



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

ADAPTATION
INCLUSION
BIODIVERSITY
ENERGY EFFICIENCY
TRANSPARENCY
DIVERSITY
HERITAGE
GENDER
RENEWABLE ENERGY

PRESERVE
ENVIRONMENTAL PROTECTION
EQUILIBRIUM
CIRCULAR ECONOMY
LOW CARBON TECHNOLOGIES
EQUAL OPPORTUNITY

PROGRESS
NATURAL RESOURCE CONSERVATION
WATER FOOTPRINT
OPERATIONAL EXCELLENCE
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About the Report

Paşabahçe Cam Sanayi ve Ticaret A.Ş. (Paşabahçe) has prepared this report on the performance of its sustainability strategy for the period of January 1, 2017 - December 31, 2017 and is sharing it with its shareholders in compliance with the core option of the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI).

The economic indicators in the report concern all legal enterprises of Paşabahçe in Turkey and abroad, while all the other indicators relating to environmental and social impacts concern its activities in Turkey.

**Your opinion counts!**

To make any comments or give your opinion on the report please send an e-mail to haksahin@sisecam.com.

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Message from the Chairman

Dear Stakeholders,

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

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

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

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

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

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



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

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

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

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

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

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

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

Prof. Dr. Ahmet Kirman
Chairman

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Message from Glassware Group President

Dear stakeholders,

2017 has been a year of economic hardships due to tough competition and the pressure on pricing. We continued to make technological investments to reduce costs and increase productivity, turning competition into an advantage and reinforcing our pioneering position.

Over the past year we have strengthened our environmental, social and governance-related processes and performance with the responsibility of being a global leader, while improving our financial performance. This year we have restructured our sustainability strategy in line with the United Nations Sustainability Development Goals and Şişecam Group Sustainability Strategy according to the principle of PRESERVE, EMPOWER and PROGRESS. I am happy to present you with our sustainability performance prepared in light of this strategy along with our Sustainability Report prepared in accordance with the Global Reporting Initiative (GRI) Standards.

We are strengthening our productivity, which is an important component of our entire value chain, with more flexible and solution-oriented projects. In 2017, we have continued to apply the Lean Management Techniques and the Six Sigma methodology in keeping with Şişecam Group's Lean Transformation Program. In addition, we have continued to diversify our product portfolio on a regular basis and continued to invest in Research and Technology Development Projects for high value-added decorative products. As a result of our investments, as of 2017 we have filed 18 patent and two utility model applications.

As a company operating in an energy-intensive sector, we show maximum sensitivity about our environmental performance and energy consumption. In the Turkish glass industry, we continued to use energy sustainably in our energy operations, which we previously used at more than 30% higher rates than our global competitors. Within this scope, we put our mark under important projects on natural gas and electricity saving in our factories, saving 81,000 GJ of energy and about 3 million TL.

Like all Şişecam Group companies, we contribute to the conservation of biodiversity and the sustainable development of the community by carrying out projects on nature conservation in the areas where we operate. In addition, we pass on our heritage to our consumers through projects that contribute to the dissemination of glassware culture. While we are bringing the Turkish glassware, industry inspired by culture and heritage into the next century through the Omnia Water Collection projects we brought back to life, we are supporting the DenizTemiz Association/TURMEPA's project "If there is a sea, there is life" through revenues generated from sales from the collection. Through the World Heritage Glassware Collection, we are aiming to raise awareness to support our cultural and natural assets that are our common heritage, encourage the public's motivation to look after this universal heritage, and revive values that have slipped into the background for various reasons. Additionally, in 2017, we continued to add to our social responsibility projects in education, health and the environment and increase our contributions in that regard.

We will continue to make a difference for our country and our stakeholders in the future with our unique solutions in the fields of the environment, social progress and governance, while we maintain our competitive position in the global glassware sector (top three) through operational excellence. I would like to thank all of our stakeholders, especially our employees, who have supported us on our path to sustainability and played an important part in our achievements.



Cemil Tokel

Glassware Group President



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About Paşabahçe

The oldest company of the Şişecam Group, Paşabahçe represents the entire Şişecam Glassware Household Products Group with its operations in the areas of glassware design, production and sales, chain stores and paper-cardboard packaging production. Paşabahçe Cam serves on a global scale with its strong distribution channel structure, a large product range covering more than 20,000 products, exemplary production skills and a customer-focused strategic approach.

Entering the industry with handmade production of household goods from soda glass, Paşabahçe now ranks third in the world and second in Europe with around 5,000 employees and exports to 140 countries making up 65% of its total revenues.

Paşabahçe produces handmade, machine-produced and heat-resistant glassware household goods through state-of-the-art production systems to increase quality and efficiency, and rapidly increases its production capacity by adopting a growth strategy geared toward a growing overseas market besides meeting the domestic demand. In this context, in addition to its glassware production activities in Kırklareli, Ankara, Eskisehir and Denizli, it founded new factories in Bulgaria and Russia.

Offering its customers all kinds of tableware, kitchenware and household goods made from glass, ceramic, porcelain, metal, wood and textiles, as well as decorative items and collectable products under its “Life” and “Boutique” concepts and a rich range of contemporary design glass products, Paşabahçe Stores boast a leading position in the Turkish retailer sector. It serves customers through 47 stores in total, 46 of them across 13 provinces of Turkey, and one in Milan, Italy.

Camiş Ambalaj Sanayii A.Ş., another Group company, meets Şişecam Group’s need for high quality paper and cardboard packaging in various sectors, from the food industry to white goods, from electronics to fruit and vegetables.

Engaged in the production, design and marketing of products for households, the catering industry and a whole variety of other industries, Paşabahçe aims at becoming a leading and globally acknowledged glass houseware company that stands out through its products that add value to life by increasing its efficiency and brand presence in new markets with a high potential.

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Paşabahçe Stores boast a leading position in the Turkish retailer sector. It serves customers through **47** stores in total, **46** of them across **13** provinces of Turkey, and one in Milan, Italy.

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VALUES

Paşabahçe, is inspired by the Şişecam Group mission to add value to life with its quality and comfort-creating products and to be a company that respects people, nature and the law. The goal is to become the world's leading household glassware producer by both focusing on its knowledge of resources, energy and glass, and following the recent developments in the industry. The vision is also based on the values of Şişecam Group as follows:



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.

PAŞABAHÇE PRODUCTION PLANTS AND SALES OFFICE

TURKEY

- **Paşabahçe Cam Sanayii ve Ticaret A.Ş.**
Kırklareli Plant - Kırklareli
Eskişehir Plant - Eskişehir
- **Denizli Cam Sanayii ve Ticaret A.Ş.**
- **Camiş Ambalaj Sanayii A.Ş.**
Tuzla Plant - İstanbul
- **Paşabahçe Mağazaları A.Ş.**
(47 retail outlets, 46 domestic and one abroad)

OVERSEAS

- Paşabahçe Glass Bulgaria EAD- Bulgaria
- OOO Posuda- Russia
- Pasabahce Egypt Glass Manufacturing S.A.E. – Egypt

BRANDS

 Paşabahçe

borcam



Lara

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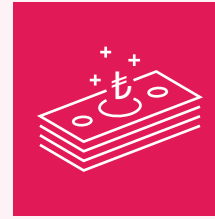
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2017 Performance



Exports to **140** countries



Domestic sales worth **1.9** billion TL, international sales worth **1.2** billion TL*



4.500 employees



7 production facilities in **4** countries



330,000 tons of total production



46 stores in Turkey, **1** overseas store



Investment worth **207.5** million TL*

* 1,2 Consolidated data that cover domestic and overseas activities

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Strategic Sustainability Approach

Deriving strength from Şişecam Group's traditions and its ability to excel beyond traditional conventions, Paşabahçe has adopted a sustainability strategy aiming to be an international enabler by delivering long-term value for future generations, and it constantly works toward implementing this strategy.

Paşabahçe, which has a prominent role in Turkey, the European Union and the global markets, achieved a turnover worth 1.96 billion TL with its sales in the glass household goods sector in 2017. One of the sectors with the highest need for energy and resources, glass manufacturing also has a history going back thousands of years with a rich social dimension. Paşabahçe is committed to carrying out its responsibilities in the sector in the best way possible, to creating added value to achieve financial continuity, and to reducing its environmental impact and creating lasting value for its stakeholders.

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

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

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



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CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

Deciding the course of its actions while keeping in mind the shared opportunities, risks and goals of all humanity, Paşabahçe has adopted Şişecam Group's Sustainability Strategy, as well as the UN's Sustainable Development Goals, and has developed its Sustainability Strategy in compliance with the global goals.

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

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

SUSTAINABILITY GOALS

The sustainability goals and commitments specified by Paşabahçe to efficiently and meaningfully implement its Sustainability Strategy have also been decided in line with the Sustainable Development Goals.

With short and long-term goals established for each of the three focus areas outlined in the sustainability strategy, Paşabahçe contributes to Şişecam Group's achievement of its goals by 2022. It takes on responsibilities at every level in order to achieve its goals based on its current performance. It keeps regular track of its performance, defines improvement areas, and continues its activity with the aim of achieving its goals.

PRESERVE

- By 2022, 5% of treated industrial wastewater reused
- By 2022, reduce NOx emissions by primary measures
- By 2022, at least 4 industrial synergy programs developed

EMPOWER

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

PROGRESS

- By 2022, reduce GHG emission intensity of glass production by 5% from 2017 baseline
- By 2022, reduce annual specific energy consumption in glass production plants by 2%
- By 2022, 12 MW energy provided through renewable energy sources
- By 2022, additional 2 plants implemented Waste Heat Recovery system

* Lost Time Injury Frequency Rate

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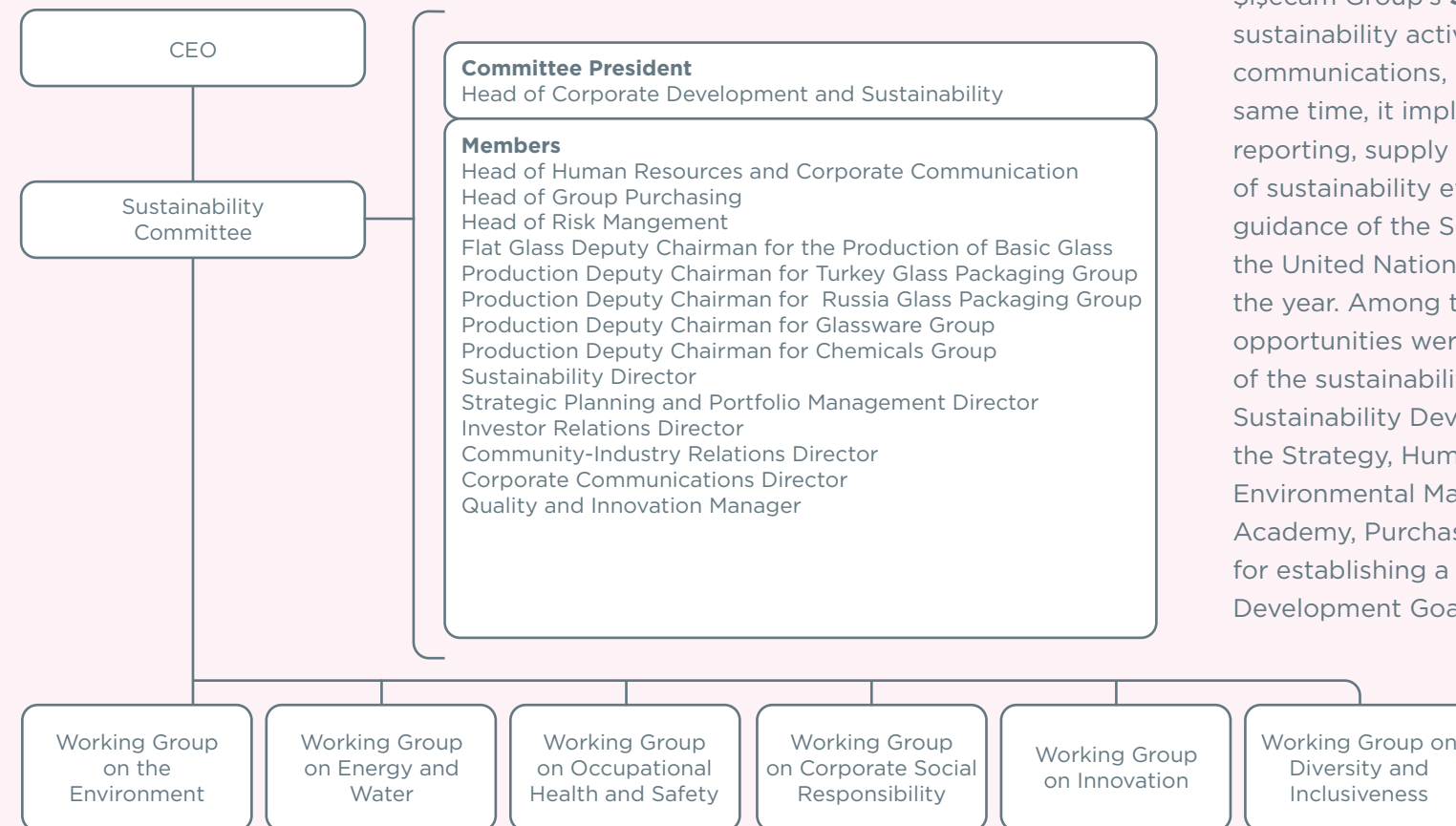
Sustainability Management

Şişecam Group's **Sustainability Committee** works on increasing communication between working groups and companies within the Group, including Paşabahçe, on matters of sustainability and enables the implementation of joint projects which will lead to generate synergy. Among the main issues dealt within the Committee are integrating sustainability principles into the Group's processes, determining and implementing operational improvement activities, preparing and circulating the Corporate Sustainability Strategy, and coordinating, directing and supervising the activities of sub-working groups within the Sustainability Committee. Glassware Group Deputy Chairman of Production is an active member of the Sustainability Committee and manages Paşabahçe's practices within Şişecam Group's Sustainability Strategy by representing Paşabahçe in the Committee. In an effort to keep regular track of activities, the Committee has met four times this year and measured the performance of Paşabahçe and other companies within the Group in terms of achieving their sustainability goals.

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

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

Şişecam Group's **Sustainability Directorate** focuses on coordination of corporate sustainability activities, connecting teams responsible for production, branding, communications, human resources, infrastructure, procurement and quality. At the same time, it implements innovative practices relating to corporate sustainability reporting, supply chain sustainability, sustainability education programs, measurement of sustainability efficiency, energy and natural resources management, etc. Under the guidance of the Sustainability Directorate, a gap analysis was carried out comparing the United Nations (UN) Sustainable Development Goals and Corporate Strategy during the year. Among the key success indicators within the Corporate Strategy, improvement opportunities were analyzed. Information was provided on the historical development of the sustainability concept, principles of the sustainability approach, and the UN Sustainability Development Goals and key success indicators by holding 15 meetings with the Strategy, Human Resources, RTD, Industrial Relations, Corporate Communication, Environmental Management, Energy Efficiency, Project Management Office, Şişecam Academy, Purchasing and Legal Consultancy units and the Groups. Analyses were made for establishing a connection between the activities carried out and UN Sustainable Development Goals.



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Managing Sustainability Risks

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

Within the Şişecam Group, risk management activities are addressed with corporate risk management principles and a proactive approach..

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

Şişecam Group's Sustainability Committee constantly identifies and manages the types of risks relating to sustainability management, risk levels and proposed management responses, and especially the risks relating to efficiency of sustainability management.



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

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

Sustainability risks also vary according to the countries where Paşabahçe operates. In non-OECD countries, fundamental human rights violations are seen as an important risk factor. For this reason, studies on the establishment of a Social Compliance Management System for Paşabahçe's operations in Egypt continue.

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Corporate Management and Business Ethics

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

TRANSPARENT AND INTEGRATED MANAGEMENT

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

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



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

BUSINESS ETHICS

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

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

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



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

ANTI-CORRUPTION

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



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

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CORPORATE MANAGEMENT AND BUSINESS ETHICS

STRATEGIC PRIORITIES

STAKEHOLDER DIALOGUE

Strategic Priorities

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

Global trends, international reports concerning sectors and a perspective that takes into account the country's agenda are considered while determining strategic priorities.

Paşabahçe's Priorities are then established subsequently by the management and Sustainability Committee with Şişecam Group's and Paşabahçe's strategic priorities in mind. In addition to sustainability risks and opportunities, the impact of possible legislative regulations is considered.

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



International Sustainability Workshop

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

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

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Stakeholder Dialogue

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

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

TEMEL PAYDAŞ GRUPLARI VE KATILIM PLATFORMLARI

Stakeholder Group	Communication Method	Frequency of Communication
Suppliers	<ul style="list-style-type: none"> Daily work flow Face-to-face negotiations E-mail correspondence 	Continuously
Employees	<ul style="list-style-type: none"> Satisfaction surveys Platforms for sharing recommendations and opinions Face-to-face interviews based on direct feedback Seniority encouragement award Recognition and award system E-mail notifications 	Continuously
Shareholders	<ul style="list-style-type: none"> Briefing reports published periodically Social media 	At least twice a year
Analysts	<ul style="list-style-type: none"> Face-to-face meetings Workshops 	At least four times a year
Investors	<ul style="list-style-type: none"> Presentations on investor relations Bulletins Webcast tele-conferences Roadshows On-on-one meetings 	At least twice a year
Universities	<ul style="list-style-type: none"> Conferences Active participation in joint operations (projects, supplying grants, etc.) Internship programs 	At least four times a year
State Institutions	<ul style="list-style-type: none"> Regular reporting Meetings, forums and conferences Press statements Personal meetings 	Continuously
Customers	<ul style="list-style-type: none"> Satisfaction surveys Exhibitions Stores New product promotion marketing campaigns Social media Sector based and general face-to-face Face-to-face meetings, forums and conferences Feedback received via telephone calls and e-mails 	Continuously
Non-Governmental Organizations (National and International)	<ul style="list-style-type: none"> Strategic cooperation Events Regular meetings 	At least once a month
Media	<ul style="list-style-type: none"> Press conferences Press statements Interviews 	At least once a month

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STAKEHOLDER DIALOGUE**CORPORATE MEMBERSHIPS**

Adana Chamber of Commerce	Istanbul Chamber of Industry
Ankara Chamber of Commerce	Istanbul Exporters' Union
Cardboard Packaging Industry Association	Istanbul Mineral and Metals Exporters' Associations
Central Anatolian Exporters' Union	Izmir Chamber of Commerce
Chamber of International Trade	Izmir Chamber of Industry
Corrugated Cardboard Manufacturers Association	Kırklareli Chamber of Commerce
East Anatolian Exporters' Union	Lüleburgaz Chamber of Commerce and Industry
Eskişehir Chamber of Commerce	Mersin Chamber of Commerce and Industry
Eskişehir Chamber of Industry	Pulp and Paper Technologies Association
European Glass Packaging Federation Glassware Household Goods Committee	Quality Association of Turkey Eskişehir Branch
European Glassware Household Goods Association	Retailers Association
Gebze Chamber of Commerce	Trabzon Chamber of Commerce
Gebze Chamber of Industry	Turkey People Management Association
International Crystal Federation	Turkish Houseware Association
Istanbul Chamber of Commerce	Union of Chambers and Commodity Exchanges of Turkey
Istanbul Chamber of Commerce/Chamber of Sellers of Glassware	



PRESERVE

NATURAL RESOURCE MANAGEMENT
ENVIRONMENTAL AND INSTITUTIONAL
HERITAGE STEWARDSHIP

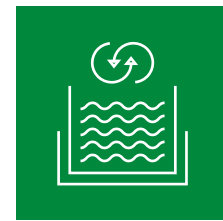
PRESERVE

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

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

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

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



By 2022, 5% of treated industrial wastewater reused



By 2022, reduce NOx emissions by primary measures



By 2022, at least 4 industrial synergy programs developed

“

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

ENVIRONMENTAL MANAGEMENT SYSTEM

Paşabahçe operates with the awareness of being in a sector heavily reliant on natural resources and energy, and manages its activities according to international standards in order to minimize the environmental impact of its operations. In this context, it carries out environmental management activities according to the Environmental Management System already established in all its operations in Turkey, applying the ISO 14001 Environmental Management System and ISO 50001 Energy Management System.

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

In 2017, Paşabahçe was not fined with reference to any significant environmental issues.



Paşabahçe operates with the awareness of being in a sector heavily reliant on natural resources and energy, and manages its activities according to international standards in order to minimize the environmental impact of its operations.

ENVIRONMENT AND ENERGY MANAGEMENT

	ISO 14001	ISO 50001
Paşabahçe Cam San. Tic. A.Ş. Eskişehir Plant	✓	✓
Paşabahçe Cam San. Tic. A.Ş. Kırklareli Plant	✓	✓
Denizli Cam San. Tic. A.Ş.	✓	⌚
Camiş Ambalaj San. A.Ş. Tuzla Plant	✓	✓

QUALITY MANAGEMENT SYSTEM AND PRODUCT SAFETY

Paşabahçe aims to meet customer needs in the best way by keeping quality and product safety management at the highest level. In order to do this, the quality system is managed by the ISO 9001 Quality Management System, which is present in all facilities.

Paşabahçe aims to provide a wide range of premium quality products and accessories, respond to customers' special requests and ensure the diversity of quality standards. Quality issues are managed by the Paşabahçe Quality Directorate. The Quality Management Systems in place at the factories are TS-EN-ISO 9001 certified by the Turkish Standards Institute (TSE).

Paşabahçe products are manufactured in accordance with national and international consumer health and safety standards. In this respect, lead and cadmium-free dyes are used for children's products in accordance with the EN71-3:1994 and EN14350-2 standards. In decorative products, the use of organic printing techniques prevents any negative impact on the environment and human health. Common Implementation Notes are published by the Headquarters in order to ensure the standard implementation of the procedures at all factories.

All products manufactured by Paşabahçe are labeled in accordance with the legal regulations. The product boxes contain symbols, warnings and barcodes in accordance with the 1935/20014/ EC and 2023/2006/EC regulations. In addition, through applications that go beyond the legal requirements for labeling, extra guiding information is added to product boxes, providing customers with an effective product experience. All product boxes contain information about the company name, address, contact information, product tracking number, hygiene, kitchen symbols, symbols that guide the user about the product's contact with hot and cold materials, and information about the use of accessories.

Automatic quality control devices are used during manufacturing to prevent glassware products from harming human health. All precautions are taken to ensure that the products reach customers safely during their shipment. Paşabahçe uses ISPM 15 heat-treated pallets to comply with international standards. In addition, products and boxes on the shelves contain warnings to protect the health and safety of customers.

Paşabahçe's quality management system concept also covers its overseas factories. In the Egypt factory, the maximum acceptance and master quality samples are being reproduced according to Paşabahçe Quality Standards for the molds that will be used with the commissioning of Paşabahçe machinery.

For the ISO 9001, ISO 14001 and OHSAS 18001 Management System Audits required for export operations, the Egypt Factory documents were adapted to Paşabahçe's business rules and through inspections by a third party documentation company the relevant paperwork for Paşabahçe's Egypt Factory was completed.



Natural Resource Management

The strain placed on natural resources due to population growth is making the development of sustainable practices in the use of water and other natural resources a necessity. Paşabahçe is committed to preserving natural resources to leave behind a resilient and sustainable world for future generations in keeping with Target 9 “Industry, Innovation & Infrastructure”, and Target 12 “Responsible Consumption and Production”, which are among the United Nation’s Sustainable Development Goals. It integrates this mentality into all its business processes and strengthens its performance in this area through sustainable environmental and natural resource management practices.

Importance is given to the efficient use of resources by avoiding unnecessary consumption in factories. In the Paşabahçe Kırklareli factory, the use of petrochemical gas and the use of acetylene gas were reduced by about 59 tons and 8 tons, respectively, through projects aimed at ensuring the efficient use of resources. In the production of glassware, the products pass through a washing process before they are offered to the customer. Paşabahçe’s natural resource management is centered on an efficient use of all resources. In this context, the total amount of soap used in the washing stage at Kırklareli plant was reduced by 230 tons, resulting in savings of approximately 890,000 TL as a result of all productivity applications. With the same approach, the liquid soap consumed per liter of water at our Bulgarian factory was reduced by 73% to 2.3mg this year.

WASTE MANAGEMENT

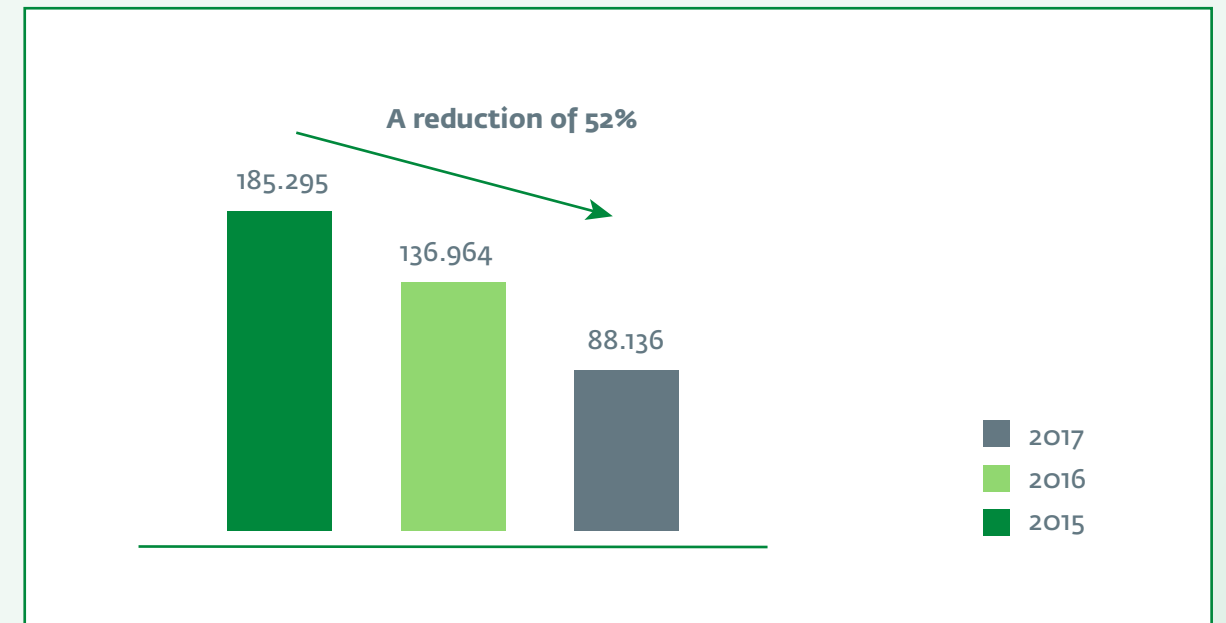
Understanding that waste management plays an important role in making sustainable production and consumption habits more widespread and in the transition to a cyclical economy, Paşabahçe aims to reduce the use of natural resources by recycling and reusing waste in all its activities.

Through projects developed for waste management at its factories, Paşabahçe both reduces the amount of waste in its own production processes and contributes to cyclical recycling throughout the Group. In this way resources are managed effectively by reducing the use of raw materials.

This year, about 500 tons of waste reduction and 415,000 TL worth of financial savings were achieved with the recovery projects in the factories. Approximately 25,000 tons of waste consisting of paper, cardboard, plastic, glass and metal were recycled.

Today, as the pressure on natural resources increases, sustainable waste management practices have a direct impact on the production processes. For this reason, reducing the amount of waste is vital for managing the environmental impact. On that basis, the total amount of waste in the last two years has been reduced by 52%.

Waste Volume (ton)



Projects are being carried out at Kırklareli and Eskişehir factories to improve hazardous and non-hazardous landfill. In the scope of these improvements, the target is to complete the construction of storage areas in 2018..

In the Eskişehir Factory, a project was carried out to prevent metal pollution, which can lead to explosions. As a result of this, approximately 51,000 tons of glass savings and 140,000 TL of financial savings were achieved. Project is ongoing to implement the new system across all production lines at all factories next year.

NATURAL RESOURCE MANAGEMENT

ENVIRONMENTAL AND INSTITUTIONAL
HERITAGE STEWARDSHIP

WATER MANAGEMENT

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

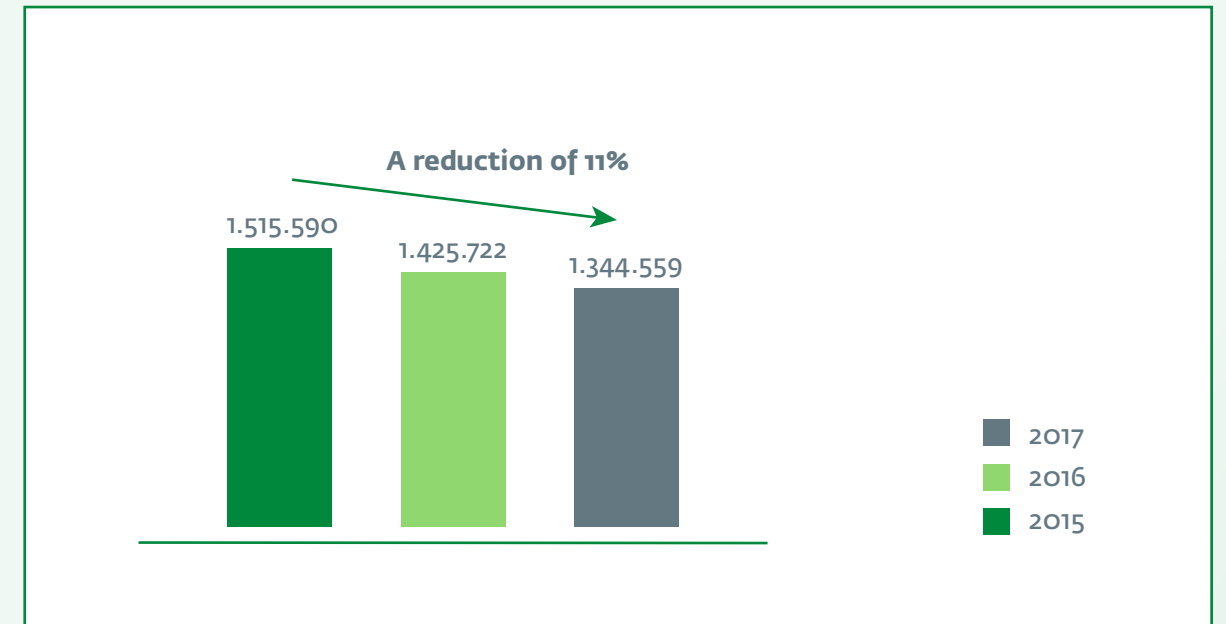
Operating in a sector where water use is intense, Paşabahçe operates with the awareness that the preservation of water resources is vital for the continuity of business processes. As a result of increased pressure on water resources, effective water management has become a priority. In parallel with this approach, projects that provide water reuse and reduced water consumption are implemented and approximately 140.000m³ water and 60.000 TL is saved this year.

The recycling of water and its re-use in production activities constitutes an important part of Paşabahçe's natural resource management approach. On that basis, it strives to increase the amount of water recovered during the production process.

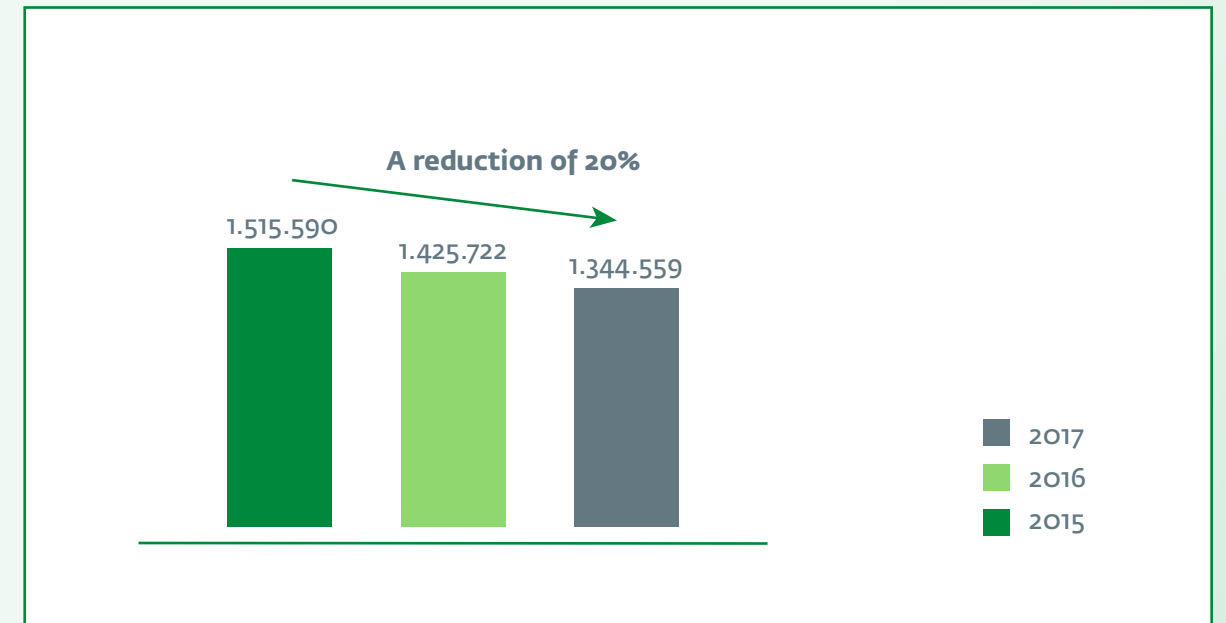
Paşabahçe has set out with the aim of leaving a livable world for future generations by using natural resources responsibly and effectively. In addition, one of Paşabahçe's future objectives is to contribute to the goal of reusing of 5% of treated industrial waste water by 2022 under the Group's PRESERVE approach. In the last two years, our total water use has been reduced by approximately 11% and waste water volume by 20% with projects carried out to manage the water footprint at Paşabahçe. It strengthens its water management performance by adding new projects to its existing ones. In this context, in 2018, the Kırklareli Plant aims to reduce water consumption per ton of glass by 40% to 3m³.

Paşabahçe also attaches great importance to the adoption of the natural resource management concept in its overseas factories. Paşabahçe always takes into consideration the environmental impact it has on the regions where it operates and will complete the construction of the waste water treatment plant for its factory in Egypt in 2018 as part of this commitment.

Amount of water used (m³)



Amount of waste water (m³)



NATURAL RESOURCE MANAGEMENTENVIRONMENTAL AND INSTITUTIONAL
HERITAGE STEWARDSHIP**BIODIVERSITY**

In line with Goal 15 of the United Nations Sustainable Development Goals to “protect, restore and promote the sustainable use of terrestrial ecosystems”, biodiversity protection and management constitute an integral part of Paşabahçe’s vision for sustainability and its strategic goals.

Aware of the fact that its manufacturing processes are dependent on nature, Paşabahçe takes into account the environmental impact of its activities and carries out projects to protect nature. Paşabahçe also contributes to the preservation of biodiversity and the realization of its sustainable development targets through its activities.

Paşabahçe considers preventing pollution in the seas, which causes the loss of biodiversity, as one of its main responsibilities. Housing the most diverse ecosystems in the world, the seas are also one of our precious natural resources which carry out carbon absorption. DenizTemiz Association/TURMEPA’s “If there is a sea, there is life” Project aims to prevent the leaking of sewage waters into the sea, which threatens the ecological balance by creating pollution in the seas. Paşabahçe has been donating to the project since 2017 to help support the achievement of its goals.

In addition, afforestation work in the areas where the factories are located is being carried out by employees as well as customers visiting the factories. Thus, plant biodiversity is increased and public awareness is raised related to the value of biodiversity. With the project initiated in 2017 at Denizli Glass Plant, Şişecam employees and customers have planted 1,000 seedlings to date across an area of approximately 30,000m².

AIR EMISSIONS

Air emissions are among the sector’s main environmental impacts. Paşabahçe deals with the environmental impact from its activities according to its PRESERVE strategy. Reducing air emissions, on the other hand, is an important part of its environmental management system. In this direction, it is working to contribute to Şişecam Group’s goal of reducing nitrogen oxide (NOx) emissions by 2022, in particular by developing improvement projects aimed at reducing NOx emissions.

In the past two years, Paşabahçe has been working hard to reduce air emissions, while laying the foundations for future projects with the positive results it has already achieved.

Environmental and Institutional Heritage Stewardship

From the windows of our homes to the fine crystal glasses gracing our dining tables, glass has been in our lives since 3,500 BCE and has a social heritage all of its own. To protect this rich history, Paşabahçe has been active since its foundation as an architect of this cultural heritage. That is why it has always worked to protect and keep the heritage of glass alive.

OMNIA WATER COLLECTION

“With our Omnia Water Collection, we seek to shape water, which is formless and shapeless like glass, through capturing its fluidity, drips, waves and splashes from a modern point of view. We are delighted to have created a platform through which our young talents can demonstrate their own modern design approaches, while continuing to build a relationship between our deeply rooted past and our bright future on the basis of this collection.”

Paşabahçe Stores General Manager
Esra Tokel

Paşabahçe has revived interest in crystal glass cutting, Beykoz glass, the Çeşm-i Bülbül glass-making technique, amulets, and tea cups with the objective of redefining the functions of traditional manufacturing, products and objects, and strengthened the Turkish heritage of glass culture extending from the past to the present. Introduced in line with the concept of bringing original Turkish glasswork inspired by local culture and traditions into the next century, the Omnia Collection was brought to life anew with the **Omnia Water Collection** in 2017. A total of 15 designers, including some famous designers such as Defne Koz, Sezgin Aksu and Mario Trimarchi, as well as young talent, worked on a collection of nearly 150 pieces reshaped by the water theme. While bringing our cultural heritage to light, the collection also helped us achieve great success on protecting biodiversity. The DenizTemiz Association/TURMEPA is supported by the revenue created from sales of Omnia Water products. Details about how the collection contributes to biodiversity can be found in the Biodiversity section of the report.

GLASSWARE WORLD HERITAGE COLLECTION

Paşabahçe fuses cultural assets from Anatolian civilizations throughout history listed as main and temporary UNESCO World Heritage Sites with glass and presents them to its customers with the Glassware World Heritage Collection. Through this collection, we are raising awareness to support our cultural and natural assets that are our common heritage, encouraging the public to look after this universal heritage, and reviving values that have slipped into the background for various reasons. Ten of the 20 products in the collection are inspired by pieces in UNESCO's World Heritage List, while other products are inspired by pieces in the UNESCO Temporary List.



EMPOWER

DIVERSITY & INCLUSIVITY

INTERNATIONAL ENABLER TO
FOSTER SUSTAINABILITY

DIGITAL INTELLIGENCE AND COMMUNITY

DIVERSITY & INCLUSIVITY

INTERNATIONAL ENABLER TO

FOSTER SUSTAINABILITY

DIGITAL INTELLIGENCE AND COMMUNITY

EMPOWER

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

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

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

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



2022, zero target for occupational accidents (LTIFR*)

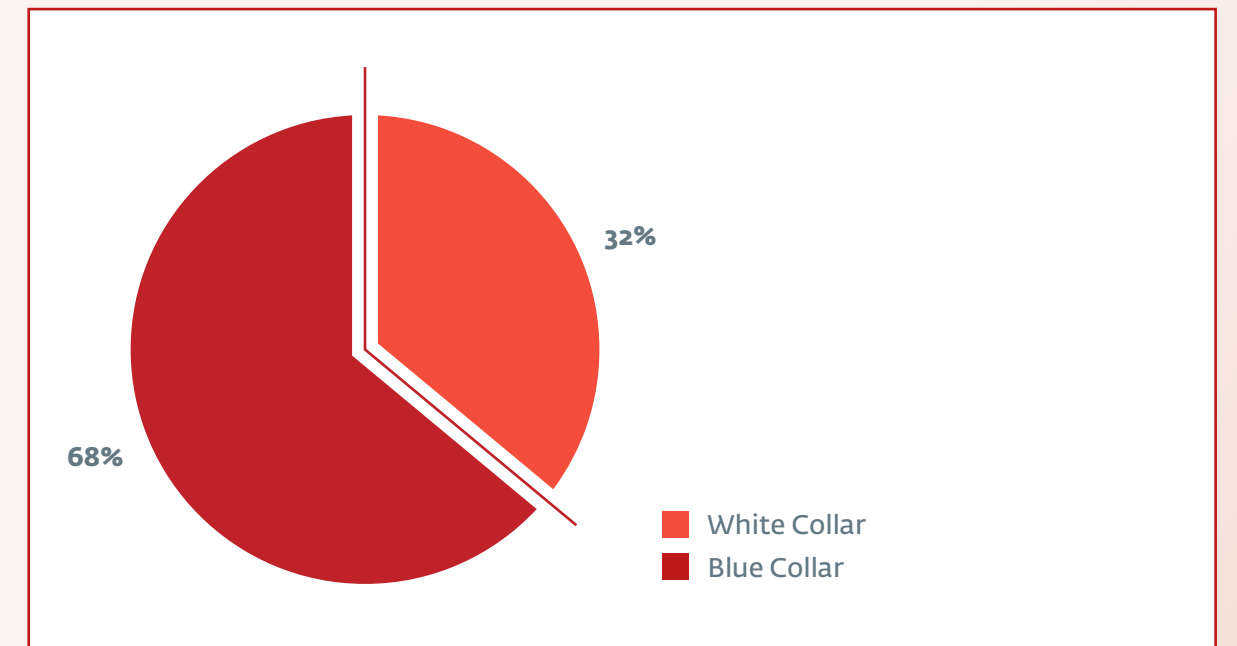
* Lost Time Injury Frequency Rate

THE WORKING ENVIRONMENT AT PAŞABAHÇE

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

In the Turkish facilities, 32% of the 4,548 employees are white collar and 68% are blue collar. Paşabahçe promotes an innovative and co-operative corporate culture for sustainable global success, is passionate about implementing the best human resource practices in the areas where it operates, and pursues a human resources policy that adds value to all stakeholders.

Distribution of Employees by Category



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

DIVERSITY & INCLUSIVITYINTERNATIONAL ENABLER TO
FOSTER SUSTAINABILITY

DIGITAL INTELLIGENCE AND COMMUNITY

Diversity & Inclusivity

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

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

With the establishment of the Working Group on Diversity and Inclusiveness under the Sustainability Committee, Paşabahçe has begun planning the required activities with the contributions of internal and external stakeholders. In this context, proposals for action have been prepared by the working group on Enhancing and Facilitating Women’s Working Conditions, Supporting Women’s Participation in the Workforce and Supporting their Career Development, and Raising Awareness and Cooperation with Stakeholders.

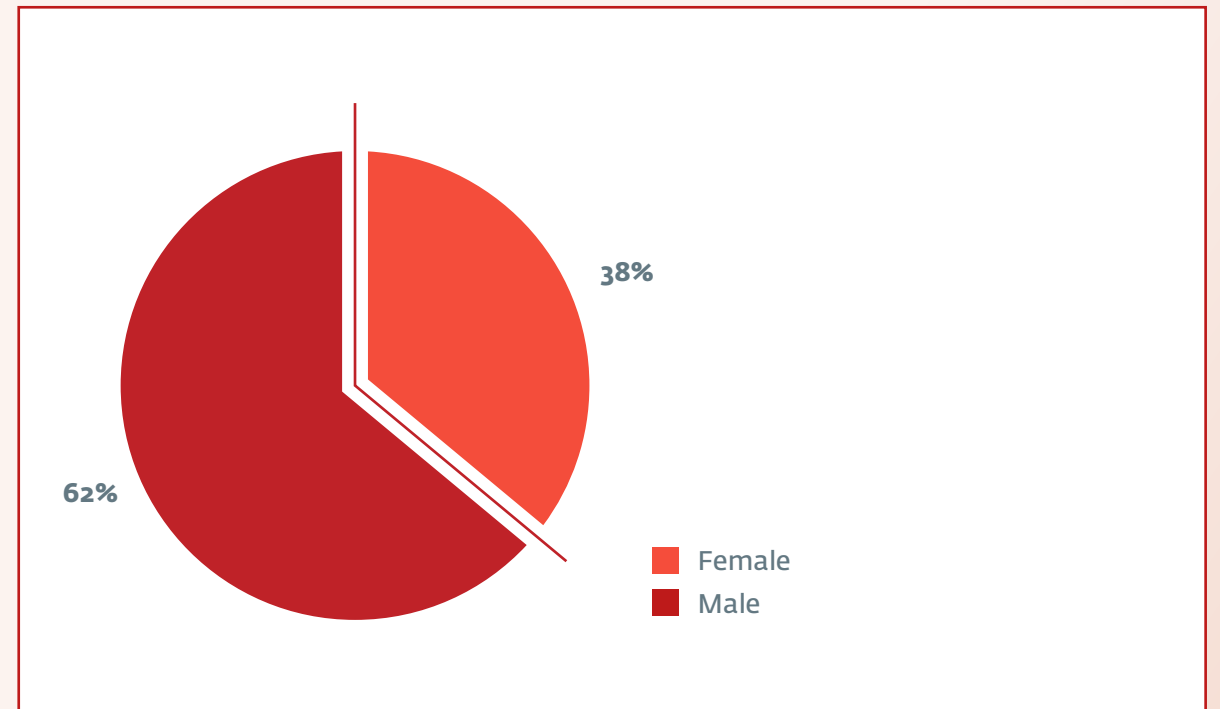


One of the biggest issues regarding discrimination that business world faces today is the women employment. Şişecam support women’s employment and encourage women employees to take part in the top management bodies.

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

At Paşabahçe, 33% of white collar employees, 38% of senior management and 36% of the Board of Directors is female. This year, the number of newly hired female employees has risen by 36%. We raised the ratio of female employees who returned to work after maternity leave from 70% to 76% this year through our practices that encourage female employment.

Senior Executives Distribution

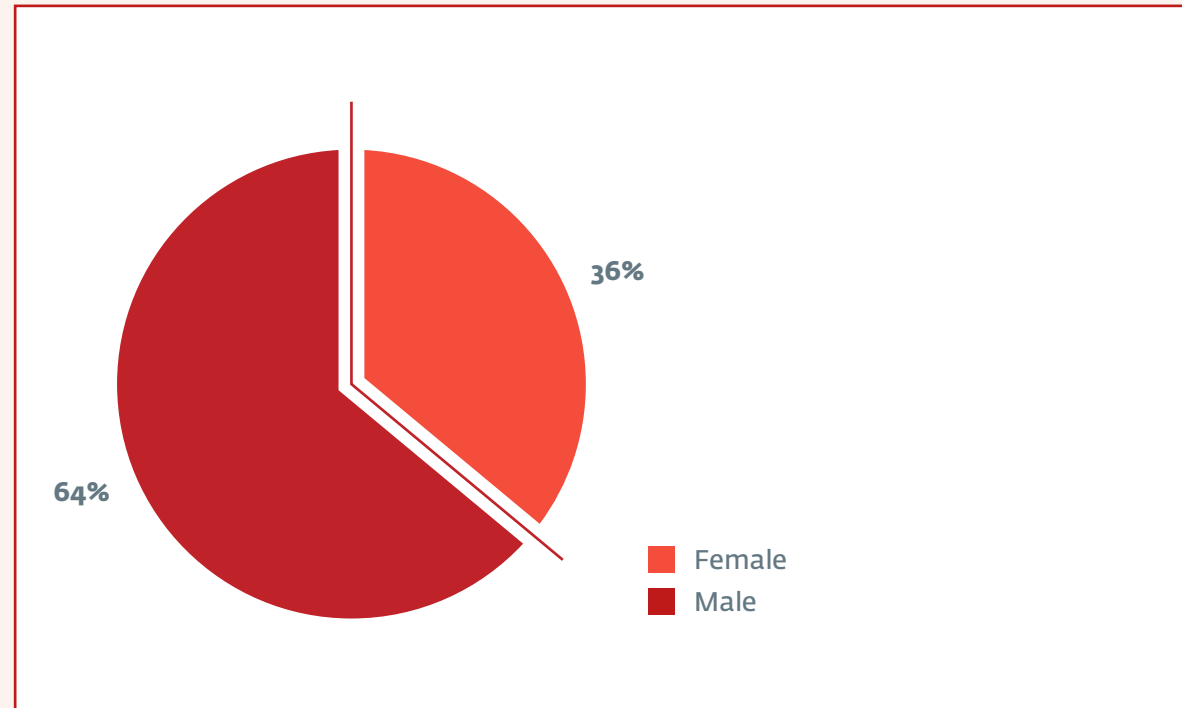


DIVERSITY & INCLUSIVITY

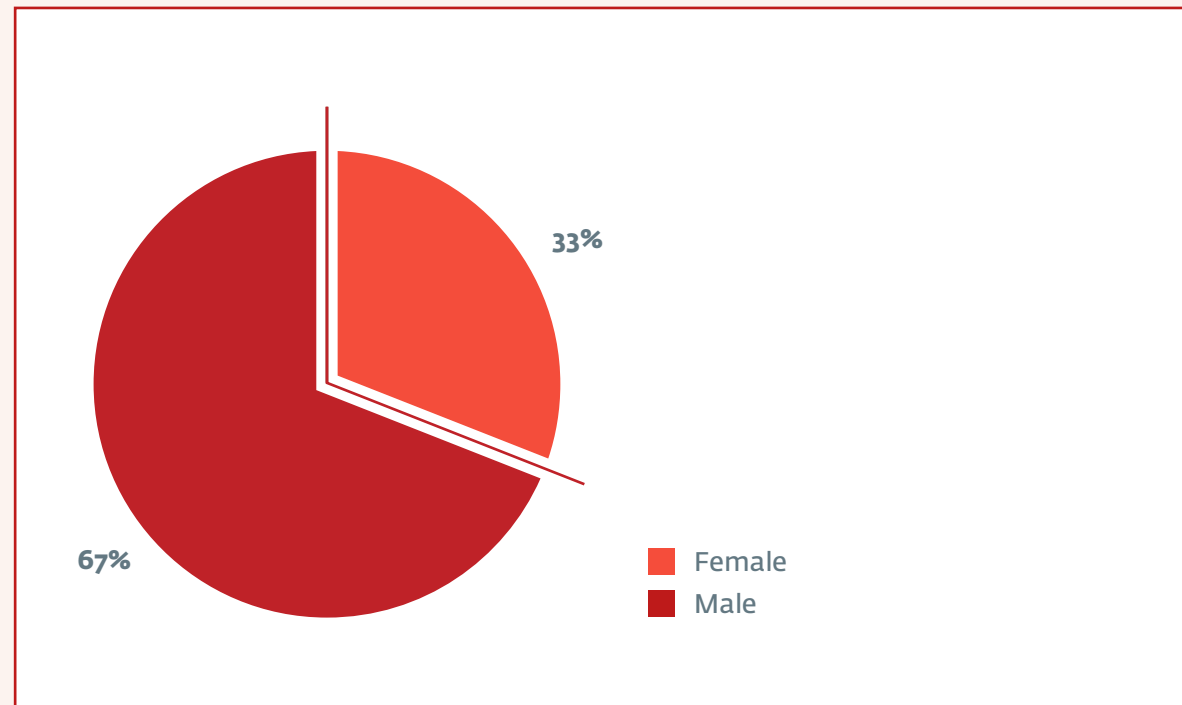
INTERNATIONAL ENABLER TO
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DIGITAL INTELLIGENCE AND COMMUNITY

Board of Directors Distribution



White Collar Employee Distribution



EMPLOYEE RIGHTS

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

Flexible working opportunities are created for the employees on the basis of a diverse workforce with different expectations and needs, and flexible working hours, flexible side benefits and social activities are offered. Within the scope of Flexible Side Benefits, store employees are given the opportunity to choose their outpatient health insurance provider and include their families within the scheme.

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

At Paşabahçe, the protection of employees' trade union rights is a top priority. Strong emphasis is placed on enabling employees to be fairly represented within the framework of a healthy structure in their relations with the company management and to freely exercise their collective bargaining and organization rights. Trade union relations are managed under the coordination of the Industrial Relations Directorate within the Group.

DIVERSITY & INCLUSIVITY

INTERNATIONAL ENABLER TO
FOSTER SUSTAINABILITY

DIGITAL INTELLIGENCE AND COMMUNITY

SAFE WORKING ENVIRONMENT

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

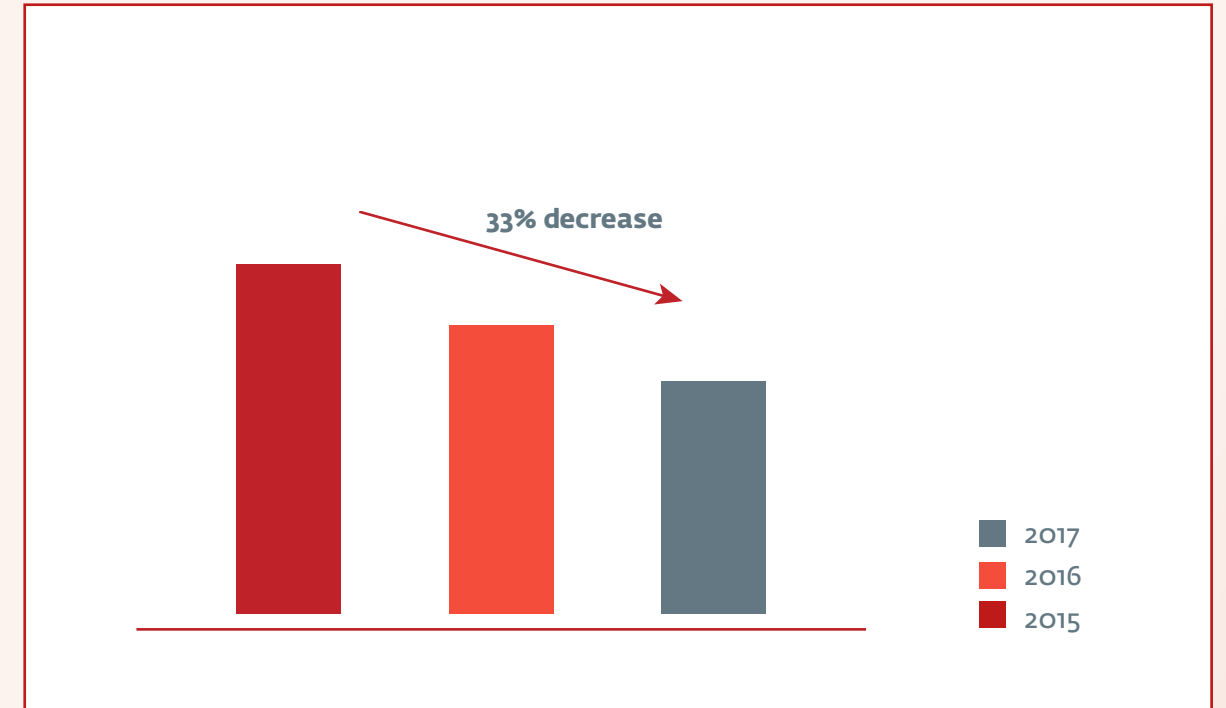
OHS at Paşabahçe is managed by the Şişecam Group Industrial Relations Directorate. The health and safety of employees is managed by the OHSAS 18001 OHS Management System, which is in place at all production facilities, and the documents are renewed every year through follow-up inspections. All domestic factories operating in different areas are subjected to cross-inspections by teams of OHS experts. Paşabahçe also has its own OHS unit consisting of a job security specialist, workplace physician and health personnel, and an OHS Committee in each factory with a representative from the management. OHS audits are carried out by managers, chiefs and engineers. During the audits, experts monitor how a job is carried out and the dangers and risks are compared with the measures taken to check whether the job is done safely or not.

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

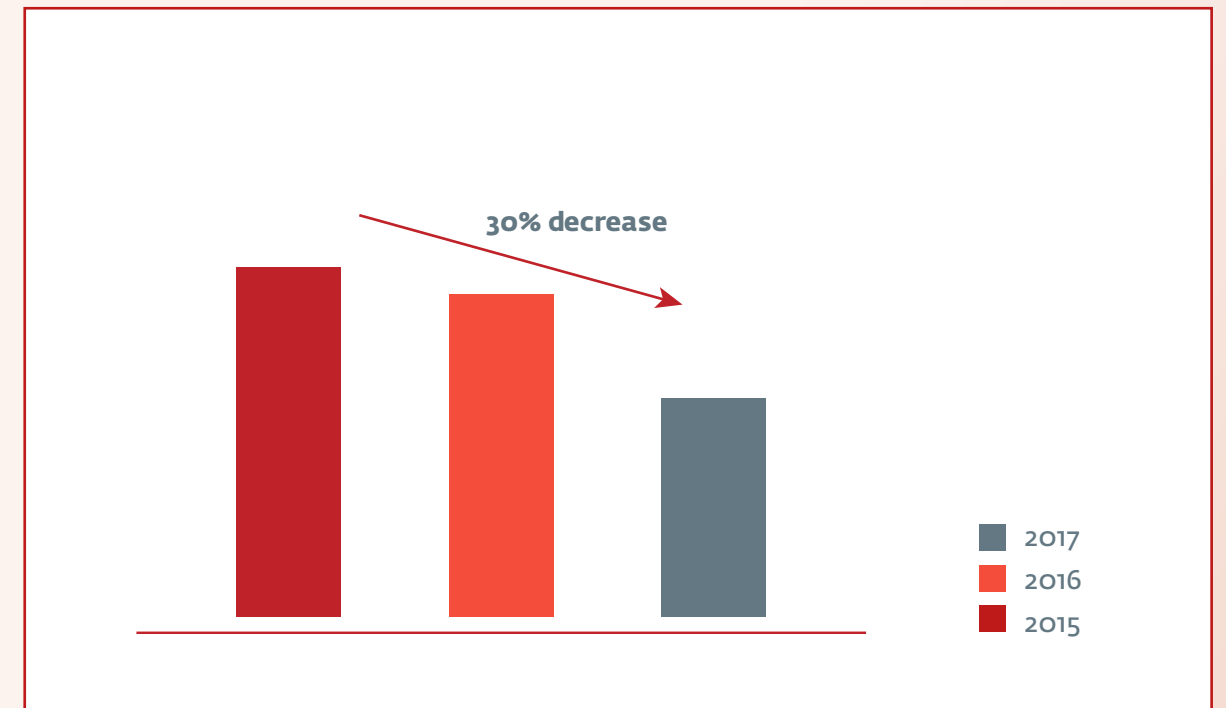
Paşabahçe works to fulfill its target of performing every stage of its production activities mentioned in its OHS Policy in a healthy and safe working environment and gives its employees OHS training with this in mind. Approximately 60% of all training provided to employees is about OHS.

Paşabahçe continuously improves its business processes by investing in innovative technologies to minimize the risk of accidents. With the Regulatory and Preventative Activities System developed in this context, workplace accidents are systematically monitored and instantaneous risks are detected with daily field visits. The use of Personal Protective Equipment is being increased to reduce the most common accidents such as cuts and burns. While no fatal accidents and occupational diseases have been reported in Paşabahçe factories, the number of accidents has been reduced by 31% compared to 2015 as a result of the improvements. Accordingly, the absence rate due to accidents decreased by 27%, the frequency rate of accidents decreased by 33%, and lost working days decreased by 30% compared to 2015.

Total Injury Frequency Rate (IR)



Lost Day Rate (LDR)



DIVERSITY & INCLUSIVITYINTERNATIONAL ENABLER TO
FOSTER SUSTAINABILITY

DIGITAL INTELLIGENCE AND COMMUNITY

EMPLOYEE WELLBEING

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

Conducted in order to create an appropriate working environment for employees, the 3rd Employee Loyalty Survey measured employee loyalty and the results were then evaluated to introduce improvements based on them. For the first time this year, white collar employees as well as blue collar employees in domestic factories and operations were included in the survey. In addition to the Employee Loyalty Survey, the Corporate Reputation Survey was also conducted for white collar employees. The participation rate in the Employee Loyalty Survey held by the Şişecam Group to cover the entire Group rose to 84% this year from 77% in 2015. The participation rate in the Corporate Reputation Survey exclusively prepared for white collar employees was 77%. Paşabahçe also put into place a feedback and complaint mechanism to protect employees' rights. In addition, risk analysis complaints at the Kırklareli Plant were listened to, including those of employees with disabilities and revisions were made accordingly. All feedback and complaints received from employees this year were responded to.

Paşabahçe believes that long-term employees have an important place in the company's long-term operation and success. For this reason, it creates a business environment that enables employees to contribute to work processes and offers them career and development opportunities. Within the framework of its tradition to appreciate and reward successful employees, it rewards its employees' successful performances with Giftbox. About half of the employees at Paşabahçe have been with the company for 10 years or more.

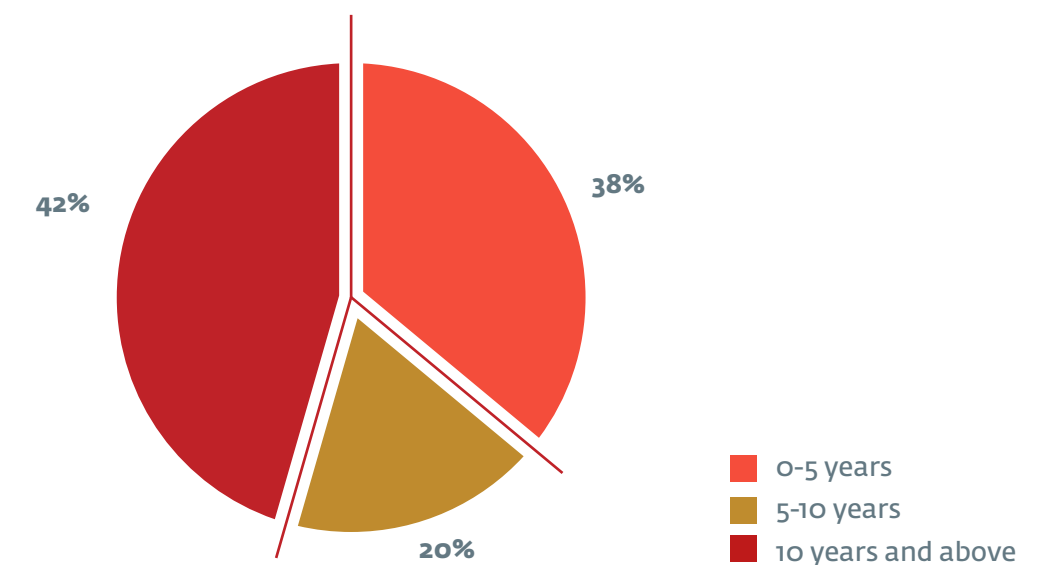
Paşabahçe is introducing a variety of systems and projects in order to create a participatory corporate culture in which employees can participate in company decision-making mechanisms, exchange ideas and suggestions, communicate effectively and learn about new developments within the Şişecam Group and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



Campport- Thanks to its corporate intranet system, which is user-friendly, easily accessible and interactive, flowless communication is provided within Paşabahçe.



Idea Factory enables the assessment and rewarding of creative ideas from employees that add value to Paşabahçe, increase productivity, embrace innovation and promote an open corporate culture. Paşabahçe employees presented a total of about 170 ideas to the Idea Factory. One of these proposals for the new organic lines that provide flexible production, energy and paint savings started to be used in three factories in 2015. The New Approach Policies Project for Pumps and Water Cooling Systems, which was presented by Paşabahçe employees to make energy savings, was first used at the Kırklareli and Eskişehir plants. With these cooling water circulation pumps, the Kırklareli Plant achieved savings of 60% and Eskişehir Plant of 27%. Later on, a decision was made to introduce the new system across the entire Şişecam Group.

Distribution of Employees by Year

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TALENT AND CAREER MANAGEMENT

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

Within the Career Management System, which is an important program for retaining highly-skilled employees, organizational and personal needs are planned, and all of our employees are offered the opportunity to progress in their careers. White and blue collar employees can participate in work carried out by the Assessment and Development Center, through which competency analyses are conducted and development plans are created. Paşabahçe contributes to the development of its employees on issues ranging from education and the environment to social skills and leadership, besides technical issues, such as occupational development and OHS to enable its employees to embrace its sustainability targets. Blue and white collar workers at our Eskişehir Factory voluntarily participated in sign language training in 2017. Paşabahçe stores organize at least two training courses for employees every year. Within the scope of training planning, internal training courses are organized for store employees, which are aimed at increasing employee performance by turning them into motivation meetings. In 2017, the average amount of annual training provided to each Paşabahçe employee was 54 hours.

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

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

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

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International Enabler to Foster Sustainability

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

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

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

PARTNERSHIPS

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

Paşabahçe fulfills its mission of becoming an international leader in sustainability and its advocate by making contributions to the sector in which it operates.

It uses the power of its partnerships for effective natural resource management. In this context, it takes action in areas such as the protection of biodiversity, which is one of the main objectives of the partnership, and supports related projects. It operates with the awareness of the importance of the preservation of ecosystems and focuses on the potential for partnerships to build an institutional capacity.

For each product purchased from the Omnia Water Collection, the company donates a certain amount of the takings to the DenizTemiz Association/TURMEPA under the framework of its business partnership. Thus, the protection of sealife is supported.

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SUPPLY CHAIN MANAGEMENT

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

The social, ethical and environmental performance of its suppliers are assessed through audits carried out by Paşabahçe itself, and areas open to improvement are determined in light of its sustainability approach. Local suppliers are preferred to the largest extent possible in order to contribute to the local economy and grow together with experienced suppliers with whom long-term cooperation is sought.

Paşabahçe's priorities include contributing to the country's economy and employment growth when suppliers are selected. Seven percent of the total 3,800 suppliers are made up of local suppliers. The share of local supplier payments in the total supplier payments is 91%.

In addition to long-term cooperation, new suppliers are also given opportunities to learn and improve together. When choosing its suppliers, whose number reached 300 this year, a set of criteria such as the environmental management system used by the supplier and the demographic structure of its employees are given as much importance as its financial status and the volume of the investment.

Training for suppliers is provided in order to become familiar with our business principles and support their development.

Paşabahçe manages the supply chain effectively by following digitalization processes closely. Through projects developed in this context, efficiency is ensured in business processes which we seek to further increase. Within the scope of the Shipping Planning and Ramp Booking Project, shipment plans are carried out in warehouses via a booking system using a software assisted booking portal. By integrating digitalization into the information transfer processes, all movements of vehicles arriving at the loading facilities are monitored and measured thanks to the card system, which starts monitoring them at the entry point to the facility.

In line with the business rules determined by the integrated business planning approach, it is aimed to rearrange the processes on the SAP ERP system to ensure operational efficiency and increase service quality.

Another project involving the adoption of the advanced planning tool is aimed at systematic planning studies including optimization of production-sales-stock balance, rough capacity planning, detailed scheduling, production, secondary processing, and packaging.

Another project, which involves the realization and tracking of all master data creation processes related to the product, customer, supplier and production via a single tool, aims to increase efficiency and service levels in processes such as elimination of main data errors and creation/modification of master data.

CORPORATE SOCIAL RESPONSIBILITY

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

With its Pink Cap Water Bottles Project initiated in order to promote the responsible consumption of water and raise awareness about breast cancer, Paşabahçe has been supporting the activities of the Turkish Breast Health Foundation (MEVA) since 2014. At the same time, the product slogan "Did you drink water today?" emphasizes the importance of water in our lives.

We also donate to the "If there is a sea, there is life" Project initiated by the DenizTemiz Association/TURMEPA through each product purchased from the Omnia Water Collection. With these donations, the aim is to prevent the leaking of about 200,000 liters of polluted water into the sea, which slows down the vital activities of plants and animals living in the sea.

This year, Paşabahçe employees participated voluntarily in the Blood Donation Campaign organized by the Şişecam Group in cooperation with Turkish Red Crescent. Contributions to blood donations will continue in the future, taking into account operating conditions and the shift system.

Information on Paşabahçe's other Corporate Social Responsibility Projects aimed at creating value by contributing to society are accessible under the general heading Heritage.

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INTERNATIONAL ENABLER TO
FOSTER SUSTAINABILITY**DIGITAL INTELLIGENCE AND COMMUNITY**

Digital Intelligence and Community

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

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

Paşabahçe has been conducting other projects in order to increase service quality for its customer and visitors, as well as digitalizing its production processes. With the occupational health and safety training videos prepared for customers and visitors at Kırklareli Plant, the risk of accidents is reduced by ensuring effective information sharing within a short period of time.

EFFECTIVE CUSTOMER RELATIONS

Paşabahçe cares about the satisfaction of its customers, who are also stakeholders in the Group, and develops and executes action plans according to the results of the Customer Satisfaction Survey held at the end of each activity year. According to the survey results conducted at Camiş Ambalaj, customer loyalty is at 73% and customer satisfaction has increased to 90%. 90% positive feedback was received from the surveys delivered through counters at Paşabahçe stores. There will be more of such in-store surveys in the future and these will be made even more systematic. Customer satisfaction at factories is measured through focus group work, field visits, customer visits and fairs, and the actions to be taken are determined according to these results at management meetings.

Paşabahçe views the feedback from its customers and dealers as valuable input for both new products and services and increasing customer satisfaction. It analyzes this feedback thoroughly, thereby improving work processes and consequently contributing to the development of society with new products and services. The Paşabahçe Club Card customer loyalty program has been launched and 42,000 applications have been received for the card within the scope of the CRM project conducted by Paşabahçe stores. Card holders are being offered a variety of special offers to increase customer loyalty. In order to take a more systematic approach to customer relations, the Marketing and Customer Relations Department was established and integrated into the company structure, which was renewed in 2016. Through this channel, all activities and processes related to customer relations are planned, implemented and followed up.

Besides feedback and customer loyalty projects, customer complaints are evaluated using the SAP CRM system and responded to as soon as possible. Queries, suggestions and complaints sent via the call center, e-mail correspondence and phone are responded to via the Customer Technical Services Department and when necessary, shared with the relevant units. All generated complaints are analyzed, resolved and reported.

This year, Paşabahçe became a member of the online customer complaints site www.sikayetvar.com in order to follow up and resolve complaints. All customer complaints submitted in 2017 were responded to and resolved.

Employees in Paşabahçe stores are trained on a regular basis to improve their competencies in customer satisfaction. Over the last three years, 213 employees have taken a 14 hour-long training course and 2988 hour-long training course in total was provided on Relational Sales Management, Using a Customer-Oriented Service Approach, and Customer Service Management.

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INFORMATION SECURITY AND CUSTOMER PRIVACY

As a responsible organization striving toward customer satisfaction, Paşabahçe attaches great importance to the protection of customer data confidentiality. In this respect, it uses the most up-to-date, effective and safe technological infrastructure and provides training to improve employee awareness of data confidentiality.

Issues of common confidentiality and data storage in business contracts with customers are secured in line with ISO 27001 Data Security Management System certification and possible violations are avoided. Studies to improve digital and cyber security continue, while the Security Route Map 2018-2020 was released as part of system improvements to control access to the database and ensure the security of the data.

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



Within the scope of our digital transformation project, Paşabahçe's corporate website www.denizlicam.com has been renewed to improve the user experience through the integration of the newest technologies. For the face-lift given to its brand-new website, the company was presented the Award of Distinction in the category of "Professional Web Page Services" at the Communicator Awards, the most prestigious international award platform in the field held by the Academy of Interactive and Visual Arts.



Detailed information about the Security, Privacy and Personal Data Protection Policy can be found under the [Privacy Policy](#) section of Paşabahçe's corporate website.

PAŞABAHÇE ONLINE SALES PLATFORM

Paşabahçe stores continue to provide services through online sales in order to offer their customers a better and more effective shopping experience. It is aimed that the 1% share of online sales in total sales will be increased every year to reach 2% by 2022. In this context, many innovations were introduced in 2017 that offer user-friendly functions in the online sales platform. **Global e-store** and **mobile app** projects are planned to be launched in 2018.



PROGRESS

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PROGRESS

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

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

The company's medium and long-term vision is to establish an enabling environment as a champion of corporate heritage, to become an international enabler and advocate for sustainability, and to operate climate-neutral 360o circular models.

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



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



By 2022, reduce annual specific energy consumption in glass production plants by 2%



By 2022, 12 MW energy provided through renewable energy sources



By 2022, additional 2 plants implemented Waste Heat Recovery system

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CLIMATE NEUTRAL 360° CIRCULARITY MODEL

An Active Solution Partner for Climate Change

Climate change continues to affect our lives in many ways, from extreme weather to the reduction of natural resources, and such impacts and effects are expected to increase in the long run. Paşabahçe believes that climate change, one of the greatest global problems of our age, can be solved only through effective collaboration networks. Hence it is very important to be an effective solution partner in cooperation with individuals, the private sector, public institutions, international institutions and non-governmental organizations..

Paşabahçe's priorities include managing climate change, as well as risks that may arise in both the short and long run through emission reduction policies. Şişecam regularly shares Paşabahçe's climate change strategy and performance under the Carbon Disclosure Project in order to disclose its priorities and the steps it takes in a transparent way.

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Integration of Low-Carbon Approach

At all of Paşabahçe's facilities, energy efficiency projects and carbon emissions are managed effectively to contribute to Şişecam Group's carbon reduction targets.

Energy is an important production input for Paşabahçe, which is active in an industry heavily reliant on energy. In this context, Paşabahçe constantly evaluates the risks and opportunities related to energy and manages its operations accordingly.

Studies to determine and implement the roadmap for a sustainable energy supply, renewable energy sources applications, and energy efficiency projects are carried out by the Sustainability Directorate.

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

Within this scope, we have put our mark with important projects related to natural gas and electricity saving in our factories, saving 81,000 GJ of energy and saving about 3 million TL.

Through the project, which includes the conversion of equipment used during the production of glassware household goods and is planned to be completed within three years, it is aimed to save 5% in total electricity consumption and 5 million TL in financial terms.

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

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INTEGRATION OF LOW-CARBON APPROACH

CLIMATE NEUTRAL 360° CIRCULARITY MODEL

Climate Neutral 360° Circularity Model

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

TECHNOLOGY AND INNOVATION

Technology and innovation lie at the heart of Paşabahçe's efforts to implement the targeted circular model. It operates with full awareness of the fact that Research and Technological Development (RTD) efforts are one of the most important components of a company's ability to engage in global competition both in the present and the future. It is an important actor in global competition thanks both to the practices it implements in this framework and its products.

Paşabahçe's RTD activities are conducted in close liaison with Şişecam Group's Science and Technology Center and with regional laboratories which function within this structure. Each year, it reviews its Research and Technology Development strategies through a process actively supported by the Head Department of Research and Technological Development, Paşabahçe Development Directorate and Strategic Planning Directorate. Paşabahçe allocated a budget of 10.3 million TL to RTD this year.

This year, a new technology is being developed for the digitalization of centrifugal machines used to shape glass, in order to increase product quality and production efficiency. Paşabahçe plans to digitally adjust, visually monitor and record the mechanics of the process with this product for which a patent application has already been made. In addition, a new drainer is being designed for products that are challenging to drain using centrifugal machines.

The pressing processes of press-blowing machines are conducted with servomotors whereby the processing systems are technologically improved. By making the production settings easier and more precise, it is now possible to avoid pressing errors and increase quality and efficiency. In addition, a new type of burning and polishing machine is being designed for the press machines.

A new machine is being designed to support suitable production conditions to increase the thermal shock resistance of hot beverage glasses.



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INTEGRATION OF LOW-CARBON APPROACH

CLIMATE NEUTRAL 360° CIRCULARITY MODEL

INNOVATIVE PRODUCTS

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

By placing objects in the void on the bottom of cups and filling them with a transparent chemical via **insert glass application**, the sensation such that the objects are a part of the glassware is created. Products using this procedure have gone into production, the patent application process having already been completed.

This year, RTD laboratory experiments on **chemical tempering technology** were completed and its commercial production started. As part of this, glass from Denizli Cam's stem zero line was strengthened by chemical tempering and launched into the market under the brand name Ion Shielding.

Paşabahçe won the "European Product Design Award" and "Germany Design Award" for its Linden Batik series containing products in various shades of color inspired by nature.

In 2017, the product development stage of Paşabahçe baby bottles was completed and production started. The baby bottles made from borosilicate glass composition, which is resistant to sudden temperature changes, are ergonomically designed with a wide mouth to allow easy gripping and cleaning. In addition, to meet parents' different needs, BPA-free products were produced at three different grades of fluidity.

An **induction based Borcam** product using transparent borosilicate glass in induction stoves is being developed **for the first time in the world**. Prototype products were presented at the 2018 Ambiente fair and are scheduled for mass production at the end of 2018. Induction heating is one of the most efficient energy techniques available. Open flame stoves provide around 30-35% efficiency, whereas induction stoves provide about 75%.

This year, the Borcam branded Non-Stick series was developed in cooperation with German-based company Weilburger's Greblon brand dyes. The quality tests of these coated oven products that are suitable for food contact and produced to preserve nature and human health were completed with success. Borcam Non-Stick ovenware, which offers oil-free cooking, easy cleaning and a long-lasting surface with its intelligent non-stick coating, was sold for the first time in Argentina in 2017. The product is scheduled to be launched in Turkey in 2018.

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CLIMATE NEUTRAL 360° CIRCULARITY MODEL

PERFORMANCE INDICATORS

Environmental Performance Indicators

Energy Consumption (GJ)	2017
Natural Gas	3.661.220
Electricity	674.609
LPG	16.098
Other	20.015
Total	4.375.476

Green House Gas Emissions - GHGs (ton CO ₂)	2017
SCOPE 1	248.063

Air emissions (kg)	2015	2016	2017
NOx	2.849.750	1.599.049	1.410.549
SOx	84.913	16.848	68.025

	2015	2016	2017
Environmental Investments and Expenditures (TL)	2.118.471	3.427.755	2.283.854

Water consumption (m ³)	2015	2016	2017
Municipal Water	669.896	564.797	565.927
Ground water	845.694	860.925	778.632

	2015	2016	2017
Amount of Recycled/Reused Water (m ³)	92.199	82.215	50.869
Amount of Wastewater (m ³)	1.104.770	1.014.261	888.984

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Amount of Waste (ton)	2015	2016	2017
Amount of Hazardous Waste (sewage sludge etc.)	859	1050	1234,86
Sent to Landfill	403	253	303
Recycled (paper, plastics, glass etc.)	34.688	28.317	25.123
Recovered for energy (waste vegetable oil etc.)	593	927	402

Economic Performance Indicators

Genel Operasyonel ve Finansal Bilgiler	2015	2016	2017
Total revenue	1.348.233.085	1.651.624.141	1.918.879.000
Operational expenditures	415.209.570	517.802.823	580.575.000
Economic value retained	933.023.515	1.134.821.318	1.338.304.000
Donations	211.295	467.765	278.749

Social Performance Indicators

Number of Employees	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Total number of employees	524	3958	509	4261	478	4070

Number of employees by category	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
White collar	522	1037	506	1038	475	961
Blue collar	2	2921	3	3223	3	3109
Number of Employees under collective labour agreements	2	2917	2	1961	2	1823

Number of employees by contract type	2015		2016		2017	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Total number of employees	4482	0	4769	1	4545	3
White collar	1559	0	1543	1	1433	3
Blue collar	2923	0	3226	0	3112	0

Number of Subcontracted employees	2015		2016		2017	
	Full time	Part time	Full time	Part time	Full time	Part time
	911	6	907	36	864	34

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Employees by age	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
New employee hires	129	350	50	310	68	349
Over 50 years	0	1	0	2	0	2
Between 30- 50 years	26	81	21	63	15	103
Below 30 years	103	268	29	245	53	244

Employee turnover	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Number of employees who left work	92	361	66	326	104	538
Over 50 years	3	36	4	57	6	55
Between 30- 50 years	38	198	32	166	58	305
Below 30 years	51	127	30	103	40	178

Number of employees by year	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
0-5 years	311	1601	299	1579	276	1477
5-10 years	82	737	78	925	78	817
10 years and over	131	1620	132	1757	124	1776

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Number of employees entitled to parental leave	21	0	33	0	21	0
Number of employees returned to work after parental leave ended	20	0	23	0	16	0

Average hours of training per employee (Total hours of training /number of employees)	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Total hours	31	34	34	32	76	51
Blue Collar	24	22	23	24	10	21
White Collar	31	29	34	34	77	66

Performance Management	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Total number of employees who received regular performance and career development evaluations	302	756	288	778	273	710

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Diversity and equal opportunity	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Number of employees in top management bodies	5	6	6	6	7	7
Over age 50	0	0	0	0	0	0
Ages between 30- 50	5	6	6	6	7	7
Under age 30	0	0	0	0	0	0
Number of employees in Board of Directors	6	9	5	9	5	9
Number of disabled employees	1	125	1	131	2	126

OHS Data	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
EMPLOYEES OF ŞİŞECAM						
Number of accidents	-	365	-	315	-	253
Absentee rate	-	4122	-	4099	-	2998
Injury rate (IR)	-	48	-	41	-	32
Lost day rate (LDR)	-	546	-	533	-	381
SUBCONTRACTED EMPLOYEES						
Number of accidents in subcontractors		29		49		36
Injury rate in subcontractors (IR)		20		31		25

OHS Trainings	2015	2016	2017
Percentage of training time devoted to occupational health and safety	%74	%64	%60
Rate of OHS training per employee	%7	%7	%7

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GRI CONTENT INDEX



GRI Standard	Disclosure	Page Number/Link	Omission Reason
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosure 2016	Organizational Profile	-	-
	102-1	2	-
	102-2	7	-
	102-3	http://www.pasabahce.com/en/investor-relations/corporate-identity-and-management/trade-registry-information	-
	102-4	7	-
	102-5	http://www.pasabahce.com/en/investor-relations/corporate-identity-and-management/shareholder-structure	-
	102-6	6-7	-
	102-7	8-9	-
	102-8	43-44	-
	102-9	33	-
	102-10	7	-
	102-11	13	-
	102-12	15	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
	102-13	15	-
	Strategy	-	-
	102-14	3-4	-
	102-15	12	-
	Ethics and Integrity	-	-
	102-16	13	-
	102-17	13	-
	Governance	-	-
	102-18	11	-
	102-19	11	-
	102-20	11	-
	102-21	15	-
	102-29	11	-
	102-30	12	-
	102-31	11	-
	102-32	11	-
	Stakeholder Engagement	-	-

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GRI Standard	Disclosure	Page Number/Link	Omission Reason
	102-40	15	-
	102-41	44	-
	102-42	15	-
	102-43	15	-
	102-44	15	-
	Reporting Practices	-	-
	102-45	2	-
	102-46	2	-
	102-47	14	-
	102-48	None	-
	102-49	9	-
	102-50	2	-
	102-51	http://www.pasabahce.com/sites/catalogs/en/General%20Documents/Sustainability%20Reports/pasabahce2016eng.pdf	-
	102-52	Annual reporting	-
	102-53	2	-
	102-54	2	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
	102-55	46-49	-
	102-56	No external assurance	-
GRI 200: Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1	9-10	-
	103-2	9-10	-
	103-3	9-10	-
GRI 201: Economic Performance 2016	201-1	43	-
GRI 300: Environmental Standard Series			
Energy			
GRI 103: Management Approach 2016	103-1	37-39	-
	103-2	37-39	-
	103-3	37-39	-
GRI 302: Energy 2016	302-1	42	-
	302-4	42	-
Water			

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GRI Standard	Disclosure	Page Number/Link	Omission Reason
GRI 103: Management Approach 2016	103-1	21-22	-
	103-2	21-22	-
	103-3	21-22	-
GRI 303: Water 2016	303-1	42-43	-
	303-3	42-43	-
Emissions			
GRI 103: Management Approach 2016	103-1	23	-
	103-2	23	-
	103-3	23	-
GRI 305: Emissions 2016	305-1	42	-
	305-5	42	-
	305-7	43	-
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	21-22	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
	103-2	21-22	-
	103-3	21-22	-
GRI 306: Effluents and Waste 2016	306-2	43	-
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	19-20	-
	103-2	19-20	-
	103-3	19-20	-
GRI 307: Environmental Compliance 2016	307-1	42	-
GRI 400: Social Standard Series			
Employment			
GRI 103: Management Approach 2016	103-1	26	-
	103-2	26	-
	103-3	26	-
GRI 401: Employment 2016	401-1	44	-
	401-2	28	-

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GRI Standard	Disclosure	Page Number/Link	Omission Reason
	401-3	45	-
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	29	-
	103-2	29	-
	103-3	29	-
GRI 403: Occupational Health and Safety 2016	403-2	45	-
Training and Education			
GRI 103: Yönetim Yaklaşımı 2016	103-1	31	-
	103-2	31	-
	103-3	31	-
GRI 404: Eğitim ve Öğretim 2016	404-1	45	-

GRI Standard	Disclosure	Page Number/Link	Omission Reason
	404-2	31	-
	404-3	45	-
Çeşitlilik ve Eşit Olanaklar			
GRI 103: Yönetim Yaklaşımı 2016	103-1	27-28	-
	103-2	27-28	-
	103-3	27-28	-
GRI 405: Çeşitlilik ve Fırsat Eşitliği 2016	405-1	45	-