

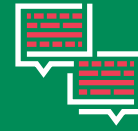




ABOUT THE REPORT

With the fifth sustainability report covering the period January 1, 2018 to December 31, 2018, Şişecam Glass Packaging presents its stakeholders the sustainability performance prepared based on the “Core” compliance option of the GRI Standards.

The data in the report covers all legal businesses of Şişecam Glass Packaging in Turkey and abroad.



Stakeholder feedback is extremely important in improving both our activities and our reporting process. Accordingly, you can forward all your opinions, suggestions and complaints to Nihal Beltan, Market Research Executive, at nbeltan@sisecam.com.



MESSAGE FROM THE CHAIRMAN OF THE BOARD



Esteemed Stakeholders,

With the sixth edition of our report that was issued according to the Global Reporting Initiative Standard, we present the sustainability performance of Şişecam for the opinion of stakeholders. Our report is also a summary of the practices we have undertaken within the scope of the United Nations Sustainable Development Goals, which we are a party to and supporter of.

At Şişecam, the focus of our operations in 2018 was sustainable growth and profitability. At a time defined by evident risks both in the world and in Turkey, the sales revenues of Şişecam Group increased to TRY 15.6 billion by 37%, compared to the previous year. Şişecam continued to deliver its high value-added products to customers in 150 countries with exports exceeding \$760 million in 2018. Having undertaken sustainability-driven future investments upon all these achievements, Şişecam made a strategic investment worth a total of TRY 2.6 billion in 2018.

For Şişecam Group, the key to leave a sustainable world for future generations and act as a solution partner accordingly lies in becoming a Group that has faith and knowledge in the concept of sustainability. To this end, as a global player with approximately 22,000 employees across 13 countries, Şişecam initiated its integrated corporate sustainability strategy in 2018 under the title “Care for Next”.

Integrating sustainability into its internal processes, Şişecam Group has attained international achievements with its initiatives in this field. Our Group managed to rank in the “Top Performers in Emerging Markets” list as part of the “Viego Eiris Sustainability Index 2018”, which evaluated 855 companies from 35 industries in 31 countries.

Şişecam continued to create value for its stakeholders and environment during the reporting period, driven by “preserve”,

“empower” and “progress”, which are the focal points determined in 2017.

Operating in the energy-intensive industries, Şişecam Group sustained its efforts to increase energy consumption efficiency in 2018. Thanks to the efforts undertaken over the reporting period, 815,285 GJ of energy has been saved. Within the scope of the projects undertaken to promote conscious use of natural resources, many projects have been managed in the reporting period. With the “Glass and Glass Again” project which is managed to increase glass cullet usage, a total of 184,000 tons of glass cullets have been reused in 2018, leading to increase by 7% in comparison to 2017.

Driven by the awareness that equal participation in employment is one of the most decisive factors in the advancement of society, corporate objectives were set in 2018 to further offer opportunities to employees, from any business level, to fulfill their potential regardless of any biases such as background, age, gender or physical handicaps. With the “women-friendly factory standards” the potential of working environments in the production facilities to meet the basic needs of all individuals was reviewed and improvement projects were initiated.

Our Group brought together the Research and Technological Development (R&TG) activities and design activities under a single roof, renaming it as “Şişecam Science, Technology and Design Center” in 2018 in order to strengthen the links connecting the value chain, from the raw material to the final product, and to further accelerate the synergy of the design and development groups. In addition, 21 products/ technologies were commercialized, 17 patent applications were made, 3 patents and 13 designs were registered in the reporting period. In 2018, collaborations were made with a total of 21 Universities-Research Institutes, namely 14 national

and 7 international-scale and with R&D departments of a total of 34 companies, 19 of which are national and 15 of which are international. Additionally, activities were actively maintained in 2018 to adopt a culture that fosters the leadership role for use and continuous development of digital technologies in business processes, and to sustain the Digital Transformation Program.

Şişecam Group established a Vocational and Technical Anatolian High School in Bursa, Yenişehir in cooperation with Bursa Governorship, Provincial Directorate of National Education and Yenişehir Municipality and the school started the educational program in 2018. The school features a variety of support units, primarily workshops and laboratories, in addition to 16 classrooms. This educational facility generates permanent value for the sector and the region by providing services to meet the need of qualified technical personnel.

Şişecam Group is among the longest standing representatives of the glass heritage in our country. Şişecam Group continued practices that will protect this heritage and keep it alive in 2018 as well. Şişecam Group adopts it as a principle to create value by contributing to social development and the protection of cultural heritage, undertaking social responsibility activities under the guidance of the UN Sustainable Development Goals.

I would like to express my gratitude to all of our stakeholders, especially our valuable employees as the most important contributors on our journey towards transforming into a solution partner of a sustainable future.

Prof. Dr. Ahmet Kirman
Chairman of the Board



MESSAGE FROM THE PRESIDENT OF GLASS PACKAGING GROUP TURKEY



Dear Stakeholders,

The year 2018, where fluctuations increased due to political and economic developments, has been a period in which the global glass packaging market maintained its mobility. With the modernization, capacity increase, automation and digitalization investments that we have realized as Şişecam Glass Packaging, we have succeeded in taking advantage of this mobility effectively. We continued to produce value for our stakeholders by recording strong financial and operational results during the period we left behind.

In line with our sustainable and profitable growth targets, we have accelerated our activity in foreign markets and increased our exports by 33% compared to the previous year. The fact that we realized 55% of our total sales in international markets was an important indicator that our company has taken firm steps at the global level in the dynamic glass packaging industry.

With the responsibility of being a global leader, we continued to strengthen our social, environmental and managerial performance as well as our economic performance. We set our 2022 targets for the focus points of “preserve”, “empower”, “progress” that are included in the sustainability strategy launched by Şişecam Group in 2018 under the name of “Care for Next”. We have contributed to 11 sustainable development targets through the practices we have carried out.

In line with our understanding under “preserve”, we continued our environmental investments in order to preserve environmental resources. We realized a total of TRY 2.6 million of environmental investment and

management expenditure. Within the scope of our resource efficiency studies, we contributed to the circular economy by using 622,000 tons of cullet in production. Thanks to the Lean 6 Sigma, 5S and Kaizen projects, we have made significant achievements regarding the cost-effectiveness of resource utilization and production processes.

In this period when business patterns are changing rapidly, we continued to work uninterruptedly with our continuous development and value creation approach on efficient capacity utilization, efficient cost management, excellence in the supply chain, simplicity in production and Industry 4.0. The glass packaging furnace with the largest capacity in conformity with Industry 4.0 was commissioned at Eskişehir Plant.

As a company operating in an industry with a high level of energy use, we move forward with the awareness of our responsibility in combating climate change. Within the scope of our activities, we consider reducing energy use and increasing energy efficiency among the top priorities. Thanks to our efficiency studies in 2018, we saved 197,652 GJ energy and 12,262 tons of CO₂ greenhouse gas emissions.

We continue to support our employees with our rich performance and talent management systems within the framework of our goal of becoming an inclusive and preferred workplace and incorporating in the right talents. In order to support the personal and professional competencies of our employees during the period, we organized 57,588 man*hour training. Şişecam Group Talent

Management System, which was launched in 2018, was put into practice also at Şişecam Glass Packaging.

We continued to reflect our innovative and creative line that is nourished by our global vision to all business processes in 2018. With the designs prepared by Şişecam Science, Technology and Design Center for Şişecam Glass Packaging customers, we have received nine awards in total, three of them being worldwide.

We continued our corporate social responsibility activities in 2018. As part of financing of glass recycling investments, we spent a total of TL 30.3 million for two plants. Within the scope of the Glass In Glass Again Project, we invested TL 1.2 million.

We are working on increasing the preference and popularization of the glass packaging with “Adding Glass to Life” project. In this context, we continued to emphasize the importance of the use of glass packaging through various channels for the health and environment in 2018 as well.

We will work on creating sustainable value for our stakeholders and our country in the future with our practices in environmental, social and managerial areas. We would like to express our gratitude to all our stakeholders who supported us in this journey while we grow day by day in the field of sustainability management.

Abdullah Kılınç
Glass Packaging Group Turkey President

ABOUT ŞİŞECAM GLASS PACKAGING

Founded in 1935 and being the group of Şişecam that produces glass packaging, Şişecam Glass Packaging is the Turkey's largest and the world's and Europe's 5th largest manufacturer. The company has a total production capacity of 2,5 million tons/year in 10 production facilities in Turkey, Russia, Ukraine and Georgia.

VISION

Becoming a global glass packaging company that is a solution partner to its customers by offering designed products and services through creative processes while adding value to people and the environment.

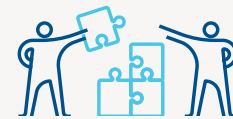
MISSION

Being a company that respects people, nature, and laws and adds value to life with its high-quality products that create comfort.

VALUES



Gaining strength from traditions, supporting each other



Adopting a fair and transparent understanding of management



Improving and progressing together



Environmental awareness



Respecting differences



ŞİŞECAM GLASS PACKAGING IN 2018





ŞİŞECAM CAM AMBALAJ PRODUCTION FACILITIES



Production Facilities in Turkey

Mersin Plant - Mersin • Yenişehir Plant - Bursa • Eskişehir Plant - Eskişehir

Production Facilities Abroad

Ruscam Gorokhovets Plant - Russia • Ruscam Pokrovsky Plant - Russia • Ruscam Ufa Plant - Russia • Ruscam Kirishi Plant - Russia • Ruscam Kuban Plant - Russia
JSC Mina Plant - Georgia • Meref a Glass Company Ltd. - Ukraine



INTEGRATED CORPORATE SUSTAINABILITY APPROACH

SUSTAINABILITY IN ŞİŞECAM: WHY? WHAT? HOW?

Glass production, which has a history of thousands of years and reflects the cultural richness of humanity, is an energy- and resource-intensive industry. As one of the leading companies in the world glass industry, Şişecam Group recognizes its responsibility to create a sustainable world and protect its corporate heritage.

Fluctuations in energy and natural resources prices, increasing customer and employee expectations, facilitating access to information, accelerating and globalizing business world have made corporations more accessible. In addition to all these

trends, Şişecam Group globalizes its activities further every day. Therefore, developing solutions to the problems that our planet faces is a business priority for Şişecam. Şişecam Group's sustainability approach is based on a well-established corporate legacy, aiming at excellence in all its activities and creating long-term value for future generations. The sustainability strategy of Şişecam Group is the response to global problems, such as decreasing resources, social inequality and demographic changes on our planet.

Why?

As a “community company”, Şişecam Group believes that everyone has the right to live in a healthy and clean environment. Empowered by its corporate heritage, Şişecam adopts a fair and transparent management approach that respects the differences while strengthening and developing its stakeholders.

What?

The sustainability trends that Şişecam faces are the implementation of production models that have no negative impact on climate change and that support the circular economy, contribution to sustainable natural resource management, protection of company traditions, acceleration of the implementation of innovative, provision of equal opportunities to everyone and being an international supporter on sustainability.

How?

Şişecam Group has decided to expand its principles of sustainability in its operations, since they help it become a fair and transparent global player, enable it to realize and implement sustainable business opportunities, makes the Group more durable to its sustainability megatrends and increase the added value it creates for future generations.

OUR PURPOSE: Adding value, shaping the future with our products and services and sharing the value we create.

ŞİŞECAM SUSTAINABILITY STRATEGY: CARE FOR NEXT

In Şişecam, one of the most important industrial groups of Turkey operating with approximately 22,000 employees in 13 countries, corporate sustainability is the core of its way of doing business. All investment decisions and product and process development activities are planned and carried out considering the social and environmental impacts of the activities.

Şişecam's sustainability strategy is shaped by the company's holistic risk approach. Climate change, decreasing natural resources, rise of social networks, digitalization, change of economic balances, social inequalities and technological innovations constitute the major global trends that will affect the company's business processes in the future. Aiming to be one of the world's leading companies in all of its fields of operation, Şişecam observes the risks and opportunities created by these trends while forming a corporate sustainability action plan.

Şişecam's sustainability strategy aims to create long-term value for all stakeholders. Also integrated into the business strategy of the Group, this approach is based on the main axes of creating permanent value, protecting natural resources, investing in people and following technological innovations.

Directing its activities by considering the common opportunities, risks and objectives of humanity, Şişecam Group adopted the United Nations Sustainable Development Goals (SDGs) and developed its sustainability strategy in accordance with global goals. Şişecam identified the SDGs that it contributed the most with a workshop held in 2017 and focused its efforts on sustainability in these goals. The requirements of the United Nations Global Compact, which is supported by Şişecam Group, constitute the inputs of the sustainability strategy.

In 2017, Şişecam's sustainability strategy was revised and reshaped around the "Preserve", "Empower" and "Progress" axes. Şişecam Group launched the integrated corporate sustainability strategy, which consisted of these fundamentals, under the name of "Care for Next" in order to create value for the future in 2018.

With its "Care for Next" approach, Şişecam aims to preserve natural resources and corporate heritage for new generations, to approach all its stakeholders with principles on respecting diversity and inclusion,

to encourage digitalization, and to continue operations without any negative impacts on climate change.

In line with Şişecam's business strategy and risk approach, Care for Next is an integrated strategy that is formed by considering the stakeholder expectations, reflects the sustainability priorities of the organization and conforms to the UN Sustainable Development Goals.



➤ You can access the details of Şişecam's sustainability approach via the Sustainability tab of Şişecam Group's corporate website. The stakeholder communication applications applied in Şişecam Group can be found on page 31. of the report.

SECOND INTERNATIONAL SUSTAINABILITY WORKSHOP

The Second International Sustainability Workshop, one of the most important sustainability organizations of the Şişecam Group, was held on November 14, 2018. During the workshop themed "Transition from the Information Society to Smart Society", the effects of the issues such as technological developments in the world, digital transformation, the new dynamics of the global economy, and the effects of such issues on business world and models of doing business were discussed. Information was shared on Şişecam and Industry 4.0 works carried out in the supply chain. Şişecam's new sustainability strategy "Care for Next" was introduced to our stakeholders at the workshop. Within the scope of the workshop, a poster exhibition consisting of a total of 83 new best practices were organized by associating the good practices carried out in the factories with the Sustainable Development Goals. In addition, a "best practices guide" was prepared to be distributed to the participants. More than 300 guests from 13 countries participated in the workshop.

ŞİŞECAM SUSTAINABILITY STRATEGY: CARE FOR NEXT



SUSTAINABLE DEVELOPMENT GOALS AND ŞİŞECAM

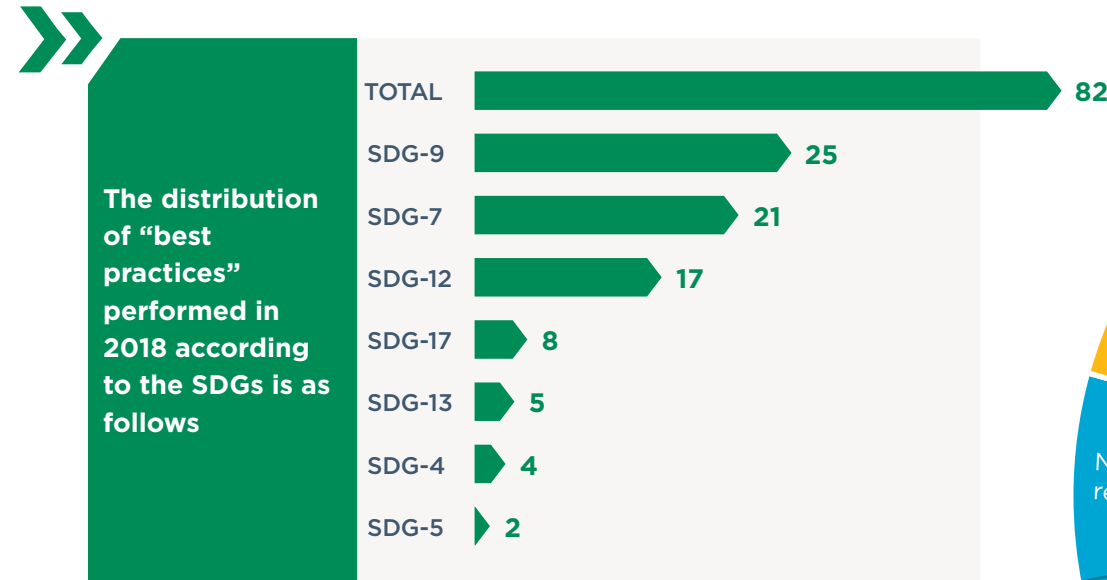
Adopting sustainability as the focal point of its activities, Şişecam acts with the awareness of its responsibility for sustainable development. As an important result of this understanding, Şişecam adopts the United Nations Sustainable Development Goals (SDGs) and implements its sustainability strategy in line with the global goals in this regard.

Şişecam, evaluating its sustainability strategy establishing on the understanding of “Preserve, Empower and Progress” in the light of the SDGs, contributes to 11 development goals under these main headings through its practices.

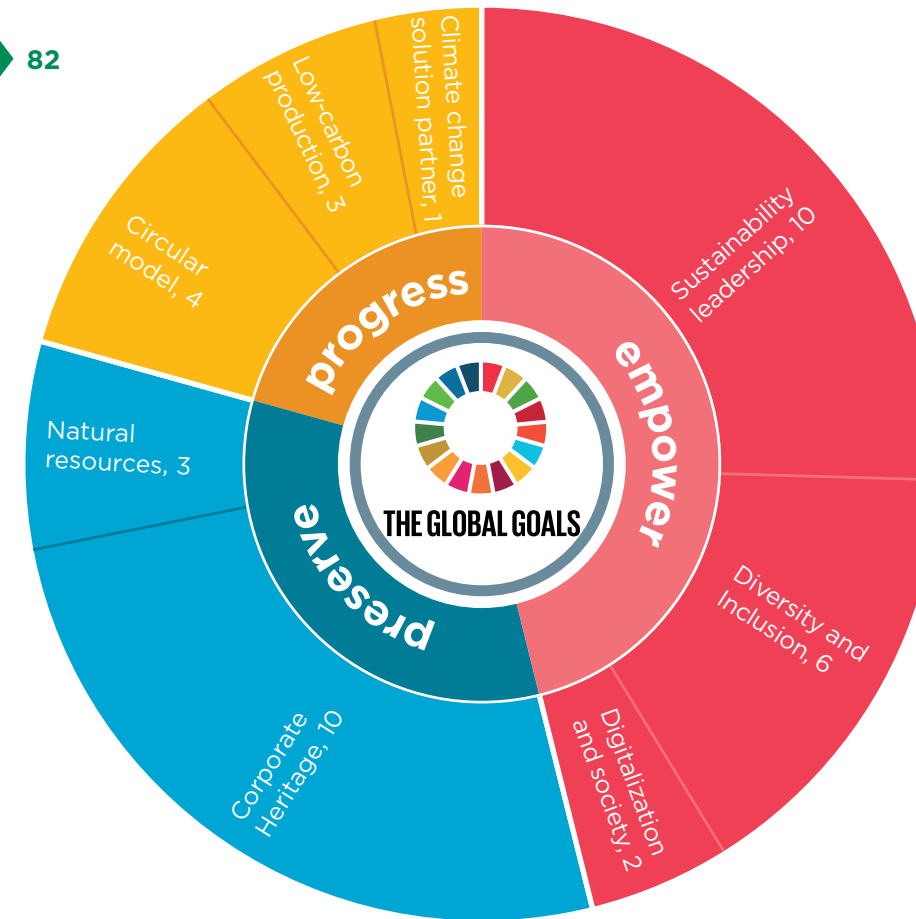


Şişecam has set targets for the Sustainability Committee and Working Groups in order to exhibit its contribution to the SDGs. These goals and actions taken in line with the goals establish the link between Şişecam Sustainability Strategy and SDGs. In 2018, 39 actions were determined and completed. The distribution of these actions among the elements of the Sustainability Strategy is shared below.

Another indication of the integration of the SDGs into the business strategy in Şişecam Group is the matching of “best practices” in the area of sustainability that we share with the stakeholders throughout the year with the SDGs. Thus, awareness on the SDGs is increasing in the Group Companies and the contribution to the SDGs is supported by concrete practices.



SDG-9: Industry, Innovation and Infrastructure • SDG-7: Affordable and Clean Energy • SDG-12: Responsible Consumption and Production • SDG-17: Partnership For the Goals • SDG-13: Climate Action • SDG-4: Quality Education • SDG-5: Gender Quality



SUSTAINABILITY MANAGEMENT

Sustainability management is a multi-layered and participatory structure in Şişecam Group. Having different tasks and responsibilities; the Sustainability Committee, Workgroups and Sustainability Directorate are the bodies responsible for the implementation of the Group’s sustainability strategy.

Headed by the Strategy Department and formed by the senior-level participation of Production Groups, Human Resources, Strategy, Innovation, Industrial Relations, Information Technology, Finance, Risk, Purchasing and Corporate Communication departments, the Sustainability Committee coordinates the sustainability efforts and creates synergy in order to find system-based solutions with actions causing high impact. Sustainability Committee ensures communication between workgroups and Group companies on sustainability and realization of joint projects. The Committee is responsible for the integration of sustainability strategy to Şişecam processes, realization of operational improvement activities and the coordination, direction and monitoring of the activities of Sustainability Committee sub-workgroups.

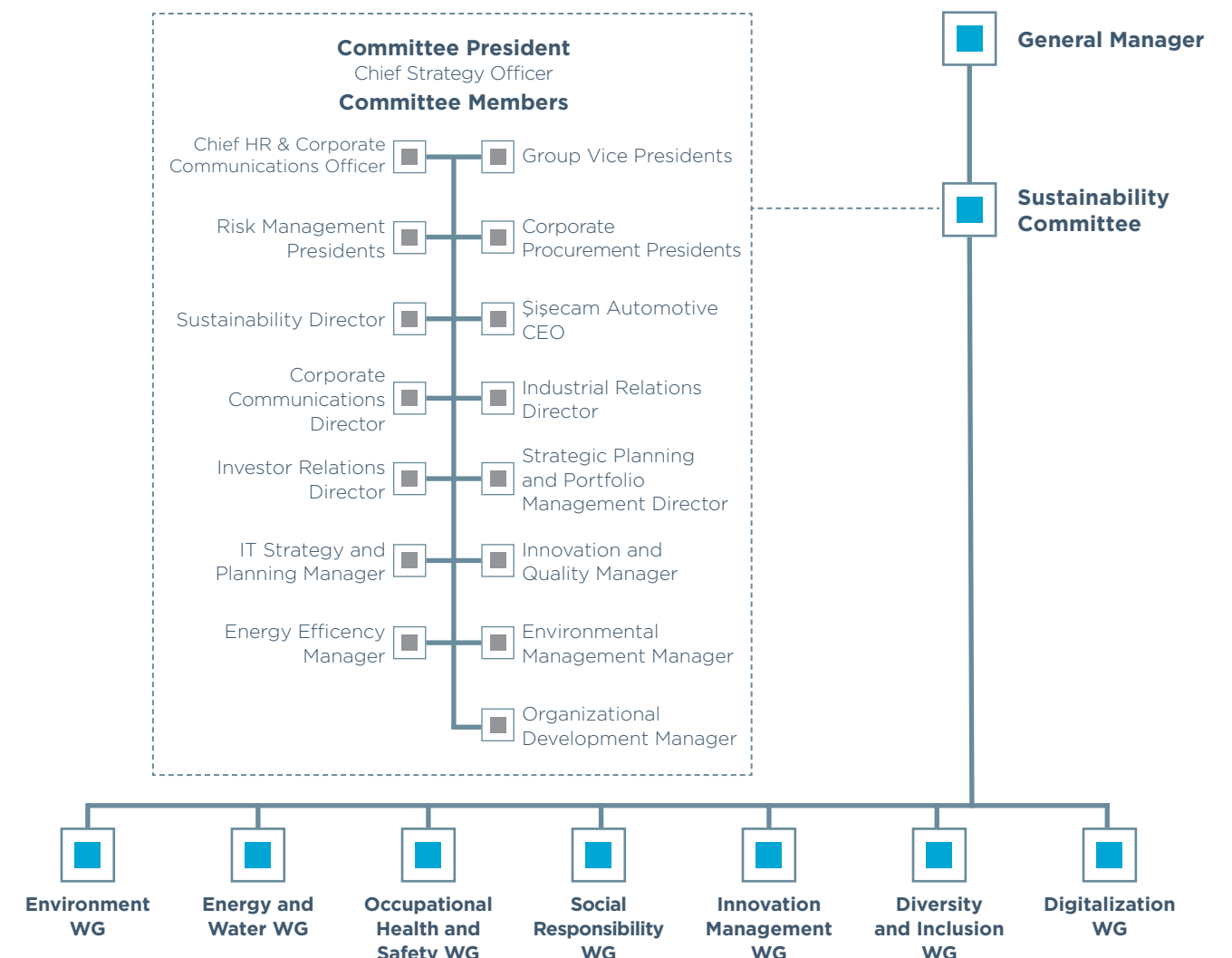
Each of the Group Production Vice Presidents is an active member of the Sustainability Committee and manages the practices of the sustainability strategy within the Group. In 2018, the Committee convened 4 times to evaluate the Group’s performance in achieving its sustainability targets.

6 active workgroups within the Committee ensure direct implementation of the Şişecam Group’s sustainability strategy and action plan. Workgroups operating in the sub-fields of environment, production technologies and energy, occupational health and safety, innovation, diversity and inclusion and corporate social responsibility continued their regular meetings in 2018.

The Sustainability Directorate within the Şişecam Group is responsible for bringing together the teams responsible for production, branding, communication, human resources, infrastructure, supply and quality by coordinating corporate sustainability activities. The Directorate

also implements practices on issues such as corporate sustainability reporting, supply chain sustainability, sustainability training programs, measuring sustainability effectiveness, energy and natural resources management.

ŞİŞECAM GROUP SUSTAINABILITY MANAGEMENT STRUCTURE





PERFORMANCE MONITORING AND TRACKING

Sustainability performance is carefully monitored and reported regularly in Şişecam Group, which puts its sustainability strategy at the center of its business. Şişecam benefits from smart goals to monitor performance across the Group. The goals set in the “Preserve”, “Progress” and “Empower” axes are tracked by comparing them with key performance indicators and best practices. Short- and medium-term goals were set for all main objectives, thus the effect of variable social and economic developments was also taken into account. Annual sustainability scorecards and half-year evaluations are key mechanisms in Şişecam Group for monitoring sustainability performance and providing feedback.

In addition to the goals set by Şişecam Group, the sustainability parameters determined by international financial institutions such as EBRD and IFC in areas such as occupational health and safety, ethics and environmental sustainability are the indicators tracked and reported in this field.

Anadolu Cam Sanayii A.Ş. was included in the “November 2018-November 2019 BIST Sustainability Index”, which was formed after reviewing companies listed on Istanbul Stock Exchange (BIST). Within the scope of Viego - Eiris Sustainability Index 2018 Assessment, Şişecam ranked in the top 100 in “Best Emerging Markets Performers” ranking in 2018.

At Şişecam Group, all corporate policies referenced in performance monitoring and tracking systems are available on the Sustainability tab of the corporate website.

COLLABORATIONS AND STAKEHOLDER ENGAGEMENT

Şişecam Group aims to increase its corporate capacity and expand its impact area through local and global collaborations developed in the field of sustainability.

In addition to global platforms, Şişecam Group also develops subject-based partnerships in product lifecycle management, social inclusion, integration of sustainability into business processes, big data management, and biodiversity. Plans are also being made to expand these partnerships to the entire value chain.

Şişecam realizes its mission of being an international leader and advocate in the field of sustainability by empowering local communities and contributing to the industry in which it operates. In this sense, the company shares its experiences in the industry with its business partners by taking various roles in many events, summits and forums throughout the year.

Şişecam cooperates with universities and research institutions in Turkey and abroad within the scope of research, technological development and design activities. Initiated in 2016 with the Gebze Technical University in order to provide human resources to the glass industry, “Glass Science and Technology Master’s Program” continued to admit students in 2018 as well.

Şişecam Group considers its dialogue with stakeholders as an important element in continuous development of sustainability performance. With the awareness of the value added by different ideas, it continuously incorporates the stakeholder expectations into decision making processes.

Anadolu Cam Sanayii. A.Ş., share its sustainability performances with their stakeholders with the sustainability reports they publish annually. In order to make the reports accessible to our visually impaired stakeholders, they are also prepared as Turkish and English audio books. The CEO message distributed along with the communication package was also written with Braille alphabet; recycled and FSC-Certified papers were used in printed materials.

➤ **As a result of its performance in sustainability, Anadolu Cam Sanayii A.Ş. has been included in Istanbul Stock Exchange Sustainability Index since 2016.**

➤ **The stakeholder communication methods applied in Şişecam Glass Packaging can be found on page 31 of the report.**

➤ **Şişecam Glass Packaging’s corporate membership list can be found on page 31 of the report.**



SUSTAINABILITY GOALS

Şişecam has set its sustainability targets and commitments in line with the Sustainable Development Goals to implement the Sustainability Strategy. Şişecam Glass Packaging has set its goals for 2022 for three focus areas in the sustainability strategy, and identified key performance indicators that measure these targets.

2022 TARGET	REALIZATION IN 2018
PRESERVE	
Reuse of 5% of treated industrial waste water	Eskişehir Plant: 100%, Yenişehir Plant: 18%, Mersin Plant: 100% Ruscam Gorokhovets: 2%
Development of at least 4 industrial synergy programs	Work in progress.
Reduction of NOx emission values in glass packaging furnaces with primary measures	Ruscam Gorokhovets: 4% reduction
Use of at least 20% recycled glass in glass packaging production	Eskişehir Plant: 7% outer cullet, Yenişehir Plant: 46.5%, Mersin Plant: 18.4%, Ruscam Ufa Plant: 2,108 tons
Documentation of at least 10 best practices regarding production and sharing them via social media	Work in progress.
At least 20 information products being accessible for vulnerable groups	Work in progress.
Collecting all the company's memoirs and exhibiting them publicly	Work in progress.
Converting the history of Şişecam to Braille alphabet in 5 languages and sharing it with related communities	Work in progress.
EMPOWER	
Determination of Şişecam Group Diversity and Inclusion Principles	Şişecam Diversity and Inclusion Workgroup has continued its efforts to determine the principles.
Popularization of inclusive culture in Şişecam Group and stakeholders, and measurement of development with indicators	Work in progress.
Supporting declared national and international policies and regulations on equality of opportunity	Work in progress.
Zero occupational accidents - "Lost Time Injury Frequency Rates" (LTIFR)	Work in progress.
PROGRESS	
Reducing greenhouse gas emission density by 5% in glass packaging production facilities compared to 2017	Yenişehir Plant: 6.8% reduction, Mersin Plant: 4.1% reduction, Ruscam Gorokhovets Plant: 4.2% reduction
2% reduction in the annual specific energy consumption of glass packaging production facilities by 2017	Work in progress.
Switching to reactant* pre-heating method to reduce natural gas consumption in at least one more Plant	Work in progress.
Generating 12 MW of energy from renewable resources	Work in progress.
Switching to waste heat recovery systems in at least two more factories	Work in progress.

* It is the chemical substance that reacts in the formation of a chemical reaction.

RESPONSIBLE GOVERNANCE

Şişecam Glass Packaging continuously renews its product portfolio, digitizes its production processes and introduces its employees the qualities of the future to create the company of the future and create value for all of its stakeholders. Acting with the vision of becoming a global company, the company aims to carry out its responsible governance practices at international standards and thus continuously increase its shareholder value.

The Corporate Governance Rating of Şişecam, which acts with the awareness that the governance of the companies in line with transparency, fairness, accountability and responsibility is as important as financial performance for stakeholders today, rose to 9.53 in 2018 from 9.48 in 2017. The awards given to Şişecam by the Institutional Investor owned by Euromoney are concrete indicators that a multi-national, multi-stakeholder structure is managed with great success. Şişecam Glass Packaging, a Şişecam Group company, also adopts Şişecam's progressive and transparent governance principles.

In line with its responsible governance approach, Şişecam Glass Packaging adopts progressive corporate governance practices, respects fair competition, disseminates corporate ethics to all stakeholders and offers employment conditions that are worthy of human dignity.

You can access the details of corporate governance policies and applications implemented in Şişecam Glass Packaging from the Corporate Governance Principles Compliance Report in the Investor Relations section of the Şişecam Group corporate website.

BUSINESS ETHICS

Şişecam Glass Packaging's guide to conducting responsible business is "Şişecam Group's Code of Ethics". Launched in 2010 and continuously updated and evaluated based on continuous needs, Code of Ethics has been organized in line with the principles of honesty, transparency, confidentiality, impartiality and compliance

with the laws. "Şişecam Group's Code of Ethics" is a guide to the relations of all Şişecam Glass Packaging employees with customers, suppliers, shareholders and other stakeholders.

"Ethics Committee", which was established in 2014 and reports to the Corporate Governance Committee, has been working in order to ensure compliance with the Code of Ethics in the activities of Şişecam Glass Packaging, to evaluate misconduct, to disseminate the ethical culture throughout Şişecam Glass Packaging and to raise consciousness level and awareness on this issue. Şişecam Group's Code of Ethics also defines the duties and responsibilities of managers and all employees.

Employees can report operations that do not comply with the regulations or the Code of Ethics to the Inspection Committee and to the Internal Audit Unit. An ethics hotline has been launched to allow stakeholders to report their concerns to the Inspection Committee regarding operations which are thought to contradict laws or the company's ethical values. Complaints can also be made via e-mail to etik@sisecam.com.

You can reach detailed information about the Code of Ethics from the Corporate Governance policies tab of the Şişecam Group corporate website.

ANTI-CORRUPTION

Şişecam Glass Packaging's "Anti-Bribery and Anti-Corruption Policy", which clearly demonstrates its commitment and approach to the fight against bribery and corruption, is an integral part of Şişecam Glass Packaging's Code of Ethics. This policy aims to provide necessary information for the prevention of bribery and corruption in all Şişecam Glass Packaging activities, and to determine the responsibilities and rules in this regard.

You can reach detailed information about the Anti-Bribery and Anti-Corruption Policy from the Corporate Governance policies tab of the Şişecam Group corporate website.



PRESERVE

Şişecam Glass Packaging develops practices that will protect and carry natural resources, biodiversity, product safety and corporate heritage to future generations within the framework of “Preserve” mindset.





PRODUCT SAFETY

Product safety at Şişecam Glass Packaging is a business priority that is strictly managed beyond all legal requirements.

Within the scope of FSSC 22000 Food Safety Management System, Food Safety Hazard Analysis and Risk Table is created and biological, chemical and physical hazards that may threaten product safety and human health within the relevant risk table are scored and mapped. Hazards are monitored continuously according to risk score and Critical Control Points are defined.

In addition to the international standards that are followed, the product quality and safety are guaranteed through the practices carried out in the factories. 5S works are conducted in Şişecam Glass Packaging factories in Turkey that regulate the business process and aims to increase the product quality and safety with a safer and more productive working environment.

All production processes of the factories are monitored through the production tracking system and necessary measures are taken with the warning mechanism. In Eskişehir Plant, where the pharmaceutical packaging production is carried out, the online monitoring of the Clean Room Operating System ensures continuous monitoring of the environmental conditions unique to the product.

With RFID system, labeling has become independent of operators, thus ensuring standardization. When the pallet is rejected with Production Tracking system and RFID integration, the error details are automatically printed on the label. In order to minimize the risk of ingress of foreign matter into the product, the tops of the cold end lines are closed after inverters.

Şişecam Glass Packaging has product information forms prepared separately for each product. After the packaging process; labels such as product code, product name, pallet number, production date, shift information, LOT information etc. are attached on the pallets. The Glass Packaging product identification form describes the chemical, biological, and physical properties of the products for products in different groups.

person*hour,
» 737.5
 Environmental training provided to Şişecam Glass Packaging employees in Turkey

person*hour,
» 76
 Environmental training provided to the contractor company employees

TRY **» 2.55** Million
 The budget allocated for environmental investment and management expenditures at Şişecam Glass Packaging in 2018

STANDARDS AND CERTIFICATES OWNED

	Country	ISO 9001	ISO 14001	ISO 50001	FSSC 22000 (ISO/TS 22002-4)	ISO 15378	ISO 10002	OHSAS 18001	BRC IoP ver.5	ISO 22000	ISO 27001
Mersin Plant	Turkey	✓	✓	✓	✓			✓			✓
Yenişehir Plant	Turkey	✓	✓	✓	✓			✓			✓
Eskişehir Plant	Turkey	✓	✓	✓	✓	✓	✓	✓			✓
Management and Sales Center	Turkey	✓					✓				✓
Ruscam - Gorokhovets	Russia	✓	✓					✓	✓	✓	
Ruscam - Ufa	Russia	✓	✓	✓				✓	✓	✓	
Ruscam - Kirishi	Russia	✓	✓					✓	✓		
Ruscam - Kuban	Russia	✓	✓					✓	✓	✓	
Mina-Ksani	Georgia	✓			✓			✓			

ISO 50001: Energy Management System • ISO 14001: Environmental Management System • ISO 9001: Quality Management System • FSSC 22000 (ISO/TS 22002-4): Global Food Safety Management System • ISO 15378: Quality Management System on Primary Packaging Materials for Medical Products • ISO 10002: Customer Satisfaction Quality Management System • OHSAS 18001: Occupational Health and Safety Management System • ISO 27001: Information Security System



NATURAL RESOURCES

Decreasing natural resources significantly affect the balance of the planet as well as the way corporations do business. Sustainability in natural resource use is a business priority in Şişecam Group.

WATER MANAGEMENT

Şişecam Glass Packaging works to reduce water consumption. For this purpose, the treated water is recycled and reused. In 2018, 155,865 cubic meters of water were reused in Şişecam Glass Packaging.

With the project developed in Eskişehir Plant, the mold washing performance was increased; water saving is achieved by shortening washing times. Overflow of fusion ponds was prevented by an application implemented in Yenişehir Plant. Furthermore, nitrogen-phosphorus removal unit was added to the biological treatment plant; thus the waste water quality was improved. With the project for reducing shear spray consumption at the Mersin Plant, a water saving of 8% was achieved annually.

WASTE MANAGEMENT

Şişecam Glass Packaging believes that efficient waste management is the basis of circular economy. One of the priorities of Şişecam Glass Packaging is the infinite reuse of glass, which is a 100% recyclable material. Recycling, which is an important part of the waste management approach, reduces the amount of waste, and raw material efficiency is ensured by reusing the recovered products in production processes. In 2018, 383,000 tons of internal cullet, 239,000 tons of external cullet were used in production. In this way, both the amount of waste was reduced and resource savings were achieved.

With the evaluation project of cullet in Yenişehir Plant, rejected cullet is made available with secondary sorting processes. In 2018, 150 tons of rejected cullet were used. In the forthcoming period, it is aimed to increase the utilization rates by removing the cullet collected from the market with the glass separation plant to be established by Şişecam Çevre Sistemleri A.Ş., one of the Şişecam Group companies.

Numerous projects were implemented within the scope of paper reduction works carried out at Eskişehir Plant. Digital tests were prepared instead of the tests performed at the end of the environmental trainings given to all Plant personnel every year. Within the scope of ISO 14001, a questionnaire was formed on digital media in order to audit the suppliers. QR codes were defined for the wastes taken to the hazardous waste temporary storage area.

Efforts to reduce resource use in factories continue throughout the year. In Eskişehir Plant, for example, resource saving was achieved by using the scoop oil timely. The pallets that cannot be used in Yenişehir Plant are repaired and reused instead of being scrapped. Recycling of Styrofoam wastes was started in Yenişehir Plant. With the project developed at Mersin Plant, the base nylon laid on the pallet was reduced from 110 microns to 80 microns. The consumption of packaging material was reduced and the pallet packed per ton was increased with this project developed jointly with the supplier company.

BIODIVERSITY

Biodiversity, which expresses the difference and variability of living things with their complex ecological structures, their interactions with each other and their environment, is one of the main reasons for humanity to reach its current level of development. The plant and animal species creating biodiversity are used in agriculture, pharmacy, medicine, animal husbandry, forestry, fisheries and industrial areas and in the procurement of clean water and air supply. Acting with the awareness for the need of natural resources in its operations, Şişecam Glass Packaging develops projects that will contribute to biodiversity in the region where its factories are located. For instance, in Yenişehir Plant, the newly recruited employees plant saplings in the Plant area and planted saplings are named after the employees. Şişecam Glass Packaging planted 145 trees in 2018.



CORPORATE HERITAGE

The glass used in every aspect of life has taken shape in accordance with the way of life of societies since B.C. One of the healthiest materials in the world, glass is a unique material that reflects historical development and cultural changes. Şişecam Group is among the most well-established representatives of this heritage in our country. Moving from this idea in its activities, Şişecam Glass Packaging implements the practices that will protect this heritage and keep it alive.

Şişecam Glass Packaging considers the use of glass, which is the healthiest and environmentally friendly packaging material, as one of its responsibilities to its corporate heritage. "Adding Glass to Life" project, launched by Şişecam Glass Packaging with this awareness", aims to encourage the usage of glass-packaged materials, which is 100% and infinitely recyclable packaging, to become a reference source for glass and gather together the mass that is interested in the glass. Posts are shared to raise awareness of the consumer in glass packaging through the hayatacamkat.com website and connected social media channels. In 2018, the number of followers of Adding Glass to Life project in the social media channels reached approximately 90,000.

Why Glass?

Although technological developments have led to an increase in product variety in the packaging industry, glass still remains as the healthiest and most environmental-friendly material.

- Glass ensures keeping food for a long time without any change in its taste, smell and aroma.
- It does not interact chemically and microbiologically with the materials it contains; combined with steam and gas impermeability, glass allows products to be stored in a healthy manner.
- Being entirely nature-friendly, glass can be used forever thanks to recycling.
- The fact that the glass is heat resistant and transparent makes it more useful than other packaging materials

Adding Glass to Life - Web Site's Performance

	Page views	Number of new content	Duration
2017	37,374	130	00:01:03
2018	43,418	300	00:02:09

Adding Glass to Life - Social Media Channels' Performance

	Followers	Number of videos uploaded	Video views
2017	66,450	130	1,279,902
2018	88,277	42	1,937,528



EMPOWER

With its “Empower” approach, Şişecam Glass Packaging contributes to the practices implemented by Şişecam Group in order to spread the inclusive corporate culture, become the preferred work place, and support the local communities and the supply chain.



DIVERSITY AND INCLUSION

Şişecam Glass Packaging believes that diversity offers different experiences and perspectives to help build a better future. In this respect, it supports the inclusive workplace culture by offering equal opportunities for the participation and development of human resources in business life. The Company strives to carry the differences and cultural heritage of global human resources to future generations. Diversity, inclusion and equal opportunity are considered as a basis in all practices at both corporate and operational levels.

In line with the “Empower” principle of the Şişecam Sustainability Strategy, Şişecam Glass Packaging presents a strong, human-oriented management approach that focuses on empowering all stakeholders, primarily women.

Şişecam Glass Packaging takes charge in The Diversity and Inclusion Work Group operating under the Şişecam Sustainability Committee. In this workgroup, action suggestions are developed in order to improve and facilitate the working conditions of women with the contributions of internal and external stakeholders, to support women’s participation in labor force and career development, to raise awareness and to cooperate with stakeholders.

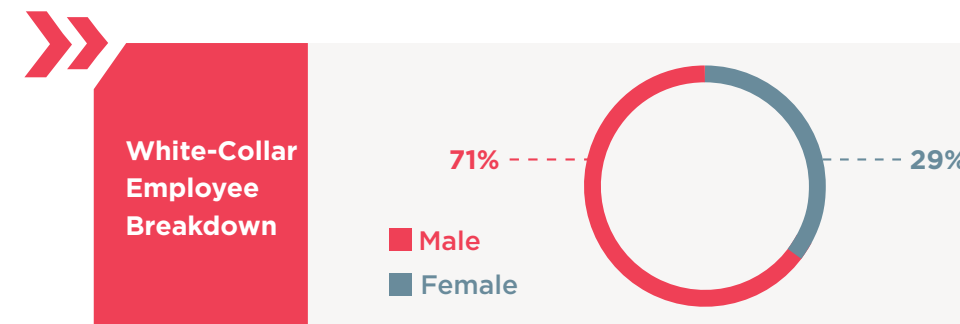
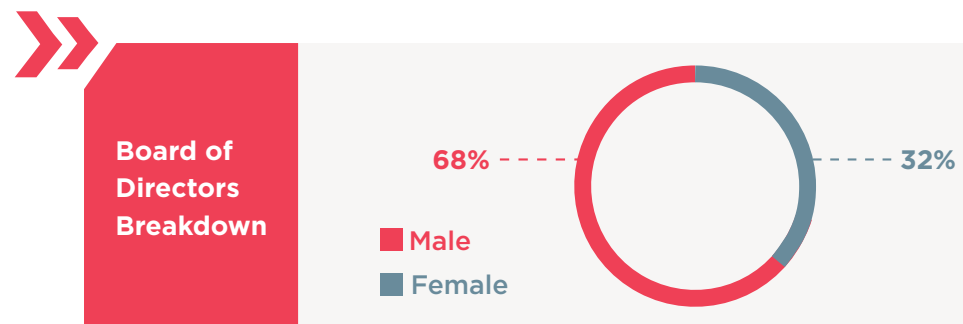
As of 2018, 29% of white-collar employees and 32% of the Board of Directors are female employees in Şişecam Glass Packaging. 26% of those recruited in the period are women.

Şişecam Glass Packaging aims to implement the “Şişecam Group Diversity and Inclusion Guidelines” in line with its goal of supporting and furthering its diversity and inclusion efforts.

With the awareness that equal participation in employment is one of the most decisive factors in the advancement of society, corporate objectives and corporate policy were set in 2018 to support granting opportunities to employees at every business level to fulfill their potential irrespective of biases such as background, age, gender or physical handicaps.

Şişecam Glass Packaging strives to increase the employment of disabled people as part of its diversity approach. The work environment is organized to facilitate the working conditions of disabled employees. Thanks to these practices, 86 disabled employees work in the Company.

Şişecam Glass Packaging acts within the framework of the Şişecam Group Human Resources Policy, which covers topics such as globalization, equality of opportunity, respect for diversity, inclusion, objectivity and continuous improvement.





TALENT MANAGEMENT

Şişecam Glass Packaging aims to be the most preferred workplace and to incorporate in the right talents. It offers its employees a working environment in which innovative practices are implemented and the learning culture is dominant. In the human resources processes, an objective, systematic and development-oriented approach is exhibited, employees are provided with talent programs that support their development, and career and performance management practices and development processes are followed.

The Company acts in line with the career and talent management and performance development systems developed for the entirety of Şişecam Group.

Within the scope of Şişecam Group Career Management System, all employees are offered career development opportunities. Employee expectations and organizational requirements are reviewed every year; talent pool, career maps and backup plans are created accordingly. In the Evaluation and Development Center practices, where white- and blue-collar employees participate, competency analyzes are made and development plans are presented.

In 2018, the Şişecam Group Talent Management System was launched in order to attract the right talents, reveal the potentials of the existing talents and raise the leaders of the future. The system, which is an important step of sustainable corporate success, is implemented on a global scale.

Şişecam Group Performance Development System is used to promote sustainable success-oriented performance culture and to support the transformation of personal achievements into corporate success. Within this context, corporate targets are reduced to individual targets and a common goal is established.

The Performance Development System is constantly developed to achieve human-oriented, fast and reliable results. The system, which works in a holistic manner with Şişecam Group's Strategic Planning Process, is maintained with a technological infrastructure that supports global deployment in a way that enables employees and managers to conduct objective evaluation. Within the scope of the Performance Development System Project, all training and development activities are combined under an "Individual Development Plan" in order to develop the competencies of the employees.

EMPLOYEE DEVELOPMENT

Şişecam Glass Packaging believes that enhancing the professional knowledge and skills and supporting and strengthening personal competencies of its employees play a major role in building a successful future. Internal and external training programs are implemented in order to enhance employees' knowledge and skills. The development of Şişecam Glass Packaging employees is supported by various development programs under the roof of Şişecam Academy.

Şişecam Academy continues to contribute to the goals of Şişecam Group through its efforts to improve human resources competencies and employee loyalty. The Academy develops solutions for the needs of the Group's employees in the areas of technical and professional development, personal development, corporate development and leadership, and constructs schools and programs related to career paths.

Thanks to the Academy, employees can attend conferences, seminars and summits on various domestic and overseas projects, and receive foreign language education support.

» 100%

Performance feedback provided to Şişecam Glass Packaging employees in Turkey in 2018



In addition, corporate support can be provided at certain rates to those who want to take master degrees.

Orientation Program is carried out in order to increase the adaptation and contribution of the employees who are newly recruited in Şişecam Glass Packaging to the company, to maintain a corporate culture and to create experience sharing platforms.

In line with the global adaptation strategy of Şişecam Glass Packaging, an English Language Development Program is carried out to enable employees to improve their foreign language skills in English.

EMPLOYEE HAPPINESS

Şişecam Glass Packaging continuously develops its employees' loyalty, satisfaction with their jobs and positive business climate, and provides a healthy and safe working environment where company values are maintained.

Şişecam Glass Packaging believes that long-term employment of its employees has an important place in the success of the company. Within this context, it creates a working environment that enables employees to contribute to their business processes and provides them with career and development opportunities. As of 2018, 45% of the employees have been working for Şişecam Glass Packaging for more than 10 years.

Şişecam Group carries out the Employee Loyalty and Satisfaction Survey on a regular basis every year by obtaining the views of the employees in order to improve the climate it creates for the employees. Improvement plans are implemented based on the survey results.

Aiming to keep the employee happiness at the highest level, Şişecam Glass Packaging believes that the participant company culture will reinforce its employee happiness. In line with this fact, human resources processes are constantly reviewed and improved. In addition, employees are encouraged to participate in company decision-making processes; communication platforms are created where they can share their ideas and suggestions, and be aware of developments in the Group and Şişecam Glass Packaging.

Thanks to Camport, the corporate intranet system, which is a user-friendly, easily accessible and interactive structure, the communication is maintained effectively within Şişecam Glass Packaging.

With Nar Suggestion Development Platform, it is possible to enable the employees to evaluate and reward their creative ideas, which add value to Şişecam Glass Packaging, increase productivity, develop business climate and corporate culture, and adopt innovation.

Successful projects that contribute to the development of products, processes and practices that have a positive impact on the business results are awarded under the Recognition, Appreciation and Rewarding System.

person*hour,
» 57,588

Trainings provided to
Şişecam Glass Packaging
employees in Turkey in
2018

OCCUPATIONAL HEALTH AND SAFETY

Providing a healthy and safe working environment for its employees is one of Şişecam Glass Packaging's major priorities. The presence of a well-established occupational health and safety culture allows the continuous improvement of the working environment, and that the employees act with awareness and consciousness about health and safety.

In all domestic factories of Şişecam Glass Packaging, cross-inspections are carried out by various teams consisting of OHS specialists. Thus, knowledge and experience are shared among different production fields; in this way, OHS activities are continuously improved.

The Company supports the "zero occupational accidents by 2022" goal of Şişecam Group with various practices in order to minimize the risks in business processes and to create accident-free workplaces.

In Şişecam Glass Packaging, practices are developed and events are organized in order to promote occupational health and safety culture. In 2018, OHS Leadership Trainings were given to the executives working in production in affiliated companies; OHS Ambassadors project and studies were evaluated and good practices were shared and Occupational Health and Safety Painting Competition was organized.

Supporting occupational health and safety culture, reducing occupational accidents and ensuring that every stage of production activity is carried out in a healthy and safe working environment are only possible by raising the awareness of employees. Therefore, Şişecam Glass Packaging provides its employees with the necessary trainings related to legal obligations in accordance with the Occupational Health and Safety Law. Improvements are observed in occupational accidents thanks to OHS trainings given to employees.



SINGLE POINT COURSE PRACTICE

The Single Point Course Practice is carried out in Şişecam Glass Packaging Yenişehir Plant in order to raise awareness among employees and to prevent occupational accidents. Within this scope, employees are provided with basic information on occupational safety issues and awareness-raising activities are carried out in that regard.



HAZARD FORECAST

The employees of the production units, which have the highest number of accidents within the scope of the Hazard Estimation practice carried out in Şişecam Glass Packaging Yenişehir Plant, make a hazard estimate outside of their job every day for 30 minutes. Identified nonconformities and countermeasures are shared with the managers of the relevant units.

person*hour,
» 24.410

Occupational Health and Safety Trainings provided to Şişecam Glass Packaging employees in Turkey in 2018

CORPORATE SOCIAL RESPONSIBILITY

Şişecam Glass Packaging aims to create value by contributing to social development in the geographies where it operates. It aims to strengthen local communities and supply chain through corporate social responsibility activities conducted in this direction and to actively participate in social, economic and environmental solutions. Şişecam Glass Packaging, which accepts the UN SDGs as a guideline, gives priority to vulnerable groups, young people and women while conducting social responsibility activities.

As one of the leading glass packaging manufacturers in the world, Şişecam Glass Packaging has regarded maintaining its place in the cultural heritage of the glass, the healthiest and entirely environmentally-friendly packaging, as its responsibility ever since. In this respect, it encourages the reuse of glass with various projects and practices.

“GLASS IS GLASS AGAIN” PROJECT

Şişecam Glass Packaging has maintained the “Glass is Glass Again” project, one of Turkey’s most comprehensive sustainability and social responsibility projects, in collaboration with ÇEVKO Foundation and local authorities since 2011. The starting point of the project is to support the transition to a recycling society by creating a social behavior change. The project aims to create awareness on glass packaging recycling and to inform the society, to improve the infrastructure for collecting glass packaging waste, to streamline the facilities where glass packaging waste is collected and processed and to separate the glass packaging wastes found in household wastes before the regular storage.

Within the scope of the “Glass is Glass Again” Project, more than 256.000 primary school students have been trained on recycling since 2011 and more than 20.000 recycling bins have been given to municipalities for public use. In 2018, communication activities aimed at creating awareness and trainings for elementary school

students continued, and QR-coded label application was initiated in order to include existing recycling bins in the inventory and to monitor them on a system.

1,095,752 tons of waste has been recycled within the project since 2011. Thus, carbon dioxide emission equivalent to the withdrawal of 394,194 cars from the traffic for 10 thousand km has been prevented, energy saving has been achieved to meet the annual heating and hot water demand of 46,022 houses, and the emission equivalent to the amount of air cleaned by 33,831,974 trees has been prevented.

The number of access and interaction for “Glass is Glass Again” project on social media is increasing day by day. As of the end of 2018, the number of monthly accesses on social media reached 3.5 million. Live broadcasts of the activities carried out throughout the year were also made in the social media accounts where the importance of recycling, the information about the usage of the glass, and the recycling achievements were shared with different setups. The “Glass is Glass Again” project makes a significant contribution to awareness and awareness-raising activities through its interaction with the broad target groups through social media accounts.

INVESTMENT SUPPORT FOR GLASS RECYCLING FACILITIES

Two recycling facilities, which Şişecam Glass Packaging has provided investment support to empower the glass recycling infrastructure in Turkey, were commissioned in 2018. The facility, which has a capacity of 85,000 tons/year, is located in Düzce and another facility with a capacity of 65 thousand tons/year is located in Mersin. With the help of these facilities, recycled glass will be obtained in the desired quality and color from the waste glass collected. The total capacity of the investment support facilities will reach 320,000 tons/year with the commissioning of two additional recycling facilities next year.



PROGRESS

Şişecam Glass Packaging puts into practice the innovative products and services by focusing on combating climate change, R&D and digitalization with “Progress” mindset.





COMBATING CLIMATE CHANGE

Şişecam Glass Packaging carries on its activities with the awareness of its responsibility to combat climate change and in cooperation with its stakeholders. Operating in an energy-intensive industry, Şişecam Glass Packaging considers reducing energy consumption and increasing energy efficiency among its priorities, attaching great importance to the reduction of total greenhouse gas emissions.

Projects for the determination and implementation of a roadmap for the sustainable energy supply, renewable energy sources and the efficiency projects that will ensure energy efficiency are implemented. The key energy consumption items are instantaneously monitored and the performance of the processes is improved in the production facilities where Sustainable Energy Measurement and Monitoring System (SEÖİS) is established.

The risks and opportunities related to energy are continuously reviewed and the operations are managed accordingly. Şişecam prioritizes the management of risks related to climate change. Şişecam Glass Packaging shares its performance in that regard with Şişecam under the Carbon Disclosure Project. In addition to these practices, the carbon reduction goal of Şişecam Group is supported through energy efficiency projects realized in all production facilities.

During the reporting period, a total of 197,652 GJ energy savings and 12,262 tons of CO₂ emission savings were achieved, of which 75,669 were overseas and 24,800 were domestic operations.



EXAMPLE PRACTICES IN COMBATING CLIMATE CHANGE

Product Mitigation Studies (Turkey, Russia, Georgia) - A total of 4,345 tons of CO₂ emission was prevented as a part of mitigation projects implemented within the reporting period. When the efforts carried out in this scope are evaluated together with the previous two years, the intake of 16,805 tons of CO₂ gas has been prevented in return for 22,710 tons of mitigated production. The financial value of the savings achieved in Russian Federation operations was realized above 23 million RBB; in Georgia Mina Plant, 1,116 tons of raw material savings were achieved with 3.2% mitigation.

Energy Optimization Project in Furnaces (Eskişehir Plant) - Energy optimization efforts were carried out in the furnace area as a result of the analysis made by using Lean 6 Sigma techniques within the scope of the project which was realized to decrease the energy cost by blending and furnace energy optimization. As a result of these efforts, energy efficiency was achieved by 2.3% in furnace A, 0.72% in furnace B, and 0.47% in furnace C.

Reduction of Energy Use of the Blending Chamber (Yenişehir Plant) - The project aims to reduce the amount of energy consumed per ton by providing the necessary electrical energy for the blending process and the compressed air used during the supply. Within the scope of the project, a financial gain of TRY 197,440 was achieved; the electric usage corresponding to 3.7 kwh/ton was reduced to 2.8 kwh/ton and compressed air usage value corresponding to 9.25 kwh/ton was reduced down to 3.33 kwh/ton.



R&D AND DIGITALIZATION

Şişecam Glass Packaging attaches special importance to Research and Technological Development (R&TD) and digitalization studies in order to achieve the targets set by Şişecam in line with the concept of “sustainability and excellence” in every step from raw material to product and to maintain its competitive position.

The design team of Şişecam Glass Packaging, which acts with the awareness that one of the most important components of maintaining and taking its position in the global competition one step further is research and technologic development activities, joined Şişecam Group Research and Technological Development Department as of 2018. Having diversified its design activities with this new structure, Şişecam Science, Technology and Design Center carries out projects approved by the Ministry. The center received a total of nine awards, three of which were worldwide, within the reporting period for the designs prepared for Şişecam Glass Packaging customers.

The total R&D budget of Şişecam Glass Packaging, which conducts the R&TD efforts in cooperation with the regional laboratories within Şişecam Group Science and Technology Center, was realized as TRY 1,088,940 in 2018.

Within the scope of the projects jointly conducted for 11 years with the Industrial Product Design Departments of universities in order to support the students and improve their creative designs, it has implemented 14 successful projects with 10 different leading

universities in Turkey. In the reporting period, a project to search for different production perspectives with the secondary process of glass packaging was initiated with Fine Arts Faculty, Glass Department of Eskişehir Anadolu University.

Şişecam Glass Packaging carries out digital transformation practices to increase its performance with the awareness of its competitive and leading role. The developments in this context are continuously monitored, the business processes are reviewed and the required applications are implemented.

Working on digitizing its activities with the RFID (Radio Frequency Identification) technology through the unmanned product warehouse project, entering the dispatch requests into the SAP system, making vehicle requests from the SAP system and Transition to Ramp Management System Project, Şişecam Glass Packaging follows the technological developments closely and aims to maximize the efficiency of its activities.

Şişecam Glass Packaging pays special attention to the protection of the confidentiality of customer information. In this regard, the most up-to-date, efficient and secure technology infrastructure is utilized. Joint confidentiality and information storage issues in business agreement are secured by ISO 27001 Information Security Management System certificate. Digital and cyber security efforts were continued during the reporting period; no cases of violation of customer privacy occurred and no complaints were received.



INNOVATIVE PRODUCTS

The products created by Şişecam Glass Packaging by considering the matters of environment and sustainability in addition to customer expectations aim to increase the created positive added value. At this point, the feedbacks of all relevant stakeholders are collected and actively evaluated to bring the value of the products to the next level.

In 2018, Şişecam Glass Packaging focused on increasing the durability of glass packaging, mitigating products, reducing

inputs and wastes in the production process, increasing the use of renewable energy and recycling glass.

The only production facility having the “Clean Room” application in the standards to make production for health industry in Turkey, Eskişehir Plant allows differentiation and competitive advantage in the market by offering decorated products to its customers thanks to its printing facility.

CUSTOMER RELATIONSHIP

Şişecam Glass Packaging offers differentiated products and services to its customers by evaluating the emerging technological and digital opportunities together with business models. It focuses on effective and transparent communication through customer meetings, customer visits and trade fairs, and carries out customer-oriented business processes. It organizes training and audit activities within the scope of ISO 10002 Customer Satisfaction Management System.

Şişecam Glass Packaging evaluates the feedback received from surveys where customer satisfaction is measured, and this feedback is used to improve service level. Complaints as well as suggestions are answered within a system and resolved. In 2018, all customer complaints submitted to the Company were evaluated and solution efforts continued.



KEY STAKEHOLDER GROUPS AND ATTENDANCE PLATFORMS

Stakeholder Group	Attendance Platforms	Attendance Frequency
Analysts	Face-to-face meetings • Workshops	At least four times a year
Employees	Satisfaction survey • Suggestion and idea sharing platforms • Face-to-face meetings • Seniority incentive award • Recognition and reward system	Recurrent
Shareholders	General board meetings • Periodic information reports • Social Media	At least twice a year
Public Institutions	Regular reporting • Meetings, forums and conferences • Press releases • One-to-one interviews	Recurrent
Customers	Satisfaction surveys • Social media • Face-to-face meetings and meetings • Phone and e-mail	Recurrent
NGOs	Strategic collaborations • Events	At least once a month
Suppliers	Daily workflow • Face-to-face meetings • E-mail communication	Recurrent
Universities	Conferences • Joint studies • Internship programs	Annual
Investors	Telephone/teleconferencing and e-mail communication • Face-to-face meetings • Workshops	At least twice a year

CORPORATE MEMBERSHIPS

European Glass Packaging Federation, Glass Packaging and Glassware Committees (FEVE)	Food Safety Association (GGD)	Turkey Exporters Assembly (TİM)
International Partners in Glass Research (IPGR)	Istanbul Chamber of Industry (ISO)	Turkish Statistical Institute (TSI)
Environmental Protection and Packaging Waste Recovery and Recycling Foundation (ÇEVKO)	Istanbul Chamber of Commerce (İTO)	Quality Association of Turkey (KalDer)
Eskişehir Chamber of Industry (ESO)	Mersin Chamber of Commerce and Industry (MTSO)	Turkish Union of Chambers and Commodity Exchanges (TOBB), Glass and Glass Products Industry Council
Eskişehir Chamber of Commerce (ETO)	Central Anatolian Exporters' Associations (OAİB)	Yenişehir Chamber of Commerce and Industry (YTSO)
Gebze Chamber of Commerce (GTO)	Turkey Packaging Manufacturers Association (ASD)	

102-13 - 102-40



PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS	2018
Total revenue (TRY)	3,230,557,264
Wages and benefits paid to the employees (TRY)	289,924,512
Dividend paid (TRY)	90,000,000
Tax paid (TRY)	18,767,155
Social donations (TRY)	1,940,007

SOCIAL PERFORMANCE INDICATORS	
Employee Demographics	2018
Total Workforce (Number)	
<i>Female</i>	909
<i>Male</i>	3,147
Total Employees by Contract Type (Number)	1,792
Permanent	3,833
<i>Female</i>	862
<i>Male</i>	2,971
Temporary	3
<i>Female</i>	2
<i>Male</i>	1
Total Employees by Category (Number)	
Blue Collar	2,730
<i>Female</i>	521
<i>Male</i>	2,209
White Collar	1,326
<i>Female</i>	388
<i>Male</i>	938
Total Employees by Employment Type (Number)	
Full-time	4,056
<i>Female</i>	909
<i>Male</i>	3,147
Part-time	0
Total Employees by Education Level (Number)	
<i>Uneducated</i>	26
<i>Primary School</i>	611
<i>High School</i>	1,770
<i>University and above</i>	1,649

Employee Demographics	2018
Total Employees by Age (Number)	
<i>Below 30</i>	734
<i>30-50</i>	3,029
<i>50+</i>	293
Number of contractor employees	1,478
<i>Female</i>	514
<i>Male</i>	964
Tenure	
<i>Female employees 0-5 yıl</i>	311
<i>Female employees 5-10 yıl</i>	241
<i>Female employees 10+ yıl</i>	357
<i>Male employees 0-5 yıl</i>	958
<i>Male employees 5-10 yıl</i>	719
<i>Male employees 10+ yıl</i>	1,470
Top Management Structure (Number)	
By Gender	
<i>Female</i>	5
<i>Male</i>	22
By Age Group	
<i>30-50</i>	16
<i>50+</i>	11
By Nationality	
<i>Turkish Citizen</i>	24
<i>Expat</i>	3
Board Structure (Number)	
<i>Female</i>	6
<i>Male</i>	13
Mid-Level Management Structure (Number)	
By Gender	
<i>Female</i>	34
<i>Male</i>	85
By Age Group	
<i>>30</i>	2
<i>30-50</i>	91
<i>50+</i>	26
By Nationality	
<i>Turkish Citizen</i>	117
<i>Expat</i>	2

Turn Over	2018
New Hires (Number)	
By Gender	
<i>Female</i>	95
<i>Male</i>	272
By Age Group	
<i>>30</i>	237
<i>30-50</i>	127
<i>50+</i>	3
Employees Recently Left (Number)	
By Gender	
<i>Female</i>	120
<i>Male</i>	294
By Age Group	
<i>>30</i>	112
<i>30-50</i>	247
<i>50+</i>	55
Social Inclusion and Diversity	2018
Employees on Parental Leave	
<i>Female</i>	68
<i>Male</i>	107
Employees Returned to Work after Parental Leave	
<i>Female</i>	33
<i>Male</i>	107
Workforce Covered by Collective Agreement (Number)	1,112
Cases of Discrimination (number)	0
Disabled Employees	
<i>Female</i>	10
<i>Male</i>	76



Employee Development*		2018	
Employee Trainings (personxhour)		57,588	
<i>Blue-collar female</i>		0	
<i>White-collar female</i>		4,544	
<i>Blue-collar male</i>		29,002	
<i>White-collar male</i>		24,043	
<i>Female</i>		4,544	
<i>Male</i>		53,044	
Contractor Trainings (person*hour)			
<i>Female</i>		505	
<i>Male</i>		1,750	
Employees under Performance Feedback			
<i>Female</i>		299	
<i>Male</i>		746	
Environmental Trainings*		2018	
Environmental Trainings (personxhour)			
<i>Direct employees</i>		738	
<i>Contractors</i>		76	
Research and Development		2018	
R&D Budget (TRY)		1,088,940	
R&D Employees		165	
Occupational Health and Safety*		2017	2018
Accident severity rate	364		553
Accident frequency rate	13		17
Occupational Health and safety trainings (personxhour)	-		24,410

* Employee trainings cover domestic operations only.

ENVIRONMENTAL PERFORMANCE INDICATORS		2018
Net production (ton)		2,036,811
Natural Resources		
Raw material used (ton)		2,311,405
Total water withdrawal by source (m ³)		
<i>Municipality</i>		336,854
<i>Surface</i>		30,761
<i>Underground</i>		1,209,755
<i>Total</i>		1,577,370
Recovered or reused water (m ³)		155,865
Water intensity (m ³ /m ²)		0.77
Total Wastewater Discharge by Target Environment (m ³)		
<i>Natural Receiving Environment</i>		293,168
<i>Sewer</i>		165,909
<i>Total</i>		459,077
Internal glass fractures were reused in production (ton)		383,072
External glass fractures were reused in production (ton)		239,052
Hazardous Waste by Disposal Method (ton)		
<i>Energy Recovery</i>		1,254
<i>Recovery</i>		553
<i>Incineration</i>		18
<i>Landfill</i>		1,688
<i>Other</i>		186
<i>Total</i>		3,699
Non-Hazardous Waste by Disposal Method (ton)		
<i>Energy Recovery</i>		424
<i>Recovery</i>		8,828
<i>Incineration</i>		2,257
<i>Landfill</i>		6,229
<i>Other</i>		774
<i>Total</i>		18,512
Total amount of waste (ton)		22,211

		2018
Waste intensity (ton/ton)		0.01
Amount of packaging material (ton)		53,293
Fight Against the Climate Change		
Energy consumption (GJ)		
<i>Natural gas</i>	2017	2018
<i>Electricity</i>	11,441,632	12,204,460
<i>LPG</i>	2,037,686	2,196,746
<i>Acetylene</i>	476	0
<i>Energy from renewable sources</i>	77	83
<i>Total</i>	11,349	11,065
<i>Total</i>	13,491,220	14,412,354
Energy saving (GJ)	73,802	197,652
Scope1 Emissions (ton)	955,404	1,063,695
Scope2 Emissions (ton)	276,736	370,872
Total	1,232,140	1,434,567
GHG savings (ton CO ₂)		
<i>Scope1</i>	4,630	12,263
<i>Scope2</i>	412	2,621
<i>Total</i>	4,465	9,641
<i>Total</i>	4,877	12,262
Nox ve Sox emissions saving (kg)		
<i>Nox (kg)</i>	4,772	5,608,756
<i>Sox (kg)</i>	906,682	1,045,510
<i>Total</i>	911,954	6,654,266
Management Approach		
Environmental Expenditures (TRY)		
<i>Environmental Management Expenditures</i>		2,051,026
<i>Environmental Investment Expenditures</i>		504,129
<i>Total</i>		2,555,155
Saplins planted		145



GRI CONTENT INDEX

Disclosures	Descriptions and Page Numbers
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Corporate Profile	
102-1	About Şişecam Glass Packaging (p.5)
102-2	About Şişecam Glass Packaging (p.5)
102-3	Contact (p.35)
102-4	About Şişecam Glass Packaging (p.7)
102-5	http://www.sisecamcamambalaj.com/en/investor-relations/corporate-identity-and-management/shareholder-structure
102-6	About Şişecam Glass Packaging (p.7)
102-7	About Şişecam Glass Packaging (p.6)
102-8	Social Performance Indicators (p.32)
102-9	Supply chain is shaped by necessities of our products and services.
102-10	About Şişecam Glass Packaging (p.7)
102-11	Şişecam Sustainability Strategy: Care For Next (p.9)
102-12	Collaborations and Stakeholder Engagement (p.9)
102-13	Corporate Memberships (p.31)

Disclosures	Descriptions and Page Numbers
Strategy	
102-14	Message from the Chairman of the Board (s.3); Message from the President of Glass Packaging Group Turkey (p.4)
102-15	Şişecam Sustainability Strategy: Care For Next (p.9)
Ethics and Integrity	
102-16	Business Ethics (p.16)
102-17	Business Ethics (p.16)
Governance	
102-18	Sustainability Management (p.13)
102-19	Sustainability Management (p.13)
102-20	Sustainability Management (p.13)
102-21	Collaborations and Stakeholder Engagement (p.14)
102-29	Sustainability Management (p.13)
102-30	Sustainability Management (p.13)
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102-32	Sustainability Management (p.13)
Stakeholder Engagement	
102-40	Key Stakeholders and Attendance Platforms (p.31)

Disclosures	Descriptions and Page Numbers
102-41	Social Performance Indicators (p.32)
102-42	Collaborations and Stakeholder Engagement (p.14)
102-43	Collaborations and Stakeholder Engagement (p.14)
102-44	Collaborations and Stakeholder Engagement (p.14)
Reporting Practices	
102-45	About the Report (p.2)
102-46	About the Report (p.2)
102-47	Şişecam Sustainability Strategy: Care For Next (p.10)
102-48	No restatements for information
102-49	About the Report (p.2), Şişecam Sustainability Strategy: Care For Next (p.9)
102-50	About the Report (p.2)
102-51	http://www.sisecamcamambalaj.com/en/sustainability/sustainability-reports
102-52	Annual Reporting
102-53	Contact (p.35)
102-54	About the Report (p.2)
102-55	About the Report (p.2)
102-56	No external assurance

Material Issues	Standards	Disclosures	Descriptions and Page Numbers
Combating Climate Change			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Combating Climate Change (p.28)
	103-2	The management approach and its components	Combating Climate Change (p.28)
	103-3	Evaluation of the management approach	Combating Climate Change (p.28)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental Performance Indicators (p.33)
	302-3	Energy intensity	Environmental Performance Indicators (p.33)
	305-1	Direct (Scope1) GHG emissions	Environmental Performance Indicators (p.33)
GRI 305: Emissions 2016	305-2	Energy indirect (Scope2) GHG emissions	Environmental Performance Indicators (p.33)
	305-4	GHG emissions intensity	Environmental Performance Indicators (p.33)
	305-5	Reduction of GHG emissions	Environmental Performance Indicators (p.33)
Natural Resources Use			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Natural Resources (p.19)
	103-2	The management approach and its components	Natural Resources (p.19)
	103-3	Evaluation of the management approach	Natural Resources (p.19)
GRI 303: Water 2016	303-1	Water withdrawal by source	Environmental Performance Indicators (p.33)
	303-3	Water recycled and reused	Environmental Performance Indicators (p.33)
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Environmental Performance Indicators (p.33)
	306-2	Waste by type and disposal method	Environmental Performance Indicators (p.33)
Diversity and Inclusion			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Diversity and Inclusion (p.22)
	103-2	The management approach and its components	Diversity and Inclusion (p.22)
	103-3	Evaluation of the management approach	Diversity and Inclusion (p.22)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social Performance Indicators (p.32)
	401-3	Parental leave	Social Performance Indicators (p.32)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Social Performance Indicators (p.32)
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Occupational Health and Safety (p.25)
	103-2	The management approach and its components	Occupational Health and Safety (p.25)
	103-3	Evaluation of the management approach	Occupational Health and Safety (p.25)
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety (p.25); Social Performance Indicators (p.33)
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety, page 28; Social Performance Disclosures, page 38
Talent Management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Talent Management (p.23-24)
	103-2	The management approach and its components	Talent Management (p.23-24)
	103-3	Evaluation of the management approach	Talent Management (p.23-24)

Material Issues	Standards	Disclosures	Descriptions and Page Numbers
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	Social Performance Disclosures, page 37
	202-2	Proportion of senior management hired from the local community	Social Performance Indicators (p.32)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social Performance Indicators (p.33)
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development (p.23-24)
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Employee Development (p.23-24)
	Product Responsibility		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Product Safety (p.18)
	103-2	The management approach and its components	Product Safety (p.18)
	103-3	Evaluation of the management approach	Product Safety (p.18)
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Safety (p.18)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: There are no non-compliance cases regarding health and safety impacts of products in reporting period.
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Product Safety (p.18)
	417-2	Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: There are no non-compliance cases about product labelling in the reporting period.
GRI 419: Socio-economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	GRI Content Index: No legal fines were paid for non-compliance to social and economic regulations in the reporting period
Corporate Heritage			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Corporate Heritage (p.20)
	103-2	The management approach and its components	Corporate Heritage (p.20)
	103-3	Evaluation of the management approach	Corporate Heritage (p.20)
Contribution to Social Development			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Corporate Social Responsibility (p.26)
	103-2	The management approach and its components	Corporate Social Responsibility (p.26)
	103-3	Evaluation of the management approach	Corporate Social Responsibility (p.26)
Research and Digitalization			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); R&D and Digitalization (p.29)
	103-2	The management approach and its components	R&D and Digitalization (p.29)
	103-3	Evaluation of the management approach	R&D and Digitalization (p.29)
Innovative Products			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next (p.10); Innovative Products (p.30)
	103-2	The management approach and its components	Innovative Products (p.30)
	103-3	Evaluation of the management approach	Innovative Products (p.30)

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

ANADOLU CAM SANAYİİ A.Ş.

ŞİŞECAM HEADQUARTERS
İçmeler Mahallesi, D-100 Karayolu Caddesi, No:44A
34947 Tuzla/İSTANBUL

REPORTING CONSULTANT:



kiymetiharbiye.com

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