





ABOUT THE REPORT

With its fifth Sustainability report, Paşabahçe Cam Sanayi ve Ticaret A.Ş. (Paşabahçe) presents its stakeholders the sustainability performance covering the period between January 1, 2018 - December 31, 2018 based on the "Core" compliance option of the GRI Standards.

The data in the report covers all legal businesses of Paşabahçe in Turkey and abroad. Due to this expansion within the scope of reporting, performance data only covers 2018. In the future reporting periods, the performance data will be presented starting from 2018 and will continue to be presented comparatively based on years.



Stakeholder feedback is extremely important in improving both our activities and our reporting process. You can send all your opinions, suggestions and complaints to Hakan Şahin, Business Development Manager at haksahin@sisecam.com.tr.



MESSAGE FROM THE CHAIRMAN OF THE BOARD



Esteemed Stakeholders,

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

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

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

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

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

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

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

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

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

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

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

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

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

Prof. Dr. Ahmet Kirman
Chairman of the Board



MESSAGE FROM GLASSWARE GROUP PRESIDENT



We left behind a year in which financial and political uncertainties increased throughout the world. The currency jump experienced in the second half of the year in Turkey negatively affected the market of glassware, which are not necessity goods. As Paşabahçe, we maintained our position in the industry by continuing our efficiency and advanced technological investments with high capacity utilization despite the challenging and competitive conditions in global markets.

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

In line with our understanding under "preserve", we continued our environmental investments and training activities in order to preserve environmental resources. While transferring TRY 1.7 million to environmental investment and management expenditures, we organized 2.776 man*hour environmental training to raise awareness of our employees on environmental issues. In 2018, we managed to reuse more than 1 million m³ of water and 148 tons of glass fractures by effectively managing water

and waste issues in line with our sustainable use of natural resources.

As Paşabahçe, we are aware of our responsibility in fighting climate change, one of the most important problems the world faces today. In 2018, we focused on using energy in our operations in a sustainable manner, implementing renewable energy resources and carrying out efficiency projects that will ensure energy efficiency. We achieved financial savings of TRY 27.5 million through efficiency and improvement projects.

We continue to support our employees with our rich performance and talent management systems within the framework of our goal of becoming an inclusive and preferred workplace and incorporating in the right talents. In order to support the personal and professional competencies of our employees during the period, we organized 103.303 man*hour training. Şişecam Group Talent Management System, which was launched in 2018, was put into practice also at Paşabahçe.

We continued our investments in R&TD for the products with high added value. In 2018, we transferred TRY 4.3 million to R&D expenditures. As a result of our investments, we executed seven patent applications in Turkey in addition to two Turkey-certified and two overseas Patent Cooperation Agreements.

In 2018, we continued to create positive added value for our stakeholders with our new and original products.

The share of innovative products in total turnover in Paşabahçe Stores reached 12.7%. We have implemented 493 product design proposals, 372 seasonal themed design works and 1,554 packaging projects for our Borcam and Nude brands. The designs for Paşabahçe and Nude brands received 8 awards.

We strive to preserve the glass, which is an extremely valuable heritage, and to promote the glass culture. While we expand the life area of glass with Omnia Water Collection, we also support the "There is life where there is a sea" project initiated by DenizTemiz Association in collaboration with TURMEPA. With World Heritage Glassware Collection, we create awareness about our cultural and natural assets that are our common heritage.

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

Cemil Tokel
Glassware Group President

ABOUT PAŞABAĞÇE

Established in 1934 and led by Paşabağçce Cam, the oldest company of Şişecam Group, Şişecam Glassware Household Products Group operates in glassware household product design, production and sales, chain store and paper-cardboard package production. With its strong distribution channel structure, wide product range, exemplary production skills and customer-focused strategic approaches, Paşabağçce Cam is one of the top 3 companies in the world and of the top 2 companies in Europe today.



BRANDS

VISION

Becoming a worldwide company that produces creative solutions with its business partners, creates difference with its technology and brands, respects the individual and the environment while playing a pioneering future for the glass and its fields of activity.

MISSION

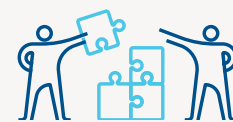
Being a company adding value to the life with quality and comforting products and respecting people, nature and law.

Retail Merchandising
51 stores in Turkey and 2 overseas stores

VALUES



Gaining strength from traditions, supporting each other



Adopting a fair and transparent understanding of management



Improving and progressing together



Environmental awareness



Respecting differences



GLASS PRODUCTION GROUP IN 2018





PAŞABAĞÇE PRODUCTION FACILITIES



Production Facilities in Turkey

Paşabağçe Cam San. ve Tic. A.Ş. • Kırklareli Fabrikası - Kırklareli • Eskişehir Fabrikası - Eskişehir • Denizli Cam San. ve Tic. A.Ş. • Denizli Fabrikası - Denizli • Camiş Ambalaj Sanayii A.Ş. • Tuzla Fabrikası - İstanbul

Overseas Production Facilities

Paşabağçe Bulgaria EAD - Bulgaria • OOO Posuda Limited - Russia • Paşabağçe Egypt Glass Manufacturing S.A.E. - Egypt



INTEGRATED CORPORATE SUSTAINABILITY APPROACH

SUSTAINABILITY IN ŞİŞECAM: WHY? WHAT? HOW?

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

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

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

Why?

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

What?

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

How?

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

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

ŞİŞECAM SUSTAINABILITY STRATEGY: CARE FOR NEXT

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

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

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

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

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

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

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

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



» You can access the details of Şişecam's sustainability approach via the Sustainability tab of Şişecam Group's corporate website. The stakeholder communication applications applied in Şişecam Group can be found on page 33. of the report.

SECOND INTERNATIONAL SUSTAINABILITY WORKSHOP

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

ŞİŞECAM SUSTAINABILITY STRATEGY: CARE FOR NEXT



SUSTAINABLE DEVELOPMENT GOALS AND ŞİŞECAM

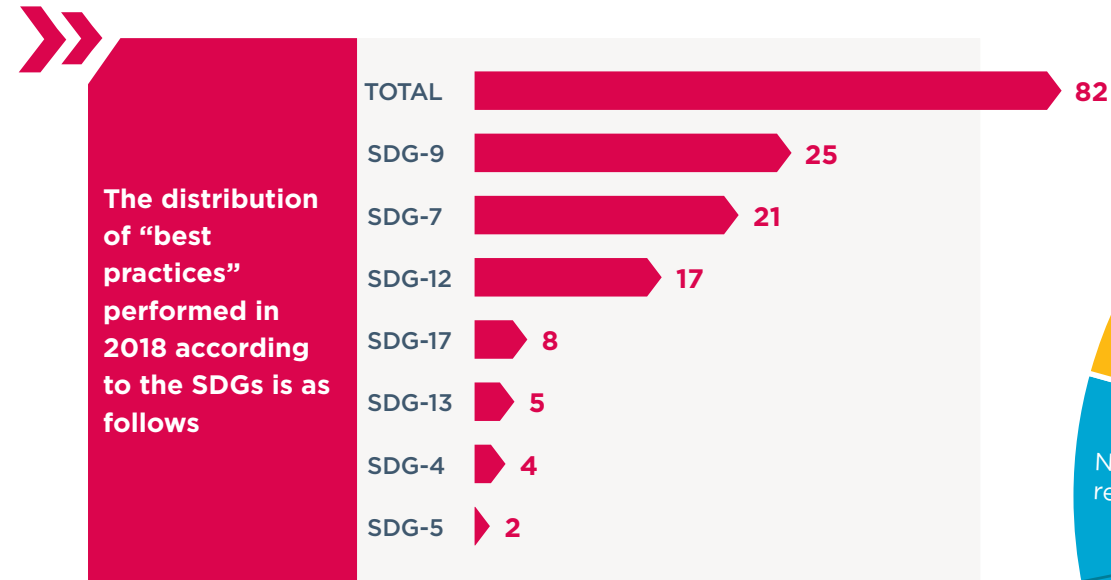
Adopting sustainability as the focal point of its activities, Şişecam acts with the awareness of its responsibility for sustainable development. As an important result of this understanding, Şişecam adopts the United Nations Sustainable Development Goals (SDGs) and implements its sustainability strategy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

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

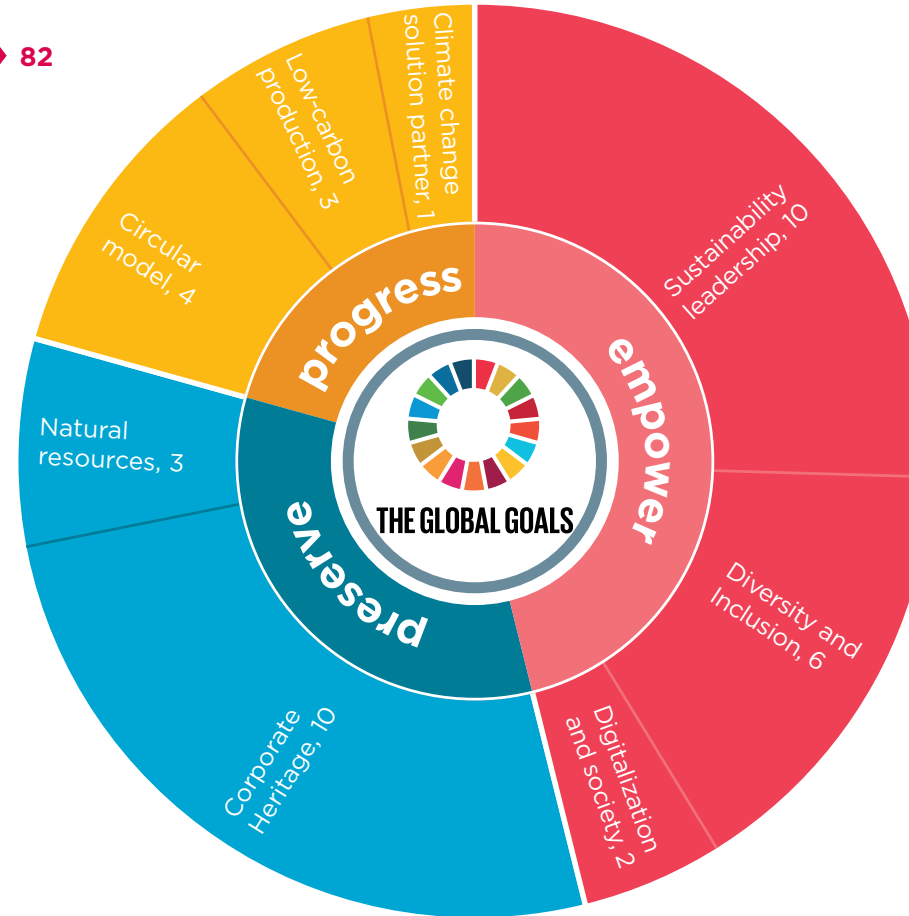


Şişecam has set targets for the Sustainability Committee and Working Groups in order to exhibit its contribution to the SDGs. These goals and actions taken in line with the goals establish the link between Şişecam Sustainability Strategy and SDGs. In 2018, 39 actions were determined and completed. The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

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



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



SUSTAINABILITY MANAGEMENT

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

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

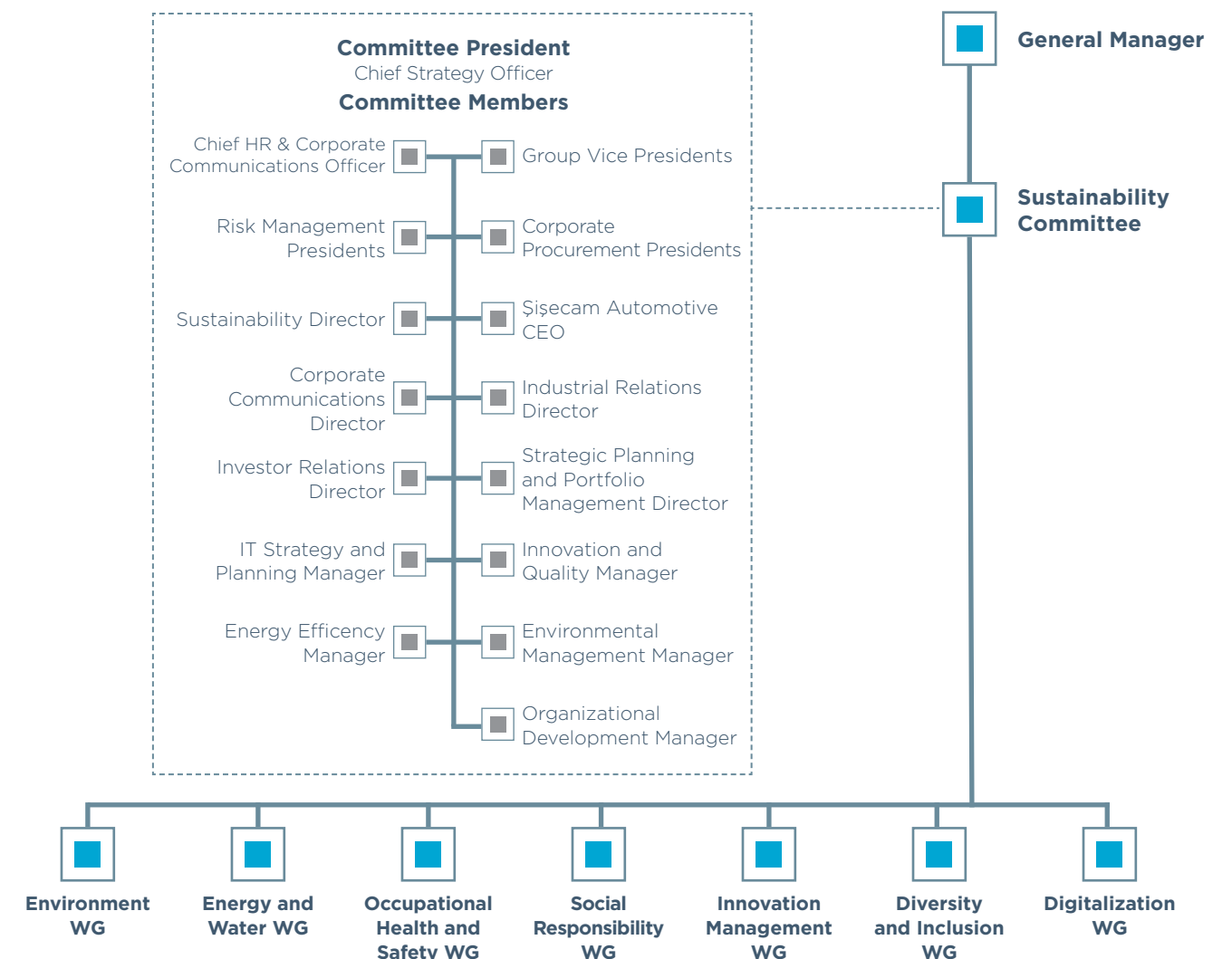
Each of the Group Production Vice Presidents is an active member of the Sustainability Committee and manages the practices of the sustainability strategy within the Group. In 2018, the Committee convened 4 times to evaluate the Group’s performance in achieving its sustainability targets.

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

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

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

ŞİŞECAM GROUP SUSTAINABILITY MANAGEMENT STRUCTURE





PERFORMANCE MONITORING AND TRACKING

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

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

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

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

» As a result of its performance in sustainability, Şişecam has been included in Istanbul Stock Exchange Sustainability Index since 2016.

COLLABORATIONS AND STAKEHOLDER ENGAGEMENT

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

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

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

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

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

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

» The stakeholder communication methods applied in Paşabahçe can be found on page 32 of the report.

» Paşabahçe's corporate membership list can be found on the page 32 of the report.



SUSTAINABILITY GOALS

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

2022 TARGET	REALIZATION IN 2018
PRESERVE	
Reuse of 5% of treated industrial waste water.	65.269 m ³ of treated mold water and oily glass fracture were recovered in washing. The recovery ratio was 27.7%. In Russia, 10% of treated water was reused.
Development of at least 4 industrial synergy programs.	The researches on industrial synergy alternatives continued.
EMPOWER	
Zero occupational accidents - "Lost Time Injury Frequency Rates" (LTIFR)	The efforts to reduce occupational accidents continued.
Determination of Şişecam Group Diversity and Inclusion Principles.	Şişecam Diversity and Inclusion Workgroup has continued its efforts to determine the principles.
Popularization of inclusive culture in Şişecam Group and stakeholders. Measuring the development with indicators.	Work in progress.
Supporting declared national and international policies and regulations on equality of opportunity	Work in progress.
PROGRESS	
Reducing greenhouse gas emission density by at least 5% in glass production facilities compared to 2017.	Projects to reduce greenhouse gas emissions continued.
Reduction in annual energy consumption in glass production facilities by 2% compared to 2017.	Energy efficiency projects continued.
Generating 12 MW of energy from renewable resources.	Work in progress.
Switching to waste heat recovery systems in at least two more factories.	Work in progress.

RESPONSIBLE GOVERNANCE

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

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

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

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

BUSINESS ETHICS

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

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

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

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

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

ANTI-CORRUPTION

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

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



PRESERVE

Paşabahçe develops practices that will protect and carry natural resources, biodiversity, product safety and corporate heritage to future generations within the framework of "Preserve" mindset.





PRODUCT SAFETY

Product quality and safety in Paşabahçe are among the business priorities that are not compromised. Common implementation notes are published by the Management Center for the implementation of corporate procedures in all factories.

Paşabahçe products are produced in accordance with national and international consumer health and safety standards. Lead and cadmium-free paints are used for children's products. Potential negative effects are prevented by using organic printing technique in decorated products.

Paşabahçe implements practices beyond the legal requirements for product labeling in order to ensure that its products are used in the most accurate manner, without compromising the health and safety of the customer. All product boxes contain company contact information, product tracking number, hygiene information,

symbols that guide the user in contact with hot and cold and information about the use of accessories. Usage/maintenance instruction labeling is available for all products contacting food and all textile products based on the characteristics of the product. The phrase "Suitable for food contact" is available in barcode labels with respect to products contacting food. In order to ensure safe use of the products, warning labels are affixed on the products which are deemed necessary or the instructions for use are put into their packaging.

The analyses of textile products and products subject to ITKIP analysis are made by the relevant laboratories designated by and the entry of products containing prohibited substances into the country is not allowed. Paşabahçe Stores conducted quality control audits to 40 supplier companies in 2018, results of which were shared with companies and improvement roadmaps were created.

CERTIFICATES AND STANDARDS OWNED

	Country	ISO 9001	ISO 14001	OHSAS 18001	ISO 27001
Paşabahçe Cam San. Tic. A.Ş. Eskişehir Plant	Turkey	✓	✓	✓	✓
Paşabahçe Cam San. Tic. A.Ş. Kırklareli Plant	Turkey	✓	✓	✓	✓
Denizli Cam San. Tic. A.Ş.	Turkey	✓	✓	✓	✓
Camiş Ambalaj San. A.Ş. Tuzla Plant	Turkey	✓	✓	✓	✓
Paşabahçe Bulgaria EAD - Bulgaria	Bulgaria	✓	✓	✓	
OOO Posuda Limited - Russia	Russia	✓	✓	✓	
Paşabahçe Egypt Glass Manufacturing S.A.E. - Egypt	EG	✓	✓	✓	

ISO 9001: Quality Management System • ISO 14001: Environmental Management System • OHSAS 18001: Occupational Health and Safety Management System • ISO 27001 Information Management Security System

» TRY **1.7** Million
The budget allocated for environmental investment and management expenditures at Paşabahçe in 2018

» **2,776** person*hour,
Environmental trainings provided to Paşabahçe employees in Turkey



NATURAL RESOURCES

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

WATER MANAGEMENT

Paşabahçe works to reduce water consumption. For this purpose, the treated water is recycled and reused. In 2018, 1,128.564 cubic meters of water were reused at Paşabahçe.

At Paşabahçe, wastewater quality is a meticulously followed indicator. The sludge leaks were prevented and the wastewater quality was stabilized by biological treatment plant balancing pool, which was built at the Kırklareli Plant in 2018. The reverse osmosis unit was started to be used as feeding water in wastewater cooling towers with the project of recycling of wastewater. This has resulted in significant water savings. Part of the treated wastewater coming out of the chemical treatment plant is reused as oily glass fracture washing unit and a part as mold water in production machines. As a result of both recovery methods, water savings are achieved and the amount of wastewater discharged into the receiving environment is reduced.

With the "Water Consumption Reduction and Chemical Saving" project launched in 2018, the processes in all factories were reviewed and the opportunities for saving and reuse were investigated. In this way, 528.225 m³ of water saving and significant amount of chemical substances were saved. Reducing the consumption of smutting gases and mold water soap used in the process resulted in a decrease in water consumption and hazardous waste rates.

Waste water quality was increased with the wastewater plant renewal project realized in the Russian factory in 2018, and the potential negative impacts on the Vezloma River were prevented. In addition, the goal of reducing the water consumption by 40% to 3 m³ per ton of glass was also realized at Kırklareli plant.

WASTE MANAGEMENT

Paşabahçe believes that efficient waste management is the basis of circular economy. One of the priorities of Paşabahçe is the reuse of glass, which is an infinitely recyclable material. Recycling, which is an important part of the waste management approach, reduces the amount of waste, and raw material efficiency is ensured by reusing the recovered products in production processes. In 2018, 34% of the raw material consumed in Paşabahçe was reused. Additionally, 148.000 tons of glass fractures were reused in production. In this way, both the amount of waste was reduced and resource savings were achieved.

Paşabahçe adopts preventive approaches in waste management. The waste dusts retained in chimney gas treatment facility filters are recovered by 100% with applications that has continued since 2013 in Paşabahçe Kırklareli Plant. In this way, 280 ton/year raw material savings and the same amount of hazardous waste reduction are achieved.

Within the scope of the "Zero Waste Project" carried out in Paşabahçe, a compost machine has been designed by using waste scrapes and inert equipment at the factory to convert organic wastes generated in the cafeteria kitchen to compost. With the prepared fertilizer, the amount of annual waste was reduced by 10 tons and 8 tons of fertilizer was obtained.

BIODIVERSITY

Biodiversity, which expresses the difference and variability of living things with their complex ecological structures, their interactions with each other and their environment, is one of the main reasons for humanity to reach its current level of development. The plant and animal species creating biodiversity are used in agriculture, pharmacy, medicine, animal husbandry, forestry, fisheries and industrial areas and in the procurement of clean water and air supply. Acting with the awareness for the need of natural resources in its operations, Paşabahçe develops projects that will contribute to biodiversity in the region where its factories are located. Paşabahçe planted 134 trees in 2018.

CORPORATE HERITAGE

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

OMNIA WATER COLLECTION

With the Paşabahçe Omnia Water Collection, traditional glass production and decor techniques were reinterpreted by Turkish and foreign designers. The "water" theme of the collection, which aims to expand the living space of the glass by combining culture and design, attracts attention to one of the issues that most concern the present and the future of our world.

With the collection, a social responsibility project is being implemented in line with the sustainability strategy of Şişecam Group. The collection supports the "There is life where there is sea" project initiated by DenizTemiz Association with the collaboration

with TURMEPA. TRY 50.000 of the revenue obtained from the collection was donated to TURMEPA. In this way, the efforts for preventing around 200,000 liters of black water, which slows down the vital activities of the plants and animals living in the sea, from being mixed with sea water.

With Omnia Water Collection, Istanbul Design Biennial, organized biannually by IKSİV, was also supported as special project sponsor. At the biennial, artworks belonging to two designers took part in the collection were exhibited. Attended by Omnia designers, the Omnia Talks event was held and attracted great interest.

WORLD HERITAGE GLASSWARE COLLECTION

World Heritage Glassware Collection is a collection consisting of 22 product items prepared to increase the awareness for and ensure the protection of historical and cultural structures in Turkey protected by UNESCO. 13 out of 22 products in the collection are in the World Heritage List of UNESCO and other products are included in the Temporary World Heritage list. Paşabahçe aims to remind its customers the cultural heritage of Anatolia through this collection.



EMPOWER

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



DIVERSITY AND INCLUSION

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

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

Paşabahçe takes charge in The Diversity and Inclusion Work Group operating under the Şişecam Sustainability Committee. In this Workgroup, action suggestions are developed in order to improve and facilitate the working conditions of women with the contributions of internal and external stakeholders, to support

women's participation in labor force and career development, to raise awareness and to cooperate with stakeholders.

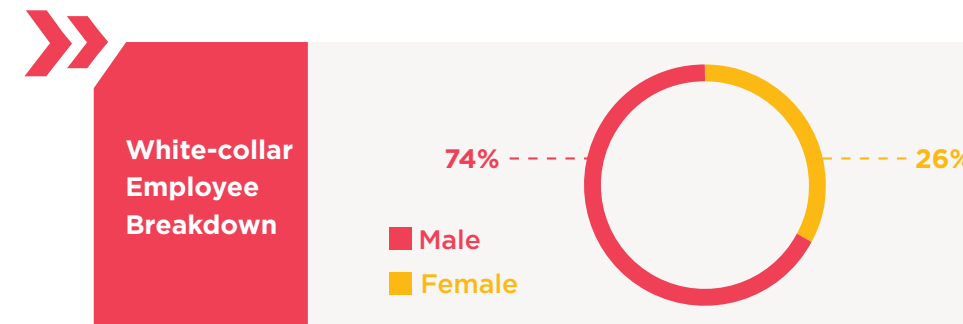
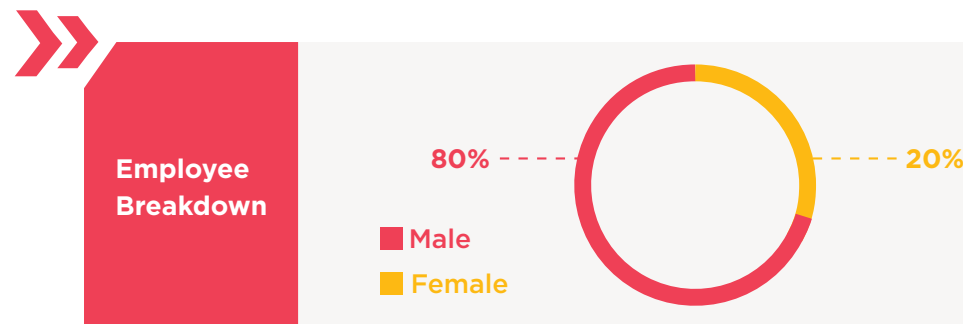
The number of female employees in Paşabahçe tripled in 2018. 20% of all employees and 26% of white-collar employees are women.

Paşabahçe aims to implement the "Şişecam Group Diversity and Inclusion Guidelines" in line with its goal of supporting and furthering its diversity and inclusion efforts.

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

Paşabahçe strives to increase the employment of disabled people as part of its diversity approach. The work environment is organized to facilitate the working conditions of disabled employees. Thanks to these practices, 144 disabled employees work in the company.

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





TALENT MANAGEMENT

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

Actions are taken in line with the career and talent management and performance development systems developed for the entirety of Şişecam Group.

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

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

Şişecam Group Performance Development System is used to promote sustainable success-oriented performance culture and to support the transformation of personal achievements into corporate success. Within this context, corporate targets are reduced to individual targets and a common goal is established. The Performance Development System is constantly being developed to achieve human-oriented, fast and reliable results. The system, which works in an integrated manner with Şişecam Group's strategic planning process, is maintained with a technological infrastructure that supports global deployment in a way that enables employees and managers to conduct objective evaluations. Within the scope of the Performance Development System Project, all training and development activities are combined under an "Individual Development Plan" in order to develop the competencies of the employees.



EMPLOYEE DEVELOPMENT

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

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

With the Academy, employees can participate in conferences, seminars and summits on various subjects at home and abroad, receive foreign language support, and those who wish to do a master's degree can receive corporate support in certain proportions.

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

In line with the global adaptation strategy of Paşabahçe, an English Language Development Program is being carried out to enable employees to improve their foreign language skills in English. During the period, 1,600 man*hour of English training was provided.

person*hour
» 103,303

Trainings Paşabahçe employees received in 2018

EMPLOYEE HAPPINESS

Paşabahçe continuously develops the employees' loyalty, satisfaction with their jobs and positive business climate, and provides a healthy and safe working environment where corporation values are maintained.

Paşabahçe believes that long-term employment of its employees has an important place in the success of the company. Within this context, a working environment is created that enables employees to contribute to their business processes, and career and development opportunities are provided to them. Around half of the employees in Paşabahçe in the Company for 10 years or more.

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

Paşabahçe believes that the participant corporation culture will reinforce its employee happiness. In this sense, employees are encouraged to participate in company decision-making processes; communication platforms are created where they can share their ideas and suggestions, and be aware of developments in the Group and in Paşabahçe.

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

The Idea Factory enables the evaluation and rewarding the creative ideas of employees, which add value to Paşabahçe to, increase productivity, develop business climate and corporate culture and adopt innovation.

The successful projects of employees that contribute to the development of products, processes and practices that have a positive impact on the business results are awarded under the Recognition, Appreciation and Rewarding System. Paşabahçe rewards the successful performances of its employees with Giftbox gift box within the scope of appreciation practices.

OCCUPATIONAL HEALTH AND SAFETY

person*hour
» 58,323
 Occupational health and safety trainings Paşabahçe employees received in 2018

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

Occupational health and safety issues are managed in Paşabahçe in cooperation with Şişecam Group Industrial Relations Directorate within the framework of OHS policy issued by Şişecam Group and in compliance with OHSAS 18001 Standard. The compliance of production facilities to the standards is monitored by audits carried out every year and the documents are renewed. In all domestic factories, cross-inspections are carried out by various teams consisting of OHS specialists.

Paşabahçe has its own OHS unit consisting of occupational safety specialist, workplace physician and health personnel and an OHS Committee in which a representative from the management is a member in each factory.

OHS Business Audits are performed by the manager, chiefs and engineers. In the scope of audits, business processes are monitored, risks and measures are compared and it is checked whether the work is done safely.

Paşabahçe invests in innovative technologies to minimize the accident risk, continuously improving its business processes.

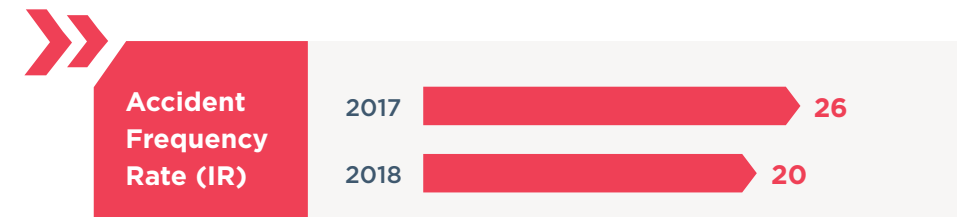
Paşabahçe supports the "zero occupational accidents by 2022" goal of Şişecam Group with various practices in order to minimize the risks in business processes and to create accident-free workplaces. On the QMDS, workplace accidents are monitored in

a systematic way through the Regulatory and Preventive Activities (RPA) and OHS Incident Notification System and daily risks are detected with daily site visits. The use of Personal Protector Equipment is increased in order to minimize common glass accidents such as cutting and burning.

Aiming to realize all stages of its production activities in a healthy and safe working environment, Paşabahçe continues its efforts to popularize the OHS culture. In 2018, OHS Leadership Trainings were given to the executives working in production; OHS Ambassadors project and studies were evaluated and good practices were shared and Occupational Health and Safety Painting Competition was organized.

Supporting occupational health and safety culture, reducing occupational accidents and ensuring that every stage of production activity is carried out in a healthy and safe working environment are only possible by raising the awareness of employees. Therefore, Paşabahçe organizes occupational health and safety trainings for its employees.

No cases involving fatalities or occupational diseases were encountered in Şişecam Glassware Household Products Group in 2018 and as a result of the improvements made, the accident frequency rate dropped by 23% compared to 2017.





CORPORATE SOCIAL RESPONSIBILITY

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





PROGRESS

Paşabahçe puts into practice the innovative products and services by focusing on combating climate change, R&D and digitalization with "Progress" mindset.





COMBATING CLIMATE CHANGE

The effect of climate change, one of the most important challenges of today's world that require joint combating, is increasing day by day. In this sense, regardless of scale, all companies have important responsibilities. Paşabahçe carries on its activities with the awareness of its responsibility to combat climate change and in cooperation with its stakeholders.

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

Paşabahçe constantly reviews the risks and opportunities related to energy and manages its operations accordingly. Management of risks related to climate change is considered as an important priority within Şişecam. In this sense, Paşabahçe shares its performance in that regard with Şişecam under the Carbon Disclosure Project.

In addition to these practices, the carbon reduction goal of Şişecam Group is supported through energy efficiency projects realized in all production facilities.

Financial savings of TRY 27.5 million were achieved through efficiency and improvement projects in the reporting period. The project, which is planned to be completed in all factories within three years covering the transformation of equipment in glassware production processes, aims to save 5% of the total electricity consumption and approximately TRY 5 million in financial terms.





R&D AND DIGITALIZATION

Paşabahçe pays special attention to the Research and Technological Development (R & D) and digitalization studies in order to realize the targets set by Şişecam in line with the "sustainability and excellence" approach from raw material to product at every step.

Paşabahçe, which acts with the awareness that one of the most important components of maintaining and taking its position in the global competition one step further is research and technologic development activities, conducts the related efforts in collaboration with the regional laboratories within Şişecam Group Research and Technological Development Department. The total R&D expenditure within the reporting period was realized as TRY 4,336.000.

In 2018, the efforts for localization of raw materials used in the products were implemented rapidly with the aim of cost reduction. In addition, works are carried out to expand the usage areas of borosilicate products. Ultra-thin crystal glasses are produced with the chemical tempering system, which was implemented with the Group's own engineering facilities. Efforts are being made to increase the mouth cutting quality in blowing type products.

Product and technology innovations resulting from R&TD activities are protected by intellectual property rights applications. In this respect, seven patent applications and two registrations were made in Turkey and two overseas Patent Collaboration Agreements were executed in 2018.

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

During the reporting period, the company cooperated with SAP company for the Omni-channel Project, which will lead to an increase in innovation within the scope of digitalization efforts.

Within the scope of QDMS Integrated Management System implementations, transition to which was completed in 2017, it

was ensured that many business titles were integrated into QDMS and conducted through the system with the help of business improvements in 2018, and thus a corporate archive was created.

The project for scanning and digitizing the entire technical drawing archive of Paşabahçe Development Directorate in hard copy format was initiated with the tender made in the reporting period and is still in progress. It is planned to digitize the entire archive by June 2019.

The Paşabahçe Shipping Reservation Portal allows shipment plants to be made in the warehouses via a reservation system. The dates and times of loading the vehicle arriving at the warehouses are reserved by the logistics unit via the portal and actual loading statuses can be observed by all business units.

The online sales of Paşabahçe stores increased by 50%, and the share of online sales in total sales rose to 1.23% by the end of 2018, from 1.0% in the previous year. The number of members of Paşabahçe Club Card program reached 100.645 in a short time; the number of followers of Instagram account from social media platforms reached 763.000. The sales through nudeglass.com increased by 100%. In order to be more effective in the fast-growing e-commerce channel, a project was initiated to move the nudeglass.com online sales site to a more flexible and user-friendly platform.

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

You can access detailed information on security, safety and personal information protection policy from the Confidentiality Agreement tab of the corporate website.



INNOVATIVE PRODUCTS

Paşabahçe aims to increase not only its competitive advantage but also positive added value for stakeholders with innovative products it develops. The products developed in this direction are produced by considering the major factors such as environment and climate change as well as customer expectations.

Customers, employees, authorized resellers, representatives and end consumers participate in the New Product Development process. The feedback, consumption trends, trends, different design needs obtained from the market and sales points are transferred as demand and used as input in new product development.

During the reporting period, a large number of product families and new products were developed in line with the trends and innovations in the world and customer demands. The share of innovative products in total turnover in Paşabahçe Stores was 12.7%. In 2018, 493 products and accessories, 1,554 packages and 372 patterns were designed within the scope of Paşabahçe design activities. 325 of 493 developed product and accessory designs became commercial products. The designs for Paşabahçe and Nude brands received 8 awards.

With the increasing interest in engraved glasses and the Timeless series attracting attention; new sizes were added to the series and the Elysia series, which was deployed in the upper segment in 2018, were launched with whiskey and beverage sizes and won the "German Design Award". Another series launched in this product category was Nessie with three sizes.

Camiş Ambalaj, which won the Competence Award in 2018 with the "Paşabahçe 12-piece Teacup and Saucer Display Pan" at the Crescents and Stars for Packaging Competition organized by Packaging Industrialists' Association, was also awarded with Worldstar 2019 award in the packaging competition organized by WPO (World Packaging Organization) with the same product.

The chemical tempering system designed by the engineers of the Glassware Group was commissioned in 2018 under the name of "Ion Shielding" and proved once again the Group's leadership in the production of glassware.

Paşabahçe Baby branded feeding bottles, which are the first product of the new baby category, also entered into overseas markets after being liked by the consumer. Having seen the product quality of Paşabahçe Baby, leading brands in feeding bottle industry requested supply for their own brands.

In the heat-resistant borosilicate product group, small-volume trays were developed by targeting elementary families. With its square, rectangular and baton cake forms, the Midi Borcam series has achieved successful performance.

The consumers were offered with heat-resistant and easily-to-clean products with Borcam Non-Stick, the non-sticking coating applied to the heat-resistant glass for the first time. Borcam brand made a difference in domestic and foreign markets with its paint and coating technique that its competitors lack and that is specially prepared for glass.

Click & Lock jars are launched in the Zestglass brand; thanks to the vacuum practical cover of the product, it provides air-tight protection for the food inside.

The Fairytale Winter Collection, which uses pigments developed with the patented Cosmo paint technology, meets the consumers in the tableware and beverage group with the color transitions on the glass surface.

Double-layer metallic color paint applications that stand out with its resistance in dishwashers were put on the market with color alternatives in Casablanca espresso glasses.

CUSTOMER RELATIONSHIP

Paşabahçe offers differentiated and special products and services to its customers by evaluating the emerging technological and digital opportunities together with business models.

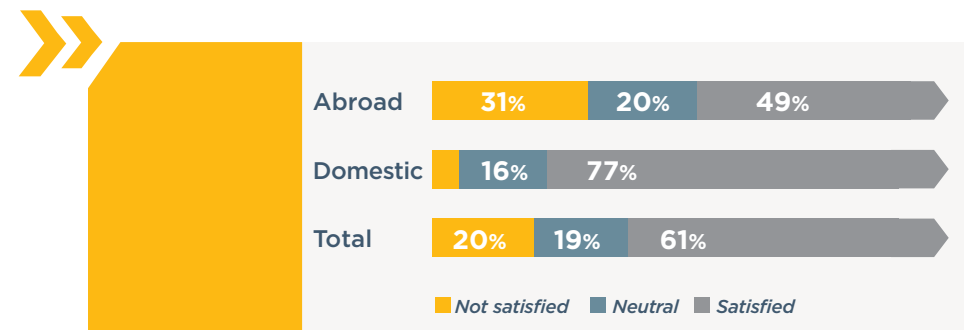
Customer Satisfaction survey is the application which Paşabahçe uses to assess the new product development or current product and services and implements actions based on such assessment. According to the results of the survey conducted during the reporting period, 6 out of each 10 Paşabahçe customers (61%) noted that they were satisfied, a ratio which rises up to 77% in the domestic customers. Approximately half of the respondents in overseas customers stated that they were satisfied.

In order to strengthen its communication channels, share strategies for the future and to achieve internal and external operational excellence according to the valuable feedback, Paşabahçe meets with its domestic and foreign customers in different organizations, and participates in fairs with the aim of strengthening its long-term and sustainable relations with them.

In addition to one-on-one relationship established with the customers, Paşabahçe collects and responds to all questions, comments and complaints of all customers and final consumers regarding the products, brands and company via info@pasabahce.com mail address, the Customer Service line number +90 (0) 850 222 19 35 and the communication modules of the websites www.pasabahce.com and www.sisecam.com.

The number of calls received by Paşabahçe Call Center, in which the customers' questions, requests, suggestions and complaints about their products and services are communicated in writing or verbally, rose to 23.000. The ratio of complaints to the number of invoices was realized at a low ratio of 0.2%.

The number of members in Paşabahçe Club customer loyalty program, commissioned in March 2017, reached to 100.000 individuals. The share of Paşabahçe Club members in total turnover was 13.5%. The number of followers of Paşabahçe account on Instagram, which is one of the popular social media platforms, increased by 33% and exceeded 760.000.



KEY STAKEHOLDER GROUPS AND ATTENDANCE PLATFORMS

Stakeholder Group	Attendance Platforms	Attendance Frequency
Analysts	Face-to-face meetings, • Workshops • Communication by phone	At least four times a year
Employees	Satisfaction survey • Suggestion and idea sharing platforms • Face-to-face meetings • Seniority incentive award • Recognition and reward system • Employee Engagement Survey	Recurrent
Shareholders	Periodic information reports • Social media	At least twice a year
Public Institutions	Regular reporting • Meetings, forums and conferences • Press releases • One-to-one interviews	Recurrent
Customers	Satisfaction surveys • Social media • Exhibitions • New product promotions • Phone and e-mail • Customer visits and meetings • Stores • Through Call Center	Recurrent
NGOs	Strategic collaborations • Events • Meetings	At least once a month
Suppliers	Daily workflow • Face-to-face meetings • E-mail communication • Communication by phone • Exhibitions • Audits	Recurrent
Universities	Conferences • Joint studies • Internship programs	Annual
Investors	Investor presentations • Face-to-face meetings • Telephone/teleconferencing and e-mail communication • Workshops • Roadshows	At least twice a year
Media	Press conferences • Press releases • Conferences	At least once a month

CORPORATE MEMBERSHIPS

Adana Chamber of Commerce	Gebze Chamber of Commerce	Central Anatolian Exporters' Association
Ankara Chamber of Commerce	Istanbul Exporters' Association of Minerals and Metals	Samsun Chamber of Commerce
Antalya Chamber of Commerce	Istanbul Chamber of Industry	TOBB
Bodrum Chamber of Commerce	Istanbul Commodity Exchange	EDG
Bursa Chamber of Commerce	Istanbul Chamber of Commerce	FEVE/Glass Tableware Committee
Denizli Chamber of Commerce	İzmir Chamber of Commerce	KALDER (Quality Association of Turkey)
East Anatolian Exporters' Association	Kocaeli Chamber of Commerce	OMÜD (Corrugated Cardboard Production Association)
Eskişehir Chamber of Industry	Konya Chamber of Commerce	KASAD (Cardboard Industrialists' Association)
Eskişehir Chamber of Commerce	Lüleburgaz Chamber of Commerce and Industry	ZÜCDER (Turkish Housewares Association)
Gaziantep Chamber of Commerce	Mersin Chamber of Commerce and Industry	Chain Stores Association



PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS	
Total revenue (TRY)	2,474,620,912
Wages and benefits paid to the employees (TRY)	517,800,777
Tax paid (TRY)	31,129,000
Social donations (TRY)	121,824

SOCIAL PERFORMANCE INDICATORS	
Employee Demographics	2018
Total Workforce (Number)	
Female	1,367
Male	5,624
Total Employees by Contract Type (Number)	
Permanent	
Female	1,331
Male	5,547
Temporary	
Female	37
Male	76
Total Employees by Category (Number)	
Blue Collar	
Female	1,006
Male	4,572
White Collar	
Female	361
Male	1,052
Total Employees by Employment Type (Number)	
Full-time	
Female	1,366
Male	5,624
Part-time	1
Total Employees by Education Level (Number)	
Primary School	1,526
High School	3,969
University and above	1,496

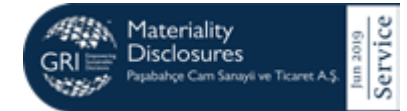
Employee Demographics	2018
Total Employees by Age (Number)	
Below 30	1,702
30-50	4,884
50+	405
Number of contractor employees	
Female	478
Male	1,498
Tenure	
Female employees 0-5 years	881
Female employees 5-10 years	251
Female employees 10+ years	236
Male employees 0-5 years	2,600
Male employees 5-10 years	1,071
Male employees 10+ years	1,952
Top Management Structure (Number)	
By Gender	
Female	2
Male	14
By Age Group	
30-50	7
50+	9
By Nationality	
Turkish Citizen	14
Expat	2
Board Structure (Number)	
Female	2
Male	4
Mid-Level Management Structure (Number)	
By Gender	
Female	31
Male	59
By Age Group	
Below 30	1
30-50	72
50+	17
By Nationality	
Turkish Citizen	69
Foreign	17
Expat	4

Turn Over	2018
New Hires (Number)	
By Gender	
Female	305
Male	632
By Age Group	
Below 30	524
30-50	351
50+	62
Employees Recently Left (Number)	
By Gender	
Female	218
Male	478
By Age Group	
Below 30	298
30-50	331
50+	67
Social Inclusion and Diversity	2018
Employees on Parental Leave	
Female	108
Male	238
Employees Returned to Work after Parental Leave	
Female	59
Male	238
Workforce Covered by Collective Agreement (Number)	
Female	1,006
Male	4,572
Cases of Discrimination (number)	0
Disabled Employees	
Female	5
Male	139
Employee Development	2018
Employee Trainings (personxhour)	
Blue-Collar	60,444
White-collar female	12,017
White-collar male	30,842

Environmental Trainings		2018
Environmental Trainings (personxhour)		
	<i>Direct employees</i>	2,776
	<i>Contractors</i>	160
Research and Development		2018
R&D Budget (Thousand TRY)		4,336
R&D Employees		23
Idea Factory suggestions		2
Supply Chain Management		2018
Active suppliers		3,027
Local suppliers		2,016
Percentage of local suppliers		%55,6
Occupational Health and Safety		2018
Accident severity rate		867
Accident frequency rate		20
Occupational Health and safety trainings (personxhour)		58,323
Number of occupational health and safety committees		5
Number of occupational health and safety committee members		58
Number of employee representatives in occupational health and safety committees		11

ENVIRONMENTAL PERFORMANCE INDICATORS		2018
Net production (ton)		518,384
Recycled / recovered raw materials consumed		132,764
Natural Resources		
Raw material used (ton)		394,724
Total water withdrawal by source (m ³)		
	<i>Municipality</i>	4,014,886
	<i>Surface</i>	445,747
	<i>Underground</i>	217
	<i>Total</i>	4,460,850
Recovered or reused water (m ³)		1,128,564
Water intensity (m ³ /m ²)		9
Total Wastewater Discharge by Target Environment (m ³)		
	<i>Natural Receiving Environment</i>	397,539
	<i>Sewer</i>	392,388
	<i>Total</i>	789,927

		2018
Glass fractures were reused in production (ton)		149,206
Hazardous Waste by Disposal Method (ton)		
	<i>Energy Recovery</i>	268
	<i>Recovery</i>	248
	<i>Incineration</i>	105
	<i>Landfill</i>	536
	<i>Total</i>	1,157
Non-Hazardous Waste by Disposal Method (ton)		
	<i>Energy Recovery</i>	155
	<i>Recovery</i>	21,883
	<i>Landfill</i>	723
	<i>Other</i>	43
	<i>Total</i>	22,804
Total amount of waste (ton)		23,961
Reduced amount of waste by recovery projects (tonnes)		16,950
Total packaging amount		21,073
Fight Against the Climate Change		
Energy consumption (GJ)		2017
	<i>Natural gas</i>	6,474,563
	<i>Electricity</i>	972,841
	<i>LPG</i>	39,826
	<i>Acetylene</i>	1,237
	<i>Other</i>	728
	<i>Total</i>	7,489,195
Scope1 Emissions (ton)		331,993
Scope2 Emissions (ton)		134,111
NOx and SOx emissions (kg)		739,167
Management Approach		
Environmental Expenditures (TRY)		
	<i>Environmental Management Expenditures</i>	1,450,449
	<i>Environmental Investment Expenditures</i>	233,414
	<i>Total</i>	1,683,863
Sapling planted		114



GRI CONTENT INDEX

Disclosures	Descriptions and Page Numbers
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Corporate Profile	
102-1	About Paşabahçe (p.5)
102-2	About Paşabahçe (p.5)
102-3	Contact (p.36)
102-4	About Paşabahçe (p.7)
102-5	http://www.pasabahce.com/en/investor-relations/corporate-identity-and-management/shareholder-structure
102-6	About Paşabahçe (p.7)
102-7	About Paşabahçe (p.6)
102-8	Social Performance Indicators (p.33)
102-9	Supply chain is shaped by necessities of our products and services. In 2018, we worked with 3,027 suppliers, 2,016 of which are local. Our local supplier rate is 55.6%
102-10	About Paşabahçe (p.7)
102-11	Şişecam Sustainability Strategy: Care for Next (p.9)
102-12	Collaborations and Stakeholder Engagement (p.14)
102-13	Corporate Memberships (p.32)

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

Disclosures	Descriptions and Page Numbers
102-41	Social Performance Indicators (p.33)
102-42	Collaborations and Stakeholder Engagement (p.14)
102-43	Collaborations and Stakeholder Engagement (p.14)
102-44	Collaborations and Stakeholder Engagement (p.14)
Reporting Practices	
102-45	About the Report (p.2)
102-46	About the Report (p.2)
102-47	Şişecam Sustainability Strategy: Care for Next (p.10)
102-48	No restatements of information
102-49	About the Report (p.2), Şişecam Sustainability Strategy: Care for Next (p.9)
102-50	About the Report (p.2)
102-51	http://www.pasabahce.com/en/sustainability/sustainability-reports
102-52	Annual reporting
102-53	Contact (p.36)
102-54	About the Report (p.2)
102-55	About the Report (p.2)
102-56	No external assurance

Material Issues	Standards	Disclosures	Descriptions and Page Numbers
Combating Climate Change			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care for Next (p.10); Combating Climate Change (p.28)
	103-2	The management approach and its components	Combating Climate Change (p.28)
	103-3	Evaluation of the management approach	Combating Climate Change (p.28)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental Performance Indicators (p.34)
	302-3	Energy intensity	Environmental Performance Indicators (p.34)
	305-1	Direct (Scope1) GHG emissions	Environmental Performance Indicators (p.34)
GRI 305: Emissions 2016	305-2	Energy indirect (Scope2) GHG emissions	Environmental Performance Indicators (p.34)
	305-4	GHG emissions intensity	Environmental Performance Indicators (p.34)
	305-7	Nox and Sox emissions	Environmental Performance Indicators (p.34)
Natural Resources Use			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care for Next (p.10); Natural Resources (p.19)
	103-2	The management approach and its components	Natural Resources (p.19)
	103-3	Evaluation of the management approach	Natural Resources (p.19)
GRI 303: Water 2016	303-1	Water withdrawal by source	Environmental Performance Indicators (p.34)
	303-2	Water sources significantly affected by withdrawal of water	Groundwater is used for both in process and in garden irrigation system. With the opinion of DSI, the groundwater we use does not fall into the well water class. It is considered as collection pit.
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Environmental Performance Indicators (p.34)
	306-2	Waste by type and disposal method	Environmental Performance Indicators (p.34)
Diversity and Inclusion			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care for Next (p.10); Diversity and Inclusion (p.22)
	103-2	The management approach and its components	Diversity and Inclusion (p.22)
	103-3	Evaluation of the management approach	Diversity and Inclusion (p.22)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social Performance Indicators (p.33)
	401-3	Parental leave	Social Performance Indicators (p.33)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Social Performance Indicators (p.33)
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Şişecam Sustainability Strategy: Care for Next (p.10); Occupational Health and Safety (p.25)
	103-2	The management approach and its components	Occupational Health and Safety (p.25)
	103-3	Evaluation of the management approach	Occupational Health and Safety (p.25)
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management-worker health and safety committees	Social Performance Indicators (p.34)
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety (p.25); Social Performance Indicators (p.34)

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

*Penalties of \$ 200,000 and above are considered important.

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

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