



SUSTAINABLE GROWTH
EMPOWER
DIGITAL TRANSFORMATION
ENVIRONMENTAL PROTECTION
EQUILIBRIUM
CIRCULAR ECONOMY
LOW CARBON TECHNOLOGIES
EQUAL OPPORTUNITY

ADAPTATION
INCLUSION
BIODIVERSITY
ENERGY EFFICIENCY
TRANSPARENCY
DIVERSITY
HERITAGE
GENDER
RENEWABLE ENERGY

PRESERVE
ENVIRONMENTAL PROTECTION
EQUILIBRIUM
CIRCULAR ECONOMY
LOW CARBON TECHNOLOGIES
EQUAL OPPORTUNITY

PROGRESS
NATURAL RESOURCE CONSERVATION
WATER FOOTPRINT
OPERATIONAL EXCELLENCE
INNOVATION
PARTNERSHIPS

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About the Report

Şişecam Otomotiv A.Ş. (Şişecam Automotive) has prepared this report on the performance of its sustainability strategy for the period of January 1, 2017 - December 31, 2017 and shares it with its stakeholders. This report has been prepared in accordance with the GRI Standards: "Core" option. Unless otherwise stated, the report covers all legal enterprises of the company in Turkey and abroad.

**Your opinion counts!**

To share your opinions, comments and suggestions on the report, please contact our our Quality Assurance and Environmental Manager **Özlem Nural** onural@sisecam.com

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Message from the Chairman

Dear Stakeholders,

As a global, reputable, financially stable company with a transparent understanding of governance, Şişecam adopted the United Nations (UN) Sustainable Development Goals (SDG) and ratified UN Global Compact. It is my great pleasure to share with you our 2017 Sustainability Report that is not only aligned with the UN Sustainable Development Goals but also with the UN Global Compact's and Global Report Initiative (GRI) Standards reporting requirements.

The key global trends, which shapes our business are climate change, resource scarcity, digitalization, shift of economic powers and technological innovation. While striving to be a fair and transparent global player, we mainstream sustainability principles in all of our fields of operations to bring an equitable, viable and bearable future for generations to come.

Our sustainability pathway is built on the PRESERVE, EMPOWER and PROGRESS sustainability pillars through which we empower our employees and stakeholders by advocating and engaging in practices that encourage diversity and inclusion; progress through climate neutral 360 o circular economic model; and preserve natural resources that we rely on and our institutional heritage for resilient and sustainable generations to come.

With our sustainability approach, we support 11 out of 17 Global Goals of the 2030 United Nations Sustainable Development Agenda and in this context; the 2017 performances are highlighted below.

Through our PROGRESS approach we contributed to SDG 12 (Responsible Consumption and Production) while creating social and economic value in all geographies where we operate. In 2017, our Group produced 4.8 million tons of glass, 2.3 million tons of soda and 4.2 million tons of industrial raw materials. We increased our consolidated net sales by 32% compared to previous year to TRY 11.3 billion. The share of international sales in total revenues went up from 55% to 60% in one year. Our Group invested a total of TRY 1 billion in 2017. We strengthened our position in existing markets, pursued opportunities in alternative markets, worked for new initiatives in areas with high potential and undersigned new investments during the year. Şişecam Group conducts its business operations in parallel with a sustainable growth strategy focused on creating value. The Group crowned its efforts with a robust financial performance, recording TRY 3.1 billion in nominal EBITDA with an EBITDA margin of 27.6%, up 2.9 points in 2017.

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The key global trends, which shapes our business are climate change, resource scarcity, social media, digitalization, shift of economic powers and technological innovation.



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As a global player and international enabler, we empower our employees, local communities, vulnerable groups and supply chains to become an active advocate and solution partner to achieve jointly 2030 United Nations Sustainability Global Agenda through our innovative solutions, which is in line with our corporate sustainability strategy and targets.

Our contribution to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action), was through 397 thousands GJ energy saving, that corresponds to about 29 thousand tons carbon (CO₂ equivalent) through energy efficiency solutions such as: prevention of leakages, planning maintenance, improvement of burning systems, replacement of energy inefficient equipment's, installation of waste heat recovery systems and the installation of a 6.2 MW Solar Energy Plant on the roof of the Sisecam Flat Glass Mersin Plant of a 22 million TL value investment. Additionally, "Waste Heat Energy Power Generation Project" of Şişecam Flatglass Mersin Plant received the "ICCI Energy Prize" and the prize of "Energy Intensive Industries and Energy Efficiency Conference" organized by EnerCON-2017-Berlin.

Sisecam's Research and Technological Development Center is awarded by Ministry of Industry and Technology with the First Prize in the Intellectual Property Competence among 144 R&D Centers for their 2017 performance. Additionally, Sisecam continues to pave the way to implement the "Smart, Digital, Productivity" and "BT 2.0" strategy across all the operations. Furthermore, Sisecam Groups' web sites also received several awards based on the web site's updates. All these activities are key contributors to the SDG 9 (Industry, Innovation and Infrastructure).

Our commitment to PRESERVE natural resources, the "Glass and Glass Again Project" ongoing for 7 years, in 2017 ensured that 172 thousand tons of glass was prevented from going into the waste, that is equivalent of 7,200 households' annual energy savings, that adds value to SDG 12 (Responsible Consumption and Production)'s achievement.

We EMPOWER our employees, local communities, vulnerable groups and supply chain by establishment of Yenisehir Vocation and Technical Anatolian High school in Bursa of which the partnership protocol was signed between Sisecam, Bursa Governance, Regional National Education Directorate and Yenisehir Municipality. By ratifying UN Global Compact, we also committed to implement its 10 principles. These activities are also key contributors to SDG 10 (Reduced Inequalities) and SDG 17 (Partnerships for the Goals).

As a global player and international enabler, we empower our employees, local communities, vulnerable groups and supply chains to become an active advocate and solution partner to achieve jointly 2030 United Nations Sustainability Global Agenda through our innovative solutions, which is in line with our corporate sustainability strategy and targets.

I would like to thank all of our employees and stakeholders for their continuous support for our achievements and our efforts to become a full-fledged sustainable global company.

Prof. Dr. Ahmet Kirman
Chairman

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Message from Flat Glass Group President

Dear Stakeholders,

2017 was a year in which we turned economic fluctuations and risks in the automotive sector into an opportunity. As a powerful automotive glass manufacturer on a regional and global scale, we made significant progress producing 10.3 million m2 of automotive and 1,9 million m2 encapsulated glass and recording a 43% increase in our turnover. We increased our market share to approximately 70% in Turkey and 10% in Europe.

With our rapid and sound growth in recent years, we have formed a separate structure at Şişecam Automotive under Şişecam Flat Glass in line with the needs and expectations of our customers, thus providing an operational and organizational synergy. Over the past year, we strengthened our environmental, social and governance strategy, while improving our financial performance.

Under our new structure, our sustainability works have been accelerated within the framework of the Group's current strategy. Our Sustainability Strategy has been restructured in parallel with the United Nations Sustainable Development Goals. Our strategy, strengthened with the principles of PRESERVE, EMPOWER and PROGRESS, was the guiding force in our sustainability efforts in 2017. We are pleased to be sharing Şişecam Automotive's first sustainability report with you, which has been prepared in light of our global strategy with an effective structure, hence reflecting our 2017 performance.

Taking into account our principle of PROGRESS, we are committed to integrating the combat against climate change into all our operations and adopting climate-neutral 360o circularity models into the operations at our factories. This year, thanks to the productivity projects we implemented in our plants, energy savings of approximately 10,000 GJ and financial savings of TRY 790,000 have been achieved.

Not only do we reduce the carbon emissions arising from operations, but we also contribute to reducing emissions from vehicles. Through this approach, we continuously reduce the thickness of the glass we produce without compromising durability and quality.

We consider technology and innovation an important tool in creating value for our customers and society. With the new products we have developed, we will continue to offer safer and more environmentally high-quality products, minimizing injury risks and ensuring efficient heat and sound insulation, thus reducing air emissions.

Through our first sustainability report which reflects our sustainability performance, I would like to express my gratitude to all our stakeholders and in particular to my colleagues who continue to stand by our side on this journey.



Dr. Reha Akçakaya
Flat Glass Group President



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About Şişecam Automotive

As Şişecam Flat Glass' main business line, Şişecam Automotive operates in the automotive glass and encapsulated glass categories at a global level. Producing 10.3 million m² of automotive glass and 1,9 million m² of encapsulated glass per year in a total of seven countries, Şişecam Automotive has increased its turnover-based total automotive glass sales by 43% compared to the previous year. Şişecam Automotive, which continues to grow by adding new products with high added value to its portfolio, has achieved a share of 34% in Şişecam Flat Glass sales.

Customer needs are increasing day by day, in parallel with the rapidly growing automotive industry. In order to better meet the expectations, configuration activities for automotive and encapsulated glass have been accelerated. In this context, an operational and organizational synergy has been achieved by gathering the automotive operations of Şişecam Flat Glass under Şişecam Otomotiv A.Ş. in Turkey and under Trakya Investment B.V. abroad.

Şişecam Automotive put its automotive glass plant into operation in 2010, while its laminated and began operations in Bulgaria in 2017. In 2013, it acquired 100% of the shares of Richard Fritz Holding GmbH, a major European encapsulated glass supplier for automotive companies, in an acquisition which elevated it to a leading role in the industry as encapsulated glass represents an integral part of the product range. In 2015, it continued its growth by establishing two new automotive glass plants in Russia and Romania and extended its value chain. Şişecam Automotive ensures that all quality management system and regular inspection requirements are met for leading vehicle manufacturers in the global automotive industry.

Continuing its domestic and foreign investments, Şişecam Automotive continues its activities with its partnerships and aims to increase its share in the global automotive glass market by expanding its product range.

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STRATEGY

- Profitable and Fast Growth along with Regional Leadership
- Effective Total Cost Management
- Wide Product Portfolio with Value Added Products
- Market & Customer Focus
- Environment & Sustainability
- Globalization (Organic & Inorganic)
- Product Innovation and Advanced R&D

VALUES

Şişecam Automotive is inspired by the Şişecam Group mission to add value to life through its high-quality products offering comfort and that respects people, environment and the law. Şişecam Automotive aims to adopt the vision to become a global company, respectful of both individuals and the environment, by producing creative solutions with our business partners, creating a difference with our technology and brands and playing a leading role in the field of glass and other fields of activity based on the Group's values of:



We derive strength from our traditions and support each other.



We thrive and develop together.



We care for our environment.



We display fair and transparent management approach.



We respect differences.

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ŞİŞECAM AUTOMOTIVE PRODUCTION PLANTS

TURKEY

Şişecam Automotive

Şişecam Otomotiv A.Ş.

OVERSEAS

Şişecam Automotive Bulgaria EAD

Glasscorp S.A (Romania)

Automotive Glass Alliance Rus AO

Richard Fritz Holding GmbH

Richard Fritz Prototype + Spare Parts GmbH

Richard Fritz Spol, S.R.O.

Richard Fritz Kft

ŞİŞECAM AUTOMOTIVE GLASS

- Şişecam Laminated Glass
- Şişecam Tempered Glass
- Şişecam Encapsulated Glass
- Şişecam Sliding Glass
- Şişecam Double Glazing



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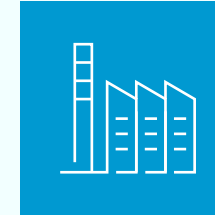
2017 Performance



Providing Employment to
3,544 People



874 Local Suppliers,
2,511 Suppliers in Total



Overseas Production in
6 Countries



10.3 Million m² of
Automotive Glass Production



43% Increase in
Automotive Glass Sales



TRY **1.46** Billion
Worth of Sales



69.9% Market Share in
Turkey



9.4% Market Share in
Europe



14 Completed and
67 Ongoing RTD Projects



8 Patent Applications



"Outstanding Achievement
Award" at **Interactive
Media Awards 2017**

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Strategic Sustainability Approach

Şişecam Automotive aims to be an international enabler by delivering long-term value for future generations with its Sustainability Strategy, whilst deriving its strength from the company’s historical heritage and ability to excel beyond traditional conventions.

Şişecam Automotive, which has a prominent role in Turkey, the European Union and the global markets, achieved a turnover worth TRY 1.46 billion with its sales of automotive glass and encapsulated glass in 2017. One of the sectors with the highest need for energy and resources, glass manufacturing also has a history going back thousands of years with a rich social dimension. Şişecam Automotive is committed to carrying out its responsibilities in the sector in the best way possible, to creating added value to achieve financial continuity, and to reducing its environmental impact and creating lasting value for its stakeholders.

Climate change, resource scarcity, the rise of social networks, digitalization, shift of economic powers and technological innovation are the major global tendencies that will have an impact on our working processes in the future. While continuing its efforts to become one of the leading companies in all its areas of activity, Şişecam Automotive commits to leave an equitable, viable and resilient world to future generations by placing an emphasis on the social, environmental and economic implications of sustainability. To this end, we have mainstreamed the sustainability principles in our corporate strategy and realigned our operations to add value to generations to come, while striving to become a fair and transparent global player. Our sustainable strategy and action plan also contributes to the universal call to action to end poverty, protect our planet and ensure the peace and prosperity of all people encompassed by 17 Global Goals of the United Nations 2030 Agenda for Sustainable Development.

As a global, reputable, and financially stable company with a transparent understanding of governance, Şişecam Automotive has adopted the United Nations Sustainable Development Goals (SDG). Its way forward on the sustainability pathway is built on the sustainability pillars of **PRESERVE**, **EMPOWER** and **PROGRESS**. Şişecam Group is committed to **EMPOWER** its employees, local communities, vulnerable groups and its supply chain by advocating practices that encourages diversity and inclusiveness; **PROGRESS** through a climate neutral and 360° circular model and **PRESERVE** the environment and institutional heritage to ensure a sustainable future for next generation without frontiers.

- Şişecam Automotive’s short-term **PRESERVE** approach, developed in response to the global agenda, is to implement sustainable environmental and natural resource management practices with a special focus on water and land resources.
- The **EMPOWER** approach will lead to the integration of diversity and inclusiveness into daily practices both at corporate and operational level, whilst also fostering the advancement of digital intelligence and community inclusivity.
- The **PROGRESS** approach will accelerate the process of becoming an active player in the fight against climate change and implementing circular models into operations. The company’s medium and long-term vision is to establish an enabling environment as a champion of corporate heritage, to become an international enabler and advocate for sustainability, and to operate in a climate-neutral 360° circular model

PRESERVE



EMPOWER



PROGRESS



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CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

With the shared opportunities, risks and goals of all humanity in mind, Şişecam Automotive adopted the United Nations Sustainable Development Goals (SDG) which has driven the development of the Sustainability Strategy.

- Şişecam Automotiv PRESERVEs natural resources and institutional heritage for resilient and sustainable generations to come by engaging in and implementing conservational and restoration practices. In doing this, it also contributes to SDG 6 (Clean Water and Sanitation), SDG 14 (Life Below Water) and SDG 15 (Life on Land).
- The company EMPOWERs the company's employees, local communities, vulnerable groups and supply chain to become an active player for sustainable solutions and international enabler by advocating and engaging in practices that encourages diversity and inclusiveness. Through this approach, it also contributes to SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities) and SDG 17 (Partnerships for the Goals).
- The company is committed to PROGRESS through the climate-neutral 360o circular model, which includes but not limited to the sustainable use of energy, natural resources, digitalization and innovation, while encouraging and enabling the equal participation of women and vulnerable communities. This allows it to contribute to SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

In addition to its commitment to the Sustainable Development Goals, its commitment to the United Nations Global Compact's principles is in line with its aim to become an international enabler while sharing its established and specialized knowhow with global communities and driving economic, social and environmental sustainability.

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SUSTAINABILITY GOALS

Şişecam Automotive has also defined its sustainability goals and commitments in line with the Sustainable Development Goals, which are set with the aim of putting into practice its Sustainability Strategy in an effective and meaningful manner.

Şişecam Automotive has set out its 2022 goals for each of the three focus areas found in its Sustainability Strategy, as well as performance indicators along with these goals. With short and long-term goals established for each of the three focus areas outlined in the sustainability strategy, Şişecam Automotive can contribute to Şişecam Group's achievement of its goals by 2022. Şişecam Automotive takes on responsibilities at every level in order to achieve its goals based on its current performance. It keeps regular track of its performance, defines improvement areas, and continues its activity with the aim of achieving its goals.

ŞİŞECAM AUTOMOTIVE 2022 TARGETS

PRESERVE

- By 2022, water consumption monitored

EMPOWER

- By 2022, switched to online production monitoring (automatic) system
- By 2022, Demand Planning and Stock Optimization Software commissioned

PROGRESS

- By 2022, six different 6 Sigma Projects developed
- By 2022, modernization and efficiency projects initiated
- By 2022, windscreen and rear window efficiency increased in Turkey at a rate of 1%
- By 2022 the output of heated rear window glass line in Bulgaria increased
- By 2022, with diagonal cutting machines in Bulgaria labor force saved

ŞİŞECAM GROUP 2022 TARGETS

PRESERVE

- By 2022, 5% of treated industrial wastewater reused
- By 2022, at least 20% of recycled glass used for container glass production
- By 2022, at least 10 furnaces used NOx reduction efforts by primary measures
- By 2022, at least 4 industrial synergy programs developed
- By 2022, the forest lands in mine sites increased at a rate of 20%
- By 2022, corporate purchasing procedures within framework of sustainability principles renewed
- By 2022, biodiversity and conservation practices with local communities' engagement initiated in the company's operational regions

EMPOWER

- By 2022, zero target for occupational accidents (LTIFR*)

PROGRESS

- By 2022, reduce GHG emission intensity of glass production by 5% from 2017 baseline
- By 2022, GJ/ton melted glass' annual energy consumption: 11
- By 2022, 12 MW energy provided through renewable energy sources
- By 2022, at least one additional plant implements reactant pre-heating methodology to reduce natural gas consumption
- By 2022, additional 2 plants implemented Waste Heat Recovery system

* Lost Time Injury Frequency Rate

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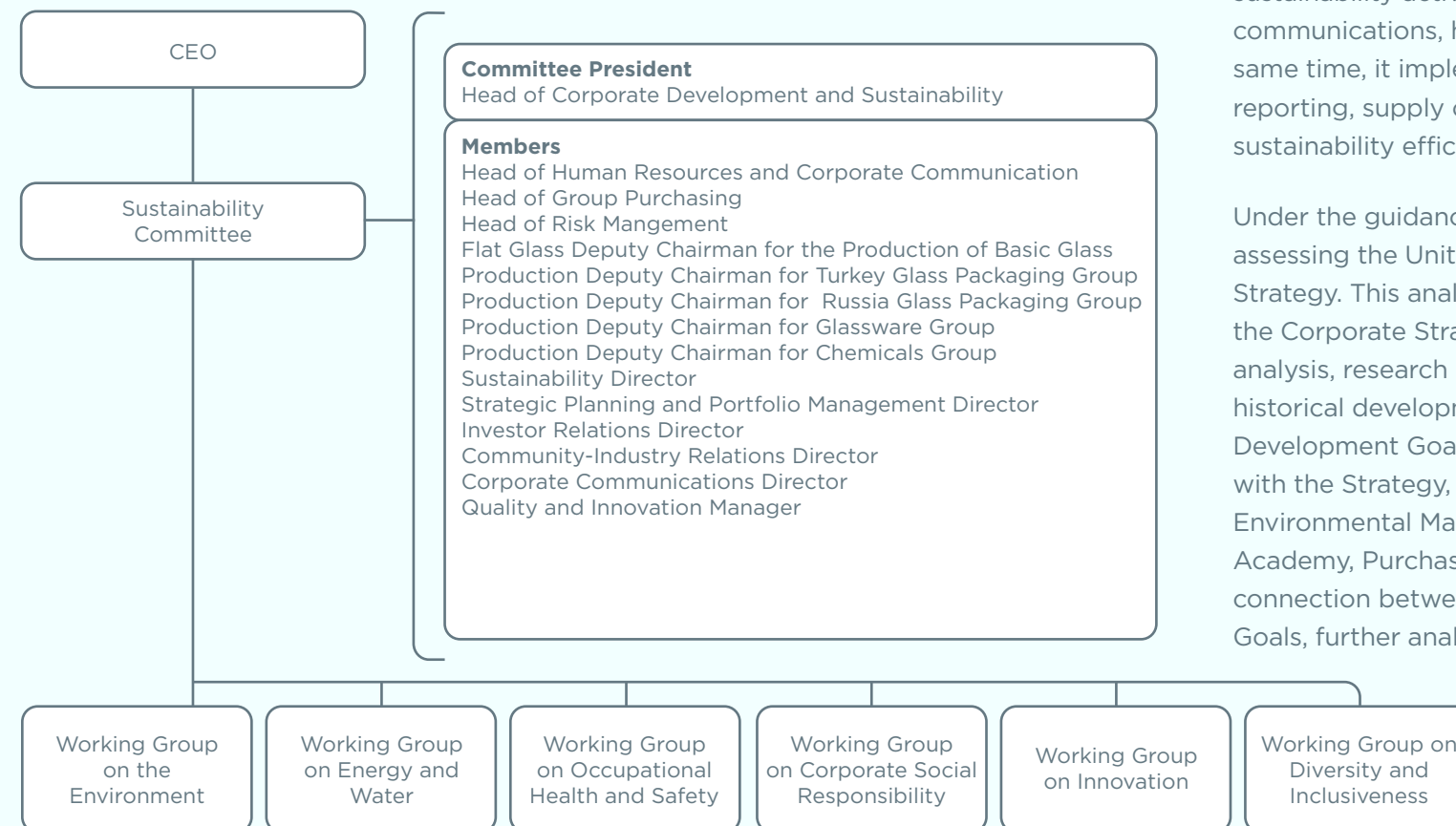
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Sustainability Management

Şişecam Group's Sustainability Committee works toward increasing communication between working groups and companies within the Group, including Şişecam Automotive, on matters of sustainability, and enables the implementation of joint projects that are able to generate synergy. The main responsibilities of the Committee include integrating sustainability principles into the Group's processes, determining and implementing operational improvement activities, preparing and circulating the Corporate Sustainability Strategy, and coordinating, directing and supervising the activities of sub-working groups within the Sustainability Committee. Trakya Glass Deputy Chairman for the Production of Basic Glass is an active member of the Sustainability Committee and manages Şişecam Automotive's practices within Şişecam Group's Sustainability Strategy by representing Şişecam Automotive in the Committee. In an effort to keep regular track of activities, the Committee has met four times this year with the attendance of 76% of its members, and measured the performance of Şişecam Automotive and other companies within the Group in terms of achieving their sustainability goals. Members of the Sustainability Committee are being updated in line with changes in the structure of the Group's organization.



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Şişecam Group's Sustainability Committee works toward increasing communication between working groups and companies within the Group, including Şişecam Automotive, on matters of sustainability, and enables the implementation of joint projects that are able to generate synergy.

The **working groups** within the committee (Working Group on the Environment, Working Group on Energy and Water, Working Group on Occupational Health and Safety, Working Group on Innovation, Working Group on Diversity and Inclusivity, Working Group on Corporate Social Responsibility) ensure that Şişecam Group's Sustainability Strategy and action plan are implemented. In order to integrate Şişecam Group's Sustainability Strategy into Şişecam Automotive's structure, experts are employed within working groups in the fields of the environment, energy and water, occupational health and safety, innovation, diversity and inclusivity, and corporate social responsibility.

Şişecam Automotive's sustainability team is responsible for detailing the Committee's general approach and standards in terms of sustainability for Şişecam Automotive in particular and for implementing them while supporting the Sustainability Committee in its efforts to report to senior management about Şişecam Automotive's performance in terms of achieving its sustainability goals.

Şişecam Group's **Sustainability Directorate** focuses on coordination of corporate sustainability activities, connecting teams responsible for production, branding, communications, human resources, infrastructure, procurement and quality. At the same time, it implements innovative practices relating to corporate sustainability reporting, supply chain sustainability, sustainability education programs, measurement of sustainability efficiency, energy and natural resources management, etc.

Under the guidance of the Sustainability Directorate, a gap analysis was undertaken assessing the United Nations (UN) Sustainable Development Goals against the Corporate Strategy. This analysis was an opportunity to measure key success indicators within the Corporate Strategy, whilst also identifying areas for improvement. During this gap analysis, research was shared with numerous internal departments and all Groups on the historical development and principles of sustainability, and the United Nations Sustainability Development Goals and indicators of success. This was achieved by holding 15 meetings with the Strategy, Human Resources, RTD, Industrial Relations, Corporate Communication, Environmental Management, Energy Efficiency, Project Management Office, Şişecam Academy, Purchasing and Legal Consultancy units and all the Groups. To establish a connection between these activities and the United Nations Sustainable Development Goals, further analyses were undertaken and reported upon.

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Managing Sustainability Risks

Şişecam Automotive organizes its risk management and internal auditing activities within the structures of Şişecam Group and reports, in line with the regulations, to the Boards at regular meetings.

Within the Şişecam Group, risk management activities are based on corporate risk management principles and a holistic and proactive approach.

The management of such sustainability risks as climate change, access to clean energy, natural resources, and occupational health and safety, is a part of the Şişecam Group corporate governance model, along with all the other risks.

Primarily the risks for the efficiency of sustainability management, other risk types, risk levels and recommended management responses with regards to sustainability management are defined and managed constantly by the Şişecam Group's Sustainability Committee.



Identified Risks and Proposed Management Responses Related to the Corporate Sustainability Strategy and Action Plan

RISK TYPE	LEVEL	MANAGEMENT RESPONSE
Barriers for effectiveness	Medium	Robust regular dialogues with key company stakeholders on sustainability challenges, including employees, investors, NGOs, suppliers and consumers
Governance & Stakeholders engagement	Low	Elevate sustainability in company governance, including direct board oversight and accountability over environmental and social issues, more diversity and special expertise on boards, and linking executive and other employee compensation to sustainability goals
Barrier for effective monitoring, reporting and verification	Low	Open reporting on sustainability strategies, goals and accomplishments
Limited awareness along the value chain on sustainability	Medium	Systematic performance improvements to achieve environmental neutrality and other sustainability goals across the entire value chain, including operations, supply chains and products

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Corporate Management and Business Ethics

Şişecam Group's Code of Ethics – the most important guide for conducting responsible business – is in effect at Şişecam Automotive. Bringing together the essentials of strong corporate governance with sustainable practices and systems, Şişecam Group handles processes with the same dynamics at play in risk management.

TRANSPARENT AND INTEGRATED MANAGEMENT

A management based on transparency and accountability is among the most significant values which Şişecam Automotive not only accepts in principle but implements in its practices as an important determinant in its operations. All the practices in this framework are presented in a transparent manner for the consideration of stakeholders in the Corporate Governance Principles Compliance Report, prepared annually by Şişecam Group in accordance with the relevant Capital Markets Board regulations.

Şişecam Group constantly and dynamically manages all the relevant processes with an emphasis on corporate management principles. As a result of the management practices shaped by this approach, Şişecam Group's Corporate Governance Rating rose from 94.4 in 2016 to 94.8 in 2017.



The Corporate Governance Principles Compliance Report is accessible on Şişecam Group's website, in the Investor Relations section.

BUSINESS ETHICS

Şişecam Automotive's guide to conducting responsible business is Şişecam Group's Code of Ethics. Updated continuously based on considerations of need, as well as the principles of integrity, transparency, confidentiality, impartiality and compliance with the law, the Code acts as a guide regulating the relations between Şişecam Automotive employees and customers, suppliers, shareholders and other stakeholders.

The Ethics Board functions within the Corporate Governance Committee to ensure compliance with the Code of Ethics within Şişecam Automotive, the assessment of practices that do not comply with the Code of Ethics, the adoption of an ethics culture within the Group at large and the raising of awareness in this context.

The structure of corporate management practices allows the concerns shared mainly by employees and stakeholders as regards the operations which are not in full compliance with the law or the Code of Ethics to be conveyed to the management. Employees can report operations that do not comply with regulations or the Code of Ethics to the Inspection Committee and to the Internal Audit Unit. An Ethics Hotline has been launched to allow stakeholders to report their concerns to the Inspection Committee regarding operations which are thought to contradict laws or the company's ethical values. Complaints can also be made via e-mail to etik@sisecam.com.



More information on the Code of Ethics is accessible on Şişecam Group's corporate website, in the Corporate Identity and Management tab under Investor Relations.

ANTI-CORRUPTION

Şişecam Automotive has adopted Şişecam Group's Anti-Bribery and Corruption Policy in an effort to clearly state its commitment and approach to combating bribery and corruption, as well as to protect the company's reputation. A complementary part of Şişecam Group's Code of Ethics, this policy is aimed at providing the necessary information to combat bribery and corruption in all of the Group's activities, as well as determining rules and responsibilities in this regard.



More information on anti-bribery and corruption is accessible on Şişecam Group's corporate website in the Corporate Identity and Management tab under Investor Relations.

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Strategic Priorities

Şişecam Automotive's aim in preparing this report is to create value for its stakeholders, for the Şişecam Group and for society at large, and its focus has been directed toward these areas. The prominent areas in the sustainability strategy constitute our material issues.

Global trends, international reports concerning sectors and a perspective that takes into account the country's agenda are considered while determining strategic priorities. **Şişecam Automotive's Priorities** are then established subsequently by the management and Sustainability Committee with Şişecam Group's and Şişecam Automotive's strategic material issues in mind. In addition to sustainability risks and opportunities, the impact of possible legislative regulations is considered.

Şişecam Automotive's internal and external stakeholders are also involved in this process. As part of this, Şişecam Automotive attended the 1st International Sustainability Workshop to more effectively receive the opinions of employees, as well as to contribute to the development of goals specified in the Sustainability Strategy.



International Sustainability Workshop

A workshop themed around the topic “Toward an Interdisciplinary, Interactive and Creative Şişecam” was held in order to come up with creative, participatory solutions and practical ideas to allow operations to be organized easily and effectively and make a sustainable Şişecam society a reality based on Şişecam Group's three main sustainability principles (PRESERVE, EMPOWER, PROGRESS). The workshop program covered the relevant issues of the environment, energy and water, diversity and inclusivity, and innovation in relation to the Working Groups operating under the Sustainability Committee.

A total of 153 people from the Şişecam Headquarters and domestic and overseas factories, 40% female and 60% male, took part in the workshop. Participants from Bulgaria and Russia also joined the workshop via video-conferencing. The workshop presentations were shared with the facilities in all countries.

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Stakeholder Dialogue

Şişecam Automotive sees productive dialogue with its stakeholders as an integral part of its operations, while continuously developing its Sustainability Strategy and its performance. Aware of the value created by a diversity of ideas, the company integrates stakeholder expectations into decision-making processes at regular intervals through mutual communication channels. In this context, the company is continuing its dialogue with stakeholders on different platforms and at intervals required by the state of affairs.

Şişecam Automotive's performance with regard to the set sustainability priorities is regularly shared with stakeholders in the form of sustainability reports. The feedback obtained is one of the most important tools used to advance Şişecam Automotive's Sustainability Strategy and its performance.

Stakeholder Group	Communication Method	Frequency of Communication
Suppliers	<ul style="list-style-type: none"> Daily work flow Face-to-face negotiations E-mail correspondence 	Continuously
Employees	<ul style="list-style-type: none"> Satisfaction survey Platforms for sharing recommendations and opinions Face-to-face interviews based on direct feedback Seniority encouragement award Recognition and award system 	Continuously
Universities	<ul style="list-style-type: none"> Conferences Active participation in joint operations (projects, provision of grants, etc.) Internship programs 	Quarterly
State Institutions	<ul style="list-style-type: none"> Regular reporting Meetings, forums and conferences Press statements Personal meetings 	Continuously
Customers	<ul style="list-style-type: none"> Satisfaction surveys Customer portals Social media Face-to-face meetings and conferences Feedback received via telephone calls and e-mails 	Continuously
Non-Governmental Organizations (National and International)	<ul style="list-style-type: none"> Strategic cooperation Events Regular meetings 	At least once a month
Media	<ul style="list-style-type: none"> Press conferences Press statements Interviews 	At least once a month

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STAKEHOLDER DIALOGUE**CORPORATE MEMBERSHIPS**

CORPORATE MEMBERSHIP	OUR MEMBER ORGANIZATION
Lüleburgaz Chamber of Commerce and Industry	Şişecam Otomotiv A.Ş.
İTO (Istanbul Chamber of Commerce)	Şişecam Otomotiv A.Ş.
TAYSAD	Şişecam Otomotiv A.Ş.
Çerkezköy Chamber of Commerce and Industry	Şişecam Otomotiv A.Ş.
Glass for Europe - Automotive Strategy Committee	Şişecam Otomotiv A.Ş.
Chamber of Commerce and Industry Targovishte	Şişecam Automotive Bulgaria EAD
Association of Glass Producers in Bulgaria	Şişecam Automotive Bulgaria EAD
Automobile Manufacturers Association	Glasscorp S.A.
Turkish Businessmen	Glasscorp S.A.
Commercial Register	Glasscorp S.A.
Industrie- und Handelskammer	RF Holding
Verband der Südwestdeutschen Kunststoffindustrie	RF Holding
Berufsgenossenschaft	RF Holding Besigheim
Berufsgenossenschaft	RF Holding Aurach



PRESERVE

NATURAL RESOURCE MANAGEMENT
ENVIRONMENTAL AND INSTITUTIONAL
HERITAGE STEWARDSHIP

PRESERVE

Şişecam Automotive PRESERVEs natural resources that it relies on and its institutional heritage for resilient and sustainable generations to come by engaging in and implementing conservational and restoration practices.

Through its PRESERVE approach, developed in response to the global agenda, Şişecam Automotive implements sustainable environmental and natural resource management practices with a special focus on water and land resources.

Focusing on the efficient use of resources in processes, waste is reduced at its source, effective water management practices are implemented, and products with reduced environmental impact are designed. While ensuring continuous improvement of its environmental sustainability performance in accordance with its strategic approach, Şişecam Automotive also achieves significant reduction in its operational costs.

While achieving its own goals within the scope of its PRESERVE approach, Şişecam Automotive contributes to Şişecam Group’s goals for 2022 listed below:

Additionally, through its best practices, it plays an active part in the program developed by Şişecam Group championing environmental and institutional heritage within the scope of its 2022 goals to preserve and keep the heritage of the glass industry alive.



Focusing on the efficient use of resources in processes, waste is reduced at its source, effective water management practices are implemented, and products with reduced environmental impact are designed.



By 2022, 5% of treated industrial wastewater reused



By 2022, at least 4 industrial synergy programs developed



By 2022, corporate purchasing procedures within framework of sustainability principles renewed

ENVIRONMENTAL MANAGEMENT SYSTEM

Şişecam Automotive aspires to minimize its environmental impact by continuously improving its performance in environmental protection. In this context, it carries out environmental management activities according to the Environmental Management System already established in all its operations in Turkey, applying the ISO 14001 Environmental Management System and ISO 50001 Energy Management System. Operating on a multi-layer structure, the system ensures effective communication, supervision and reporting practices from Şişecam Automotive's senior management to factory and subcontractor levels. Planned reformatory and preventive action plans and improved environmental performance are reported to the senior management at the end of each year.

Annual cross-checks on the issues relating to environmental legislation and compliance with international criteria have been performed since 2015 at Şişecam Automotive domestic facilities in Turkey. Performed with the participation of environmental engineers employed at different facilities within the Şişecam Group, the cross-checks yield results which permit reporting on current practices, outstanding good practices, and negative findings at each facility. Thus, current data on practices at these facilities is compiled and environmental engineers who are active in different production operations are brought together to profit from each other's experiences.

Through awareness studies, which are part of its energy and environmental management approach, Şişecam Automotive organizes training programs to create environmental awareness among its employees. In this context, a total of 800 people-hours of training were provided at Şişecam Automotive this year.

Şişecam Automotive did not receive any environmental penalties in 2017.

QUALITY MANAGEMENT SYSTEM AND PRODUCT SAFETY

Şişecam Automotive considers its global quality and product management system to be an indispensable part of its vision of rapid growth and aims to meet customer needs in the best way possible by keeping its standards at the highest level. In response to its responsibility in the automotive industry, it ensures that all quality management system and regular inspection requirements are met for leading vehicle manufacturers in the global automotive industry. In order to do this, the quality system is managed by the ISO/TS 16949 Automotive Quality Management System, which is present in all its domestic facilities. In 2018, it is planned to switch to the IATF16949: 2016 Automotive Quality Management in all facilities. Furthermore, each product has a different approval process based on customer requirements governed by international standards. Accordingly, Şişecam Automotive conforms to various international automotive glass product regulations applicable in the European Union, the United States, China, Brazil, Taiwan and Russia. In addition to all of the above, production conforming to the required high standards is achieved by meeting the criteria of global customers such as Volkswagen.

The company is audited once a year for the continuity of approvals, and regular safety tests are carried out at changing intervals based on the definition of the applicable standard with the results recorded accordingly. The security information of all products can be reached through the security certificate number with which they are labeled.

In addition to the applicable standards, a root cause analysis is performed and improvement plans are implemented to solve problems arising in the production process. An End-of-Line (EOL) test has been applied to all new projects at the Fritz Production Facilities and the testing of the overall functionality of the products during the production process has been initiated. Failure Mode and Effects Analysis (FMEA) processes are carried out to prevent user errors that might occur in products and practices are implemented in order to reduce possible risks after calculating them.

Şişecam Automotive meticulously monitors and supervises its suppliers as required, as well as conducting quality management in its own facilities. In order to avoid the use of harmful chemicals, suppliers are requested to submit a letter of undertaking for the International Material Data System (IMDS) input and SoC (Substances of Concern). Chemical substance suppliers are required to be registered on REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals).

	COUNTRY	ISO/TS 16949	ISO 9001	OHSAS 18001	ISO 27001	ISO 50001	ISO 14001
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	✓	✓				✓

NATURAL RESOURCE MANAGEMENTENVIRONMENTAL AND INSTITUTIONAL
HERITAGE STEWARDSHIP

Natural Resources

The strain placed on natural resources due to population growth is making the development of sustainable practices in the use of water and other natural resources a necessity. Şişecam Automotive is committed to preserving our natural resources to leave behind a resilient and sustainable world for new generations in keeping with Şişecam Sustainability Strategy's PRESERVE principle, shared by Target 9 "Industry, Innovation & Infrastructure" and Target 12 "Responsible Consumption and Production" of the United Nation's Sustainable Development Goals, and integrates this approach into all its business processes. It continues to further strengthen its performance in this area through sustainable environmental and natural resource management practices.

WASTE MANAGEMENT

Şişecam Automotive believes that waste management plays an important role in making sustainable production and consumption habits more widespread and in the transition to a circular economy. The waste management approach covers minimization of waste and recycling activities with a holistic perspective throughout all operations. The aim is to thereby reduce the use of natural resources.

Şişecam Automotive also ensures financial savings while reducing its environmental impact through its waste reduction practices in its plants. With its approach playing an important role in the circular economy, it manages natural resources effectively. This year, 50 tons of waste reduction and a financial saving of TRY 20,045 were achieved with the new systems separating water and oil established in the Romania plant.

Recycling practices constitute an important part of Şişecam Automotive's waste management approach. Şişecam Automotive recycles glass waste from the other plants of the Group while converting the waste in its own plants, thereby contributing to the recycling culture existing in the Group and to the circular economy. Approximately 42,000 tons of waste consisting of paper, cardboard, plastic, glass and metal have been recycled this year.

WATER MANAGEMENT

Water management is among Şişecam Automotive's focus areas within the scope of its PRESERVE approach. Şişecam Automotive aspires to manage its water footprint and reduce water consumption by promoting more efficient use of water.

Şişecam Automotive acts with the awareness that it is dependent on natural resources. Therefore, it develops projects to effectively manage the water used in its production processes.

This year, in which the results of water management practices were received, Şişecam Automotive contributed to the targets under the PRESERVE principle of the Strategy. With the osmosis project implemented in the Romania plant, 16,000m³ of water have been saved and a financial saving of approximately TRY 76,000 has been achieved. Furthermore, approximately 25% of the total water consumed has been recycled and reused in the production processes. Şişecam Automotive is working to achieve an effective natural resource management target with the applications it intends to put into operation in the future.

BIODIVERSITY

In line with Goal 15 of the United Nations Sustainable Development Goals to "protect, restore and promote the sustainable use of terrestrial ecosystems", biodiversity protection and management constitutes an integral part of Şişecam Automotive's vision for sustainability and its strategic goals.

Aware of the fact that its manufacturing processes are dependent on nature, Şişecam Automotive takes into account the environmental impact of its activities and cares about ensuring that bio-diversity is not affected. Adopting this approach, it has planted saplings on an area of about 10 acres within the boundaries of all its facilities. Şişecam Forests are being created thanks to efforts to increase plant biodiversity.

NATURAL RESOURCE MANAGEMENT

ENVIRONMENTAL AND INSTITUTIONAL
HERITAGE STEWARDSHIP

Environmental and Institutional Heritage Stewardship

As one of the global industry leaders, Şişecam Automotive is aware that honoring one's heritage is crucial to a sustainable future. Ever since its foundation, it has been operating in the field of automotive glass as an architect of this cultural heritage. Şişecam Automotive's medium and long-term vision is to create a suitable environment in terms of its corporate heritage responsibility. As part of this, in order to protect and strengthen its institutional heritage it supports projects carried out within the Şişecam Group with its production and value chain.



EMPOWER

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 DIGITAL INTELLIGENCE AND COMMUNITY

EMPOWER

Şişecam Automotive EMPOWERs its employees, local communities, vulnerable groups and supply chain to become an active player for sustainable solutions and international enabler by advocating and engaging in practices that encourage diversity and inclusiveness.

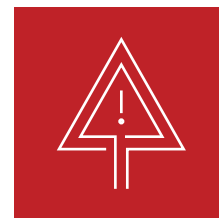
Şişecam Automotive's EMPOWER approach will lead to the integration of diversity and inclusivity into daily practices both at corporate and operational level, while also fostering the advancement of digital intelligence and community.

Şişecam Automotive empowers its employees, local communities, vulnerable groups and supply chain to become active players in sustainable solutions by advocating and implementing practices that encourage diversity, inclusivity and digitalization.

While achieving its own goals within the scope of its EMPOWER approach, Şişecam Automotive contributes to Şişecam Group's goals for 2022 listed below:



By 2022, UN Global Compact ratified and annual reports submitted regularly



By 2022, zero target for occupational accidents (LTIFR*)



By 2022, energy data fully on line monitored and reports generated



By 2022, environmental data fully monitored and reports generated through database

* Lost time injury frequency rates

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THE WORKING ENVIRONMENT AT ŞİŞECAM AUTOMOTIVE

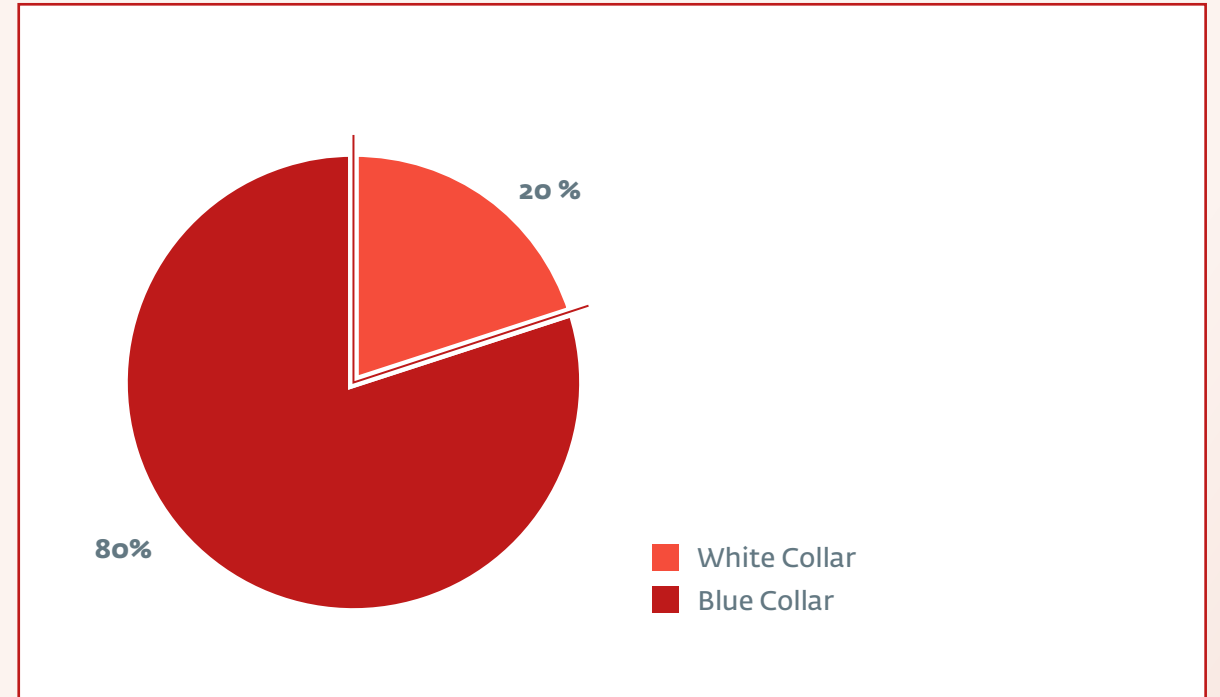
The most decisive factor in Şişecam Automotive's achievements is its employees. Şişecam Automotive provides its employees with a fair and enjoyable work environment in which all employee rights are given in compliance with national and international standards, without any discrimination. In this framework, we establish industry relations focused on competitiveness and productivity as required by today's working conditions, creating a culture of occupational health and safety that is in keeping with Şişecam Automotive's corporate culture.

In the Turkish facilities, 20% of the 3,544 employees are white collar and 80% are blue collar. The company promotes an innovative and co-operative corporate culture for sustainable global success, and implements the best human resources practices in the areas where it operates, pursuing a human resources policy that adds value to all stakeholders.



Developed in line with Şişecam Automotive's focal points, such as becoming global, ensuring equal opportunities, inclusivity and objectivity and continuous improvement, **Şişecam Group's Human Resources Policy**, is translated into the languages spoken in the countries where it is active, and then shared through the corporate communications portal.

Distribution of Employees by Category



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Diversity & Inclusiveness

Innovative and productive societies flourish only in those environments where there is diversity and equal opportunities. Şişecam Automotive aspires to strengthen and preserve the diversity and cultural heritage of global human resources for generations to come. It bases all its practices on inclusiveness and equality of opportunity.

With the “Empower” principle of Şişecam Automotive’s Sustainability Strategy, Şişecam Automotive is putting forth a strong, people-oriented management approach that focuses on empowering all stakeholders, especially women. It intends to empower its employees and stakeholders through the implementation of practices that promote diversity and inclusivity in connection with the UN’s Sustainable Development Goal 5 on Gender Equality and Goal 10 on Reducing Inequality.



One of the biggest issues regarding discrimination that business world faces today is the women employment. Şişecam support women’s employment and encourage women employees to take part in the top management bodies.

Upon the establishment of the Working Group on Diversity and inclusivity under the Sustainability Committee, Şişecam Automotive began planning the required activities with the contributions of internal and external stakeholders. In this context, proposals for action have been prepared by the Working Group on enhancing and facilitating women’s working conditions, supporting women’s participation in the workforce, supporting their career development, and raising awareness and cooperation with stakeholders.

Şişecam Automotive carries out the management of employee wages, side benefits, career paths and performance without discrimination of any kind based on gender, religion, language, or race. No discrimination is made between employees with a similar set of skills and job experience. There have been no discrimination cases or complaints brought against Şişecam Automotive with regards to its operations.

One of the biggest problems facing the business world regarding discrimination is the employment of women. Şişecam Automotive supports the employment of women in general and in positions of management. In this context, the employment of women has been prioritized, and female employees newly hired in 2017 constituted 40% of the total people employed and 21% of the total female employees within the company. Furthermore, through practices encouraging the employment of women, we were able to ensure that 73% of 67 female employees benefiting from maternity leave returned to work. Şişecam Automotive is working tirelessly to increase this ratio.

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DIGITAL INTELLIGENCE AND COMMUNITY

EMPLOYEE RIGHTS

Şişecam Automotive always protects the fundamental rights and liberties of its employees, and applies, in accordance with market conditions, competitive wage and side benefit strategies that reward stable high performance. Human resource programs that support a work-life balance for employees are put into place.

Flexible working opportunities are created for employees on the basis of a diverse workforce with different expectations and needs, and flexible working hours, flexible side benefits and social activities are offered.

All Şişecam Automotive employees can choose to be included in the Private Pension Scheme supported by employer contributions according to the provisions of the Private Pension System (PPS) Regulation. Provided that employees are in the system, an amount that equals 3% of their gross wage is paid as PPS contribution share.

At Şişecam Automotive, the protection of employees' trade union rights is a top priority. Strong emphasis is placed on enabling employees to be fairly represented within the framework of a healthy structure in their relations with the company management and to freely exercise their collective bargaining and organization rights. Trade union relations are managed under the coordination of the Industrial Relations Directorate within the Group. As of the end of this year, 76% of the blue collar employees are covered by a collective labor agreement.

SAFE WORKING ENVIRONMENT

Sustainable success is only possible with the presence of a well-established OHS culture. Şişecam Automotive carries out all stages of its activities in a healthy and safe work environment.

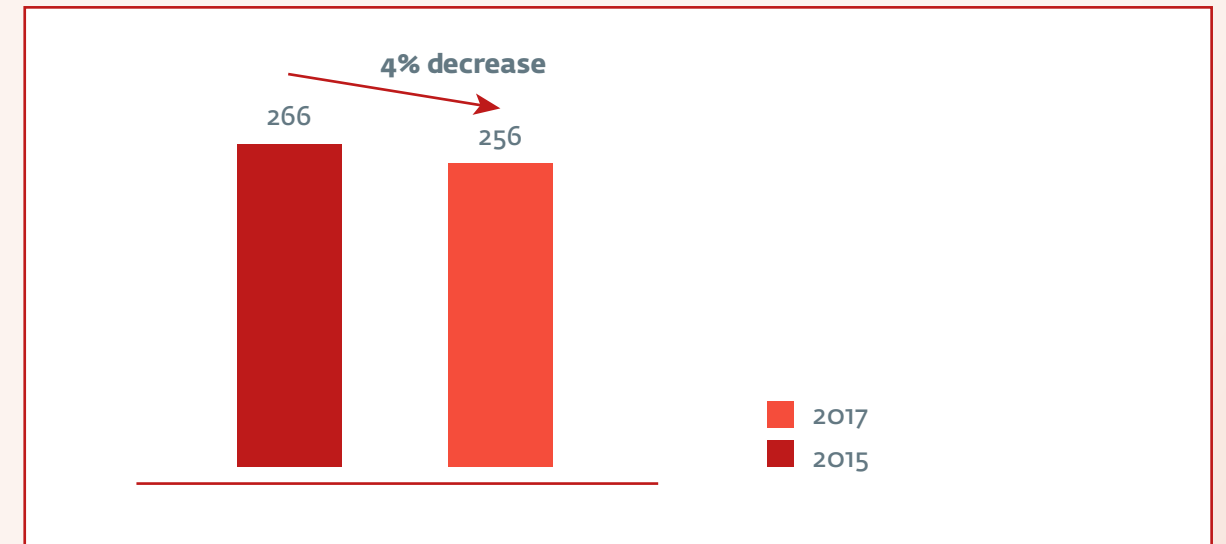
OHS at Şişecam Automotive is managed by the Şişecam Group Industrial Relations Directorate. The health and safety of the employees is managed by the OHSAS 18001 OHS Management System, which is in place in all facilities producing automotive glass. Accordingly, all domestic factories operating in different areas are subject to cross-inspections by teams of OHS experts.

Work continues to be conducted to internalize the OHS culture. This year, the OHS Ambassadors project and its contributions were evaluated and good practices were shared. Spot films about the effects of serious accidents in the factories and the Guidelines for Working Safely were made available to all employees in the country. In addition, OHS leadership training was given to managers involved in the production stages to help promote the concept of leadership, a prominent factor in the development of the OHS culture.

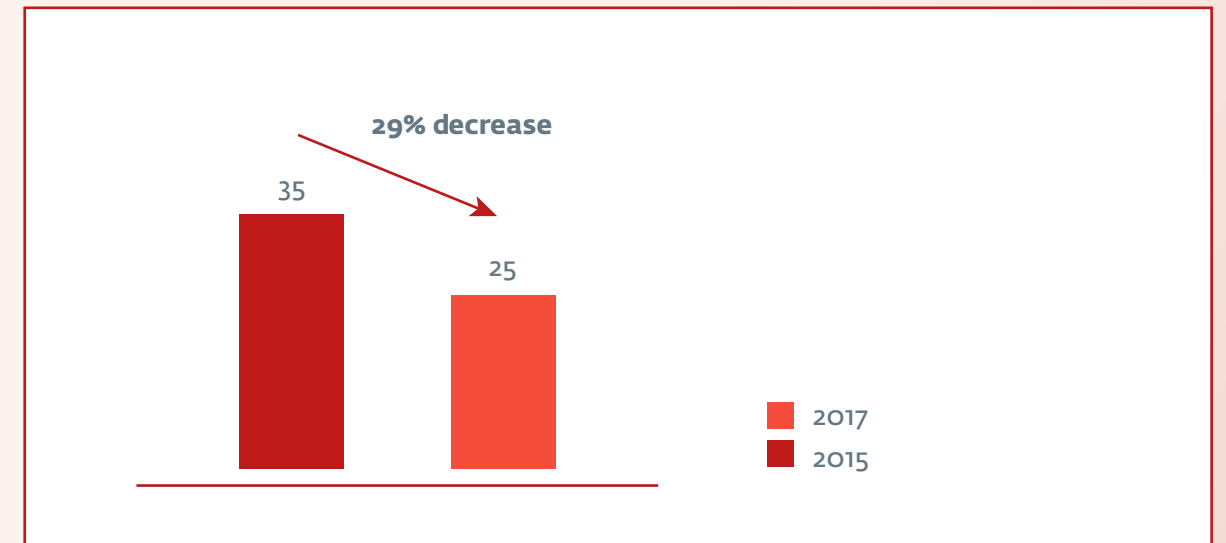
Şişecam Automotive works to fulfill its target of performing every stage of its production activities mentioned in its OHS Policy in a healthy and safe working environment. Approximately 63% of all training provided to employees concerns OHS. This year, it provided approximately 3,509 people-hours of OHS training to its employees.

While no fatal accidents or occupational diseases have been reported at Şişecam Automotive, the number of accidents has been reduced by 23% compared to 2015 as a result of the improvements made. Accordingly, the frequency rate of accidents decreased by 29% and lost working days decreased by 4% compared to 2015.

Lost Day Rate (LDR)



Total Injury Frequency Rate (IR)



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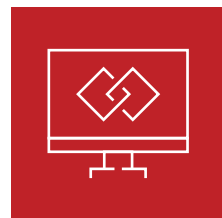
EMPLOYEE WELLBEING

Şişecam Automotive provides a healthy, safe and eco-friendly work environment by constantly improving its approaches aimed at ensuring employee loyalty, job satisfaction and cultivating a positive business climate.

The 3rd Employee Loyalty Survey, intended to measure employee commitment, to introduce improvement activities based on the results, and to create an appropriate working environment for employees, was conducted. For the first time this year, white collar employees as well as blue collar employees in domestic factories and operations were included in the survey. In addition to the Employee Loyalty Survey, the Corporate Reputation Survey was also conducted for white collar employees. The participation rate in the Employee Loyalty Survey held by Şişecam Group to cover the entire Group rose to 84% this year from 77% in 2015. The participation rate in the Corporate Reputation Survey exclusively prepared for white collar employees was 77%. Şişecam Automotive has also put into place a feedback and complaint mechanism to protect employees' rights. All negative feedback and complaints received from employees this year were resolved.

Şişecam Automotive believes that long-term employees have an important place in the company's long-term operation and success. For this reason, it creates a business environment that enables employees to contribute to work processes and offers them career and development opportunities. In order to encourage employees who have 10, 15, 20, 25 and 30 years of seniority at Şişecam Automotive, Seniority Incentive Ceremonies are organized and employees are awarded accordingly.

Şişecam Automotive is introducing a variety of systems and projects in order to create a participatory corporate culture in which employees can participate in company decision-making mechanisms, exchange ideas and suggestions, communicate effectively and learn about new developments within the Şişecam Group and Şişecam Automotive.

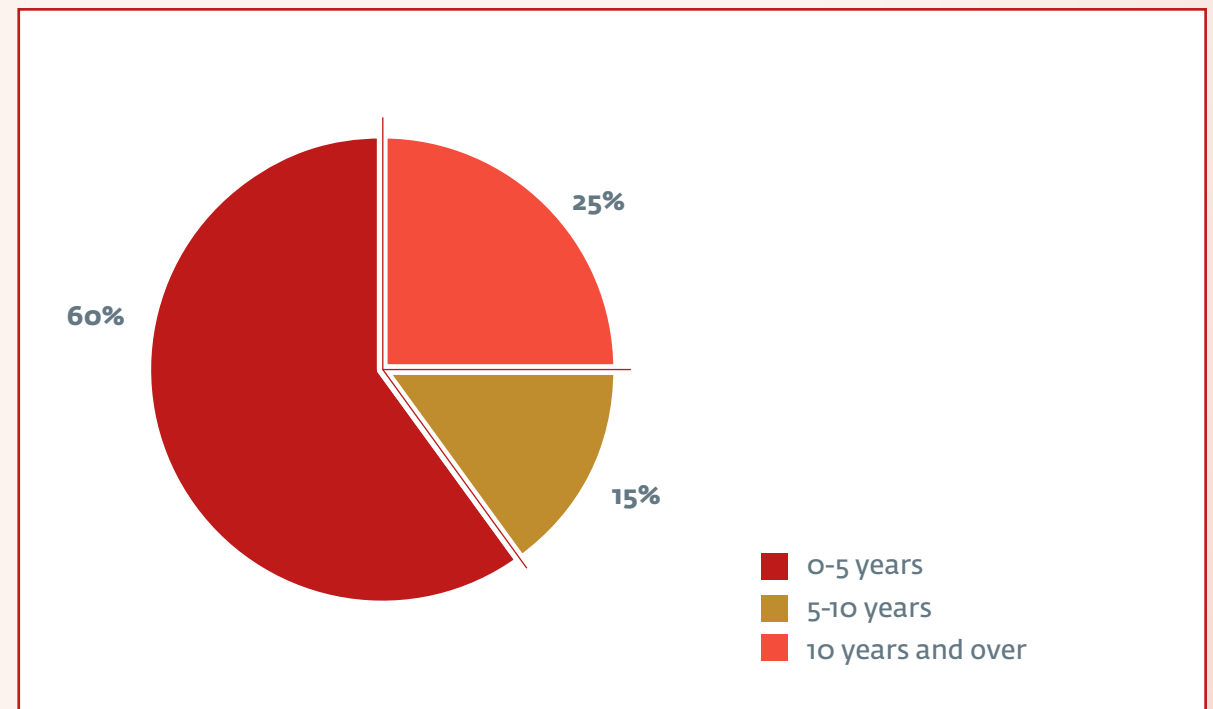


Camport- Thanks to its corporate intranet system, which is user-friendly, easily accessible and interactive, flowless communication is actively provided within Şişecam Automotive.



Idea Factory enables the assessment and rewarding of creative ideas from employees that add value to Şişecam Automotive, increase productivity, embrace innovation and promote an open corporate culture.

Number of Employees by Employment Year



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TALENT AND CAREER MANAGEMENT

In line with its mission to become a favorite employer, Şişecam Automotive pursues an objective, systematic and development-focused approach in all of its human resources processes from recruitment to career management, from education and development to performance management. It designs training programs to support the professional and individual development of its employees. It also provides regular performance assessments, career management and development opportunities for all its employees to enhance their competencies and provide new opportunities in different areas.

The Şişecam **Group Talent Management System**, designed by the Şişecam Group, was introduced in 2017 to attract new talent and enable Şişecam Automotive to meet its sustainability targets, to allow employees at Şişecam Automotive and other Group companies to show their true potential, and to train future leaders. Candidates with a high performance and potential selected by managers responsible for talent management across the group according to pre-determined criteria and objective measurement results are defined as “talent” by Şişecam Automotive. The intention is to support the development of employees in the talent pool and to allow their performance to reflect their potential in a sustainable manner.

Within the Career Management System, which is an important program for retaining highly-skilled employees, organizational and personal needs are planned and all of our employees are offered the opportunity to progress in their careers. White and blue collar employees can participate in work carried out by the Assessment and Development Center, through which competency analyses are conducted and development plans are created. Şişecam Automotive contributes to the development of its employees on issues ranging from education and the environment to social skills and leadership, besides technical issues, such as occupational development and OHS to enable its employees to embrace its sustainability targets. In 2017, the average amount of annual training provided to each employee was 12 hours.

This year, Şişecam Automotive employees also joined the Glass Production Simulation prepared by Şişecam Group for the purpose of providing them with basic information about glass production, which is Şişecam Automotive’s main area of activity. The three employees achieving the highest score using the Glass Production Simulation, enriched by tasks, points, competition and problem-solving, were given awards.



In 2017, **Şişecam Akademi** continued to offer its employees placements in schools and training programs related to their career pathways and needs in the areas of technical/professional development, personal development, institutional development and leadership through its unique development solutions. The Academy offers employees the opportunity to take part in both domestic and international conferences, seminars and summits on various topics, receive foreign language support and pursue MA degrees with a certain amount of support from the company. The Orientation Program was restructured by Şişecam Academy in 2017 in order to accelerate the adaptation process and increase the contribution of new employees at Şişecam Automotive, to promote the corporate culture, and to create experience-sharing platforms.



The **English Language Development Program** was designed in keeping with Şişecam Automotive’s global adaptation strategy to ensure that employees develop their English language proficiency.

DIVERSITY & INCLUSIVITY

**INTERNATIONAL ENABLER TO
FOSTER SUSTAINABILITY**

DIGITAL INTELLIGENCE AND COMMUNITY

International Enabler to Foster Sustainability

As a global company, Şişecam Automotive undertakes pioneering responsibilities in the sector and its domain of influence.

In the medium and the long-term, it aims to strengthen its position as an international supporter and advocate for sustainability by becoming a role model through its innovative practices, while at the same time turning its employees, local communities, vulnerable groups and supply chain into advocates for this issue.

On the other hand, it attaches great importance to cooperation in order to create a scale effect in its domain of influence and to bring innovative solutions into play through common sense. To this end, in order to strengthen its partnerships, it continues to negotiate with industrial organizations, governments, non-governmental organizations, and international organizations and universities in particular, in addition to its existing memberships. It also strengthens its dialogue with its supply chain, customers and the local community in which it operates.

PARTNERSHIPS

Şişecam Automotive continues to reinforce its sustainability partnerships in line with its areas of activity. On the basis of the current objectives of the partnerships, the general sustainability principles are mainly related to strengthening its corporate capacity in specific areas of sustainability, such as life cycle management and its integration into the work process, data management, gender, inclusivity and diversity, and water, land and biodiversity. These goals are supported through the meeting plans it develops for supply chains, customers and local communities. Şişecam Automotive aims to develop and implement a more detailed partnership plan as the actions related to the strategy emerge.

Şişecam Automotive fulfills its mission of becoming an international leader in sustainability and its advocate by making contributions to the sector in which it operates and to the community. It collaborates with a holistic approach, encompassing social capacity building efforts, the empowerment of vulnerable groups, management of natural resources, and operations that improve the supply chain.

As part of its cooperation-oriented efforts, Şişecam Automotive shares production process approaches and experience with its business partners. It also forms partnerships to support the development of society and the improvement of vulnerable groups in the regions where it operates. This year, recruitment was conducted in accordance with the disabled person quota specified by the Republic of Tatarstan and the number of employees with disabilities was increased, thereby contributing to diversity and inclusivity, which are among the main partnership objectives.

DIVERSITY & INCLUSIVITY
**INTERNATIONAL ENABLER TO
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SUPPLY CHAIN MANAGEMENT

Şişecam Automotive continuously improves the quality of its products, determines the risks that may arise in the supply chain in a timely manner, and manages them within the framework of international standards through the responsible management of its supply chain.

The social, ethical and environmental performance of its suppliers is assessed through audits carried out by Şişecam Automotive itself, and areas open to improvement are determined in light of its sustainability approach. This year, a total of 127 suppliers were subjected to environmental audits.

Within the scope of the Şişecam Procurement Transformation Project, a purchasing structure established on a category-based expertise system was set up to combine the disorderly purchasing structure on a Group basis within the single structure of Şişecam. As part of the project, the usage of the electronic tender system, where suppliers can enter their bids in the electronic environment, has been increased.

In 2013, the number of foreign production facilities increased to six with the acquisition of Richard Fritz Holding, a German manufacturer of encapsulated automotive glass, by Şişecam Automotive.

Having a wide network of suppliers as a company operating internationally, Şişecam Automotive also provides new suppliers with opportunities to learn and improve together in addition to long-term cooperation. This year, its total number of suppliers reached 2,511, with 220 new suppliers gained. While 36% of these are local suppliers, 64% are distributed across various regions. When choosing its suppliers, Şişecam Automotive attaches as much importance to social criteria including the possession of environmental management system certificates and the demographics of employees, as to their financial details and the volume of the investment.

Training is provided in order for suppliers to become familiar with Şişecam Automotive's business principles and to support their development. This year, a total of 480 hours of training were provided to support two separate supplier initiative projects. In addition, video presentations are shown to suppliers who visit the plant for informative purposes.

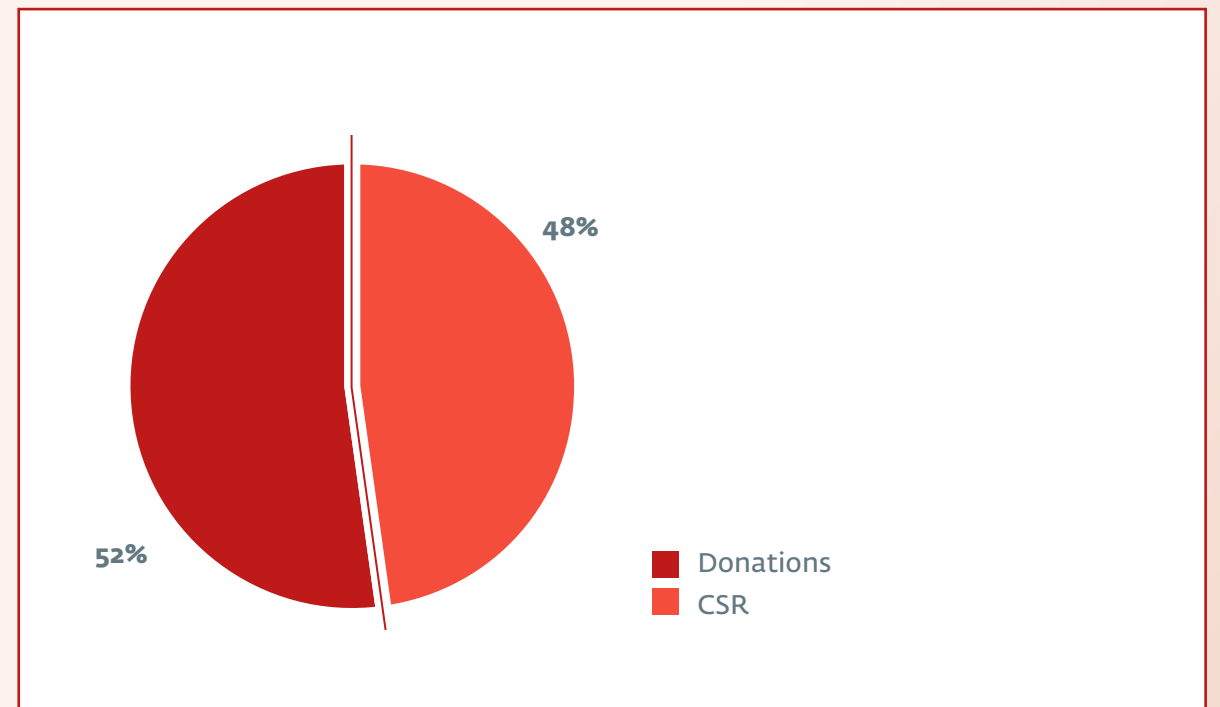
CORPORATE SOCIAL RESPONSIBILITY

Based on its sustainability approach and commitment to the UN Sustainable Development Goals, Şişecam Automotive aims to empower local communities, vulnerable groups and its supply chain through data sharing, capacity building, and conservation practices to increase their inclusivity and diversity and ensure active participation in sustainable social, economic and environmental solutions, adopting a multi-sector approach through its Sustainable Development Program. The prioritized target groups are young people, women, and vulnerable groups.

Focusing on projects that support the employment of people with disabilities and aiming to raise awareness on this issue this year in order to remove barriers to employment, Şişecam Automotive has recruited in accordance with the disabled person quota specified by the Republic of Tatarstan. The total number of disabled employees reached 62 in our Automotive Glass Alliance Rus facility upon the recruitment of seven more individuals with disabilities. Şişecam Automotive has also supported various efforts to increase the recognition of and awareness about the disabled quota policy.

This year, donations were made to various education and music foundations operating in Hungary and Bulgaria. In addition, Şişecam Automotive has supported the Hungarian Foundation for Children with Cancer and the TEV Let the Girls Study Project, targeting young people, women and vulnerable groups, all of whom are our priority.

Social Investments (TL)



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Digital Intelligence and the Community

New technologies are developing and transforming rapidly, creating new areas of usage every day. The innovative and creative perspectives of Şişecam Automotive employees are constantly consulted to ensure the sustainability of the company's leading role in production in the face of the transformations brought about by Industry 4.0. Şişecam Automotive sees digitalization as a driving force for social development and has been bringing to life new ways of doing business in accordance with the requirements of the age by integrating technology and the use of large data into all its processes. Thus, in addition to the integration of information technology into the industry, it takes firm steps toward continuous development.

Şişecam Automotive places great emphasis on the quality and efficient production processes that will be created with smart factories in order to create flexible, dynamic and self-organizing production processes in the context of the 4th Industrial Revolution.

Aiming to digitize all its systems for a more efficient communication with its employees the company continues to conduct all approvals and internal correspondence through the Onbase system platform it has established.

EFFECTIVE CUSTOMER RELATIONS

Şişecam Automotive cares about the satisfaction of its customers, who are also stakeholders in the Group, and develops and executes action plans according to the results of the Customer Satisfaction Survey held at the end of each activity year. According to a survey conducted every six months, customer satisfaction increased to 78% in 2017.

Within the scope of effective customer management, an average of 11.4 hours of sales consulting approach training was provided to five employees who have critical roles in this field.

Şişecam Automotive regards the feedback from its customers as valuable input for both new products and services and increasing customer satisfaction. It analyzes this feedback thoroughly, thereby improving work processes and consequently contributing to the development of society with new products and services. Şişecam Automotive responded to all the complaints it received in 2017.

Within the scope of its digital transformation project, Şişecam Automotive renewed its corporate website to provide excellent user experience by means of integrating the newest technological requirements into its business processes.

INFORMATION SECURITY AND CUSTOMER PRIVACY

At Şişecam Automotive, the confidentiality of customer data is maintained based on the understanding of operating as a responsible organization, as well as the objective of achieving superior customer satisfaction. In this respect, the company uses the most up-to-date, effective and safe technological infrastructure and provides training to improve employee awareness of data confidentiality.

Issues of common confidentiality and data storage in business contracts with customers are secured in line with Şişecam Automotive's ISO 27001 Data Security Management System certification and possible violations are avoided. Furthermore, the training of 181 employees is recorded in information systems. Efforts to improve digital and cyber security continue, while the Security Route Map 2018-2020 was released as part of system improvements to control access to the database and ensure the security of the data.

In 2017, there were no cases of violation of customer privacy and no complaints were received.



PROGRESS

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INTEGRATION OF LOW-CARBON APPROACH
CLIMATE NEUTRAL 360° CIRCULARITY MODEL

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PROGRESS

Şişecam Automotive is committed to **PROGRESS** through the climate-neutral 360° circular model, which includes but is not limited to the sustainable use of energy and natural resources, digitalization and innovation, while encouraging and enabling the equal participation of women and vulnerable communities.

Şişecam Automotive fulfills its commitment to become an active player in integrating its anti-climate change efforts and circularity models into all its activities through its PROGRESS approach.

Şişecam Automotive's medium and long-term vision is to establish an enabling environment as a champion of corporate heritage and to operate climate-neutral 360° circularity models.

While achieving its own goals within the scope of its PROGRESS approach, Şişecam Automotive contributes to Şişecam Group's goals for 2022 listed below:



By 2022, reduce annual energy consumption in glass production facilities



By 2022, 12 MW energy provided from renewable energy sources



By 2022, reduce GHG emission intensity of glass production by 5% from 2017 baseline



By 2022, at least 20 number of initiatives are carbon neutral



By 2022, 1% of Şişecam annual budget is allocated to research and development



By 2022, additional 2 plants implemented Waste Heat Recovery system

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An Active Solution Partner for Climate Change

Climate change continues to affect our lives in many ways, from extreme weather to the reduction of natural resources, and such impacts and effects are expected to increase in the long run.

Şişecam Automotive believes that climate change, one of the greatest global problems of our age, can be solved only through effective collaboration networks. Hence why it attaches importance to being an effective solution partner acting in cooperation with individuals, the private sector, public institutions, international institutions and non-governmental organizations.

One of Şişecam Automotive's priorities is to manage the risks of climate change in the short and long run through adjustment policies. Şişecam Automotive regularly shares its climate change strategy and performance within the scope of the Carbon Disclosure Project in order to disclose its priorities and the steps it takes in a transparent way.

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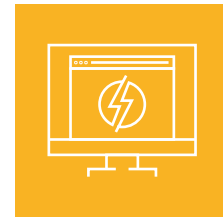
Integration of Low-Carbon Approach

Şişecam Automotive contributes to Şişecam Group's carbon reduction targets by effectively managing renewable energy, energy efficiency projects and carbon emissions at all its facilities.

Energy is an important production input for Şişecam Automotive, which is active in an industry heavily reliant on energy. Hence why Şişecam Automotive constantly evaluates the risks and opportunities related to energy and manages its operations accordingly.

In addition to efficiency efforts carried out in order to ensure sustainable use of energy, renewable energy sources are evaluated and integrated into Şişecam Automotive's activities.

Work to determine and implement the roadmap for a sustainable energy supply, renewable energy source applications, and energy efficiency projects is carried out by the Şişecam Group Corporate Development and Sustainability Department.



At its production facilities equipped with a **Sustainable Energy Measurement Monitoring System (SEÖİS)**, major energy consumption items are monitored instantaneously and improvements are made on process performance.

As a company that aims to be a regional and international leader operating in the international arena, providing energy efficiency in production processes is one of Şişecam Automotive's major priorities. Therefore, thanks to projects involving the change of lighting systems in the plants and the use of more efficient new equipment, about 10,000 GJ of energy and TRY 790,000 have been saved. As for carbon emissions, we achieved a total reduction of 1,340 tons.

With projects involving the utilization of waste heat at Turkish factory, the change of lighting systems and adaptation of energy efficiency increasing systems, for which ministry approval has been obtained, it is aimed to increase energy efficiency in the future.

Şişecam Automotive is working to achieve the goal of reducing greenhouse gas emissions by at least 5% compared to 2017, one of the 2022 targets of the Group.

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CLIMATE NEUTRAL 360° CIRCULARITY MODEL

Climate Neutral 360° Circularity Model

In the medium and the long run, Şişecam Automotive aims to implement climate-neutral 360° circularity models into the operations at its factories. Within this framework, it continues to make improvements by adopting the best possible technologies and continuously evaluating its performance. Through both its innovative and eco-friendly products and the solutions it develops as part of its processes and products, it develops a 360° circularity model that covers after-sale services for end users, as well as its facilities.

TECHNOLOGY AND INNOVATION

Technology and innovation lie at the heart of Şişecam Automotive's efforts to implement the targeted circularity model. Believing in the essential role that research and technological development (RTD) activities play as one of the leading components of global competitiveness today as well as in the future, Şişecam Automotive has evolved into an important player among the global competition in its sector, thanks to the practices introduced in this context and its innovative products.

RTD activities are conducted in close liaison with Şişecam Group's Science and Technology Center and with the regional laboratories and Working Groups which function within this structure. Each year, RTD strategies are reviewed through a process actively attended by the Head Department of Research and Technological Development, Development Deputy Chairman and Head Department of Strategy. Şişecam Automotive allocated a budget of TRY 19.2 million to RTD this year. A total of 67 RTD projects are being carried out in the field of automotive glass at Şişecam BTM, Automotive ÜTM and Fritz plants.

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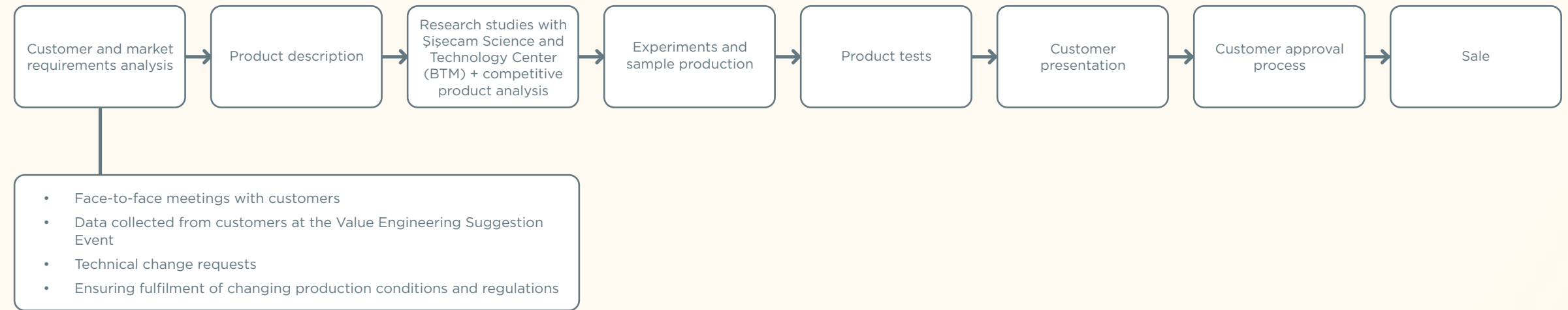
INNOVATIVE PRODUCTS

In order to become a solution partner for climate change, Şişecam Automotive aims to minimize its energy consumption by developing new, innovative and eco-friendly products that meet the needs of its customer in all its areas of activity. In addition to the innovative solutions it has developed for business processes, it continues to create value in its area of influence through the new products it develops.

When developing a new project, Şişecam Automotive defines its customers and their requirements as the starting point and continues to keep its customers as its focus in the process from the research stage until the sale of new products. It sets the market needs pursuant to the feedback received during the face-to-face meetings with customers and at various events and to the demands arising from regulatory changes. Şişecam Automotive promptly evaluates all of the data it collects, considering the conditions of all the locations where it operates and lays the foundations of new projects that will provide benefit to its customers. With the new products it develops, it targets safer, higher quality, more efficient, and environmentally friendly vehicles that minimize injury risks, decrease air emissions and consume less energy thanks to efficient heat and sound insulation.

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Şişecam Automotive's New Project Development Steps



Approval has been obtained for our **Lead-Free Solder** product for certain models at companies such as Volkswagen, BMW, Audi and Renault, in accordance with the ban on the use of lead in automotive glass. Through the RTD process, products can also be developed for any new models yet to be launched.

The **Privacy Glass** product allows less heat and light transmission into the vehicle in addition to ensuring privacy thanks to its darker color, hence it ensures that the interior stays cooler and reduces carbon emissions with the minimized use of air-conditioners. This year, two different color versions of the Privacy Glass product were launched; smoke gray and green, developed in line with customers' requests.

By applying **Hydrophobic Coating** to the outer surface of the glass, the adherence of dirt to the glass surface is minimized and cleaning is made easier. Tests for this product have been successfully completed and certification procedures are ongoing.

When used within the laminated glass interface **IR Reflective Vacuum Coating** decreases the transmission of sunlight into the vehicle and thus reduces carbon emissions as much as possible by eliminating the need for air conditioning. Developed for the same purpose, the product tests for **UV+IR Blocking Spray Coating** have been successfully completed and procedures to obtain certification in this regard are in progress.

As a result of the heat generated with the **Conductive Surface Coating** applied on glass, more efficient and faster defrosting is achieved.

Şişecam Automotive is continuing its projects to develop thin glass that is lighter compared to the existing glass in order to reduce fuel consumption by decreasing the weight of vehicles. Through the experiments it has conducted, the thickness of its glass has been reduced by approximately 21% to 1.1mm compared to mass production.

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PERFORMANCE INDICATORS

Environment Performance Indicators

Energy Consumption (GJ)	2017
Natural Gas	21.732
Electricity	430.989
LPG	0
Anthracite / Coal	0
Other	0
Total Energy	452.721

Greenhouse Gas Emissions (Tons CO ₂)	2017
SCOPE 1	569

Annual Total Greenhouse Gas Reduction (Tons CO ₂)	2017
	1.341,48

Energy Savings	2017
Total Energy Savings (GJ)	10.209,8
Total Energy Savings (TRY)	791.313

	2017
Environment Fine (TRY)	-
Environmental Investment and Expenditures (TRY)	712.593

Amount of water used (m ³)	2017
Municipal water	327.936
Groundwater	586.369

	2017
Recovered / Reused Water (m ³)	224.120
Amount of Waste Water (m ³)	838.139

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Waste Volume (ton)	2017
Hazardous Waste	1564,5
Regular storage/Waste in landfills (domestic and industrial waste)	316,4
Recycled (paper, cardboard, plastic, glass, metal etc.)	42.232,64
Recovery for energy purposes (waste oils)	0

Economic Performance Indicators

TL	2017
Total revenue	1.460.690.923
Operational costs	342.465.481
Employee wages	326.361.446
Dividend payments	0
Community investments	53.893
Economic value retained	1.118.171.549

TL	2017
Donations	58.803

Social Performance Indicators

Employee Count	2017	
	Female	Male
Total Number of Employees	1254	2290

Employee Distribution per Category	2017	
	Female	Male
White Collar	243	451
Blue Collar	1011	1839
Number of Employees Covered by the Collective Labor Agreement	667	1491

Number of Employees per Contract Type	2017	
	Permanent	Temporary
Total Number of Employees	3521	23
White Collar	676	18
Blue Collar	2845	5

	2017	
	Full-Time	Part-Time
Number of Subcontractor Employees	1251	119

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Number of Employees by Age	2017	
	Female	Male
New hires during the year	260	391
Over the age of 50	11	20
In 30-50 age range	117	158
Younger than 30	132	213

Employee Turnover Rate	2017	
	Female	Male
Number of employees who left work during the year	197	342
Over the age of 50	23	35
In 30-50 age range	90	160
Younger than 30	86	147

Number of Employees per Years of Employment	2017	
	Female	Male
0-5 years	874	1268
5-10 years	253	265
10 years or more	250	634

	2017	
	Female	Male
Number of Employees Taking Maternity Leave	67	-
Number of Employees Returning from Maternity Leave	49	-

Training hours	2017	
	Female	Male
Average annual training hours per employee	7	14
Blue Collar (Total)	2.884	20.241
White Collar (Total)	6.288	12.185

Performance Evaluation	2017	
	Female	Male
Number of employees received regular performance and career development review	269	731

OHS Trainings	2017
Percentage of training time devoted to occupational health and safety	%63
OHS training hour per employee	0,99

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Diversity and Equal Opportunities	2017	
	Female	Male
Number of employees in senior management positions		
Over the age of 50	7	14
In 30-50 age range	27	67
Younger than 30	34	7
Number of employees in the Board of Directors	1	8
Number of employees with disabilities	10	52

OHS Data	2017	
	Female	Male
Number of Accidents	-	54
Time lost due to accident	-	559
Total Injury Rate (IR)	-	25
Lost Day Rate (LDR)	-	256
Number of accidents with the contractor firms	-	8
Total Injury Rate (IR) with the contractor firms	-	37

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GRI CONTENT INDEX



GRI Standard	Disclosure	Page Number/Link	Omission Reason
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosure 2016	Organizational Profile	-	-
	102-1	2	-
	102-2	8	-
	102-3	http://www.sisecamduzcam.com/en/investor-relations/corporate-identity-and-management/trade-registry-information	-
	102-4	8	-
	102-5	http://www.sisecamduzcam.com/en/investor-relations/corporate-identity-and-management/shareholder-structure	-
	102-6	8	-
	102-7	9	-
	102-8	43-44	-
	102-9	33	-
	102-10	6	-
	102-11	14	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
	102-12	17	-
	102-13	17	-
	Strategy	-	-
	102-14	3-5	-
	102-15	14	-
	Ethics and Integrity	-	-
	102-16	15	-
	102-17	15	-
	Governance	-	-
	102-18	13	-
	102-19	13	-
	102-20	13	-
	102-21	18-20	-
	102-29	11-14	-
	102-30	15-16	-
	102-31	15	-
	102-32	15	-

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GRI Standard	Disclosure	Page Number/Link	Omission Reason
	Stakeholder Engagement	-	-
	102-40	17	-
	102-41	43	-
	102-42	17	-
	102-43	17	-
	102-44	16-17	-
	Reporting Practices	-	-
	102-45	2	-
	102-46	2	-
	102-47	16	-
	102-48	None	-
	102-49	10	-
	102-50	2	-
	102-51	http://www.sisecamduzcam.com/en/Documents/surdurulebilirlik/surdurulebilirlik-raporlari/duzcam_eng.pdf	-
	102-52	Annual reporting	-
	102-53	2	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
	102-54	2	-
	102-55	45-49	-
	102-56	No external assurance	-
GRI 200: Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1	10-13	-
	103-2	10-13	-
	103-3	10-13	-
GRI 201: Economic Performance 2016	201-1	43	-
GRI 300: Environmental Standard Series			
Energy			
GRI 103: Management Approach 2016	103-1	36-38	-
	103-2	36-38	-
	103-3	36-38	-
GRI 302: Energy 2016	302-1	42	-
	302-4	42	-

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GRI Standard	Disclosure	Page Number/Link	Omission Reason
Water			
GRI 103: Management Approach 2016	103-1	23	-
	103-2	23	-
	103-3	23	-
GRI 303: Water 2016	303-1	42	-
	303-3	42	-
Emissions			
GRI 103: Management Approach 2016	103-1	19-23	-
	103-2	19-23	-
	103-3	19-23	-
GRI 305: Emissions 2016	305-1	38	-
	305-5	38	-
	305-7	38	-
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	23	-
	103-2	23	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
	103-3	23	-
GRI 306: Effluents and Waste 2016	306-2	42	-
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	21-22	-
	103-2	21-22	-
	103-3	21-22	-
GRI 307: Environmental Compliance 2016	307-1	42	-
GRI 400: Social Standard Series			
Employment			
GRI 103: Management Approach 2016	103-1	26-27	-
	103-2	26-27	-
	103-3	26-27	-
GRI 401: Employment 2016	401-1	44	-
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GRI Standard	Disclosure	Page Number/Link	Omission Reason
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	29	-
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	103-3	29	-
GRI 403: Occupational Health and Safety 2016	403-2	45	-
Training and Education			
GRI 103: Management Approach 2016	103-1	31	-
	103-2	31	-
	103-3	31	-
GRI 404: Education and Training 2016	404-1	44	-
	404-2	31	-
	404-3	44	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
Diversity and Equal Approach			
GRI 103: Management Approach 2016	103-1	28	-
	103-2	28	-
	103-3	28	-
GRI 405: Diversity and Equal Approach 2016	405-1	45	-