



TÜRKİYE ŞİŞE VE CAM  
FABRİKALARI A.Ş.  
2019 SUSTAINABILITY  
REPORT



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## ABOUT THE REPORT

With its seventh sustainability report, Türkiye Şişe ve Cam Fabrikaları A.Ş. (Şişecam) presents its stakeholders the sustainability performance covering the period between January 1, 2019 to December 31, 2019 based on the “Core” compliance option of the Global Reporting Initiative (GRI) Standards.

Data in this report covers all legal enterprises of Şişecam in Turkey and abroad. Performance reporting only includes the yearly data of 2018 and 2019 based on the expansion made in 2018. In the future reporting periods, the performance data will continue to be presented as compared by years, similarly taking 2018 as the reference year.



Stakeholder feedback is extremely important in improving both our activities and our reporting process. Accordingly, you can send your opinions, suggestions and complaints to [carefornext@sisecam.com.tr](mailto:carefornext@sisecam.com.tr).

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## MESSAGE FROM THE CHAIRMAN OF THE BOARD

Esteemed Stakeholders,

Creating added value for our stakeholders is one of Şişecam's key objectives in the pursuit of our roadmap. To this end, we carried out and shaped our operations around this objective.

In line with our "Care for Next" sustainability approach, we continued to undertake practices to further bolster our performance as part of the objectives we set, while contributing to the United Nations Sustainable Development Goals in 2019, as well.

In implementing our Sustainability Strategy, that includes all stakeholders in our value chain, we maintained our sustainability approach which considers every phase of the Group's product and service value chain, including "raw material supply, product manufacturing, distribution to customers and post-consumer product recovery". In the same year, we pursued and enhanced our activities on combating climate change, supply chain sustainability, natural resource management backed up with circular economy approach while particularly prioritizing gender equality.

We believe that we would only remain competitive and increase added value of our projects upon the contributions of our stakeholders. Consultations conducted frequently with our stakeholders and collection of their feedbacks through diverse channels has been one of the most valued process in terms of strengthening our Group. Accordingly, we will continue in launching projects that serves for dissemination of sustainability across our value chain.

We owe the success of our sustainability efforts that have been achieved through responsible governance practices and dedication of our employees. I would like to express my gratitude to all our stakeholders, particularly to my colleagues.

**Adnan Bali**  
Chairman of the Board

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In 2019, our Group produced 5.1 million tons of glass; 2.4 million tons of soda; and 3.9 million tons of industrial raw materials. The sales revenue of our Group reached TRY 18 billion with a 16% increase compared to the previous year.

## MESSAGE FROM THE GENERAL MANAGER

Esteemed Stakeholders,

Şişecam Group, with this, the seventh edition of our report, presents the key developments in our operations towards of our goal of “growth that creates sustainable value”. As with the previous editions, our report was issued in accordance with the Global Reporting Initiative, and is a summary of the practices that we have undertaken within the scope of the United Nations Sustainable Development Goals.

Our Group, as one of the world’s leading glass producers, operates across 14 countries with 42 production facilities and 22,000 employees. Having already ranked among the first 3 in glassware, the first 5 in glass packaging and flat glass, the first 8 in soda production and number one in chromium chemicals, Şişecam Group continued to progress ambitiously in line with the Group’s vision of acceding to the top three producers across all our lines of business.

The Şişecam Group has maintained operations efficiently despite the challenging conditions in the reporting period. In 2019, our Group produced 5.1 million tons of glass, 2.4 million tons of soda and 3.9 million tons of industrial raw materials. The Group’s sales revenue reached TRY 18 billion, representing growth of 16% over the previous year. Total exports from Turkey amounted to USD 788 billion, a rise of 4%, with the contribution of our high export performance in glass packaging and flat glass products. The share of our international sales reached 63% as of the end of 2019.

Şişecam Group has continued to integrate our CareforNext sustainability approach, which is built on the pillars of “Preserve”, “Empower” and “Progress”, into our business processes. In line with our sustainability strategy, Şişecam continued rolling out activities in the reporting period, while involving all stakeholders across the value chain. The Sustainability Committee oversaw all of these efforts, with full participation by the Energy and Production Technologies, Environment, Corporate Social Responsibility, Occupational Health and Safety, Diversity and Inclusion, and Digitalization & Innovation Technologies work groups. Our Group’s high performance, which we owe to our great belief in sustainability, was deemed successful by independent assessment agencies. Traded on Borsa Istanbul (BIST-100), Şişecam and Şişecam Group companies maintained their position in the “November 2019-October 2020 BIST Sustainability Index”.

Our Group has achieved numerous improvements in 2019 in order to manage, prevent and/or minimize of and to ensure full compliance with the respective legal requirements against the environmental impacts generated upon its operations. In this direction, corporate level procedures were issued and having being implemented across the Group to govern the essential corporate principles and to organize implementation steps regarding the environmental impact of the Group as well as to ensure coordination of the associated responsibilities.

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Şişecam has determined the transition to “Integrated Waste and Wastewater Management” in accordance with the “zero waste” and “circular economy” approaches in avoidable wastes resulting from its activities as a Group objective. It is aimed to manage waste and wastewater from the production and facilities of the Group with cost analysis and to evaluate industrial symbiosis opportunities more effectively. Furthermore, numerous projects were undertaken to ensure conscious use of natural resources. In 2019, approximately 15,500 tons of paper, carton, plastic and wood were recycled.

Having operated in an energy intensive industry, Şişecam’s top priorities included minimizing energy use and increasing energy efficiency through its manufacturing activities. Accordingly, the year 2019 marked energy saving amounting to 734,000 GJ as part of the activities continued for achieving efficient energy use.

Şişecam Group’s human resources policy targets “continuous success” at the cornerstone of its operations as well as disseminates a collective learning culture while promoting best practices on human resources across its business lines and adding value to stakeholders. The qualifications, talent and competency of our human resources within our Group constitute the most important element that will enable our Group to reach its targets in the future, as it has done so far. Driven by this understanding, we undertook numerous projects and investments aimed at building capacities of our employees. Our Group has started to reap the fruits of such projects and investments, further boosting its competitive structure with innovative, pioneering and distinctive human resources.

In 2019, “The Şişecam Group Diversity and Inclusion Guidelines” were published in order to expand the inclusive corporate culture across all of Şişecam’s operations and value chain to support and further enhance diversity and inclusion efforts. The “Women-Friendly Manufacturing Plant Project” continued in the reporting period with an aim to disseminate a culture of equal opportunities and inclusion across the Şişecam Group, and to ensure supporting women’s participation in employee force. The project has been primarily initiated at the production facilities in Turkey by with the goal of promoting equal opportunities at the work life.

The research, technological development and digitalization efforts continued at a full pace during the reporting period, since those are recognized as the major elements of global competition for Şişecam Group. Our Group addresses digitalization as a 360-degree integrated model that includes the entire value chain, from total supply chain to customer experience. We follow a digital transformation strategy aims to pioneer integration of business processes into innovative digital technologies. Accordingly, our Group has been implementing a series of programs while commissioning the responsive systems successfully. Our Group has fully continued to implement Industry 4.0 applications while enlarging comprehensive projects in the fields of operational excellence.

As part of our “RTD” (Research, Technology and Development) activities, we have cooperated with the R&D departments of 60 (32 local and 28 international) institutions including universities, research organizations, private companies as well as carried out design projects jointly with a 23 designers. We have completed the laboratory operations of 27 out of 120 work packages on development of new products and technologies as well as conducted the production tests over 20 work packages while commercialized 13 new products/technologies. Moreover, completed applications of 3 patents and 8 PCT/EPO; registrations of 7 patents and achieved official endorsement of 2 design applications.

Mainstreaming sustainability into supply chain management has been one of Şişecam’s areas of focus. In 2019, Environmental, Social and Governance (ESG) priorities were screened across all relevant work flows of supplier management including review, implementation, monitoring and improvement phases. Accordingly, suppliers are assessed on their performances regarding delivery, quality, financial, production technologies, risk management and sustainability through Supplier Performance System.

Our Group has been pioneering in establishment of a domestic infrastructure for glass recycling and investing in the future through efforts for increasing glass recycling practices. “Glass and Glass Again” Project has been one of the key contributors to such achievements since 2011 as being recognized one of the largest and most compelling social responsibility projects of Turkey in the field of sustainability. Having recognized as one of the best practices on enhancement of The Project was awarded by the Sustainable Business Awards in the Social Impact category.

Şişecam Group is among the longest-standing representatives of cultural heritage of glass production in Turkey. In the reporting period, we continued to implement such practices to protect and nourish this heritage. As a global player, our Group will continue to increase its long-term, sustainable investments that contribute to social development with new model applications and projects in line with its goals of shaping its future by creating value in all the geographies where it operates.

We are fully aware of our responsibilities in sustaining the value we have created to date. I would like to sincerely thank all of our stakeholders who have contributed to our sustainability journey, which is driven by the fulfillment of such responsibilities.



**Prof. Dr. Ahmet Kirman**  
Vice Chairman and CEO

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# ABOUT ŞİŞECAM

**Founded in 1935, Şişecam Group is an industrial group operating internationally in the fields of flat glass, glassware, glass packaging and chemicals.**

Continuing its production in 14 countries with its 22 thousand employees, Şişecam Group makes more than half of its sales abroad and exports its products to more than 150 countries in the world. In addition to being one of Turkey's most well-established industrial corporations with 84 years of history, Şişecam is also among the world's most distinguished manufacturers based on its powers of expertise and competitiveness.

## Vision

Striving to be among the top leading companies in all of our fields of operations, we aim to be a global company, teaming up with business partners for innovative solutions to differentiate ourselves with our high-end technologies and global brands with utmost respect to people and the environment.

## Mision

Adding value to life with its high quality and comfort-creating products; being a company that respects people, environment and the law.

## OUR VALUES



We derive strength from our traditions and support each other



We thrive and develop together



We care for our environment



We adopt a fair and transparent management approach



We respect differences

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ŞİŞECAM FLAT GLASS

Şişecam Flat Glass, which started its activities in 1981, produces architectural glasses, automotive and encapsulated glasses, solar energy glasses and white goods glasses. The company ranks 5<sup>th</sup> in the world and 1<sup>st</sup> in Europe due to its production capacity.

TOTAL PRODUCTION

Production of 3 million tons / year flat glass  
Production of 15 million m<sup>2</sup> automotive glass  
Production of 15 million pieces encapsulated glass

ŞİŞECAM GLASS PACKAGING

Started its activities in 1935, the Group produces glass packaging in various volumes and colors in the food, beverage, pharmaceutical and cosmetics industries, and is the 5<sup>th</sup> largest glass packaging manufacturer in the world.

TOTAL PRODUCTION

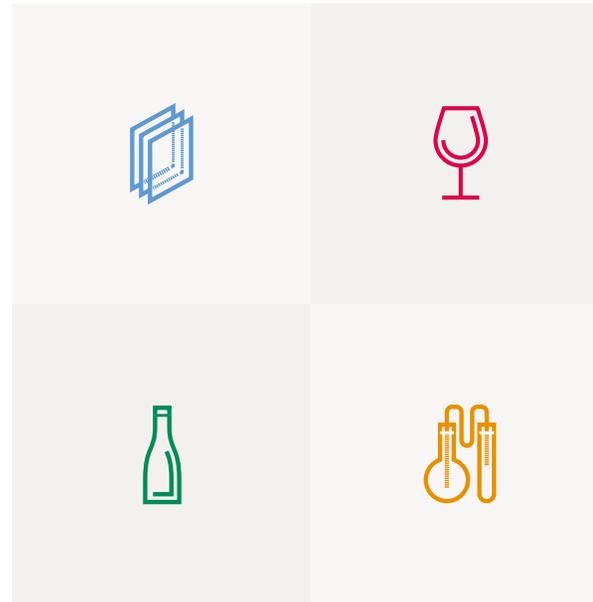
2.2 million tons

ŞİŞECAM GLASSWARE

Şişecam Glassware Group, which started its activities in 1935, operates in the fields of automatic and hand-made glassware production from soda, crystalline, heat-resistant borosilicate glass and lead-free crystal, paper cardboard packaging production and retail merchandising. The Group is the 3<sup>th</sup> largest company in the world and the 2<sup>nd</sup> largest in Europe.

TOTAL PRODUCTION

358 thousand tons



ŞİŞECAM CHEMICALS

The group, which started its activities in 1969, produces soda derivatives and chromium chemicals, glass fiber, industrial raw materials, electricity, Vitamin K3 derivatives and sodium metabisulfite. In terms of its production capacity, the Group is the 4<sup>th</sup> largest soda producer in Europe and 8<sup>th</sup> in the world, and the leading chromium chemicals producer.

TOTAL PRODUCTION

2.4 million tons of soda production  
100 thousand tons of BCS  
45.7 thousand tons of glass fiber  
3.9 million tons of industrial raw materials production

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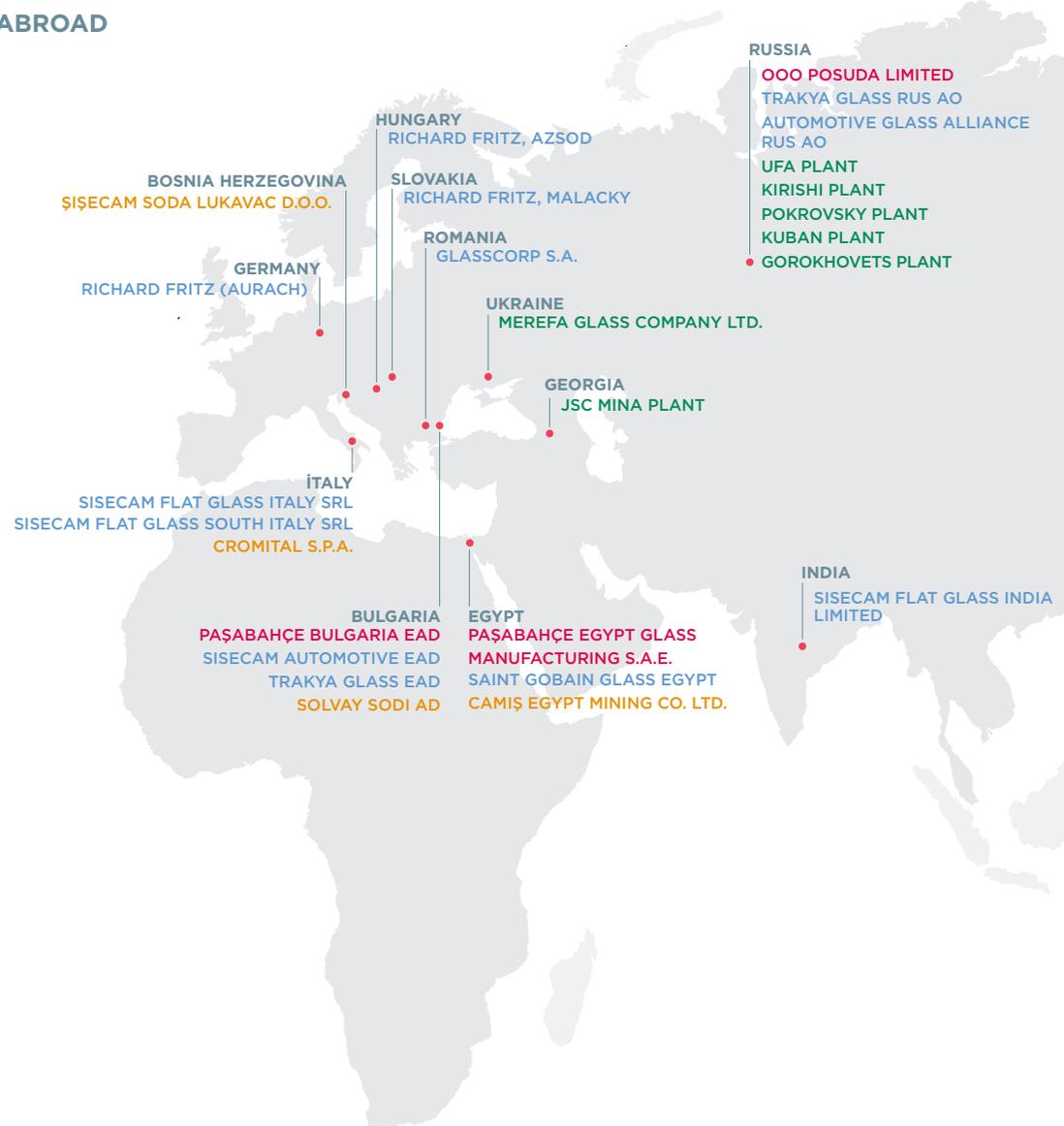
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## Şişecam Group Production Facilities

### ABROAD



### TURKEY

- Şişecam Flat Glas**
- Trakya Cam Sanayii A.Ş.**  
Trakya Plant - Kırklareli  
Mersin Plant - Mersin
- Trakya Yenişehir Cam Sanayii A.Ş.**  
Yenişehir Plant - Bursa
- Trakya Polatlı Cam Sanayii A.Ş.**  
Polatlı Plant - Ankara
- Şişecam Automotive A.Ş.**  
Otomotiv Camları Plant - Kırklareli
- Şişecam Glass Packaging**
- Anadolu Cam Sanayii A.Ş.**  
Mersin Plant - Mersin  
Yenişehir Plant - Bursa  
Eskişehir Plant - Eskişehir
- Şişecam Glassware**
- Paşabahçe Cam San. ve Tic. A.Ş.**  
Kırklareli Plant - Kırklareli  
Eskişehir Plant - Eskişehir
- Denizli Cam San. ve Tic. A.Ş.**  
Denizli Plant - Denizli
- Camış Ambalaj Sanayii A.Ş.**  
Tuzla Plant - İstanbul
- Şişecam Chemicals**
- Soda Sanayii A.Ş.**  
Soda Plant - Mersin  
Kromsan Chrome Compounds Plant - Mersin
- Oxyvit Kimya San. ve Tic. A.Ş.**  
Mersin
- Camış Madencilik A.Ş.**  
Aydın, Balıkesir, Bilecik, İstanbul,  
Karabük, Kırklareli, Mersin
- Şişecam Elyaf San. A.Ş.**  
Balıkesir

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# ŞİŞECAM IN 2019



**14**  
Number of Countries with Production



**2.4** Million Tons  
Soda Ash Production



**42**  
Number of Production Facilities



**3.9** Million Tons  
Industrial Raw Material Production



**2.89** Billion TL  
Investments



**5.1** Million Tons  
Glass Production



**150**  
Number of Countries of Sales



**4.87** Billion TL  
EBITDA



**18** Billion TL  
Sales Revenues



**21,801**  
Number of Employees



**11** Billion TL  
International Sales Revenues



**9.53**  
Corporate Governance Rating

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# INTEGRATED CORPORATE SUSTAINABILITY APPROACH

## Sustainability in Şişecam: Why? What? How?

The uncertain global economy, unstable social integration and unpredictable rapidly increasing digitalization are some of the obstacles to maintaining a successful business in a rapidly changing framework. Being a sustainable business is no longer limited to meeting expectations regarding profit growth and stakeholder value. Challenges such as the rapid demands of young employees, digitization that provides information transparency, climate change, energy consumption,

waste generation, threats to public health, poverty, social exclusion, biodiversity reduction, land use, resource scarcity and responsible resource consumption change the system in which our business and supply chains operate. In this context, creating sustainability approaches is now an obligation. Şişecam Group, one of the leading companies in the world glass industry, is also aware of its responsibility to create a sustainable world and protect its corporate heritage.



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## Şişecam Sustainability Strategy: Care For Next

Sustainability is the focus of Şişecam operations and it is an important element that forms the basis of the way of doing business. Accordingly, all investment decisions, product and process development activities are planned and carried out by taking into account the social and environmental impacts of the activities. Şişecam aims to expand its sustainability vision to include all its stakeholders in this wide value chain, from raw material supply to post-consumption recycling.

Şişecam’s sustainability strategy evaluates risks to key cases that affect business processes, with a holistic approach to risk. Risks and opportunities in all related issues are actively evaluated, and continuously increasing the added value foreseen for stakeholders is aimed. This approach, which is integrated into the business strategy of Şişecam Group, is based on its main axes to create permanent value, protect natural resources, invest in people, and follow technological innovations.

## Şişecam Sustainability Strategy: Care for Next





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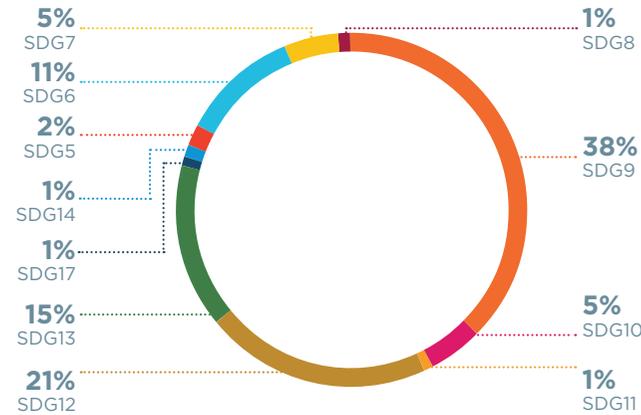
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In order to disclose the contribution provided to the SDGs, the targets set for the Sustainability Committee as well as for the working groups and the actions taken towards these targets are evaluated and followed on the basis of their contribution to the SDGs. In addition, “good practices” carried out throughout the

year within the Group are matched with SDGs. Accordingly, level of awareness among the Group Companies on SDGs along with their contributions to those have increased upon implementation of solid practices.

**UN SUSTAINABLE DEVELOPMENT GOALS MET BY GOOD PRACTICES**



**PRESERVE - EMPOWER - PROGRESS GOOD PRACTICES**



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## Şişecam Sustainability Chronology



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## Sustainability Management

Sustainability management in Şişecam Group is a multi-layered and participatory structure. With different roles and responsibilities, the Sustainability Committee, Working Groups and Sustainability Directorate are the bodies responsible for implementing the Group sustainability strategy.

The Sustainability Committee, which is under the direction of the Strategy Directorate and is formed with the high-level participation of Production Groups, Human Resources, Strategy, Innovation,

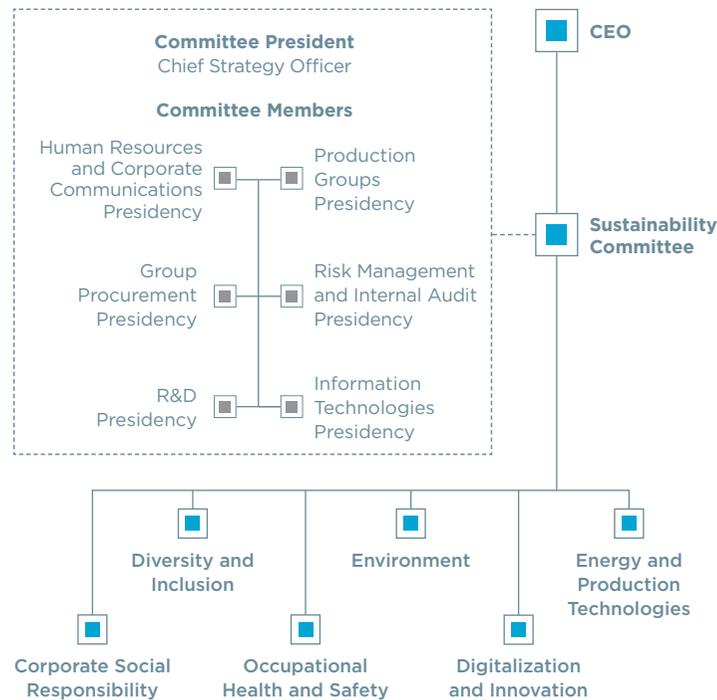
Industrial Relations, Information Technologies, Finance, Research and Technological Development, Risk Management and Internal Audit, Purchasing and Corporate Communications, coordinates sustainability efforts and creates synergies to find system-based solutions with high impact actions. The Sustainability Committee ensures increased communication between the working groups and Group companies on sustainability and realizes joint projects. The Committee is responsible for the integration of the sustainability strategy into Şişecam processes, the implementation of operational improvement activities, and the coordination, direction and monitoring of the activities of the Sustainability Committee sub-working groups.

Group Production Vice Presidents are active members of the Sustainability Committee and manage the practices of the sustainability strategy within the Groups. The Committee convened 4 times in 2019 and evaluated the performance of the Group Companies to achieve their sustainability goals.

Six active working groups within the Committee ensure the direct implementation of Şişecam Group’s sustainability strategy and action plan. Working groups operating in the fields of environment, energy and production technologies, occupational health and safety, digitalization and innovation, diversity and inclusion, corporate social responsibility continued their regular meetings in 2019.

Sustainability Directorate, within Şişecam Group Strategy Directorate structure, is responsible for bringing together teams responsible for production, brand, communication, human resources, infrastructure, supply and quality, by coordinating corporate sustainability activities. The Directorate acts as the focus of the Group in order to manage practices such as corporate sustainability reporting, supply chain sustainability, sustainability training programs, measurement of sustainability effectiveness, and energy and natural resources management in line with the Sustainability Strategy.

### Şişecam Group Sustainability Management Structure



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## Performance Monitoring and Tracking

Sustainability performance of Şişecam Group is carefully monitored and reported in line with its related strategy. The main axes of the "Preserve", "Empower" and "Progress" Sustainability Strategy and the prioritized issues within this scope are followed up with basic performance indicators. Short and medium-term goals have also been set for all major goals, so that the impact of

variable social and economic developments is also considered. Benchmarking studies, annual sustainability scorecards and half-year evaluations are important mechanisms in monitoring the sustainability performance and providing feedback in Şişecam Group.

	Şişecam Sustainability Strategy (2017 -2022)	Unit	2019 current status
 preserve	Reuse of 5% of industrial waste water	%	5.5
	Using at least 20% recycled glass through glass packaging production	%	23
	Reduction of NOx emission values with primary measures in at least 10 glass furnaces	Number	8
	Development of at least 4 industrial synergy programs	Number	3
	Increasing forest areas by 20% in existing mining areas	ha	35
	Renewal of corporate procurement procedures within the scope of sustainability principles	Procedure	Realized
	Initiation of biodiversity and conservation practices by involving local people at the geographies of operation	Area (ha)	Not Initiated
 empower	Zero occupational accidents (LTIFR-loss-time injury frequency rate)	LTIFR	12
	Endorsement of Şişecam Group's Diversity and Inclusion Principles	Principles Document	Realized
	Dissemination of culture of inclusion among Şişecam Group and the entire stakeholders, measuring those against performance indicators	% of female employees	20.02
	Supporting national, international policies and regulations on equal opportunities		Ongoing
 progress	Reduction of greenhouse gas emission intensity by 5% in glass production facilities compared to 2017	%	0.4
	Reduction of annual specific energy consumption by 2% in glass production facilities compared to 2017	%	1.8
	Generating 12 MW of energy from renewable resources	MW	6.3
	In order to reduce natural gas consumption, switching to reactant pre-heating method in at least 2 more factories	Number	Ongoing
	Application of Waste Heat Recovery system in at least two more manufacturing plants at minimum	Number	Ongoing

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In addition to the goals set by Şişecam Group, 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 indicators that are monitored and reported.

Following an investigation among companies traded on Borsa Istanbul (BIST), Şişecam has entered the "BIST Sustainability Index" for the period of November 2019-October 2020. In the BIST Sustainability Index, in which only 56 companies are entitled to be included in the evaluation made in cooperation with EIRIS - an independent research company; all Şişecam companies included in BIST-100 including Şişecam, Trakya Cam, Anadolu Cam, and Soda Industry were included.



**You can reach all corporate policies that are referenced in performance monitoring and monitoring systems in Şişecam Group from the Sustainability section of the corporate website.**



**Şişecam A.Ş. has been included in the Borsa Istanbul Sustainability Index since 2016 as a result of its performance in the field of sustainability.**

## Collaborations and Stakeholder Engagement

Şişecam Group aims to improve both its institutional capacity and the size of its impact through collaborations in the local and global areas. Accordingly, it develops subject-based partnerships in areas such as product life cycle management, social inclusion, integration of sustainability into business processes, big data management, and biodiversity. Plans are also made to extend these partnerships to the entire value chain. In this context, Şişecam plays various roles in many events, summits and forums throughout the year and shares its experiences in the industry with its business partners.

Şişecam cooperates with domestic and international universities and research institutions within the scope of research, technological development and design activities. The "Glass Science and Technology Graduate Program", which was launched in 2016 with Gebze Technical University in order to provide human resources to the glass industry, continues successfully and gave its first graduate in 2019.

Şişecam Group considers dialogue with stakeholders as an important element of its sustainability performance. In this regard, it is of great importance to meet with different stakeholder groups in different channels and to actively use the feedback obtained from them and reflect them to the operations. Aware of the added value created by different ideas, stakeholders' expectations are constantly included in decision-making processes.

Sustainability reports were also prepared in Turkish and English audiobooks and uploaded to relevant websites, to ensure easy access for visually impaired internal and external stakeholders, using a creative communication strategy to increase the impact of the reports. The CEO message distributed with the communication package was also written in Braille alphabet, recycled in printed materials, and FSC (Forest Stewardship Council) certified papers were used to raise awareness of the visually impaired.



**You can access the stakeholder communication methods applied in Şişecam on page 46 of this report.**

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# RESPONSIBLE MANAGEMENT PRACTICES

Putting sustainable, transparent and accountable management to the focus of its operations, Şişecam acts in line with its vision of becoming a global company by increasing the value it creates with responsible management practices. In this regard, Şişecam takes into consideration future needs as well as today's requirements; it aims to carry out responsible management practices at international standards and thereby continuously increase shareholder value.

Acting with the awareness that the adoption of transparent, fair, accountable management practices by companies is at least as important as financial performance, Şişecam's Corporate Governance Rating in 2019 was at 9.53 level as in 2018.

Şişecam Group adopts progressive corporate governance practices within the framework of responsible management approach, respects fair competition, spreads its corporate ethics understanding to all its stakeholders, and offers equality and diversity-oriented employment conditions.



You can reach the details of corporate governance principles and practices applied in Şişecam from the Corporate Governance Principles Compliance Report in the Investor Relations section of the corporate website of Şişecam Group.

## Business Ethics

Ethical Rules are the guiding principles of responsible business conduct in Şişecam Group. The Code of Ethics, which was launched in 2010 and updated through needs assessments, is organized within the framework of the general principles of honesty, transparency, confidentiality, impartiality and compliance with the law. "Şişecam Group Code of Ethics" is a map that guides the relations of all Group employees with customers, suppliers, shareholders and other stakeholders.

The "Ethics Committee" established in 2014 and working under the Corporate Governance Committee, works to ensure compliance with the Code of Ethics in the Group activities, evaluate contradictory practices, disseminate the ethical culture throughout the Group, and raise awareness on this issue. Şişecam Group Code of Ethics also defines the duties and responsibilities of managers and all employees.

Employees can forward transactions that are not ethically appropriate to the Audit Committee and the Internal Audit Unit. An ethical hotline has been set up so that stakeholders can communicate transactions considered to be incompatible with the law or the ethical values of the company to members of the Audit Committee, which consists of independent board members. In addition, complaints can be submitted through the e-mail address of "[etik@sisecam.com](mailto:etik@sisecam.com)".



You can find detailed information about the Code of Ethics on the Corporate Management Policies section of the Şişecam Group corporate website.

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## Combating Corruption

The Anti-Bribery and Anti-Corruption Policy, which clearly reveals Şişecam Group's commitments and approach to combating bribery and corruption, is an integral part of the Group's Code of Ethics. With this policy, it is aimed to provide necessary information and to determine the responsibilities and rules in this regard in order to prevent bribery and corruption in all Group activities.



You can find detailed information about Anti-Bribery and Anti-Corruption Policy on the Corporate Management Policies section of Şişecam Group corporate [website](#).

## Corporate Environmental Management

It is one of the important parts of the responsible management approach to monitor and reduce all direct and indirect environmental impacts that occur through Şişecam Group operations. The Environment and Energy Policy, which was created within this scope and taken as a basis in all Şişecam operations consists of the dissemination of following activities:

- Using production techniques to reduce the environmental impacts of the Group's activities,
- Effective energy and resource management,
- Developing implementations to reduce climate change impacts and
- Dissemination of waste recycling and regaining activities.

The works carried out within the scope of this policy continued in 2019 to cover all domestic and international facilities. As a result of environmental controls based on the production value chain, including legal compliance, natural resource and waste management, improvement areas were examined and relevant actions were determined and continued to be associated with investment plans to be projected when necessary.

In order to regulate the necessary institutional principles and implementation steps for the management of environmental impacts and to coordinate related responsibilities, the documents of "Corporate Environmental Management Procedure", "Waste Management Principles Implementation Instruction" and "Environmental Aspects Assessment Guide" have been prepared covering the entire Group geography, considering the relevant local legislation requirements. Relevant procedures were published in the Group in 2019 and started to be implemented.

The Environmental Management of the Group is carried out under the responsibility of environmental engineers at operational level, Quality and Environmental Directorates at Production Groups level, and Environmental Management Directorate affiliated to the Sustainability Directorate at the General Directorate level. The environmental management approach is supported by the ISO 14001 Environmental Management System at the Group production facilities, and effective communication, supervision and reporting practices are carried out with a multi-layered structure that extends from Şişecam's top management to the level of the factory and subcontractor.

Periodic studies are carried out to provide a holistic monitoring of the environmental impact of all activities carried out within Şişecam Group, continuous improvement and management with a common understanding across the Group. With the Environmental Data Management System, information such as natural resource consumption, waste generation and legal compliance, which constitute the basis of the Group's environmental performance, are periodically reported and monitored through the QDMS (Quality Document Integrated Management System) infrastructure. The scope of the Environmental Data Management System has been expanded to cover the production facilities abroad with the efforts to expand the system.

The follow-up of the obligations within the scope of the environmental legislation in force in the operational geography is periodically provided through the Environmental Data Management System and by the Environmental Cross Checks carried out by the Environmental Management Department, based on the declaration of the production groups and facilities. Based on the "Şişecam Group's Environmental Assessment

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Guide" published in 2019, the assessment of the Environmental Dimensions generated during the activities carried out within the production facilities is carried out in accordance with the ISO 14001 Environmental Management Standard and updated annually. Almost all of the Group's production facilities are ISO 14001 certified, and periodic internal and external audits are carried out within this scope. With the Environmental Data Management System, information such as natural resource consumption, waste generation and legal compliance, which constitute the basis of the Group's environmental performance, are periodically reported and monitored through the QDMS (Quality Document Integrated Management System) infrastructure. The scope of the Environmental Data Management System has been expanded to cover the production facilities abroad with the efforts to expand the system.

Environmental Control and Audit is monitored periodically through the Environmental Data Management System and Environmental Cross Controls carried out by the Environmental Management Directorate, based on the declaration of production groups and facilities, and the monitoring of the obligations under the legal environmental legislation in force in the operating geography of Şişecam Group. In this context, cross-checks, which are extended to Şişecam Group's foreign facilities, has been held regularly every year since 2015, where Environmental Management System (ISO 14001) principles, environmental legislation and other conditions (international criteria), compliance with legal obligations, statements made and environmental risks are evaluated. In 2019, environmental audits started to be carried out in cooperation with the Directorate of Environmental Management - Internal Audit Directorate, and the scope of the controls was expanded to include foreign facilities.

Environmental investment and management expenditures realized in the reporting period amounted to 163 million TL. In the same period, 16,705 person \* hour environmental training was provided to our employees and 3,687 person \* hour environmental training for contractor company employees.

## Sustainability in the Supply Chain

Sustainable supply chain management is among the primary focus areas of Şişecam. In 2019, Environmental, Social and Governance (ESG) priorities in the supply chain started to be addressed in all phases of supplier management including evaluation, implementation, monitoring and development. Accordingly, the relevant processes were reviewed and supplier management systems, including ESG dimensions, were put into operation. Following systems were prepared and put into practice where ESG is also integrated:

- Supplier Commissioning and Decommissioning Systems,
- Supplier Risk Assessment and Monitoring Application,
- General Terms and Conditions of Purchase,
- Şişecam Group Suppliers Code of Conduct,
- Supplier Proficiency Audit Question List,
- Supplier Performance Evaluation System.

With the supplier performance system, suppliers are evaluated in the areas of dispatch performance, quality, financial, production technologies, risk and sustainability. With the Supplier Risk Assessment and Monitoring Application, the activities of the suppliers are evaluated under financial, ethical, geopolitical, strategic headings and the risk score of the suppliers is determined. In order to increase supplier cooperation, the order confirmation portal application was launched.

In order to increase product and service quality by category, supplier commissioning, selection, auditing and performance evaluation processes are constantly reviewed, and action plans for improvement areas are developed and monitored depending on the audit results carried out by third party independent audit firms. With these practices, awareness of sustainability of Şişecam suppliers and their continuous development in this field are provided.



You can find detailed information on environmental performance in the "Preserve" and "Progress" sections of our report.

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## Process and Continuous Development

While Şişecam Group reinforces its strong position on a global scale, it continues to evaluate opportunities in alternative markets and to move towards global expansion targets. The value created for stakeholders is increased by continuing projects and studies aimed at increasing productivity with a continuous improvement approach throughout the Group.

In the reporting period, the works targeted within the scope of the process and continuous development have been reached to a large extent, and additional studies that will accelerate 2020 according to the new development areas and opportunities have been completed by adding them to the business plan. In this context, in addition to the Development and Change Management, Process Management Infrastructure, Process

Management Sustainability, Operational Excellence and Customer Orientation studies planned for 2019, Automation and Digitalization, Process Improvement, 5S Studies and Transformation Projects were carried out. The Lean Maturity Level model was designed in 2019 and lean maturity level development studies were initiated in the related factories.

When evaluated within the scope of the process and continuous development, 2019 studies focused on sub-structural development, consultancy and support, automation and digitalization dimensions.

During the reporting period, a total of 226 process improvement projects have been initiated throughout the Group, Flat Glass, Glass Packaging, Glassware and Chemicals groups, of which 170 have been successfully completed.

Infrastructural Works		Coaching, Consultancy and Support		Automation and Digitalization
 Excellent Process Management	 Continuous Development	 Lean Management	 Process Improvement Projects	 Automation and Digitalization in Processes
Şişecam Process Architecture	Operational Excellence Program	Lean Maturity Level Reviews	Groups Based Process Improvement Projects	Process Management Software Infrastructure
Integration with Transformation Projects	Inventory Of Past Period Process Improvement Projects	Lean Maturity Level Development Studies	Process Improvement Trainings	Robotic Process Automation Studies
Process Maturity Level Evaluation in Governance Processes			Process Improvement Projects Above Groups	Overall Equipment Effectiveness



## **PRESERVE**

**We PRESERVE to contribute to environmental sustainability and share our experience of eighty-five years with future generations.**



PRODUCT SAFETY

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Şişecam undertakes to preserve safety of its products, natural resources, biological diversity and its corporate heritage as part of “Preserve,” one of the three key components of Şişecam’s sustainability strategy “Care for Next.”

## PRODUCT SAFETY

Şişecam Group manages product safety as a business priority up to the global standards, in line with all legal requirements across the geography it operates in. All Group companies follow a wide range of quality and safety standards, as well as management systems required by their industries.

	Ülke	ISO 9001	ISO 14001	OHSAS 18001/ ISO45001	ISO 27001	ISO 50001
Soda San. A.Ş. Soda Plant	Turkey	✓	✓	✓	✓	✓
Soda San. A.Ş. Kromsan Plant	Turkey	✓	✓	✓	✓	✓
Oxyvit Kimya San. ve Tic. A.Ş.	Turkey	✓	✓	✓	✓	✓
Şişecam Soda Lukavac d.o.o.	Bosnia Herzegovina	✓	✓			
Cromital S.p.A.	Italy	✓	✓			
Şişecam Elyaf	Turkey	✓	✓	✓	✓	✓
Paşabahçe Cam San. Tic. A.Ş. Eskişehir Plant	Turkey	✓	✓	✓	✓	✓
Paşabahçe Cam San. Tic. A.Ş. Kırklareli Plant	Turkey	✓	✓	✓	✓	✓
Denizli Cam San. Tic. A.Ş.	Turkey	✓	✓	✓	✓	✓
Camiş Ambalaj San. A.Ş. Tuzla Plant	Turkey	✓	✓	✓	✓	✓
Paşabahçe Bulgaria EAD - Bulgaria	Bulgaria	✓	✓	✓		
OOO Posuda Limited - Russia	Russia	✓	✓	✓		
Paşabahçe Egypt Glass Manufacturing S.A.E.	Egypt	✓	✓	✓		
Şişecam Otomotiv A.Ş.	Turkey	✓	✓	✓	✓	✓
Şişecam Automotive Bulgaria EAD	Bulgaria	✓	✓	✓		
Glasscorp S.A.	Romania	✓	✓	✓		
Automotive Glass Alliance Rus AO	Russia	✓	✓	✓		
Richard Fritz Holding	Germany	✓	✓			
Richard Fritz Prototype + Spare Parts GmbH	Germany	✓	✓			
Richard Fritz Spol, S.R.O.	Slovakia	✓	✓			
Richard Fritz Kft	Hungary	✓	✓			
Trakya Cam Sanayii A.Ş. Trakya Plant	Turkey	✓	✓	✓	✓	✓
Trakya Cam Sanayii A.Ş. Yenişehir Plant	Turkey	✓	✓	✓	✓	✓
Trakya Cam Sanayii A.Ş. Mersin Plant	Turkey	✓	✓	✓	✓	✓
Trakya Cam Sanayii A.Ş. Polatlı Plant	Turkey	✓	✓	✓	✓	✓
Trakya Glass Bulgaria EAD	Bulgaria	✓	✓	✓		✓
Sisecam Flat Glass Italy Srl	Italy	✓	✓	✓		✓
Trakya Glass Rus AO	Russia	✓	✓	✓		✓
Sisecam Flat Glass India Limited	India	✓	✓			
Anadolu Cam Sanayii A.Ş. Mersin Plant	Turkey	✓	✓	✓	✓	✓
Anadolu Cam Sanayii A.Ş. Yenişehir Plant	Turkey	✓	✓	✓	✓	✓
Anadolu Cam Sanayii A.Ş. Eskişehir Plant	Turkey	✓	✓	✓	✓	✓
Ruscam Gorokhovets Plant	Russia	✓	✓	✓		
Ruscam- Ufa Plant	Russia	✓	✓	✓		
Ruscam- Kirishi Plant	Russia	✓	✓	✓		
Ruscam- Kuban Plant	Russia	✓	✓	✓		
Mina-Ksani Plant	Georgia	✓		✓		
Camiş Madencilik A.Ş.	Turkey	✓	✓	✓	✓	✓
Camiş Elektrik Üretim A.Ş.	Turkey	✓	✓	✓		✓

ISO 9001: Quality Management System » ISO 14001: Environmental Management System » OHSAS 18001: Occupational Health and Safety Management System » ISO 27001: Information Security Management System » ISO 50001: Energy Management System.

You can find detailed information about Şişecam Group companies’ management standards and certificates in the sustainability reports of our Group companies.

## USE OF NATURAL RESOURCES

In this period of climate change with effects being experienced even more intensely, efficient use of natural resources is a prime topic for all enterprises. Sustainability in the use of natural resources is a business priority at Şişecam Group. Within this scope, Group companies support circular economy, develops practices that help reduce water consumption, and formulate projects to foster biological diversity throughout its operational geography.

With the Environmental Data Management System, it is possible to monitor and analyze the environmental performance of the plants. The analyses conducted through the system ensures standardization of the practices and extension of best practices within the Group.

### Water Management

Water consumption is an environmental indicator strictly tracked at Şişecam. In 2019, water consumption at Şişecam was 37.8 million m<sup>3</sup> with a decrease by 8.7% compared to 2018. In 2019, 4,162,233 m<sup>3</sup> of water was recycled/reused at Şişecam. As a result of these efforts, the amount of waste water in 2019 was 18 million m<sup>3</sup> with an approximately 1% decrease compared to the previous year.

#### HIGHLIGHTS

##### **Recycling Waste Water (Glass Packaging- Mersin Plant)**

The entire waste water processed at Mersin Plant is recycled. In 2019, 262,228 m<sup>3</sup> of water was recycled, which made it possible to meet the 45% of total well water need through waste water.

##### **Reuse of Return Flow of Washing Machines (Flat Glass- Yenişehir Plant)**

35,000 m<sup>3</sup> of water was saved annually as a result of reusing the return flow of TR3 and TR4 Water Cleaners as make-up water in cooling towers.

##### **Waste Water Reduction (Automotive - Bulgaria Plant)**

The double pass reverse osmosis systems in Bulgaria Plant make it possible to use waste water in reproduction through decontamination of water. This way, a significant amount of water is saved.

##### **Wastewater recovery (Paşabahçe- Kırıkkale Plant)**

Some of wastewater from chemical treatment facility passes through greasy cullet washing unit and remaining wastewater through softening unit in the treatment facility. Then, this water is reused in production machinery as temper water. With this project, 28,623 m<sup>3</sup>/year of water was saved in 2019.

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## Support for Circular Economy and Waste Management

Reuse of glass, a material which can be infinitely recycled, is among the business priorities of Şişecam. Amount of waste is cut down through recycling, which is a significant part of waste management approach, and resource efficiency is achieved by reusing recycled raw materials in production processes.

As a result of Şişecam’s Integrated Waste Management aimed at “zero waste”, also in 2019, all recyclable wastes were recovered for production, while the non-recyclable wastes were forwarded to the plants which have the required certification and permits for ultimate disposal.

In 2019, 1,147,927 tons of cullets were reused in glass production at Şişecam Group. This way, not only the waste amount was reduced, but also resource saving was ensured. In 2019, 278,000 tons of recycled raw materials were used across the Group.

## Biodiversity

Global climate change and human-instigated environmental disasters threaten the reproduction of many species. Respect for biological diversity is a topic that must be among environmental priorities of all enterprises. Şişecam strives to minimize its environmental impact by developing projects that contribute to biodiversity in the regions where it operates. In 2019, Şişecam planted 4,354 trees in the regions where its plants are located in.

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**HIGHLIGHTS**

Built upon central coordination of wastes resulting from its operations, Şişecam's "Integrated Waste Management" approach is primarily aimed at integrated waste management in line with "zero waste" and "circular economy" approaches, in the case of avoidable waste, and more effective utilization of industrial symbiosis opportunities at the production facilities in geographies where Şişecam Group operates in.

In the reporting period, efforts were made to define the improvements, investments, trainings, capacity development opportunities and collaborations related to the reduction, reuse and prevention of wastes resulting from the Group's operations, and to build a Group Waste Management Roadmap based on these outputs. Within this scope, analyses were conducted to ensure that the Group's current waste management approach is implemented across all geographies as a standard.

In 2019, Şişecam Group enabled withdrawal and recycling of 54% of the materials used for packaging its products rolled out in the previous year. Approximately 15,500 tons of paper, carton, plastic and wood were recycled. We contributed to the recycling projects and institutions authorized for this purpose, as well as training, support and awareness-raising activities aimed at the students.

**Reducing NOx Emissions in Color Flat Glass Production (Şişecam Flat Glass-Mersin Plant)** - The NOx emission reduction project was undertaken in colored flat glass production to further reinforce the title of "eco-friendly plant", and to minimize NOx emissions that might occur in the future. Compared to the year 2018, a 5.8% improvement was achieved in the relevant emissions in the reporting period.

**Glass Recycling** - Şişecam Group continued its investments to improve the infrastructure for collecting glass packaging waste, modernize the facilities where glass packaging waste is collected and processed, and separate the glass packaging wastes found in household wastes before regular storage. The Group, in association with European Bank for Reconstruction and Development (EBRD), established Şişecam Çevre Sistemleri A.Ş., where EBRD holds 10% of shares, and the Group invested TRY 33.5 million for the recycling facility in order to pioneer industrialization of the glass recycling industry.

**Saving Chemicals in Ultrasonic Cleaning (Glass Packaging-Yenişehir Plant)** With the project, in the event of a failure in the ultrasonic cleaning machine, chemical solution that is forwarded to treatment for tank discharge is conveyed to the IBC tank from the cleaning machine tank and is used for cleaning again until the machine is recovered. 1,580 kilograms of chemicals were saved with the project.

**Recycling laminated glass cullet (Automotive-Russia Plant)** A project was launched at the Russia Plant in 2019 and made it possible to recycle all laminated glass cullets. This way, glass cullets were reused and recycling rates were increased.

**FSC-Certified Products by Camiș (Paşabahçe- Camiș Packaging Tuzla Plant)** In manufacturing FSC certified paper and carton, forests created by human for this purpose and recycled paper and carton are used. By building a FSC system and manufacturing with certification, it is ensured that eco-friendly raw materials are tracked in all supply, design, production and sales processes. With FSC certification, Camiș meets FSC certified packaging demands of Paşabahçe, its primary customer, and non-Group customers. In 2019, 85,300 m<sup>2</sup> of FSC certified production was completed in Camiș Packaging Tuzla Plant.

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## CORPORATE HERITAGE

One of the healthiest materials of the world, glass is a unique substance that reflects culture across all geographies it is used in. Used in countless areas from construction and technology to dining table and white goods, glass has been shaped by the life style of societies since the era before common era.

Şişecam Group is among the most long-standing representatives of the cultural heritage of glass in Turkey. All Şişecam Group companies implement the practices that will preserve and nourish this heritage.

### Glass Consultancy by Flat Glass

With project-specific Glass Consultancy service provided to architects, façade consultants, investors and contractors, i.e. decision makers of construction projects, the company helps with the selection of right glass solutions. As part of the project, so far 2,953 technical calculations have been made and face-to-face meetings have been held with almost 3,000 industry executives.

### Share Events 2019

Şişecam Flat Glass was the main partner at Share Events 2019 International Architecture and Engineering Forum held regularly in different European cities. The series of events where architects and other industry professionals attend from all over the world and where new ideas, practices and projects are discussed aimed to promote brand awareness abroad through presentations made to an audience of 3,000 people in Macedonia, Albania, Slovenia, Hungary, Romania, Serbia, Bulgaria, Italy, the Czech Republic, Poland and Greece.

### Put Glass into Life

Launched by Şişecam Cam Ambalaj, "Put Glass into Life" project aims to promote the use of glass-packaged products as glass is 100% and endlessly recyclable, to serve as a source of reference for glass, and bring together all stakeholders who are interested in glass.

Serving both as a corporate website and a separate web platform, Put Glass into Life project has concluded its eighth year. The project has a total of nearly 100,000 followers on the web and social media, and stands out among strong brands in the corporate blog category as a successful and organic developing platform.

#### ŞİŞECAM INTERNATIONAL GLASS CONFERENCE

Şişecam International Glass Conference, organized by Şişecam every two years, was held in Istanbul on November 21-22 with the participation of more than 500 researchers, scientists and industry professionals from 26 countries. The main theme of the conference was "Glass in a Sustainable Future: Achieving Possible". "Energy, Environment and Sustainability" were among the main sessions of the conference. Many different topics were covered in sessions, including organic PVs, solar fronts in buildings, recovery and collection of glass from construction and wreckage waste, Paşabahçe's Emotion, Nature-themed new designs, the legacy and values of Slow Industry, Traditional Glass and Glass Mastery.



## **EMPOWER**

**We EMPOWER inclusive corporate culture to entrust future generations with a better tomorrow.**



DIVERSITY AND INCLUSION

- TALENT MANAGEMENT
- EMPLOYEE DEVELOPMENT
- EMPLOYEE HAPPINESS
- OCCUPATIONAL HEALTH AND SAFETY
- CORPORATE SOCIAL RESPONSIBILITY
- CONTRIBUTION TO CULTURAL VALUES
- CONTRIBUTION TO EDUCATION AND TRAINING
- CONTRIBUTION TO SPORTS
- CONTRIBUTION TO ENVIRONMENTAL VALUES
- CUSTOMER RELATIONS

## DIVERSITY AND INCLUSION

Şişecam aims to expand, across all of its business processes and geographies, an inclusive corporate culture that offers equal opportunities for everyone and respects the differences of its employees. One of Şişecam’s global strengths is its inclusive culture, which values the diversity of its employees.

The Diversity and Inclusion Working Group, established within the Sustainability Committee, strives to expand the inclusive corporate culture across all of Şişecam’ operations and value chain, with the contributions of Group companies. With the motivation to fortify and further diversity and inclusion initiatives, Şişecam adopts the Diversity and Inclusion Guidelines published by Şişecam Group in 2019. These guidelines define the principles of equal opportunity adopted by the Group for all stakeholders, and set forth corporate goals to monitor development in this respect. Gender mainstreaming being the top priority, efforts focus on increasing the number of female employees by 30% at all levels of the organization. The number of female employees staffed at Şişecam Group is over 4,600 and the ratio of female employees among all employees is 20%.

The “Women-Friendly Plant Project” continued in the reporting period with an aim to disseminate a culture of equal opportunities and inclusion across the Şişecam Group, and to ensure and support women’s labor force participation. Prioritizing equal opportunities in business life, the project



was first implemented at the production facilities in Turkey. As part of the “Women-Friendly Plant” project, employment and talent retention processes were assessed on an end-to-end basis, target employment rates were defined to increase the number of female employees at the production facilities, physical working conditions were improved at the plants, employment cooperations were developed with professional organizations and universities. The Project aims to eliminate any gendered career obstacles preventing women’s participation in business life, increase women’s representation in production sites, and contribute to the transformation of perception as to gender equality across the society. Initially implemented in selected factories in Turkey as a pilot project, the women-friendly plant project is projected to launch in 2020 at all Turkey-based plants, and as of 2021 at the plants abroad with the start of research and preparation phases.

A significant part of Şişecam’s approach to diversity and inclusion has to do with increasing the employment opportunities for disabled employees. The working environment at Şişecam and the Group companies is organized in a manner that facilitates the lives of disabled employees. The companies support their disabled employees through various practices. Thanks to Şişecam Group’s approach as a facilitator in this context, the number of disabled employees has reached 524.

**Şişecam Wins the “Women-Empowered Board” Award** - In 2019, Şişecam Group was rewarded with the “Women-Empowered Board” award as part of the 7<sup>th</sup> edition of the “Independent Women Directors Conference” organized by Corporate Governance Forum of Sabancı University. The Group became one of the companies with the highest number of female members at board of directors in Turkey with 30% female ratio of its Board.



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## TALENT MANAGEMENT

In line with its talent management approach, Şişecam aims to be the most preferred workplace, recruit right talents, and subsequently unlock the potentials of its current talents. To this end, it follows innovative practices, and adopts an objective, systematic and development-oriented approach in its human resources processes. Employees are provided with talent management programs that support their development, while their career and performance development is followed.

Through Şişecam Group Career Management System, all employees are offered career development opportunities. Within the scope of the system, employee expectations and organizational requirements are reviewed together; talent pool, career maps and backup plans are created accordingly. In the Evaluation and Development Center, competency analyses are made and development plans are designed based on those analyses.

At Şişecam, the Şişecam Group Talent Management System is followed in order to attract the right talents, unlock the potential of the existing employees and raise the leaders of the future. Focusing on sustainable corporate success culture, the Şişecam Group maintains its global and local development investments. Journey, the Global Talent Management Program, launched in 2019 and covering all levels of the organization, aims to identify high potentials, support development of such employees, and prepare them for leadership roles. With its integrated

structure including hiring, career management, succession and development management systems, the program allows for end-to-end talent management. The Leadership Development Program is designed as part of the Global Talent Management Journey. The program aims to create a global leader profile that develops the talents of employees, inspires them, adopts a strategic perspective, has financial literacy, keeps a pulse of all of the processes, including sales and marketing, and is capable of working with different cultures. Trainings on Cost and Administrative Accounting were addressed as part of the Leadership Development Program in order to support the program and enhance the knowledge of participants with a financial perspective.

The Şişecam Performance Development System aims to disseminate a sustainable success-driven performance culture and transform personal achievements into corporate success. Accordingly, corporate goals are narrowed down into individual goals to create a shared goal awareness. Integrated into the Group's strategic planning process, the system is built upon a global infrastructure that enables the employees and managers to conduct objective evaluations. The Performance Development System is developed in order to obtain rapid and reliable human-centered results. All training and development activities are consolidated under the umbrella of the "Individual Development Plan" to improve the competence of employees as part of the system.

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Şişecam Academy was established to contribute to the corporate goals of the Group, enhance the competencies of human resources and employee loyalty. It continues to operate with distinctive development solutions. The Academy expanded and continued its training and development opportunities in 2019 as well, on the basis of business families and schools, in order to support the development of Group employees in focus areas such as technical and professional development, personal development, corporate development and leadership.

The Leadership School, Leadership 2.0 program, School of Financial Affairs, School of Supply Chain and Procurement Certificate Program are designed specifically for universities and certification institutions, and trainings were completed within the year. With the Leadership School, a total of 1,910 people, which constitute the 71% of the target audience, have been reached so far as part of the operations in Turkey.



In 2019, Şişecam Academy provided 379,136 person\*hour training.



Additionally, the School of Human Resources and Digital Transformation School were included in the business schools of Şişecam Academy in 2019.

Şişecam undertakes, as a responsibility, to raise qualified workforce to be employed in the glass industry and ensure their employment. To this end, it carries out collaborations with schools both within and outside the country by empowering its cooperation with educational institutions and the industry. The purpose of the activities is to train students on glass technology and practices by offering them long-term internships, scholarships and certificate programs. Şişecam signed a School-Industry Cooperation Protocol with the Ministry of National Education, General Directorate of Vocational and Technical Education in 2019. As part of this cooperation, opening a Vocational Education Center Program in the field of Ceramics and Glass Technology at Atatürk Vocational and Technical Anatolian High School in Denizli and a program for Industrial Automation Technologies at Şişecam Vocational and Technical Anatolian High School in Yenişehir, Bursa is planned. With the help of the departments to be commissioned in the new academic year, raising qualified workforce needed by the glass industry is aimed.

English Language Development Program was maintained in 2019 to improve the language proficiency of the employees in line with the Group's global adaptation strategy. The Program continued with a blended learning model that gives the opportunity to utilize different methods and techniques which are designed by taking into the Group's needs and expectations into account. As part of the blended program, participants are able to benefit from one-to-one group trainings, in-class follow-up trainings, personalized digital content, simultaneous webinars, multimedia applications, and an extensive range of study resources. This program aims to ensure that employees become lifelong learners.

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Şişecam Group launched the Distance Learning Stations Project in order to enable the access of hourly paid employees to remote learning modules for mandatory and personal development released by Şişecam Academy throughout the year. 13 distance learning stations were installed and 50 computers were setup in 13 plants involved in the project.

Global internship programs are organized to enable young talents to get familiar with Şişecam culture and gain experience as well. Students and new graduates not only discover the right career path, but also access internship opportunities in various countries with “First Step”, a summer internship program; “Together, the Global Young Talent Program”, a long-term internship program; and “First Step” internship program which focuses on experience in the retail industry. “Together”, the Global Young Talent Program ranked 9<sup>th</sup> in Turkey’s Top 100 Recruitment Program 2019 and ranked first in the production category. 40% of the students who participated in the Together internship program have been employed at Şişecam Group.

 In 2019, 80 career events were organized, and 9,000 students were reached out with the cooperation made with 25 universities at global scale.

**DIGITAL TRANSFORMATION SCHOOL**

Şişecam believes that organizations that leverage technology to develop business models, follow innovations and develop human resources for competencies required by these innovations will continue to exist in the future. Accordingly, it launched Digital Transformation School in 2019 in order to support the digital transformation journey. The Digital Transformation School aims to reinforce the Roots and Wings digital transformation program, train the experts and project teams to play an active role in this process, promote the innovation culture and raise employees’ awareness of technological advancements in the world. Digital transformation talks and process trainings took place at the Digital Transformation School.

**EXECUTIVE LEADERSHIP PROGRAM**

The Executive Leadership Program was added to global development programs in 2019 as part of talent management. Designed specifically for Şişecam Group in association with INSEAD Business School, the program reinforces strategical thinking, change management, innovation, operational excellence and leadership competencies of executives. Talent management process aims to determine the human resources required by the company, create a profile of Şişecam talents, support global resource planning across the Group in line with the business strategies of the company. As part of this process, the purpose is to create global leaders. In 2019, the first group training for the program took place in Istanbul and France.

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## EMPLOYEE HAPPINESS

Believing in the reformatory effect of employee engagement and satisfaction on the working climate, Şişecam offers its people a working environment which is participative and open to communication, and which maintains corporate values. Şişecam believes an extended employment history of people in the company takes an important place in the continuity of business success. Traditional senior incentive ceremonies are organized across the Group to congratulate each employee who has completed his/her 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup> and 30<sup>th</sup> seniority year. As of 2019, 39% of employees at Şişecam has been working in the company for 10 years or more.

### Employee Participation

Şişecam supports the participation of employees in the decision-making processes of the company, and sharing of their opinions and suggestions. The Group carries out the Employee Loyalty and Satisfaction Survey by obtaining feedback from the employees in order to improve the climate it creates for the employees. In 2019, the scope of the survey was expanded on a global scale and 70% of the employees participated in it. Thus, the demands of the employees are learnt and practices are improved accordingly.

Communication platforms are made available to keep employees updated about the developments in the Group in line with the goal of enhancing participatory working environment. Both internal and Group-wide communication continues actively via Camport, an interactive participation program.

Vision and strategy meetings offer another platform that fosters participatory culture at Şişecam. Progress in business objectives and strategic plans are shared by executive teams with the employees in these meetings.

Employees are evaluated and rewarded through the NAR Suggestion Development System, and employees' exemplary behaviors and achievements are appreciated by their managers with the instant reward systems. As part of recognition and rewarding practices, employees are remembered on days special to them, honored by the company for their exemplary behavior and success in the company.

Teams that contribute to business outcomes in a wide range of areas including production, efficiency, quality, innovation, technology development, occupational health and safety are rewarded with the "Stars of the Year" practice for which all of Şişecam employees globally file an application with their successful projects.

### Social Activities

As one of the activities organized for the purpose of strengthening the dialogue with the employees, "We Meet at Şişecam as a Family" continued in 2019 as well. Employees' families were brought together in events organized at Şişecam plants, and 23,000 participants, along with families, were hosted.

With the social activity club "Şimdi!" (Now!), employees are allowed to participate in activities related to their areas of interest. Workshops, seminars, trips and competitions are organized, people gather in a social setting and get to share an experience as part of the club. It aims to make the time spent at work more pleasurable. Participation in corporate sports organizations was achieved by establishing volleyball, basketball and football teams under the umbrella of Şimdi! in 2019.

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## OCCUPATIONAL HEALTH AND SAFETY

Providing a healthy and safe working environment for its employees is one of Şişecam’s key priorities. With an established occupational health and safety culture prevailing across the Group, the working environment is continuously improved, allowing employees to act with a proper awareness of health and safety. Şişecam targets to achieve the goal of “zero occupational accident by 2022”.

At Şişecam, occupational health and safety matters are managed in cooperation with the Şişecam Industrial Relations Directorate. In order to ensure consistency across the Group, occupational health and safety affairs are managed in line with the OHS policy issued by the Group and in accordance with the OHSAS 18001 Standard. Annual audits take place and documentation is renewed to monitor the compliance of production facilities with the standard. Cross-audits are conducted in different groups of domestic plants by teams consisting of OHS specialists. In the period, the production processes were revised in terms of occupational health and safety as part of operational excellence efforts.

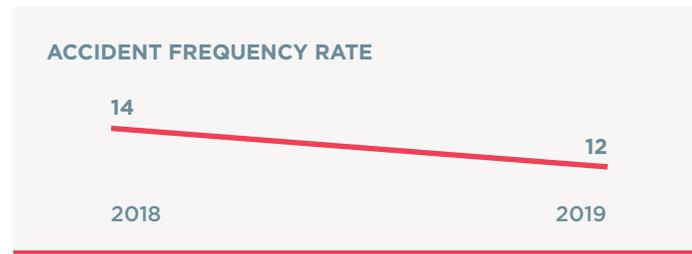
Şişecam conducts various practices in order to minimize occupational health and safety risks and to create accident-free workplaces. The occupational health and safety culture implemented across the Group companies is based on exchange of information. In 2019, a joint OHS system was rolled out to

keep a record of each incident that occurs at the workplaces, monitor the actions taken against such incidents in a systematic manner, carry out and assess OHS risk analyses through a joint method. The systems that were deployed at the workplaces in Turkey, Bulgaria, Ruscam and Bosnia and Herzegovina will be incrementally deployed in other workplaces as well.

Şişecam Group carries out OHS awareness-raising activities aimed at supporting and disseminating occupational health and safety. Employees are provided training to reduce occupational accidents and ensure that each stage of production processes takes place in a healthy and safe working environment. In 2019, a total of 347,816 person\*hour OHS training was provided to Group employees.

Target-oriented OHS trainings are conducted with the purpose of increasing the effectiveness of OHS trainings provided at the plants under the Group. In addition to the legally required set of OHS trainings for 16 hours per employee annually, a total of 8,000 hours of training were provided in 2019.

Thanks to Şişecam’s preventive approach on occupational health and safety, the Group experienced no accidents involving death and occupational disease in 2019. In the reporting period, the accident severity rate was improved by 60%, and accident frequency rate by 14%.



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## CORPORATE SOCIAL RESPONSIBILITY

Şişecam aims to contribute to the development across the society it is established in and to actively participate in the resolution of social, economic and environmental problems. While carrying out corporate social responsibility activities, Şişecam takes the Sustainable Development Goals as a guide and gives priority to young people, women and vulnerable groups.

## CONTRIBUTION TO CULTURAL VALUES

### Glass Works Collection

The collection of Şişecam Group aiming to preserve the cultural values is composed of approximately 520 old glass works reflecting nearly 3,500-year-old history and registered with Istanbul Archeology Museum. The collection is protected and exhibited in the specially-designed area at Şişecam Headquarters.

### History-Culture-Glass Collections

In line with Şişecam Group's mission of preserving and transferring the cultural heritage to next generations, the History-Culture-Glass Collections have been exhibited at Paşabahçe Stores for over 20 years now. The collections reflect the historical and cultural richness of Anatolia to glass. Each item is produced in limited numbers. A total of 14 collections have been made available so far, including Ottoman, Blue and White on Glass, Artistic Writing on Glass, Enamelled Glass, Mosaics, Anatolian Civilizations, 7, Ashura, Istanbul, Crystalline Tiles, Talking Notes/Coins, Zevk-i Selim and World Heritage in Glass and Lost

Treasures which was added in 2019. With the "Lost Treasures" Collection of Paşabahçe Stores, the aim is to raise awareness of historical artifacts taken abroad, and awareness of preserving reclaimed works and cultural assets.

### Omnia/Omnia Water Collection

In 2017, Omnia Collection was reimagined under the theme "water" and introduced to the consumers and art enthusiasts in line with Paşabahçe Stores' understanding of transferring the unique Turkish glasswork that feeds from culture and tradition to the future. Additionally, with the collection, a social responsibility project is realized in line with the sustainability strategy of Şişecam Group. Omnia Water Collection supports the "There is life where there is sea" project launched by DenizTemiz Association with the collaboration with TURMEPA. Therefore, the donations made to the association for each item to be purchased from "Omnia Water" collection support the efforts for preventing around 200,000 liters of black water, which slows down the vital activities of the plants and animals living in the sea, from being mixed with sea water.

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## CONTRIBUTION TO EDUCATION AND TRAINING

Within the scope of efforts for contribution to education and training, Şişecam Group provides Training Incentive Scholarship for its employees and their studying children. To this end, scholarships exceeding TRY 5 million were granted in 2019.

In 2019, the construction of Yenişehir Şişecam Vocational and Technical Anatolian High School was completed as part of a protocol signed with Bursa Governorship, Provincial National Education Directorate and Yenişehir Municipality. Built by Şişecam Group, the school was handed over to and opened by the Ministry of Education. Equipped with 16 classrooms, 13 workshops and 3 laboratories spanning 20,000 square meters, the school started to provide education and training in 2019. As of 2019-2020 academic year, which marks the first year of education at school, the school has 269 students.

Private Şişecam Vocational and Technical Anatolian High School, which was built by Şişecam in Mersin Tarsus Organized Industrial Zone and handed over to the Ministry of National Education, has enabled more young people to have a profession with its educational activities since 2014-2015 academic year. Built with the support of the Vocational Education Development Project carried out by the Governorship of Mersin, the school has 44 classrooms and a workshop. 1,160 students study at the school as of the 2019-2020 academic year. Out of 610 students who graduated from this school, 210 students have been employed and participated in business life. The remaining portion continues their education at universities.

## CONTRIBUTION TO SPORTS

### Şişecam Group Çayırova Sports Club

Established by Şişecam under the name of Çayırova Sailing Sports Club Association, Şişecam Çayırova Sports Club started its operations in Çayırova Social Facilities in 1982 to encourage the youth for sports and contribute to the development of their somatic and moral skills based on fair play. Having obtained a federation club status within the General Directorate of Youth and Sports in 1984, the Club contributes to the training of young sportspersons in sailing, rowing and canoeing with around 150 sportspersons and managerial staff. Between 1984 and 2019, a total of 350 national sportspersons received training at Çayırova Sailing Sports Club Association, and three teams became Turkey champion.

## CONTRIBUTION TO ENVIRONMENTAL VALUES

### Afforestation Activities

As part of the afforestation activities, Şişecam Forests are created in all areas where the Group operates by allocating an average area of 5-10 decares for afforestation activities within the boundaries of all plants of Şişecam Group.

The Şişecam Forest has currently reached 368 decares with afforestation activities launched in 2000 across the Yalıköy region where mines and plants of the Camış Madencilik A.Ş are located. In 2017, afforestation was planned on an area of 32,000 m<sup>2</sup> around Karabük Eflani Crushing and Screening Plant and completed in 2019. The rehabilitation and terracing works for the quartz sand mining site, near Bayırköy, Bilecik were commenced on an area spanning approximately 400,000 m<sup>2</sup>, and an area of 350,000 is planned to be afforested in 2020.

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Thanks to its sapling planting efforts in the Cankurtaran Region, Denizli Cam Sanayii ve Ticaret A.Ş. created a mini forest spanning three decares as of 2019. The number of trees and saplings reached 18,000 at the factory site, which has around 50% green space.

Initiated by Şişecam Chemicals in Mersin Region in 2006, the planting activities traditionally take place every year to set aside forestland designated areas and plant trees. To this end, the 14<sup>th</sup> Edition of Tree Planting Festival was organized within the period, and 43,500 trees have been planted in 14 years, with around 2,000 more saplings that were planted by the employees and retired personnel, through the support of their families.

## Glass and Glass Again Project

The “Glass and Glass Again” project has been carried out through cooperation with various stakeholders since 2011. Aiming to create a social change of behavior and support the transition to recycling society, the project is conducted based on three key objectives:

- Creating awareness on glass packaging recycling and informing the society,
- Improving the infrastructure for collecting glass packaging wastes,
- Modernizing the facilities where glass packaging waste is collected and processed, and separating glass packaging wastes found in household wastes before regular storage.

Since the launch of the project, 256,760 elementary school students have been provided training on recycling; more than 20,000 glass recycling banks have been delivered to municipalities; and 1,306,000 tons of glass cullet have been recycled. As a result of the project, carbon emission equivalent to the withdrawal of 470,174 cars from the traffic for 10,000 km

has been prevented; energy savings from recycling have been achieved equivalent to meeting the heating, and hot water needs of 54,854 houses for a year; and carbon dioxide emission has been prevented equivalent to purifying the air with 40,324,727 trees in one year.

The social media access and engagement figures of Glass and Glass Again Project continues to increase day by day. The monthly social media access of the project in 2019 was 4.3 million. The importance of recycling, information about use of glass and benefits of recycling were explained on social media accounts in various ways and yearlong events were streamed live. As of the end of 2019, the project reached 164,500 followers on Facebook, and 26,000 followers on Instagram. The Glass and Glass Again Project significantly contributes to awareness-raising efforts for the preservation of glass as a cultural heritage thanks to interaction with a large target audience via social media accounts.

### SOCIAL IMPACT AWARD TO THE GLASS AND GLASS AGAIN PROJECT

Striving to raise social awareness about recycling, “Social Impact” became the winner of the “Social Impact” category at the Sustainable Business Awards organized by Sustainability Academy. The Glass and Glass Again Project has so far prevented loss of 7.2 billion glass bottles, and reached more than 3 million people and created awareness of the importance of recycling glass through various events and awareness-raising activities.



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## CUSTOMER RELATIONS

Şişecam Group develops customer-oriented business processes through various practices to respond to customer expectations and deliver products and services tailored for them. In this context, the Group companies inform the customers through CRM applications, customer meetings, customer visits and participation into fairs, and receive active feedback from them. To this end, actions are being developed and efforts are undertaken to increase the added value provided by the products and services.

Isicam Systems Kumbara Card Club reached 10,075 members as of the end of the reporting period. The club was launched in order to increase the demand for Isicam products of Flat Glass at PVC-joinery producers, which have a high degree of influence on customer choice, to convince them to opt for energy-efficient series and to create Isicam brand ambassadors. In 2019, the Kumbara Card System was further developed and aluminum joinery firms started being involved with the aim of spreading brand ambassadorship.

With project-specific Glass Consultancy service provided to architects, façade consultants, investors and contractors, i.e. decision makers of construction projects within Turkey and in the international markets, right glass solutions are offered. As part of the project, so far 2,953 technical calculations have been made and face-to-face meetings have been held with almost 3,000 industry executives. Within this scope, Şişecam Flat Glass products were preferred in total 619 domestic and international projects in 2019.

Through customer satisfaction surveys conducted by Soda Sanayii A.Ş. in the reporting period, active feedback is collected from customers on product-packaging, service quality, after-sales services and support, and customer complaints. In this respect, the satisfaction result of the survey made with domestic soda customers was 92.24%, while this rate was 94.13% for domestic chromium customers.

The number of members at Paşabahçe Club customer loyalty program which was launched in March 2017 reached 200,000 people. Paşabahçe has almost reached one million followers on popular social media platform Instagram.



## PROGRESS

Driven by its concept “PROGRESS,” Şişecam implements innovative products and services by focusing on fight against climate change, R&D and digitalization.



COMBATING CLIMATE CHANGE

RESEARCH AND DEVELOPMENT

DIGITALIZATION

INNOVATIVE PRODUCTS

# COMBATING CLIMATE CHANGE



Climate change is one of the critical risk elements that the entire business world, regardless of industry or size, must jointly fight against, with effects being experienced even more intensively day by day. Şişecam continues its operations with an awareness of responsibility to fight against climate change and

in cooperation with its stakeholders. With a view to becoming a business partner to help fight against climate change, Şişecam aims to cut down energy consumption by developing innovative, eco-friendly novel products meeting customer needs in all industries it operates.

### EXEMPLARY APPROACH IN COMBATING CLIMATE CHANGE

Climate change and the associated risks are managed actively within Şişecam Group. The short-, medium- and long-term goals related to climate are monitored through performance indicators. In this respect, as a responsible stakeholder, Şişecam Group aims to reduce greenhouse gas emissions that cause climate change by 5% (based on 2017 base year) by 2022.

Şişecam Group established the Şişecam Group Corporate Climate Change Governance structure for the purposes of managing greenhouse gas emissions more effectively and adapt to the physical effects of climate change. In this framework, it accelerated its efforts to identify the priorities in the field of climate change, and strengthen the relevant strategies and actions.

The Group Climate Change Coordination Board (CCCB) was established in 2019, consisting of Group Presidencies, Strategy Presidency, Risk Management and Internal Audit Presidency, Construction Directorate, Financial Affairs and Purchasing Presidencies. “Group Climate Change Governance

Procedure”, which defines the duties and responsibilities of the council, was released and CCCB activities were initiated. As part of the activities under CCCB, in geographies where the Group operates, the aim is to:

- (Compliance/adaptation) Evaluating the sensitivity towards the physical effects of climate change, and identifying the priorities at the physical, financial and operational level in order to adapt to such effects,
- (Reduction) Identifying the emission reduction potentials in the field of climate change, and addressing low-carbon production techniques and technologies,
- Closely following international, regional and national developments and obligations related to climate change processes, and incorporating and effectively managing the relevant processes under the Group.

Alongside these efforts, preparations were initiated for the Climate Change Integrated Strategy of Şişecam Group.

Greenhouse gas monitoring studies have continued within the Group and scenario studies for the 2020-2030 period have been initiated in order to reduce greenhouse gas emissions.

COMBATING CLIMATE CHANGE

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In 2019, in the framework of compliance with legislation and the determining Group's energy-saving potential, 15 different factories in four production group of companies in Turkey research and energy studies coordinated by the Technological Development Department, continued to be conducted with an expanded survey coverage.

ENİS energy monitoring system, which was established with the aim of real-time monitoring and improvement of energy efficiency of energy sources and equipment and processes, has been put into operation in 26 different points with high energy density and monitoring and analysis studies have been carried out instantaneously in detail of important energy consumption points.

Şişecam carries out activities for identifying and implementing a roadmap for sustainable energy supply, renewable energy resources implementations and projects to ensure energy

efficiency. Key energy consumption items are instantaneously monitored and performance of the processes is improved in the production plants where a Energy Monitoring System (EnİS) is established.

Operating in energy-intensive industries, Şişecam Group maintained its efforts to increase efficient energy use in 2019 as well. 734,000 GJ energy saving was ensured as part of the activities undertaken in the reporting period.

The risks and opportunities related to energy and carbon emission management are treated as a number one priority at Şişecam Group, while relevant processes are continuously reviewed and the operations are managed accordingly. The performance results and practices obtained as a result of this approach have been transparently shared with all stakeholders since 2011 within the scope of the Carbon Disclosure Project.

**EXEMPLARY PRACTICES IN FIGHTING AGAINST CLIMATE CHANGE**

**Frequency-Controlled Compressor Project (Şişecam Glass Packaging - Eskişehir Plant)** - Turbo compressors that pump compressed air to the common collector through frequency-controlled dry screw compressor operate under full load (100%) in the most efficient point of use. With the project, 1,928,240 kWh energy saving was ensured annually.

**Solar Power System (Flat Glass -Mersin Plant)** - The 6.2 MW solar power plant installed on an area spanning 79,300 m<sup>2</sup> on the roof of the - Mersin Flat Glass Plant ranks 2<sup>nd</sup> in Turkey and Europe and among top 10 in the world in terms of installed capacity as an integral roof system. 28,800 GJ (8 million kWh) of energy was produced, and emission of

approximately 4,000 tons of CO<sub>2</sub> was prevented with the Solar Power System.

**Use of Bicycles on the Plant Site (Soda Sanayii A.Ş.- Soda and Chromium Plants)** - Use of bicycles was promoted on the plant site of Soda Sanayii A.Ş., creating eco-friendly transportation options. The emission reduction rate that was achieved through cycling within the plant was calculated, and it was determined that 43.5 tones of CO<sub>2</sub> emission reduction were achieved annually.

**Waste Emission Reduction (Şişecam Otomotiv- Lüleburgaz Plant)** - LPG forklifts were replaced with electric forklifts in the facilities, and the project to reduce OHS risk and waste gas caused by LPG was started to be implemented, and planned to be completed by the end of 2020.

COMBATING CLIMATE CHANGE

**RESEARCH AND DEVELOPMENT**

DIGITALIZATION

INNOVATIVE PRODUCTS

## RESEARCH AND DEVELOPMENT

Şişecam pays special attention to research, technological development and digitalization in order to increase its competitive advantage, and achieve sustainability and excellence in all its processes.

In 2019, Research and Technological Development (R&TD) and Design activities were shaped in line with the Group strategies, Production Group strategies and global trends in the industry under the Şişecam Group Research and Technological Development Department (RTDD), and such activities were enhanced and conducted with national and international collaborations.

One of the most advanced centers in Turkey and one of the largest in Europe, Şişecam Science Technology and Design Center consists of 28 different specialty laboratories and a product design center to provide glassware and glass packaging services. Currently, 167 full-time researchers are employed at the center. In addition, they directly support the activities of the Research and Technological Development Department.

As part of R&TD activities, efforts were undertaken with 241 job packages within 44 umbrella projects. Among them, 121 business packages are for cost/efficiency/quality optimization opportunities in the existing production processes and products. We completed the laboratory operations of 27 of the 120 business packages regarding the development of new products and technologies, conducted the production test of 20 works, and commercialized 13 new products/technologies. Moreover, 3 patent applications were filed, 7 patents were registered, 8 PCT/EPO applications and 2 design registration applications were filed in 2019.

In 2019, as part of our “R&TD” activities, we cooperated with the R&D departments of 60 (32 local and 28 international) universities, research institutions and organizations while carrying out joint projects with a total of 23 designers (9 local and 16 foreign designers) for our “Design” activities.

### MONITORING AND REPORTING

Within the framework of digitization and Industry 4.0 studies, studies on the glass melting furnace data monitoring and analysis project have matured and the first positive results have begun to be obtained. For the purpose of increasing furnace life and specific energy performance, conceptualization studies were carried out in reference to real data by collaborating with companies specialized in data analysis in different sectors. ENIS-energy monitoring system, established for the real-time monitoring and improvement of energy efficiency of energy sources and processes, has been commissioned in 26 different points with high energy density, monitoring in detail of important energy consumption points (electric motors, compressors, fans, pumps, lighting fixtures, etc.) and analysis studies were carried out momentarily. Improvements in specific energy consumption were achieved in 2019 and regular reports were made.

COMBATING CLIMATE CHANGE

RESEARCH AND DEVELOPMENT

**DIGITALIZATION**

INNOVATIVE PRODUCTS

## DIGITALIZATION

Digital transformation practices are implemented to increase the efficiency performance with an awareness of Şişecam's competitive and pioneering role in production. Developments in this respect are followed continuously, businesses processes are revised accordingly, and necessary practices are realized. Smart, productive and digital strategies played a critical role in increasing the competitive power of Şişecam Group in 2018.

The "Smart Şişecam" strategy applications manage corporate data architecture, analyze data and transform it into value. As part of these applications, in 2019, the governance of Corporate data architecture was facilitated; data from furnaces and industrial systems were collected through sensors and stored on the cloud environment; their infrastructure and data was analyzed with smart analytics solutions; and such data was transformed into opportunities and value. As part of the transformation program, master data cleansing operations took place, and deduplication of financial, material, product and customer data was performed. Within the "Digital Şişecam" strategy, prioritizing digital transformation, focused on Industry 4.0, and integrated into production management systems,

some projects that were realized and expanded in the reporting period include creating a customer portal to enhance customer experience; deploying customer and reseller applications on mobile platforms; e-invoice, digital archive systems, global e-store solutions, RFID production tracking systems at the plants, smart warehouse solutions as well as digital office solutions to enhance employee experience.

As part of the "Productive Şişecam" strategy, business processes were aligned with the corporate IT architecture, and the necessary architecture flow was developed for transition from a business-group-based structure to a process-based structure. Business processes were analyzed, and robotic process automation infrastructure was adopted for appropriate processes. Projects were undertaken for sales/operation, future planning and material requirements planning processes, and efficiency and productivity was increased. The "Roots and Wings" program was launched in order to increase performance and achieve efficiency by digitalizing and simplifying the business flows with these applications, while ensuring the readiness of technological infrastructure for advanced digital applications which are now critical for competition.

In 2019, the needs of business groups were analyzed with technological solutions, driven by the strategical “IT 2.0” goal, and a business model where demands were effectively turned into projects and production was developed. Infrastructural works were initiated for corporate data governance and architecture, while business continuity and disaster recovery solutions were developed by building a cloud computing road map and architecture. End-to-end cyber security solutions were expanded, potential risks were managed effectively, training was offered on information security, and employees’ awareness of phishing attacks was raised. Governance activities and processes were improved, and full compliance was ensured as part of legal regulations, legislation and certifications.

Activities such as auditing, training, risk appraisal, finding tracking, determination of goals and opportunities and updating the documentation were continued to be coordinated centrally in order to ensure that activities associated with ISO 27001 Information Security Management System, held by 11 Group companies as of the reporting period, are aligned with the groups and affiliates within the scope. The internal and external audits were completed successfully without major findings.

**Digital Transformation School** - The Digital Transformation School was launched to support digital transformation journey in the reporting period. The project aims to raise awareness of the developments around the globe, develop a shared language and systematic approach at the executive level to lead the transformation journey, promote the innovation culture, raise experts/project teams, and support digital transformation projects.

Therefore, as part of the “Awareness Module” implemented in 2019:

- a total of 9 digital talks were arranged, with the participation of 545 people in in-class session, and 780 people participating in the live streaming,
- virtual/augmented reality workshop was conducted with the participation of 100 people,
- three bulletins were published on the “Digital Transformation Processes in the World”, prepared in association with Harvard Business Review and Bloomberg Publications,
- Digital Transformation 101, which consists of 21 videos in total, and the Glossary were shared with all of our employees through distance learning.

As part of the Technological Competency Module;

- 18 people were provided with training on design thinking
- change management workshop was carried out with 76 people.

We will continue to arrange training sessions and workshops in the upcoming period as well, within the scope of the technological competency module which focuses on the development of solution and business process owners, and the digital leadership module to be prepared for the executive team.

COMBATING CLIMATE CHANGE

RESEARCH AND DEVELOPMENT

DIGITALIZATION

**INNOVATIVE PRODUCTS**

## INNOVATIVE PRODUCTS

Şişecam Group aims to create positive value with its innovative products. In this context, in line with customer expectations, it is aimed to increase and expand the value created by addressing environmental and sustainability issues in cooperation with production groups and Research and Technological Development Directorate.

In the reporting period, a cutting-edge high-capacity coating line was deployed and product development activities continued at the Şişecam Flat Glass Yenişehir Plant. In this scope, “Solar Low-E Glass”, which is among the most demanded products in the architectural glass industry; “Şişecam Temperable Solar Low-E Glass”; “Temperable Low-E Neutral 71/53”; and “Temperable Low-E Neutral 50/33” products were developed in line with the industry expectations, and made available for customers and business partners.

For the automotive market, in 2019, test productions and product promotions for customers took place, samples were sent, patent applications were filed, and technical approvals were obtained and orders were received from the customers for windshield products with Head-up Display, which contributes to reduction of air conditioning load by providing heating and solar control for use on laminated windshield of vehicles; equips the

vehicle with defrosting function; reflects the high-performance athermic coated windshield and selected cruise indicators on the windshield.

The Frederik Bottle designed for Türk Tuborg A.Ş. by Anadolu Cam Sanayii A.Ş. won the “Red Dot Award: Brands & Communication Design 2019” award at the “Red Dot Design Award Competition”. The custom-designed bottle won seven awards in total at national and international competitions in addition to this award.

Within the scope of Soda Sanayii A.Ş. operations and as part of the project on the Development of Trivalent Chromium to be Used in Surface Finishing in order to enrich the Chromium chemical activities, laboratory studies were conducted on higher quality chromium nitrate production with reducing agents, and samples were prepared to be delivered to the customer.

As part of the projects undertaken in 2019 for Glassware design activities, 494 automatic products, 533 secondary process products, as well as 2,270 packages and 200 handcraft products were designed in total. 429 of the products, accessories and patterns that were created were commercialized. Designs created for Paşabahçe and Nude brands were entitled to a total of eight awards.

KEY STAKEHOLDER GROUPS AND ATTENDANCE PLATFORMS

CORPORATE MEMBERSHIPS

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Key Stakeholder Groups and Attendance Platforms

Stakeholder Group	Attendance Platforms	Attendance Frequency
Analysts	Face-to-face meetings • WorkshopsWork	At least four times a year Once a year
Employees	Satisfaction survey • Suggestion and idea sharing platforms • Face-to-face meetings • Seniority incentive award • Recognition and reward system	Recurrent
Share and Bills Investors	General board meetings • Investor Conferences, Roadshows in Turkey and abroad • Periodic information reports • One-to-one meetings • Telephone/teleconferencing and e-mail communication	Once a year At least 7-8 times a year At least 4 times a year At least once a year 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 conferences • 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	Face-to-face meetings • Telephone/teleconferencing and e-mail communication • Workshops	At least four times a year
Media	Press conferences • Press releases • Conferences	At least once a month

Corporate Memberships

ARGEMİP (R&D Centers Communication Platform)	EUROGIA	Lüleburgaz Chamber of Commerce and Industry
Celsian Glass Solar (Glass Trend Council)	European Physical Society Energy Working Groupe	Mirror Group
Corporate Governance Association of Turkey	Eurosolar	NFPA (National Fire Protection Association)
Corporate Risk Management Association	GAE (Glass Alliance Europe)	Petform (Petroleum and Natural Gas Platform Association)
DEIK - Bulgaria Business Council	ICG (International Commission on Glass)	TEDAR (Supply Chain Management Association)
DEIK - Romania Business Council	International Chamber of Commerce	Turkey Family Planning Foundation
Deutsche Glastechnische	Istanbul Chamber of Commerce	Tüyd Investor Relations Association
Electricity Generators' Association	Istanbul Chamber of Industry	
ESG (European Society for Glass Science and Technology)	Istanbul Foundation for Culture and Arts	

KEY STAKEHOLDER GROUPS  
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## PERFORMANCE INDICATORS

Economic Performance Disclosures	2018	2019
Total revenue (TRY)	15,550,314	18,058,686
Wages and benefits paid to the employees (TRY)	1,423,466	1,602,009
Dividend paid (TRY)	456,809	619,906
Tax paid (TRY)	537,910	336,719

Social Performance Disclosures		
Employee Demographics	2018	2019
Total Workforce (Number)	21,808	21,801
Female	4,750	4,649
Male	17,238	17,152
Total Employees by Contract Type (Number)	21,808	21,801
<b>Permanent</b>	21,481	21,118
Female	4,451	4,552
Male	17,030	16,566
<b>Temporary</b>	327	683
Female	123	97
Male	204	586
Total Employees by Category (Number)	21,808	21,801
<b>Blue Collar</b>	14,809	14,633
Female	2,588	2,565
Male	12,221	12,068
<b>White Collar</b>	6,999	7,168
Female	1,982	2,084
Male	5,017	5,084

Employee Demographics	2018	2019
Total Employees by Employment Type (Number)	21,808	21,801
<b>Full-time</b>	21,753	21,755
Female	4,544	4,621
Male	17,209	17,134
<b>Part-time</b>	55	46
Female	26	28
Male	29	18
Total Employees by Education Level (Number)	21,808	21,801
Primary School and below	2,953	2,638
High School	10,730	11,723
University and above	8,125	7,440
Total Employees by Age (Number)	21,808	21,801
Below 30	4,824	4,029
30-50	15,330	15,844
50+	1,654	1,928
Number of contractor employees	7,702	7,854
Full-time	7,433	7,664
Part-time	269	190
Female	1,741	1,830
Male	5,961	6,024
Tenure	21,808	21,801
Female employees 0-5 years	2,394	2,357
Female employees 5-10 years	983	952
Female employees 10+ years	1,193	1,321
Male employees 0-5 years	6,708	5,751
Male employees 5-10 years	3,494	4,293
Male employees 10+ years	7,036	7,127

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KEY STAKEHOLDER GROUPS  
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CORPORATE MEMBERSHIPS

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Employee Demographics	2018	2019
Top Management Structure (Number)	142	119
<b>By Gender</b>	142	119
Female	24	18
Male	118	101
<b>By Age Group</b>	142	119
Below 30	0	0
30-50	90	66
50+	52	53
<b>By Nationality</b>	142	119
Turkish Citizen	120	102
Expat	22	17
Board Structure (Number)	16	54
Female	4	12
Male	12	42
Mid-Level Management Structure (Number)	483	717
<b>By Gender</b>	483	717
Female	113	308
Male	370	409
<b>By Age Group</b>	483	717
30 Altı	3	16
30-50	388	585
50+	92	116
<b>By Nationality</b>	483	717
Turkish Citizen	413	690
Expat	70	27

Turn Over	2018	2019
New Hires (Number)		
<b>By Gender</b>	2,831	1,972
Female	943	634
Male	1,888	1,338
<b>By Age Group</b>	2,831	1,972
Below 30	1,556	936
30-50	1,153	924
50+	122	112
Employees Recently Left (Number)		
<b>By Gender</b>	2,528	2,209
Female	747	629
Male	1,781	1,580
<b>By Age Group</b>	2,528	2,209
Below 30	911	708
30-50	1,298	1,138
50+	319	363

Social Inclusion and Diversity	2018	2019
Employees on Parental Leave	936	1,022
Female	272	356
Male	664	666
Employees Returned to Work after Parental Leave	685	704
Female	151	141
Male	534	563
Workforce Covered by Collective Agreement (Number)	0	11,459
Female	0	1,811
Male	0	9,648
Cases of Discrimination (number)	0	2
Disabled Employees	428	524
Female	46	51
Male	382	473

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Employee Development	2018	2019
Employee Trainings (personxhour)		
Blue-collar female	185	1,371
White-collar female	51,992	57,608
Blue-collar male	159,968	155,316
White-collar male	146,306	164,841
Female	52,177	58,980
Male	306,275	320,157
Şişecam Academy Training (hour)	358.450	379.137
Employees under Performance Review	5,720	7,702
Female	1,651	1,810
Male	4,069	5,892
Blue-collar	0	4,023
White-collar	5,720	3,679

Environmental Trainings	2018	2019
Environmental Trainings (personxhour)		
Direct employees	14,087	16,705
Contractors	1,794	3,687

Research and Development	2018	2019
R&D Budget (Thousand TRY)	117	103
R&D Employees	537	686
Patent applications	17	2
Patents granted	3	7
Suggested/performed projects through NAR Platform	25 / 514	29/93

Supply Chain Management	2018	2019
Active suppliers	15,275	15,224
Local suppliers	9,238	8,909
Percentage of local suppliers (%)	55%	56%

Occupational Health and Safety	2018	2019
Accident severity rate	672	274
Accident frequency rate	14	12
Occupational Health and safety trainings (personxhour)	215,348	347,983

Environmental Performance Disclosures		
Natural Resources	2018	2019
Raw material used (ton)	15,575,163	14,774,299
Recycled and recovered raw material used (ton)	441,089	302,636
Total water withdrawal by source (m <sup>3</sup> )		
Municipality	5,284,135	1,883,255
Surface	18.819.498	19,736,566
Underground	13.698.502	13,638,828
Other	3.595.764	2,530,792
<b>Total</b>	<b>41,397,899</b>	<b>37,789,441</b>
Recovered or reused water (m <sup>3</sup> )	4,278,365	4,162,233
Total Wastewater Discharge by Target Environment (m <sup>3</sup> )		
Natural Receiving Environment	16,530,617	16,623,179
Sewer	1,669,665	1,416,753
<b>Total</b>	<b>18,200,282</b>	<b>18,039,932</b>

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Environmental Performance Disclosures	2018	2019
Hazardous Waste by Disposal Method (ton)		
Energy Recovery	5,994	3,338
Recovery	225,787	4,531
Incineration	12,080	45,420
Landfill	5,237	20,301
Other	211	161
<b>Total</b>	<b>249,308</b>	<b>73,752</b>
Non-Hazardous Waste by Disposal Method (ton)		
Energy Recovery	4,064	1,552
Recovery	2,619,607	173,352
Incineration	2,263	1,798
Landfill	1,688,013	1,806,523
Other	37,708	32,996
<b>Total</b>	<b>4,351,655</b>	<b>2,016,221</b>
Total amount of waste (ton)	4,600,962	2,089,968
Amount of packaging material (ton)	123,506	180,440
Packaging waste recovery rate (%) (Turkey operations)	54%	54%
Glass fractures were reused in production (ton)	1,145,334	1,147,927

Combating Climate Change	2018	2019
Energy consumption (GJ)		
Natural gas	53,785,574	58,207,552
Electricity	5,941,793	6,345,438
LPG	38,014	36,336
Acetylene	1,041	8,539
Steamcoal/ Antrasit /Coal	18,365,478	11,461,035
Renewable Sources	11,065	29,792
Other	1,266,283	4,640
<b>Total</b>	<b>79,409,247</b>	<b>76,063,540</b>
Energy saving (GJ)*	633,481	734,038
Scope1 Emissions (ton)*	5,042,960	5,294,159
Scope2 Emissions (ton)*	787,406	814,336
GHG savings (ton CO <sub>2</sub> )	65,689	79,671
Glass fractures were reused in production (ton)	1,145,334	1,147,927
CO <sub>2</sub> density in Glass Production (ton CO <sub>2</sub> /net production)	0.72	0.73

Management Approach	2018	2019
Environmental Expenditures (TRY)		
Environmental Management Expenditures	87,531,038	123,472,988
Environmental Investment Expenditures	11,470,987	36,947,979
<b>Total</b>	<b>99,002,025</b>	<b>160,420,967</b>
Sapling planted	5,823	4,354

\*\* Emissions values on the basis of Production Group are included in Group Reports.

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**GRI CONTENT INDEX**

## GRI CONTENT INDEX

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GRI 102: General Disclosures 2018	
Corporate Profile	
102-1	About the Report p.2
102-2	About Şişecam p.7
102-3	Contact p.53
102-4	About Şişecam p.8
102-5	<a href="https://www.sisecam.com.tr/en/investor-relations/corporate-overview-and-governance/shareholder-structure">https://www.sisecam.com.tr/en/investor-relations/corporate-overview-and-governance/shareholder-structure</a>
102-6	About Şişecam p.8
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102-45	About the Report p.2
102-46	About the Report p.2
102-47	Şişecam Sustainability Strategy: Care For Next pp.11-12
102-48	There are no restatements of information
102-49	About the Report p.2 ; Şişecam Sustainability Strategy: Care For Next pp.11-12
102-50	About the Report p.2
102-51	<a href="https://www.sisecam.com.tr/en/sustainability/reporting/sustainability-report">https://www.sisecam.com.tr/en/sustainability/reporting/sustainability-report</a>
102-52	Annually
102-53	Contact p.53
102-54	About the Report p.2
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102-56	No external assurance

Material Issues		
Standards	Disclosures	Descriptions and Page Numbers
Combating Climate Change		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Combating Climate Change p.40
	103-2 The management approach and its components	Combating Climate Change p.40
	103-3 Evaluation of the management approach	Combating Climate Change p.40
GRI 302: Energy 2018	302-1 Energy consumption within the organization	Environmental Performance Indicators p.50
	305-1 Direct (Scope1) GHG emissions	Environmental Performance Indicators p.50
GRI 305: Emissions 2018	305-2 Energy indirect (Scope2) GHG emissions	Environmental Performance Indicators p.50
	305-5 Reduction of GHG emissions	Environmental Performance Indicators p.50
Natural Resources Use		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Use of Natural Resources p.24
	103-2 The management approach and its components	Use of Natural Resources p.24
	103-3 Evaluation of the management approach	Use of Natural Resources p.24
GRI 303: Water 2018	303-1 Water withdrawal by source	Environmental Performance Indicators p.49
	303-3 Water recycled and reused	Environmental Performance Indicators p.49
GRI 306: Effluents and Waste 2018	306-1 Water discharge by quality and destination	Environmental Performance Indicators p.49
	306-2 Waste by type and disposal method	Environmental Performance Indicators p.50

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.

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GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Diversity and Inclusion p.29
	103-2 The management approach and its components	Diversity and Inclusion p.29
	103-3 Evaluation of the management approach	Diversity and Inclusion p.29
GRI 401: Employment 2018	401-1 New employee hires and employee turnover	Social Performance Indicators p.48
	401-3 Parental leave	Social Performance Indicators p.48
GRI 405: Diversity and Equal Opportunity 2018	405-1 Diversity of governance bodies and employees	Social Performance Indicators p.48
<b>Occupational Health and Safety</b>		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next; Occupational Health and Safety p.34
	103-2 The management approach and its components	Occupational Health and Safety p.34
	103-3 Evaluation of the management approach	Occupational Health and Safety p.34
GRI 403: Occupational Health and Safety 2018	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 ; Social Performance Indicators p.49
<b>Talent Management</b>		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Talent Management p.30
	103-2 The management approach and its components	Talent Management p.30
	103-3 Evaluation of the management approach	Talent Management p.30
GRI 202: Market Presence 2018	202-2 Proportion of senior management hired from the local community	Social Performance Indicators p.48
GRI 401: Employment 2018	401-1 New employee hires and employee turnover	Social Performance Indicators p.48
	404-1 Average hours of training per year per employe	Social Performance Indicators p.49
GRI 404: Training and Education 2018	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development pp.31-32
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators p.49
	<b>Product Responsibility</b>	
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Product Safety p.23
	103-2 The management approach and its components	Product Safety p.23
	103-3 Evaluation of the management approach	Product Safety p.23

Material Issues		
Standards	Disclosures	Descriptions and Page Numbers
GRI 416: Customer Health and Safety 2018	416-1 Assessment of the health and safety impacts of product and service categories	Product Safety p.23
	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	417-1 Requirements for product and service information and labeling	Product Safety p.23
	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 reporting period.
GRI 419: Socio-economic Compliance 2018	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.
<b>Corporate Heritage</b>		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Corporate Heritage p.27
	103-2 The management approach and its components	Corporate Heritage p.27
	103-3 Evaluation of the management approach	Corporate Heritage p.27
<b>Contribution to Social Development</b>		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Corporate Social Responsibility p.35
	103-2 The management approach and its components	Corporate Social Responsibility p.35
	103-3 Evaluation of the management approach	Corporate Social Responsibility p.35
<b>Research&amp;Development and Digitalization</b>		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Research&Development and Digitalization p.43
	103-2 The management approach and its components	Research&Development and Digitalization p.43
	103-3 Evaluation of the management approach	Research&Development and Digitalization p.43
<b>Innovative Products</b>		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care For Next pp.10-11 ; Innovative Products p.45
	103-2 The management approach and its components	Innovative Products p.45
	103-3 Evaluation of the management approach	Innovative Products p.45

KEY STAKEHOLDER GROUPS  
AND ATTENDANCE PLATFORMS

CORPORATE MEMBERSHIPS

PERFORMANCE INDICATORS

GRI CONTENT INDEX

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