we engage in various multi-stakeholder partnerships, such as the Business Plastics Initiative, UN Global Compact, WEF Stakeholder Capitalism, and Women Empowerment Principles (WEPs).

Reduced Inequalities



- Our objective is to foster an inclusive work environment that acknowledges and values the unique challenges and viewpoints of all employees.
- We are dedicated to combatting gender inequalities by supporting advancement of income equity.



Stakeholder Relations

At Eczacıbaşı Building Products – Tiles, we prioritize evolving our sustainability strategy to meet stakeholder needs.

We focus on transparent communication with employees, customers, partners, and civil society to advance our sustainability goals; and this approach helps us manage risks, seize opportunities, and improve products. The table below details our stakeholders and engagement methods.

Stakeholder Groups	Stakeholders	Importance for Eczacıbaşı Building Product - Tiles	Value Created for Stakeholders	Communication Methods and Frequency
Finance Community	Shareholders and Investors	Shareholders and investors bolster our financial health and growth by providing access to capital and enhancing our capital structure.	We maintain high corporate governance standards to ensure management acts in shareholders’ best interests, protects their rights, and upholds accountability and transparency, which are vital for long-term value creation.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual / Quarterly) • Financial Reports (Quarterly) • Corporate Website (Continuous) • General Assembly Meetings (Annual)
	Financial Institutions	Financial institutions contribute to expanding our operations by providing access to financing instruments and access opportunities to trade in investment and capital markets.	We create trust among financial actors with our financial health combined with our understanding of sustainability. It contributes to the sustainable transformation of the business world by focusing the financial resources we access on sustainable and innovative investments.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous)
Employees	Company Managers	We uphold strong corporate governance to safeguard shareholder interests, rights, and transparency, essential for creating long-term value.	We offer our employees professional and personal growth opportunities, competitive compensation, and benefits, fostering an inclusive and healthy work environment. We prioritize employee satisfaction and loyalty, empowering managers with key roles.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Intra-Group Meetings (Continuous / Periodic) • Disclosures (Instant) • Cash Flow Reports (Monthly) • Group Financial Results (Monthly) • Group Year-End Profit-And-Loss Forecast Reports (Quarterly)
	Employees	Our employees drive our operations and product quality. Investing in them is crucial for achieving our economic and sustainability goals and growing our business.		<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Intra-Group Meetings, and Publications (Continuous / Periodic / Instant) • Newsletters / Announcements (Continuous/Instant) • Employee Engagement Surveys (Annual) • Training (Continuous) • Social Responsibility Projects (Continuous) • Employee Handbook (Continuous)

Stakeholder Groups	Stakeholders	Importance for Eczacıbaşı Building Product - Tiles	Value Created for Stakeholders	Communication Methods and Frequency
Customers	Clients	Our clients, customers, and end-users are crucial in shaping our business. Their preferences impact our sales and sustainability. Ensuring their satisfaction, loyalty, and feedback is key to our success and competitiveness.	We provide high-quality products, innovative solutions, design inspiration, and a commitment to sustainability. Our new designs and technologies offer solutions that enrich customers' lives and experiences.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Controls (Instant / Periodic) • Disclosures (Instant) • Trade Shows (Instant / Periodic) • Customer Meetings (Instant / Periodic) • Customer Satisfaction Surveys (Annual)
	Consumers and end-users			<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • On-line Surveys (Instant / Annual)
Supply Chain	Business Partners			<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous)
	Suppliers	Our business partners, suppliers, and contractors are essential for operational continuity, ensuring the supply of materials and services critical to production, and maintaining the quality of raw materials and supply services.	We enhance our supply chain by fostering strategic partnerships, ensuring fair practices, maintaining quality standards, promoting innovation, and optimizing supply management, contributing to a sustainable and resilient ecosystem.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Audits (Instant / Periodic)
	Contractors			<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous)

Stakeholder Groups	Stakeholders	Importance for Eczacıbaşı Building Product - Tiles	Value Created for Stakeholders	Communication Methods and Frequency
Civil Society	International Organizations	International organizations expect our tile manufacturing company to maintain high quality and safety standards, follow sustainable practices, uphold ethical norms, invest in innovation, ensure transparency, and engage in global collaboration.	By meeting these expectations, our tile manufacturing company creates value through high-quality, safe products, environmental sustainability, ethical standards, innovation, transparency, and international collaboration.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous)
	Sectoral Organizations	Sectoral organizations support us in closely following the dynamics of the sector and the business world and being prepared for new developments regarding sector standards.	Our company creates value for sectoral organizations by offering high-quality and innovative products, thereby raising industry standards and enhancing sustainability and efficiency in the sector.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Projects (Project-Based) • Trade Shows (Instant/Periodic) • Sectoral Conferences (Instant/Periodic)
	Trade Unions	Trade unions expect fair wages and benefits for employees, safe and healthy working conditions, respect for workers' rights, access to education and development opportunities, job security and employment continuity, and the implementation of environmental sustainability and social responsibility policies.	Our company creates value for stakeholders by ensuring fair wages and benefits, maintaining safe and healthy working conditions, respecting workers' rights, providing education and development opportunities, ensuring job security and employment continuity, and implementing environmental sustainability and social responsibility policies.	<ul style="list-style-type: none"> • Meetings (Instant / Periodic) • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous)
	Non-Governmental Organizations (NGOs)	NGOs provide us with guidance and take on a cooperation role on issues such as strengthening social responsibility, producing solutions to environmental problems, and communities' access to social opportunities and opportunities.	As a result of our joint projects the social value and environmental benefit produced, we strengthen our collaborations.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Customer Research (Continuous) • Projects (Project-Based) • Memberships (Continuous)
	Universities and Research Institutions	Educational institutions, universities and research organizations direct our work by bringing new perspectives to our work.	While we provide opportunities for universities and research organizations to work in new areas, we support their development in our sector related areas.	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Career Days (Annual / Periodic) • Projects (Project-Based) • Internship Programs (Periodic / Project-Based) • University Events (Instant) • Student Field Visits (Instant)

Stakeholder Groups	Stakeholders	Importance for Eczacıbaşı Building Product - Tiles	Value Created for Stakeholders	Communication Methods and Frequency
Civil Society	Society			<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous)
	Local Community	<p>Engaging with society and local communities allows us to gain a deeper understanding of the diverse needs, concerns, and expectations of our stakeholders.</p>	<p>We are committed to social responsibility, sustainability, and community engagement, positively impacting society and local communities. By actively listening and collaborating with these groups, we believe that we can build trust, foster dialogue, and address relevant social, environmental, and economic issues.</p>	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Projects (Project-Based) • Social Media (Continuous) • Corporate Website (Continuous) • Social Responsibility Projects (Project-Based)
	Media	<p>We maintain professional relationships with media actors in order to inform the society and target audiences transparently, to create trust to meet the public's expectations, to convey its reputation and brand value, and to ensure that current developments are followed by its stakeholders.</p>	<p>We build public trust through transparent and honest information sharing and media channels.</p>	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Press Releases (Instant)
Government and Regulators	Public Institutions	<p>Public Institutions are a key component of our company's ability to navigate regulatory complexities, access resources, and contribute to sustainable economic development.</p>	<p>We have strict adherence to regulations and standards set by public institutions. Providing active support to the relevant regulations as an industry actor, thus we promote regulatory compliance in the industry.</p>	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • Projects (Project-Based) • Audits (Instant/Periodic) • IRL Visits (Instant)
	Local Governments	<p>Local governments play a vital role in our operations by providing essential services and infrastructure, regulating land use and zoning, issuing permits and licenses, and supporting economic development initiatives.</p>	<p>We contribute to local governments by providing employment opportunities, contributing to the economy through our investment, and supporting community development projects where we operate.</p>	<ul style="list-style-type: none"> • Sustainability Reports (Annual) • Annual Reports (Annual) • Social Media (Continuous) • Corporate Website (Continuous) • IRL Visits (Instant)



3

Corporate Governance

Governance Approach	58
Risk Management	64
Ethics and Compliance	72
Supply Chain Management	74
Economic Sustainability	76

Governance Approach

We believe that effective governance relies on fostering a culture of accountability and transparency, ensuring long-term success, and creating sustainable value for all stakeholders.

As part of the Eczacıbaşı Group, Eczacıbaşı Building Products - Tiles aligns its operations with the Group's business strategy, targeting short, medium, and long-term goals. We ensure seamless integration with the Group's vision through close collaboration between our Board of Directors and Executive Management for strategic planning, risk management, and decision-making. This alignment helps us adapt to market changes and meet stakeholder expectations.



Board of Directors

The Board of Directors at Eczacıbaşı Building Products - Tiles is crucial in executing strategic decisions, adhering to internal regulations and corporate governance principles.

It takes key factors such as risk management, growth potential, financial performance, and long-term interests into consideration. Through effective governance practices, the Board of Directors ensures the organization's resilience and success.

The Eczacıbaşı Building Products - Tiles Board of Directors comprised of 7 members. Following the changes in our Board of Directors this year, the percentage of women on the Board is **28.6%**.

Overview of the Board of Directors



Nejat Emre Eczacıbaşı
Chairperson of the Board



Burak Sevilengül
Vice Chairperson



Eylem Özgür
Board Member



Mert Karasu
Board Member, CEO of Vitra Tiles
Audit & Risk and Governance
Committee



Ferit Erin
Board Member
Audit & Risk and Governance
Committee



Rafael Jose Benavant Estrems
Independent Board Member



Okşan Atilla Sanön
Board Member

Board Committee

The Board of Directors carries out its duties through a sub-committee formed in the field of Audit, Risk and Governance.

Board Committees	Audit, Risk and Governance Committee
Members	Mert Karasu, Ferit Erin
Responsibility	<ul style="list-style-type: none"> Implementing all essential actions to guarantee that all internal or external audits are conducted accurately and transparently. Undertaking oversight responsibility on behalf of Board of Directors to ensure reasonable assurance is provided for the interests of all stakeholders. <p>For more information, please refer to the Risk Management section.</p>

Executive Management

The Executive Management team at Eczacıbaşı Building Products - Tiles is committed to sustainable excellence and leadership in line with the company's strategies and mission by fostering innovation, collaboration, and accountability to drive long-term growth.

The Executive Management team plays a critical role in managing the performance of the business, shaping strategic priorities, and ensuring that the organization remains adaptable and responsive to the ever-changing needs of its stakeholders, through their insightful leadership and expertise.

They maintain high corporate governance standards and are dedicated to achieving excellence across all areas of their work.

Executive Management Gender Ratio

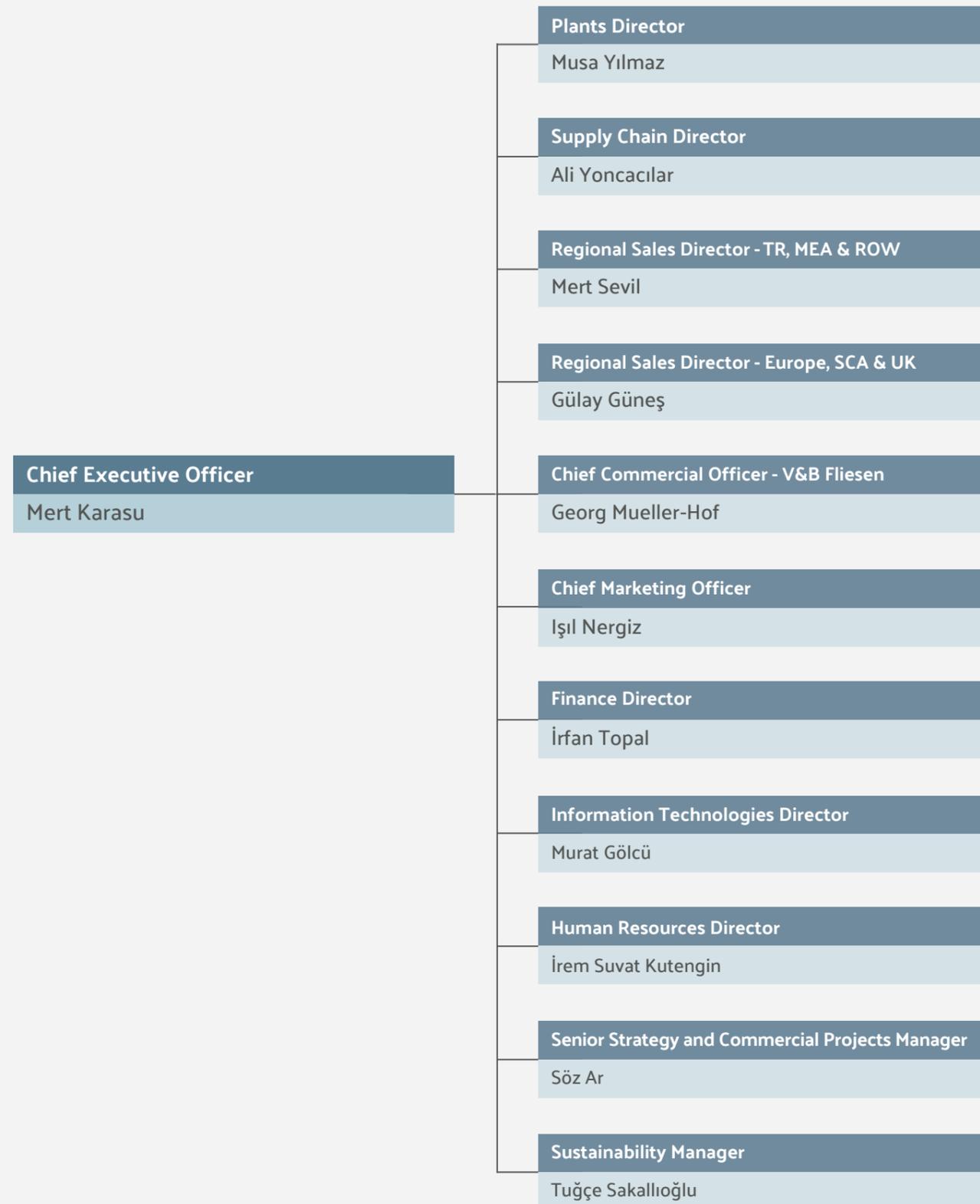


Eczacıbaşı Building Products - Tiles Executive Management

Name	Gender	Position
Mert Karasu	Man	Chief Executive Officer, VitrA Tiles
Işıl Nergiz	Woman	Chief Marketing Officer
Georg Mueller-Hof	Man	Chief Commercial Officer, V&B
Musa Yılmaz	Man	Plants Director
Ali Yoncacılar	Man	Supply Chain Director
İrfan Topal	Man	Finance Director
Murat Gölcü	Man	IT Director
İrem Suvat Kutengin	Woman	Human Resources Director
Mert Sevil	Man	Regional Sales Director - TR, MEA & ROW
Gülay Güneş	Woman	Regional Sales Director - Europe, UK, SCA



Our Organizational Structure



Sustainability Governance³

Group-wide Sustainability Organization

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

Eczacıbaşı Holding Board of Directors

At Eczacıbaşı, ESG topics are overseen by the Board of Directors, which plays a crucial role in making strategic decisions regarding sustainability management.

Eczacıbaşı Holding ESG Committee

Reporting directly to the Board, the ESG Committee is responsible for ensuring the effectiveness of ESG strategies, governance structures, and implementation mechanisms across the Group.

Members of the ESG Committee are selected from among the members of the Eczacıbaşı Holding Board of Directors, based on their expertise and prior experience in relevant areas. The committee:

- Advises the Board of Directors on environmental, social, and economic matters.
- Evaluates ESG performance and the integration of ESG goals into strategic planning.

The Committee convenes four times a year, scheduled quarterly prior to Board of Directors' meetings. The Committee Leader presents key findings and recommendations to the Board. The main ESG topics addressed in Board and ESG Committee meetings include:

- Review of sustainability and climate-related investments,
- Review of progress on the Group's low carbon transition strategy,
- Review of energy and water KPIs and sustainability project performance,
- Review of Group companies' ESG road maps,
- Review of sustainability-related policies.

Both the ESG Committee and the Board of Directors take a proactive approach in all strategic decision-making processes to risks and opportunities that may impact the organization's long-term resilience and sustainability. Material sustainability-related risks and opportunities are reported to the ESG Committee by the Holding Sustainability Department as appropriate. As an example, in a 2024 ESG Committee meeting, the Sustainability Department presented a comprehensive assessment of the potential implications and impacts of the Carbon Border Adjustment Mechanism (CBAM) on the Group's energy-intensive operations.

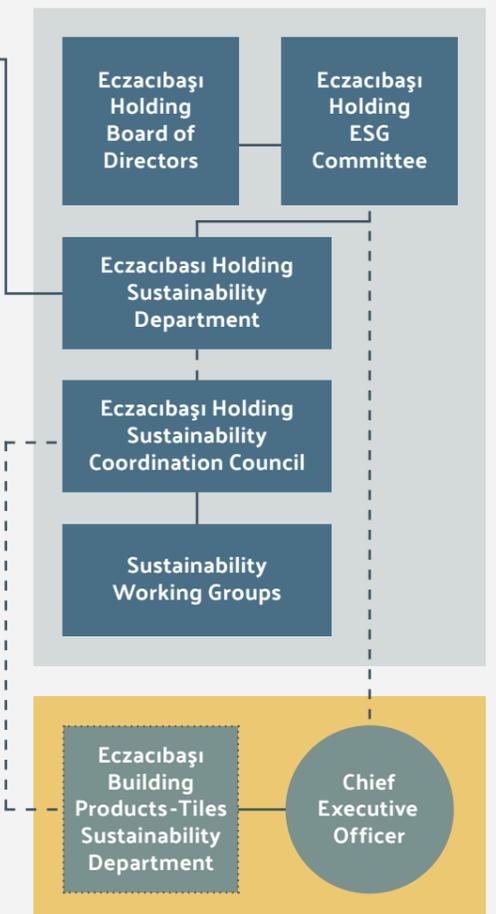
Eczacıbaşı Holding Sustainability Department

The Eczacıbaşı Holding Sustainability Department leads the coordination of the Group's ESG strategy, under the oversight of the CEO.

For the responsibilities of the Sustainability Department, please refer to the [Eczacıbaşı Group Integrated Sustainability Report](#).

Sustainability Coordination Council

Alignment across Group companies is ensured through the Sustainability Coordination Council, which is composed of representatives from the sustainability teams of Group companies. The Council convenes monthly, providing a platform that strengthens strategic coordination. During these meetings, ESG projects and best practices implemented by Group companies are shared and reviewed, emerging and existing regulatory developments are assessed, and ongoing initiatives addressing sustainability and climate-related risks and opportunities are followed. Topic-specific Working Groups, formed as needed, bring relevant agenda items to the Council meetings for discussion and evaluation. When necessary, external experts are invited to share their insights on specific topics. This structure supports effective coordination and informed decision-making in the Group's ESG strategy and implementation processes.



Eczacıbaşı Building Products-Tiles Sustainability Department

The Sustainability Department, reporting directly to the CEO, is responsible for shaping and implementing the company's ESG strategy in alignment with Eczacıbaşı Holding.

It coordinates cross-departmental initiatives, monitors performance against sustainability goals, and ensures compliance with local and international standards and stakeholder expectations.

In regular dialogue with the CEO, the department reviews progress on key sustainability priorities, anticipates emerging global trends and stakeholder expectations, and engages in joint discussions to embed sustainability at the core of the company's strategic direction and long-term objectives.

The department also monitors the company's performance in global sustainability indices and rating platforms, leads the preparation of product-related environmental disclosures, and carries out sustainability initiatives with a focus on sustainable production, sustainable products, and responsible supply chain practices.

This direct reporting line ensures that sustainability remains a core element of business strategy and decision-making at the highest level.

³ As of 2024, Vitra Tiles has initiated the update of its sustainability governance structure. This explains the difference compared to the previous reporting period.

Risk Management

At Eczacıbaşı Building Products - Tiles, we manage risks and opportunities in accordance with the **COSO (The Committee of Sponsoring Organizations) Enterprise Risk Management Framework**, renowned for its comprehensive and integrated approach and Eczacıbaşı Corporate Risk Management Procedure.

As Eczacıbaşı Group company, we follow the Eczacıbaşı Group Enterprise Risk Management (ERM) methodology, which actively involves all business units responsible for risk management. Following an assessment of risk probabilities, their potential impact, and the opportunities they create, responses are determined based on the risk and opportunity levels set by the Group Board of Directors, with the goal of mitigating identified risks and capitalizing on opportunities.

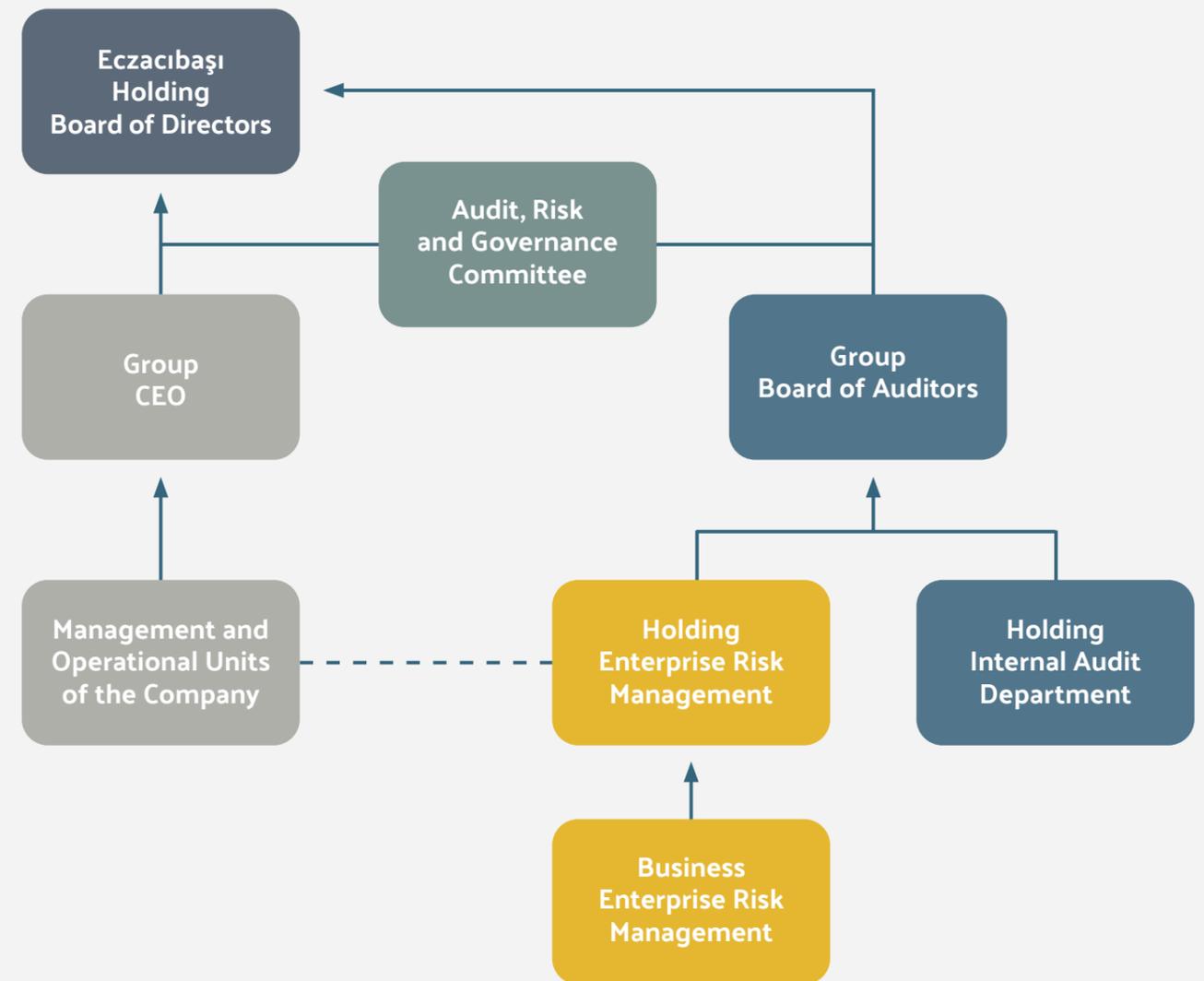


Eczacıbaşı Group's Risk Management Structure and Approach

At Eczacıbaşı, risk management is comprehensive and integrated in management processes, with the goal of embedding risk awareness into all business operations and fostering a risk-oriented culture across the organization.

As a Group company, Eczacıbaşı Building Products-Tiles is responsible for managing its own risks, and Eczacıbaşı Holding is responsible for overseeing the effectiveness of risk management practices throughout the Group.

The Group's Enterprise Risk Management (ERM) governance structure is outlined in the following table:



The ERM structure of the Eczacıbaşı Group consists of multiple layers to ensure a robust and systematic approach across all levels of the organization.

- **Eczacıbaşı Holding Board of Directors**

Responsible for overseeing the ERM framework, approving the ERM policy, and monitoring the overall effectiveness of risk management efforts.

- **Audit, Risk, and Governance Committee**

Monitors the implementation and effectiveness of the ERM framework and ensures its alignment with strategic objectives.

- **Holding and Company ERM Departments**

Responsible for overseeing risk management across the organization, and provide support and expertise in ensuring that risks are identified, assessed, and managed.

- **Company Management**

Integrates ERM into strategic and operational decision-making processes, ensures the allocation of resources for effective risk management, and regularly reviews significant risks and mitigation strategies.

- **Department Managers**

Identify and manage risks within their areas of responsibility, report risk management activities and key risks to the company ERM team and implement mitigation strategies in line with the CRM policy.

- **All Employees**

Identify, monitor, and report potential risks in their respective areas and support risk management initiatives.

In addition, a designated Board member at both Eczacıbaşı Building Products-Tiles and Holding levels is assigned to oversee the assessment of risks and opportunities and to ensure their respective boards of directors are regularly informed on these matters.

The Holding Sustainability Department plays a key role in the governance of sustainability- and climate-related risks and opportunities in the ERM structure. The department oversees Group-level processes by monitoring assessments carried out by Group companies, evaluating material risks and opportunities, informing both the Holding ERM Department and the ESG Committee, and ensuring that necessary actions are initiated or implemented. In parallel, the sustainability departments in Group companies provide their respective risk managers with information regarding relevant sustainability and climate-related risks and opportunities, thereby ensuring alignment across the organization.

Risk reporting within Eczacıbaşı Building Products - Tiles and the Group aims to provide information for decision-making at all levels. **Board Reports** are submitted quarterly to the Board of Directors via the Audit, Risk, and Governance Committee and focus on strategic risks, enabling high-level oversight and response. **Management Reports** allow senior management to regularly review the overall risk profile and risk management plans, ensuring alignment with strategic objectives. **Departmental Reports**, prepared by department managers, address operational-level risks and mitigation actions, and serve as input for both management and board-level reporting.

All types of risks—strategic, operational, financial, compliance, sustainability, and climate-related—are evaluated from a holistic perspective. These risks are considered in terms of their potential to hinder the achievement of strategic goals, negatively impact corporate value, or pose a threat to the Group's continuity and growth. Risk assessment is carried out at all levels of the Group, starting from the Board of Directors.

Identification and Assessment of Climate-Related Risks and Opportunities

In 2024, a qualitative assessment of climate-related risks and opportunities for Eczacıbaşı Building Products - Tiles was undertaken. The assessment comprised **problem definition, qualitative scenario development, and scenario review and implications**. The purpose of this qualitative Climate Scenario Analysis (CSA) was to make an initial assessment of potential risks and opportunities for Eczacıbaşı Building Products - Tiles under plausible future scenarios. These risks and opportunities were then collated and prioritized at the Group level.

During the problem definition stage, discussions with sustainability teams facilitated the identification of key questions and assessment boundaries to ensure the analysis provided the companies with relevant and actionable information to guide subsequent steps. This phase included:

- Defining focal questions and list of stakeholders
- Data collection (e.g., site locations for physical exposure analysis)
- Identification of key locations as well as critical suppliers⁴ and their locations

In the scenario development stage, one workshop was conducted with key stakeholders from Eczacıbaşı Building Products - Tiles, along with two sessions for the opening and final presentations were conducted with key stakeholders from various departments. The aim was to understand how business strategy and drivers could be affected by climate change and to identify potentially material risks and opportunities, considering site-specific vulnerabilities.

⁴ When identifying critical suppliers, those accounting for 80% of total monetary purchases and/or lacking viable alternatives under procurement criteria were prioritized.

We categorize our climate-related risks as physical risk and transition risks in line with the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

In the workshops, discussions were held regarding both physical and transition risks and opportunities, focusing on how these risks and opportunities could affect Eczacıbaşı Building Products - Tiles' operations and business strategy at key locations and through the critical supply chain over the short, medium, and long term. Additionally, the discussions addressed what actions should be taken to manage these risks and opportunities, as well as the timing for these actions.



The table below outlines the categories of risks and opportunities:

Risk and Opportunities	
Physical Risks	Flooding from rivers, coastal (exacerbated by sea level rise and increase in storm surges) and surface water (caused by extreme precipitation)
	Water stress and droughts
	Heatwaves and extreme high temperatures
	Storms and strong winds (e.g., hurricane, cyclones, medicanes)
	Increase in average temperatures
	Increase in average rainfall and/or changes in seasonal patterns
	Chronic shifts in climate impacting supply and demand
	Acute shifts in climate impacting supply and demand
Transition Risks	Carbon prices
	Energy costs and volatility in the market
	Use or production of high embodied carbon materials
	Decreased lifecycle of existing assets and enforced technology changes
	Increase in reporting, regulatory requirements and stakeholder concern
	Reputation: Greenwashing and/or failure to meet climate targets resulting in reduced capital flows and difficulty attracting talent
	Increased scrutiny over environmental topics related to climate
Opportunities	Sustainable Products
	Circular Economy
	Renewable Energy
	Climate Adaptation Measures
	Climate Resilience Products

Insight from the workshops, in combination with outputs from a range of datasets and sources, enable the identification and assessment of risks and opportunities under low and high carbon scenarios in the short-, medium- and long-term.

For physical risks, climate risk tools, WRI Aqueduct Tool, and the World Bank Climate Change Knowledge Portal were reviewed to determine likelihood levels for individual sites and supplier regions. Impact levels were informed by a literature review and information from the workshop. For transition risks, a comprehensive literature review of International Energy Agency (IEA) publications was conducted covering current and emerging national and international regulations, standards, and reports.

The Eczacıbaşı Group calculates risk value using the formula: **Risk Value = Probability x Impact.**

The same calculation was applied to opportunities. Following the development of the risk and opportunities database, stakeholders from each group company reviewed the identified risks and opportunities considering existing risk reduction actions. This led to the prioritization of material risks according to the risk matrix shown in the figure.

Probability and impact are categorized into five levels (very low to very high) according to Enterprise Risk Management Procedure. The levels in the risk matrix are indicated by specific colors: the yellow and green areas represent acceptable risk levels (secondary risks), the orange area represents significant risks, while the red and burgundy areas indicate critical risks.

- **Probability:** The probability of a given event occurring depends on factors external to Eczacıbaşı Building Products - Tiles, such as the frequency of heatwaves, carbon pricing, or the introduction of new regulations.
- **Impact:** The extent to which a given event could impact Eczacıbaşı Building Products - Tiles on level of preparedness. The potential impact of each risk on Eczacıbaşı Building Products - Tiles' assets, operations, and supply chain is evaluated. Impact is initially assessed as inherent risk, and insights from Eczacıbaşı Building Products - Tiles regarding existing risk reduction measures are incorporated into the review of impact scores⁵.

Eczacıbaşı Group's Risk Matrix



⁵ In 2025, a quantitative financial impact assessment of high and very high risks and opportunities, as well as a comprehensive qualitative analysis of sustainability risks, will be conducted. This assessment will be based on sources such as climate scenario analyses, organizational projections, and IEA reports.

Climate-related Risks and Opportunities Integration

Identified risks and opportunities are categorized in accordance with Eczacıbaşı Group's risk and opportunity categories and are monitored through inventories. The potential impact of each risk or opportunity on the Eczacıbaşı Building Products - Tiles is evaluated across financial, reputational, operational, compliance, sustainability, and climate change dimensions.

Climate-related risks and opportunities are determined by the Enterprise Risk Management (ERM) and Sustainability departments of Eczacıbaşı Building Products - Tiles, drawing from the results of the qualitative climate scenario analysis.

Each risk and opportunity inventory in the ERM process is monitored by the relevant department. Business units are responsible for informing the Group and company ERM teams of any new risks or opportunities or any changes to the definitions or scores of current ones.

The assessment of climate-related risks and opportunities, along with the effectiveness of actions taken, is reviewed periodically by the Group and Eczacıbaşı Building Products - Tiles ERM teams. Sustainability teams are responsible for tracking the progress of actions quarterly and tracking risks and opportunities regularly, especially short-term ones. Changes in impact and probability are evaluated, and if significant adjustments are identified, the assessment process is revisited.

The relevant department must notify the Group and Eczacıbaşı Building Products - Tiles ERM teams in the following cases, where risks, opportunities, and controls are reviewed, evaluated, and necessary actions are determined:

- During process changes,
- Following modifications to workplace buildings,
- After updates in workplace technology and equipment,

- Following significant changes in production methods,
- In the event of major quality incidents,
- After substantial product and process design changes,
- Upon the enactment of new legislation or amendments to existing regulations.

After the risk and opportunity assessment, responses and actions prioritized for the identified risks and opportunities are presented to the Board of Management through the Group Audit, Risk, and Governance (ARG) Committee.

The ARG Committee operates at the Board level. Both the Group and Eczacıbaşı Building Products - Tiles hold their own ARG Committee meetings on a quarterly basis to present and review their risk and opportunity maps.

Risks and Opportunities: Responses and Actions

In the risk and opportunities response phase, options for addressing risks and opportunities are identified, evaluated, and action plans are developed.

Responses to risks may include risk avoidance, risk acceptance, risk reduction and control, and risk transfer, depending on the established risk appetite and the clarity of risk exposure resulting from the assessment.

- The **risk and/or opportunity owner** is responsible for ensuring that the action is implemented on time, within the specified budget, and effectively.
- The **action owner** implements the action according to the plan, within the specified budget and timeline, and reports progress to the risk and/or opportunity owner. Upon completion of the action, the risk and/or opportunity owner is informed.
- If an action cannot be completed by the pre-determined completion date, the reason, regulatory activities, and updated completion date are documented in the relevant inventory. All updates regarding completion dates are documented after approval by the appropriate personnel.



Cybersecurity

At Eczacıbaşı Building Products - Tiles, we understand that maintaining a strong information security posture is critical to safeguarding our reputation, ensuring business continuity, and building trust with our stakeholders. Guaranteeing the security of all types of information that pertains to our company, our clients, and our stakeholders is one of our top priorities.

We comply with all applicable laws, standards, and corporate policies regarding information security. We operate an Information Security Management System in accordance with ISO/IEC 27001 that fulfils the applicable requirements for information security. We integrate globally recognized standards and risk methodologies, such as ITIL and CoBIT, into our cybersecurity approach.

As Eczacıbaşı Building Products - Tiles, we proactively identify, analyze, and mitigate information security risks. Our cyber risk insurance covers all Group companies against cyber risks and crimes, one of the most significant risks worldwide.

By adopting a cyber resilience approach, we proactively monitor developing technologies and cyber security threats. By implementing the most up-to-date security measures, we increase the resilience of the organization and ensure preparedness to respond quickly and effectively to possible cyber-attacks. Our organization maintains a community-wide cybersecurity intelligence service that is operational 24/7. This service is designed to monitor current threats and cyberattacks.

We are aware that data is the most valuable asset, so we place it at the center of all our security architecture. As part of our commitment to data security, we regularly monitor our data in accordance with our policies on Competition, Personal Data Protection Law, General Data Protection Regulation (GDPR), and our framework rules on the protection of financial information, sensitive and confidential data. In response to any suspicious activities, we implement disciplinary procedures.

One of the most critical issues facing our industry is the cybersecurity of Industrial Control Systems (ICS). To enhance the cybersecurity of our ICS, we have established a comprehensive cybersecurity strategy and strengthened our network structure and access controls. We are also conducting regular risk assessments, audits and training. We are working on ICS security and systems that provide deep network visibility to secure Operational Technology (OT) networks in production environments, detect threats, and increase business continuity.

We create and manage our business continuity plans and crisis management plans in an integrated manner to prevent and minimize business disruptions that could result from potential cybersecurity risks. We implement our business continuity processes in an organized manner across the Group, involving all teams. We review our business continuity and incident response procedures every year and test them twice a year.

As with all risks, the management of cyber security risk is handled at the Group level. To ensure full compliance and continuous improvement with the Group, it is essential to adhere to the established protocols and guidelines. We conduct internal audits and evaluate the results at the Senior Management level using the Information Security Management System. In accordance with our established cybersecurity risk management framework, a quarterly review of these risks is conducted by the Group Audit, Risk and Governance Committee. This committee is comprised of the Group Board of Directors, and the results of the audit activities are used to inform our cybersecurity investment planning.

Ethics and Compliance

In all stages of our operations, we consider adhering to business ethics standards and fully complying with all relevant legislation as an integral part of our corporate culture. At Eczacıbaşı Building Products- Tiles, we adhere to the principles of integrity, honesty and transparency in all aspects of our business activities and strictly comply with relevant laws and regulations.

Business Ethics and Legal Compliance

Eczacıbaşı Building Products – Tiles is a signatory to the United Nations Global Compact, and we are committed to upholding the principles of integrity, honesty, and transparency, while strictly complying with all relevant laws and regulations in every aspect of our operations. We are dedicated to the highest standards of business ethics and legal compliance, which serve as the foundation for our activities.

Audit Group, CHRO (Chief Human Resources Officer), Legal Department, and Ethics Committee of Eczacıbaşı Group are all responsible for overseeing activities and practices related to business ethics, special investigations, and legal compliance across the Group.

In 2024, important steps were taken to adopt ethical rules within the Eczacıbaşı Group in order to strengthen our values and principles and to effectively manage potential violations of ethical rules. In this respect, Ethics Committee structure and processes were updated. **The Ethics Committee Regulation, Misconduct Risk Management Policy, and Prevention of Retaliation Policy for the Protection of Employees** have been published.

Code of Conduct

The Eczacıbaşı Group’s Code of Conduct ensure ethical business conduct, provides an outline of our expectations for both employees and third-party partners.

Our Code of Conduct Incorporates:

- To comply with laws and preserve the organizations reputation,
- To create a work environment where violence, discrimination, and harassment are not tolerated, and where diversity is embraced,
- To protect the organization’s values, assets, and confidential information,
- To exercise care in relationships with third- parties,
- To protect personal data,
- To report those who act contrary to business ethics principles.

If any employee has reason to suspect a violation of our Code of Conduct, regarding bribery, corruption, infringement of rights, or conflicts of interest, they are required to report this information to our **Ethics Committee** via our designated confidential channels. All reports will be thoroughly reviewed and assessed by our Ethics Committee, ensuring that the principle of confidentiality is always adhered to.

The Code is easily accessible on the Group’s [website](#) and promotes transparency and accountability for all stakeholders, including our employees.

Complaint Mechanism Procedure

A Complaint Mechanism Procedure is established to resolve the complaints raised by all employees and our internal and external stakeholders in all projects we are involved in and to take the necessary solution steps.

All applications, denunciations, notifications, and all kinds of complaints regarding suspected unethical behavior can be reported anonymously through online form (<https://www.speak-hub.com/eczacibasi>) - web-based notification reporting system available 24/7, e-mail address (eczacibasi@peak-hub.com) or phone line (+90 212 800 01 05). These channels, managed by an independent, professional service provider, are readily available to all stakeholders and are detailed in the Eczacıbaşı Group Code of Conduct.

Aligning with the Group’s commitment, we are fully committed to the principle of zero tolerance for discrimination, bribery and corruption. We prioritize fostering a workplace that is equal and fair for all employees, where human rights are respected and labor practices remain free from any violations. We strictly prohibit child and forced labor and ensure recruitment processes are free from discrimination based on gender, language, belief, or ethnic origin.

We are committed to protecting our employees’ rights to form and join unions, while also aiming to develop constructive and productive relationships with these union. By safeguarding our employees’ rights to unionize, we are determined to fostering constructive and productive relationships with trade unions. Our **Group Human Resources Handbook** provides comprehensive information to our employees regarding human rights, freedom of association practices, as well as our core values and codes of conduct.

Corporate Policies

As part of Eczacıbaşı Group, we are fully in line with the Group’s corporate policies that convert its strategic priorities and sustainability principles into actionable frameworks. These policies embody the Group’s commitments and function as governance mechanisms that direct the identification, management, and oversight of environmental, social, and governance risks and opportunities.

These Group policies, which are listed on [our website](#), cover all Group companies.

- ESG (Environmental, Social, Governance) Policy
- Environment and Climate Change Policy
- Artificial Intelligence and Generative AI Policy
- Anti Bribery and Anti-Corruption Policy
- Enterprise Risk Management Policy
- Gender Equality & Equal Opportunities Policy
- Human Rights Policy
- Misconduct Risk Management Policy
- OHS (Occupational, Health and Safety) Policy
- Prevention of Retaliation Policy for the Protection of Employees
- Tax Policy

In addition to adhering to the Group’s policies, Eczacıbaşı Building Products-Tiles has developed supplementary policies to further reinforce our commitment to various aspects of our operations.

These policies serve as additional guidelines and standards within our organization to ensure compliance, efficiency, and responsible practices.

- Energy Policy
- Quality Policy
- Supply Chain Compliance Policy

Employee Communication and Training

We are committed to ensuring that all employees understand the standards and regulations relevant to their role.

In this respect, we offer comprehensive training to facilitate this understanding and maintain open communication to demonstrate the application of these rules in daily tasks.

All new employees receive this training within the first month of their employment, although we expect our existing employees to have already completed this training.

Average Hours of Training by Program	2024
Ethics	0.18

Supply Chain Management

At Eczacıbaşı Building Products - Tiles, across both our own operations and our supply chain, we are adhering to a manufacturing approach that respects the environment, employees and society. We remain committed to ensuring that every stage of our supply chain operates in compliance with global standards and all applicable laws and regulations.

As an Eczacıbaşı Group company, we adopt the Group's supply chain management policies covering various issues such as child labor, forced and compulsory labor, human rights and ethical issues and ensure that they are implemented at all stages of our supply chain operations. At Eczacıbaşı Building Products- Tiles, we aim to further expand our policies and procedures for selecting our suppliers based on sustainability criteria and closely monitoring the entire supply chain in terms of ethical, social, and environmental aspects. In our selection processes, we consider fair pricing, contract terms and suppliers' commitment to ethical standards. In line with our sustainable procurement approach, we prioritize building mutually beneficial partnerships and strengthening supplier relationships.

We implement **Supply Chain Compliance Policy** that states the environmental, social, ethical, and commercial responsibilities we require from our local and foreign suppliers. Furthermore, through the **Service Supply Agreement** it is ensured that our suppliers share our concerns regarding environmental safety, human health, occupational safety, and universal human rights.

As a part of our operations, we comprehensively evaluate our suppliers and examine their sustainability practices and procurement standards and as that assessment our suppliers are audited periodically. **In 2024, we conducted on-site audits covering ethics, social, sustainability, environment and OHS issues for 6 suppliers.**

Our business processes relies significantly on local resources and our total supplier portfolio is largely composed of local enterprises. **In the reporting period, we have a total of 1,384 suppliers, 91% of which are local suppliers.**

Suppliers (#)	2022	2023	2024
Local Suppliers	462	1,312	1,264
Foreign Suppliers	96	146	120
Total Suppliers	558	1,458	1,384

To integrate our sustainability approach into every stage of our supply chain, we organized sustainability training sessions for our suppliers. These trainings focused on trends and regulations for a sustainable supply chain, encouraging the adoption of sustainable principles across our supply network.

In 2024, we held two separate sessions: one for supply chain employees with 26 participants, and another for suppliers with 36 participants. Our procurement team achieved a 100% participation rate, demonstrating a strong commitment to sustainability practices.

At Eczacıbaşı Building Products- Tiles, we have taken important initiatives to strengthen our logistics processes and ensure more economical management. As part of the process, truck loadings for V&B were switched to the train option to provide cost and tonnage advantages in 2024. As we initially implemented the transition in our Türkiye operations, we successfully expanded the process to encompass our Russian operations in 2024, and completed the transition process of V&B trucks to train transport.

Additionally, we have taken decisive and significant steps in 2024 by successfully implementing various practices in our supply chain and transforming our operational processes :

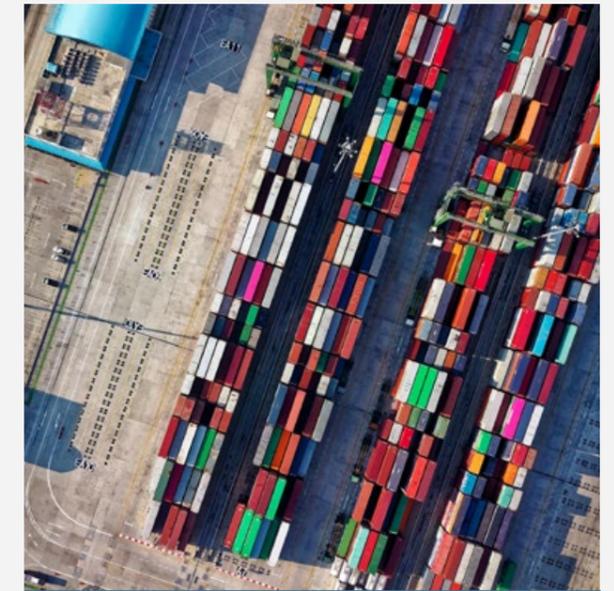
Emission Workbench

Through our project conducted in cooperation with our main supplier we aim to ensure the traceability of the data and raise awareness on carbon emissions by monitoring the carbon emission reports of loadings at regular intervals. To this end, we aim to minimize environmental impacts and develop strategies to reduce emissions by strengthening sustainability understanding.



Ariba Business Network - Supplier Portal

In Ariba Business Network, carried out in cooperation with our consultant, we focus on making supply chain processes more efficient and transparent by gathering suppliers and purchasers on a digital platform. Furthermore, the project offers the opportunity to increase transaction speed and reduce the error rate by managing all supplier relationships from a single point. Following the completion of the pilot phase of this project, orders are now digitally trackable.



Digimport - Import Tracking System

The project was designed from scratch to fully digitize import processes, thus ensuring both transparency and operational efficiency in supply management. By utilizing SAP MM-ARIBA EVRIM software integrations (customs company integration), a comprehensive tracking system was established, allowing for the redesign of Material Management (MM) processes. This automated system, supported by the contributions of all stakeholders involved in the import process, such as customs brokers, logistics companies, and internal stakeholders, enabled the management of the entire journey from order to delivery on a single digital platform. Document flow and task steps within the process were communicated to all stakeholders through automatic email notifications, ensuring uninterrupted and timely tracking, thereby elevating process integrity and coordination to the highest level. The first phase of the project was successfully launched on November 25, 2024. Accordingly, all processes were digitalized to ensure full traceability within the scope of the project.

Economic Sustainability

At Eczacıbaşı Building Products – Tiles, we conduct our operations within a holistic sustainability framework that encompasses economic, environmental and social aspects with the awareness of our responsibility towards the future.

By enhancing our business processes continuously, we focus on making long-term contributions at every stage of our value chain.

Economic and Financial Performance

As we carry our growth journey forward with exports, we integrate sustainability principles into our operational process and create value into the future. We strengthen our success with our strong and distinguished brand portfolio consisting of VitrA, Villeroy & Boch and Engers.

We have successfully penetrated nearly 90 countries, with a primary focus on the Turkish and German markets. We have a strong presence thanks to our exports, which account for 74% of our sales. Furthermore, we are responsible for 40% of the total ceramic tile exports from our country to Europe and 20% of global exports.

	2024
Ratio of foreign sales (%)	74
Total net sales (€ million)	301.5

Economic Value Generated, Distributed and Retained (€ million)	2024
Economic Value Generated⁶	301.5
Economic Value Distributed⁷	211.1
Economic Value Retained⁸	90.4

By attaching great importance to the operations we conduct, we have maintained our pioneering role in the sector and achieved remarkable successes. At Eczacıbaşı Building Products – Tiles, we recognized our robust position in the global market with the first place awards we received in the categories of **“Company with the Most Exports”** and **“Company with the Highest Export Unit Price”** at the Champions of Export Awards organized by the **“Cement, Glass, Ceramics and Soil Products Exporters Association.”** Furthermore, we also received the **“Ceramic Sector Leader”** award in the Capital 500 list.

Zero - Based Budgeting

As part of Eczacıbaşı Group, we have been implementing ZBB, and using its outputs to guide our projects since 2000.

In 2024, we allocated **€6,139,569** from our budget for sustainability-oriented projects carried out as part of ZBB, realizing 103 projects so far this year.

⁶ Economic value generated is defined as revenues.

⁷ Economic value distributed includes operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.

⁸ Economic value retained is defined as ‘economic value generated’ less ‘economic value distributed’.





4 Investing in Planet

Climate and Environment	82
The Eczacıbaşı Building Products - Tiles' Climate-Related Risks and Opportunities	84
Energy Management and Carbon Emissions	86
Water Management	92
Circular Economy	94
Resource Management and Responsible Procurement	94
Product Responsibility	95
Waste Management	99

Report Highlights

Climate and Environment

We aim to reduce emissions, optimize resource use, and enhance overall efficiency, by embracing sustainable practices and incorporating innovative technologies.

Aligned with Eczacıbaşı's Low Carbon Transition Project, we completed **Scope 1, 2, and 3** GHG inventories for 2021, 2023 and 2024.

We assessed the **climate-related physical and transition risks** across our entire value chain.

We were awarded a **bronze medal** by **Ecovadis**.

Our **Scope 1** and **Scope 2** emissions have been reduced by a total of **15,880 tons of CO₂e**, compared to base year (2021).



Energy Management and Carbon Emissions

Energy efficiency and operational improvement are crucial to minimizing the negative climate, environmental and energy impacts of our operations and avoiding carbon emissions.

Although we didn't lower our energy intensity this year, we succeeded in maintaining last year's performance—a reflection of our ongoing efforts to operate efficiently and responsibly.

Our **Aksaray Solar Power Plant*** will fulfill **more than 60%** of our **electricity** needs of production operations in Türkiye, significantly reducing our environmental impact and boosting our energy efficiency.



Our total energy consumption was **875,684.84 MWh** ✓. In 2024, a series of initiatives is estimated to achieve an annual conservation of **5,251 MWh** of energy, corresponding to around **965 tons of CO₂** emissions.



Circular Economy

We ensure that the materials we use in manufacturing our products are utilized efficiently, minimizing waste, and maximizing resource utilization.

We increased the use of recycled raw materials by **16%** compared to 2023, saving a total of **2,657 tons** of materials.

Product Responsibility

We expanded our **Environmental Product Declarations (EPD)** to include Porcelain 20mm products, thereby enhancing the transparency of environmental impact reporting.

We integrated the **FDES (Fiche de Déclaration Environnementale et Sanitaire)** certificate into our business processes with a view to raising our standards further.



Water Management

We prioritize efforts to minimize water consumption, promote efficient water usage, and maximize wastewater recovery in our production facilities.

We successfully reduced our water intensity from **1.28 m³** per ton to **0.77 m³** ✓ per ton, achieving a **40% decrease** compared to the base year.

Waste Management

We have implemented a comprehensive waste management approach that encompasses various strategies to minimize waste generation and promote sustainable practices.

A total of **43,702 tons** ✓ of waste were generated this year, with **61% ✓ recovered and recycled**.

Our recycled waste has increased by **36%** compared to the previous year.

* The solar power plant will be commissioned in 2025.

Climate and Environment

At Eczacıbaşı Building Products - Tiles, we recognize that the construction industry is energy and emission intensive and requires a transformation of our entire value chain, from material sourcing to production, to positively impact the environment and combat climate change.

Our commitment to creating value for all stakeholders extends to our environmental efforts, with a strong emphasis on minimizing our ecological footprint. By adopting sustainable practices and innovative technologies, we aim to reduce emissions and optimize resource use while regularly monitoring our environmental performance and assessing climate-related risks and opportunities. Our approach is to contribute to a sustainable future by engaging in global efforts to combat climate change and advocating for responsible environmental management.

Most of our factories adhere to the [ISO 14001 Environmental Management System](#) and [ISO 50001 Energy Management System](#). By adopting these frameworks, we ensure a systematic approach to managing our operations, enhancing our environmental performance, and driving continuous improvement. Moreover, our Environment Policy serves as a guiding document to optimize the performance of our operations.



Thanks to our dedicated efforts in sustainability, we were awarded the Bronze Medal by EcoVadis in 2024. This achievement highlights commitment to implementing environmentally responsible practices and our strides towards enhancing sustainability in all aspects of our operations.

We regularly assess the impacts of climate change on our business model and value chain. In 2024, we conducted a qualitative assessment of climate-related risks and opportunities.

The Group's Future Low Carbon Roadmap

At the end of 2023, Eczacıbaşı Group initiated low carbon transition project, with the objective of developing and implementing an effective climate strategy that is fully aligned with global standards and frameworks.

The project is structured around three main phases:

The first phase, "**Measuring Impact**" involves developing a comprehensive emission inventory for Scope 1, 2, and 3, aligned with GHG Protocol.

The second phase, "**Identifying Climate Risks and Opportunities**" focuses on identifying climate risks and opportunities for both our Group and its companies.

The third phase, "**Setting GHG Emission Targets and Developing the Climate Strategy**" ensures that all Group companies are aligned and includes defining a long-term climate strategy with clear carbon reduction targets.

As of 2024, the identification of climate risks and opportunities has been completed, and corporate carbon footprint calculations have been finalized.

In 2025, we will continue to work on modelling carbon reduction initiatives and defining company-specific greenhouse gas (GHG) emission targets.

Our Aim and Path to Low Carbon Transition



Reduce GHG emissions across the value chain



Align with global climate goals & regulations



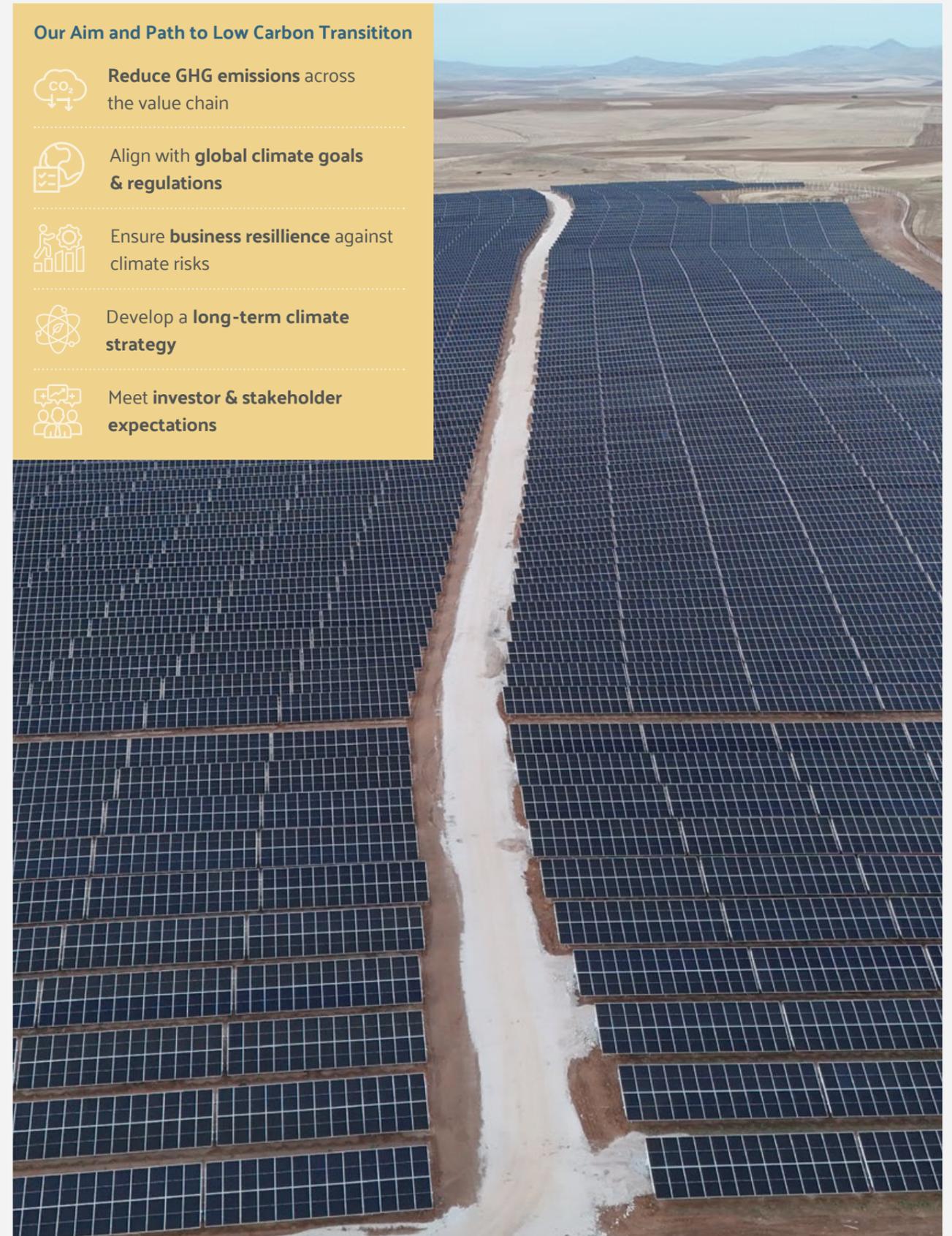
Ensure business resilience against climate risks



Develop a long-term climate strategy



Meet investor & stakeholder expectations



The Eczacıbaşı Building Products-Tiles' Climate-Related Risks and Opportunities

In 2024, the Eczacıbaşı Building Products-Tiles conducted a qualitative assessment of climate-related risks and opportunities. The potential impacts of these risks on companies were assessed according to different facility types, including offices, plants, and warehouses.

The climate scenario analysis was conducted for the short, medium, and long term. Each timeframe was defined in alignment with the Eczacıbaşı Group's strategic planning, investment timeline, and sustainability objectives.



To assess the resilience of Group strategies, the climate scenario analysis was conducted under two main scenarios: optimistic (low carbon) and pessimistic (high carbon).

A 'high carbon' scenario – This scenario projects a global temperature increase of approximately 3 to 4°C or higher by 2100. Emissions continue to rise at current or accelerated rates, resulting in significantly increased physical risks, while transition risks remain relatively low due to limited climate action. In this context, economic growth and technological development are prioritized, energy- and resource-intensive lifestyles become widespread, and environmental awareness remains low.

Scenario references:
SSP5-8.5, IEA STEPS, IEA APS

A 'low carbon' scenario – This scenario envisions a global temperature increase of approximately 2°C or lower (around 1.5°C) by 2100. It assumes a rapid and comprehensive transition to a low-carbon economy, significantly limiting the rise in physical risks. However, due to the swift departure from current business practices, transition risks remain elevated. The scenario highlights human well-being, sustainable technologies, and renewable energy as key priority areas.

Scenario references:
SSP1-2.6, IEA SDS, IEA NZE2050

Climate-related Risks

Eczacıbaşı Building Products-Tiles first conducted the Climate Scenario Analysis (CSA) at the individual company level, and then the results were consolidated at the Group level by identifying the most material risks across all entities. This approach enabled a detailed assessment of each business unit's unique climate vulnerabilities and facilitated the clear identification of risks and opportunities specific to their operations. Consolidating the findings at the Group level allowed for the prioritization of shared and potentially systemic risks—such as water stress, carbon pricing, energy price volatility, and supply chain disruptions—across business lines.

According to the consolidated CSA results, key climate-related risks for companies include physical risks such as extreme temperatures and water stress, and transition risks like carbon pricing, energy market fluctuations, evolving regulatory requirements, supply chain disruptions, and broader systemic transition risks. These risks have the potential to directly impact both operational continuity and cost structures, making them the focus of the Eczacıbaşı Building Products-Tiles' climate resilience strategy.

Each risk is evaluated based on its materiality in the context of Eczacıbaşı Building Products-Tiles, considering both current and anticipated impacts under relevant time horizons. Transition risks are projected to be more material for Eczacıbaşı Building Products-Tiles under a low carbon scenario, whereas physical risks will be more material under long term high carbon scenario.

Short Term (0-1 years)

In the near term, the focus is on **short-term operational goals and annual performance tracking** as outlined in our strategic planning. This period aligns with our yearly budget cycles and immediate risk management efforts, ensuring a rapid response to evolving market conditions and regulatory requirements.

Medium Term (2-6 years)

The medium-term reflects a period of **strategic investment and transition planning**, where key sustainability initiatives, such as **renewable energy investments and compliance with the EU Green Deal's 2030 target**, take shape.

This timeframe is also crucial for aligning budget planning with climate targets and ensuring long-term business resilience.

Long Term (7-25 years)

The long-term period is structured around **deep decarbonization goals and alignment with the EU Green Deal's 2050 target**. This timeframe enables the integration of transformational sustainability strategies, long-term investment planning, and regulatory adaptation, ensuring the company's transition to a low-carbon economy over multiple decades. In addition, the long-term horizon is particularly relevant for the assessment of physical climate risks, which are expected to manifest more prominently over time. Given the design life and operational longevity of Eczacıbaşı's key assets, incorporating physical risk considerations into this timeframe is essential for building long-term resilience.

Climate-related Opportunities

The transition to a low-carbon economy presents significant opportunities for the Eczacıbaşı Building Products - Tiles. By proactively addressing climate-related challenges, we can enhance sustainability, drive innovation, and improve operational efficiency.

As a result of the assessment the following **five core opportunities** have been identified as potentially high priority for the Eczacıbaşı Building Products - Tiles:

- Access to **financing for investments** in mitigation and adaptation (e.g., green bonds)
- Development of **sustainable products**
- Early adoption and onsite production of **renewable energy**
- **Rainwater harvesting**
- **Digitalisation:** automation and AI strengthening strategic decision-making.

Many of these opportunities are directly linked to specific climate risks and can be leveraged to create long-term business value. Additionally, certain initiatives such as data analytics play a key role in enabling the realization of other climate-related opportunities, enhancing efficiency, and strengthening strategic decision-making.

By aligning our business strategy with emerging opportunities in the low-carbon economy, we continue to drive sustainable growth and resilience in a rapidly evolving climate landscape.



Energy Management and Carbon Emissions

As a notable international player in an energy-intensive industry, we acknowledge our responsibility to reduce our environmental impact.

At Eczacıbaşı Building Products - Tiles, we are committed to minimizing our environmental impact and are constantly evaluating opportunities to improve efficiency and embrace innovative solutions that reduce our energy consumption and carbon emissions in line with our combating climate crisis actions.

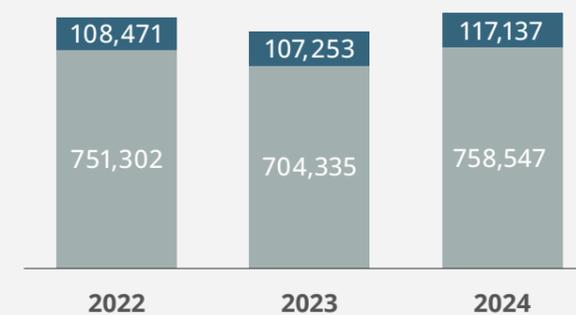
Our initiatives not only generate substantial cost savings but also reinforce our dedication to achieving our environmental sustainability goals and reducing our impact on the planet.

In this regard, we focus on successfully increasing our operational efficiency by integrating cutting-edge technologies and implementing strategic energy management practices.

Our dedication lies in fostering the transition to a low-carbon economy, and we are focused on accelerating this change with great sensitivity and diligence. Aligned with **Eczacıbaşı's Low Carbon Transition Project**, we completed **Scope 1, 2, and 3 GHG inventories** for **2021, 2023 and 2024**, ensuring full compliance with the GHG Protocol. After determining emissions, we will continue to our Low Carbon Transition Project with shaping Climate Strategy and Carbon Reduction actions. This step contributes to our commitment to comply with international standards and achieve long-term carbon reduction targets across our tile business.

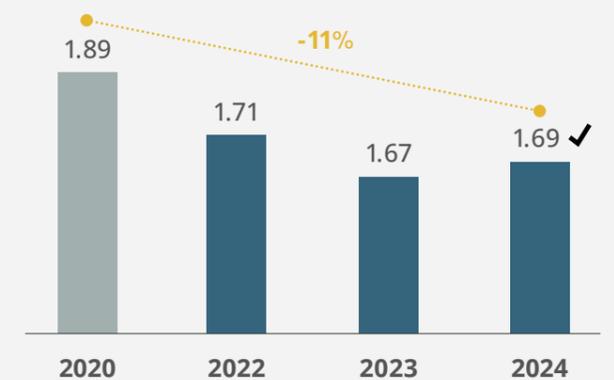
In 2024, our total energy consumption was **875,684 MWh** ✓. In 2024, a series of initiatives is estimated to achieve an annual conservation of **5,251 MWh** of energy, corresponding to around **965 tons** of CO₂ emissions. This achievement serves as a testament to the effectiveness of our energy conservation efforts and underscores our commitment to sustainability. Consequently, our energy intensity decrease by 11% from 1,89 MWh/ton to **1.69 MWh/ton** ✓ in comparison to 2020.

Total Energy Consumption (Mwh)



■ Indirect Energy Consumption
■ Direct Energy Consumption

Energy Intensity (MWh/per ton product)



Our Scope 1 and Scope 2 emissions have been reduced by a total of 15,879.82 tons of CO₂e compared to the base year 2021, corresponding to a 7% overall reduction.* This reduction contributed to a 6% decrease in our carbon intensity, from 0.42 CO₂/ton, to **0.40 CO₂/ton ✓**, compared to base year (2021). Our Scope 2 emissions decreased significantly by 90% compared to base year (2021), through our renewable electricity procurement efforts, resulting in emissions of 5,084,70 tons of CO₂e. In addition, our Scope 1 emissions have increased by 18% compared to the base year (2021), rising from 168,845 tons of CO₂e to 199,273.48 tons of CO₂e.

For the first time, Scope 3 greenhouse gas emissions were calculated and externally verified this year in alignment with our commitment stated in the 2023 report. A total of nine categories were assessed in accordance with the GHG Protocol, and the emissions inventory was verified in compliance with the requirements of ISO 14064-3:2019. The corresponding verification statement can be found in the appendices. This marks a significant milestone in enhancing the completeness and transparency of our emissions reporting, by extending the calculation scope to include Scope 3 emissions across our entire value chain, reflecting a more comprehensive understanding of our climate impact.

Carbon Emissions (tCO ₂ e)	2021	2023	2024
Direct GHG emissions (Scope 1)	168,845	150,262	199,273 ✓
Indirect GHG emissions (Scope 2) (Market Based)*	51,393	4,664	5,085 ✓
Indirect GHG emissions (Scope 2) (Location Based)**	45,761	43,908	48,025 ✓
Scope 3***			224,321

* A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).
 ** A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
 *** Operations in Türkiye, Russia, V&B Fliesen, and Vitra Fliesen facilities are included in the Scope 3 emissions calculations.

Scope 3 Sub Categories (tCO ₂ e)	2024
Category 1- Purchased goods and services	82,393
Category 2 – Capital goods	3,385
Category 3 – Fuel- and energy-related activities	30,055
Category 4 – Upstream transportation and distribution	69,458
Category 5 – Waste generated in operations	216
Category 6 – Business travel	342
Category 7 – Employee commuting	423
Category 9 – Downstream transportation-distribution	23,312
Category 12 – End-of-life treatment of sold products	14,739
Total	224,321

* Scope 2 emissions have been calculated based on the market-based approach.

Total Carbon Emissions (tCO ₂ e)	2021	2023	2024
Total Scope 1 & 2 Emissions (Market Based)	220,238	154,926	204,358 ✓
Total Scope 1 & 2 Emissions (Location Based)	214,606	194,170	247,298 ✓

We are aware that effective management of energy resources and reduction of carbon emissions are crucial to our commitment to sustainability and the achievement of operational excellence. In pursuit of this approach, we invested nearly **€4 million** in 2024 to successfully implement a range of initiatives across the following fields:

- As a result of the long working life, refractory materials inside the furnace wear out and heat leaks occur. In this regard, regular maintenance is crucial to increase operational efficiency, which reduces energy consumption and provides additional savings in natural gas. In 2024, we undertook maintenance on the U2-8 Furnace. This initiative is projected to save **1,000,000 kWh** of natural gas annually.

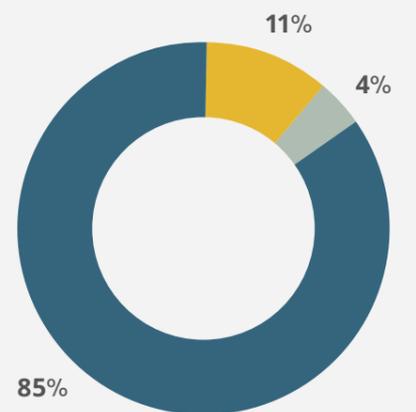
- Additionally, we executed the replacement of the insulation and refractory materials in the P1-7 kiln in 2024, aiming to save **851,200 kWh** of natural gas a year.
- We have also **replaced two inefficient kilns** with a new (P2-2&7, Production-2 2. ve 7. Kiln), energy-efficient ones. This change will enable us to save energy consumption by **3,400,000 kWh** a year. In addition to saving energy, it will also contribute to reduced emissions and enhanced production efficiency.



Renewable Energy

At Eczacıbaşı Building Products-Tiles, we are dedicated to the promotion and increased utilization of renewable energy sources. In this regard, we allocate investments strategically to support the production of low-carbon energy and leverage proven renewable energy technologies. Furthermore, we conduct regular feasibility assessments to explore the feasibility of meeting our energy needs through renewable sources.

Electricity Usage



- Purchased renewable electricity
- Grid electricity
- Self generated renewable electricity



Perspective of Our Stakeholders



Melis KUDAL
Bureau Veritas
Renewable Energy
Technical Coordinator

By increasing the share of renewable energy sources in its operations, Vitra Tiles transforms its habits towards energy production and consumption in line with sustainability principles and pioneers the reduction of environmental impacts through the use of clean energy.

The commissioning of a grid-connected, off-grid solar power plant with an installed capacity of 36 MWp is a concrete example of this approach. The Company's activities in this direction also pioneer the concept of energy sustainability by supporting the efficient and responsible use of energy resources.

It achieves a reputable position with its sense of responsibility in the fields of energy and environment by pioneering renewable energy projects that emphasize the sustainability of resources and contribute to the reduction of greenhouse gas emissions during electricity generation.

As the company has already set renewable energy targets, aligning its actions with these goals will further reinforce its overall sustainability strategy. These targets demonstrate the company's commitment to minimizing the environmental impact of its energy consumption. Additionally, expanding the portfolio of clean and sustainable energy sources will play a key role in reducing resource dependency and enhancing long-term energy resilience.



Aksaray Solar Power Plant



Our 36 MWp Solar Power Plant in Aksaray, which is a key investment of our sustainability strategy and will be commissioned in 2025, constitutes an important milestone in terms of our Türkiye operations.

This project will fulfil 60% of our electricity needs, significantly reducing our environmental impact and boosting our energy efficiency. We also aim to minimize our impact on the environment by **reducing 37,190 tons of carbon emissions** with our power plant, which will generate energy equivalent to the electricity needs of approximately **20,000 households** every year.

Generating Our Own Electricity from Renewables

Our dedication to renewable energy not only demonstrates our unwavering dedication to sustainable value creation but also highlights the importance we place on generating our own electricity from renewable sources. In light of this, we are actively pursuing the application of renewable energy technologies to increase our self-generated renewable energy capacity.

In 2024, we embarked on key initiatives as part of our transition to renewable energy, marking important progress in our dedication to sustainability. These efforts not only demonstrate our commitment to reducing our carbon footprint but also reflect our strategic approach to integrating cleaner energy solutions into our operations.

Green Electricity Procurement

In line with the strategic direction of the Eczacıbaşı Group, we purchased **I-REC certificates** for all the electricity used in our Türkiye operations.

Thanks to this initiative, **89% ✓** of our global electricity consumption in 2024 was derived from renewable sources.



Solar Wall



We have initiated SolarWall, a renewable energy technology used in HVAC and process applications, on the exterior of our Özel Çamur Tesisi building. By installing these solar wall panels, we will utilize solar energy to heat fresh air, which will then be directed to pre-heat the intake air of our ATM 52 spray dryers. This innovative approach will not only enhance our energy efficiency but also enable us to achieve significant natural gas savings in the operation of our spray dryers. By this initiative, we aim to **save 97,827,533 tons of CO₂** and **2,666,000 kWh** of energy per year.

Water Management

Water is vital for the continuity of life and effective management of this invaluable resource is of utmost importance.

At Eczacıbaşı Building Products - Tiles, we are dedicated to promoting sustainability and operational excellence and ensuring that our practices contribute to the responsible protection of water resources, recognizing the vital role of effective water management.

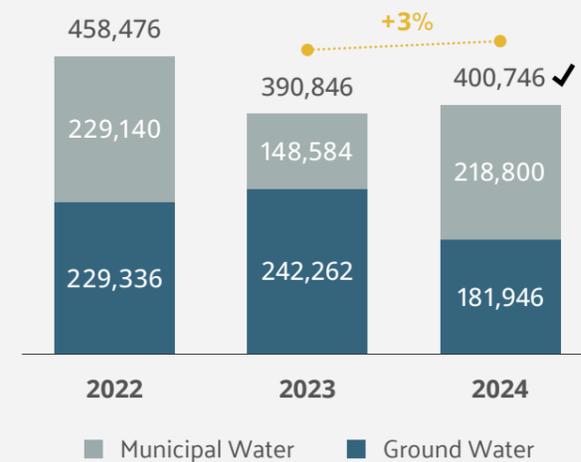
Our close collaboration with the Eczacıbaşı Group ensures the implementation of comprehensive water management initiatives. In this regard, the Group's Water Management Working Group is responsible for establishing specific targets and action plans for all Group companies. As part of our commitment to transparency and accountability, we provide monthly reports on our water consumption and the volume of water used per product.

Moreover, we closely monitor water consumption from the grid and groundwater sources and the water consumption per ton of product and regularly report all these data points to senior management and Eczacıbaşı Group on a monthly basis.

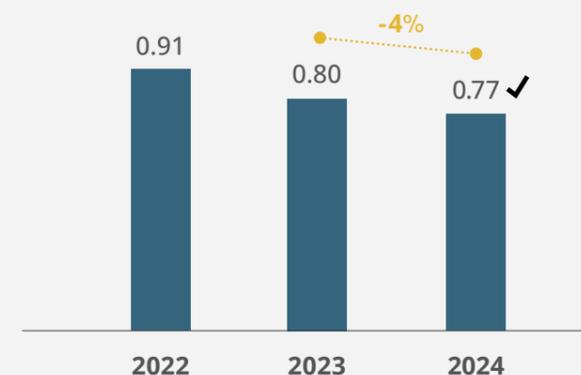
To achieve our sustainability goals, we focus on conserving water, avoiding withdrawals from stressed areas and comprehensively monitoring our water withdrawals. In this regard, a comprehensive analysis has conducted to measure the level of water stress in the regions where we withdrew water.

In 2024, we observed a 3% increase in total water withdrawal compared to the previous year, corresponding to a 7% increase in our production volume. Despite the increase in water withdrawal, our efforts resulted in significant reductions in water intensity. In this context, we recorded a significant 4% decrease in our water intensity compared to 2023, decreasing from 0.80 m³/ton to 0.77 m³/ton ✓.⁹ We also successfully achieved our target, recording a 40% decrease compared to the base year.

Water Withdrawal by Source (m³)



Water Intensity (m³/ton of product)



⁹ Only for Türkiye operations.

DigiOK

At our DigiOk project, we have optimized the sludge addition amounts in the Sludge Preparation plant by utilizing artificial intelligence and machine learning.

This has enabled us to eliminate the need to add sludge again, resulting in significant savings of 12,260 m³ of water and 898,294 m³ natural gas.

Water Recycling in Frit Production

In frit production, we apply the shock method by pouring molten raw materials into water. In this regard, we eliminate the need to refill the water tank by recycling the water in the process.

Within the scope of our project, by using the same water throughout the year, we saved 5,360 m³ of water in 2024.

Increasing the Liter Weight of Glazed Porcelain Sludge (30224 recipe product)

In our project, we aimed to reduce the amount of water in the sludge by increasing the liter-to-weight ratio in the recipes and thus reduce the natural gas consumption used in spray dryers during the drying process.

As a result of the use of high liter-weight values in the production of glazed porcelain clay, we saved 4,036 m³ water and 295,720 m³ of natural gas.



At Eczacıbaşı Building Products - Tiles, we recognize that managing water resources effectively is key to our sustainability goals and operational success. Our water efficiency projects not only focus on optimizing water use, leading to substantial savings, but also contribute to reducing natural gas consumption. We have successfully carried out a range of projects that highlight these efficiencies in 2024:

- By our initiative on **glaze mill tank and overhaul**, we are reducing the number of water cleaning operations using the same mills and the same stock tanks for certain glazes throughout the year. Thanks to this, we reduced our water consumption resulting in saving of 3,000 m³ of water a year.
- In our **DigiSpray** project, we ensure that spray working conditions are kept at optimum values by utilizing machine learning and artificial intelligence within the scope of digital transformation. By converting high liter-weight sludge into mass, we saved 10,230 m³ of water and 749,555 m³ of natural gas a year.
- Stocks with L values above 85 require less zircon, while stocks below 85 require more zircon. Our **kaolin stock categorization** initiative optimized the use of zircon by dividing kaolin stocks into two categories according to their color value. By doing so, the amount of water used in sludge production was reduced and efficient use of zircon was ensured. As a consequence of our endeavors in categorization, enabled us to save 713 m³ water and 52,241 m³ natural gas a year.

Circular Economy

The Circular Economy offers a comprehensive approach to business operations, focusing on reducing waste and optimizing resource use, as an alternative to the traditional “take-make-waste” model.

Recognizing the essential role of circular economy principles, we center our efforts on resource efficiency, contemporary and resilient design, and effective waste management.

Our commitment to sustainability and preserving natural resources for future generations is guided by the following procedures. These frameworks, guide our actions in minimizing our ecological footprint and achieving sustainability objectives.

- Environmental Policy
- Resource Management Procedure
- Waste Management Procedure
- Hazardous and Medical Waste Management Procedure

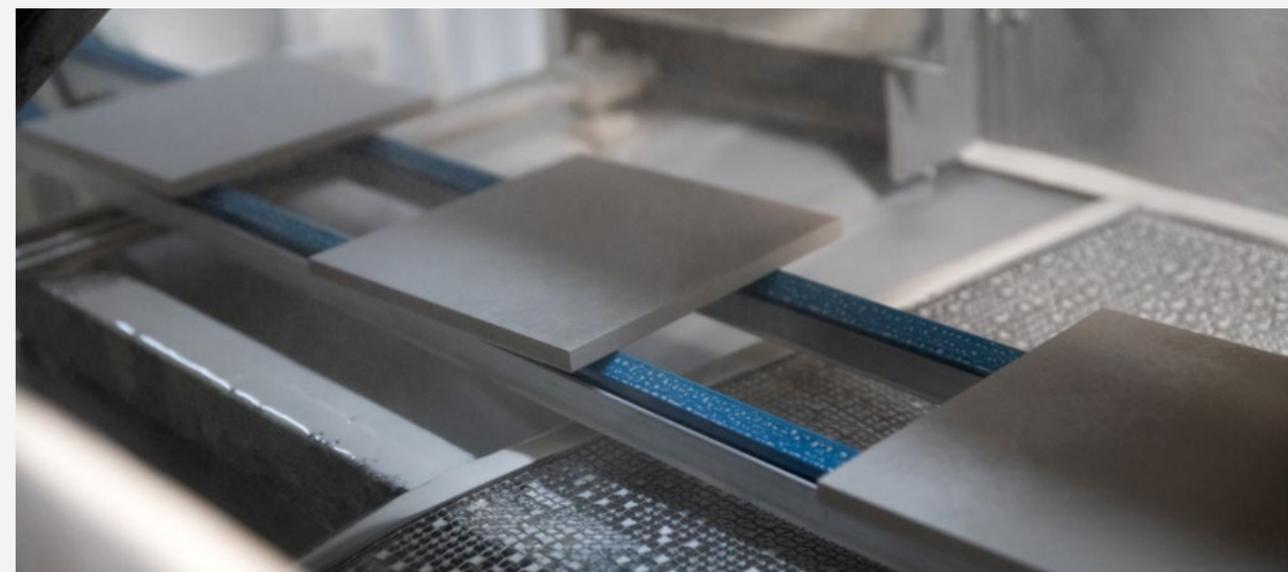
Our product designs incorporate strategies that minimize waste and maximize resource utilization, aligning with the principles of a circular economy. In this regard, we are dedicated to reducing resource consumption and waste generation by opting for recycled or sustainable materials whenever possible, and we actively seek opportunities to recycle and reuse materials at every stage in our value chain.

Resource Management and Responsible Procurement

Responsible resource management is central to our operations, and this is pursued through careful selection and acquisition of resources with minimal environmental impact. At the Eczacıbaşı Building Products-Tiles, we strive to maximize resource utilization and minimize waste by using materials efficiently in our product manufacturing.

Recognizing that natural resources are finite, we prioritize resource efficiency, waste management and circular economy principles to continuously reduce our environmental impact. By promoting circular economy principles, we focus on initiatives that promote the recycling and reuse of materials, helping to reduce dependence on virgin resources and minimize the environmental footprint of our operations.

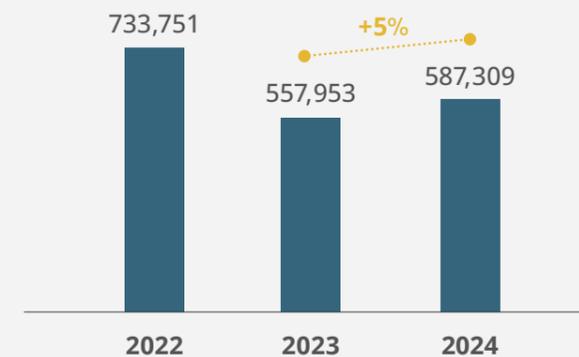
In our ceramic tile production, we re-evaluate both pre-firing (raw waste) and post-firing (baked waste) waste, returning raw waste and much of the baked waste into our processes as raw materials.



The unused cooked waste is repurposed as an alternative raw material by cement factories, thereby demonstrating our commitment to the circular economy and the transformation of production waste into valuable resources.

In comparison to 2023, our total material usage increased by 5% based on our production volume. However, we increased the use of recycled raw materials by 16%, resulting in a total material savings of 2,657 tons. Moreover, our circular economy practices have led to end products containing up to 37% recycled materials, demonstrating our dedication to advanced resource management with a focus on reducing raw material consumption and enhancing sustainability through increased recycling initiatives.

Total Material Use (ton)



Product Responsibility

At the core of our mission stands the manufacture and production of high-quality, essential tiles products that are modern, durable, and sustainable. We are dedicated to designing sustainable products that minimize environmental impacts at every stage of their lifecycle. Our goal is to motivate and empower people to make more sustainable choices.

One of our core focuses on sustainability is product thinning. The implementation of product thinning techniques allows us to achieve the same surface area, while simultaneously reducing the use of raw materials, energy, and water. This approach not only ensures the consistent quality of our products, but also contributes to reducing our environmental impact. Thinning our products allows for more efficient transportation by fitting more tiles in the same loading area, reducing environmental impact from logistics. This approach also reduces waste generation at the consumer stage, offering more sustainable solutions compared to our traditional options.

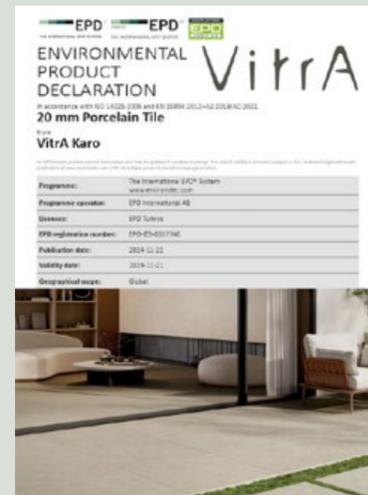
As a tile manufacturer, we focus on enhancing the hygiene and safety of our tiles by utilizing eco-friendly surface technologies. Our tiles offer anti slip and easy-to-clean properties, reducing the reliance on chemical cleaners and demonstrating our dedication to sustainability. These solutions not only safeguard water resources but also decrease overall water consumption during their lifecycle.

At Eczacıbaşı Building Products-Tiles, we strive to deliver tile solutions that prioritize environmental sustainability through our practices and technologies. Our belief is that innovation and responsible manufacturing are key to ensuring top-tier quality and hygiene for our customers while fostering an eco-friendlier tomorrow.

EPD Certificates

In 2024, our company expanded its **Environmental Product Declarations (EPD)** to include Porcelain 20mm products, thereby enhancing the transparency of environmental impact reporting.

Updated EPD data for our company products highlighted a reduction in our m² carbon footprint by over 60% relative to 2019.



Vitra V-Shape

The Pioneering V-Shape technology creates natural digital reliefs, enhancing the precision and realism of each tile design and producing a three-dimensional effect with volume and depth. It ensures easy cleaning and slip resistance while maintaining full performance. Furthermore, it provides surface softness and a natural feel.



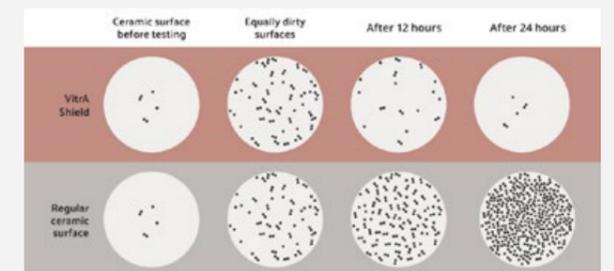
Vitra V-Safe

Vitra V-Safe is an advanced surface technology designed to provide a slip-resistant finish, thereby enhancing safety in indoor and outdoor areas. Its high hygiene standards and easy cleanability make it ideal for environments requiring optimal cleanliness, such as nurseries, bathrooms, kitchens, swimming pools, spas, and industrial areas.



Vitra V-Coat

V-Coat is an innovative surface protection technology used in the porcelain collections of Vitra Tiles, enhancing their aesthetic appeal and durability. Ideal for residential and commercial areas, it offers tiles long-lasting vitality and protection. V-Coat technology provides tiles with Full Lappato glossy surfaces with maximum shine, enriching them with prestige and elegance. It ensures spaces are eye-catching, with bright, smooth surfaces.



Vitra Shield

Our Vitra Shield tiles feature self-cleaning properties activated by light and humidity through photocatalysis, allowing them to remove dust and dirt efficiently. Indoors, they can be cleaned with water spray, while outdoors rain provides natural cleaning, thus reducing water and energy consumption and eliminating the need for chemical cleaners. On the other hand, Vitra Shield applied tiles, that are produced with nano technology, inhibit the growth of harmful bacteria, therefore provide long lasting and continuous hygiene in living spaces. Tests performed in national and international accredited laboratories show that Vitra Shield provides 99.9% hygienic protection.



Product Certificates

At Eczacıbaşı Building Products-Tiles, we embrace sustainability as a core mission, fully aware of our responsibilities to the environment and society and consider quality to be an integral aspect of our business culture.

Our products play a vital role in sustainable building solutions and are certified by a variety of prestigious environmental labels. As a responsible manufacturer, we prioritize transparent communication about the environmental impact of our products and strive to enhance their sustainability credentials.

We are dedicated to the principles of transparency and sustainability and through these certifications and labels we ensure that our customers have access to reliable and accurate information on the environmental aspects of our products. Through these efforts, we aim to meet the growing demand for sustainable and socially responsible products by ensuring that our operations are aligned with our customers' values.

In 2024, we integrated the **FDES (Fiche de Déclaration Environnementale et Sanitaire)** certificate into our business processes with a view to raising our standards further. Integration of the FDES has enhanced our position in the French market and with respect to global sustainable building standards, strengthening compliance with French sustainability regulations.

The quality certificates of our ceramic products, domestic products and certificates of conformity to Turkish standards and other catalogues are available to [access here](#).

Product Certificates	
TS EN 14411 Certificate of Turkish Standards Compliance	
TS EN 14411 Double Star Certificate	
CSTB - WALLPEC	
CSTB - UPEC	
EPD (Environmental Product Declaration)	
Greenguard Gold	
Saudi Arabia Export Certificate	
GOST Certificate	
Fire Safety Certificate	
FDES (Fiche de Déclaration Environnementale et Sanitaire)	

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

Waste Management

At Eczacıbaşı Building Products Tiles- we are dedicated to maximizing resource efficiency, enhancing waste management practices, and incorporating circular economy principles. Recognizing the finite nature of natural resources, we continually evaluate our processes to minimize our environmental footprint at every stage.

In line with our comprehensive waste management approach, we continue our efforts to minimize waste generation and promote sustainable practices. In this regard, we prioritise waste prevention, striving to minimize the amount of waste generated during the manufacturing process of our products.

Waste Results (ton)



As part of our endeavors, we prioritize the reuse or recycling of materials in instances where waste generation is unavoidable. We also ensure that materials are effectively managed according to relevant regulations and industry best practices through our comprehensive systems for waste identification and segregation. In doing so, we are committed to protecting the environment and ensuring safety through compliance with all relevant regulations regarding waste management.

In line with the principles of the Eczacıbaşı Group, we are unwavering in our commitment to adopting a “zero waste” approach across our operations. This commitment is reflected through our Bozüyük plant’s achievement of the prestigious Zero Waste certification certified by the Ministry of Environment, Urbanization and Climate Change.

To fulfil our dedication to reducing environmental impact, we prioritize efforts to minimize waste generated directly by our operations. A total of **43,702 tons** ✓ of waste were generated this year, with **61% ✓ recovered and recycled**. We are delighted to announce that our recycled waste has **increased by 36%** compared to the previous year.





5

Investing in People

Equal Opportunity	104
Equal, Diverse and Inclusive Workplace	104
Attracting, Developing and Retaining Talent	108
Health & Well-being	111
Health, Safety and Well-being	111
Community and Social Vitality	113
Social Investment	113

Report Highlights



Equal Opportunity

We are deeply committed to tracking our goals for maintaining an equal, diverse, and inclusive workplace, aiming to foster an environment where all employees can thrive and achieve both personal and professional success, regardless of gender.

39%

Total share of women professionals ✓

50%

Women among new recruits ✓

21%

Women in management positions ✓

23.5%

Share of blue-collar women employees

Attracting, Developing and Retaining Talent

Inspiring and empowering our global employees to build the skills they need for both today and the future is a key priority for us.

32

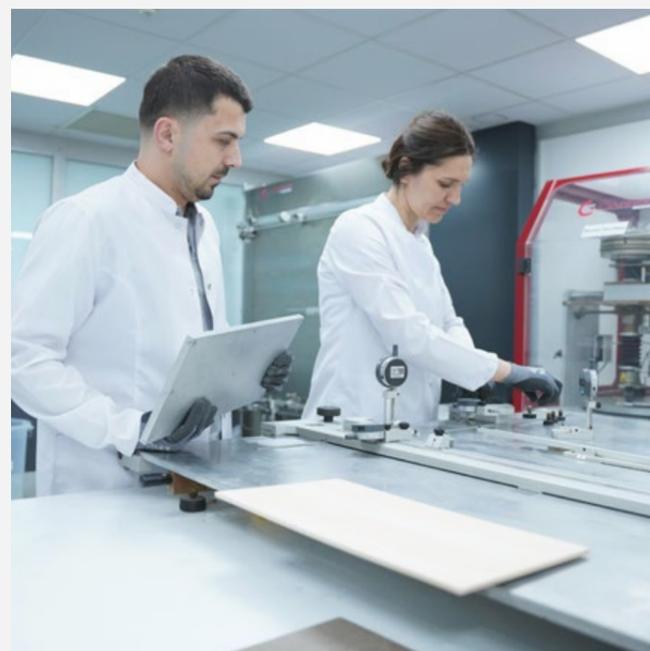
Average hours of training per employee ✓



Aligned with Eczacıbaşı Group, we implement a comprehensive **Three-Phased Performance Management System**, consisting of planning, interim evaluation, and year-end evaluation.



In 2024, our three-day robotics coding training program introduced **55 employees'** children to robotics, enhancing creativity and skills.



Health and Wellbeing

At Eczacıbaşı Building Products - Tiles, we are firmly dedicated to prioritizing the safety, health, and wellbeing of our employees, their families, the broader community, and all our stakeholders.

1.66

Lost Time Incident Rate ✓

2.00

Total Recordable Incident Rate ✓

30,624

Total training hours given to employees in OHS

16

Average training hours per employee in OHS

Recognizing that safety extends beyond physical risk, we supported **256 employees** through our **psychological support program** in 2024.

Community and Social Vitality

We are committed to conducting research to identify the key challenges faced by communities and to developing effective solutions, while actively engaging in events and initiatives that support social and cultural development.

In 2024, we organised the **Women Engineers Scholarship Programme**, which provided scholarships to 10 young female engineers.



Equal Opportunity

At Eczacıbaşı Building Products-Tiles, we are committed to building a sustainable organization rooted in inclusivity and respect. Our goal is to provide fair and meaningful employment opportunities for individuals from diverse backgrounds. We strive to foster a workplace culture where every employee feels valued, empowered, and a true sense of belonging.

We are committed to building a sustainable future through equality, inclusion, and fair labor practices. We support the Group's principle of "equal pay for equal work" and ensure fair, impartial compensation for all employees, regardless of gender, race, or personal background.

We respect employees' rights to unionize and maintain strong collaboration with trade unions, particularly the Turkish Soil, Ceramics, Cement, and Glass Industry Employers' Union, to secure collective agreements that protect employee welfare.



Gender equality is a core focus. Through the "ALLforALL" Equal

Opportunities Committee, we monitor and promote equal opportunity practices across the Group. Our efforts align with international standards, including the UN Women's Empowerment Principles (WEPs), and are guided by our Board-approved Gender Equality and Equal Opportunities Policy, which was reviewed in 2023. This commitment extends to our suppliers and business partners.



Equal, Diverse and Inclusive Workplace

As Eczacıbaşı Building Products- Tiles , as part of our commitment to gender equality and inclusion, we have established four key committees to increase the number and impact of women in our workforce. Our main Equal Opportunity Committee includes representatives from all group companies, while the other three focus on women in technical (blue-collar), technology, and sales roles.

Our shared goals include achieving 38% representation of women in management, ensuring that 43% of white-collar employees are women, and reaching 50% women in white-collar recruitment. For blue-collar roles, our targets include achieving 20% overall female employment, with 30% women in new blue-collar recruitment.

Promoting women's participation in STEM and revenue-generating roles is a key step toward gender equality. Equal opportunities in these fields help reduce gender-based discrimination and create a more inclusive workplace. Women thriving in these areas act as role models, inspiring future generations to pursue careers in similar fields. In line with this commitment, in 2024, we achieved 39% female representation in STEM roles and 34% in revenue-generating positions.

39%

Total share of women professionals ✓



50%

Women among new recruits ✓



21%

Women in management positions ✓



23.5%

Share of blue-collar women employees



1.01

Our female employees receive equal pay as their male counterparts in 2024.*

Perspective of Our Stakeholders



Bahtişen AYDIN
Quality Package Sorting Employee
Union Representative

What sets Eczacıbaşı Group apart from other companies is the trust and value it places in its employees. I've witnessed this through the equal opportunities offered across the organization. I truly appreciate the fair and equitable environment where everyone is recognized for their efforts.

As a union representative for the past six years, I've observed how open feedback is encouraged and how senior management genuinely considers the input from employees. This openness has created a culture of respect and dialogue. I also believe the support provided to women is both meaningful and impactful. In my department – Production-2, Quality Package Sorting – 89% of the workforce are women. When I first started, there were very few. Seeing this progress gives me hope and strength every day.

Going forward, I believe we can further empower women through social education programs on topics such as equal opportunity and gender equality. Initiatives like "Women in Forklift" and "Women in Technical Roles" should be expanded, and more efforts should be made to encourage women to become union delegates.

* The scope of the data above is limited to Türkiye operations.

Our Initiatives

At Eczacıbaşı Building Products – Tiles, we continuously carry out internal assessments to identify opportunities for improving women’s representation, especially within our areas of influence.

Reflecting our strong commitment to gender equality and equal opportunity, we have introduced various initiatives to help us reach our inclusion goals and build a more diverse workplace. Looking ahead, we remain committed to fostering a more inclusive, innovative, and equitable world.

In line with our mission to support and empower female engineers, we launched the **VitrA Women Engineers Scholarship Program**. Developed in collaboration with Istanbul Technical University, Yıldız Technical University, and Eskişehir Technical University, the program not only provides financial support but also serves as a platform for encouragement, growth, and inspiration. **In 2024, we awarded scholarships to 10 engineering students from various universities.**

Creating an inclusive and supportive workplace is one of our key priorities. To this end, we conduct job analyses with a focus on the experiences of our female employees, enabling us to proactively identify and address potential challenges.

Within the Eczacıbaşı Group, we have also taken concrete steps to support work-life balance, especially for new parents. We extended paternity leave to three weeks to encourage active fatherhood during early childcare. Additionally, we expanded daycare assistance across all locations to ease access to quality childcare.

To support new mothers, we provide breastfeeding rooms in our facilities, ensuring a smoother transition back to work after maternity leave and promoting their overall well-being.



Our Remuneration Approach

As part of the Eczacıbaşı Group, we are firmly committed to the principle of “equal pay for equal work”. At Eczacıbaşı Building Products-Tiles, we uphold this standard by considering career progression, responsibilities, performance, and market benchmarks to ensure fair and impartial compensation, regardless of gender or personal background.

Our remuneration policy is designed to attract and retain qualified talent while maintaining internal equity and market competitiveness. By fostering motivation and loyalty, it supports both employee satisfaction and company success. We also actively monitor the gender pay gap as a key indicator of our progress toward workplace equality.

Human Rights and Union Rights

As part of the Eczacıbaşı Group, we are committed to upholding a peaceful, safe, equitable, and dignified work environment for all employees. Guided by the Group’s Human Rights Policy—aligned with both national and international standards—we integrate these principles across all our operations and ensure compliance throughout our value chain, including our business partners.

At Eczacıbaşı Building Products – Tiles, we protect employees’ rights to unionize and organize. In collaboration with the Turkish Soil, Ceramics, Cement, and Glass Industry Employers’ Union, we engage in collective bargaining processes that safeguard the rights and well-being of our blue-collar workforce. Currently, the unionization rate across our facilities stands at 73% in Türkiye. When consolidated across our operations in Türkiye, Russia, and Germany, the overall unionization rate is 63%.

Our approach to employment is rooted in ethical conduct and respect for human rights, from recruitment through career progression. We ensure equal opportunities for development and fair, performance-based compensation, supported by additional fringe benefits such as marriage, birth, and death assistance; meals and transport support; technology aid; and parental leave.

We prioritize employee engagement and well-being, especially for working mothers. Our **nursery support program** offers financial assistance for preschool education (0-69 months), enabling better work-life balance and helping women remain active in the workforce.

To strengthen motivation and retention, we also implement a performance-based bonus system in line with the Eczacıbaşı Group’s Total Rewarding Regulation. These practices not only recognize employee contributions but also promote a culture of excellence and sustainable success.



Attracting, Developing and Retaining Talent

We believe that our success depends on cultivating and retaining a motivated, skilled, and future-ready workforce. At the heart of this approach is our strong commitment to continuous learning and self-development. A well-educated, adaptable, and growth-oriented team is essential for aligning with our corporate culture and driving long-term progress.

We invest in the unique talents and potential of each employee through regular and comprehensive training programs. These initiatives keep our workforce informed about evolving industry trends, technologies, and best practices—empowering them to lead innovation and support continuous improvement across our operations.

As with the Eczacıbaşı Group, we prioritize internal career development within Eczacıbaşı Building Products-Tiles. Through regular career development interviews, we engage with employees to understand their aspirations and align their goals with our organizational vision. This approach supports personal growth, enhances job satisfaction, and ensures that we make the most of our diverse talent pool.



Continuous Learning and Development

At Eczacıbaşı Building Products – Tiles, we believe our people are central to creating sustainable value. We are committed to offering a work environment that supports continuous growth and empowers employees to strengthen their skills.

Our goal of building a high-performing team is rooted in a culture that values lifelong learning and self-improvement. To support this, we offer a wide range of learning opportunities tailored to individual development needs. These programs are regularly updated in line with business priorities, employee feedback, industry best practices, and technological advancements, ensuring our teams stay equipped with the most relevant and impactful knowledge.

We provide a broad range of learning opportunities tailored to support each employee's personal development journey. Our training programs are regularly updated to reflect business needs, employee feedback, industry best practices, and emerging technologies—ensuring relevant and high-impact learning. **In 2024, we achieved an average of 32 training hours per employee, with content focused on environment and sustainability, equality and inclusion, and digital transformation-contributing to both individual growth and organizational success.**

At Eczacıbaşı Building Products – Tiles, we view continuous learning as a key driver of both individual and organizational growth. Guided by our commitment to personal development, innovation, and a strong feedback culture, we create diverse learning opportunities that evolve with our business needs and employee expectations. From hands-on training centers to workshops and youth-focused initiatives, we are building a learning ecosystem that empowers our people at every level.



As part of the Eczacıbaşı Group, we also prioritize cultivating a strong feedback culture aligned with our leadership principles. In this context, we conducted **Power of Feedback workshops** at our Bozüyük and Levent locations, engaging non-managerial employees in mixed groups. These sessions aimed to strengthen the practice of constructive feedback across all levels of the organization, promoting open communication and continuous improvement.

Robotics Coding Training Initiative



In February 2024, we organized a robotics coding training program aimed at introducing employees' children to the world of robotics. The goal was to foster their creativity and contribute to the development of new skills. Over the course of three days, 55 children participated in the program, which was conducted in seven different groups.

DOIO Experience and Learning Center



We have inaugurated the DOIO Experience and Learning Center at the Bozüyük Production Plant, comprising 18 stations. This center is designed to significantly contribute to the safety culture among our employees and play a crucial role in their learning processes.

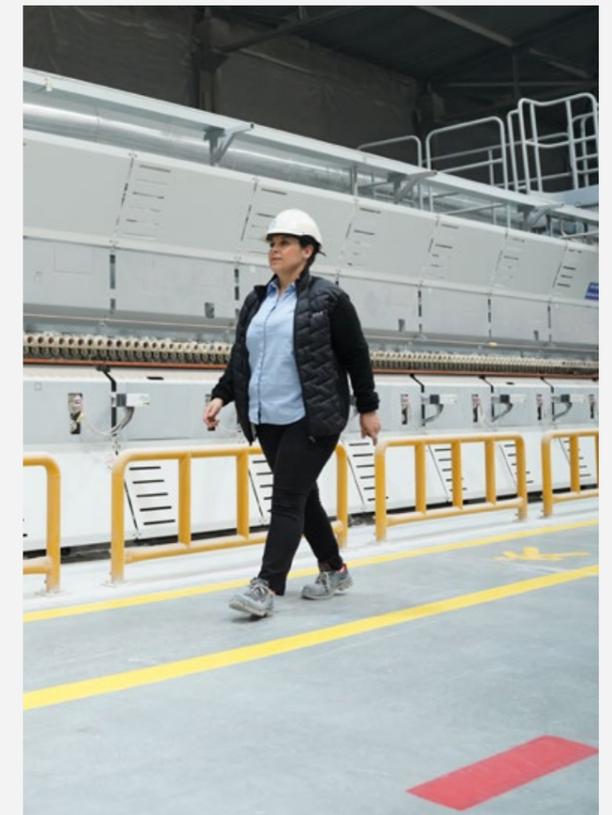
Attracting the Best Talents

In today's competitive landscape, attracting top talent is critical to our long-term strength and sustainability. We believe that building a cohesive, high-performing workforce starts with hiring individuals who reflect our core values. That's why we seek candidates who are aligned with Eczacıbaşı Group's principles, possess strong educational backgrounds, and demonstrate innovation, entrepreneurial spirit, motivation, and a collaborative mindset.

Our recruitment process is grounded in equal opportunity, ensuring that all candidates are assessed fairly—free from discrimination or bias—based solely on their competencies and cultural fit.

We are equally committed to nurturing young talent by offering the tools, opportunities, and environment they need to thrive.

In 2024, we welcomed 38 new colleagues—19 women and 19 men—underscoring our commitment to reaching 50% female representation in new hires.



Performance and Career Development

At Eczacıbaşı Building Products – Tiles, performance management is a key driver in aligning individual efforts with our organizational goals. Guided by the Eczacıbaşı Group’s principles, we view performance management as essential to long-term employee success and sustainable business growth.

We prioritize both personal and professional development through regular performance evaluations and career planning. High-performing employees are recognized and rewarded, while those needing support are offered guidance to help improve their outcomes.

Our **three-phase Performance Management System**—planning, interim review, and year-end evaluation—ensures continuous feedback and timely adjustments. This structured approach promotes a culture of accountability and ongoing improvement.

In 2023, the Eczacıbaşı Group introduced a new set of **Leadership Behaviors** aligned with its strategic priorities, core values, future competencies, and global leadership principles. Developed with input from Group leaders, these behaviors guide how employees approach their roles, teams, and responsibilities.

Training on effective feedback was provided to all management teams, and the behaviors have been embedded into both the **360-degree feedback** and **competency evaluation** processes. The rollout began in Türkiye in November 2023 and internationally in January 2024.

As part of a broader HR transformation, Eczacıbaşı is enhancing its systems to better integrate career development, performance management, and feedback processes through digital tools. The launch of the **Eczacıbaşı People Hub** platform supports this goal, offering employees multilingual, global access to personalized development and career pathways.



Employee Engagement

At Eczacıbaşı Building Products – Tiles, we recognize that employee satisfaction and loyalty are deeply connected and play a vital role in overall engagement.

When employees feel fulfilled and motivated, they are more likely to exceed expectations and perform at their best contributing to higher productivity, better quality of work, and the sustainable growth of our company. That’s why we are committed to cultivating a workplace culture that is fair, respectful, and supportive—where every individual feels valued and empowered to grow.

To meet the diverse expectations of our workforce, we tailor our HR strategies to provide a positive and flexible working environment. We offer three work models—flexible hours, remote work, and hybrid arrangements—designed to support different needs and lifestyles.

By promoting an atmosphere of openness, safety, and mutual respect, we actively involve our employees in decision-making processes and encourage them to share their ideas. This inclusive approach helps us nurture creativity and innovation across the organization.

Health and Well-being

Our main goal is to ensure a healthy and safe workplace that supports employee well-being and promotes both personal and professional growth, leading to sustained high performance and positive business results.

To achieve this, we focus on improving our audit processes and adopting best practices. Although biennial risk assessments are required by law, we exceed this by conducting them annually to proactively identify any risks.

At Eczacıbaşı Building Products - Tiles, we have crafted our **Occupational Health and Safety Policy** in line with the Sustainable Development Goals and Eczacıbaşı Group’s Principles to provide safe environments for our employees, community, and stakeholders, ensuring compliance with all relevant legal requirements.



Health, Safety and Well-being

At Eczacıbaşı Building Products – Tiles, we believe that investing in a healthy and safe work environment is essential to long-term organizational success. A secure workplace not only protects our people but also boosts engagement, motivation, and overall job satisfaction—ultimately driving higher productivity and performance.

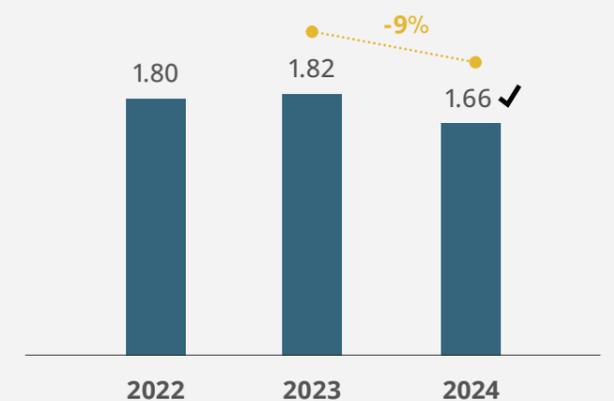
We view the health and well-being of our employees as a core responsibility and stay fully committed to creating and maintaining safe working conditions. By prioritizing their physical and mental well-being, we aim to build a strong foundation for both individual and collective success.

We are proud to have achieved both the **ISO 45001 Occupational Health and Safety Certification** and **Fire Safety Certification**, reflecting our commitment to the highest standards of workplace safety.

As we work toward our ultimate goal of achieving a **net-zero accident rate**, we have established clear, measurable targets to drive continuous improvement across our operations.

During the reporting period, we recorded an overall **Lost Time Incident Rate (LTIR)** of **1.66** ✓, representing a reduction of approximately **9%** compared to the previous year. Furthermore, **Total Recordable Incident Rate (TRIR)** was **2.00** ✓ in 2024.

Lost Time Incident Rate (LTIR)



A cornerstone of our safety strategy is the early identification and elimination of unsafe conditions. In 2022, we established our **OHS Field Observation Team**, and in 2023, this dedicated group—comprising a director, manager, specialist, OHS expert, and occupational physician—continued to conduct **unannounced field inspections** across our sites. These inspections aim to proactively detect and correct any unsafe or inappropriate workplace conditions.

OHS Initiatives

At Eczacıbaşı Building Products – Tiles, we understand that the key to advancing Occupational Health and Safety (OHS) lies in accurately identifying current risks and areas that need improvement. Staying informed about ongoing developments helps us take the right actions at the right time.

For many years, we have carried out regular risk assessments and detailed analyses of workplace accidents to uncover root causes. These insights allow us to take proactive, preventive measures—ensuring a safer and more resilient work environment for all employees.

To promote safer behavior, we implemented a **penalty procedure for contractor employees** at our Bozüyük and BORSAB Production Facilities starting January 1, 2023. This procedure continues to be reviewed and enhanced to ensure effectiveness.

Recognizing that safety extends beyond physical risks, we also launched a **psychological support program** for employees affected by workplace accidents or requiring mental health assistance. As of this reporting period, 256 employees have received support through this initiative.

Understanding our workforce is vital to fostering a strong safety culture. We conducted a study focused on **Generation Z employees**, holding interviews with 35 team members to better understand their expectations and needs. The insights gained were shared with managers and foremen to help align leadership approaches with generational priorities.

As part of **Occupational Health and Safety Week**, we engaged with our wider community by organizing awareness sessions for students at Bozüyük Cumhuriyet Primary School, introducing health and safety concepts from an early age. Within our organization, we launched a series of **monthly OHS conferences** at the Bozüyük facility, featuring external speakers to support our ongoing cultural transformation around safety. We also focused on targeted safety training. At our Bozüyük Production Plant, all forklift operators completed a **Safe Forklift Operation Training** held over four sessions in November 2024, emphasizing best practices and protocols.

Additionally, we advanced our efforts in workplace ergonomics through the implementation of **five safety kaizen projects** at the Bozüyük Production Plant. These initiatives have helped reduce musculoskeletal disorders, eliminated several ergonomic risks, and improved the operational comfort and overall well-being of our employees.

Digitization of Near Miss and Hazard Reporting

Our Occupational Health and Safety (OHS) team has implemented a new system that allows all employees to easily report hazards and near misses using QR codes. This initiative ensures quick communication with relevant personnel and has been communicated through posters for awareness and accessibility.

Community and Social Vitality

“Adding value to communities” is a core principle of the Eczacıbaşı Group. As a member of the Group, we are strongly committed to making a positive and lasting impact in the communities where we operate.

We are committed to creating lasting value for the communities we serve through active engagement, strategic investments, and targeted initiatives.

By fostering strong relationships and supporting sustainable development, we aim to enhance well-being and contribute to long-term prosperity. Our social investments and partnerships are designed to deliver meaningful, positive impacts that extend beyond our core business activities.

Social Investment

At Eczacıbaşı Building Products – Tiles, we are committed to creating sustainable value for society and supporting community progress to promote inclusive and lasting development. Guided by our founding principles, we actively contribute to societal well-being through a range of social initiatives aligned with our sustainability goals.

Women Engineers Scholarship Program



At Vitra Tiles, we take pride in supporting the empowerment of women in all fields. In 2019, we launched the Women Engineers Scholarship Program with the aim of encouraging future female engineers. This program provides support to talented female engineering students throughout their educational journey. Our scholarship recipients are selected from candidates referred by university scholarship coordinators based on our specified criteria. **As of 2024, we are delighted to have contributed to the futures of 10 young female engineering candidates by providing them with scholarships.**





6

Investing in Future

Innovation	118
Innovation	118
Digital Transformation	120
Digital Transformation	120

Report Highlights

A total of **296 digital transformation** training sessions were conducted throughout the reporting year.



5 new patent applications realized.



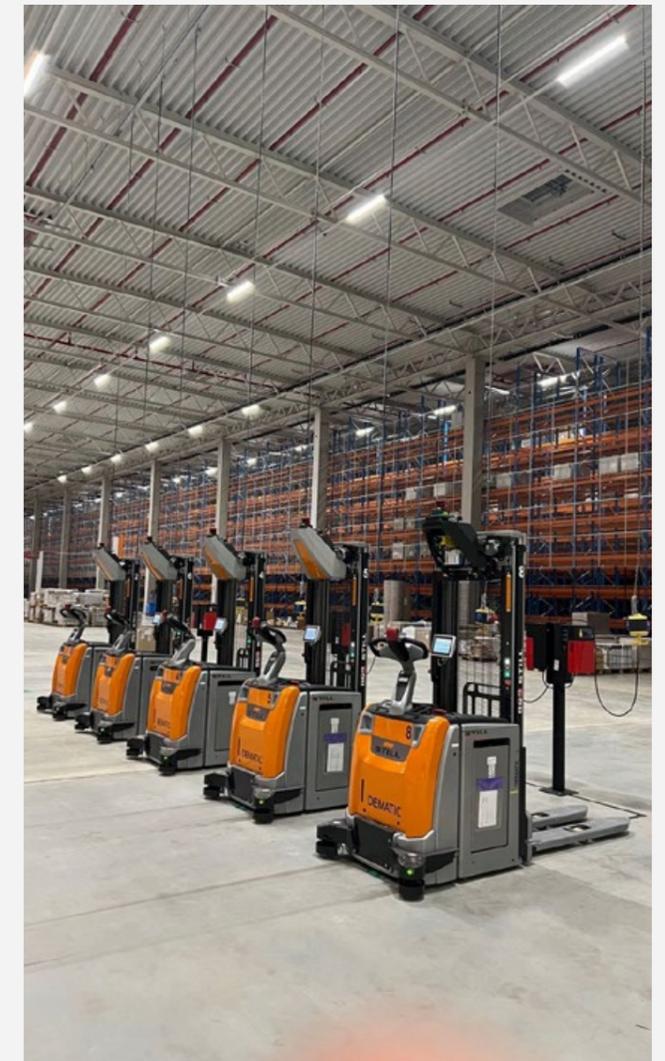
2nd place in the **Manufacturing and Industry-Website** category, awarded by Altın Örümcek Awards.



Artificial Intelligence Applications in Sludge Production Processes project in the **Sustainable AI Applications** category, awarded by Sustainable Business Awards.



We invested **€1.2 million** in R&D in 2024. Throughout the year, we completed **9 value-added digital projects** as part of our digital transformation journey.



Innovation

In our rapidly changing global environment, innovation and an innovative perspective are crucial to foster development and achieve success. By fostering creativity, encouraging problem-solving and promoting advancements across diverse sectors, innovation has become essential for organisations seeking to maintain their competitive edge.

At Eczacıbaşı Building Products - Tiles, we prioritise innovation and support any idea or application that enhances quality of life. By combining our vision of innovation with our people-centric business approach, we create a synergistic environment that fosters creativity and drives progress.



Innovation

At Eczacıbaşı Building Products - Tiles, we are dedicated to elevating and broadening our dedication to innovation. Our primary objective is to create innovative solutions that bring outstanding value at each phase of our value chain. By adopting this approach, we are committed to enhancing and broadening our innovation capabilities, ensuring maintaining our position at the forefront of our industry.

We are dedicated to fostering an environment that encourages the development and implementation of innovative ideas and applications. This commitment enables us to manufacture products that are both innovative and durable, meeting the highest standards of quality

At Eczacıbaşı Building Products - Tiles, we drive innovation through a structured framework that targets **four key elements**, crucial to fostering creativity within our organization. By prioritizing these aspects, we aim to stay at the cutting edge of our industry.



We are committed to the continuous improvement of our products, services and processes to meet the evolving needs of our customers and drive sustainable growth. Furthermore, our approach to innovation is in close alignment with the Eczacıbaşı Group's approach to innovation, which is founded on sensitivity to social issues, commitment to human rights and trust in entrepreneurial endeavour.

By aligning with Eczacıbaşı Group, we are convinced that our efforts not only enhance our growth strategy and long-term competitiveness, but also contribute significantly to the sustainability of our societies by supporting solutions that are:

- **Life oriented**, promoting efficient resource utilization, recycling, and reusing resources. Our focus is on providing essential and comprehensive advantages that contribute to maintain a balance with nature.
- **Health oriented**, enabling all stakeholders to lead healthy, high quality and modern lives.
- **Accessible**, prioritize the user experience and designed to ensure equal access and usability for all.
- **Economy-friendly**, minimize resource consumption and contribute to sustainable economic practices throughout entire economic lifespan.
- **Time saving**, effectively meet the needs of stakeholders without interrupting the natural flow of their daily routines or causing unnecessary time wastage.
- **Smart**, proactively anticipate and mitigate issues, leveraging the full potential of technology to prevent problems before they arise.

Furthermore, we recognize that AI-enabled processes are pivotal in stimulating creativity, fostering collaboration, accelerating progress, and supporting profitability and sustainable growth. With this understanding, we leverage artificial intelligence in our business strategies, maintain awareness of technological advancements and improve our competitive position.

In 2024, our innovation efforts were significantly reinforced by **5 new patents applications**, illustrating our firm commitment to this path. These patents solidify our role in our industry and provide a foundation for developing new products and services that meet evolving market expectations.

Perspective of Our Stakeholders



Murat GÖLCÜ
Tiles Group
Director of Information Technologies

One of the key aspects that sets Eczacıbaşı Tiles Group apart is its ability to combine a strong, established corporate structure with a culture that embraces innovation and transformation. With its leading brands and extensive distribution network across Türkiye and Europe, the company maintains a prominent position in the sector. Its firm commitment to strategic areas such as digitalization, sustainability, and human-centricity clearly differentiates it from competitors.

From an employee experience perspective, transparent communication and accessible leadership stand out as major strengths. Digital learning platforms, mentoring programs, and cultural transformation initiatives all contribute to employee growth and engagement. Cross-functional project teams also foster a sense of belonging and shared success.

Eczacıbaşı's strengths lie in its trust-based, people-oriented corporate culture, its global perspective through operations in Germany, Türkiye, and Russia, and its commitment to digital transformation and innovation.

Looking ahead, sharing the outcomes of cultural transformation projects more broadly across the organization could help boost awareness and ownership. Additionally, expanding hands-on training in digital literacy and change management would further support adaptation to digital initiatives.

Digital Transformation

Digital transformation is reshaping how we operate and deliver value. At Eczacıbaşı Building Products - Tiles, we proactively explore how our business must evolve to embrace this shift. By integrating digital technologies and data across all operations, we aim to unlock innovation and drive meaningful change.

Aligned with the Group's vision, our focus is on delivering digital solutions that efficiently address current challenges while preparing for future demands. With a "today-forward" mindset, we aim to enhance performance, reduce costs, and boost operational efficiency. Our "future-back" perspective ensures readiness for long-term success, recognizing that digital transformation is an ongoing journey.

To this end, we are dedicated to advancing our initiatives and embracing emerging opportunities in a rapidly evolving digital landscape.

Digital Transformation

We are committed to staying ahead of changes in our business environment and taking proactive steps to align with this transformation. As we work toward becoming one of Europe's top 5 ceramic producers, we focus on developing market - responsive products, strengthening promotional strategies, and improving operational efficiency. Strategic pricing and cost management remain key to our adaptability in a dynamic market landscape.

Our commitment to digital transformation drove notable progress in 2024, enhancing operational efficiency and strengthening our market position. These advancements have reinforced our industry standing and better prepared us to navigate future challenges and opportunities.

Our Bozüyük plant is the source of pride for our global leadership and success story in innovation and sustainability as the first and only factory in the ceramic tile sector to be included in the **Global Lighthouse Network** by the World Economic Forum.

We made significant strides in accelerating the digitalization of our business processes by increasing employee awareness around digital transformation. As part of this effort, we conducted a total of **296 digital transformation** training sessions throughout the reporting year. In addition, within our Digital Transformation Training Initiative **24 employees** have completed **84 hours** of a more specialized training. In this regard, the sessions are conducted both online and physically at our Bozüyük and Levent offices, as well as in training classrooms located at various sites.

Training Headlines

Data Awareness Training

Artificial Intelligence Awareness Training

SLP - Leading Digital Transformation

Digital Transformation

Project Management with Scrum

Business Technologist Training

Digitile



As the leading digital transformation initiative of Vitra Tiles, the Digitile project encompasses key elements including **DigiMill, DigiSpray, DigiPress, and DigiPredictive**.

The overarching aim is to reduce energy, raw material, and water usage. Additionally, the project seeks to digitalize expertise, minimize human dependency, and eliminate human error through autonomous AI-driven models and equipment.

As of last year, projects in equipment, software, and AI modeling/data analytics have been carried out entirely using Eczacıbaşı's internal resources. Within this scope, Vitra Tiles' area of responsibility has **expanded by 50% compared** to the previous year, further highlighting its technical depth and strategic contribution to the projects.

In 2024, organizational restructuring with the addition of Digital Transformation Manager and Engineer roles has also been instrumental in advancing the project's objectives.

Awards	Awarded By
"Artificial Intelligence Applications in Sludge Production Processes" project in the Sustainable AI Applications category	Sustainable Business Awards
2 nd place in the "Manufacturing and Industry - Website" category	Altın Ömümcek Awards



DigiMill



The DigiMill Project aims to reduce energy consumption in the raw material grinding and sludge preparation processes at the Bozüyük plant. Utilizing data analysis and predictive models, the project optimizes mill rotation times and material inputs, ensuring efficient operations and high product quality. Real-time monitoring and adaptive adjustments maintain the desired sludge consistency and semi-finished product attributes.

Initiated in 2023 at the “Production 3” facility and expanded to “Production 3.3” in 2024, the project **increased the digitalization rate to 26%**. The planned extension to “Production 1” in 2025 is anticipated to boost this rate to 42%, enhancing digital integration and efficiency further.



DigiPress



Initiated in 2024 and currently under development, the DigiPress project aims to enable tile production with the desired quality and efficiency while consuming fewer resources and less energy.

By extensively utilizing artificial intelligence models and statistical analysis methods, the project is expected to make positive contributions toward sustainability goals.

DigiSpray



The project advances sustainable production with a focus on energy-efficient sludge drying through the use of a spray dryer. By employing automatic measurements and data analysis, we maintain optimal moisture levels and minimize energy use. Fully automated sensors and an AI-driven system monitor quality parameters, providing real-time adjustments and alarm-triggered interventions to maintain standards.

Since its 2023 launch at “Production 3” and 2024 expansion to “Production 3.3”, the project has increased the facility’s digitalization rate to 26%. By 2025, its extension to “Production 1” aims to raise this to 42%. Recent advancements enable AI models to autonomously manage the spray dryer-removing operator reliance, minimizing human error, and preserving operational know-how in digital form.

DigiPredictive



As the first example of our predictive maintenance initiative, the DigiPredictive project completed its Proof of Concept (PoC) phase in 2024.

This digitally managed system utilizes equipment such as vibration, temperature, and pressure sensors to detect faults early. The early warning system helps prevent downtime due to maintenance and minimizes energy and material losses. By indirectly extending equipment lifespan and reducing maintenance costs, the project supports our sustainability objectives.



S/4HANA Project



The Vitra Tiles LLC, Russia S/4HANA Project, a significant milestone in our digital transformation journey, was successfully launched. Accelerated in 2024, the project was completed in four months, significantly enhancing the strength, efficiency, and sustainability of our operations.

What is S/4HANA?

SAP S/4HANA is a next-generation enterprise resource planning (ERP) system designed to streamline business processes, optimize data management, and improve decision-making. Built on SAP’s powerful in-memory database technology, HANA, it processes large volumes of data in real-time, offering companies a faster, more flexible, and integrated management experience.

One of our key projects, implemented by the logistics team, is the Track and Trace Project. This initiative aims to improve operational efficiency and increase customer satisfaction by enhancing shipment visibility and enabling end-to-end tracking. It also seeks to reduce demurrage and detention costs, evaluate supplier performance, and streamline the invoicing process, thereby optimizing logistics operations.

Our **People Hub** project, launched in 2024, represents a significant advancement in HR management by enabling the tracking of all HR processes—recruitment, termination, and HR metrics—across Türkiye, Germany, and Russia. It integrates payroll processes and offers access to comprehensive organizational data, such as organizational charts, simplifying necessary modifications. This new system replaces an older application that struggled to meet dynamic demands, providing robust support for both existing and emerging HR processes.

Furthermore, through the global **Smart Industry Readiness Index (SIRI) - Digital Maturity Assessment** conducted with our affiliate MEXT, we achieved a remarkable **40% increase** in our digital transformation scores over the past eighteen months. Initiatives under the Ministry of Industry and Trade’s “**Digital Transformation Support Program**” are in place to secure a “**Digital Transformation Center**” designation, with completion anticipated in the latter half of 2025. These efforts highlight our commitment to leading in digital transformation and setting a benchmark for excellence in the industry.



7

Annexes

List of Associations, Initiatives and Memberships	126
Awards	127
Performance Indicators	128
Social Performance Indicators	128
Environmental Performance Indicators	132
Technical Glossary	135
GRI Content Index	136
WEF Stakeholder Capitalism Metrics	144
Limited Assurance Report	148
Reporting Principles	152
Greenhouse Gas Verification Statement	157
Info	159

List of Associations, Initiatives and Memberships

Institution
Bozüyük Chamber of Commerce and Industry
Central Anatolian Exporters' Union
Ceramic Research Center
Eskişehir Bilecik Kütahya Ceramics Cluster Association
Istanbul Chamber of Commerce
Istanbul Chamber of Industry
SERKAP (Ceramic Tile Manufacturers Association)
Turkish Çimse-İş Union
Türkiye Toprak, Seramik, Çimento ve Cam Sanayii İşverenleri Sendikası
BKF (Bundesverband Keramische Fliessen) Germany
Cerame-Unie (The European Ceramic Industry Association)
DEİK Türkiye- Foreign Economic Relations Board of Türkiye
Turkish Ceramics Federation
TUSİAD - Turkish Industry and Business Association

Awards

Awards	Awarded By
Sustainable Artificial Intelligence Applications category Artificial Intelligence Applications in Sludge Production Processes	Sustainable Business Awards
Bronze Medal	Ecovadis
2nd prize Production and Industry - Website	Altın Örümcek Awards
Modern Türkiye Architecture with Drawings Press and Publication Award	The Turkish Association of Architects in Private Practice (TAAPP)
1st prize "Company with the Highest Export Unit Price" category Champions of Export Awards	Cement, Glass, Ceramics and Soil Products Exporters' Association,
1st prize "Company Realizing the Most Exports" category Champions of Export Awards	Cement, Glass, Ceramics and Soil Products Exporters' Association
Ceramic Sector Leader	Capital 500
Color 2.0	IF Design

Performance Indicators

Social Performance Indicators*

Workforce by Gender	2022	2023	2024
Total Workforce	1,537	1,585	1,570
Women	354	395	415
Men	1,183	1,190	1,155
White-collar employees	464	487	415
Women	184	196	163
Men	280	291	252
Blue-collar employees	1,073	1,098	1,155
Women	170	199	249
Men	903	899	906
Total Workforce by Contract Type	2022	2023	2024
Employees with indefinite term contract	1,493	1,517	1,467
Women	335	367	407
Men	1,158	1,150	1,060
Employees with fixed term contract	44	68	103
Women	19	28	8
Men	25	40	95
Equal Opportunities	2022	2023	2024
Share of women in STEM positions	22.84%	24.13%	38.55%
Share of women in management positions in revenue generating functions	20.93%	18.42%	34.08%

* Social performance indicators cover only the Türkiye operations of Eczacıbaşı Building Products-Tiles.

Employee Demographics	2022	2023	2024
Total Workforce	1,537	1,585	1,570
White-collar employees	464	487	415
Blue-collar employees	1,073	1,098	1,155
Employees with indefinite term contract	1,493	1,517	1,467
Employees with fixed term contract	44	30	103
Number of employees in the management work family	26	30	47**
Number of non-management employees	438	411	432***
Number of subcontracted employees	78	86	77

Attracting, Developing and Retaining Talent

Employee Training	2022	2023	2024
Average hours of training per employee	24	51	32 ✓
Women	27	66	33
Men	22	42	31

New Recruits	2022	2023	2024
Total number of new employee hires during the year	87	77	73
Women	49	28	37
Men	38	49	36
Under 30 years old	55	27	18
Women	35	10	11
Men	20	17	7
30-50 (including) years old	31	45	43
Women	14	16	18
Men	17	29	25
Over 50 years old	1	5	3
Women	-	2	0
Men	1	3	3

** The value represents Türkiye and Russia operations.

*** The value only covers Türkiye operations and includes interns.

Employees Who Left Work	2022	2023	2024
Total	44	63	73
Women	20	34	30
Men	24	29	43
Under 30 years old	18	14	18
Women	6	11	10
Men	12	3	8
30-50 (including) years old	24	48	51
Women	14	23	18
Men	10	25	33
Over 50 years old	2	1	4
Women	-	-	2
Men	2	1	2
Number of employees who voluntarily left work	36	42	49
Women	18	22	20
Men	18	20	29

Turnover	2022	2023	2024
Employee turnover rate	12%	14%	17%
Voluntary employee turnover rate	9%	10%	9%
Female employee turnover rate	14%	8%	20%

Employees Receiving Regular Performance and Career Development Reviews	2022	2023	2024
Total	421	440	407
Women	165	165	159
Men	256	275	248

Health and Well-being

	2022	2023	2024
Lost Time Incident Rate	1.80	1.82	1.66 ✓

Occupational Health and Safety Training	2022	2023	2024
Total training hours given to employees on OHS (employee*hours)	47,452	28,302	30,624
Number of employees who received training on OHS	3,861	1,780	1,914
Average training hours on OHS	12	16	16

Incidents	2022	2023	2024
Incidents Resulting in Lost Time	37	32	34
Employees	36	31	34
Contractors	1	1	-
Incidents Not Resulting in Lost Time	8	7	43
Employees	8	7	43
Contractors	-	-	-
Total Number of Incidents	45	39	77

* Social performance indicators cover only the Türkiye operations of Eczacıbaşı Building Products-Tiles.

Environmental Performance Indicators

Energy Management

Energy Consumption (MWh)*	2022	2023	2024
Non-renewables	770,897	716,602	771,659
Electricity	19,595	12,267	13,112
Natural Gas	740,798	700,182	755,009
Diesel	3,705	3,532	3,517
LPG/LNG	6799.00	621	21
Renewables	88,875	94,986	104,025
Purchased renewable electricity	88,815	94,030	99,483
Self-generated renewable electricity	60	956	4,542
Total Energy Consumption	859,772	811,588	875,684 ✓

* Energy consumption data has been provided VitrA Tiles, Plitka and Ali Kaya Office.

Energy Consumption (MWh)	2022	2023	2024
Direct energy consumption	751,302	704,335	758,547
Indirect energy consumption	108,471	107,523	117,137
Total Energy Consumption	859,773	811,588	875,684 ✓

Energy Intensity (MWh/per production)*	2022	2023	2024
	1.71	1.67	1.69 ✓

* Since only production activities are carried out at VitrA Tiles and Plitka, only data from these facilities were used in the energy intensity calculation.

Air Pollutant Emissions	Unit	2024
CO ₂	kg/hour	164.95
SO ₂	kg/hour	5.14
NO	kg/hour	10.36
NO ₂	kg/hour	16.69
VOC	kg/hour	0.04577
Dust	kg/hour	35.7
PM10	mg/Nm ³	8.85

Carbon Emissions

Carbon Emissions (tCO ₂ e)	2021	2023	2024
Direct GHG emissions (Scope 1)	168,845	150,262	199,273 ✓
Indirect GHG emissions (Scope 2) (Market Based)*	51,393	4,664	5,085 ✓
Indirect GHG emissions (Scope 2) (Location Based)**	45,761	43,908	48,025 ✓
Scope 3***			224,321

* A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice)

** A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)

*** Operations in Türkiye, Russia, V&B Fliesen, and Vitra Fliesen facilities are included in the Scope 3 emissions calculations.

Scope 3 Sub Categories (tCO ₂ e)	2024
Category 1- Purchased goods and services	82,393
Category 2 - Capital goods	3,385
Category 3 - Fuel- and energy-related activities	30,055
Category 4 - Upstream transportation and distribution	69,458
Category 5 - Waste generated in operations	216
Category 6 - Business travel	342
Category 7 - Employee commuting	423
Category 9 - Downstream transportation-distribution	23,312
Category 12 - End-of-life treatment of sold products	14,739
Total	224,321

Total Carbon Emissions (tCO ₂ e)	2021	2024
Total Scope 1 & 2 Emissions (Market Based)	220,238	204,358 ✓
Total Scope 1 & 2 Emissions (Location Based)	214,606	247,298 ✓

Carbon Emission Intensity (tCO ₂ e / ton product)	2021 (Base year)	2023	2024
Carbon Emission Intensity (tCO ₂ e / ton product)	0.42	0.32	0.40 ✓

Electricity Usage (MWh)	2024
Purchased renewable electricity	99,483
Grid electricity	13,112
Self generated renewable electricity	4,542

Circular Economy

Material Use (ton)	2022	2023	2024
Raw materials	706,999	542,031	561,782
Packaging Materials	16,039	4,554	12,584
Auxiliary Materials	10,713	11,368	12,943
Total Material Use	733,751.00	557,953.00	587,308.88

Water Management

Water Withdrawal (m ³)	2022	2023	2024
Municipal water	229,140	148,584	218,800
Ground water	229,336	242,262	181,946
Total	458,476	390,846	400,746 ✓

Water Intensity (m ³ /ton of product)	2022	2023	2024
	0.91	0.80	0.77 ✓

Waste Management

Waste by Type and Disposal Method (ton)	2024
Hazardous Waste	52.72
recycled/reused	52.7
disposed	0.02
Non-Hazardous Waste	43,649.72
recycled/reused	26,433.09
disposed	17,216.63
Total Waste Amount	43,702 ✓

Waste Results (ton)	2022	2023	2024
Waste recycled	15,047	19,503	26,486 ✓
Waste disposal	31,331	20,977	17,217 ✓
Total Waste Amount	46,378	40,480	43,702 ✓

Technical Glossary

Term	Explanation
EFRAG	European Financial Reporting Advisory Group
ESRS	European Sustainability Reporting Standards
Frit production	A glassy material made by melting raw materials together and rapidly cooling them to form a granular or powdered substance.
IRO	Impacts, Risks & Opportunities
Kaolin	A white, soft clay primarily composed of the mineral kaolinite (Al ₂ Si ₂ O ₅ (OH) ₄).
Kiln	A high-temperature furnace used to fire (bake) ceramic or porcelain tiles, making them hard, durable, and water-resistant.
Scope 1 Emissions	Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).
Scope 2 Emissions	Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.
Scope 3 Emissions	The result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain
Sludge	A semi-liquid waste byproduct generated during the manufacturing process of ceramic or porcelain tiles.
Zircon	A white, high-performance mineral widely used in ceramic tile manufacturing, especially for its whitening, opacifying, and thermal properties.

GRI Content Index



For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

Statement of Use:	Eczacıbaşı Building Products – Tiles has reported in accordance with the GRI Standards for the period between 1 January 2024 and 31 December 2024.	
GRI 1 Use:	GRI 1: Foundation 2021	
Applicable GRI Sector Standard(s):	-	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Overview of Eczacıbaşı Building Products -Tiles, page 10-11 Organizational Structure, Brands and Products, page 12-13
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 4-5
	2-3 Reporting period, frequency and contact point	About the Report, page 4-5; Info, page 159
	2-4 Restatements of information	About the Report, page 4-5; Info, page 159
	2-5 External assurance	Limited Assurance Report, page 149
	2-6 Activities, value chain and other business relationships	Organizational Structure, Brands and Products, page 12-15; Our Value-Creating Business Model, page 30-35
	2-7 Employees	Equal, Diverse and Inclusive Workplace, page 104-110
	2-8 Workers who are not employees	Equal, Diverse and Inclusive Workplace, page 104-110
	2-9 Governance structure and composition	Governance Approach, page 58-63
	2-10 Nomination and selection of the highest governance body	Governance Approach, page 58-63
	2-11 Chair of the highest governance body	Governance Approach, page 58-63
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Approach, page 58-63
	2-13 Delegation of responsibility for managing impacts	Governance Approach, page 58-63

GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, page 63
	2-15 Conflicts of interest	Governance Approach, page 58-63
	2-16 Communication of critical concerns	Governance Approach, page 58-63
	2-17 Collective knowledge of the highest governance body	Governance Approach, page 58-63
	2-18 Evaluation of the performance of the highest governance body	Governance Approach, page 58-63
	2-19 Remuneration policies	Governance Approach, page 58-63; Equal, Diverse and Inclusive Workplace, page 106
	2-20 Process to determine remuneration	Governance Approach, page 58-63; Equal, Diverse and Inclusive Workplace, page 106
	2-21 Annual total compensation ratio	Governance Approach, page 58-63
	2-22 Statement on sustainable development strategy	Message from the CEO, page 6-7; Sustainability at Eczacıbaşı Building Products -Tiles, page 36-37
	2-23 Policy commitments	Message from the CEO, page 6-7; Sustainability at Eczacıbaşı Building Products -Tiles, page 36-37
	2-24 Embedding policy commitments	Message from the CEO, page 6-7; Sustainability at Eczacıbaşı Building Products -Tiles, page 36-37
	2-25 Processes to remediate negative impacts	Ethics and Compliance, page 72-73
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance, page 72-73
2-27 Compliance with laws and regulations	Ethics and Compliance, page 72-73	
2-28 Membership associations	Double Materiality, page 38-41	
2-29 Approach to stakeholder engagement	Double Materiality, page 38-41	
2-30 Collective bargaining agreements	Double Materiality, page 38-41	

Material Topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality, page 38-41
	3-2 List of material topics	Double Materiality, page 38-41

Climate Change Mitigation & Climate Change Adaptation

GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41, Energy Management and Carbon Emissions, page 87-91
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management and Carbon Emissions, page 87-91
	302-2 Energy consumption outside of the organization	Energy Management and Carbon Emissions, page 87-91
	302-3 Energy intensity	Energy Management and Carbon Emissions, page 87-91
	302-4 Reduction of energy consumption	Energy Management and Carbon Emissions, page 87-91
	302-5 Reductions in energy requirements of products and services	Energy Management and Carbon Emissions, page 87-91
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Management and Carbon Emissions, page 87-91, Environmental Performance Indicators, page 132-134
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Management and Carbon Emissions, page 87-91, Environmental Performance Indicators, page 132-134
	305-3 Other indirect (Scope 3) GHG emissions	Energy Management and Carbon Emissions, page 87-91, Environmental Performance Indicators, page 132-134
	305-4 GHG emissions intensity	Energy Management and Carbon Emissions, page 87-91
	305-5 Reduction of GHG emissions	Energy Management and Carbon Emissions, page 87-91

Energy

GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41, Energy Management and Carbon Emissions, page 87-91
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management and Carbon Emissions, page 87-91, Environmental Performance Indicators, page 132-134
	302-2 Energy consumption outside of the organization	Energy Management and Carbon Emissions, page 87-91
	302-3 Energy intensity	Energy Management and Carbon Emissions, page 87-91, Environmental Performance Indicators, page 132-134
	302-4 Reduction of energy consumption	Energy Management and Carbon Emissions, page 87-91
	302-5 Reductions in energy requirements of products and services	Energy Management and Carbon Emissions, page 87-91

Water Management

GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Water Management, page 92-93
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, page 92-93
	303-2 Management of water discharge-related impacts	Water Management, page 92-93
	303-3 Water withdrawal	Water Management, page 92-93, Environmental Performance Indicators, page 132-134
	303-5 Water consumption	Water Management, page 92-93

Responsible Procurement

GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Responsible Procurement, page 94
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Resource Management and Responsible Procurement, page 94

Waste Management and Circular Economy

GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Waste Management, page 99; Circular Economy, page 94-99
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, page 99
	306-2 Management of significant waste-related impacts	Waste Management, page 99
	306-3 Waste generated	Waste Management, page 99, Environmental Performance Indicators, page 132-134
	306-4 Waste diverted from disposal	Waste Management, page 99, Environmental Performance Indicators, page 132-134
	306-5 Waste directed to disposal	Waste Management, page 99, Environmental Performance Indicators, page 132-134

Equality, Diversity and Inclusion

GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Attracting, Developing and Retaining Talent, page 108-110, Social Performance Indicators, page 128-131
	404-2 Programs for upgrading employee skills and transition assistance programs	Attracting, Developing and Retaining Talent, page 108-110
	404-3 Percentage of employees receiving regular performance and career development reviews	Attracting, Developing and Retaining Talent, page 108-110
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance Approach, page 58-63
	405-2 Ratio of basic salary and remuneration of women to men	Equal, Diverse and Inclusive Workplace, page 104-110
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110

Working Conditions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Health, Safety and Wellbeing, page 111-112
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Attracting, Developing and Retaining Talent, page 108-110, Social Performance Indicators, page 128-131
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees”	Equal, Diverse and Inclusive Workplace, page 104-110
	401-3 Parental leave	Equal, Diverse and Inclusive Workplace, page 104-110
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health, Safety and Wellbeing, page 111-112 https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL_001_%.C4%.B0%.C5%.9F%.20Sa%.C4%.9FI%.C4%.B1%.C4%.9F%.C4%.B1%.20ve%.20G%.C3%.BCvenli%.C4%.9Fi%.20politikas%.C4%.B1_Rev04.pdf
	403-2 Hazard identification, risk assessment, and incident investigation	Health, Safety and Wellbeing, page 111-112 https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL_001_%.C4%.B0%.C5%.9F%.20Sa%.C4%.9FI%.C4%.B1%.C4%.9F%.C4%.B1%.20ve%.20G%.C3%.BCvenli%.C4%.9Fi%.20politikas%.C4%.B1_Rev04.pdf
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health, Safety and Wellbeing, page 111-112 https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL_001_%.C4%.B0%.C5%.9F%.20Sa%.C4%.9FI%.C4%.B1%.C4%.9F%.C4%.B1%.20ve%.20G%.C3%.BCvenli%.C4%.9Fi%.20politikas%.C4%.B1_Rev04.pdf
	403-5 Worker training on occupational health and safety	Health, Safety and Wellbeing, page 111-112 https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL_001_%.C4%.B0%.C5%.9F%.20Sa%.C4%.9FI%.C4%.B1%.C4%.9F%.C4%.B1%.20ve%.20G%.C3%.BCvenli%.C4%.9Fi%.20politikas%.C4%.B1_Rev04.pdf
	403-6 Promotion of worker health	Health, Safety and Wellbeing, page 111-112 https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL_001_%.C4%.B0%.C5%.9F%.20Sa%.C4%.9FI%.C4%.B1%.C4%.9F%.C4%.B1%.20ve%.20G%.C3%.BCvenli%.C4%.9Fi%.20politikas%.C4%.B1_Rev04.pdf
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety and Wellbeing, page 111-112 https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL_001_%.C4%.B0%.C5%.9F%.20Sa%.C4%.9FI%.C4%.B1%.C4%.9F%.C4%.B1%.20ve%.20G%.C3%.BCvenli%.C4%.9Fi%.20politikas%.C4%.B1_Rev04.pdf
	403-8 Workers covered by an occupational health and safety management system	Health, Safety and Wellbeing, page 111-112 https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL_001_%.C4%.B0%.C5%.9F%.20Sa%.C4%.9FI%.C4%.B1%.C4%.9F%.C4%.B1%.20ve%.20G%.C3%.BCvenli%.C4%.9Fi%.20politikas%.C4%.B1_Rev04.pdf
	403-9 Work-related injuries	Health, Safety and Wellbeing, page 111-112

Human Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Eczacıbaşı Code of Conduct: https://www.eczacibasi.com.tr/assets/code-of-conduct-english-1718371073.pdf , Equal, Diverse and Inclusive Workplace, page 104-110
	205-2 Communication and training about anti-corruption policies and procedure	Equal, Diverse and Inclusive Workplace, page 104-110; Business Ethics and Legal Compliance, page 72-73
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Legal Compliance, page 72-73
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance Approach, page 58-63
	405-2 Ratio of basic salary and remuneration of women to men	Equal, Diverse and Inclusive Workplace, page 104-110
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110

Relations with Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Community and Social Vitality, page 113-115; Social Investment, page 115
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community and Social Vitality, page 113-115; Social Investment, page 115
	413-2 Operations with significant actual and potential negative impacts on local communities	Community and Social Vitality, page 113-115; Social Investment, page 115
Business Ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Business Ethics and Legal Compliance, page 72-73
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Eczacıbaşı Code of Conduct: https://www.eczacibasi.com.tr/assets/code-of-conduct-english-1718371073.pdf , Equal, Diverse and Inclusive Workplace, page 104-110
	205-2 Communication and training about anti-corruption policies and procedure	Equal, Diverse and Inclusive Workplace, page 104-110; Business Ethics and Legal Compliance, page 72-73
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Ethics and Legal Compliance, page 72-73; Equal, Diverse and Inclusive Workplace, page 104-110

Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Innovation, page 118-119
Product Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41; Product Responsibility, page 95-98
Access to Information		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41, Cybersecurity, page 71
Organizational Culture		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41, Ethics and Compliance, page 72-73
Environmental Pollution		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41,
Conservation of Nature		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41,
Development of Feedback Channels		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41, Stakeholder Relations, page 48-55
Responsible Marketing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality, page 38-41, Supply Chain Management, page 74-75, Product Responsibility, page 95-98

WEF Stakeholder Capitalism Metrics

Pillar	Core Metrics and Disclosures	Description	References
Principles of Governance			
Governing purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Message from the CEO, page 6-7
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Governance Approach, page 58-63
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.	Double Materiality, page 38-41
Ethical behavior	Anti-Corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures	Business Ethics and Legal Compliance, page 72-73
		a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years;	
		b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.	
	2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.		
Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for:		Business Ethics and Legal Compliance, page 72-73
	1. Seeking advice about ethical and lawful behavior and organizational integrity;		
	2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.		

Risk and opportunity oversight	Integrating Risk and Opportunity into Business Process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Risk Management, page 64-71
Planet			
Climate Change	Greenhouse Gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions.	Energy Management and Carbon Emissions, page 87-91
		Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Scope 1 and Scope 2 and emissions are calculated and reported annually. Also, we calculated Scope 3 emissions in 2024.
Nature Loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in/ or adjacent to protected areas and/or key biodiversity areas (KBA).	We do not have an operational center located in protected areas, especially RAMSAR areas.
Freshwater Availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megaliters of water withdrawn, megaliters of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.	Water Management, page 92-93
		Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	

People			
Dignity and Equality	Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity	Equal, Diverse and Inclusive Workplace, page 104-110
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Equal, Diverse and Inclusive Workplace, page 104-110
	Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage.	Equal, Diverse and Inclusive Workplace, page 104-110
		Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	
Risk for incidents of child, forced or compulsory labor	An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Risk Management, page 64-71 Supply Chain Management, page 74-75	
Skills for the future	Training provided	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).	Attracting, Developing and Retaining Talent, page 108-110
		Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Health, Safety and Wellbeing, page 111-112
Health and Wellbeing	Health and safety (%)	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	Health, Safety and Wellbeing, page 111-112
		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.	https://storage-vitra.mncdn.com/vitra/tr/document/Politikalar/OHSPOL.001-İş%20Sağlığı%20ve%20Güvenliği%20politikası_Rev04.pdf

Prosperity			
Employment and wealth generation	Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.	Attracting, Developing and Retaining Talent, page 108-110
		2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Attracting, Developing and Retaining Talent, page 108-110
	Economic Contribution	1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organisation's global operations, ideally split out by: - Revenues - Operating costs - Employee wages and benefits - Payments to providers of capital - Payments to government - Community investment	Economic and Financial Performance, page 76-77
		2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	In the reporting year, 24.450.284,00 TL government support was received within the scope of Social Security Institution, incentives to prevent work accidents and Turquality.
Financial investment contribution	Total R&D expenses (\$)	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	Economic and Financial Performance, page 76-77
		2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	
Innovation of better products and services	Total R&D expenses (\$)	Total costs related to research and development.	-
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	No corporate tax was paid in the reporting year.

Limited Assurance Report

GRI 2-5

GRI 2-5

VİTRA KARO SANAYİ VE TİCARET A.Ş. LIMITED ASSURANCE REPORT

Limited Assurance Report to the Board of Directors of Vitra Karo Sanayi ve Ticaret A.Ş.

We have been engaged by the Board of Directors of Vitra Karo Sanayi ve Ticaret A.Ş. (the “Company”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Eczacıbaşı Building Products - Tiles Integrated Sustainability Report 2024 (the “Integrated Sustainability Report 2024”) for the year ended 31 December 2024 and listed below.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company’s Selected Information for the year ended 31 December 2024, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Scope and Criteria of Assurance Engagement

We have been engaged to perform a limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410, on whether the Selected Sustainability Information listed below (the “Selected Information”) in the Company’s Integrated Sustainability Report for the year ended 31 December 2024 (the “2024 Sustainability Report”) has been prepared in accordance with the principles set out in the Reporting Guidance section of the Integrated Sustainability Report.

Selected Information

We have been engaged by the Company to perform limited assurance procedures on the accuracy of the following key performance indicators included in the 2024 Integrated Sustainability Report for the year ended 31 December 2024. The scope of the indicators subject to limited assurance procedures and marked with an ✓ of the 2024 Integrated Sustainability Report for the year ended 31 December 2024 is as follows:

Environmental Indicators

- Total carbon emissions (tCO₂e) (location-based)
- Total carbon emissions (tCO₂e) (market-based)
- Scope 1 (direct GHG emissions) (tCO₂e)
- Scope 2 – Location Based (indirect GHG emissions) (tCO₂e)
- Scope 2 – Market Based (indirect GHG emissions) (tCO₂e)
- Carbon intensity (tCO₂e/ton)
- Total energy consumption (MWh)
- Share of own-generated renewable electricity (%)
- Share of renewable electricity consumed (%)
- Energy intensity (MWh/ton)

- Share of own-generated renewable electricity in Türkiye (%)
- Share of renewable electricity consumed in Türkiye (%)
- Production amount (Ton)
- Share of recycled waste (%)
- Total waste disposed (ton)
- Total recycled waste (ton)
- Total waste amount (ton)
- Total freshwater withdrawal (thousand m³)
- Water intensity (m³/ton)

Social Indicators

- Training hours per employee (#)
- Women among new recruits (%)
- Total share of women professionals (%)
- Women in management positions (%)
- Lost time incident rate
- Total recordable incident rate

Our assurance was with respect to the year ended 31 December 2024 information only and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with “✓” in the Integrated Sustainability Report 2024 and, any other elements included in the Integrated Sustainability Report 2024 and, therefore, do not express any conclusion thereon.

Responsibilities of Management

The Management is responsible for the preparation, accuracy and completeness of the sustainability information and statements in the report. The Company executives are responsible for setting the Company’s sustainability goals, establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Responsibilities of the Auditor

Our responsibility is to reach a conclusion on the Selected Information based on our procedures. We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) on “Assurance Engagements Other than Independent Audits” and, in respect of greenhouse gas emissions, ISAE 3410, “Assurance Engagements on Greenhouse Gas Statements”. The nature, timing and extent of the procedures performed in a limited assurance engagement are limited compared to those required in a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower.

GRI 2-5

GRI 2-5

Our Independence and Competence

We comply with the independence and other ethical provisions of the Code of Ethics for Accounting Professionals published by the International Ethics Standards Board for Accounting Professionals, which sets out the basic principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply the International Standard for Quality Management 1 (ISQM 1) and accordingly maintain a robust system of quality control, including policies and procedures that document compliance with relevant ethical and professional standards and requirements in laws or regulations.

Inherent Limitations

All assurance engagements have inherent limitations due to the selective testing of the information under review. Fraud, error or non-compliance may therefore occur and not be detected. In addition, non-financial information, such as non-financial information contained in reporting documents, is subject to more structural limitations than financial information, given the nature and methods used to identify, calculate and sample or estimate such information.

Our assurance engagement provides limited assurance as defined in ISAE 3000 (Revised) and ISAE 3410. The procedures performed as part of a limited assurance engagement differ in nature and timing - and to a lesser extent - from a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore significantly narrower than the scope of a reasonable assurance engagement.

Our Key Assurance Procedures

We conducted limited assurance on the accuracy of the selected key performance indicators specified above in the section "Selected Information" related to the period of 2024 and included into the Report.

To achieve limited assurance, the ISAE 3000 (Revised) and ISAE 3410 require that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.

To draw our conclusions, We undertook the following procedures:

- Analyzed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation, and reporting processes of the selected key performance indicators;
- Performed on-site observations to evaluate the Company's data collection methods, source data, and operational processes (The selected site was determined based on its size and significance within the Company's operations. Our procedures did not include testing the information systems used for collecting and consolidating facility data or the controls at these sites.);
- Conducted interviews with employees of the Company responsible for sustainability performance, policies and corresponding reporting;

- Conducted selective substantive testing to confirm the accuracy of received data to the selected key performance indicators;
- Made enquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management relevant to the identification, management, and reporting of sustainability issues;
- Evaluated the source data used to prepare the Selected Information and reperformed selected examples of calculation;
- Undertook analytical procedures over the reported data;

and We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist the Board of Directors in reporting on the Company's performance and activities related to the Selected Information. We permit the disclosure of this report within the Integrated Sustainability Report 2024 for the year ended 31 December 2024; to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Company as a body and Company for our work or this report saves where terms are expressly agreed and with our prior consent in writing.

**RSM Turkey Uluslararası Bağımsız Denetim Anonim Şirketi
Member of RSM International**

Özgür Çekil
Partner

İstanbul, 2 September 2025

Reporting Principles

VitrA Karo Sanayi ve Ticaret A.Ş. Reporting Principles

This reporting principles (the “Reporting Principles”) provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the VitrA Tiles Industry and Trade Co’s (the “Company”) Eczacıbaşı Building Products – Tiles Integrated Sustainability Report 2024 (the “Integrated Sustainability Report 2024”).

The indicators include social indicators (Educational Programs/Trainings, Equal Opportunity, and Occupational Health and Safety) and environmental indicators (Carbon, Production, Water, Waste Management, Energy). It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned below in line with, in all material respects, the principles. The information contained in these principles covers the financial year ending December 31, 2024 and the relevant operations in Türkiye and abroad (Russia, Germany) for which Company is responsible, as detailed in the “Key Definitions, Scope of Reporting, and Preparation of the Data” section.

Reporting Principles includes these companies (offices and facilities) of VitrA Tiles (VitrA Tiles, Türkiye, VitrA Tiles LLC, Russia, Villeroy Boch Fliesen GmbH, Germany, VitrA Fliesen GmbH & Co.KG, Germany).

Share of women in employment, share of women among new recruits, and share of women in management positions only include white-collar employees at the Türkiye locations of the Company.

“Training Hours per Employee,” covering the Company’s white-collar employees at its Türkiye locations. VitrA Tiles LLC, Russia educational programs/trainings data is not included in the calculations.

Key Definitions, Scope of Reporting, and Preparation of the Data

For this report, the Company makes the following definitions:

KPI	Indicator	Definition	Formula
Carbon	Total carbon emissions (tCO ₂ e) (location-based)	It reflects the total Scope 1 and Scope 2 greenhouse gas emissions arising from the organization’s activities. It includes Scope 1 emissions (direct emissions from sources owned or controlled by the organization) and Scope 2 emissions (indirect emissions associated with the generation of purchased electricity, heating, and cooling consumed by the organization). Scope 2 emissions are calculated using the location-based methodology, based on the average emission factors of the electricity grid.	Scope 1 emissions (tCO ₂ e) + Scope 2 emissions (tCO ₂ e) – location-based

KPI	Indicator	Definition	Formula
Carbon	Total carbon emissions (tCO ₂ e) (market-based)	It reflects the total greenhouse gas emissions arising from the organization’s activities. It includes Scope 1 emissions (direct emissions from sources owned or controlled by the organization) and Scope 2 emissions (indirect emissions associated with the generation of purchased electricity, heating, and cooling consumed by the organization). Scope 2 emissions are calculated using the market-based methodology, considering renewable energy certificates.	Scope 1 emissions (tCO ₂ e) + Scope 2 emissions (tCO ₂ e) – market-based
Carbon	Scope 1 (direct GHG emissions) (tCO ₂ e)	In the reporting period, this refers to greenhouse gas emissions generated by the Company’s consumption of energy sources such as natural gas, LPG, diesel fuel, fuel oil, and gasoline, as well as the use of refrigerant gases and fire extinguishers. The Company calculates its greenhouse gas emissions in accordance with the standard ‘TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Establishment Level Guidance and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and The GHG Protocol’. Scope 1 greenhouse gas is reported in tCO ₂ e on a consolidated basis.	Activity data x Emission factor EF: Natural gas: 1.938365 kg CO ₂ eq/m ³ ; LPG: 2.880231 kg CO ₂ eq/kg; Diesel: 2.633518 kg CO ₂ eq/L; CO ₂ : 1 kg CO ₂ e; HCF227ea: 3,600 kg CO ₂ e; R410A: 2,255.5 kg CO ₂ e; R407C: 1,908 kg CO ₂ e; R134A: 1,530 kg CO ₂ e; R22: 1,960 kg CO ₂ e; R32: 771 kg CO ₂ e
Carbon	Scope 2 – Location Based (indirect GHG emissions) (tCO ₂ e)	In the reporting period, this refers to greenhouse gas emissions arising from the use of purchased electricity. The Company calculates its greenhouse gas emissions in accordance with the standard ‘TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Establishment Level Guidance and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and The GHG Protocol’. Scope 2 (location based) greenhouse gas is reported in tCO ₂ e on a consolidated basis.	Activity data x Emission factor The electricity EFs are taken from IEA2023ED.
Carbon	Scope 2 – Market Based (indirect GHG emissions) (tCO ₂ e)	In the reporting period, it refers to greenhouse gas emissions from electricity purchased which is not certified with a renewable energy certificate (I-REC, YEK-G, etc.) or obtained from renewable sources. The Company calculates its greenhouse gas emissions in accordance with the standard ‘TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Establishment Level Guidance and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and The GHG Protocol’. Scope 2 (market based) greenhouse gas is reported in tCO ₂ e on a consolidated basis.	Activity data x Emission factor Electricity (renewable energy): 0 kg CO ₂ e /unit
Carbon	Carbon intensity (tCO ₂ e/ton)	In the reporting period, it represents the ratio of the Company’s total Scope 1 and Scope 2 emissions to its total production volume (measured in tons).	(Scope 1 emissions (tCO ₂ e) + Scope 2 emissions (market-based) (tCO ₂ e))/ton

KPI	Indicator	Definition	Formula
Educational Programs / Trainings	Training hours per employee (#)	In the reporting period, it refers to the ratio of total training hours attended by Company employees to the average number of employees annually, which is monitored through the training tracking platform of Human Resources belonging to Company.	Total training hours / Average number of employees per year
Energy	Total energy consumption (MWh)	In the reporting period, it refers to the total amount of energy consumption by the Company which is monitored monthly and invoiced by the service provider institutions. Energy consumption data includes electricity, natural gas, diesel, LPG, LNG consumption.	Total electricity + natural gas + diesel + LPG/LNG
Energy	Share of own-generated renewable electricity (%)	In the reporting year, it represents the percentage share of renewable electricity generated by the organization's own facilities within the total electricity consumption.	Total renewable electricity produced from own resources / Total electricity consumption
Energy	Share of renewable electricity consumed (%)	In the reporting period, it represents the share of renewable electricity generated and purchased within the total electricity consumption.	Total renewable electricity produced from own resources + purchased renewable electricity / Total electricity consumption
Energy	Energy Intensity (MWh/ton)	In the reporting period, it represents the ratio of the Company's total energy consumption to its total production volume (measured in tons).	Total energy consumption (MWh) / Total production amount (tons)
Energy	Share of own-generated renewable electricity in Türkiye (%)	In the reporting period, this indicator refers to the percentage share of electricity generated in the Company's own renewable energy plants located in Türkiye, within the total electricity consumption in Türkiye.	Electricity generated from own renewable sources in Türkiye / Total electricity consumption in Türkiye
Energy	Share of renewable electricity consumed in Türkiye (%)	In the reporting period, this indicator refers to the percentage share of renewable electricity generated and procured by the Company in Türkiye, within the total electricity consumption in Türkiye.	(Electricity generated from own renewable sources in Türkiye + Renewable electricity purchased in Türkiye) / Total electricity consumption in Türkiye
Equal Opportunity	Women among new recruits (%)	In the reporting period, it refers to ratio of women to total employee number hired by the Company and declared to the Social Security Institution with the Employment Declaration. It covers data on white-collar employees working in Türkiye.	Number of white-collar women employees in recruitment / Total number of employees
Equal Opportunity	Total share of women professionals (%)	In the reporting period, it refers to the ratio of women to total employee number, who were monitored through Eczacıbaşı Human Resources data platform and who were reported to the Social Security Institution. It covers data on white-collar employees working in Türkiye.	Number of white-collar women employees / Total number of employees

KPI	Indicator	Definition	Formula
Equal Opportunity	Women in management positions (%)	In the reporting period, the ratio of the number of women employees at the managerial levels of the Company, including Manager, Director, Senior Management managers to the Total Number of Employees. It covers data on white-collar employees working in Türkiye.	Number of white-collar women in managerial position / Total number of employees in managerial position
Occupational Health and Safety	Lost time incident rate	In the reporting period, it refers to frequency of work-related injuries that result in the employee being unable to work for a full calendar day or more following the incident.	(Lost Time Incident Quantity x 200.000) / Total Manhours
Occupational Health and Safety	Total recordable incident rate	In the reporting period, it refers to the total of all incidents resulting in Fatal Incident, Lost Time Injury (LTI), Medical Treatment Injury (MTI), Occupational Illness (Confirmed) (OOI), and Restricted Work Injury (RWI).	(Total Recordable Incident Quantity x 200.000) / Total Manhours
Production	Production amount (ton)	In the reporting period, it refers to the total production volume carried out by the company.	Total production quantity
Waste Management	Share of recycled waste (%)	In the reporting period, it refers the ratio of the waste that is recovered and recycled by the Company, followed up with the waste declarations and declared to the State, to the total amount of waste	Total amount of recycled waste / Total amount of waste
Waste Management	Total waste disposed (ton)	In the reporting period, it refers to the amount of waste disposed by the Company, tracked by waste declarations and declared to the Government.	Total amount of waste disposed
Waste Management	Total recycled waste (ton)	In the reporting period, it refers to the amount of waste recycled and recovered by the Company, tracked by waste declarations and declared to the Government.	Total amount of recycled waste
Waste Management	Total waste amount (ton)	In the reporting period, it refers to the total amount of waste disposed of and recovered by the company during the reporting period.	Total waste amount
Water	Total water withdrawal (thousand m ³)	In the reporting period, it refers to the total amount of municipal water withdrawn, which is monitored through invoices received from service providers, as well as groundwater, surface water, and rainwater withdrawn, which is monitored by meters.	Total municipal water withdrawal + total ground water withdrawal + total surface water withdrawal + total rain water withdrawal
Water	Water intensity (m ³ /ton)	In the reporting period, it represents the ratio of the Company's total water withdrawal to its total production volume (measured in tons).	Total water withdrawal (m ³) / Total production amount (tons)

Indicators

The data for 2024 are as follows:

Indicators	Data
Total carbon emissions (tCO ₂ e) (location-based)	247,298
Total carbon emissions (tCO ₂ e/ton) (market-based)	204,358
Scope 1 (tCO ₂ e)	199,273
Scope 2 – Location Based (tCO ₂ e/ton)	5,085
Scope 2 – Market Based (tCO ₂ e/ton)	48,025
Carbon intensity (tCO ₂ e/ton)	0,40
Production amount (ton)	517,071
Total energy consumption (MWh)	875,684
Share of own-generated renewable electricity in Türkiye (%)	4%
Share of renewable electricity consumed (%)	89%
Share of renewable electricity consumed in Türkiye (%)	100%
Total waste amount (ton)	43,702
Share of recycled waste (%)	61%
Total waste disposed (ton)	17,217
Total recycled waste (ton)	26,486
Total freshwater withdrawal (thousand m ³)	401
Energy intensity (MWh/ton)	1.69
Water intensity (m ³ /ton)	0.77
Lost Time Incident Rate (LTIR)	1.66
Total Recordable Incident Rate (TRIR)	2.00
Women among new recruits (%)	50%
Total share of women professionals (%)	39%
Women in management positions (%)	21%
Training hours per employee (#)	32

**Greenhouse Gas
Verification Statement**



Greenhouse Gas Verification Statement

Sera Gazı Doğrulama Beyanı

VİTRA KARO SAN. VE TİC. A.Ş.

Organizational Boundaries / Organizasyonel Sınırlar

ANNEX I / EK I

The Greenhouse Gas emissions inventory has been verified to meet the standard requirements specified below according to ISO 14064-3:2019 / Sera Gazı emisyonları envanterinin, ISO 14064-3:2019'a göre aşağıda belirtilen standart gerekliliklerini karşıladığı doğrulanmıştır.

GHG PROTOCOL

Scope 3 Sub Categories / Kapsam 3 Alt Kategoriler	Result / Sonuç	t CO ₂ eq
Category 1- Purchased goods and services / Satın alınan mal ve Hizmetler	82.392,54	t CO ₂ eq
Category 2 – Capital goods / Sermaye Malları	3.384,50	t CO ₂ eq
Category 3 – Fuel- and energy-related activities / Yakıt ve Enerji ile ilgili aktiviteler	30.054,67	t CO ₂ eq
Category 4 – Upstream transportation and distribution / Yukarı yönlü taşıma ve dağıtım	69.457,94	t CO ₂ eq
Category 5 – Waste generated in operations / Operasyonlarda oluşan atıklar	216,18	t CO ₂ eq
Category 6 – Business travel / İş seyahatleri	341,70	t CO ₂ eq
Category 7 – Employee commuting / Çalışan işe gidiş gelişleri	423,28	t CO ₂ eq
Category 9 – Downstream transportation-distribution / Aşağı yönlü taşıma ve dağıtım	23.311,72	t CO ₂ eq
Category 12 – End-of-life treatment of sold products / Satılan ürün yaşam sonu	14.738,67	t CO ₂ eq
Total / Toplam	224.321,19	t CO₂ eq

Level of Assurance : Reasonable / Makul Verification Report Date : 30.07.2025
Reporting Period : 01.01. 2024 – 31.12. 2024 Statement No : SG-GNL-472 / 2024

Approved by / Onaylayan
Okay Kayhanlı – Genel Müdür




QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.
Beytepe Mah. 5397 Sokak, Mira Ofis B1 Blok D:2, Çankaya - Ankara
Tel : +90 312 472 60 67 Faks : +90 312 472 60 68
E-mail: info@qsi.com.tr Web: www.qsi.com.tr

PRG 136/F13_GHG/REV 04/05 03 2025



ANNEX I / EK I

Organisational Boundaries / Organizasyonel Sınırlar

Business Name: Grouping	Country	Site name	Site Type	Site Address
Vitra Tiles Inc. Co	Türkiye	Bozüyük	Factory	4 Eylül Mah. Osman Rusçuk Cad. No.13 Bozüyük 11300 Bilecik/Türkiye
Vitra Tiles Inc. Co	Türkiye	Borsab	Factory	Poyra Köyü Posya OSB Mevkii 6.Cadde No:6/1 Bozüyük/Bilecik
Vitra Tiles Inc. Co	Türkiye	OSB (Sağlamlar) Warehouse, Düzdağ Warehouse	Warehouse	Düzdağ: 4 Eylül Mah. Düzdağ Yolu 1. Cadde No:1 Bozüyük/Bilecik Sağlamlar: Vitra KARO Lojistik Merkezi Bozüyük Organize Sanayi Bölgesi 3. Cadde No: 9 Bozüyük/Bilecik
Vitra Tiles Inc. Co	Türkiye	Tuzla Sample Preparation & Office	Warehouse & Office	Şifa Mah, Vitra Karo, Hükümet Cd. No:5, 34950 Tuzla/Istanbul
Vitra Tiles Inc. Co	Türkiye	Ali Kaya Building	Office & Showroom	Büyükdere Caddesi Ali Kaya Sokak No: 5 Levent 34394 İstanbul/Türkiye
Vitra Tiles LLC	Russia	Plitka	Factory	Serpukhov, Moscow region, Serpukhov district, Bolshevik village, no. 2
Vitra Tiles LLC	Russia	Moscow Office	Office	Moscow, Varshavskoe shosse, 9, building 1, Danilovskaya Manufactory, Block "Sittseviy", under. 4, fl. 1, 117105
V&B Flisen GmbH	Germany	V&B Flisen Office & Polch Warehouse	Warehouse & Office	Justus-von-Liebig-Straße 2 56751 Polch, Deutschland
Vitra Flisen GmbH&Co.KG	Germany	Vitra Flisen Office	Office	Brucknerstr. 43 56566 Neuwied Deutschland 8

QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.
Beytepe Mah. 5397 Sokak, Mira Ofis B1 Blok D:2, Çankaya - Ankara
Tel : +90 312 472 60 67 Faks : +90 312 472 60 68
E-mail: info@qsi.com.tr Web: www.qsi.com.tr

Info

GRI 2-3, GRI 2-4

TÜRKİYE

Vitra Tiles Industry and Co. Inc.

4 Eylül Mah.

Osman Rusçuk Cad. No:13

Bozüyük/Bilecik

www.vitra.com.tr

RUSSIA

Vitra Tiles LLC

142253, bld.1,

Bolshevik settlement,

Serpukhov district,

Moscow region

www.vitra-russia.ru

For Your Questions on Sustainability

vitrakarosurdurulebilirlik@vitra.com.tr

In this report, "Eczacıbaşı Building Products", "Eczacıbaşı Tiles", "the Company", "we", "us" and "our" refers to Eczacıbaşı Building Products - Tiles unless otherwise stated.

Disclaimer

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



ECZACIBAŞI
BUILDING PRODUCTS