

A person in a yellow shirt and blue overalls stands in a field of tall grass, arms raised. A large circular arrow graphic, transitioning from blue to green, surrounds the text.

we treat life well

Contents

Introduction	
Introduction	3
About Hayat	
Letter from the CEO	4
Hayat Sustainability Manifesto	5
Highlights of Our Sustainability Performance	6
About Hayat	7
Milestones of Hayat	8
Our Brands	9
Hayat in Numbers	10
Our Values	11
Our Achievements	
Our Achievements	12

We Treat Life Well / Governance	
We Treat Life Well	15
Corporate Governance	16
Our Material Sustainability Issues	17
Our Sustainability Materiality Matrix	18
Our Sustainability Model	19
Our Sustainability Management	20
Stakeholder Communication	22
Corporate Memberships	24
Supply Chain	25
Consumer Satisfaction	26
Ethics and Compliance	27
Risk and Opportunity Analysis	28
We Treat Life Well / Planet	
We Treat the Planet Well	30
Water Consumption and Protection of Water	31
Fight against Climate Change - Energy and Emission Management	32
Waste Management	35
Diversity Approach	36

We Treat Life Well / People	
We Treat People Well	38
Diversity and Inclusion	39
Employee Engagement	41
Make Your Move	43
Talent Management	45
Occupational Health and Safety	51
OHS Performance	52
Hayat Excellence System	54
R&D and Innovation	55
Our University Research Collaborations	57
Product Quality and Safety	58
We Treat Life Well / Society	
We Treat the Society Well	63
Molfix Hayat Bađım Project	64
Molped Ped Kardeřliđi Project	65

Introduction

As Hayat, we published our second sustainability report in 2019. Since then, we have been in constant communication with our stakeholders while closely following the changes in Türkiye and the world to understand the environmental, social and economic transformation of the world hugely affected by the pandemic and to treat all areas of life well.

In our third sustainability report, we revised our material sustainability issues based on the opinions and expectations of our internal and external stakeholders. In line with our vision of providing benefits for generations, we have defined our environmental, social and governance goals according to our material sustainability issues. This report covers the period from January 1, 2020 to December 31, 2022, providing information on the sustainability performance of our detergent, tissue, hygiene, NW&FP factories in Kocaeli and our tissue factory in Mersin in Türkiye.

This report is prepared in Turkish and English in accordance with GRI Standards (Global Reporting Initiative), World Economic Forum Stakeholder Capitalism Metrics and the requirements of the United Nations (UN) Global Compact (UNGC) Communication on Progress. The report shows our performance related to the United Nations Sustainable Development Goals as well as the United Nations Women's Empowerment Principles (UN WEPs), of which we are a signatory.

As Hayat, we aim to report our sustainability performance annually with full transparency and share it with our stakeholders.

The opinions and suggestions of our esteemed stakeholders are invaluable to us in our sustainability journey.

You can share your opinions and suggestions regarding our sustainability report and activities at hayataiyibakariz@hayat.com.tr



Letter from the CEO



Dear Stakeholders,

As Hayat, we are empowered by our experience of more than 35 years in the fast-moving consumer goods industry, working to ensure the sustainability of our business in Türkiye and all other markets as well as the sustainability of our world.

We mainly focus on Africa and Asia in relation to our globalization operations. In the next 50 years, these two continents will bear 90 percent of the world's population growth, where most of the countries are underdeveloped or developing countries. During our operations in these challenging geographies, we can observe more clearly how the climate crisis and social and economic inequalities threaten the well-being of societies. This awareness enables us to feel a strong responsibility to improve the health of people and the quality of life.

To this end, we published our sustainability manifesto "We Treat Life Well" with the participation of our stakeholders, taking into account the sector trends in 2022 and the future risks identified in the Global Risks Report published by the World Economic Forum. While designing our sustainability model, we defined the material issues under our four main areas of focus: Governance, Planet, People and Society.

As Hayat, we believe that sustainability is key in all our value chain processes and we plan our business processes accordingly. In addition to strengthening our economic presence, we, as a responsible group, improve our environmental and social impacts for the benefit

of humanity. We focus on sustainability to ensure that our corporate and social benefits can be maintained for generations.

In our third sustainability report, we aim to share how we treat our organization, the planet, people and society well. This report clearly defines how we manage our business processes and plan our future.

I hope that this study will be a guide for the entire business world, especially our sector. I would like to take this opportunity to thank all our stakeholders who always support us in our sustainability journey.

Sincerely,
M. Avni Kiğılı

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

- Average **1,070,363** online customers
- **4.80** out of **5** customer satisfaction rate

WE TREAT THE PLANET WELL

- **1,459** person*hours of environmental training
- **624,142 USD** environmental investment
- **889,000 MWh** renewable energy production (SPP)
- Using sea water for **52%** of the water used in production

WE TREAT PEOPLE WELL

- **79%** employee engagement
- **9** leadership development programs
- **66,319** person*hours of employee development training
- **18%** reduction in incident rate
- **33%** reduction in incident severity
- Kaizen award to our **1,300** employees
- **1** Global R&D Center
- **118** researchers
- **307** scientists (**16** scientists with PhD and **29** with master's degrees)
- More than **100** patent applications, **6** new patents, **11** new designs

WE TREAT THE SOCIETY WELL

Three social responsibility projects

Under the Molfix Hayat Bağım project

- **284** equipment donations to **32** hospitals in **28** provinces,
- Access to more than **155,000** parents and healthcare professionals,
- More than **160,000** minutes of secure attachment training,
- **99%** increase in disease awareness

Under the Molped Ped Kardeşliği project

- **69,008** packs of Molped donated to **34,658** women

Under the Molped Kız Sözü Academy project

- Coaching support for **100** women,
- Personal development training for **250** women,
- **93%** increase in women's self-confidence levels,
- **108%** increase in motivation levels for business life

* In the reporting period

About Hayat

As Hayat, since 1987, we have been active in the fast-moving consumer goods industry, providing employment to more than **10,000** people worldwide and offering a wide range of products in the segments of baby care, feminine care, personal health care, home care, tissue and pet care.

We operate with **26 production facilities in eight countries**, including Türkiye, Egypt, Iran, Algeria, Russia, Nigeria, Pakistan, and Vietnam as well as sales and distribution companies in Morocco, Bulgaria, Kenya, Thailand, and Malaysia. Thanks to our exports to **more than 100 countries** on five continents, we constantly strengthen our global position and deliver our brands to millions of homes around the world.

We are the largest tissue manufacturer in the Middle East, Eastern Europe and Africa, and the **4th** in the “**World’s Largest Diaper Manufacturers**” league.



4th largest baby diaper manufacturer in the world



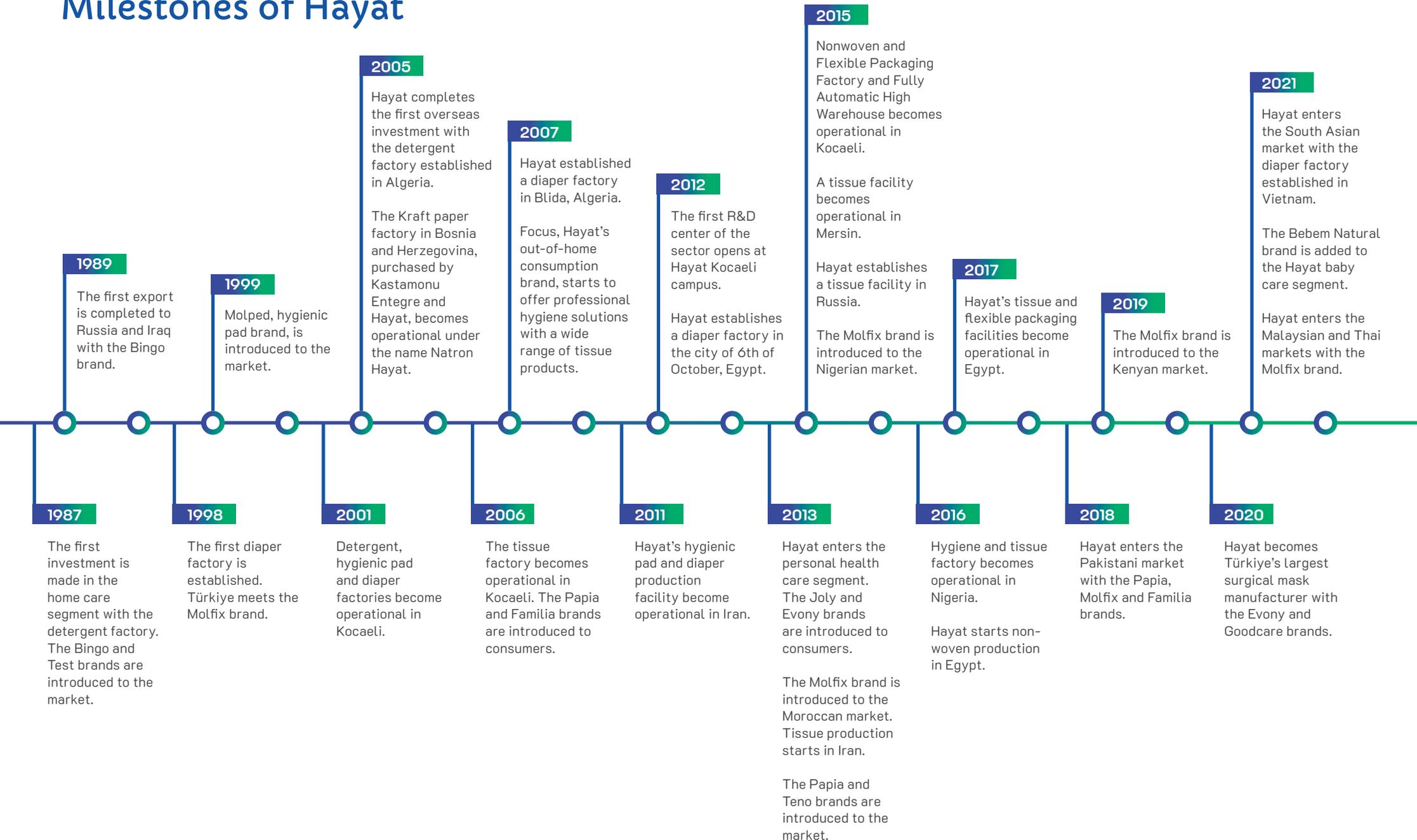
Largest tissue manufacturer in the Middle East, Eastern Europe and Africa



26 production facilities in 8 countries



Milestones of Hayat



Our Brands

Baby Care



Feminine Care



Personal Health Care



Home Care



Tissue



Pet Care



Hayat in Numbers



16

Brands



26

Production Facilities



10,000 +

Employees



1 million tons/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



2.2 billion

USD turnover



Total sanitary pad capacity of
3 billion
pieces/year



Total mask capacity of
6 billion
pieces/a year



Global
R&D Center



16 scientists with PhD and,
29 with master's degrees
300 scientists

Our Values



ENTREPRENEURSHIP

Entrepreneurship

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



DETERMINATION
AND COURAGE

Determination and Courage

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



LOYALTY

Loyalty

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



OPEN-MINDEDNESS

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.



RESPECT FOR
PEOPLE AND
NATURE

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 that serve people's needs and our environmentally friendly production.



FAIRNESS AND
INTEGRITY

Fairness and Integrity

Integrity, loyalty, transparency, and trust are the basis of our relations with all our stakeholders. We consider it our most fundamental motto to act as a fair company that respects people, the environment, society, laws, customs, and traditions, and stays loyal to its commitments.

Our Achievements



MOLPED

Molped Ped Kardeşliği – Brand Experience Felis Award

Molped Ped Kardeşliği – Healthcare & Wellness Felis Award

Molped – “Most Successful New Brand” Award in Nigeria

Molped – “Experiential Campaign of the Year Bronze Award” by the Advertisers Association of Nigeria

Molped – “Digital Campaign of the Year Silver Award” by the Advertisers Association of Nigeria

Molped – “Best Digital Marketing” Award in Iran

Molped – “Diamond Certificate” in Türkiye, Egypt and Kenya

Molped – “Customer Brand” A.L.F.A. Award

Molped – “Crystal Apple” Crystal Apple Award

Molped – “Bronze” Crystal Apple Award



EVONY

“Best Non-Pharmaceutical Product of the Year” Golden Pulse Awards



MOLFIX

“Africa’s Most Preferred Diaper” Award in Nigeria

“Experiential Marketing”, “Brand of the Year” and “Digital Marketing” Awards in Nigeria

“Best Quality Diaper of the Year” Award in Nigeria

“The Most Preferred Diaper” Award 4 Times in a Row in Iran

“Best Customer Experience” Award in Pakistan,

Bases Nielsen Award in Egypt

Amarin Baby & Kids Awards in Tayland

Packaging Crescents and Stars “Bronze Award”

Hayat Bağımlı Secure Attachment Program – “Best Corporate Responsibility” First Prize Best Business Awards

Hayat Bağımlı Secure Attachment Program – “Extraordinary Support During COVID-19 First Prize” Best Business Awards

Hayat Bağımlı Secure Attachment Program – Golden Compass Award

Hayat Bağımlı Secure Attachment Program – “Silver Award” Stevie Awards

Hayat Bağımlı Secure Attachment Program – “Silver Award” Brandverse Awards



FAMILIA

“Best Quality Product” by Russian Quality Systems (Roskaçestvo)

“Best Marketing Strategy of the Year” Award for Paper Towel with Detergent

“Bronze Award” with Crescent and Stars Packaging Maxi Hygiene Toilet Paper and Paper Towel Series



TURKISHTIME

74th in the “250 Companies with the Most R&D Investment” ranking



CAPITAL

43rd in the “Top 500 Companies” ranking



GLEEN

“Gold Award” with Packaging Crescent and Stars Home Care Products



ISTANBUL CHAMBER OF INDUSTRY (ISO)

49th in the “Türkiye’s Top 500 Industrial Enterprises” ranking



TURKISH QUALITY ASSOCIATION (KALDER)

2021 “Quality Circle” and “Qualified Kaizen” Awards



TURKISH EXPORTERS ASSEMBLY (TIM)

59th in the “Top Exporting Companies” ranking

We Treat Life Well

Governance

We Treat Life Well	15
Corporate Governance	16
Our Material Sustainability Issues	17
Our Sustainability Materiality Matrix	18
Our Sustainability Model	19
Our Sustainability Management	20
Our Sustainability Goals	22
Corporate Memberships	24
Supply Chain	25
Consumer Satisfaction	26
Ethics and Compliance	27
Risk and Opportunity Analysis	28



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 Aydin
Vice President, Strategy and Marketing

NEW SUCCESS CRITERIA CREATING VALUE AND MAINTAINING SUSTAINABILITY

In the past, the primary goal of companies was to maximize profits. However, today, companies are positioned as a global stakeholder, moving beyond the definition of generating profit and wealth. At this point, it is very important to ensure balance on both sides of the coin. On the one hand, companies make profits and continue their existence, on the other hand, they must shoulder their responsibilities towards people and the planet and be a stakeholder of the global future.

This situation causes companies to review their corporate goals and brands to determine purpose-oriented approaches. Thus, the new success criterion becomes 'creating value and maintaining sustainability'. In this regard, as a company aiming to provide benefits for generations, we implement a number of long-term, socially beneficial projects in line with our corporate values.

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. The Executive Board is the de facto management body in 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.

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



Hüseyin Okur
Vice President, Finance

FINANCIAL SUSTAINABILITY IS NOT JUST A BUSINESS STRATEGY, IT IS A GLOBAL RESPONSIBILITY.

Sustainability is a key element of financial success in business. Sustainability in the financial ecosystem requires the ability of creating long-term value, going beyond just short-term gains. We believe that financial sustainability is not just a business strategy, it is a global responsibility.

Sustainability is at the center of our finance strategy in order to keep up with the changing dynamics in the financial ecosystem and provide a competitive advantage. We work to achieve our long-term value creation and sustainable growth goals, taking into account financial as well as environmental, social and governance factors.

In line with our growth goals, we increase our economic performance with our investments in Türkiye and around the world. We are one of the important stakeholders of the global finance ecosystem with our investments in various locations of the world. We will continue our investments by focusing on growth in line with the Sustainable Development Goals.

Our Material Sustainability Issues

As Hayat, we have closely followed the pandemic and the resulting global developments since our last sustainability report published in 2019. During this period, we re-evaluated our material sustainability issues that we should focus on to increase our economic performance and protect our position in the business world while protecting the world's limited resources and contributing to the development of social welfare.

In this regard, to evaluate our internal sustainability performance in 2022, we held a Sustainability Workshop with a team of **41 people**, including managers from the Hayata İyi Bakarız (HIB - We Treat Life Well) Sustainability Committee and representatives from all functions. 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 participatory analysis process where we evaluated environmental, social and management risks in collaboration with our internal and external stakeholders. A total of **468** stakeholders participated in the analysis conducted through online survey: **428 internal stakeholders**

and **40 critical external stakeholders**, including from banks, NGOs, suppliers and various business partners. We updated our sustainability materiality matrix by evaluating the results of the survey.



Özgür Köllüfkacı
Hayat Türkiye General Manager

WE WORK TOWARDS LONG-TERM, PERMANENT AND SUSTAINABLE GOALS.

As a Turkish company going global, we lead the industry with our production power, cutting-edge technologies and innovative products. While doing our job in the best way, we are also aware of our responsibility to add value to Türkiye.

We will always contribute to the Turkish economy with our investments, employment and export performance.

Our company prioritizes and will always prioritize issues based on social needs. We are aware of our responsibility with our brands that touch every segment of society and people of all ages, and we are ready for the long journey ahead. In line our sustainability vision based on the theme of "We Treat Life Well", we work towards long-term, permanent and sustainable goals to ensure a better world for generations to come.

Our Sustainability Materiality Matrix

MATERIAL ISSUES OF VERY HIGH IMPORTANCE

For today

- Consumer Health and Safety
- Occupational Health and Safety

For the future

- Energy Management
- Water Management
- Fight against Climate Change
- Consumer Health and Safety
- Digitalization
- Materials
- Occupational Health and Safety

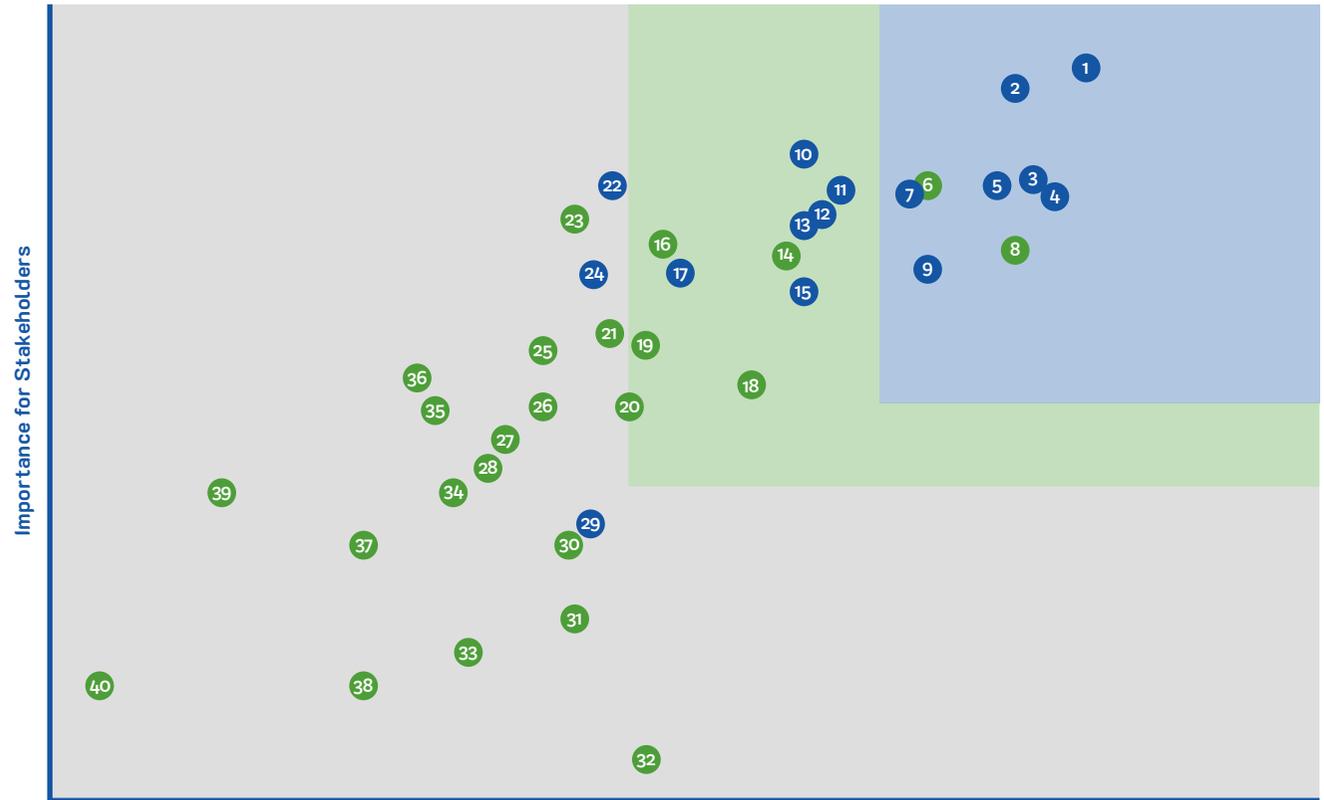
MATERIAL ISSUES OF HIGH IMPORTANCE

For today

- Water Management
- Energy Management
- Ethical and Transparent Management Approach
- Employee Engagement and Satisfaction

For the future

- Customer Satisfaction
- R&D and Innovation
- Waste Management
- Emission Management
- Supply Management
- Data Security



Importance for Hayat			
1	Energy	12	Emission
2	Water	13	Customer Satisfaction
3	Climate Change	14	Water
4	Consumer Health	15	Supply Management
5	Digitalization	16	Energy
6	Consumer Health	17	Data Security
7	Materials	18	Ethics and Transparency
8	Occupational Health and Safety	19	Employee Engagement
9	Occupational Health and Safety	20	Climate Change
10	R&D	21	Talent
11	Waste	22	Employee Engagement
23	Customer Satisfaction	27	Corporate Governance
24	R&D and Innovation	28	Emission
25	Waste	29	Product Life
26	Digitalization	30	Standards
31	Local Economy	34	Materials
32	Corruption	35	Supply Management
33	Biodiversity	36	Talent
		37	Corporate Objective
		38	Social Management
		39	Risk and Management
		40	Inclusion and Diversity

Our Sustainability Model

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



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.



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 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.



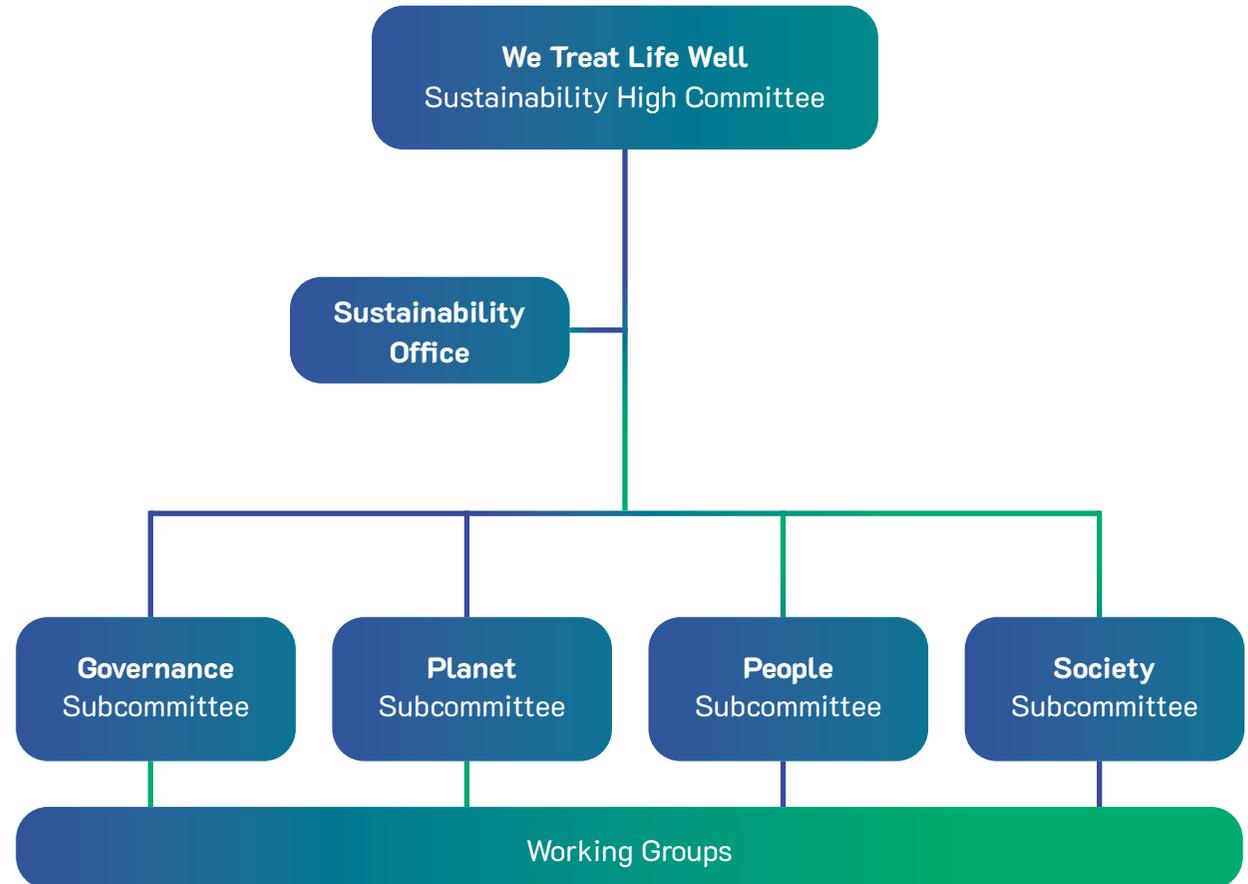
In line with our **“WE TREAT SOCIETY WELL”** approach, we strive to spread the corporate goodness approach in the countries where we operate, in line with our mission to add value to all areas of life. We contribute to increasing individual and social well-being with our social impact projects in the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



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, 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.





Our Stakeholder Communication

As Hayat, for us all our stakeholders in our value chain, especially our employees and customers, are our companions who support us in our sustainability journey. We are in constant communication with all our internal and external stakeholders to ensure mutual benefit.

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)	Employees (Temporary Contractors)	Families of Employees	Suppliers
F2f Communication																									
Unit Meetings																									
Email																									
Direct Lines																									
Intranet Portal																									
Internal Screens																									



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)	Employees (Temporary Contractors)	Families of Employees	Suppliers
Internal Panels																									
Starter Kit																									
Meetings and Visits																									
Briefings and Seminars																									
Websites (Main and Affiliate)																									
Customer Services																									
Social Media																									
Traditional Media																									
CSR Activities																									

Corporate Memberships

Turkish Association for Infant Mental Health

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

Interactive Advertising Bureau - Türkiye

We create common benefit in the Molfix Hayat Bağımlı project.

Business and Sustainable Development Council - Türkiye

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

Sustainability Academy - Türkiye

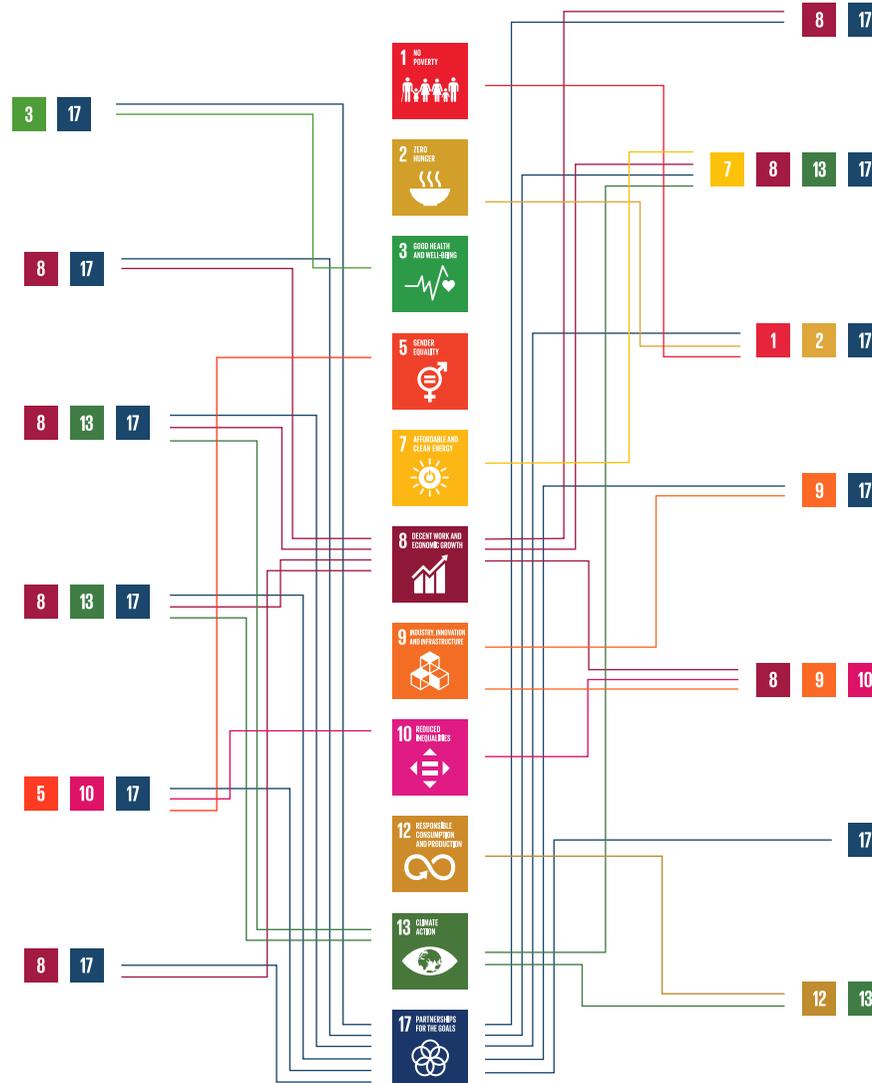
To strengthen our collaborations in the field of sustainability, we share our practices with the industry and benefit from good practices.

We Need to Talk Association of Türkiye

We create common benefit in the Molped Ped Kardeşliği project.

Association for Cosmetics and Cleaning Products Industry of Türkiye

We share our sectoral knowledge and interact with our stakeholders.



Advertisers Association of Türkiye

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

Turkish Cogeneration Association

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

UNICEF

We donate regularly to give hope to children.

Pulp and Paper Industry Foundation of Türkiye

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

Chamber of Chemical Engineers of Türkiye

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

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.

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

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

Supply Chain

We show maximum care to protect human health in all the products offered to our consumers and work to create a sustainable value chain in all our processes, starting from raw material supply.

While manufacturing the disposable hygiene materials among our product groups, we strive to manufacture in accordance with the responsible production and consumption approach. In this regard, we aim to ensure that our suppliers, an important part of our value chain, manufacture in accordance with the highest environmental and ethical standards. In order to achieve this goal, we select our suppliers meticulously in line with the Supplier Selection and Evaluation Procedure.

As Hayat, we manufacture some of our packaging materials and raw materials in our NW&FP factories and support sustainability in the supply chain. We evaluate our internal suppliers, NW&FP factories, and our approved suppliers under two main headings: suppliers that provide raw materials and packaging materials and suppliers that provide other materials and services. We annually evaluate the performance of our suppliers through the SAP software. Apart from service procurement, we evaluate the suppliers supplying products to us according to seven different scoring systems via SAP. We score suppliers according to the scoring systems of the Global Purchasing Directorate, Global Quality Directorate, Global R&D Directorate, Service Suppliers, Finance Department, Accounting Department and Production Department as well as according to the scoring method of each system on issues such as product quality, delivery speed and financial compatibility. As a result of the scoring, the system calculates the supplier's total score and creates a supplier performance report card. The Global Purchasing Directorate shares the supplier scores with the

suppliers. By evaluating supplier performance scorecards, the Critical Supplier Matrix is prepared by the Global Purchasing Directorate and Global Quality Directorate. The matrix is annually updated. The Global Quality Directorate prepares annual audit programs according to the critical supplier matrix. The purpose of the audits is to evaluate the performance of supplier manufacturers in terms of production, quality and management systems and to determine how to improve this performance.

During the supplier audits, we evaluate the suppliers on quality, environment and human rights issues out of **1,000 points** in accordance with the Supplier Evaluation Service Survey Questions List. We record supplier evaluation results with the Supplier Evaluation Form filled out through the SAP software. We send the Supplier Audit Improvement Plan and Tracking List to suppliers with deficiencies detected as a result of the audit, and we ask the supplier to submit a plan of actions to be taken within 15 days to eliminate the relevant deficiencies.

We carry out a follow-up audit within six months for suppliers who score below **700 points** in the audit and follow up the deficiencies detected in the previous audit. We can impose sanctions such as warnings, penalties and contract termination on suppliers who do not take action against the deficiencies detected in the previous audit.



Tark Demiryakan
Vice President, Global Supply Chain
and Purchasing

WE OPERATE IN LINE WITH THE GLOBAL SUSTAINABILITY PRINCIPLES ACROSS THE ENTIRE VALUE CHAIN.

In the digital world of today, we ensure data integration at every point and increase our planning capabilities. We took the first and bravest step of this journey by switching to Cloud-based ERP. To achieve the digital transformation of the supply chain, we collaborate with our suppliers by focusing on integration and collaboration, data analytics, artificial intelligence applications, end-to-end integrated planning and logistics management. Our Digital Transformation road map includes the sub-suppliers of our suppliers and the sub-distribution networks of our customers. We aim to take our end-to-end visibility to the next level through Digital Control Towers.

We are expanding our global and regional supplier network by consolidating our strong, strategic collaborations with our suppliers and business partners. We collaborate with the regional government to respond more quickly to local needs. We continue to work to bring our supply patterns closer to the centers of production and consumption and to make them more effective.

We constantly increase our primary and secondary transportation efficiency, both inbound and outbound, by optimizing our international production, supply and distribution network in various ways through route optimization, freight consolidation and intermodal logistics solutions.

We take the global sustainability principles as basis first in our own processes and then throughout the entire value chain, and we focus on our ESG targets and the total involvement of our employees, our most valuable asset.

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 **1,070,363** people ordered our products from online platforms. We launched the Call Center Satisfaction Survey to measure customer satisfaction in 2022. Within this activity, 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 2022, the satisfaction rate of our consumers was **4.80 out of 5**.

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

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

4.80

As a result of the survey conducted in 2022, the satisfaction rate of our consumers was **4.80 out of 5**.



Ethics and Compliance

As Hayat, with our transparent, fair and accountable management approach, we carry out all our activities in line with the internationally-accepted principles of business ethics based on integrity, honesty, fairness and observance of rights.

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.

- 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 and function where non-compliance with ethical rules occurs, temporary members take part in the Ethics Committee on a case-by-case basis. The Audit Director serves 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. During the reporting period, three feedbacks regarding breach of duty were received in 2021, and the feedback was evaluated and resolved by the Audit Directorate.

Fighting 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, and 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

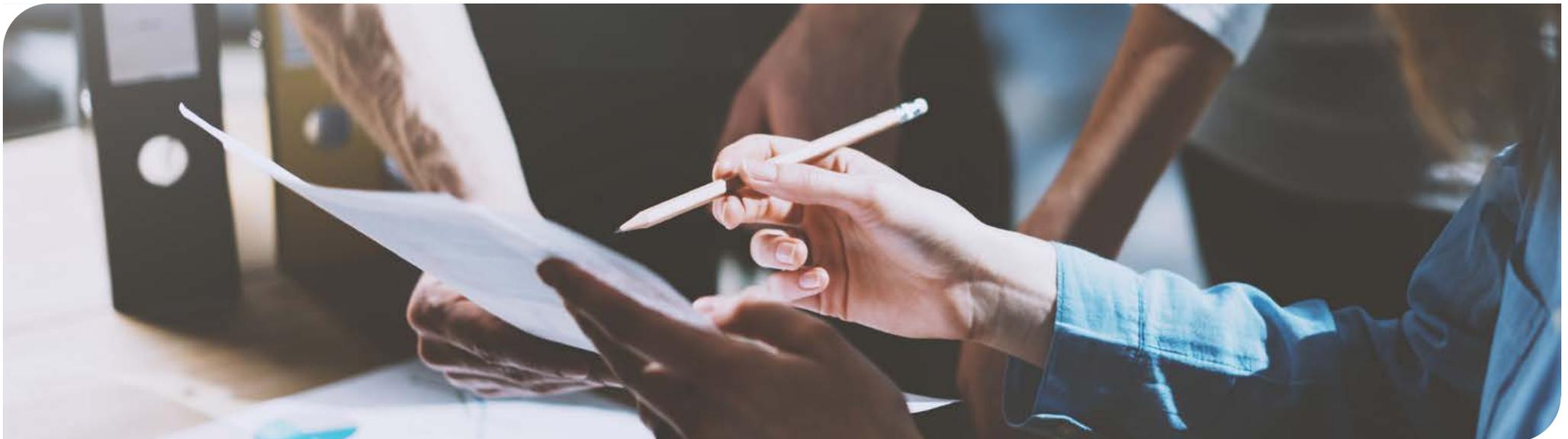
Under the leadership of our Audit Directorate, we work to evaluate the risks and opportunities that may affect our goals with the corporate risk management philosophy and to create the necessary adaptation process.

Our risk management approach is to identify in advance any risks that may prevent us from achieving our corporate goals, endanger our business continuity, or harm our employees, financial assets and the environment. To this end, we incorporated the risks expected to have more impact in the coming years, based on the Global Risk Perception Survey published by the World Economic Forum (WEF) in 2022.

We closely follow both local and global developments in order to understand changing needs and sectoral trends. For

us, changing consumer habits are opportunities that will allow us to improve our way of doing business.

We evaluate risk and opportunity management in four stages to identify risks and opportunities and manage them correctly: Identifying risks and opportunities, evaluating their impacts and possibilities, creating follow-up and implementation plans for risks and opportunities, and ensuring the follow-up of the results by reporting them to the Executive Board. Objectively evaluating the risk and opportunity management process with the meticulousness of an independent consultant, the Audit Directorate continued to closely monitor the **23 risks** and **14 opportunities** identified in 2022 to improve our activities and add value.



We Treat Life Well

Planet

We Treat the Planet Well	30
Water Consumption and Protection of Water	31
Fight against Climate Change - Energy and Emission Management	32
Waste Management	35
Diversity Approach	36



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.

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
Environmental Trainings (person*hour)	871	1,136	954

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 Environment, Occupational Health and Safety (HSE) Policy, in accordance with the legislation of the countries in which we operate as well as international standards.

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

All our facilities in Türkiye are managed in 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 Türkiye.

In our Environment, Occupational Health and Safety Policy, we commit to:

- 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 primary sustainability issues. We manage these issues under the supervision of the Planet Subcommittee reporting to the Sustainability Committee.



Alper Kiriş
HSE Manager

Aware of the importance of our role in the ecosystem, we carry out exemplary work with the awareness of eco-friendly production. Hayat's health, safety and environment (HSE) management practices are based on worldwide standards, legislation and legal requirements.

For the continuous development of our systems in this field, we conduct systematic process analyses using methods such as periodic review, performance monitoring and internal audit.

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), Türkiye is among the countries experiencing high water stress due to the effects of the climate crisis and inefficient use of resources.

As Hayat, we use 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.

Water Consumption (m ³ /year)	2020	2021	2022
Municipal water	421,802	512,967	727,480
Surface waters	524,795	641,903	578,931
Groundwater	517,766	379,621	471,071
Total Water Consumption	1,464,363	1,534,491	1,777,482
Water Usage Intensity	2.59	2.62	2.99

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.

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.



Enes Çizmeci
Vice President, Eurasia & America

KEY TO SUSTAINABLE SUCCESS: WORKING TOWARDS A COMMON GOAL IN UNITY

Sustainability is not only a strategy in the business world, but also an understanding of responsibility. At Hayat, we approach the concept of sustainability from a broad perspective. Our products contribute to the daily hygiene, health and comfort of people of all age groups, from babies to adults. To this end, we work to turn all our business steps into meaningful gains that will benefit generations.

We believe that sustainable success comes from working towards a common goal in unity. We know that our achievements at Hayat are the product of our understanding of sustainability.

All our practices for minimizing environmental impacts prove that sustainability is a part of our business culture, rather than just a strategy. As Hayat, we are aware of the importance of eco-friendly production, and we implemented many practices in our production processes that are pioneering in our industry. We will continue to minimize environmental impact by taking steps that will set industry standards, thanks to our constantly learning and developing structure, our experience and knowledge, and our innovative and efficient practices.

¹ WRI, Aqueeduct Water Risk Atlas

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 Türkiye 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 and Production	2020	2021	2022
Natural Gas Consumption (MWh)	1,118,536	1,231,104	1,372,172
Electricity + Steam + Drying, Generated (MWh)	810,679	903,395	1,020,529
Specific Energy Consumption (sm ³ /kWh)	0.331	0.325	0.325
Coal (tons)	0.00	0.00	0.00
Fuel (tons)	0.00	0.00	0.00
Diesel (liter)	157,204.10	145,837.21	64,701.65
Gasoline (liter)	0.00	10,690.60	80,491.36



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 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 **889 MWh** of solar energy in production processes during the reporting year.

We commissioned the Trigeneration facility in our Mersin factory to prevent losses and leaks and provide high-efficiency production with the principle of "Produce on site, consume on site". Thanks to the facility, we achieved an energy efficiency of up to **85%**.

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**.

Energy Generation from Renewable Energy Sources (MWh)	2021	2022
Solar Power	435	454



İbrahim Güler
Vice President, Operations

WE CONTINUE TO GROW RESPONSIBLY BY INCREASING OUR INVESTMENTS AND FOCUSING ON SUSTAINABLE GROWTH.

As Hayat, we know that we are part of the world, and we see ourselves as a corporate world citizen. While growing, we attach importance to protecting the resources of our world and using labor and time more meaningfully. We adopt a comprehensive understanding of sustainability, based on the effective use of the world's scarce resources and the continuity of our business.

We prioritize sustainable practices in our operations and focus on minimizing our environmental impact. In line with our approach, within the scope of our sustainability activities, we take our energy efficiency one step further with the "Produce on site, consume on site" approach in our global production facilities and increase our share in renewable energy generation.

Our main goal in sustainability is continuous improvement. From this perspective, we continue to grow responsibly by increasing our investments and focusing on sustainable growth. We aim to increase our contribution to global sustainability goals and the ecosystem with the steps taken to achieve impact at local and global levels.

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 and at our Headquarters.

Greenhouse Gas Emissions (ton CO ₂ e)	2020	2021	2022
Scope 1	208,276.79	243,160.38	271,048.89
Scope 2	1,921.30	12,928.52	15,234.63

Greenhouse Gas Intensity (ton CO ₂ e/generation)	2020	2021	2022
Greenhouse Gas Intensity	0.41	0.30	0.47

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 (kg/hour)	2019		2021	
	Yeniköy	Mersin	Yeniköy	Mersin
Particulate matter (Dust)	4.16	1.2402	2.10	1.0277
NOx	13.84	30.84	29.49	63.36
SOx	0.04	0.00	0.00	0.773
VOC	0.239	0.0029	1.11	0.00005
TOC	11.69	0.00	11.08	0
Heavy Metals	0.0081	0.00	0.02	0



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 all kinds of hazardous and non-hazardous waste generated in our facilities at the source by using the best available methods. We store the resulting waste in waste areas classified according to their categories and built to be impermeable at the base to prevent any leakage into the ground in accordance with the regulation. We ensure recovery/disposal of wastes by sending them to licensed hazardous and non-hazardous waste recovery/disposal facilities at regular intervals.

We launched the Separation of Electrical Cables project in all our facilities regarding the electronic waste generated, which has a high reuse value due to the valuable copper metal contained. With this project, we recovered a total of **2.48 tons** of copper back into the economy in one year.

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.

Waste Amounts (tons)	2020	2021	2022
Total Amount of Hazardous Waste	1,723.21	1,888.156	2,102.184
Total Amount of Non-Hazardous Waste	12,852.62	15,591.19	14,374.74

In all the categories, we work to inform our end users about waste management through various communication channels.



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	38
Diversity and Inclusion	39
Employee Engagement	41
Make Your Move	43
Talent Management	45
Occupational Health and Safety	51
OHS Performance	52
Hayat Excellence System	54
R&D and Innovation	55
Our University Research Collaborations	56
Product Quality and Safety	57



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 place the utmost importance to business and human rights issues. In this regard, we prepared our Global Human Resources Policy, where we make commitments to regulate our way of doing business while focusing on human rights, equality of opportunity, code of ethics and business conduct, and confidentiality of personal data.



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 offer our employees opportunities to develop themselves in a positive climate in our work environments. We believe that it is important to embrace different cultures and that differences will improve us. 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 KAGİDER (Women Entrepreneurs Association of Türkiye), 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.

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.

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 (persons)	2020		2021		2022	
						
Total Number of Employees	551	2,841	562	2,995	573	3,060
White Collar Employees	354	581	373	603	393	615
Blue Collar Employees	197	2,260	189	2,392	180	2,445

Number of Employees (persons)	2020		2021		2022	
						
Subcontracted Employees	81	1,378	138	1,555	128	1,690

Number of Employees by Age (persons)	2020		2021		2022	
						
Under 30	83	388	114	502	113	602
30-50	452	2,304	438	2,354	455	2,321
Over 50	31	229	30	217	28	210

Number of Employees with Disabilities (persons)	2020		2021		2022	
						
Number of Employees	13	80	15	93	15	97

Number of New Hires (persons)	2020		2021		2022	
						
Total Number of New Hires	194	450	105	528	101	403
Under 30	63	267	33	293	44	233
30-50	130	173	72	226	57	162
Over 50	1	10	0	9	0	8

Number of Employees in Management Positions (persons)	2020		2021		2022	
						
Under 30	1	0	3	1	6	4
30-50	122	269	154	321	182	328
Over 50	7	58	6	55	7	61

Number of Executive Board Employees (persons)	2020		2021		2022	
						
Number of Employees	1	5	1	7	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 preserving our existing knowledge and the strong ties established with our employees.

Our employee loyalty was measured as **79%** in the Employee Loyalty Survey conducted with the participation of **5,007** employees globally in 2021 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.

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

Flexible Side Benefits	Avita Support Program	Administrative Leave
Fuel Support	Health Insurance	Manager Bonus
Holiday Support	Dining Hall	Sales Bonus
Educational Support	Shuttle Service	Company Vehicle (for manager and above positions)
Food, Cleaning, Hygiene Support (monthly)	Ticket Meal Support (for hybrid employees)	
Internet Service Support (monthly)	Company Phone and Line	

FLEX HUMAN RESOURCES PLATFORM

We founded the FLEX human resources platform to listen to our employees' needs and respond to their changing needs regarding the benefits we provide to our employees. Through the Flex Platform, we offer new benefits to our employees instead of the benefits they do not benefit from and we support our employees financially.

Our employees can use their flexible side benefits via FLEX, with gifts they choose from the Gift Catalog on our Wezone platform. Thus, we offer various gifts to our employees such as white goods, electrical appliances, clothing/shoes, computers/tablets, etc.

Moreover, our employees can benefit from special discounts on many brands through our Opportunities Club on our Wezone platform.

In addition to supporting 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. Moreover, managers can reward people in their teams by sending them points to use in the gift catalogue in addition to appreciation and thanks.



AVITA EMPLOYEE SUPPORT PROGRAM

We ensure that our employees and their families have free access to consultancy and information services provided 24/7 via the Avita 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 be happy in both their private and business lives.

In the 'welcome kit' presented to our new employees as a welcome gift, we give them eco-friendly products manufactured from **100%** recycled components, that we believe reflect our understanding of sustainability. 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 **100%**.

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, including prospective employees. We reward success with fair remuneration policies, performance evaluation system and practices.

The Remuneration and Benefits Team under the Human Resources 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 a fixed base wage policy to our employees who have the same job description and have worked for equal years. Salaries of our employees may vary depending on their performance and seniority. Moreover, we give performance incentive bonuses to our 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.

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

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

Employee Turnover	2020			2021			2022		
	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
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
Number of employees working for a period of over 10 years	106	850	956	109	895	1,004	125	931	1,056

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**.





contributing, adding value, making a difference

IMPLEMENTATION, REALIZATION

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



initiative, free, people-oriented

FREEDOM, ORIGINALITY

- Taking initiative
- Having room to move



moving, progressing, changing, mover

TAKE ACTION, ADVANCE

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



Talent Management

As Hayat, we aim to increase career opportunities in the company through employee promotions and design career plans to increase the happiness of our employees. We design the entire process to increase employee loyalty and satisfaction. We manage the process objectively and transparently in line with a set of criteria prepared by constantly monitoring corporate culture and market conditions. We carry out promotion twice a year, in January and July. In case of vacant managerial or above positions depending on operational and business requirements, we initiate the promotion process regardless of the promotion period.

Moreover, for the vacant positions emerging due to operational requirements, we work to support the concept of internal mobility and our employees' transition to relevant roles. Thus, we believe that by sharing in-company opportunities with our employees first, we increase loyalty and satisfaction, and ensure the circulation of technical knowledge and skills within the company. There were a total of **349** vacant managerial and above positions due to operational requirements and organizational changes in 2022, and we benefited from internal resources to fill **38%** 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 the joint decision of the senior management. We offer the Development Center practice for the employees in

the Talent Pool through our company competency sets, and we prepare our employees for the future positions with individual development plans created by examining the development areas in detail. While planning these development programs, we include employees in the Development Center based on our company competency sets and examine their development areas in detail.

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. In this regard, we offer equal opportunities to everyone, current or potential employees, in all matters, including recruitment, promotion, wage increase, learning and development in line with the principles of integrity and fairness.

By following the professional development of each member of our family, we focus primarily on the potential of the employee. By developing practices that will maximize the potential of our employees, we increase their technical knowledge and skills and ensure their adaption to the business standards of the future. Thus, by supporting the development of our employees, we guarantee our corporate development and continuity. We focus on improving the competencies of our employees by offering them various trainings on Leadership and Personal Development.

38%

We offered **349** positions and filled **38%** of these positions with internal resources to support the career movement of our employees.



Alper Tokalp
Global Human Resources Director

OUR HUMAN RESOURCES MANAGEMENT PHILOSOPHY IS BASED ON THE CONTINUOUS SUCCESS OF OUR EMPLOYEES AND OUR ORGANIZATION.

We shape our human resources strategies always with an eye on sustainability. In addition to contributing to our company's culture and values, our employees also have a responsibility to embrace diversity around the world and support sustainable business practices.

Sustainability is at the core of Hayat's global human resources management approach. We value the contribution of each individual with our business culture based on the principles of diversity and inclusion, and we create a fair working environment in line with the principle of equality. Thus, we reinforce the culture of solidarity and cooperation within the company and support our employees to maximize their potential.

We carry out our activities with the awareness that sustainability is a fundamental element that affects the future of our company. To this end, we make sustainability an integral part of our business culture to strengthen our employees' commitment to these values. We enable our employees to improve our way of doing business, not only by thinking about today, but also by considering the needs of future generations.

Number of Employees Receiving Personal Development Training *	2020			2021			2022		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Total Number of Employees	-	-	3,637	1,356	2,956	4,312	722	1,571	2,293
Number of White Collar Employees	-	-	-	1,337	1,837	3,174	707	1,023	1,730
Number of Blue Collar Employees	-	-	-	19	1,119	1,138	15	548	563

* Excluding Occupational Health and Safety trainings.

Training Hours* (person*day)	2020			2021			2022		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Training Hours	-	-	23,203	7,606	12,978	20,584	5,606	16,926	22,532

* Excluding Occupational Health and Safety trainings.

In line with our talent management approach, we aim to prepare our employees for their next roles and ensure their adaptation to their positions. To this end, we designed a total of **nine** leadership development programs, and provided a total of **22,532 hours** of training to our employees in 2022. We laid the foundations of Akademi Hayat “Digital Academy” to be launched in 2023 in order to offer our employees online training accessible anytime, anywhere. The Digital Academy aims to digitalize our training and development processes and gather the management of all development processes on a single platform.

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.

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

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.

Aware of the value that different perspectives and cultures bring to the company, with our development programs, we support our leaders and teams by offering content that will enable them to contribute to creating a working environment that values different cultures and norms and that supports learning from each other.



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/CHIEF ONBOARDING</p>	<p>8-day program with 4 modules including face-to-face training and action learning</p>

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 aims to teach a technical subject, job or operation on the job. It is a training methodology structured to ensure that the trained employee can quickly learn how to do the job and apply what they learn 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 aim to launch the trainings in 2023 and create a holistic blue collar skill development system through the digitalization of the process.

During the reporting period, we evaluated the performance of **approximately 3,500** employees annually at all levels in accordance with our Equal Opportunity Policy. In 2022, we promoted our internal candidates to **114** open positions according to the performance evaluation results.

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

Number of positions filled with internal candidates in 2022	Woman	Man
Number of Employees	42%	58%



'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.

Due to the pandemic in 2020, we suspended our internship program considering the health of the applicant students, and we directed seniors and recent graduates from among the **6,447** university students to HGeneration, our Management Trainee program.

By adapting to the conditions imposed by the pandemic in 2021, we decided to offer the program online and announced the start of the program to the students. With the opening of applications, we received high level of interest from students and **over 9,000** applications. After the evaluation process, we welcomed **31 interns** to Hayat.

We made the applications available only to junior university students in 2022, and received approximately **5,000 applications**. We welcomed **39 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.

The program received **2,146 applications** along with the intense interest of students in its first year in 2021. We welcomed **35 university students** to Hayat as long-term interns for the first time.

In our second year of the long-term internship program organized in 2022, we received **3,598 applications** for the program on a single platform. We evaluated all applications in line with the principle of equal opportunity and accepted **450 candidates** into our program's candidate evaluation system. In 2022, **eight internal candidates** from the short-term internship program moved onto the 'Discover Hayat' Long-Term Internship Program. In the same year, **49 new candidates** joined Hayat on our long-term journey.

Hayat'ı Keşfet



Discover Hayat Internship Program



H GENERATION

talented in life

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. We announced the program for the first time in 2021 and received approximately **4,000 applications**. After the evaluation of the applications in our MT Program candidate pool, we welcomed **25 MTs** to Hayat.

When we announced our highly demanded manager trainee program in 2022, we received approximately **4,000 applications** and welcomed **33 MTs** to the program. Moreover, we enabled **four successful** interns in the 'Discover Hayat' Long-Term Internship Program to move onto the MT Program and continue their careers as Hayat manager candidates.

The MTs recruited in 2021 and 2022 have the opportunity to improve their skills under the program while being evaluated as internal candidates for the positions opened in various departments based on their competencies to be appointed to suitable positions. Their career journey continues in Hayat.



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.

We evaluated the risks and opportunities related to Environment and OHS in our operations, and prepared the Environment, Occupational Health and Safety Policy with the support of the management under **ISO 14001: 2015** and **ISO 45001: 2018** Standards. We identified our Health, Safety and Environment (HSE) values in order to further improve OHS practices beyond the documentation and make them a part of our culture. These values are at the core of everything we do. In line with the plans prepared by Academy Hayat and Türkiye Training and Development Units, we offer our employees **12 hours** of Occupational Health and Safety training every week in Yeniköy and Mersin factories and **8 hours** in Altunizade headquarters.

In order to increase awareness about OSH within the organization and prevent work accidents, we designed posters **“Life Saving Rules, HSE Vision, Values and Principles”**. We installed these posters in different areas to be viewed by our employees during the day. Moreover, we prepared the Life Saving Rules booklet and shared the **12-item** guide with all our employees that our employees and all our stakeholders should comply with.

We will reach **our goal of zero incidents** together by anticipating risks, meeting the Environment, Occupational Health and Safety requirements in all processes, constantly

questioning what is happening around us and our way of doing business, working diligently and carefully, and sharing our knowledge and experience.

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 Türkiye are in the ‘dangerous’ group while our headquarters are in the ‘less dangerous’ group. We established OHS Committees in all our factories and offered 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.

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.



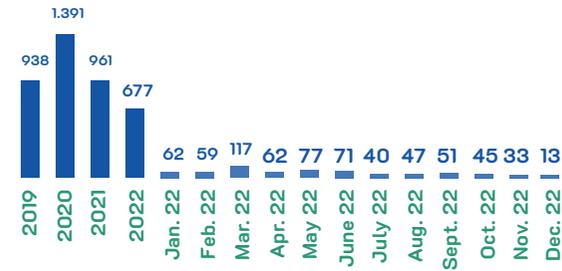


OHS Performance

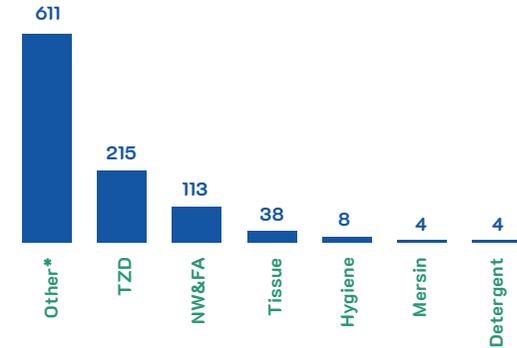
We reduced the incident rate with the measures taken during the reporting period.

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

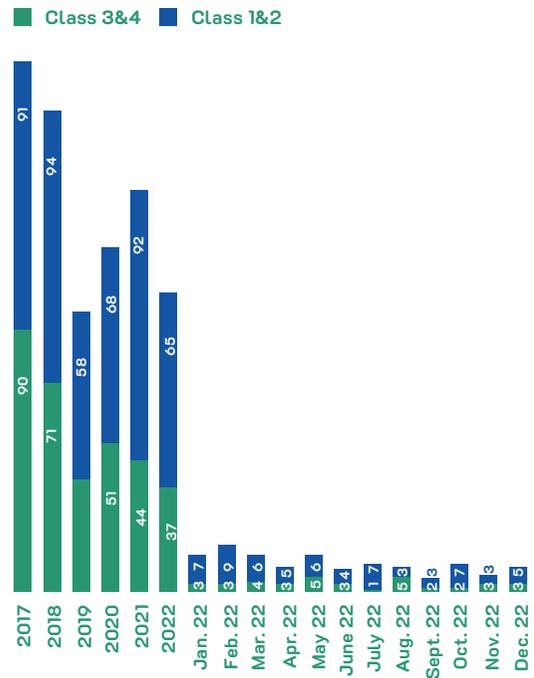
Number of Incident Days / Month



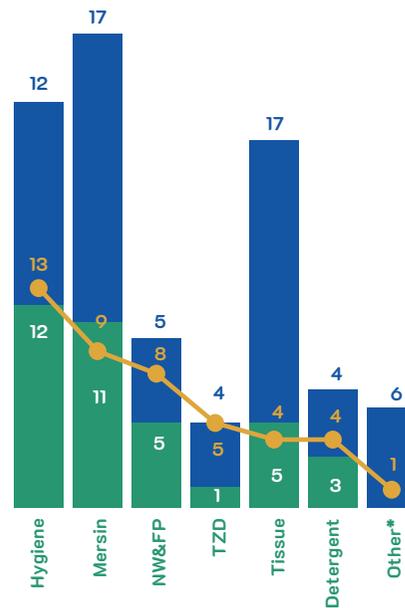
Number of Days without Incidents



Number of Incidents

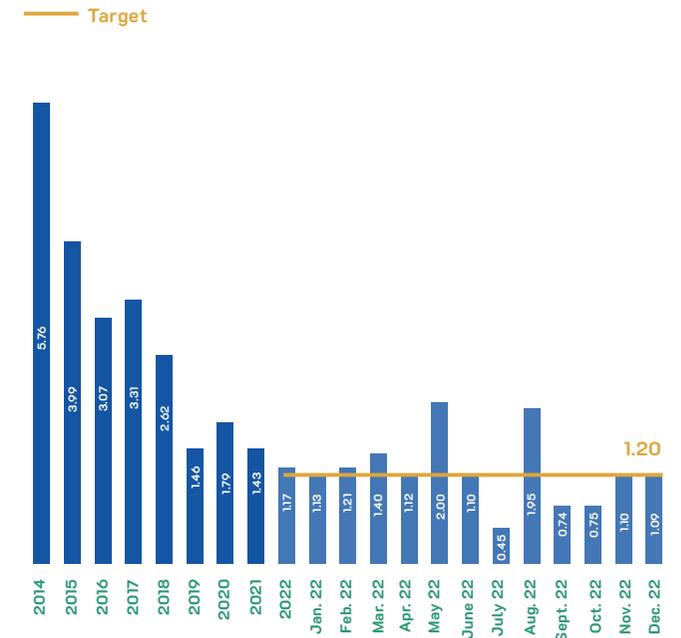


Distribution of Incidents

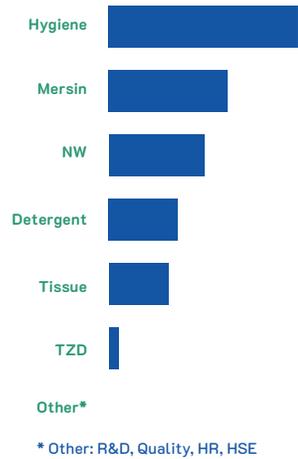


Incident Rate (IR)

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



Comparison of Incident Rates

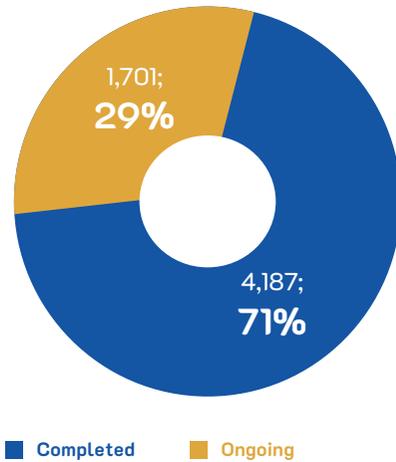


Incident Pyramid

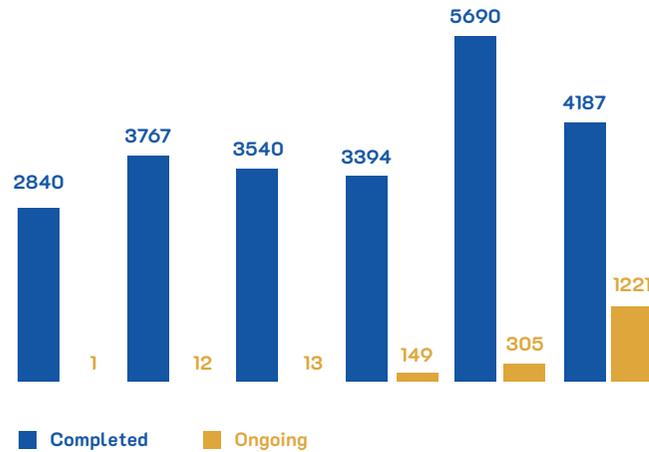


Action Completion Rate

Open from previous years and 2022 actions



Action Details



Hayat Excellence System

We launched the **Hayat Excellence System (HES)** in 2017 to ensure the sustainability of our quality standards and achieve worldwide operational excellence, where we combine the best practices in our business culture and global operations under a single roof. We increase our efficiency and maintain our competitiveness through the HES, which enables all our subsidiaries to learn from and be inspired by each other and thus further improve. Thanks to our Autonomous Maintenance, Focused Improvement and **HSE** studies under the HES, we continue to contribute to sustainability with our entire production, supply chain and R&D units.

We ensured equipment ownership by operators through Autonomous Maintenance practices, reducing the number of unplanned downtimes. We rewarded our teams, achieving their goals with zero accidents, with stars at every step to encourage them.

We continued to contribute to our Sustainability Program with 204 participants in **58 projects** designed on common topics and **Lean 6 Sigma Certification Program**.

We continued the implementation of the Kaizen Suggestion and Reward System, launched under the HES, by offering Kaizen checks, Quarterly HSE Awards, Quarterly Quality Awards and Year-End Best Project Awards. We rewarded a total of **1,300 people** under the reward systems.

We continue our efforts to increase equipment efficiency and reduce waste rates in the field of Occupational and Environmental Safety with the improvements and developments realized thanks to the Kaizen suggestions received.

As a part of the Hayat Excellence System, we aim to incorporate Occupational Health and Safety as a value of our culture to be embraced by everyone with the **Excellence Program in HSE Processes**. In order for this value to be adopted at all levels, from management to the field, we ensure that the processes are owned, implemented and audited by the Leadership Committee, **HSE Committee** and **HSE Teams**. As of July 2018, we launched the **Excellence Program in HSE Processes** in our non-woven and tissue production facilities in Kocaeli, our Mersin tissue production facility and our entire supply chain.

We continued to contribute to our Sustainability Program with 204 participants in 58 projects designed on common topics and Lean 6 Sigma Certification Program.



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 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, we designed our short-, medium- and long-term R&D strategies and road map.

A total of **118 researchers**, are experts in their respective fields, work at our Global R&D Center, the first and most comprehensive R&D Center in the fast-moving consumer goods sector in Türkiye. 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 made a total of **53** patent applications and **4** utility model applications. The procedure for **27** of these applications are ongoing in different countries. We have been granted **8** patents, which are registered in a total of **44** countries.



We also have **81** design applications, **66** of which are granted.



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 Türkiye. We spread the ideas, products and technologies developed in our award-winning R&D Center from Türkiye to the whole world.

Number of Employees in the R&D Department (persons)	2020	2021	2022
Total	110	108	118
Woman	62	62	66
Man	48	46	52

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



Fikret Koç
Vice President, R&D

R&D ACTIVITIES TÜRKİYE GENERALLY GO BEHIND THE SECTOR AND THE WORLD.

However, at Hayat R&D, our aim is to go beyond everyone, to be a pioneer and leader, to be followed.

At Hayat, innovation is a must for our sustainable way of doing business. Our R&D Center is a "Global Innovation Base". At the R&D Center, we carry out not only basic research and new product development studies, but also new process development studies. For us, R&D is not just designing products and processes, and not going beyond laboratory work. Innovation must be well applicable and reach the end consumer. That's why, we adopt an understanding of innovation that aims for continuous improvement, that is based on sustainable systems and in line with the realities of the sector, and that can produce results to meet the needs of consumers.

While we are taking firm steps towards globalization, we also export ideas by introduce our innovative products and processes developed in Türkiye to global markets.



Our University Research Collaborations

TÜBİTAK 1711 – CALL FOR ARTIFICIAL INTELLIGENCE ECOSYSTEM

With the TÜBİTAK 1711 Artificial Intelligence Call, we work, as a customer institution, 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 contribute to technological developments in order to mobilize the Turkish Artificial Intelligence Ecosystem. 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 Türkiye, raising awareness for other companies looking for solutions to such similar problems, and training qualified human resources while carrying out these studies.

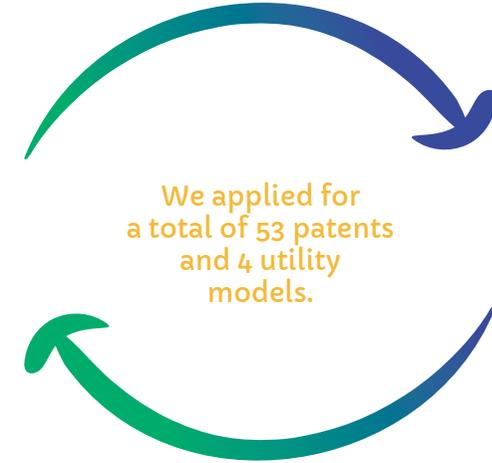
TÜBİTAK 1505 – UNIVERSITY INDUSTRY COOPERATION SUPPORT PROGRAM

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 Türkiye'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 Türkiye 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 Gebze Technical University, Istanbul Technical University, Yıldız Technical University, Kocaeli University, Istanbul University, Cerrahpaşa University, and Sabancı University.



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.

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).
- We manufacture a significant part of our own raw materials and packaging materials in NW&FP factories, thus contributing to sustainability and guaranteeing product quality and safety with our internal production.



Vedat Yıldırım
Vice President, Sales

A HAYAT PRODUCT IS USED AROUND THE WORLD EVERY TWO MINUTES.

We work with determination to increase our exports from Türkiye and our subsidiaries and to expand the penetration of Turkish brands to the global markets. It makes us proud to see that a Hayat product is used around the world every two minutes, from Madagascar to Seychelles, from Indonesia to Russia, while imposing a great responsibility on us.

Our industry covers end consumer products. In terms of exports, branding activities have a faster impact on the reputation perception of consumers around the world than in other sectors. At this point, we believe that Hayat's exports and investments abroad directly add value to the perception of quality Turkish products.

We strengthen our brands abroad with the inspiration drawn from our achievements in Türkiye. We will continue to consolidate our position in Türkiye while globalizing our brands.



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.

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

Certificate	Description	Türkiye
FSC	Forest Steward Council	
ISO 22716:2007	Good Manufacturing Practices for Cosmetics (GMP)	
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	
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	
Vegan V-Label	Used to describe vegan products	



Özden Fidan
Global Quality Director

WE BELIEVE THAT EVERYONE HAS THE RIGHT TO ACCESS QUALITY PRODUCTS.

Believing that everyone has the right to access quality products, we follow national and international quality standards in all global locations. Based on this principle, we make quality accessible and introduce our most innovative products and the same high standard of Hayat quality to all the countries we operate in.

We work with a fast, dynamic and agile organization in line with our Quality Maintenance approach and innovative perspective in every field, from products to raw materials, from production systems to the infrastructure that ensure the efficiency of global operations.

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 Fragrance Free Natural Content Powder Detergent, 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.

Free of 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, fragrance or paraben 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.



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. Paper Towels are free of additives, dyes, fragrances, 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.

Products with Natural Ingredients

Our products contain low levels of petroleum-derived and synthetic content and high levels of plant-derived carbon. Our products, which are easily biodegradable in soil, water and air, do not bioaccumulate, can be dissolved in water and spread in water systems. We aim to support the life cycle of nature by including natural and herbal ingredients in our products. The products in line with this approach are:



Gleen Softeners

Fragrance Free is **98% natural, 81% biobased**
 Elderberry & Peach Blossom is **97% natural, 72% biobased**
 Lavender & Cotton Blossom is **97% natural, 74% biobased**

Gleen Liquid Detergents

Fragrance Free is **97% natural, 94% biobased**
 Lavender&Bergamot is **96% natural, 91% biobased**

Gleen Dish Detergents

Fragrance Free is **99% natural, 88% biobased**
 Lavender & Tea Tree is **99% natural, 84% biobased**
 Lemon & Bergamot is **99% natural, 83% biobased**

Gleen Daily Cleaning Sprays

Fragrance Free is **99% natural and 83% biobased**
 Lavender&Geranium and Lemon&Tea Tree are **99% natural and 82% biobased**.

Gleen Fragrance Free Multi-Purpose Spray has been proven to be suitable people with allergies and asthma and is recommended by the Allergy and Asthma Association of Türkiye.

Gleen Fragrance Free Daily Cleansing Water, Lavender-Geranium, Lemon-Tea Tree are well tolerated by sensitive skin.



Vegan Products

Our vegan products, which do not contain any animal products and are not tested on animals during or after production, are Gleen Dish Detergent Lemon&Bergamot and Lavender&Tea Tree, Gleen Fragrance Free Multi-

Purpose Spray, Lemon&Tea Tree and Lavender&Geranium, Gleen Detergent Lotus Flower&Rose Flower and Lavender&Bergamot.



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.

We Treat Life Well

Society

We Treat the Society Well	62
Molfix Hayat Bağımlı Project	63
Molped Ped Kardeşliği Project	64



we
treat
the society
well

We Treat the Society Well

We develop social responsibility projects in line with our vision of providing benefits for generations in order to support sustainable development and social welfare in the societies where we operate.

We base our sustainability vision on our motto “**We Treat Life Well**”.

We do not believe that our obligations to society are limited only to the quality and accessibility of our products and services. In addition to doing our job in the best way possible, adding value to society is also one of our fundamental responsibilities. We base our sustainability vision on our motto “We Treat Life Well”. For us, it is invaluable to deliver the benefits we generate to the farthest corners of our planet.



Çağlayan Kent
Global Corporate Communications
and Sustainability Director

WE MUST REMEMBER THAT AT THE END OF THE DAY WE ALL BREATHE THE SAME AIR. OUR GOAL SHOULD BE TO TREAT THE WHOLE ECOSYSTEM WELL.

We do not believe that our obligations to society are limited only to the quality and accessibility of our products and services. In addition to doing our job in the best way possible, adding value to society is also one of our fundamental responsibilities.

We base our sustainability vision on our motto “We Treat Life Well”. For us, it is invaluable to deliver the benefits we generate to the farthest corners of our planet. Moving towards this goal, we develop social impact projects focusing on people and the environment. We support our projects with ‘trainings’ to increase their impact on the level of consciousness and awareness.

As humans living on this planet, we must remember that at the end of the day we all breathe the same air. Every step taken and every impact leave a mark on our common future. That’s why, as individuals and organizations, our common goal should be to treat the whole ecosystem well.

Molfix Hayat Bağım Secure Attachment Program

We believe that every child 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 Molfix brand and in cooperation with the General Directorate of Public Hospitals of the Ministry of Health of Türkiye and the Infant Mental Health Association of Türkiye. The project 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. To this end, we carried out our project in two stages: training and equipment support.



In the training leg of the project, we conducted activities

- To provide equal opportunity for prospective parents and parents to access information throughout Türkiye, and
- To increase the awareness of mothers and fathers about secure attachment, starting from pregnancy, postpartum and the development of babies.
- Under the training programs prepared for midwives and nurses, professors who are experts in their fields prepared special educational content to provide information support on their areas of expertise as well as on how to strengthen parent-baby communication and on its outcomes.

Since the start of the project, we have reached more than 155,000 parents and healthcare professionals, and provided more than 160,000 minutes of training.

It was determined that the rate of increase in knowledge about child development was **58%** and the rate of secure

attachment was **65%** thanks to the trainings. According to the surveys conducted after the training, the satisfaction rate was measured as **98.40%**. 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 Secure Attachment Program has won many national and international awards.

- 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 Türkiye SDGs Healthy Individuals Goal Award

We reached **32 hospitals** in **28 provinces** and donated **284 pieces of equipment** to their neonatal intensive care units

Molped Ped Kardeşliği Project



We care about supporting women and making pads, basic need of women, an accessible product for all women so that they can find a place for themselves in all areas of society. As Hayat, we started the Ped Kardeşliği (Pad Sisterhood) project in cooperation with the We Need to Talk Association of Türkiye and Getir, under the leadership of our Molped brand. With the project, we set out to support women living in disadvantaged areas and having difficulty accessing sanitary pads, to stand by them in their difficult times as well as in their good moments, and to talk about menstruation and destroy the taboos in society that menstruation is something to be ashamed of. Our aim is to provide the pad support needed by tens of thousands of women in Türkiye.

We started the project by providing **1 million** pads to women across Türkiye who have difficulty accessing pads, through the We Need to Talk Association. We Need to Talk Association distributed the pads donated to them under the Ped Kardeşliği project to women in the cities and districts selected together with the students of Massachusetts Institute of Technology (MIT) based on their Period Poverty Scores.

We expanded our project further with the campaign “**1 Molped Gift for Each Molped Order**” via the Getir application between 15 and 21 March 2022. Under the project, we donated one package Molped to a woman in need for every Molped purchased by consumers through the Getir application within a week.

During the campaign carried out through the Getir application, we distributed more than **250,000** Molpeds to women affected by period poverty in 1 week, provided informative training about menstruation with donations, and explained first to women and then to society that menstruation is not something to be ashamed of. As part of the Ped Kardeşliği project, we reached **34,658** people by donating **69,008** packages of Molpeds (**1,242,144 pads**) to date.

We were the recipient of **two Felis awards in 2022** with the Ped Kardeşliği project.



MOLPED KIZ SÖZÜ ACADEMY

We support the development of women in all areas of life. In line with this approach, we launched the Kız Sözü (Girl's Promise) campaign in 2020, under the leadership of our Molped brand, the best friend of young women, to help women discover their goals, dreams and themselves. Under the project, we identified, as our target audience, women between the ages of 18-25 who are associate/undergraduate students or graduates of these programs and who want to increase their personal development and awareness. In line with this goal, we carried out the campaign in two main stages: Kız Sözü Academy and Kız Sözü Coaching Support Program.

Kız Sözü Coaching Support Program

Under the Kız Sözü Coaching Support Program, launched under the Kız Sözü campaign, we invited all women to be more self-confident, to discover themselves, to realize the power within them and to open the door to success. The program offered **coaching support to 100 people in 100 days**.

Kız Sözü Academy

We planned a 12-week training program to broaden women's horizons on life by increasing the scope of the Kız Sözü Coaching Support Program, launched under the Kız Sözü campaign. We offered trainings on various personal development topics to **250 women** who attended the academy, prepared by expert trainers of our training partner AçıkBeyin.

As Hayat, we planned a 2-month internship program to enable Kız Sözü Academy graduates to experience business life. The internship program is expected to start in 2023.

Since the start of the campaign, we found that for trainee women, their tendency to give up when faced with a problem decreased by **25%**, their career concerns by **47%**, and the perception that being a woman hinders business life by **73%** while their self-confidence levels increased by **93%**, their passion for lifelong learning by **61%**, and their motivation for the future and business life by **108%**.





www.hayat.com

