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ABOUT ŞİŞECAM GLASS PACKAGING
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OUR SUSTAINABILITY APPROACH

**BEING AMONG THE PIONEERS
IN THE GLOBAL MARKET**

- DYNAMIC STRUCTURE
- OPERATIONAL EXCELLENCE
- DIGITALIZATION
- INNOVATION

GLOBAL PRESENCE

- FINANCIAL STABILITY
- SUSTAINABLE ENERGY
- SUSTAINABLE ENVIRONMENT
- SOCIAL RESPONSIBILITY

ONE GLOBAL FAMILY

- EMPLOYEE HEALTH AND SAFETY
- RESPECTING DIFFERENCES
- PROVIDING DECENT WORK

ABOUT THE REPORT

With its third sustainability report, Anadolu Cam Sanayii A.Ş. ("Şişecam Glass Packaging" or "Company") presents the company's sustainability performance realized between January 1st 2016 –December 31st 2016 to the views of its stakeholders. The report has been prepared in accordance to the "Core" option of Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines.

Economic data in the report includes all the businesses of the Company, in Turkey and abroad, in order to be compatible with the consolidated data presented in Anadolu Cam Sanayii A.Ş.'s annual report. Environmental and social indicators reflect the Company's activities in Turkey and performance results. Anadolu Cam Sanayii A.Ş. aims to expand the scope of its sustainability reporting in the upcoming periods by including its businesses abroad to the scope of reporting.

Feedbacks from stakeholders carry great significance in terms of improving both the Company businesses and the reporting process. All views and suggestions are closely evaluated and utilized to improve our operations.

For your views, suggestions and complaints, you may contact:

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In order to ensure the sustainability of the value we create for our stakeholders, we resolutely continue the evaluation of our processes from a sustainability perspective and the integration of prioritized components in our business strategies.

Message from the Chairman

I am glad to present you with our third Sustainability Report, which we, as Şişecam Group, prepared in line the principles of transparency and accountability. The Report was prepared based on the internationally acclaimed sustainability reporting guidelines (GRI G4) of the Global Reporting Initiative as part of the requirements of a responsible business understanding.

2030 Sustainable Development Agenda is a universal call to action to end poverty, protect our planet and ensure the peace and prosperity of all people through 17 Global Goals. As a global, reputable, financially stable company with a transparent understanding of governance, Şişecam Group adopts the United Nations Sustainable Development Goals (SDG) in accordance with its sustainable growth model, while supporting and adding value to goals of gender equality (SDG5), clean water (SDG6), clean energy (SDG7), innovation (SDG9), responsible production (SDG12), and climate action (SDG13).

Our pathway to become one of the top three in the Global Market, is through mainstreaming, evaluating and prioritizing our business strategy in line with sustainability principles while adding value we create for our stakeholders. Being listed on the Istanbul Stock Exchange Sustainability Index in the 2016-2017 period is regarded as an important indicator of our high performance in this scope.

Our Group, which successfully maintains its activities while sustaining its competitive advantages, produced 4.6 million tons of glass, increased consolidated net sales by 14% reaching to TRY 8.4 billion, domestic sales by 46% and international sales by 54% as of 2016 yearend. In the soda production, being the top producer globally, 2.3 million tons of soda and 3.8 million tons of industrial raw material was produced in the year of 2016.

Pursuing its investments with a view to reinforce both its operations and its market positions, our Group made TL 1.2 billion worth of investment as of yearend. In line with our value creating sustainable growth strategy were also reflected on our financial results in 2016. EBITDA volume was TL 2.1 billion, while our EBITDA margin was 25.2% with a 1.4-point increase. Our Group shares performed well above the averages of BIST Holding, BIST 100 and BIST 30 indexes gaining 34% in nominal value, while the share of corporate foreign investors among our publicly traded shares reached a high level of 46.5%.

As a Group operating in energy intense industries, the efficient use of energy, access to effectively continuous energy supply, and the continuous review of energy related risk and opportunities plays an important role for our sustainable operations.

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On this basis, the energy consumption of our operations, which are managed according to the international energy management standards, is systematically monitored and energy efficiency projects are implemented to ensure a continuous energy consumption reduction. A total of 590,700 GJ of energy saving was achieved and 25,800 tCO₂ of GHG emission was prevented by means of the energy efficiency projects we carried out in the reporting period.

As part of renewable energy solutions, Şişecam installed 6 MW solar power panel for its flat glass plant in Mersin which is one of the seventh largest roof type solar power generators in the world.

Another development achieved by our Group in 2016 was the establishment of Şişecam Çevre Sistemleri A.Ş. (Şişecam Environmental Systems Inc.) in cooperation with the European Bank for Reconstruction and Development. This strong cooperation, which is a first in the world and aims to accelerate the modernization of the leading glass recollection and recovery companies of Turkey, seeks to provide know-how transfer support for the companies besides long-running financing opportunities on easy terms. Şişecam Çevre Sistemleri A.Ş., which aims to increase the rate of recycled glass from 19% to 45% within five years, pioneers the establishment of a sustainable glass recycling infrastructure, regarding both the mitigation of greenhouse gas emissions and contributing to the national economy by means of the energy savings achieved being also an important contributor of its social responsibilities.

A significant component of our global competitive power is value added innovative products and the research studies lead by Research and Technological Development Unit. Şişecam Research and Technology Development Center is ranked 8th among 127 R&D Centers according to the 2016 R&D Performance Index rating prepared by the Turkish Ministry of Science, Industry and Technology. As part of the studies in the reporting period, participation and applications to internationally and nationally supported projects were ensured, four patent registrations were realized and 29 patent applications were filed.

Şişecam Group internalizes integrated industry technologies and adopts information technology in all its processes and business models to conform to the age of innovation and virtual realities. In this regard, leading culture was adopted

to accelerate digital technologies in business processes; all the digital assets of our Group is being managed with a holistic and strategic approach through the Digital Transformation Project. Our digital assets were renewed with design and contents focused on user experience in parallel with current trends alongside our restructured brand architecture.

We continued promoting the transition to a recycling society by generating social behavioral change through one of the most comprehensive sustainability and social responsibility projects of Turkey, the "Glass and Glass Again" Project which we have been carrying out since 2011. Since the start of the project, trainings regarding recycling were provided to a total of 233,000 primary school students, 17,400 glass banks were donated and 740,000 tons of glass packaging waste was recycled.

Besides the social responsibility projects, we continued actualizing significant studies with the responsibility of sustaining our cultural heritage in the field of glass with Serçe Harbor Glass Wreck Documentary, Antique Glass Works Collection and History-Culture-Glass themed product portfolio.

Şişecam Group also maintained its pioneering position in the field of education, starting the first Glass Science and Technology Master's Program of Turkey with university cooperation in order to meet the qualified human resource need of the glass sector. We believe this program, which is exemplary in terms of Industry-University partnership, will make valuable contributions to the sustainability of human resource competence in the glass industry.

We are a global family among the most prominent industrial institutions of the world with our nearly 22,000 employees in 13 countries. We continue our practices aiming to create a safe working environment while respecting differences, respecting our employees to ensure their happiness, productivity and efficiency, which we regard as the most important component to sustain the global value we create.

On the occasion of this Report, let me take this opportunity to extend my thanks and pay my respects to all our shareholders who have greatly contributed to achievements and sustainability of the value we create as a global company in today's highly competitive business world.

Prof. Dr. Ahmet Kirman
Chairman

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Projects and practices, which are the significant determinants of our financial achievements, represent the processes that secure the improvement of our environmental and social performance as well.

Message From Turkey Glass Packaging President

Esteemed Stakeholders,

I am glad to present you our third sustainability report that provides a summary of our sustainability performance in 2016, in which we celebrated the 81st anniversary of our Group. Our policies, practices, performance results and targets regarding the primary issues of our company and stakeholders are submitted for your perusal in a transparent and balanced manner. This report has been prepared in accordance with the core option of Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, as was the report of the previous period.

Despite economic uncertainties and slowdown, 2016 was a year in which Turkey and the global glass packaging industry continued growing. The glass packaging industry maintained its consistent growth in 2016 through factors such as capacity increase thanks to technological advancements, conscious consumption and growing demand from consumers for glass packaging. It achieved this despite the decline in the growth rate of developing countries, particularly China, and despite the global economic slowdown at the same time. Turkey's glass packaging market, on the other hand, entered into a process of recovery in 2016 after the economic slowdown in 2015.

As Şişecam Glass Packaging, we take pride in finishing this period, in which macroeconomic and political developments made their influence felt on our industry, with a successful performance that achieved operational and financial results beyond expectations while balancing negative economic conditions with a flexible and proactive management approach, and in continuing to create value for our stakeholders. During the period, we continued to increase our profits and efficiency by reducing our costs through optimization projects, and we also maintained our competitive advantage through product development activities. Ranking within the top five manufacturers in the global glass packaging industry and progressing with determination to improve its position, our Company has consolidated its strong position in global markets, as well as its leading position in Turkey.

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Projects and practices, which are the significant determinants of our financial achievements, represent the processes that secure the improvement of our environmental and social performance as well. While we significantly reduced the environmental effects resulting from our production processes through our activities in cost and efficiency fields during the period, we also decreased the amount of raw material that we use for our products, logistics-based emissions and amount of waste, through our pioneering practices in product development.

While we saved up TRY 34.1 million in our Turkey operations as well as in our foreign operations through activities we performed in cost and efficiency fields in the reporting period, a 4.5% reduction was achieved in unit energy consumption in our Turkey operations. Additionally, our performance in critical indicators such as raw material expenditure, amount of wastewater and waste recycle ratio significantly improved within the period.

A 8% lightening of 9 of our products has been actualized through studies that we performed during the reporting period in the scope of our product development practices,. As a result of the studies carried out, 6,727 tons of glass were saved with an increase of more than 1.5 times compared to the previous period. We continued meeting various glass packaging demands of consumers and brands with original and innovative glass packaging designs through our Product Design Centre that performs its studies in correspondence with Şişecam Group's central R&TD studies. The center

created 456 design studies within the scope of 25 projects in 2016, and it was deemed worthy of 7 awards in national and international competitions.

We continue our research to provide our employees with a fair, healthy, safe and happy working environment that values human rights and supports improvement. In the scope of programs provided by Şişecam Academy that centrally manages employee improvement practices in our Group, 32,859 person-hours of training were provided for our blue-collar employees and 26,661 person-hours of training were provided for our white-collar employees. While we continue our studies in the field of occupational health and safety, which is among our primary sustainability priorities, and carry on our OHS trainings, we managed to achieve improvements in such key indicators as accident frequency rate, accident severity rate and injury rate.

While we aim to continuously improve our sustainability performance in economic, social and environmental fields as Şişecam Glass Packaging, we commit to submit our performance for our stakeholders' views in a transparent and balanced manner in the upcoming periods. I extend my thanks to our stakeholders who stood by our side along our sustainability journey and encouraged us to continuously do better through their views, suggestions and demands.

Sincerely,



Abdullah Kılınç
Turkey Glass Packaging President

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About Şişecam Glass Packaging

Operating in glass packaging industry as Şişecam's subsidiary, Şişecam Glass Packaging is producing glass packaging designed in various volumes and colors for food, beverage, pharmaceutical and cosmetics industries.

Dating back to the production facility founded in Paşabahçe, İstanbul in 1935, Şişecam Glass Packaging is the leading glass packaging producer in Turkey and the fifth biggest in Europe and the world. Relocating production activities to Topkapı Bottle Plant in 1969 and acquiring Anadolu Cam Sanayii A.Ş. in Mersin in 1976, the Company started using NNPB production technology in 1988, which is an important milestone in production activities. As of 2000, Şişecam Glass Packaging's companies and facilities was incorporated under Anadolu Cam Sanayii A.Ş.

Şişecam Glass Packaging aims to become an international glass packaging supplier that makes half of its turnover from foreign operations through investments and collaborations in nearby countries. Having made its first investment outside Turkey in this direction with the acquisition of Mina Plant in Georgia in 1997, the Company founded Ruscam Glass Packaging in 2002 to run its operations in Russia and within this scope made further investments in Gorokhovets (2004), Ufa (2005), Kirishi (2008) and Kuban (2009) plants. Having most recently acquired an existing glass packaging plant in Merefá, Ukraine in 2011, the Company raised its foreign production capacity to 1.3 million tons/year and its total production capacity to 2.3 million tons/year.

ŞİŞECAM GLASS PACKAGING VISION

To become a global glass packaging company that adds value to people and nature, and that acts as a solution partner to its customers with creative processes by offering customized products and services



Why Glass?

Glass, which is the healthiest and most natural packaging material there is, is produced from raw materials that are abundant in nature. Having a 100% recyclable nature, glass can be recycled infinitely without deterioration in quality or purity. The inert and impermeable traits of glass make it the healthiest of all packaging materials.

Glass packaging does not alter the taste, smell and flavor of foods and does not engage in chemical or microbiological interactions with its contents. As it is gas and vapor impermeable, glass packaging ensures healthy storage of food. These superior traits derived from its nature have made glass packaging indispensable for humanity for thousands of years.

ŞİŞECAM GROUP MISSION

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

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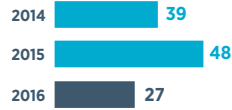
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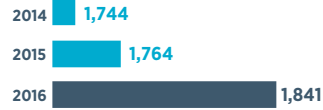
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2016 PERFORMANCE

TAXES PAID (MILLION TRY)



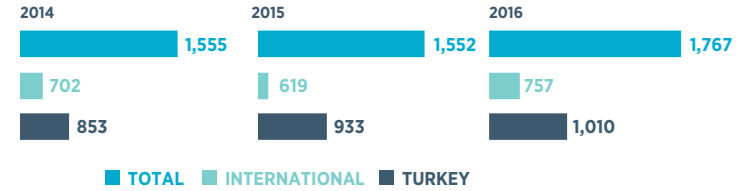
PRODUCTION (THOUSAND TONS)



NET PROFIT (MILLION TRY)



SALES REVENUE (MILLION TRY)



Carrying out operations in 4 countries, Şişecam Glass Packaging has a production capacity of;



1 million tons/
 year at 3 facilities
 in Turkey,



1.2 million tons/
 year at 5 facilities
 in Russian
 Federation,



60 thousand
 tons/year at
 1 facility in
 Georgia,



85 thousand
 tons/year at
 1 facility in
 Ukraine,

which add up to 2,3 million tons/year.



You can reach detailed information about products and services offered by Şişecam Glass Packaging from the “Products and Services” tab on the corporate website.

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PRODUCTION FACILITIES

Turkey	Mersin Plant
	Yenişehir Plant
	Eskişehir Plant
Russia	Ruscam Gorokhovets Plant
	Ruscam Pokrovsky Plant
	Ruscam Ufa Plant
	Ruscam Kirishi Plant
Ukraine	Ruscam Kuban Plant
	Merefa Plant
Georgia	Mina-Ksani Plant

CORPORATE MEMBERSHIPS

European Container Glass Federation – Glassware Tableware Committee (FEVE)

International Partnership for Glass Research

Environmental Protection and Packaging Waste Recovery and Recycling Foundation (CEVKO)

Eskişehir Chamber of Industry (ESO)

Eskişehir Chamber of Commerce (ETO)

Gebze Chamber of Commerce (GTO)

Food Safety Association (GGD)

İstanbul Chamber of Industry (İSO)

İstanbul Chamber of Commerce (İTO)

Mersin Chamber of Commerce and Industry (MTSO)

Central Anatolian Exporters Union (OAİB)

Packaging Manufacturers Association in Turkey (ASD)

Turkish Exporters' Assembly (TİM)

Turkish Statistical Institute (TÜİK)

Turkish Quality Association (KalDer)

Union of Chambers and Commodity Exchanges of Turkey, Glass and Glassware Council (YTŞO)

Yenişehir Chamber of Commerce and Industry (YTŞO)

ŞİŞECAM VALUES



We derive strength from our traditions and support each other.



We thrive and develop together.



We display fair and transparent management approach.



We care for our environment.



We respect differences.

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Our Sustainability Approach

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

In this direction, we aim to ensure the sustainability of the value we created for our stakeholders, improve all our business processes by evaluating them from the sustainability perspective and reduce our environmental impact, which we create while realizing all this, to a minimum level. We present a powerful management approach by evaluating our sustainability approach along with vision, business strategies and targets while we ensure a high-level representation of sustainability management.

Sustainability Management

Sustainability studies in Şişecam are carried out within Corporate Development and Sustainability Presidency to improve fast and efficient decision-making skills in accordance with the Group vision and strategies, and to make the deep-rooted structure be managed more efficiently and appropriately to the competitive conditions of our time. The scope of sustainability function involves contributing to and monitoring the execution of the Group's strategies and policies regarding environmental management; determining road maps for efficiency projects to provide energy efficiency and executing these projects; laying out and ensuring the execution of the procedures and standards regarding the centralized management of the quality systems.

Founded in 2015, Şişecam Sustainability Committee consists of Corporate Development and Sustainability Chairman (KGSB), Production Vice Chairmen of Businesses, Sustainability Director, Human Resources President, Corporate Communications Director and Industrial Relations Director, Innovation

Manager. The working groups in the scope of the committee are responsible for actualizing studies regarding Environment, Energy, Occupational Health and Safety, Innovation and Social Responsibility.

Risks and opportunities regarding sustainability are essentially determined by Sustainability Directorate and submitted to the view of Sustainability Committee to be evaluated. Corporate Development and Sustainability Department, which is a member of Şişecam Executive Board at the same time, submits the issues to the view of the Executive Board at monthly meetings and ensures to make decisions in case of need. The Chairman of the Executive Board (General Manager) at Board of Directors meetings held monthly carries out a similar process.

Primary sustainability issues of Şişecam Glass Packaging were reviewed and renewed with the participation of Sustainability Work Groups in 2015. Within these studies, feedbacks conveyed to us from our stakeholders, developments in the industries we operate in, and relevant benchmarking studies' results was evaluated and the scope of primary issues was determined. After the review in 2016, it was decided to be maintained that the scope of primary issues determined in 2015.

We present a powerful management approach by evaluating our sustainability approach along with vision, business strategies and targets while we ensure a high-level representation of sustainability management.

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MATERIAL SUSTAINABILITY ISSUES



***Becoming One of the Top 3
 Players in Global Market***

R&D
 Business Ethics*
 Business Continuity*
 Customer Satisfaction*
 Risk Management*
 Working Conditions in Supply Chain
 Product Information*
 Product Safety*
 Product Responsibility*
 Increasing Generated Economic Value*
 Legal Compliance*
 Local Purchase
 Fight against Corruption*



Global Presence

Waste Management
 Environmentally Friendly Products*
 Emission Management*
 Industrial Cooperations*
 Energy Management*
 Combating Climate Change*
 Efficient Use of Resources*
 Water Management
 Environment Management in Chain Supply
 Contribution to Community Development*



One Global Family

Fair Working Conditions*
 Employee Rights*
 Employee Participation
 Equality in Work Life
 Occupational Health and Safety*
 Talent Management*

The aspects marked with asterisk () are material within and outside of (throughout various stages of business chain) our organization, while the other aspects are only material within our organization.*

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Within the scope of our sustainability studies, strategic targets are determined in accordance with our priorities, fundamental performance indicators formed with the purpose of reaching said targets are monitored and efficient projects and practices are devised. While creating the sustainability agenda, we take international sustainability standards as a reference, and try to create a shared value by taking stakeholders' expectations into consideration. The strategic sustainability targets we determined as Şişecam Glass Packaging and the actions taken during the reporting period are as follows:

Company Strategy	2016 Targets	Achievements	2017 Targets
Constituting strong sustainability principles	Developing projects in accordance with sustainability targets in collaboration with relevant departments and maintaining existing projects	New projects were developed in accordance with relevant departments and such projects as Power Generation from Flue Gas Waste Heat were maintained. Detailed information regarding the projects is within "Contribution to Community Development" and "Energy and Emission Management" sections of the report.	Completing Supply Chain projects to achieve operational excellence in accordance with sustainability targets. Related projects include Material Optimization Project, Efficient Delivery Planning Project and Efficient Data Management Project.
Strengthening the employer brand image and becoming the most preferred and esteemed company by the most talented workers	Renewing Şişecam Glass Packaging website, preparing case studies in glass packaging to enhance Employer Brand perception and recognition at universities and meeting young talents through these case studies on career days	The corporate website of Şişecam Glass Packaging was renewed during the reporting period. Detailed information about the practice is within "Digitalization" section of the report.	Completing the second phase of "Digital Transformation Project" in collaboration with Şişecam Group.
Motivating the employees	Increasing employee motivation through various social activities carried out by Human Resources unit	Activities are held in Sales Headquarters and Factories by Human Resources Directorates to increase employee motivation.	For 2017, it is planned to continue with social activities in Group Headquarters and Factories by Human Resources Directorates and to increase the motivation of our employees.
Increasing the amount of waste heat recovery	Improving the initiatives to increase the amount of waste heat recovery with regard to the relevant project and maintaining the studies to make the project to be applicable to other facilities	We started generating power in 2016 after completing and engaging the ORC system, which was among our waste heat recovery projects, at our Yenişehir facility. Besides, we maintained our studies to obtain warm and cold water from waste heat through absorption chiller unit and ensured a more efficient and effective use of existing capacities.	Carrying out feasibility and evaluation studies on similar systems regarding waste heat recovery for 2017 investment projects.
Increasing energy savings	Continuing the enhancement of the use of LED lamps in factories to decrease energy consumption, replacing inefficient compressors with efficient ones, manufacturing more products by using less raw material in the scope of "Lightening Project" and thus ensuring energy savings	In 2016, the use of LED lamp technology for lighting was adopted to reduce energy consumption in our facilities, compressors used in processes to supply pressured air were replaced with up-to-date efficient compressors and electric engines used in the systems were replaced with efficient engines.	Supplying and using new generation equipment fit for investment plans prepared with regard to energy savings studies, increasing employee awareness, bringing the processes under control and maintaining studies regarding enhancement of energy performance.

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Stakeholder Engagement

In Şişecam Glass Packaging, we define all individuals and institutions that either are effected directly or indirectly by our operations, or directly or indirectly have effect on the operations of our company as our stakeholders. We make use of communication channels that we established specifically for the stakeholder group for every function within our broad stakeholder network and come together with our stakeholders with frequencies determined with regard to the specifications of the related stakeholder groups. Within our communication studies that are based on transparency, accountability and stakeholder engagement, we operate on bidirectional mechanisms while we inform our stakeholders about our Company operations and get their feedback regarding the operations at the same time. Feedbacks from stakeholders constitute the main inputs for the development of our reporting practices as much as for the sustainability of our operations.

While stakeholder groups vary with regard to Group companies; employees, suppliers, customers and public institutions are regarded as the primary stakeholder groups.

KEY STAKEHOLDER GROUPS AND ENGAGEMENT PLATFORMS

INTERNAL STAKEHOLDERS			
Stakeholder Group	Engagement Platforms	Stakeholder Engagement Frequency	Evaluation of Engagement During the Reporting Period
Senior Management	<ul style="list-style-type: none"> • E-mail communication • Sustainability Meetings with the Chairman of Şişecam Corporate Development and Sustainability • Şişecam Executive Board Meetings 	At least once a month	Evaluation of report results delivered to the senior management was carried on at monthly meetings.
Employees	<ul style="list-style-type: none"> • Employee Satisfaction Survey • Suggestion and Idea Platforms • Career Opportunity Bulletins • Interviews with the Employees • Seniority Encouragement Award • Open Door Policy • Recognition and Reward System 	Depending on the type of engagement	265 of our employees In Glass Packaging Group were recognized with Recognition Practice in 2016. 17 projects were nominated for Stars of the Year throughout the Group and 3 of them, which were deemed most successful and contributory to the company, were rewarded at the Stars of the Year Awards ceremony. Also during the period, 482 of our employees qualified for Seniority Encouragement Award and 1 employee was deemed worthy of Special Award at the Stars of the Year. Focus group studies were performed in collaboration with employees from various units and levels to determine the actions to take in accordance with the outputs from Employee Satisfaction Survey carried out in 2015.
Shareholders, Analysts and Investors	<ul style="list-style-type: none"> • General Board Meetings • Meetings with analysts and investors • Telephone/teleconference and e-mail communication with the investors • Informational reports released periodically (i.e: Annual Report, CDP reporting, Income and Interim Reports) • Social media • Feedback from investors 	Depending on the type of engagement	Shareholders and investors were kept informed on their demand through telephone interviews while evaluation meetings with analysts in the company were carried on with certain frequency.

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KEY STAKEHOLDER GROUPS AND ENGAGEMENT PLATFORMS

EXTERNAL STAKEHOLDERS			
Stakeholder Group	Engagement Platforms	Stakeholder Engagement Frequency	Evaluation of Engagement During the Reporting Period
Customers	Primary means utilized in customer communication are customer satisfaction surveys, social media, meetings, conferences and feedback received via telephone and e-mails.	Constant communication via e-mail, social media and telephone. Meetings held when necessary	A customer satisfaction survey was carried out in 2016 and a conference was held under the title Glass Packaging is Healthy where customers and press were hosted.
Public institutions / Other Institutions That Have Impact on Various Regulations	• Regular reporting • Meetings, forums and conferences • Press releases • One-on-one meetings	At least once a month	15 press bulletins were released and 13 interviews and news articles were published.
Suppliers	Typical types of engagement with suppliers are: • Daily work-flow • Meetings • E-mail communication	Constant communication as part of daily work-flow (i.e, e-mail) or when deemed necessary for the occasion	Engagements were actualized at determined periods and depending on needs.
Non-Governmental Organizations	• Sponsorships • Strategic Collaborations • Activities • Regular Meetings	At least once a week	Engagements were actualized at determined periods and depending on needs.
Media	• Press Conferences • Press Releases • Interviews	At least once a month	15 press bulletins were released and 13 interviews and news articles were published.
Community	• Media	Depending on the type of initiative	15 press bulletins were released and 13 interviews and news articles were published.

Expectations on our sustainability priorities, which are conveyed by our stakeholders in the reporting period, are as follows:

CRITICAL CONCERN	STAKEHOLDER GROUP RAISING THE CONCERN	INFORMATION SOURCE REGARDING THE ACTION TAKEN
Anadolu Cam Sanayii A.Ş.'s reporting on its environmental impact and performance	Customers, Employees, Investors	Sustainability Report / Energy and Emission Management
Disclosure of the use of recycled material in production	Customers	Sustainability Report / Efficient Use of the Resources
Enhancement of employee motivation	Employees	Sustainability Report



Being Among the Pioneers in the Global Market



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We run a production for foreign markets at international standards in compliance with “The world is our market” vision of Şişecam Group that we are a part of, and aim to consolidate our regional leadership by becoming one of the top 3 players in the global market. As the leading glass packaging manufacturer in Turkey and our region, and the fifth biggest in the world, we operate in compliance with a dynamic structure to ensure the sustainability of our success and operational excellence approach, and aim to create added value for all the constituents within our stakeholder network.

While we establish lasting relations based on trust through our ethical principles that are our primary compass in all our relations with our stakeholders, we ensure the sustainability of our dynamic structure through corporate management practices and efficient risk management processes. We ensure operational excellence both in our operations and in our value chain through our efficiency, effectiveness and productiveness approaches. We constantly create more values thanks to our innovation approach that is an inseparable part of our corporate culture while we gain advantage in the global competition through our digitalization studies.

Dynamic Structure

At Şişecam Glass Packaging, strong corporate management practices are brought together with sustainable practices and systems and processes are tackled with the dynamics of risk management. All our operations are conducted in light of our Code of Conduct. The expectations of our stakeholders are collected through various communication channels and internalized in our decision making processes. By doing so we continuously monitor the economic, social and environmental sustainability of all Group operations and strive to enhance performance.

Transparent and Integrated Management

A management based on transparency and accountability is at the core of how Şişecam Glass Packaging conducts business. Practices actualized in this direction are submitted to the view of our stakeholders in a transparent manner every year through “Corporate Governance Compliance Report” in the scope of the relevant Capital Markets Board (CMB) regulations. In order to move further our Corporate Management performance, our operations are continuously improved within the frame of core principles of honesty, transparency, impartiality and compliance with law and regulations.

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Formed in accordance with Corporate Governance Principles, Şişecam Glass Packaging's Board of Directors Turkey consists of six members. The board of directors look out for the long-term interests of the company by maintaining the optimal balance of risk, growth and revenue, and govern and represent the company with these principles. The majority of the members of the Board of Directors are nonexecutive members. The Chairman and the Vice Chairman of the Board of Directors participate in the Board as executive members. Two independent members take part in the Board of Directors in accordance with Capital Markets Board Corporate Governance Principles.



You can reach the annual “Corporate Governance Compliance Report” prepared by Şişecam Glass Packaging within the scope of the relevant CMB regulations from the Investor Relations section on our corporate website.

At Şişecam Glass Packaging, Audit Committee, Early Risk Assessment Committee and Corporate Governance Committee were constituted to assist the Board of Directors in performing their tasks and fulfilling their responsibilities. Nomination Committee and Compensation Committee conduct their activities within Corporate Governance Committee.



You can reach detailed information regarding the Board of Directors and the Board of Directors Committees from the Investor Relations section on our website.

Risk Management and Internal Audit

At Şişecam Glass Packaging, which is a Şişecam Group company, risk management and internal audit activities are structured within the Parent Company. Operations are carried out under the Parent Company Board of Directors in coordination with Group Presidency that manages the primary operational fields of the Group while the results of the regular and planned meetings held by the “Early Risk Assessment Committee”, “Audit Committee” and “Corporate Governance Committee” structured within our publicly traded companies are reported to the Board of Directors in accordance with the regulations. The meeting agenda of Early Risk Assessment Committee constituted in this regard includes matters regarding “early identification

and management of internal and external risks that might endanger the operations of the company and revision of risk management systems” at minimum.

At Şişecam Glass Packaging, key priorities include being prepared against situations that might interrupt the operations, keeping the losses of customers, employees, suppliers and other stakeholders at a minimum and protecting the tangible and intangible assets and reputation of the Group as well as the environment. Policies and procedures formulated in compliance with said principles in order to ensure the continuity of the operations in case of situations that might interrupt them have been announced throughout the Group.

At Şişecam Glass Packaging, risk management activities are carried out based on corporate risk management principles and are handled with a holistic and proactive manner. In order both to more effectively manage the uncertainties created by global developments and to extend the risk assurance it provides for its stakeholders in tough internal and external competitive environment that emerge as a result of said conditions, the Company focused on improving the efficiency of risk management processes in 2016. The scope of MicroScope, the integrated risk management platform that was put into practice to this end, was extended, and risk management and insurance functions were ensured that they were handled at a much higher coordination. More hours were spent on field in order to perform risk management more efficiently and to spread the risk culture.

While we establish lasting relations based on trust through our ethical principles that are our primary compass in all our relations with our stakeholders, we ensure the sustainability of our dynamic structure through corporate management practices and efficient risk management processes.

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Business Ethics

Code of Conduct define the framework of principles that Şişecam Glass Packaging, a part of Şişecam Group, is to follow while conducting its operations. Based on core principles of honesty, transparency, impartiality, confidentiality and compliance with law and regulations, Code of Conduct openly define the responsibilities and codes of practices of the senior management, executives and employees. Code of Conduct also serves as a manual for every Şişecam employee to help them shape their relations with customers, suppliers, shareholders and other stakeholders.

“Ethical Committee” was formed within Corporate Governance Committee in order to ensure compliance with Code of Conduct in the operations of Şişecam Group, to evaluate practices that do not comply with the Code, to spread ethics culture throughout the Group and to raise consciousness and awareness regarding the matter.

Code of Conduct addresses principles on the use of resources and information, conflicts of interest and relations with other institutions. As per Code of Conduct, it is explained in detailed that it is essential that all Group functions fully comply with Group regulations, procedures and instructions as well as



You can reach detailed information about Code of Conduct from the Corporate Identity and Governance tab in the Investor Relations section on our corporate website.

Code of Conduct, and sanctions to be applied in case of noncompliance are openly stated.

Corporate governance practices of Şişecam Group have been structured as to enable all beneficiaries, particularly the employees, to convey their concerns regarding processes that are legally and ethically inappropriate to the management. Employees can convey processes that are noncompliant with regulations and ethically inappropriate, to the Audit Committee that is composed of independent members of board of directors and to the Internal Audit Unit. An ethics report line was formed for beneficiaries to report processes that they deem against the laws and ethical values of the Company to the Audit Committee. Relevant complaints can also be e-mailed to etik@sisecam.com.

Fight against Corruption

“Fight against Bribery and Corruption Policy” serves to put clearly forth Şişecam Group’s commitment and approach to the fight against bribery and corruption, and to protect the company image. Through the policy that is an integral part of the Group’s Code of Conduct, the Company aims to provide the necessary information to prevent bribery and corruption in all the Group activities, and to determine the rules and responsibilities regarding the issue.



You can reach detailed information about our Fight against Bribery and Corruption Policy from the Corporate Identity and Governance tab in Investor Relations section on Şişecam’s corporate website.

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Operational Excellence

Operational excellence constitutes the focal point of our business processes at Şişecam Glass Packaging.

In this direction, we manage our business within a flexible and solution oriented organizational structure and ensure the efficiency of our processes with modern means and systems. We design our products and services to meet the expectations of our stakeholders, try to spread our sustainability approach across the whole of our value chain and operate to create value added functions in our value chain.

As one of the leading glass packaging manufacturers in the world, we make use of internationally accepted systems and standards in our processes at Şişecam Glass Packaging and offer our customers environmentally friendly and healthy products that have high standards and quality. All our products are examined for their health and safety effects, and our stakeholders are provided with accurate and up-to-date information with labeling and informing practices. The Company actively participates in studies carried out at the sector unions in Turkey and Europe and closely follows the latest standards and developments regarding the glass industry.

In accordance with the management systems we apply in all our factories, we perform regular audits in various areas including primarily quality, environment and occupational health and safety, and secure both the

efficiency of our product processes and the sustainability of our products. In the reporting period, we finalized 21 Long Term and 23 Short Term projects of the 1st wave of 6 Sigma Green Belt project practices and started 22 Long Term and 21 Short Term projects of the 2nd wave. We aim to finalize the 2nd wave studies in 2017.

Every year, we provide our customers with trainings regarding the use of glass packaging and product safety via our Directorate of Technical Services. In the reporting period, we provided 35 of our customers with 535 person*hours of training.

Productivity

At Şişecam Glass Packaging, as the leader glass packaging manufacturer in Turkey in terms of product range, we carry out our studies in this field within design-production-customer triangle and secure the sustainability of our position by means of our innovative and original perspective, productivity approach and superior customer satisfaction goal. We try to establish “Smart Factories” with advanced production network and high automation in production facilities and improve the intra-facilities “Learning Business”

Management Systems

	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	FSSC 22000 (ISO/TS 22002-4)	ISO 27001	ISO 15378	ISO 10002
Anadolu Cam Sanayii A.Ş Mersin Plant	✓	✓	✓	✓	✓	✓		
Anadolu Cam Yenişehir Sanayi A.Ş.	✓	✓	✓	✓	✓	✓		
Anadolu Cam Eskişehir Sanayi A.Ş.	✓	✓	✓	✓	✓	✓	✓	✓

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

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structure. We continuously enhance our production efficiency through our studies in this field. We create innovative and original designs in strategic collaboration with our customers and constantly extend our product portfolio for our potential customers.

We meticulously perform our customer satisfaction studies that are among our sustainability priorities and conduct customer oriented business processes based on effective and transparent communication. We establish close relationships with our customers through customer meetings, customer visits and trade fairs that we participate in, and make use of the feedback we receive, as primary input for both new products and services and satisfaction studies. We conduct trainings and audits across our organization and continuously improve competencies of our employees regarding customer satisfaction.

Supply Chain Management

At Şişecam Glass Packaging, we do not confine our mission of creating sustainable value to our own operations and we conduct business with an understanding that efficient business processes can only be carried out with an effective supply chain management. In the practices that we carry out in this direction, we aim that our corporate values and sustainability approach are shared and adopted by our supply chain. We look out for the social, economic and environmental performance of our suppliers, and actualize the practices that will ensure their improvement in these areas.

We do not confine our mission of creating sustainable value to our own operations and we conduct business with an understanding that efficient business processes can only be carried out with an effective supply chain management.

At Şişecam Group, we manage supply chain projects centrally and aim at improving financial transparency and traceability through projects. With the Supply Chain Cockpit System, one of the practices performed within this scope, we can analyze the supply chain costs of the companies within Şişecam Business Groups and carry out integrated resource planning. Individuals in charge of Supply Chain apply the performance metrics based on SCOR (Supply Chain Operation References) to the Cockpit Platform. Along with its cost reduction advantage, this practice provides us with an enhanced intra-Group communication and logistic savings by means of centralization.

At Şişecam Glass Packaging, we evaluate environmental impacts caused by our suppliers as well as our own operations and we conduct audits which are planned by our central office with the participation of three factories in Turkey. We formulate action plans regarding the noncompliance determined as the result of the audits that include quality, environment, occupational health and safety management systems and process topics, and closely track the development performance of our suppliers. During the reporting period, 27 of our suppliers were audited within this scope and action plans were demanded against the noncompliance that were determined.

We manage a large-scale purchase operation with 1,546 active suppliers that we work with, and we make a significant contribution to the sustainable development of our operational geography with our local purchase policy. During the reporting period, while we purchased 84% of raw material and 17% of packaging from Şişecam Group companies, our local supply ratio was realized as 78.7%.

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Digitalization

At Şişecam Glass Packaging, as a company of Şişecam Group, integration of industry and information technology is regarded as an important business priority and while the company makes the processes more effective and efficient in this way, it takes significant actions in line with a continuous development understanding. The company carries out effective digitalization studies in accordance with strategies determined at the Group level, and actualizes practices that look out for information security and customer information confidentiality.

During the reporting period, a comprehensive study was commenced in order to determine the Technology Strategy of Şişecam Group. The company studied international technological trends and innovations as well as the expectations and needs of business groups, and formed Şişecam Technological Strategy Road Map. As the result of the studies, Technology Strategies titled "Smart, Digital, Productive" (formed for Şişecam Group) and "IT 2.0" (formed for IT) were shared with senior management.

With "Smart Şişecam" approach, the company aims that quality data, whose ownership is determined, is collected and analyzed in the desired data pattern and reported effectively; besides, prospective estimates and modeling are aimed with the said approach. With "Digital Şişecam" approach, steps are taken in the course of real-time digitalization of sales, supply, production, delivery, finance and quality processes. With "Productive Şişecam" approach, the company aims at a value oriented productivity that offers continuous services by closely determining the needs of business units, simplifies the processes and allows access to the desired data through user-friendly and flexible interfaces.

"IT 2.0" strategy is intended to spread "possible" culture while Bi-Modal IT approach is intended to allow us to build more agile, more flexible and closer relations with our stakeholders. With IT Communication Program, actualized in this direction, the company is able to closely evaluate the business unit satisfaction and user experience, ensure uninterrupted service and business continuity with mobile solutions and provide cyber security. By means of the program, Technology and IT Communication is realized and IT's contribution to the Group is made visible.

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Information Security

Information Security studies performed at the Group level have the objectives of reducing the risks regarding this matter, enhancing the employees' awareness regarding information security; and by means of this, ensuring the confidentiality, integrity and accessibility of information assets and protecting the reliability and the image of the Group. With continuously practices to improve existing hard infrastructure, performance regarding information security is enhanced and significant progress is made regarding business continuity.



Şişecam Group Digital Transformation Project

With the project, all assets within the body of the Group were managed with an integrated and strategic approach. In this regard, the first initiative to be managed in terms of customer reach out and user experience was the update of Group websites with user experience oriented designs and contents in parallel with current trends. As part of the 46-week project that was completed in 2016, 54 websites within the Group were consolidated under 15 websites . Thus, it ensured that the websites have the most appropriate content and an optimized interaction design.. Websites achieved an innovative and functional structure with modern design styles keeping up with the trends and an SEO compatible development approach. As part of the program, 11 different language options were offered including Turkish, English, German, Russian, Italian, Bulgarian, Bosnian, Slovak, Georgian, Hungarian, and Chinese.

ISO 27001 Information Security Management System, whose integration we commenced in 2015 in parallel with the Group, constitutes our main reference point in information security area. We completed the first phase of the integration in March 2016 and the second phase in December 2016. During the reporting period, we realized a series of practices in accordance with the system that we set up at Mersin, Eskişehir and Yenişehir plants as well as Şişecam Glass Packaging Management and Sales Centre.

"Information Security Authority Agent 4141" simulation was put into use for the employees within the scope of training practices realized in accordance with system requirements. The practice that was realized within Şişecam Academy had the objective of enhancing the employees' awareness regarding information security practices and securing information assets in the office environment. Within the scope of another practice realized by the Academy, distant trainings regarding Personal Data Security were developed and made available for the employees. 174 individuals across the Group completed the distant training program and within the scope of Personal Data Security Law orientation, a video was prepared and made available for the use of the employees.

Customer Data Privacy

At Şişecam Glass Packaging, ensuring customer information confidentiality is essential for both our understanding as a responsible establishment and our superior customer satisfaction goal. In the information security practices that we realize accordingly, we make use of an effective and secure technological infrastructure and actualize communication and training practices that will enhance the awareness of our employees' regarding information confidentiality. We assure mutual confidentiality and information privacy in the contracts we sign with our customers and actualize practices to prevent potential infringements in this area.

Regarding customer confidentiality infringements, no complaints were conveyed during the reporting period.

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Innovation

In line with our innovation approach which has become a corporate culture element and is among the material aspects of both Şişecam Group with which we are affiliated and our company, we create more values for all of our stakeholders, especially for our customers. Within the scope of the R&D studies, we carry out product development studies that would focus on adding products functional properties that would create added value, increasing product durability and lightening of products, and we reduce process inputs in production, wastes and emissions.

As a subsidiary of Şişecam Group, we actively participate in Group's R&TD (Research and Technological Development) studies and collaborate with Şişecam Science and Technology Center. With R&D studies, which are carried out throughout the Group (both centrally and based on production companies) with a common approach and methodology, we increase collective knowledge, skill, competence, background, creativity, productivity and efficiency, and increase the level of benefit we create for our stakeholders every day.

During the reporting period, we have continued to conduct development studies on the products covered with "Shatterproof Coating" which is registered with SECURA name. As a result of our cooperation with Şişecam Science and Technology Center (STC), we made the coating transparent and reduced the cost. Again, within the scope of the project we have carried out with STC, we applied pasteurization-resistant organic paint to the export beer bottles for the first time.

Product Design Center

With our Product Design Center, formed in 2006 and pursuing its activities in parallel with Group's central R&D studies, we respond to our consumers' and brands' different glass packaging demands with original glass packaging designs. The Center, combining the industrial design and engineering background with its professional experience, has won 63 awards within ten years. 456 design studies in 25 projects were carried out to develop functions of glass packaging at the Product Design Center during the reporting period.

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The Product Design Center collaborates with the Decoration Center and the leading companies of R&TD industry to increase the value added products and to improve customer and end consumer benefits. The Center also makes patent applications with new product development projects and develops new markets while expanding existing markets with different system designs. The Product Design Center handles the design process as a whole and works for the end consumer. With these studies, the company has continued to be a solution partner to its customers in 2016 as well.

The Product Design Center continued to win national and international awards with its innovative designs during the reporting period. The Center received the Competency Award and Silver Award in Moon and Stars of the Packaging Competition and the Superior Design Award in Design Turkey Competition with the Kestane Natural Spring Water bottle design during the reporting period and was granted the Worldstar 2017 award (WPO / World Packaging Organization) with the same design. The Product Design Center won seven national and international awards within the period.



Design Awards

Kestane Natural Spring Water Bottle - 3 Awards

- The Crescent and Stars of Packaging Competition: Competency Award + Silver Award
- Design Turkey Contest: Superior Design Award
- WPO: Worldstar 2017 Award

Kemal Kükrer Salad Bottle - 2 Awards

- The Crescent and Stars of Packaging Competition: Competency Award
- Design Turkey Contest: Superior Design Award

Hatay Soda Bottle (Işın Meşrubat) - 1 Award

- Design Turkey Contest: Good Design Award

Frida Mineral Water Bottle - 1 Award

- Design Turkey Contest: Good Design Award



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We operate in a wide operation geography with our 10 facilities in four countries and we sell our products all over the world. Creating significant economic, social and environmental impact areas, managing them responsibly and successfully, and ensuring our business sustainability are among our main tasks.

Accordingly, we aim to meet the growth and profitability expectations of our shareholders and business partners by achieving financial stability. We aim to leave a livable world to future generations, and thus we constantly reduce the environmental impact of our products and production processes. Besides the positive economic impact that we create in our operation geography, we carry out corporate social responsibility practices that serve as a model for our sector and the society that we are a part of it.

Financial Stability

In line with our corporate values, meeting the growth and profitability expectations of our shareholders and business partners is one of our main goals, and we operate within the scope of practices and policies that will ensure our financial stability and sustainable profitability.

As Şişecam Glass Packaging, we aim to become “an international glass-packaging supplier which owes half of its turnover from foreign operations” thanks to investments and collaborations in surrounding countries. During the reporting period, our operations in Turkey reached 125.4 thousand tons in exports and we realized the highest foreign sales since our establishment. While we increased our sales by 4% on the quantity basis within the period, we reached a net turnover of 1,767 million TL and nearly 35% of our sales revenues was from our foreign operations.

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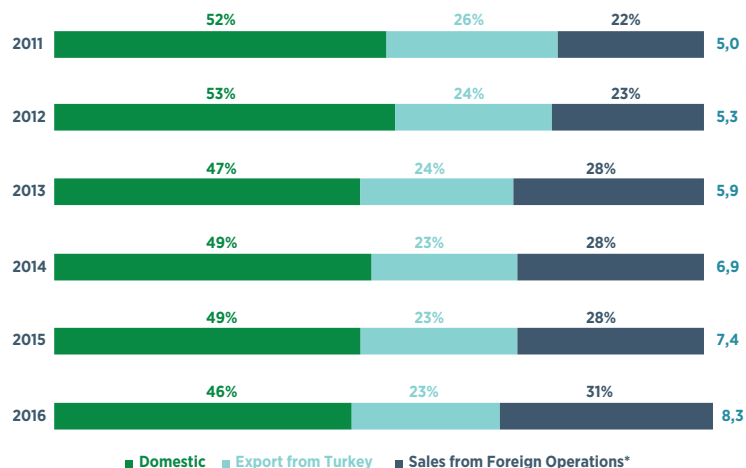
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We have continued to grow during the reporting period in which global developments and the dynamics of the Turkish Market were in motion, increased domestic market competition by our competitors' capacities, new actors and importation. During the period, we created innovative strategies aimed at globalization, while strengthening the strategic relationships we established with our customers. While responding to the expectations of our customers with innovative and original designs, we have continued to be the leading glass packaging manufacturer in Turkey in terms of product variety.

GEOGRAPHICAL CONTRIBUTION TO REVENUE

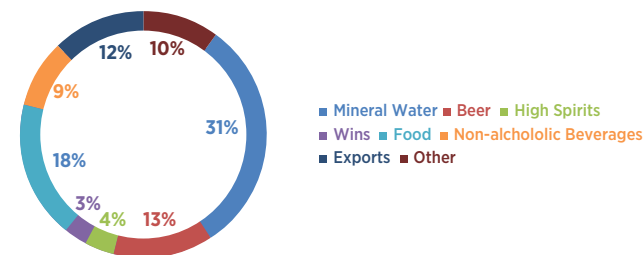


*Sales from Foreign Operations include sales in foreign operating countries and their exports.

With three production plants in Mersin, Yenişehir and Eskişehir and production activities carried out in 10 furnaces, Şişecam is a leading manufacturer in the domestic market since it was established. Our plant in Eskişehir, which is our newest production plant and the result of our efforts to strengthen our competitive capacity, has brought its production efficiency to the level of our other facilities, and the plant that was established in 2013, now has the competency to compete thanks to the wide range of products manufactured there. This plant -the only manufacturer having a sufficiently 'Clean Room' to manufacture for the health sector in Turkey- provides a competitive advantage to the company in the market by offering decorative products to our customers thanks to the decoration facility established in Eskişehir as well, with an annual capacity of 300 million unit.

The mineral water sector, which is considered as the locomotive of the glass packaging market in Turkey, has maintained its leader position in our sales during the reporting period, and together with the food and alcoholic beverages sectors it constituted approximately 69% of our total sales. During the reporting period, we directed our market focus on mineral water production to other sectors in order to distribute the risk. We have strengthened the distribution of the sectoral sales with a more balanced sales program in order to realize the highest potential from the developments in the competitive environment.

**ŞİŞECAM GLASS PACKAGING
 TURKEY-VALUE BASED SALES MIX**



During the reporting period, our operations in Turkey reached 125.4 thousand tons in exports and we realized the highest foreign sales since our establishment.

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Sustainable Energy

As Şişecam Glass Packaging, we operate in a sector with high-energy intensity. For this reason, the efficient use of energy, continuous supply of energy in an efficient manner and managing the operations, while constantly monitoring the risks and opportunities related to energy are of great importance for our company.

In this context, we effectively manage environmental issues, especially energy, and we integrate the performance indicators determined within this scope into our activities.

Energy and Emission Management

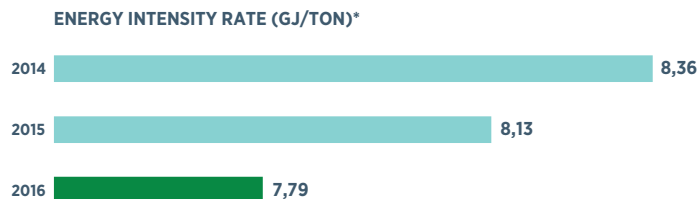
Effective energy and emission management practices are our most important sustainability priorities. We do not only minimize the environmental impact of our operations with practices that increase energy efficiency and thus reduce our greenhouse gas emissions, but we also achieve significant financial gains thanks to the efficiency in our production processes and our production quality that strengthens constantly.

With the practices we carry out in line with our operational excellence goal, we ensure energy efficiency in our production processes, while reducing the environmental impact of our products and minimizing our carbon footprint with R&D studies in which we invest a significant budget. Our sustainable energy practices take as a reference the ISO 50001 Energy Management System that we put into use in all of our factories in Turkey in 2015, and we ensure the development of our performance in this area with effective auditing and reporting practices.

The intensive investment program, carried out by Şişecam Group central units in our factories in Turkey, in the areas of modernization, cold end and quality control, continued during the reporting period. In order to reduce the energy costs, which constitute an important cost item in our activities, we focused on generating energy from the recycled waste heat during the period, and continued to generate electricity in the plant that generates energy through the waste heat, which was put into use in our Yenişehir factory in the previous period. With this plant, the heat that would be released from the chimneys and thus be lost, is used for hygiene and heating purposes by way of waste heat boilers, and the company saves a great amount of energy.

We reduced the energy consumption for each ton of product that we produce by 4.5% compared to the previous year during the reporting period.

Energy Consumption by Energy Source (GJ)		2016
Natural gas		5.887.065
Other		1.148
Electricity		1.199.166
TOTAL		7.087.379



* It reflects energy consumption for each ton of product.



Sustainable Energy Measurement and Tracking System

By means of the on line energy monitoring system (SEOIS), which was established in line with our global targets, main energy consumption items at 16 facilities instantaneously monitored and facilities can be compared based on the energy consumption at Headquarters. With the instant measurements, a significant database is generated in relation to energy consumption which allows on line system failures and/or low performance monitoring and requesting immediate remediation to ensure optimum performance and productivity.

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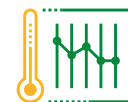
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Within the scope of the project “Renewal of the Power Transmission Line” in our Mersin factory during the reporting period, we reduced 2,996 tons of CO₂e emission, while saving 22,472 GJ of energy annually. In the same period in our Eskişehir factory, we started using fan air instead of compressed air in Bottle Counters and saved 4,911 GJ of energy annually, while preventing 655 tons of CO₂e emissions. In the same period, within the scope of the practice carried out in our Yenişehir factory, the 4-Bar compressed air was reduced to 3.7 bar so that the first stage regulator was not needed, and we prevented 584 tons of CO₂e emissions, while saving 4,383 GJ of energy per year. As a result of all the energy efficiency studies conducted in 2016, we saved 49,584 GJ of energy, while preventing 6,285 tons of CO₂e emissions.

Scope I-II Emissions by Source (ton CO₂e) 2016

Raw Material Sourced Emissions	143,300
Fossil Fuel Sourced Emissions	330,207
Total Scope I Emissions	473,508
Emissions From Electricity Consumption	159,865
Total Scope II Emissions	159,865
TOTAL	633,373

During the reporting period, Industrial Air Pollution Control Regulation determined emissions from Şişecam Glass Packaging's plant operations were below the legal limits.



Combating Climate Change

Şişecam's Glass Plants in Turkey, contributed to combat climate change by reducing its specific energy by five times more than the 2016 target, which was 1%. Therefore, specific greenhouse gas emissions are reduced by 5%. Additionally, we are also collaborate with Ministries and actively contributing in infrastructure projects in Turkey in order to manage and mitigate production sourced greenhouse gas emissions.

As a subsidiary of Şişecam Group, we participate in CDP Climate Change program since 2011, and CDP Supply Chain program since 2012. Şişecam Group was among the 50 companies that participated to this platform from Turkey in 2016. Within the scope of the project, besides Şişecam's performance related to carbon emissions in its Turkey and Bulgaria operations, a detailed information including the risk and benefit analysis are declared transparently to the public.

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Sustainable Environment

As Şişecam Glass Packaging, we aim to leave a habitable world for future generations, while striving to minimize environmental impacts generated by our operations.

In this direction, we focus on efficient use of natural resources in our production processes, reduce the waste, implement effective water management practices and design products with reduced environmental impact. In line with our strategic approach, we constantly develop our environmental sustainability performance, while reducing our operational costs.

We integrated our environmental sustainability approach to all phases of our business processes. We lead our environment protection activities within the scope of the Environment Management System established in all of our operations in Turkey, and in this context, we make use of international standards such as ISO 9001 Quality Management System, ISO 14001 Environment Management System and ISO 50001 Energy Management System. We conduct effective communication, auditing and reporting

practices with a system that operates with a multi-layered structure extending from Şişecam senior management to factories and subcontractors, and we ensure our environmental performance with the corrective and preventive action plans we have created.



With the “Environment - Quality - Saving Sub-Committees” established at all locations in Turkey operations, all departments established their own sub-committees for environment, quality and saving and organized regular meetings during the reporting period. With the committees that operate as an employee participation mechanism, the company aims to raise awareness of Environment, Quality and Saving. The decisions on the relevant issues in accordance with the nature of the decision are directly executed or communicated to the management level through the supreme boards.

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ENVIRONMENT AND ENERGY POLICY

As a company that is aware of the fact that a sustainable growth, which is the base of our activities, is only possible if we maintain the principles of sustainable environment and energy, we aim to;

- use natural resources efficiently, increase recycling and recovery,
- consider environmentally friendly technologies that provide energy efficiency while creating all the processes beginning from the design phase,
- develop and apply energy efficiency projects that have a positive impact on climate change,
- buy products, services, technologies that provide energy efficiency, and support designs with high performance,
- carry out our production activities by applying Environment and Energy Management.

Accordingly, we declare and guarantee to;

- act in full compliance with the laws and other regulations regarding environment and energy,
- constantly improve and develop our environmental and energy performance,
- take the necessary measures in order to reduce or eliminate the negative impacts of our activities,
- review regularly our objectives and goals, and create funds to achieve these objectives and goals,
- raise awareness by ensuring that our policy is understood and adopted by our shareholders.

GENERAL MANAGER

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EFFICIENT USE OF RESOURCES

With the practices we apply in order to use natural resources effectively, we reduce our environmental impact on a regular basis and ensure the sustainability of our business by minimizing the costs caused by resource use. We are aware of the opportunities of producing glass, which is a product that can be recycled infinitely; we apply practices that lead the sector and the societies that we are a part of.

We support the “Efficient Use of Resources” initiative that was defined in the European Union 2020 Strategy for the sustainable growth; accordingly we strive to increase the quantity and quality of recycled glass (cullet) we use in production. Every year, we allocate a significant budget to increase the amount of cullet we use in production, and we implement practices such as bonus payments based on quality and quantity to support cullet suppliers. During the reporting period, we procured 162 thousand tons of cullet, while using 180 thousand tons of recycled glass in production. The consumption rate of recycled raw material in our production processes to total raw material consumption was 15% in 2015, this rate was increased to 18% during the reporting period.

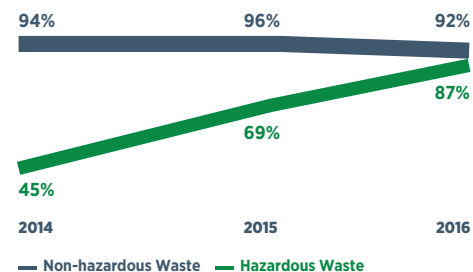
Raw Material Consumption by Type (tons)	2014	2015	2016
Soda	143,400	153,500	152,900
Sand	331,400	529,300	526,400
Cullet	156,300	156,000	180,400
Limestone	65,600	70,700	74,500
Dolomite	96,000	100,700	101,000
Total	792,700	1,010,200	1,035,200
Total Recycled Raw Material / Recovered Raw Material Consumption (tons)*			
Recycled Raw Material	156,300	156,000	180,400

* Since cullet is 100% recyclable, the total amount used in the production is evaluated under recycled raw material category.

The studies we carry on in order to use natural resources effectively constitute an important part of our waste management practices. We constantly improve our performance in this area through our efforts that focus on increasing the recycling rate. We collect and recycle materials used in the packaging of our products.

In all of Şişecam Glass Packaging facilities, there are special storage areas for hazardous waste, and the disposal processes of these wastes are carried out in compliance with environmental regulations. Licensed waste disposal companies authorized by the Ministry of Environment and Urbanization transferred all wastes. The non-hazardous waste recycling rate, which was 96% in the previous period, was 92% in the reporting period. However, the hazardous waste recycling rate, which was 69% in 2015, increased to 87%, with a significant improvement during the reporting period.

WASTE RECYCLING RATES*



* Figures indicate recycling rate for non-hazardous wastes and the consolidated value for recycling and energy recovery rates for hazardous wastes.

During the reporting period, the company has collected and recovered 52% of the packaging materials, which it supplied to the market the previous year; 4,570 tons of paper, cardboard, plastic and wooden packaging waste was recycled. For this purpose, in addition to the recycling projects carried out by ÇEVKO, the authorized body, we provided students with trainings, support and awareness raising activities.

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During the reporting period, within the scope of the project we put into practice in our supply chain, we started to use second hand pallets in transportation processes for some customers, and saved a significant amount of wood, which is an important material input for distribution operations. With the project that started in April 2016, we used 10,421 unit second hand pallets until the end of the year.

We develop effective practices to use water efficiently, which is an important resource in terms of glass production process and product quality. We regularly reduce the amount of wastewater discharge, while achieving efficiency. In all of our factories, we transfer the wastewater caused by the operations to the treatment facilities located in the factories, and we reuse the treated water. We ensure that the water that cannot be reused is discharged in accordance with the limit values determined in the related environmental regulations.

After the ORC system was put into use in our Yenişehir factory, an extra draw well was needed since the electric energy that the system generates from the alternative sources, has to use cooling water, and thus, in the reporting period, the water withdrawal in our operations in Turkey increased by 35% compared to the previous year. During the period, our water recycling rate

was 8%, and the wastewater rate decreased by 11% compared to the previous period.

In our factory in Mersin, we use water from well and municipal network, in our factory in Yenişehir from well and in our factory in Eskişehir from the network of Organized Industrial Zone. In our Yenişehir factory, we reuse the wastewater treated in the chemical wastewater treatment facility in the production process, while the wastewater treated in the biological treatment facility is discharged to the natural receiving water body. In Eskişehir and Mersin factories, the water treated in the chemical treatment facility is reused in production processes.

With the practice that we started in 2013 and completed at the end of the reporting period, we prevented the process wastewater pollution at the source by changing the scissor grease used in production in our factory in Mersin. With the practice, we achieved a significant increase in treatment efficiency, and we significantly decreased the treatment costs, while minimizing the environmental impacts caused by wastewater.

There are no water resources that are affected by operations of Şişecam Glass Packaging in Turkey in terms of biodiversity.

We are aware of the opportunities of producing glass, which is a product that can be recycled infinitely; we apply practices that lead the sector and the societies that we are a part of.

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Environmentally Friendly Products

Besides producing a 100% recyclable and environmentally friendly material, we minimize the environmental impacts of our products with lightening projects designed through research development studies.

We save a big amount of raw material thanks to lightening projects and studies that we conduct since 2010, thanks to the efficiency we achieved in our production processes we minimize energy use and emissions, we reduce our environmental impact, while reducing our costs.

With the practices carried out during the reporting period, we lightened nine products by 8%. In consequence of these practices, with an increase more than 150% compared to the previous year, we saved 6,727 tons of glass and prevented 4,978 tons of CO₂e emissions.

We provide regular trainings in order to raise environmental awareness of our employees and employees of our business partners. During the reporting period, 1,989 person*hour trainings were provided to 1,339 Şişecam Glass Packaging employees, while 54 person*hour trainings were provided to 54 subcontractor employees. Within the scope of environmental protection studies in the same period, more than TRY 900,000 was allocated to environmental management expenditures.

During the reporting period, as Şişecam Glass Packaging, we have received no complaints regarding environmental impacts through official complaints mechanisms.

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Social Responsibility

As Şişecam Glass Packaging, we create a significant financial impact area in our operation geography and we contribute to the sustainable development of the communities that we are a part of, while moving towards our sustainable growth goal.

We support the value that we create in the financial field with social responsibility activities; and with the projects we carry out in different fields such as culture, education, environment and sports, we contribute to social development. We are aware of our responsibilities as Turkey's largest producer of glass packaging, which is the healthiest and most environmentally friendly packaging material. We continue to focus on reduce energy consumption and increase waste recycling ratios at our production facilities as well as raising awareness concerning the importance of glass for human health and environment, and lead our sector in these areas.

Hayata Cam Kat (Adding Glass to Life)

During the reporting period, we continued the practices, we carry out within the scope of www.hayatacamkat.com portal, which we launched in 2012 in order to raise customer awareness of glass packaging. The end user-oriented website, with the fun and interesting contents it offers, contributes to raise awareness about the fact that glass packaging is a healthy, safe, eco-friendly and prestigious product. The website that has a modern face and a dynamic infrastructure after being renewed, reaches customers through social media channels such as Facebook, Instagram and YouTube, and constantly increases the number of followers by organizing competitions and sharing posts on important days and interesting news.



One Global Family



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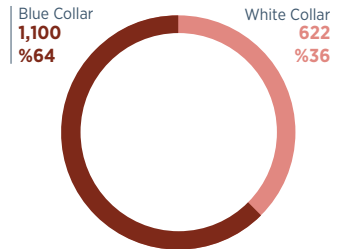
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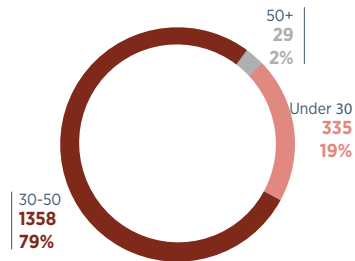
In the domestic operations of Şişecam Glass Packaging, 677 white collar and 1,215 blue collar employees; in the foreign operations, 700 white collar and 1,761 blue collar employees work; we are a global family of 4,353 people in total.

We strive to create a working environment where our employees, who are the most principal component of our sustainable achievements, are happy to work and productive. In this direction, we carry out effective occupational health and safety practices, provide our employees with a workplace that respects human and employee rights and the differences, and conduct human resources processes based on employee participation and development.

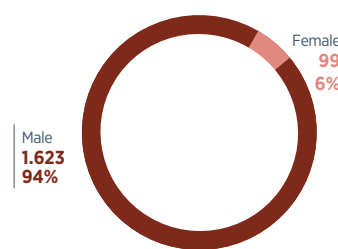
**EMPLOYEE BREAKDOWN
 BY CATEGORY**



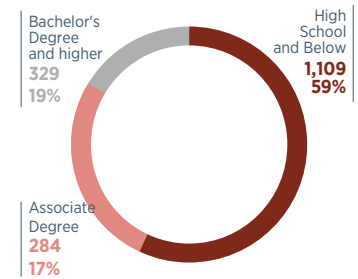
**EMPLOYEE BREAKDOWN
 BY AGE GROUP**



**EMPLOYEE BREAKDOWN
 BY GENDER**



**EMPLOYEE BREAKDOWN
 BY LEVEL OF EDUCATION**



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Employee Health and Safety

We make utmost effort to enhance our performance in the field of Occupational Health and Safety (OHS), which we consider as one of our main business and sustainability priorities. We design all of our processes by considering occupational health and safety risks, invest in new technologies and minimize people driven mistakes with the informative activities we organize in order to ensure the safety of our employees who are our most important capital. With the practices we apply in the field of occupational health and safety, which we consider as a prerequisite for a fruitful and productive working environment, we aim to create accident-free workplaces.

As in all Şişecam Group companies, Şişecam Glass Packaging's Occupational Health and Safety management is managed under the Şişecam Industrial Relations Directorate. The unit that is in continuous communication and coordination with Human Resources Directorates of the Group companies makes sure that all Group workplaces are audited in compliance with domestic and international standards and realizes practices that fix incomplete elements and improve healthy and safe workplace conditions.

All of our occupational health and safety practices ground on the requirements of Occupational Health and Safety law and our OHS Policy. We meet the requirements of OHSAS 18001 Standard, which is an internationally accepted system, established in all of our companies. We take measures to minimize OHS risks at the design phase of our processes, and we aim to eliminate risks that may harm our employees, by analyzing them regularly. With Occupational Accidents Analysis and Correctional and Prevention Activity Monitoring System, which was launched in 2014 throughout Şişecam Group, we monitor our OHS performance and we ensure the development of our performance through OHS audits conducted through the year.

During the reporting period, by bringing together our white and blue-collar employees with "Could We Prevent These Accidents?" workshops organized in all of our facilities in Turkey operations, we aimed to determine the root causes of the work-related accidents taken place in the production area. In the workshops where we shared with our employees the accidents

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that occurred in our operations and the presentation of what could be done better, we have determined the studies to prevent these accidents by carrying out root cause analysis.

At Şişecam Glass Packaging, we organize activities and trainings with the aim of raising awareness to expand the Occupational Health and Safety culture. We provide both our employees and employees of contractors with OHS trainings. During the reporting period, we provided 3,754 employees with 20.724 person*hour of OHS trainings, and 2,069 employees of the contractor company were provided with 2,287 person*hour trainings.

Occupational Health and Safety Committees, which function as an important employee communication mechanism, collect Şişecam Glass Packaging employees' opinions, suggestions and complaints regarding health and safety and receive important feedback for the improvement studies. Within the scope of the Turkey operations, there are four Occupational Health and Safety Committees in four facilities with 59 members, 14 of which are employee representatives. 29 sub-committees that support these committees provide them with information with 189 employees and monitor the Occupational Health and Safety practices as a chief.

Şişecam Glass Packaging carries out its production activities in a business line, which is considered heavy and very dangerous. During the reporting period, the number of the employees working in an environment or position that have a high risk of work-related accident or occupational disease was 810. The accident root analysis conducted during the reporting period; show that accidents caused by interventions without stopping the moving equipment are more frequent. For this reason, within the scope of the action plans, we introduced automatic stop systems and took measures to isolate the moving equipment from the workplace. In 2016, there were no accident involving death or occupational disease.

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OCCUPATIONAL HEALTH AND SAFETY POLICY

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

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

In this direction, we declare and undertake,

- To meet the relevant standards, requirements and legal obligations in the field of Occupational Health and Safety
- To increase our performance and improve our processes with a proactive approach on Occupational Health and Safety,
- To continue the trainings and activities organized for our employees and employees of sub-contractors/suppliers, visitors, interns with the aim of adopting the principles of OHSAS.

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Respecting Differences

At Şişecam Glass Packaging, we realize fair and transparent human resources processes that respect diversity. Accordingly, we provide our employees with equal opportunities in all our practices, from recruitment to wage, from performance evaluation to career development possibilities. We embrace differences as elements that enrich our Company and inseparable parts of our innovative and creative corporate culture; and we provide our employees with a working environment where there is no discrimination concerning their race, religion, language and gender.

As in all Şişecam Group companies, we support employment of women and their participation in senior management, and make effort to enhance our performance in this regard. During the reporting period, female employees constituted 16% of all white-collar employees.

We manage our recruitment processes without discrimination, nor privilege, we only take into consideration the competencies and candidate potential that the job requires. In our recruitment, wage and promotion processes, we

use scientific tools that have proven to be valid and reliable. Şişecam Glass Packaging implements “equal pay for equal work” policy, and while deciding on the wage, gender or other differences are not taken into consideration.

Şişecam Group Ethical Principles that form the basis of the communication of our employees with each other and with the other shareholders, stand against discrimination with the objectivity principle, and in case of violation of these principles, the company can impose disciplinary sanctions, including the cancellation of the labor contract. During the reporting period, “Şişecam Constitution”, which is a guideline for all Şişecam employees that collects the mission, vision, values and the ethical principles of Şişecam under one roof, has been prepared. The company created an e-learning module for the guideline in different languages and shared on the Company’s intranet system “Camport” which is accessible by all the employees.

No incidents of discrimination has occurred within the scope of the operations of Şişecam Glass Packaging during the reporting period.

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Providing Decent Work

We are aware that our employees are the most important factor in our achievements, thus we strive to ensure a participatory working environment that respects human and employee rights, considers employee satisfaction and enables them to develop their competencies. In this respect, we respect basic rights and liberties in all of our processes, we design training programs that support their professional and individual development and we encourage them to participate in company's decision-making mechanisms through effective and transparent communication channels.

EMPLOYEE RIGHTS

At Şişecam Glass Packaging, we carry out human resources processes that respect the basic rights and liberties, and we strive to provide our employees with a fair workplace that is compatible with national and international standards. With the practices that protect the benefits of our company and our employees, we provide our employees with large benefits, and carry out effective recognition and appreciation practices.

We provide all of our white-collar employees who have contracts for more than 1 year with Health and Life Insurance, and our blue-collar employees with Personal Accident Insurance and Complementary Health Insurance. In parallel with Şişecam Group, all employees are entitled to join in the Individual Pension System and we offer 3% of the gross salary of the employees included in the system as a contribution allowance.

With Flexible Side Benefits Program that we launched in 2015 in parallel with Şişecam Group, our employees have found the opportunity to choose among alternative side benefit packages offered by Şişecam. All of our employees can make their own budgets and choose side benefit alternatives through Flexible Side Benefits Portal at www.sisecamflex.com, which was prepared within the scope of the project.

With the Flexible Working Hours Project that we have been carrying out since 2015, we enable our employees to determine their entry and exit times in agreement with their managers. The project which we have implemented

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in order to enable our employees to plan their working hours in a flexible manner, thus create a balance between their work and personal lives, to increase their motivation and to make their successes sustainable, has attracted intensive attention from our employees.

Within the scope of the Şişecam Employee Recognition, Appreciation and Rewarding System, we continued to reward behaviors, efforts and achievements that contribute to the companies of the Group to achieve their goals, during the reporting period. In 2015, 192 Şişecam Glass Packaging employees were awarded within the scope of the award categories as Stars of the Year, Occupational Health and Safety and Special Award, and during the reporting period, with an increase of 40%, 269 employees won an award.



Union Rights

At Şişecam Glass Packaging, industrial relations are carried out within the frame of collective bargaining agreements, which comply with related laws and regulations. In the processes conducted with “People First” outlook, the company pays regard to dialogue, mutual understanding, protection of labor peace and continuity of production principles. The 24th Term Collective Labor Agreement, including Anadolu Cam Sanayii A.Ş. Mersin Plant and Anadolu Cam Yenışehir Sanayi A.Ş., signed with Kristal-İş Trade Union for a period of three years, ended on 31.12.2016. Talks concerning 25th Term Collective Labor Agreement are being conducted. For Anadolu Cam Eskişehir Sanayi A.Ş. Plant, the 2nd Term Collective Labor Agreement is signed with Kristal-İş Union and it will remain in force till 31.12.2018. During the reporting period, unionization rate among blue-collar employees working in Turkey operations was 100%.

EMPLOYEE ENGAGEMENT

At Şişecam Glass Packaging, in line with our shareholder engagement principle, we care that our employees can get information rapidly and transparently regarding the activities of the company and participate in company’s decision-making mechanisms. With the bidirectional communication mechanisms created at the level of Şişecam Group and companies, we learn about our

employees’ opinions and suggestions regarding working conditions, and we make utmost effort to create a participatory corporate culture. We measure our employees’ satisfaction through Employee Commitment Surveys, and with practices that pay regard to the balance between work and personal life, we ensure our performance in this field.

Campport, the corporate intranet system of Şişecam Group, is one of the most widely used communication channels throughout all Group companies. The number of users of the portal that became interactive after being restructured in 2015, has been steadily increasing. The Idea Factory and Suggestion Development System initiatives were designed for our employees to share their suggestions regarding business processes and working conditions are the other communication mechanisms that our employees use extensively.



“Şişecam Moves Out” Internal Communication Project

During the reporting period, we designed “Şişecam Moves Out” internal communication project in order to enable Şişecam General Directorate to complete the process of transition to the new settlement with the focus on employee happiness and efficiency. Within the scope of the project, it was aimed to establish effective communication with the employees in the period of change, to guide the employees with timely and accurate information, to prevent informal communication and disinformation and to reduce the possible decreases in loyalty, motivation and performance as much as possible.

Within the scope of the project, we provided employees with information about the new settlement in a sustainable manner through different methods and channels. We conducted the ‘Working Fields Evaluation Survey’ in order to learn our employees’ expectations regarding the new head office and campus. We prepared newsletters covering the features of the new settlement and the information that employees could need during the moving process and afterwards, and we kept employees informed with two or three bulletins per week. We created the e-mail address sisecamtasiniyor@sisecam.com, through which employees can submit their questions and opinions. We created an “Ask Me” team to answer the questions of the employees and assigned it to organize periodic tours within the Head Office for 3 days.

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Employee Engagement Survey

As Şişecam Glass Packaging, we believe that happy employees are of utmost importance for the success of the Company and with regular employee surveys that we conduct throughout Şişecam Group; we receive important feedback in order to increase employee loyalty and satisfaction.

Şişecam Group achieves a high performance with the Employee Engagement Survey, conducted for the first time in 2013, while measuring employee commitment in order to create a convenient working climate for its employees, and designing improvement practices considering the results of the survey. The study that is conducted every 2 years was realized on September 2015 by an independent organization. Participation to the survey, which is held on the basis of privacy, was realized as 77%. The results of the employee commitment survey were very similar to the special group comparison data, which is constituted of the commitment average of the companies similar to Şişecam in terms of size.

In line with the results of the survey, we made an impact analysis in order to determine the factors that have the biggest impact on Şişecam Group commitment score, and we defined five improvement areas and three different main topics that are specific to Groups, as our focus topics. In 2016, we organized "Employee Engagement Action Improvement Workshops" in all the regions, with employees and managers who represent different groups and departments, in order to conduct the detailed analysis studies and develop related actions concerning these eight focus topics. During the workshops held in 14 sessions with a total of 388 participants, we examined Şişecam Group's features that are open to improvement, discussed in detail the successful practices and improvement areas, and defined employee commitment improvement actions of top priority by consolidating the results of the different representative groups.

During the reporting period, within the scope of the practice put into practice in our Eskişehir Plant, with surveys and face-to-face meetings, we measured the satisfaction level of all our hourly and monthly paid employees regarding workplace, work environment, colleagues, general service and management. As a result of the practice conducted by employees who are members of the Employee Club, we created action plans on various fields such as increasing the frequency of the social activities.

"ŞİMDİ!" Social Activities Club, which was formed in 2014 in order to ensure that employees enjoy their time in workplace and to enhance employees' happiness by creating a sharing atmosphere, has continued its activities during the reporting period. Within the scope of the program, a volunteer team consisting of white and blue-collar employees, organized social activities and events customized for the related region, in all the regions where Şişecam Group operates. At the same time, the activities are open to the participation of all employees and carried out in line with employee preferences. Within the scope of the project, we organized various events and projects, from trips to theatre plays, from office parties to tournaments, from aid campaigns to discount opportunities.

EMPLOYEE DEVELOPMENT

At Şişecam Glass Packaging, we consider the employee development as one of our most important responsibilities in order to reach our strategic goals, and we implement effective talent management practices while offering various training programs that contribute to our employees' professional and individual development. With the employee development practices that Şişecam Group designs and implements in the light of community needs, technological developments and shareholder expectations, we support the development of our employees and we constantly improve our performance in this field.

During the reporting period, Şişecam Glass Packaging provided its employees with 59,520 person*hour of trainings. The training time per employee was 20.7 hours for our blue-collar employees and 31.6 hours for our white-collar employees. While the average of training time provided to female employees was 32.6 hours, it was 34.7 hours for male employees.

SuccessFactors - All of our white-collar employees can monitor their performance evaluations regarding their goals and competencies through SuccessFactors System. At Şişecam Glass Packaging, all white and blue-collar employees receive regular performance feedback.

Şişecam Group Talent Management System - Şişecam Group Talent Management System that was put into practice in December 2016, aims to attract the talent that is necessary for the corporate success to Şişecam Group, develop the potentials of the talents within the Group and train future leaders.

In the Talent Management process, candidates with high performance and potential level according to predetermined criteria and objective measurement results are determined as "talent" for Şişecam Group.

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We aim to support the development of our employees who are in the talent pool and enable them to reflect their potential on their performance in a sustainable way. With this system, in December 2016, we carried out a potential evaluation process for the first time in the Group, and we determined the potential levels of all employees within the scope. In 2017, we aim to create “Şişecam Group Talent Pool” based on the results of performance and qualification evaluations, evaluations conducted by talent committees and additional research methods.

Internal Recruitment System - During the reporting period, we put this system into practice in our Turkey operations. We aim to fill in vacant positions within the Company with our employees, and thus to provide them with different career and development opportunities. With this practice, the vacant positions are announced on Şişecam Career, under the “internal recruitment” title. In this way, we aim to accelerate the process by filling in vacant positions with internal transfers and increase employee satisfaction and commitment.

Employer Brand - Şişecam employees organize events, such as case studies, interview simulations, technical visits and career meetings with managers, on college campuses every year in order to enhance brand image. Students are evaluated by managers as part of case studies and those deemed successful are provided with internship opportunities. Interview simulations aim for students to gain experience.

Long Term Internship Programs - In the program employment priority provided to successful students. In this way, interns joining the team are trained about corporate culture and evaluated by their managers with regard to their performance.

Orientation Project - The orientation e-module and electronic handbook for employees are used to ensure that recently recruited employees at Şişecam Group adapt to their new positions more easily by closely acquainting themselves with our corporate culture, field of activity, organizational structure, and practices.



Şişecam Academy

Şişecam Academy, which was established in 2015, after Şişecam Group restructured its learning and development practices with innovative methods and investments, designs learning and development activities in order to develop Group employees' skills and professional competencies, to meet their individual learning and development needs, and to prepare them to new positions. With the Academy, we aim to contribute to corporate goals defined by Şişecam Group, to develop human resources' competencies, and to make significant contributions to the corporate image and employee commitment.

Within the scope of the organization, for the employees of the Group companies and Şişecam Glass Packaging, we designed special programs that are customized for the determined focus areas and in connection with the career paths. Our employees can request trainings from the training catalogs based on job families of our Group and can prefer technical and personal development trainings that are prepared according to the competencies required by the relevant job family and based on positions. During the reporting period, within the scope of the Academy activities, the employees of the Group were provided with development trainings such as Leadership School, Marketing School, Sales School, Glass School and HR Certificate Program, and we aim to provide the Supply Chain School and Financial Affairs Certificate Program in the next period.

As a result of the investments made in the field of learning technologies, we started in-house production of e-learning modules during the reporting period. With mixed training methods, we moved the training and development activities beyond classroom practices and enabled our employees to have easier access to information. Within this framework, through “Academy Portal”, we shared classroom trainings and development resources, book summaries, videos that support our employees' areas of interest.

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Performance Data

Economic Performance Tables

Summary Consolidated Balance Sheet	2014	2015	2016
Total Assets	3,040	3,750	4,417
Equity	1,523	1,747	1,911
Sales	1,555	1,552	1,767
Gross Profit	269	328	394
EBIT	164	178	502
EBITDA	387	393	747
Profit for the Period	14	31	465
Net Financial Liabilities	599	1,002	747
Financial Ratios	2014	2015	2016
Current Asset/Short Term Liabilities	2.80	1.48	1.40
Equity/Total Liabilities	0.50	0.47	0.43
Net Financial Liabilities/Equity	0.39	0.57	0.39
Net Financial Liabilities/Total Shareholders' Equity and Liabilities	0.20	0.27	0.17
Gross Profit/Sales Revenue	0.17	0.21	0.22
EBITDA*/Sales Revenue	0.25	0.25	0.42
EBIT*/Sales Revenue	0.10	0.11	0.28
Net Financial Liabilities**/EBITDA*	1.55	2.55	1.00

* In the EBITDA and EBIT calculations, Operating Profit before Financial Income / Expenses has been taken into consideration.

** Net Financial Liabilities is calculated by deducing other receivables from affiliated parties, cash and security investments, from the total of short and long term borrowings and other payables to affiliated parties.

Environmental Performance Data

	2014	2015	2016
Energy Consumption (GJ)			
Natural Gas	5,607,000	5,834,900	5,887,065
Diesel	0.0	5,300	1,148
Electricity	1,194,700	1,188,500	1,199,166
Total	6,801,700	7,028,600	7,087,379
Emissions (ton CO₂e)			
Total Scope 1 Emissions	449,700	470,400	473,508
Raw Material Sourced Emissions	135,150	142,700	143,300
Fossil Fuel Sourced Emissions	314,550	327,700	330,207
Total Scope2 Emissions	159,300	158,400	159,865
Emissions from Electricity Consumption	159,300	158,400	159,865
Total	609,000	628,800	633,373
Raw Material Consumption (tons)			
Total	792,700	1,010,200	1,008,928
Total Recycled Raw Material Consumption (tons)	156,300	156,000	180,375
Total Water Withdrawal (m³)			
	579,190	591,349	795,683
Recovered/Reused Water (m³)			
	90,363	110,583	64,743
Total Wastewater Discharge (m³)			
Natural Receiving Environment + Sewer	79,303	60,277	53,800
Total Hazardous Waste by Disposal Method (ton)			
Recovery	651	617	1,333
Disposal	795	278	200
Total	1,446	895	1,533
Total Non-Hazardous Waste by Disposal Method			
Recovery	3,702	4,144	6,360
Disposal	233	170	543
Total	3,935	4,314	6,903
Total Environmental Investment Costs (TRY)	0	24,895	0
Total Environmental Management Costs (TRY)	1,127,732	656,147	913,864

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Social Performance Data

	2014	2015	2016
Employees by Gender			
Female	109	109	99
Male	1,725	1,623	1,623
Employees by Category			
Blue Collar			
Female**	0	0	0
Male	1,269	1,161	1,100
White Collar			
Female	109	109	99
Male	456	462	523
Employees by Education Level			
Blue Collar			
Secondary and Below	1,069	975	919
Associate Degree	196	184	177
University and Above	4	2	4
White Collar			
Secondary and Below	128	137	190
Associate Degree	105	118	107
University and Above	332	312	325
Employees by Age Group			
30-	415	402	335
30-50	1,397	1,304	1,358
50+	22	22	29
Senior Management Structure			
by Gender			
Female	0	0	1
Male	10	9	7
by Age Group			
30-	0	0	0
30-50	6	6	6
50+	4	3	2

	2014	2015	2016
by Nationality			
Turkey	10	9	8
Expat	0	0	0
Mid-Level Management Structure			
by Gender			
Female	5	4	2
Male	30	31	32
by Age Group			
30-	0	0	0
30-50	25	30	28
50+	8	5	6
New Hires			
by Gender			
Female	10	8	9
Male	41	62	65
by Age Group			
30-	38	56	68
30-50	11	14	3
50+	2	0	3
Employees Left			
by Gender			
Female	14	7	16
Male	105	162	90
by Age Group			
30-	33	16	6
30-50	70	147	93
50+	16	6	7
Turnover Rate (%)	8	8	6
Employees on Parental Leave			
Female	11	5	5
Male	0	0	122

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	2014	2015	2016
Employees Returned to Work After Parental Leave			
Female	6	8	4
Male	0	0	122
Employees Returned to Work After Parental Leave and Still Employed 12 Months After Their Return			
Female	9	5	4
Male	0	0	0
Employees Covered by Collective Bargaining Agreement	1,269	1,161	1,100
Employee Trainings - Number of Participants			
<i>by Category</i>			
Blue Collar	6,081	3,711	1,145
White Collar	3,123	2,947	462
<i>by Gender</i>			
Female	136	411	86
Male	9,068	6,247	1,521
Employee Trainings - Total Hours (person*hour)			
<i>by Category</i>			
Blue Collar	32,180	17,654	32,859
White Collar	28,990	21,147	26,661
<i>by Gender</i>			
Female	3,444	3,151	3,228
Male	57,725	35,650	56,293
Injury Rate			
Direct Employees	34	24	25
Contractor Employees	23	15	10
Total	32	22	22

	2014	2015	2016
Occupational Disease Rate			
Direct Employees	0	0	0
Contractor Employees	0	0	0
Total	0	0	0
Lost Day Rate (LDR)*			
Direct Employees	467	519	596
Absence Rate			
Female	8	6	10
Male	6	5	6
OHS Trainings - Number of Participants			
Direct Employees	3,182	2,437	3,754
Contractor Employees	1,378	2,310	2,069
OHS Trainings - Total Hours (person*hour)			
Direct Employees	27,963	20,614	20,724
Contractor Employees	1,577	2,616	2,287
Environmental Trainings - Number of Participants			
Direct Employees	623	452	1,339
Contractor Employees	160	112	54
Environmental Trainings - Total Hours (person*hour)			
Direct Employees	662	950	1,989
Contractor Employees	160	165	54

*Part time and temporary employment does not occur within the scope of Şişecam Glass Packaging operations, excluding project interns. The data disclosed in performance tables belong to employees on Şişecam Glass Packaging, if not stated otherwise.

** Şişecam Glass Packaging operates in a business that is considered as heavy and very dangerous. In line with this nature of the sector, blue collared female employees are not employed.

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GRI Content Index

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GENERAL DISCLOSURES	
G4-1	Message from the Chairman (pp.3-4); Message from Turkey Glass Packaging President (pp.5-6)
G4-2	Message from the Chairman (pp.3-4); Message from Turkey Glass Packaging President (pp.5-6)
G4-3	About the Report (p.2)
G4-4	About Şişecam Glass Packaging (pp. 7-8)
G4-5	Corporate Web Site: http://www.sisecamcamambalaj.com/en/contact-us
G4-6	About Şişecam Glass Packaging (pp. 7-8)
G4-7	Corporate Website: http://www.sisecamcamambalaj.com/en/investor-relations/corporateidentity-and-management/shareholder-structure
G4-8	About Şişecam Glass Packaging (pp. 7-8)
G4-9	Financial Stability (p.26); One Global Family (p.37-45); Performance Data (p. 46)
G4-10	One Global Family (p.37-45)
G4-11	Union Rights (p.43); Performance Data (pp. 46)
G4-12	Supply Chain Management (p.20)
G4-13	Anadolu Cam Sanayii A.Ş. 2016 Annual Report (pp.11-13)
G4-14	Risk Management and Internal Audit (p.17); Business Ethics (p.18); Employee Health and Safety (pp. 38-39); Combating Climate Change (p.29)
G4-15	Our Corporate Memberships (p.9)
G4-16	Our Corporate Memberships (p.9)
G4-17	About the Report (p.2)
G4-18	About the Report (p.2); Sustainability Management (p.10)
G4-19	Sustainability Management (p.11)
G4-20	Sustainability Management (p.11)
G4-21	Sustainability Management (p.11)
G4-22	There are no restatements of information provided in previous reports. GRI G4 Content Index (pp.49)
G4-23	About the Report (p.2); Sustainability Management (p.10)
G4-24	Stakeholder Engagement (p.13)
G4-25	Stakeholder Engagement (p.13)
G4-26	Stakeholder Engagement (p.13)
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Indicators	Description
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G4-30	About the Report (p.2)
G4-31	About the Report (p.2)
G4-32	About the Report (p.2); GRI G4 Content Index (p.49)
G4-33	The report was not subjected to external assurance. GRI G4 Content Index (p.49)
G4-34	Transparent and Integrated Management (p.16)
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STANDARD DISCLOSURES	
Material Aspect: Economic Performance	
G4-DMA	Global Presence (pp.26-35); Financial Stability (p.26); Supply Chain Management (p.20)
G4-EC1	Global Presence (pp.26-35); Financial Stability (p.26); Supply Chain Management (p.20); Performance Data (p. 46)
G4-EC2	Combating Climate Change (p.29)
G4-EC4	Anadolu Cam Sanayii A.Ş. 2016 Annual Report (p. 73)
Material Aspect: Market Presence	
G4-DMA	Not material
G4-EC6	Performance Data (p. 46)
Material Aspect: Indirect Economic Impacts	
G4-DMA	Innovation (p.23); Employee Development (p. 44); Social Responsibility (p.35)
G4-EC7	Innovation (p.23); Social Responsibility (p.35)
G4-EC8	Innovation (p.23); Employee Development (p. 44); Social Responsibility (p.35)
Material Aspect: Procurement	
G4-DMA	Supply Chain Management (p.20)
G4-EC9	Supply Chain Management (p.20)
Material Aspect: Materials	
G4-DMA	Efficient Use of Resources (p. 32)
G4-EN1	Efficient Use of Resources (p. 32); Performance Data (p. 46)
G4-EN2	Efficient Use of Resources (p. 32); Performance Data (p. 46)
Material Aspect: Energy	
G4-DMA	Energy and Emission Management (p. 28)

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Indicators	Description
G4-EN3	Energy and Emission Management (p. 28); Performance Data (p. 46)
G4-EN5	Energy and Emission Management (p. 28)
G4-EN6	Energy and Emission Management (p. 28); Performance Data (p. 46)
Material Aspect: Water	
G4-DMA	Efficient Use of Resources (p. 32)
G4-EN8	Performance Data (p. 46)
G4-EN9	There are no water sources significantly affected by withdrawal of water within the scope of Şişecam Glass Packaging operations. GRI G4 Content Index (p. 50)
G4-EN10	Performance Data (p. 46)
Material Aspect: Emissions	
G4-DMA	Energy and Emission Management (p. 28)
G4-EN15	Energy and Emission Management (p. 28); Performance Data (p. 46)
G4-EN16	Energy and Emission Management (p. 28); Performance Data (p. 46)
G4-EN19	Energy and Emission Management (p. 28)
Material Aspect: Effluents and Waste	
G4-DMA	Efficient Use of Resources (p. 32)
G4-EN22	Efficient Use of Resources (p. 32); Performance Data (p. 46)
G4-EN23	Efficient Use of Resources (p. 32)
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Material Aspect: Products and Services	
G4-DMA	Efficient Use of Resources (p. 32)
G4-EN27	Environmentally Friendly Products (p.34)
G4-EN28	Efficient Use of Resources (p. 32)
Material Aspect: Compliance	
G4-DMA	Sustainable Environment (p.30)
G4-EN29	During the reporting period, no significant fines were paid due to non-compliance with environmental laws and regulations. GRI G4 Content Index (p. 50)
Material Aspect: Overall	
G4-DMA	Sustainable Environment (p.30)
G4-EN31	Performance Data (p. 46)
Material Aspect: Environmental Grievance Mechanisms	
G4-DMA	Sustainable Environment (p.30)
G4-EN34	Environmentally Friendly Products (p.34)

Indicators	Description
Material Aspect: Employment	
G4-DMA	One Global Family (pp.37-45)
G4-LA1	Performance Data (pp. 47-48)
G4-LA3	Performance Data (pp. 47-48)
Material Aspect: Occupational Health and Safety	
G4-DMA	Employee Health and Safety (pp. 38-39)
G4-LA4	Union Rights (p.43)
G4-LA5	Employee Health and Safety (pp. 38-39); Performance Data (pp. 47-48)
G4-LA6	Performance Data (pp. 47-48)
G4-LA8	Union Rights (p.43)
Material Aspect: Training and Education	
G4-DMA	Employee Development (p. 44)
G4-LA9	Employee Development (p. 44); Performance Data (pp. 47-48)
G4-LA10	Employee Development (p. 44)
G4-LA11	At Şişecam Glass Packaging, all white collar employees receive a regular performance and career development review. GRI G4 Content Index (p. 50)
Material Aspect: Diversity and Equal Opportunity	
G4-DMA	Respecting Differences (p.41)
G4-LA12	Respecting Differences (p.41); Performance Data (pp. 47-48)
Material Aspect: Equal Remuneration for Women and Men	
G4-DMA	Respecting Differences (p.41)
G4-LA13	Respecting Differences (p.41)
Material Aspect: Non-Discrimination	
G4-DMA	Respecting Differences (p.41)
G4-HR3	No incidents of discrimination has occurred during the reporting period. GRI G4 Content Index (p. 50)
Material Aspect: Freedom of Association and Collective Bargaining	
G4-DMA	Union Rights (p.43)
G4-HR4	In all Şişecam Glass Packaging operations, the right to exercise freedom of association and collective bargaining is ensured. Business partners are also expected to adopt same principle. During the reporting period, no significant risk or violation is identified regarding the exercise of these rights. GRI G4 Content Index (p. 50)
Material Aspect: Child Labor	
G4-DMA	GRI G4 Content Index (p. 50)

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 IN THE GLOBAL MARKET**

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- FINANCIAL STABILITY
- SUSTAINABLE ENERGY
- SUSTAINABLE ENVIRONMENT
- SOCIAL RESPONSIBILITY

ONE GLOBAL FAMILY

- EMPLOYEE HEALTH AND SAFETY
- RESPECTING DIFFERENCES
- PROVIDING DECENT WORK

Indicators	Description
G4-HR5	Şişecam Glass Packaging does not permit child labor within its operations. Business partners are also expected to adopt the same principle. During the reporting period, no significant risk or violation is identified regarding this principle. GRI G4 Content Index (p. 51)
Material Aspect: Forced and Compulsory Labor	
G4-DMA	GRI G4 Content Index (p. 51)
G4-HR6	Şişecam Glass Packaging does not permit forced and compulsory labor within its operations. Business partners are also expected to adopt same principle. During the reporting period, no significant risk or violation is identified regarding this principle. GRI G4 Content Index (p. 51)
Material Aspect: Anti-Corruption	
G4-DMA	Fight against Corruption (p.18)
G4-SO3	During the reporting period, all operations were assessed for risks related to corruption. GRI G4 Content Index (p. 51)
G4-SO5	No incidents of corruption occurred during the reporting period. GRI G4 Content Index (p. 51)
Material Aspect: Anti-competitive Behavior	
G4-DMA	Not material
G4-SO7	During the reporting period, no legal actions were charged against Şişecam Glass Packaging regarding anti-competitive behavior and violations of anti-trust and monopoly legislation. GRI G4 Content Index (p. 51)
Material Aspect: Compliance	
G4-DMA	Stakeholder Engagement (p.13); Transparent and Integrated Management (p.16)
G4-SO8	During the reporting period, no significant fines were paid due to non-compliance with laws and regulations. GRI G4 Content Index (p. 51)
Material Aspect: Customer Health and Safety	
G4-DMA	Operational Excellence (p.19)

Indicators	Description
G4-PR1	Operational Excellence (p.19)
G4-PR2	During the reporting period, there were no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the scope of Şişecam Glass Packaging operations. GRI G4 Content Index (p. 51)
Material Aspect: Product and Service Labeling	
G4-DMA	Operational Excellence (p.19)
G4-PR3	Operational Excellence (p.19)
G4-PR4	During the reporting period, no incidents of non-compliance with regulations concerning product and service information and labeling have occurred. GRI G4 Content Index (p. 51)
Material Aspect: Marketing Communications	
G4-DMA	Business Ethics (p.18)
G4-PR7	During the reporting period, incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship have occurred. GRI G4 Content Index (p. 51)
Material Aspect: Customer Privacy	
G4-DMA	Not material
G4-PR8	Customer Data Privacy (p.22)
Material Aspect: Compliance	
G4-DMA	Not material
G4-PR9	During the reporting period, no fines were received for non-compliance with laws and regulations concerning the provision and use of products and services.

ABOUT THE REPORT
MESSAGE FROM THE CHAIRMAN
MESSAGE FROM TURKEY GLASS PACKAGING PRESIDENT
ABOUT ŞİŞECAM GLASS PACKAGING
2016 PERFORMANCE
OUR SUSTAINABILITY APPROACH

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