



SODA SANAYİİ A.Ş.
2016 SUSTAINABILITY REPORT



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**BEING A PIONEER
IN THE GLOBAL MARKET**

- DYNAMIC STRUCTURE
- OPERATIONAL EXCELLENCE
- DIGITALIZATION
- INNOVATION

GLOBAL PRESENCE

- FINANCIAL STABILITY
- SUSTAINABLE ENERGY
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ONE GLOBAL FAMILY

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

About the Report

Soda Sanayii A.Ş. (hereafter referred to as the “Company”) presents its stakeholders with its sustainability performance for the period between January 1st and December 31st 2016, in this third Sustainability Report prepared in accordance to the “core” option of GRI G4 Reporting Guidelines.

The economic data included in the report involve all legal operations of the Company in Turkey and abroad, in order to correspond to the consolidated data included in Soda Sanayii A.Ş. financial reports. All environmental and social indicators involve the Company’s operations in Turkey. The Company aims to expand the scope of its sustainability reporting to its overseas operations in the forthcoming periods.

Stakeholder feedbacks are vital for us in terms of improving both our operations and our reporting process. All views and suggestions received from our stakeholders are closely examined and used to improve our operations.

We invite our stakeholders to convey their opinions, suggestions, or complaints to:

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

Message from the Chairman

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Prof. Dr. Ahmet Kirman
Chairman

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Message from Chemicals Group President

I extend my thanks and present my respects to all our stakeholders, primarily our employees, who have contributed to the continuity of the successes we achieve and the realization of our sustainability objectives.

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I am glad to present you with this third Sustainability Report, which summarizes our 2016 performance and which we have prepared in compliance with the Global Reporting Initiative GRI G4 Sustainability Reporting Guidelines, as in previous years.

Despite negative developments in the global economy and tough market conditions, we have finished the year 2016 with a strong performance as Soda Sanayii. We succeeded in producing 2.3 million tons of soda in total and in registering a 17% increase in our soda sales revenues against the previous year through our effective production and sales management both domestically and internationally. In addition, we reached 3.9 million tons of steam production and 1.9 billion kWh of electricity sales through our Cogeneration Plant with a capacity of 252 MW.

Our Company, the leading producer of chromium chemicals in the world, maintained its strong position in the markets despite the stagnation in the leather, impregnate, pigment and metal coating industries, where chromium products are used as inputs, and despite tough competitive conditions in 2016.

In the year 2016, the capacity increase and renovation/improvement investments planned by Soda Sanayii A.Ş. in accordance with its vision of growth were maintained. In this regard, we have invested USD 56 million in order to strengthen the operational performance of production plants, reduce energy costs, increase the production efficiency, and procure a sustainable raw material supply.

In addition to the success achieved in terms of financial and business processes, we also continued to maintain our environmental and social responsibilities without hindrance in 2016. Thanks to the efficiency studies and practices we carried out, we have reduced our energy consumption amount by a significant rate, 6.3%, compared to the previous reporting period.

In 2016, in addition to the periodically conducted Occupational Health and Safety Projects and Practices, we continued training activities aimed at generalizing occupational health and safety culture and raising awareness among our employees and business partners. In this regard, we provided a total of 23,038 man*hour of training to 5,408 employees and business partner employees in the reporting period.

Through the studies carried out within the context of the "Project for the Research, Examination and Preservation of Kazanlı Sea Turtles in Mersin Province", which we have been conducting since 2007, the number of nests consistently increased since 2007, reaching the highest rate of 1,705 sea turtle nests in 2016. The habitats of the turtles were cleaned by 500 volunteers at the Kazanlı Beach Spring Cleaning event organized with the participation of Soda Sanayii A.Ş. employees and with the cooperation of Mersin University faculty. Within the context of the Tree Planting Festival, which we conduct to raise awareness about environment and nature, nearly 3,000 saplings were planted in Mersin in 2016, reaching a total of 37,000 trees in 11 years.

I extend my thanks and present my respects to all our stakeholders, primarily our employees, who have contributed to the continuation of the successes we achieve and the realization of our sustainability objectives.

Tahsin Burhan Ergene
Chemicals Group President

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About Soda Sanayii A.Ş.

Founded in 1969 with the purpose of producing soda ash, which is one of the main resources of glass industry, Soda Sanayii A.Ş. is the flagship company within Şişecam Chemicals that represents one of the four main business lines of Şişecam Group. The chemicals produced at the Soda Plant in Mersin and at the Kromsan Chromium Compounds Plant, which joined the group in 1982, are supplied to various fields from detergents to chemicals, from leather to pharmaceuticals.

The Company became a partner in the Bulgarian soda manufacturer Sodi, which was privatized in 1997, through a joint venture with the Solvay Group and EBRD; the partnership interest was increased to 25% in subsequent years. Another partnership was taken in Italy based Cromital company in 2005, which operates in the field of chromium chemicals and the entire company was incorporated in Soda Sanayii A.Ş. in 2011. In 2006, Lukavac Soda Plant operating in Bosnia Herzegovina was purchased; the capacity of this almost inactive plant was increased to 550 thousand tons at the end of ten years.

Soda Sanayii A.Ş., which has facilities in Mersin and Bosnia as well as a production partnership at Solvay Sodi facility in Bulgaria, is the 4th largest soda ash producer in Europe and the 10th largest in the world with its 2.3 million tons of soda production in total. Besides, operations at the Kromsan Chromium Compounds Plant in Turkey and at Cromital SPA in Italy make the Company a leading producer of chromium chemicals.

In addition to soda and chromium chemicals, the Company, also operates in the fields of electricity, vitamin K3 derivatives and sodium metabisulphite and maintains its production in four countries. Soda Sanayii A.Ş. undertakes its activities in accordance with environment, health and occupational safety management systems under the "Triple Responsibility Commitment", which is a voluntary implementation that is exclusive to the chemical industry. The company, which has been constantly investing in environmentally friendly projects and been acting responsibly in this manner, produced and sold 1.9 billion kWh of electricity in 2016 in addition to meeting its own energy requirement by an energy center within its body.

ŞİŞECAM VALUES



We derive strength from our traditions and support each other.



We thrive and develop together.



We display fair and transparent management approach.



We care for our environment.



We respect differences.

ŞİŞECAM GROUP MISSION

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

SODA SANAYII A.Ş. VISION

Soda Sanayii A.Ş., one of the major soda ash suppliers in the world, aims to strengthen its position in the soda ash market and consolidate its leading position in all product groups in chromium chemicals

In light of its mission, vision and values, Şişecam Group aims to become one of the top three globally, to expand its global presence, and to create sustainable value on a global scale with its individual and environment conscious approach in its operations as a global family.

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2016 PERFORMANCE



2.3

MILLION TONS OF SODA ASH PRODUCTION



PRODUCTION IN **4**
 COUNTRIES



EUROPE'S **4th**
 AND WORLD'S **10th** LARGEST SODA ASH
 PRODUCER



WORLD'S **LEADING**
 SODIUM BICHROMATE PRODUCER



170
 MILLION TL IN INVESTMENTS*



WORLD'S **LEADING**
 BASIC CHROMIUM SULFATE PRODUCER

*This figure quoted from the Consolidated Indicators Table involves Soda Sanayii, Şişecam Bulgaria Ltd., Oxyvit Chemical, Şişecam Soda Lukavac, Cromital, Şişecam Chem Investment BV, Solvay Şişecam Holding AG.

PRODUCTION PLANTS

- Soda Sanayii A.Ş Soda Ash Plant (Turkey)
- Soda Sanayii A.Ş. Kromsan Plant (Turkey)
- Oxyvit Chemical (Turkey)
- Soda Lukavac d.o.o (Bosnia Herzegovina)
- Solvay Sodi AD (Bulgaria)
- Cromital S.p.A (Italy)

OUR CORPORATE MEMBERSHIPS

- Mediterranean Exporters' Association
- European Soda Ash Producers Association
- Turkish Foundation for Quality
- Turkish Chemical Manufacturers Association
- International Chromium Development Association
- Mersin Chamber of Commerce and Industry

Şişecam Group CEO Office Coordinator Gizem Sayın was elected as the Head of European Soda Ash Producer Association (ESAPA). With 17 production facilities in 12 European countries, ESAPA members reaches 10 million tons per year which is equal to one fourth of total soda ash production in the world.

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Our Sustainability Approach

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

In this direction, ensuring the sustainability of the value we create for all our stakeholders, evaluating and improving all the processes of our business from a sustainability perspective, and minimizing the environmental impacts are the key elements of our sustainability approach. In addition, we actively ensure the representation of sustainability management at the senior level and evaluate our sustainability approach together with our vision, business strategies and targets, thereby putting forth a robust governance approach.

Sustainability Management

At Soda Sanayii A.Ş., sustainability is managed within Şişecam Corporate Development and Sustainability Presidency in order to develop more swift and effective decision-making capabilities in line with the vision and strategies of Şişecam Group and to govern the long-established structure of our Group more efficiently in the competitive environment today. Contributing to and following up the strategies and policies of the Group in line with sustainability principles and drawing the roadmap for and implementing sustainability solutions in the fields of energy, environment, human resources, procurement, processes, production, capacity building and international relations, while designing and implementing procedures and standards in relation to the central management of quality systems are included within the scope of the sustainability function.

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

Şişecam Sustainability Committee, which was established in 2015, consists of the Chief Corporate Development and Sustainability Officer (CCDSO), Production Vice-Presidents of Businesses, Sustainability Director, Chief Human Resources Officer, Corporate Communication Director, Industrial Relations Director and Innovation Manager. The working groups within the body of the committee are responsible for conducting activities related to the subjects of Environment, Energy, Occupational Health and Safety, Innovation and Social Responsibility.

Risks and opportunities regarding sustainability issues are essentially determined by the Sustainability Directorate and offered to review at the Sustainability Committee. CCDSO, who is also a member of Şişecam Executive Board, offers the issues to review at the monthly meetings of the Executive Board and ensures decisions are taken if necessary. A similar process is conducted by the Chief Executive Officer (CEO) at the monthly Board of Directors meetings.

Soda Sanayii A.Ş. periodically reviews its priorities in the field of sustainability with the contribution of this strong sustainability management structure. Within the scope of the work groups organized in the reporting period, sustainability priorities were reviewed in accordance with global trends and developments in our business lines.

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MATERIAL SUSTAINABILITY ISSUES



***Being a Pioneer
 in the Global Market***

- R&D*
- Business ethics*
- Business continuity*
- Customer satisfaction*
- Marketing communication*
- Risk management*
- Working conditions in the supply chain
- Product information
- Product safety*
- Product responsibility*
- Increasing generated economic value *
- Legal compliance*
- Local purchasing
- Fight against corruption*



Global Presence

- Waste management*
- Emission management*
- Industrial collaborations
- Energy efficient products
- Energy management*
- Combating climate change
- Efficient use of resources*
- Water management*
- Contribution to community development
- Biodiversity*



One Global Family

- Fair working conditions*
- Employee rights
- Employee engagement
- Equality at work*
- Occupational health and safety*
- Talent management

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

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Goals identified in relation to sustainability priorities and furthering its performance in relation to these targets are issues of significance for Soda Sanayii A.Ş. In this regard, sustainability performance is monitored in accordance with the determined key performance indicators, relevant standards are closely followed, studies aimed at compliance are implemented, while the views of all stakeholder groups are taken into consideration. In this regard, the realization of the set targets in the reporting period and the targets set for the forthcoming period are as follows:

Our Strategic Targets	Our 2016 Targets	Realization	Our Targets for 2017
Constituting effective environmental sustainability principles	Completing Environmental Impact Assessment studies on sanitary landfills that are going to be built	Completed	Conducting environmental permission license processes in areas of operation
Increasing and promoting participation in social responsibility projects	Traditionalize Kazanlı Shore Spring Cleaning in collaboration with Mersin University	Completed	Organizing the Kazanlı Shore Spring cleaning activity
Strengthening employer brand image and becoming the most preferred and admired company by the most talented employees	Increasing the participation of employees to the upcoming sports tournaments, to ensure the participation into the career events at universities in and around Mersin	Completed	Ensure participation of athletes among our employees to the regional and sports tournaments in Turkey, participate in the university career activities and expanding the skill pool, promote project internship, introduce our company through participatory visits through schools in the neighborhood.
Motivating employees	Increasing number of "ŞİMDİ!" events and providing organizational support for corporate tournaments such as "Corporate Games", "Tournament at İş" through "ŞİMDİ!"	Completed	Social Activity Club "ŞİMDİ!" aims to support an enjoyable and productive working environment by reducing work stress with its activities in 2017. In this regard, especially factory events are planned to increase in 2017, while it is planned to provide organizational support for corporate tournaments such as "Corporate Games", "Tournament at İş" through "ŞİMDİ!".
Enhancing the value of our corporate culture	Continuing training projects	Completed	Increase activities in facilities, provide organizational support for corporate tournaments such as 'Corporate Games' and 'Tournament in Business' by Şimdi!
Sustaining Customer Satisfaction	Implementing customer satisfaction surveys and reporting the results	The customer satisfaction survey is held every two years. It was last held in 2015.	Carrying out the customer satisfaction survey and reporting the results
Using Resources Efficiently	Fulfillment of new energy efficiency targets by units	Completed	Meeting 2017 energy efficiency targets set by the units
Improving Occupational Health and Safety Practices	Completing SEVESO preparations and submitting the Security Report	Completed	Integration of the CFB (new steam generation) facility into the Security Report

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Stakeholder Engagement

We regularly share our performance regarding the sustainability priorities through our sustainability report. The feedbacks we receive of are among the most important tools we rely on to further improve our performance. We maintain our dialogue with our stakeholders on different platforms and at varying frequencies as required by the communication type. In addition to these, all our stakeholders can communicate with us all communication channels indicated on the corporate web site.

In consideration of our mutual interactions, our prioritized stakeholder group are employees, suppliers, customers, and public institutions.

KEY STAKEHOLDER GROUPS AND ENGAGEMENT PLATFORMS

INTERNAL STAKEHOLDERS			
Stakeholder Group	Engagement Platforms	Frequency of Stakeholder Engagement	Evaluation of Engagement in the Reporting Period
Senior Management	• Executive Board meetings • E-mail Communication • Şişecam Sustainability Committee Meetings	Varies depending on the type of engagement	All related departments (Quality, Health, Safety, Environment, HR, Finance, etc.) met on a regular basis during the reporting period, assessing a range of sustainability issues and opportunities.
Employees	• Employee Satisfaction Survey • Suggestion and Idea Platforms • Employee Interviews • Seniority Award • Recognition and Reward System	Varies depending on the type of engagement	Our most important asset is our people. Soda Sanayii A.Ş. companies are leading companies in their sector in terms of the training and support they provide to human resources.
Shareholders, Analysts and Investors	• General Board Meetings • Meetings with analysts and investors • Phone calls/teleconferences and email communication with investors • Periodically published informative publications (e.g. Annual Reports, CDP, Earnings and Interim Reports) • Social media • Investor Feedbacks	Varies depending on the type of engagement	The Company, which is in regular communication with its shareholders and investors, met all information disclosure requirements under Turkish legislation during the reporting period.

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KEY STAKEHOLDER GROUPS AND ENGAGEMENT PLATFORMS

EXTERNAL STAKEHOLDERS			
Stakeholder Group	Engagement Platforms	Frequency of Stakeholder Engagement	Evaluation of Engagement in the Reporting Period
Customers	Soda Sanayii A.Ş. engages with its customers at the level of its business lines. However, the main means of customer engagement include customer satisfaction surveys, social media, meetings and conferences, feedback received via telephone and email.	• Continuous interaction by email, social media and telephone • Ad hoc meetings as needed	Soda Sanayii A.Ş. engages with its customers as part of routine business activity. Customers are able to submit their feedback regarding the Company's environmental and social performance through a number of channels.
Public Authorities / Other Regulatory Institutions	• Regular reporting • Meetings, forums, conferences • Press releases • One-to-one meetings	At least once a month	We demonstrate the utmost care in fully complying with the law and regulations in all of our activities.
Suppliers	• Daily/Routine business cycle • Meetings • email communication	Continuous as general course of business (e.g. by email) Meetings as required	We are committed to addressing the environmental impact caused by suppliers, in addition to the direct environmental impacts resulting from our internal operations.
Nongovernmental organizations	• Strategic collaborations • Institutions • Regular Meetings	At least once a month	NGOs are supported through joint projects carried out in social, economic and environmental issues.
Media	• Press conferences • Press releases • Interviews	At least once a month	We are in regular contact with national and international media in order to raise awareness about the Company and deal with any queries.
Society	• Government bodies, close proximity neighbours (Kazanlı district), open door days with employees and retirees (for introducing the factory and open communication) • Factory visits from NGOs, universities, primary and pre- school students	Varies depending on the type of initiative	We announce all events via media.

The expectations of our stakeholders regarding our major sustainability priorities in the reporting period are as follows:

CRITICAL CONCERN	STAKEHOLDER GROUP RAISING THE CONCERN	INFORMATION SOURCE REGARDING THE ACTION TAKEN
To report on our environmental impact and performance	Customers, Employees, Investors	Sustainability Report, Reporting for Investors and financial institutions (IFC)
To report on carbon emissions	Customers, NGOs, Investors	CDP report
To report on financial performance	Shareholders	Annual Report
To increase employee motivation	Employees	Sustainability Report



Being a Pioneer in the Global Market



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In line with the “The world is our market” vision of Şişecam Group, of which we are a subsidiary, we engage in production at international standards aimed for international markets and we aim to consolidate our regional leadership by becoming one of the top three players in the global market. As of today, as Soda Sanayii A.Ş., besides being the world leader in chromium chemicals, we are among the top four soda ash producers in Europe and among the top ten in the world.

We render our dynamic structure sustainable through robust corporate management practices and effective risk management processes; we establish long termed relations based on trust in accordance with our ethical principles, our primary guide in all our relations with our stakeholders. We ensure operational excellence both in our own operations and in our value chain through our efficiency, effectiveness and productivity approaches. We acquire advantage in the global competition with our digitalization studies and we create ever more value with our innovation approach, which is an inextricable part of our corporate culture.

Dynamic Structure

At Soda Sanayii A.Ş., strong corporate management practices are reinforced with modern systems, our sustainability approach is supported with management practices, processes are actively managed with practices within the context of risk management. All our operations are conducted in light of our Code of Conduct and stakeholder expectations are included in our decision-making processes. In this way, we continuously monitor the economic, social and environmental sustainability of all our Group operations and strive to enhance our performance.

Transparent and Integrated Management

Transparency and accountability based management is among the most significant determinants of the business manner of Soda Sanayii A.Ş. All our practices are transparently shared to the views of our stakeholders annually through the “Corporate Governance Rating Report” within the context of relevant Capital Markets Board regulations. In accordance with this understanding, developing and sustaining our activities within the framework of the core principles of honesty, transparency, fairness, confidentiality, and abiding by the laws and regulations are included among our immutable objectives.

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The “Corporate Governance Rating Report” of Soda Sanayii A.Ş. prepared within the context of relevant Capital Markets Board regulations can be found in the Investor Relations section on our corporate website.

Soda Sanayii A.Ş. Board of Directors, which was formed in conformity with the Corporate Governance Principles, is composed of nine members. The board of directors appropriately maintains the balance of risk, growth, and revenue, primarily looks after the long-termed interests of the company, and manages and represents the company with these principles. Non-executive members constitute the majority of the members of the Board of Directors. The offices of the Chairman of the Board of Directors and the General Manager are conducted by different individuals. The Board of Directors includes two independent members in compliance with the criteria of independency prescribed by the Capital Markets Board Corporate Governance Principles.

An Audit Committee, a Committee for the Early Determination of Risks, and a Corporate Governance Committee were formed in order to support Soda Sanayii A.Ş. Board of Directors in fulfilling its tasks and responsibilities. Nomination Committee and Remuneration Committee activities are carried out within the body of the Corporate Management Committee.



You can access detailed information regarding the Board of Directors and Board of Directors Committees in the Investor Relations section on our corporate website.

Risk Management and Internal Audit

At Soda Sanayii A.Ş., a Şişecam Group company, risk management and internal audit activities are structured under the Parent Company. The activities are conducted under the Parent Company Board of Directors in coordination with CEO who is responsible to manage the core operational areas of the Group; while the results of the regular and planned meetings held by the “Committee for the Early Determination of Risk”, “Audit Committee”, and “Corporate Governance Committee”, structured within our publicly traded companies are reported to the Boards of Directors in accordance with regulations. The meeting agendas of the “Committee for the Early Determination of Risk” that was established in this regard involve

matters relating to “the early determination and management of internal and external risks that might endanger corporate operations and the revision of risk management systems” in minimum.

At Soda Sanayii A.Ş., preparedness against situation that might interrupt operations, minimization of the losses of customers, employees, suppliers, and other stakeholders, and protection of the tangible and intangible assets and reputation of the Group, as well as the environment are among fundamental priorities. Policies and procedures formed in line with the mentioned principles, aimed at maintaining the continuity of business processes in cases that might interrupt operations have been announced across the Group.

At Soda Sanayii A.Ş., risk management activities are pursued based on corporate risk management principles and approached from a holistic and proactive perspective. In 2016, the Group intensively focused on enhancing the efficiency of its risk management processes, making human resource and technology investments, in order to effectively manage the uncertainties created by global developments, and extend the risk assurance for its stakeholders in the challenging domestic and international competition environments emerging in consequence of said developments. The scope of the integrated risk management platform MicroScope, was extended allowing effective coordination between the risk management and insurance functions. Additional efforts on-site was implemented to improve effective risk management and to internalize of risk culture at corporate and field operations levels.

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Business Ethics

The Code of Conduct defines the framework of the principles guiding Soda Sanayii A.Ş., a subsidiary of Şişecam Group, in pursuing its operations. The Code of Conduct, based on the main principles of honesty, transparency, impartiality, confidentiality, and compliance with laws and regulations, clearly describes the responsibilities and codes of practice of the senior management, managers, and all employees. The Code of Conduct is also characterized as a guideline directing the relations of all Şişecam members with customers, suppliers, shareholders, and other stakeholders.

An “Ethics Board” was established within the body of the Corporate Governance Committee, for the purpose of ensuring the compliance of Şişecam Group operations with the Code of Conduct, evaluating practices inconsistent with the Code of Conduct, generalizing the culture of ethics across the Group, and enhancing the level of awareness and consciousness in this regard.

The Code of Conduct also sets forth principles regarding the use of Group resources and information, conflicts of interest, and relations with other organizations. As part of the Code of Conduct, it is explained in detail that the implementation of Group regulations, procedures, and instructions, as



You can access detailed information regarding the Code of Conduct under the Corporate Identity and Governance tab of the Investor Relations section of Şişecam corporate website.

well as the Code of Conduct is essential and the sanctions to be imposed in cases of disorderly conduct are clearly stated.

The corporate governance practices of Şişecam Group are structured to allow for all stakeholders, primarily employees, to convey their concerns regarding processes that are legally or ethically inappropriate to the management. Employees can communicate processes that are against the legislation and ethically inappropriate to the Audit Committee and the Internal Audit Unit. An ethics report line was formed for stakeholders to convey processes they deem to be conflicting with laws or the company's ethical values to the Audit Committee. Related complaints can also be emailed to etik@sisecam.com.

Fight Against Corruption

The “Anti Bribery and Corruption Policy” aims at clearly and transparently presenting the commitments of Şişecam Group in the fight against bribery and corruption and its position on this subject, as well as protecting the corporate image. This policy, which is an integral part of the Group's Code of Conduct, is intended to provide the necessary information for the prevention of bribery and corruption in all Group operations and to determine responsibilities and rules in this subject.



You can access detailed information regarding our Anti Bribery and Corruption Policy under the Corporate Identity and Governance tab of the Investor Relations section on our corporate website.

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Operational Excellence

Operational excellence constitutes the focal point of the business processes of Soda Sanayii A.Ş. Keeping our productivity at the highest levels by effectively managing our business processes with a flexible and solution oriented structure is one of the essential approaches to our understanding of sustainable growth.

In this regard, ensuring that our products and services meet the expectations of our stakeholders, acting with the awareness of our responsibilities across our value chain without conceding on quality, and generalizing the value we create throughout our value chain are the main components of our operational excellence approach.

As Soda Sanayii A.Ş., manufacturing our products according to national and international standards and ensuring they meet the expectations of our customers are the fundamental components of our operational excellence approach. In this scope, our products are offered to our customers in compliance with all relevant health and safety standards and labeled in accordance with legal regulations. With this understanding, we carry out investments aimed at enhancing quality by ensuring efficiency through customer oriented approach and employee participation.

We provide information regarding our products and specific matters about our products through various channels.

Management systems

	ISO 50001	ISO 14001	OHSAS 18001	ISO 9001	ISO 22000	ISO 10002
Soda Sanayii A.Ş. Soda Plant	✓	✓	✓	✓	✓	✓
Soda Sanayii A.Ş. Kromsan Plant	✓	✓	✓	✓	✓	✓

**ISO 50001: Energy Management System •ISO 14001: Environmental Management System •OHSAS 18001: Occupational Health and Safety Management System •ISO 9001: Quality Management System •ISO 22000: Food Safety Management System •ISO 10002: Customer Satisfaction Management System. ISO 22000 Food Safety and Global Food Safety Management System, ISO FSCC 22000 Management System, HELAL, KOSHER, and GMP+ PROSES certificates are available for the bicarbonate product.*

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As a company exporting a significant amount of both soda and chromium products, Soda Sanayii A.Ş. continued fulfilling its responsibilities within the scope of the EC/1907/2006 numbered REACH (Registration, Evaluation Authorization and Restriction of Chemicals) regulations, which is of great significance for the European Union, in 2016. As part of the authorization studies for our chromium trioxide product within the scope of REACH, launched in 2012; our authorization application to the European Chemicals Agency was officially initiated on May 11th, 2015, while studies were also continued in 2016. The authorization process is expected to be concluded in the third quarter of 2017 with the decision of the European Commission (EC).

In addition, the packaging and label revisions of soda products in cooperation with relevant units in compliance with the EC/1272/2008 numbered CLP Regulation regarding the Classification, Labeling and Packaging of Substances and Compounds were completed, while studies for Kromsan products continue.

In addition to the product information provided on our web pages, we extensively inform our customers and related stakeholder groups about our products through various engagement channels, strategic partnerships, one-on-one interviews, conferences, seminars, workshops, focus group studies, surveys, and similar platforms. Alongside providing information through different channels, stakeholder expectations and views collected through various channels are also actively used to develop our products.

Our products are labeled in accordance with legal regulation; supply and content information, as well as safe usage instructions are included on product labels. In the reporting period, there were no fines for noncompliance with laws and regulations regarding product use conditions.

Ensuring customer satisfaction constitutes the essential structure of our understanding of quality. For this reason, the feedbacks of our customers about our products are of great significance. Complaints regarding the products in this scope are registered in the ŞİŞECAM SAP ERP system's QM module and forwarded by our Quality department to the relevant department. The state of the complaint is determined, improvement measures are taken

and our customers are informed.

The monitoring of customer satisfaction studies, which was previously done within the scope of ISO 9001:2008 Quality Management System, has been held within the scope of ISO 10002:2006 Customer Satisfaction Management System, since the certificate was received in September 2014. The "customer engagement survey", which was designed by Soda Sanayii A.Ş. domestic sales directorate to learn about the opinions of dealers and customers about Soda Sanayii A.Ş., measure their level of satisfaction, and identify their current and future expectations from Soda Sanayii A.Ş., was sent out to 73 customers. All of our customers participating in the survey reported their general level of satisfaction with Soda Sanayii A.Ş. as 100%, while also sharing that they would recommend Soda Sanayii A.Ş. as a partner at the same rate.

Productivity

Global competition puts more emphasis on productivity with each passing day. In this regard, at Soda Sanayii A.Ş., a Şişecam Group corporation, we work to implement practices that will increase the productivity of our business manner and processes and to transform these body of practices into a business culture.

We have launched the "Lean Transformation Program", an operational, cultural, and managerial change program was launched in 2016 with the slogan "human first" with the purpose of minimizing sources of loss with no value for our customers from our processes , thereby reducing the total flow time.

Our objective of the lean transformation journey with managerial resolve and support is to constantly enhance our lean development level in the areas of learning organization, team work - problem solving, standard work, visual management - 5S, on-site quality, autonomous management, constant flow and pull system, organizational leanness, lean support processes, product-process development and value chain management.

Our Targets: Zero work accident, timely, accurate...

How? 5S, kaizen, continuous flow with the pull principle, autonomous team structure, fighting dissipation...

Results: Reduction in costs and stocks, speed and flexibility, improvement in cash flow...

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Lean Transformation requires a continuous improvement approach in line with balanced targets aligned with human, quality, delivery speed and cost perspectives in all processes. Actions taken in relation to targets are with the purpose of minimizing sources of loss with no value for our customers from our processes, thereby reducing the total flow time.

As part of the “Mobile Monitoring of the Soda Ash Process” project actualized in 2016, our process, which is instantly monitored by company computers with the help of the Soda_Web software, can also be monitored on mobile phones by individuals authorized by our Headquarters. By means of the infrastructure built, production processes (energy items, significant parameters impacting production) can be instantly monitored. Daily, monthly and annual reports can be accessed and laboratory analyses can be tracked on mobile phones.

Lean 6 Sigma practices, which is a data-based analytical decision making and problem-solving methodology developed to eliminate the error rate in processes, increase productivity, identify factors impacting the business process, ensure rapid improvement, and maximize customer satisfaction, are also actively used within the body of the Group as a productivity enhancing process.

Supply Chain Management

As Soda Sanayii A.Ş., in order to create sustainable value, we evaluate productivity not just as part of our processes but also as an important component of our value chain, primarily supply chain. In this regard, we expect our values and sustainability approach to be shared and adopted by our supply chain. We monitor the social, economic, and environmental performance of our suppliers in this regard and expect them to carry their performance further through practices in development areas.

At Şişecam Group, supply chain projects, which aim to increase financial transparency and traceability, are centrally managed. Supply Chain Cockpit System, an application developed in this context, allows for analyzing the supply chain costs of Şişecam Business Units' companies and for the integrated

management of corporate resource planning. Supply Chain supervisors apply their SCOR (Supply Chain Operations Reference) based performance metrics on the Cockpit Platform. With this centralized tool cost minimization, logistics savings and communication within the Group is enhanced.

We generalize the importance we attach to the safe execution of our operations to our supply chain as well. In this regard, necessary notices are sent to subcontractor companies, which fail to comply with the rules concerning occupational health and safety. In consequence of the notices, the companies are reassessed and required sanctions are imposed. In 2016, 47 subcontractors were subjected to assessments by the Health Safety and Environment Directorate in this context.

In addition to the audits conducted for safety and reducing environmental impact in the supply chain, provisions of compliance with the Declaration of Human Rights are included in our purchasing contracts since June 2016. In this way, we ensure the generalization of the sustainable business approach we adopt in our supply chain.

We run a large purchasing operation with the 2,663 active suppliers we work with; we make a significant contribution to the sustainable development of our operational geography.

Efficiency projects in the supply chain at Şişecam Group are aimed at reducing environmental impacts and ensuring more efficient use of raw materials, in addition to financial gain. As part of the “Joint Transportation Project” actualized in this direction, the Overseas Trailer Truck, Container and Container preliminary shipments leaving from Turkey that belong to our four business lines were based on a common contract in order to benefit from the economy of scale, while their consolidation and purchase by joint tender was performed in the reporting period.

As part of the Material Warehouse Modernization project engaged in the reporting period, the storage area, which was 2,800 m², was increased to 5,900 m² for the year 2017, aiming for more effective use of physical spaces, forming shelf spaces suitable for material size with the smart shelf system, and combining Soda and Kromsan material stocks, which are separately kept track of, to ensure savings.

With the project aimed at Warehouse Management in the Supply Chain that will realized in the forthcoming reporting period at Kromsan Product Warehouse, the Warehouse Management System will be established, allowing for the efficient monitoring of stocks through electronic environment and devices, thereby achieving a decrease in operational costs, as well as an increase in workforce productivity and decrease in documentation costs.

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Digitalization

As Şişecam Group and its corporation Soda Sanayii A.Ş., we internalize technology in all our processes and actualize business usages befitting the requirements of the time. Thus, we ensure the integration of industry and informational technologies, while taking robust steps in line with the understanding of continuous development. In this regard, we have also launched several projects in the reporting period.

Information Technologies, which prioritizes the creation of value within the Group, identified its strategic focus areas and continued actualizing its portfolio befitting the expectations and needs of Business Units and compatible with Şişecam and Information Technologies strategies, in 2016. In the reporting period, a study was engaged in order to determine the Technology Strategy of Şişecam Group. International technological trends, innovations, expectations and requirements of Groups' were examined

to outline the Şişecam Technology Strategy Roadmap. As a result of the studies, "Smart, Digital, Productive" and "IT 2.0" Technology Strategies were established for Şişecam Group and IT, respectively. They were shared with the executive management, and "Information Technologies 2017-2021 Strategies" were presented.

The "Smart Şişecam" approach aims the collection, analysis and efficient storage of qualified data, whose ownership is identified, in the desired data pattern and for estimation and modeling for the future. Through the Group Strategic Performance Indicators study that was conducted in this context Group Financial KPI performances are monitored on a single cockpit system. With the Generalization of Business Intelligence Practices, detailed reports were prepared to business units through a visual interface.

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The “Digital Şişecam” approach aims the real-time digitalization of sales, supply, production, delivery, financial, and quality processes and Şişecam with the Industry 4.0 vision is realized. In the scope of the practice, a wide ranged roadmap, from driverless forklifts to smart robots, from augmented reality applications to preventive care, from Internet of Things to product simulations, was targeted. In 2016, studies in this regard were engaged with the support of senior management, projects and processes selected according to resources and priorities were carried to the digital environment.

The “Productive Şişecam” approach aims for a value oriented productivity, where the needs of business units are more closely monitored, services are offered continuously, infrastructure and practices are consolidated through lean processes, and information is accessible through user friendly, flexible and easy to use interfaces. In this context, various projects were brought in to the production environment in 2016, while project developments in terms of innovation are continued.

The “IT 2.0” strategy aims the expanding of the ‘possible’ culture , a second generation of Information Technologies that engages in Technology and IT communication through the IT Communication Program, which is more rapid and flexible, establishes closer relations with our stakeholders. It measures business unit satisfaction and user experience closely, emphasizes continuous service and business continuity through mobile solutions, ensures cybersecurity with its Bi-Modal IT approach, actualized for sharing technology and IT performance with business units which brings the contribution of IT to the group, and creates value for business units. In this regard, various projects were actualized in 2016 and the IT 2.0 transition will be effectively evident within the context of the 2017-2021 Strategic Roadmap.

Another concept that needs to be managed actively together with the concept of digitalization is information confidentiality. The security of both customer information and Group information are selectively managed by Şişecam Group within the context of digitalization. In this regard, we continuously enhance our employees’ level of awareness and practice by organizing trainings aimed at protecting both corporate and customer information. Besides, studies in relation to ISO 27001 Information Security Management System at our plants were completed in order to ensure the security of informational assets and the business continuity in our operations, in 2016. In the reporting period, there was no complaints conveyed to us regarding any incidents of customer confidentiality violation.



Şişecam Group Digital Transformation Project

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

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Innovation

As Soda Sanayii A.Ş., we are an important player in the competition in our industry with the contribution of our Development department and Şişecam Research and Technological Development Center.

The R&D activities of Soda Sanayii A.Ş. are carried out in the direction of the goals of developing present processes in the production of soda ash and chromium components with by means of efficient technologies that are in harmony with environment, enriching the product portfolio with products of high added value, increasing its competitive power by cost decreasing and efficiency augmenting operations.

Product development and modeling activities in the Soda product group were maintained in 2016. Whereas in the Chrome product group, process and product quality enhancement studies were conducted; laboratory and pilot scale trials to develop new leather chemicals were continued. The R&D budget was realized as TL 3,709,778 in 2016.

Soda Sanayii A.Ş. became the sponsor of the “National Chemistry Congress” organized under the coordination of the Turkish Chemistry Association in the reporting period. Mersin University Rector Prof. Dr. Ahmet Çamsarı, Soda Sanayii A.Ş. CEO Mehmet Gürbüz and representatives from public and private sector institutions came together at the congress held at Mersin University.

“28th National Chemistry Congress”, which has been organized at a different university every year since 1984 and is the most widely attended scientific and technology related event of Turkey, was attended by more than 50 researchers from domestic and international universities, public and private sector institutions. Researchers came together with industrialists to presents research results to scientists and industry representatives.



Development Center

Şişecam R&D activities' representative in the field of chemistry, Chemicals Development Department was formed in 1994. Mersin-based Development Department has sufficient infrastructure to run projects about process design, developing new product, leather chemicals, analytical techniques, energy efficiency and environmental protection.

In addition to the studies of the projects taking place in the annual plans, subjects such as periodical analyses, examinations directed towards customer demand, management of the chemicals and monitoring international regulation are being handled at the Development Department. The most advanced technology has been achieved thanks to the studies conducted on chromium compounds so far at the center; the capacity has been increased by developing a special process and increasing efficiency; getting ahead of global practices by developing environmental processes specific to soda ash and chromium chemicals; original products used in leather tanning have been developed.

Most of the projects carried out at the Center benefit from the Industrial R&D Project Support Program of TÜBİTAK Presidency of Technology and Innovation Support Programs (TEYDEB).



Students of Şişecam Private Vocational and Technical Anatolian High School introduced the project they developed in their areas of study at the “Producing Youth Project and Product Exhibition”. At the event, where more than 120 projects and over 250 products were exhibited, students coming up with the six winning products and projects were rewarded by Soda Sanayii A.Ş.



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As Soda Sanayii A.Ş., we operate on a large operational geography and sales reaching five continents; we generate significant economic, social and environmental impact areas. The responsible and successful management of these areas constitute our primary duties to ensure the sustainability of our business.

Sustainable profitability is of critical importance for the increasing maintenance of the value we create with our products. We aim to continue implementing investor relations and corporate governance practices at international standards as a global player and to consistently increase share values. In this regard, we engage in transparent, proactive, rapid and on par sharing with our investors and we organize activities to introduce our Company to relevant stakeholder groups.

As a global player, we act with the awareness of our share of the responsibility in relation to the common problems of our world. Since we operate in an energy intense industry, we put special emphasis on the issues of combating climate change and efficient use of natural resources. We manage our operations with the awareness of the environmental impacts generated in result of our processes and by actualizing practices to limit this impact and we carry out projects. In this context, we make use use of national and international environmental management standards, we maintain our operations with the understanding of full compliance with legal regulations. We strive to enhance the value we create to global levels by ensuring the distribution of the value we create.

As required by our understanding of corporate citizenship, we strive to extend the value we create by carrying out social responsibility projects in many fields in order to add value to social life in the geographies we operate globally.

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Financial Stability

As a global player, Şişecam Group aims for the financial value it creates to increase sustainably and continuously through the robust corporate governance practices it conducts at international standards. As Soda Sanayii A.Ş., part of Şişecam Group and a significant player in the global market, we consider meeting the growth and profitability expectations of our stakeholders and business partners as one of our primary targets.

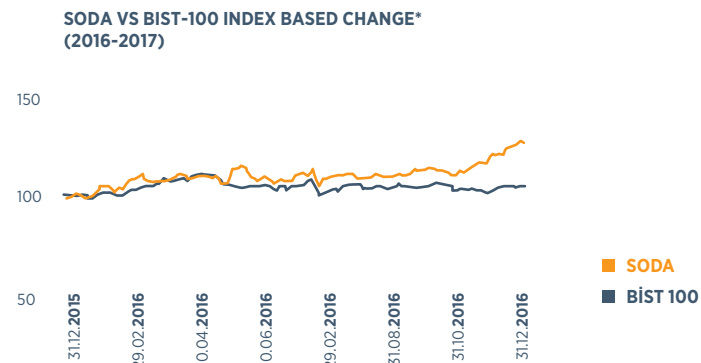
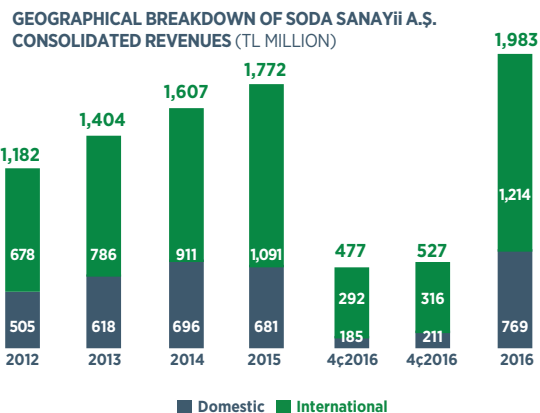
In the reporting period, the soda ash sales revenues of Soda Sanayii A.Ş. have increased by 17% as against the previous year on TL basis, while a total

of 2.3 million tons of soda ash production was realized at Mersin, Bosnia Herzegovina and the production partnership in Bulgaria, Solvay Sodi plant.

As of 2016 yearend, BIST Holding Index increased in value by 13%, BIST 100 Index by 9% and BIST 30 Index by 7%. In the same period, the price increase in Soda Sanayii A.Ş. shares was realized at 53%.

Soda Sanayii A.Ş. continued its modernization investments focused on consolidating its operational performance, reducing energy costs, and efficiency in line with its profitable growth objectives, making investments worth approximately US 56 million dollars in 2016.

SALES (TL MILLION)	INTERNATIONAL SALES (TL MILLION)	INVESTMENTS (TL MILLION)	PERIOD INCOME (TL MILLION)	TOTAL ASSETS (TL MILLION)	EQUITY (TL MILLION)	EBITDA (TL MILLION)
2014 1,607	2014 924	2014 104	2014 388	2014 2,121	2014 1,567	2014 516
2015 1,772	2015 1,091	2015 227	2015 441	2015 2,812	2015 2,185	2015 500
2016 1,983	2016 1,214	2016 170	2016 577	2016 3,317	2016 2,603	2016 629



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Sustainable Energy

As Soda Sanayii A.Ş., we operate in an energy intensive industry. For this reason, the efficient use of energy, ensuring continuous energy supply in most effective manner, the constant review of energy related risks and opportunities, and the management of operations in this direction are matters emphasized by our company.

In addition to the efficiency studies we conduct to be able to make sustainable use of energy in our operations, we also work to evaluate environmental energy resources and integrate them in our operations.

Regular and high capacity energy supply is critical for the continuous supply and preservation of the high temperatures needed in our production processes. Therefore, energy supply and costs are issues of great importance for the sustainability of production operations. Soda Sanayii A.Ş. meets its need of steam with the Cogeneration Plant within its body. The Cogeneration Plant, with an electricity production capacity of 252 MW, realized 3.9 million tons of steam production and 1.9 billion kWh of electricity sales in 2016.

Energy and Emission Management

Reducing energy consumption and emissions in our operations while improving efficiency and quality in production constitutes our fundamental approach in the area of energy and emission management. In this regard, active energy and emission management practices are included among our top business and sustainability priorities. We manage our operations within the scope of international energy management standards, we actively monitor our energy consumption, and we actualize energy efficiency projects. We conduct studies aimed at monitoring and reducing emissions in our operations with the awareness of the impact of energy consumption related emissions on climate change. In this way, not only do we minimize the environmental impacts of our operations, but we also achieve significant financial gains with the efficiency achieved in our production processes and our enhanced production quality.

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Studies related to contributing to energy management strategies and policies, monitoring practices, sustainable energy supply, renewable energy resource practices, determining and implementing the roadmap for efficiency projects to ensure energy efficiency are maintained within the body of Şişecam Corporate Development and Sustainability Directorate. Besides this fundamental structure, there is an 'Environmental Management Unit' and an 'Energy Committee' composed of employees from different fields, among whom employees holding 'Energy Manager' certification, at Soda Sanayii A.Ş.. Our company holds TS-EN-ISO 50001 Energy Management System certification.

With the energy saving studies and practices we carried out in this context, we have reduced our energy consumption amount by 6.3% as against the previous reporting period.

Energy Consumption Amount by Years (GJ)



Energy Consumption Values by Source (GJ)

	Natural Gas	Electricity	Anthracite	Other	TOTAL
2014	23,942,100	332,500	3,267,300	0	27,541,900
2015	26,034,300	759,000	3,203,100	46,700	30,043,100
2016	23,263,100	360,800	4,497,700	14,000	28,135,700

Energy Consumption per Product Ton (Soda Plant)

Soda Plant	2013	2014	2015	2016
Soda Ash Production (Ton)	1,267,900	1,320,600	1,327,300	1,359,500
(GJ/ton soda)	12.62	12.14	12.43	12.47*

*Due to the revision studies conducted at our facility during the years 2015 and 2016, there was an increase in our energy consumption values.

Energy Consumption per Product Ton (Kromsan Plant)

Kromsan Plant	2013	2014	2015	2016
Bichromate Production (Ton)	84,600	81,200	78,900	88,400
(GJ/ton bichromate)	25.01	24.78	27.96	28.03*

*Due to the revision studies conducted in our production during the year 2016, there was an increase in our energy consumption values.

With all the efficiency studies and practices we carried out in this context, we have reduced our energy consumption amount by 6.3% as against the previous reporting period.



Sustainable Energy Measurement and Tracking System

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

The necessary infrastructure for supplying the electricity consumption of the Kromsan plant from the cogeneration plant is completed and Scope II emissions decreased by 91% by means of this project.

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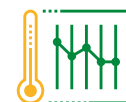
Energy, which is the main input of our operations, is also the source of greenhouse gases causing climate change. In this regard, energy consumption is optimized in order to reduce our environmental impact with the awareness of our responsibility in this regard, while the carbon emissions generated by our processes are regularly monitored in order to further improve our performance and studies aimed at ensuring savings in energy consumption and greenhouse gas emissions are carried out by optimizing raw material and energy use in production processes. In 2016, the total amount of Scope I and Scope II emissions generated by our operations was at the level of 1,807,700 ton CO₂.

The necessary infrastructure for supplying the electricity consumption of the Kromsan plant from the cogeneration plant was completed in 2016, reducing the amount of Scope II emissions by 91%.

Reducing energy consumption and emissions in our operations while improving efficiency and quality in production constitutes our fundamental approach in the area of energy and emission management. In this regard, active energy and emission management practices are included among our top business and sustainability priorities.

Greenhouse Gas Emissions by Years

	2014	2015	2016
Greenhouse Gas Emissions (ton CO ₂)	1,780,800	1,769,200	1,807,700
Scope 1 Emission (ton)	1,743,200	1,731,200	1,804,500
Scope 2 Emission (ton)	37,600	38,000	3,200



Combating Climate Change

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

As Şişecam Group, we have been participating in CDP Climate Change program since 2011 and CDP Supply Chain program since 2012. Şişecam was one of the 50 companies joining the platform from Turkey in 2015. As part of the project, performance information and information including relevant strategies, risk and opportunity analyses in relation to the carbon emissions caused by the operations of Şişecam Group in Turkey and Bulgaria are transparently disclosed to the public.

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Sustainable Environment

We aim to leave a habitable world for future generations, while striving to minimize environmental impacts generated by our operations.

In this regard, we focus on the efficient use of natural resources in our production processes, we reduce wastes at the source, we carry our effective water management practices and we design products with reduced environmental impact. We ensure full compliance with legal requirements and we closely follow Şişecam standards and sector practices. Within the context of our memberships in institutions and associations, we share our views with relevant stakeholder groups and we assume an active role in the environmental commissions of national and international non-governmental organizations concerning industry sector. We ensure the constant development of our environmental sustainability performance in line with our fundamental strategic approach, while considerably reducing our operational costs as well.

We have integrated our environmental sustainability approach to all the stages of our business processes. We conduct our environmental protection activities within the scope of the Environmental Management System; we rely on international standards, such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 50001 Energy Management System, in this context. We carry out effective communication, auditing, and reporting practices processed through a multilayered structure from Şişecam senior management to the level of

plant and subcontractor; we ensure our environmental performance through corrective and preventive action plans we form.

We organize environmental trainings in order to enhance the environmental awareness of our employees and business partner employees. In this scope, 2,454 man*hour of environmental training was provided to 4,810 Soda Sanayii A.Ş. and business partner employees, in 2016.

We allocate significant resources to studies intended to consolidate our environmental performance every year, in order to continuously improve and develop our environmental management. In the reporting period, resources worth approximately TL 31.2 million were allocated to environmental investments and management studies.

EFFICIENT USE OF RESOURCES

Reducing environmental impact by making efficient use of natural resources in the production process is increasingly gaining importance. As Soda Sanayii A.Ş., we actualize studies for the efficient use of natural resources in our operations and reducing wastes generated by production processes with the awareness of this importance. With these studies, we both regularly reduce our environmental impact and minimize our costs due to resource use, thereby ensuring the sustainability of our business.

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The production strategy of Soda Sanayii A.Ş. is built on low water consumption. Water is used in steam production and for cooling purposes at Soda Sanayii A.Ş. The water used in our production processes is re-used by being recycled to a large extent. In the reporting period, the recovery of 1,752,000 m³ of demineralized water annually was ensured in this regard. We use 2.5 m³ of process water per ton, which is below the levels of the BREF (Best Available Techniques Reference Document) that is also certified by the ESAPA (European Soda Ash Producers Association).

In the reporting period, there were no legal violations of Turkish regulations regarding wastewater, all legal parameters relating to the discharge of industrial and household wastewaters were complied with. Neither the used water nor the discharged wastewater generated any negative impact on the biodiversity quality of natural water resources.

Our waste management approach is primarily focused on reducing the amount of waste and ensuring recycling. Within this framework, Soda Sanayii A.Ş. carries out improvement activities and develops various projects with regard to its operations.

Our total amount of waste in the reporting period was realized as 908,124 tons, of which 907,167 tons of nonhazardous waste and 657 tons of hazardous waste. All recyclable wastes were sent to licensed recycling facilities. Whereas other wastes were sent to facilities holding the required certifications and licenses. The total amount of consumed recycled or recycled raw material in our production processes was realized as 91,000 tons.

In 2016, the collection and recovery of 52% of the packaging materials of the products that were released to the market in the previous year were ensured. In this regard, a total of 335 tons of paper, cardboard, plastic and wood packaging was recycled. For this purpose, in addition to the recycling projects realized by the authorized institution, training, support and awareness activities devoted to students were carried out.

Total Waste Amount by Disposal Method (ton)	2014		2015		2016	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Energy Recovery	86	-	68	-	49,9	-
Recovery	159	2,123	280	2,400	582.01	5,364
Landfill	2	674,200	-	838,000	2.4	901,803
Incineration	4	-	10	-	-	-
Other	34	218	0.08	337	7.65	-



Due to the increase in the needed cooling water in parallel with the increasing production capacity, a new cooling tower investment was started and the system was engaged in March 2016.

With the engagement of the new atmospheric cooling tower which provides more efficient cooling, electricity and water savings were achieved. The parameter for the raw water consumption per ton of soda ash was reduced from 18.21 m³/ton soda to 16.65 m³/ton soda.

Thanks to the new package type cooling tower engaged at Kromsan Plant Auxiliary Plant in April 2016, raw water consumption was reduced by 110,431 m³ as against the year 2015. The raw water parameter, which was 1.46 tons water/ton product in 2015, was reduced to 1.02 tons water/ton product in 2016.

Environmentally Friendly Products

The soda ash products of Soda San. A.Ş. (Light Soda and Heavy Soda) are an input that significantly reduce the energy consumption of furnaces in glass production. For instance, the melting temperature of a standard glass packaging furnace where soda is used needs to be increased from 1450°C to 1700°C in case soda is not used, increasing the energy need in furnace. The use of soda reduces the melting temperature, theoretically ensuring energy savings at the level of 8-10%.

For instance, the melting temperature of a standard glass packaging furnace where soda not used needs to be increased from 1450°C to 1700°C increasing the energy need in furnace.

The global leader in chrome chemicals, Şişecam Chemicals offered a new basic chromium sulfate product, emphasizing the environment, ecol-tan, to the use of the leather sector, with the responsibility of being the leader. With its characteristics and the different tanning process developed for implementation, ecol-tan is a product and system that allows high chrome intake and responds to environmentally friendly waste demands in the tanning of various leather types. ecol-tan is an environmentally friendly product that can increase the chroming yield to the level of 98% by performing tanning at high pH without pickling and basification, and reduce the level of chromium oxide in the wastewater below 1 gr/L. Besides, ecol-tan tanning process does not require salt use. Therefore, no salt wastes, which pose problems in treatment and constitute a significant source of environmental solution, are generated.

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Social Responsibility

As Soda Sanayii A.Ş., we carry out corporate social responsibility projects aimed at various fields and needs in accordance with our approach of creating value by contributing to social development. Besides studies to reduce the environmental impact generated by our operations, we also carry out afforestation and preservation studies to enhance biodiversity value in our operational regions.

Kazanlı beach, in the province of Mersin, is one of the most important egg-laying sites of endangered sea turtles in the world. Within the context of the "Project for the Research, Examination and Preservation of Kazanlı Sea Turtles", which has been pursued by Soda Sanayii A.Ş. in cooperation with Mersin University since 2007, the nesting areas of endangered "Caretta Caretta" and "Chelonia Mydas" sea turtles are being protected. Within the context of the studies carried out, the number of nests consistently increased since 2007, reaching the highest rate with 1,705 sea turtle nests in 2016.

Besides, the information of the local community regarding the issue through awareness raising studies, studies to protect endangered sea turtles were maintained. The habitats of the turtles were cleaned by 500 volunteers at the Kazanlı Beach Spring Cleaning event organized on May 19th, 2016 with the participation of Soda Sanayii A.Ş. employees and the cooperation of Mersin University faculty.

Soda Sanayii A.Ş. Mersin Plant employees and their families came together with families residing in Bekiralanı Village at the "11th Tree Planting Festival" organized by Soda Sanayii A.Ş. in cooperation with Mersin Regional Directorate of Forestry

and Mersin Bekiralanı Village. Within the context of the Tree Planting Festival, which was conducted by Soda Sanayii A.Ş. to raise awareness about environment and nature, a total of 600 participants planted 3,000 trees on a 37,000-square meter field. As part of the activity, 37,000 trees were planted in Mersin in 11 years.

Maintaining its activities aimed at raising environmental awareness among the youth, Soda Sanayii A.Ş. hosted Kazanlı Primary School Kindergarten students at its recreational facilities in Mersin, in the reporting period. Şişecam Chemicals brought the students of "Mersin -Yenişehir Hüseyin Polat Special Education Application Center" together with their families and teachers at Soda Sanayii Recreational facilities. The awards of the top ranking 20 students at the painting contest, themed "Mersin Province Primary Schools Love of Nature and Environment" organized for the 15th time this year with the cooperation of Soda Sanayii A.Ş. and Mersin Provincial Directorate of National Education, were distributed and the paintings of the contestants were exhibited.

In 2016, university students made technical trips to Soda Sanayii A.Ş. plants, taking the opportunity to observe the areas of practice of their theoretical knowledge. Besides university students, primary school and kindergarten students were informed regarding the plant environment as part of their visit, they visited the recreational facility (animal zoo), hosting a total of 280 students at our facilities.



One Global Family



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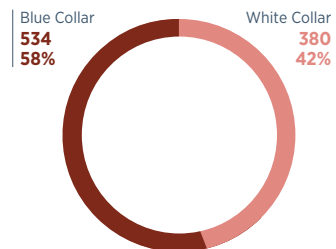
As Şişecam Group, we are a global family ranking among the leading industrial enterprises in the world with our 21,715 employees in 13 countries. We strive with all our might to create a working environment where they will be happier to work, more productive, competent and satisfied for our employees, the most essential component of our sustainable successes. In this regard, we implement active occupational health and safety practices, we offer a workplace where human and employee rights and differences are respected, we carry out human resources processes based in employee engagement and development.



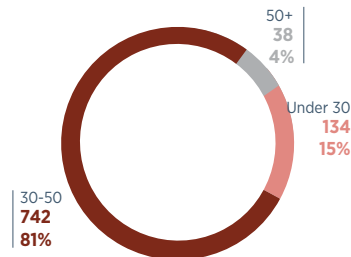
Şişecam Constitution

Şişecam Constitution, which brings Group mission, vision, and values under a single roof, is thus characterized as a guideline for all Şişecam employees. “Şişecam Constitution”, which was prepared in Turkish and English, was translated into the languages of our countries of operation globally and was made accessible to all employees through “Camport”, the intranet page of Şişecam Group.

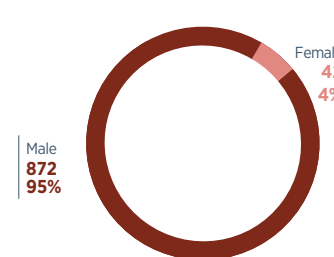
**EMPLOYEE BREAKDOWN
 BY CATEGORY**



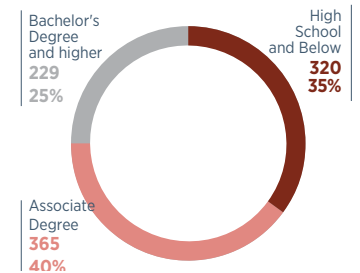
**EMPLOYEE BREAKDOWN
 BY AGE GROUP**



**EMPLOYEE BREAKDOWN
 BY GENDER**



**EMPLOYEE BREAKDOWN
 BY LEVEL OF EDUCATION**



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Employee Health and Safety

We make an outstanding effort to continuously improve our performance in the field of occupational health and safety, which is among our most important business and sustainability priorities in consideration of the industry we operate in. We design all our processes in consideration of occupational health and safety risks in order to ensure the health and safety of our employees, who are our most valuable asset, we invest in the latest technologies, we minimize human induced errors through our awareness raising activities. We act with the final goal of forming accident-free workplaces in all the practices we actualize in the field of occupational health and safety, which we regard as a precondition of an efficient and productive working environment.

Occupational health and safety is an important part of Şişecam culture. Şişecam is aware that its sustainable business success depends on the existence of an extended occupational and health safety culture. At Soda Sanayi A.Ş., as in all Şişecam Group companies, Occupational Health and Safety (OHS) is managed under the responsibility of Şişecam Industry

Relations Directorate in compliance with the Occupational Health and Safety Policy published by the Group and OHSAS 18001 Standard.

In this regard, periodical measurement and observation activities are performed at plants, support is provided in OHS issues, and the acquired results are shared with relevant departments. In consequence of these practices, Group-wide works are conducted to raise the awareness level of employees in health and safety issues. Business processes are designed to minimize risks, investments are made in new and innovative technologies in order to constitute accident-free workplaces.

The Existing Program for Analyzing and Monitoring Workplace Accidents has been improved to adapt to continuously developing and changing structure of the Şişecam and a new Corrective and Preventive Actions (CAPA) system has been formed to allow for a more comprehensive record of workplace accidents. In addition to monitoring and preventive measures, these projects enable reports containing sensitive data to be prepared and aim at

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establishing an open and transparent communication with employees and managers. Furthermore, within the frame of analysis studies of root causes of the accidents, "Workplace Accidents Assessment Commission" comprising Occupational Safety Specialists serving at our Group's workplaces has been established.

At Soda Sanayii A.Ş. there is an OHS Unit composed of the occupational safety expert, workplace doctor and medical personnel, as well as an OHS Committee having with representative from the management of each plant as members. As of the reporting period, 35 members, of which 6 employee representatives, participate in the monthly periodical OHS committee. The minimum number of representatives required to participate in the committees are determined in compliance with legal regulations and all employees are represented at OHS Committees.

The periodical environment and health controls of employees are performed at plants. Occupational health and safety issues are also included within the scope of the collective labor agreements with unions.

As Soda Sanayii A.Ş., we organize trainings aimed at enhancing employee awareness, which we regard as another significant component in reducing work accidents. We inform our employees and business partner employees in order to promote the culture of health and safety. In this regard, 23,038 man*hour of training was provided to 5,408 employees and business partner employees, in 2016.

Toolbox Talks is a practice aimed at enriching the occupational health and safety culture of permanent and subcontractor employees working at Soda Sanayii A.Ş. plants, minimizing work accidents and occupational diseases by learning from past experiences.

Within the context of the protection of our employees against occupational and common diseases, employees are provided with trainings regarding the causes of occupational diseases, principles of protection against diseases and practice of protection techniques, biological and psychosocial risk elements, and first aid. In the reporting period, Kromsan Plant conducted a cancer scan practice for its employees through the agency of Mediterranean Public Health Center KETEM, in order to emphasize the importance of early diagnosis in cancer.

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Respecting Differences

Maintaining a fair and transparent management approach respecting differences is among the sustainability priorities of Soda Sanayii A.Ş. In this regard, we act with the principle of providing our employees with equal opportunity all our processes, including recruitment, remuneration, performance evaluation processes, and career development opportunities. We regard differences as components contributing to the innovative and creative character of our corporate culture while enriching our company; we offer our employees a working environment that does not accept discrimination based on race, religion, language and gender.

Work life at Soda Sanayii A.Ş. is based on the principle of equality of opportunity. Whereas employee rights are determined by work related criteria, such as work requirements, skill and experience. The remuneration and vested benefits management of employees is carried out without any discrimination based on gender, religion, language, race, and similar issues. In this context, there is no discrimination among employees with the same job and knowledge/skill experiences. The same base wage and vested benefits apply for employees with the same position level and qualities according to job evaluation ratings. An objective and systematic approach is similarly adopted in the assessment of employee performance; the performance of employees is measured under equal conditions and evaluated fairly. In the reporting period, there were no discrimination cases or grievances within the scope of our operations.

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Providing Decent Work

We act with the awareness that our employees are the most decisive factor in the successes we achieve; we make a superior effort to provide a participatory working environment, where human and employee rights are respected, employee satisfaction is pursued and which allows for the development of their competences. In this regard, we observe basic rights and freedoms in all our processes, design training programs to support the professional and individual developments of our employees, encourage their participation on corporate decision-making mechanisms through efficient and transparent communication channels that we form.

EMPLOYEE RIGHTS

At Soda Sanayii A.Ş., we carry out human resources processes in consideration of the basic rights and freedoms of our employees, we strive to provide them with a fair workplace complying with national and international standards. We entitle our employees to extensive rights through practices we implement by protecting the mutual interests of our company and employees, we ensure they are compensated for their labors through active recognition and appreciation practices.



Privacy Act Group HR Compliance Process

The Privacy Act Law numbered 6698 came into force on April 7th, 2016; in accordance with the process of harmonization with the Law, a study was started within the body of the Group Human Resources Directorate. As part of this study, conducted under the coordination of the Organizational Development Directorate and Legal Consultancy Department, a working plan, including all the actions that need to be taken within the context of the business processes of HR units, was prepared and prioritized actions were completed as of December. It is projected for the long-term actions included within the working plan to be completed by 2017 yearend.

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Union Rights

Protecting the union rights of employees is among the primary issues we rigorously monitor. The representation of employees within the framework of a healthy structure in their relations with company management is emphasized; our employees' free use of their collective agreement and organization rights is ensured. As of 2016, the rate of unionization across the company reached the level of 58%. Constructive relations based on trust and dialogue are established with unions. Thanks to our positive approach towards unionization, there were no production or workforce losses due to industrial relations in the reporting period.

The 17th Period Company Collective Labor Agreement meetings conducted with Petrol-İş union on behalf of Soda San. A.Ş. were concluded in agreement on May 5th, 2016 and the Collective Labor Agreement was signed. The Collective Labor Agreement will remain in effect for two years between January 1st 2016 and December 31st 2017.

As part of the Flexible Benefits Program, which is being implemented since beginning of 2015, employees are offered flexible options. Flexible Benefits make it possible for Soda Sanayii A.Ş. employees to choose from the package of benefits that Şişecam provides. Our flexible vested benefits package includes different health and life insurance choices for employees and their families. The aim of the project is to meet the changing needs of employees, to support them in managing their personal budget in the most productive way, and to allow them to gain maximum benefit from vested benefits by means of tax advantages and discounted prices. It is aimed for the scope of the project to be expanded every year, by adding new applications and increasing the rate of participation. All our employees create their own budget and choose their benefits on the Flexible Benefits Portal, established within the project and accessible at www.sisecamflex.com.

We allow our employees to determine their work start and end times in agreement with their managers within the Flexible Working Hours Project, which we have been conducting since 2015. The project, which we carried out to contribute to the work-life balance of our employees, enhance their motivation and support the sustainability of their success by allowing our

employees to plan their working hours flexibly, drew intense interest from our employees.

The awards given out within the scope of Şişecam Employee Recognition, Appreciation and Rewarding System, whereby behaviors, efforts and successes helping companies across Şişecam Group achieve their targets are rewarded. In 2016, five Soda Sanayii A.Ş. employees were deemed worthy of reward in the Stars of the Year, Occupational Health and Safety, and Special Prize categories at the awards ceremony.

Without prejudice to the rightful termination circumstances, both Şişecam Group companies and employees are liable to give a prior notice to the opposite party once they decide to terminate the employment contract. This issue is regulated within the context of the Labor Law Numbered 4857 and the collective labor agreements made with unions.



EMPLOYEE ENGAGEMENT SURVEY

Şişecam Group started measuring employee engagement and developing improvement activities by drawing on the results in 2013, in order to create a suitable working climate for its employees while achieving high performance. The Employee Engagement Survey, which involves all monthly waged employees throughout the Group, is carried out every two years.

In accordance with the results of the survey, an impact analysis was performed in order to identify the most significant factors influencing the engagement score of Şişecam Group and the most influential development areas were determined. "Employee Engagement Action Development Workshops" were organized in all regions together with employees and managers representing different groups and units in 2016, to carry out detailed analysis studies and actions to be developed for these areas. During the course of the workshops, which were realized in 14 sessions with 388 participants in total, Şişecam Group's development areas were addressed, successful practices and areas of improvement were analyzed in detail, and the results of different represented groups were consolidated to identify prioritized employee engagement development actions.

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EMPLOYEE ENGAGEMENT

At Soda Sanayii A.Ş., we emphasize the access of our employees to swift and transparent information regarding company operations and their involvement in decision making processes in line with our principle of stakeholder engagement. We receive our employees' opinions and suggestions regarding working conditions through bidirectional communication mechanisms formed at the level of Şişecam Group and our company; we strive to constitute a participatory corporate culture. We measure our employees' satisfaction with Employee Engagement Surveys we periodically conduct, we guarantee our performance in this field through practices supervising their work-life balance.

Campport, the corporate intranet system of Şişecam Group, is the primary communication channel most widely used in all Group companies. The number of users of the portal, which was restructured in 2015 and rendered interactive,



“Şişecam is Moving” Internal Communication Project

In the reporting period, the internal communication project “Şişecam is Moving” was formed in order to maintain the period of transition of Şişecam Headquarters to its new campus with a focus on employee happiness and productivity. Within the scope of the project, it was aimed to establish effective communication with employees in the process of change, provide timely and accurate guidance for employees, prevent informal communication and disinformation, and minimize possible decreases in engagement, motivation and performance in this process as far as possible.

With the project, information about the new campus was sustainably provided through various methods and channels. ‘Working Spaces Evaluation Survey’ was implemented in order receive expectations about the new headquarters building and campus from our employees. Bulletins including characteristics of the new campus and information that employees may need during or after the moving process were prepared and constant information flow was ensured with two or three bulletins every week. sisecamtasiniyor@sisecam.com address was created for employees to convey their questions and opinions. “Ask Me Team” was constituted to answer employees' questions and organize periodical tours at the Headquarters; they were stationed inside the building for three days.

is consistently increasing. The Idea Factory and Suggestion Development System channels, which were formed for our employees to convey their suggestions regarding business processes and working conditions, are other communication mechanisms widely used by our employees.

“ŞİMDİ!” (NOW!) Social Activity Club - Our employees participate in Şişecam Social Activity Club that was established for them to enjoy the time they spend at the workplace, strengthen social relationships and synergy amongst themselves, and transform employee happiness into productivity. Within the context of the club, a wide range of activities and projects, such as tours, theater, sports tournaments, and aid campaigns, are realized with the participation of volunteering employees. In 2016, over 100 social activities were organized at Turkey operations.

Common Language Program - The Common Language Program was launched to constitute a common management culture throughout Şişecam Group. The program was designed to enhance the interaction of management teams at different levels.

“We Are Şişecam” Meetings - Şişecam Group organizes “We Are Şişecam” workshops in order to ensure the dissemination of corporate culture and values among all employees.

EMPLOYEE DEVELOPMENT

At Soda Sanayii A.Ş., we consider employee development among our most important responsibilities in order to achieve our strategic targets; we offer our employees various training programs contributing to their professional and personal development, while actualizing active talent management practices. We accompany the development of our employees with the employee development practices designed by Şişecam Group in accordance with group needs, technological advancements, and stakeholder expectations and implemented at the level of Group companies; we continuously improve our performance in this field.

In the reporting period, a total of 5,052 man*hour of training was provided to Soda Sanayii A.Ş. employees. The average training hours per employee is 5.9 hours for our blue-collar employees and 23.6 hours for our white-collar employees. Our female employees were provided 23.65 hours of training on average, while this value was realized as 12.92 hours for our male employees.

Success Factors - All white-collar employees can track targets related to performance evaluations and results regarding their competences on the SuccessFactors system. At Soda Sanayii A.Ş., all white-collar employees regularly receive performance feedbacks.

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Internal Recruitment System – As part of the practice we actualized at our Turkey operations in the reporting period, it was aimed for open positions within the Company to be filled by our employees, thereby offering diverse career and development opportunities. The practice is aimed at filling in open positions through internal transfers, thereby accelerating the process and enhancing employee satisfaction and engagement.

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

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

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



Şişecam Group Talent Management System, which was designed to attract the talent required for sustainable corporate success, to retain talents within the body of the Group by giving them the opportunity to realize their potential, and to raise the leaders of the future, was actualized as of December 2016.

Within the process of Talent Management, candidates with high performance and potential level elected according to predetermined criteria and objective measurement results are identified as 'talent' for our Group. It is aimed to support the development of our employees included in the talent pool and to reflect their potential levels on their performance sustainably. With the System, the potential assessment process was carried out for the first time within the body of the Group in December 2016, ensuring the identification of the potential levels of all employees within scope. It is projected for "Şişecam Group Talent Pool" to be formed based on performance evaluation results, characteristic assessment process, talent committee assessments and results of additional research methods, during the year 2017.



Şişecam Academy

Şişecam Academy, established in consequence of the restructuring of training and development activities with innovative methods and investments by Şişecam Group in 2015, designs training and development activities to support the position-based competences of Group employees, their professional qualifications, individual learning and development needs and to prepare them for new positions. The Academy aims to contribute to the corporate objectives of Şişecam Group, develop human resource competences, and make significant contributions to corporate image and employee engagement.

Within the scope of the organization, special programs were designed for identified focus areas in relation with the career paths of employees of Group companies and Soda Sanayii A.Ş. Our employees can request trainings from training catalogues prepared on the basis of business groups in our Group, they can choose technical and personal development trainings determined in accordance with the needs every business group and based on position. In the reporting period, Group employees were offered development trainings, such as Leadership School, Marketing School, Sales School, Glass School, HR Certificate Program, as part of Academy works, while the Supply Chain School and Financial Affairs Certificate Program are to be offered in the forthcoming period.

In the reporting period, the internal production of e-Learning modules was started in consequence of the investments made in the area of education technologies. Training and development activities were carried beyond in-class activities through mixed education methods and employees' access to information was facilitated. In this context, several training tools, such as development resources, book summaries, and videos supporting in-class trainings and our employees' areas of interest, were shared through the "Academy Portal".

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Performance Data

Economic Performance Indicators

	2014	2015	2016
Direct economic value generated-Net Sales Revenue (TL million)	1,607	1,772	1,983
Economic value distributed (TL million)	452	688	650
Operating costs (TL million)	138	155	172
Employee wages and benefits (TL million)	79	85	96
Dividend payments to shareholders (TL million)	156	330	277
Taxes paid to the government (TL million)	78	118	105
Social investments (TL million)	1	0	0
Number of R&D Employees	14	15	18

Summary Consolidated Statement of Financial Position (TL million)

	2014	2015	2016
Current Assets	1,111	1,433	1,674
Non-Current Assets	1,010	1,379	1,643
Total Assets	2,121	2,812	3,317
Short-Term Liabilities	305	368	438
Long-Term Liabilities	249	259	276
Shareholders' Equity	1,567	2,185	2,603
Total Liabilities	2,121	2,812	3,317

Summary Consolidated Profit and Loss Statement (TL million)

	2014	2015	2016
Revenue	1,607	1,772	1,983
Cost of Sales	-1,209	-1,297	-1,395
Gross Profit from Trading Activity	397	475	588
Operating Expenses	-138	-155	-172
Operating Income	329	411	445
Other Operating Income and Expenses	12	38	29
Equity Method Effect	58	54	72
Income and Expenses from Investments	94	-3	14
Operating Profit Before Financial Expenses	423	408	531
Financial Expenses (Net)	21	102	113

Profit Before Tax from Continued Operations	444	510	644
Tax Income/(Expense)	-57	-69	-68
Taxes on Income for the Period	-61	-72	-80
Deferred Tax Income/(Expense)	4	3	12
Profit for the Year	388	441	577
Breakdown of the Profit for the Year			
Non-Controlling Interests	3	7	0.8
Equity Holders of the Parent	384	434	575
Earnings Before Interest and Taxes (EBIT)*	423	408	531
Depreciation and Amortization	93	92	98
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*	516	500	629
Net Cash from Operations	450	310	438
Net Financial Debt**	-341	-547	-731

Financial Ratios

	2014	2015	2016
Current Assets / Short-Term Liabilities	3,64	3,90	3,82
Shareholders' Equity / Total Liabilities	0,74	0,78	0,78
Total Liabilities / Shareholders' Equity	0,35	0,29	0,27
Net Financial Liabilities / Total Liabilities	-0,16	-0,19	-0,22
Net Financial Liabilities / Shareholders' Equity	-0,22	-0,25	-0,28
Gross Profit / Revenue	0,25	0,27	0,30
EBITDA* / Revenue	0,32	0,28	0,32
EBIT* / Revenue	0,26	0,23	0,27
Net Financial Liabilities** / EBITDA*	-0,66	-1,09	-1,16

(*) Operating profit before financial expenses used for calculating EBIT and EBITDA. EBIT and EBITDA are not financial performance measures identified in TFRS and may not be compared with similar indicators identified by companies.

(**) Net Financial Debt are calculated by deducting receivables from other relevant parties and cash and cash equivalents from the total of short- and long-term debts and other debts to relevant parties.

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Social Performance Indicators

	2014	2015	2016
Total Workforce (number)			
Direct Employees	858	877	914
Female	40	41	42
Male	818	836	872
Employees by Contract Type (number)			
Permanent	858	877	914
Female	40	41	42
Male	818	836	872
Temporary	0	0	0
Female	0	0	0
Male	0	0	0
Total Workforce by Category (number)			
Blue Collar	491	497	534
Female	2	1	1
Male	489	496	533
White Collar	367	380	380
Female	38	41	41
Male	329	339	339
Total Workforce by Employment Type (number)			
Full Time	858	877	914
Female	40	41	42
Male	818	836	872
[Part Time]	0	0	0
Female	0	0	0
Male	0	0	0
Total Workforce by Education Level (number)			
White Collar	367	380	380
High School and Below	126	121	118
Associate Degree	60	71	74
University and Above	181	188	188

	2014	2015	2016
Blue Collar	491	497	534
High School and Below	211	205	202
Associate Degree	255	263	291
University and Above	25	29	41
Total Workforce by Age Group (number)			
Below 30	125	124	134
30 - 50	710	730	742
50+	23	23	38
Senior Management Structure (number)			
by Gender	3	4	3
Female	1	1	0
Male	2	3	3
by Age Group	3	4	3
Below 30	0	0	0
30 - 50	2	3	0
50+	1	1	3
by Nationality	3	4	3
Turkish Citizen	3	4	3
Expatriate	0	0	0
Mid-Level Management Structure (number)			
by Gender	15	15	12
Female	1	1	1
Male	14	14	11
by Age Group	15	15	12
Below 30	0	0	0
30 - 50	10	11	9
50+	5	4	3
New Hires (number)			
by Gender	58	53	75
Female	5	5	3
Male	53	48	72

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	2014	2015	2016
by Age Group	58	53	75
Below 30	45	43	57
30 - 50	12	10	18
50+	1	0	0
Quitting Employees (number)			
by Gender	50	32	36
Female	4	3	0
Male	46	29	36
by Age Group	50	32	36
Below 30	6	4	7
30 - 50	34	20	14
50+	10	8	15
Number of Employees on Parental Leave			
Female	0	2	4
Number of Employees Returning to Work Following Parental Leave			
Female	0	2	4
Number of Employees Returning to Work Following Parental Leave and Still Employed 12 Months After Their Return			
Female	0	2	4
Employees Covered by the Collective Labor Agreement (number)			
Direct Employees	487	495	527
Employee Trainings - Number of Participants	561	550	424
Blue Collar	132	95	25
White Collar	429	455	399
Female	26	25	43
Male	535	525	381
Employee Trainings - Total Hours (man*hour)	3.486	1.152	5.052
Blue Collar	397	86	3.162
White Collar	3.089	1.066	1.890
Female	169	50	473
Male	3.317	1.102	4.579

	2014	2015	2016
Injury Rate			
Direct Employees	18	11	17
Subcontractor Employees	26	35	59
Total	21	20	33
Occupational Disease Rate (ODR)			
Direct Employees			
Female	0	0	0
Male	0	0	0
Lost Day Rate (LDR)			
Direct Employees	249	251	262
Number of Work Related Fatalities			
Direct Employees	0	0	0
Subcontractor Employees	0	0	0
Total	0	0	0
Absence Rate (%)			
Direct Employees			
Blue Collar	4,4%	4,9%	4,3%
White Collar	3,5%	3,6%	3,7%
OHS Trainings Offered to Employees - Number of Participants	2.604	4.203	5.408
Direct Employees	858	881	873
Subcontractor Employees	1.746	3.322	4.535
OHS Trainings Offered to Employees - Total Hours (man*hour)	17.220	20.740	23.038
Direct Employees	13.728	14.096	13.968
Subcontractor Employees	3.492	6.644	9.070
Number of OHS Committees	12	12	12
Total Number of Members at OHS Committees	30	30	35
Total Number of Employee Representatives at OHS Committees	8	8	6
Environmental Trainings Offered to Employees - Number of Participants	-	3.402	4.810
Direct Employees	-	80	260
Subcontractor Employees	-	3.322	4.550

(*) İlgili verilerin geçtiğimiz dönem değerleri revize edilmiştir.

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Environmental Performance Indicators

	2014	2015	2016
Total Raw Material Consumption (ton)	3,842,792	3,832,100	4,040,300
Total Energy Consumption (GJ)	27,541,900	30,043,100	28,135,700
Natural Gas	23,942,100	26,034,300	23,263,100
Anthracite	3,267,300	3,203,100	4,497,700
Electricity	332,500	759,000	360,800
Other	0	46,700	14,000
Total Energy Savings (GJ)	34,350	1,700	329,000
Total Water Withdrawal (m ³)	23,746,550	24,334,400	22,923,100
Recovered/Reused Water (m ³)	50,600	92,200	129,600
Greenhouse Gas Emissions (ton CO₂)	1,780,800	1,769,200	1,807,700
Scope 1 Emission (ton)	1,743,200	1,731,200	1,804,500
Scope 2 Emission (ton)	37,600	38,000	3,200
Greenhouse Gas Emission Savings (ton CO ₂)	2,700	900	5,300

	2014	2015	2016
Total Hazardous Waste by Disposal Method (ton)			
Recovery	160	280	632
Disposal	92	78	10
Total	252	358	642
Total Nonhazardous Waste Amount by Disposal Method (ton)			
Recovery	2,123	2,412	5,364
Landfill	674,187	838,022	901,803
Total	676,310	840,434	907,167
Packaging Waste Recovery Rate (%)	44%	48%	52%
Number of Environmental Compliance Penalties Paid in the Reporting Period (number)	0	0	0
Environmental Compliance Penalties Paid in the Reporting Period (TL)	0	0	0
Total Environmental Investment Costs (TL)	19,061,700	3,189,200	3,123,300
Total Environmental Management Costs (TL)	13,479,400	20,105,700	24,713,800

GRI Content Index

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Indicators	Description
GENERAL DISCLOSURES	
G4-1	Message from the Chairman (pp.3-4); Message from the Chemicals Group President (pp.5-6)
G4-2	Message from the Chairman (pp.3-4); Message from the Chemicals Group President (pp.5-6)
G4-3	About the Report (p.2)
G4-4	About Soda Sanayii A.Ş. (pp.7-8)
G4-5	Corporate Web Site: http://www.sisecamkimyasallar.com/en/contact-us
G4-6	About Soda Sanayii A.Ş. (pp.7-8)
G4-7	Corporate Website: http://www.sisecamkimyasallar.com/en/investor-relations-soda-sanayii-as/corporate-identity-and-management/shareholder-structure
G4-8	About Soda Sanayii A.Ş. (pp.7-8)
G4-9	Financial Stability (p.26); One Global Family (pp.31-32); Performance Table (p.42)
G4-10	One Global Family (pp.34-41)
G4-11	Union Rights (p.39); Performance Table (p.43)
G4-12	Supply Chain Management (p.20)
G4-13	Corporate Website: http://www.sisecamkimyasallar.com/en/investor-relations-soda-sanayii-as/presentations-and-reports/material-disclosures Risk Management and Internal Audit (p.16); Business Ethics (p.17); Employee Health and Safety (pp.35-36); Combating Climate Change (p.29)
G4-14	Our Corporate Memberships (p.8)
G4-15	Our Corporate Memberships (p.8)
G4-16	Our Corporate Memberships (p.8)
G4-17	About the Report (p.2)
G4-18	About the Report (p.2); Sustainability Management (p.9)
G4-19	Sustainability Management (p.9)
G4-20	Sustainability Management (p.9)
G4-21	Sustainability Management (p.9)
G4-22	GRI G4 Content Index (p.46) The report does not have any restatements of information provided in the previous report.
G4-23	About the Report (p.2); Sustainability Management (p.9)
G4-24	Stakeholder Engagement (pp.13-14)
G4-25	We define all individuals and institutions, who either are impacted by our operations or have an impact on them, as our stakeholders.
G4-26	Stakeholder Engagement (pp.13-14)
G4-27	Stakeholder Engagement (pp.13-14)



Indicators	Description
G4-28	About the Report (p.2)
G4-29	About the Report (p.2)
G4-30	About the Report (p.2)
G4-31	About the Report (p.2)
G4-32	About the Report (p.2); GRI G4 Content Index (p.46)
G4-33	GRI G4 Content Index (p.46) The report was not subjected to external assurance.
G4-34	Transparent and Integrated Management (pp.15-16)
G4-56	Business Ethics (p.17)

STANDARD DISCLOSURES

Material Aspect: Economic Performance

G4-DMA	Global Presence (pp.25-32); Financial Stability (p.26); Supply Chain Management (p.20)
G4-EC1	Global Presence (pp.25-32); Financial Stability (p.26); Supply Chain Management (p.20); Performance Table (p.42)
G4-EC2	Combating Climate Change (p.29)

Material Aspect: Market Presence

G4-DMA	Not material
G4-EC6	Performance Table (p.43)

Material Aspect: Indirect Economic Impacts

G4-DMA	Innovation (p.23); Employee Development (pp.40-41); Social Responsibility (p.32)
G4-EC7	Innovation (p.23); Social Responsibility (p.32)
G4-EC8	Innovation (p.23); Employee Development (pp.40-41); Social Responsibility (p.32)

Material Aspect: Procurement

G4-DMA	Supply Chain Management (p.20)
G4-EC9	Supply Chain Management (p.20)

Material Aspect: Energy

G4-DMA	Energy and Emission Management (pp.27-28)
G4-EN3	Energy and Emission Management (pp.27-28); Performance Table (p.45)
G4-EN5	Energy and Emission Management (pp.27-28)
G4-EN6	Energy and Emission Management (pp.27-28); Performance Table (p.45)

Material Aspect: Water

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Indicators	Description
G4-DMA	Efficient Use of Resources (pp.30-31)
G4-EN8	Efficient Use of Resources (pp.30-31); Performance Table (p.45)
G4-EN9	GRI G4 Content Index (p.47) No stress caused by water consumption within Soda Sanayii A.S. operations was found on resource consistency.
G4-EN10	Efficient Use of Resources (pp.30-31); Performance Table (p.45)
Material Aspect: Emissions	
G4-DMA	Energy and Emission Management (pp.27-28)
G4-EN15	Energy and Emission Management (pp.27-28); Performance Table (p.45)
G4-EN16	Energy and Emission Management (pp.27-28); Performance Table (p.45)
Material Aspect: Effluents and Waste	
G4-DMA	Efficient Use of Resources (pp.30-31)
G4-EN23	Efficient Use of Resources (pp.30-31)
G4-EN26	Efficient Use of Resources (pp.30-31)
Material Aspect: Products and Services	
G4-DMA	Efficient Use of Resources (pp.30-31)
G4-EN27	Efficient Use of Resources (pp.30-31)
G4-EN28	Efficient Use of Resources (pp.30-31)
Material Aspect: Compliance	
G4-DMA	Sustainable Environment (p.30)
G4-EN29	Performance Table (p.45)
Material Aspect: Overall	
G4-DMA	Sustainable Environment (p.30)
G4-EN31	Sustainable Environment (p.30)
Material Aspect: Employment	
G4-DMA	One Global Family (pp.34-41)
G4-LA1	Performance Table (p.43)
G4-LA3	Performance Table (p.37)
Material Aspect: Occupational Health and Safety	
G4-DMA	Occupational Health and Safety (pp.35-36)
G4-LA4	Employee Rights (p.44)
G4-LA5	Occupational Health and Safety (pp.35-36)
G4-LA6	Performance Table (p.44)
G4-LA8	Occupational Health and Safety (pp.35-36)

Indicators	Description
Material Aspect: Training and Education	
G4-DMA	Employee Development (pp.40-41)
G4-LA9	Employee Development (pp.40-41); Performance Table (p.44)
G4-LA10	Employee Development (pp.40-41)
G4-LA11	Employee Development (pp.40-41)
Material Aspect: Diversity and Equal Opportunity	
G4-DMA	Respecting Differences (p.37)
G4-LA12	Performance Table (p.37)
Material Aspect: Equal Remuneration for Women and Men	
G4-DMA	Respecting Differences (p.71)
G4-LA13	Respecting Differences (p.37)
Material Aspect: Non-Discrimination	
G4-DMA	Respecting Differences (p.37)
G4-HR3	GRI G4 Content Index (p.47) During the reporting period, no case of discrimination has occurred.
Material Aspect: Freedom of Association and Collective Bargaining	
G4-DMA	Union Rights (p.39)
G4-HR4	GRI G4 Content Index (p.47) In all Soda Sanayii A.S. operations, exercise of the freedom of association and collective bargaining is ensured. Business partners are also expected to adopt same principle. During the reporting period, no breach or significant risk is identified regarding exercise of these rights.
Material Aspect: Child Labor	
G4-DMA	GRI G4 Content Index (p.47)
G4-HR5	GRI G4 Content Index (p.47) Soda Sanayii A.S. does not permit child labor within its operations. Business partners are also expected to adopt same principle. During the reporting period, no breach or significant risk is identified regarding this principle.
Material Aspect: Forced and Compulsory Labor	
G4-DMA	GRI G4 Content Index (p.47)
G4-HR6	GRI G4 Content Index (p.47) Soda Sanayii A.S. does not permit forced and compulsory labor within its operations. Business partners are also expected to adopt same principle. During the reporting period, no breach or significant risk is identified regarding this principle.
Material Aspect: Anti-Corruption	
G4-DMA	Fight Against Corruption (p.17)
G4-SO3	GRI G4 Content Index (p.47) During the reporting period, all operations were assessed for risks related to corruption.
G4-SO5	GRI G4 Content Index (p.47) No incidents of corruption has taken place during the reporting period.

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- RESPECTING DIFFERENCES
- PROVIDING DECENT WORK

Indicators	Description
Material Aspect: Anti-competitive Behavior	
G4-DMA	Not material
G4-SO7	GRI G4 Content Index (p.48) During the reporting period, no legal actions were charged against Soda Sanayii A.Ş. regarding anticompetitive behavior and violations of anti-trust and monopoly legislation.
Material Aspect: Compliance	
G4-DMA	Stakeholder Engagement (pp.13-14); Transparent and Integrated Management (pp.15-16)
G4-SO8	GRI G4 Content Index (p.48) During the reporting period, no significant fines were paid due to non-compliance with laws and regulations.
Material Aspect: Customer Health and Safety	
G4-DMA	Operational Excellence (p.18)
G4-PR2	GRI G4 Content Index (p.48) During the reporting period, no case of non-compliance to regulations has occurred.
Material Aspect: Product and Service Labeling	
G4-DMA	Operational Excellence (p.18)

Indicators	Description
G4-PR3	Operational Excellence (p.18)
G4-PR4	GRI G4 Content Index (p.48) During the reporting period, no case of non-compliance to regulations has occurred regarding customer information practices and product labeling.
Material Aspect: Marketing Communications	
G4-DMA	Operational Excellence (p.18)
G4-PR7	GRI G4 Content Index (p.48) During the reporting period, no case of non-compliance to regulations has occurred regarding marketing communication aspects.
Material Aspect: Customer Privacy	
G4-DMA	Digitalization (pp.21-22)
G4-PR8	Digitalization (pp.21-22)
Material Aspect: Compliance	
G4-DMA	Digitalization (pp.21-22)
G4-PR9	Digitalization (pp.21-22)

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