

# 2014 SUSTAINABILITY REPORT







## **ABOUT THE REPORT**

Anadolu Cam Sanayii A.Ş. (hereafter referred to in this report as "the Company") is pleased to present its first sustainability report that has been prepared in accordance with the GRI G4 Reporting Guidelines for the 12 month period ending 31 December 2014 to core level.

The GRI G4 guideline provides a framework for reporting on the economic, environmental and social impacts of companies in terms of their sustainability, their targets, the activities that they undertake in relation to these impacts and the results of these activities. Further information can be found at the following link: [www.globalreporting.org](http://www.globalreporting.org)

This report addresses the economic, environmental and social impacts and performance of the Company's operations in Turkey in 2014.\* The economic indicator data presented in this report is aligned with the consolidated results reported in the Company's financial reports and includes both the Group's Turkish and overseas legal entities. The reporting boundary for other indicators such as the environmental indicators has been set as the Company's Turkish entities for this report. It is the Company's intention to continue to expand the scope of its Sustainability Reporting to cover its overseas entities in future reporting periods.

### **The Period and Frequency of the Report**

This report covers the 2014 calendar year. Where available and relevant, 2013 data has been included for comparative purposes as relevant updates from the year-to-date in 2015. There is a G4 index according to GRI G4 principles at the end of the report. It is the Company's intention to continue to Report annually to its stakeholders.

### **Feedback**

Collecting stakeholder feedback is vital for helping the Company improve both its practices and reporting processes. The Company closely examines every issue that comes to its attention, and uses any feedback from its stakeholders to continuously improve its practices. The Company invites its stakeholders to forward any opinions, suggestions or complaints to:

**M. Taylan Sabaner**  
**Business Development Manager**  
tsabaner@sisecam.com  
+90 212 350 37 40  
+90 212 350 50 50

\* The sustainability data covers all subsidiaries of the Company in Turkey but excludes joint venture operation, Omco-Istanbul Kalip Sanayii ve Ticaret A.Ş.



**08**

## **ANADOLU CAM SAN. A.Ş.: AN INTRODUCTION**

- Global Scale and Presence **09**
- Organizational Structure **09**
- Mission, Vision and Values **12**
- Risk Management and Internal Audit Activities **14**
- Compliance with the Law and Legislation **15**
- Ethics and Code of Conduct **15**



**16**

## **OUR SUSTAINABILITY APPROACH**

- Sustainability Governance **17**
- Approach to Stakeholders **19**
- Approach to Materiality **23**
- Approach to Standards and Organizations **24**



**29**

## **OUR ENVIRONMENTAL APPROACH**

- Environmental and Energy Policy **30**
- Environmental Management System **32**
- Environmental Compliance **32**
- Energy Management System **34**
- Energy Performance **35**
- Greenhouse Gas (GHG) Emissions **39**
- Waste Management **40**



**43**

## **SUPPLY CHAIN**

- Best Practice Projects in Supply Chain **45**
- Sustainable Raw Material and Energy Supply **47**



**48**

## **INNOVATION**

- Research and Technological Development **49**



**50**

## **OCCUPATIONAL HEALTH AND SAFETY**

- Occupational Health and Safety Policy **51**
- Occupational Health and Safety Management System **53**



**57**

## **HUMAN RESOURCES**

- Our Workplace **58**
- Policies and Career Advancement Programs **58**
- Diversity and Inclusion **63**



**65**

## **CORPORATE SOCIAL RESPONSIBILITY**



**68**

## **GRI G4 INDEX**

## LETTER FROM ŞİŞECAM CEO



“

**OUR FOCUS IS ON INTEGRATING  
SUSTAINABILITY IN ALL THAT WE DO AND  
ON BEING A RESPONSIBLE CORPORATE  
CITIZEN AND GLOBAL LEADER IN OUR  
INDUSTRIES IN TERMS OF INNOVATION  
AND TECHNOLOGY**

”

### To Our Stakeholders,

I am delighted to present Anadolu Cam San. A.S.'s first Sustainability Report prepared following the Sustainability Reporting Guidelines (GRI) G4 Core level of the Global Reporting Initiative for 2014. In addition to this Report, we have simultaneously issued Sustainability Reports for the operations in Turkey of Şişecam Group, Flatglass and Glassware Businesses and Soda Sanayii A.Ş. from our Chemicals Business in accordance with GRI G4.

We have been operating as a responsible company for 80 years that is fully committed to respecting people and the environment whilst creating high-quality and energy-efficient products that enhance people's lives. At the same time, we are steadily moving towards our target of being one of the top three glass companies globally and in providing products that add value and that can enrich all aspects of life.

In addition, we are in constant interaction with our global stakeholders. Our products reach millions of customers through our operations in 44 plants in 13

countries and our exports to 150 countries as a result of our production network across the globe in Flat Glass, Glass Packaging, Glassware and Chemicals Businesses.

With the production of 4.2 million tons of glass, 2.1 million tons of soda ash and 4 million tons of industrial raw materials in 2014, our Group is taking concrete steps towards sustainable growth with our financial performance. Despite difficult economic conditions in some of the markets where we operate in 2014, Şişecam not only increased its net sales income by 15% to TRY 6.9 billion but also increased its share of international sales to 52% of total turnover. We also successfully maintained our BA1 and BB+ corporate credit ratings by international rating agencies Moody's and S&P in 2014. In addition, as exemplifying our strong reputation as an ethical and responsible company, our Group was evaluated\* for its Corporate Governance practices for the first time in 2014 and achieved a high score of 9.28, which placed us in the upper ranks amongst the highest scoring industrial companies in the initial assessment.

\* The Corporate Governance assessment is conducted by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA).

Being fully aware of our responsibilities in the global ecosystem, we consider sustainability not just as financial continuity but as a long term vision that incorporates issues and opportunities related to environmental protection, natural resources, raw materials, consumptions, customers, employees and values and we integrate our sustainable activities

## ENERGY EFFICIENCY

We are one of the largest energy consumers in our country with an approximate annual natural gas consumption of 1.5 billion m<sup>3</sup>. Therefore, energy and energy management are among our most material topics. Our Group targets using natural resources as efficiently as possible, reducing the environmental effects of our operations and continually increasing energy efficiency as part of our corporate environmental and energy strategy. Linked to these plans, we have started applying our Environmental and Energy Policy, in all our global operations. We have already achieved significant savings as a result of increasing energy efficiency and reducing energy consumption and associated greenhouse gas (GHG) emissions in our operations in Turkey and internationally. We have many innovative projects focused on increasing energy savings and there are numerous examples outlined in this report, such as energy efficient furnaces, waste heat recovery and recycling projects.

## INNOVATION

We are targeting being the leader in our selected areas and adapting the fast developments in glass science and technology, during constant innovation to develop highly competitive products and technology ownership. Our Group has incorporated our corporate R&TD (Research and Technological Development) activities that started in 1976, under our "Science and

fully throughout our operations. Consequently, our Group focuses its sustainability activities on current and emerging topics through the value chain with the most activities connected to three main topics: energy efficiency, innovation, and compliance with international standards.

In order to develop the glass recycling infrastructure and support the transition into a 'recycling society', we have been working on one of the most comprehensive sustainability and social responsibility projects in Turkey since 2011. Each 10% increase in the cullet use ratio during production results in 12% reduction in materials, 2.5% reduction in energy and 5% reduction in carbon emissions.

Through our 'Cam Yeniden Cam' (Glass and Glass Again) Project, which we started in order to raise Turkey's glass recycling rate to European levels; activities like raising awareness in public to separate glass waste collection, improving the glass packaging waste collection infrastructure, modernizing and increasing the capacity of recycling facilities are undertaken in collaboration with local administrations. Through this project 1.7 billion glass bottles have been recycled since 2011 and the recycling rate has been increased to 17% from 8%. The ultimate goal of the project is increasing the glass recycling rate in Turkey to 60%.

"Technology Center" which is the only and most well equipped center of glass and glass products in Turkey, and one of only a few in Europe.

The future in glass requires in depth expertise and innovation. As a result, we are focused on developing production technologies and enriching our product portfolio with products that add value.

## COMPLIANCE WITH INTERNATIONAL STANDARDS

As a global player, our Group is committed to keeping its operations at international standards level. Consequently, almost all of our facilities both in Turkey and internationally have been certified to international standards for their quality, environment, energy, and occupational health and safety management systems.

All of our activities related to occupational health and safety are performed in line with international best practices. As a result, our Occupational Health and Safety Policy has been implemented to cover all our facilities in Turkey and internationally. Programs, training and activities are being implemented to help us move towards our target of reducing accidents and injuries to zero in all our workplaces.

While improving and applying strategies that support our global vision, we have continued to improve our human resources management in order to attract and retain the workforce that will add value globally and in extending our corporate culture. Similarly, we place importance on equal opportunity in performance management, career development, and training and development programs for all our employees.

In recognition of our responsibilities as a global company, we are determined to continue to improve our sustainability performance and make further progress in sustainability by launching new targets and projects throughout our global operations.

I would like to take this opportunity to thank all our stakeholders for their support, valuable contributions and the trust you have shown in Şişecam as we progress along our sustainability journey.

Sincerely,

**Prof. Dr. Ahmet Kırman**

Şişecam Vice Chairman and CEO

## LETTER FROM TURKEY GLASS PACKAGING PRESIDENT



“

**WE HAVE PRIORITIZED THE AREAS THAT  
ARE MOST MATERIAL TO US AND WHERE  
WE CAN ACHIEVE THE GREATEST IMPACT.  
THESE PRIORITY AREAS INCLUDE  
REDUCING ENERGY CONSUMPTION AND  
ASSOCIATED GREENHOUSE GAS (GHG)  
EMISSIONS AND IMPROVING ENERGY  
EFFICIENCY IN ALL OF OUR OPERATIONS.**

”

### **To Our Stakeholders,**

I am delighted to present our first Sustainability Report prepared in accordance with the GRI G4 Sustainability Reporting Guidelines of the Global Reporting Initiative for 2014.

Anadolu Cam San. A.Ş., a subsidiary of Şişecam, is a leading international glass manufacturer in the field of glass container with an annual production volume of 2.2 million tons; it is currently the 4th largest glass packaging producer in the world. The Company carries out its production activities at a total of 10 plants located in Turkey, the Russian Federation, Ukraine and Georgia. The Company's consolidated revenue for 2014 was over TRY 1.5 billion and its gross profit was TRY 269 million.

We fully recognise that our reputation and legacy as a global glass manufacturer operating in an energy intensive sector brings with it great responsibility today and in the future. We have prioritized the areas that are most material to us and where we can achieve the greatest impact. These priority areas include reducing energy consumption and associated greenhouse gas (GHG) emissions and improving energy efficiency in all of our operations. Since energy is a significant cost to our business, waste heat recovery presents a major opportunity as a source of energy. It allows us to provide

hot water for hygiene and heating purposes with heat that would otherwise be lost from our stacks. We also have an absorption cooling system in our Eskişehir plant, which utilises waste heat to provide cold water for air conditioning and hot sanitary water throughout the plant. Our energy saving projects resulted in savings of 7.5 million kWh of electricity, preventing 3,500 tons of carbon dioxide release. In addition, we are also running a weight reduction project for one-way bottles. Since 2011, we have been able to decrease glass utilisation by 36,496 tons, resulting in an estimated reduction of 27,000 tons of carbon dioxide release.

We are making significant progress in focusing on innovation and in implementing International Operating Standards and best practises within all aspects of our business operations in Turkey and internationally. Indeed, as a world-class glass packaging company, all our factories in Turkey and abroad are already certified with the international ISO Standards for management systems including quality (ISO 9001), environment (ISO 14001) and energy (ISO 50001). In our drive to be a global leader, we often go beyond the national compliance requirements within the countries where we operate.

Our employees are our most important assets . Their safety, development and well-being are within our top priorities. We follow a systematic approach for health and safety and undertake a wide range of initiatives in order to avoid accidents and injuries; our target is always "zero accident". In line with all Şişecam Group companies, our operations are following a stringent Occupational Health & Safety (OHS) Policy that was updated in 2014.

The safety of our customers is as important to us as the safety of our employees; in addition to the OHSAS 18001 Occupational Health and Safety Management Systems we have in our facilities, we are also licensed for FSSC 22000 Global Food Safety Management System and certified ISO 15378 Primary Packaging Materials for Medicinal Products. We are also the only pharmaceutical glass medicine bottle producer in Turkey.

Anadolu Cam San. A.Ş., and our parent company Şişecam, has a long history of pioneering research and development in Turkey. We invest heavily in technology and innovation to expand our high quality product range. Furthermore, some of projects that focus on reducing energy consumption, improving efficiency and increasing the recycling of waste were completed and some of them are being carried out in Anadolu Cam San. A.Ş. and across Şişecam. Last November, we signed a loan agreement with the European Bank for Reconstruction and Development to finance our planned projects by 2018.

We strive to reduce the use of raw materials by using more cullet (recycled glass) and in order to make this more achievable in countries where we operate, we are collaborating with key stakeholders to improve the waste recycling infrastructure. Our target is to improve our cullet utilization rate by 10% year by year. In addition, we have started the project 'Glass and Glass Again' ('Cam Yeniden Cam'), which aims at helping to increase the glass recycling rate in Turkey to 60% by 2020 in order to secure a better world for future generations. The main purpose of the project is to create social change in behaviour to engender the transition to an "environmentally friendly society". In order to develop the glass recycling infrastructure in Turkey, the number of bottle banks deployed across the country reached 8,900 by the end of 2014. In addition, we plan to further raise awareness on the benefits and importance of glass recycling amongst the community in the coming period by launching new activities. For example, we have started a pilot project in Izmir, which will not allow the dumping of mixed trash. Having already provided education on glass recycling to a total of 163,000 primary school students by the end of 2014, our goal is to reach 260,000 students by the end of 2018.

In conclusion, I would like to thank our employees and all our stakeholders for helping us to materialize our great achievements in 2014. I am confident that thanks to the continued dedication and support of our employees, coupled with the feedback and guidance received from all of our stakeholders, we will continue to succeed and improve as we progress along our sustainability journey.

Sincerely,

**Mr. Abdullah Kılınç**

*Turkey Glass Packaging President*



# Anadolu Cam San. A.Ş.: an Introduction

- ◆ Global Scale and Presence
- ◆ Organizational Structure
- ◆ Mission, Vision and Values
- ◆ Risk Management and Internal Audit Activities
- ◆ Compliance with the Law and Legislation
- ◆ Ethics and Code of Conduct

## GLOBAL SCALE AND PRESENCE

Anadolu Cam San. A.Ş. (Hereafter referred to in this report as 'The Company'), a subsidiary of Şişecam operates in the field of glass container. The company, producer of designed glass packaging of different colors and sizes for the food, beverage, alcoholic drinks, pharmaceutical and cosmetic sectors, has a history that dates back to 1935 when the first production facility in Paşabahçe, Beykoz was established. After operating out of this facility for approximately 35 years, production activities were relocated to the Topkapı Plant in 1969 due to rapid growth of the soft drinks industry, the increased bottle demand of the pharmaceutical industry, and the expansion of glassware production in the Paşabahçe Plant. After this period, the Company embarked upon a period of rapid and steady growth.

A significant step in the growth process was the acquisition of Anadolu Cam Sanayii A.Ş. in Mersin in 1976, where the NNPB (light bottle) production technology, a milestone in glass packaging production, was implemented for the first time in 1988. All companies and plants operating under the Glass Packaging Group of Şişecam were reorganized under Anadolu Cam San. A.Ş. in 2000. The Company's domestic production plants further grew in 2006 with the addition of the Yenişehir plant in Bursa. After the Topkapı plant was closed down at the end of 2012, production started

in the modern plant established in Eskişehir at the beginning of 2013, which has a production capacity of 180,000 tons/year.

In line with its goal of becoming a regional leader and a global glass packaging supplier that generates half of its turnover from international activities with investments and joint ventures in the region, the Company realized its first investment abroad by acquiring the Mina plant in Georgia in 1997. This international expansion was followed by further moves aimed at capitalizing on the opportunities of the dynamic Russian market, which included the acquisition/greenfield investments of the Gorokhovets plant in 2002, the Pokrovsky plant in 2004, the Ufa plant in 2005, the Kirishi plant in 2008 and the Kuban plant in 2009. Most recently, the Company acquired another glass packaging facility in Merefa, Ukraine in 2011, thereby raising its production capacity abroad to 1.3 million tons/year.

Currently with its annual production volume of 2.2 million tons, Anadolu Cam San. A.Ş. is the 4<sup>th</sup> largest glass packaging producer in the world, and the 4<sup>th</sup> in Europe. The Company carries out its glass packaging production activities at a total of 10 plants located in Turkey (3), Russian Federation (5), Ukraine (1) and Georgia (1).

WITH ITS CURRENT PRODUCTION VOLUME OF 2.2 MILLION TONS/YEAR, ANADOLU CAM SAN. A.Ş. IS THE 4<sup>TH</sup> LARGEST GLASS PACKAGING PRODUCER IN THE WORLD, AND THE 4<sup>TH</sup> IN EUROPE.

## ORGANIZATIONAL STRUCTURE

### ORGANIZATIONS AND NATURE OF OPERATIONS

Anadolu Cam San. A.Ş., which produces designed glass packaging of different colors and sizes for the food, beverage, alcoholic drinks, pharmaceutical and cosmetic sectors, has a history that dates back to 1935

when the first production facility in Paşabahçe, Beykoz was established. The Company currently ranks 4<sup>th</sup> in the world and 4<sup>th</sup> in Europe in its business.



**22%** OF  
TOTAL ŞİŞECAM  
SALES IN 2014



RANKED **4<sup>th</sup>** LARGEST  
IN THE WORLD,  
**4<sup>th</sup>** IN EUROPE AND  
**1<sup>st</sup>** IN TURKEY

**Production Facilities Abroad**

OOO Ruscam – Russia  
 OAO Rucam Pokrovsky – Russia  
 OOO Ruscam Glass<sup>1</sup> - Russia  
 OOO Ruscam Glass Packaging Holding - Russia  
*Ruscam Ufa Plant - Russia*  
*Ruscam Kirishi Plant - Russia*  
 Merefa Glass Company Ltd – Ukraine  
 JSC Mina – Georgia

**Production Facilities in Turkey**

Anadolu Cam San. A.Ş.  
*Mersin Plant - Mersin*  
 Anadolu Cam Yenişehir San. A.Ş. - Bursa  
 Anadolu Cam Eskişehir San. A.Ş. - Eskişehir

The share holding structure of Anadolu Cam San. A.Ş. is summarised in the following table and, as can be seen, T.Şişe ve Cam Fabrikaları A.Ş. (Şişecam) holds a 79% share in the company.

**THE COMPANY'S SHAREHOLDING STRUCTURE**

Shareholder	Amount TRY	Share in Capital %
T.Şişe ve Cam Fabrikaları A.Ş. (Şişecam)	351,246,096	79.11
Camiş Madencilik A.Ş.	59,177	0.01
Paşabahçe Cam San. ve Tic.A.Ş.	34	0.00
Publicly traded	92,694,693	20.88
<b>Total</b>	<b>444,000,000</b>	<b>100.00</b>

**FINANCIAL PERFORMANCE**

The Company's consolidated revenue for 2014 was over TRY 1.5 billion and gross profit for 2014 was TRY 269 million. As the leader in Turkey in its business lines, Anadolu Cam San. A.Ş. maintains this leadership through a continued focus not only on financial indicators but also on the underlying key

drivers of financial performance, which include brand management, business integrity, commitment to global standards, sustainability and effective collaboration with our stakeholder groups across all areas of our business.

**SELECTED CONSOLIDATED FINANCIAL INDICATORS FOR 2014**

	TRY
Revenue	1,555,025,633
Operating costs	1,372,217,600
Employee wages and benefits	157,945,394
Payments to providers of capital	32,749,021
Payments to governments	17,756,901 <sup>2</sup>
Community investments	325,580

<sup>1</sup> The name of OOO Ruscam Kuban was changed as Ruscam Glass as of 28.03.2014.

<sup>2</sup> Payments to government include the following payments by country of operations: Turkey, TRY 3,621,418, Russia TRY 13,250,388, Ukraine TRY 357,782 and Georgia TRY 527,313.

## CORPORATE GOVERNANCE

Anadolu Cam San. A.Ş. follows Şişecam Group's principles of equality, transparency, accountability and responsibility, which are the cornerstone of its approach to corporate governance. Our vision is to be a global industry leader, and technological development, innovation and a strong commitment to corporate governance are the core aspects to achieving this vision. In order to realize our long-term vision for

our company, the adoption of corporate governance principles and implementation of best practice are paramount. This vision helps ensure we can appoint board members and senior managers with the skills, experience and perspective to make the strategic decisions needed to allow us to realize our long-term goals.



## MISSION, VISION AND VALUES

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This section outlines the Mission, Vision and Values that apply to all Anadolu Cam San. A.Ş. operations as a subsidiary of Şişecam in Turkey and internationally.

### MISSION

As a subsidiary of Şişecam Group, Anadolu Cam San. A.Ş. follows Şişecam's mission.

"To be a company that adds value to life through its high-quality products, offering comfort, and that respects people, nature and the law."

### ANADOLU CAM SAN. A.Ş. VISION

"Being a global glass packaging company which adds value to people and environment by providing customized products and services to its customers and being a solution partner with creative processes"

## VALUES OF ŞİŞECAM GROUP

As a subsidiary of Şişecam Group, Anadolu Cam San. A.Ş. follows Şişecam's Values:



### WE DERIVE STRENGTH FROM OUR TRADITIONS AND SUPPORT ONE ANOTHER:

- ◆ We shall initiate changes that would create a successful future based on strength from our experience and knowledge.
- ◆ We shall enhance our reputation through our sustainability commitments and results-oriented approach.
- ◆ We shall maintain our legacy and tradition, and it shall be our duty to pass these onto the future generations.



### WE THRIVE AND DEVELOP ONE ANOTHER

- ◆ We shall encourage each other to constantly develop our skills.
- ◆ We shall continuously be open to changes that would bring us closer to our vision; and we shall make efforts to develop and improve each other with the help of our stakeholders.
- ◆ We shall consider creativity and innovation as a means of development, and inspiration.



### WE EXHIBIT A FAIR AND TRANSPARENT MANAGEMENT APPROACH

- ◆ We shall treat all of our stakeholders equally, and we shall pursue win-win strategies that benefit both our stakeholders and our business.
- ◆ We shall measure the performance with the same scales, and make the performance evaluations in a fair manner.
- ◆ We shall act consistently toward our stakeholders; and we shall not give promises we cannot keep.



### WE CARE FOR OUR ENVIRONMENT

- ◆ We shall commit to our business to achieve the growth and profitability expectations of our shareholders and business partners.
- ◆ We shall be customer-focused; we shall quickly respond to suggestions and complaints of our customers, and improve the quality of products and services.
- ◆ We shall closely monitor technologies and make appropriate investments as part of our responsibility to the environment and nature; we shall also promote awareness on these issues.



### WE RESPECT DIFFERENCES

- ◆ We shall hire employees from different countries and different cultures; we know that this diversity shall add value to our business.
- ◆ We shall freely express our different opinions.
- ◆ We shall allow different job categories to work as a team, to learn from each other, and to develop each other in order to sustain our shared-values.

## RISK MANAGEMENT AND INTERNAL AUDIT ACTIVITIES

As a subsidiary of Şişecam, Anadolu Cam San. A.Ş. follows Şişecam's risk and internal audit activities. Operating in an intensively competitive environment, Şişecam Group implements efficient risk management and internal audit processes in order to provide adequate risk assurance to its stakeholders. The global crisis that started in 2008, coupled with the geopolitical risks that have become tangible in geographies where it operates, resulted in increased uncertainty. Within the increasing customer expectations, tightening regulatory requirements and developments in corporate governance, Risk Management and Internal Audit functions were separated in order to focus on all of the plants by the year 2014.

Under this structure, Şişecam Group handles existing and potential risks with a proactive approach and carries out audit activities with a "risk-based" perspective. At Şişecam Group, risk management and internal audit activities have been structured

under the parent company. The activities are directly reported to the Board of Directors of the parent company in coordination with the CEOs, managing the core operational areas. The results of regular and planned meetings held with the "Risk Committee", the "Audit Committee", and the "Corporate Governance Committee" which have been established in Şişecam Group companies listed in Borsa İstanbul, are reported to the Boards of Directors in accordance with the legislation. During the activities carried out with the aim of establishing a corporate structure, providing the required assurance to stakeholders, protecting the tangible and intangible assets of Şişecam Group, minimizing the losses caused by uncertainties and maximizing benefit from potential opportunities, communication between the internal audit and risk management functions is maintained at the maximum level and is directed toward the goal of supporting decision-making processes and increasing management efficiency.

### RISK MANAGEMENT

At Şişecam Group, risk management activities are carried out with a holistic and proactive approach based on enterprise risk management principles. The potential effects of such risks with each other and the characteristics of the countries where the Group operates are also taken into account in the course of operations. Thanks to this perspective, geographical distribution and risk diversification are converted into a significant advantage, and any risks encountered as specific to a country and/or a business segment are integrated with the risk processes before they are implemented elsewhere and the interaction of risks with each other is monitored. Thus, decision support

processes are assisted and efficient use of resources is ensured. The risk catalogues for all business segments across the Group are periodically updated with the participation of the Group employees and the risks are ranked according to their importance. By taking the "risk appetite" of the Board of Directors into account, with regard to analyzed risks, the strategies to be implemented are established and the necessary measures are taken. These risk management activities are not only limited to financial and strategic risks, but also cover operational risks such as production, sales, health and safety, emergency management, information technologies, environment.

### INTERNAL AUDIT

The objective of the internal audit activities, which have been carried out within Şişecam Group for many years, is to assist the healthy development of the Group's companies, to ensure uniformity in practices, and to guarantee that all activities are performed in compliance with internal and external regulations, as well as the execution of corrective actions in a timely manner. In line with the stated objectives, audit

activities are being carried out on ongoing basis within the bodies of the companies of the Group operating domestically and abroad. Internal audit is carried out in accordance with the periodic auditing programs approved by the Board of Directors. During the preparation of the audit programs, the results of the risk management activities are also used, meaning that "risk-based audit" practices are implemented.

## COMPLIANCE WITH THE LAW AND LEGISLATION

As a subsidiary of Şişecam, Anadolu Cam San. A.Ş. follows Şişecam's policies. Şişecam pays regard to complying with the law and legislation with care and caution in every respect and as a leading company and the earliest group in glass production in Turkey; it always shows maximum awareness in obeying competition law and acts due to being the leader in Turkey in its sectors.

In this regard, employees of Şişecam Group are subjected to training regarding regulation and legislation of the competition by the legal consultancy department from time to time. Şişecam Group management expects all its group companies to observe the competition legislation in all their agreements, actions and conducts and that the Legal Consultancy Department will supervise whether

they follow the rules in an effective way.

Şişecam has comprehensive policies and principles in place that all affiliated companies in Turkey and internationally are required to follow in terms of anti-bribery and corruption, internal audit and risk management. For example, the aim of the Anti Bribery and Corruption Policy<sup>3</sup> is to clearly set out the commitments and position of Şişecam Group with regards to bribery and corruption clearly and to help uphold the corporate image. This policy, being an integrated part of Code of Conduct adopted by the Group, aims to provide the necessary information for prevention of bribery and corruption in all Group activities and to specify responsibilities and rules in that regard.

## ETHICS AND CODE OF CONDUCT

Anadolu Cam San. A.Ş. and all Şişecam Group companies carry out their activities following Şişecam Group Code of Conduct. There are five main principles in the Code of Conduct: Honesty, Transparency, Impartiality, Confidentiality, and Compliance with

laws and regulations. For the complete Şişecam Code of Conduct, please visit the following website: [www.sisecam.com.tr/en/investor-relations/code-of-conduct/](http://www.sisecam.com.tr/en/investor-relations/code-of-conduct/)



<sup>3</sup> <http://www.sisecam.com.tr/en/investor-relations/anti-bribery-and-corruption-policy-2/>



# Our Sustainability Approach

- ◆ Sustainability Governance
- ◆ Approach to Stakeholders
- ◆ Approach to Materiality
- ◆ Approach to Standards and Organizations

Anadolu Cam San. A.Ş. has an organizational structure supporting Şişecam's policy of sustainability. The Health, Safety and Environmental (HSE) Department and Process Control Departments work in cooperation with the Corporate Development and Sustainability Department of Şişecam. As mentioned previously, environment, energy use, raw material consumption, and cullet use are among most important material issues for our company. We place as much importance on sustainability as on quality. Sustainability is always top priority when defining the process principles,

making decisions about the raw material supply, and controlling the efficiency of the processes. These departments are also supported by the environmental officers of the plants in terms of working in compliance with governmental regulations, carrying out the requirements of the Environmental Management System and audits at the plants. In addition, these officers support Quality, Environmental and Technical Standardisation Department of Anadolu Cam San. A.Ş. for reporting the environmental performance of the plants to the top management as well.

## SUSTAINABILITY GOVERNANCE

Sustainability is an integral part of our all-inclusive approach. We consider sustainability not just as financial continuity, but rather as an integrated concept that expands by also preserving the environment, natural resources, inputs, consumption, customers and values.

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, cooperates with Şişecam Corporate Development and

Sustainability Department regarding sustainability issues. In this regard, Corporate Development and Sustainability Department carries several studies to promote and improve the efficiency in all segments of our business. The chief of this department who reports directly to the CEO of Şişecam, is a member of the Executive Board and is responsible for overseeing the following functions beside his other responsibilities.



### Environmental Performance

Coordinates projects aimed at developing and implementing principles to monitor, report and continuously improve Şişecam Group's environmental performance.



### Energy Supply

Supplies Şişecam's energy needs, especially natural gas and electricity, by evaluating opportunities for bulk purchases in order to create competitive advantage.



### Energy Efficiency

Continuously creates improvement and saving plans with the activity groups and ensures the implementation of such plans. Monitors and develops energy efficiency systems across plants and units.



### Corporate Development And Change Management

Responsible for improving processes and operations with continuous development approach, managing the governance of Şişecam Operating Model, leading Project Management Office activities and the Change Management Program in the organization.



**OUR APPROACH GUIDES  
OUR BUSINESS CHOICES,  
CUSTOMER ORIENTATION,  
COMMUNITY AFFAIRS AND  
INDUSTRIAL RELATIONS  
AND FOCUSES ON THE  
ISSUES THAT ARE MATERIAL  
FOR OUR STAKEHOLDERS  
AS WELL AS FOR OUR  
COMPANY.**

## SUSTAINABILITY COMMITTEE

Şişecam Sustainability Committee is established in 2015 in order to prioritize and realize the sustainability related issues for Şişecam Group. The chairwoman of the Committee is the chief of the Corporate Development and Sustainability Department and the members are Production Vice Presidents of Businesses, Sustainability Director, Human Resources Director, Corporate Communication Director, Industrial Relationship Director.

The Committee has five working groups, which are named as Environment, Energy, Occupational Health and Safety, Innovation and Social Responsibility.

Alongside our continued focus of building on our legacy, Şişecam is adopting a challenging roadmap to

guide our future efforts and initiatives in sustainability. This roadmap includes goals for strong, relevant key performance indicators for our business; leadership in compliance with international sustainability standards and best practice; excellence in research and technological development; and a robust process of working with our stakeholders and re-identifying priority issues for our business. Our approach guides our business choices, customer orientation, community affairs and industrial relations and focuses on the issues that are material for our stakeholders as well as for our company.

We comply with and benchmark ourselves against leading best practice internationally in sustainability.

## SUSTAINABILITY KEY PERFORMANCE INDICATORS

Strategic Goals	Key Performance Indicators	Progress
Create strong sustainability principles	Carbon footprint	Greenhouse Gas (GHG) Emissions are given in page 39
Enhance and encourage participation in social responsibility projects	Number of social responsibility projects	Corporate Social responsibility projects given in page 65 were completed
Strengthen employer brand image and be the most admired and preferred company by the most talented employees	Ranking in the preferred companies lists	Project related to Human Resources given in page 57 are realized
Motivate employees	Employee Motivation Index	Project related to Human Resources given in page 57 are realized
Enhance the value of Şişecam's corporate culture	Corporate Culture Index	Project related to Human Resources given in page 57 are realized
The amount of waste heat recovery	The amount of saved energy from waste heat	The amount of energy saved from waste heat is given in page 36
Energy saving	The amount of energy saved from alternative sources	Projects related to energy savings given in page 36
Create strong sustainability principles	Cullet usage rate	Cullet used in materials is given in page 42

## APPROACH TO STAKEHOLDERS

Anadolu Cam San. A.Ş., along with the other companies of Şişecam Group, uses the stakeholder feedback it receives to help determine its strategically important issues and focus on the sustainability topics that have most relevance to the company and its stakeholders in its sustainability reporting.

The principal stakeholder groups within the Company include employees, suppliers, customers and public institutions. All stakeholders can communicate with the Company through the email addresses on the corporate website. The main stakeholder groups are prioritized based on their ability to influence the Company and the level of the company's impact on stakeholders.

As part of the ongoing stakeholder engagement program that formed a direct input to the preparation

of this GRI G4 report, the company applied the GRI principle of 'stakeholder inclusiveness' for defining report content, reviewed its stakeholder engagement program and undertook specific additional engagement where it required further information to ensure that it fully understood the priorities of its most important stakeholders based on their interest in, and influence over the activities of the organization.

Anadolu Cam San. A.Ş. informs, consults, negotiates and proactively monitors the expectations of its stakeholders with regard to its sustainability performance through a range of different engagement channels, such as strategic collaborations, one-to-one meetings, conferences, seminars, workshops, focus group studies, surveys and similar platforms as described in the following section.



**KEY STAKEHOLDER GROUPS AND ENGAGEMENT PLATFORMS****EXTERNAL STAKEHOLDERS**

<b>Stakeholder Group</b>	<b>Engagement Platforms</b>	<b>Frequency of Stakeholder Engagement</b>	<b>Evaluation of Engagement in the Reporting Period</b>
Customer	The main means of customer engagement include customer satisfaction surveys, social media, meetings and conferences, trainings, feedback received via telephone and email.	Continuous interaction by email, social media and telephone Ad hoc meetings as needed	The Company engages with its customers as part of routine business activity. Customers are able to submit their feedback regarding the Company's environmental and social performance through a number of channels. The Company considers its customers the focus of all its activities.
Public authorities/ Regulatory institutions	<ul style="list-style-type: none"> <li>• Systematic reporting</li> <li>• Meetings, forums, conferences</li> <li>• Press releases</li> <li>• One-to-one meetings</li> </ul>	Minimum once every week	<p>The Company demonstrates the utmost care in complying fully with the law and regulations in all of its activities including increasing awareness by providing technical advice.</p> <p>For Compliance with the Law and Legislation please refer to page 14.</p>
Suppliers	<p>Typical methods of engagement with all suppliers includes:</p> <ul style="list-style-type: none"> <li>• Daily business cycle</li> <li>• Meetings</li> <li>• Email communication</li> </ul>	Continuous as general course of business (e.g. by email) Meetings as required	<p>The Company is committed to addressing the environmental, social, financial impact caused by suppliers, in addition to the direct environmental impacts resulting from the internal operations.</p>
Non- governmental organizations	<ul style="list-style-type: none"> <li>• Sponsorships</li> <li>• Strategic collaborations</li> <li>• Events</li> <li>• Regular Meetings</li> </ul>	Minimum once every week	<p>Sharing with the community is viewed as very important to the company, which supports NGOs (Non Governmental Organizations) regarding social, economic and environmental issues and by carrying out joint projects with them. For Corporate Social Responsibility activities, please refer to page 65.</p>
Media	<ul style="list-style-type: none"> <li>• Press conferences</li> <li>• Press releases</li> <li>• Interviews</li> </ul>	Minimum once every month	<p>The Company is in regular contact with local and national media in order to raise awareness about the Company and deal with any queries.</p>
Community	• Media	Varies depending on the type of initiative	<p>The Company announces all events, news activities on its corporate website and social media channels.</p> <p>For Corporate Social Responsibility, please refer to page 65.</p>

## INTERNAL STAKEHOLDERS

Stakeholder Group	Engagement Platforms	Frequency of Stakeholder Engagement	Evaluation of Engagement in the Reporting Period
Employees	<ul style="list-style-type: none"> <li>• Employee Satisfaction Survey</li> <li>• Suggestion and Idea Platforms</li> <li>• Career Opportunities Bulletin</li> <li>• Employee Interviews</li> <li>• Open Door Policy</li> <li>• Seniority Award</li> <li>• Recognition and Reward System</li> </ul>	Varies depending on the type of engagement	<p>The Company's most important asset is its people. The Company is one of the leading companies in Turkey in terms of training and support provided to its human resources.</p> <p>For details of the Human Resources please refer to page 57.</p>
Top Management	<ul style="list-style-type: none"> <li>• Email Communication</li> <li>• Sustainability Meetings with the Şişecam Chief Corporate Development and Sustainability Officer</li> <li>• Şişecam Executive Board Meetings</li> </ul>	Varies depending on the type of engagement.	<p>All related departments (Quality, Environment and Technical Standards, HR, Finance departments etc), met on a regular basis during the reporting period, assessing a range of sustainability issues and opportunities.</p> <p>For details of the Organizational Structure, please refer to page 9.</p>
Shareholders, analysts and investors	<ul style="list-style-type: none"> <li>• General Board Meetings</li> <li>• Meetings with analysts and investors</li> <li>• Phone calls/teleconferences and email communication with investors</li> <li>• Periodically published informative publications (e.g., Annual Reports, CDP, Earnings and Interim Reports)</li> <li>• Social media</li> <li>• Investor Feedback Mechanism</li> </ul>	Varies depending on the type of engagement	<p>The Company, which is in regular communication with its shareholders and investors through various channels, met all information disclosure requirements under Turkish legislation during the reporting period.</p>

Concerns related with sustainability are raised with the related departments and appropriate action is taken, including undertaking specific initiatives, and making policy recommendations. The critical concerns raised during the reporting period are listed below.

**CRITICAL CONCERN RAISED BY KEY STAKEHOLDER GROUPS AND ANADOLU CAM SAN. A.Ş.'S RESPONSE**

Critical Concern	Stakeholder Group that raised the Critical Concern	The Company's response to Critical Concern
To report on Anadolu Cam San. A.Ş.'s environmental impacts and performance	Customers, employees, investors	<p>Based on the feedback received, the Company published its first Sustainability Report which prepared in line with GRI G4 Core level in 2015. The report covers the 2014 reporting period.</p> <p>In addition, we prepared Annual Monitoring Reports relating to Environmental and Social Issues for the IFC and EBRD.</p>
To report glass recycling activities and cullet pricing policy of Anadolu Cam San. A.Ş.	Ministry of Environment and Urbanization	An extensive report which included glass packaging waste collection and recycling operations of the Company, as well as fair pricing system established in-house to support all stakeholders of Turkish glass recycling system was presented to the authorities.
To declare recycled material content rate in production	Customers	Occasional info requests from customers regarding recycled content in specific products are answered in a transparent and accurate manner.

## APPROACH TO MATERIALITY

Anadolu Cam San. A.Ş., along with other Şişecam Group companies, prioritise the interests and expectations of its key stakeholder groups (including employees, investors, customers, government entities and non-profit organizations) when identifying sustainability risks and determining their magnitude.

As part of the preparation for this report and the GRI G4 data collection and reporting process, Anadolu Cam San. A.Ş. undertook a detailed analysis of its most material issues across its businesses, linked these issues to the corresponding GRI G4 indicators that the Company has reported on in this report and listed below. The Company also took into account stakeholder feedback received as part of its regular engagement with stakeholders during the reporting period and used this to calibrate the GRI G4 materiality analysis undertaken in 2015.

In carrying out the G4 materiality assessment for the Sustainability Report, the Company applied the GRI Principles for Defining Report Content and Quality so as to identify the information to be disclosed, by considering the activities, impacts, and the substantive expectations and interests of its stakeholders. The Company applied the Principle of Materiality by ensuring that the issues regarded as most important to its key stakeholder groups were prioritised in this report.

Anadolu Cam San. A.Ş. has also linked its most material issues to its priority areas for sustainability, as explained in the section on Sustainability Approach.

Anadolu Cam San. A.Ş. applied the Principle of Sustainability Context by taking into consideration general trends in sustainability in Turkey and internationally and amongst its peer group, which helped the Company ensure that the report was materially complete. Anadolu Cam San. A.Ş. also applied the Principle of Completeness by making sure there was no material information omitted by checking the report content against feedback received from its key stakeholder groups during the Reporting Period and through top management's review of the Report's completeness and accuracy. The Company applied the Principle of Stakeholder Inclusiveness by ensuring that the most material issues raised by its stakeholders, including from satisfaction surveys and workshop meetings, have been covered in this report.

The results of the Company's G4 materiality analysis is shown below. Material topics were subsequently linked to the corresponding GRI G4 aspects and had regard to whether the aspect was material within the organization, outside the organization, or both.

The results of this prioritisation were approved by the Company's management and have determined the focus and level of detail provided on each topic in this report.

In addition, Anadolu Cam San. A.Ş. has documented its management approach to each material aspect in the relevant sections throughout this report.

### MATERIAL ASPECTS FOR SUSTAINABILITY

Customer Health and Safety	Local Communities
Diversity and Equal Opportunity	Market Presence
Economic Performance	Marketing Communications
Energy	Materials
Environmental Compliance	Occupational Health and Safety
Equal Remuneration for Women and Men	Product and Services
Freedom of Association and Collective Bargaining	Product Compliance
GHG Emissions	Supplier Environmental Assessment
Indirect Economic Impact	Training and Education*
Labor & Management Relations	Waste Management

\* Note: All issues are considered material inside and outside the company's boundary with the exception of those with an asterisk in the list above that are considered material only within the company's boundary. Aspects are arranged alphabetically.

## APPROACH TO STANDARDS AND ORGANIZATIONS



WE ARE ALWAYS LOOKING  
TO APPLY THE MOST  
UP-TO-DATE AND HIGHEST  
STANDARDS FOR OUR LOCAL  
AND GLOBAL OPERATIONS.

As a company with worldwide exports and operations in 4 countries, it is critical for us to comply with international standards for creating ethical guidelines to allow us to manage our environmental, social and economic impacts. We are always looking to apply the most up-to-date and highest standards for our local and global operations. Every product, every business practice and every interaction with our partners are managed by international standards and best practise. Continuous monitoring of our processes and capabilities is essential for living up to our responsible business legacy. We are fully aware that the

implementation of global frameworks is essential and necessary to realize our vision of becoming a leading global glass manufacturer, and we strongly believe the intrinsic value of these frameworks for international expansion, product portfolio development, and growth of our market share through new investments. In addition to complying with international standards for quality, environment, occupational health and safety, and business partner and customer satisfaction, we also endorse national and international principles and initiatives as listed below.



Anadolu Cam San. A.Ş. has joined numerous reporting initiatives and is working with many organizations in the field of sustainability. A detailed list of memberships and partnerships followed by the Company is shown below.

#### MEMBERSHIPS AND PARTNERSHIPS

Central Anatolian Exporters Union	Food Safety Association
Foundation for Environmental Protection and Reuse of Packaging Waste	International Partnership for Glass Research
Olive-Friendly Association	Packaging Manufacturers Association in Turkey
The European Container Glass Federation – Glassware Tableware Committee	The Union of Chambers and Commodity Exchanges of Turkey, Glass and Glassware Industry Council
Turkish Exporters Assembly	Turkish Juice Industry Association
Turkish Society for Quality	

#### MANAGEMENT SYSTEMS AT THE PLANTS IN TURKEY

	ISO 9001 <sup>1</sup>	ISO 14001 <sup>2</sup>	ISO 50001 <sup>3</sup>	OHSAS 18001 <sup>4</sup>	OTHERS
Anadolu Cam San. A.Ş. Mersin Plant	✓	✓	✓	✓	ISO 22000 <sup>5</sup> , FSSC 22000 <sup>6</sup> , BRC <sup>7</sup>
Anadolu Cam Yenişehir San. A.Ş.	✓	✓	✓	✓	FSSC 22000, BRC
Anadolu Cam Eskişehir San. A.Ş.	✓	✓	✓		ISO 15378 <sup>8</sup> , ISO 10002 <sup>9</sup> , FSSC 22000

1 Quality Management System

2 Environmental Management System

3 Energy Management System

4 Occupational Health and Safety Management System

5 Food Safety Management System

6 Global Food Management System

7 British Retail Consortium Standard for Food Safety

8 Primary Packaging Materials for Medicinal Products

9 Customer Satisfaction Management System

## PRODUCTS AND SERVICES

For food packaging, the security of glass packaging consumed by millions of people every day is critical. In-line high-tech automatic inspection machines and laboratory systems are used carefully to be able to always offer products to customers of Anadolu Cam

San. A.Ş. that are in line with high quality and safety standards. Quality control of pharmaceutical bottles is carried out in a sealed clean room conditioned to Class 8 requirements.

### CASE STUDY: New Antibacterial Features for Glass Packaging Products

Glass packaging keeps food and drink preserved and safe to consume. Since glass does not interact with food and is an oxygen impermeable material, it naturally prevents food deterioration keeping it fresh. In addition, some of glass products of Anadolu Cam San. A.Ş. offer protection against UV rays depending on the type of food contained.

Starting in 2014, studies are underway to have antibacterial properties with a new coating to be applied to glass packaging products. This new antibacterial coating will help prevent the growth of microorganisms such as mold, bacteria and fungi that may occur and help extend the shelf life of products. Testing and optimisation studies of the coating are ongoing in accordance with Turkish Food Codex standards and related TS standards.





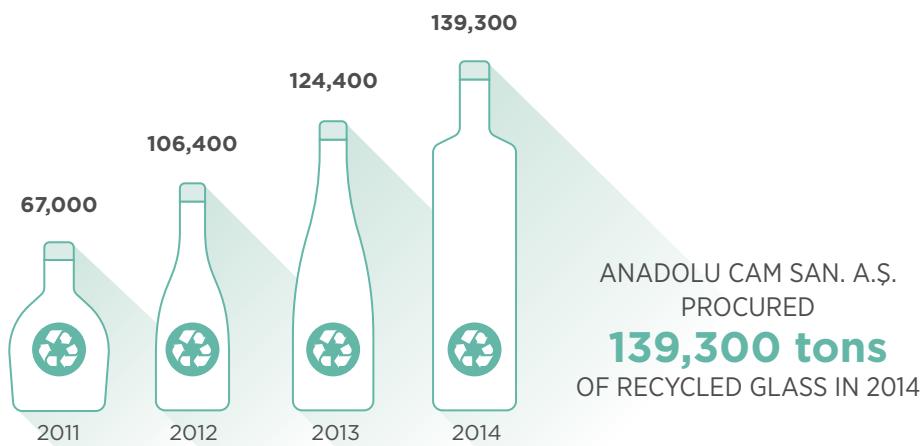
## CASE STUDY: Glass Cullet Improvement Projects

Anadolu Cam San. A.Ş. supports the “resource efficiency” initiative for sustainable growth in the European Union 2020 strategy. As a result, the Company is targeting increasing the quantity of recycled glass (cullet) up to 60% by the year 2020 and minimizing resource consumption, and has launched comprehensive activities including creating awareness on glass recycling in society, strengthening the infrastructure for separation at source and modernization of glass recycling facilities.

Anadolu Cam San. A.Ş. also offers consultancy to its cullet suppliers for the integration of automated sorters at recycling facilities and encourages its glass suppliers to invest in state of the art machinery by implementing a bonus system based on quality and quantity. The total support provided under the project since 2011 was over TRY 4.5 million at the end of the reporting period. As an extension of glass cullet improvement activities, an automated quality control line was put into operation at the Eskişehir Plant in 2014 in order to purify the external cullet used in furnaces and improve production quality.

The volume of glass that the company has managed to recycle has more than doubled since 2011 as shown below.

PURCHASED RECYCLED GLASS IN TONS SINCE 2011

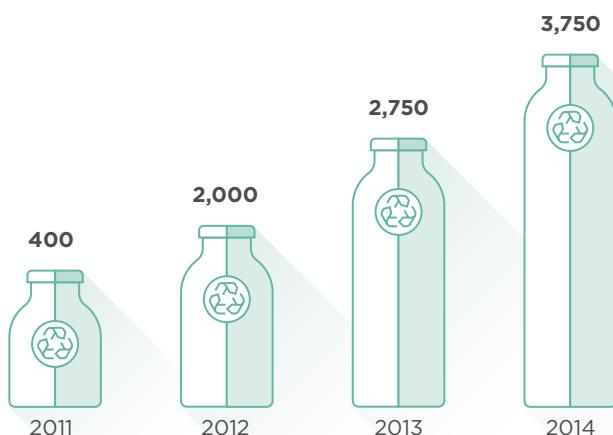


## IMPORTANT DEVELOPMENTS IN SUSTAINABILITY

By the end of 2014:

- ◆ Collaborative work for recycling with 93 district municipalities in 13 cities,
- ◆ 163,000 students have been trained to increase awareness of glass recycling.
- ◆ 152,985 MWh energy was saved by recycling 437,100 tons of glass,
- ◆ Reduction of carbon emissions is equivalent to annual greenhouse gas emissions from 157,300 cars,
- ◆ Energy saved is adequate to meet heating and hot water needs of 18,300 houses,
- ◆ Sand saved by recycling of glass is equivalent to which a 10m wide and 46m long beach would have,
- ◆ 4 bottle bank collection trucks were donated to local municipalities that have high potential to generate glass packaging waste,
- ◆ HoReCa's (hotel, restaurant, café) were given 5 bottle crushing machines to minimize volume needed to store glass packaging waste and reduce collection frequency.

NUMBER OF BOTTLE BANKS DONATED



### CASE STUDY: “Ultra-light” bottles

“Ultra-light” bottles, which are 25% to 28% lighter than standard bottles, are produced without reducing the impact resistance of the bottles with NFS (New Forming System). NFS reduces production cost by providing raw material and energy saving without compromising durability. As a result of these benefits, the use of environmental friendly and healthy glass packaging has begun to increase in many industries. NFS glass bottles can be used in all industries involved in filling of non-carbonated products. In 2014, in 9 products, 1,248.2 tons of glass was saved for the first time. Thereby, 924 tons of carbon emission was prevented<sup>4</sup>.

<sup>4</sup> Carbon emissions calculated with conversion factors from FEVE life cycle assessment.



# Our Environmental Approach

- ◆ Environmental and Energy Policy
- ◆ Environmental Management System
- ◆ Environmental Compliance
- ◆ Energy Management System
- ◆ Energy Performance
- ◆ Greenhouse Gas (GHG) Emissions
- ◆ Waste Management

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, follows Şişecam's Environmental Approach and Policy. Environmental protection requires a constant commitment to robust policies and continuous action. Şişecam's objective is to minimize its impact across all business activities with zero environmental incidents. Şişecam, as an organization strongly aware of its responsibility towards protecting the environment, believes in the need to maintain the world as a livable place for next generations. This approach is considered as the cornerstone of Şişecam's strategic management and is integrated in every phase of its work processes. Şişecam's aim is to carry out all environmental protection activities in Şişecam within a framework of an Environmental Management System, by taking account sustainability principles and continuously improve the system with the support of all its employees and stakeholders. Şişecam focuses most on its most material issues meaning that as energy intensive production group Şişecam is continuously striving to reduce energy consumption and maximize energy efficiency in its operations as much as possible. Other material areas that Şişecam is prioritising include reducing its total greenhouse footprint and waste

generation, and preserving natural resources. Anadolu Cam San. A.Ş. aims to inspire other companies with its performance.

In striving to protect the environment and manage its environmental impact, Şişecam is guided by legal requirements, Şişecam standards, and industrial practices. Moreover, Şişecam listens to its stakeholders, and does its best to satisfy their expectations regarding minimizing the environmental impact. Detailed information on approach of Anadolu Cam San. A.Ş. is available on the section on stakeholder engagement in this report. In all of its operations in Turkey Şişecam has established environmental management systems in order to monitor and improve its environmental performance. Şişecam is continually working at raising environmental awareness in its workplace and provide regular training to its employees on environmental issues.

The Environmental and Energy Policy for Şişecam and all Şişecam group companies in Turkey and internationally was updated and formally approved in 2014 and is shown in the next section.

## ENVIRONMENTAL AND ENERGY POLICY



**ENVIRONMENTAL APPROACH  
IS INTEGRATED IN EVERY  
PHASE OF STRATEGIC  
MANAGEMENT.**

Şişecam has Environmental and Energy Policy that covers all its operations in Turkey and internationally and is shown in the following section. Indeed, a key element of the Company's sustainability success to date has been that its Environmental and Energy Policy is embedded in every phase of its work

processes and its environmental management system has been implemented in all its facilities in Turkey. The Company's approach is focused on its most material environmental impacts, which include energy, air emissions and solid waste. As a result, the Company's efforts are centred on the following areas:

**As a result, our efforts are centred on the following areas:**

- ◆ Manufacturing techniques with reduced environmental effects
- ◆ Improvement of energy efficiency projects to increase climate change mitigation efforts
- ◆ Expansion of waste recovery and recycling
- ◆ Evaluation of fuel and raw material alternatives
- ◆ Responsible energy and resource management
- ◆ Use of natural gas whenever available and development of furnace designs to reduce emissions and environmental risks
- ◆ Treatment of wastewater and considering recycling opportunities



## ENVIRONMENTAL AND ENERGY POLICY

Knowing that the sustainable growth, which we have placed in the main axis of our business, is only possible as long as we maintain the sustainable environmental and energy principles, we aim to:

- ◆ Use natural resources efficiently, increase recycling and recovery rates,
- ◆ Consider energy efficient and environmentally friendly technologies while creating all processes starting from the designing phase,
- ◆ Develop and implement energy efficiency projects that will have a positive impact on climate change,
- ◆ Purchase products, services and technologies that provide energy efficiency to support high performance designs,
- ◆ Perform our production activities by implementing Environment and Energy Management Systems.

In this direction we declare and undertake:

- ◆ To comply with environmental and energy related legal and other requirements in force,
- ◆ To continuously enhance and improve our environmental and energy performance,
- ◆ To take the necessary precautions to reduce or eliminate the negative environmental impacts of our activities,
- ◆ To review pre-determined objectives and targets periodically and to provide required resources to achieve these goals and objectives,
- ◆ To increase awareness by providing understanding and embracement of our policy by our shareholders.

**GENERAL MANAGER**

WE CARE FOR  
OUR ENVIRONMENT





100% OF OUR PLANTS IN TURKEY HAVE ISO 14001 EMS CERTIFICATION.

## ENVIRONMENTAL MANAGEMENT SYSTEM

The aim at all Şişecam operations and activities including Anadolu Cam San. A.Ş. is to monitor the environmental impacts and to work on improving them with the support of all our employees and stakeholders under the Environmental Management System (EMS). All group-wide activities are managed through Group EMS and our entire plants in Turkey have completed the ISO 14001 EMS certification process in 2015. Şişecam Group's Corporate Development and Sustainability Department reports to the CEO and reviews our environmental performance seeking to implement projects at a higher level.

This management oversight illustrates how our sustainability commitments, including those linked to

the environment, are embedded in Şişecam's business priorities.

Each plant has at least one environmental officer, usually an environmental engineer, who reports to the plant manager. These officers work closely with the Environmental Committees, which include officers from each production unit of the plant. In each production plant, environmental issues are monitored and action plans are carried out based on the procedures established in its EMS. Additionally, the monitoring body conducts internal and sub-contractor audits, establishes preventive and corrective action plans, and at the end of each year, reviews the status of issues and evaluates opportunities for improvement.

## ENVIRONMENTAL COMPLIANCE

All Anadolu Cam San. A.Ş. operations, in Turkey and abroad, are in compliance with state laws and regulations. Applicable discharge and emission limits are set as definite guidelines in waste management plans and monitored continuously by plants' environmental officers. Waste minimization studies are performed on a regular basis. Hazardous and non-hazardous waste generated in production process is transported to licensed recycling or disposal facilities considering a strict waste hierarchy framework.

International environmental standards are embraced by the entire organization as a vital constituent of day-to-day operations. All plants have adopted ISO 14001 which acts as the main pillar of all the environmental activities throughout the whole operation.

Anadolu Cam San. A.Ş. has several memberships in national and international environmental platforms of various industry associations, committees and NGOs; contributes extensively in all related areas of glass industry interest; and is also directly in close contact with governmental institutions in legislation and lawmaking process as the leader of glass packaging industry.

In addition, Anadolu Cam San. A.Ş. does not hesitate to take the extra mile in order to assist nationwide recycling targets of the State and customers of the company and is proud to announce a long-term collaboration with EBRD to achieve recycling goals set by the legislation. €9 million credit was granted to the Company to develop a sustainable glass packaging waste collection and recycling system countrywide.

Extensive development work is in progress under "Cam Yeniden Cam" project.

In this context, other practices coordinated by the parent company Şişecam, are summarized below.

Şişecam closely follows the developments in EU environmental regulations and proactively shares its views concerning aspects related to the Group's production facilities through its memberships in relevant Institutions and associations. In addition, Şişecam plays an active role within the environmental commissions of NGOs associated with the industry at both national (Istanbul Chamber of Industry, The Union of Chambers and Stock Markets of Turkey etc.) and international (Glass Alliance Europe, European Container Glass Federation, European Domestic Glass Committee etc.) levels.

Operating in an energy intensive sector, Şişecam Group operations are highly sensitive to a wide range of energy and environment related risks and opportunities. Therefore, since 2011, Şişecam Group Risk Management Department has been following environmental issues and evaluating the associated potential risks and opportunities at both the company and asset level. Subsequently, with the establishment of Şişecam Corporate Development and Sustainability Department, energy and environmental efficiency were started to be treated in a much more detailed way. In this respect, risk and opportunities affecting sustainable energy issues are considered for both new investments and existing plants.

Identification and evaluation of risks and opportunities are applied by taking into account a wide range of factors including regulatory and market drivers, potential physical effects from climate change and strategic documents driven by legislations and international agreements.

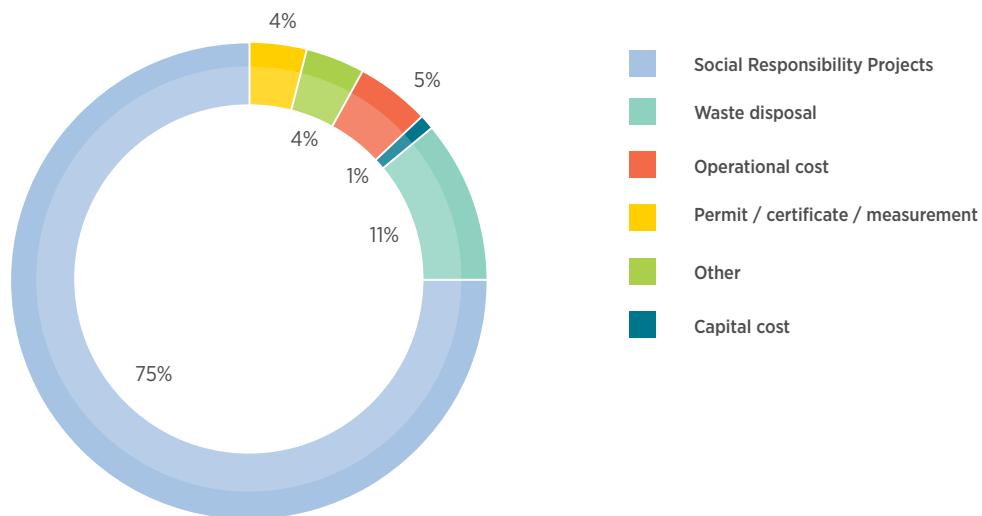
The Risk Management Department of Şişecam Group liaises with the related managers of the production groups to identify and prioritize the potential risks in the defined period. Criteria for determining material

risks and their prioritization include current or possible regulatory requirements, energy efficiency and security, global and regional regulations, financial factors. The Environmental Management Department of Şişecam closely follows and evaluates the current and possible regulatory environment and keeps the related departments of the Group updated such as Risk Management, Finance and Investor Relations Management of developments and their potential implications.

## ENVIRONMENTAL EXPENDITURES

In 2014, our total environmental expenditures was for TRY 6.2 million for the Company and mainly represented capital investments for projects and treatment plants, operational costs of treatment

plants, waste disposal, certification, and measurement costs related to environmental management. The percentages of environmental investments are shown below.



## ENERGY MANAGEMENT SYSTEM

As one of its most material issues, it is the priority of Anadolu Cam San. A.Ş. to minimize its environmental impact by improving energy efficiency and reducing energy consumption in its operations. This approach is essential for the sustainability of its business as well as the sustainability and welfare of the countries in which the Company operates.

The Company always places great importance on the realization of production with lower energy

utilization and on integrating energy efficiency into its corporate strategy. Reducing energy consumption and associated GHG emissions will continue to be one of the most important constituents of the Company's agenda for the foreseeable future, inspiring new project developments.

Related to energy efficiency and climate change, some significant investments and actions have been realized including the following:

- ◆ Integration of Şişecam's Environmental and Energy Policy across all operations of Anadolu Cam San. A.Ş.
- ◆ Integration of energy management and carbon principles into corporate strategy of Anadolu Cam San. A.Ş.
- ◆ Adaptation of ISO 50001 Energy Management System
- ◆ Preliminary and comprehensive energy audits by a certified consultant
- ◆ Agreements for waste heat recovery installations that convert the thermal energy released into electrical energy

Anadolu Cam San. A.Ş. prioritizes energy efficiency in every area of its operations, from supply to production and from distribution to sales.

Energy management and climate change are prioritized in the strategy of Anadolu Cam San. A.Ş. The Company is striving to achieve high levels of production through

low energy consumption and low GHG emissions. Consequently, it is systematically seeking measures to reduce its energy consumption during production while improving efficiency and quality. Examples of its energy saving achievements are shown in the following section.



## ENERGY PERFORMANCE

Targeting to arrive at an increasingly environment-friendly manufacturing process, Anadolu Cam San A.S. is working on a number of projects for developing lighter weight products, which will result in decreased energy consumption and reduced carbon emissions.

In 2014, 82% of total reported energy consumption of the Company's plants in Turkey arose from natural gas (5,607,000 GJs) and 18% was from purchased electricity (1,194,700 GJs). Total value corresponds to heating of 22,000 houses for one year.

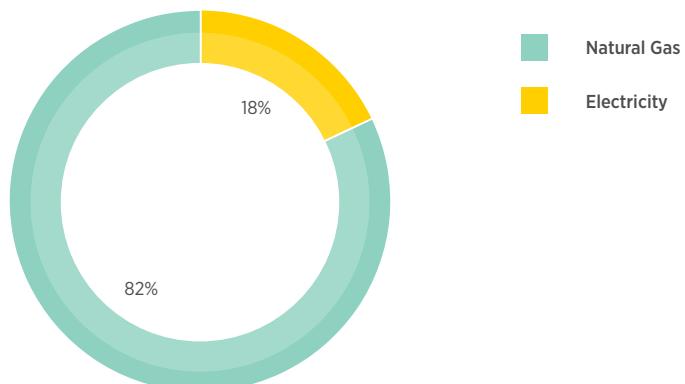


WE PRIORITIZE ENERGY EFFICIENCY IN EVERY AREA OF OUR OPERATIONS, FROM SUPPLY TO PRODUCTION AND FROM DISTRIBUTION TO SALES.

TOTAL ENERGY CONSUMPTION IN 2014

Fuel	Gigajoule (GJ)
Natural Gas	5,607,000
Electricity	1,194,700
Total	6,801,700

TOTAL ENERGY CONSUMPTION IN 2014 BY FUEL





## CASE STUDIES ON ENERGY INVESTMENTS

Anadolu Cam San. A.Ş. operates in a very energy intensive industry and therefore, running its operations as efficiently as possible and following industry best practices are among the key targets of its business both from an environmental and economic standpoint. Some examples of energy efficiency projects and best practices, which are run by Şişecam Energy Efficiency Department, are LED lighting installations, high efficiency motor replacements, supply of new generation compressors, fans and pumps. The international ISO 50001 Energy Management Standard and local Energy Efficiency Law 5627 are taken as reference points for energy surveys for assessing of the potential energy saving of projects.

As shown below, from the energy saving projects implemented in 2014, the Company managed to achieve energy savings of 26,780 GJ from electricity projects and 51,780 GJs from natural gas projects.

These projects helped to reduce total energy consumption that would have otherwise occurred from electricity and natural gas and 6,480 ton CO<sub>2</sub> emissions are saved.

### ENERGY SAVINGS ACHIEVED BY 2014 PROJECTS

Energy Type	Energy Savings	Estimated Annual CO <sub>2</sub> Saving (Ton)
 Electricity	7,439,000 kWh	6,480
 Natural Gas	1,500,000 Sm <sup>3</sup>	

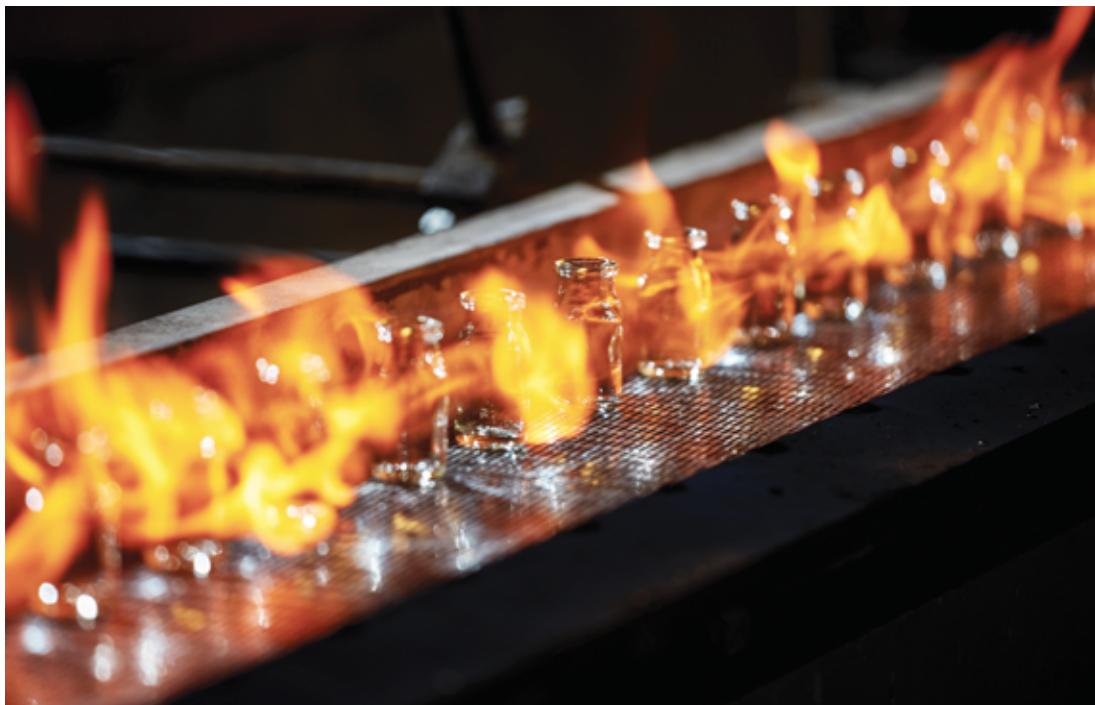


### CASE STUDY: Regarding Energy Efficiency Projects, Total Amount of 7,439,000 kWh is Saved

These projects include installation of sun tracker, change of inefficient compressors and dryers, prevention of leakage in pressurized air systems, installation of frequency inverters of pumps.

Sun tracker in Eskişehir plant: The system's reflectors are automated and they capture the sunlight like a lens and send it into the building. With this project, energy savings and more healthy and safety working environment for employees were achieved by reducing artificial lighting significantly.

Şişecam and European Bank for Reconstruction and Development signed a loan agreement for energy savings projects as well as electricity generation from waste heat projects. A part of this loan was utilised in projects of Anadolu Cam San. A.Ş.



### CASE STUDY: Waste Heat Boiler System: Steam Production from Flue Gas Waste Heat

In 3 plants of Anadolu Cam San. A.Ş., there are waste heat boiler systems which produce steam from flue gas waste heat. Hot water produced by these boilers are used for plants' heating and employees' cleaning purposes. Annual energy gained with this system is 56,807 GJ.



### CASE STUDY: Waste Heat Absorbtion Cooling System: Cooling Energy Production from Flue Gas Waste Heat

Absorbtion Cooling System in Eskişehir Plant of the Company, provides 12,600 GJ of energy from flue gas waste heat annually and this energy is used for cooling purposes.

### WEIGHT REDUCTION PROJECT

In 2014, 19% weight reduction was achieved in 9 products resulting in 1,248 tons of glass savings, resulting in a reduction of 923.7 tCO<sub>2</sub>, or 56,644,000 glass bottles.

Weight reduction studies began in 2011, and glass savings until 2014 were calculated cumulatively and savings of:

- ◆ 11,965 tons in 2011,
- ◆ 13,285 tons in 2012,
- ◆ 11,246 tons in 2013,

were realized, resulting in a total of 36,496 tons of glass savings and a reduction of 27,000 tCO<sub>2</sub>.



### CASE STUDY: Cogeneration Plant: Electricity Production from Flue Gas Waste Heat

In 2014, the Cogeneration Plant Project was launched to produce electricity from flue gas waste heat generated from 4 glass packaging furnaces in Yenişehir Plant of the Company. The plant will start producing electricity from the fourth quarter in 2015.

In the new cogeneration system, the electricity produced in the process will cover about 12% of the plant's electricity needs. Also, hot water gained from cogeneration system will be used for plant heating and employees' hygiene purposes. The gross electricity production expected to be obtained from the system is 3.03 MW in the summer and 2.45 MW in the winter depending on the amount of consumption of hot water in the plant due to seasonal variations. With the introduction of the Cogeneration Plant, the amount of electricity to be produced without burning fossil fuel will reduce both the plant's energy consumption and carbon footprint.



## CASE STUDY: Gaining New Features for Glass Packaging Products by Polymeric Coating Applications

The aim of the project being carried out, as supported by Tübitak, in collaboration with is to create new glass packaging products by polymeric coating but also to provide increased strength and surface characteristics to the product. By reducing the weight of the glass packaging product, reductions in both energy and CO<sub>2</sub> emissions will be achieved.

## GREENHOUSE GAS (GHG) EMISSIONS

Due to the energy intensive nature of our business and sector, policies that focus on addressing risks and opportunities posed by climate change are of critical importance to our company. During the reporting period, we continued to reassess our production activities in terms of energy efficiency and increase the range of resource-efficient products that provide environmental benefits. As illustrated through the case studies in this report, the Company has projects underway in production that are focused on increasing

energy efficiency and the use of recycled glass as an input material to reduce GHG emissions. In terms of products, Anadolu Cam San. A.Ş. has projects that focus on reducing the impact of productions and associated GHG emissions.

The Company's GHG emissions in 2014 for its facilities in Turkey is shown below. Total Scope 1 GHG emissions were estimated as 449,700 tCO<sub>2</sub> and total Scope 2 GHG emissions as 159,300 tCO<sub>2</sub>.

GHG EMISSIONS IN 2014 (ALL VALUES IN tCO<sub>2</sub>)

2014	Scope I		Scope II	Total
	Raw Material Sourced CO <sub>2</sub> Emissions	Fossil Fuel Sourced CO <sub>2</sub> Emissions		
Total	135,200	314,600	449,700	609,000

Anadolu Cam San. A.Ş. has applied the widely used international conversion factors from the IPCC 5<sup>th</sup> assessment report and IEA emission factors for year 2012 as shown below.

CO<sub>2</sub> CONVERSION FACTORS



Natural Gas



Electricity

56.1 tons CO<sub>2</sub>/TJ

479.93 g CO<sub>2</sub>/kWh for Turkey



ŞİŞECAM HAS RESPONDED ANNUALLY TO CDP CLIMATE CHANGE PROGRAM INCLUDING ANADOLU CAM SAN. A.Ş. OPERATIONS IN TURKEY, THE MOST PROMINENT INITIATIVE IN BUSINESS TO COMBAT CLIMATE CHANGE, SINCE 2011.

## CASE STUDY: CDP

Şişecam has been responding to CDP Climate Change Program including Anadolu Cam San. A.Ş. operations, the most prominent initiative in business to combat climate change since 2011 and responded in Turkey to CDP Supply Chain Program since 2012. Under this framework, the Group reports on issues such as its climate change strategy, approach to risk management and governance, targets on energy, carbon emission and climate change and amount of carbon emissions generated from its operations. Şişecam is 1 of the 41 Turkish companies that responded to CDP in 2014. The disclosure covers the Group's glass and non-glass manufacturing facilities in Turkey and glass manufacturing facilities in Bulgaria. With a disclosure score of 85% and a performance score in the Level B Band, it has been rated at a high level according to the score released by CDP, indicating an excellent understanding and management of the issues related to climate change. Operations of Anadolu Cam San. A.Ş. in Turkey are covered in the Şişecam CDP responses.

## TÜBİTAK - GHG REDUCTION PROJECT

As the most important sector representative Şişecam Group worked with the Turkish Ministry of Science, Industry and Technology and the Scientific and Technological Research Council of Turkey (TÜBİTAK) in 2013-2014 on a project related to the Greenhouse Gas Reduction Potential of Turkish Industry. ("An

Assessment of Technology Requirements in the Industry and Determination of Greenhouse Gas Reduction Potential within the Frame of Climate Change"). Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, participated in this project.

## WASTE MANAGEMENT

Recycling is the main approach of Anadolu Cam San. A.Ş. to decrease the waste, and this approach is in line with its environmental values. All recyclable waste from the processes is returned to the production process through recycling plants, while other types of waste are responsibly and transparently disposed of in licensed plants to meet the Company's sustainability expectations.

In 2014, Anadolu Cam San. A.Ş. has started collecting more comprehensive waste collection and disposal data from all its facilities in Turkey. For 2014, the basic split between non-hazardous and hazardous waste was 70% to 30% respectively. All non-hazardous waste was collected by accredited waste transportation and disposal companies for recycling. In terms of hazardous waste, the Company estimates that 26% of the total 30% was sent for energy recovery and only 4% needed to be sent for landfilling.

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, recycles packaging materials in the domestic market and is fully compliant with regulations in all markets where the Company operates. In 2014, 44% of the packaging materials supplied to the market in 2013 was collected and recovered. More than 3760 tons of paper, cardboard, plastic and composite packaging waste of the Company was recycled in total. Responsibilities pertaining to recycling targets set by related legislation were fulfilled within the boundaries of the contracts with authorized recovery organizations.

Anadolu Cam San. A.Ş. strongly encourages the recycling of glass, as it is an infinitely recyclable material. The Company works with its stakeholders and sponsors projects to provide efficient and effective solutions to recycling as the following case study shows.



## CASE STUDY: Anadolu Cam San. A.Ş. is Focused on Recycling of Glass Waste

As an organization that ensures the recycling of glass waste and is aware of its responsibilities towards society and the environment, Anadolu Cam San. A.Ş. has started the project 'Glass and Glass Again' ('Cam Yeniden Cam'), which has an aim of increasing glass recycling rate in Turkey to 60% by 2020 in order to help leave a better world for future generations. The main purpose of the project is to create social change in behavior to help achieve the transition to an "environmentally friendly society".

Şişecam and European Bank for Reconstruction and Development signed a loan agreement for energy savings projects as well as electricity generation from waste heat projects. A part of this loan was utilised in Anadolu Cam San. A.Ş. projects.

In order to develop glass recycling infrastructure, the number of new bottle banks deployed across the country from the start of the project by the end of 2014 had reached 8,900.

Additionally, the Company plans to launch further activities to help raise awareness on benefits and importance of glass recycling amongst the community in the coming period. By the end of 2014, a total of 163,000 primary school students were educated about glass recycling. The Company's goal is to reach 260,000 students by the end of 2018.

Anadolu Cam San. A.Ş., who is providing leadership to all stakeholders in the system with all three main areas, is working hard to raise the glass recycling level in our country to an exemplary world class calibre. In order to create a comprehensive collection and recycling system for a sustainable cullet supply infrastructure, all stakeholders need to contribute with the same enthusiasm.

## RAW AND RECYCLED INPUT MATERIALS USED FOR PRODUCTION

The breakdown of raw and recycled input materials used for production and packaging of primary products or services of Anadolu Cam San. A.Ş. is shown below.

Internal and external recycled glass (cullet) use rate<sup>5</sup> in total raw material usage for 2014 was 38%.

### TOTAL WEIGHT OR VOLUME OF MATERIALS THAT ARE USED TO PRODUCE AND PACKAGE PRIMARY PRODUCTS AND SERVICES OF ANADOLU CAM SAN. A.Ş.

	Total Material (tons)
<b>Raw materials</b>	Soda
	143,400
	Sand
	331,400
	Limestone
<b>Materials for packaging purposes</b>	65,600
	Dolomite
	96,000
	Cullet (External)
	156,300
<b>Materials for packaging purposes</b>	Pallet
	24,000
	Tray (Cardboard + plastic)
	17,000
	Shrink
	1,400

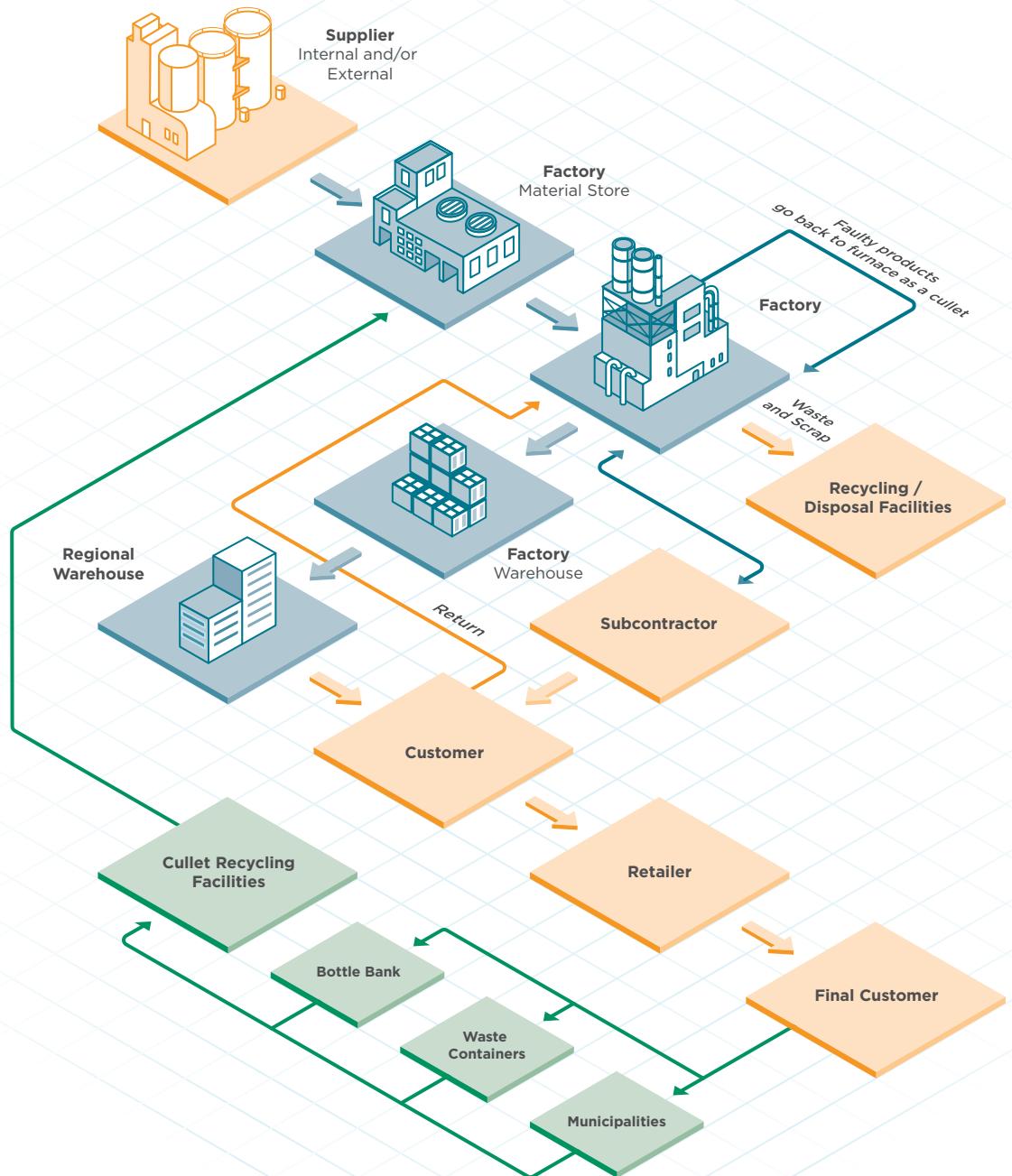


5 The ratio given is the cullet ratio to the materials provided in the table. Other materials may be utilised during the process, which may result in fluctuations to the ratio.



# Supply Chain

- ◆ Best Practice Projects in Supply Chain
- ◆ Sustainable Raw Material and Energy Supply



## BEST PRACTISE PROJECTS IN SUPPLY CHAIN

### SUPPLY CHAIN COCKPIT PROJECT

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, plays an important role in supply chain projects, managed by Şişecam. Supply Chain Cockpit System is an ERP (enterprise resource planning) integrated online system that enables the display and analysis by Flat Glass, Glassware, Glass Packaging and Chemicals Groups' supply chain costs such as logistics, warehouse, foreign trade and labor costs. All Groups' Supply Chain parties determined SCOR® (Supply Chain Operations Reference) based performance metrics and applied them to Cockpit platform.

The project aimed to bring benefits to production Groups by reducing excessive costs and increasing communication among Groups and becoming more

consolidated. The conclusion of this consideration is to create a more accessible, visible and integrated platform. The ability to overview 4 Groups' supply chain costs reveals Şişecam's position in working towards a more centralized future.

The first facility of Cockpit System soon became visible. Since all logistics costs can be monitored instantaneously and detailed, all the hidden supply chain costs revealed easily. As an outcome of Supply Chain KPI Cockpit Project, the opportunity of Centralized Transportation on some routes is taken. According to this opportunity, as Şişecam Group derived a remarkable profit in 2014 by reducing logistics costs.

### ŞİŞECAM NETWORK OPTIMIZATION

The objective of this project, managed by Şişecam, is to design a strategic network with minimized logistics costs, which satisfies customer service levels during distribution and production operations executed by the Group companies. In this project, which covers raw materials, packaged materials, semi-finished and finished goods flows, all transportation models were simulated both individually and collectively as railroad, maritime and intermodal scenarios.

To sustain outcomes of the Network Optimization, according to suitable routes that determined as a result of the project, railroad and maritime transportation prices are evaluated periodically in order to seize price advantages.

Warehouse size and locations were also analyzed deeply to minimize cost and CO<sub>2</sub> emissions caused by unnecessary movements.

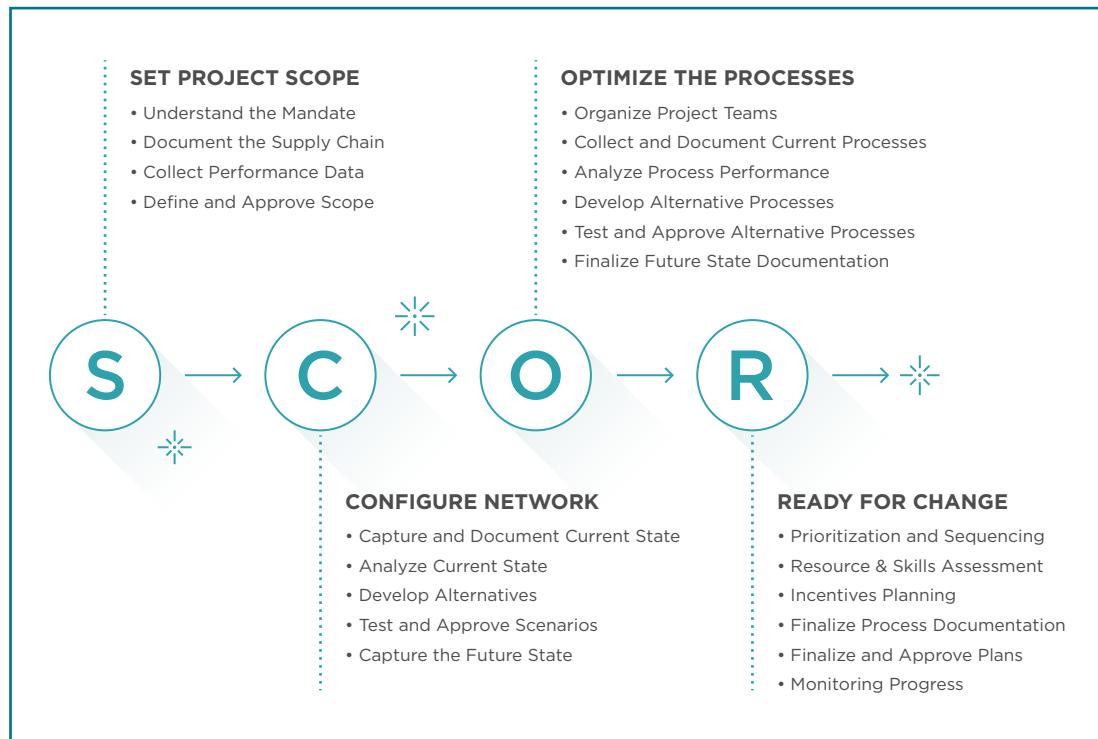


## SCOR® PROJECT

As Şişecam, we put SCOR® - Supply Chain Operations Reference model into practice for all our subsidiary companies in 2014. SCOR® is a comprehensive set of framework organizing business processes, performance metrics, practices and people skills. All relevant Şişecam supply chain process owners went through an intensive SCOR training held by the creator of the framework SCC, Supply Chain Council which is one of the world's largest unbiased nonprofit supply chain organizations that advances supply chains through research, benchmarking, and publications. Business leaders, academia and global enterprises gain valuable insights, information and actionable data through SCC's unrivaled supply chain network, frameworks and resources. SCOR model is not only a globally accepted structure and guideline for process management system but also a diverse compilation

of best practices. The model itself leads the business processes and all fields of application to a better working and more effective operation.

One of the first projects managed according to SCOR methodology, aimed to decrease procurement and inventory costs and reduce procurement lead times. All procurement and inventory related SCOR techniques were reviewed and applied to achieve the project goals. The process analyses, defining performance metrics and project structure were operated according to SCOR framework, which resulted in leaner and more efficient procurement processes. With the help of the new methodology, reduced lead times and remarkable gains on inventory levels were obtained successfully in a very short period.



## SUSTAINABLE RAW MATERIAL AND ENERGY SUPPLY



### SUSTAINABLE RAW MATERIAL SUPPLY

The primary mission of Mining Companies of Şişecam, which operate within the Şişecam Chemicals in Turkey and abroad is to plan and supply raw material requirements of Şişecam's glass and fiber glass factories in accordance with medium and long term development strategies and raw material resources and keep sustainability of production.

Camiş Madencilik A.Ş., which is a subsidiary of Şişecam Group, was established in 1988 and aims to supply raw materials for Şişecam glass and fiber glass plants. Actually the mining activities of Şişecam Group has

started with its first glass production where first mining licence was obtained in Yalıköy – İstanbul in 1932. For long years, mining activities of the company have been carried out as a strategic business in the structure of Şişecam and were brought together under Camiş Madencilik A.Ş. in 1988.

Camiş Madencilik A.Ş has 19 plants in Turkey, 10 of which are processing plants with a capacity of 3.1 million tons of end product and 9 of which are crushing and screening plants with a capacity of 4.2 million tons, in ceramic, glass and fiber glass quality raw materials.

### SUSTAINABLE ENERGY SUPPLY

Glass manufacturing is an energy intensive process, involving the melting of raw materials at high temperatures. In order to establish and stabilize the high temperature requirement in the glass furnaces and soda ash process, the constant feed of high capacity energy is a necessity. Thus, energy supply and costs become issues of utmost importance, in terms of sustainability.

Şişecam Enerji A.Ş. specializes in the Turkish Energy Market. Operating as Şişecam's energy headquarters, Şişecam Enerji A.Ş. seeks to supply lowest electricity and natural gas costs to Şişecam Group; through providing its own energy at hand or dealing with other energy suppliers in the business to meet the demand. In addition, Şişecam Enerji A.Ş. aims for long-term, risk free dealings for Şişecam Group.



## Innovation

- ◆ Research and Technological Development

## RESEARCH AND TECHNOLOGICAL DEVELOPMENT

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, collaborates with Science and Technology Centre for research and development projects.

Şişecam Group's R&TD (Research and Technological Development) activities are carried out by both central and the individual manufacturing groups

with a broad perspective at the corporate level with; acknowledgement of common approach, recollection and methodology and the added value increases with the recognition of collective knowledge, skills, competence, infrastructure and hardware, productivity and efficiency.

### ENERGY EFFICIENT PRODUCTION

In relation with Şişecam Group's corporate energy strategy, R&TD projects and studies provide a

significant decrease in the level of energy consumption and related GHG emissions of glass furnaces.

- ◆ In the "energy efficiency benchmark" study conducted by an independent research and development company, which covered more than 120 international glass packaging manufacturing furnaces, one of our glass packaging furnaces ranked among the top 5 furnaces among its peers.

Anadolu Cam San. A.Ş. is focused on continuous sustainable development and improvement in process technology, business practices, decorated and non-decorated products. The Company's approach to development concentrates on forming, inspection, and packaging processes to make them more efficient, high quality, more environmentally friendly and also concentrates on its products ranges from new designs

oriented to customer demand to products with completely new functionality.

Also, the Company is focused on reducing energy use, to recover waste heat totally, to decrease the weight of each product with high production rate and high durability, required less raw material and resulting in lower emissions.





# Occupational Health and Safety

- ◆ Occupational Health and Safety Policy
- ◆ Occupational Health and Safety Management System

Anadolu Cam San. A.Ş. recognizes the importance of Occupational Health and Safety (OHS) to the business. Our overarching safety goal is to eliminate potential risks that could cause harm to our employees. Any occupational accident or injury is a serious issue not only for our company but also for our industry and to the economy as a whole.

Moreover, a healthy and safe working environment is also a prerequisite to helping achieve efficiency and productivity in the workplace. As such, Şişecam

considers the design of its processes and enhance its emergency response capabilities to minimize the risk of accidents as well as investing in new technologies and innovation to help facilitate an incident-free workplace.

Through the coordination of Şişecam Group's Industrial Relations Directorate, there is a focus on continuous improvement in the working environment and conditions as well as on promoting a conscious health and safety culture.



WE RECOGNIZE THE  
IMPORTANCE OF  
OCCUPATIONAL HEALTH  
AND SAFETY (OHS) TO OUR  
BUSINESS.

## OCCUPATIONAL HEALTH AND SAFETY POLICY

Offering efficient guidance on a healthy and safe working environment is a matter of priority for Şişecam Group. Şişecam Group follows a systematic approach for health and safety and undertake a wide range of initiatives in order to avoid accidents and injuries.

Şişecam's aim is to ensure safety in every aspect of its operations. In line with this, it adopts a stringent

Occupational Health & Safety (OHS) Policy and a number of pertinent strategies to create a safe work environment for its employees. The Occupational Health and Safety Policy for Şişecam was revised in 2014 and subsequently published for use at all national and international workplaces of Şişecam. This updated OHS Policy is shown in the following section.





## OCCUPATIONAL HEALTH AND SAFETY POLICY

We aim to achieve every stage of our operations in a safe and healthy working environment. In line with this objective, as a part of our responsibility to create healthy individuals as well as manpower, we adopt strategies

- ◆ To prevent occupational accidents and occupational diseases by determining the necessary measures to implement and be implemented,
- ◆ To make risk assessments by the participation the employees and to reach the acceptable risk levels,
- ◆ To use the safe equipment and appropriate technologies for a healthy and safe working environment,
- ◆ To ensure the participation of our stakeholders each level of the organization in the improvement of occupational health and safety practices,
- ◆ To constitute Occupational Health and Safety culture and turn it into a lifestyle.

In this direction, we declare and undertake:

- ◆ To meet the relevant standards and requirements in the field of legal obligations for Occupational Health and Safety,
- ◆ To increase our performance and our processes with a proactive approach on the continuous improvement on Occupational Health and Safety,
- ◆ To continue improving the education and activities of our employees and sub-contractors / suppliers to their employees, visitors, interns for adopting the principles of OHSAS.

**GENERAL MANAGER**



WE THRIVE AND  
DEVELOP TOGETHER



## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, has set a high standard of OHS performance and formalized policies since 1989. In order to create consistency across Şişecam Group as well as comparability of performance with its peers, the Company strives to ensure the majority of its plants use the Occupational

Health & Safety Advisory Services (OHSAS) 18001 Standard. The Company has implemented OHSAS 18001 Occupational Health and Safety Management Standards System in Yenişehir and Mersin plants in Turkey.



### OHS TRAINING

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, believes that promoting a culture of health and safety is vital to its success in achieving its goal of reducing the incidence rate of work accidents. For this reason,

and in order to go beyond the legislation, Şişecam provides regular OHS training sessions to all employees that cover the following topics:

#### General Issues

- ◆ Information regarding labor legislation
- ◆ Legal rights and responsibilities of employees
- ◆ Commercial cleaning and layout
- ◆ Legal consequences of occupational accidents and diseases

#### Technical Issues

- ◆ Chemical, physical, ergonomic risk factors
- ◆ Manual lifting and carrying
- ◆ Flash, explosion, fire and fire protection
- ◆ Safe use of work equipment
- ◆ Work with display screen equipment
- ◆ Electricity, hazards, risks and precautions

#### Health Issues

- ◆ Causes of occupational disease
- ◆ Principles of disease prevention and protection techniques
- ◆ Biological and psychosocial risk factors
- ◆ First aid

- ◆ Implementation of the technical principles of the causes and prevention of occupational accidents
- ◆ Safety and health signs
- ◆ Use of personal protective equipment
- ◆ General rules of occupational health and safety and security culture
- ◆ Evacuation and rescue.



WE BELIEVE THAT  
PROMOTING A CULTURE  
OF HEALTH AND SAFETY IS  
VITAL TO OUR SUCCESS IN  
ACHIEVING OUR GOAL  
OF REDUCING THE  
INCIDENCE RATE OF WORK  
ACCIDENTS.



A CENTRAL OHS EXPERT SERVES AS THE COORDINATING BODY, PROVIDING SUPPORT ON OHS-RELATED DEVELOPMENTS, INCLUDING CHANGES IN REGULATION, TRAINING COURSES.

## OHS RESPONSIBILITY

Project team members gave user training at headquarters and at the plants in relation to the Occupational Accidents Analysis and Corrective/Preventive Action Tracking System, which was prepared in 2013 and to be used by end users starting from January 2014. Having gone live, the system was improved in line with the feedback received, and started to be used actively and efficiently. In line with the modified occupational accidents analysis system, the annual Occupational Health and Safety Rewarding system was revised in view of occupational accident frequency, occupational accident severity and the best practices regarding occupational health and safety at plants.

As in 2013, activities were organized at Şişecam plants in Mersin during the National Occupational Health and Safety Week in May. The theater play themed occupational health and safety, which was specific to Şişecam culture and glass manufacturing, it staged starting from the national occupational health and safety week, and later in the year at the Group's plants.

## MANAGERIAL REVIEW OF HEALTH AND SAFETY

Through visible leadership and engagement, we believe that we can increase our ability to mitigate health and safety risks. By conducting regular reviews and consultations between management and production plants, we are able to consistently monitor performance, provide any needed support for program implementation and respond to safety issues together with production plant workers.

The resulting reports that were written include; monitoring and observation of results in the plants and were shared with the Şişecam Risk Management Department, Internal Audit Department and related Human Resources Departments.

All plants of Şişecam subsidiary companies employ OHS units that comprise an Occupational Health and Safety Expert, Workplace Physician and Medical Personnel, who serve under the Plant Manager. Companies and plants carry out their own internal OHS activities and monitor their results. Also in each plant there is an OHS Committee, which includes a management representative, support units and worker representatives. All employees at each plant are represented by the members of the OHS Committee. We comply with the local law<sup>6</sup> on the minimum numbers of committee representatives.

A Central OHS Expert serves as the coordinating body, providing support on OHS-related developments, including changes in regulation, training courses,

In addition to those, plays about OHS and Personal Protective Equipment (PPE) were put on stage, which encouraged the use of personal protective equipment and prizes were distributed to motivate the employees.

A painting competition was organized for the children of the Group blue collar employees in a bid to point out that occupational health and safety culture is applicable not only to workplace but to life in general, and to propagate this culture socially.

A committee made up of occupational safety specialists working at Şişecam headquarters and affiliated groups was set up to prepare an OHS handbook, which will be used at Şişecam workplaces. Addressing basic occupational health and safety topics and regulatory requirements so as to cover all production and working areas, the handbook was printed by early January 2015 and started to be handed out to employees with in 2015.

meetings and special events, among others. Additionally, the central unit carries out annual OHS measurement and monitoring activities in plants and issues reports of their results.

The current Workplace Accidents Analysis Tracking program has been improved to adapt to Şişecam's ever-evolving and changing structure, and a new Corrective & Preventive Actions (CAPA) system has been established to ensure more thorough measurement of workplace accidents.

Integrated with SAP, the CAPA system is available to all workplaces and units, including the management and sales centers and provides capabilities to track and control workplace accidents in a systematic manner.

Aside from tracking and preventive measures, these projects enable Şişecam to disclose accurate data and generate reports. This reporting protocol enables Şişecam to provide clear and transparent communications to employees and managers.

Further, we formed a Workplace Accidents Evaluation Commission to reduce work-related incidents using root cause analysis. The Commission evaluated each workplace accident caused by "Intervention to Working Machines", "Being Crushed between Two Objects" and "Glass Punctures". The Commission report containing case studies and recommendations was disseminated to our plants.

<sup>6</sup> The Law on Occupational Health and Safety No. 6331 ("Law No.6331"), which governs the health and safety standards to be adopted by employers in Turkey and was published on 30 June 2012.

## OCCUPATIONAL HEALTH AND SAFETY PRACTICES (OHS)

Within the program of Şişecam Group's OHS activities for Anadolu Cam San. A.Ş. in 2014, OHS measurement and monitoring activities were carried out at its Eskisehir and Mersin plants.

The resulting reports were shared with the Risk Management Division, Internal Audit Division, and related HR Departments of the Company and Şişecam Group.

Pursuant to the Occupational Health and Safety Law, work is taken on in relation to regulatory obligations, necessary training programs are offered, and practices are designed and events are organized to propagate a culture of occupational health and safety.

The industrial relations at domestic and overseas facilities are handled with domestic and foreign trade unions authorized at the respective workplaces on the basis of dialogues, observing the principles

of mutual understanding, permanent labor peace, and uninterrupted production, and are carried out in accordance with the collective agreements that conform to applicable laws and regulations.

The negotiations for the 24<sup>th</sup> Term Glass Group Collective Labor Agreement carried out with Kristal-İş Trade Union for 10 workplaces under Şişecam Group, including Anadolu Cam Sanayii A.Ş. plants in Mersin and Yenişehir, resulted in mutual agreement on 28 August 2014. The collective agreement will remain in force for a period of three years from 1 January 2014 through 31 December 2016.

In keeping with the corporate values, the Company does not discriminate against its employees on the basis of their race, religion, language or sex; respects diversity and differences, and requires strict adherence to Şişecam Code of Conduct in all work processes.

## INJURIES AND LOST DAYS

The company's OHS performance indicators for 2014 is shown below. From all of the Company's facilities in Turkey there were a total of 124 accidents that resulted in injury but no fatalities of either Anadolu Cam San.

A.Ş. employees or third-party workers. In all cases where there were injuries or near misses, investigations were undertaken to understand the root-cause and to help avoid any further accidents.

### OHS PERFORMANCE INDICATORS IN 2014

		Number
<b>Injuries</b>	Male	124
	Female	0
	Total Injuries	124
<b>Occupational Disease Cases</b>	Total Occupational Disease Cases	0
<b>Fatalities</b>	Total Fatalities	0
<b>Near Miss Incidents</b>	Male	118
	Female	0
	Total Near Miss Incidents	118

## STRONG INDUSTRIAL RELATIONS

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam Group, respects and supports its employees' right to join a union. Şişecam has relations with five trade unions in various branches of businesses under the

coordination of Şişecam Group Industrial Relations Directorate. Şişecam's goal in its Industrial Relations Vision is:

- ◆ To increase competitiveness and efficiency by developing industrial relations in a balanced way within the framework of Group policies
- ◆ To maintain industrial harmony in the workplace based on trust and dialogue with trade unions,
- ◆ To undertake the promotion of health and safety at work in line with Şişecam's "people first" philosophy.

Industrial relations at Şişecam Group are carried out with five related trade unions in three business lines, which are coordinated by Şişecam Group's Industrial Relations Directorate under the Human Resources Department.

As a result of the negotiations on the 24<sup>th</sup> Term Group Collective Bargaining Agreement with Trade Union for 10 workplaces affiliated to Şişecam Group, an agreement was executed following a 7-day strike. The agreement will remain in force for three years.

## REGULATION AND COORDINATION WORKS

Şişecam Industrial Relations Directorate has coordinated meetings to inform employees about recent changes to labor legislations and occupational health and safety regulations in 2014 as previous years. In the coordination meetings, relevant industry updates and problems encountered in practices were discussed as well as determining a certain Group approach to front problems.

Critics were shared with them about the present status and operation. Collaborative meetings continued to sustain the peace between the employees and the employer

The statements about rules, legislations and regulations were continuously shared with the employees in 2014.

There were many meetings held in 2014 related to strengthening relations and communication and a peaceful working environment in the company with labour union representatives and hourly paid employees. Additionally, there were many joint activities organized with unions other than technical meetings. The following points are examples of some of the activities:

Plant Managers in Turkey and HR Executives were given a training course about collective labor agreements.

- ◆ All hourly paid employees, some of them being union members, were given a company email address to strengthen relations.
- ◆ Informative news about the activities organized is screened at plant cafeterias to create a broader awareness of the company agenda and organizations amongst employees.
- ◆ Open door event and catering was held at the Company's Eskişehir plant with the participation of company executives, employees and Kristal-İş Union executives.



## Human Resources

- ◆ Our Workplace
- ◆ Policies and Career Advancement Programs
- ◆ Diversity and Inclusion

## OUR WORKPLACE



ONE OF THE OUR MAIN GOALS IN THE WORKPLACES IS TO PROVIDE OUR EMPLOYEES WITH A NON-DISCRIMINATORY WORKPLACE THAT MEETS THE STANDARDS OF NATIONAL AND INTERNATIONAL WORKPLACE RIGHTS POLICIES.

The Company's success depends on its employees. While developing, incorporating, and retaining the best talents, its priority is to provide a happy, safe

and motivating workplace where its employees can develop their full potential.

### Main goals in the workplace are:

- ◆ To provide its employees with a non-discriminatory workplace that meets the standards of national and international workplace rights policies
- ◆ To protect the rights of employees to unionize
- ◆ To continue to be a leading company which employs only the best practices in occupational health and safety in all its workplaces
- ◆ To provide a fair and pleasant place for its employees to work

## POLICIES AND CAREER ADVANCEMENT PROGRAMS



WE STRONGLY BELIEVE THAT THE SUCCESS OF ANADOLU CAM SAN. A.Ş. DEPENDS ON OUR MOST VALUABLE ASSET - OUR EMPLOYEES.

Anadolu Cam San. A.Ş., as a subsidiary of Şişecam, strongly believes that the success of the Company depends on its most valuable asset - its employees. To recruit the best talent, foster a culture of innovation and generate a favorable work atmosphere, Şişecam offers competitive compensation and benefits, including educational allowance and bonuses as well as annual vacation days, parental leave and marriage leave.

Şişecam also conducts regular performance reviews and training sessions to help build a solid foundation for its employees. Şişecam's leadership and development programs, which are articulated in the following section, are designed to help its employees thrive, build on their existing abilities and gain new skills.

### GLOBAL LEADERSHIP PROGRAM

This is a comprehensive and high priority program that aims to build the most critical competencies for high-performance culture at the leadership level.

### Intended results:

- ◆ Developing a global leader profile
- ◆ Defining required leader and employee competencies and behaviors in a high-performance culture
- ◆ Developing the communication plan for deploying the leadership model
- ◆ Designing internal competency trainings for managers and e-learning for employees.

## LEARNING & DEVELOPMENT PROGRAMS

Available to all levels of white-collar and blue-collar employees in Turkey, under the umbrella of Şişecam Akademi, the common objective of these programs is to equip the participants with the right set of competencies and skills necessary to lead the organization to the realization of its strategic goals. In line with this objective, the main activities of the learning & development department can be summarized as follows: assessing the training and development needs at an individual level in terms of organizational

competencies and occupational/technical skills; managing and updating a comprehensive learning & development catalogue; selecting and customizing the appropriate learning & development tools from the right resources; monitoring the impact of the activities and engaging in corrective action when necessary through constant feedback; and introducing new and innovative topics to the organization, which in turn contributes to the development of intellectual know-how.

## TRAINING

- ◆ Training is a top priority for Anadolu Cam San. A.Ş. Therefore, the Company creates an environment where learning and development is highly valued. All training is designed to be aligned with its culture and values and only after a thorough needs analysis of strategies, business needs, leadership requirements, challenges, and opportunities.
- ◆ Details on training data per gender and employment category are in the following. In 2014, the Company provided a total of 61,170 hours of training to its workforce in Turkey at an average of 33 hours per employee.

### TOTAL NUMBER OF HOURS OF TRAINING IN 2014

By Employee Category	2014
<b>Management</b>	
Male	925
Female	72
Total	1,001
<b>Staff</b>	
Male	56,801
Female	3,368
Total	60,169
<b>By Gender</b>	
Male	57,726
Female	3,444
Total	61,170

## EMPLOYEE ENGAGEMENT

The Company's employees' skills, motivation and commitment to Anadolu Cam San. A.Ş. help drive successful achievement of its goals and raise the bar for greater improvements; thus, Şişecam highly values its employees' views. As articulated in the following sections, Şişecam seeks their opinions on strengths, weaknesses and opportunities in many aspects of its work environment through several mechanisms.

Şişecam Group conduct Employee Engagement & Satisfaction Survey bi-annually, including Anadolu



IN 2014 TOTAL HOURS OF  
TRAINING **61,170**  
TRAINING HOURS / EMPLOYEE  
**33**

Cam San. A.Ş. in every 2 years, followed by a periodic Pulse Survey conducted in the year between. Based on the Survey results, action plans are developed and followed by the related parties. According to the results of the Survey of 2013, internal communication was determined as a focus area and there have been several new initiatives on the area since. (e.g. Şişecam has developed a social club for its employees where they have the opportunity to attend diverse range of activities throughout the Company.)



WE SEEK OUR EMPLOYEES'  
OPINIONS ON STRENGTHS,  
WEAKNESSES AND  
OPPORTUNITIES IN MANY  
ASPECTS OF OUR WORK  
ENVIRONMENT  
THROUGH SEVERAL  
MECHANISMS.

## SUGGESTION DEVELOPMENT SYSTEM

A Suggestion Development System was introduced in order to ensure the collection and appraisal of Şişecam Group employees' innovative suggestions, adding value in line with Group strategy and objectives. This system involves approval of incoming suggestions by the Suggestion Reception Team, valuation by the Suggestion Evaluation Team, and the monitoring of

the whole process in an electronic environment. The purpose of the Suggestion Development System is to gather suggestions that add value, assess them in a reliable fashion, and implement any practicable suggestions in order to reap any financial return and/or process optimization benefits.

## PERFORMANCE MANAGEMENT

Responsible for expanding the success of its performance culture and increasing organizational readiness, the Performance Management System works hand in hand with the vision, mission and strategies of the Group. Started by the Group in 2010, the Balanced Score Card system is aligned with individual targets.

In line with this, its success-based performance culture is being converted into a success-based corporate culture. The purpose of the Performance Management System is to create value for employees and to ensure that the value created by employees serves the development and sustainability targets of Şişecam.

## CAREER DEVELOPMENT

Şişecam offers opportunities for all employees to develop their careers through an integrated pre-planning of organizational and employee needs. Both the expectations of the individual and the requirements of the organization are addressed in the Career Development Plan, as part of the annual Performance Management System.

Moreover, strategic career maps, Group-based career and succession plans, are developed based on the data from the Performance Management System. In addition, employee competencies are reviewed at external Assessment Centers, where blue-collar and white-collar employees participate before being considered for promotion. If any development areas are identified in the process, development plans are prepared that match the needs of the individual.

Performance evaluation and career development systems are in place at Şişecam for both blue-collar and white-collar staff. A regular performance and career development assessment of the preceding year is implemented for all staff without exception.

In implementing this system, managers objectively and sensitively assist the development of their staff. The employee is always informed of the results following the evaluation in what is a confidential process.

Performance and career development reviews are applicable for all white-collar employees.

## RECOGNITION & REWARD SYSTEM

Şişecam Employee Recognition & Reward System including employees of Anadolu Cam San. A.Ş. is the acknowledgement of an individual or team's

behavior, effort and accomplishments that support the organization's goals and values.



- ◆ Recognition: In its recognition system, Şişecam grants spot awards to its employees who have achievements and exemplary behaviors to let them know that their work is valued and appreciated. Şişecam also congratulates its employees on their special days such as birthdays, marriages and promotions to build a supportive work environment.
- ◆ Reward: Şişecam has three main rewarding categories:
  - I. Stars of the Year: According to the Reward system at Şişecam, projects that excel in providing business-oriented solutions, such as improving the efficiency and effectiveness of Şişecam's processes and reinforcing Şişecam's brand value are granted an award in this category.
  - II. Occupational Health and Safety: Şişecam companies are granted an award in "Occupational Health and Safety Award" category according to their Accident Frequency Rate and Accident Severity Rate. And also The Best Practice in Occupational Health and Safety is selected and awarded with 'The Best Execution in Occupational Health and Safety Award' in that category.
  - III. Special Award: In "Special Award" category, employees or initiatives for cultivating positive work relations, pursuing sustainability endeavors, and developing a constructive work environment are granted an award.

PROJECTS THAT EXCEL IN  
PROVIDING  
BUSINESS-ORIENTED  
SOLUTIONS ARE GRANTED  
AS "STAR OF THE YEAR"  
AWARD.

## FLEXIBLE BENEFITS

We started up the Flexible Benefits Program at the beginning of March, 2015. Flexible plans allow employees to choose the benefits they want or need from a package offered by Şişecam. Our Flexible benefit

package includes variable health insurance plans for employees and their families and life insurance for this year.

## EMPLOYER BRANDING

To increase the Employer Branding Image of Sisecam, we plan yearly campus activities (e.g. case studies, interview simulations, tea-talks with managers, etc.) Case studies include team work of students on various topics. Students try to give a solution to given situation and at the end they make a presentation about it. We plan participate in these case studies with some of our managers, so they would be able to observe students naturally. In addition, successful students may be awarded with internship opportunities, which can increase the applications to these activities as well.

The aim of Interview Simulations is for the students to experience different types of interviews, such as one-to-one and group interviews. In addition, this activity introduces students to a good type of interviewer as well as a bad interviewer. The aim of questions and the expectations behind these questions are also at the target of this activity. After the examples, the HR department gives feedback to students.

Tea-talks with managers allow students to listen and experience the managers' career paths which can enhance their point of views on different career paths.

## STRUCTURED LONG-TERM INTERNSHIP PROGRAM

The long-term internship program aims to hire successful students as interns in a long-term period; so we can observe their performance as well as teaching

them our culture and the different service lines of our business.

## COMMON LANGUAGE PROGRAM

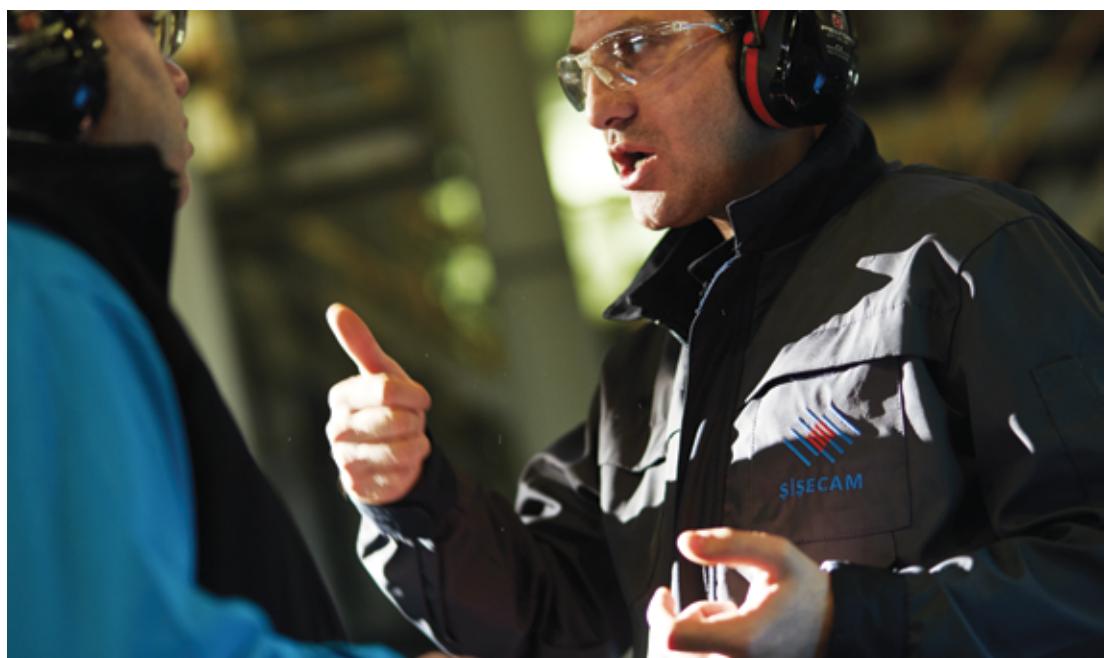
The main purposes of the program is strengthening the interaction of management teams, supporting the

effectiveness of Şişecam and developing role model approaches in the transformation process.

## "WE ARE ŞİŞECAM" MEETINGS

The main purpose of these meetings is to spread Şişecam Values to all Şişecam employees. Meetings were completed in Turkey, Bosnia and Bulgaria and will be held in the other countries . Within the scope

of the activities aimed at disseminating the values to large audiences, "We Are Part of the Şişecam Family" workshops were organized in and out of Turkey in 2014.



## DIVERSITY AND INCLUSION

Şişecam recently revisited the Şişecam Corporate Values to incorporate its employee strategy. Two of the core values of its organization implicitly acknowledge the importance of diversity and inclusion to its business. Şişecam performed a company-wide

online employee survey, the results of which Şişecam integrated into policies and values of Anadolu Cam San. A.Ş. As presented in the Values section under Corporate Governance of this report, two of Şişecam's core values are:



- ◆ Şişecam exhibits a fair and transparent management approach.
- ◆ Şişecam respects differences.

A fundamental value at Anadolu Cam San. A.Ş., "We respect differences" guides the company to take an inclusive approach in considering the diverse insights at the company. By harnessing the knowledge and perspectives of its diverse workforce, Şişecam is well-positioned to bring the necessary improvements to its workplace, generate innovative solutions and strengthen its reputation as a global leader.

Consistent with this value, Şişecam reaffirms its commitment to equal opportunity with the value "We exhibit a fair and transparent management approach."

Şişecam strives to create an inclusive workplace and ensure that HR processes such as recruitment, career development and training are free of discrimination. Accordingly, no HR policies or procedures indicate any difference between male and female employees at Şişecam.

Details of The Company's employee profiles (gender, age and employment category) along with new hires and leavers data are shown in the following. The vast majority of our employees are on full-time contracts.

TWO OF THE CORE  
VALUES OF OUR  
ORGANIZATION:

*WE EXHIBIT A FAIR AND  
TRANSPARENT MANAGEMENT  
APPROACH.*

*WE RESPECT DIFFERENCES.*

### EMPLOYEE PROFILE BY AGE AND GENDER AS AT 31 DECEMBER, 2014

Category	Age	2014		
		Male	Female	Total
Manager	under 30	0	0	0
	30-50	28	3	31
	over 50	11	2	13
	Total	39	5	44
Staff	under 30	384	38	422
	30-50	1,303	66	1,369
	over 50	7	0	7
	Total	1,694	104	1,798
<b>Total</b>		<b>1,733</b>	<b>109</b>	<b>1,842</b>



## RECRUITMENT

Recruiting the right people with capabilities that are aligned with culture of Anadolu Cam San. A.Ş. is a top business priority. The Recruitment Unit works to attract new graduates and other professionals by actively using all available recruiting methods and techniques, and by organizing various communication activities at universities and similar institutions.

Data by age, gender and employment category for new hires in 2014 is shown below. Total new hires in Turkey were 78 (4%) of the workforce in 2014.

### NEW EMPLOYEE HIRES IN 2014 BY AGE AND GENDER

Category	Age	Male	Female	Total
<b>Number of Managers hired during the reporting period</b>	under 30	0	0	0
	30-50	6	0	6
	over 50	3	0	3
	Total	9	0	9
<b>Number of Staff hired during the reporting period</b>	under 30	20	9	29
	30-50	46	2	48
	over 50	1	0	1
	Total	67	11	78

In 2014, 11 female employees were entitled to take maternity leave and all did. All of them have subsequently returned to work.



# Corporate Social Responsibility

Anadolu Cam San. A.Ş. places high importance on corporate social responsibility and investing in local communities. Areas of focus within the Company's

approach include supporting the environment and education, as explained in the following sections.

### **PROJECT "GLASS AND GLASS AGAIN"**

Launched in 2011 by Anadolu Cam San. A.Ş. in cooperation with the ÇEVKO Foundation and local administrations, the project "Glass and Glass Again" is one of the most comprehensive sustainability and

social responsibility initiatives in Turkey. Aiming to change social behavior and support the move towards a recycling society, the project is carried out with the primary objectives of;

- ◆ Raising awareness on glass packaging recycling and helping build an informed community,
- ◆ Improving the collection infrastructure for glass packaging waste,
- ◆ Modernizing the glass packaging waste collection and processing facilities, and separating glass packaging waste from municipal waste before landfilling.



"GLASS AND GLASS AGAIN"  
PROJECT, ANADOLU CAM  
SAN. A.Ş. RECEIVED THE  
"SUSTAINABILITY AWARD"  
UNDER THE "2014  
CORPORATE SOCIAL  
RESPONSIBILITY AWARDS"  
PROGRAM.



Between 2011 and 2014, training in glass recycling were provided to 163,000 primary school students, 8,900 bottle banks were donated and 437,100 tons of glass packaging waste was recycled in the project. This resulting reduction in carbon emissions was equal to that of removing 157,000 cars off the roads, and the energy saved thanks to recycling reached a level that would cover the heating and hot water needs of 18,000 dwellings. In addition, cooperation was established with 94 local municipalities in 13 cities, and support was extended to raise awareness among society, improving collection infrastructure and modernizing glass recycling facilities. During 2014, a total of 3,750 bottle banks were donated to selected

districts in İstanbul, Ankara, İzmir, Mersin, Denizli, Muğla, Kocaeli, Edirne, Kırklareli, Manisa, Aydın, Adana and Tekirdağ. Of these, 2,900 had 900 liters capacity and 850 had 1,200 liters capacity. Furthermore, bottle bank collection vehicles were donated to Beyoğlu, Şişli and Marmaris and Zeytinburnu municipalities. Special bottle banks are being designed to fulfill the needs of restaurants and hotels which heavily generate glass packaging waste. During the reporting period, most of the bottle banks were set up at heavily-visited locations such as shopping malls, main streets, city squares; and activities to raise awareness on recycling were carried out, during which various project mascots were used and presents were given away.



#### "HAYATA CAM KAT"

The [www.hayatacamkat.com](http://www.hayatacamkat.com) website, which went live in 2012 to highlight the fact that glass is the healthiest and the most sustainable packaging material provides the website's visitor with daily news articles about the benefits of using and recycling glass packaging, sustainability, the environment and "Glass and Glass Again" Project. The site was redesigned in March 2014. "Hayata Cam Kat" (Add Glass to Life) gained more followers on its social media channels under the same name (Add Glass to Life) and carried out new applications in 2014 to raise awareness amongst consumers. Social media sites of Anadolu Cam San. A.Ş. keep followers up to date with its sustainability projects and also projects and news from around the world. The Company's aim with Hayata Cam Kat is to reach consumers at a medium that is used by everyone on a daily basis using informative content.





## GENERAL STANDARD DISCLOSURES

Standard Disclosure	Description	Reference	External Assurance (Yes / No)
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Letter from Şişecam CEO, page 4; Letter from Turkey Glass Packaging President, page 6	No
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of the organization	Anadolu Cam San. A.Ş.	No
G4-4	Primary brands, products and services	Anadolu Cam San. A.Ş.: an introduction, page 8	No
G4-5	Location of HQ	Istanbul, Turkey	No
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Anadolu Cam San. A.Ş.: an introduction, page 8	No
G4-7	Nature of ownership and legal form	Organizational Structure, page 9	No
G4-8	Markets served	Pursuing operations in 4 countries, Anadolu Cam San. A.Ş. has a total production capacity of 2.2 million tons/year; • 920 thousand tons/year at 3 facilities in Turkey, • 1.2 million tons/year at 5 facilities in the Russian Federation, • 60 thousand tons/year at 1 facility in Georgia, • 85 thousand tons/year at 1 facility in Ukraine.	No
G4-9	Report the scale of the organization, including:	Anadolu Cam San. A.Ş.: an introduction, page 8	No
G4-10	Workforce breakdown	Human Resources, page 57	No
G4-11	Percentage of total employees covered by collective bargaining agreements	100% among blue collar employees.	No
G4-12	Organization's supply chain	Supply Chain, page 43	No
G4-13	Significant changes during the reporting period	Appendix 1 – Footnote 1, page 75	No
G4-14	Precautionary approach principle	Approach to Standards and Organizations, page 24	No
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Approach to Standards and Organizations, page 24	No
G4-16	Memberships of associations and national or international advocacy organizations maintained at the organizational level	Memberships and Partnerships, page 25	No
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	Scope of consolidated financial statements and omissions to the scope	Anadolu Cam San. A.S. has operations in 4 countries. For all entities included in consolidated financial statements, please refer to Appendix 1 at Page 75. For more detailed information on all entities, please refer to Anadolu Cam San. A.S. 2014 Annual Report, pages 29 and 30. The sustainability information in this report covers all operations in Turkey with the exception of Omco İstanbul Kalip San. ve Tic. A.Ş. due to its joint venture structure	No
G4-18	Process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content.	Approach to Materiality, page 23	No
G4-19	Identified Material Aspects	Approach to Materiality, page 23	No
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Approach to Materiality, page 23	No
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Approach to Materiality, page 23	No

G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	This is the first sustainability report of Anadolu Cam San. A.S.	No
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	This is the first sustainability report of Anadolu Cam San. A.S.	No
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	List of stakeholder groups engaged by the organization	Approach to Stakeholders, page 19	No
G4-25	Basis for identification and selection of stakeholders with whom to engage	Approach to Stakeholders, page 19	No
G4-26	Approach to stakeholder engagement	Approach to Stakeholders, page 19	No
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Approach to Stakeholders, page 19	No
<b>REPORT PROFILE</b>			
G4-28	Reporting period	1 January 2014 – 31 December 2014	No
G4-29	Date of most recent previous report	This is the first sustainability report of Anadolu Cam San. A.S.	No
G4-30	Reporting cycle	Annual	No
G4-31	Contact point for questions regarding the report or its contexts	M.Taylan Sabaner Development Manager +90 212 350 37 40 +90 212 350 50 50 tsabaner@sisecam.com	No
G4-32	"In accordance" option, GRI content index, external assurance report	This year's report is prepared in accordance with GRI G4 reporting standards to "Core" level. The GRI content index can be found in page 68. We haven't obtained external assurance for this year's report.	No
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	We have not obtained external assurance for our first G4 report. However, we prepared all our data accordingly and with the vision to obtain external assurance in the future	No
<b>GOVERNANCE</b>			
G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Risk Management and Internal Audit Activities, page 14; Human Resources, page 57	No
<b>ETHICS AND INTEGRITY</b>			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Ethics and Code of Conduct, page 15	No

**SPECIFIC STANDARD DISCLOSURES**

Standard Disclosure	Description	Reference	Omissions	External Assurance (Yes / No)
<b>CATEGORY: ECONOMIC</b>				
<b>ASPECT: ECONOMIC PERFORMANCE</b>				
G4-DMA	Generic Disclosures on Management Approach	Organizational Structure, page 9	-	No
G4-EC1	Direct economic value generated and distributed	Organizational Structure, page 9	-	No
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Organizational Structure, page 9	-	No
G4-EC4	Financial assistance received from government	Although Anadolu Cam San. A.Ş. has not received any financial incentives or grants during the reporting period, the Company does have capital expenditure subject to tax deduction.	-	No
<b>ASPECT: MARKET PRESENCE</b>				
G4-DMA	Generic Disclosures on Management Approach	Our Sustainability Approach, page 16	-	No
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	100% (10 senior managers). Local is defined as Turkey.	-	No
<b>ASPECT: INDIRECT ECONOMIC IMPACTS</b>				
G4-DMA	Generic Disclosures on Management Approach	Our Sustainability Approach, page 16	-	No
G4-EC7	Development and impact of infrastructure investments and services supported	Case Study: Anadolu Cam San. A.Ş. is Focused on Recycling of Glass Waste, page 41	-	No
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Corporate Social Responsibility, page 65	-	No
<b>CATEGORY: ENVIRONMENTAL</b>				
<b>ASPECT: ENERGY</b>				
G4-DMA	Generic Disclosures on Management Approach	Our Sustainability Approach, page 16	-	No
G4-EN1	Materials used by weight or volume	Raw and Recycled Input Materials Used for Production, page 42	-	No
G4-EN2	Percentage of materials used that are recycled input materials	Raw and Recycled Input Materials Used for Production, page 42	-	No
<b>ASPECT: ENERGY</b>				
G4-DMA	Generic Disclosures on Management Approach	Environmental and Energy Policy, page 30	-	No
G4-EN3	Energy consumption within the organization	Energy Performance, page 35	-	No
G4-EN6	Reduction of energy consumption	Energy Performance, page 35	-	No
<b>ASPECT: EMISSIONS</b>				
G4-DMA	Generic Disclosures on Management Approach	Greenhouse Gas (GHG) Emissions, page 39	-	No
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Greenhouse Gas (GHG) Emissions, page 39	-	No
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Greenhouse Gas (GHG) Emissions, page 39	-	No

G4-EN19	Reduction of greenhouse gas (GHG) emissions	Energy Performance, Page 35	-	No
<b>ASPECT: EFFLUENTS AND WASTE</b>				
G4-DMA	Generic Disclosures on Management Approach	Waste Management, page 40	-	No
G4-EN23	Total weight of waste by type and disposal method	Waste Management, page 40	-	No
<b>ASPECT: PRODUCTS AND SERVICES</b>				
G4-DMA	Generic Disclosures on Management Approach	Our Sustainability Approach, page 16	-	No
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Our Sustainability Approach, page 16	-	No
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Waste Management, page 40	-	No
<b>ASPECT: COMPLIANCE</b>				
G4-DMA	Generic Disclosures on Management Approach	Compliance with the Law and Legislation, page 15	-	No
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2014, there were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.	-	No
<b>ASPECT: OVERALL</b>				
G4-DMA	Generic Disclosures on Management Approach	Environmental Compliance, page 32	-	No
G4-EN31	Total environmental protection expenditures and investments by type	Environmental Compliance, page 32	-	No
<b>CATEGORY: SOCIAL</b>				
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>				
<b>ASPECT: EMPLOYMENT</b>				
G4-DMA	Generic Disclosures on Management Approach	Human Resources, page 57	-	No
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Human Resources, page 57	-	No
G4-LA3	Return to work and retention rates after parental leave, by gender	Human Resources, page 57	-	No
<b>ASPECT: LABOR/MANAGEMENT RELATIONS</b>				
G4-DMA	Generic Disclosures on Management Approach	Strong Industrial Relations, page 56	-	No
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Strong Industrial Relations, page 56	-	No
<b>ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>				
G4-DMA	Generic Disclosures on Management Approach	Occupational Health and Safety, page 50	-	No

G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Occupational Health and Safety, page 50	-	No
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Occupational Health and Safety, page 50	-	No
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	All sectors in which Anadolu Cam San. A.Ş. operates are high risk sectors.	-	No
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Strong Industrial Relations, page 56	-	No
<b>ASPECT: TRAINING AND EDUCATION</b>				
G4-DMA	Generic Disclosures on Management Approach	Training, page 59	-	No
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Training, page 59	-	No
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Şişecam offers the following learning programs to its employees: • Competence Based T&D Programs • Professional Development Programs • Development Programs for Computer Skills • Language Courses • Long-term training and development programs for Glass School / Sales & Marketing School • Distant learning through e-learning platform • Obligatory/Legal trainings (Trainings for Health&Safety, First-Aid, Emergency etc.)	-	No
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Performance and career development reviews are conducted annually for each year, also including the mid-term review period. The reviews are applicable for all white-collar employees, excluding the consultants and legally compelled medical staff.	-	No
<b>ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>				
G4-DMA	Generic Disclosures on Management Approach	Diversity and Inclusion, page 63	-	No
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Human Resources, page 57	-	No
<b>ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN</b>				
G4-DMA	Generic Disclosures on Management Approach	In Şişecam Group, allocation of salaries and benefits only differ in relation to the scope, experience and skills related to the requirements of the job and job related criteria. There is no discrimination against gender, religion, language, race/ ethnicity or disability.	-	No
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	1/1	-	No
<b>SUB-CATEGORY: HUMAN RIGHTS</b>				
<b>ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>				
G4-DMA	Generic Disclosures on Management Approach	Strong Industrial Relations, page 56	-	No

G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

No operations and suppliers were identified.

-  
No

#### CATEGORY: SOCIETY

##### SUB-CATEGORY: SOCIETY

###### ASPECT: CUSTOMER HEALTH AND SAFETY

G4-DMA	Generic Disclosures on Management Approach	Approach to Standards and Organizations, page 24	-	No
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	100%	-	No
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	There were no incidents of non-compliance with regulations and voluntary codes during the reporting period.	-	No

###### ASPECT: COMPLIANCE

G4-DMA	Generic Disclosures on Management Approach	Compliance with the Law and Legislation, page 15	-	No
G4-SO8	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no significant fines for non-compliance with laws and regulations during the reporting period.	-	No

**Appendix 1 - List of all entities included in the organization's consolidated financial statements or equivalent documents.**

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country of registration</b>
Anadolu Cam Sanayii A.Ş.	Production and sales of glass packaging	Turkey
Anadolu Cam Yenişehir Sanayi A.Ş.	Production and sales of glass packaging	Turkey
Anadolu Cam Eskişehir Sanayi A.Ş.	Production and sales of glass packaging	Turkey
Anadolu Cam Investment B.V.	Finance and investment company	Netherlands
Balsand B.V.	Finance and investment company	Netherlands
OOO Ruscam Management Company	Finance and investment company	Russia
OOO Ruscam Glass Packaging Holding	Production and sales of glass packaging	Russia
OOO Ruscam	Production and sales of glass packaging	Russia
OOO Ruscam Glass*	Production and sales of glass packaging	Russia
OAO Ruscam Pokrovsky	Production and sales of glass packaging	Russia
OOO Ruscam Sibir	Production and sales of glass packaging	Russia
CJSC Brewery Pivdenna	Production and sales of glass packaging	Ukraine
Merefa Glass Company Ltd.	Production and sales of glass packaging	Ukraine
JSC Mina	Production and sales of glass packaging	Georgia
<b>Joint Ventures</b>	<b>Nature of business</b>	<b>Country of registration</b>
Omco İstanbul Kalıp Sanayii ve Tic. A.Ş.	Production and sales of moulds	Turkey
OOO Balkum	Sand extraction and sales	Russia
<b>Associate</b>	<b>Nature of business</b>	<b>Country of registration</b>
OAO FormMat	Sand extraction and sales	Russia
Camiş Elektrik Üretim A.Ş.	Electricity Production And Sales	Turkey

\* The legal title of OOO Ruscam Kuban was changed as OOO Ruscam Glass on 28 March 2014.



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