



we treat life well



**In memory of Mr. Lutfi Aydın,
a true sustainability volunteer...**

We honor esteemed Lutfi Aydın with love, longing and respect, who led projects in Turkey, Russia, Iran and Egypt for over 20 years as Hayat Kimya's Global Paper Production Director and inspired both the sector and us with his sensitivity and forward-thinking work on sustainability and environmental issues.

(1958 - ∞)

Table of Contents

INTRODUCTION	3	WE TREAT LIFE WELL	24	WE TREAT PEOPLE WELL	53
		Corporate Governance	25	Our Sustainable Human Resources Strategy	53
LETTER FROM THE CEO	4	Our Material Sustainability Issues	26	Diversity and Inclusion	54
HAYAT SUSTAINABILITY MANIFESTO	5	Our Sustainability Model	28	Employee Engagement	56
OVERVIEW OF OUR SUSTAINABILITY PERFORMANCE	6	Our Sustainability Management	29	Side Benefits for Our Employees	56
		Stakeholder Engagement	31	Make Your Move	59
ABOUT HAYAT	7	Civil Society Stakeholders	33	Talent Management	61
Our Values	8	Supply Chain	34	Occupational Health and Safety	70
Milestones of Hayat	9	Consumer Satisfaction	38	Hayat Excellence System	89
Our Brands	10	Ethics and Compliance	39	R&D and Innovation	95
Hayat in Numbers	11	Risk and Opportunity Analysis	40	Product Quality and Safety	96
Our Achievements	12				
		WE TREAT THE PLANET WELL	42		
WE TREAT THE SOCIETY WELL	14	Water Consumption and Protection of Water	45		
Hayat Good Life Center	15	Fight against Climate Change	47		
Molfix Hayat Bağım Project	18	Energy and Emission Management			
Molped 28 May	19	Waste Management	50		
World Menstrual Hygiene Day		Diversity Approach	51		
We Treat Life Well Ecological Literacy Project	20				

Introduction



We are pleased to share our fourth sustainability report with you. This report shows our commitment to transparently present our achievements in the environmental, social and governance areas and our steps for a sustainable future. In line with our responsibility that grows every year and our vision of providing benefits for generations, we are working resolutely for a better world.

This report covers the period from January 1, 2023 to December 31, 2023, providing information on the sustainability performance of our detergent, tissue, hygiene, NW&FP factories in Kocaeli and our tissue factory in Mersin in Turkey. As Hayat, we see sustainability not only as a goal but also as a value that we strengthen in collaboration with our stakeholders. In this report, we share the results of our joint efforts to leave a healthier, livable and fair world for future generations. Our cooperation and dialogue with our stakeholders strengthens our motivation to reduce our environmental impact and increase social benefit.

This report has been prepared in both Turkish and English in accordance with the requirements of the GRI Standards, WEF Stakeholder Capitalism Metrics and UNGC Communication on Progress. It also

reveals the performance of our work in line with the United Nations Sustainable Development Goals and Women's Empowerment Principles (UN WEPs).

This report elaborates our steps towards reducing our environmental footprint, contributing to society and establishing strong collaborations with our stakeholders. Moreover, it covers our future goals, risk and opportunity assessments. In our reporting process, all data has been shared impartially by adhering to the principles of accuracy, transparency and accountability.

We aim to annually report and share our sustainability performance with our stakeholders. Your feedback helps us improve our work and shape our future projects. You can share your views and opinions with us at hayatiyibakariz@hayat.com.tr.

We hope that this report, which reveals the priority areas and strategic approach determined by our company in its sustainability journey, will be useful for all our stakeholders.

Letter from the CEO



Dear Stakeholders,

I am very happy to share with you our fourth sustainability report. As Hayat, we are determined to create long-term values for society and the environment, powered by our long years of experience. We carry out our activities in line with global sustainability principles and with the aim of contributing to a better future.

2023 was a year when our country was devastated by the earthquakes in Kahramanmaraş, called the disaster of the century.

After the earthquake, we quickly mobilized in-kind and cash support to the region in line with our social solidarity responsibility. In the second phase, we prioritized rehabilitation and opened the Hayat Good Life Center in Malatya Samanköy, the largest permanent container settlement in Turkey, including 3,800 containers, in cooperation with Hacettepe University.

This center is the first social benefit-oriented initiative implemented with the scientific approach and academic perspective of a university in the earthquake zone. We aimed to increase the quality of life in the region with comprehensive support and rehabilitation programs especially tailored for children, young people, mothers and the older people. As Hayat, we conduct the activities at this center on a voluntary basis and aim for this model to be an example for other container settlements.

In line with our environmental responsibilities, we took strategic steps against the climate crisis and made important investment decisions to protect natural resources and increase energy efficiency. We consolidated our commitment in this area with energy projects aimed at reducing our carbon footprint in our Kocaeli and Mersin facilities.

Global economic dynamics clearly show how critical it is for the business world to comply with sustainability goals. To this end, we adopt a business model that minimizes environmental impacts, uses resources responsibly, and supports economic resilience.

While preparing for the future, we offer comprehensive training programs to improve the competencies of our employees. These programs strengthen our current business processes and also prepare our employees for the needs of the future. With our digital transformation projects, we integrate technology into our way of doing business to increase our operational efficiency and support innovation-based growth.

With this report, we aim to inspire all our stakeholders in our ecosystem. As Hayat, we focus on today and the future, working resolutely for a cleaner, healthier, and fairer world. The goal of leaving a livable world for future generations is the greatest power that motivates us every day. For us, the support of our esteemed stakeholders is the greatest source of power on this journey.

Together, we will continue to strengthen our steps to reach a more sustainable future.

M. Avni Kigili

Chairman of the Executive Board

Hayat Sustainability Manifesto



HAYAT SUSTAINABILITY MANIFESTO

As the HAYAT family,

we declare and undertake that
We consider Hayat an integral part of the
endeavor for a sustainable future with an awareness
of responsibility to resources and humanity;

We will work with the awareness that for the sustainability of our business,
there must be a sustainable world and healthy societies;

We will work to provide benefits to the society while reducing the environmental
impacts of our products and adopting a purpose-oriented brand approach.

Together with our employees, who are the driving force behind our success and our
greatest value, we will observe global sustainability principles and universal ethical
codes while we deliver the benefits we generate to the farthest corners of our planet
in line with our core values of entrepreneurship, determination and courage, loyalty,
open-mindedness, fairness and integrity, and respect for people and nature,

We consider participation in the solution of the problems
faced on a global scale as one of our main priorities while
creating sustainable economic value for our stakeholders,

We will develop all our activities with an understanding of
respect for the world and society, and we will not deviate from this
philosophy while designing our plans and goals for the future,

and
WE WILL TREAT LIFE WELL.



Highlights of Our Sustainability Performance*

WE TREAT LIFE WELL

- **1,076,882** customers received service on online platforms throughout 2023.
- **4.94** out of **5** customer satisfaction was achieved in the Call Center Satisfaction Survey.
- Efficiency was increased with digital transformation projects in the supply chain and sustainable business partnerships were established through integration with suppliers.

WE TREAT THE PLANET WELL

- **1,426** person*hours of environmental training was provided and regular training programs were organized to increase environmental awareness.
- **482.48** MWh of renewable energy (SPP) was generated in the Mersin facilities.
- **52%** of the water used in production processes was supplied by sea water and improvements were made for the efficient use of water.

WE TREAT PEOPLE WELL

- In the Employee Engagement Survey conducted with **the participation of 5,007 employees** on a global scale, **78% of employee engagement** was achieved and a total of **67,638** person*hours of training was provided under nine leadership development programs.
- The incident rate was reduced by 18% and the incident severity was reduced by **33%**.
- A total of 1,300 Kaizen awards were awarded to employees.
- A team of **118** researchers worked on R&D and innovative projects and filed more than **100** patent applications.

WE TREAT THE SOCIETY WELL

- Immediately after the February **6** earthquakes, donations amounting to **100 million TL** in cash and **30 million TL** in-kind were made through non-governmental organizations as well as public institutions and organizations. Following the donations, the **Hayat Good Life Center** was established in Malatya. Psychological and social support services were provided to more than **9,500** people at the center.

- **"Molped Ped Kardeşliği"**

Under the **"Molped Ped Kardeşliği"** project, **69,008** packs of Molped were donated to **34,658** women.

- **"Molfix Hayat Bağım"**

Under the **"Molfix Hayat Bağım"** project, a total of **195,000** parents and **5,500** healthcare professionals have been reached since 2019 and **4,700** trainings and seminars have been organized. We reached **40** hospitals in **31** provinces and donated **350** pieces of equipment to their neonatal intensive care units.

- **"Hayata İyi Bakarız Ekolojik Okuryazarlık"**

Under the **"We Treat Life Well Ecological Literacy"** project, a total of **2,400** teachers, **120,000** parents and **60,000** students were reached in **600** schools. A total of 170,000 educational and informational materials, 60,000 observation books and 474,000 game materials and equipment were distributed to schools.

* In the reporting period

About Hayat

As a global player in the fast-moving consumer goods sector, we reach billions of people in more than 100 countries on 5 continents with our 16 brands. We offer innovative solutions to our consumers with our strong brands such as Molfix, Bebem Natural, Molped, Bingo, Papia, Familia, Focus and Evony in the categories of home care, baby care, feminine care, personal health, tissue and pet care.

We operate in a total of 13 countries, primarily in Turkey, with production facilities in Algeria, Iran, Egypt, Pakistan, Russia, Nigeria and Vietnam, and sales offices in Morocco, Bulgaria, Kenya, Malaysia and Thailand.

We believe that everyone has the right to access quality products and we deliver our products to billions of consumers around the world. We are the world's 4th largest manufacturer of diapers and the leading manufacturer of tissue in the Middle East, Eastern Europe and Africa. We are a pioneer in the sector with our production power and innovative products.

As of 2023, we employ 4,106 people in Turkey and 10,830 people globally. As a company headquartered in Turkey and offering services and goods to the world, we make a difference in the markets we

operate in with our strong infrastructure and advanced technology.

Our sustainability vision is shaped by our approach of "We Treat Life Well". To this end, we protect natural resources and add value to society with eco-friendly production processes and innovative practices. We meet all our energy needs in our production facilities and use four times less water than industry standards in tissue production. We halve the use of underground water resources and continuously reduce the amount of wastewater.

We see sustainability as an important part of our business model and also as a responsibility to society. In all markets we operate in, we aim to provide lasting benefits for the planet, society and all living things.



Our Values

Entrepreneurship

On the path to becoming a global company, we derive our energy from our entrepreneur spirit. We take swift steps towards our goals while realizing our dreams for the future with courage and determination.



ENTREPRENEURSHIP

Respect for People and Nature

We act responsibly for healthier generations, a better quality of life, and the future of our planet. We work for a better life with our easily accessible products and eco-friendly production processes while focusing on people's needs.



RESPECT FOR
PEOPLE AND
NATURE

Open-mindedness

We believe that development will be achieved through diversity, sharing, and mutual learning. We grow together in an environment that allows creativity and where ideas can be shared freely, and we move towards our goals together.



OPEN-
MINDEDNESS

Loyalty

As Hayat, we are a big family. We are committed to our work not only mentally, but also at heart. We grow together with the belief that life is better when you share it, and we shape our future together by supporting each other.



LOYALTY

Determination and Courage

Those who believe in success deserve it. We embrace our goals, and we relentlessly and courageously work for success.



DETERMINATION
AND COURAGE

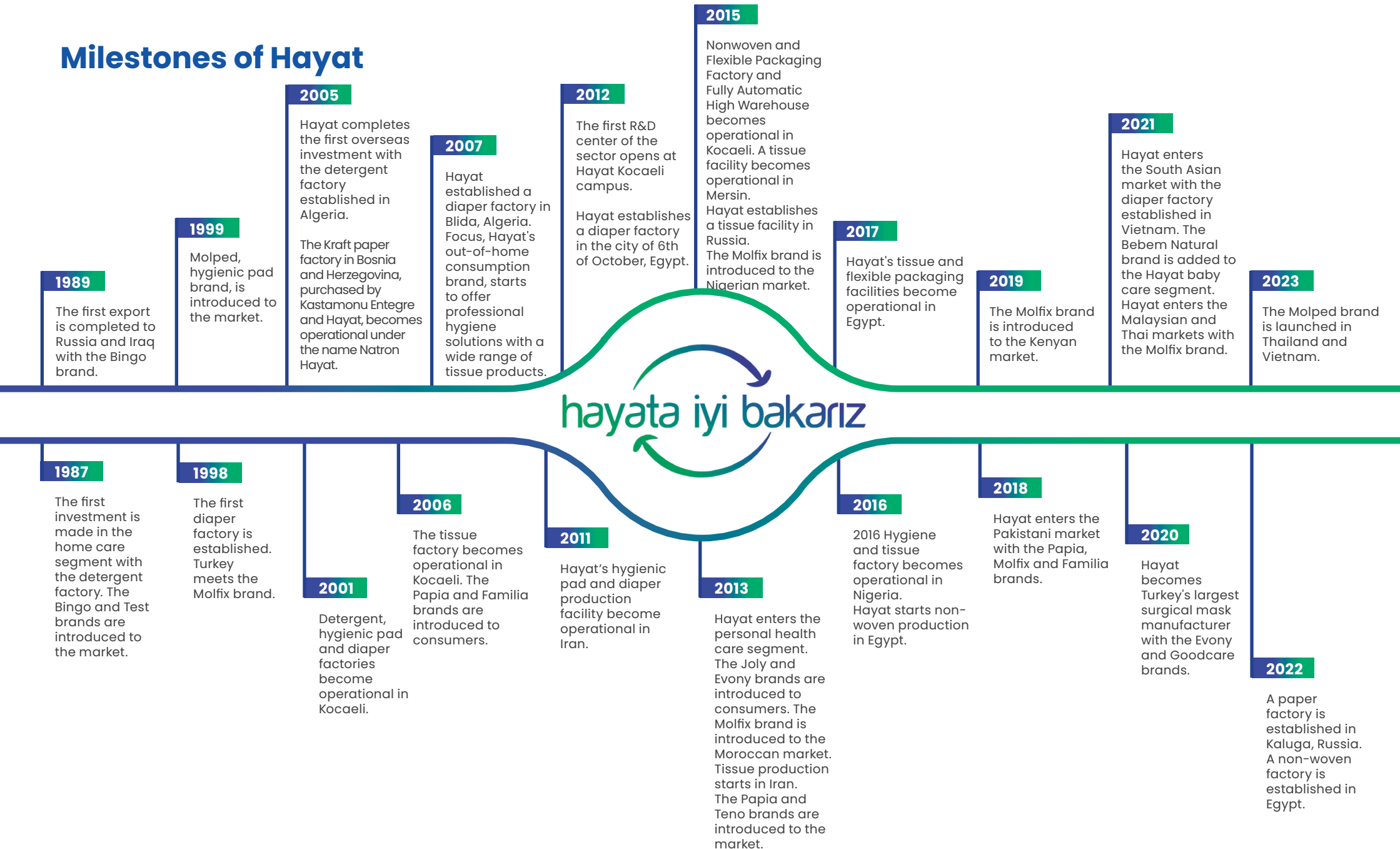
Fairness and Integrity

Our relations with all our stakeholders are based on integrity, loyalty, transparency, and trust. We adopt as our motto acting as a fair company that respects people, the environment, society, laws, customs, and traditions, and stays loyal to its commitments.



FAIRNESS AND
INTEGRITY

Milestones of Hayat



Our Brands

Baby Care



Bebem
Natural



Feminine Care



Personal Health Care

Joly

evony

Home Care



HAS



Tissue



familia



FOCUS



Pet Care



Hayat in Numbers



16
Brands



26
Production Facilities



10,000 +
Employees



1 million ton/year
total detergent capacity



100
patent applications



Exports to
100+ Countries



Total annual tissue capacity of
630,000 tons



The largest warehouse in
Europe in capacity and height



Total diaper capacity of
12 billion pieces/year



2.5 billion USD
turnover



Total sanitary pad capacity of
4 billion pieces/year



Total mask capacity of
6 billion pieces/a year



Global R&D
Center



135 scientists
16 scientists with PhD and
29 with master's degrees



Subsidiaries in
13 countries

Our Achievements



Hayat 26th Kalder Quality Circles and Kaizen Awards

2023 Quality Circle Award

SAP Transformation Awards

"SAP Digital Transformation Award of the Year"

Turkishtime R&D 250

61st in the Companies with the Most R&D Investment
3rd in the Sector

Capital 500 Largest Companies Ranking

39th
First in the Sector

Turkey's Top 500 Industrial Enterprises

51th

Included in the **Capital Magazine- Business World's
Most Admired Companies List**

Top 100 Talent Program 2023

*"Discover Life with Fast Consumption (Hygiene and
Cleaning)
First in the Category"*

Molped Kız Sözü Akademi Project

Master of Events Corporate Awards
"Best Social Responsibility Project"
Jury Special Award

Molfix Hayat Bağım

International CSR Excellence Awards

We Treat Life Well Ecological Literacy

Brandverse Awards
"Social Responsibility and Sustainability"
Bronze Award

We Treat Life Well Ecological Literacy

Best Business Awards
"Best Corporate Social Responsibility Project
of the Year"

We Treat Life Well Ecological Literacy

The Hammers Awards
Best Team in Climate Crisis

We Treat Life Well Ecological Literacy

Sustainable Business Awards Turkey
Social Impact – Environment-Oriented Organizations

We Treat Life Well Ecological Literacy

MarCom Awards
Corporate Social Responsibility

We Treat Life Well Ecological Literacy

Brandverse Awards
Fight against Climate Change

We Treat Life Well Ecological Literacy

Istanbul Marketing Awards
*Corporate Social Responsibility
Initiative for Climate
Corporate Collaboration for Sustainability*

Molped Ped Kardeşliği

Stevie Awards "Corporate Social Responsibility"
Silver Prize

Hayat Bağım

The Hammer Awards "Best Social Responsibility
Team"
Silver Prize

We Treat the Society Well



***we treat
the society
well***



We Treat the Society Well

In the geographies we are active in, we adopt the basic principle of developing projects that will create long-term and permanent impact in order to increase sustainable development and social welfare. We aim to provide benefits that will last for generations by embracing a value-oriented approach that takes into account the needs of societies.

We shape our sustainability vision around the theme of “We Treat Life Well” and see this understanding as

an integral part of our way of doing business. We ensure the quality and accessibility of our products and services while considering it our duty to meaningfully touch the lives of people in every field we operate.

Transferring the value we create to the farthest points in the world and transforming this value to make a tangible difference in the lives of local communities is not only a goal for us, but also a passion. We believe that a better future is possible at every step.



Çağlayan Kent

Global Corporate Communications
and Sustainability Director

SUSTAINABLE STEPS TO ADD VALUE TO LIFE

As Hayat, we approach positive impact with the understanding of “Treating Life Well”, Since we believe that the better we treat life, the deeper and more sustainable the impact we create will be. Our vision of being a purpose-oriented organization committed to sustainability principles constitutes the cornerstone of our strategic agenda and also of our entire way of doing business.

We touch the lives of billions of people with our 26 production facilities and 16 brands in 8 countries. We prioritize developing innovative solutions to reduce our environmental footprint and using our resources responsibly. Our efforts to minimize our environmental impacts strengthen our economic and commercial sustainability and support our goal of leaving a more livable world for future generations.

While increasing our business goals, we act with the awareness of our conscientious and moral responsibilities towards society and the environment. With this understanding, we develop sustainable projects to provide benefits to society and align all our business processes with these values. As Hayat, we are determined to build a system that meets today's and tomorrow's needs.

Hayat Good Life Center

Hayat Good Life Center – Malatya Samanköy Container City

Our motto of 'We Treat Life Well' is supported by a meaningful and broad vision ranging from protecting the environment and resources to supporting inclusive social progress with the aim of leaving a more livable world for future generations.

The Kahramanmaraş-centered earthquakes on February 6, 2023 have shown how our vision can be implemented with the principles of social solidarity and responsibility.

In order to produce sustainable solutions in the region, we opened the Hayat Good Life Center in collaboration with Hacettepe University, the **first social benefit project** developed as a private sector–university cooperation in the region affected by the earthquakes.

The Hayat Good Life Center was established with the aim of creating social benefit and offers comprehensive programs especially to support children, youth, mothers and the older people. The Center was planned in line with sustainable development goals such as “Healthy Individuals”, “**Qualified Education**”, “**Reducing Inequalities**” and “**Partnerships for the Goal**”. As a result of the cooperation between the Disaster and

Emergency Management Authority (AFAD), Office of the Governor of Malatya and Hacettepe University, comprehensive services were provided for the benefit of the people living in the region.

According to official data, 1,393 people lost their lives in Malatya due to the earthquake. It was determined that 71,519 buildings in the city were severely damaged or destroyed, while tens of thousands of others were moderately and slightly damaged.

The Hayat Good Life Center was established with the aim of creating social benefit and offers comprehensive programs especially to support children, youth, mothers and the older people.



Hayat Good Life Center

Since the loss of life was not high in Malatya, it received relatively less attention. However, there was serious destruction in Malatya. While the people of Malatya were trying to heal their wounds, we, as Hayat Holding, tried and continue to stand by their side and provide benefit.

In the first phase, we sent 200 trucks of aid materials consisting of products such as diapers, sanitary pads, detergent and toilet paper to the region in order to meet basic needs.

In the following days in the earthquake region, we saw that there was a serious need for social and psychological support. It was extremely important for the services to be provided after such a great trauma to have an academic basis. To this end, we established the Hayat Good Life Center in Malatya Samanköy, the largest container settlement in Turkey, in cooperation with Hacettepe University.

The Center focuses on the psychological and social needs of mothers, children, young people and the older people while contributing to their rehabilitation in the medium and long term by prioritizing their mental, cognitive and physical development. Volunteer academicians from Hacettepe University provide one-on-one care and support to our citizens in the container city from 09:00 to 18:00, 6 days a week.

Our Center has a library of 4,000 books, a computer room with 30 desktop computers, a mother and baby support unit, a support unit for people over 65, an occupational therapy unit, game and art development sections, a study unit, and two large laundry rooms. There is also an open-air park for our children in the garden of the container city.

Every detail was designed so that children can play, their education is supported, they can experience art and they receive psychological and social support. We created a rehabilitation program with Hacettepe

University to ensure children's development through play. We aimed to provide children with information that can both improve them through play and take them beyond their current level during the time they spend here.

Children who come to the area designed for them spend their day to the fullest. They enjoy artistic and physical activities. We offer them small practical activities that will enable them to cope with the stress of daily life. Of course, there are quiet and calm environments prepared for them where they can read their books, study and do their homework.



Hayat Good Life Center

We have also taken steps to ensure that different needs are met for young people, women and especially people over the age of 65 living in the container city. We transformed the container city into a 'living place' especially for these disadvantaged groups.

In major disasters such as earthquakes, women and children suffer the most. In such environments, women's job is much harder than ever. Women's first and greatest need is to be valued. They want to be understood, to talk and to pour their hearts out to someone. We try to offer them the chance through our expert teachers. For example, there are breathing therapies to make them feel very relaxed. They do not have any private space where they can breathe in the small and crowded environments they are forced to live in! We created such a space for them at the Hayat Good Life Center. Some female residents say that even the green area around the Center works as a kind of therapy.

The Good Life Center also provided people living in the container city and coming from other parts of Malatya with the opportunity to meet new people and to establish friendships and neighborly relationships. The residents of the container city interact with new people at the Center, which has a healing power over them.

In addition to psychological support, we also provide ergotherapy support to older residents of the container city to alleviate their problems such as muscle tension. It is very important to be able to do this with the help of experts. In addition to academicians from Hacettepe University, our colleagues from different departments of the Company also work here as volunteers.

According to the results of the Impact Assessment Research conducted with earthquake victims for 6 months (as of October 30, 2023) at the Hayat Good Life Center, described as an **'oasis in the desert', 'shining star' or 'breathing space'** by the residents of the New Hayat Container City, the training and activities carried out at the Center managed to permanently increase the well-being of the people in the earthquake region.

As of October 2023, more than 9,500 earthquake victims have benefited from psychological and social support services at the Hayat Good Life Center. Moreover, literacy training, health screenings and activities supporting physical development were organized. These studies aim to create a sustainable social support model in line with the aim of providing social benefit.



[Click to watch the video of our project!](#)



Prof. Dr. Mine Durusu
Hacettepe University Social
Contribution Coordinator

The Hayat Good Life Center project, which was implemented with Hayat Holding in Malatya Samanköy in line with the social contribution mission of Hacettepe University, has become an exemplary model for academic-public-private sector cooperation. With the project, individuals affected by the earthquake were provided support in areas such as preventive health, occupational therapy, physiotherapy, nutritional counseling, development through art and play, education, and social rehabilitation.

During the first year of the project, institutional capacity has been developed for the management of processes and effective use of resources by creating social benefits with the contributions of volunteer academicians and students. Care was taken to make the outputs of the project visible with the social transcript mechanism and impact assessment studies. The Hayat Good Life Center project has been extended as a result of its impact in the region and institutional satisfaction, and continues to strengthen our social contribution activities.

Molfix Hayat Bağım Project

We believe that every baby born today is our future, and we know that access to quality healthcare is a fundamental right for all people. As Hayat, we launched the Molfix Hayat Bağım Secure Attachment Program in 2019, under the leadership of our baby care brand Molfix and in cooperation with the General Directorate of Public Hospitals of the Ministry of Health of Turkey and the Infant Mental Health Association of Turkey. The program aims to ensure the bond of premature or unhealthy babies to life with love, to ensure a safe bond between mother and baby, and to reduce infant mortality due to preventable causes. To this end, we implemented our program in two stages: training and equipment support.

While aiming to provide equal opportunity for prospective parents and parents to access information throughout Turkey, we organized training programs for mothers and fathers on secure attachment, child development and home care of premature babies. In the seminars we prepared for midwives and nurses, the content created with the help of an expert committee was conveyed under topics such as ways to strengthen parent-baby communication and strong and open communication with families. Moreover, we provided vital equipment support such as incubators, ventilators and jaundice devices to hospitals' Neonatal Intensive Care Units.

Since 2019, a total of 195,000 parents and 5,500 healthcare professionals have been reached, and 4,700 trainings and seminars have been organized. We reached 40 hospitals in 31 provinces and donated 350 pieces of equipment to their neonatal intensive care units.

It was determined that the rate of increase in knowledge of parents about child development was 61% and the rate of secure attachment was 64% thanks to the trainings. According to the surveys conducted after the training, the satisfaction rate was measured as 98%. There was also a 99% increase in disease awareness.

In the equipment donation phase of the project since 2019, we reached 32 hospitals in 28 provinces and donated 284 pieces of equipment to their neonatal intensive care units to contribute to the survival of more babies with technical equipment support for hospitals with high birth rates.

Since its launch, Molfix Hayat Bağım Project has received national and international awards.

- 2023 International CSR Excellence Awards
- 2023 MarCom Awards Best Social Responsibility Project
- 2023 The Hammer Awards Best Social Responsibility Team
- 2022 Brandverse Awards Healthy Living Category Silver Award

- 2021 Best Business COVID-19 Outstanding Support Award
- 2021 Golden Compass CSR Health Category
- 2021 Best Business Awards Best CSR Project
- 2021 Stevie International Business Awards
- 2020 SABER AWARDS CSR Category Winner
- 2019 CSR Association of Turkey SDGs Healthy Individuals Goal Award



Molped 28 May World Menstrual Hygiene Day Awareness Movement

With our Molped brand, we have been working to stand by young girls as their companions since 1999 to provide them with the comfort and confidence they need during their menstrual periods. We are aware that menstruation is still seen as a taboo in many societies and that talking about this natural process is generally considered inappropriate. To this end, we started an awareness movement to emphasize that menstruation is a normal process and to help women face this natural process more comfortably.

In line with our goal of transforming social taboos, we embrace 28 May World Menstrual Hygiene Day, launched with the initiative of German WASH United with the aim of raising awareness worldwide. This special day carries an important awareness mission for girls and women to be more informed about menstruation, to be able to manage hygiene and to break the taboos of society on this subject.

As Molped, with this awareness movement, we emphasized that menstruation is a natural process while aiming to convey this message to different segments of society. Under our project, we designed bracelets that symbolize this process, which lasts an average of 5 days every 28 days, representing the menstrual cycle. We have been carrying out this project in collaboration with local associations for the last 2 years and have reached a wide audience through media communication and influencer posts.

In order to increase social awareness about menstruation and break social taboos about it, we have embraced 28 May World Menstrual Hygiene Day, launched by German WASH United.

With the studies carried out in the last two years, we have reached more than 3 million people. These results have made significant contributions to our goal of breaking social taboos and creating a more open communication culture about menstruation.

As Molped, we aim to spread this awareness movement under the slogan “Menstruation is Natural” to other countries where we operate in the coming years and to transform this project into a truly global sustainability initiative. We will continue to work with determination to create a permanent impact on women's health and gender equality.



We Need to Talk Association

As the We Need to Talk Association, we have been proud to stand shoulder to shoulder with the Hayat and Molped team in the field since the first years of our establishment.

In our fight against period poverty and taboo since 2016, the strong collaboration with Molped has provided tens of thousands of women and girls with the necessary sustainable support for their menstrual care.

We continue to hold menstrual awareness workshops in public institutions, schools and neighborhood solidarity centers within the network of Molped and the We Need to Talk Association. “Talking” and standing in solidarity with Molped is very valuable to us.

We Treat Life Well Ecological Literacy Project

Climate Change Adaptation, Education and Development Program

- 20 provinces
- 600 schools
- 2,400 teachers
- 120,000 parents
- 60,000 students
- 60,000 books
- 170,000 teacher, student and parent education and information materials
- Students' knowledge levels increased from 78% to 97%
- 474,000 game materials

Investing in the Future with Ecological Literacy

With the "We Treat Life Well Ecological Literacy Project", launched in cooperation with the Directorate General of Basic Education of the Ministry of National Education of the Republic of Turkey, we aim to increase the environmental awareness of young generations and develop their skills to adapt to climate change. The project aims to raise social awareness on the sustainable use of resources by providing ecological literacy awareness to third and fourth grade primary school students as well as teachers and parents.

Under the project, we organized activities in 20 provinces across Turkey, determined based on the

drought map of the Directorate General of Meteorology Turkey. In these cities, we focus on raising conscious individuals for a green future by providing knowledge and skills on sustainable life and nature protection.

Educational Materials for Students, Teachers and Parents

The educational materials prepared under the project increase the environmental awareness of students with fun educational activities. Various materials such as student booklets, observation notebooks and videos make the information on ecological literacy permanent. With content such

as teacher guidelines and parent booklets, the project supports the education-training process and disseminates ecological literacy goals.

Assessment of Student Development

Pretests and posttests are carried out regularly in order to measure the impact of the education process. In the relevant period, it was observed that the knowledge level of students who participated in the project content was increased by 20-30%. These results reveal that education on ecological literacy provides positive changes in children's knowledge and behavior.



We Treat Life Well Ecological Literacy Project

Digital Dissemination and Social Media Participation

Under our We Treat Life Well project, we support our children in primary schools to grow up as ecological citizens while aiming to raise awareness of the general public and increase social sensitivity with our work on social media and digital platforms.

National and International Awards

The Ecological Literacy Project has received many awards in the national and international arena for its contributions to the environment and education. In this context, our success has been recognized with prestigious awards such as Brandverse Awards, Best Business Awards, The Hammers Awards, Stevie Awards, MarCom Awards, Istanbul Marketing Awards, ACE of M.I.C.E Awards, IPRA Golden World Awards. These awards are an important indicator of our commitment to investing in the future with our sustainability-focused education projects.



We Treat Life Well Ecological Literacy Project

Educators' Opinions about the Project

"It is pleasing that this project is implemented in rural and economically disadvantaged areas. We provided great benefits in terms of creating awareness and developing environmental awareness in children."

GAZIANTEP

"The fact that the content is quite rich and well-studied, and that the materials are sufficiently sent in digital environments in USB sticks, reveals the high quality of the project."

ZONGULDAK

"The topics are explained in great detail and align well with the curriculum. The number of activities implemented in schools can be increased. The observation notebooks and story books were very popular with the students."

DENİZLİ

"We were very happy to be involved in such a project. The topics were current and already included in our curriculum. Our students participated with great pleasure. In particular, receiving the materials was very valuable to us. Because we were a school affected by the earthquake, our building collapsed and we are currently in a temporary guest school."

MALATYA

"The materials sent were very meticulous and sufficient. The fact that the project was compatible with the curriculum made it easier to handle 'each topic'. Including various activities in the project ensured that the children learned with pleasure. Our students had a lot of fun, especially while doing the activities in nature."

ÇANAKKALE

"It is very important to raise children's awareness about the importance of the nature conservation and sustainability for the future, and to do this with fun activities. The project needs to continue and even be added to the programs as a course."

BATMAN



[Click to watch
the video of our project!](#)

Total Development Score



Absolute Difference



78.2%

PRETEST SUCCESS

96.5%

POSTTEST SUCCESS

Top 3 Development Score

Electrical appliances used unnecessarily affect climate change.



41.8%

Water is important only for humans and marine life.



28.4%

Air pollution is one of the most important problems today.



27.7%

We Treat Life Well



***we
treat life
well***

We Treat Life Well

We are much more than an organization that produces economic value, and we adopt this philosophy while managing our processes with the sectoral experience we have gained since our foundation. We approach our management processes in a transparent, fair and accountable manner and embrace the principle of **We Treat Life Well** as the basis of our corporate governance approach. In each segment, we monitor our

performance through environmental, social and governance indicators to render our value chain sustainable, and we focus on achieving our goals in these areas.

As Hayat, we focus on a better future for everyone. For us, sustainability is a goal that we will achieve with all our stakeholders.



Aysel Aydın

Vice President, Strategy
and Marketing

CONSUMER-FOCUSED AND SUSTAINABLE SUCCESS STRATEGY

The basis of our marketing strategy is to deeply understand our consumers and offer solutions that focus on their expectations. To this end, we measure the pulse of the market and conduct comprehensive research. Understanding the needs of our consumers correctly and offering products that add value to their lives constitute the cornerstone of our success. We strengthen the categories we are in with a comprehensive portfolio strategy and maintain our leadership in the market.

The power of this success does not come only from the consumer-focused approach. The main axis of our strategy is a purpose-focused brand approach that focuses on building a better future. This understanding aims to develop not only today but also a future that will benefit generations. Our purpose-focused brand approach is based on increasing the quality and accessibility of our products and services while also offering solutions that are sensitive to society and the environment.

The most important foundation for developing these solutions is innovation. We constantly work to develop our products and services so as to respond to the changing needs of consumers. With innovative technologies and creative solutions, we offer our consumers quality products while developing a business model that is sensitive to society and the environment. Our innovation-based business model supports sustainable growth and reinforces our strong position in the market.

Corporate Governance

The highest management and decision-making body in Hayat is the general assembly of the company. Election and re-election of the members of the Board of Directors, capital increase, and amendment of the company's articles of association are among the non-transferable powers of the general assembly.

In addition to the general assembly, Hayat has two other management bodies: the Board of Directors and the Executive Board.

The Board of Directors is responsible for defining the management and operation of Hayat. Hayat Board of Directors is the highest management

body responsible for the legal representation and supervision of the company, composed of a chairperson, a vice chairperson and a number of members to be elected by the general assembly. The Board of Directors is elected by the General Assembly from among the names proposed by the company's shareholders. There are independent members on the Board of Directors.

The Executive Board is authorized to carry out the daily and general affairs of the company, which are outside the non-transferable powers of the Board of Directors. The Executive Board does not have the mandate of legal representation within the meaning of the Turkish Commercial Code.



Hüseyin Okur

Vice President, Finance

FINANCIAL RESILIENCE AND SUSTAINABILITY: A FUTURE-FOCUSED APPROACH

For us, financial resilience is a tool to achieve our business goals and a fundamental way to generate long-term value for all our stakeholders. Adapting to changing global conditions, maintaining economic performance and acting with environmental responsibility are integral parts of our strategy.

While managing our financial performance, we take into account our environmental and social impact as well as economic indicators. Sustainability is not only growth in financial statements, but also effective management of risks and seizing future opportunities. We see that investments that comply with environmental, social and governance (ESG) criteria provide cost advantages and reduce capital costs in the long term. Sustainable business models increase the financial resilience of companies, while ensuring trust and reputation among investors and other stakeholders. Therefore, we treat sustainability as a fundamental priority in our financial decisions.

Corporate Governance

The Executive Board is the de facto management body for internal operations and is composed of a president and vice presidents responsible for the company's domestic and international operations. The Executive Board is mostly elected from among people working full time in the company. In general, a service agreement is signed between these persons and the joint stock company.

Reporting to the President of the Executive Board, the domestic and international senior management consists of Vice President of Operations, Vice President of Strategy and Marketing, Vice President of R&D, Vice President of Sales, Vice President of Finance, Vice President of Global Supply Chain and Purchasing, Vice President of Asia Operations, Vice President of the Eurasia & Americas Region, Vice President of the Middle East and Africa, and the Advisor to the President of the Executive Board.



The Industrial Development Bank of Turkey / TSKB

As Turkey's first development and investment bank, we are an organization that has targeted the sustainable development of Turkey since our founding and implemented the first environmental and social impact measurement approximately 40 years ago. At TSKB, the concept of sustainability, which we approach from a multi-faceted perspective, is at the center of our value creation model.

We believe in the importance of strong local and international collaborations for Turkey to achieve its sustainable development goals, and we prioritize investments that will contribute to our sustainable and inclusive future through long-term collaborations with our national and international stakeholders.

We improve our impact thanks to the synergy we create with our stakeholders and believe in the power of success together. Our partnership with Hayat Kimya for many years continues to add value to Turkey's sustainable future with the financing of loans supporting the United Nations Sustainable Development Goals. We are pleased that this meaningful collaboration makes permanent contributions to our economic, social and cultural development.

Our Material Sustainability Issues

On this journey that we set out to leave a more sustainable world for future generations, sustainability is not only a goal to be achieved for us, but also a fundamental value embedded in every stage of our business processes. Our material sustainability issues in the environmental, social and governance areas guide our daily activities and also form the basis of our long-term strategic decisions.

As Hayat, we have closely followed important developments in Turkey and the world since our first sustainability report published in 2019. During this period, while trying to maintain our position in the business world by strengthening our economic performance, we re-evaluated our responsibility to contribute to social welfare by taking into account the limited nature of natural resources. To this end, we felt the need to redefine our material sustainability issues so as to be compatible with both global requirements and the expectations of our stakeholders.

Therefore, in order to analyze our sustainability performance in detail in 2022, we organized a Sustainability Workshop with a team of 41 people, including representatives from all functions within the organization, under the leadership of the "We Treat Life Well" (HİB) Sustainability Committee. At the workshop, we identified 26 strategically-important focus areas in social, environmental and governance issues.

In order to define our material sustainability issues in light of the focus areas, we conducted a comprehensive analysis process where we evaluated environmental, social and management risks in collaboration with our internal and external stakeholders. With this analysis conducted via an online survey, we received the opinions of 40 important external stakeholders, including banks, non-governmental organizations, suppliers and other business partners, and 428 internal stakeholders. We evaluated the results of the survey, participated by a total of 468 stakeholders, and updated our sustainability materiality matrix.

In 2023, we updated our material issues determined in 2022 in the workshop organized for the evaluation of the future of the sector, developments in Turkey and the World under the leadership of the "We Treat Life Well" (HİB) Sustainability Committee. We made significant progress in integrating the work carried out in line with our sustainability goals into our business processes throughout 2023 by monitoring them more closely through our committees.



Enes Çizmeci
Vice President, Eurasia & Americas

HAYAT: A GLOBAL PLAYER

We have a growing and diversifying business portfolio on a global scale. In this journey, our brands and products are at the top of the list in their categories. Turkey, where our success story began, is the most important country that guides and inspires us in this strategic journey. We first implement our innovative ideas and projects in Turkey, and we carry this experience to other countries thanks to the strong results and exemplary applications in Turkey.

As one of the global players in the fast-moving consumer goods sector, we are active in more than 100 countries. At least one Hayat brand is in 9 out of every 10 homes in Turkey, and we have penetration rates between 60% and 90% in other locations.

We act with strategic integrity and coordination in all our operations, and we work towards long-term, permanent goals in line with our sustainability vision. The pioneering applications we have implemented in our business processes to date are concrete examples of this approach, and we continue our work without slowing down to achieve more.

In line with our vision of providing benefits to future generations, we grow our business and add value to the Turkish economy with our investments in Turkey, the employment opportunities we offer, and our strong export performance.

Our Sustainability Materiality Matrix

Our materiality issues related to governance:

- Customer Satisfaction
- R&D and Innovation
- Ethics and Compliance

Our materiality issues related to the planet:

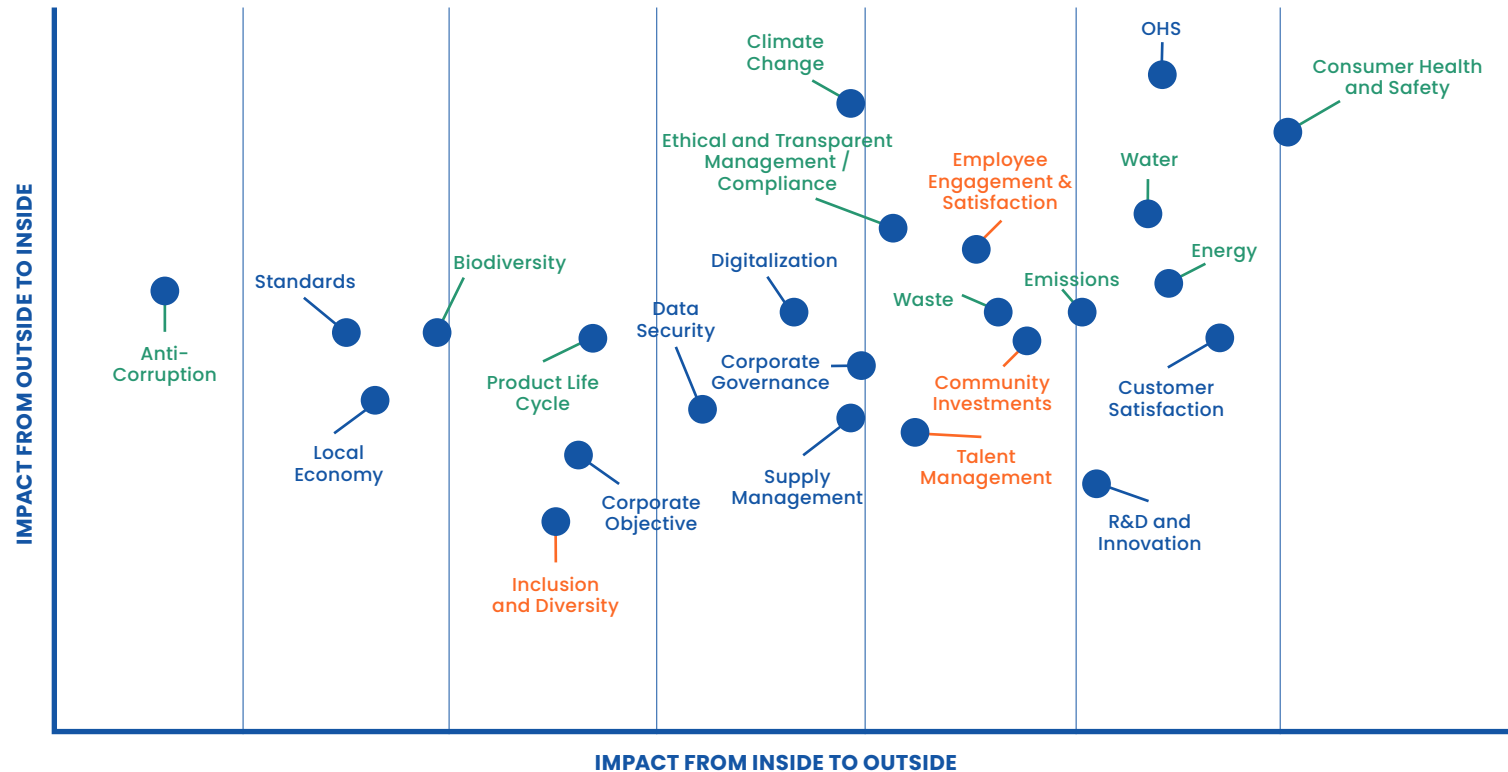
- Climate Change
- Water Management
- Waste Management

Our materiality issues related to the people:

- OHS
- Employee Engagement and Satisfaction
- Talent Management

Our materiality issues related to the society:

- Community Investments and CSR
- Consumer Health and Safety



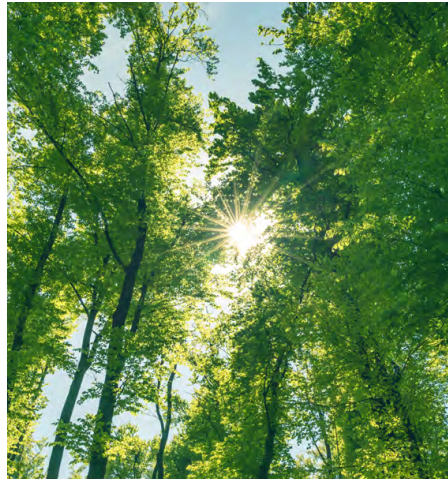
Our Sustainability Model

We evaluated our material sustainability issues in four categories: Governance, Planet, People and Society, embedding our corporate governance approach “We Treat Life Well” into our sustainability approach.



WE TREAT LIFE WELL

In line with our “WE TREAT LIFE WELL” approach, we move towards the future in a healthy way, taking into account risks and opportunities, while responding to the needs of the industry by always interacting and communicating with our stakeholders. In this regard, we take utmost care to comply with ethical rules.



WE TREAT THE PLANET WELL

In line with our “WE TREAT THE PLANET WELL” approach, we work to leave a better planet for future generations with the awareness of our responsibilities towards our planet. We are aware that natural resources are not infinite, and to contribute to and guarantee a sustainable future, we protect fresh water resources and implement cleaner production methods.



WE TREAT PEOPLE WELL

We base our “WE TREAT PEOPLE WELL” approach on the values of equality, fairness and integrity. To this end, we create equitable working environments in a manner to protect the health and safety of our employees. We are proud to be a signatory to the United Nations Women’s Empowerment Principles (UN WEPs). All of these are essential for establishing an inclusive corporate culture that will ensure the satisfaction of our employees.



WE TREAT THE SOCIETY WELL

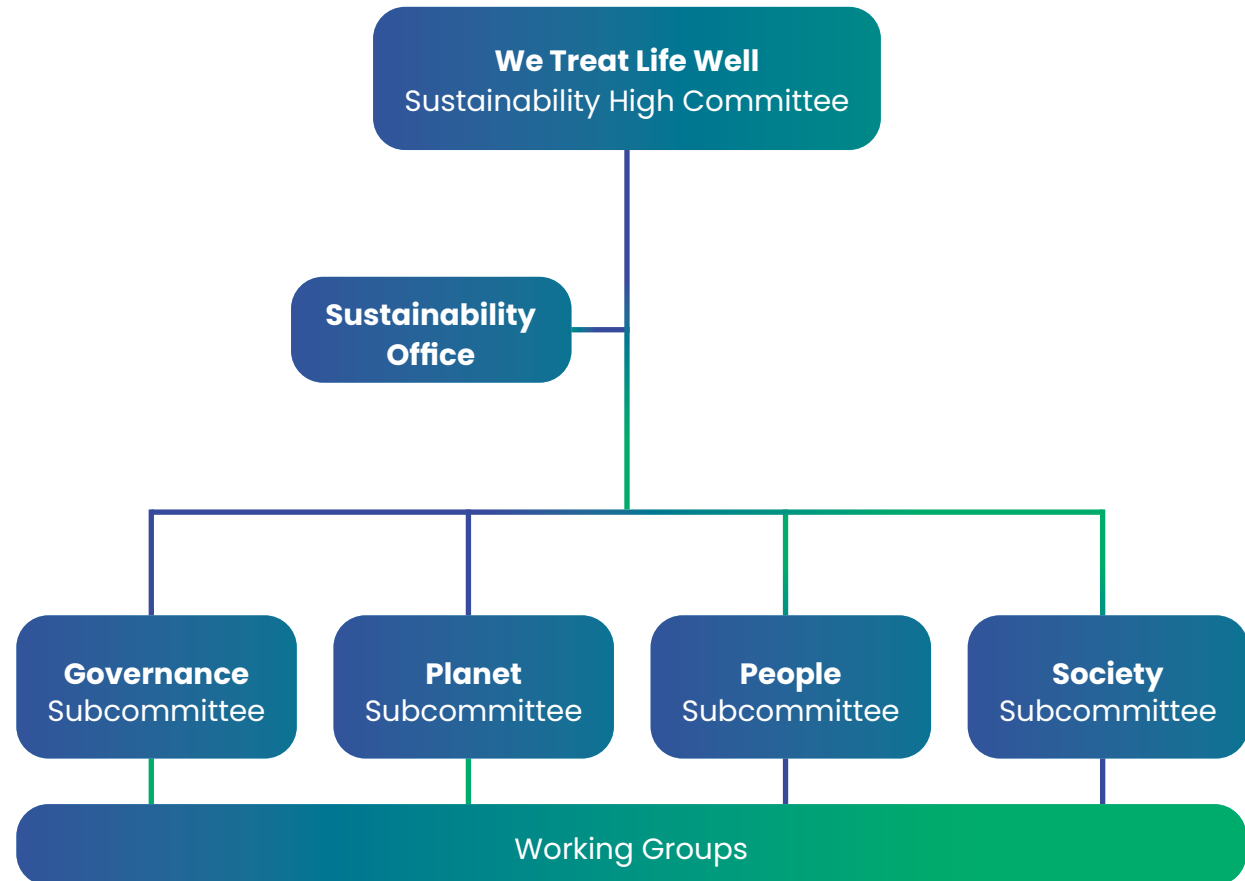
In line with our “WE TREAT SOCIETY WELL” approach, we strive to spread the corporate goodness approach in the countries where we operate, in line with our mission to add value to all areas of life. We contribute to increasing individual and social well-being with our social impact projects in the field of environment and health.

Our Sustainability Management

For effective sustainability management, institutions should have committed leadership, clear guidance and the power to create strategic impact. Sustainability management can only be achieved with a successful governance structure. In this regard, in order to provide a better life for future generations and to ensure inclusive social progress and stable growth resistant to change, while protecting the environment and resources, we are committed to carrying out activities in line with our philosophy of "We Treat Life Well" with all our stakeholders.

As Hayat, we established the **Hayata İyi Bakarız (HIB – We Treat Life Well)** Sustainability Committee, reporting to the Executive Board, for the effective management of the sustainability activities carried out with an eye on Governance, Planet, People and Society. In 2023, we aim to establish the Hayat Sustainability Center, which will also encompass the HIB High Committee, in order to monitor and manage sustainability performance.

The HIB Committee is composed of senior presidents and directors of the parent company. Executives, managers and directors for each issue serve in the Governance, Planet, People and Society Committees under the HIB committee.



Our Sustainability Management

The HIB Sustainability Committee monitors the work of the subcommittees of Governance, Planet, People and Society and reports the work carried out throughout the year to the Executive Board at regular intervals. The Executive Board closely monitors and supervises the committee work and communicates with stakeholders to support sustainability governance efforts and announce Hayat's sustainability approach. When deemed necessary, the Executive Board appoints senior managers to committees and gives the authority to follow-up processes to the senior manager, requesting the regular reporting of works at Executive Board meetings.

The Executive Board is responsible for submitting the company's material issues for the approval of the Board of Directors. It also reports the company's sustainability performance to the Board of Directors at regular intervals. The Board of Directors reports the activities to the General Assembly when deemed necessary.

The Governance Subcommittee was established to monitor and improve Hayat's governance performance. The focus of the Governance Subcommittee is corporate goal, ethical business approach, risk opportunity analysis, supply chain, and stakeholder communication. There are four working groups under the Governance Subcommittee

to manage the issues targeted depending on material sustainability issues.

The Planet Subcommittee was established to evaluate the environmental impact of the company's activities, find out the best available methods, and develop policies to minimize environmental impact. There are four working groups under the Planet Subcommittee, focusing on resource efficiency. These groups work to evaluate energy, emission, waste and water management issues and develop projects to reduce the environmental impact of products throughout their life cycle.

The Human Subcommittee was established to increase women employment by adopting an inclusive working model and to create working environments that respect human rights by monitoring Occupational Health and Safety practices. With the five working groups established under the Human Subcommittee, it is aimed to closely monitor and manage the focus areas.

The Society Subcommittee works in line with its mission of adding value to all areas of life. The priority of the subcommittee is to monitor and evaluate sustainability performance with a focus on social benefit. To this end, in order to increase social well-being, the aim is to follow the focus areas by creating four working groups on impactful topics.

The HIB Sustainability Committee monitors the work of the subcommittees of Governance, Planet, People and Society and reports the work carried out throughout the year to the Executive Board at regular intervals.

Stakeholder Engagement

As Hayat, we adopt the principle of transparency in order to establish a sustainable relationship with our stakeholders and provide effective communication with the society and our other business partners. In our projects, we aim to increase stakeholder participation by embracing an approach that is sensitive to social expectations and local needs. Thus, we work to continuously improve the impact of our activities on the environment and society.

Channels (Offline Online)	Customers (Domestic and International)	General Public (Society)	Civil Society, Sectoral NGOs	Civil Society, Non-Sectoral NGOs	Civil Society, Unions	Financial Institutions (Domestic and International)	State, Ministries Related to the Sectors	State, Non-Sectoral Ministries	State, Regulatory Bodies	Public, Legislative Offices, Departments and Units	Public, Judicial Departments and Units	Public, Local Central Stakeholders	Public, Local Elected Stakeholders	Academic Institutes	Media Organizations	International, Sectoral Organizations	International, Non-Sectoral Organizations	International, UN and EU Bodies	Shareholders	Senior Management	Employees (White Collar)	Employees (Blue Collar)
F2f Communication																						
Unit Meetings																						
Email																						
Direct Lines																						
Intranet Portal																						
Internal Screens																						

Stakeholder Engagement

Channels (Offline Online)	Customers (Domestic and International)	General Public (Society)	Civil Society, Sectoral NGOs	Civil Society, Non-Sectoral NGOs	Civil Society, Unions	Financial Institutions (Domestic and International)	State, Ministries Related to the Sectors	State, Non-Sectoral Ministries	State, Regulatory Bodies	Public, Legislative Offices, Departments and Units	Public, Judicial Departments and Units	Public, Local Central Stakeholders	Public, Local Elected Stakeholders	Academic Institutes	Media Organizations	International, Sectoral Organizations	International, Non-Sectoral Organizations	International, UN and EU Bodies	Shareholders	Senior Management	Employees (White Collar)	Employees (Blue Collar)
Internal Panels																						
Starter Kit																						
Meetings and Visits																						
Briefings and Seminars																						
Websites (Main and Affiliate)																						
Customer Services																						
Social Media																						
Traditional Media																						
CSR Activities																						

Civil Society Stakeholders

Turkish Association for Infant Mental Health

We create common benefit in the Molfix Hayat Bağım project.

Interactive Advertising Bureau - Turkey

We ensure social responsibility for the advertisements we prepare for our brands.

Business and Sustainable Development Council - Turkey

We strengthen our collaborations in the field of sustainability and follow sustainability trends.

Sustainability Academy - Turkey

To strengthen our collaborations in the field of sustainability, we share our practices with the industry and benefit from good practices.

We Need to Talk Association

We create common benefit in the Molped Ped Kardeşliği project.

Association for Cosmetics and Cleaning Products Industry

We share our sectoral knowledge and interact with our stakeholders.



8 17

Advertisers Association of Turkey

We ensure social responsibility for the advertisements we prepare for our brands.

7 8 13 17

Turkish Cogeneration Association

We share our knowledge to use cogeneration technology in production and increase its efficiency.

1 2 17

UNICEF

We donate regularly to give hope to children.

9 17

Pulp and Paper Industry Foundation of Turkey

Representing paper producers at TOBB (Union of Chambers and Commodity Exchanges of Turkey) and proposes regulations and laws regarding the sector to the Ministry of Industry.

8 9 10

Chamber of Chemical Engineers of Turkey

We carry out our works on Responsible Directorate and Responsible Technical Staff through this membership.

17

Turkish Quality Association (KALDER)

We represent our company on this platform with our projects on Quality Circle, Kaizen and Sustainability and participate in award competitions.

12 13

Environmental Protection and Packaging Waste Recovery & Recycling Foundation (CEVKO)

We cooperate to recycle our packaging waste and share our knowledge on environmental protection issues.

8 16 17

Corporate Governance Association of Turkey

We develop our corporate culture with trainings and webinars at the Corporate Governance Association of Turkey, which acts with the mission of recognizing, developing and implementing the corporate governance approach with the best practices in Turkey.

Supply Chain

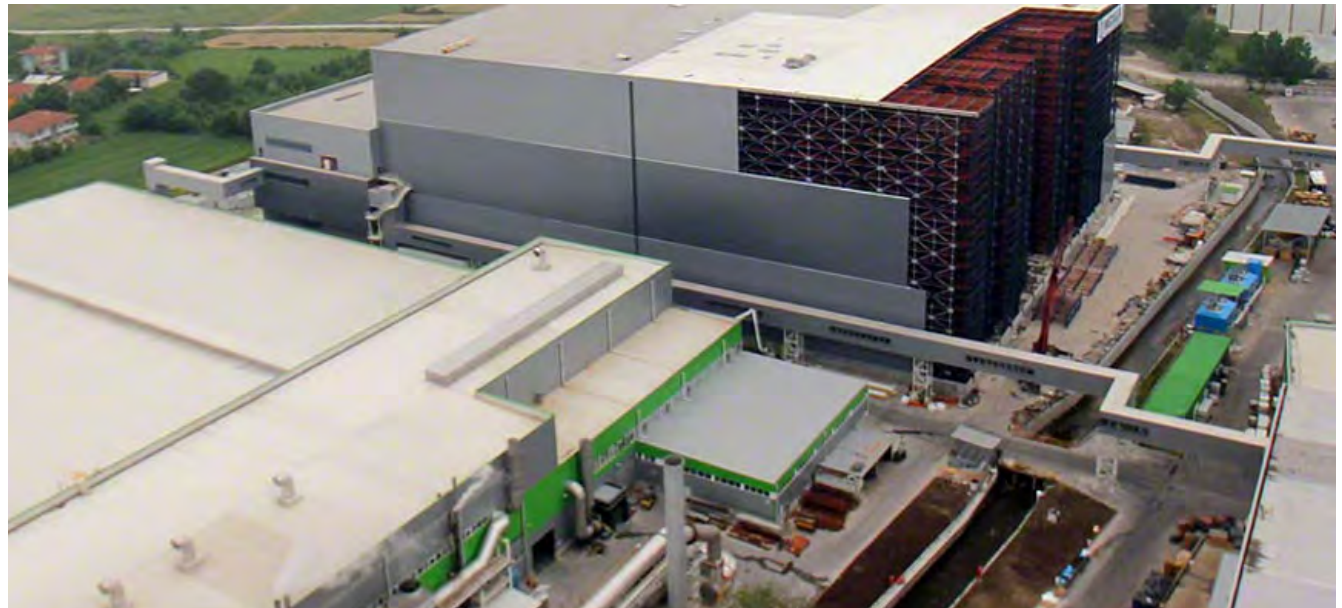
Ensuring the sustainability of our supply chain requires maintaining high ethical standards, reducing environmental impacts and implementing social responsibility at the highest level. With this awareness, we see each of our suppliers not only as a material provider but also as a long-term business partner contributing to sustainability. In our sustainability journey, we work in harmony with our suppliers to build an ecosystem based on trust, and prioritize transparency in all processes. This common approach provides an important basis for achieving our sustainability goals.

We prioritize health and safety at every stage from the production of our products to delivery to our consumers. We consider both environmental and ethical responsibilities, especially in product groups where high standards are critical, such as **disposable hygiene products**. In order to ensure sustainability in our supply chain, we evaluate our suppliers under the **Supplier Selection and Evaluation Procedure** and aim for them to meet the same high standards.

With the aim of supporting sustainability with our internal processes, we carry out part of packaging and raw material production in our own NW&FP factories. Thanks to this production model, we increase the efficiency and sustainability of the supply chain and provide effective management by

dividing suppliers into two main categories as raw material and packaging material providers and other material and service providers. With the performance evaluations conducted every year through the SAP system, we ensure that our suppliers are evaluated in detail according to criteria such as quality, delivery speed and financial compliance. We create a special performance report card for each supplier by acting together with Global Purchasing, Global Quality, R&D Directorates and other relevant units. Performance results are reviewed annually with the analysis called the **Critical Supplier Matrix**.

We evaluate our suppliers out of **1,000** points in the areas of quality, environment and compliance with human rights. These results recorded in the SAP system allow us to offer improvement suggestions when necessary.



Supply Chain

We evaluate our suppliers out of 1,000 points in the areas of **quality, environment and compliance with human rights**.

These results recorded in the SAP system allow us to offer improvement suggestions when necessary. For suppliers with detected deficiencies, a **Supplier Audit Improvement Plan** is prepared and such suppliers are requested to submit an improvement plan within 15 days.

A follow-up audit is carried out after 6 months for suppliers with an audit score below 700. In case deficiencies are not resolved, we take steps such as warning, sanction or termination of the business partnership, etc. Thus, we move closer to our goal of providing all elements of a sustainable value chain and aim to minimize our environmental impacts.

Supply Chain Occupational Health and Safety (OHS) Performance

In 2023, we carried out studies to improve occupational health and safety performance in the Supply Chain, which led to positive results. The majority of incidents throughout the year occurred at mild levels such as class 1 and 2, and the rate of incidents that could lead to serious injuries was kept

at a low level. Incidents were generally concentrated in the outbound, technical maintenance and e-commerce departments, which shows that safety measures are of critical importance in these areas. The number of lost days continued its downward trend throughout 2023 and decreased more in the later months of the year. This proves the positive effects of the preventive measures taken on occupational health and safety. The incident rate was reduced to 0.17, showing a performance well below the sector targets, considered a significant success in ensuring a safe working environment.

In terms of the number of days without incidents, a long period of 1,117 days of incident-free work was achieved in the e-commerce and promotion unit. This data shows that the safety culture was effectively established in the relevant units and safe working habits are maintained.

It is observed that 100% of the OHS actions taken in 2023 are ongoing. Although these actions have not yet been completed, efforts to improve occupational safety processes continue. According to the incident pyramid analysis, serious incidents were prevented by identifying safety risks in advance to a large extent, and no limb loss or fatal incidents occurred.



Tarik Demiryakan

Vice President, Global Supply Chain and Purchasing

Our supply chain enables us to work in a large global ecosystem.

We comply with bilateral and multilateral economic agreements and operate at international standards.

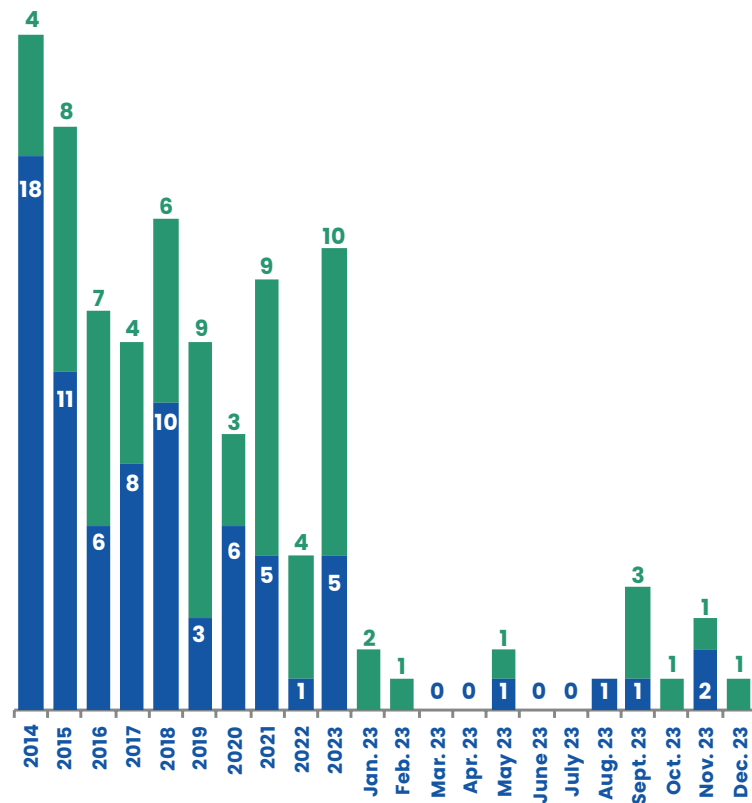
Thanks to our data-driven decision-making processes, we develop fast and flexible solutions, thus improving customer experience and increasing operational efficiency.

From a sustainability perspective, ensuring that our wide supplier network acts in line with environmental and social responsibility principles is among our main priorities. We encourage more eco-friendly and responsible practices at every stage of the supply chain, aiming to achieve our economic goals as well as our sustainability commitments.

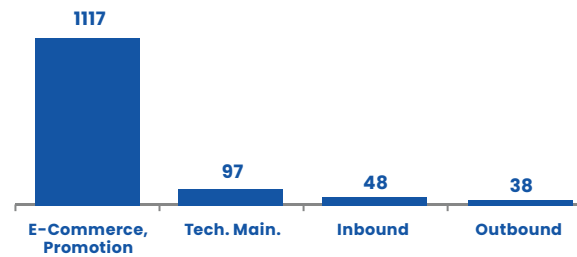
Our flexible and data-driven structure allows us to provide fast solutions to today's needs and to lead sustainable practices that will create the supply chain models of the future.

Supply Chain OHS Performance

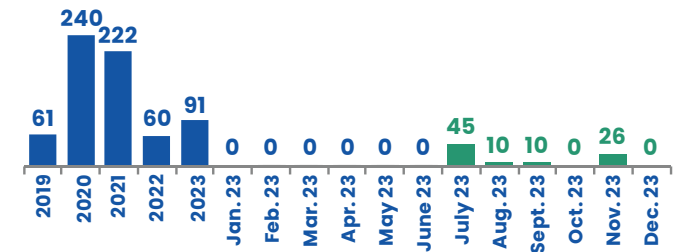
Number of Incidents



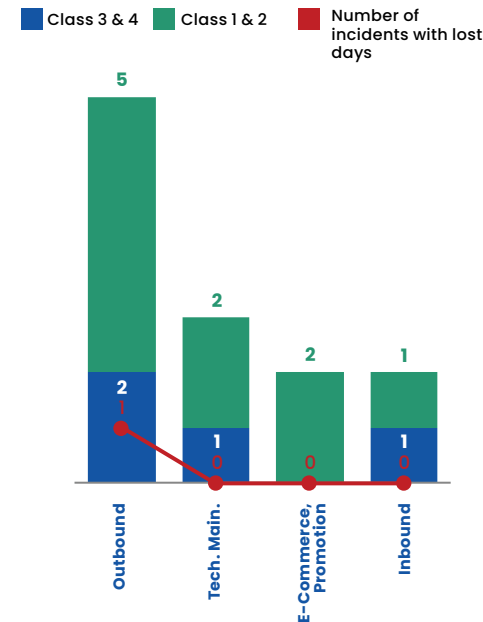
Number of Days without Incidents



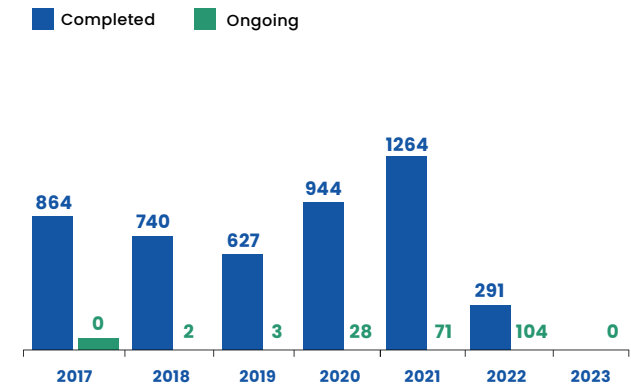
Number of Lost Days / Month



Distribution of Incidents 2023



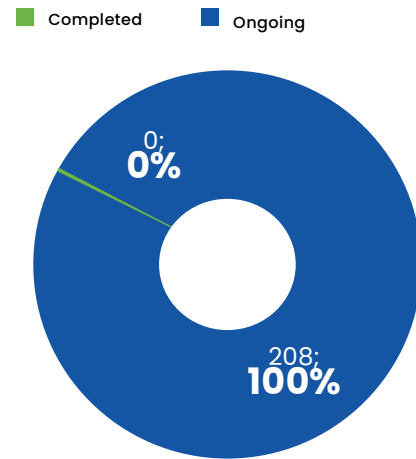
Action Details



Supply Chain OHS Performance

Action Completion Rate

Open from previous years and 2022 actions



Incident Pyramid

YTD 2022

0
1
2
2
9
365

YTD 2023

0
5
5
5
0
0

Class 4 - Loss of Limb / Fatal

Class 3 - Loss of Working Days

Class 2 - First Aid in Hospital

Class 1 - First Aid in Infirmary /

Close to Loss

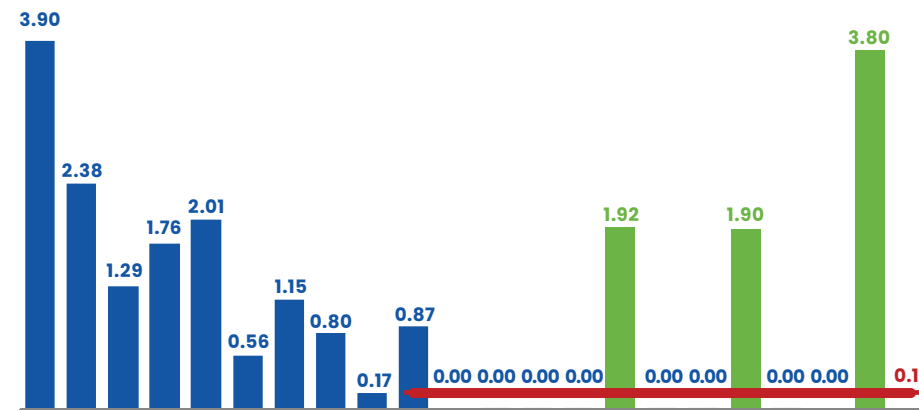
Unsafe Situations + Unsafe Behaviors

Proactive Reactive

Incident Rate (IR)

$IR = (\text{Number of Incidents} / \text{Total Working Hours}) \times 200,000$

■ Target



Consumer Satisfaction

We touch millions of lives every day with our fast-moving consumer goods to ensure hygiene and health conditions in people's daily lives. At this point, we receive opinions and feedback of our customers about our products through various channels to develop solutions for our consumers' needs.

Our **Consumer Relations Center (TIM)** records consumer notifications received via call center, e-mail and social media platforms, carefully evaluates all notifications and generates solutions in a short time to ensure consumer satisfaction in relevant cases.

The Call Center Satisfaction Survey Results Show Our Consumers Are Satisfied with Our Product and After-Product Services

The recent technological developments and changing consumer habits after the pandemic resulted in an increase in the interest of our consumers in our products via online shopping platforms. During the reporting period, an annual average of **1,076,882 people** ordered our products from online platforms. Under the **Call Center Satisfaction Survey** launched to measure customer satisfaction in 2022, following the calls to our call center, we asked our consumers to give points from 1 to 5 for the product they purchased and our post-product call center service. As a result of the survey conducted in 2023, the satisfaction rate of our consumers was **4.94** out of 5.

Complaints Received by the Customer Relations Center	2020	2021	2022	2023
Number of Complaints	5,958	6,495	5,117	7,187
Number of Solved Complaints	5,958	6,495	4,933*	7,169

There are incomplete notifications in some of the complaints made in 2022. Complaints that cannot be resolved were examined in 2023 and resolved with customer satisfaction in mind.



Ethics and Compliance

In line with our fair trade practices and ethical principles, we adhere to anti-corruption policies in all our business processes. With our internal audit systems and ethical trade principles, we create a trust-based business environment by sharing the importance of fair trade and commitment to ethical values with all our employees and business partners.

In addition to complying with the laws of the countries where we operate, we also consider respecting people, the environment, society, traditions and customs an indispensable part of our business culture. We created the **Code of Ethics and Business Conduct** document, which guides our employees to comply with the business ethics rules determined as our core values, and published the document on our website, accessible to all our stakeholders. All our employees are obliged to adopt business ethics principles and abide by these principles in their work and behavior.

The Code of Ethics and Business Conduct prepared by the Board of Directors include two main sections. The first section lays down the principles of conduct regarding general ethical issues while the second section contains governance and implementation information regarding the Code of Ethics and Business Conduct.

Ethical issues explained in the Code of Ethics and Business Conduct are:

- Our Core Ethical Values
- Management of Conflicts of Interest

- Our Responsibilities
- Protection of Trade Secrets
- Confidentiality

Non-compliance with the Code of Ethics and Business Conduct is resolved by the Hayat Global Ethics Board. The Hayat CEO assumes the chairmanship of the Hayat Global Ethics Board while the permanent members of the Board include the Global Human Resources Director, the Global Legal Director, the Global Business Development Director and the Global Corporate Communications Director. Depending on the country or function where the non-compliance with the ethical rules is encountered, temporary members are also assigned to the board on the relevant subject. The Audit Director acts as the rapporteur of the Ethics Board. In addition, the Global Ethics Board may authorize subcommittees at the country level to resolve cases of non-compliance with the Code of Ethics and Business Conduct.

Hayat employees and all business partners can report any ethical violation at ethics.hayat.com.tr. The Ethics Committee Rapporteur assigned by the Global Ethics Committee reviews the notifications and present them to the Ethics Committee. The Ethics Board may primarily assign the Audit Directorate and, if necessary, other business units to review and investigate notifications of violation submitted through the Ethics Line or other channels. No feedback was received regarding any breach of duty during the reporting period.

Anti-Corruption and Preventing Conflicts of Interest

As Hayat, we act in accordance with the principles of business conduct in all our activities, from the supply of raw materials to the sale of our products and our stakeholder communication we avoid any conflict of interest that would damage our corporate identity. We aim to ensure that our employees and all stakeholders in our value chain also comply with our ethical values in the fight against corruption.

The Code of Ethics and Business Conduct document explains how our business relationships with suppliers, customers and competitors should be managed as well as any behavior that can be considered bribery in situations of giving or receiving gifts. The document also elaborates the conduct requested of our employees in the fight against corruption. According to this document, our employees are obliged to report situations of bribery and corruption via the Ethics Line.

While carrying out all our business activities, we fulfill our obligations responsibly by keeping an equal distance from all public institutions and organizations, administrative formations, NGOs and political parties, without any expectation of benefit. We carry out all our work in line with the principles of integrity and transparency as well as in full compliance with the laws and regulations of the countries in which we operate.

Risk and Opportunity Analysis

We proactively manage the risks and opportunities that may arise while achieving our goals, and evaluate each of them as strategic elements that will create value for our organization. In this process, led by our Audit Directorate, we attach great importance to preserving our business continuity, as well as determining possible negative impacts on our employees, financial assets and the environment in advance. Our risk management approach aims to identify potential threats and to develop flexible and effective solutions against them.

In line with the insights we gained from the World Economic Forum's (WEF) 2022 Global Risks Perception

Survey, we address risk areas that are predicted to increase their impact in the future. Moreover, we closely monitor sectoral changes and the transformation in consumer expectations, and evaluate the innovative opportunities offered by these changes. We see these developments, which have the potential to transform our business models, as opportunities for gaining flexibility and growth.

We approach risk and opportunity management as a four-stage process within the framework of a structured system: identification of risks and opportunities, impact-probability assessment,

preparation of monitoring and implementation plans, and then reporting the results to the Executive Board. At every stage of this process, the Audit Directorate conducts analyses with an independent and impartial approach. As of 2022, these analyses systematically monitor 23 risks and 14 opportunities, guiding us to take sustainable steps to create value for our company. In 2023, we will continue the analyses with the same determination, evaluate new developments and potential risks, and take measures to support our sustainable growth.



We Treat Life Well

Planet



***we treat
the planet
well***

We Treat the Planet Well

As Hayat, we take part in a sector directly integrated with the world at every stage, from the supply of raw materials to the production of our products, from the production to the end use by the consumer and the disposal of the product. In all our activities, we are aware of our responsibility to the environment, working to ensure the continuity of our business processes and to leave a better world for future generations.

Reducing our impact on the environment and ensuring sustainable use of resources is one of the fundamental elements of our environmental responsibility policy. To this end, we took important steps to improve our environmental performance in 2023. We continued to implement sustainable solutions in the areas of water use, waste management and emission control in all our facilities.

In terms of water consumption, water use data for each facility was carefully monitored to ensure efficient use of water. In order to protect water resources, we established our Desalination Facility in 2016. In waste management, we conducted waste reduction programs with the aim of minimizing the negative effects of hazardous and non-hazardous waste on the environment. We increased reuse and recycling practices to reduce the amount of waste

generated in production. In particular, in the field of hazardous waste management, we minimized environmental risks by implementing safe storage and disposal methods in accordance with the legislation.

In order to reduce greenhouse gas emissions, we regularly monitored emission data, especially CO₂, and took emission reduction measures on a facility basis. We continued to work on projects aimed at reducing our carbon footprint with the use of renewable energy sources.

Throughout 2023, we carried out improvement activities in many areas to reduce our environmental impacts, which led to significant results. In this context, we focused on various environmental indicators such as environmental accidents, waste management, water consumption and greenhouse gas emissions.

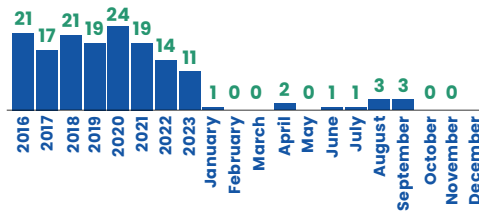
In 2023, the total amount of waste was recorded at 27.23 kg/ton FP level across Turkey, varying per factory.

When evaluated in terms of greenhouse gas emissions, the emission value across Turkey was measured as 0.430 tCO₂e/tons/month.

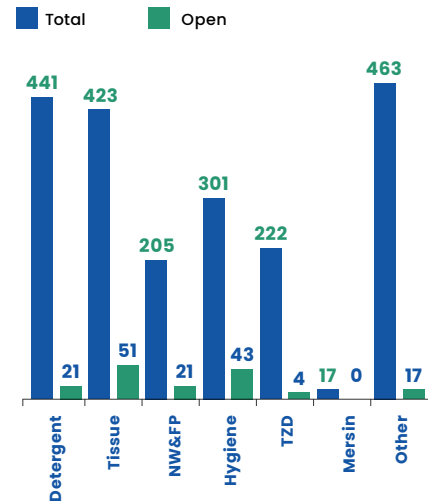
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Turkey Environmental Performance

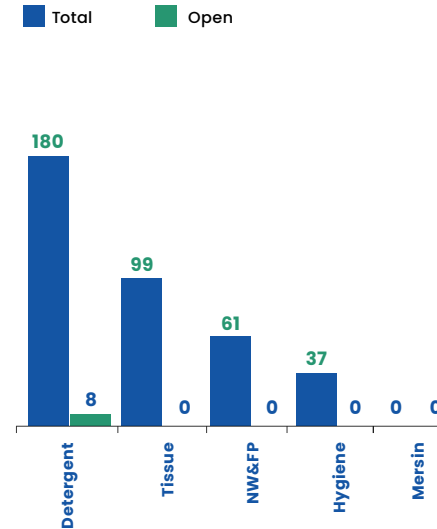
Number of Environmental/Process Incidents



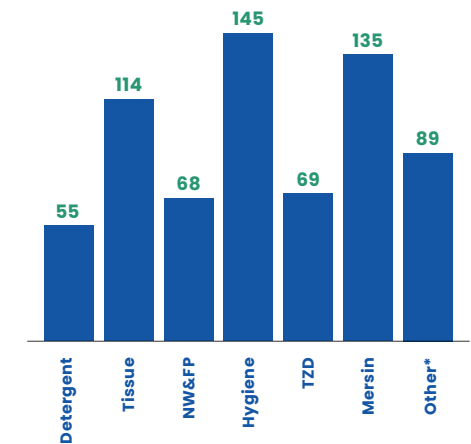
Corrective & Remedial Actions 2023 (per year)



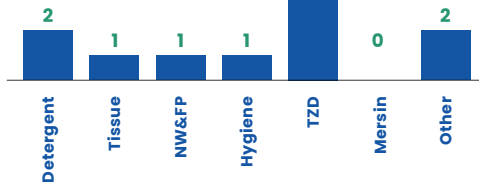
Process Safety and PKD Action 2023



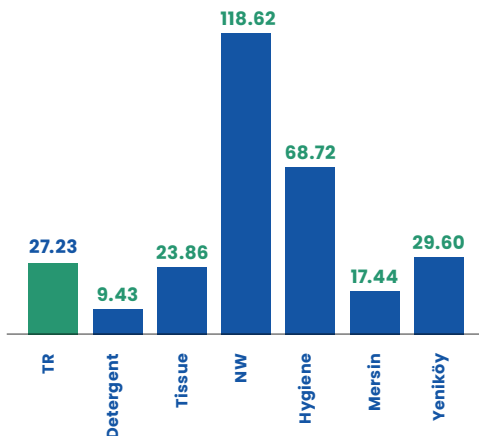
Environmental Training Hours 2023
Man / Hours



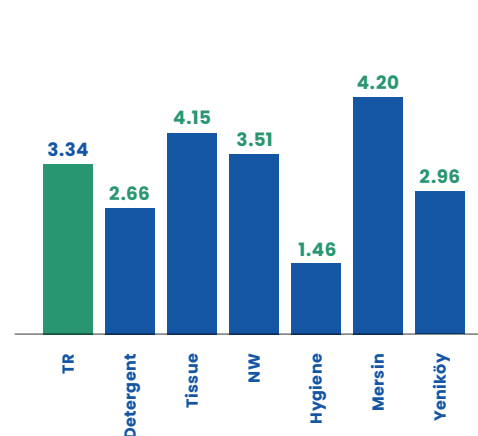
Distribution of Environmental/Process Incidents 2023



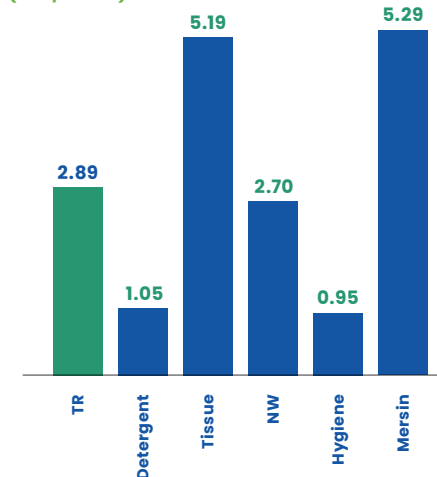
Total Waste 2023 YTD
(kg/tons FP)



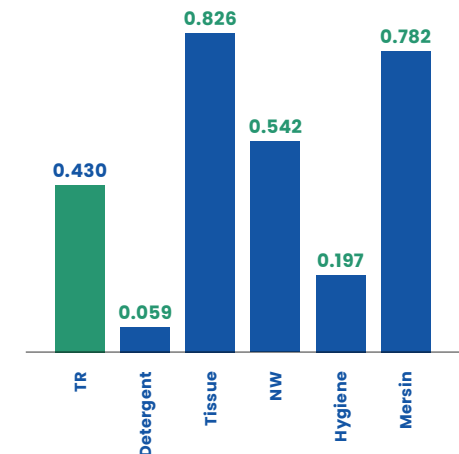
Hazardous Waste Distribution 2023 YTD
(kg/tons)



Water Consumption Distribution 2023 YTD
(m³/tons)



Greenhouse Gas Distribution 2023 YTD
(tCO₂/tons/month)



We Treat the Planet Well

We organize training activities to strengthen environmental responsibility awareness of our employees and all our suppliers. We know that increasing individual awareness is the most important step to take in adaptation to climate action.

Environmental Trainings	2020	2021	2022	2023
Environmental Trainings (person*hour)	871	1,136	954	1,426

With the “Hayat Excellence System” (HES) focusing on operational excellence on a global scale, we blend our business culture with the best practices in the world and we develop our production processes in an environment where all our companies learn together and are inspired by each other. We aim to continuously improve our impact on the climate and the environment. In this regard, we manage our environmental processes under the leadership of our **Health, Safety, Environment (HSE) Management Policy** in accordance with the legislation of the countries in which we operate as well as international standards. All our facilities in Turkey are managed in

Environmental Investments (USD)	2020	2021	2022	2023
Environmental Investment Expenses	136,000	408,142	80,000	254,000

accordance with the requirements of the ISO 14001 Environmental Management System Standard. We give priority to energy management and efficiency projects as the first Turkish company to receive the ISO 50001 Energy Management System certification accredited in Turkey.

Our commitments in the Health, Safety, Environment (HSE) Management Policy:

- Developing eco-friendly and user-friendly product ranges in line with customer demands and expectations,
- Training employees and suppliers with the awareness of continuous development and improvement,
- Ensuring that all stakeholders are informed about our Environment, Occupational Health and Safety policy and can express their opinions easily,
- Creating a healthy and safe working environment for employees by using cutting edge eco-friendly technologies and introducing the products manufactured in such an environment to the global markets,
- Evaluating environmental aspects and risks, Occupational Health and Safety hazards and risks with preventive approaches, and taking necessary measures to prevent work accidents, occupational diseases and environmental accidents,
- Complying with all local and international legislation regarding Environment, Occupational Health and Safety Management and ensuring the improvement and continuity of management systems,
- Aiming to prevent environmental pollution at its source by using natural resources effectively and efficiently and taking precautions at the highest level.

In 2022, with the participation of our stakeholders, we determined energy management, water management and fight against climate change as our material sustainability issues. We manage these issues under the supervision of the Planet Subcommittee reporting to the Sustainability Committee.



Alper Kiriş
HSE Manager

WE WORK WITH ENVIRONMENTALLY-RESPONSIBLE PRODUCTION PROCESSES.

As Hayat, we see environmental sustainability not only as a goal but also as a responsibility integrated into all our processes. In today's world where the effects of the global climate crisis are becoming increasingly evident, ensuring the conscious use of natural resources and adopting circular economy principles are among our strategic priorities.

As in previous years, we redefined the standards of eco-friendly production by taking innovative steps to optimize our water consumption and reduce our carbon footprint in 2023. The performance monitoring, periodic review and internal audit processes we carry out for the continuous improvement of our HSE systems prepare us for a stronger and more durable future. To this end, we work towards our goal of creating a sustainable business model in cooperation with all our business partners and employees.

Based on global standards and legal requirements, we will continue to implement practices that improve our business in every aspect.

Water Consumption and Protection of Water

The limited availability of fresh water resources for human activities around the world puts pressure on institutions to limit water consumption and use water resources more efficiently. According to the Water Risk Atlas published by the World Resources Institute (WRI), Turkey is among the countries experiencing high water stress due to the effects of the climate crisis and inefficient use.¹

As Hayat, we use High water in the production of various categories of products, especially liquid detergent, tissue, diapers and sanitary pads.

We see the protection of water as the most important issue for the continuity of our production activities. In order to create effective water management mechanisms in our facilities, we annually monitor our water usage and improve our processes to reduce the water intensity per product.

In line with our sustainability strategy, we implemented various water management practices in 2023 to make our water use efficient and contribute to the protection of natural resources. While an increase was observed in our total water consumption amounts, our

In terms of water use intensity, we decreased the rate from **2.99** in 2022 to **2.89** in 2023.



[1] WRI, Aqueduct Water Risk Atlas

Water Consumption and Protection of Water

efficiency-focused studies improved our water use intensity rate.

In terms of water use intensity, we decreased the rate from 2.99 in 2022 to 2.89 in 2023.

With the aim of protecting water resources and reducing our water consumption in our Kocaeli and Mersin production facilities, we make special engineering investments to increase the efficiency of our operations in water use.

In 2016, we searched for different water sources to protect the underground resources of the region where we operate by reducing our well water usage. Through market research and sector monitoring, we made the "Desalination Facility" investment to convert sea water into quality water that can be used in production with reverse osmosis and ultra filtration systems.

Thanks to the Desalination Facility, we acquired more than half of the water used during our reporting period, or 52%, from sea water.

As Hayat, we treat our wastewater from production in accordance with legal discharge standards. two engineers, two treatment foremen and 15 treatment personnel work in our treatment facilities. In order to calculate the COD efficiency of our treatment facilities, we take samples from the intake and output water of the treatment, conduct analyses for internal monitoring purposes and constantly check our treatment efficiencies.

In order to monitor wastewater discharge parameters, wastewater parameters are monitored by accredited laboratories within legal measurement intervals. Moreover, a Continuous Wastewater Monitoring Station (CWMS) was established in the discharge line of the Treatment Plant and Desalination Plant serving our Kocaeli Factories in 2023, and discharge water results are monitored 24/7 and reported to the competent authorities.

Thanks to the Desalination Facility, we acquired more than half of the water used during our reporting period, or **52%**, from sea water.

Water Consumption (m ³ /year)	2020	2021	2022	2023
Municipal water	430,226	521,189	730,320	788,985
Surface waters	524,795	641,903	578,931	489,183
Groundwater	517,766	379,621	471,071	608,797
Total Water Consumption	1,472,787	1,560,713	1,780,322	1,886,965
Water Usage Intensity	2.59	2.62	2.99	2.89

Fight against Climate Change – Energy and Emission Management

Climate change is a global problem with worsening effects due to an increase in extreme weather events, droughts, floods and forest fires. Countries coming together have tried to make common decisions on climate change for many years at the United Nations Framework Convention on Climate Change. More than 150 world leaders came together at the 21st COP Meeting and signed the Paris Climate Agreement with the aim of keeping the global temperature well below 2°C. Over the years, the European Green Deal, Emissions Trading System, Carbon Border Adjustment Mechanisms emerged, showing that companies as well as countries should focus on efforts to fight climate change and follow low-carbon economic policies. As a global company, we are aware that we need to take more action to reduce the effects of climate change and Treat Life Well.

As Hayat, we are the first Turkish accredited company in Turkey to receive the ISO 50001 Energy Management System certification.

Aware of the impact of fossil fuel use on greenhouse gas emissions released into the atmosphere, we focused on energy and emission management in the fight against climate change. In this regard, we prepared our Energy Policy as a basis for our energy management approach.

Our Energy Policy

- To increase energy performance values including energy efficiency and density in all processes,
- To reduce costs by making improvements in energy efficiency in all processes,
- To ensure that we are the company that uses energy most efficiently in the sector by constantly monitoring developing technologies and thus improving the quality of energy management,
- To ensure continuous improvement by constantly training employees and increasing their experience in energy efficiency and by adopting a management approach that is open to communication,
- To comply with national and international legal

- requirements regarding energy management,
- To reduce emission values by focusing on efficiency during the generation and consumption of energy and to Treat the Planet Well,
 - To ensure sustainability in energy by diversifying the fuel types and supply sources,
 - To be traceable by making energy measurement, evaluation and reporting in the most reliable way,
 - To ensure the purchase of energy efficient products, services and designs to improve energy performance and to allocate a budget for necessary improvements, and
 - To reduce fossil fuel consumption by increasing production opportunities with renewable energy sources.

Internal (Scope 1) Energy Consumption	2020	2021	2022	2023
Natural Gas (MWh)	935,337.54	1,342,320.95	1,500,130.74	1,499,601.92
Electricity (electricity + steam + drying) (MWh)	810,679.04	902,503.37	1,012,296.82	1,015,728.79
Coal (tons)	0.00	0.00	0.00	0.00
Fuel oil (tons)	0.00	0.00	0.00	0.00
Diesel (liter)	588,827.08	591,737.39	338,769.61	358,048.64
Gasoline (liter)	3,314.79	37,375.74	376,606.56	475,390.24

Fight against Climate Change – Energy and Emission Management

As Hayat, we carry out studies on energy efficiency in line with our energy policy. In order to ensure energy efficiency in our facilities in 2022, we designed 70 energy efficiency projects, ranging from easy-to-implement burner maintenance to complex projects to produce energy from hot water. At the **Energy Workshop** held with the participation of 33 people from our senior managers and employees, we evaluated these energy efficiency projects on issues such as efficiency, contribution to sustainability, and investment cost. In 2023, we started to implement these projects.

In order to reduce our fossil fuel consumption and greenhouse gas emissions by switching to renewable energy sources, in 2021, we established a Solar Power Plant with an annual electricity generation capacity of **450 MWh** on the roof of our Mersin factory. The project enabled us to save 1.5 million TL by utilizing a total of 482.48 MWh of solar energy in production processes during the reporting year.

Energy Generation from Renewable Energy Sources (MWh)	2021	2022	2023
Solar Power	435.00	384.24	482.48

In our Mersin factory, we established a highly energy efficient Trigeneration Facility in order to provide the heating and cooling energy we need in our production line. Thanks to the Trigeneration Facility, we saved **53,200 MWh** of energy and reduced our **gas consumption by 5,000,000 m³**.

We saved a total of **1,640 MWh of energy** by replacing the electric motors in our machines in our tissue factory in Kocaeli, and reduced our energy expenditures by 2.7 million TL.



İbrahim Güler

Vice President, Operations

AS HAYAT, WE ARE AWARE OF OUR RESPONSIBILITY TO THE WORLD AND FUTURE GENERATIONS.

We manage our production processes not only in line with economic targets, but also by considering environmental and social impacts. We embrace an approach that focuses on the conscious use of natural resources, increasing energy efficiency and long-term sustainability.

We utilize environmentally-friendly technologies in our operations and develop innovative solutions to reduce our carbon footprint. Acting on the principle of 'generate on site, consume on site', we increase our renewable energy investments and aim to reduce our environmental impact in our production activities. These investments meet today's needs while also contributing to our mission of creating sustainable business models for the future.

Sustainability is not just a static goal for us, but a process that requires continuous development. To this end, we pioneer projects that promote sustainability at local and international levels. With our energy investments, our innovative technologies and our responsible decisions, we continue to fulfill our commitments to society and the environment while contributing to global sustainability goals.

Fight against Climate Change – Energy and Emission Management

In order to observe the direct and indirect effects of our activities on climate change and to make the necessary improvements, we calculate our Scope 1 and Scope 2 carbon footprint in our factories in Kocaeli and Mersin.

Greenhouse Gas Emissions (ton CO ₂ e)	2020	2021	2022	2023
Scope 1	209,400	244,321	272,525	272,710.26
Scope 2	2,303	13,240	15,770	9,360.26

Greenhouse Gas Intensity (tonCO ₂ e/generation)	2020	2021	2022	2023
Greenhouse Gas Intensity	0.37	0.45	0.49	0.43

In order to monitor the emissions resulting from our production processes, in accordance with the regulations, we have all chimneys in our production facilities measured by an accredited laboratory every two years, and we report to the Ministry of Environment, Urbanization and Climate Change. Moreover, we measure process emissions instantly with the Continuous Emission Measurement System installed in the process chimney of the detergent factory and transfer data to the Ministry system 24/7.

Air Emissions	2019		2021		2023	
(kg/hour)	Yeniköy	Mersin	Yeniköy	Mersin	Yeniköy	Mersin
Particulate matter (Dust)	4.160	2.100	1.028	1.0277	0.084	2.018
NOx	13.840	29.490	63.360	63.36	25.721	71.752
SOx	0.040	0.00	0.773	0.773	0.010	0.957
VOC	0.239	1.110	0.00	0.00005	0.002	0.00
TOC	11.690	11.080	0.00	0	6.590	0.00
Heavy Metals	0.008	0.020	0.00	0	0.014	0.00



Waste Management

At Hayat, our waste management approach is based on the circular economy model, aiming to use resources efficiently, and managing our business processes in line with the zero waste approach.

In accordance with our zero waste approach, we aim to evaluate and reduce hazardous and non-hazardous wastes generated in our facilities at the source by using the best available methods. In waste management, we adopt an approach that aims to first prevent waste generation, then minimize the environmental impacts of waste through methods such as reuse, recycling and energy recovery. We classify the generated waste by categories in accordance with the regulation and store wastes in impermeable ground waste areas. We ensure recovery/disposal of wastes by sending them to licensed hazardous and non-hazardous waste recovery/disposal facilities at regular intervals.

In all the categories, especially the disposable hygiene materials such as sanitary pads, diapers and toilet paper, we work to inform our end users about waste management through various communication channels.



Piraye GÖK
Sustainability Director

AKADEMİ ÇEVRE

As Akademi Çevre, we prioritize supporting our business partners' goals of reducing their environmental impacts with our work in the field of environment and sustainability. Under our cooperation with Hayat Kimya, we are pleased to make significant contributions to the efficient use of resources, reduction of carbon emissions and implementation of circular economy principles.

We support the protection of natural resources by offering eco-friendly and legally compliant solutions in the management of waste originating from Hayat Kimya's production processes. In particular, our recycling-focused approaches enable waste to be transformed into valuable resources. This process also contributes significantly to zero waste goals and sustainability strategies.

Moreover, our innovative work on reducing greenhouse gas emissions supports Hayat Kimya's goals of reducing its carbon footprint. We aim to continuously increase our contribution to sustainable production processes with the methods we develop to combat climate change. The awareness activities and trainings we organize for your employees and business partners ensure that sustainability awareness becomes an integral part of the culture of doing business.

Working to realize Hayat Kimya's environmental and social sustainability vision is of great value to Akademi Çevre. We look forward to deepening our cooperation in the future and acting together for a sustainable world.

Waste Amounts (tons)	2020	2021	2022	2023
Total Amount of Hazardous Waste	1,665.68	1,829.00	2,024.84	2,173.92
Total Amount of Non-Hazardous Waste	29,722.61	34,361.88	34,343.03	36,006.40

Diversity Approach

As Hayat, we define biodiversity as the "library of life". There are 2 million species living on our planet other than us. Unfortunately, the number of members of each species in our diverse living library is rapidly decreasing, threatening the ecosystem. The worsening course of events in the library of life requires us to act with the understanding that we, as humanity, are not alone. In order to protect the diversity of species, to combat practices that adversely affect the ecosystem and to build a sustainable future, we contribute to creating a common understanding and raising generations who internalized ecological sensitivity and the importance of diversity and inclusion. To this end, we benefit from education, the most powerful and effective tool, and develop projects with the goal of creating a conscious society. We act meticulously in our production facilities to protect and treat the biodiversity well, and we ensure that our products are biodegradable and manufactured with natural combinations.



We Treat Life Well People



***we treat
people
well***



We Treat People Well

With our understanding of respect for humanity, we offer decent, equitable, safe, fair and respectful working conditions for all our employees. We embrace different cultures in our work environments and do not alienate any of our employees. We work to make all our employees feel that they are an important part of the Hayat Family with our inclusive corporate culture. As Hayat, we consider observing business and human rights as one of our fundamental responsibilities. To this end, we prepared our Global Human Resources Policy. This policy provides commitments that regulate our working life in the areas of human rights, equal opportunities, ethical rules and working principles, and the privacy of personal data.

Our Sustainable Human Resources Strategy

As Hayat, we prioritize sustainability principles in our human resources strategy and implement practices focused on increasing the loyalty of our employees, developing talent and supporting business continuity. With the HR SAP Re-Gen Project, we started to digitally monitor Human Resources data in all countries.

Under this project, we make data-based decisions by regularly reporting elements such as the number of employees, turnover rates and reasons for turnover on a country basis. Moreover, we analyze the reasons for turnover according to details such as function, gender and seniority for promotional actions and create proactive action plans. Our HR strategy, powered by digital transformation and data-based management, contributes to sustainable growth.

With the HR SAP Re-Gen Project, we started to digitally monitor Human Resources data in all countries. Under this project, we make data-based decisions by regularly reporting elements such as the number of employees, turnover rates and reasons for turnover on a country basis.



Diversity and Inclusion

As we expand our business in our globalization journey, we focus on improving the understanding of respect for people that lies at the core of our business. We provide our employees with opportunities to develop themselves by providing a positive working environment, and we believe that embracing different cultures and encouraging diversity enriches us. With our HR policies that encourage diversity and support inclusiveness, we value the contribution of each individual in our work environment and aim to create a sustainable business culture. To this end, we treat all our employees fairly and equally, and we do not marginalize our employees on grounds such as gender, religion, language, race, sect, marital status, political opinion. We require all our employees to adopt these principles.









As a company that advocates equality in business life and attaches importance to women's employment, we are proud to be a signatory to the **United Nations Women's Empowerment Principle (UN WEPS)**. We received the **Equal Opportunity Model (FEM)** certification issued by KAGIDER (Women Entrepreneurs Association of Turkey), proving that we are a company sensitive to gender equality and women's empowerment in employment thanks to our approach to organization, activities and employment policies.









As Hayat, we carry out our human resources works under the guidance of the Equal Opportunity Policy to create peaceful work environments by offering equal opportunities to all our employees in their career development.









In 2023, our total number of employees increased by 4%, our female employees by 13%, our white-collar female employees by 16%, our female employees under the age of 30 by 25% and our female executive ratio between the ages of 30-50 increased by 17%, supporting our strategy of strengthening female representation in management levels.









Our Equal Opportunity Policy









- Hayat respects human rights, observes the principle of equality towards all its employees and works to spread and implement this principle throughout the companies. • Recruitment and promotion decisions are made depending on experience, knowledge, ability and qualifications required by the position and the needs of the organization.
- There is no discrimination based on gender, religion, sect, race, marital status, political opinion, disability, social class difference, philosophical belief and similar visible or invisible reasons to create a diverse and inclusive working environment.
- In all Human Resources practices, equal opportunities are ensured in recruitment advertisements, in interviews and in the employee selection procedure.
- We adopt a remuneration and performance system based on transparent and objective criteria for all employees, and offer equal training and development opportunities.
- The inclusion of women as decision makers in management positions and the balance between men and women in management are constantly monitored.
- We work to ensure that each employee adopts the principle of equal opportunity through various trainings and social responsibility projects, and Hayat employees are encouraged to be sensitive and respectful of age, gender, race, religion, language, ethnicity, sexual orientation, belief, disability, political opinion, cultural and social differences in their relationships with colleagues, customers, suppliers and society.
- All processes and practices are regularly reviewed in line with the "Equal Opportunity Policy" and necessary improvements are made.
- The "Ethics Board" is responsible for the implementation of the above-mentioned principles and commitments. We established a mechanism to ensure that all kinds of violations are reported by employees to be evaluated.









Number of Employees	2020		2021		2022		2023	
								
Total Number of Employees	551	2,841	562	2,995	573	3,060	650	3,127
White Collar Employees	354	581	373	603	393	615	456	680
Blue Collar Employees	197	2,260	189	2,392	180	2,445	194	2,447









Number of Employees	2020		2021		2022		2023	
								
Subcontracted Employees	81	1,378	138	1,555	128	1,690	135	1,224

Employees by Age	2020		2021		2022		2023	
								
Under 30	83	388	114	502	113	602	141	735
30-50	452	2,304	438	2,354	455	2,321	473	2,158
Over 50	31	229	30	217	28	210	36	234

Number of Employees with Disabilities	2020		2021		2022		2023	
								
Number of Employees	13	80	15	93	15	97	14	93

Number of New Hires	2020		2021		2022		2023	
								
Total Number of New Hires	194	450	105	528	101	403	147	637
Under 30	63	267	33	293	44	233	62	420
30-50	130	173	72	226	57	162	84	207
Over 50	1	10	0	9	0	8	1	10

Number of Employees in Management Positions	2020		2021		2022		2023	
								
Under 30	1	0	3	1	6	4	6	6
30-50	122	269	154	321	182	328	213	287
Over 50	7	58	6	55	7	61	12	67

Number of Executive Board Employees	2020		2021		2022		2023	
								
Number of Employees	1	5	1	7	1	8	1	8

Employee Engagement

As Hayat, we see our employees as members of our family, and place loyalty, one of our corporate values, at the core of our employee engagement practices. We take more confident steps in the sector by decreasing employee turnover and preserving our existing knowledge and the strong ties established with our employees.

Our **employee engagement** was measured as **78%** in the Employee Engagement Survey conducted with the participation of 5,007 employees globally in 2023 to measure the satisfaction level of our employees. We evaluate the feedback received through the survey in line with our understanding of continuous improvement, work on the areas we need to improve, and strive to further improve our strong areas.

We offer various Social Clubs for the use of our employees according to their talents or areas of interest. Thus, our employees in different units have the opportunity to come together in these clubs and strengthen their communication abilities and social ties. In addition to our Art, Sports and Travel Clubs, which were suspended due to the pandemic, we established the Hayat Animal Friends Club this year. After the end of the pandemic, all our Social Clubs resumed their activities.

Side Benefits for Our Employees

Fuel Assistance	Health Insurance	Manager Bonus (For Manager and above Positions)
Holiday Assistance	Dining Hall	Sales Bonus
Education Assistance	Shuttle Service	Performance Bonus (For Senior Specialist-Manager Positions)
Food Package (1 every 2 months, 1 additional package during Ramadan) Paper and Hygiene Package (1 every 2 months)	Meal Assistance (For Hybrid Employees)	Company Vehicle (for manager and above positions)
Internet Service Support (monthly)	Company Phone and Line	

We continue to create a working environment for our employees where they can be healthy, happy and productive. We aim to help our employees establish a balance between work and private life with the benefits we provide.

Side Benefits for Our Employees

We established the **FLEX Side Benefits Platform** to listen to the needs of our employees and respond to their changing expectations. Through this platform, our employees can choose from new options suitable for them instead of side benefits they do not use, thus receiving financial support. Side benefits such as holiday assistance, education assistance, fuel assistance and food packages can be arranged according to the preferences of the employees under the FLEX platform.

Our employees can evaluate the flexible side benefits on the FLEX platform through the **Gift Catalog on the Wezone platform**. This catalog provides our employees with a wide range of alternatives by offering gift options in many categories such as white goods, electrical appliances, clothing-shoes, computers-tablets. Moreover, our employees can benefit from special discounts on many brands through the Opportunities Club on the Wezone platform.

In addition to side benefits, our Wezone platform can be used by all employees to send appreciation and thanks to each other via the **Appreciation and Thanks** section. Managers also give points to reward employees on their teams and allow employees to use these points in the gift catalog.

Employee Engagement

Strengthening Employee Engagement

One of the cornerstones of creating a sustainable workforce is to increase employee engagement. To this end, as Hayat, we developed various programs and practices that support the engagement of our employees. The **Wezone Reward Program** has been expanded to include all of our employees and has especially encouraged our blue-collar employees working in the field. With the **Candidate Suggestion System**, our employees can benefit from the opportunity to suggest candidates and be rewarded in line with these suggestions. The **Employee Engagement Survey**, conducted to measure employee engagement, will be implemented for the second time in the upcoming period and will provide a new analysis to determine areas of development. These studies are important steps taken to strengthen our bond with our employees and increase satisfaction in the work environment.

Flexible Work and Side Benefits

In addition to an approach that encourages diversity and inclusiveness, we also attach importance to flexible working policies that consider the work-life balance of our employees. While supporting our employees in balancing their work and private lives with the **Hybrid Working Model**, we customize benefits according to the individual needs of employees with the **FLEX Flexible Benefits System**. By ensuring the standardization of benefits on a global scale, we create a structure that is compatible with the unique needs of each country.



Employee Engagement

Employee Support Program

We ensure that our employees and their families have free access to consultancy and information services provided 24/7 via the Employee Support Program. We help our employees solve challenging issues in their business and private lives that affect their performance and productivity and we support them to feed good in both their private and business lives.

We welcome our new employees with 'welcome gifts' reflecting our sustainability approach.

We support the growth of the Hayat Family by providing diapers from our own brands to our employees with babies. **The return to work** rate of our employees who took maternity/parental leave during the reporting period was **76% for women and 89% for men**.

A significant decrease was achieved in the employee turnover rate in 2023. The turnover rate for female employees decreased from 18% in 2022 to 8% and from 11% to 9% for male employees. The overall turnover rate was realized as 9% in 2023, achieving a decrease from 12% in 2022. This decrease reflects the positive results of our company's strategic steps to increase employee engagement.

Maternal / Parental Leave	2020		2021		2022		2023	
	Woman	Man	Woman	Man	Woman	Man	Woman	Man
Number of Employees Using Leave	9	73	5	57	6	61	34	163
Number of Employees Returning to Work	9	73	5	57	6	61	26	145

Employee Turnover	2020			2021			2022			2023		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Total Number of Employees Leaving	74	232	306	92	360	452	99	347	446	97	541	638
Number of Employees Leaving (under 30)	16	113	129	31	178	209	31	146	177	24	211	235
Number of Employees Leaving (30-50)	58	113	171	60	170	230	68	194	262	70	274	344
Number of Employees Leaving (over 50)	0	6	6	1	12	13	0	7	7	3	56	59
Employee Turnover Rate	%11	%7	%8	%15	%11	%12	%18	%11	%12	%8	%9	%9

Employee Turnover	2020			2021			2022			2023		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Number of employees working for a period of 0-5 years	330	1,067	1,397	330	1,175	1,505	343	1,211	1,554	82	356	438
Number of employees working for a period of 5-10 years	130	1,004	1,134	143	1,003	1,146	128	991	1,119	8	83	91
Number of employees working for a period of over 10 years	106	850	956	109	895	1,004	125	931	1,056	7	102	109

Make Your Move

We explain and promote our company to our employees and the potential talents with our new employer brand, Make Your Move. With Make Your Move, we enable current and potential employees to experience the work life at Hayat through the following concepts.



We are proudly committed to our past, solid foundations and values that have brought us success. Excited about our smart actions, goals and objectives with our innovative perspective...

We are the people of Hayat who reach millions in more than 100 countries on 5 continents and who watch, follow, see coming opportunities, challenge the market, and have the courage to do more.

We are a team that thinks about tomorrow, is a part of the future and takes action at every step.

Wherever we are in the world, We know that action brings success in our journey that starts anew every day.

That's why we don't stop, we don't wait, and we make our move.





katkı sağlayan, değer katan, fark yaratan

Implementation, Realization

- Opportunity to contribute and make a difference
- Becoming part of the company mission
- Opportunity to put into practice and implement



inisiyatif kullanan, özgür, insan odaklı

Freedom, Originality

- Taking initiative
- Having room to move



harekete geçen, ilerleyen, değişen, değiştiren

Take Action, Advance

- Taking action
- Proactivity
- Dynamism
- Energy
- Entertainment
- Social Benefit



Talent Management

As Hayat, we aim to increase career opportunities in the company and design career plans to increase the happiness of our employees. We design the entire process to increase employee engagement and satisfaction. We manage the process objectively and transparently in line with principles and standards prepared by constantly monitoring corporate culture and market conditions.

In the roles opened within the company, we work to support the concept of internal mobility and our employees' transition to relevant roles. Thus, we ensure the circulation of technical know-how and skills within the company and share internal opportunities with our employees first. There were vacant managerial and above positions due to operational requirements and organizational changes in 2023, and we benefited from internal resources to fill 42% of these positions and support the career movement of our employees.

While managing all these career processes, we carefully apply talent management and performance management processes to ensure the sustainability of Hayat's success, to prepare employees for the future with training and development activities, and to enable them to move forward. We identify additional candidates for critical positions together with function managers and finalize them with



Alper Tokalp

Global Human Resources Director

WE SEE OUR EMPLOYEES AT THE CENTER OF OUR SUCCESS

As Hayat, we attach great importance to supporting both the personal and professional development of our employees with our corporate culture based on a people-oriented approach. We see the happiness and satisfaction of our employees as one of the cornerstones of our success. Our human resources practices aim to ensure that our employees reveal their potential and lead a happier and more meaningful working life in line with our sustainability vision. We listen to the voices of our employees and strive to develop solutions for their needs. We listen carefully to the feedback we receive from them and evaluate them as an opportunity for continuous development and improvement. By integrating Hayat's core values into our business processes, we contribute to our employees developing a strong sense of belonging. Drawing the power of our employer brand from the satisfaction and engagement of our employees, we aim to spread these values to a wider audience.

With our volunteer-based organizations and social benefit-oriented initiatives, we contribute to the welfare of society while helping each member of the Hayat family find a deeper meaning in their work and unite

around a common purpose. We create a positive impact both internally and externally by encouraging the active participation of our employees in sustainability projects. We emphasize and make each employee feel that we value their differences and talents.

In line with our 'We Treat Life Well' approach, we are committed to taking good care of people's lives outside and inside the company. With this understanding, we develop policies that encourage diversity and inclusiveness, and focus on creating a healthy, safe and equal working environment for our employees. Moreover, with our training and development programs, we aim to create a sustainable workforce and prepare this workforce for the future. We stand by each of our employees in their development journey and provide the necessary support to maximize their talents.

As Hayat, we see our employees at the center of our success and we are committed to achieving our sustainability goals together by offering solutions that will increase their personal and professional satisfaction. On this journey, we know that the contribution of each individual is valuable and we create various opportunities to celebrate and appreciate our success together.

Talent Management

the joint decision of the senior management. The development areas of reserve candidates are monitored with specially prepared development programs in line with individual progress plans. While planning these development programs, we include employees in the Development Center based on our company competency sets and analyze their development areas in detail.

We strengthen the leadership competencies of our employees with programs such as Lead to Grow and Lead to Impact and support them to gain the knowledge and skills they need in their career journeys. Moreover, while ensuring the development of our employees according to the Development Center practices and succession plans, we contribute to their progress in career development with career roadmaps and vocational trainings. With the Digital Learning Platform (LMS/Enocta), we encourage our employees' continuous development by offering flexible and accessible training solutions.

We believe that development will be achieved through diversity, sharing, and mutual learning. To create equal and inclusive working environments that enable innovation and free sharing of ideas, we manage our processes in accordance with our Human Resources Policy and Equal Opportunity Policy. To this end, we work to provide equal

opportunities to our employees or job applicants in all areas, including recruitment, career, salary increase, education and development.

We monitor the professional development of our employees and develop practices that will maximize their potential. We equip our employees with new skills by offering various learning opportunities and adapt them to the business standards of the future.

In 2023, we benefited from internal resources to fill **42%** of vacant managerial and above positions and support the career movement of our employees.

lead to
grow



make your
move

Talent Management

Number of Employees Receiving Personal Development Training *	2020			2021			2022			2023		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Total Number of Employees	1,356	2,956	4,312	722	1,571	2,293	722	1,571	2,293	1,249	4,162	5,411
Number of White Collar Employees	1,337	1,837	3,174	707	1,023	1,730	707	1,023	1,730	1,143	1,648	2,791
Number of Blue Collar Employees	19	1,119	1,138	15	548	563	15	548	563	95	2,525	2,620

In line with our talent management approach, we implement various leadership development programs to support our employees' promotion processes and facilitate their adaptation to their current positions. To this end, we provided a total of 22,532 hours of training to our employees in 2022, and increased this amount by 55% in 2023, reaching 34,885 hours. This increase in trainings is an indication of the importance we attach to employee development.

Moreover, we laid the foundations of the "Digital Academy" within Academy Hayat in 2023 to provide digital learning opportunities that our employees can access anytime and anywhere. The Digital Academy aims to digitalize our training and

development processes and gather all development activities on a single platform. This new structure makes a significant contribution to our company's talent management strategy by facilitating our employees' access to their personal and professional development.

We ensured the participation of employees from all management levels in our training programs. We aimed to improve the Leadership and Core competencies, technical knowledge and skills of our employees.

We identify and work towards the competencies and skills of the future that employees will need for digital transformation.

We provided a total of **22,532** hours of training to our employees in 2022, and increased this amount by **55%** in 2023, reaching **34,885** hours.

We run the programs with a hybrid approach using face-to-face education, virtual classroom, e-learning and micro-learning development tools. We carry out these trainings in cooperation with expert, experienced and competent institutions in their fields.

We plan to launch various new projects and programs in the coming years to ensure that our HR strategy progresses in line with sustainability goals. With the **Engagement Champions Application** to be launched in the near future, we aim to increase employee engagement and provide a new digital transformation in education. With **Career Architecture and Technical Career Studies**, we aim to support our employees in achieving their long-term career goals.

Talent Management

Aware of the value that different perspectives and cultures bring to the company, we support our leaders and teams in our development programs with content that will help them contribute to creating a work environment that values and supports differences, benefit from the different experiences and perspectives of others to achieve results, and be sensitive to different cultural norms and communication methods.

We ensured the participation of employees from all management levels in our training programs offered through the academy. We carried out various trainings to improve the Leadership and Core competencies, technical knowledge and skills of our employees. We will continue to expand our work in this area.

Training Hours*	2020			2021			2022		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Training Hours (person*day)	7,606	12,978	20,584	5,606	16,926	22,532	12,928	21,957	34,885
Annual average training hours per employee	13.5	4.3	5.8	9.8	5.5	6.2	19.9	7.0	9.2

	2021	2022	2023
Number of employees who received training on ethical principles in your company	0	278	-
How many hours of training were given on ethical principles in your company?	0	139	-
Number of employees who received training on anti-bribery and anti-corruption in your company	73	0	-
How many hours of training were given on anti-bribery and anti-corruption in your company?	146	0	-
Number of employees who received training on environmental issues in your company	955	367	919
How many hours of training were given on environmental issues in your company? You can share your notes on the scope in the "additional remarks" section.	1,136	472	1,151
Number of employees who received training on sustainability, UN Sustainable Development Goals, etc. in your company	0	2	64
How many hours of training were given on sustainability, UN Sustainable Development Goals, etc. in your company? You can share your notes on the scope in the "additional remarks" section.	0	80	161
Percentage of security staff trained on the organization's human rights policies or procedures related to operations			-

Talent Management

Training Programs	Annual training hours 2023
Lead to Inspire / Leadership Development Program (Group Manager & Director level) 7-day program with 3 modules including face-to-face training and webinars	1,523
Lead to Impact - A / Leadership Development Program (Chief/Manager level) 16-day program with 7 modules including face-to-face training, webinar, experience sharing sessions, simulation, projects and follow-up studies	1,893
Lead to Impact - B / Leadership Development Program (Manager level) 7-day program with 3 modules including face-to-face training and webinars	1,476
Lead to Grow / Young Talent Development Program 16-day program with 6 modules including face-to-face training, webinar, experience sharing sessions, simulation, projects and follow-up studies	3,101
HGEN Leads the Future / MT Development Program 13-day program with 6 modules including face-to-face training, webinar, experience sharing sessions, projects and follow-up studies	2,217
New Manager Onboarding / Development Program for employees promoted to Manager 8-day program with 4 modules including face-to-face training and action learning	962
New Executive Onboarding / Development Program for employees promoted to Manager-Chief 4 modules total 8-day program including face-to-face training and action learning	985

Talent Management

Leadership and Talent Development Program	Program Scope
	<p>Leadership Development Program (Group Manager & Director level)</p> <p>7-day program with 3 modules including face-to-face training and webinars</p>
	<p>B. Leadership Development Program (Manager level)</p> <p>7-day program with 3 modules including face-to-face training and webinars</p>
	<p>A. Leadership Development Program (Chief/Executive level)</p> <p>16-day program with 7 modules including face-to-face training, webinar, experience sharing sessions, simulation, projects and follow-up studies</p>

Leadership and Talent Development Program	Program Scope
	<p>Young Talent Development Program</p> <p>16-day program with 6 modules including face-to-face training, webinar, experience sharing sessions, simulation, projects and follow-up studies</p>
	<p>MT Development Program</p> <p>13-day program with 6 modules including face-to-face training, webinar, experience sharing sessions, projects and follow-up studies</p>
<p>New Manager Onboarding</p>	<p>8-day program with 4 modules including face-to-face training and action learning</p>
<p>New Executive Onboarding</p>	<p>8-day program with 4 modules including face-to-face training and action learning</p>

Talent Management

To identify and improve the technical knowledge and skill levels of our blue collar employees in our factories and to keep them at targeted levels in a sustainable manner, we designed separate skill matrices for 140 blue collar positions. We identified nearly 3,000 training topics corresponding to these skills, and prepared training documents and videos for all these trainings in accordance with the 4 STEP® Method we adopt.

The 4 STEP® Method is a structured training and teaching methodology that teaches a technical subject, job, or operation on the job, so that the learner and student can quickly learn how to do the job and apply the job they have learned without any errors.

We trained 130 internal trainers who will provide trainings with the 4 STEP® Method and 20 supervisors who will mentor trainers.

We started to implement the trainings at pilot locations in 2023. We aim to expand it to all locations in 2024.

We included our employees in a performance evaluation system in accordance with our company's Equal Opportunity Policy.



Talent Management

'Discover Hayat' Internship Program

We know that an important way to ensure sustainability in Human Resources and to convey our values and our experiences is to hire young talents to Hayat. With our long-established 'Discover Hayat' Internship Program, we welcome young talents, who continue their education, in various departments, including production, depending on their competencies, and enable them to experience business life.

We made the applications available to junior university students in 2023, and received approximately 5,000 applications. We welcomed 33 interns to Hayat in a hybrid or workplace working arrangement depending on their departments.

'Discover Hayat' Long-Term Internship Program

In 2021, to enable senior university students to experience business life while studying, we launched the 'Discover Hayat' Long-Term Internship Program offering the opportunity to work at Hayat 3 days a week while taking into account the pandemic conditions.

In our third year of the long-term internship program organized in 2023, we received 4,343 applications for the program on three platforms. We evaluated all applications in line with the principle of equal opportunity and accepted 1,185 candidates into our

program's candidate evaluation system. In 2023, two internal candidates from the short-term internship program moved onto the 'Discover Hayat' Long-Term Internship Program.

In the same year, 23 new candidates joined Hayat on our long-term journey.

H Generation Management Trainee Program

We launched the H Generation Management Trainee Program to support the career development of young talents and help them start their career journeys as potential managers of Hayat. With H Generation MT Program, we offer young talents the opportunity to be informed on the departments at Hayat through training plans, mentoring and rotation programs designed to support their career development and master business processes. We aim to enable selected individuals to enrich their talents. We hold feedback sessions at regular intervals with the MTs recruited throughout the program. We continue to improve the program in line with the interviews with mentors and MTs.

In 2023, we received 4,735 applications for the program and included a total of 55 MTs in the program. Moreover, we enabled nine successful interns in the 'Discover Hayat' Long-Term Internship Program to move onto to the MT Program and continue their careers as Hayat manager candidates.



Talent Management

In the reporting period,

- The number of female employees participating in performance evaluations increased by 26%, reaching 724, and

The internal promotion rate increased significantly, with 28% of female employees and 33% of male employees changing positions.

Fair Remuneration

As Hayat, we carry out Human Resources functions in the most accurate and efficient way, and, starting from the candidate selection/elimination processes, the first stage of recruitment, we treat all our employees equally and honestly. We reward success with fair remuneration policies, performance evaluation system and practices.

The Remuneration and Benefits Team prepare a remuneration scale for each job level based on market dynamics, wage survey results, labor law and company financials in accordance with the job descriptions of the employees and the Hayat Remuneration Policy. This remuneration scale is approved by the CEO.

We apply an equal wage policy to our employees with the same seniority and job description, thus preventing any wage differences. Salaries of our employees may vary depending on their performance and seniority. We grant bonuses to employees with high performance. We provide all legal rights to our employees who leave their jobs by complying with the legal notification periods and make compensation payments according to the employee's termination code.

In the reporting period, the internal promotion rate increased significantly, with **28%** of female employees and **33%** of male employees changing positions.

Number of Employees Participating in Performance Evaluation (persons)	2020		2021		2022		2023	
	Woman	Man	Woman	Man	Woman	Man	Woman	Man
Number of Employees	551	2,841	562	2,995	573	3,060	724	2,941

Number of positions filled with internal candidates	2020		2021		2022		2023	
	Woman	Man	Woman	Man	Woman	Man	Woman	Man
Number of Employees	-	-	-	-	42	58	58	86

Occupational Health and Safety

Occupational Health and Safety is among our material sustainability issues identified with the participation of our stakeholders. Accordingly, we address OHS issues in line with our philosophy of respect for people. We adopt inclusive and sustainable approaches, aware of our responsibility to create healthy working environments and protect the health and safety of our employees.

2023 was a year in which we continued to progress towards the goal of providing a healthy, safe and sustainable working environment with our works carried out in line with the ISO 14001:2015 and ISO 45001:2018 Standards regarding Environment and OHS in our operations. To this end, we continued to review our processes with internal/external audits, to contribute to extending the working life of our equipment by keeping them safe with periodic checks, to protect our work areas and the health of our team members with exposure and hygiene measurements, to update our knowledge and skills with legal, mandatory OHS Trainings and toolbox trainings where we carry out safe touch, and to determine the current situation with hazard tours, BBS observations, and OHS Board Meetings in order to improve unsafe situations and behaviors.

We ensured that our “Life Saving Rules” developed to increase awareness about OHS in-house and to prevent work accidents were set as a screen saver on the computers of all our employees.

We organized face-to-face and online seminars with the aim of increasing earthquake awareness and conveying what should be done before, during and after an earthquake. We uploaded AFAD’s Disaster Awareness video to our e-nocta training platform and defined it as mandatory training for all our employees. We received evacuation safety consultancy in our headquarters and improved our processes and practices.

We aim to create a sustainable workforce by raising awareness on employee safety and disaster preparedness. To this end, we regularly provide disaster information and awareness activities for our employees. Moreover, we strengthen our proactive measures by establishing a Disaster Volunteers Team to ensure rapid response in possible disaster situations.

We have adopted the goal of zero incidents (work/process/environmental accident, fire incident) to provide a safe and sustainable working environment for our employees and stakeholders. In this regard, we are aware of the vital value and importance of every item in our commitments to create and maintain a sustainable incident-free working environment in compliance with laws and international standards. All our production facilities and our R&D Center in Turkey are in the ‘dangerous’ group while our headquarters are in the ‘less dangerous’ group. We established OHS Committees in all our factories and offered

We aim to create a sustainable workforce by raising awareness on employee safety and disaster preparedness.

OHS trainings to our teams. OHS committees hold meetings every two months. Meetings begin with a “Safety Touch” on a topic determined by any member. The meetings are composed of the evaluation of HSE Performance (current status such as action lists, periodic checks, etc.), review of previous board meeting decisions, discussion of new agenda items, and discussion of topics proposed by members.



Occupational Health and Safety

Occupational Health and Safety Data	2020	2021	2022	2023
Incident Rate	1.76	1.43	1.17	1.46
Incident Severity Rate	0.25	0.15	0.10	0.14

In order to improve the Occupational Health and Safety processes in factories, and to ensure employee participation at all stages of OHS processes, we established HSE Teams, HSE Committees and Leaders Committees, which include blue and white collar employees from various functions, in addition to the legal OHS committees.

HSE Teams conduct 30-minute field visits every week and observe the behavior of employees, mainly employees in the field. When inappropriate behavior or situation is detected, the employees concerned are warned, work is suspended, or the unsafe situation/behavior is eliminated and reported. Any nonconformity requiring additional cost/work/approval to be eliminated is reported to a higher committee. The HSE Committee, as a higher committee, is composed of chiefs and engineers. The HSE Committee meets once a month to plan clear actions and any nonconformity that cannot be resolved at this point are reported to the Leaders Committee.

To manage HSE processes, we divided all locations into sections and created section-based risk assessment reports. We conduct weekly site visits at all locations and share nonconformities with the relevant people. We also track all nonconformities on the follow-up lists of the locations and report them to the relevant people through a single list. Moreover, we organize 'danger visits' once a month to ensure the participation of leaders and increase their visibility in the field. We also have a reward system to support blue and gray collar employees who participate in OHS processes and make reports.

Our Occupational Health and Safety (OHS) Performance

In 2023, we further strengthened our approach to occupational health and safety and took comprehensive measures to increase occupational safety at all our operation points. We continuously monitored our safety performance with monthly incident rate and lost day metrics and evaluated improvement opportunities.

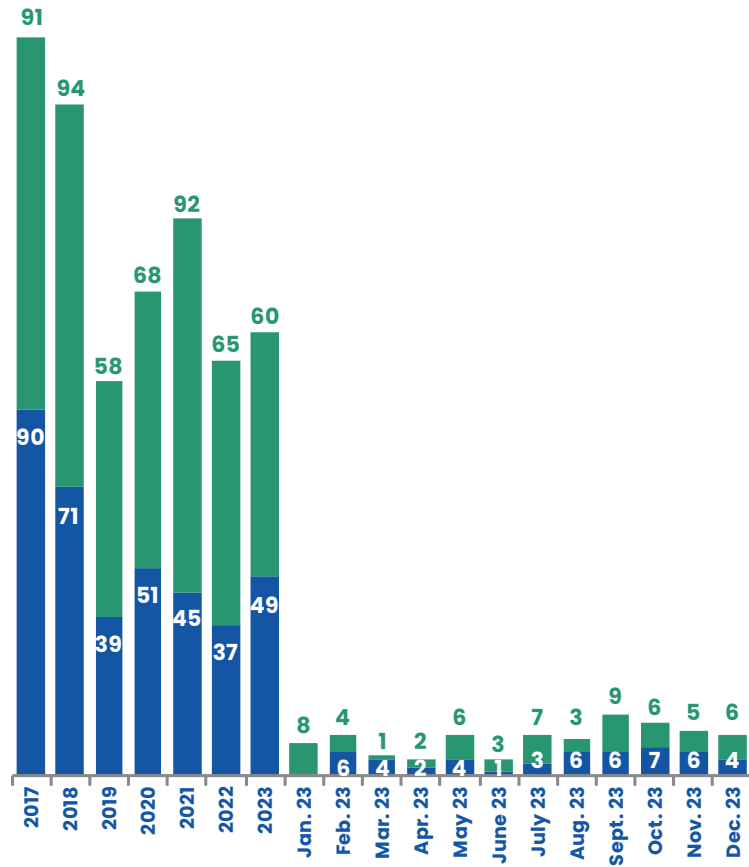
With the safety measures implemented in our Paper Factory, we reached a safety action completion rate of **54%**.

With the safety measures implemented in our Paper Factory, we reached a safety action completion rate of 54%. This rate shows that the actions that are important in terms of safety are mostly implemented and that our occupational safety culture is strongly integrated into operational processes. Moreover, we regularly provided OHS training to all employees to increase occupational safety awareness. In addition to the trainings, guidance was provided on issues such as additional safety measures for hazardous areas and the use of protective equipment.

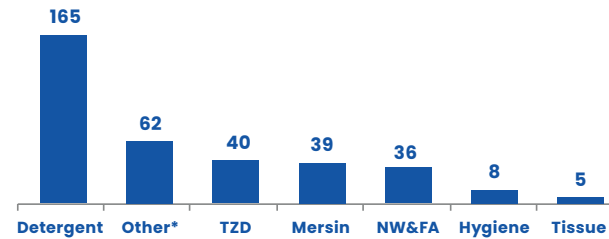
In order to further improve our occupational health and safety culture, regular safety meetings and risk assessment studies that encourage employee participation were organized. Thanks to these measures, a proactive safety approach was embraced by ensuring that high-risk situations were detected in advance.

Turkey OHS Performance

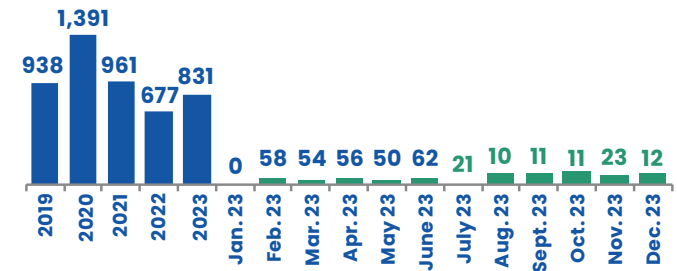
Number of Incidents



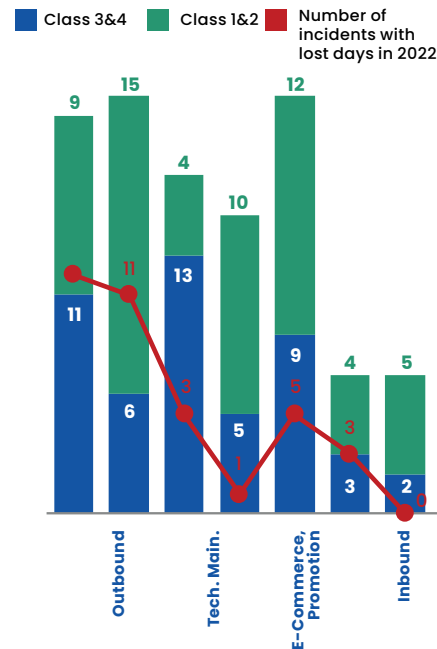
Number of Days without Incidents



Number of Lost Days / Month

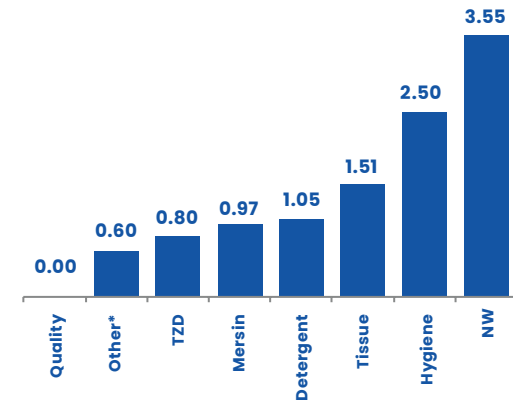


Distribution of Incidents 2023



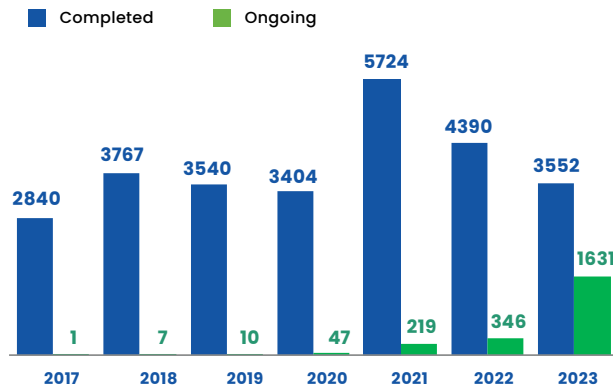
FI Benchmark

* Other: R&D, HR, HSE



Turkey OHS Performance

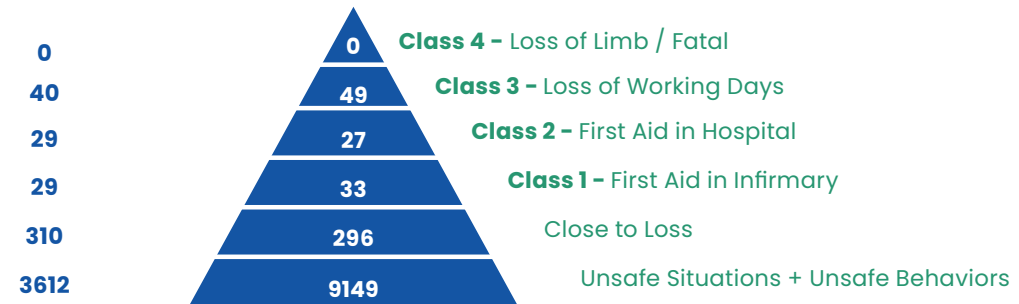
Action Details



Incident Pyramid

YTD 2022

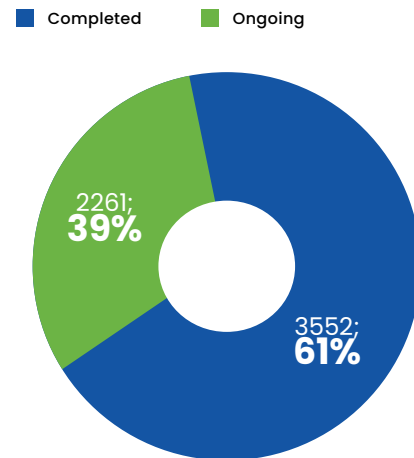
YTD 2023



Proactive
Reactive

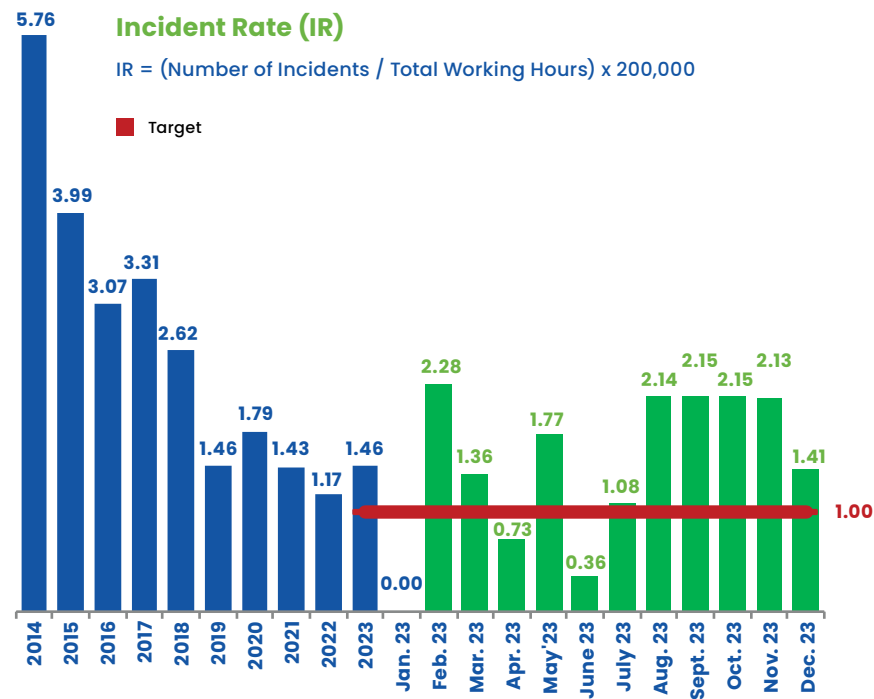
Action Completion Rate

Open from previous years and 2022 actions



Incident Rate (IR)

IR = (Number of Incidents / Total Working Hours) x 200,000



Occupational Health and Safety

Our Occupational Health and Safety (OHS) Performance by Factory

Throughout 2023, we implemented a comprehensive OHS strategy by monitoring our occupational health and safety performance at each factory. Critical indicators such as incident rate, lost days and safety action completion rates were closely monitored at each factory.

Paper Factory Occupational Health and Safety (OHS) Performance

Throughout 2023, important steps were taken and various measures were implemented to increase occupational health and safety performance at the Paper Factory. To this end, ensuring employee safety and protecting business continuity were among the main priorities. In 2023, the number of incidents that could lead to serious injuries in particular was reduced, and incidents were mostly classified at less severe levels. The areas where incidents were concentrated were risky sections such as the converting unit and mechanical maintenance.

The number of lost days, which was high in the first months of the year, decreased as of mid-year thanks to the preventive measures taken, which proved the effectiveness of the implemented OHS measures. The incident rate showed a successful performance with a significant decrease to 0.66 compared to previous years. In departments such as electrical maintenance

and energy, long-term incident-free days were achieved, and 3,510 incident-free working days were achieved in the electrical maintenance unit.

Moreover, 54% of the OHS actions taken in 2023 were completed. Our work related to the remaining actions continues. 349 actions were completed during the year while the implementation of 270 actions is ongoing. The incident pyramid analysis shows that safety risks were largely determined in advance and safe working conditions were established. No significant limb loss or fatal incidents occurred throughout the year, and incidents resulting in loss of days were kept to a minimum.

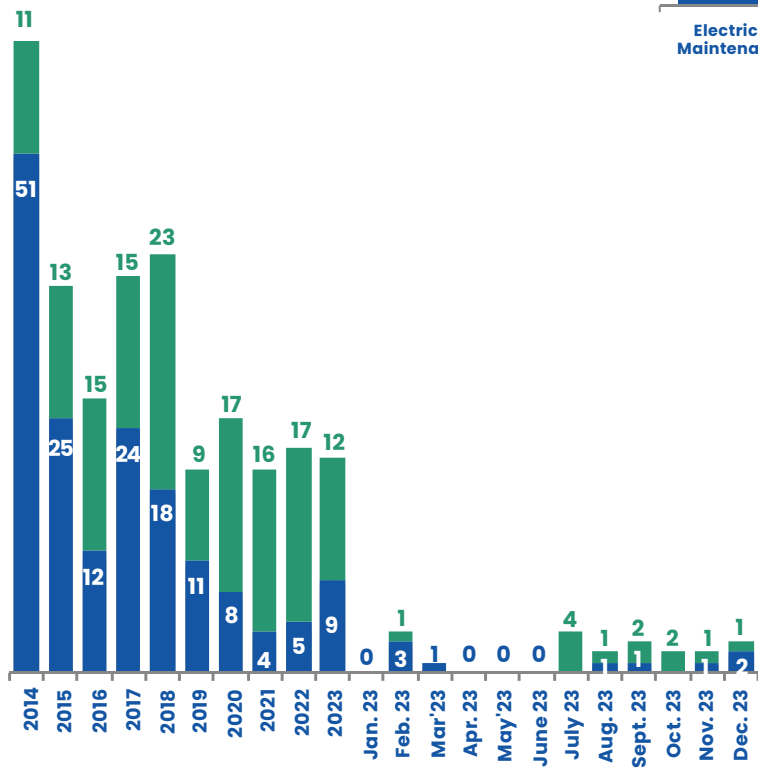
54% of the OHS actions taken in 2023 were completed. Our work related to the remaining actions continues. **349** actions were completed during the year while the implementation of **270** actions is ongoing.



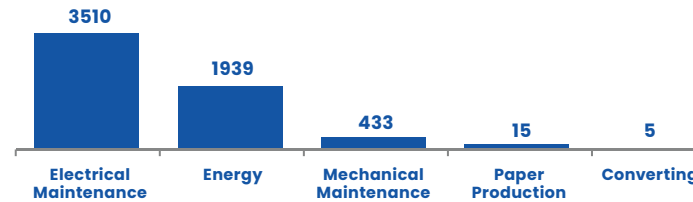
Paper Factory OHS Performance

Number of Incidents

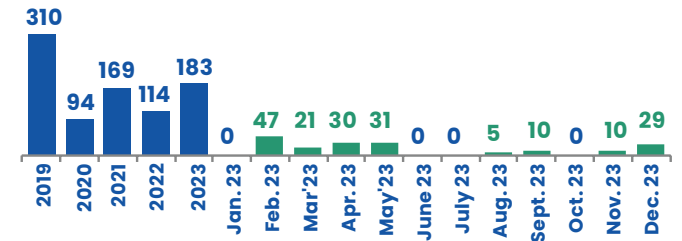
■ Class 3&4 ■ Class 1&2



Number of Days without Incidents

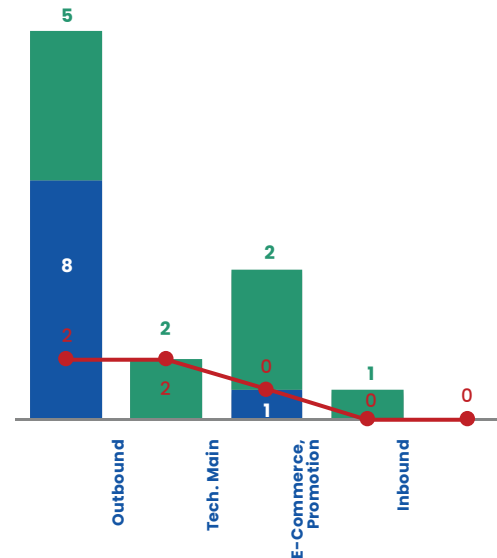


Number of Lost Days / Month



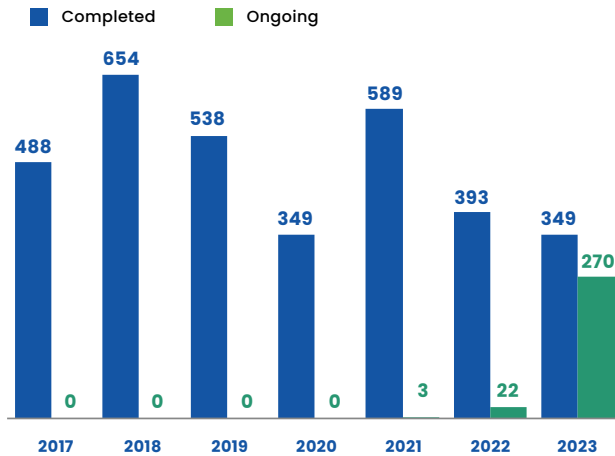
Distribution of Incidents 2023

■ Class 3&4 ■ Class 1&2 ■ Number of incidents with lost days in 2022



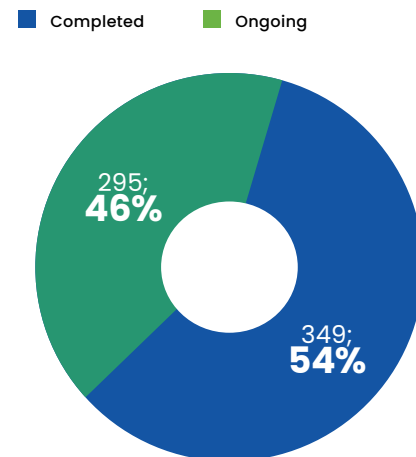
Paper Factory OHS Performance

Action Details



Action Completion Rate

Open from previous years and 2022 actions



Incident Pyramid

YTD 2022

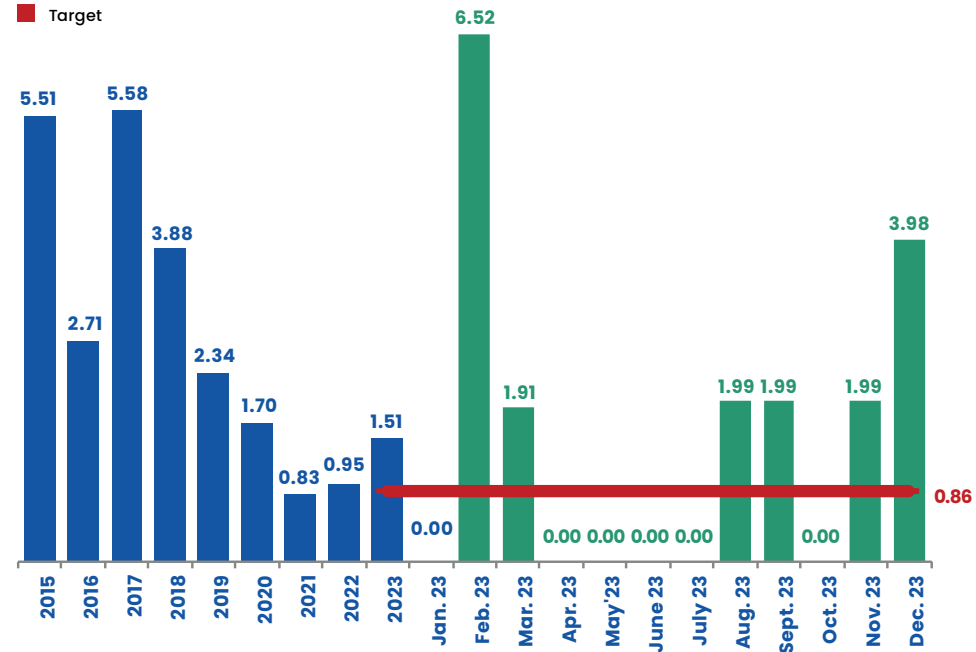
YTD 2023



Incident Rate (IR)

IR = (Number of Incidents / Total Working Hours) x 200,000

■ Target



Proactive Reactive

Occupational Health and Safety

Detergent Factory Occupational Health and Safety (OHS) Performance

Throughout 2023, comprehensive measures were implemented to increase occupational health and safety performance at the Detergent Factory and significant progress was made. It was observed that incidents were concentrated at less severe levels such as class 1 and 2 during the year, while more serious incidents remained at a low level. The majority of incidents occurring in risky areas such as filling-packaging and storage reveals the importance of safety measures for these areas.

The number of lost days, which was high at the beginning of the year, decreased thanks to the preventive measures implemented as of mid-year. This reflects the success of OHS policies in preventing occupational accidents. As of 2023, the incident rate was recorded as 0.91 and was kept at the targeted level. Moreover, 3,651 days of incident-free working hours were achieved in the electrical maintenance unit, and 3,478 and 2,328 days in the service and filling-packaging units, respectively. These achievements show the impact of safety-focused work.

70% of the OHS actions taken throughout 2023 were completed, while the implementation of the remaining 30% is ongoing. 776 actions were completed during the year with the implementation of 333 actions continuing. The incident pyramid analysis shows that safe working conditions were provided and risks were largely identified and eliminated in advance. No limb loss or fatal incidents occurred throughout the year, and incidents resulting in loss of days were kept to a minimum.

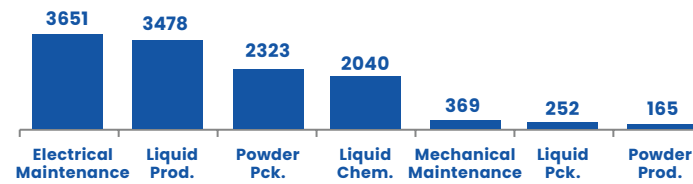


In the Detergent Factory, **70%** of the OHS actions taken throughout 2023 were completed, while the implementation of the remaining **30%** is ongoing.

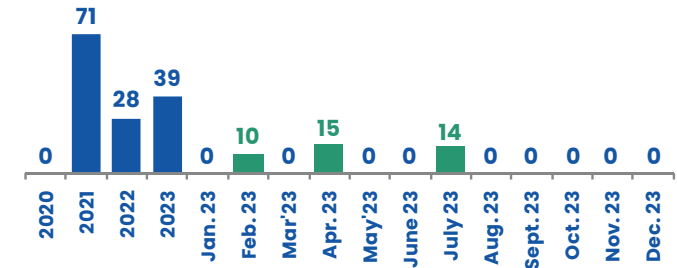


Detergent Factory OHS Performance

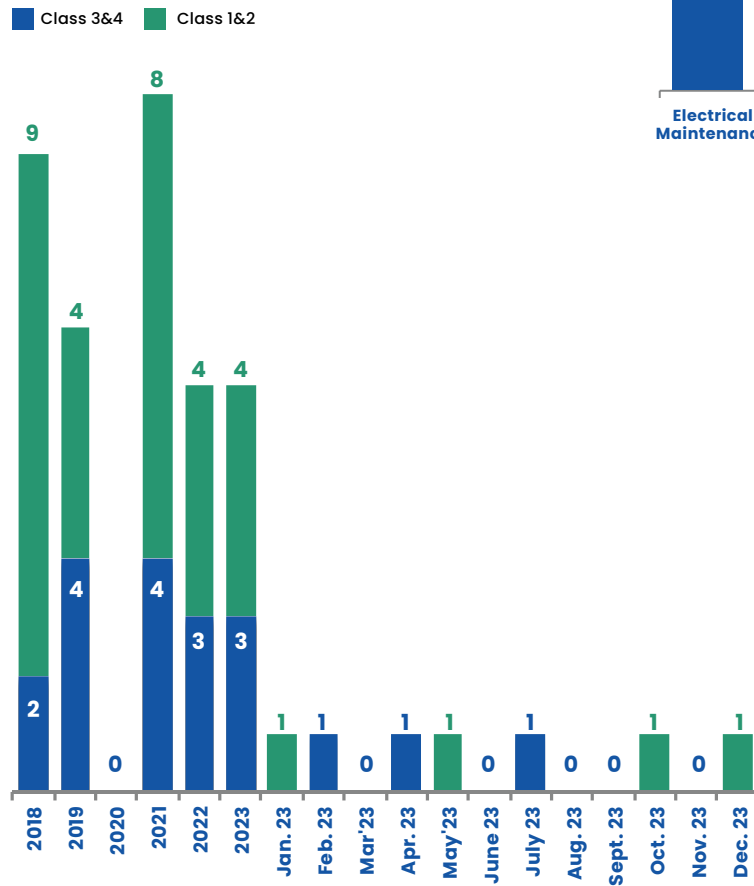
Number of Days without Incidents



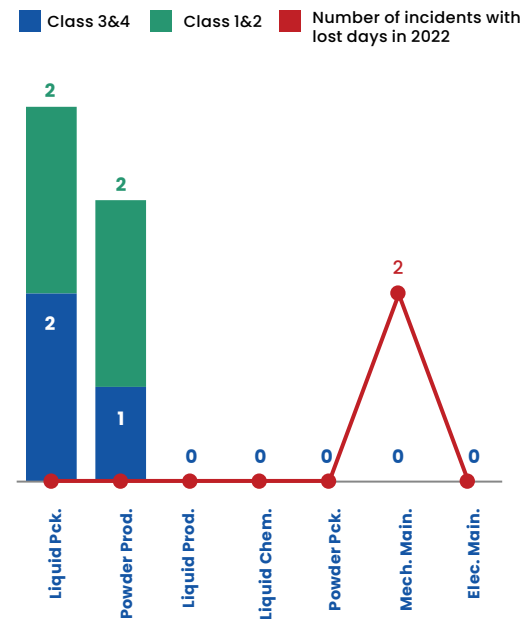
Number of Lost Days / Month



Number of Incidents

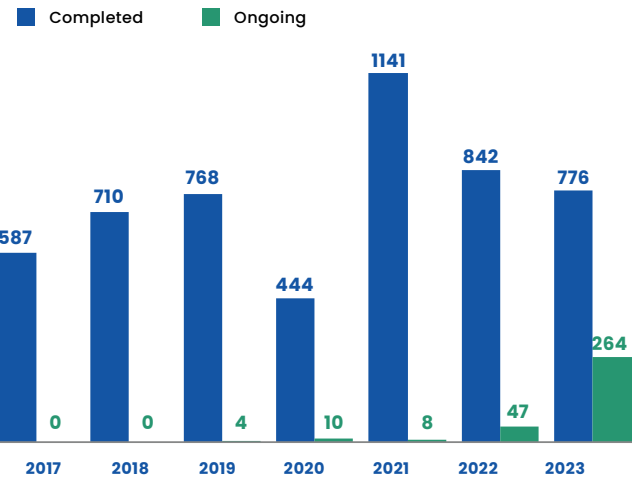


Distribution of Incidents 2023



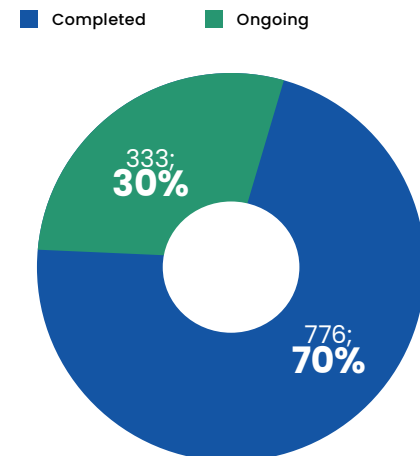
Detergent Factory OHS Performance

Detergent Factory OHS Performance



Action Completion Rate

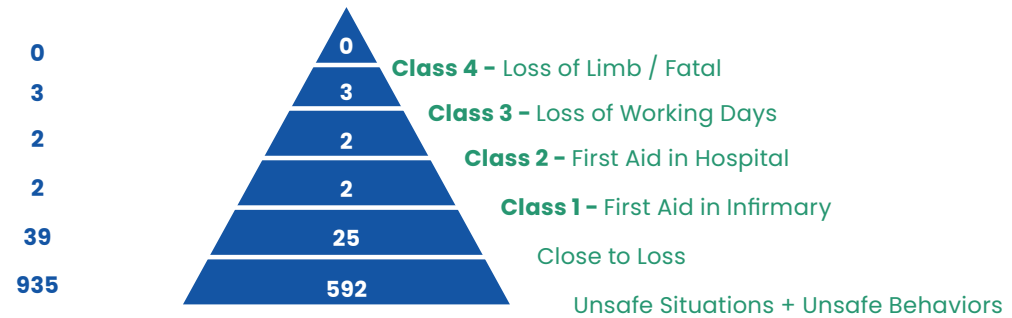
Open from previous years and 2023 actions



Incident Pyramid

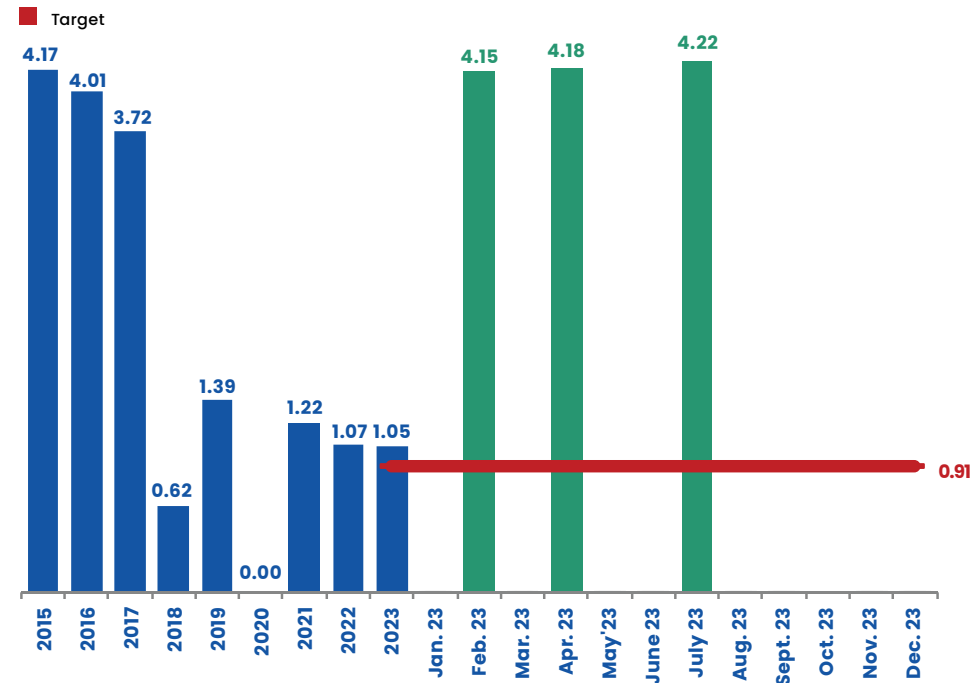
YTD 2022

YTD 2023



Incident Rate (IR)

IR = (Number of Incidents / Total Working Hours) x 200,000



Occupational Health and Safety

Hygiene Factory Occupational Health and Safety (OHS) Performance

Throughout 2023, comprehensive measures were taken to increase occupational health and safety performance at the Hygiene Factory, and remarkable developments were achieved in this area. Incidents were generally concentrated at mild levels such as class 1 and 2, while the rate of high-risk incidents remained at low levels. Most of the incidents occurring in the quality assurance, mechanical maintenance and production areas emphasizes the importance of safety measures taken in these departments.

When the number of lost days is evaluated on a monthly basis, it is seen that high losses are encountered, especially in some periods of the year. However, it was observed that the number of lost days was brought under control with the preventive measures taken. The incident rate was recorded as 2.22, which shows that safety measures need to be strengthened.

In terms of incident-free days, significant periods such as 1,633 days were achieved in the electrical maintenance unit and 885 days in the quality assurance department. This data proves that the safety culture is strongly established in the relevant departments and employee awareness is high.

In 2023, 77% of the OHS actions taken were completed, and work is ongoing on the remaining 23%. 1,404 actions were successfully completed during the year while the implementation of 419 actions is ongoing. The analysis of the incident pyramid shows that a safe working environment is provided by identifying risks in advance and taking the necessary precautions. In 2023, no limb loss or fatal incidents occurred, and incidents resulting in loss of days were kept to a minimum.

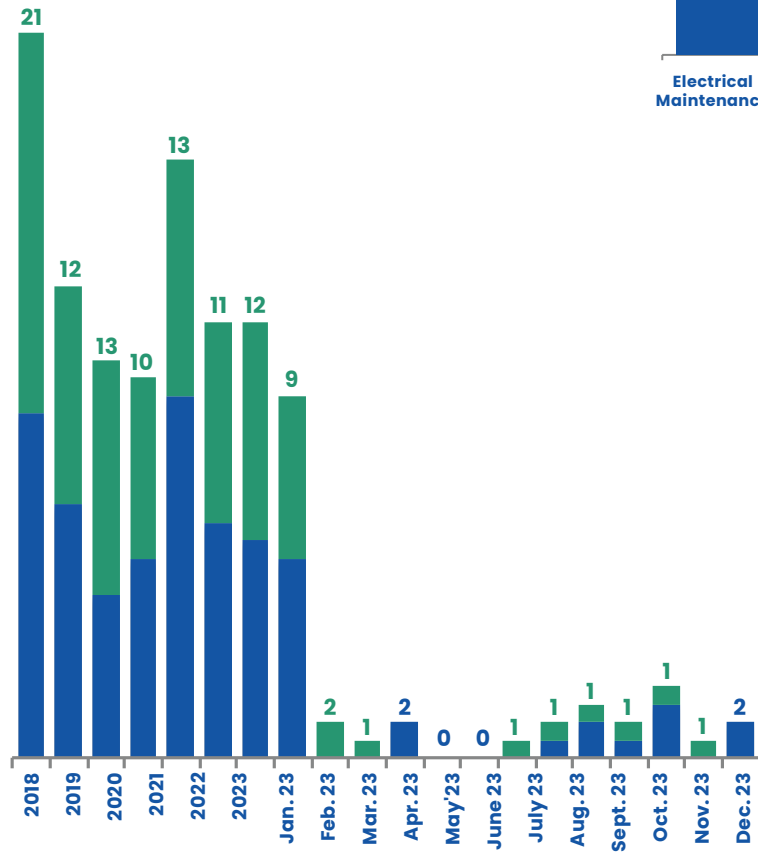
In the Hygiene Factory, in 2023, **77%** of the OHS actions taken were completed, and work is ongoing on the remaining **23%**.



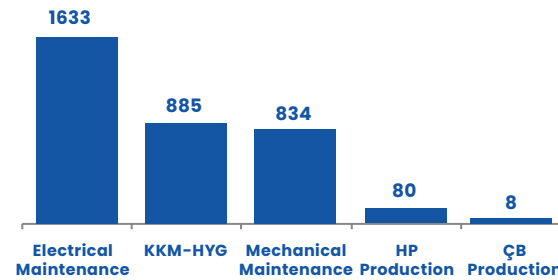
Hygiene Factory OHS Performance

Number of Incidents

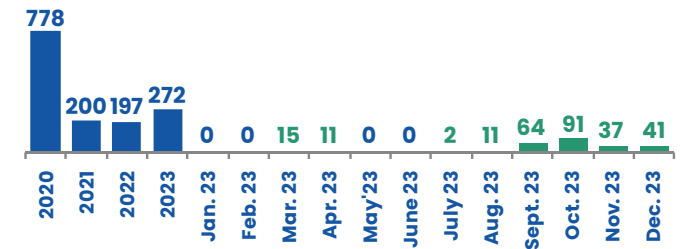
Class 3&4 Class 1&2



Number of Days without Incidents

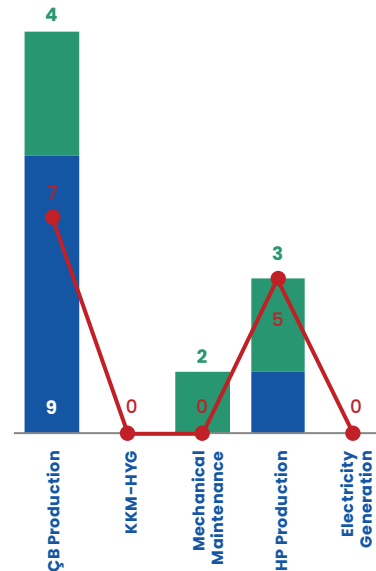


Number of Lost Days / Month



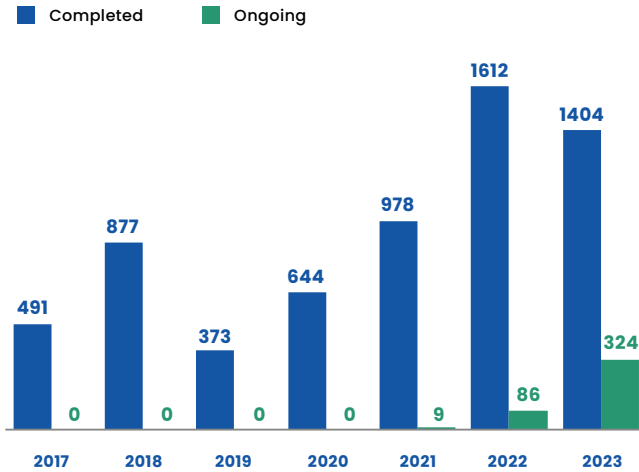
Distribution of Incidents 2023

Class 3&4 Class 1&2 Number of incidents with lost days in 2022



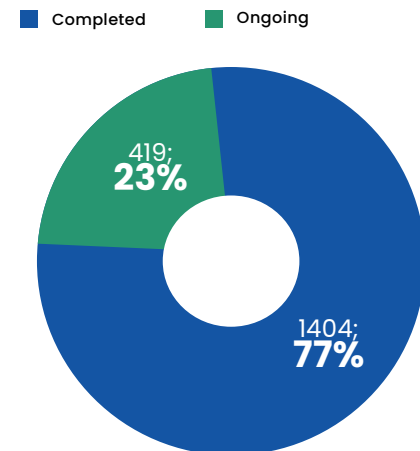
Hygiene Factory OHS Performance

Action Details



Action Completion Rate

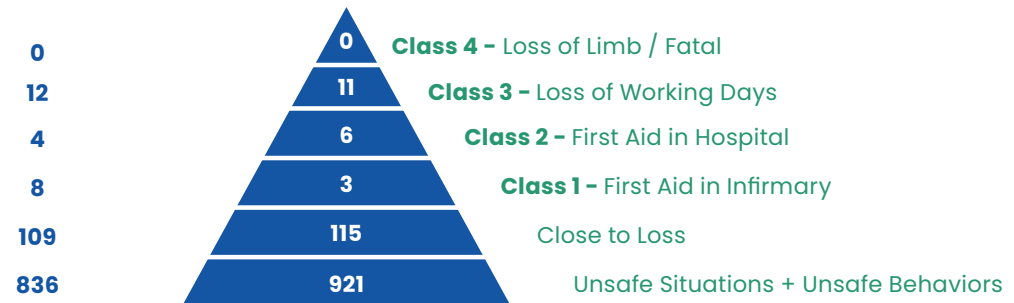
Open from previous years and 2023 actions



Incident Pyramid

YTD 2022

YTD 2023

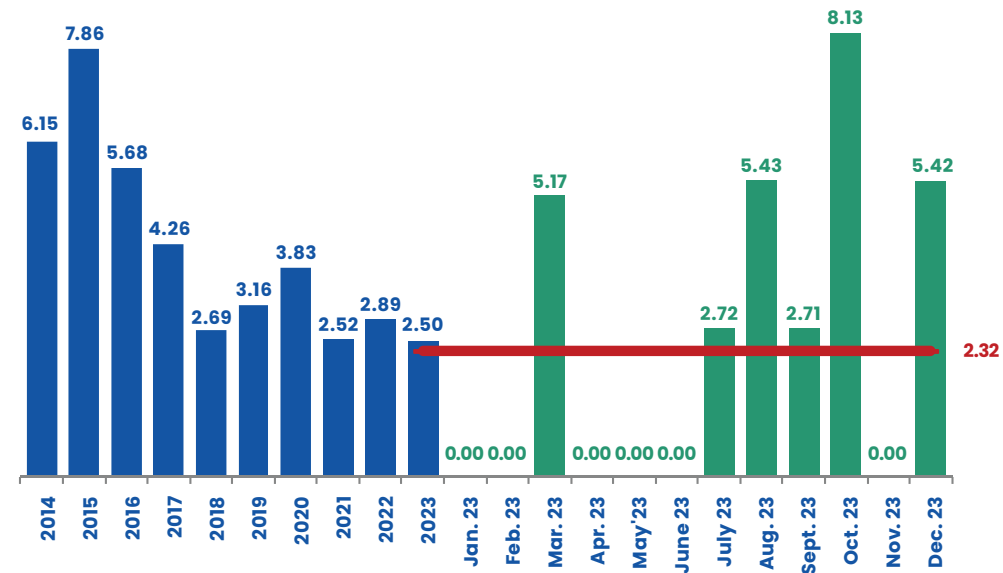


Proactive Reactive

Incident Rate (IR)

IR = (Number of Incidents / Total Working Hours) x 200,000

■ Target



Occupational Health and Safety

NW&FA Factory Occupational Health and Safety (OHS) Performance

Throughout 2023, comprehensive measures were implemented to increase occupational health and safety performance at the NW&FA Factory and significant progress was made. The majority of incidents occurred at less severe levels such as class 1 and 2, and the number of incidents that could cause serious injuries remained at low levels. The distribution of incidents show that incidents were concentrated especially in operational areas such as printing and converting.

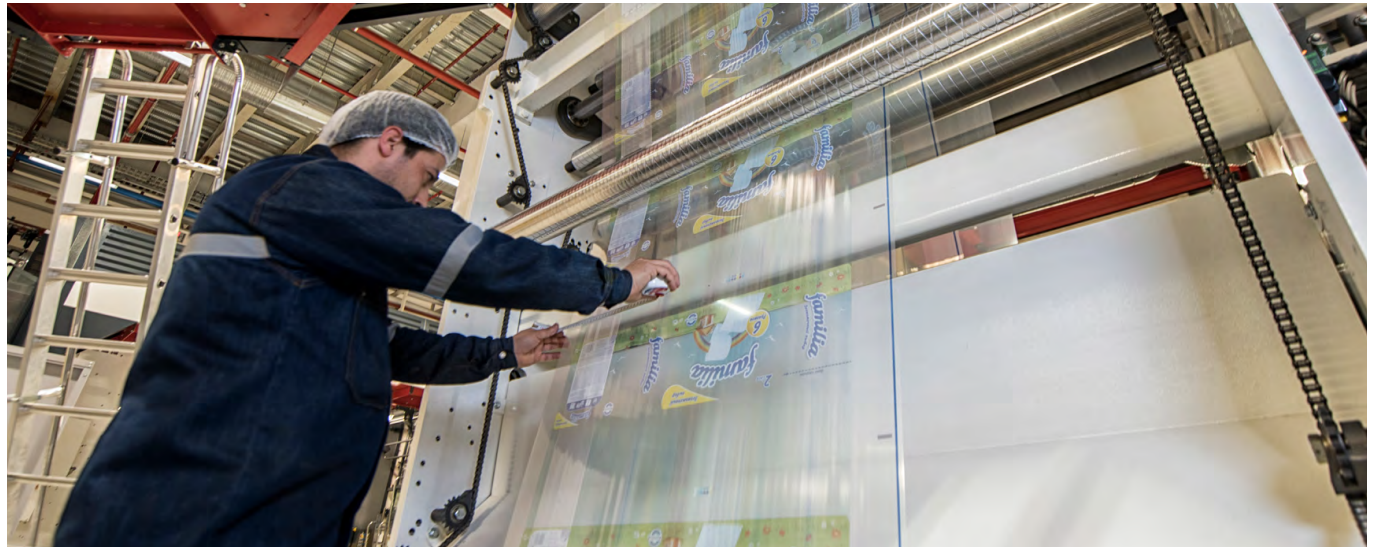
While the number of lost days was high at the beginning of the year, this number decreased during the year thanks to the preventive measures implemented. This proves the effectiveness of OHS policies. The incident rate was recorded as 1.23, which is below the targeted level and represents a successful performance according to sector standards.

Some departments in the factory stand out with the long working days without incidents. For example, 3,286 days of incident-free working time was achieved in the electrical maintenance unit and 3,268 days in the ReproHouse NW Production unit. These results show that a strong safety culture is established in the relevant units.

53% of the OHS actions taken throughout 2023 were completed, and work is ongoing on 47%. 134 actions were successfully completed during the year while the implementation of 130 actions is ongoing. These actions include measures to develop occupational safety procedures and increase employee awareness.

According to the incident pyramid analysis, proactive measures were taken to ensure safe working conditions, and no incidents involving limb loss or death occurred in 2023. The number of incidents causing loss of days remained at a minimum level.

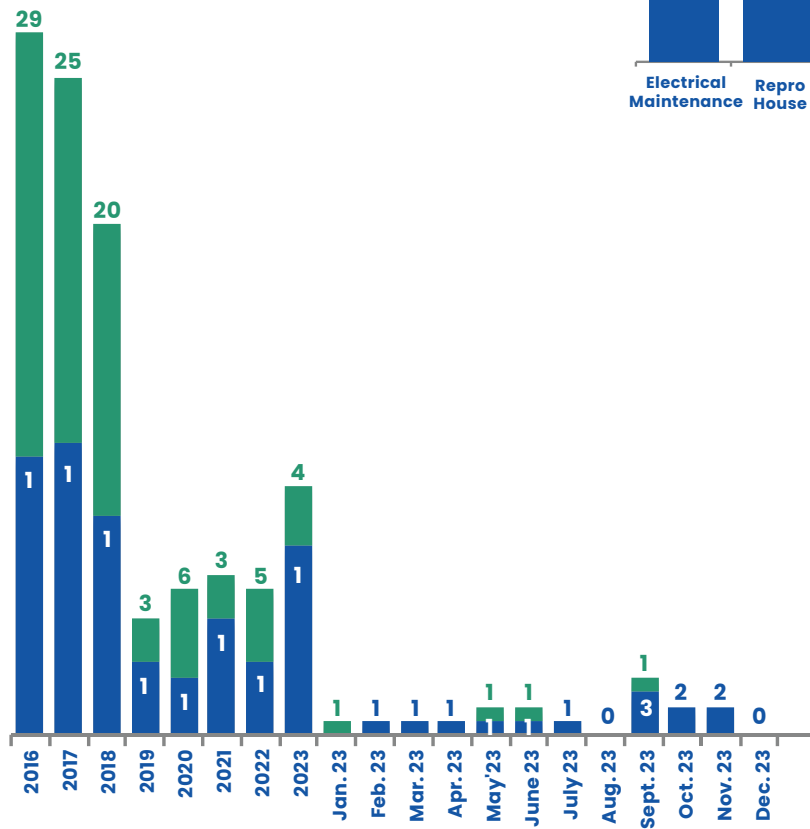
In the NW&FA Factory, **53%** of the OHS actions taken throughout 2023 were completed, and work is ongoing on **47%**.



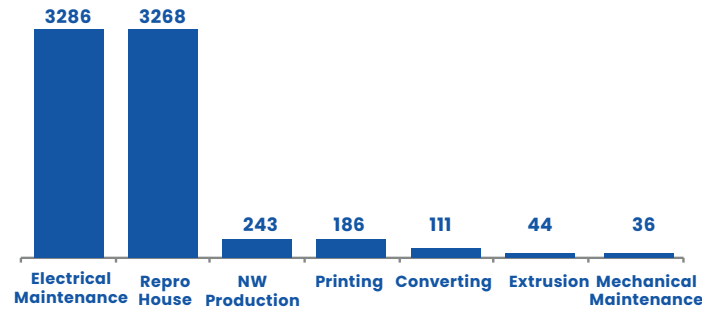
NW&FA OHS Performance

Number of Incidents

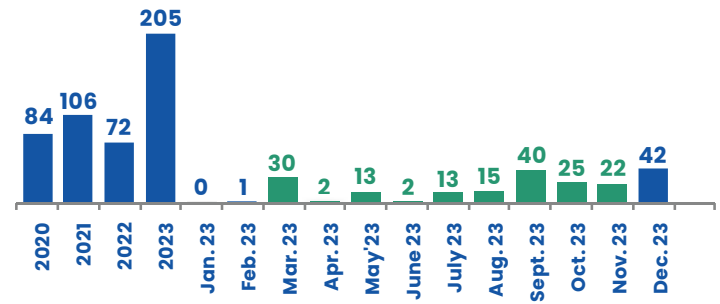
■ Class 3&4 ■ Class 1&2



Number of Days without Incidents

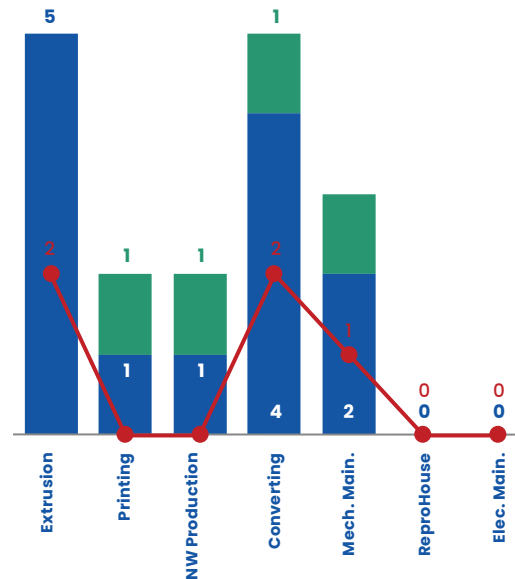


Number of Lost Days / Month



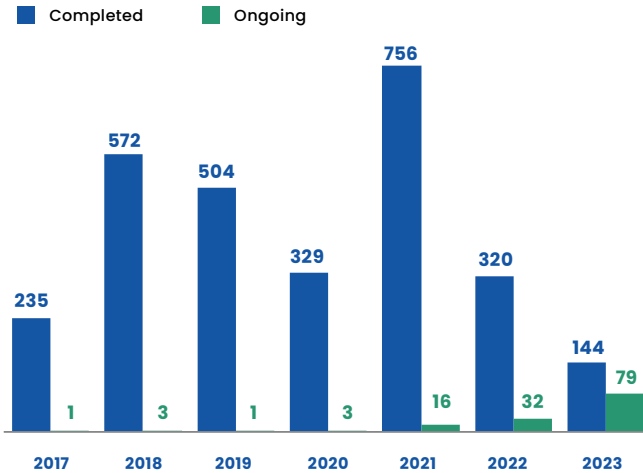
Distribution of Incidents 2023

■ Class 3&4 ■ Class 1&2 ■ Number of incidents with lost days in 2022



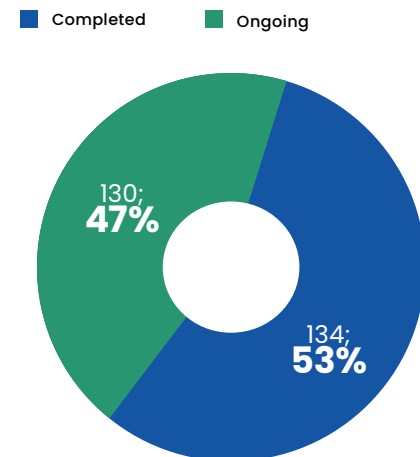
NW&FA OHS Performance

Action Details



Action Completion Rate

Open from previous years and 2023 actions



Incident Pyramid

YTD 2022

YTD 2023

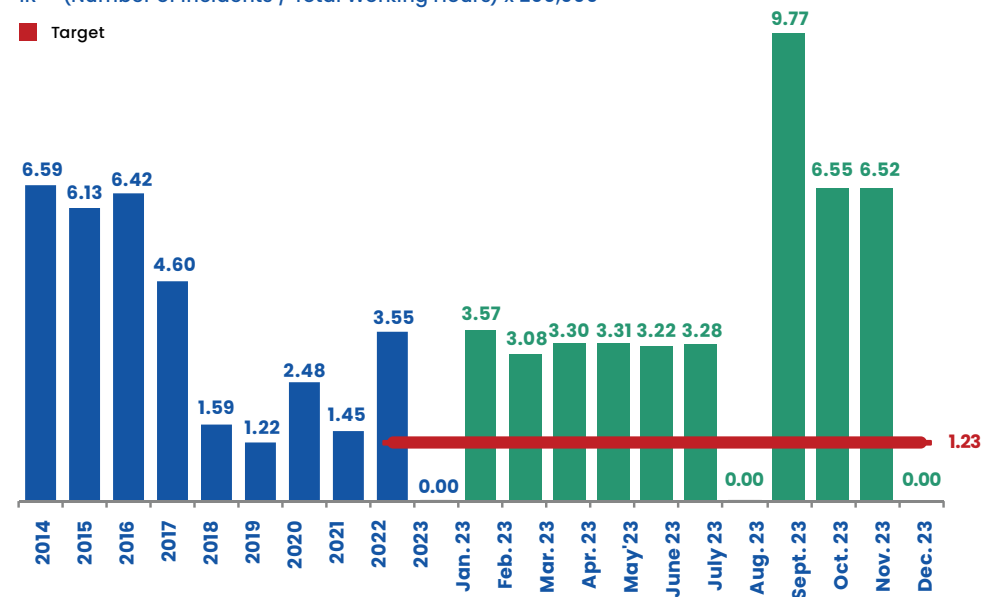


Proactive Reactive

Incident Rate (IR)

$IR = (\text{Number of Incidents} / \text{Total Working Hours}) \times 200,000$

■ Target



Occupational Health and Safety

Mersin Factory Occupational Health and Safety (OHS) Performance

In 2023, comprehensive measures were taken to increase occupational health and safety performance at the Mersin Factory, which led to positive results. The majority of incidents occurred at less severe levels such as class 1 and 2, and the number of incidents that could cause serious injuries remained at low levels. Most of the incidents occurring in quality control, converting and technical units emphasizes the importance of increasing safety measures in these areas.

The monthly analysis of the number of lost days shows that the number of lost days, which was high at the beginning of the year, decreased during the year. This proves the effectiveness of the preventive measures taken and the success of OHS policies in preventing occupational accidents. The incident rate was recorded as 1.56, demonstrating a performance in line with the sector target.

Long-term incident-free working periods were achieved in some units. In particular, 3,286 days of incident-free working period was achieved in the human resources unit, 2,648 days in the electrical maintenance unit and 2,375 days in the quality unit. These results prove that the safety culture is strongly embraced in the relevant departments and employee awareness is high.

262% of the OHS actions taken throughout 2023 were completed, while the implementation of the remaining 38% is ongoing. 1,172 actions were successfully completed during the year while the implementation of 715 actions is ongoing. According to the incident pyramid analysis, serious incidents were prevented thanks to proactive safety measures and no incidents causing limb loss or death occurred in 2023. The number of incidents causing loss of days remained at a minimum level.

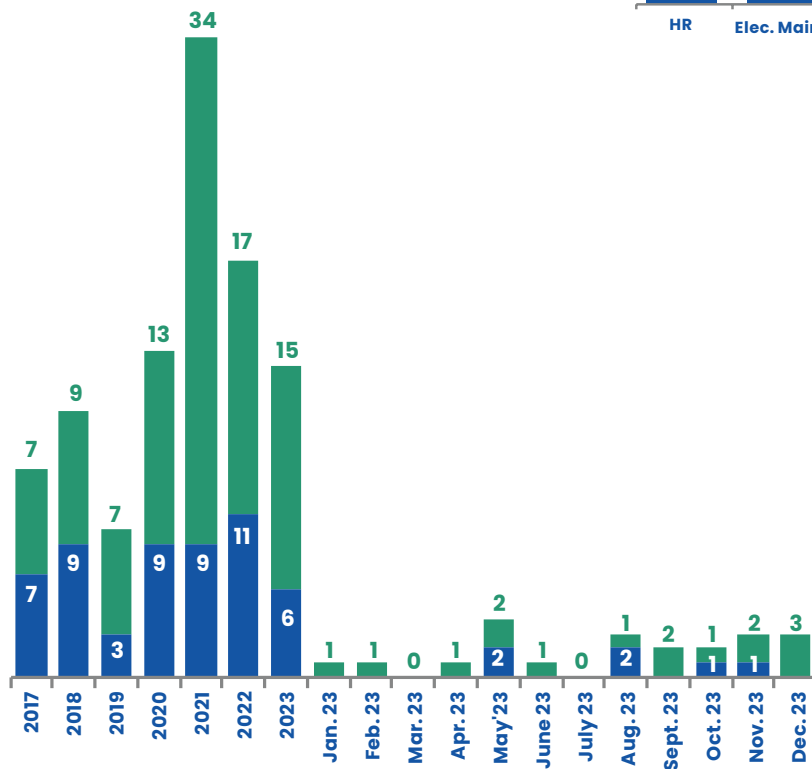
In the Mersin Factory, **62%** of the OHS actions taken throughout 2023 were completed, while the implementation of the remaining **38%** is ongoing.



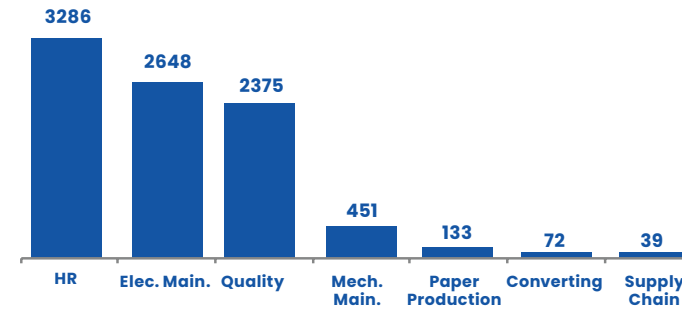
Mersin Factory OHS Performance

Number of Incidents

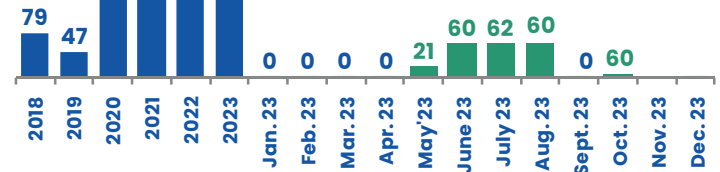
■ Class 3&4 ■ Class 1&2



Number of Days without Incidents

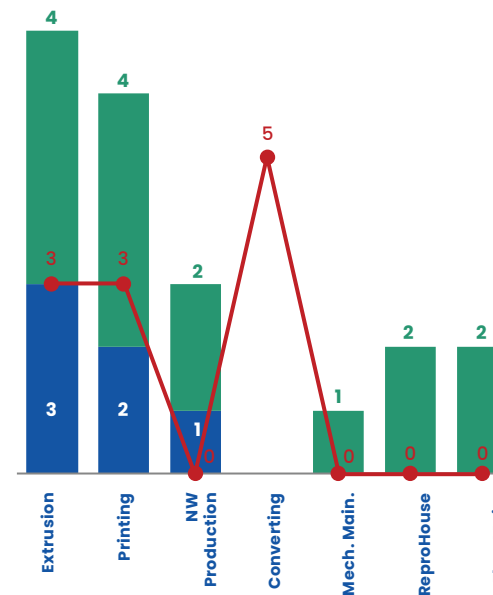


Number of Lost Days / Month



Distribution of Incidents 2023

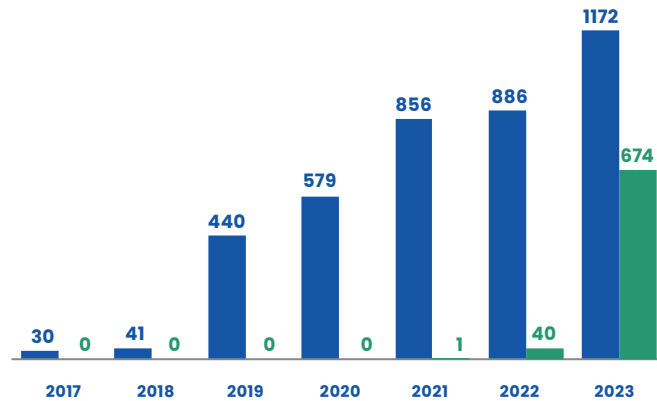
■ Class 3&4 ■ Class 1&2 ■ Number of incidents with lost days in 2022



Mersin Factory OHS Performance

Action Details

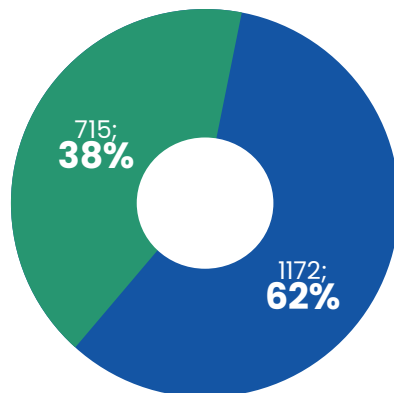
■ Completed ■ Ongoing



Action Completion Rate

Open from previous years and 2023 actions

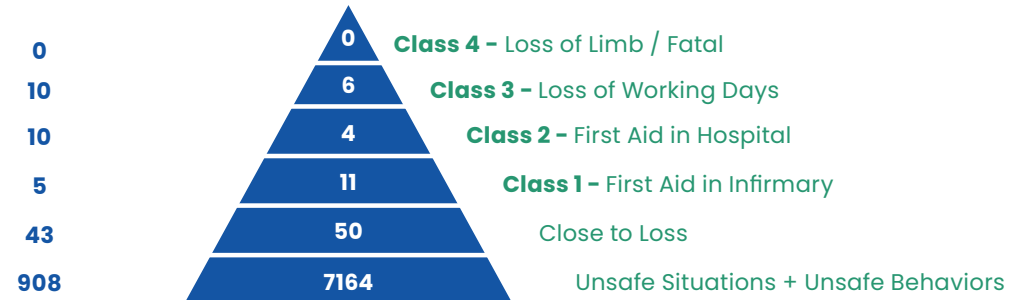
■ Completed ■ Ongoing



Incident Pyramid

YTD 2022

YTD 2023

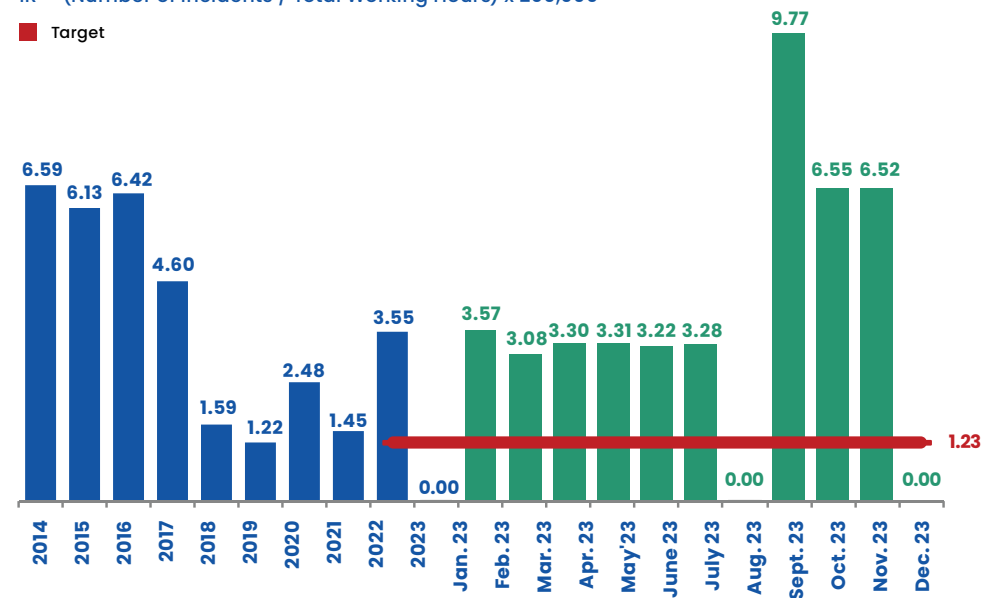


Proactive Reactive

Incident Rate (IR)

$IR = (\text{Number of Incidents} / \text{Total Working Hours}) \times 200,000$

■ Target



Hayat Excellence System

The Hayat Excellence System (HES), based on internationally accepted approaches such as Lean Manufacturing, Total Productive Maintenance, Total Quality Management, Lean Six Sigma and 5S, serves as a guide for our operational excellence studies. Under the HES, Operational Excellence Committees, formed by volunteer employees from different units, ensure the follow-up of the studies. Each committee develops roadmaps and projects to achieve the main goals of the factories.

Moreover, our Operational Excellence (OE) central team plans and meets the training, consultancy and coaching needs of the factory teams. We continuously improve our processes with the "Lean Six Sigma" works, "Enhanced Maintenance" projects, "Production School" skill-building project and autonomous maintenance field activities carried out in our focus areas.

In 2023, we launched projects to reduce downtimes, shorten production preparation and conversion times, increase facility capacities and reduce speed losses in order to increase production efficiency. Moreover, we implemented projects with the aim of reducing material losses, optimizing control and cleaning times, reducing energy losses and increasing pallet efficiency.

We improved total production quantities in the facilities where the activities were implemented compared to previous years. We achieved an **average annual saving of 3.8 million TL** thanks to the improvement activities carried out with the participation of our employees.

As Hayat Kimya, digitalization is at the center of our individual and organizational development

activities. In 2023, we established communication platforms between factories with virtual and physical field visits and encouraged employees to learn from each other. Moreover, we provided guidance to companies that wanted to experience the operational excellence studies implemented in our company on site to implement similar applications in their own companies. Thus, we also contributed to the development of our country's industry.

Sustainability Goals



Hayat Excellence System

Lean 6 Sigma Green Belt Projects

We launched 10 projects as part of Lean 6 Sigma Green Belt Projects in 2023.

Air Conditioning Systems Heating Steam Savings Project

1,132,419 TL Annual Savings
93,280 m³/year natural gas savings
1,777,143 TL Project Investment Cost
1.6 Years ROI (Project Payback Period)

In 2023, the "Air Conditioning Systems Heating Steam Savings Project" was carried out in order to reduce energy consumption and minimize carbon emissions in line with our environmental sustainability goals. The project, which covers liquid and powder detergent production processes, aims to achieve 30% annual savings by optimizing steam use.

Under the project, steam consumption data was analyzed, periodic variations and seasonal effects were taken into account, and cubic modeling studies were conducted in line with the correlation between air temperature and steam usage. As a result of these studies, we determined improvement areas to reduce energy consumption and increase efficiency.

The main gains of the project include annual cost savings of 1,132,419 TL, energy savings of 992,500 kW, prevention of 496 tCO₂e emissions and environmental

contribution equivalent to 2,978 trees. Moreover, improvements such as fast opening and closing automatic doors, insulation applications and magnetic field use in doors were made to prevent heat losses with the Kaizen studies implemented throughout the project.

Under this project, we support a sustainable production structure by increasing efficiency in air conditioning systems.

Reducing Process Losses in Serac Production Line

In line with our sustainable production goals, the Lean 6 Sigma Green Belt Project was launched in order to reduce process-related losses in Serac Production Line. Under this project, we aimed to increase efficiency in our production processes to optimize resource usage, minimize waste and reduce our environmental impacts.

Within the scope of the project, we carried out root cause analyses of unplanned stops, especially in the liquid packaging unit as well as various improvement studies in capping, unscramble and labeling machines. Moreover, detailed stop analyses were conducted to determine the source of the problems and the setting parameters in the machines were standardized. To this end, root causes were determined with methods such as "5W1H" and "4M"

The "Air Conditioning Systems Heating Steam Savings Project" was carried out in order to reduce energy consumption and minimize carbon emissions in line with our environmental sustainability goals.

analyses, and preventive measures were taken to minimize stops.

Under the implemented Kaizen studies, cooperation was made with the supplier to prevent stops caused by burr caps in the capping machine, and changes were made in the cap material and dimensions. Additionally, format-based standards were redefined and implemented in the labeling machine, and the labeling process was optimized. With these improvements, a 2.06% OEE (Overall Equipment Effectiveness) gain was achieved in process performance.

In line with our sustainable production strategy, the improvements achieved through the successful implementation of the project enabled us to save resources and reduce our environmental impact in our production processes. This project is considered an important step in achieving our long-term goals and is planned to be expanded to and implemented in other lines.

Hayat Excellence System

Baby Pant Lines – Waist Elastic Band Tightness and Stop-Induced Loss Reduction Project

In line with our sustainable production goals in 2023, Lean 6 Sigma projects were carried out in the Hygiene Factory Baby Pant Lines in order to increase consumer satisfaction and operational efficiency. These projects aim to reduce consumer complaints due to the tightness problem of waist elastic bands and unplanned stops caused by panel elastic bands breaking. These project aimed to reduce stops by 5% and consumer complaints by 10%.

During the project, root cause analyses of process-related stops were conducted and the root causes of the problems were determined with methods such as "5W1H" and "4M" analyses. Focusing on the problem of waist elastic bands tightening, which was determined to be the biggest cause of stops, improvements were made on the elastic band material with supplier collaborations. Following these improvements, the number of stops due to waist elastic bands decreased by 25%, and a 0.23% increase in OEE (Overall Equipment Effectiveness) was achieved.

With the optimizations made in the processes in line with the project results, waist elastic band tightness complaints were reduced from 15 to 11, and unplanned stop times were reduced from an average of 8.23 minutes to 6.16 minutes. Moreover, energy consumption and stop times were

minimized with the improvements made, contributing to a more sustainable production structure.

This project has been an indicator of the steps taken to increase our operational efficiency and reduce our environmental impacts by contributing to sustainable production processes. The results obtained constitute an important reference in achieving our long-term goals and ensure that similar practices are expanded to other lines.

White Paint Optimization

In 2023, in line with our sustainability strategy, the "White Paint Optimization" project was launched to

optimize the white paint ratio used in the extrusion section and reduce production costs. Under this project, carried out as a Lean 6 Sigma Green Belt project, trials were conducted to reduce white paint consumption in products such as diaper bags, sanitary pad bags and detergent under-drawing.

In the project, opacity values were analyzed using different white paint ratios in PE01, PE02, PE03 and MDO03 machines. In the current situation analysis, it was observed that the opacity value remained within the quality standards when the white paint ratio was reduced to 12%.



Hayat Excellence System

The annual cost savings targeted with this improvement are approximately 3 million TL. If the Egypt factory is included in the project, the total savings will reach 6.5 million TL. Opacity modeling carried out under the project provided reliability above 97% and the effect of different paint ratios on opacity was successfully optimized.

The gains achieved as a result of the successful implementation of the project include reducing energy consumption and increasing material efficiency. This improvement contributes to reducing our environmental impact while saving resources in our production processes. White paint optimization is considered as an example that will support our sustainability goals in other product groups.

Improving Handover

The "Improving Handover" project, launched in the Yeniköy factory in 2023, was developed within the scope of Lean 6 Sigma Black Belt in order to prevent information loss and minimize operational risks. In today's rapidly changing business world, effective management of the handover process in cases such as employees leaving their jobs or changing positions is of critical importance in order to maintain efficiency and support a culture of continuous learning. This project aims to prevent information loss, process disruptions and operational risks caused by organizational changes and workforce shortages.

Under the project, the main problems and areas of development in the current business transfer processes were determined. In line with this analysis, standards were established for assigning the task to the right person, allocating sufficient time for the handover of work and correctly transferring the necessary information during the handover. These standards determined for the handover process ensure that handover is carried out effectively by providing critical components such as information security, clarity of job description and delegation of authority.

The developed handover form and "handover checklist" were put into use and tested in pilot applications. Process improvements were made according to the feedback obtained with the aim of reducing the risk of information loss that may occur in organizational changes by 50%. As of 2024, it is planned to spread handover standards throughout the company and review these processes with the principle of continuous improvement.

This project is considered as an important step in preserving corporate memory and ensuring business continuity. These improvements implemented in handover processes contribute to the creation of a sustainable business structure in addition to increasing operational efficiency.

As of 2024, it is planned to spread handover standards throughout the company and review these processes with the principle of continuous improvement.



Hayat Excellence System

Folding Head Consumable Replacement

The "Folding Head Consumable Replacement" project, launched in Mersin Paper Factory in 2023, was implemented as a Lean 6 Sigma Green Belt Project to increase production efficiency, reduce material losses and decrease operational costs. This project aims to minimize consumable replacements in the PC01 Napkin Production Line, thus reducing downtime and costs.

Analyses conducted under the project determined that downtimes caused by consumables in the folding head area constitute 54.6% of the total downtime. In line with this data, the root causes of the downtimes were identified, and a 15% improvement was achieved by reducing the weekly unplanned downtime from 245.9 minutes to 208.25 minutes. Moreover, it was aimed to reduce the number of downtimes from an average of 17.65 to 15 per week, and to reduce the machine OEE (Overall Equipment Effectiveness) loss from 3% to 2.7%. These activities increased efficiency on a line basis and created an additional production capacity of 12 tons per year.

With standard improvement steps, planned maintenance processes for folding heads and other consumables were strengthened and line stops were minimized. The project results increased resource efficiency and contributed to reducing our

environmental impacts by supporting our sustainable production performance. It is aimed to expand these gains to other production lines and to apply the efficiency increase throughout the entire facility.

Increasing the Water Pressure Valve Usage Period

The "Increasing the Water Pressure Valve Usage Period" project, launched in 2023, aimed to increase production efficiency and optimize resource consumption by extending the water pressure valve (WPV) replacement periods on the TM02 machine. In this study carried out as a Lean 6 Sigma Green Belt project, it was aimed to reduce downtimes and increase energy efficiency by extending the WPV economic life from 9 months to 12 months.

In the analyses made under the project, the root causes of problems such as losses caused by WPV and speed decreases caused by drying capacity were determined. The increase in the replacement period extended the average economic life of the WPV, providing an additional 320 minutes of annual working time on the production line. With this improvement, an additional production capacity of 48 tons per year was achieved.

During the project, regular maintenance points and checks were determined for the WPV to perform effectively for a longer period, and measures were

taken to increase the life of the WPV with Kaizen studies carried out on the equipment. To this end, pressure monitoring and control were facilitated by adding flow indicators to the DCS screen for the WPV lubrication water pressure. Moreover, regular observation of WPV pressure points was ensured with the application of nip paper, thus preventing WPV-related problems.

This project strengthens our sustainable production performance, increases resource savings and contributes to reducing our environmental impact. The results obtained created an important reference for the extension of similar improvement projects to other lines and for making our production processes more efficient.

Reducing Side Leakage Customer Complaints in Evony Large Products Project

The "Side Leakage Reduction" project, launched in 2023 to reduce side leakage problems experienced in adult diaper products under the Evony brand, aims to increase customer satisfaction and improve product quality. In this project carried out with the Lean 6 Sigma methodology, the main factors causing side leakage such as cuff raw material structure, rubber tensions and glue accumulation were analyzed.

During the project, various quality control and process analyses were conducted to determine the source of side

Hayat Excellence System

leakage complaints, and cuff raw material properties, ultrasonic printing parameters and tire tension sensor settings were optimized. As a result of the statistical analyses, process capabilities were evaluated and CPK values were ensured to converge to the targeted standards.

With the improvements carried out, side leakage complaints caused by cuff glue accumulation and elastic band tensions were reduced by 15%. Preventive actions implemented under the project include the renewal of cuff raw material quality standards, regular monitoring of elongation parameters and cleaning of elastic band tension sensors.

This project is considered an important achievement in terms of both increasing customer satisfaction and ensuring sustainable quality in operational processes. The results obtained support our development-oriented approach based on continuous improvement of product quality and customer feedback.

TK04 Lamination Glue Optimization

The “Lamination Glue Optimization” project, launched in the TK04 line in 2023, was carried out to increase production efficiency, reduce waste and contribute to environmental sustainability by optimizing lamination glue consumption. This Lean 6 Sigma Green Belt project aimed to reduce the amount of glue used by 20% and minimize waste glue.

In the analyses made during the project, deviations and excess consumption in the current recipe system were determined, and glue recipes were optimized accordingly. The glue dosing system was put into operation, and the difference between theoretical and actual consumption was minimized, thus increasing the traceability and accuracy of consumption data. According to the results obtained, a 52% improvement was achieved in lamination glue consumption and an annual saving of 3,617 USD was achieved. The amount of savings is expected to reach 21,300 USD by 2024.

This project is considered an important step in terms of reducing environmental impacts caused by lamination glue use and increasing resource efficiency. Moreover, the system is planned to be integrated with MES and S4HANA, and these optimization studies will be expanded to other production lines. In line with our sustainable production goals, process efficiency was increased and our environmental responsibility was strengthened with the TK04 Lamination Glue Optimization project.

WI Glue Accumulation-Induced Pollution Reduction Project

The “WI Glue Accumulation-Induced Pollution Reduction” project, launched in 2023, aims to reduce pollution caused by glue accumulation in diaper

lines in hygiene factories. Wetness indicator (WI) glue is a critical component that shows the filling level with color change throughout the economic life of diapers, and reducing pollution complaints due to glue accumulation is important for our operational sustainability. This project was carried out within the framework of the Lean 6 Sigma methodology and was considered as a strategic step to increase customer satisfaction.

Under the project, it was determined that the high pressure caused by the accumulation of glue in the machine hoses was the source of pollution. To this end, thanks to the pressure control system integrated into the glue tank, pollution caused by glue accumulation was reduced by 10%. Moreover, improvements such as day angles were re-adjusted and grinding of glue jaw surfaces were made. By establishing standard cleaning and maintenance procedures, regular cleaning operations were made more efficient and pollution sources were minimized.

This project led to a significant decrease in customer complaints caused by glue accumulation, as well as improvements in operational efficiency and resource consumption savings. The results obtained contribute to strengthening our environmental sustainability by expanding similar projects to other lines.

R&D and Innovation

Since our foundation, we have adopted the philosophy of respect for people and the environment, working with all our strength to design innovative products that meet consumer needs, that are dermatologically suitable for contact with skin, and will not harm humans and nature. With our innovative product approach, we investigate the demands and needs of different consumer groups and develop innovative products to meet the expectations of the ever-changing world. We carry out all our activities in line with a comprehensive R&D innovation approach, from raw materials to packaging development and efficiency-increasing processes regarding our production technologies. To this end, R&D strategies were developed and R&D roadmaps were designed for the activities that need to be carried out in order to meet the determined targets in the short, medium and long term.

A total of 130 researchers, are experts in their respective fields, work at the Hayat Kimya Global R&D Center, the first and most comprehensive R&D Center in the fast-moving consumer goods sector in Turkey. We aim to constantly develop and improve by integrating the ideas and technologies, developed through raw material and packaging research, patent and product development studies, into our products. We increased the number of employees in our R&D center by 7.3% compared to 2020, thus constantly taking our R&D activities one step further.

We see innovation and R&D as the cornerstone of a sustainable future. Accordingly, we established the first and most comprehensive R&D Center in our sector in Turkey. We spread the ideas, products and technologies developed in our award-winning R&D Center from Turkey to the whole world.

Number of Employees in the R&D Department	2020	2021	2022	2023
Total	110	108	118	130
Woman	62	62	66	70
Man	48	46	52	60

- We applied for a total of 66 patents and 5 utility models. We have been granted 8 patents, which are registered in a total of 44 countries.
- We also have 85 design applications, 73 of which are granted.

Number of Applications	2020	2021	2022	2023
Patent	2	3	1	13
Design	4	4	3	2

Our University Research Collaborations

TÜBİTAK 1711 – CALL FOR ARTIFICIAL INTELLIGENCE ECOSYSTEM

With the TÜBİTAK 1711 Artificial Intelligence Call, we completed our work, as a customer institution and as a partner in a consortium with TÜBİTAK Artificial Intelligence Institute, Koç University and an SME specialized in its field, in order to transform artificial intelligence technologies into need-oriented products or solutions. We actively work towards our goal of contributing to technological developments in order to establish the Turkish Artificial Intelligence Ecosystem. The project was expanded within R&D through interaction between teams, and at the same time, cooperation with SMEs involved in the project is continuing on a consultancy basis. To this end, we aim to develop the knowledge and technology at universities through priority project areas and transform them into innovative products and solutions that meet customer institution needs. Moreover, other priorities include solving the needs faster and more efficiently by solving problems with artificial intelligence solutions, ensuring that the project outputs lead to various applicable studies in Turkey, raising awareness for other companies looking for solutions to such similar problems, and training qualified human resources while carrying out these studies.

TÜBİTAK 1505 – UNIVERSITY INDUSTRY COOPERATION SUPPORT PROGRAM

As a customer institution, we launched a project in collaboration with Sabancı University to transfer the knowledge and technological developments in universities to the industry to develop new products, new product processes or a completely different process, and increase applicability and create products with high commercialization potential and high added value. Under the project, we carry out activities in many project output areas such as developing and manufacturing a new product with high commercial potential, which will increase Turkey's competitive edge and reduce technological dependence on foreign sources, improve an existing product, improve product quality or standard, and develop new cost-cutting techniques and new production technologies.

TÜBİTAK 2244 – INDUSTRIAL PHD PROGRAM

Under the project, we aim to train qualified human resources with PhD degrees needed in the industry with the university-industry cooperation model, encourage the employment of researchers with PhD degrees in industry, and transfer basic knowledge and research to industry. Moreover, within the scope of the program, we conduct encouraging activities to employ more researchers in the private sector, and develop projects that contribute to the potential of

Sabancı University

"The most important gem of an organization is its talents that will carry it forward. Every step taken for the development of talents within the organization contributes to the solid formation of a leadership culture and therefore to the sustainability of the organization. The Lead To Grow program, which we carry out together with Hayat Kimya, was launched based on this vision. This program aims to develop the skills of young talents in various managerial topics, from strategy to innovation, from sustainability to productive artificial intelligence and of course leadership. We are proud to see that these training and development activities carried out by Hayat Kimya in line with its sustainability strategies are paying off. As Sabancı University Executive Development Unit, we are very pleased with our contribution at this point."

Koç University

"The leadership trainings we carry out as a university contribute to our participants internalizing the leadership culture and spreading this culture in their work environments. Our trainings support leaders not only in achieving individual success but also in motivating their teams and directing them towards long-term corporate goals. Participants who develop a sustainability-focused leadership approach directly contribute to sustainability goals in the business world by making conscious decisions on the efficient use of resources, environmental awareness and social responsibility."

Our University Research Collaborations

Turkey through new collaborations while improving our human resources both in quantity and quality to ensure technological transformation with grants and supports and reach the targeted levels in the value production chain. Our project partners under the program are Yıldız Technical University, Kocaeli University, Istanbul University (Cerrahpaşa University), and Sabancı University.

TÜBİTAK 1833 – CALL FOR SAYEM GREEN TRANSFORMATION

Under the TUBITAK project, launched in accordance with the developing green transformation trends in the world and in Turkey, we contribute to the green transformation processes in the industry, which are necessary for the more effective and efficient use of our country's natural resources, together with the consortium members we cooperate with. Thanks to these studies, we aim to reduce the destructive effect of value production processes in the industry on nature and to raise awareness about the impact of these value production processes on natural resources. The application was successfully filed with the project consortium members, and the referee defenses regarding the project was completed. The studies will continue actively in the following processes. We aim to disseminate the know-how gained during the project among the Hayat Kimya R&D teams and to start new projects with new consortium members. During the call, we successfully continued our studies with Başakşehir

Municipality, Kordsa, P&G, Kadife Tekstil, Ford Otosan, Arçelik and Huhtamaki.

TÜBİTAK 1004 – CENTER OF EXCELLENCE SUPPORT PROGRAM

Under the project, which aims to enable the research infrastructures of higher education institutions to be transformed into centers of excellence by collaborating with R&D & Design Centers, we aim to take part in a joint project with Istanbul University. With this project, we will plan our work by aiming to develop ideas with commercialization potential in an industry-university partnership. Thus, both the university-industry collaboration was improved and we managed to contribute to the value-added production process from a sustainable perspective.

TÜBİTAK 1707 – CALL FOR ORDER-BASED R&D

Under the 1707 Project, which we plan to carry out in partnership with an expert SME in the field, we aim to ensure the development of innovative technologies planned to add to Hayat Kimya's know-how. With this project, we developed a roadmap by planning to increase cooperation with SMEs and to develop products that can be commercialized quickly on the SME side. Moreover, we planned the final output as a SME partnership with strong R&D ideas and technologies suitable for the needs and demands of the sector and the market, with Hayat Kimya taking the role of Customer Organization.



Dr. Fikret Koç
Vice President, R&D

As Hayat, we consider R&D as the leading force of sustainability. We prioritize the health and safety of consumers, and work with the aim of developing products that respect human health and minimize our environmental impact. With this understanding, we place the future of our planet at the center of our priorities while meeting consumer needs.

As of 2023, we expanded our R&D staff by 18.1% and further improved our expertise. We are implementing our innovations that make a difference on a global scale with our 130 expert researchers in our award-winning R&D Center. We contribute to both economic and environmental sustainability with our efficiency-focused strategies in raw material development, packaging design and production processes.

To this day, we have applied for 66 patents and 85 designs. We are proud of our 8 patents granted in 44 countries thanks to our innovations for the circular economy. Moreover, we continue to respond to the needs of the future by developing technology solutions in the fields of artificial intelligence and green transformation under our collaborations with universities and TÜBİTAK projects.

We continue to develop high value-added products for a more livable world by keeping sustainability and innovation at the center of our business processes.

Product Quality and Safety

We believe that all people have the right to access quality products, and comply with national and international quality criteria around the globe. Based on our Hayat Quality Policy and our quality vision and mission, we develop systems that will ensure the continuous improvement of our products, and production and service processes. We create and monitor PQS (Perceivable Quality Standards), establish our Quality Maintenance Organization and carry out activities efficiently and effectively. We evaluate all these activities through the eyes of our employees, business partners and consumers, and base our approach on identifying possible negative situations

as well as reducing and preventing negative effects. In line with Hayat's high quality standards, we always strive to offer the best to all our stakeholders.

Our principle is to continuously improve the quality of our products under the guidance of our quality vision and business models, and to be the most preferred brand and organization by customers and consumers. Moreover, we aim to deliver the highest quality products to our stakeholders and reduce our environmental impact by minimizing our losses through "Quality Maintenance and Development" activities.



Vedat Yıldırım
Vice President, Sales

PRODUCTS TOUCHING LIFE EVERY TWO MINUTES

A Hayat product is used around the world every two minutes. This is not only a success story for us, but also an indicator of our responsibility to add value to the planet, community and people on a global scale. We work to increase access to Hayat products in different locations with both our subsidiaries and our export performance.

Being active in a wide geography extending from Madagascar to Seychelles, Indonesia to Russia proves the success of our branding strategies and the trust bestowed upon us thanks to our quality products.

Due to the nature of our sector, we have the opportunity to directly touch the lives of consumers with end-user products, which allows us to build a sustainable reputation in international markets.

As Hayat, we continue to build strong and reliable brands in international markets with the experience gained from our successes. We shape our activities with the vision of creating sustainable value by meeting the needs of our consumers.

Product Quality and Safety

Our quality vision is to always be the first brand that comes to mind for everyone, and to ensure that superior quality products and services are constantly offered in line with customer and consumer expectations, within sustainable costs for the company.

To this end, our main policy is

- To comply with all relevant national and international laws, regulations, legislation, industrial requirements and quality standards, and to implement Hayat Global Standards,
- To evaluate the risks and opportunities that may affect our goals in line with our corporate risk management philosophy and to provide the necessary preparation and equipment,
- To increase satisfaction by adopting a solution partner approach while focusing on the needs and expectations of our customers and consumers in all our activities,
- To contribute to business sustainability with a mutual development approach with all our stakeholders,
- To increase the competitiveness of our brands in the global markets with new technologies, new investments and innovative products,
- To increase the participation of our employees and develop their competencies, to ensure that they embrace all processes with team spirit, and to create a global working culture,

- To prioritize our values and to respect people and nature in all locations around the globe.
- We ensure that materials used in our products and raw materials we manufactured are monitored according to legal limits in accordance with the Regulation on the registration, evaluation, authorization and restriction of chemicals (REACH).
- In our NW / FP businesses, we aim to provide a more controlled effect and a better result in every aspect with our packaging materials. We produce our Oeko-Tex certified products in our facilities with eco-friendly practices and socially responsible, safe working environments. Product safety is ensured with the most sensitive tests, and we continue our commitment to quality and sustainability with supply chain transparency.

Our business practices are based on our “Quality Management System”, “Life Excellence System”, “Quality Maintenance and Development” business models, which are constantly improved.



Product Quality and Safety

As an "FSC™ Certified Manufacturer" in most of the countries where we manufacture Tissue, we produce with cellulose obtained from plantation forests.

WHAT DOES IT MEAN TO BE AN "FSC™ CERTIFIED MANUFACTURER" IN TISSUE PRODUCTION?

- Not to engage in illegal cutting or trading of trees or forest products,
- Not to violate rights during forestry operations,
- Not to destroy forests with high conservation value during forestry operations,
- Not to convert natural forest areas into plantations or non-forest lands, and
- To comply with the ILO Fundamental

Conventions, defined in the ILO (International Labor Organization) Declaration on Fundamental Principles and Rights at Work.

Moreover, the harmonization process with the European Union's Deforestation Regulation (EUDR) has been integrated into our environmental sustainability goals. Within the framework of the EUDR, we have set high standards to prevent deforestation and protect biodiversity by taking the necessary steps to ensure the traceability of all products in our supply chain. In this regard, we prefer raw materials obtained from sustainable sources, and aim to minimize our environmental impact and encourage responsible

consumption habits by cooperating with our suppliers. To this end, we are committed to full compliance with the requirements of the EUDR by the end of 2025.

In order to ensure the standardization of our processes and the sustainable quality approach of our products, we have received the following certificates in our subsidiary in Turkey.

Certificate	Description	Turkey
ISO 9001:2015	Quality Management System	✓
ISO 14001:2015	Environment Management System	✓
ISO 45001:2018	Occupational Health and Safety Management System	✓
ISO 13485:2016	Medical Devices Quality Management System	✓
ISO 27001:2017	Information Security Management System	✓
ISO 50001:2018	Energy Management System	✓
ISO 22716:2007	Good Manufacturing Practices for Cosmetics (GMP)	✓
FSC	Forest Stewardship Council	✓
Oeko-Tex	Confirming the human-ecological safety of products at all stages of production.	✓
FSSC 22000	Food Safety Certification	✓
Halal	Production in accordance with the Islamic law	✓
Sedex SMETA 4.0	Compliance with social and ethical responsibilities	✓
Diamond Mark	Kenya Bureau of Standards (KEBS). A mark of excellence awarded to manufacturers	✓



Özden Fidan
Global Quality Director

At every stage of our activities, we comply with the highest quality standards and also ensure compliance with national and international standards along with environmental and social sustainability goals.

From the supply chain to production, from logistics to the consumer, our quality mechanisms ensure the compliance and effectiveness of processes with sustainability standards at every point. With our transparent reporting practices, we clearly present to our stakeholders the progress made in our sustainability goals and our quality performance.

We believe that building a reliable future requires both high quality standards and commitment to sustainability principles. With this understanding, we continue to create value at every stage of our operations by combining our responsibilities with an innovative perspective.

Product Quality and Safety

Biodegradable Products

Our products stand out with their eco-friendly features and can be used by consumers with peace of mind. According to laboratory tests, these Hayat products are 70% biodegradable: Bingo Oxyjen Powder Detergent Jasmine & White Tea, Bingo Oxyjen Liquid Detergent Jasmine & White Tea, Bingo Oxyjen Natural Content Powder Detergent Unperfumed, and Bingo Konsantre Soft Sümbül Masalı. We adopt the understanding that a high-quality product diversity contributes to the continuation of the life cycle and protects consumer health.

Not Containing Harmful Substances

Bingo Oxyjen Powder Laundry Detergent does not contain optical brighteners and does not shine under UV light. The tests also show that there is no trace of optical brightener on a baby garment after washing. Our powder detergent does not contain dyes, phosphates, chlorine, perfumes or parabens and is safe for use on sensitive skin.

Germination Test

In the germination test conducted with Gleen Fragrance Free Dishwashing Detergent, Gleen APC Daily Cleaning Spray, Bingo Gleen Softener and Bingo Gleen Liquid Laundry Detergent, our products gave better results on the germination and development of grass plants compared to competing products. It was

observed that grass watered with our products grows longer than those watered with competing products, that grass has the proper fresh and dry weight parameters that show the vegetative development of the plant and has a higher chlorophyll content, and that in the mineral content of plants, nitrogen, potassium, calcium, magnesium and manganese contents were detected more.



Familia Natura'a Fresh Wet Wipe

Familia Natura'a Fresh Wet Wipe shines with its Freshness of Lavender, Goodness of Minerals and Freshness of Green options. Our products are effective against microorganisms in accordance with criterion A of the protective system of the cosmetic product, which is defined and tested in line with

the evaluation criteria recommended in ISO 11930 standards. According to the tests, our products are free of ethyl paraben, hexamidine paraben, isopropyl alcohol, methyl paraben, hexamidine diparaben, propyleneparaben, butylparaben, ethyl alcohol and methyl alcohol. Our products are suitable for sensitive and easily irritated skin and do not cause eye irritation.

Product Quality and Safety

Familia Natural Toilet Paper and Paper Towel

Familia Plus Natural Toilet Paper and Paper Towel, which cares about both nature and your family, contains organic bamboo extract and is hypoallergenic, that is, skin-friendly. Tissue Towels are free of additives, dyes, perfumes, optical brighteners and chlorine and are suitable for contact with food. Familia Plus Natural Toilet Paper and Paper Towel, produced from 100% vegetable cellulose fibers, are produced with cellulose obtained from certified sustainable forests, without harming natural forests. Moreover, its 100% recyclable packaging is eco-friendly, too.



We Protect Our Babies with Molfix Wet Wipes with Isotonic Water

Molfix Wet Baby Wipes with Isotonic Water for Fresh Cleaning and Molfix Baby Wet Wipes with Isotonic Water for Sensitive Skin are considered the safest wipes for the skin with the combination of isotonic water they contain, and have a regenerating and revitalizing effect. They can also be used to clean babies' noses, eyes and wounds. Molfix Wet Baby Wipes with Isotonic Water for Fresh Cleaning passed the test for product certification with a score of excellent.

Since tests proved that it is free of dye, ethanol, isopropyl alcohol, methanol and soap, its protective effectiveness was deemed appropriate and it was determined to be compatible with skin cells.

Molfix Wet Wipes Newborn with Isotonic Water also passed the test for product certification with a score of excellent. It has been confirmed that the cotton used is Oeko-Tex certified and natural. Its protective effectiveness was found to be appropriate and it was found to be compatible with skin cells. The tests showed that it is free of fragrance, dye, alcohol, phthalate, soap, SLAS and SLS.





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