

Esteemed Investors and Analysts,

We would like to thank you for your confidence in our company and your interest to the recent changes that took place in our corporate structure. As you are well aware of, we have successfully completed the largest merger ever registered in the Turkish capital markets, which allowed us to simplify our shareholding structure to consolidate all listed subsidiaries in our main business segments under one legal entity since September-end. As we communicated in many different instances throughout this year, we believe this merger will enable us to further solidify our competitive position in the global area and will reinforce our concentration on our strategic priorities. The new structure will provide us both the infrastructure and the means to serve for the best interest of Şişecam stakeholders in our pursuit of becoming one of the top three glass production companies in the world.

Our history is full of exemplary milestones and for the last two decades, we've been heavily investing in Turkey and in international territories not only with the ambition of strengthening our leader position and becoming a global player but also with the responsibility to take our part in serving as a solid source of macroeconomic growth. While managing our operations, in addition to delivering good financial results, we have always appreciated and prioritized our responsibilities to create a better world in collaboration with all our counterparties as we wholeheartedly believe that investing in the future brings in the necessity to invest in the prospect of our future.

As a member of Borsa Istanbul Sustainability Index since 2016, and one of the 61 component candidates under evaluation by VIGEO EIRIS - an independent research company, for their inclusion to the index for the period of December 2020-October 2021, we would like to take this opportunity to communicate our ESG priorities in a thorough manner.

Our sustainability journey, a comprehensive approach dating back to 2011, continued with the launch of our "CareforNext" sustainability strategy, which was introduced in 2018 by our Corporate Committee of Sustainability. This Committee, that is chaired by the Company's Chief Strategy Officer, consists of other CXOs as its members, has a primary function to establish and overview the Company's Sustainability Strategy as well as implementing sustainability approach into Company's overall operations. "CareforNext" strategy is shaped around three pillars, namely "Preserve", "Empower" and "Progress" and 11 targets have been identified in this respect.

We are committed to preserve natural resources and corporate heritage for next generations. We aim to empower our stakeholders considering the main principles of respect for diversity and inclusion, and to progress on combatting climate change and further digitalization of our business models. This approach, which is compatible with the framework of United Nations Sustainable Development Goals (SDGs), has been integrated to our business strategy, also to better satisfy our stakeholders' expectations, back in 2018. Since then, all investment decisions, and product and process developments are planned and carried out by taking into consideration the key aspects of this approach. We aim to expand our sustainability vision by including all our stakeholders in the value chain, from raw material supply to post-consumption recycling.

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Accordingly, Şişecam has been disclosing its Greenhouse Gas (GHG) emissions to Carbon Disclosure Project (CDP) since 2011.

Our Sustainability team carefully monitors and reports our sustainability performance on time and sets short and medium-term goals by conducting benchmarking studies, annual sustainability scorecards and half-year evaluations.

We would like to touch on some of our initiatives, which are taken to promote workplace diversity, to create a sustainable production model by increasing cullet usage, to combat climate change with sustainable product solutions and to encourage our ecosystem in order to increase their contribution to these efforts.

Workplace Diversity & Inclusion:

In pursuit of further enhancing corporate culture across its operations and the value chain, Şişecam attributes great value to diversity and inclusion, where "Women-Friendly Manufacturing Plant Project" sets a good example. With this project, women employment rate across the company reached 22%, while 25 % is targeted by 2023.

Sustainable Production Model:

Having end-to-end production across its entire value chain and with its distinctive operational structure of being an only glass company, Şişecam has the ability to promote the circular economy by investing in opportunities of which are designed to embrace this model.

Şişecam has been expanding its international production capacity in the last ten years, bringing the Company closer to its vision of being one of the three largest global glass producers with its sustainable value creation goal. With EBRD's partnership, we established Şişecam Çevre Sistemleri, in order to give a boost to the glass recycling in Turkey and to create a resource-efficient circular economy. Şişecam Çevre Sistemleri has already increased post-consumption recycling capacities by directly and indirectly investing in four waste-glass recovery plants with an aggregate recovery capacity of 790K tons/year. One of those facilities, 90%-owned and fully managed by Şişecam, has already paved the way to improve the environmental and social performance standards in the sector by operating with its two lines.

Despite the challenging conditions of the year 2020, we are still ahead of our targeted annual growth in recycling activities of 15% of compared to 2019. Moreover, we are closely engaged with the preparation of Deposit Refund Scheme of Turkish Government and we strive for taking a strong position in benefiting from the outcomes of such promising development, which is expected to be in place and enforced by 2022. We also devote our resources to further improve our recycling operations. In fact, re-processing glass cullet particles below the mesh size of 2mm in production of lego glass bricks and components is one of the recent achievements of those efforts.

We continuously deliver glass-recycling banks and role out awareness campaigns in recognition of the role of engaging with deeper consumer values and strengthening community based recycling practices across Turkey. In fact, our "Glass and Glass Again" project has been one of

the key contributors to such achievements since 2011 as being recognized one of the largest and most compelling social responsibility projects in Turkey in the field of sustainability.

Combatting Climate Change & New Product Solutions:

As one of our key focus areas, our Company has taken a step in global efforts on combatting climate change. Corporate Climate Change Coordination Board, a multi-disciplinary body aiming at accelerating our efforts through the identification of priorities on available GHG emission mitigation techniques and technologies across our entire value chain while guiding the Company for evaluating opportunities in relation to advanced technologies such as electrical/hybrid furnaces, has been established. In addition to seeking potentials for decarbonization of production-based emissions, we have been also focusing on re-designed product solutions to reduce usage of raw materials and lower GHG emissions.

Some of the good practices include lightweight glass packaging where we have achieved 14% GHG emission reduction on a single bottle type by a design change. Moreover, we recently initiated "Aware" collection series of tableware, produced by 100% glass cullet. With this collection, we reduced GHG emission by more than 38% of reduction thanks to the significant decline in energy and raw material consumption during melting process. Social media campaign rolled out with the Aware collection aims at increasing public awareness while promoting consumers' behavior change to make them part of post-consumption recycling efforts.

Our flat glass solutions such as Solar Low-E coated glass under the brand name Isıcam K reduce heat losses by 50% and save fuel costs, while reducing the solar heat gain by 40% in summer, thereby decreasing energy cost of air conditioning systems. We closely follow and promote Zero-Energy Building practices, while also delivering solutions of triple double glazing systems as part of Zero Energy Building standards.

Our R&D competencies have been directly serving to the key components of our sustainability agenda in recent years with a clear focus on creating social and environmental benefits. In fact, our number of patented products with direct contribution to our sustainability strategy has exceed 39, which is actually more than half of our patented innovations with key deliveries on energy and resource efficiency, waste and emission reductions as well as on society's health.

During COVID-19 pandemic, Şişecam has been closely monitoring the developments on both national and international scale, and re-planning its business processes with an end-to-end sustainability perspective by implementing the highest level of measures in accordance with the guidelines introduced by the governmental institutions. As per usual, health and safety of our employees, business partners and customers continued to be our top priority in these challenging times. Şişecam continues to put sustainability at the center of its business model in this extraordinary period taking part in responding to the global society's needs through V-Block technology, developed within only a two-month period, thanks to our 45-year R&D heritage and expertise. This technology, initially planned to be applied on glassware products, neutralizes viruses and bacteria on glass surfaces with a special chemical formula and hot coating method and provides 24/7 hygiene. We will continue to be eager to expand our product handprint by offering sustainable solutions.

Sustainable supply chain management is also among the primary focus areas of our company. In 2019, ESG priorities in the supply chain have begun to be addressed in all phases of supplier management including evaluation, implementation, monitoring and development.

We are also pleased to share with you that we are currently at the stage of identifying our ESG materiality issues for the next Sustainability Strategy period of 2022-2030 in pursuit of our "CareforNext" vision and expectations of our stakeholders including customers, suppliers and shareholders, are at the center of our decision-making process.

Sincerely,



Prof. Dr. Ahmet Kirman
Vice Chairman and CEO