

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.
2015 SUSTAINABILITY REPORT





SUSTAINABILITY REPORT 2015

ABOUT THE REPORT

Türkiye Şişe ve Cam Fabrikaları A.Ş. (hereinafter referred to as "Şişecam Group", "Group" or "Şişecam") presents its stakeholders with its sustainability performance for the period between January 1st and December 31st 2015, in this third Sustainability Report prepared according to the "core" option of GRI G4 Sustainability Reporting Guidelines.

The economic data included in the report involve operations of Şişecam in Turkey and abroad. Social and environmental indicators involve Şişecam's Turkey operations. Şişecam aims to expand the scope of its sustainability reporting to also include its overseas operations in the forthcoming reporting periods.

Stakeholder feedbacks are vital for us in terms of improving both our operations and our reporting process. All views and suggestions received from our stakeholders are closely examined and used to improve our operations.

We invite our stakeholders to forward any opinions about the report, suggestions or complaints to:

Dilek Bolcan
Environmental Manager
Corporate Development and Sustainability Department
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TABLE OF CONTENTS

	ABOUT THE REPORT	02
	MESSAGE FROM CHAIRMAN	04
	MESSAGE FROM CEO	06
	ABOUT ŞİŞECAM	08
15	GOVERNANCE AT ŞİŞECAM	
	CORPORATE GOVERNANCE	16
	RISK MANAGEMENT AND INTERNAL AUDIT	17
	BUSINESS ETHICS	18
	FIGHT AGAINST CORRUPTION	18
	SUSTAINABILITY MANAGEMENT	19
	STAKEHOLDER ENGAGEMENT	22
25	VALUE CHAIN	
	SUPPLY CHAIN MANAGEMENT	27
	PRODUCT SAFETY AND PRODUCT RESPONSIBILITY	29
	PRODUCT INFORMATION	31
	CUSTOMER SATISFACTION	32
	CUSTOMER DATA PRIVACY	32
	INFORMATION SECURITY	32
	RESEARCH AND TECHNOLOGICAL DEVELOPMENT ACTIVITIES	33
35	WORK LIFE	
	EQUALITY AT WORK AND FAIR WORKING CONDITIONS	37
	EMPLOYEE DEVELOPMENT	38
	EMPLOYEE RIGHTS	40
	EMPLOYEE ENGAGEMENT	42
	OCCUPATIONAL HEALTH AND SAFETY	43
47	ENVIRONMENT	
	ENERGY AND EMISSION MANAGEMENT	50
	EFFICIENT USE OF RESOURCES	54
	ENVIRONMENTALLY FRIENDLY PRODUCTS	55
57	CONTRIBUTION TO COMMUNITY DEVELOPMENT	



H. ERSİN ÖZİNCE
Chairman of the Board of Directors

Message from The Chairman

Our Sustainability approach is one of the most significant determinants of our business manner, which we structure with the purpose of securing our profitability and subsistence, preserving our competitive power, and further advancing our operations.

Esteemed Stakeholders,

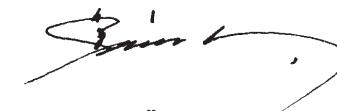
Constantly improving itself by integrating the accumulation and experience brought by its 80 years of history with modern production technologies and management models, learning and transforming its knowledge into value, Şişecam Group pursues its operations in cooperation, interaction, and communication with an extensive stakeholder network on a global scale.

Our Sustainability approach is one of the most significant determinants of our business manner, which we structure with the purpose of securing our profitability and subsistence, preserving our competitive power, and further advancing our operations.

Through our implementations within the scope of this approach, which directly supports our objective of becoming one of the top three companies in the global glass industry, all activities related to high priority elements in the area of sustainability, such as effective management of energy and natural resources, increasing efficiency, reducing greenhouse gas emissions, following international standards and best practices at all sites of operation domestic and abroad, ensuring the safety of our employees and satisfaction of our customers, are meticulously handled. Our efforts in this direction are continuously sustained, our strong corporate governance structure is supported with modern practices and systems, our operations are conducted in light of our business ethics principles and beyond legal requirements.

The responsibility we bear in environmental, social, as well as financial areas while advancing toward our vision for the future as a global company enables us to improve our activities in this regard with new targets and projects, empowering us to further enhance our sustainability performance.

On occasion of this Report, which we have prepared based on the necessity of transparently sharing our efforts and performance within the context of sustainability with our stakeholders, I present my sincere thanks to all our stakeholders who assure that we persist as one of the most reputable institutions of our country and the world.



H. Ersin Özince
Chairman of the Board of Directors



PROF. DR. AHMET KIRMAN

Vice Chairman and CEO

As Şişecam Group, values that we embrace are to create value for all our stakeholders with sensitivity towards individuals and environment, to shape future with products and services that makes life easier and to share the wealth we create.

Message from The CEO

Esteemed Stakeholders,

Sharing with you our third Sustainability Report that we prepared as an important indicator of our understanding of transparency and accountability, I am glad to inform you that we are also publishing the Sustainability Reports of Şişecam Flat Glass, Şişecam Glass Packaging, Paşabahçe, and Soda Sanayii A.Ş. within the body of Şişecam Chemicals simultaneously with this report, where the consolidated performance of all the companies incorporated within the body of Şişecam Group for the year 2015 is presented, and that all the reports were prepared in accordance with the internationally recognized Sustainability Reporting Guidelines (GRI G4) of the Global Reporting Initiative.

Shaping the responsible growth strategy of our Group, one of the oldest and largest institutions created by the Republic of Turkey, and constituting an important part of our business strategies, "sustainability" is one of the primary elements supporting our resolved progress towards the objective of becoming one of the top three in the global glass industry. Our enhanced performance in the issues of environmental protection, operational efficiency, and constant improvement, which we rigorously emphasize in all the activities we carry out while assertively and consistently advancing towards our objective, alongside our financial success render our power in the competitive environment sustainable.

As a global company, Şişecam continues to consolidate its position in the sectors which it operates in.

Despite the atmosphere of business life and markets which are dominated by uncertainty and inconsistency in 2015, Şişecam Group, one of the leading global players of the market, was minimally affected by all the negativities thanks to strategic foresights, precautions, and flexible management structure.

In 2015, 4.2 million tons of glass was produced in our Group, our consolidated net sales income was 7.4 billion TL, when 51% of our turnover consisted of international sales. 2.2 million tons of soda and 3.6 million tons of industrial raw material was produced; a 16% increase was achieved in soda sales revenues in TRY as against the previous year. The increase in our profitability levels, accompanying our rising capacity usage rates in line with TRY 1.1 billion of investment expenditure realized in 2015, was also maintained in 2015 and our consolidated EBITDA margin was at the level of 24%, increasing by 4 points as against the previous year.

Energy saving projects have an important place among our efforts to manage costs effectively.

The efficient use of energy, which is one of the most significant inputs in our field of operation, is one of the prioritized issues of our Group within the scope of our objective regarding the effective management of our costs in order to ensure the sustainability of our operations. The achievements we have gained in result of the importance we attribute to energy efficiency activities also contribute to the issue of combating climate change, which is the common responsibility of the business world. Our operations are carried out with the awareness of the responsibility we bear in this issue. In this regard, our total energy consumption was reduced by 4.7% as against the previous reporting period, a total of 7.7 million kWh of electricity and 3.3 million Sm³ of natural gas savings was achieved and the emission of 10,000 tCO₂ was prevented through energy saving projects.

One of the most significant elements of our global competitiveness is the advancements we achieve regarding Research and Technological Development.

In order to meet increasing and changing customer expectations, while actualizing environmentally friendly, highly competitive, innovative products, our research and technological development activities were maintained without slowing down, in 2015. Conducted in every stage of production processes from raw material to final product, our R&TD activities aim production of new products with advanced technology, besides developing investment plans regarding cost-reducing innovations and efficiency increasing products and enhancing our competitive power. One of the significant rewards for all our investments and the projects conducted was the designation of our Science and Technology Center as the "Best R&D Center" in the fields of "Glass and Glass Products" and "Cooperation and Interaction" from amongst 201 centers by the Turkish Ministry of Science, Industry and Technology.

The importance we attribute to contributing to community development is reflected by the projects we actualize in the areas of environment, education, culture, and sports.

Started in 2011 with reference to glass being the most sustainable packaging material, the "Glass and Glass Again" project, one of the most comprehensive sustainability and social responsibility projects of Turkey, is being continued. As part of the project, to this day 203 thousand primary school students were provided with training about glass recycling, around 13 thousand glass banks were donated within the context of collaborations with district municipalities, preventing dumping of over 2 billion glass bottles to trash. Great progress was achieved in relation to our objective of

using cullet as raw material, which provides major saving in energy consumption, the rate of cullet use, which was 8% in 2011, was increased to 19% in 2015.

Within the scope of the "Kazanlı Sea Turtles Project" maintained since 2007, the nesting areas of endangered "Caretta Caretta" and "Chelonia Mydas" turtles are being protected. It is intended to inform the local community regarding the issue through awareness raising activities and to benefit the sociocultural and socioeconomic life in the region through ecotourism that may be generated by the presence of endangered sea turtles.

Bearing the responsibility of keeping our cultural heritage in the area of glass alive, alongside its responsibilities in relation to the industrial race we are part of, Şişecam realizes significant activities in this field with Serçe Harbor Glass Wreck Documentary, Antique Glass Works Collection and its History-Culture-Glass themed product portfolio.

Serving young athletes and aspiring athletes in the branches of sailing, rowing, and canoeing and raising national athletes, Şişecam Çayırova Sports Club continues to be our source of pride with the successes achieved by its athletes.

Our productive and talented workforce is one of the most significant determinants of our outstanding achievements and global competitive power.

Şişecam Group pursues its businesses with the objective of incorporating and retaining the innovative manpower who learns together and creates value on a global scale, for sustainable success. Ensuring the continuity of a workplace where our employees can work safely and comfortably is among our priorities. In this regard, besides improving our human resources management,

various practices that we actualized for generalizing and consolidating Occupational Health and Safety awareness are still continued.

Our sustainability approach perpetuates the value we generate.

The activities we conduct with a corporate approach and within a strategic plan as Şişecam Group will continue in full course with the objectives of achieving operational excellence by using our knowledge accumulation and resources most efficiently, and consolidating our position in the sector.

I extend my gratitudes and regards to all our stakeholders who have a share in carrying the value we generate as a global company to its current level and reaching the levels we aim for in global competition.

Sincerely,



Prof. Dr. Ahmet Kirman
Vice Chairman and CEO

ABOUT ŞİŞECAM

Şişecam Group is an industrial group operating in the main business fields of flat glass, glassware, glass packaging, and chemicals on an international scale. Şişecam Group, which pursues its production operations in 13 countries with its more than 21,000 employees, makes half of its sales abroad and exports its products to nearly 150 countries around the world.



The Group is leading in Turkey in all glass related business fields, such as flat glass, glassware, glass packaging, and glass fiber, as well as soda and chromium chemicals. It is also among the leading organizations of the Turkish industrial raw material industry.

Founded in 1935 by Türkiye İş Bankası upon the directive of Atatürk, Şişecam is one of the most established industrial organizations in Turkey with its 80 years of history and among the most prestigious glass manufacturers of the world thanks to its highly specialized and competitive operations.

Vision

"To be a global company pioneering the future of glass and other business fields, producing creative solutions together with its business partners, creating difference with its technologies and brands, respectful of the individual and the environment"

Mission

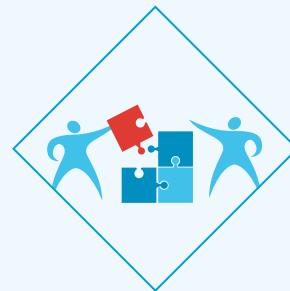
"To be a company that adds value to life with its high quality products offering comfort and respects people, nature, and the law."

ŞİŞECAM 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.

CORE BUSINESS SEGMENTS

Şişecam operates in four main lines of business. Below is an overview of these four lines:



FLAT GLASS

Operating in the field of flat glass within Şişecam Group, Şişecam Flat Glass ranks fifth in world and second in Europe in its sector in terms of production capacity. It maintains its operations in four main business fields, namely architectural glass (flat glass, opal glass, mirror, laminated glass, and coated glass), auto glass, encapsulated glass and glass for other vehicles, solar energy glass, and glass for home appliances.

Providing input to the construction, automotive, energy and white goods sectors with its facilities, partnerships, and expanding product range in nine countries, Şişecam Flat Glass pursues its operations within the framework of its vision of "being a rapidly growing global flat glass manufacturer that offers innovative solutions with its strong brands".

OPERATING IN THE FIELD OF FLAT GLASS WITHIN ŞİŞECAM GROUP, ŞİŞECAM FLAT GLASS RANKS FIFTH IN WORLD AND SECOND IN EUROPE IN ITS SECTOR IN TERMS OF PRODUCTION CAPACITY.



GLASSWARE

The first company to be founded by Şişecam Group, Paşabahçe is today the third largest in the world and second in Europe in the glassware sector with its solid distribution channel structure, wide range of products, exemplary manufacturing capability, and customer oriented strategic approaches.

Carrying out production, design and marketing operations in three different segments, household, catering, and industry, Paşabahçe aims to become a globally recognized and preferred leading glassware company with its products adding value to life, by enhancing its activity in new geographies with high market potential and the brand power of Paşabahçe through its broad product range and production capability.

PAŞABAHÇE IS THE 3RD LARGEST IN THE WORLD AND 2ND IN EUROPE IN THE GLASSWARE SECTOR.

Şişecam Group adopts adding value to all its stakeholders with its sensitive approach towards the individual and environment, shaping the future with products and services facilitating life, and sharing the wealth it generates as its primary objectives. Şişecam Group, whose global brand recognition and market share is consistently improving, aims to be among the top three in its field globally.



GLASS PACKAGING

Anadolu Cam Sanayii A.Ş., subsidiary of Şişecam operating in glass packaging sector, produces specially designed glass packaging with various volumes and colors for the food, beverages, pharmaceuticals, and cosmetics sectors.

As of 2015, The Şişecam Glass Packaging Group has a total production capacity of 2.3 million tons/year, which makes it the biggest glass packaging producer in Turkey, and the fourth biggest in Europe and the world.

AND THE 4TH BIGGEST
IN EUROPE AND THE
WORLD



CHEMICALS

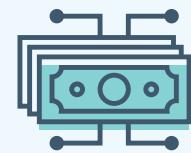
Creating global solutions for its customers with environmentally friendly technologies, Şişecam Chemicals operates in the fields of soda, chrome chemicals, glass fiber, industrial raw material, vitamin K3 derivatives, and sodium metabisulphite, providing primary input at global standards for more than 100 product varieties ranging from glass to detergent, to the chemical industry to leather and pharmaceutical industries. Şişecam Chemicals ranks fourth in Europe and 10th in the world in soda production, first in the world in sodium dichromate and basic chromium sulfate, and fourth in the world in chromic acid production.

ŞİŞECAM CHEMICALS
RANKS 4TH IN EUROPE
AND 10TH IN THE WORLD
IN SODA PRODUCTION

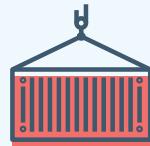
GENERATED ECONOMIC VALUE



**SALES
IN 150
COUNTRIES**



**1.3 BILLION
USD
INTERNATIONAL
SALES**



**2.2 MILLION
TONS OF
SODA ASH
PRODUCTION**



**3.6 MILLION TONS
OF INDUSTRIAL
RAW MATERIAL
PRODUCTION**



**4.2 MILLION
TONS OF
GLASS
PRODUCTION**



**21,000
EMPLOYEES**

ŞİŞECAM GROUP'S SUBSIDIARIES AND PRODUCTION FACILITIES IN TURKEY

ŞİŞECAM FLAT GLASS	
Trakya Cam San A.Ş.	Trakya Plant
	Otocam Plant
	Mersin Plant
Trakya Yenişehir Cam San. A.Ş.	Yenişehir Plant
Trakya Polatlı Cam Sanayii A.Ş.	Polatlı Plant

ŞİŞECAM GLASS PACKAGING	
Anadolu Cam San. A.Ş.	Mersin Plant
Anadolu Cam Yenişehir San. A.Ş.	Yenişehir Plant
Anadolu Cam Eskişehir San. A.Ş.	Eskişehir Plant

CAMIŞ ELEKTRİK A.Ş.	
Camiş Elektrik A.Ş.	Trakya Plant

ŞİŞECAM GLASSWARE	
Paşabahçe Cam San. ve Tic. A.Ş.	Kırklareli Plant
	Mersin Plant
	Eskişehir Plant
Denizli Cam San. ve Tic. A.Ş.	Denizli Plant
Camiş Ambalaj San. A.Ş.	Tuzla Plant
	Eskişehir Plant

ŞİŞECAM CHEMICALS	
Soda San. A.Ş.	Soda Plant
	Kromsan Chromium Compounds Plant
Camiş Madencilik A.Ş.	The Provinces Where the Company Operates: Aydın, Balıkesir, Bilecik, İstanbul, Karabük, Kırıkkale, Kocaeli
Cam Elyaf San. A.Ş.	Gebze Plant

SALES REVENUE
(TRY m)

2011	4,979
2012	5,320
2013	5,954
2014	6,876
2015	7,415

INTERNATIONAL SALES
(TRY m)

2011	2,430
2012	2,319
2013	2,801
2014	3,420
2015	3,750

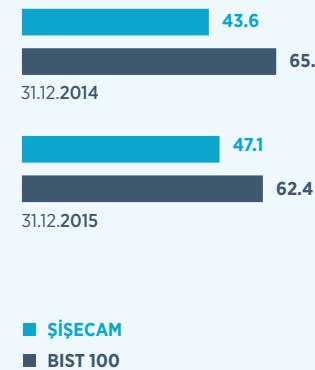
INVESTMENTS
(TRY m)

2011	830
2012	1,009
2013	1,674
2014	1,156
2015	1,106

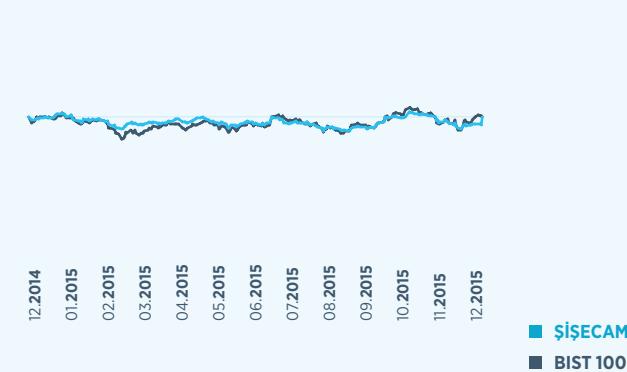
EBITDA
(TRY m)

2011	1,267
2012	965
2013	1,223
2014	1,365
2015	1,764

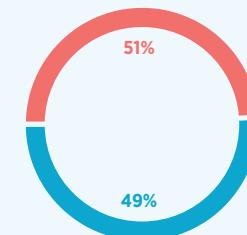
FOREIGN INVESTOR SHARES (%)



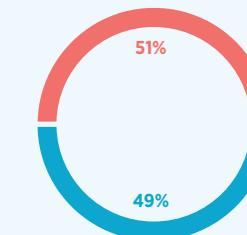
**PERFORMANCE OF THE ŞİŞECAM
SHARE IN COMPARISON WITH BIST 100***



**DISTRIBUTION
OF SALES (2014)**



**DISTRIBUTION
OF SALES (2015)**



CORPORATE MEMBERSHIPS

INTERNATIONAL

- Celsian (Glass Trends Association)
- EUREKA Cluster for Low Carbon Technologies (EUROGIA)
- European Chemicals Agency
- European Container Glass Federation – Container Glass and Glassware Committees
- European Domestic Glass Committee
- European Glass Fiber Producers Association
- European Physical Society
- European Physical Society (Working Group)
- European Society for Glass Science and Technology
- European Soda Ash Producers Association
- German Society of Glass Technologies
- Glass Alliance Europe
- Glass for Europe
- International Chromium Development Association
- International Commission on Glass
- International Crystal Federation
- International Partnership for Glass Research
- European Renewable Energies Association

NATIONAL

- Association of Solar Energy Industry in Turkey
- Carton Board Packaging Manufacturers Association
- Ceramic, Glass and Cement Raw Materials Manufacturers Association
- Cogeneration and Clean Energy Association Turkey
- Corporate Governance Association of Turkey
- Corrugated Packing Manufacturers Association
- Electricity Producers Association
- Enterprise Risk Management Association
- Environmental Protection and Packaging Waste Recovery and Recycling Foundation
- Food Safety Association
- ICI Industry-Science Parks Cooperation Commission
- Istanbul Chamber of Industry (Environment Specialization Committee)
- Packaging Manufacturers Association of Turkey
- R&D Centers Communications Platform
- Turkish Chemical Manufacturers Association
- Turkish Composite Manufacturers Association
- Turkish Construction Material Producers Association
- Turkish Foundation for Quality
- Turkish Glassware Association
- Turkish Miners Association
- Union of Chambers and Commodity Exchanges of Turkey, Working Groups



GOVERNANCE AT ŞİSECAM



In Şişecam Group, we reinforce our strong corporate management practices with modern practices and systems, support our sustainability approach with management practices, and actively manage our processes with our practices within the context of risk management. We conduct our operations are conducted in light of our Code of Conduct, collect the expectations of our stakeholders through various communication channels and include them in our decision making processes. In this way, we constantly observe the economic, social and environmental sustainability of our operations and strive to enhance our performance.



The “Corporate Governance Rating Report” of Türkiye Şişe ve Cam Fabrikaları A.Ş. can be found in the Investor Relations section on our corporate website.



You can access detailed information regarding the Board of Directors and Board of Directors Committees in the Investor Relations section on our corporate website.

CORPORATE GOVERNANCE

Transparency and accountability based management is among the most significant values adopted and implemented by our company, that define our business manner. All our practices in this context are transparently offered to the views of our stakeholders annually through the “Corporate Governance Rating Report” within the context of relevant Capital Markets Board regulations.

Our Corporate Governance Rating score, which was determined as 92.78 (9.28 out of 10) at the evaluation conducted in 2014, was increased to 93.53 thanks to improvements actualized in 2015. Developing and sustaining our activities within the framework of the core principles of honesty, transparency, impartiality and compliance with laws and regulations in order to further advance this success that we have achieved are among our immutable objectives as a Group.

The Board of Directors, which was formed in conformity with the Corporate Governance Principles, is composed of nine members. The board of directors appropriately maintains the balance of risk, growth, and revenue, primarily looks after the long-termed interests of the company, and manages and represents the company with these principles. Nonexecutive members constitute the majority of the members of the Board of Directors. The General Manager participates in the Board of Directors as Executive Member. The offices of the Chairman of the Board of Directors and the General Manager are conducted by different individuals. The Board of Directors includes three independent members in compliance with the criteria of independency prescribed by the Capital Markets Board Corporate Governance Principles.

In order to support Şişecam Board of Directors in fulfilling its tasks and responsibilities, there is a Corporate Governance Committee, an Audit Committee, and a Committee for the Early Determination of Risks within the body of the Board.



RISK MANAGEMENT AND INTERNAL AUDIT

At Şişecam Group, risk management and internal audit activities are structured under the Parent Company. The activities are conducted under the Parent Company Board of Directors in coordination with CEOs managing the core operational areas of the Group; while the results of the regular and planned meetings held by the "Committee for the Early Determination of Risk", "Audit Committee", and "Corporate Governance Committee", structured within our publicly traded companies are reported to the Boards of Directors in accordance with regulations. The meeting agendas of the "Committee for the Early Determination of Risk" that was established in this regard involve matters relating to "the early determination and management of internal and external risks that might endanger corporate operations and the revision of risk management systems" in minimum.

At Şişecam Group, preparedness against situation that might interrupt operations, minimization of the losses of customers, employees, suppliers, and other stakeholders, and protection of the tangible and intangible assets and reputation of the Group, as well as the environment are among fundamental priorities. Policies and procedures formed in line with the mentioned principles, aimed at maintaining the continuity of business processes in cases that might interrupt operations have been announced across the Group.

At Şişecam Group, risk management activities are pursued based on corporate risk management principles and approached from a holistic and proactive perspective. In 2015, the Group focused on enhancing the efficiency of its risk management processes, making human resource and technology investments, in order to both more effectively manage the uncertainties created by global developments, and extend the risk assurance it provides for its stakeholders in the challenging domestic and international competition environments emerging in consequence of said developments. In this

regard, the risk management function, which has been centrally managed for many years, was revised to also focus on micro and local risks; the technological support for actualizing this focusing was provided within the framework of the integrated risk management platform named "MicroScope"; hereby the infrastructure for ensuring the connection of the 44 production facilities located in 13 countries with the Headquarters was set up.

The purpose of the internal auditing activities maintained in our Group for many years is to support the healthy development of the Group companies and the achievement of unity and coalescence in practice, while ensuring that operations are conducted in compliance with internal and external regulations and that corrective measures are implemented in a timely manner. In line with this purpose, audit works are conducted on an ongoing basis within the bodies of the Group companies operating domestically and abroad.

Internal audit activities are carried out in accordance with the periodic audit programs approved by the Board of Directors. Audit programs are formed by making use of results obtained from risk management activities, in other words "risk-based audit" practices are implemented.

At Şişecam Group, risk management activities are pursued based on corporate risk management principles and approached from a holistic and proactive perspective.

BUSINESS ETHICS

The Code of Conduct, which was implemented in 2010 and evaluated in accordance with needs and updated in 2013, is one of the main indicators of Şişecam's responsible business manners. Setting the framework for responsibilities and practices within the Group, within the context of the main principles of honesty, transparency, impartiality, confidentiality, and compliance with laws and regulations, Şişecam Group Code of Conduct is characterized as a guideline directing the relations of all Group employees with customers, suppliers, shareholders, and other stakeholders. In 2014, an "Ethics Board" was established with the purpose of ensuring the compliance of the Group operations with the Code of Conduct, evaluating practices inconsistent with the Code of Conduct, generalizing the culture of ethics across the Group, and enhancing the level of awareness and consciousness in this regard. The Ethics Board works under the Corporate Management Committee.

Responsibilities of the senior management, managers, and all employees in relation to the effective implementation of the code across the Group have been determined within the scope of Şişecam Group Code of Conduct. The Code of Conduct also sets forth principles regarding the use of the Group resources and information, conflicts of interest, and relations with other organizations.

As part of the Code of Conduct, it is explained in detail that the implementation of the Group regulations, procedures, and instructions, as well as the Code of Conduct is essential and the sanctions to be imposed in cases of disorderly conduct are clearly stated.

The corporate governance practices of the company are structured to allow for all stakeholders, primarily employees, to convey their concerns regarding processes that are legally or ethically inappropriate to the management. Employees can communicate processes that are against the legislation and ethically inappropriate to the Audit Committee and the Internal Audit Unit. An ethics report line was formed for stakeholders to convey processes deemed to be conflicting with laws or the company's ethical values to the Audit Committee. Related complaints can also be emailed to etik@sisecam.com.



You can access detailed information regarding the Code of Conduct under the Corporate Governance tab of the Investor Relations section of our corporate website.

FIGHT AGAINST CORRUPTION

The "Anti-Bribery and Corruption Policy" aims at clearly and transparently presenting the commitments of Şişecam Group in the fight against bribery and corruption and its position on this subject, as well as protecting the corporate image. This policy, which is an integral part of the Group's Code of Conduct, is intended to provide the necessary information for the prevention of bribery and corruption in all Group operations and to determine responsibilities and rules in this subject.



You can access detailed information regarding our Anti-Bribery and Corruption Policy under the Corporate Governance tab of the Investor Relations section on our corporate website.

SUSTAINABILITY MANAGEMENT

Our sustainability approach is based on generating value added for financial continuity, reducing our environmental impact, and creating lasting values for our stakeholders.

In order to develop efficient and effective decision making capabilities in line with the vision and strategies of the Şişecam Group and to govern the long-established structure of our Group more efficiently in the competitive landscape of our day, some adjustments were made in the organizational structure of the Group in 2015. In this direction, the scope of the Sustainability Directorate was extended in light of the long-term strategies of the Group and the Corporate Development and Sustainability Department was constituted to embody the sustainability function.

Within the scope of the corporate development function of the Corporate Development and Sustainability Department, the main data management and information systems management required for the integrated and lean design and effective and efficient management of processes within the Group, constituting and maintaining the continuous development structuring, management of the project portfolio across the Group in line with priorities, management of the organization in accordance with the basic operation model principles, constitution of procedures, job definitions, and permanent staffs, correct and swift system operation, and reporting were constructed. Whereas within the context of its



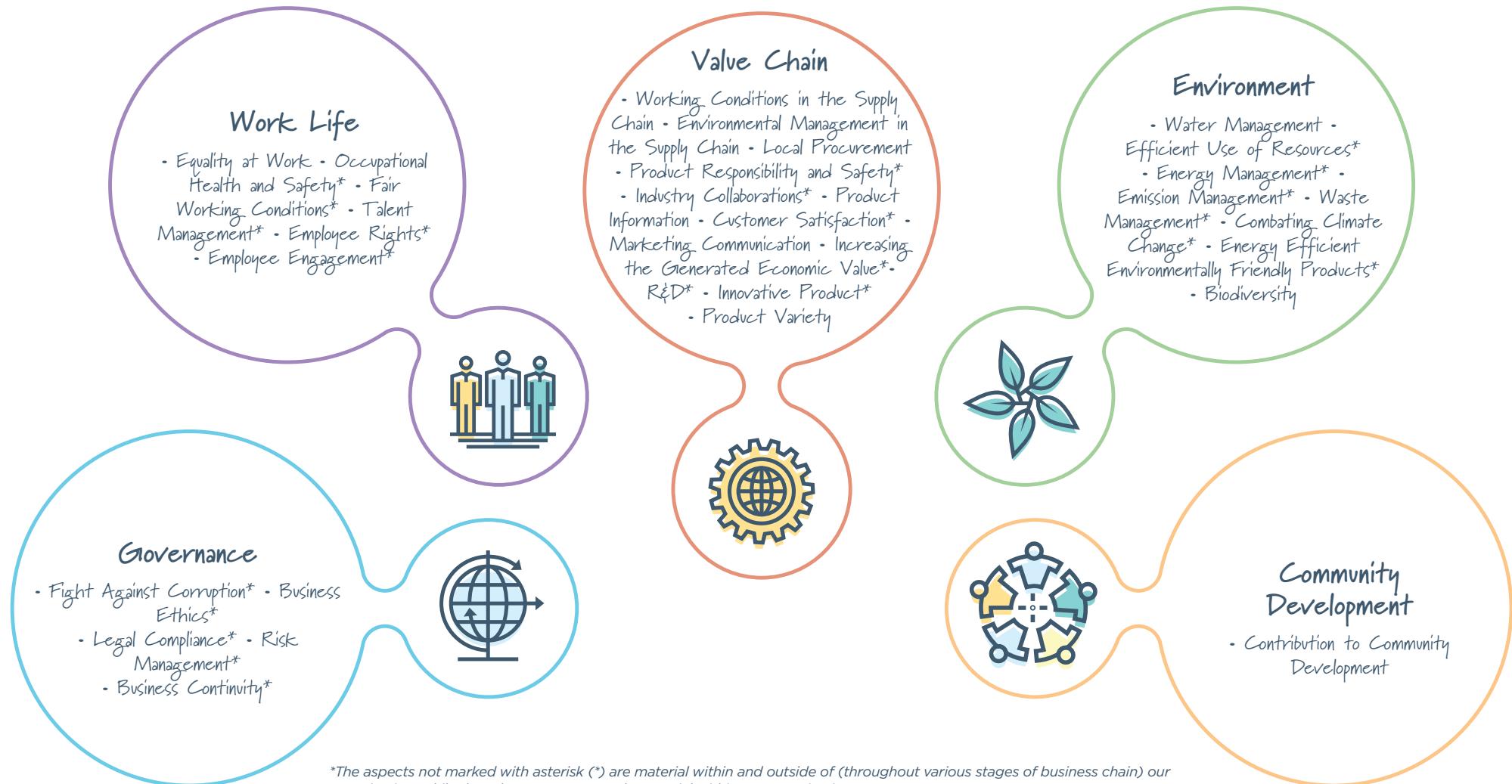
sustainability function, it is aimed to contribute to the strategies and policies of the Group regarding environmental management and to monitor their application, to define and implement the roadmap for efficiency projects that will ensure energy efficiency, to design and apply quality systems management procedures and standards.

In 2015, Şişecam Sustainability Committee was established to manage our sustainability approach with a holistic understanding. The committee consists of the Chief Corporate Development and Sustainability Officer, Production Vice-Presidents of Businesses, Sustainability Director, Human Resources Director, Corporate Communication Director, Industry Relations

Director and Innovation Manager. The workgroups within the scope of the Committee are responsible for conducting activities related to the subjects of Environment, Energy, Occupational Health and Safety, Innovation and Social Responsibility.

The feedbacks received from our stakeholders during the business year, as well as developments in our fields of operation and the results of relevant benchmarking studies were evaluated at the workshops we organized for the revision of prioritized issues with the participation of our Working Groups for the composition of our Sustainability Report, and our system of prioritized issues was reviewed.

MATERIAL SUSTAINABILITY ISSUES



SUSTAINABILITY TARGETS

Şişecam Group strives to constantly further its performance in relation to sustainability priority targets and projects and practices developed to achieve these. In this regard, key performance indicators are formed, international sustainability standards are closely followed, activities aimed at full compliance are implemented. Besides, stakeholder expectations regarding issues included in the Group sustainability agenda are taken into consideration in an effort to create a common value together with stakeholders. In this regard the strategic sustainability targets we have determined as a Group are as follows:

Our Strategic Targets	Our Achievements in 2015	Our Targets for 2016
Constituting effective sustainability principles	Sustainability Committee was established and started its works. Detailed information regarding the issue is provided in the "Sustainability Management" section of the Report.	Implementing the action plans of Sustainability Committee sub workgroups - Increasing green building practices within the Group -
Increasing energy efficiency	Detailed information regarding the many projects conducted to increase energy efficiency is provided in the "Energy and Emission Management" section of the Report.	Reducing specific energy consumption by 1% for all glass furnaces
Increasing and promoting participation in social responsibility projects	Detailed information about the various projects realized in the fields of environment, education, culture and sports is provided in the "Contribution to Community Development" section of the Report.	Building a website for Glass and Glass Again project to reach a greater number of stakeholders
Strengthening employer brand image and becoming the most preferred and admired company by employees	Activities aimed at strengthening Corporate Identity practices were conducted. Detailed information regarding the subject can be found in the "Work Life" section of the Report.	Renovating the websites of the Group
Motivating employees	Several activities devoted to employee motivation were conducted. Detailed information regarding the subject can be found in the "Employee Development" section of the Report.	Providing a social, comfortable, and sustainable environment on the new Şişecam campus
Enhancing the value of our corporate culture	Various projects were carried out to enhance the corporate value of the Group. Detailed information regarding the subject can be found in the "Employee Participation" section of the Report.	Ensuring the adaptation of employees to new campus - Increasing collaborations with universities

STAKEHOLDER ENGAGEMENT

We regularly offer our performance regarding the sustainability priorities we determine to the views of our stakeholders through our sustainability report. The feedbacks we receive of are among the most important tools we rely on to further improve our performance. We maintain our dialogue with our stakeholders on different platforms and at varying frequencies as required by the communication type. In addition to these, all our stakeholders can communicate us through the phone numbers and email addresses that can be found on corporate websites.

Our stakeholders vary among the Group companies. Yet, in consideration of our mutual interactions, our prioritized stakeholder group are employees, suppliers, customers, and public institutions.

We maintain our dialogue with our stakeholders on different platforms and at varying frequencies as required by the communication type.



KEY STAKEHOLDER GROUPS AND ENGAGEMENT PLATFORMS			
EXTERNAL STAKEHOLDERS			
Stakeholder Group	Engagement Platforms	Frequency of Stakeholder Engagement	Evaluation of Engagement in the Reporting Period
Customers	Şişecam engages with its customers on the level of its business lines. Detailed information regarding customer engagement platforms can be found in the 2015 sustainability reports of Şişecam Group companies. However, the main tools of customer engagement include customer satisfaction surveys, social media, meetings and conferences, and feedbacks received via phone and email.	Continuous interaction by email, social media and phone	Şişecam is in constant communication with its customers as part of its business activities. There are several channels for customers to provide feedback regarding the environmental and social performance of the Company. Please refer to 2015 Sustainability Reports prepared for Şişecam Group companies for information regarding the stakeholder engagement approach in different business lines.
Public Authorities/ Regulatory Institutions	<ul style="list-style-type: none"> • Regular reporting • Meetings, forums and conferences • Press releases • One-on-one meetings 	Continuous within the general course of regular business (e.g. communication by email, phone, or in person) or as required specifically	Şişecam places great emphasis on complying fully with laws and regulations in all its operations. For information regarding Corporate Governance at Şişecam please refer to the Corporate Governance section on page 11.
Suppliers	<p>The primary suppliers of Şişecam are those providing services (such as electricity, water supply and cleaning works) for the Headquarters building in Istanbul.</p> <p>Besides, Şişecam Group companies have many different suppliers in relation to their production operations.</p> <p>Typical engagement methods with suppliers include;</p> <ul style="list-style-type: none"> • Daily workflow • Meetings • Email communication 	Continuous within the general course of regular business (e.g. communication by email, phone, or in person) or as required specifically	Please refer to 2015 Sustainability Reports for Şişecam Group companies for information regarding the stakeholder engagement approach in different business lines.
Non-governmental Organizations	<ul style="list-style-type: none"> • Strategic collaborations • Events • Regular Meetings 	At least once a month	Nongovernmental organizations are supported through joint projects conducted in social, economic and environmental issues.
Media	<ul style="list-style-type: none"> • Press conferences • Press releases • Interviews 	At least once a month	Şişecam Group maintains regular communication with national and international media in order to raise awareness about the Company and deal with any queries.
Community	<ul style="list-style-type: none"> • Media 	Varies depending on the type of engagement	Şişecam announces all of its activities through the media.

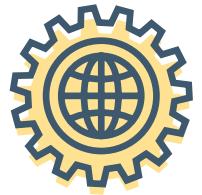
KEY STAKEHOLDER GROUPS AND ENGAGEMENT PLATFORMS			
INTERNAL STAKEHOLDERS			
Stakeholder Group	Engagement Platforms	Frequency of Stakeholder Engagement	Evaluation of Engagement in the Reporting Period
Employees	<ul style="list-style-type: none"> • Employee Satisfaction Survey • Suggestion and Idea Platforms • Employee Interviews • Announcements by email • Seniority Incentive Award • Recognition and Reward System 	Varies depending on the type of engagement	The most important asset of Şişecam is its employees. Şişecam companies are leading companies in their industries with regards to training and supporting their human resource.
Top Management	<ul style="list-style-type: none"> • Executive Board Meetings • Email communication 	At least once a month	The Executive Board, which includes the Corporate Development and Sustainability President, meets regularly to evaluate various sustainability issues and opportunities, during the reporting period. The strategic roadmap in sustainability and relevant activities are led by the Corporate Development and Sustainability President. Sustainability Committee is responsible for conducting activities regarding the identified sustainability priorities.
Shareholders, Analysts and Investors	<ul style="list-style-type: none"> • General Assembly Meetings • Meetings with analysts and investors • Phone calls/teleconferences and email communication with investors • Periodically published informative reports (e.g. Annual Reports, CDP reports, earning and interim reports) • Social media • Investor feedbacks 	Varies depending on the type of engagement	The Company, which is in constant communication with its shareholders and investors, fulfilled all requirements of Turkish legal regulations during the reporting period.

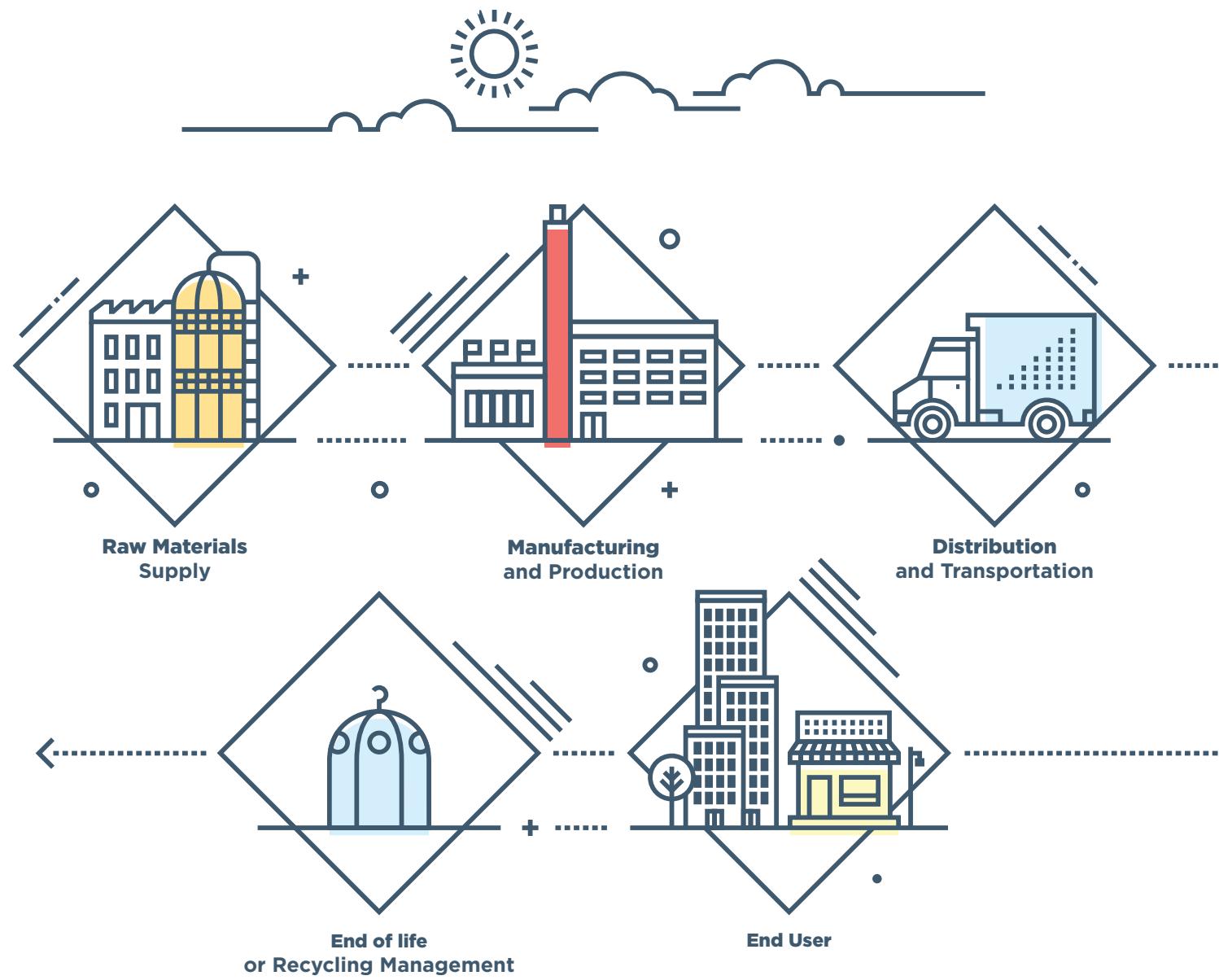
The expectations of our stakeholders regarding our major sustainability priorities for the year 2015, the reporting period, are as follows:

CRITICAL CONCERN	STAKEHOLDER GROUP RAISING THE CONCERN	INFORMATION SOURCE REGARDING THE ACTION TAKEN
To report on our environmental impacts and performance	Customers, employees, investors	Sustainability Reporting, Reports prepared for investors and financial institutions (IFC, EBRD)
To report on carbon emissions	Customers, NGOs, investors	CDP reporting
To report on financial performance	Shareholders	Annual Report
To enhance employee motivation	Employees	Sustainability Reporting



VALUE
CHAIN



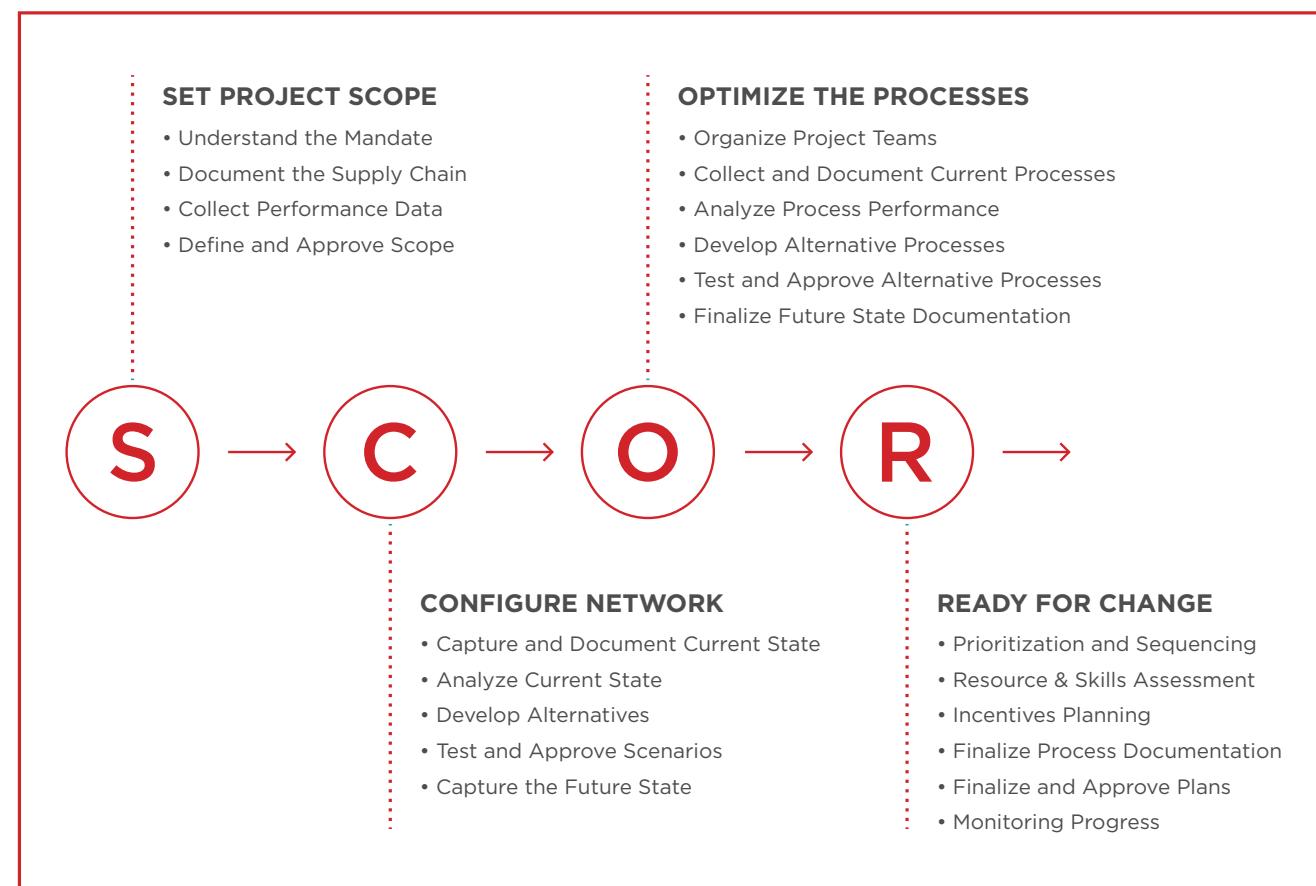


We make a tremendous effort to enhance the value we generate for our relevant stakeholder groups in all our operational processes. Starting with raw material supply, we actively collect the feedbacks of our stakeholders in all the stages of our value chain and we actualize improved products and services by constantly evaluating our performance in this regard through the practices we implement. By generalizing this understanding across our value chain, we enhance the value we generate together with our stakeholders.

SUPPLY CHAIN MANAGEMENT

We regard the adoption of our sustainability understanding and the values we share as a Group by our suppliers as principles that will improve both our Group and our supply chain. In this regard, we expect our suppliers to conform to our Code of Conduct. We supervise the social, economic, and environmental performance of our suppliers in light of our sustainability approach by means of the audits we conduct and expect them to carry this performance further.

At Şişecam Group, supply chain projects are centrally managed. The purpose of supply chain projects is to increase financial transparency and traceability. Supply Chain Cockpit System allows for analyzing the supply chain costs of Şişecam Group companies and for the integrated management of corporate resource planning. The Supply Chain supervisors of all companies apply their SCOR (Supply Chain Operations Reference) based performance metrics on the Cockpit Platform. Thanks to this work, besides the advantage of reducing costs, communication within the Group is enhanced and logistics savings are achieved through centralization.





Through the implementation of efficiency projects in the supply chain as Group, we achieve positive results in relation to the efficient use of raw materials and reduction of our environmental impact, in addition to financial gain.

EFFICIENCY PROJECTS IN THE SUPPLY CHAIN

Through the implementation of efficiency projects in the supply chain as Group, we achieve positive results in relation to the efficient use of raw materials and reduction of our environmental impact, in addition to financial gain.

Joint Transportation Project

As part of the project, the Overseas Trailer Truck, Container and Container preliminary shipments leaving from Turkey that belong to our four business lines were based on a common contract under the leadership of the Corporate Development and Sustainability Department and Headquarters Purchasing departments in order to benefit from the economy of scale, while it is planned to consolidate these and purchase by joint tender for the year 2016.

Besides the expectation of material gains in the long term, in the short term;

- The shipment contracts that were different for all four main business lines and that varied according to shipment type were standardized for each of them by forming a standard shipment contract,
- Best prices and practices were shared within the Group, allowing the achievement of the most efficient results.

Once the project is successfully implemented for three shipment types, it is aimed to be implemented in all shipment types on common routes. Within the context of the project, it is projected to derive approximately 10% of profit only from the three shipment types, in 2016.

PRODUCT SAFETY AND PRODUCT RESPONSIBILITY

We conduct our operations on the basis of national and international standards. In this way, we ensure that our products at high quality standards are produced in compliance with all required health and safety standards.

All our products are labeled conforming to legal regulations, ensuring that our customers are extensively informed about our products. In the reporting period, there were no fines for noncompliance with laws and regulations regarding product use conditions.

Sustainable Raw Material and Energy Efficiency

The primary mission of the Soda Sanayii and Camış Mining Companies of Şişecam Chemicals, which operate in Turkey and abroad, is to plan and supply the raw materials required for Şişecam's glass and fiber glass production operations, in accordance with medium and long term growth strategies while maintaining the sustainability of resources.



Glass and soda manufacturing are energy intensive processes, the constant feed of high capacity energy is vital for establishing and stabilizing the high temperatures required. Therefore, energy supply and costs are issues of great importance for the sustainability of production operations. The objective of Şişecam Enerji A.Ş., which conduct the energy operations of Şişecam centrally, is to supply electricity and natural gas for Şişecam Group companies at the lowest costs, meeting their energy needs through either its own resources or dealing with other suppliers in the market.



The management systems implemented in our Turkey operations are as follows:



ŞİŞECAM FLAT GLASS					
	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	OTHERS
Trakya Cam Sanayi A.Ş. Trakya Plant	✓	✓	✓	✓	
Trakya Cam Sanayi A.Ş. Mersin Plant	✓	✓	✓	✓	
Trakya Cam Sanayi A.Ş. Otocam Plant	✓	✓	✓	✓	ISO 16949
Trakya Yenişehir Cam Sanayi A.Ş.	✓	✓	✓	✓	
Trakya Polatlı Cam Sanayi A.Ş.	✓	✓	✓	✓	



ŞİŞECAM GLASSWARE					
	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	OTHERS
Paşabahçe Cam Sanayi A.Ş. Kırklareli Plant	✓	✓	✓	✓	ISO 27001
Paşabahçe Cam Sanayi A.Ş. Mersin Plant	✓	✓	✓	✓	ISO 27001, ISO 22001
Paşabahçe Cam Sanayi A.Ş. Eskişehir Plant	✓	✓	✓	✓	ISO 27001, ISO 22001
Denizli Cam Sanayi A.Ş.	✓	✓		✓	
Camış Ambalaj Sanayi A.Ş. Eskişehir Plant	✓	✓	✓	✓	
Camış Ambalaj Sanayi A.Ş. Tuzla Plant	✓	✓	✓	✓	BRC 6, ISO 12647-8



	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	OTHERS
Anadolu Cam Sanayii A.Ş. Mersin Plant	✓	✓	✓	✓	ISO 22000, BRC
Anadolu Cam Yenişehir Sanayi A.Ş	✓	✓	✓	✓	BRC
Anadolu Cam Eskişehir Sanayi A.Ş.	✓	✓	✓	✓	ISO 15378, ISO 10002



	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	OTHERS
Soda Sanayii A.Ş. Soda Plant	✓	✓	✓	✓	ISO 22000, ISO 10002
Soda Sanayii A.Ş. Kromsan Plant	✓	✓	✓	✓	ISO 22000, ISO 10002
Cam Elyaf Sanayi A.Ş.	✓	✓	✓	✓	
Camış Madencilik A.Ş.	✓	✓	✓	✓	

CAMIŞ ELEKTRİK A.Ş.					
	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	OTHERS
Trakya Plant	✓	✓	✓	✓	

- ISO 9001: Quality Management System • ISO 14001: Environmental Management System • ISO 50001: Energy Management System • OHSAS 18001: Occupational Health and Safety Management System
- ISO 22000: Food Security Management System • ISO 22001: Food Security Management System • ISO 10002: Customer satisfaction Management System • ISO 27001: Data Security Management System
- ISO 16949: Automotive Quality Management System • ISO 15378: Standard for Primary Packaging Materials for Medicinal Products Standard • ISO 12647: Graphic Technology Process Control Standard
- BRC: British Retail Consortium Food Security Standard • BRC6: 6th edition of British Retail Consortium Food Security Standard

PRODUCT INFORMATION

We conduct our activities in different channels within the context of informing our customers about our products. In addition to the product information on the webpages of our Group companies, we extensively inform our customers and related stakeholder groups about our products through various engagement channels, such as social media, other digital channels, strategic partnerships, one-on-one interviews, conferences, seminars, workshops, focus group studies, surveys, and similar platforms.

In result of these activities, we obtain comprehensive feedbacks from our stakeholders and we produce our products in consideration of these views.

Within the scope of Şişecam Group Digital Transition Project www.sisecam.com and Group's all corporate web sites renewed with higher technologies to provide superior user experience. With salient navigation structure and design language, new mobile device compatible web sites it is targeted to strengthen interaction and communication all stakeholders within the Group.



Why Glass?

Glass is a healthy material that has been at the service of the human kind for thousand years since it can be produced with simple processes, from raw materials found in nature. The fact that it can be infinitely recycled without generating waste, with no deterioration in amount or quality, and in an energy efficient manner brings glass to the forefront as an environmentalist material.

Its lack of engagement in chemical interaction with other materials, high endurance, stability, and cost advantage make glass an indispensable input for many branches of industry, such as construction, food-packaging, energy, automotive, telecommunication, and pharmaceuticals.



CUSTOMER SATISFACTION

The satisfaction of our customers with the products and services we provide is among issues we attach great importance to as Group. We meticulously pursue our customer satisfaction activities, included among our sustainability priorities, we realize customer oriented business processes based on effective and transparent communication. We establish close relations with our customers through customer meetings, customer visits and fairs we participate in, we consider the feedbacks we receive as the primary inputs both for our new products and services, and for our satisfaction activities.

Corporate Identity Project

As one of the most established companies in Turkey, Şişecam has a significant brand value with its strength, reliability, experience, respectability, and magnitude. In 2015, the "Corporate Identity" project was conducted in order to restructure the corporate identity strategy of our Group and the Group brand architecture. Within the scope of the Group brand strategy, our business lines, where we make a difference with the Şişecam identity globally, were named and branded as Şişecam Flat Glass, Şişecam Glass Packaging, and Şişecam Chemicals. Whereas Paşabahçe, one of the strongest brands of our country as end user brand, will continue representing Şişecam in the business line of glassware and identifying itself with Şişecam through the inscription "A Şişecam Company" in all its communication. The new corporate identity standards were adopted as of September 1st 2015.

CUSTOMER DATA PRIVACY

In our day, with the increasing density of information stored in a virtual environment, user awareness regarding information security is of critical importance. Trainings are organized aimed at raising awareness among our employees about the protection of the confidentiality of our customers. Besides, common privacy and information storage issues are guaranteed in contracts made with customers.

In the reporting period, no complaints were received regarding any violation of customer data privacy.



INFORMATION SECURITY

The integration studies we started with the objectives of preserving the reliability of the Şişecam Group and the image of the position it represents, reducing information security risks through risk assessment and risk reduction activities concerning information assets, ensuring the confidentiality, integrity and accessibility of information assets, enhancing the Group employees' level of awareness and consciousness regarding information security, protecting physical and electronic information assets that affect the operations of the Group, and improving our current systems devoted to the continuity of all our business operations with minimum interruption were planned in two distinct phases.

First Phase studies will be finished by March 2016 and certifications will be completed by August. Second Phase studies are expected to be completed by 2016 yearend.

Some examples of advantages achieved with the implementation of the information security management system:

- Paper and toner wastage was prevented and printer lifetimes were prolonged by encrypting the printers.
- Electricity savings were achieved through the mandatory use of screen savers.
- Unauthorized accesses were prevented by ensuring the use of strong passwords.



152
Competent
Researchers



27
Speciality
Laboratories



150
Projects
Annually



RESEARCH AND TECHNOLOGICAL DEVELOPMENT ACTIVITIES

New glass products and applications are actively used in very diverse and numerous sectors. However, we can speak of a heated global race for developing new products that create added value. Şişecam Group is a significant player involved in this global competition with its environmentally friendly highly competitive innovative products and research and technological development (R&TD) studies in glass science and technology.

R&TD studies conducted within the Group involve the main topics of integrated furnace models and applications aimed at the efficient use of energy, which is among the major inputs of production, improving heat transfer efficiency, new refractor materials, new glass melting technologies, new raw materials, new products and new applications, advanced process control systems, measurement techniques based on advanced technologies, new high temperature materials, as well as modellings and simulations in all stages.

Şişecam corporate R&TD activities are conducted together with the regional laboratories and Şişecam Science and Technology Center. The LEED GOLD certified Center serves in a 9,400 m² indoor space, with 27 different specialty laboratories. The Center is the largest and most competent glass science and technology laboratory in Turkey and one of the numbered laboratories in this field in Europe. 152 competent researchers take office at the Center in 27 specialty laboratories and offices whose equipment is constantly updated and reinforced.

Cooperation with industry-specific institutions and universities within the context of R&D studies is among important issues for Şişecam Group. As of 2015 yearend, joint studies were conducted together with 21 universities and public or private research institutions domestically and nine universities and six research centers abroad. These practices reinforce the understanding of cooperation before competition and open innovation on an institutional scale.

In 2015, one Turkish Utility Model and two Turkish Patent applications were registered. Besides the registered patents, three Turkish Patent applications were filed. An application was filed for TÜBİTAK 1602 Patent Support Program and incentives were obtained for three Turkish Patent applications.

Turkish Ministry of Science, Industry and Technology has rewarded our Science and Technology Center as the "Best R&D Center" in the fields of "Glass and Glass Products" and "Cooperation and Interaction" from amongst 201 centers, in 2015.





INNOVATIVE PRODUCTS

Examples of studies on innovative products:

Privacy Glass Study

Privacy glasses, which have low luminous and thermal transmittance due to their absorbency, are especially popular in the automotive sector. Privacy glasses have; low luminous transmittance, which ensures privacy in interior spaces, low solar transmittance, which reduces the air conditioning load of the vehicle, and low UV transmittance to prevent the degradation of indoor textile and plastics.

All experimental works conducted for the new product were completed, including over 200 laboratory fusions, performance and color specifications, and pilot fusions, and product composition was determined.

In the next stage, the on-vehicle trials of the taken samples will be carried out. In case the product is approved, new markets will be gained with the new product, while also reducing the cost of both the first and the second privacy glass product.

Electrochromic Window and Thermochromic Film Integration Design for Low Cost and Durable Window Systems Projected for Use in Zero Energy Buildings

The project that was realized for the dynamic control of the light and heat energy transmitted through the window in building/automotive applications;

Aims for the acquisition of infrared selective films depending on the sun and the ambient temperature through the coating of thin films with thermochromic VO₂ phase structure over the glass.

Smart Dyes for Glass Applications

Smart dyes are coatings whose properties are altered through an externally applied stimulus and can return to their original form once the stimulus is removed. These external impacts are generated by physical (pressure, heat, humidity, light, electric field, magnetic field, etc.), chemical (pH, solution, etc.), or biological external stimuli.

For a material to be characterized as smart material, it needs to respond to stimulating impact with an alteration of quality or energy and these generated effects must be reversible.

As part of the project for the "Development of Smart Dyes for Glass Packaging Applications", smart dye choices are being formed that can be an alternative to dye compositions used on glass for decorative purposes and adapt to alterations in the ambient conditions by responding to external stimuli.

In this project, smart dye choices will be developed to adapt to ambient conditions by responding to ambient impacts, as an alternative to common dye compositions applied on glass that fight off ambient conditions.

The impacts studied within the scope of the project and the new products that were attained were presented to the market where they inspired interest and the products were commercialized.

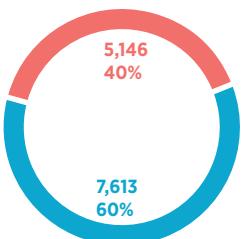


WORK
LIFE



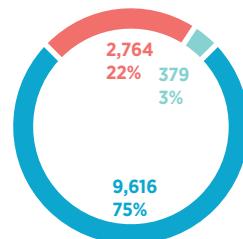
Knowing that our employees are among the primary determinants of the success we achieve, we constantly strive to offer them a working environment where they will be more productive, competent, and satisfied. In this regard, we provide our employees with training and development opportunities to enhance their individual competences, we evaluate their ideas through effective communication channels, and we involve them in decision making processes. We create working environments where our employees can work healthily and safely through our occupational health and safety practices.

EMPLOYEE BREAKDOWN
BY CATEGORY



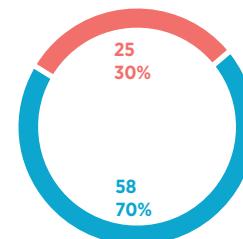
■ WHITE COLLAR EMPLOYEE
■ BLUE COLLAR EMPLOYEE

EMPLOYEE BREAKDOWN
BY AGE GROUP



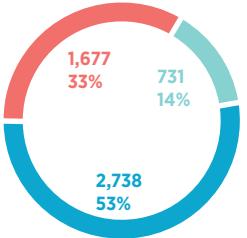
■ BETWEEN 30-50
■ UNDER 30
■ OVER 50 YEARS

SENIOR MANAGEMENT
BY GENDER



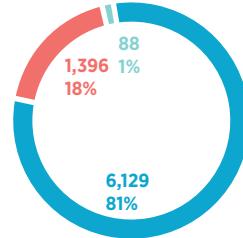
■ FEMALE
■ MALE

WHITE-COLLAR
EMPLOYEE BREAKDOWN
BY EDUCATION LEVEL



■ HIGH SCHOOL AND BELOW
■ BACHELOR'S AND HIGHER
■ ASSOCIATE

BLUE-COLLAR
EMPLOYEE BREAKDOWN
BY EDUCATION LEVEL



■ BACHELOR'S AND HIGHER
■ HIGH SCHOOL AND BELOW
■ ASSOCIATE

Talent Management System Project

The project was included among strategic targets for 2016 in order to determine the talent management strategy, which is among the strategies that will ensure the realization of the objectives of Şişecam Group, to develop and implement talent management processes in line with this strategy, to attract the talent required for sustainable corporate success to the Group, to provide talents within the body of the Group with the opportunity to bring out their potentials, thereby retaining them, and to raise the leaders of the future; preparation works for the project were started.



Knowing that our employees are among the primary determinants of the success we achieve, we constantly strive to offer them a working environment where they will be more productive, competent, and satisfied.

EQUALITY AT WORK AND FAIR WORKING CONDITIONS

At Şişecam Group, all human resources practices are based on equality of opportunity. This approach, which is adopted starting with the recruitment process, is maintained in all processes throughout the business lives of our employees.

At Şişecam Group, remuneration and vested benefits management is carried out without any discrimination based on gender, religion, language, race, and similar characteristics, solely within the framework of business-related criteria, such as knowledge, skills, and experience, in relation to the position level and job requirements. In this context, there is no discrimination among employees with the same job and knowledge/skill experiences. The same base wage and vested benefits apply for employees with the same position level and qualities according to job evaluation ratings. An objective and systematic approach is adopted in human resources processes and practices; the performance of our employees is measured under equal conditions and evaluated fairly.

We work to constitute a workplace free of all kinds of discrimination, conforming to national and international standards, where all rights are offered equally, as a Group. In the reporting period, there were no discrimination cases or grievances within the scope of Şişecam Group operations. We do not tolerate practices such as forced or compulsory labor, child labor within the context of our operations.

As the Group, we support women's employment in business life and the participation of female employees in the management. As of the year 2015, the share of our women executives among all our executives is 25%.

We comply with all legal regulations in relation to the birth leaves of our employees. Of our female employees who took their birth leaves in 2015, 80% returned to their job following their leave period.



As the Group, we support women's employment in business life and the participation of female employees in the management. As of the year 2015, the share of our women executives among all our executives is 25%.

EMPLOYEE DEVELOPMENT

As Group, our objective is to incorporate the right talent and competent individuals and to accomplish their development sustainably by means of practices that will enhance their competence. For this purpose, in addition to the training opportunities we provide, we also carry out regular performance assessments, career management and development practices.

The aim of the Performance Management System, which functions in integration with the vision, mission, and strategies of Şişecam Group, is to generalize the culture of success-oriented performance, support the transformation of individual success into corporate success, and ensure corporate preparedness.

Annual career meetings are organized periodically within the context of the Career Management System in order to evaluate needs.

Development plans devoted to individual needs are prepared in line with the data obtained through the Performance Management System. Regular performance and competence evaluations are conducted for all white-collar employees and employees are provided with feedback. In the reporting period, all of our white-collar employees received performance feedbacks.

At Şişecam Group, training and development activities are carried out to support the position-based competences, professional capacities, individual learning and development requirements of employees and to ensure their preparation for new positions.

Şişecam Academy

In 2015, training and development activities were diversified with innovative methods and investments, and restructured under the name "Şişecam Academy". This structure aims to contribute to the corporate objectives of the Group, develop human resources competences, and make significant contributions to corporate image and employee engagement. The structuring of Şişecam Academy was aimed not for a specific field, but as a framework that gathers all training and development activities under a single roof. With this framework, the training and development processes of white collar and blue collar employees will be centrally managed. Sales and Marketing School, Supply Chain Management School, Glass School, and Leadership School programs were formed within the body of Şişecam Academy.



TRAININGS	2015
NUMBER OF PARTICIPANTS	21,732
BY CATEGORY	
BLUE COLLAR	13,306
White Collar	8,426
BY GENDER	
FEMALE	1,829
MALE	19,903
TOTAL TRAINING HOURS (PERSON*HOUR)	221,857
BY CATEGORY	
BLUE COLLAR	117,604
WHITE COLLAR	104,253
BY GENDER	
FEMALE	18,623
MALE	203,234



In the reporting period **221,857** person*hours of training were provided to our employees.

Leadership School and Sales School

Şişecam Academy was structured under different schools in a manner that will ensure the reflection of essential corporate competences and strategies on learning mechanisms.

The two most important among these schools, leadership and sales schools, were actualized in 2015. The programs at these schools are designed at different levels in accordance with the needs of the target group.

It is aimed for various training methods to be used in the design of the programs through the hybrid model. The hybrid model brings together different methods such as pre-studies, homework, project, distance education, in-class training, and workshop.

The Leadership School project that was actualized in 2015 aims for the development of the leadership competences of the managerial staff of Şişecam Group. Specially prepared training activities are implemented through "Şişecam Global Leadership Model". Within the context of the program, inventory practices, class trainings, one-on-one coaching meetings are organized.

The Sales School was designed to raise salespeople with sales competences in line with Şişecam Global Leadership Model, in order to generalize sales culture throughout the Group.



Glass School - Glass School Project was actualized in order to increase the qualified human resource in the field of glass, which is the core business of Şişecam Group. Glass Science and Technology for Engineers, Glass Breakage Analysis trainings and Glass Workshops were realized in cooperation with Research and Technological Development Directorate (ATGB).

Supply Chain Management School - Supply Chain Operations Reference (SCOR) Model trainings started for the integrated management of Supply Chain processes were also continued in 2015.

Global Leadership Model

Global Leadership Model is a competence model aimed at raising and developing the leaders of the future. In 2015, Global Leadership Model was redesigned as "ATLAS" and a common leadership strategy was formed for Şişecam Group.

Along with the constitution of the model, competence trainings were offered for the human resources job family, providing information regarding the new approach. Within the scope of the generalization of the model, recruitment process was reviewed and organized, new job family/position/title competences and levels were defined and integrated into performance and career management processes, employee handbooks were prepared and shared with all employees.



SuccessFactors Training Management System - The in-class trainings of white-collar employees are planned and shared through the SuccessFactors system. Our employees track and schedule their training calendars during the year through this program.

e-Learning Programs - In 2015, several training tools were developed for the generalization of participatory e-learning practices that take training and development activities beyond in-class practices. Many training programs, such as Personal Information Security Training, OHS, Şişecam Ethics Training, were offered to our employees as e-learning programs.

Orientation Project - In 2015, an orientation e-module and e-book for employees were prepared in order to ensure that recently recruited employees at Şişecam Group adapt to their new positions more easily by closely acquainting themselves with our corporate culture, field of activity, organizational structure and practices.

Employer Brand - Şişecam employees organize events, such as case studies, interview trials, coffee-break conversations with managers, on college campuses every year in order to enhance brand image. Students are evaluated by managers as part of case studies and those deemed successful are provided with internship opportunities. Interview trials aim for students to gain experience with one-on-one or group interviews. Within the context of coffee-break conversations, students have an opportunity to meet with managers and learn about their career journeys.

Long-Term Internship Programs - The long-term internship program enables successful students to stay in as interns for a long period. In this way, interns joining the team are trained about corporate culture and evaluated by their managers with regard to their performance.

EMPLOYEE RIGHTS

The successes we achieve as a Group are made possible by our employees. In this regard, we aim to win over the most talented employees and offer them a fulfilling working environment by supporting the culture of innovation. In this regard, we offer our employees various vested benefits such as training allowance, success allowance, and premiums, besides annual leave, marriage leave, birth and paternity leave.

Flexible Benefits Program

As part of the program, Private Health Insurance for monthly paid employees and Supplementary Health Insurance practice for hourly paid employees were actualized as vested benefits. Besides, monthly paid employees can choose social benefits and alternative health insurance packages for themselves and their families, and also get Life Insurance for themselves. By means of the portal that was designed within the context of the Flexible Benefits Program, employees can set their own budget and make their choices.

In 2015, within the context of the practice;

A total of 12,147 employees, of which 4,350 white-collar employees and 7,797 blue-collar employees, were covered by health insurance. Besides, 2,412 employees participated in the flexible vested benefits system and made their choices through the "portal".

Şişecam Group has been making Individual Pension System (IPS) employer contributions to its employees since 2005. When an employee participates in the system, the employer deposits 3% of the employee's gross wage as IPS contribution in the employee's name. The total amount of IPS employer contribution made in the period between 01.01.2015 and 12.31.2015 is TRY 4,581,438.




Flexible Working Practice

The Flexible Working Hours Project was implemented at Şişecam Group Turkey organizations as of the beginning of 2015, to contribute to the work-life balance of our employees, enhance their motivation and support the sustainability of their success. In this regard, employees can determine their work start and end times in agreement with their managers without altering their daily working hours, thereby regulating their work-life balance as they wish.

Recognition, Appreciation and Rewarding System

As part of Şişecam Employee Appreciation and Rewarding System, the individual or team behaviors, efforts, and successes of our employees that help the corporation achieve its objectives are rewarded. In

this way, employee engagement and motivation are enhanced. In 2015, 709 employees were rewarded across the Group within the scope of the instant rewarding system.

Within the context of Seniority Award Ceremonies organized to incentivize employees who have completed 10, 15, 20, 25, and 30 years of seniority at Şişecam Group, a total of 1,473 employees were rewarded in 2015.

Projects contributing positively to business processes and results and creating difference by making progress are rewarded within the context of the "Stars Parade Award Ceremony". A total of 50 successful projects were rewarded at the ceremony that was organized for the fourth time in 2015.

Employee Commitment

Şişecam Group started measuring employee commitment and developing improvement activities drawing on the results in order a working climate suitable for its employees, in 2013. The Employee Commitment Survey, which encompasses all monthly paid employees across the Group, was repeated in September 2015 by an international consultancy company within the framework of the principle of confidentiality of individual responses. Participation in the survey increased by 16% as against the year 2013, and realized as 77%. The survey measured engagement and satisfaction levels within the scope of factors, such as senior management, immediate manager, career opportunities, training and development, performance management, rewarding and appreciation, cooperation, authorization and autonomy, business activities, work-life balance, diversity and inclusivity, talent and staffing, facilitating infrastructure. The commitment rate of Şişecam Group is approximately equivalent to the special group benchmarking data derived from companies of similar volume deemed comparable and to the Turkey White Collar commitment norm.

Union Rights

Protecting the union rights of employees is among the primary issues we monitor. We emphasize the representation of employees within the framework of a healthy structure in their relations with company management, we ensure our employees' free use of their collective agreement and organization rights. At Şişecam Group, industrial relations are coordinated by the Industry Relations Directorate. As of 2015, industrial

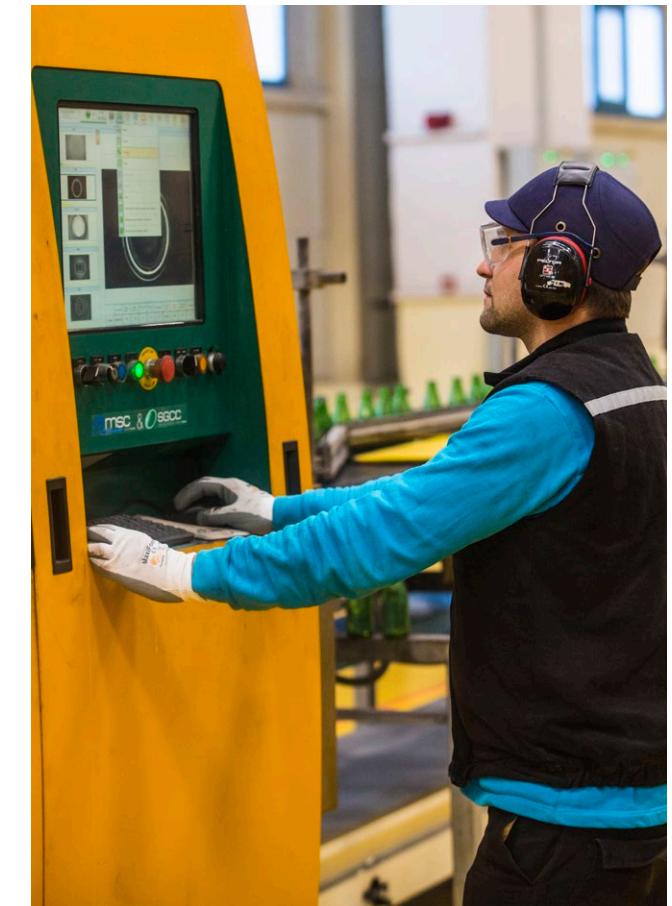
relations are maintained with 4 relevant employee unions in three business lines in Turkey.

Our industrial relations vision is;

- To increase competitiveness and productivity by improving industrial relations in a balanced and healthy manner within the framework of the Group policies,
- To maintain industrial harmony at the workplace based on trust and dialog with unions,
- To work for the promotion of occupational health and safety at workplaces in with our "People First" philosophy.
- As of the year 2015, the unionization rate across the Group is 59,83%. Of our blue-collar employees, 95,60% are covered by the collective labor agreement.

We establish constructive relations based on trust and dialogue with unions in order to maintain workplace peace. Thanks to our positive approach to unionization, problems related to industrial relations were kept at a minimum, during the reporting period.

Without prejudice to the rightful termination circumstances, both group companies and employees are liable to give a prior notice to the opposite party once they decide to terminate the employment contract. This issue is regulated within the context of the Labor Law Numbered 4857 and the collective labor agreements made with unions.



EMPLOYEE ENGAGEMENT

At Şişecam Group we actualize various practices and projects in order to create a participatory corporate culture whereby our employees can share their ideas and suggestions, be informed about developments in our company, and communicate with each other more easily.

Campot - The corporate intranet system widely used across Şişecam Group, Campot, was renewed in 2015. By this means, the system acquired a more user-friendly, easier to access and interactive structure. With the engagement of the new Campot page, there was a significant increase in the usage levels of our employees.

Blue Collar Email Addresses - Email addresses were assigned to blue collar employees on demand to ensure that all employees are easily informed about developments in the agenda of Şişecam, to adopt some processes, such as wage information and payroll, to the electronic environment, and to facilitate interaction. 4,705 employees benefited from this practice.

Idea Factory - Idea Factory is a platform constituted for our employees to convey their suggestions. By means of the Idea Factory, we collect and evaluate our employees' value added producing, innovative ideas. 54 suggestions were rewarded and a total of TRY 2,248,415 of saving was achieved in 2015 through the realization of ideas conveyed to this platform.

Common Language Program - The Common Language Program was started to constitute a common management culture throughout Şişecam Group. The program was designed to enhance the interaction of management teams at different levels.

"We Are Şişecam" Meetings - Şişecam Group organizes "We Are Şişecam" workshops in order to ensure the dissemination of corporate culture and values among all employees.

"ŞİMDİ!" Social Activity Club - Our employees participate in Şişecam Social Activity Club that was established for them to enjoy the time they spend at the workplace, strengthen social relationships amongst them, and transform employee happiness into productivity by creating a synergistic environment in communion. Within the context of the club, a wide range of activities and projects, such as tours, theater, sports tournaments, and aid campaigns, are realized with the participation of volunteering employees.

Dissemination Project - "Şişecam Constitution", which was formed within the scope of the dissemination project, was designed as a guiding document regarding actions required for the adequate representation of corporate values in daily activities and their adaption to behaviors; and was distributed to all Şişecam employees at workshops.

As a further step in the project, three coordination meetings were organized with the participation of "Development Envoys", including 150 monthly paid and hourly paid employees selected from among all the Group locations and operations. The purpose of the Development Envoys program, which aims to contribute to the transformation of corporate values into behaviors through the exemplary behaviors of envoys regarding the adoption of corporate values and to enable the direct sharing of employee opinions about new practices and regulations, is the consolidation of intercorporate communication.

At Şişecam Group we actualize various practices and projects in order to create a participatory corporate culture whereby our employees can share their ideas and suggestions, be informed about developments in our company, and communicate with each other more easily.



OCCUPATIONAL HEALTH AND SAFETY

At Şişecam, Occupational Health and Safety (OHS) Management is the responsibility of Şişecam Industry Relations Directorate. The Directorate provides support in common OHS issues concerning the Group and conducts OHS measurement and monitoring activities by visiting plants within an annual schedule. The performance of production facilities is constantly monitored and support is provided as needed. The results obtained following revisions are shared with Risk Management, Internal Audit and relevant Human Resources departments. In order for practices to be consistent throughout the Group, occupational health

and safety issues are managed within the framework of the Occupational Health and Safety Policy and in compliance with OHSAS 180001 Standard.

Activities aimed at the continuous improvement of working environments in order to achieve the best standards in occupational health and safety and the enhancement of the level of awareness and consciousness of employees in health and safety issues are conducted throughout the Group. Business processes are designed to minimize risks, investments are made in new and innovative technologies in order to constitute accident-free workplaces.



In the reporting period,
12,798 employees were provided
with
172,377 person*hour and
5,840 business partner employees
with **10,978** person*hour
of occupational health and safety
training.

It is aimed for accidents occurring at workplaces to be recorded in more detail within the context of Şişecam Group Occupational Accidents Monitoring and Corrective/Preventive Actions (CPA) System Project practice. CPA system, which exists in all workplaces and departments including Headquarters and sales centers, ensures the systematic monitoring and control of occupational accidents. In this way, the Group companies can also examine the occupational accidents of other companies and the flow process of the actions taken, in addition to working accidents at their own companies.

In the belief that supporting a culture of occupational health and safety is vital for succeeding in decreasing the rate of work accidents, occupational health and safety trainings devoted to our employees and business partner employees are organized. In the reporting period, 12,798 employees were provided with 172,377 person*hour and 5,840 business partner employees with 10,978 person*hour of occupational health and safety training.

There is an OHS Unit composed of the occupational health and safety expert, workplace doctor, and medical personnel at all subsidiary companies of Şişecam Group. In addition, there is an OHS Committee participated by a representative of the management at every plant. All our employees are represented by OHS Committees. 324 members, of which 97 employee representatives, take office in 69 OHS committees across the Group. The minimum number of representatives required to participate in the committees are determined in compliance with legal regulations.

Continuous risk analyses are conducted and preventive control plans are made, periodical equipment controls are performed within the body of the Group companies in order to reduce the number and impact of accidents and injuries. Besides, instantaneous risks are identified and preventive works are conducted through daily site visits.

We adopt the protection of our employees against occupational and common diseases as a principle. In this direction, we provide employees with trainings regarding the causes of occupational diseases, principles of protection against diseases and practice of protection techniques, biological and psychosocial risk elements, and first aid. In addition, employees are subjected to periodical health controls against dusts and gases to which they are exposed at plants. Employees diagnosed with any problem as part of the checkup are immediately removed from the hazardous working area and placed under close surveillance.

As they constitute an important part of our employees' business life, occupational health and safety issues are included within the scope of the collective labor agreements we make with unions.

Continuous risk analyses are conducted and preventive control plans are made, periodical equipment controls are performed within the body of the Group companies in order to reduce the number and impact of accidents and injuries.

Behavior-Focused Occupational Health and Safety Project

The Behavior-Focused Occupational Health and Safety Project was started under the coordination of the Industry Relations Directorate, in 2015. An action plan for behavioral changes was charted based on project outcomes.



The project aimed to determine the existing perceptions of all employees regarding Occupational Health and Safety and their shortcomings in abiding by the rules in this area, identify the necessary steps for positive behavioral change, and implement appropriate works for this purpose. Besides, similarities and variations in the OHS perspectives of different regions and plants were identified and Occupational Health and Safety action plans for 2016 were formed in light of all the data.

Lock Out Tag Out System Installation

In the reporting period, a lock out-tag out/life line system was installed at Bilecik Mining Facilities in order to reduce the accident frequency and severity rates. In this way, it is aimed to prevent working accidents caused by intervention to machines in operation. The project is planned to be installed in five more locations.





Occupational Health and Safety Week

We engage in activities for enhancing Occupational Health and Safety awareness and preventing occupational accidents through various events we organize as Şişecam Group. As in previous years, at the meetings organized during the Occupational Health and Safety Week, celebrated between May 4th and 10th, relevant units were informed regarding changes in business law and occupational health and safety.

During the OHS week, a painting competition, themed the “Importance of Occupational Health and Safety”, was organized with the participation by the children of Şişecam employees. The painting competition, organized for the third time this year, was participated from all Group facilities. Paintings, expressing from the perspective of children how significant it is that their parents are working in a healthy and safe working environment, were evaluated within the context of the competition and the winners were rewarded.



Occupational Health and Safety Reward System

While occupational accidents at Şişecam Group were monitored at 21 local workplaces and 14 workplaces abroad until the year 2014, with the new occupational accident tracking system engaged in 2014, the monitoring of a total of 45 workplaces, of which 24 local and 21 abroad, was started. In addition, subcontractor employees were also included in the tracking system, as well as the reward system.

The Occupational Health and Safety Reward System was modified and rendered more comprehensive and effective; workplaces leading in the field of OHS received their awards at the Stars of Şişecam Award Ceremony. Also, the “Best Practice in Occupational Health and Safety” award, that was implemented for the first time in 2015, was awarded to the winning workplace selected from the applications received.





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 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





ENVIRONMENT



With the awareness and consciousness of the environmental impact generated by our business processes, we manage our operations by actualizing practices that will reduce this impact. As a result of our sustainability approach and the sense of the responsibility that we bear in this issue, we continuously observe all our processes and we implement necessary measures by evaluating the performance we achieve. In this regard, we implement projects to reduce energy consumption and make more efficient use of resources.

With the awareness of the responsibility we bear to leave future generations with a more livable world, we evaluate and consider our environmental performance within the scope of our strategic management understanding. The Environmental and Energy Policy, which includes objectives and commitments in this scope, is implemented at all international operations of Şişecam.

The studies we undertake within the Group focus on the following areas:

- Use of manufacturing techniques devoted to reducing environmental impacts
- Effective energy and resource management
- Improvement of energy efficiency projects and enhancement of systems aimed at mitigating climate change impacts
- Evaluation of fuel and raw material alternatives
- Generalization of waste recovery and recycling activities

We make active use of Environmental Management Standards in order to constantly monitor and evaluate our environmental performance, minimize our environmental impacts, and ensure the systematic management of processes, and we implement its requirements precisely. ISO 14001 Environmental Management System standards are taken as basis in all the production facilities of our Group, while a majority also hold ISO 50001 Energy Management System certification.

Works aimed at developing practices for the monitoring, reporting, and continuous improvement of environmental performance are maintained centrally.

In addition, there is an Environmental Engineer or Environmental Unit directly under the Plant Manager at every production facility. Environmental supervisors work in cooperation with Environmental Committees participated by supervisors from all production units of the plant.

At Şişecam production facilities, major environmental issues are defined, results of performance measurements aimed at determining improvement potential are evaluated, targets are set to undertake necessary enhancement works, and they are followed through action plans. In addition to periodical internal audits, subcontractor audits are conducted and preventive activities are actualized. All the obtained results are analyzed at yearend and relevant results are evaluated.

As Şişecam Group, we completely comply with environmental laws and regulations in all the geographies where we operate. As an important consequence of this approach, relevant regulations are actively followed and necessary investments are made. Sector and stakeholder feedbacks in environmental issues are actively evaluated through memberships to nongovernmental organization and institutions, these platforms also serve to provide information to stakeholders.

We constantly strive to enhance the environmental awareness of our employees and organize environmental trainings. In this regard, in 2015, we organized 4,473.5 person*hour of environmental training for employees of our Group companies within the reporting scope in 2015.

We transfer significant resources to works aimed at reinforcing our environmental performance, in order to continuously improve and develop our environmental management. In 2015, we have allocated resources worth approximately TRY 7 million for environmental investment and management works.

Cross checks were conducted at the domestic facilities of Şişecam Group in relation to compliance with Environmental Management System (ISO 14001) standards, environmental regulations, and other requirements (international criteria). In result of the cross checks performed with the participation of environmental engineers taking office at different facilities, current practices, prominent good practices, and negative findings for each facility were reported. In this way, information about the existing practices at the facilities was collected, while an opportunity was provided for the Group environmental engineers working at different facilities to benefit from each other's experiences.

World Environment Day Celebration

Pencils with seed and recycled notebooks were distributed to all employees at the domestic facilities of Şişecam Group in order to raise awareness regarding June 5th, World Environment Day and to emphasize that we work for a sustainable future.





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 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



ENERGY AND EMISSION MANAGEMENT

As Şişecam Group, we operate in energy intensive industries. For this reason, we place great emphasis on energy efficiency in all our processes. Reducing energy consumption and greenhouse gas emissions while increasing productivity in our operations, improving efficiency and quality while reducing energy consumption in production is our primary approach.

Efficiency studies aimed at improving energy performance are centrally conducted in order to determine, prioritize and record improvement opportunities. Besides, works are conducted at production facilities within the scope of ISO 50001 energy management system standard. A significant portion of our production facilities hold ISO 50001 Energy Management System certification.

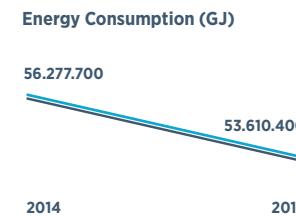
Within the context of energy and emission management, waste heat recovery, new glass furnace design, modelling work, and field application projects aimed at reducing energy consumption and greenhouse gas emissions at our production facilities are among prioritized practices.

Within the scope of emission management, we measure nitrogen oxide compounds, which is also a legal requirement, through continuous measurement systems at a total of 16 process funnels in seven plants. We monitor our funnels online and instantly transfer measurement data to the Ministry of Environment and Urbanization.

During the reporting period, our total direct energy consumption was realized as 53,610,400 GJ. This figure corresponds to a 4.7% reduction as against the previous reporting period.

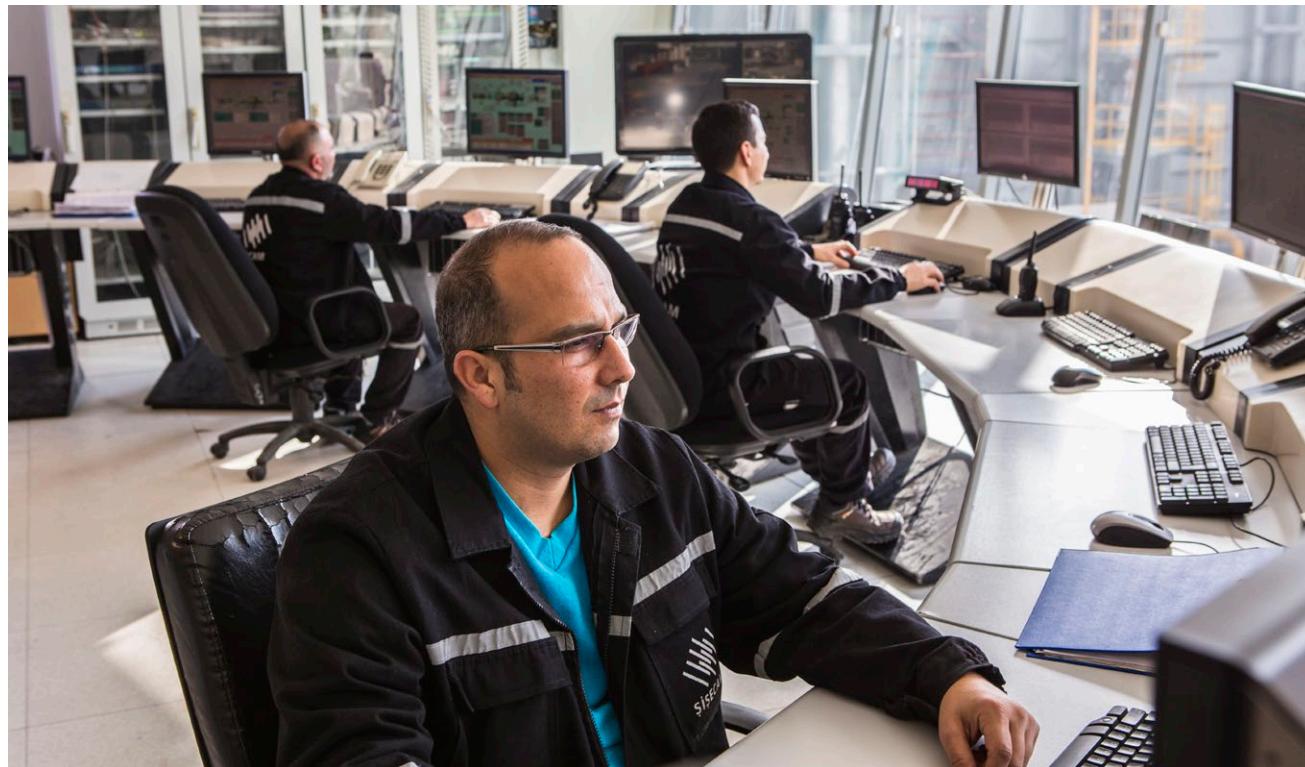
Energy Consumption Values by Source (GJ)						
	Natural Gas	LPG	ELECTRICITY	DIESEL	ANTHRACITE	TOTAL
2013	46,871,900	42,000	3,934,600	36,500	3,348,800	54,233,800
2014	48,940,700	39,700	4,010,600	19,400	3,267,300	56,277,700
2015	46,429,895	44,700	3,863,600	69,200	3,203,100	53,610,400

Total Energy Consumption in 2015 by Business Fields (GJ)						
	Natural Gas	LPG	ELECTRICITY	DIESEL	ANTHRACITE	TOTAL
FLAT GLASS	9,794,500	1,160	1,109,600	6,200	-	10,911,500
GLASSWARE	4,766,200	43,500	806,500	10,700	-	5,626,900
GLASS PACKAGING	5,834,900	-	1,188,450	5,300	-	7,028,600
CHEMICALS	26,034,300	-	759,000	47,000	3,203,100	30,043,300
ŞİŞECAM GROUP	46,429,900	44,700	3,863,600	69,200	3,203,100	53,610,400



During the reporting period, our total direct energy consumption was realized as **53,610,400 GJ**. This figure corresponds to a **4.7%** reduction as against the previous reporting period.





Aspects open to improvement in terms of energy use are continuously reviewed at all the production facilities of Şişecam Group. The high energy efficiency equipment replacement project started in 2014 was also continued in the reporting period. All the stages of projects are technically and economically optimized and evaluated by expert engineers at Şişecam plants. It was determined that an average of 5% energy saving was ensured solely with the replacement of efficient electric motors. With the engagement of the Sustainable Energy Measurement and Tracking System, which is in the process of

installation, the efficiency increases achieved through the projects will be determined more accurately, allowing for comparison.

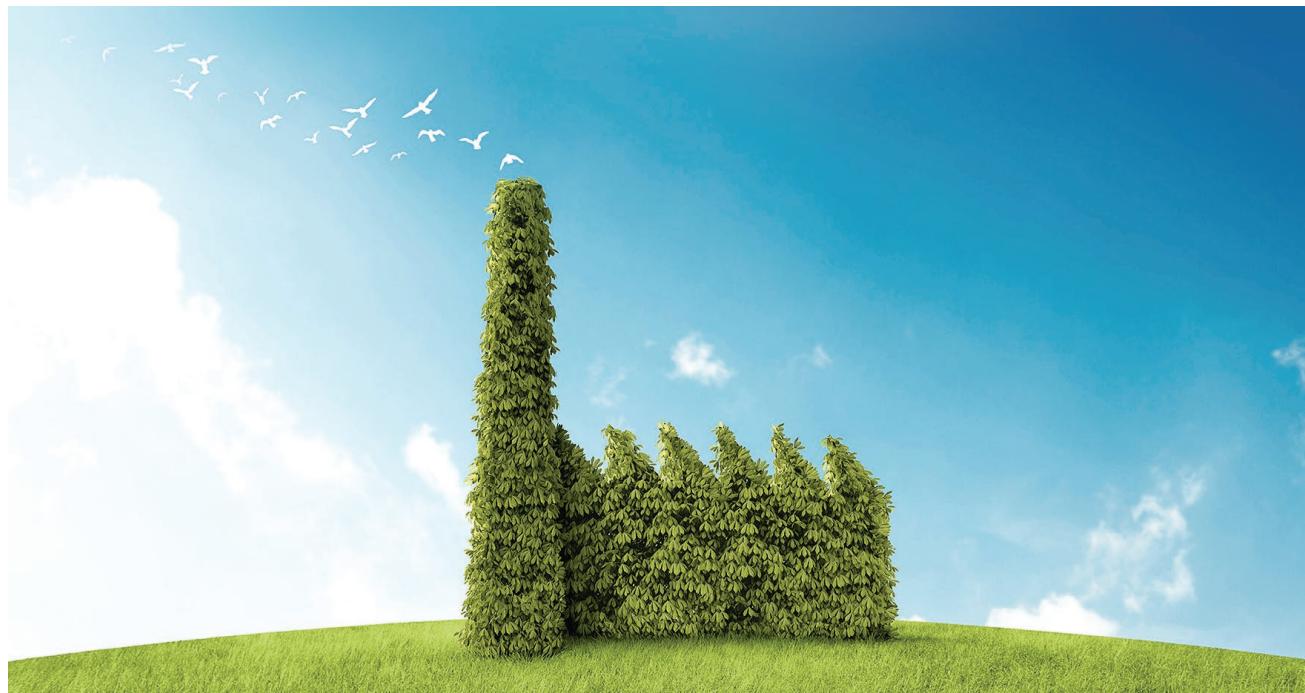
Energy surveys, started in 2012 within the context of the plan regarding the determination of the energy efficiency levels of production facilities within the body of the Group and the identification of their potentials, are continued by an independent audit company authorized by the Ministry of Energy and Natural Resources. To this day, the surveys of 28 domestic facilities were completed.

Sustainable Energy Measurement and Tracking System

According to 2014 data, the total electricity consumption of our domestic and overseas plants is equivalent to approximately 0.7% of the electricity consumption of our country and 3.85% of its natural gas consumption. The management of these rates, which, together with other energy raw materials, exceed the total energy consumption of many countries, from supply to efficiency, to purchasing to wastes, will increase in effectiveness by means of monitoring of every stage of the practices with quantified targets and dynamizing energy policies in line with these results. Through quantitative tracking, it will be possible to compare the theoretical calculations for equipment and system choices with practical results at the plants, to set and evaluate targets accurately, to keep assumptions at a minimum, assessment under equal reference conditions, to prioritize the most beneficial projects, to direct future works in this regard, and to objectively analyze many similar issues.

The project is implemented at 15 plants with varying structures. By ensuring standard reference conditions and structuring models, the expansion of the project to other plants and within itself was also based on the same foundation. This will also allow managers to make accurate evaluations according to the same data. Şişecam plays a pioneering role in this field with the installation of an energy tracking and measurement system of this magnitude allowing for sustainable expansion. The gradual engagement process of the project in three plants each of Glass Packaging, Glassware and Chemical business lines and six plants of Flat Glass line has been completed.





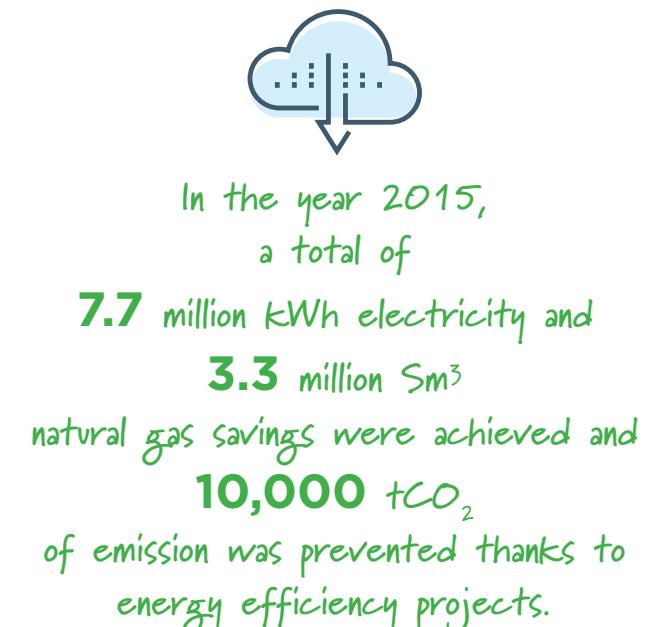
In the year 2015, a total of 7.7 million kWh electricity and 3.3 million Sm³ natural gas savings were achieved and 10,000 tCO₂ of emission was prevented thanks to energy efficiency projects.

With the installation of Organic Rankine Cycle (ORC) facilities at three domestic and overseas operations (Şişecam Flat Glass Mersin and Bulgaria plants and Şişecam Glass Packaging Yenişehir Plant) with the highest waste heat potential in the Group, a total of 10 MW of electricity generation capacity was created. In addition to the generated electricity, savings are achieved in heating sourced natural gas consumptions thanks to the hot water production. The existing waste heat recovery electricity plant with a capacity of 5 MW at Şişecam Flat Glass Yenişehir Plant continues its activities.

Within the context of the evaluation of energy generation potentials of existing facilities, the last phase was reached in the installation of a solar power plant on the roof areas of Trakya Cam Mersin Plant, while works related to legal regulations and solutions to reduce the repayment period of the project are continuing.

Within the scope of the Robot Systems Mass Purchasing Project, which was started to ensure energy efficiency in robot systems that are intensively used in the Group operations and to establish a standard, flat glass and auto glass robot systems are prioritized. Works in this direction will also be continued in the year 2016.

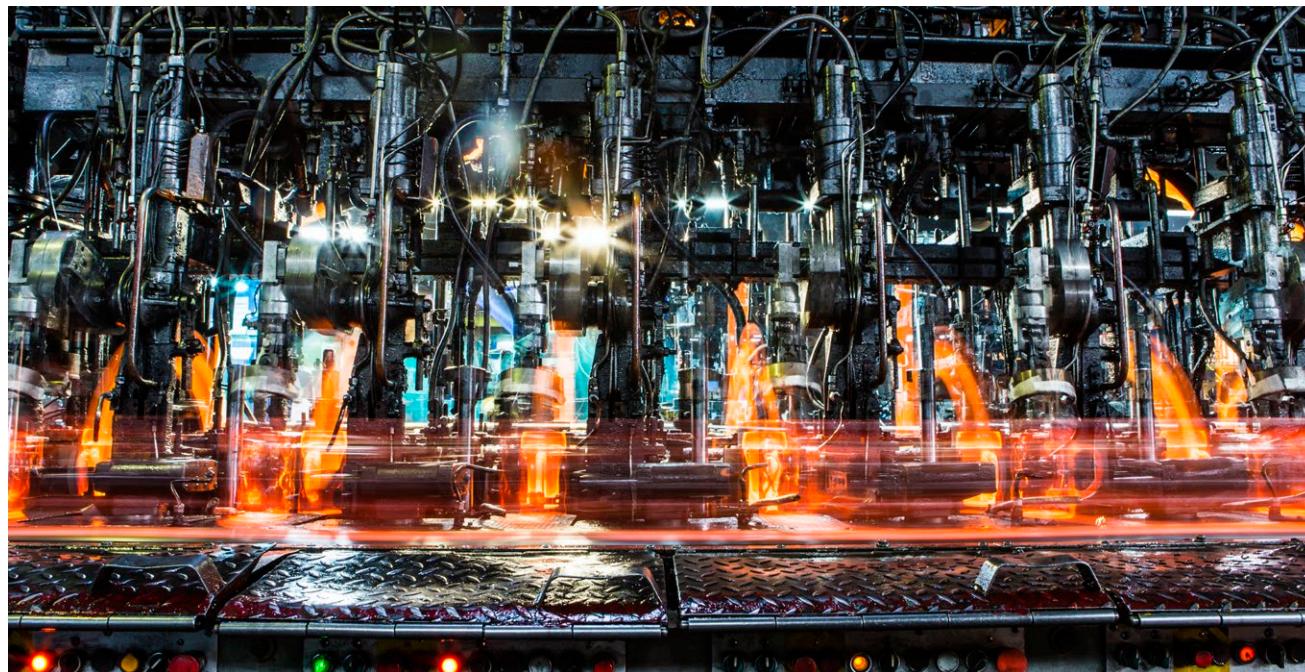
While it is one of the primary inputs of production as required by our fields of operation, energy is also the source of greenhouse gas emissions that cause climate change. For this reason, within the scope of our works



for reducing greenhouse gas emissions, we implement projects focused on achieving savings in energy consumption by reducing raw material and energy consumption in production processes. Besides, we also conduct works to reduce the environmental impacts generated by the use of products. In 2015, the total amount of Scope I and Scope II emissions generated by our operations is at the level of 3,981,983 ton CO₂.

Scope I-II Emissions by Years (ton CO₂e)

	Scope I	Scope II
2013	3,453,600	524,500
2014	3,583,700	528,000
2015	3,475,600	506,400



Greenhouse Gas Emissions in 2015 by Source (ton CO₂e)

	SCOPE I (RAW MATERIAL SOURCED)	SCOPE I (FUEL SOURCED)	SCOPE I (TOTAL)	SCOPE II	TOTAL
2013	815,900	2,637,700	3,453,600	524,500	3,978,100
2014	834,200	2,749,500	3,583,700	528,000	4,111,700
2015	897,100	2,578,400	3,475,600	506,400	3,982,000

Greenhouse Gas Emissions in 2015 by Business Fields (ton CO₂e)

	SCOPE I (RAW MATERIAL SOURCED)	SCOPE I (FUEL SOURCED)	SCOPE I (TOTAL)	SCOPE II	SCOPE I-II TOTAL
FLAT GLASS	283,400	515,700	799,100	147,900	947,000
GLASSWARE	47,000	270,900	317,900	107,500	425,400
GLASS PACKAGING	142,700	327,700	470,400	158,400	628,800
CHEMICALS	424,100	1,464,100	1,888,200	92,600	1,980,000
ŞİŞECAM GROUP	897,100	2,578,400	3,475,600	506,400	3,982,000

Combating Climate Change

As our field of operation is an energy intensive sector, policies focusing on the risk and opportunities brought about by climate change are of great importance for Şişecam. We evaluate climate change and its potential impacts within the context of Şişecam Group activities and integrate them into our corporate strategies.



We work to fulfill the responsibilities we bear in the issue of combating climate change. In this direction, we review our production activities in terms of energy efficiency, we diversify our products providing environmental benefits through their positive impact on resource efficiency. Within the context of combating climate change, we have achieved significant gains in relation to enhancing energy efficiency and reducing energy consumption and resulting greenhouse gas emissions at all our facilities in Turkey and abroad; we continue our works for increasing these gains. We are collaborating with Ministries in infrastructure projects aimed at the management and mitigation of production sourced GHG emissions in our country. Şişecam Group has responded annually to CDP Climate Change program since 2011, and CDP Supply Chain program since 2012. In this regard, the Group reports on issues such as the climate change strategy of the Group, its risk management and managerial approach, energy, carbon emissions and climate change targets, and carbon emissions amount generated by operations. The performance of Şişecam in its Turkey and Bulgaria operations are included in Şişecam CDP responses. With a disclosure score of 91 out of 100, Şişecam has once again proven its success in understanding and managing climate change related issues.

EFFICIENT USE OF RESOURCES

The efficient use of natural resources emerges as an increasingly important issue. With the awareness of our responsibility in relation to this issue, we conduct efficiency projects and implement business applications to reduce the amount of waste generated by production processes.

Water Management

Ensuring the efficient use of water and protecting underground water resources constitute the basis of our water management approach as Şişecam Group.

Wastewaters generated by production and household use are transferred to the natural environment and treatment facilities. The treated wastewaters are discharged in compliance with the limit values determined by relevant environmental regulations. In the reporting period, in production groups, 47,000,000 m³ of water was used in total, 2,000,000 m³ of water was discharged, and 284,000 m³ of water was recovered. Our operations had no adverse impacts on any water resources in terms of biodiversity.



In the reporting period
284,000 m³ of water was recovered.

Waste Management

Our waste management approach encompasses comprehensive practices supporting the reduction of waste at the source, recycling and reuse. Besides, we are actively pursuing our activities aimed at generalizing the culture of recycling by conducting awareness activities together with our stakeholders.

Of the total waste generated at Şişecam Group, 99% are nonhazardous wastes. Whereas in the business fields of glass production, nonhazardous wastes accounted for 91% of total wastes and 97% of nonhazardous wastes were recovered by licensed companies. All recyclable wastes were treated at recycling facilities and reentered the production line. Other wastes were sent to facilities holding the required certifications and licenses in a transparent and responsible manner.

In 2015, Şişecam ensured the collection and recovery of 48% of the packaging material of products put on the market during the previous year. A total of 12,000 tons of paper, cardboard, plastic and wood was recycled.



In 2015, a total of **12,000** tons of paper, cardboard, plastic and wood was recycled.

For this purpose, in addition to the recycling projects realized by contracted authorized institutions, training, support and awareness activities devoted to students were carried out.

Glass and Glass Again Project



“Glass and Glass Again” Project is one of the most comprehensive sustainability and social responsibility projects of Turkey. It aims to support the switch to a recycling society by effectuating a social behavioral change.

As part of the project, the issues of consolidating the infrastructure for sorted collecting at the source, raising public awareness, and modernizing glass recycling facilities are being pursued.

In this regard, 4,760 bottle-shaped moneyboxes were manufactured and donated to municipalities, six glass breaking machines were offered to the use of businesses with high glass consumption, located within the cooperated municipalities, in 2015. In addition to these practices, to a total of 40,850 students were provided with trainings about glass recycling within the context of ongoing training activities.



ENVIRONMENTALLY FRIENDLY PRODUCT

Şişecam Flat Glass, which adopts energy saving and the efficient use of energy as a principle since its establishment, has introduced its double-glass products that provide 50% more heat insulation than single glass under the brand "İsicam Sistemleri" (Thermopane Systems) since 1974. "İsicam S" reduces heat losses by 50% compared to standard double-glass thanks to the Şişecam Low-E Glass it contains, thereby ensuring saving in fuel costs. Whereas "İsicam K", in addition to the heat insulation quality of "İsicam S", also blocks solar heat intake by 40% during the summer ensuring savings in electricity costs arising from air conditioner use. If all the glasses of buildings in Turkey were replaced with "İsicam S" or "İsicam K" glasses, annual energy savings worth 2.5 billion dollars could be achieved. With the prevention of the energy loss caused by the use of single glass or standard double glass, every year 900 schools, 300 hospitals, 550 dormitories, or 75,000 residences could be built.

In 2015, Şişecam Flat Glass developed and launched two new high performance tempered coated glass products that ensure heat insulation and sun control in both residential and commercial buildings, called "Şişecam Tempered Solar Low-E Glass Neutral 41/27" and "Şişecam Tempered Solar Low-E Glass Neutral 71/43", for the architectural glass market; while frosted laminated glass production was realized at Yenişehir Plant.

Preferred in residences, offices, hotels, shopping centers, airports, commercial buildings, roof lights, and winter gardens, Şişecam Tempered Solar Low-E Glass offers users with yearlong comfortable living spaces in accordance with the needs of projects, while it also meets safety needs thanks to being tempered. It provides savings from heating expenses in the winter by reducing heat losses by 50% as against standard double-glass, and from cooling expenses in the summer by reducing solar heat intake by 40-65% compared to standard double-glass.

Şişecam Tempered Low-E Glass Neutral 71/53 makes maximum use of daylight while reducing heat losses by 50% compared to standard double-glass.

Antireflective Coated Şişecam Solar Glasses that increase efficiency in solar panels were introduced to the market in 2015. Antireflective Coated Şişecam Solar Glasses minimize the reflection of the solar light from the module, enhancing the performance of solar panels without preventing solar light intake by the module. With the new product that takes maximum advantage of daylight by offering an additional 2-3% of light transmittance, sunlight intake is raised to the levels of 94-95% and solar panels can generate more electricity.

Producing glass packaging, the healthiest and most environmentalist packaging material, Anadolu Cam San A.Ş. is looking for ways to further reduce the environmental impacts of its products through lightening projects and studies which has been actualizing consistently since 2010. The Company, which has achieved significant raw material savings in result of its projects, has also made significant progress in energy consumption and emission values thanks to the savings achieved in production processes.

During the reporting period, 10 products were lightened by 11,5%. In consequence of the studies, savings were more than doubled as against lightening studies realized in the previous period, ensuring 2,581 ton of glass saving, preventing 1,910 ton CO₂ of emissions and saving 117,308,876 glass bottles.

The global leader in Chrome Chemicals, Şişecam Chemicals offered a new basic chromium sulphate product emphasizing the environment, ecol-tan, to the use of the leather sector, with the responsibility of being the leader.

ecol-tan is a product and system with high chromium intake, that meets environmental waste water requirements during tanning process of many leather types, thanks to its features and application-oriented different tanning process.



ecol-tan is an environmentalist product that can increase the chromizing yield to the level of 98% by performing tanning at high pH without pickling and basification, and reduce the level of chromium oxide in the wastewater below 1 gr/L. Besides, ecol-tan tanning process does not require salt use. Therefore, no salt wastes, which pose problems in treatment, are generated.

Upcycling

With our ZestGlass brand, we reevaluate our products and create user-friendly, eye-pleasing objects for modern kitchens with up-cycling. Hence, we convert non-recyclable products into environmentally friendly objects. With up-cycling, we save resource and time, in addition to creating economical advantages. With

Zestglass, Paşabahçe products transform into new objects with the addition of accessories. The same product can be used with new purposes. For instance, with the addition of a strainer to a glass ball it doubles its functionality. You can prepare herbal tea with the strainer- tea glass. With the addition of an accessory, a simple carafe transforms into a chic wine carafe.

CONTRIBUTION
TO COMMUNITY DEVELOPMENT



Şişecam Group maintains its corporate social responsibility activities in the fields of culture, education, environment, and sports in line with its approach of creating added value for the society.



CULTURE

Sand, lime, and soda are kneaded by skilled hand and becoming a part of the cultural heritage of our society. Şişecam Group not only carries the responsibility of the industrial race it is involved in, but also acts with the responsibility of being an architect of our cultural heritage in the field of glass. In this regard, works protecting our cultural heritage especially in the field of glass are realized.

Serçe Harbor Glass Wreck Documentary

Containing critical finding regarding underwater archeology and glass manufacturing and recycling, "Glass and Glass Again" documentary, which tells the story of the discovery of Serçe Harbor Glass Wreck, was broadcast in 2014. The Serçe Harbour Shipwreck was excavated by a team of Turks and Americans led by Prof. George Bass known as the father of underwater archeology at Serçe Harbour near Marmaris 35 years ago, and the finds included two tons of broken glass nuggets and about one ton of broken glass, as well as glass items. Known around the world as Glass Wreck, the ship is regarded as one of the world's most important wrecks both due to its load and the substantial part of its body that survived until today. The sunken ship and its contents are on display in the Bodrum Museum of Underwater Archeology under the care of Şişecam since 1985. The documentary, "Glass and Glass Again", is intended to tell the story of the Glass Wreck and the unlimited recyclability of glass to broader audiences.



Antique Glass Works Collection

This is a prestige project constituted by Şişecam Group within the scope of its mission of preserving cultural heritage and passing it on to future generations. Adapting its experience in manufacturing to efforts for preserving glass culture by combining it with tradition, Şişecam displays its collection of 520 antique glass works in a special hall in the Şişecam Headquarters. The collection is also registered with Istanbul Archeology Museum. Besides, the Glass Hall of the Bodrum Museum of Underwater Archeology was opened in 1985 to visitors from around the world, under the sponsorship and patronage of Şişecam.

History-Culture-Glass Collections

The first of the History-Culture-Glass collections composed of themes and works reflecting the variety and depth of the cultural heritage of Anatolia was presented to art lovers in 1999. Within the scope of History-Culture-Glass theme started with 'Ottoman', the collections 'Enameled Glasses', 'Blue and White on Glass', 'Words of Art on Glass', 'Mosaics', 'Anatolian Civilizations', 'Mystery of 7', 'Ashura', 'Istanbul', 'Kubad Abad: Crystalline China', 'Talking Coins', and 'Zevk-i Selim' (Perfect Pleasure) met with culture lovers. To this day, nearly 500 different products were developed from the glass collections composed of limited edition items of artistic value.



Şişecam Group maintains its corporate social responsibility activities in the fields of culture, education, environment, and sports in line with its approach of creating added value for the society.

ENVIRONMENT

Glass is the only packaging material that can be recycled 100% with no quality loss and repeat this cycle forever. Şişecam Group continues its nature conservation and recycling works in order to continue this infinite cycle of glass, the most sustainable packaging materials. In this regard, Kazanlı Nature Conservation Project, afforestation works and "Glass and Glass Again" project, one of the most comprehensive sustainability and social responsibility projects of Turkey, were also continued in 2015. Within the scope of the project "Glass and Glass Again", which essentially aims to make the collection of glass wastes into a lifestyle, 203 thousand primary school students were provided with training on glass recycling. Besides, to this day, within the context of collaborations with 134 district municipalities in 21 provinces, approximately 13 thousand glass banks were donated, preventing over 570 tons of glass, in other words more than 2 billion glass bottles, from going to waste. Great advancements were achieved regarding the objective of using cullet as raw material, which provides significant savings in energy consumption; the rate, which was 8% in 2011, was increased to 19% in 2015. By 2016 yearend, this rate is projected to reach 23%.



Şişecam Group continues its nature conservation and recycling works in order to continue infinite cycle of glass, the most sustainable packaging materials.

Project for the Protection of Kazanlı Sea Turtle Population

Kazanlı beach, in the province of Mersin, is one of the few egg-laying sites of endangered sea turtles in Turkey. Within the context of the "Kazanlı Sea Turtles Project", which has been pursued by Soda Sanayi A.Ş. since 2007, the nesting areas of endangered "Caretta Caretta" and "Chelonia Mydas" sea turtles are being protected. Besides, it is intended to inform the local community regarding the issue through awareness raising works and to benefit the socio-cultural and socioeconomic life in the region through ecotourism that may be generated by the presence of endangered sea turtles.

The most important contribution to Kazanlı Sea Turtles Project is provided by young volunteers and Mersin University Department of Biology students. Besides young volunteers who have taken part in the development of the project, meetings are organized to encourage active participation of new volunteers in the initiative. In 2015, the consistent increase in the total number of sea turtle nests continued, as part of the project.

The habitats of the turtles were cleaned by 350 volunteers at the Kazanlı Beach Spring Cleaning event organized on May 9th, 2015 with the participation of Soda Sanayii A.Ş. employees and the cooperation of Mersin University.



Forestation

An average of 5,000 to 10,000 square meter fields within the sites of all Şişecam plants are allocated to forestation, and Şişecam Memorial Forests are brought to life in all regions of operation. In this scope, Camış Madencilik A.Ş. has a Şişecam Memorial Forest that has reached 368 decares in result of afforestation efforts initiated in 2000 in the Yalıköy area, where its pit and facilities are located. Tree planting activities initiated in 2006 by Soda Sanayii A.Ş. in the Mersin region are organized annually for the purpose of determining forest sites and planting trees in these sites. As a result of the activities carried out in this framework, the families of current and retired employees planted nearly 3,000 saplings in 2015. Thanks to the sapling planting activities launched in the Cankurtaran region, Denizli Cam Sanayii ve Ticaret A.Ş. created a mini forest with grown trees on an area of three decares. In addition, approximately 6,300 trees and saplings have been planted in the plant site, 50% of which is covered by green spaces.



"Glass and Glass Again" Project

Launched in 2011 by Şişecam Glass Packaging in cooperation with the Foundation for Environmental Protection and Reuse of Packaging Waste (ÇEVKO) 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;

- Creating and raising public awareness about glass packaging recycling,
- Improving the collection infrastructure for glass packaging waste,
- Modernizing the glass packaging waste collection and processing facilities and separating glass packaging waste from household waste before land filling.

Between 2011 and 2015, training in glass recycling was provided to 203,000 primary school students, 12,900 bottle banks were donated and 578,400 tons of glass packaging waste was recycled as part of the project. The resulting reduction in carbon emissions was equal to that of removing 208,000 cars off the roads, and the energy saved thanks to recycling reached a level that would meet the heating and hot water needs of 24 thousand residences. In addition, cooperation was established with a total of 134 district municipalities in 21 provinces, and support was provided to raise public awareness, improve collection infrastructure, and modernize glass recycling facilities. Glass breaking machines were manufactured to be used at restaurants and hotels with high glass consumption within the limits of cooperated municipalities, the machines were installed at requested consumption points. During the year, activities to raise awareness on recycling were carried out and presents were given away at shopping malls, main streets, and city squares.

The scope of project activities was extended in 2015 and the HORECA work devoted to glass recycling at Hotels, Restaurants, and Cafes was engaged. In consequence of the cooperation achieved with Karşıyaka, Ataşehir, Kadıköy, Bağcılar and Pendik Municipalities, it was ensured through notification that businesses and shopping centers within the limits of the aforementioned municipalities were required to collect glass separately at the source. In addition to the HORECA work, a work specifically aimed for large building complexes was also started and a system was formed for the collection of glass separately from household wastes. In order to encourage businesses with a high potential of glass packaging waste generation regarding recycling, Şişecam started the "Glass Friendly Business" practice also with the cooperation of municipalities and the collection company. With this practice, businesses that are successfully collecting glass packaging separately are awarded the title "Glass Friendly Business" by Şişecam.

Between 2011 and 2015, training in glass recycling was provided to 203,000 primary school students, 12,900 bottle banks were donated and 578,400 tons of glass packaging waste was recycled.



EDUCATION

Şişecam gives Educational Incentive Grants to its employees and its employees' children receiving education. In this regard, TRY 3,709,297 of scholarship was provided in 2015. The shuttle and lunch costs of 75 students at the five-classroom 60th Year Primary School located inside Şişecam Companies Trakya Region Glass Industry Housing were compensated by Trakya Plant in the 2014-2015 school year.

Three-year apprenticeship education is provided at Denizli Cam Plant since 1990, within the framework of the Vocational Training Law Numbered 3308. At the plant where 123 students are currently receiving education, youth between ages 16-21, trained according

to the traditional master-apprentice system, receive theoretical and practical information from journeymen and masters. Contributing to the "Vocational Education Development Project" conducted by Mersin Governorate, Şişecam constructed an Industrial Vocational High School building with 24 classrooms and one workshop in Mersin Tarsus Organized Industrial Zone, which was donated to the Ministry of National Education. As of the 2014-2015 school year, 418 students are studying at the school.

Second Environmental and Energy Workshop

The Second Environmental and Energy Workshop organized under the leadership of the Corporate Development and Sustainability Department was realized on September 23rd.

Projects conducted in the field of energy efficiency and environmental management, works implemented in relation to corporate environmental management system, production efficiency, and energy efficiency were evaluated at the workshop, which was held with the participation of 80 people from domestic and overseas plants of Şişecam Group. Presentations about works implemented and projects conducted in the fields of energy and environment in 2015 were shared with participants. Following the workshop, information was provided regarding the accomplished and planned works in relation to the priority issues determined in result of the workshop organized last year. Opinions and suggestions identified within the workshop were compiled subsequent to the workshop and prioritized within the scope of sustainability issues including environmental performance, energy efficiency, and social components.

Glass Symposium

Growing by constantly creating value added, quality and innovative products and developing technologies, Şişecam Group organized the 30th Glass Symposium in 2015. The symposium, themed "Glass in a Sustainable Future", was participated by 12 prominent representatives of the glass industry on an international scale as speakers. The symposium, where 56 papers were published, hosted around 300 attendees including 70 academicians from 27 national and international universities.

At the symposium, which was held at Istanbul Technical University, Süleyman Demirel Campus on November 20th 2015, Prof. Dr. Ahmet Kırman, Vice Chairman and CEO of Şişecam Group, stated that Şişecam Group has become a global force with its production activities spanning 13 countries and nearly 22 thousand employees, emphasizing that the Group continues to grow with the goal of ranking among the top three in the world.



SPORTS

The support of Şişecam Group for sports has emerged from the direct relationship of our production facilities and employees with the nature. At Çayırova Cam San. A.Ş., located by the sea, in 1982 when swimming and fishing were becoming inconvenient due to marine pollution, took steps to benefit from other possibilities of the sea and carry out social activities, providing our employees with the opportunity of sailing at Şişecam Çayırova Sports Facilities. With the incorporation of the canoeing and rowing branches, the club continues its activities in three branches.

Şişecam Çayırova Sports Club

Çayırova Sports Club, which was founded by Şişecam under the name of Çayırova Sailing Sports Club, commenced operations at Çayırova Sports Facilities in 1982 with the objective of attracting young people into sport and contributing to their physical and moral development. The Club obtained federated club status from the General Directorate of Youth and Sport in 1984. With a team of approximately 100 athletes and managers, the Club serves young athletes and those aspiring to become athletes in the branches of sailing, rowing and canoeing and trains national athletes who have achieved successful results in various branches. In 2015, 5 athletes and one coach from the Canoeing Branch of the Club joined the National Team.



Rowing

Club athletes, who achieved successful results in the international competitions they participated in 2015, won the bronze medal at the World Youth Rowing Championship organized in Rio de Janeiro in Brazil, for the first time in the history of Turkey. The rowing team also won four gold, one silver, and three bronze medals at the Balkan Youth Championship organized in Romania, and three gold, three silver, and two bronze medals at the Turkish Championship.

Sailing

The Sailing Branch also achieved successful results in 2015. Club athletes, who participated in a total of 22 races, of which 11 regional and 11 national, within the program of the Turkish Sailing Federation in the 2015 season, won medals at most of the regional races and they qualified to participate in the European Youth Championship that will be held in Hungary in 2016 with the results they achieved at the Turkish Pirate League.

Canoeing

Şişecam Çayırova Sports Club Canoeing Branch also left behind a successful season with the rankings they achieved in the national and international competitions participated in 2015. At the International Long Distance Open Calm Water Canoeing Races, young men's and women's teams won the second place; three first spots, eight second spots, and four third spots were won at 200, 500 and 1000 meters at the Calm Water Canoeing Turkey Championship in August, ranking third in the general classification in youth and women. Club athletes, who won the first place in all categories at the Canoe Ocean Racing Turkey Championship in October, surpassed all clubs in the general classification and won the first place.

PERFORMANCE DATA

Summary of Statement of Financial Position (TRY Mio)

	2014	2015
Current Assets	5,657	6,570
Non-Current Assets	6,693	9,093
Total Assets	12,350	15,663
Current Liabilities	1,902	2,311
Non-Current Liabilities	3,209	3,849
Equity	7,239	9,503
Equity Holders of the Parent	5,692	7,467
Non-Controlling Interests	1,547	2,036
Total Equity and Liabilities	12,350	15,663

Summary Statements of Income (TRY Mio)

	2014	2015
Revenue	6,876	7,415
Cost of Sales	-5,003	-5,236
Gross Profit from Trading Activity	1,873	2,179
Operating Expenses	-1,220	-1,299
Operating Income	653	880
Income From Investing Activities (Net)	24	146
Operating Profit Before Financial Expenses	677	1,026
Financial Expenses (Net)	-182	-127
Profit Before Tax from Continued Operations	495	899
Tax Income	-75	-94
Taxes on Income	-171	-180
Deferred Tax Income/(Expense)	96	86
Profit for the Period	420	805
Attributable to:		
Non-Controlling Interests	7	82
Equity Holders of the Parent	413	723
Earnings Before Interest and Taxes (EBIT)*	677	1,026
Depreciation	688	738
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*	1,365	1,764
Net Cash from Operations	768	823
Net Financial Debt	1068	1470
Toplam Kaynaklar	12,350	15,663

The economic data included in the report involve operations of Şişecam in Turkey and abroad. Social and environmental indicators involve Şişecam's Turkey operations.

Financial Ratios (%)

	2014	2015
Current Assets/ Current Liabilities	3.0	2.8
Equity / Total Equity and Liabilities	58.6	60.7
Total Liabilities /Equity	70.6	64.8
Net Financial Debt /Total Equity and Liabilities	8.6	9.4
Net Financial Debt / Equity	14.8	15.5
Gross Profit / Revenue	27.2	29.4
EBITDA* / Revenue	19.9	23.8
EBIT* / Revenue	9.8	13.8
Net Financial Debt / EBITDA*	0.8	0.8

(*) Operating profit before financial expenses used for calculating EBIT and EBITDA.

Environmental Performance Indicators	2014	2015
Total Energy Consumption (GJ)		
Natural Gas	48,940,700	46,429,895
LPG	39,700	44,700
Electricity	4,010,600	3,863,600
Diesel	19,400	69,200
Anthracite	3,267,300	3,203,100
Total	56,277,700	53,610,400
GHG Emissions (ton CO ₂ e)		
Total Scope I Emissions	3,583,700	3,475,600
Raw Material Sourced Emissions	834,200	897,100
Fuel Sourced Emissions	2,749,500	2,578,400
Total Scope II Emissions	528,000	506,400
Electricity Use Sourced Emissions	528,000	506,000
Total	4,111,700	3,982,000
Total Water Withdrawal (m ³)		
	26,777,200	29,113,300
Recovered/Reused Water (m ³)		
	319,800	284,000
Total Wastewater Discharge (m ³)		
Natural Receiving Environment+Sewer	9,870,900	9,383,900
Total Hazardous Waste by Disposal Method (ton)		
Recovery	1,000	1,500
Disposal	2,600	3,200
Total	3,600	4,700
Total Non-Hazardous Waste by Disposal Method		
Recovery	6,000	24,000
Disposal	805,000	1,039,000
Total	811,000	1,063,000
Total Environmental Investment Costs (TRY)		
	25,048,000	10,509,000
Total Environmental Management Costs (TRY)		
	25,308,100	33,707,600

Social Performance Indicators*	2014	2015
Total Workforce (number)	12,684	12,759
Direct Employees	12,684	12,759
Female	1,373	1,452
Male	11,311	11,307
Employees by Contract Type (number)	12,684	12,759
Permanent	12,661	12,722
Female	1,365	1435
Male	11,296	11,287
Temporary	23	37
Female	8	17
Male	15	20
Employees by Category (number)	12,684	12,759
Blue Collar	7,822	7,613
Female	23	23
Male	7,799	7,59
White Collar	4,862	5,146
Female	1,35	1,43
Male	3,512	3,716
Employees by Employment Type (number)	12,684	12,759
Full-Time	12,683	12,754
Female	1,373	1,452
Male	11,31	11,302
Part-Time	1	5
Female	0	0
Male	1	5
Employees by Education Level (number)	12,684	12,759
White Collar	4,862	5,146
Secondary and Below	1,582	1,677
Associate Degree	644	731
University and Above	2,636	2,738
Blue Collar	7,822	7,613
Secondary and Below	6,349	6,129
Associate Degree	1,392	1,396
University and Above	81	88

Social Performance Indicators*		2014	2015	Social Performance Indicators*		2014	2015
Employees by Age (number)		12,684	12,759	by Age Group		1,241	1,363
Below 30		2,798	2,764	Below 30		445	483
30 - 50		9,57	9,616	30 - 50		626	781
50+		316	379	50+		170	99
Senior Management Structure (by number)				Employees on Parental Leave			
by Gender		77	83	Female		56	55
Female		23	25	Employees Returned to Work After Parental Leave			
Male		54	58	Female		42	49
by Age Group		77	83	Employees Returned to Work After Parental Leave and Still Employed 12 Months After Their Return			
Below 30		0	0	Female		34	40
30 - 50		39	45	Absence Rate (%)			
50+		38	38	White Collar		4.6	4.8
by Nationality		77	83	Employee Trainings - Number of Participants (person)			
Turkish Citizen		77	83	Blue Collar		8,024	13,306
Expat		0	0	White Collar		8,103	8,426
Mid-Level Management Structure (by number)				Female		2,501	1,829
by Gender		269	287	Male		13,860	19,903
Female		65	71	Employee Trainings - Total Hours (personxhour)			
Male		204	216	Blue Collar		48,821	117,604
by Age Group		267	328	White Collar		98,222	104,253
Below 30		2	43	Female		25,678	18,623
30 - 50		190	219	Male		121,365	203,234
50+		75	66	Environmental Trainings - Number of Participants			
New Hires (number)				Direct Employees			2,192
by Gender		1,487	1,325	Environmental Trainings - Total Hours (personxhour)			
Female		306	309	Direct Employees			15,156
Male		1181	1016	Injury Rate		18	21
by Age Group		1,487	1,325	Occupational Disease Rate		0	0
Below 30		1010	870	Lost Day Rate		272	369
30 - 50		426	422	Absence Rate		0	0
50+		51	33	OHS Trainings - Number of Employee Participants (person)		13,577	12,798
Employees Left (number)				Employee OHS Trainings - Total Hours (personxhour)		120,028	172,377
by Gender		1,241	1,362				
Female		240	240				
Male		1,001	1,122				



GRI G4 CONTENT INDEX

Indicators	Description	Omissions
GENERAL STANDARD DISCLOSURES		
G4-1	Message from General Manager (pp.4-5); Message from Şişecam CEO (pp.6-7)	-
G4-2	Message from General Manager (pp.4-5); Message from Şişecam CEO (pp.6-7)	-
G4-3	About the Report (p.2)	-
G4-4	About Şişecam (p.8)	-
G4-5	Corporate Web Site: http://www.sisecam.com.tr/en/contact-us/contact-us	-
G4-6	About Şişecam (p.8)	-
G4-7	Corporate Website: http://www.sisecam.com/en/investor-relations/corporate-overview-and-governance/shareholder-structure	-
G4-8	About Şişecam (p.8); Şişecam 2015 Annual Report (p.10)	-
G4-9	Generated Economic Value (p.12); Work Life (p.36); Performance Data (p.65)	-
G4-10	Work Life (p.38); Performance Data (p.65)	-
G4-11	Union Rights (p.41)	-
G4-12	Supply Chain Management (p.27)	-
G4-13	Corporate Website: http://www.sisecam.com/en/investor-relations/presentations-and-bulletins/material-disclosures	-
G4-14	Risk Management and Internal Audit (p.17); Business Ethics (p.18); Occupational Health and Safety (pp.43-44); Combating Climate Change (p.53)	-
G4-15	Our Corporate Memberships (p.14)	-
G4-16	Our Corporate Memberships (p.14)	-
G4-17	About the Report (p.2)	-
G4-18	About the Report (p.2); Sustainability Management (p.19)	-
G4-19	Sustainability Management (p.20)	-
G4-20	Sustainability Management (p.20)	-
G4-21	Sustainability Management (p.21)	-
G4-22	The report does not have any restatements of information provided in the previous report. GRI G4 Content Index (p.67)	-
G4-23	About the Report (p.2); Sustainability Management (p.21)	-
G4-24	Stakeholder Engagement (pp.23-24)	-
G4-25	We define all individuals and institutions, who either are impacted by our operations or have an impact on them, as our stakeholders.	-
G4-26	Stakeholder Engagement (pp.23-24)	-
G4-27	Stakeholder Engagement (pp.23-24)	-
G4-28	About the Report (p.2)	-
G4-29	About the Report (p.2)	-
G4-30	About the Report (p.2)	-

Indicators	Description	Omissions
SPECIFIC STANDARD DISCLOSURES		
Material Aspect: Economic Performance		
G4-DMA	Generated Economic Value (p.12); Supply Chain Management (p.27)	-
G4-EC1	Generated Economic Value (p.12); Performance Data (p.64)	-
G4-EC2	Combating Climate Change (p.53)	-
G4-EC3	Employee Rights (pp.40-41)	-
Material Aspect: Market Presence		
G4-DMA	Not material	-
G4-EC6	Performance Data (p.66)	-
Material Aspect: Indirect Economic Impacts		
G4-DMA	Research and Technological Development Activities (p.33); Employee Development (pp.38-39); Contribution to Social Development (pp.58-63)	-
G4-EC7	Research and Technological Development Activities (p.33); Contribution to Social Development (pp.58-63)	-
G4-EC8	Research and Technological Development Activities (p.33); Employee Development (pp.38-39); Contribution to Social Development (pp.58-63)	-
Material Aspect: Energy		
G4-DMA	Energy and Emission Management (pp.50-51)	-
G4-EN3	Energy and Emission Management (p.52); Performance Data (p.65)	-
G4-EN6	Energy and Emission Management (p.50)	-
G4-EN7	Environment Friendly Products (pp.55-56)	-
Material Aspect: Water		
G4-DMA	Water Management (p.54)	-
G4-EN8	Water Management (p.54); Performance Data (p.65)	-
G4-EN9	No stress caused by water consumption within Şişecam operations was found on resource consistency.	-
G4-EN10	Water Management (p.54); Performance Data (p.65)	-
Material Aspect: Biodiversity		
G4-DMA	GRI G4 Content Index (p.67)	-
G4-EN11	Şişecam production plants and other units are not located in the areas under protection due to their biodiversity or other environmental particularities.	-

Indicators	Description	Omissions
G4-EN12	No significant negative environmental impact case witnessed in the neighboring areas to Şişecam manufacturing plant has occurred due to Şişecam operations. All operations are conducted in line with limit values defined in permissions granted by related authorities.	
Material Aspect: Emissions		
G4-DMA	Energy and Emission Management (pp.50-51)	-
G4-EN15	Energy and Emission Management (p.53); Performance Data (p.65)	-
G4-EN16	Energy and Emission Management (p.53); Performance Data (p.65)	-
G4-EN19	Energy and Emission Management (p.53)	-
Material Aspect: Effluents and Waste		
G4-DMA	Water Management (p.54)	-
G4-EN26	Water Management (p.54)	-
Material Aspect: Products and Services		
G4-DMA	Waste Management (p.54); Environment Friendly Products (pp.55-56)	-
G4-EN27	Environment Friendly Products (pp.55-56)	-
G4-EN28	Waste Management (p.54)	-
Material Aspect: Compliance		
G4-DMA	Environment (pp.48-56)	-
G4-EN29	There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting period.	-
Material Aspect: Overall		
G4-DMA	Environment (pp.48-56)	-
G4-EN31	Environment (p.48)	-
Material Aspect: Employment		
G4-DMA	Work Life (pp.36-45)	-
G4-LA1	Performance Data (p.65)	-
G4-LA2	Employee Rights (pp.40-41)	
G4-LA3	Equality at Work and Fair Working Conditions (p.37)	-
Material Aspect: Occupational Health and Safety		
G4-DMA	Occupational Health and Safety (pp.43-44)	-
G4-LA5	Occupational Health and Safety (pp.43-44)	-
G4-LA6	Performance Data (p.68)	-
G4-LA8	Occupational Health and Safety (pp.43-44)	-
Material Aspect: Training and Education		
G4-DMA	Employee Development (pp.38-39)	-
G4-LA9	Employee Development (pp.38-39); Performance Data (p.66)	-
G4-LA10	Employee Development (pp.38-39)	-

Indicators	Description	Omissions
Material Aspect: Diversity and Equal Opportunity		
G4-DMA	Equality at Work and Fair Working Conditions (p.37)	-
G4-LA12	Equality at Work and Fair Working Conditions (p.37); Performance Data (p.66)	-
Material Aspect: Equal Remuneration for Women and Men		
G4-DMA	Equality at Work and Fair Working Conditions (p.37)	-
G4-LA13	Equality at Work and Fair Working Conditions (p.37)	-
Material Aspect: Non-Discrimination		
G4-DMA	Equality at Work and Fair Working Conditions (p.37)	-
G4-HR3	During the reporting period, no case of discrimination has occurred.	-
Material Aspect: Freedom of Association and Collective Bargaining		
G4-DMA	Union Rights (p.41)	-
G4-HR4	In all Şişecam operations, exercise of the freedom of association and collective bargaining is ensured. Business partners are also expected to adopt same principle. During the reporting period, no breach or significant risk is identified regarding exercise of these rights.	-
Material Aspect: Child Labor		
G4-DMA	GRI G4 Content Index (p.68)	-
G4-HR5	Şişecam does not permit child labor within its operations. Business partners are also expected to adopt same principle. During the reporting period, no breach or significant risk is identified regarding this principle.	-
Material Aspect: Forced and Compulsory Labor		
G4-DMA	GRI G4 Content Index (p.68)	-
G4-HR6	Şişecam does not permit forced and compulsory labor within its operations. Business partners are also expected to adopt same principle. During the reporting period, no breach or significant risk is identified regarding this principle.	-
Material Aspect: Anti-Corruption		
G4-DMA	Fight Against Corruption (p.68)	-
G4-SO3	All Şişecam operations are assessed for risks related to corruption.	-
G4-SO5	No such case occurred during the reporting period.	-
Material Aspect: Compliance		
G4-DMA	Not material	-
G4-SO7	There are no ongoing lawsuits against Şişecam for anticompetitive behavior or anti-trust in the reporting period.	-
Material Aspect: Compliance		
G4-DMA	Corporate Governance (p.16); Stakeholder Engagement (pp.22-24)	-
G4-SO8	There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.	-
Material Aspect: Customer Health and Safety		
G4-DMA	Product Safety and Product Responsibility (pp.29-30)	-

Indicators	Description	Omissions
G4-PR1	Product Safety and Product Responsibility (p.29)	-
G4-PR2	During the reporting period, no case of non-compliance to regulations has occurred.	-
<i>Material Aspect: Product and Service Labeling</i>		
G4-DMA	Product Safety and Product Responsibility (pp.29-30)	-
G4-PR3	Product Safety and Product Responsibility (p.29)	-
G4-PR4	During the reporting period, no case of non-compliance to regulations has occurred regarding customer information practices and product labeling.	-
<i>Material Aspect: Marketing Communications</i>		
G4-DMA	Product Information (p.31)	-
G4-PR7	During the reporting period, no case of non-compliance to regulations has occurred regarding marketing communication aspects.	-
<i>Material Aspect: Customer Privacy</i>		
G4-DMA	Not material	-
G4-PR8	During the reporting period, no complaints were received concerning breaches of customer privacy.	-
<i>Material Aspect: Compliance</i>		
G4-DMA	Not material	-
G4-PR9	Product Safety and Product Responsibility (p.29)	-

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