



PROUDLY TOWARDS THE FUTURE

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.
ANNUAL REPORT 2021

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CONTINUOUS HIGH PERFORMANCE UNDER ALL CIRCUMSTANCES

Although normalization steps were taken, 2021 was a year when the uncertainties that emerged with the pandemic persisted and volatility held sway.

During this reporting period, we continued our rise at full speed. Our new functional structure and multi-dimensional digital investments – ranging from production to sales, logistics to supply chain management – are taking us forward into the future.

Our ability to predict the future, strategic investment moves and agile organization structure have increased our competitive edge. We strengthened our ability to overcome difficulties and adapt to an ever-changing environment. We are continuously investing in the future of our business.

We are performing in line with our goal of becoming one of the world's top three players in the glass industry. We are moving steadily toward our targets **with our digital transformation efforts – coupled with our well-qualified workforce and smart technologies – to achieve successful results worldwide.**

SALES

32.1

TRY billion

INVESTMENTS

2.6

TRY billion

ALWAYS READY TO COMPETE

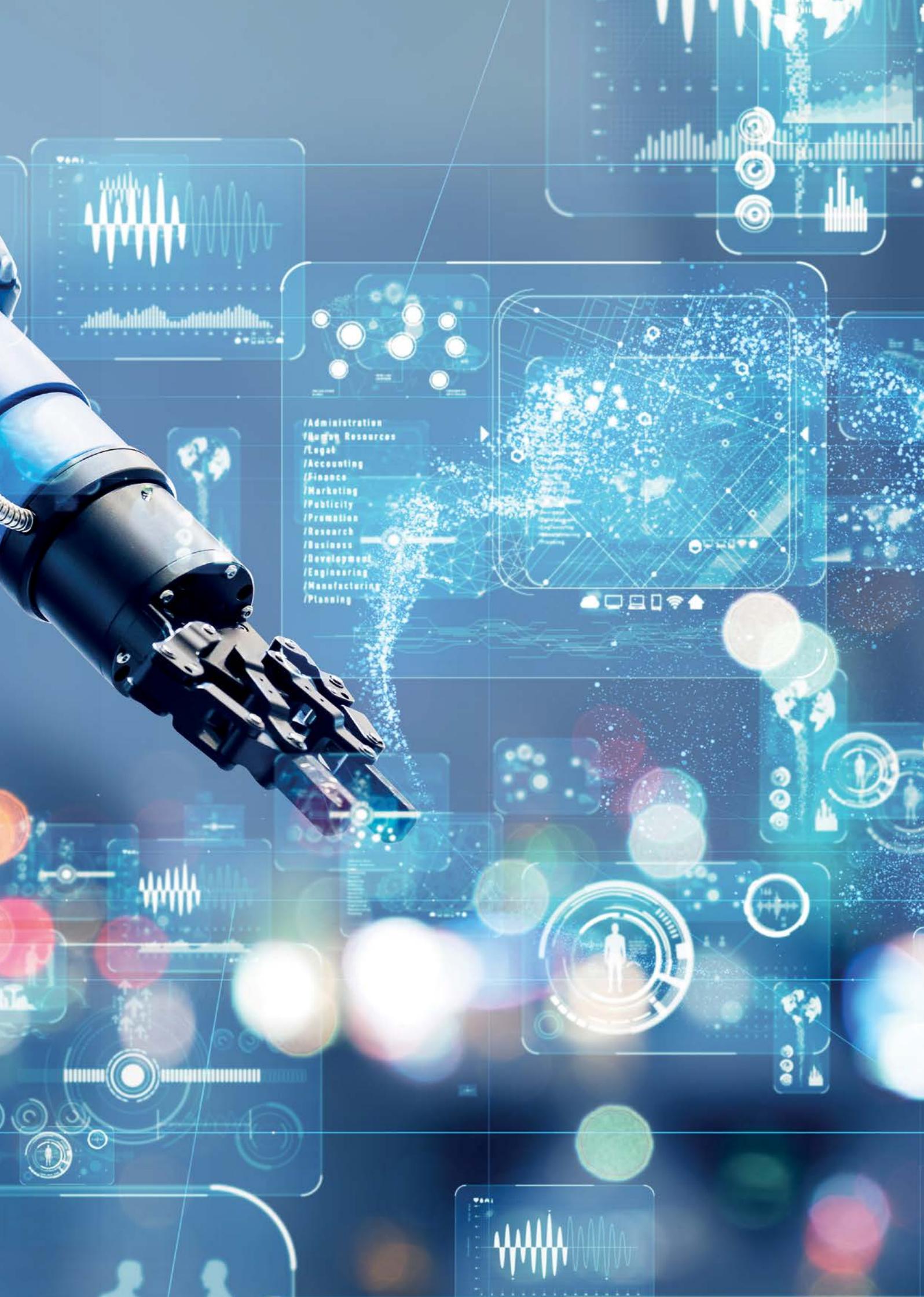
While designing strategic moves for tomorrow's market needs and conditions, we are striding into the future by taking bold and confident steps with **an effective and proactive management approach.**

Thanks to our forward-looking decisions, we always keep Şişecam's performance at top level. Our ever-increasing competitiveness, long-established experience, strong agility, **well-qualified human resources and smart technology capabilities** help us achieve our objectives.

TOTAL GLASS
PRODUCTION

5.6

million tons



/Administration
/Human Resources
/Legal
/Accounting
/Finance
/Marketing
/Publicity
/Promotion
/Research
/Business
/Development
/Engineering
/Manufacturing
/Planning





▽ BRAIN STORM NETWORK

8143

BRAIN DOWNLOAD

△ 58768

25
8

MODE

ABILITY TO BREAK DOWN BARRIERS WITH **COLLECTIVE WISDOM**

The challenges of the pandemic, difficulties in raw materials supply, disruptions in global supply chains - none of these hindered our success. The many challenges we faced during the year were not our first, nor will they be our last. As **a global company** managed with collective wisdom, we are keenly aware that we will face an array of future challenges. We are moving forward based on the scenarios we developed with **competent analyses** against all kinds of possibilities.

EQUITY

49.4

TRY billion

TRANSFORMATION MOVES TOWARDS THE FUTURE

Şişecam is further expanding its competencies and boundaries in R&D, with its deep experience of half a century. We are conducting efforts that make a difference in many areas at **our R&D Center - one of the largest in Europe** - and at our regional laboratories. At the same time, we are a key stakeholder in helping develop the industries to which we provide input. We are creating **the technologies of tomorrow for a sustainable world** and blending our experience with our future.

R&D
EXPENDITURE

245

TRY million

**OVER THE LAST
3 YEARS**

STRONG INFRASTRUCTURE, HOLISTIC PERFORMANCE

As a global company that operates **45 production facilities located in 14 countries** around the world, we manage **our large and widespread organization** holistically. Our **digital transformation efforts** are advancing at a rapid pace – not only in production, but also in sales-marketing, logistics, and supply chain management. We believe that our digitalization journey will empower Şişecam **to grow and develop** even under the most challenging conditions.

DIGITAL
TRANSFORMATION
INVESTMENTS

291

TRY million

OVER THE LAST
3 YEARS



SUSTAINABLE AND BALANCED PROGRESS

While we are rapidly moving towards our goals, we pay close attention to **society and our environment**. We always keep our planet at the forefront. We formulated the Şişecam Sustainability Strategy “**CareforNext**” with the participation of our stakeholders following indepth research studies and in line with UN Sustainability Development Goals. We shape all our investment, production, management, and social responsibility processes with a focused approach around this strategy. CareforNext is based on the key concepts of “**Protect the Planet,**” “**Empower Society,**” and “**Transform Life.**” Guided by this core strategy, we are taking major steps forward toward **a sustainable future** while aiming for continuous development.



Care for Ne**xt**

ENVIRONMENTAL
AND SOCIAL
INVESTMENTS

130

TRY million

OVER THE LAST
3 YEARS



PROTECT the Planet



EMPOWER Society



TRANSFORM Life



ŞİŞECAM

ŞİŞECAM IS AN INDUSTRIAL COMPANY OPERATING ON AN INTERNATIONAL SCALE.

ŞİŞECAM OPERATES IN THE BUSINESS LINES OF FLAT GLASS, GLASSWARE, GLASS PACKAGING, CHEMICALS AND AUTOMOTIVE WITH 45 PLANTS ACROSS 14 COUNTRIES.

Şişecam is an industrial company operating on a global scale in flat glass, glassware, glass packaging, chemicals, and automotive main business lines with nearly 22 thousand employees in 14 countries. Şişecam sells its products to over 150 countries, which constitute more than half of its total sales.

Founded in 1935 by İşbank by the directive of Atatürk, Şişecam is one of the most established industrial organizations in Turkey with 86 years of corporate history. Due to its specialization, high competence and the outstanding competitive edge of its operations, it is among the world's most prestigious manufacturers.

ŞİŞECAM CREDIT RATING

Moody's	B2/Negative
Fitch	BB-/Negative
JCR Eurasia	BBB-/Stable

ŞİŞECAM CORPORATE GOVERNANCE RATING

December 16, 2021	9.551
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**BORSA
İSTANBUL**

Şişecam shares are traded on Borsa İstanbul under the ticker symbol **SISE**.

	EUROPE	WORLD	
FLAT GLASS	#1	#5	
GLASSWARE	#2	#2	
GLASS PACKAGING	#5	#5	
SODA	#4	#2*	
AUTO GLASS**	#4	#8	

* Ranking after USA non-current financial asset acquisition as of December 21, 2021.

** The ranking for other fields of activity has been determined according to production capacity, while the ranking for Auto Glass has been determined according to turnover amounts.

FINANCIAL INDICATORS

Financial Indicators	2020		2021	
	(TRY M)	(USD M)	(TRY M)	(USD M)
Total Assets	44,228	6,025	88,673	6,653
Equity	22,491	3,064	49,364	3,697
Sales	21,341	3,047	32,058	3,611
Gross Profit	6,661	951	11,180	1,259
Operating Profit before Financial Expenses (EBIT)	4,338	619	9,635	1,085
EBITDA	5,989	855	11,696	1,317
Profit for the Period	2,825	403	9,224	1,039
Net Financial Debt	3,911	533	10,505	787

Financial Ratios	2020	2021
Current Assets/Current Liabilities	2.58	1.86
Equity/Total Equity and Liabilities	50.9%	55.7%
Net Financial Debt/Total Equity and Liabilities	8.8%	11.8%
Net Financial Debt/Equity	17.4%	21.3%
Gross Profit/Sales Revenue	31.2%	34.9%
EBITDA/Sales Revenue	28.1%	36.5%
EBIT/Sales Revenue	20.3%	30.1%
Net Financial Debt/EBITDA	0.65	0.90

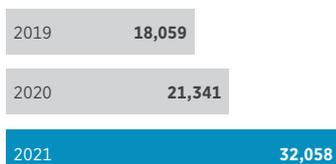
PROFIT FOR THE PERIOD

9,2

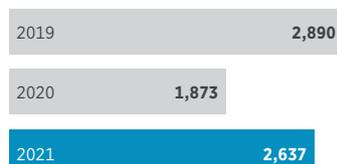
TRY billion

ŞİSECAM HAS RECORDED A SIGNIFICANT SUCCESS, INCREASING ITS PROFIT FOR THE PERIOD BY 226% COMPARED TO THE PREVIOUS YEAR.

Sales Revenues (TRY M)



Investments (TRY M)



Profit for the Period (TRY M)



Total Assets (TRY M)



Equity (TRY M)



EBITDA (TRY M)



Glass Production (000 Tons)



Soda Production (000 Tons)



Number of Employees (Person)



* As of year-end 2021, 48% of Şişecam employees are based globally.

ŞİŞECAM AT A GLANCE



Şişecam Flat Glass

Architectural glass (flat glass, patterned glass, mirror, laminated glass, coated glass, solar power glass, and white goods glass)

**Ranks 5th in the world and
1st in Europe**

PRODUCTION FACILITIES IN TURKEY

Kırklareli Plant Branch
Mersin Plant Branch
Bursa Plant Branch
Ankara Plant Branch

PRODUCTION FACILITIES ABROAD

Trakya Glass Bulgaria EAD - Bulgaria
Sisecam Flat Glass Italy S.R.L. - Italy
Sisecam Flat Glass South Italy S.R.L.
-Italy
Trakya Glass Rus AO - Russia
Sisecam Flat Glass India Pvt. Limited
- India
Saint Gobain Glass Egypt S.A.E. -
Egypt

PRODUCTION CAPACITY

3.4 million tons/year flat glass
capacity

INDUSTRY SCOPE

Construction, automotive, solar
energy and home appliances

TOTAL PRODUCTION

2.9 million tons of flat
glass+patterned glass



Şişecam Glassware

Manufacturing of soda, crystalline,
heat-resistant borosilicate glass,
automatic and hand-made
glassware from lead-free crystal,
paper cardboard packaging, and
retail merchandising

**Ranks 2nd in the world and
Europe**

PRODUCTION FACILITIES IN TURKEY

Kırklareli Plant Branch
Eskişehir Plant Branch
Denizli Plant Branch
Camiş Ambalaj Sanayi A.Ş. Tuzla
Plant

PRODUCTION FACILITIES ABROAD

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

RETAIL STORES

46 stores in Turkey, 2 franchise
stores and 1 online store globally

SECTORS FOR WHICH MANUFACTURING, DESIGN AND MARKETING ACTIVITIES ARE CONDUCTED

Retail, HoReCa (hotels, restaurants
& cafes), B2B (industry, promotion,
decoration)

TOTAL PRODUCTION

360 thousand tons



Şişecam Glass Packaging

Production of glass packaging in various volumes and colors for the food, beverage, pharmacy and cosmetics sectors.

Ranks 5th in the world and Europe in glass packaging manufacturing

PRODUCTION FACILITIES IN TURKEY

Mersin Plant Branch
Yenişehir Plant Branch
Eskişehir Plant Branch

PRODUCTION FACILITIES ABROAD

OOO Ruscam Glass Packaging Holding
Ufa Plant - Russia
Kirishi Plant - Russia
Pokrovsky Plant - Russia
Kuban Plant - Russia
Gorokhovets Plant - Russia
JSC Mina - Georgia
Merefa Glass Company Ltd. - Ukraine

PRODUCTION CAPACITY

2.6 million tons

INDUSTRY SCOPE

Food, beverage, pharmaceuticals and cosmetics

TOTAL PRODUCTION

2.3 million tons



Şişecam Chemicals

Production of soda products and chromium chemicals, glass fiber, industrial raw materials, electricity, Vitamin K3 derivatives and sodium metabisulphite. Şişecam Mersin Soda Plant meets the energy needs of its own and Şişecam companies thanks to its electricity production facility.

**Ranks 4th in soda production in Europe and 2nd in the world*
Global leading manufacturer of basic chromium sulphate**

PRODUCTION FACILITIES IN TURKEY

Mersin Soda Plant Branch
Mersin Kromsan Plant Branch
Oxyvit Kimya San. ve Tic. A.Ş.
Şişecam Elyaf San. A.Ş.
Camiş Madencilik A.Ş.
Provinces Where the Company Operates:
Aydın, Balıkesir, Bilecik, İstanbul, Karabük, Kırklareli, Mersin

PRODUCTION FACILITIES ABROAD

Solvay Sodi AD - Bulgaria
Şişecam Soda Lukavac d.o.o - Bosnia & Herzegovina
Wyoming Facility - USA
Cromital S.p.A. - Italy
Sisecam (Shanghai) Trading Co. LTD. - China
Camiş Egypt Mining Ltd. Co. - Egypt
Rudnik Krecnjaka Vijenac d.o.o. - Bosnia & Herzegovina

PRODUCTION CAPACITY

5 million tons of soda*
129 thousand tons Basic Chromium Sulphate (BCS)
70 thousand tons of glass fiber

INDUSTRY SCOPE

Glass, detergent, leather, metal plating, wood preservation, pigments, food, animal feed, ceramics, construction, automotive, marine, wind turbine blades

TOTAL PRODUCTION

2.3 million tons soda
59.5 thousand tons of glass fiber
4.2 million tons of industrial raw material

**As of the USA subsidiary acquisition on December 21, 2021*



Şişecam Automotive

Windshield, laminated and tempered sidelite glasses, roof glasses and heated backlight glasses, encapsulation systems, acoustic glasses, antenna integrated systems, coating heated glasses, Head-Up Display featured glasses, lightweight glasses, modular systems

Ranks 8th in the world and 4th in Europe

PRODUCTION FACILITIES IN TURKEY

Şişecam Otomotiv A.Ş. Lüleburgaz Auto Glass Plant

PRODUCTION FACILITIES ABROAD

Şişecam Automotive Bulgaria EAD - Bulgaria
Sisecam Automotive Germany GmbH - Germany
Sisecam Automotive Hungary Kft - Hungary
Sisecam Automotive Slovakia S.R.O. - Slovakia
Sisecam Automotive Rus JSC - Russia
Sisecam Automotive Romania SA - Romania

PRODUCTION CAPACITY

25 million automotive glasses
11 million encapsulated glasses

INDUSTRY SCOPE

Automotive main industry and automotive replacement glass (ARG)

TOTAL PRODUCTION

20 million automotive glasses
7 million encapsulated glasses

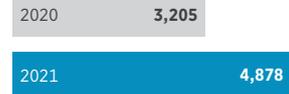
CONSOLIDATED INDICATORS

	ŞİŞECAM FLAT GLASS CONSOLIDATED INDICATORS (TRY M)		ŞİŞECAM GLASSWARE CONSOLIDATED INDICATORS (TRY M)	
	2020	2021	2020	2021
Sales	5,284	9,778	3,205	4,878
Gross Profit	1,609	4,262	1,069	1,835
Operating Profit Before Financing Expenses	891	3,540	344	945
EBITDA	1,327	4,128	551	1,207
Net Financial Debt	(878)	(2,609)	1,373	2,427
Equity	6,679	12,676	2,355	4,945
Total Assets	13,870	23,916	6,101	10,443
Investments	493	637	307	497
Number of Employees	3,235	3,522	7,199	7,328

Sales Revenues (TRY M)



Sales Revenues (TRY M)



EBITDA (TRY M)



EBITDA (TRY M)



Investments (TRY M)



Investments (TRY M)



ŞİŞECAM GLASS PACKAGING
 CONSOLIDATED INDICATORS (TRY M)

2020	2021
5,467	7,565
1,961	2,567
1,222	1,588
1,748	2,219
2,100	2,796
2,803	4,911
7,883	12,460
529	608
4,324	4,640

ŞİŞECAM CHEMICALS
 CONSOLIDATED INDICATORS (TRY M)

2020	2021
5,316	7,612
1,929	2,686
1,640	3,098
1,884	3,367
(3,516)	326
7,595	22,372
11,172	32,498
225	438
2,607	3,773

ŞİŞECAM AUTOMOTIVE
 CONSOLIDATED INDICATORS (TRY M)

2020	2021
2,382	3,252
391	501
4	(54)
4	103
1,253	2,578
1,489	2,011
3,797	6,067
77	152
3,297	3,431

Sales Revenues
 (TRY M)

2020	5,467
2021	7,565

Sales Revenues
 (TRY M)

2020	5,316
2021	7,612

Sales Revenues
 (TRY M)

2020	2,382
2021	3,252

EBITDA
 (TRY M)

2020	1,748
2021	2,219

EBITDA
 (TRY M)

2020	1,884
2021	3,367

EBITDA
 (TRY M)

2020	4
2021	103

Investments
 (TRY M)

2020	529
2021	608

Investments
 (TRY M)

2020	225
2021	438

Investments
 (TRY M)

2020	77
2021	152

SUSTAINABILITY AT
A GLANCE



PROTECT the Planet

- Climate Change
- Water Use
- Circular Production



EMPOWER Society

- Corporate Heritage
- Equality, Diversity and Inclusion
- Talent Acquisition, Management and Development
- Occupational Health and Safety



TRANSFORM Life

- Digitalized Value Chain
- Sustainable Products
- Sustainability across the Value Chain
- Value-Added Partnerships

2022-2030 VISION

Creating positive impact and value on a global scale with applications and solutions that Protect the Planet, Empower Society and Transform Life



ŞİSECAM

Care for Ne**xt**

SHAREHOLDER AND INVESTOR RELATIONS

**ABOUT 450
INVESTOR
MEETINGS WERE
CARRIED OUT VIA
TELEPHONE, ONE-
ON-ONE ONLINE
PLATFORMS,
ROADSHOWS AND
CONFERENCES IN
2021.**

ŞİŞECAM CONDUCTS ITS INVESTOR RELATIONS ACTIVITIES IN A TRANSPARENT AND PROACTIVE WAY.

Embracing its vision of being a global company, Şişecam is committed to implementing world class investor relations and corporate governance practices with the primary objective of constantly increasing its shareholder value.

Şişecam Investor Relations' main responsibilities include increasing the shareholder value of Şişecam and taking necessary steps to ensure that capital market instruments issued by Şişecam trade at their fair value. In order to provide complete and accurate information on Şişecam's financial performance and results to all relevant parties, Investor Relations uses many communications tools and platforms – such as websites, investor relations presentations, earnings reviews, webcast teleconferences, participation roadshows and conferences.

Şişecam conducts its investor relations activities in a transparent, proactive and expeditious way based on fair disclosure to all investors. In 2021, capacity constraints, logistics bottlenecks, supply chain disruptions and inflationary environment brought about by the Covid-19 pandemic on a global scale topped the world agenda. At Şişecam, the focus was on new investment decisions, organizational transformation of the company's unified structure, and its digitalization journey.

This was a year of intensive communication in which all stakeholders – including domestic and foreign individual and institutional investors, brokerage houses, credit rating agencies, and creditors – were targeted. Although physical conference and roadshow participations were not possible during the year due to the pandemic, investor communication was conducted via video and teleconferences planned by brokerage houses and investment banks in compliance with the “new normal”. In 2021, Şişecam has held meetings with 250 existing and potential domestic and foreign corporate equity and credit investors via 17 videoconferences and teleconferences. In addition, Şişecam conducted individual teleconferences with close to 200 investors and analysts, demonstrating the company's strong commitment to ongoing investor communications.

About 450 investor meetings were carried out via telephone, one-on-one online platforms, roadshows and conferences in 2021. Two webcasts were also streamed to announce the 2020 year-end and 2021 first-half financial results. These broadcasts reached an audience of more than 200 investors. Şişecam is committed to conduct webcasts regularly, at least twice a year.

Following the year 2020 when the “One Şişecam” structure was implemented, Şişecam took many important decisions in 2021. Şişecam increased its share in the USA Natural Soda Production project, the foundations for which were laid in 2019. With the acquisition completed in the last days of the year, Şişecam added a second natural soda mine development project in the USA to its operational portfolio. In addition, Şişecam became the controlling shareholder of Ciner Resources LP, a natural soda mineral producer traded on the New York Stock Exchange. As a result of its expanding production portfolio, Şişecam became one of the largest soda ash producers in the world. After the decision related to the USA Natural Soda Investment, Şişecam met more than 150 investors via two webcasts. These webcasts were held to convey the rationale for the transaction and the expected contribution of the investment to Şişecam’s operations portfolio.

In 2021, the number of sell-side analysts publishing research reports on publicly traded companies continued to decline. Many analysts continued to join portfolio management firms due to the effect of the Markets in Financial Instruments Directive (MIFID). Nevertheless, a total of 5 new institutions, 2 of which were foreign, were added to the list of brokerage firms covering Şişecam. More than 100 research reports on Şişecam were published throughout the year. Şişecam’s higher free float rate, which resulted from the merger completed in 2020, its inclusion to MSCI Global Standard index and the rise in its trading volume as well as the company’s balanced portfolio of operations and its strong financial performance associated with growth-oriented strategies and agile management policies and last but not least, its organizational and digital transformation were the main reasons for the increased number of research coverage.

In the Institutional Investor “Emerging EMEA Management Team” survey, in which 351 publicly traded companies from 30 countries and 11 sectors were evaluated by close to 450 investors and analysts, Şişecam was ranked as the first in the category of “Best CEO” by the Buy-side and Sell-side. In addition, Şişecam was ranked as the second among industrial enterprises in the category of “Best Investor Relations Officer” by the Sell-side and the third in the “Best Investor Relations Officer” by the Buy-side and Sell-side.

Türkiye Şişe ve Cam Fabrikaları A.Ş. creates significant value added in all geographies and industries where it operates while also creating value for its investors.

The previous year was under the shadow of the Covid-19 virus, which had initially emerged in Asia and was then declared a pandemic by the World Health Organization. Restrictions and practices were introduced to prevent the spread of the virus. Since that time, the consumer outlook, global demand, and industrial production have strengthened thanks to the accelerated vaccination programs and the easing of restrictive measures. That said, the pandemic continued to exist and spiked up several times due to new variants in 2021. However, the pandemic-induced disruptions in the supply chain and supply cutbacks in critical inputs caused a slowdown in the global flow of goods. Commodity prices rose during the year while demand grew even stronger due to the suppressed demand of the previous year. These factors created the basis for an inflationary environment. In 2021, tightening monetary policies were implemented to curb rising inflation. Emerging markets’ currencies depreciated in the face of higher inflation.

HAVING MADE MANY MAJOR INVESTMENT DECISIONS IN 2021, ŞİŞECAM INCREASED ITS SHARE IN THE USA NATURAL SODA PRODUCTION PROJECT, THE FOUNDATIONS FOR WHICH WERE LAID IN 2019, WITH THE PURCHASE OF ADDITIONAL STAKES IN THE LAST DAYS OF THE YEAR.

SHAREHOLDER AND INVESTOR RELATIONS

**AS OF END-2021,
THE BIST-100,
BIST-30, BIST
HOLDING AND BIST
INDUSTRY INDICES
INCREASED
BY 26%, 24%,
23% AND 45%,
RESPECTIVELY
YEAR-ON-YEAR.
IN THE SAME
PERIOD, ŞİŞECAM
STOCK WELL
OUTPERFORMED
THESE INDICES
WITH AN 87% GAIN
YEAR-ON-YEAR.**

The Turkish lira experienced the greatest depreciation among the BRIC country currencies due to the low interest rate policy and intensifying inflationary pressure. The share of foreigner investors throughout the Turkish indices decreased from 49% to 41% in 2021. Borsa Istanbul 100 completed the year with a 26% increase in value. During the year, Şişecam's share price went up 87%, recording a low of TRY 6.79 and a high of TRY 17.71. Foreign investors' holdings of Şişecam shares rose from 28% to 33% in 2021. Şişecam shares outperformed the market thanks to rising demand in its core business lines, ready access to global markets, balanced portfolio of operations, and its strong financial performance associated with growth-oriented strategies and agile management policies. In addition, Şişecam's new investment decisions and ongoing organizational and digital transformation accompanied by a management approach that focuses on increasing its shareholder value helped with the strong performance of Şişecam shares during the year. In the same period, the BIST-30 Index rose 24%, and BIST Industrials and BIST Holding indices increased by 45% and 23%, respectively.

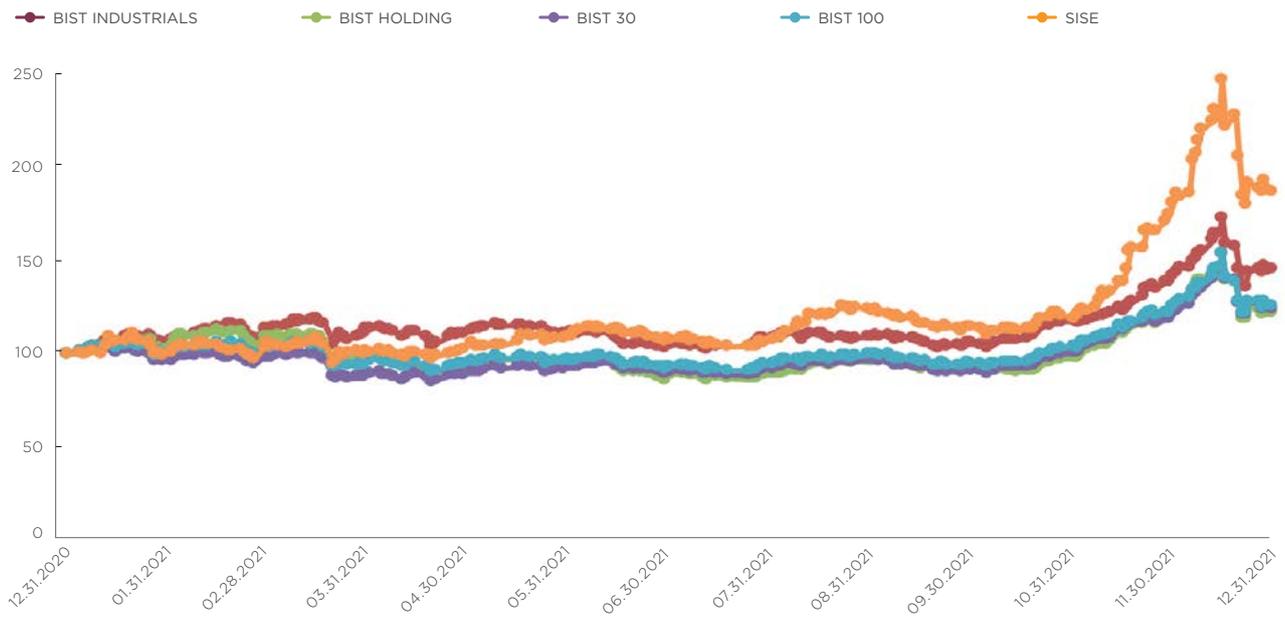
In collaboration with the Financial Control and Reporting Directorate, Investor Relations ensures that Şişecam fully meets all applicable capital market regulatory requirements. Investor Relations is also responsible for ensuring coordination and communication with all related parties within and outside Şişecam about the company's corporate governance rating and credit rating assessment processes.

A Corporate Governance Rating Periodic Revision Report dated December 16, 2020 was issued by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., a rating agency licensed to carry out rating assessments in accordance with the Capital Markets Board (CMB) Corporate Governance Principles. In the report, Şişecam's Corporate Governance Rating was raised from 9.54 (9.538/10) in 2020 to 9.55 (9.551/10) in 2021. In particular, an improvement was recorded in the rating of the Public Disclosures and Transparency section. Şişecam achieved this exceptional score thanks to the importance it places on corporate governance principles, the company's willingness to implement these principles as part of an ongoing dynamic process, and its improvement efforts since the previous rating. This rating is highly significant in terms of reaffirming Şişecam's superior corporate governance standards.

As of end-2021, the BIST-100, BIST-30, BIST Holding and BIST Industrials Indices increased by 26%, 24%, 23% and 45%, respectively year-on-year. In the same period, Şişecam shares outperformed these indices with an 87% rise in value year-on-year.



Performance of Şişecam Shares Relative to BIST-100 Index (2021)



The breakdown of the Corporate Governance Rating based on main sections is as follows:

Shareholders	0.25	95.49
Public Disclosures and Transparency	0.25	97.48
Stakeholders	0.15	99.48
Board of Directors	0.35	92.42
Total	1.00	95.51

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**ŞİŞECAM'S
CORPORATE
GOVERNANCE
RATING ROSE TO
9.55.**

ŞİŞECAM'S PRODUCTION CAPACITY

ŞİŞECAM TOUCHES EVERY ASPECT OF
LIFE IN THE BUSINESS LINES OF FLAT
GLASS, GLASSWARE, GLASS PACKAGING,
CHEMICALS AND AUTOMOTIVE IN MORE
THAN 150 COUNTRIES.

ŞİŞECAM OPERATES WITH ITS
45 PLANTS ACROSS
14 COUNTRIES.

USA

Wyoming Facility - USA
Pacific-Atlantic Natural
Soda Investments

14
Countries

45*
Production Facilities

5.6
million tons
Glass Production

2.3
million tons
Soda Production

4.5
million tons
Industrial Raw
Material Production



GERMANY

Sisecam Automotive
Germany GmbH

SLOVAKIA

Sisecam Automotive Slovakia S.R.O.

BOSNIA & HERZEGOVINA

Şişecam Soda Lukavac

HUNGARY

Sisecam Automotive Hungary Kft
Sisecam Glasspackaging Hungary Kft.

ROMANIA

Sisecam Automotive Romania SA

UKRAINE

Merefa

GEORGIA

Mina - Ksani

RUSSIA

Trakya Glass Rus
Posuda
Ruscam - Gorokhovets
Ruscam - Pokrovsky
Ruscam - Ufa
Ruscam - Kirishi
Ruscam - Kuban
Sisecam Automotive Rus JSC

Sisecam Flat Glass Italy S.R.L.
Sisecam Flat Glass South Italy S.R.L.
Cromital S.p.A.
REFEL S.p.A.

ITALY

Trakya Glass Bulgaria
Pasabahce Bulgaria
Solvay Sodi
Sisecam Automotive Bulgaria EAD

BULGARIA

Pasabahce Egypt
Saint-Gobain Glass Egypt
Camiş Egypt

EGYPT

Sisecam Flat Glass India

INDIA**TURKEY****ŞİŞECAM FLAT GLASS**

Kırklareli Plant Branch
Mersin Plant Branch
Bursa Plant Branch
Ankara Plant Branch

ŞİŞECAM GLASSWARE

Kırklareli Plant Branch
Eskişehir Plant Branch
Denizli Plant Branch
Camiş Ambalaj Sanayi A.Ş. Tuzla Plant

ŞİŞECAM GLASS PACKAGING

Mersin Plant Branch
Yenişehir Plant Branch
Eskişehir Plant Branch

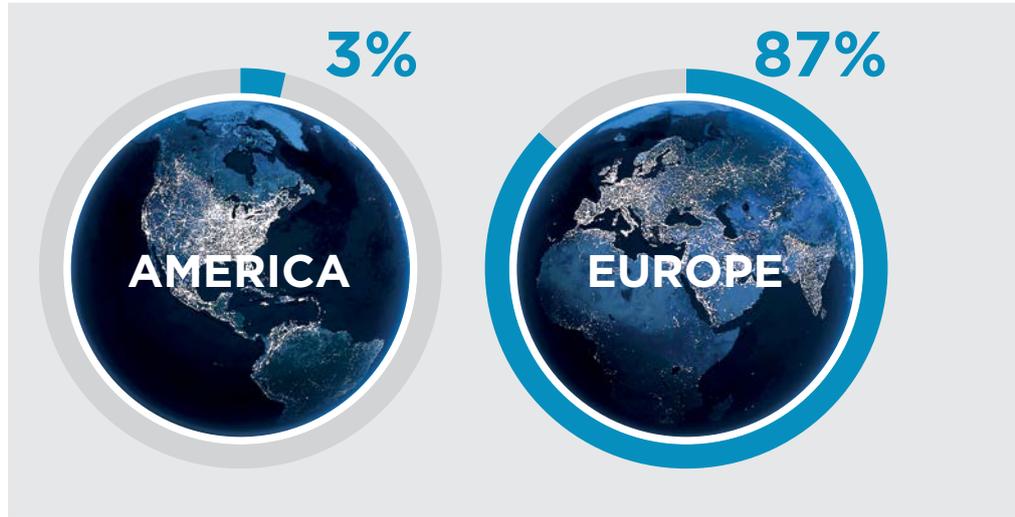
ŞİŞECAM CHEMICALS

Mersin Soda Plant Branch
Mersin Kromsan Plant Branch
Oxyvit Kimya Sanayii ve Ticaret A.Ş.
Şişecam Elyaf Sanayii A.Ş.
Camiş Madencilik Provinces Where the Company
Operates: Aydın, Balıkesir, Bilecik, İstanbul, Karabük,
Kırklareli, Mersin

ŞİŞECAM AUTOMOTIVE

Şişecam Otomotiv A.Ş.

2021 IN NUMBERS

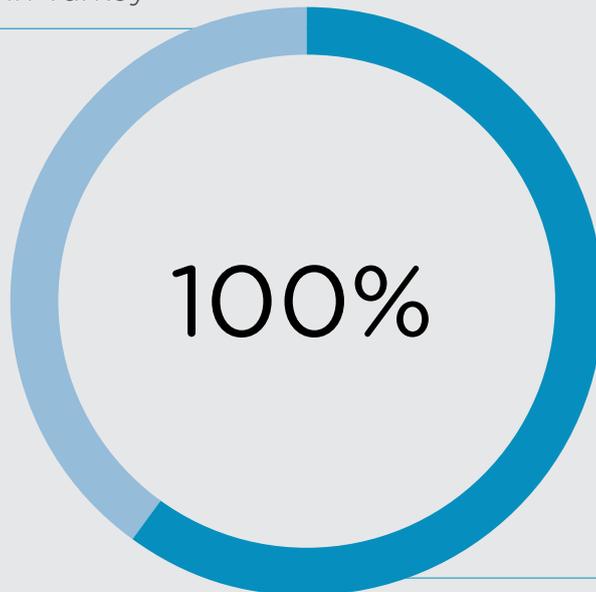


SALES TO MORE THAN 150 COUNTRIES

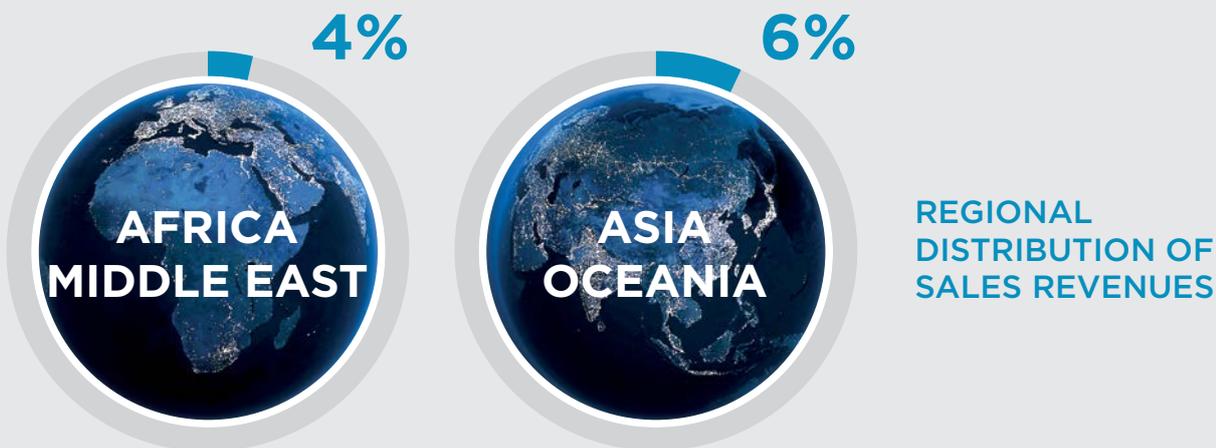
TRY 19.2 BILLION
INTERNATIONAL SALES

Domestic-International
Distribution of Sales

38%
(TRY 12.2 Billion)
Sales in Turkey

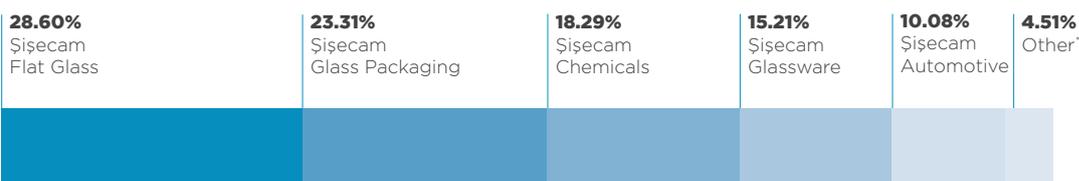


62%
(TRY 19.8 Billion)
International Sales



**TOTAL
SALES**

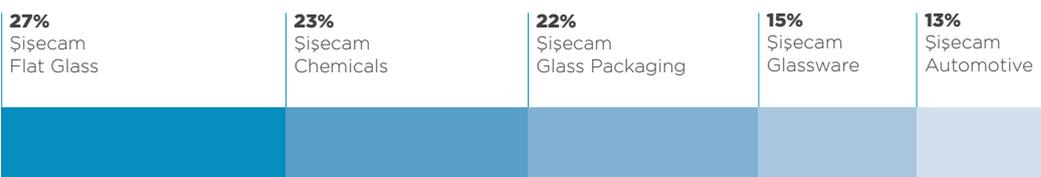
32.1
TRY billion



* Related to Şişecam's energy purchases and sales.

**INTERNATIONAL
SALES**

19.8
TRY billion



INVESTMENTS

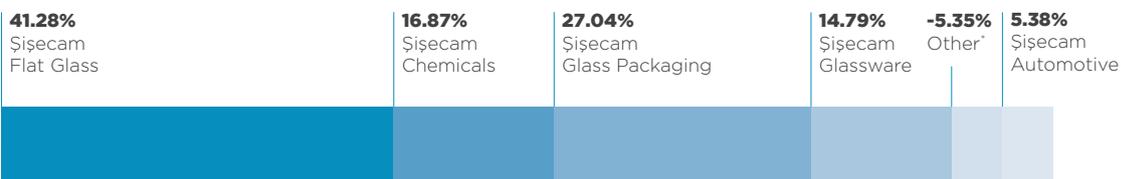
2.6
TRY billion



* Includes investment expenditures made under holding activities and companies in other groups.

EBITDA

11.7
TRY billion



* Includes the figures of companies operating under the other group.

CHAIRMAN'S MESSAGE



IN A CHALLENGING ECONOMIC ENVIRONMENT, **ŞİŞECAM ACHIEVED SUCCESSFUL RESULTS** WELL ABOVE ITS TARGETS.

Dear Stakeholders,

2021 was a year filled with major challenges. However, thanks to scientific breakthroughs, hopes were raised around the world that the global pandemic might finally subside. Demand recovered accordingly, and production struggled to keep pace with ever-growing demand. Meanwhile, Şişecam successfully concluded another year filled with positive developments and major investments. Şişecam differentiated through transformation and recorded the positive results of its merger to carry its 86 years of know-how and experience into the future. This strong performance made us all proud. The lean and agile structure of “One Şişecam” enabled risks to be effectively managed with a

proactive approach and strategic opportunities to be evaluated prudently. Even in a challenging economic climate, Şişecam achieved successful results well above its targets thanks to these competitive advantages.

In today's world, change is happening faster than ever before. As a result, adaptability is one of the most critical corporate capabilities. Despite the challenges experienced around the world in 2021, Şişecam took the right steps with bold and rational decisions with its strong adaptability and corporate foresight backed by its deep experience. While bolstering its strong financial structure, Şişecam reached a stage of development that positively affects its entire ecosystem. We are implementing strategic initiatives that enable

TOTAL ASSETS
88.7
TRY billion

**OUR 2022-2030
CAREFORNEXT
SUSTAINABILITY
STRATEGY IS A
ROADMAP OF THE
RESPONSIBILITIES
WE UNDERTAKE
TO “PROTECT
THE PLANET,”
“EMPOWER
SOCIETY,” AND
“TRANSFORM
LIFE” - OUR
SUSTAINABILITY
PRIORITIES.**

our global company to be leaner, more digital and more agile with “One Şişecam.” By taking the right steps forward, Şişecam gained growth momentum even in this highly challenging year. As a prime example of the adage, “Rough waters are truer tests of leadership.” Şişecam once again demonstrated that it is ready for both today and tomorrow.

Şişecam realizes investments that add value to its investors, customers, the economies of the countries where it operates, and its entire ecosystem. The company is able to do so with its long-term perspective and readiness to evaluate investment opportunities. Demonstrating prudent and well-deserved self-confidence despite the pandemic and global economic challenges, Şişecam made all its decisions with this perspective in 2021. In particular, Şişecam executed its growth moves in line with its goals, with a holistic approach to growth and astute foresight. Şişecam was able to realize its large-scale investments thanks to the completion of the preparatory processes carried out in line with its long-term goals. At Şişecam, we do not take any steps forward without careful deliberation. Şişecam built a solid digital infrastructure with its award-winning digital transformation initiatives and equipped all its business processes for data-driven decision making.

In 2021, the world endured periods when it had to quickly adjust to conditions that changed on a daily basis. Ongoing difficulties caused by the pandemic, issues in raw material supplies, and disruptions in supply chains made longer term planning highly challenging. Changing monetary policies of major central banks, rising commodity prices, increasing overall inflation, and growing geopolitical tensions impacted developments during the year. The glass industry, which started to post positive growth again as of third quarter 2020, continued its forward momentum in 2021.

The glass industry recorded 5% growth during the year with the positive knock-on effects from the easing of pandemic restrictions and higher demand from the sectors to which it provides input. The industry saw demand and prices rise in the architectural

glass market and expanded production capacities put into operation. Growth also accelerated in developing countries. The automotive industry, meanwhile, rebounded after the pandemic. Despite the negative impact of the computer chip crisis on this sector, auto glasses posted robust growth during the year. Due to the growing demand in glass packaging driven by healthy consumption trends, the market expanded significantly more due to home consumption than the HoReCa sector. Although risks of new coronavirus variants persist, tourism has revived with the loosening of global travel restrictions and higher vaccination rates. This favorable situation has boosted demand in the glassware sector.

Given the strategic sectors to which inputs are provided, the glass sector is expected to maintain its steady growth in the coming year. With the employment, production and export opportunities it provides, the glass industry is a key driver of economic activity. Glass provides long-term value with its constantly developing and expanding areas of use. Of critical importance today, glass promises unlimited potential in creating a sustainable future.

Dear Stakeholders,

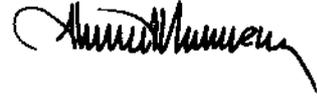
For Şişecam, the dynamic between yesterday, today, and tomorrow is a cause-and-effect relationship. In 2021, we announced our 2022-2030 CareforNext Sustainability Strategy. This strategy serves as a roadmap of the responsibilities we undertake to “Protect the Planet,” “Empower Society,” and “Transform Life” - our sustainability priorities. Şişecam set a zero-carbon vision for 2050 in line with its integrated 2022-2030 CareforNext strategy and United Nations Sustainable Development Goals (UN-SDGs). Şişecam aims to further expand this vision to cover all its stakeholders and processes in the value chain - from raw material supply to production, sales to customer service. Şişecam sees sustainability as a central responsibility rather than merely an obligation to comply with global production standards. At Şişecam, we see the concept of “Sustainable Future” as our top priority.

CHAIRMAN'S MESSAGE

In these anxious times, we are all feeling the adverse effects of climate change on our lives. Concerns for the future of our planet are escalating. Şişecam has full faith that glass will contribute further to humanity at an increasing pace. Remember, glass has been supporting the economic, cultural and functional development of humanity for thousands of years. The ever-developing glass industry and the ever-expanding usage areas of glass offer excellent opportunities for all of us on our journey to a sustainable future in harmony with nature. In order to better explain these opportunities and most importantly raise awareness among economic and social decision-makers, Şişecam played a leading role in the process of declaring 2022 as the "Year of Glass" by the United Nations. The glass industry aims to leave a better planet for future generations by producing solutions that protect the environment and conserve energy in combating climate change. The International Year of Glass is crucial to underscore the role of the glass industry on a

global scale. Şişecam, operating in 14 countries on four continents and selling its products in 150 countries worldwide, sees the declaration of 2022 as the International Year of Glass as a major opportunity, as the only global player operating in all core areas of glass manufacturing.

Despite the difficulties we faced last year, we took great pride in our successful financial and operational performance. I believe that the International Year of Glass 2022 will lead to exciting new development areas and achievements for Şişecam. I would like to express my gratitude on behalf of the Board of Directors to our valued employees - who are most responsible for our success in 2021 - as well as to our customers, shareholders, business partners, and all other Şişecam stakeholders.



Prof. Dr. Ahmet Kirman
Chairman

**ŞİŞECAM PLAYED
A LEADING ROLE
IN HAVING 2022
DECLARED THE
"INTERNATIONAL
YEAR OF GLASS"
BY THE UNITED
NATIONS.**

ŞİŞECAM PLACES THE CONCEPT OF
“SUSTAINABLE FUTURE” AS ITS TOP PRIORITY.



IN 2021, ŞİŞECAM'S STRONG INVESTMENT
MOVES BOOSTED
**TURKEY'S ECONOMY AND
GROWTH-DRIVER SECTORS.**

**CEO'S
MESSAGE**



Dear Stakeholders,

2021 was a year of rapid changes. Hopes were raised for the end of the pandemic and further alleviation of its effects but that remained elusive. The pandemic's economic and geopolitical impacts continued to be deeply felt around the world. Risks, volatility, and uncertainties prevailed throughout the year. However Şişecam, a strong global player in the glass and chemicals sectors, concluded the year with successful results. In 2021, Şişecam demonstrated its ability to move forward on its growth journey uninterrupted even in a volatile economic environment. We proudly reaped the benefits of our advanced capabilities and competencies this fiscal year. Şişecam's competitive advantages include its transformation initiative to take its 86 years of experience forward into the future, a corporate structure that is even more agile and lean after the merger, effective risk management capabilities, foresighted decisions, digital competencies, and a sound corporate governance culture. These advantages have enabled Şişecam to demonstrate a strong financial and operational performance in a highly challenging and malleable global economic environment.

INVESTMENTS

2.6
TRY billion

**WE ALWAYS
PREPARE FOR
A WIDE RANGE
OF FUTURE
SCENARIOS.
WE SELECT
INVESTMENTS
THAT STRENGTHEN
OUR OPERATIONS
AND MARKET
POSITIONS.**

Our extensive planning and preparations for a range of possible scenarios enabled us to successfully pass challenging stress tests last year. This experience showed once again the importance of having a solid infrastructure capable of quickly adapting to changing conditions. With this success, we moved proudly towards "Şişecam of the Future" and recorded positive results. We remain committed to supporting the growth of all our stakeholders and ecosystem by achieving sustainable success. Şişecam is moving forward on its development journey while embracing its "People First" philosophy, as always.

In 2021, Şişecam quickly adapted to changing market conditions and operated in line with its customer-oriented approach. As a result of this approach, Şişecam conducted its business operations while meeting the needs of its stakeholders and the sectors to which it provides inputs. In 2021, Şişecam produced 5.6 million tons of glass, 2.3 million tons of soda, and 4.5 million tons of industrial raw materials. As of the end of the operating year, Şişecam boosted its consolidated net sales revenue to TRY 32.1 billion. Şişecam posted consolidated net profit of TRY 9.2 billion in this challenging year, thanks to its cost optimization efforts, efficient production planning, a healthy supply chain, and effective crisis management.

Şişecam is one of the best corporate examples of a sustainable company. While capitalizing on our past experience, we are able to move forward and make decisions to achieve tomorrow's goals without being mired in today's conditions. As a result, Şişecam can pursue further corporate development and growth while thinking independently from the universe of current problems. We can take the steps needed with an appropriate and focused approach. Şişecam carried out its comprehensive transformation effort with SAP to have a globally integrated digital infrastructure. Our wide-ranging initiative was ranked one of the top three SAP projects worldwide. This effort bolstered Şişecam's "Manage by Data and Numbers" capability. In addition to big data processing skills, Şişecam's digital transformation gave it the basic tools required to effectively use artificial intelligence analytics and

advanced technologies. Şişecam is managed with a culture where rational decisions are made only with supporting figures and data.

Şişecam realizes all its investments based on its core goal of achieving sustainable growth. We strive to add value to our ecosystem. We always prepare for a wide range of future scenarios. We select investments that strengthen our operations and market positions. In 2021, Şişecam expanded the scope of its value-creation by entering new business areas. We focused on investments that give us stronger technologies and capacities in our current fields of activity. In line with its sustainability-oriented approach supported by its governance capability and collective wisdom, Şişecam recorded total investment spending of TRY 2.6 billion in 2021.

During the year, one of the most strategic investment decisions announced by Şişecam was in the field of natural soda ash in the USA. This was a major step forward and the biggest investment by any Turkish company in the United States in the history of the Republic. With this US investment, Şişecam's soda ash capacity jumped from 2.5 million tons before the investment to 5 million tons today. Our soda ash capacity is expected to reach 10 million tons by 2027 with the completion of the Atlantic and Pacific projects in the USA. Şişecam is projected to become the world leader in soda ash production by 2026.

Another strategic investment decision taken by Şişecam this year was to establish its first European facility in glass packaging in Hungary. This major investment is planned to be commissioned in 2023. The Hungarian glass packaging facility will give Şişecam an additional annual production capacity of 330 thousand tons. The Hungary-based glass packaging investment will enable Şişecam to further expand its glass packaging production footprint, which already covers Russia, Ukraine, Georgia and Bulgaria. The new facility will position Şişecam closer to the European market in accordance with the current requirements of the supply chain in particular. In addition, Şişecam will be able to introduce quality glass packaging products to the European market more easily with its Hungary-based facility.

CEO'S MESSAGE

Şişecam's robust investment moves boosted Turkey's economy and growth-driver sectors in 2021. During the year, Şişecam announced the capital investment decision to establish an architectural glass float line with a 400 thousand ton annual capacity to meet the rapidly increasing demand for flat glass in the country. In addition, Şişecam decided to invest in a new furnace with an annual capacity of 155 thousand tons at its Eskişehir glass packaging production plant. This capacity expansion will help the company meet the ever-growing potential of glass packaging stemming from the world's fast increasing hygiene needs. We also aim to introduce the first and only line dedicated to automotive raw glass production in Turkey. This reporting year, Şişecam announced its investment plan for an auto glass float line with an annual capacity of 240 thousand tons. This line, one of few such examples in the world with its ultra-high capacity, will support our auto glass manufacturing activity as well as our export initiatives for automotive renewal glass.

At Şişecam, we decided to make our first investment in biotechnology: Basalia Technology, a green and circular economy solution. Basalia Technology was developed to transform all kinds of waste into harmless substances and usable materials. Şişecam will also help distribute this innovative solution to international platforms all over the world. Şişecam completed the pilot trials of the Basalia Project, which is fully compatible with its sustainability goals. Large-scale trials of Basalia Technology are currently underway at Şişecam facilities.

In 2021, Şişecam made another strategic investment to reduce the risks that may arise due to disruptions in global supply chains and to ensure the sustainability of its investments. During the year, Şişecam acquired* Italy-based Refel - one of the world's leading refractory manufacturers. Refractory is a key material that plays a critical role in the implementation of new furnace investments and cold repair processes in glass manufacturing. With this investment, Şişecam will bolster its strategic position in the European and world glass markets and become a major player in the fast-growing and developing refractory sector.

Since its founding, Şişecam has developed many new technologies and inventions with its innovative and forward-looking perspective. Şişecam combined its production power with its technology development capability at Şişecam Science, Technology and Design Center - one of the largest R&D facilities in Europe. Şişecam develops value-added technologies and products that make glass a development partner in many different fields. These include V-Block Technology, which is effective against viruses and bacteria on glass surfaces; micro glass beads used in cancer treatment; and development efforts for controlled release glass fertilizer compositions to boost agricultural yields. With its nearly half a century of R&D history, Şişecam upgrades its furnaces with advanced technologies to achieve optimum production efficiency and energy efficiency not only with product design, but also with modeling and simulation supported designs. Our furnaces, a critical part of glass production, are designed by Şişecam scientists

** Refel (company) was acquired on February 3, 2022.*

DURING THE YEAR, ONE OF THE MOST STRATEGIC INVESTMENT DECISIONS ANNOUNCED BY ŞİŞECAM WAS IN THE FIELD OF NATURAL SODA ASH IN THE UNITED STATES. THIS WAS A MAJOR STEP FORWARD AND THE BIGGEST INVESTMENT BY ANY TURKISH COMPANY IN THE UNITED STATES IN THE HISTORY OF THE REPUBLIC. WITH THIS US INVESTMENT, ŞİŞECAM'S SODA ASH CAPACITY JUMPED FROM 2.5 MILLION TONS BEFORE THE INVESTMENT TO 5 MILLION TONS TODAY.

as well. With these various innovations and technologies, Şişecam aims to play a central role in the future of R&D as much as in present-day R&D. We plan to invest further in smart factories, high automation, and advanced production technologies. We aim to pursue R&D in line with our focus on boosting operational efficiency in all aspects via data science applications designed to standardize operations between our facilities. Going forward, Şişecam's focus areas will remain operational excellence, end-to-end effective management of the supply chain, customer loyalty, and total quality management.

At Şişecam, we are steadily advancing toward our goal of being one of the world's top three players in our main fields of activity. To this end, we bolstered Şişecam's global structure with agile, lean and effective operations as a strategic priority in 2021. Şişecam has continually proven that it is a technology-centered,

future-oriented, lean and agile global leader. Our business operations respect nature and society, our practices create sustainable value for all our stakeholders, and our value-added products make life easier.

2021 was a year filled with success for us. We made new investments, ratcheted up our growth goals, and overcame the obstacles we faced by getting stronger. I hereby would like to take this opportunity to express my sincere thanks to all our stakeholders who have accompanied us on our journey of sustainable growth and transformation – especially Şişecam's valuable employees. I would also like to thank our valued investors for their unwavering trust in Şişecam.



Görkem Elverici
CEO

SALES

32.1

TRY billion

**GOING FORWARD, ŞİŞECAM'S FOCUS AREAS
WILL REMAIN OPERATIONAL EXCELLENCE,
END-TO-END EFFECTIVE MANAGEMENT OF
THE SUPPLY CHAIN, CUSTOMER LOYALTY, AND
TOTAL QUALITY MANAGEMENT.**

BOARD OF DIRECTORS

CAN YÜCEL
Board Member

9

PROF. DR. ŞENER OKTİK
Board Member

7

DİNÇ KIZILDEMİR
*Independent
Board Member*

4

GÜL AYŞEM SARGIN
*Independent
Board Member*

8



PROF. DR. AHMET KIRMAN
Chairman

1

İZLEM ERDEM
Board Member

3

DR. CEM M. KOZLU
*Independent
Board Member*

5

H. CAHİT ÇINAR
Vice Chairman

2

SEZGİN LÜLE
Board Member

6



BOARD OF DIRECTORS

(1) PROF. DR. AHMET KIRMAN/ *Chairman*

(63) Dr. Ahmet Kirman graduated from Ankara University, Faculty of Law. He went on to obtain his Master's degree in EU Competition Law and Ph.D. in Commercial Law from the same institution, becoming an Associate Professor and then Professor of Financial Law. Dr. Kirman served as Faculty Member, Division Head, Head of the Finance Department and Institute Director at Ankara University, Faculty of Political Science. He was also a Faculty Member at Galatasaray University, Faculty of Law. Dr. Kirman started his professional career in 1981 as a judge for the Council of State. Subsequently, he joined Türkiye İş Bankası A.Ş. where he held various positions in banking and insurance. He served as the Chairman of Türkiye İş Bankası A.Ş., Milli Reasürans T.A.Ş., Destek Reasürans A.Ş., and Petrol Ofisi A.Ş., and Board Member at several other major companies including Anadolu Sigorta A.Ş. Dr. Kirman has been the Chairman and Managing Director of Türkiye Şişe ve Cam Fabrikaları A.Ş. between the years 2006 and 2011, and Vice Chairman and CEO of Şişecam since 2011. Dr. Kirman is also the Chairman of several other Group companies. Dr. Kirman also served as the Chairman of Soda San. A.Ş., Trakya Cam San. A.Ş., Anadolu Cam San. A.Ş. and Paşabahçe Cam San. ve Tic. A.Ş. between 2011 until September 30, 2020, until Şişecam merged with these four main subsidiaries. In recognition of his outstanding lifetime contributions to the glass science and technology, encouraging the exchange of knowledge and promotion of national and international glass community, Dr. Kirman was honoured with the "President's Award" by the International Commission on Glass (ICG), which is the most reputable and recognized world-wide organization in the field of glass with the representatives from 33 countries. Dr. Kirman has been awarded with the honor of "Cavaliere" of "the Order of the Star of Italy," proposed by the Minister of Foreign Affairs and bestowed by the President of the Italian Republic, for his contribution to the strengthening of economic bilateral relations and mutual investments between Italy and Turkey. Dr. Kirman has also been honoured by the Presidency of Tatarstan with the "Medal of Valorous Labour" in recognition of his valuable contributions to the development of investments and economic cooperation with Tatarstan. Dr. Kirman has served on the Board of Directors at ICC Turkish National Committee, BTHE and IAV. In addition, Dr. Kirman was a Member of TEPAV's Board of Trustees and Board of Directors and the Turkish Shooting

and Hunting Federation's Board of Directors and Council of Legal Affairs. Dr. Kirman is author of 12 books along with numerous scholarly articles and has been invited as a key speaker at numerous scientific as well as business events. Involved in parachuting and shooting sports, Dr. Kirman won the gold medal in shooting in the 1978 Balkan Championship.

(2) H. CAHİT ÇINAR/*Vice Chairman*

(54) Mr. Cahit Çınar graduated from International Relations Department of Ankara University, Faculty of Political Science. He attended Munich Ludwig-Maximilians University between 1989-1990. Mr. Çınar began his career at İşbank as Assistant Specialist at Economic Research Division in 1991 and joined the Board of Inspectors as Assistant Inspector in 1992. Appointed to the Commercial Loans Division in 2001 as Assistant Manager, Mr. Çınar became the Regional Manager of Commercial Loans Division in 2007, Head of Commercial Loans Underwriting Division in 2010 and Manager of Güneşli Corporate Branch in 2013. He was appointed as Chief Executive Officer at İşbank AG on March 25, 2016. Mr. Çınar has been serving as Deputy Chief Executive of İşbank since October 2018. Mr. Çınar is also the Chairperson of İş Investment. Cahit Çınar was elected as the Vice Chairman of the Board of Directors at Türkiye Şişe ve Cam Fabrikaları A.Ş. on September 27, 2021.

(3) İZLEM ERDEM/*Board Member*

(53) İzlem Erdem graduated from Marmara University, Faculty of Economics and Administrative Sciences Department of Economics (English) in 1990. The same year, she started to work as Junior Economist in the Economic Research Division at İşbank; in 1998, she was appointed as the Deputy Manager of the same Division. Appointed to the Capital Markets Division in 2000, Ms. Erdem became the Group Manager of the Division in 2004. She has been working as the Head of the Economic Research Division at İşbank since April 2008. As of April 2018, she has also become the Chief Economist of the Bank. She attended the Advanced Management Program of the Harvard Business School in 2016. In addition to her duties at the Bank; she has also served as a Member of the Audit Committee and Board of Directors at the affiliates of İşbank, including Anadolu Hayat Emeklilik A.Ş., İş Yatırım Menkul Değerler A.Ş. and İş Portföy Yönetimi A.Ş. She was appointed as Member of Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş. again on March 27, 2020 and has been Member of the Board since March 25, 2015.

(4) DİNÇ KIZILDEMİR/*Independent Board Member*

(69) Having graduated from the Department of Administrative Sciences at Boğaziçi University in 1975, Dinç Kızıldemir started his career as the Sales and Marketing Manager at Elka

Elyaflı Plaka Sanayii A.Ş., which was previously an affiliate of Garanti Bank and then joined Koç Group. Kızıldemir acted as the Sales and Marketing Manager and Vice Managing Director at Kelebek Kontrplak ve Mobilya A.Ş., an affiliate of Enka Group, and assumed the responsibility for establishing and managing McDonalds Corporation Turkey company in 1991. He acted as the Managing Director and the Vice Chairman of the Board of Directors at this company and supervised the establishment of retail, logistics and supply infrastructure for the company. Joining OYAK Group in 2001, he acted as the Managing Director for the Retail Group and became a Board Member for AXA-OYAK Holding and its insurance companies and at companies such as Good Year and Eti Marketing by representing minority shares. Since 2006, he has worked at Erdemir Group of Companies for 10 years as the Chairman of the Board of Directors and Executive Director. Between 2009 and 2016, he worked as the Head of Business Development (new company acquisitions) Group, Energy Group, International Chemistry Group and the Department of Legislation Compliance and the Department of Sustainability within OYAK Group. He acted as the Chairman of the Board of Directors, Executive Director and Board Member at more than 40 national and international companies within OYAK Group. He assumed responsibility for the acquisition and, subsequently, management of more than 20 companies, factories and refineries in the USA, Germany, the Netherlands, Austria, Australia, the United Kingdom, China, Japan, Brazil, India and other countries. As a part of these assignments, he was involved in the establishment of a joint medical start-up company with Massachusetts General Hospital of Harvard Medical School. Dinç Kızıldemir was appointed as an Independent Member in line with the Corporate Governance Principles of the Capital Markets Board of Turkey at the Ordinary General Meeting of Shareholders on March 27, 2020 and he has been an Independent Board Member since March 21, 2018.

(5) DR. CEM M. KOZLU/*Independent Board Member*

(75) A graduate of Denison University, Cem M. Kozlu has an MBA degree from Stanford University and a PhD from Boğaziçi University. He worked as a manager at NCR in the USA and Procter & Gamble in Switzerland and acted as the Managing Director of Komili for 12 years. Serving as the Managing Director and the Chairman of the Board of Directors at Turkish Airlines between 1988 and 1991, he was elected as the Chairman of the Association of European Airlines (AEA) in 1990. Then, he remained in public positions as a Member of the Parliament between 1991 and 1995 and as the Chairman of the Board of Directors at Turkish Airlines between 1997 and 2003. Kozlu has worked at the Coca-Cola Company at different positions since 1996. Assuming

responsibility for 51 countries as the President of Central Europe, Eurasia and the Middle East Group headquartered in Vienna prior to his retirement in 2006, Kozlu acted as Adviser for Eurasia and Africa Group at the Coca-Cola Company between 2007 and 2015. Kozlu served as a Board Member at Hürriyet, TAV and The Marmara Hotels & Residences and as the Chairman of the Board of Directors at Evyap Asia headquartered in Singapore. Kozlu currently serves on the boards of Koç Holding, Kamil Yazıcı Yönetim ve Danışmanlık A.Ş., Pegasus Airlines, and DO&CO (Vienna) and acts as a Board of Trustees Member at Defne-Muhtar Kent Foundation, Boğaziçi University Foundation, and Istanbul Modern Arts Foundation. He is the Chairman of the Board of Directors of the Global Relations Forum. Dr. Cem Kozlu worked as a lecturer at Boğaziçi and Denison Universities and authored 10 books and many articles as well producing TV series on management. Dr. Cem Kozlu was appointed as an Independent Member in line with the Corporate Governance Principles of the Capital Markets Board of Turkey at the Ordinary General Meeting of Shareholders on March 27, 2020 and he has been an Independent Board Member since March 21, 2018.

(6) SEZGİN LÜLE/Board Member

(45) Sezgin Lüle graduated from the Industrial Engineering Department, Faculty of Engineering at Boğaziçi University in 1998. He earned an MBA degree in International Banking and Finance from the University of Birmingham in 2004. In 1998, he started working as an assistant to the Organizational and Method Assistants in the Organization Department at Türkiye İş Bankası A.Ş., and, in 1999, he became Assistant Inspector in the Inspection Committee. From 2008 to 2011, he served as the Deputy Manager and Head of Department in the Project and Change Management Department. Mr. Lüle became Corporate Architecture Manager in April 2017. In 2019, he completed the Advanced Management Program at Harvard Business School. Sezgin Lüle has been serving as the Deputy Chief Executive Officer at Türkiye İş Bankası A.Ş. since January 28, 2021. In March 2021, he was elected as the Chairman of the Board of Directors at Erişim Müşteri Hizmetleri A.Ş. Sezgin Lüle has been a Member of the Board of Directors at Türkiye Şişe ve Cam Fabrikaları A.Ş. since March 30, 2021.

(7) PROF. DR. ŞENER OKTİK/Board Member

(66) Prof. Dr. Şener Oktik graduated from Ankara University with a degree in Physics in 1976 and received his M.Eng. in Applied Physics in 1977 from the same university. He went on to obtain a Ph.D. from Durham University (UK), Department of Applied Physics and Electronics in 1982. Prof. Oktik became Associate Professor in 1986 and a full Professor in 1995. During his academic career, he has worked as a Lecturer, Research Scientist, Senior

Researcher and Administrator, Senior Administrator at Durham University (UK), Lecce University (Italy), Stuttgart University (Germany), Selçuk University and Muğla University (Turkey). Prof. Oktik was the third and fourth term of President/Rector of Muğla University between 2002 and 2010. He has also worked as a Senior Research Scientist, Technologist, and Senior Executive in industrial research and technological development laboratories in England at BP Solar, Sunbury, Imperial Chemical Industries PLC (ICI), Paints Division Slough Research Labs, and Industrial Research Labs of Durham University (UK), Centre for Solar Energy and Hydrogen Research Baden-Württemberg (ZSW-Germany) and in Turkey at Anel Group, Arıkanlı Holding and Şişecam). He has been a member of many NGO and occupational organizations and currently Prof. Oktik is a Member of the Advisory Committee of International Commission on Glass, "ICG," Conference on Coatings on Glass and Plastics, "ICCG," Society of Vacuum Coaters "SVC," The Centre for Functional and Surface Functionalized Glass (Slovakia), he is also in the Scientific Committee of "European Photovoltaic Solar Energy Conference EU-PVSEC" and representing Turkish Physical Society at the European Physical Society (EPS). At national level, he is the Honorary Chairman Turkish Solar Energy Industry Association, a Member of Steering Committee of Turkish Clean Energy Foundation, a Member of Advisory Committee to Turkish Science, Technology and Innovation Policies Council, a Member of Board of Trustees of Sıtkı Koçman Foundation and Turkish Fundamental Sciences Research Foundation. Prof. Oktik is currently a Senior Lecturer at Kadir Has University and author/co-author of over 100 scientific and technical publications and inventor/co-inventor of two world patents. Prof. Oktik was elected to the Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş. at the Ordinary General Shareholders Meeting on March 27, 2020.

(8) GÜL AYŞEM SARGIN/Independent Board Member

((50) Gül Ayşem Sargin graduated from the Economics Department, Faculty of Economics and Administrative Sciences at the Middle East Technical University in 1992. She embarked on her career at the Financial Markets Department of Turk Eximbank. From 1997 to 2010, she served as a Senior Financial Advisor for the U.S. Embassy in Ankara. In this role, she worked on strengthening the U.S.-Turkey investment and trade relations, with a particular focus on energy, aviation, healthcare and telecommunications industries. Gül Ayşem Sargin worked as the External Affairs Manager for British Petroleum (BP) Turkey, and Government Affairs and Policy Director for General Electric (GE) in Turkey, respectively from 2010 to 2012 and from 2012 to 2015. Ms. Sargin has been acting as the Managing Director and Country Representative

for Boeing Turkey since September 2015. Also a Member of the Board of Trustees at TED İstanbul College, Ms. Sargin has been officiating as a Member of the Board of Directors at American Business Forum in Turkey (AmCham) since 2017; Member of the Board of Directors at the Foreign Economic Relations Board of Turkey (DEİK) since February 2019; and Chairperson of International Investors Association of Turkey (YASED). Gül Ayşem Sargin was elected as a Member of the Board of Directors at Türkiye Şişe ve Cam Fabrikaları A.Ş. at the Ordinary General Assembly on March 30, 2021.

(9) CAN YÜCEL/Board Member

(43) Can Yücel graduated from Middle East Technical University (METU), Faculty of Economics and Administrative Sciences, Department of Economics in 1999. Post-graduation, he joined İşbank as an Intern - Assistant Inspector with the Board of Inspectors. During his tenure at İşbank, Mr. Yücel became Assistant Manager in the SME Loans Allocation Department in 2008 and Assistant Manager in the Corporate Loans Allocation Department in 2009. He went on to become Unit Manager in 2011, and then Manager in İşbank's Corporate Loans Allocation Department. Can Yücel was appointed Manager of the Başkent Corporate Branch/Ankara in 2020 and Deputy CEO at İşbank on August 26, 2021. Mr. Yücel has been a Member of the Board of Directors at Türkiye Şişe ve Cam Fabrikaları A.Ş. since January 3, 2022.

- ⁽¹⁾ *Chairman of Group Performance Management Committee, Chairman of Sustainability Committee, Chairman of Social Responsibility Committee*
- ⁽²⁾ *As of September 27, 2021, Mr. Hasan Cahit Çınar was appointed as the Vice Chairman of the Board of Directors, replacing Mrs. Senar Akkuş, the former Vice Chairman of the Board of Directors, who resigned as of September 23, 2021.*
- ⁽³⁾ *Member of Corporate Governance Committee, Member of Sustainability Committee*
- ⁽⁴⁾ *Head of Audit Committee, Head of Early Detection of Risk Committee, Head of Corporate Governance Committee, Member of Group Performance Management Committee*
- ⁽⁵⁾ *Has not served on any committee since March 8, 2019.*
- ⁽⁶⁾ *Member of Early Detection of Risk Committee, Member of Sustainability Committee*
- ⁽⁷⁾ *Member of Early Detection of Risk Committee, Member of Corporate Governance Committee, Member of Sustainability Committee*
- ⁽⁸⁾ *Member of Audit Committee, Member of Early Detection of Risk Committee, Member of Sustainability Committee, Member of Social Responsibility Committee*
- ⁽⁹⁾ *As of January 3, 2022, Mr. Can Yücel was elected as a Member of the Board of Directors, replacing Mrs. Zeynep Hansu Uçar, the former Member of the Board of Directors, who resigned as of December 31, 2021. Has not served on any committee since the beginning of the duty.*

SENIOR MANAGEMENT

DR. SELMA ÖNER
Chief Supply Chain Officer

DR. REHA AKÇAKAYA
Chief Research,
Development and Quality
Officer

GÖKHAN KIPÇAK
Chief Information Officer

S. EBUR ŞAPOĞLU
Chief Sales Officer

GÖRKEM ELVERİCİ
CEO

8

2

6

7

1



ŞENGÜL ARSLAN
Chief Human Resources
Officer

3

GÖKHAN GÜRALP
Chief Financial Officer

4

ÖZLEM VERGON
Chief Strategy Officer

9

ABDULLAH KILIÇ
Chief Production Officer

5



SENIOR MANAGEMENT

(1) GÖRKEM ELVERİCİ/CEO

(45) After graduating from TED Ankara College in 1992, Görkem Elverici completed his undergraduate studies in the Department of Civil Engineering, Faculty of Engineering at Middle East Technical University in 1996. He went on to obtain his MBA from Bilkent University in 1998. In 2015, Elverici completed the Advanced Management Program at Harvard Business School. He is currently working on his Ph.D. dissertation in Banking-Finance at Kadir Has University. He began his professional career at İşbank in 1998. Throughout his career, Elverici served in various middle and senior management positions at İşbank, HSBC Turkey, Deloitte Consulting, and Accenture Consulting. Elverici joined Şişecam on March 1, 2013, as the Financial Affairs Director of the Flat Glass Group. He served as Şişecam's Chief Financial Officer from May 2014 to July 2021 and was appointed as Şişecam CEO as of July 1, 2021.

(2) DR. REHA AKÇAKAYA/ Research, Development and Quality Officer

(59) Dr. Reha Akçakaya completed his undergraduate and graduate studies in the Mechanical Engineering Department at Boğaziçi University. He received a graduate degree in Glass Science from New York State College of Ceramics at Alfred University in the USA and a doctorate degree in Engineering Management from Marmara University. In 2013, he completed the Advanced Management Program at Harvard Business School. Dr. Akçakaya worked as a Research Assistant at Boğaziçi University from 1985 to 1988, before joining Şişecam's Glass Research Centre in 1988. He served as a Committee Member of the International Commission on Glass as well as the President of

Glass for Europe for a term. After serving in various management positions, he was appointed as the Flat Glass Group President in January 2014. As of July 1, 2021, Dr. Akçakaya has been serving as Şişecam Chief Research, Development and Quality Officer.

(3) ŞENGÜL ARSLAN/Chief Human Resources Officer

(46) Şengül Arslan graduated from Istanbul Technical University, Department of Industrial Engineering in 1997 and obtained her master's degree from Boğaziçi University, Executive MBA Program. Ms. Arslan started her professional career as Management Consultant at Arthur Andersen in 1997. She worked as Human Resources Management Consulting Manager at Ernst & Young from 2002 to 2004. She served as Human Resources and Organizational Development Manager and Deputy HR Director at Danone Tıkveşli between 2004 and 2007; Assistant General Manager of Avea Human Resources from 2007 until 2011; Assistant General Manager in charge of Human Resources at HSBC Bank and HSBC Global Human Resources Transformation Change Leader between 2011 and 2017. As of March 2017, she joined Şişecam upon being appointed as Chief Human Resources Officer; additionally, she managed the Corporate Communications function from 2017 to 2020. Following the One Şişecam merger, all the HR functions were centralized in early 2021. Since that time, Arslan has been responsible for managing the global HR function, and also central management of supporting functions other than core human resources processes, such as industrial relations, occupational health and safety, administrative affairs and security.

(4) GÖKHAN GÜRALP/Chief Financial Officer

(45) Gökhan Güralp completed his undergraduate education in the Department of Business Administration (English) at Marmara University in 1999 and started his professional career at Ernst & Young in 1999. Güralp worked as Assistant Auditor at Ernst & Young from 1999 to 2002 and as Auditor from 2002 to 2003, Financial Affairs Manager at Bechtel Enka from 2003 to 2004 in Russia, Audit Manager at Ernst & Young from 2004 to 2007, and as Audit Manager at Ernst & Young Moscow from 2007 to 2008. After serving as a Senior Manager at Ernst & Young Istanbul from 2008 to 2011, Güralp worked as Budget, Strategic Planning and Reporting Manager at Eti Gıda Sanayi Ticaret A.Ş. from 2011 to 2014. He simultaneously served as Finance Director and Member of the Board of Directors at Eti Romania SRL from 2013 to 2014. Güralp worked as Internal Audit Manager at Zorlu Holding A.Ş. from 2014 to 2015. He joined Şişecam and served as Financial Control and Reporting Group Manager from November 2015 to January 2016. He was appointed as Financial Analysis and Financial Control Director in January 2016. In 2019, he completed INSEAD Executive Development Programme. As of July 1, 2021, Mr. Güralp assumed the position of Şişecam Chief Financial Officer.

(5) ABDULLAH KILINÇ/Chief Production Officer

(55) Abdullah Kılınç graduated with a Bachelor's degree in Mechanical Engineering from Middle East Technical University in 1990 and completed the Advanced Management Program at Harvard Business School in 2012. He joined Anadolu Cam Sanayii A.Ş. as a Production Engineer at the Mersin Plant in 1992, where he later

served as a Production Supervisor in 1995. He was appointed as Deputy General Manager at Mina Ksani Glass Container Company in Georgia in 1999. Appointed as Business Development Manager of the Management and Sales Center at Anadolu Cam Sanayii A.Ş. in 2003, Kılınç then served as the General Manager of the Ruscam Ufa Plant, Operations Director of Russia Operations and Operations Director of the Glass Packaging Group. Kılınç was appointed as the Glass Packaging Group President-Turkey in 2014 and, following the merger of Turkey and Russia operations in the glass packaging business line, he was appointed as the Glass Packaging Group President in January 2020. Mr. Kılınç has served as Şişecam Chief Production Officer since July 1, 2021.

(6) GÖKHAN KIPÇAK/Chief Information Officer

(57) Gökhan Kıpçak graduated from the Mechanical Engineering Department of Istanbul Technical University and received his master's degree from the Faculty of Business Administration, Department of Industrial Engineering of the same university. Kıpçak started his career as IT Expert for Sales and Production Systems at ECA in 1988, after which he served as IT Manager for Sales Systems at Coca-Cola between 1991 and 1998. He acted as IT Manager in South Korea between 1998 and 2000, SAP Program Manager between 2000 and 2007 and Chief Information Officer and Executive Committee Member between 2007 and 2018 at Coca-Cola İçecek. In 2017, he was also appointed Transformation Director of Coca-Cola İçecek. Mr. Kıpçak joined Şişecam on May 20, 2019, and has been serving as Chief Information Officer.

(7) S. EBRU ŞAPOĞLU/Chief Sales Officer

(46) Ebru Şapoğlu graduated from the Department Economics in English at Istanbul University, and she started her career at Flat Glass Group in Şişecam as product manager in 1999. She completed the Leading in a Global World Program organized by the academic cooperation of Boğaziçi University and Texas University, and the Executive Leadership Program organized by the cooperation of INSEAD and Şişecam. Having worked at various levels in the fields of architectural glass, energy glass and white goods glasses; Şapoğlu was appointed as the Chief Marketing and Sales Officer in the flat glass field in 2016, and Senior Sales and Marketing Director (Flat Glass) in July 2021. As of January 1, 2022, Şapoğlu officiates as Şişecam Chief Sales Officer.

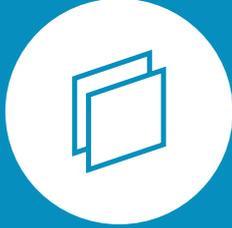
(8) DR. SELMA ÖNER/Chief Supply Chain Officer

(48) Dr. Selma Öner graduated from Istanbul Technical University, Department of Industrial Engineering in 1995 and received her Master's degree and Ph.D. from Boğaziçi University, Department of Industrial Engineering. She completed the General Management program at Harvard Business School in 2014. Dr. Öner started her professional career as a Research Assistant at Boğaziçi University and then joined Şişecam in 1997. She worked as Logistics Engineer at Paşabahçe Cam San. ve Tic. A.Ş. and later served in various managerial positions there before becoming Supply Chain Director at Trakya Cam San. A.Ş. In 2017, Dr. Selma Öner was appointed Group Procurement Coordinator at Türkiye Şişe ve Cam Fabrikaları A.Ş. In January 2018, she became the Chief Procurement Officer of Şişecam. As of July 2021, she has been appointed as Chief Supply Chain Officer.

(9) ÖZLEM VERGON/Chief Strategy Officer

(48) Özlem Vergon graduated from Istanbul University, Department of Economics (English) in 1995. She later received her MBA from San Diego State University and completed the General Management program at Harvard University in 2013. Ms. Vergon joined Şişecam Flat Glass in 1996 as Planning Specialist Assistant and worked in various positions leading to Şişecam Flat Glass - Planning Director. As of January 2015, she was appointed as Şişecam Chief Strategy Officer.

ŞİŞECAM FLAT GLASS



INCREASE IN ŞİŞECAM FLAT GLASS SALES REVENUES

85%

EUROPE'S 1ST WORLD'S 5TH LARGEST FLAT GLASS PRODUCER

AN OVERVIEW OF 2021

The Covid-19 pandemic affecting the whole world for the last two years, supply problems in different sectors on a global scale and increasing production costs, as well as the sudden and high demand increases experienced with the removal of pandemic restrictions have led to the growth of the flat glass market globally. By adapting to the rapidly changing market conditions and developing proactive approaches, the demand was met at the maximum level as per capacities both in the markets with local production and in nearby geographies, and the high sales performance was maintained increasingly.

While the construction sector, one of the main sectors in which flat glass is consumed in Turkey, is expected to close the year without growth despite the signs of recovery in the first half of 2021, the construction materials industry is estimated to grow by 20% due to the increase in domestic consumption and export demands. In addition, with Turkey's new position as an alternative supplier of construction materials, exports in the processed glass industry increased by 42% and its share in Turkey's flat glass consumption rose to 15%. Apart from construction materials, the high flat glass demand seen in the automotive, white goods, and furniture industries was met at an optimum level thanks to commissioning two flat glass lines that were in cold repair during the year.

In Europe, which has entered economic recovery after the pandemic, there is an expectation of 5% growth in 2021. In Europe, which is one of the most important global flat glass consumption geographies, significant increases were recorded in demands and, accordingly, sales prices.

Likewise, with the effect of the increase in energy and oil prices in Russia, the Russian economy is expected to close 2021 with a significant growth rate of 4.3%. In the country, there was a significant increase in demand, especially in the architectural glass sector, and a high increase in sales prices was observed.

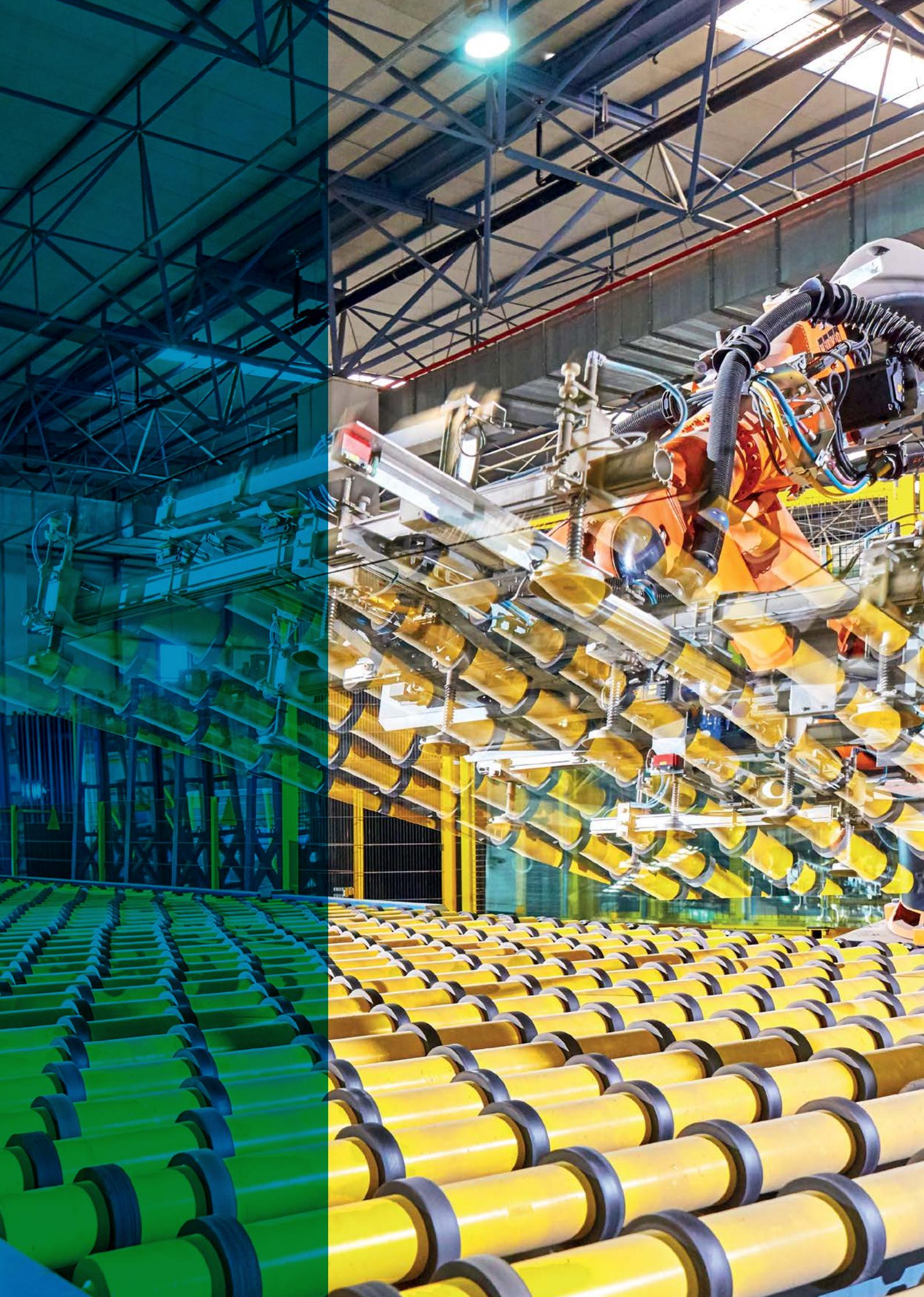
The post-pandemic economic recovery process has continued in the Middle East and Africa Region as well.

The impacts of the pandemic continued in India in 2021, however, there was an economic recovery and an increase in demand. Demographically, the country's a high consumption potential and tendency towards value-added products is an indication that the market will promise high growth in the future.

Şişecam Flat Glass Sales Revenues (TRY million)

2019	4,316
2020	5,284
2021	9,778

Şişecam succeeded in increasing its sales in flat glass to TRY 9.8 billion.



ŞİŞECAM FLAT GLASS



HAVING RAPIDLY ADAPTED TO CHANGING MARKET CONDITIONS, ŞİŞECAM MAINTAINED ITS CUSTOMER-ORIENTED APPROACH AND DEVELOPMENT ACTIVITIES IN LINE WITH THE NEEDS OF ALL STAKEHOLDERS IN THE VALUE CHAIN.

Despite the fact that 2021 was a difficult year due to the Covid-19 closures, raw material, freight and chip crisis for the white goods sector, which is one of the important sectors of the Turkish economy with its significant added value and export volume, exports increased throughout the year with the accumulated demand and loosening of restrictions. The global freight crisis also increased the demand for the Turkish market. In the sector, which was affected by the fluctuations in the exchange rate, increasing raw material prices, and the chip crisis, production did not decrease despite the negative impacts on domestic sales.

The European white goods sector grew by approximately 7% in 2021 compared to the previous year, and the Turkish white goods sector grew by 22%.

In the automotive sector, automobile sales in EU (26), UK and EFTA countries reached a total of 10.8 million units in the January-November 2021 period, increasing by 0.8% compared to the same period of 2020. During the same period in Turkey, automotive sales decreased by 2.1% year-on-year with a total of 518.3 thousand vehicles sold. With this performance, Turkey ranked 6th in the European automobile market for the year.

In line with Şişecam's sustainability strategy, by closely monitoring developments in the field of solar energy, Şişecam Flat Glass continued to serve the photovoltaic glass market by delivering high-performance Anti-Reflective (AR) coated solar panel glass.

ACHIEVEMENTS IN 2021 AND GOALS FOR THE FUTURE

While the Covid-19 pandemic continued to exert its influence all over the world in 2021, Şişecam rapidly adapted to changing market conditions and maintained its customer-oriented approach and development activities in line with the needs of all stakeholders in the value chain.

In Turkey, Şişecam Flat Glass continued efforts to further boost its service levels. The company aimed to achieve customer satisfaction across the flat glass value chain and quickly respond to market needs by implementing brand building initiatives on digital platforms. Despite the domestic market conditions showing seasonality shifts, Şişecam Flat Glass was able to capitalize on its product diversity advantages in its target sectors. The company also took appropriate actions related to sales terms and conditions.



ŞİŞECAM FLAT GLASS INTERNATIONAL SALES

5.3 TRY billion

IN INTERNATIONAL
MARKETS, ŞİŞECAM
OPERATES WITH
A QUALIFIED
PRODUCT
PORTFOLIO,
HIGH-CAPACITY
POTENTIAL, AND
A WIDESPREAD
DISTRIBUTION
NETWORK.

In international markets, Şişecam Flat Glass operates with a qualified product portfolio tailored for customer needs, thanks to its high-capacity potential and widespread distribution network. Şişecam Flat Glass tried to respond to increasing market demands via market and customer diversification.

The increase in demands continued exponentially in 2021, and in the European geography where there is a lack of supply, the demands from the Italian, Bulgarian and Turkish factories were tried to be met within the capacity potential through customer segmentation. Especially with the Manfredonia factory in Italy, which became operational at the end of 2019, the variety of value-added products required by the market was increased, and sales volumes were taken to the targeted level. With the impact of both the lack of supply and the increase in energy and logistics costs, sales prices rose considerably together with the achieved turnover. It became the market leader in Italy in 2021.

The increasing demand in Russia was tried to be met as much as the capacity allowed, and with the impact of increasing domestic market sales prices, a year above the target was seen. Therefore, exports were maintained at a minimum level, taking into account the supply-demand balance, and the existing capacity was mainly directed to the domestic market.

In the flat glass market, Şişecam conducted its operations in the Middle East and North Africa by meeting the demands mainly for value-added products and leveraging the benefits of its diversified product portfolio, and significant progress was made in the project-based business segment. Limited capacity allocation was optimally managed with a profitability and strategic point of view.

Overseas sales, which grew each year in the previous years, were strategically reduced due to the demand intensity in the main markets after the pandemic, and production capacity was directed to the main markets.

The impacts of the pandemic continued in India in 2021, however, the increase in consumption and demand increased significantly. Value-added products needed by the market were tried to be supplied from other factories, taking into account the capacity conditions. Efforts continued to further boost Şişecam's global reach and raise awareness of its product range in the region.

In general, in order to meet the increasing demand in international markets after the Covid-19 pandemic restrictions, it was observed that flat glass manufacturers postponed their shutdown and cold repair decisions, yet the demand was not fully met. China's flat glass supply reduction on a global scale also has an impact on this. In 2022, it is expected that the strong demand in the markets will continue and that the market conditions will remain favorable. However, it is predicted that the lack of supply will continue until the end of 2022. It is also expected that the sales of high value-added products will maintain its upward trend to a varying extent in all markets.

Şişecam is a key supplier of automotive products to the European market and advancing with increasing momentum in the American market. Its customer portfolio includes leading domestic and global companies. Şişecam Automotive took firm steps toward the future by applying to many projects in 2021.

New Investments, New Capacities

Şişecam continues to increase its activities in global markets with its strong brands, customer-oriented approach and high value-added product portfolio, while reinforcing its position in the markets where it is a local manufacturer, with its efforts in flat glass in line with its pioneering vision and technological competencies.

ŞİŞECAM FLAT GLASS



Continuing its investments without slowing down despite the uncertainty created by the pandemic in order to ensure the continuity and development of the point reached today in the entire value chain, Şişecam completed the cold repair of the sixth flat glass line with a capacity of 240 thousand tons/year at Yenişehir Factory and commissioned the line in 2021, that was renewed and modernized with advanced technology in accordance with Industry 4.0. After a cold repair process was initiated in 2020, the fifth flat glass line at Yenişehir Factory was commissioned in November 2021 with a capacity of 240 thousand tons/year.

Şişecam operates in flat glass manufacturing with eight flat glass lines at four locations in Turkey with the goal of creating sustainable value for all its stakeholders. In response to rapidly growing demand in the country, Şişecam decided to invest in two new flat glass lines for architectural glass and auto glass in Turkey.

New Product R&D Studies

Şişecam remains committed to maintaining its competitive and pioneering position in the sectors where it operates. To this end, Şişecam develops products for different sectors via innovative projects carried out with its Şişecam Science Technology and Design Center - one of the world's leading glass research centers.

Şişecam Temperable Solar Low-E Glass Neutral 40/22 and Şişecam Temperable Solar Low-E Glass Neutral 50/25 products were developed to maximize energy savings with maximum thermal insulation and solar control and provide high-level savings in heating and cooling costs.

Şişecam Temperable Solar Low-E Glass Green 40/28 product - which creates a green color effect on the facade with controlled daylight, effective heat and solar control - was developed and introduced to customers and business partners during the year.

Şişecam enriched its Solar Low-E product portfolio by developing non-temperable equivalents with the same appearance and performance as the Temperable Solar Low-E Glass Neutral 50/33 and Neutral 50/25 products. These innovations were introduced in response to emerging customer demand in target markets and evolving customer needs.

Collaboration R&D studies are carried out with research institutions, universities, and various start-up companies for glasses demanded by the sector, as well as for innovative smart glass systems.

Şişecam has taken major steps forward with its new investments and functional coating, mirror and smart glass development efforts that offer value-added solutions in line with global market needs.

Integrated Promotion and Communication Activities

In parallel with the onset of the global pandemic in 2020, Şişecam has engaged in a wide range of innovative and digital marketing communication activities, including in-person events.



ŞİŞECAM FLAT GLASS INVESTMENTS

637

TRY million

**IN 2021, ŞİŞECAM
STEPPED UP
EFFORTS TO
RAISE BRAND
AWARENESS IN
FLAT GLASS AND
CONDUCTED
DIGITAL
COMMUNICATION
CAMPAIGNS
TO PROMOTE
ITS PRODUCTS
OF STRATEGIC
IMPORTANCE IN
ALL MARKETS.**

In its marketing communications, Şişecam focused on ensuring brand awareness in its flat glass business line. Key aims included bolstering the brand image and promoting strategically important flat glass products. Digital communication campaigns were conducted to emphasize the benefits of using these products, in the respective local language of target markets. Campaigns on digital platforms were also supported by traditional communication activities across 11 countries. More than 90% of flat glass website visits were due to campaigns. Şişecam's flat glass digital campaigns recorded nearly 80 million views and 23 million individual user sessions. Positive feedback was received with impressive results, especially in India and Italy.

Target audiences were reached in all operating markets. Şişecam prepared wide-ranging creative communication activities in 10 languages. These activities focused on the concept of comfort and the positive impact of the psychological and physiological benefits of the use of flat glass products on human health, which offer the right solutions for different needs.

An emerging digital media trend is to communicate with the target audience by supporting user experiences with well-known persons. In line with this popular trend, Şişecam implemented a YouTube initiative specific to the Isıcam brand. Isıcam Systems "Transparent Talks" YouTube program was developed and introduced to convey the product features and different areas of use of Isıcam and its advantages for consumers. "Transparent Talks" reached more than 21 million viewers on YouTube in 2021. The program was supported with a digital communication plan that also includes artificial intelligence and programmatic marketing methods.

Şişecam Flat Glass effectively capitalizes on the speed and targeted access capabilities of social media. Communication campaigns are executed via 17 social media accounts that provide content in Turkish and English. In 2021, Şişecam Flat Glass recorded a 53% increase in follower numbers globally. In India, more than 4 million access sessions were achieved with influencer collaborations specialized in architecture, social media initiatives, and activities on the social media platforms of key architectural publications. Thanks to these efforts, Şişecam boosted the brand awareness of decision-making target audiences in its flat glass business line.

During the year, Şişecam showcased its flat glass products as well as major projects in which its flat glass products and services were used on Archiexpo - a leading online architectural marketplace. More than 350 thousand industry professionals visited the Şişecam Flat Glass stand at Archiexpo during the year.

As part of glass consultancy services, Şişecam held more than 3 thousand meetings with about 4 thousand sector stakeholders - including architects, front desk consultants, investors and contractors. These key stakeholders were decision-makers for projects in the Turkish market and internationally. Şişecam also performed 3,350 project-specific technical calculations and provided specification proposals. With this approach, Şişecam ensures that its flat glass products that add value to life are used in projects around the world.

ŞİŞECAM FLAT GLASS



Glass consultancy meetings continued throughout the year. These meetings aimed to strengthen existing relations with prestigious architectural firms and establish new relations with newer architecture firms.

R&D Meetings: “Glass and Innovation on the Facade” workshops were organized with the participation of Turkey’s leading facade consultants in order to contribute to the development of innovative products. The workshops were held at Şişecam Science Technology and Design Center and Şişecam headquarters.

After a one year pause due to the pandemic, the Romania and Bulgaria editions of the International Architecture and Engineering Forum “Share” resumed in-person this year. Şişecam participated as an official partner at both events. ZAK World of Façades, an international conference on facade design and engineering, was held for the first time in Istanbul with Şişecam as the event partner. At these events, Şişecam delivered its “Creating Value with Glass” presentation, which included its new flat glass products and reference projects. The presentation was shared with industry representatives, consisting of architects, facade

consultants, engineers, glass professionals, and architecture students.

“Reference Projects 2021” is the third installment of the series that is a key resource in the construction industry. The Reference Projects series records architectural structures of the near-term, when glass has begun to be used more widely on the facade. Şişecam gifted the 2021 edition to industry professionals who made flat glass products come to life.

The Architecture bulletin and website “Transparent Bulletin” is published monthly and reaches out to a readership of 19 thousand architects. The English language bulletin published under the name “Transparent Architecture” is delivered to about 7 thousand international architects worldwide.

To ensure that flat glass products are included in the specifications of global projects that require the use of BIM (Building Information Modeling) and are widely preferred by guaranteeing their use, BIM Smart Objects, Şişecam created digital replicas of its flat glass products. The digital versions were published on the Şişecam website and on BIMobject, the most widely known digital materials library.

English, Russian, Bulgarian, Romanian, Italian and French online e-learning programs published on the Şişecam Academy website were once again shared with customers in 2021.

Trainings provided to the decision makers of the future at Turkey’s leading universities continued online during the year. Technical field trips to Şişecam’s plants were replaced by product and production videos. Some 1,400 students participated in Şişecam training programs in 2021.

Isicam Systems MoneyBox Card Club, which creates Isicam brand ambassadors, celebrated its fifth anniversary in 2021. The club has steadily expanded its membership network, and now boasts more than 8,500 members. Using this platform, Şişecam carried out awareness programs and campaigns to direct frame producer firms to energy-efficient, high-quality Isicam products.

The Processing Franchise System ensures the sustainability of final product quality by boosting the product and service quality of flat glass and mirrors in the Turkish market. The system is recording steady growth by including new authorized processors as part of dissemination strategies.

The Accreditation System was implemented in Turkey and global markets to further improve the quality during processing of the temperable coated products used in the project-based sales market. The system also ensures that the quality of the final product is sustainable. The Accreditation System has expanded by including new processor companies from various countries.

Loyalty campaigns for direct customers and targeted customer subgroups were conducted in India to boost brand awareness and sales of value-added products.

As part of corporate collaborations initiated for market development, Şişecam continued to collaborate with TEKFEN for solar mirror development and with IKEA for Flotal E in 2021.

Şişecam supported efforts to prepare laws, regulations and standards related to reducing energy use in buildings and making them more energy efficient. Efforts are ongoing to ensure that the use of energy-saving glasses becomes mandatory.

The Glass Mastery initiative, which aims to train certified glass masters for sustainable quality in the Turkish glass industry, undertook efforts to ensure that the industry benefitted from government incentives. As of year-end 2021, more than 2,000 applications were submitted to testing and certifying bodies to obtain certification.

EXPECTATIONS AND OBJECTIVES FOR 2022

While the impact of the Covid-19 pandemic persisted around the world in 2021, Şişecam rapidly adapted to changing market conditions. During this challenging time, Şişecam maintained its customer-oriented approach and development activities in line with the needs of all its stakeholders in the value chain. Despite the uncertainties caused by the pandemic worldwide, Şişecam moved forward with its investment plan. While expanding its production capacity with capital investments, Şişecam also aims to offer innovative solutions for the needs of diverse sectors with its advanced production technologies.

Operating in flat glass manufacturing with eight flat glass lines at four locations in Turkey, Şişecam plans to invest further in the two new flat glass lines it started in 2021 for architectural glass and auto glass. This investment is aimed at meeting rapidly growing demand in the country and creating sustainable value for all its stakeholders. As a result of the investments, Şişecam will expand its current annual float production capacity in Turkey by 30% to 2.6 million tons, strengthening its leadership position in the Turkish market.

After bolstering its position in Europe by expanding its distribution channel with new initiatives, Şişecam aims to further improve its effectiveness in the region by developing the value-added product portfolio it offers to the European market.

In the Indian market, which has high growth potential, Şişecam is evaluating new investment plans in parallel with the increase in flat glass demand. Accordingly, Şişecam aims to boost its market share and develop competitive capacity with a high value-added product range for the Indian market.

Şişecam effectively manages all its business operations under an integrated structure across its operating regions. It is committed to offering innovative products to the markets that improve quality of life in line with its focus on achieving sustainable growth with value-added products. To these ends, Şişecam plans to step up its innovation and product development efforts in 2022 in line with technology developments in the sector. In particular, Şişecam aims to collaborate with other organizations as part of its R&D activities and Industry 4.0 studies.

Şişecam is a global flat glass company offering innovative solutions to diverse sectors with its strong brands. As such, Şişecam undertakes R&D studies to develop new products with clearly diversified performance features. Its investments are designed to provide the necessary technological infrastructure in order to contribute to a sustainable future and add value to life.

In Turkey, NSEB (Nearly Zero Energy Buildings) standards were included in the Energy Performance Regulation; this is set to be revised by the government in 2022. As a result, the use of triple glazing units with two coated plates is expected to become mandatory. In line with these developments, Şişecam aims to disseminate the use of its value-added products.

As part of its cost excellence drive, Şişecam plans to maintain cost reduction, Six Sigma and energy saving efforts in 2022.

ŞİŞECAM EFFECTIVELY MANAGES ITS BUSINESS OPERATIONS UNDER AN INTEGRATED STRUCTURE ACROSS ITS OPERATING REGIONS. ŞİŞECAM REMAINS COMMITTED TO OFFERING INNOVATIVE PRODUCTS TO GLOBAL MARKETS IN LINE WITH ITS FOCUS ON ACHIEVING GROWTH VIA VALUE-ADDED PRODUCTS.

ŞİŞECAM GLASSWARE



INCREASE
IN ŞİŞECAM
GLASSWARE
SALES REVENUES

52%

EUROPE'S AND
THE WORLD'S
2ND LARGEST
GLASSWARE
MANUFACTURER

AN OVERVIEW OF 2021

The Covid-19 pandemic continued to affect the entire world in 2021. Supply chain disruptions were experienced worldwide due to the ongoing pandemic. While the blow to the global supply chain impacted all sectors, Şişecam saw demand grow in its glassware business thanks to its wide product range, effective sales network, and strong infrastructure. As always, Şişecam recorded sustainable profit with its customer satisfaction and digital-oriented communication approach and effective pricing strategies.

During the year, Şişecam carried out new product launches, various digital and traditional communication activities, and R&D studies aimed at target groups. With its globalization approach at the forefront, Şişecam participated in the Milan Fair – one of the world's largest HoReCa fairs. Showcasing its Nude and Paşabahçe brands, Şişecam met industry professionals in-person for the first time since the onset of the pandemic at this fair.

Due to normalization steps, demand in the home segment, which has remained strong since 2020, was supported by robust demand from the catering and B2B channels in 2021. This dynamic resulted in a rapid increase in sales. In the glass product group, sales jumped by 12% on a tonnage basis and by 52% on a TRY basis. With the right methods and strategies, normalization proceeded in a strong, stable, and sustainable manner.

ACHIEVEMENTS IN 2021

Şişecam successfully exited 2021 with its focus on operational excellence and lean business processes while moving forward with its digitalization efforts. By ramping up its digital transformation, Şişecam aims to manage its glassware operations more efficiently, quickly, and with higher quality output. In a prime example of digital transformation, the Tuzla Showroom was transferred to the digital environment and opened for customer use, generating great interest.

Şişecam Glassware continued efforts to improve its distribution capabilities in target markets with supply chain improvements in 2021. With these improvements, Şişecam aims to enhance brand loyalty in Turkey and globally. Effective strategies related to key customer management and focused on sales and operational planning enable Şişecam to achieve an optimal balance of production, sales and inventory. In 2021, Şişecam began to see positive results of its operational efficiency and simplification efforts. The company expanded the share of upper segment and profitable products in the current portfolio. Thanks to this modification, the upper segment accounted for a larger share of total sales with a positive impact on overall profitability.

Şişecam Glassware Sales Revenues (TRY million)

2019	3,080
2020	3,205
2021	4,878

In 2021, Şişecam extended its track record of success in glassware and boosted its sales to over TRY 4.8 billion.



ŞİŞECAM GLASSWARE



THE LAUNCH OF THE WORLD'S FIRST ANTIMICROBIAL COATED GLASSWARE WITH V-BLOCK TECHNOLOGY ATTRACTED GREAT INTEREST AND ATTENTION.

Antimicrobial V-Block

Şişecam Glassware conducts innovative and value-added product development efforts by using technology efficiently in line with consumer needs. In 2021, Şişecam attracted great interest and attention globally with the launch of the world's first antimicrobial coated glassware products with V-Block Technology. Providing 24/7 ultra-hygiene, this special formula is 94.1% effective against the Covid-19 virus, as independently confirmed by certified laboratories and the Republic of Turkey Ministry of Health. With the antimicrobial V-Block initiative, Şişecam aims to accelerate the post-pandemic normalization process in the fight against Covid-19. These innovative products were presented to customers in 63 countries around the world. As a result, Şişecam boosted exports and Turkey's economy with this revolutionary offering.

Aware Collection: Made of 100% Recycled Glass

Şişecam Glassware places a priority on sustainability and environmental awareness, while conducting its manufacturing activities with recyclable production techniques. In line with

its sustainability strategy, Şişecam aims to raise awareness on sustainability and the environment with its 100% Recycled Glassware initiative. This effort also incorporates the concept of 100% recycled glass into Şişecam Glassware products. Some 21% less natural gas is consumed while manufacturing the products in this innovative series. This collection has been presented to customers in 49 countries, resonating with environmentally aware consumers around the globe.

DESIGN ACTIVITIES

In 2021, Şişecam Glassware developed 346 designs for 105 automatic product projects; set mold approval was granted for 48 of these. As a pattern project, Şişecam prepared 572 designs; 352 of these designs were commercialized. In hand-made products, 258 designs were developed for 50 projects. In the packaging design department, Şişecam developed 1,675 designs and implemented 457 projects.

In the automatic product group, Şişecam Glassware introduced Lidded Midi Borcam Products, which were lacking in this highly popular range. The new Frezya series was further expanded by adding plates and bowls.



ŞİŞECAM GLASSWARE INTERNATIONAL SALES

2.9 TRY billion

ŞİŞECAM CONDUCTED PRODUCT RANGE RATIONALIZATION TO SUPPORT OPERATIONAL EXCELLENCE AND SIMPLICITY EFFORTS IN THE SUPPLY CHAIN.

Ilo candle stands were developed in three sizes for different usage scenarios and candle types in the handmade group. The stands were designed with a medium and large size plate and feature a glass dome. The tealight size was introduced as a single piece. Ozan Özalp's design for the Nude brand was deemed worthy of the German Design Award '22 Excellence Product Design in the "Tableware" category.

In the handmade group, Valley incense burners were designed as an interior object that can be personalized with two different types of incense. This inventive product was nominated for the IF Design Award. The Belly footed glass series, designed by Umut Sinan Karaca with the world's lightest and most durable footed glass concept, garnered the Design Turkey award. The design was also submitted to the Red Dot international competition.

Under the Nude brand, flute champagne glasses were designed for the Chinese market as part of the Wedding Gift concept. The popularity of the product grew with the application of a PVD coating.

Under the consultancy of color specialist Ümit Ünal, Şişecam Glassware held presentations and workshops on trends of the coming year and 2022/23 colors of early and indefinite use. In December, an online one-day workshop was held with Makers company as part of Design-Focused Thinking and Innovation. The workshop focused on two main topics - Innovative Glassware and Sustainable Packaging Solutions - in the post-pandemic period. During the workshop, a focus group study with 16 persons was conducted with the participation of Şişecam's design and innovation teams.

Work for the Digital Pattern Library to be built with the MDG application was carried out during the year. The library is planned to be opened as pilot

project in January 2022. As part of Glassware and Glass Packaging Synergy projects, Şişecam conducted different design studies in patterns and products. As a product design effort, Şişecam developed bowl designs that will be produced as glass packaging on IS machinery and then sold under the Paşabahçe brand.

On the decoration side, Şişecam performed design and accessory work on three different molded cobalt colored bottles, which are produced as three different mold egg jars in Glass Packaging. The aim is to sell the products in the glassware category as empty, allowing them to be used with different functions.

CATEGORY MANAGEMENT ACTIVITIES

Pricing

Value-oriented pricing studies that commenced in 2020 were adopted in the Russian market in 2021, after Turkey. In the next stage of the effort, Şişecam completed optimization studies for the European region price lists; the lists are planned to be implemented in 2022. As a result, the wide product range will support the current market share by covering all price segments.

Product Range Management

Şişecam conducted product range rationalization project studies to support operational excellence and simplicity efforts in the supply chain while taking into account customer needs by providing a high service level.

While serving the entire household, catering and business segments, projects specific to product ranges were implemented to automate the packaging process of products with the aim of saving costs and providing fast service.

A separate study was carried out for the commonization of packaging needs of various sectors.

ŞİŞECAM GLASSWARE



E-Pack

The E-Pack online packaging project was developed and implemented to provide better and faster service to customers who sell online due to the growing e-commerce volume during the pandemic.

Digital Data Platform

The Digital Data Platform initiative was launched to improve marketing, sales and digital product management processes. Standard and current product information with the same quality on all digital platforms will be fed to the website, dealer and online sales points. All processes related to the product were completed during the year.

Drinkware Category

As a major innovation, Şişecam introduced the world's first antimicrobial coated V-Block products. V-Block was applied to products in best-selling glass series – such as Casablanca, Timeless, Iconic, Allegra, and Bistro – and in highly popular tea glasses and tea plates – such as Aida, İncebelli, Heybeli, and Üsküdar.

As a result of segmentation studies that included the Paşabahçe product range and competitive analyzes, Şişecam conducts new product studies in line with four main goals. These goals are: boosting product variety in the middle-upper segment; expanding successful series with new products; and developing products that will create a cost advantage in the entry price segment via featured products.

Kitchen and Tableware Categories

Global demand for Borcam products, serving multi-purposes such as cooking, storage, presentation and gifts, was maintained in 2021. The functionality of the 1-1.5 liter Midi Borcam series, which meets the needs of smaller families, was increased by developing a plastic lid.

The Bake & Store food storage container development, positioned at the upper segment of the storage container line, was readied for production for 2022. The plastic lid mold renewal work of the series with eight different volumes was completed.

Under the Arda Türkmen collaboration, cake molds were added to the portfolio with both plain and nonstick coatings.

It was launched in the storage container category, with 600 cc and 1,000 cc volumes, together with a central sectioned alternative, with a locked lid. It is offered in green and gray lid colors as part of the Lockie Lock series.

Varied color and volume combinations of Chef's and Snowbox series, in which plastic lids were renewed in simple lidded storage containers, were prepared as 3-4-5 piece sets in the Combo Set concept.

In the home canning category, Şişecam conducted promotion and sales activities in wholesale and retail channels and export markets for its single jar, can lid and lidded jar product ranges, under the Paşabahçe brand.

In the Patisserie bell-shaped lidded bowl category, where Şişecam is the global leader, the Villa Patisserie series, which saves space with its stacking ability, was launched in small volume sizes. In the plate category, Petite Patisserie was developed and launched for medium-size (6-8 person) pastry presentations.



ŞİŞECAM GLASSWARE INVESTMENTS

497 TRY million

**NEW PRODUCT
GROUPS – SUCH AS
GOBLET, CARAFE,
JAR AND CUP SETS
– WERE ADDED
TO THE AWARE
COLLECTION,
WHICH IS
PRODUCED FROM
100% RECYCLED
GLASS.**

The Madlen series was developed in crystalline form to provide both medium service and personalized use in table presentations that consumers care about when hosting guests. The Elysia series, a popular range in the upper segment of footed serving plates, introduced crystalline sugar bowls and ice cream cups in the ice cream goblets category.

Value-Added Products Category

Şişecam added new product groups – such as goblet, carafe, jar and cup sets – to the Aware Collection series, produced from 100% recycled glass. Aware first launched last year and relaunched with a wider 25-product collection in 2021. The collection, prepared in environmentally friendly packaging, was introduced to a wide geography abroad.

Upper segment products – such as Timeless glasses and Estrella series plates and bowls – stand out with their engraved structure in turquoise and gray colors. These products were added to the feeder product range, one of Şişecam Glassware's production capabilities. Nova and Leia series drinkware products, mid-segment innovations, were launched with a wide range of products in turquoise, gray, purple, and pink color options.

In the decorated and colored product category, Şişecam developed a wide product range by making use of competitive

analysis outputs and external trend forecasts. Products fed from molds to be supplied regularly were added to the portfolio. Diversified products were developed for different segments in line with market needs.

Within the standard portfolio, the Golden Touch series featuring glittering gold rims in the decorated products category were enriched during the year. This offering was expanded by Iconic, Amphora, Timeless, and Elysia series products in additional sizes. These are popular, best-selling series in the middle and upper segments.

Licensed collaborations for the retail channel: The Organic-colored Glass project developed in conjunction with Coca-Cola, was presented to the European retail market. Licensed sales increased in the Turkish market with the product mix in different categories – such as glasses, mugs, plates, and carafes – developed jointly with Warner Bros. to commemorate special days and periods.

MARKETING ACTIVITIES

In 2021, Şişecam carried out campaign and product communication activities to support its sales targets in parallel with ever-evolving sector and consumer needs and trends impacted by the ongoing pandemic.

Communication and engagement activities with channels, customers, and end users were conducted to boost sales and deepen brand loyalty in the domestic market and to improve brand awareness and increase market share in target markets abroad. In addition to traditional channels such as TV, radio, print, and outdoor, Şişecam focused on digital media-oriented communication activities to include influencer efforts. Digital-based communication channels were used in Turkey and target countries.

A repositioning study of the Paşabahçe brand was performed and shaped by consumer research outputs. As a result, Şişecam formulated a new brand strategy and completed brand identity work. Along with the new brand positioning inspired by the concept of "Living Well," Şişecam started using the "Live Beautiful" slogan in its communication activities. Channel and consumer communications emphasized that the brand is with users at every moment of their lives.

ŞİŞECAM GLASSWARE



In February, Şişecam launched antimicrobial-coated Paşabahçe products with V-Block Technology that is effective against viruses and bacteria, developed by Şişecam Science Technology and Design Center. V-Block was designed as a solution to the growing hygiene needs due to the pandemic. This innovation, a first of its kind in the world, was announced to business partners and consumers with effective channel planning. V-Block communication activities continued in the Russia, Germany, Spain, China, and Italy markets, as well as in Turkey. With the awareness of its corporate social responsibility, Şişecam presented V-Block cups to healthcare workers on Medicine Day under the coordination of the Ministry of Health, General Directorate of Public Hospitals.

On Mother's Day, one of the most active periods for retail sales, Şişecam Glassware boosted its sales volume at online and retail points of sale with the "Mommy, Let's Take a Break" campaign. The special campaign reminded shoppers that Paşabahçe had the best gifts to add joy to mothers' break times, whose responsibilities increased due to the pandemic.

On Father's Day, Şişecam's communications focused on the fact that fathers took more responsibility at home during the pandemic. Paşabahçe products that would accompany fathers in their spare time were positioned as gifts. Communication activities of the "Daddy, You're Unique" campaign were carried out in online and retail chains.

In parallel with its sustainability strategy, Şişecam launched the Aware collection, produced from 100% recycled glass, in 2020. The collection was expanded in 2021 and communication efforts were conducted in October. Communication activities that encourage consumers to recycle glass for a sustainable life and raise awareness about sustainability were carried out in Turkey, Russia, Spain, Germany, Italy, France, Portugal, Egypt, Canada, Qatar, Greece, Iraq, and the Netherlands.

In 2021, Şişecam focused on the coffee product group. Communication activities were conducted for the "The Key to Fine Coffee: Paşabahçe" campaign, and "The Most Beautiful Tastes Are Much Better at Paşabahçe" campaign for the Patisserie product group.

During the Christmas season, one of the peak sales periods in retail, Şişecam introduced the communication campaign "Gift a Paşabahçe for the Best Moments of 2022." The campaign positioned Paşabahçe as a gift option that inspired living well. The successful promotional campaign appeared in outdoor and digital channels, in addition to sales points, and significantly boosted sales.

Paşabahçe Turkey and global Instagram accounts were actively managed to boost interactions with consumers and execute campaign communications in Turkey and abroad. Paşabahçe Instagram Professional account was actively managed to increase brand awareness and promote products globally for the catering segment. Influencer communications for consumers and professionals were conducted in Turkey and via global accounts.

Şişecam Glassware performed comprehensive marketing activities including social media, digital marketing, magazine advertisements, sponsorships, customer catalog works, and point of sale support. These efforts aimed to raise brand awareness and support sales in Turkey, Russia, Italy, England, Germany, Spain, and China throughout the year.



In September, Şişecam participated in the Household Fair in Russia, a major fair in the region. In October, Şişecam participated in the Host Fair in Italy, a key fair of the catering industry. At both events, Şişecam made sales contacts with business partners and potential customers. During September-December, Şişecam attended the 50Best, Housefair Düsseldorf, and Züçder events for the household sector, and Gastromasa and Sommelier Selection events for the catering industry. In December, Şişecam assessed the year at global distributor meetings in Turkey and shared expectations and plans with attendees.

In July, the 490 m² Bodrum Showroom, featuring the product portfolios of the Paşabahçe and Nude brands, was launched to meet the needs of tourism businesses in the south for catering professionals.

NUDE

In 2021, Şişecam recorded total global sales revenue (including Turkey) of Nude-branded products of USD 16.6 million, up 56% on a USD basis compared to the previous year.

Despite the negative impacts of the ongoing pandemic in target markets in the household and catering channels, Şişecam posted 46% growth on a USD basis in China, 21% in Italy, 11% in Germany, 60% in the USA, 259% in the UK, and 61% in the Turkish market.

In 2021, the Nude brand was sold at Bloomingdale's, Saks Fifth Avenue, Neiman Marcus, Nordstrom's, John Lewis and Fenwick stores. Macy's, Hudson Bay and West Elm were also added as new sales points during the year. Negotiations commenced with Pottery Barn (USA) and Selfridges (UK).

Sales through Nudeglass.com, which delivers Nude brand products to more than 100 countries worldwide, grew by 52% year-on-year.

In 2021, Şişecam introduced three new collections and 14 gift sets. Twelve sets were stocked during the year. Five collections were expanded by adding new products and color options. The hand-made Ilo candle stand series, designed by Nude Design Team/Ozan Özalp, won the German Design Award '22 - Excellence Product Design in the "Tableware" category. The series is one of the Nude innovation products of 2022.

Ghost Zero belly footed glass series, designed by Nude Design Team/Umut Sinan Karaca and featuring the world's lightest and most durable footed glass, garnered the Design Turkey 2021 award.

Şişecam conducted product range rationalization project studies to support operational excellence and simplicity efforts in the supply chain while taking into account customer needs by providing a high service level.

Sales of the Nude Stem Zero collection - a standout with its lightness, thinness, and Ion Shielding technology - increased by 232% on a unit basis. A new production line is planned to be put into operation in 2022 for the Stem Zero collection, highly demanded by upper segment restaurants in 2021, aimed at doubling the production capacity.

In 2021, Şişecam sponsored the "World's Best Female Chef" category at the World's 50 Best Restaurants awards ceremony. The sponsorship resulted in a high degree of brand awareness with the participation of more than 150 top restaurants and 140 members of the press from all over the world at the awards ceremony. As part of sponsorship communications, Şişecam introduced the Hepburn collection to leading press figures in London's catering industry via a collaboration with Lyaness, one of the World's Top 50 Bars. The event was part of the London Design Festival held in September in England.

RETAIL STORE ACTIVITIES

After starting well under the grip of the Covid-19 pandemic, 2021 saw a decrease in coronavirus case numbers, especially after the second quarter of the year. Together with the rollout of mass vaccination efforts and the easing of restrictive measures across Turkey, the retail sector rebounded. Thanks to the positive impact of strategic initiatives focused on cost optimization and profitability targets, Şişecam recorded significantly higher retail sales, especially in the second half of the year, that approached its targets for 2021.

ŞİŞECAM GLASSWARE



In first quarter 2021, efficiency was the focus in Şişecam's retail business strategy. Şişecam opened its first experience store in Istanbul's Tibaş Erenköy building, which was reconstructed due to urban transformation. By closing and combining the Suadiye and Caddebostan stores on Istanbul Bağdat Avenue, Şişecam launched this new flagship location. Erenköy Experience Store features modern architectural approaches, brand new architectural detail solutions and contemporary technologies/applications. Customers are provided with mobile experiences along with digital services and solutions. Erenköy Experience Store sets an example for the experience retailing concept with both its operational efficiency and customer feedback. Efforts are underway to disseminate the experience store concept, which serves as a retail model of the future with its flagship store features. In October 2021, Şişecam opened its second experience store at İstinye Park İzmir making use of outputs from the Erenköy location.

Due to both weakened demand from the pandemic and the economic embargo, the commercial activities of the Riyadh franchise store in Saudi Arabia were ceased on December 31. At end-2021, Şişecam operated a total portfolio of 49 stores, including 46 stores in 13 provinces in Turkey, two franchise stores in Qatar, and one online store.

As part of efforts to transform and further develop its retail business in addition to the store channel, Şişecam focused on developing alternative sales points. Specialty retailing collaborations were cultivated in Turkey and abroad. These collaborations were with companies and museums representing a diverse range of sectors, including jewelry, chocolate and patisserie, flowers, and especially furniture, with selections from the customized product range. The corporate sales channel targets official institutions and organizations and focuses on corporate gifts, special product studies, invitation and organization collaborations, and HoReCa. In 2021, corporate sales boosted its share of total sales to 5% with its proactive approach.

The pandemic deeply affected the business environment as well as the lives of individuals, resulting in enduring changes in consumer habits. These shifts – such as “home” becoming the consumption focus, greater personalization in products and services, and increased digitalization – were also reflected in the design of the Paşabahçe Stores mobile application. Şişecam launched the new mobile app to customers this year. Using the mobile application, customers can access detailed information on carefully selected products, create lists by selecting their favorite products, and share their lists with others. Paşabahçe Stores mobile application has been downloaded and used by more than 50 thousand persons to date.

During the year, Şişecam enriched its retail product range in line with home-oriented consumption. Redesigned visual arrangements provided inspiration for customers, so that they can replicate in their homes what they see in retail stores.



EXPECTATIONS AND OBJECTIVES FOR 2022

With the start of normalization in 2021, the retail sector rebounded and recent losses from the pandemic were recovered to a certain extent. The positive impacts of this recovery are expected to continue in 2022. Şişecam Glassware aims to effectively manage production, keep sales and stock in balance, boost exports, and maintain its current market position in Turkey. With the return to a “new normal,” demand for glassware is expected to rise due to the removal of pandemic restrictions in sectors such as travel-tourism, food-beverage, and retail.

Şişecam sees operational excellence as its main target for every process in the supply chain – from production to sales. With this approach, Şişecam expects to boost its exports by improving service with the positive impact of operational excellence.

After achieving most of its digital transformation goals in 2021, Şişecam aims to continue its digitization and Industry 4.0 efforts with a lean management approach in 2022.

Şişecam is focused on increasing its market share and generating sustainable profit with its lean product portfolio, value-added products and value-based pricing. In parallel with consumption needs and new trends, Şişecam plans to emphasize investment and product development processes once again in 2022. Thanks to the already elevated customer satisfaction, Şişecam will further expand its existing customer portfolio. With its strong marketing and sales strategy, Şişecam expects to achieve its ambitious customer acquisition goals in targeted sectors.

In fourth quarter 2021, Şişecam introduced the Mask series, to great customer interest. In ancient times, masks were thought to protect the place they were hung, keep evil and diseases away, and create a sense of privacy. The Mask series was developed with the mastery and modern approach of Paşabahçe Stores.

In 2021, the Paşabahçe Stores website recorded about 8 million individual logins with over 4 million unique visitors. E-commerce sales jumped by 43% year-on-year. Online sales channels constituted 5% of total sales at year’s end.

In July, Şişecam launched the “360 Degree Virtual Store Tour.” Customers were now able to take a virtual tour of the Erenköy Experience Store, review the store aisles and products, view prices and features of the products they were interested in as if they were physically present in the store. In addition, visitors can complete their shopping via the e-store by adding the products they liked to their online shopping basket. The 360 Degree Virtual Store Tour has been visited by about 48 thousand individual users to date.

In 2021, some 76 thousand new customers became members of the KULÜP Card loyalty program. The total registered KULÜP Card membership exceeded 300 thousand by year’s end.

Various collaboration initiatives were implemented during the year to boost visibility on social media and use these channels more effectively. These efforts, especially those on the Instagram channel, increased the number of followers of the Paşabahçe Stores Instagram account to nearly 1.3 million by the end of the year.

Paşabahçe Stores is committed to providing a high level of customer satisfaction and high quality service. In 2021, Paşabahçe Stores aimed to further improve its customer support services in line with customer trends and expectations. To this end, a “Live Help” feature was added to both the mobile application and the website during the year.

In parallel with developments in the retail sector, Paşabahçe Stores undertakes efforts aimed at growth and development in its fields of activity, especially on digital and global retail channels.

ŞİŞECAM GLASS PACKAGING



INCREASE IN
ŞİŞECAM GLASS
PACKAGING SALES
REVENUES

38%

EUROPE'S AND THE
WORLD'S 5TH LARGEST
GLASS PACKAGING
MANUFACTURER

AN OVERVIEW OF 2021

In 2021, the global economy rebounded as a result of growing vaccination rates around the world, emerging less virulent variants of coronavirus, and ongoing stimulative measures taken by national governments. However, rapidly rising demand caused disruptions in supply chains and increased logistics costs to record levels. With longer lead times and higher logistics costs, glass packaging manufacturers focused on supply continuity.

Growing health/hygiene awareness and rising household consumption boosted demand for glass packaging across all sectors, especially the food sector. Glass packaging consumption jumped in the alcoholic beverage, soft drink-fruit juice and bottled water sectors with the recovery of the HoReCa (hotel-restaurant-catering) channel which was greatly affected during the pandemic.

Industry players focused on product weight lightening projects in addition to operational excellence and efficiency efforts in order to achieve sustainable profitability levels and offset higher energy and input prices. Investments in digitalization and sustainability, increasingly critical areas in the glass packaging industry, continued their rapid pace.

The Russian glass packaging market, after steadily contracting for years due to the government push to reduce alcohol consumption until 2018, has finally been displaying signs of recovery since 2019. In 2021, alcoholic beverage consumption rose for the first time in years. Household consumption grew despite the contraction in the HoReCa channel during the pandemic period of 2020-2021. As a result, the total glass packaging market remained at similar levels as 2019 in terms of volume. In alcoholic beverage consumption, beverages containing low alcohol content are still trending upward. Although production of alcoholic beverages is similar in all sub-sectors, the wine and champagne sub-sectors contracted due to the ban imposed by the government on the bottling of wines and champagnes coming from abroad. With higher prices for aluminum in 2021, demand for glass packaging expanded during the year.

In 2021, the Turkish glass packaging market experienced some negativities in parallel with downside developments in the economy, tourism and key sectors, mostly due to the pandemic. However, the market was positively affected by other factors, such as growing hygiene awareness and the expanding trend towards packaged and healthy food.

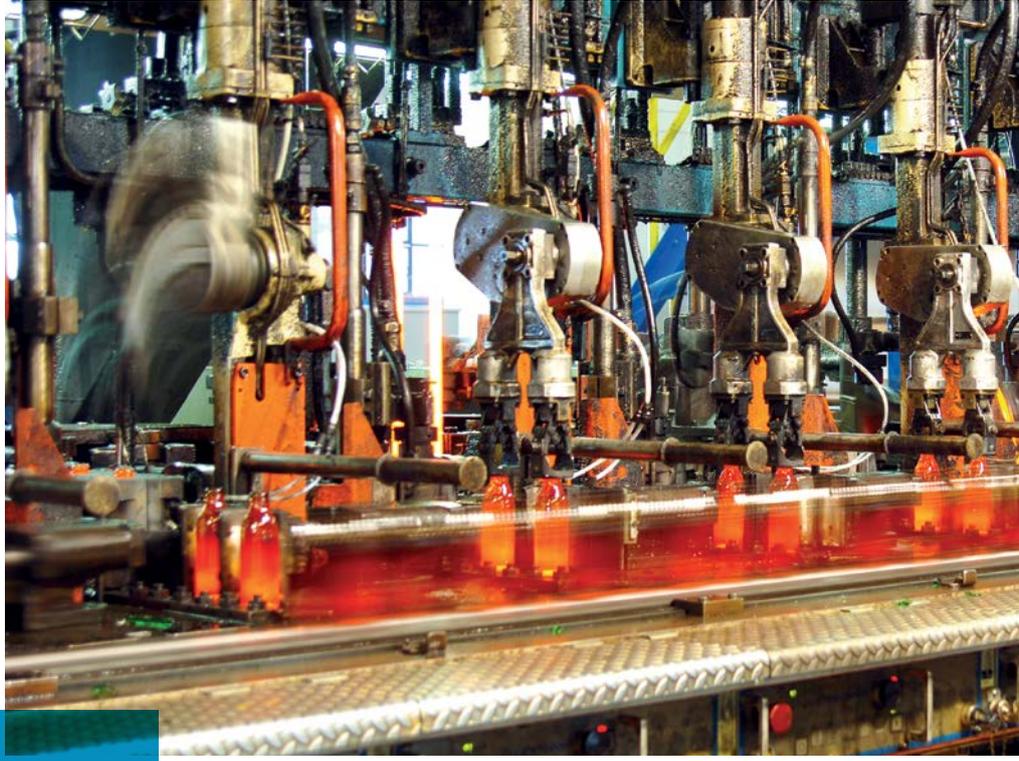
Şişecam Glass Packaging Sales Revenues (TRY million)

2019	4,300
2020	5,467
2021	7,565

Şişecam boosted its efficiency in glass packaging activities and increased its sales to TRY 7.6 billion.



ŞİŞECAM GLASS PACKAGING



**ŞİŞECAM GLASS
PACKAGING
REACHED THE
MAXIMUM CAPACITY
UTILIZATION IN ITS
TURKEY OPERATIONS,
RECORDING
1.3 MILLION TONS OF
SALES, OF WHICH
346 THOUSAND TONS
WERE EXPORTED.**

ACHIEVEMENTS IN 2021

Şişecam Glass Packaging extended its sales growth in 2021 driven by the global economic recovery and positive industry trends. While maintaining market leadership in Turkey and Russia, Şişecam became the supplier of major global customers, including the five leading beer producers in the world. During the year, Şişecam reached the maximum capacity utilization in its Turkey operations, recording 1.3 million tons of sales, of which 346 thousand tons were exported.

In 2021, Şişecam Glass Packaging focused on high operational efficiency and optimization as well as ongoing digitalization efforts. In addition, long-term sales contracts were pursued intensively along with sales collaborations.

With the start of a greenfield manufacturing investment in Hungary in 2021, Şişecam entered a strong growth phase in line with its strategy of positioning as a local glass packaging producer in Europe. A new furnace investment decision was announced at the Eskişehir facility in light of rapid growth and competitive developments in the global and Turkish glass packaging market. With these investments, Şişecam aims to maintain its leadership in the Turkish glass packaging industry as well as its current export levels.

In 2021, Şişecam Glass Packaging recorded sales of 1.3 million tons, up 8% compared to the previous year. Net turnover jumped by 38% to TRY 7,565 million. Some 60% of sales revenues was generated from its global operations.

Facilities and Capacities

Şişecam Glass Packaging carries out its operations in four countries – Turkey, Russia, Ukraine and Georgia – with a total production capacity of 2.3 million tons/year.



ŞİŞECAM GLASS PACKAGING INTERNATIONAL SALES

4.4 TRY billion

**IN 2021, ŞİŞECAM
GLASS PACKAGING
CONSOLIDATED
ITS POSITION AS
THE LEADING
GLASS PACKAGING
SUPPLIER IN THE
RUSSIAN MARKET,
RE-EQUALIZED THE
SALES REVENUE IN
LOCAL CURRENCY
IN THE MARKET AS
IT WAS LAST YEAR.**

Operations in Turkey

Şişecam Glass Packaging conducts production activities in Turkey at three facilities located in Mersin, Bursa, and Eskişehir.

The mineral water sector accounts for the largest proportion of Şişecam's glass packaging sales. This sector, together with food and alcoholic beverages, make up about 84% of the company's total glass packaging sales in Turkey. Şişecam Glass Packaging is consolidating its sales distribution by sector with a more balanced sales mix. Şişecam allocates a significant part of its capacity to exports in line with its growth target in foreign markets. In addition, Şişecam plays a major role in developing Turkey's glass packaging exports.

In 2021, Şişecam Glass Packaging focused on extending the endurance of glass packaging, lightening the weight of its products, improving new product processes, optimizing product and SKU, reducing process inputs and production wastes, using renewable energy, and boosting the recycling of glass.

Operations outside Turkey

Şişecam Glass Packaging's first international investment was the Mina Plant in Georgia. Şişecam is the Georgian market leader as only glass packaging manufacturer in the country. Low demand in the market, which began in 2020 due to the pandemic, was replaced by a rapid increase as of June 2021. As a result, Şişecam achieved its year-end targets for this market in 2021.

In the Russian market, Şişecam Glass Packaging consolidated its position as the country's leading glass packaging supplier in 2021. Şişecam re-equalized the sales revenue in local currency in the market as it was last year and recorded the highest value in its history of more than 20 years in the Russian market. Production resumed at the Pokrovsky Plant in 2021. As a result, production and sales volumes in the Russian market reached the highest value in its history, exceeding 1 million tons for the first time – in both production and sales.

Investment of Expenses TRY 608 million

In 2021, Şişecam Glass Packaging successfully realized modernization, capacity and operational improvement investments totaling TRY 608 million in Turkey, Russia, and Georgia. Due to growing competition in the glass packaging market, Şişecam has maintained a strategic focus on cost control, operational excellence, lean production and digitalization. In addition, Şişecam Glass Packaging conducted various development and cost reduction efforts leading to energy savings across all its facilities.

Product Design Projects

Thanks to its unique and innovative designs, Şişecam is a leader in glass packaging domestically and globally. Şişecam's glass packaging design activities are conducted by the Şişecam Science, Technology and Design Center.

In 2021, the Center developed 239 designs and performed 134 analyzes for 139 product projects. The Center also carried out 18 improvement and product weight lightening projects.

Şişecam operates in line with its vision to become a global glass packaging manufacturer that adds value to people and the environment. Toward these ends, Şişecam has received 74 awards, including 18 presented by foreign organizations, since 2006. As the developer of so many award-winning designs, Şişecam Science, Technology and Design Center is committed to further adding to its collection of innovative, high-quality and user-friendly designs.

University Collaborations

Şişecam Science, Technology, and Design Center has carried out many joint project activities with leading universities in Turkey to support and develop the creative designs of university students in Industrial Design departments. As in the prior year, the Center engaged in activities in accordance with pandemic restrictions in 2021:

- Seminar on Glass Packaging Design Dynamics for Mimar Sinan Fine Arts University (MSGSU) students (June 2021)

ŞİŞECAM GLASS PACKAGING



- Technical support to Eskişehir Technical University student Umay Sena Kara's graduation project on Glass Packaging Design in Personal Care Products (June 2021)
- Participation in the University Preference Period Consultancy Project implemented by Şişecam Employer Brand Management (August 2021)
- Product Design Workshop with Kadir Has University, Faculty of Art and Design, Department of Industrial Design: Technical consultancy within the scope of the Material Selection and Production course (November 2021)

The Center also takes part in the synergy creation initiatives of Şişecam's glass packaging and glassware business lines. These efforts aim to develop the competencies of its designers in both fields of activity.

Events

Participation in the 26th Eurasia Packaging Fair

Şişecam Glass Packaging set visitor records once again at the 26th International Eurasia Packaging Fair held on October 20-23, 2021, by the Packaging Manufacturers Association (ASD), of which it is also a member. At the fair, held as hybrid event for the first time this year, Şişecam shared its expertise in glass packaging in the digital environment as well as at the in-person fair.

Şişecam Glass Packaging, the main glass packaging supplier of Turkey's leading food and beverage industry companies, informed visitors about the uses and advantages of glass packaging, emphasizing its endless cycle and ability to meet fast growing hygiene needs. Şişecam also exhibited its award-winning designs and large product portfolio at the fair.

Communication Activities

In 2021, Şişecam Glass Packaging's communication activities focused on sustainability. In the last quarter of the year, Şişecam was featured in Turkey's leading economy and sector magazines with advertisements featuring the concept: "We Lighten Load of Nature." The same concept was also used as the booth theme for the company's participation at the Eurasia Packaging Fair.

We Add Glass to Life!

As part of Şişecam's awareness-raising activities on the benefits of glass packaging, the "Add Glass to Life (Hayata Cam Kat)" initiative completed its 10th year in 2021. During the year, Şişecam shared a wide variety of content on such as environment, health, and taste via social media channels.

Studies on Cullet Use

Glass is the most natural and healthiest packaging material. Based on this awareness, Şişecam conducts all its business operations in line with an approach that embraces eco-friendliness and sustainability. Şişecam aims to use natural resources efficiently, minimize environmental impact, and constantly boost energy efficiency in parallel with its sustainability strategy. To these ends, Şişecam plans to increase the use, amount and quality



ŞİŞECAM GLASS PACKAGING CAPITAL INVESTMENTS

608 TRY million

IN THE COMING
YEAR, ŞİŞECAM
GLASS PACKAGING
AIMS TO FURTHER
EXPAND ITS
MARKET
PENETRATION AND
SALES VOLUME IN
EXPORT MARKETS
AND REMAIN A
GLOBAL PLAYER.

of recycled glass (cullet) at its production plants to minimize resource consumption. In 2021, Şişecam addressed recycling of 222 thousand tons of glass cullet.

Thanks to Şişecam's recycled glass efforts since 2011:

- 1,785,000 tons of glass waste has been avoided,
- Energy savings equivalent to the heating and hot water needs of 75 thousand households for one year has been recorded,
- Carbon dioxide emission equivalent to the withdrawal of 642 thousand cars from traffic for 10 thousand kilometers has been prevented, and
- Carbon dioxide emissions equivalent to the quantity of air cleaned by 55 million trees in one year has been prevented.

EXPECTATIONS AND OBJECTIVES FOR 2022

Elevated health awareness and current household consumption habits are expected to continue in the post-pandemic era, with a positive effect on glass packaging demand. Meanwhile, disruptions in the supply chain and rising energy and input prices are projected to pose further downside risk in the coming year. On the other hand, risks on the demand side will be relatively limited as the use of glass packaging provides input to diverse sectors, such as food, beverage and pharmaceuticals.

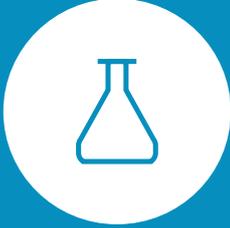
In 2022, Şişecam Glass Packaging aims to continue efforts to become a global player. Şişecam targets expanding its glass packaging penetration and sales volume in export markets while maintaining market leadership in Turkey. Şişecam Glass Packaging plans to further embrace operational excellence in the face of changing global and Turkish glass packaging market dynamics.

Şişecam sees great potential for itself in the international glass packaging market. A decline is expected in the effectiveness of Chinese manufacturers in the USA market while further growth is projected in Europe. As one of the preferred suppliers in Europe, Şişecam sees a bright outlook for its exports there especially. With its solid position, Şişecam's potential of export from Turkey will be over 400 thousand tons per year after the commissioning of its Hungarian investment.

Uniquely combining its technological superiority with an innovative and authentic perspective, Şişecam Glass Packaging aims to continue playing a key role in the future of all its stakeholders, particularly employees and customers.

Şişecam plans to invest in high automation and advanced production technologies with a smart factory vision in the coming year. Standardization of operations between facilities is another key objective in 2022. Şişecam also aims to boost operational efficiency across all its glass packaging operations via data science applications. Şişecam Glass Packaging plans to move forward with its digital infrastructure transformation and sustainability initiatives to become the preferred glass packaging supplier by creating value for the customer. In 2022, Şişecam also aims to focus on operational excellence, end-to-end effective management of the supply chain, customer loyalty and total quality management.

ŞİŞECAM CHEMICALS



INCREASE
IN ŞİŞECAM
CHEMICALS SALES
REVENUES

43%

EUROPE'S 4TH
WORLD'S 2ND
LARGEST
PRODUCER
OF SODA^(*)

AN OVERVIEW OF 2021

Şişecam Chemicals stood out among the competition thanks to its sustainability-centered focus on production, quality and sales stability in 2021. Şişecam has demonstrated a steady performance in its chemicals business even from the start of the impacts of the Covid-19 pandemic in March 2020. Soda-Chromium-Oxyvit products were exported to more than 100 countries and some 700 companies worldwide.

Developments in the Soda Sector

2021 started with down trending soda contract prices, as the case with many commodities due to the negative conditions caused by the ongoing pandemic.

With the spread of mass vaccination programs, demand in the soda ash markets rebounded as of the second half of 2021. A rapid recovery was recorded in the flat glass sector, especially with the positive impact of solar glass investments.

With the improvement in tourism, the most disrupted sector due to pandemic-related closures, and the removal of bans in countries where alcohol prohibition was imposed as a precautionary measure, demand in the glass packaging industry rebounded strongly as well.

Large scale investments in the lithium sector, especially in South America, also boosted demand for soda ash.

During the general recovery and normalization that started with the second year of the Covid-19 pandemic, energy costs rose to record-breaking levels globally, especially in China and Europe. In addition to rising energy costs in Europe, taxes on CO₂ emissions created an additional cost burden for the industrial sector.

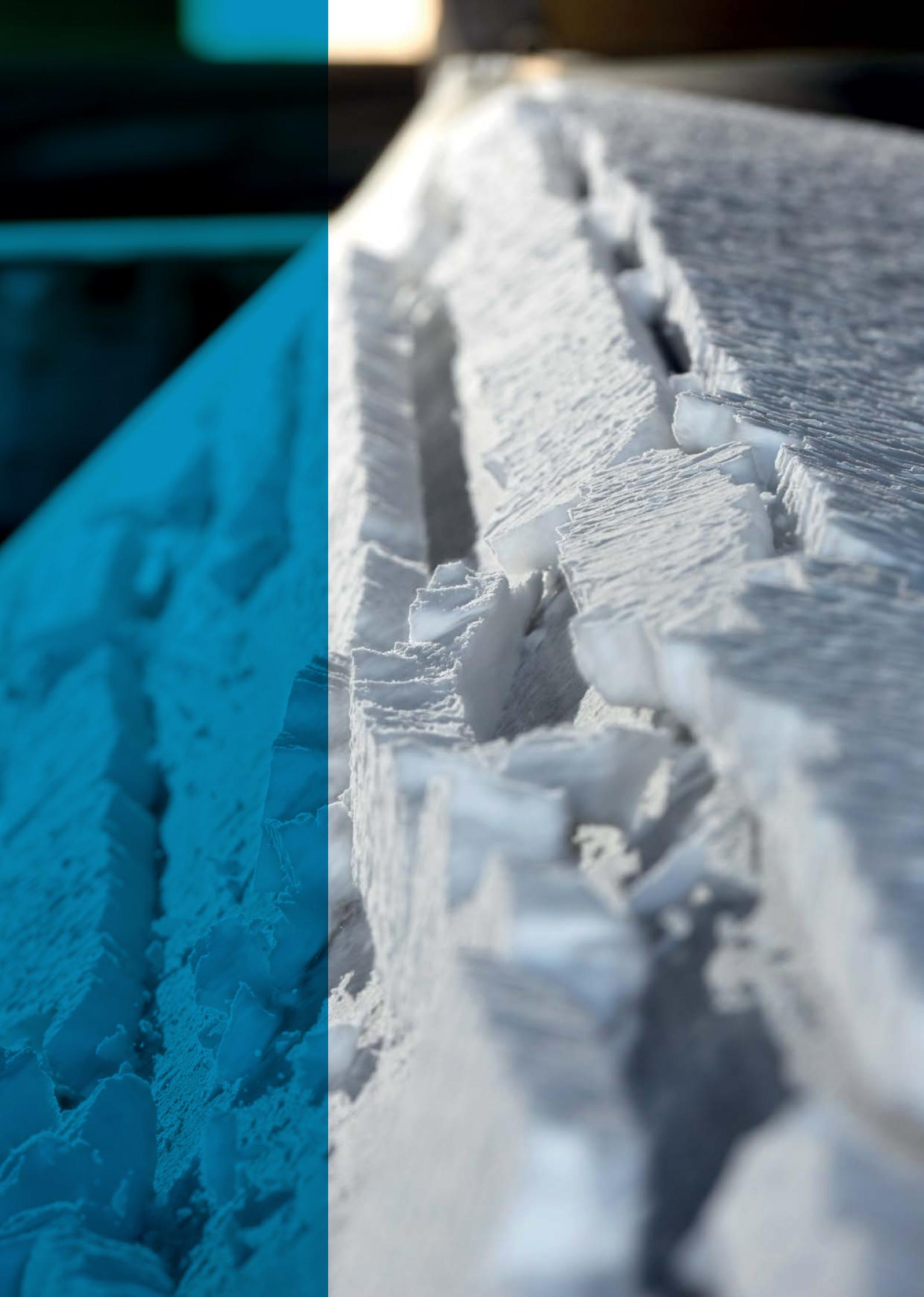
With the impact of growing energy costs coupled with decreasing production and falling stock levels due to the energy quotas that came into effect in China in the second half of the year, spot soda ash prices in the Chinese domestic market jumped to record highs. Logistical issues – such as high freight costs, equipment shortages, and space constraints – adversely affected the supply chain. The soda sector experienced a global supply crunch due to the mass withdrawal of Chinese producers from export markets and ongoing logistical problems. With the impact of the slowdown in liquid detergent demand, powder detergent usage and soda demand are expanding significantly.

Şişecam Chemicals Sales Revenues (TRY million)

2019	4,636
2020	5,316
2021	7,612

Şişecam's chemicals sales
revenues totaled over
TRY 7.6 billion in 2021.

^(*) With the USA Soda investment concluded in December 2021, Şişecam rose to second place in the global rankings.



ŞİŞECAM CHEMICALS



IN 2021, CHROMIUM CHEMICALS WERE DELIVERED TO 65 COUNTRIES WORLDWIDE AND SALES VOLUME ROSE BY 6% COMPARED TO A YEAR EARLIER.

Due to widespread vaccination efforts in 2021, the negative impacts of the pandemic on production eased in Turkey as well as worldwide. The positive effects of this situation were seen in higher demand in the glass, detergent, chemical, textile, food and animal feed sectors, where soda ash and sodium bicarbonate are key inputs. The turnover-based export figures of the textile sector in 2021, where light soda product is used extensively, jumped by 24% compared to 2020, reflecting positively on the sector's soda demand. Demand for soda in the powder detergent industry and from chemical manufacturers producing raw materials for this sector remained robust throughout the year thanks to heightened consumer awareness of hygiene during the pandemic, a rebounding tourism sector, and reopening of schools. Demand in the feed and food sectors, where sodium bicarbonate is used extensively, increased in parallel with the previous year. However the high dependency of these sectors on imported raw materials and price volatility due to exchange rates throughout the year had a negative impact on the feed sector in particular.

Developments in the Chromium Chemicals Sector

Sectors that were adversely affected by the pandemic in 2020 started to recover in 2021. As a result, demand for chromium chemicals remained steady throughout the year. However, the pandemic continued to negatively affect international maritime transport and freight prices soared. Global leather production demonstrated a solid recovery trend in parallel with the rapid uptake of vaccines especially in the second half of the year. Leather production volumes approached pre-pandemic levels. Despite these difficulties experienced globally, chromium chemicals were delivered to 65 countries in 2021. Sales volume also increased by 6% compared to 2020.

ACHIEVEMENTS IN 2021

Despite lower and unstable demand in parallel with greater competition, Şişecam Chemicals maintained its position in the markets, penetrated new markets, and acquired new customers with its strategic business development efforts. Sales were recorded to 82 countries in 2020 from three facilities producing soda ash. In 2021, sales were made to 87 countries worldwide. Service quality was improved by offering a range of logistical options



ŞİŞECAM CHEMICALS INTERNATIONAL SALES

4.6 TRY billion

**THE USA NATURAL
SODA INVESTMENT,
WHICH STARTED
WITH A
PRODUCTION
PARTNERSHIP IN
2019, WAS TAKEN
TO A NEW LEVEL
WITH ADDITIONAL
SHARE PURCHASES
IN DECEMBER 2021.**

that could provide competitive advantage. In addition, Şişecam Chemicals engaged in efforts to boost customer satisfaction.

Compared to international competitors, Şişecam Chemicals' soda production facilities are differentiated with their rich resources of raw material, effective energy management, high production quality and exceptional operational efficiency. Şişecam's soda production plants in Turkey and Bulgaria are near port facilities. This close proximity to major shipping hubs ensures that logistics costs are lower than other producers that sell to markets abroad. As a result, Şişecam Chemicals can readily export to a large part of the world. Providing a clear logistical advantage with its location near strategic customers, the Bosnia & Herzegovina Plant efficiently serves Europe, the largest soda market after China.

Şişecam Chemicals benefits from synergy with production facilities in different locations and has the capability to offer diversified supply options. This configuration ensures uninterrupted supply by protecting Şişecam Chemicals from potential political and environmental risks. As a result, Şişecam Chemicals is preferred by corporate soda customers around the world.

In 2019, Şişecam entered into a production partnership featuring an equal shareholding structure with Imperial Natural Resources Trona Mining Inc., an affiliate of Ciner Group, in the Green River Region of Wyoming, USA. The agreement foresees an annual production capacity of 2.7 million tons of natural soda, including 2.5 million tons of soda ash and 200 thousand tons of sodium bicarbonate. These annual production figures are based on using solution mining.

During the year, Şişecam took new steps to expand its natural soda investments with agreements that will bolster its strategic position. With this vision, the scope of the agreements executed with Ciner Group for the production of natural soda in the USA two years ago was further expanded in 2021. In the USA, no longer a foreign market to Şişecam, agreements were made to:

- Acquire Imperial National Resources Trone Inc.'s 10% stake

in Pacific Soda LLC, which is currently owned 50% by Imperial National Resources Trone Inc. and 50% by Şişecam Chemicals USA Inc.;

- Acquire a 60% stake of Atlantic Soda LLC, which is owned 100% by Imperial National Resources Trone Inc.;
- Acquire a 60% stake of Ciner Resources Corporation, which has a 74% interest in Ciner Resources LP, which currently owns a 51% stake in Ciner Wyoming USA that operates in the United States with a natural soda ash capacity of 2.5 million tons.

These new USA investments will allow Şişecam Chemicals to produce natural soda by using the most advanced techniques in the low-cost solution mining method. As a result, the new enterprise will play a major role in expanding Şişecam Chemicals' share in the global market. The Wyoming investment will also bolster Şişecam's presence in key markets such as Asia and the USA.

With the realization of this investment, Şişecam has become one of the two largest players in the world in soda ash production. The USA investment will provide Şişecam with a competitive advantage in accessing low-cost natural soda in the soda market, an intensely competitive space. In addition, the new venture will make a positive financial contribution to Şişecam Chemicals by strengthening its power in the global soda market.

The leather sector, where basic chromium sulphate is used as main input, contracted significantly in 2020 due to the pandemic. The sector's strong rebound in Turkey and global markets in 2021 attracted attention. The sales volume of basic chromium sulfate in Turkey jumped by 44% year-on-year. Sales of this product to China, a strategically important market globally, went up by 9%. The number of customers in Brazil grew to 24 in 2021, up from 18 the prior year. Sales volumes to Argentina and Pakistan, major leather production centers and target markets, increased by 39% and 84%, respectively. In 2021, Şişecam's global market share in the basic chromium sulfate product group was 33%, unchanged from a year earlier.

ŞİŞECAM CHEMICALS



The contraction in the automotive sector, which was greatly affected by the global chip crisis, had negative impacts on the metal plating sector, where chromic acid product is used as an input. Despite these negative developments, sales volume to Turkey rose by 28% compared to the previous year, while export sales grew by 12% thanks to customer diversification efforts.

Şişecam conducts chromium production and sales in Italy, sales in China, and production at the Mersin Kromsan Plant in Turkey, its main facility in this segment. In 2021, 85% of the company's chromium sales revenues were generated from international markets. Şişecam Chemicals Kromsan Plant maintained its pioneering position in its business segment in 2021. The facility boasts advanced production technology, a high-capacity utilization rate, product development activities, continuous high-quality production capabilities, a widespread sales network, and high environmental standards.

Cromital S.p.A., Şişecam Chemicals' subsidiary in Italy, manufactures and sells BCS in liquid and powder form. It is the market leader in Italy, Europe's biggest leather processing center. The company also enjoys a key position in the European market for Chromium III chemicals, a product developed for the metal plating industry, as well as liquid chromic acid and liquid sodium bichromate. Cromital S.p.A. is the only facility in Italy to have received a permit for treating and recovering chromium from effluent water generated by the metal plating industry. As a result, the company contributes to environmental protection efforts. The sales volume of Cromital S.p.A. increased by 25% in 2021 compared to the prior year.

Highlights from 2021 Investments

In parallel with Şişecam's strategies, infrastructure related works and projects aimed at boosting efficiency at Şişecam Chemicals facilities moved forward with an ongoing focus on operational excellence and continuous improvement. In line with its objective to achieve sustainable growth, Şişecam Chemicals implemented marginal capacity increases at its current facilities. For the year, investment spending totaled about TRY 447 million (excluding TRY 171 million

- USA). In 2021, Şişecam Chemicals continued its capital investments in its brine facility to provide sustainable raw material supply to the Mersin Soda Plant. As part of its operational excellence focus, Şişecam carried out modernization works at its Mersin Kromsan Plant. Şişecam Soda Lukavac Plant in Bosnia & Herzegovina executed projects related to energy conservation, process efficiency and waste management throughout the year.

In December 2021, Şişecam took its natural soda strategic investment move, which started in 2019, to a new level. Şişecam acquired an additional stake from the Pacific Project in the natural soda ash field, in which it is currently an equal partner in the USA with Ciner Group; as a result, Şişecam became a 60% shareholder. By expanding the scope of the partnership, Şişecam acquired 60% of the shares owned by Ciner Group in the Wyoming facility, which is managed by the same group in the USA. Moreover, an agreement was made to acquire a 60% interest in the Atlantic Project, which belongs to Ciner Group and is underway in natural soda ash production. As part of the new partnership structure and investment decisions, Şişecam and Ciner will jointly develop the Pacific and Atlantic Projects in the USA, realizing a total natural soda ash investment of about USD 4 billion.



ŞİŞECAM CHEMICALS INVESTMENTS

438 TRY million

**ŞİŞECAM WILL
BE THE LARGEST
NATURAL SODA
ASH PRODUCER
IN THE USA AS
A RESULT OF
INVESTMENTS
THAT ALSO
INCLUDE THE
ESTABLISHMENT
OF THE WORLD'S
LARGEST SODA
ASH PRODUCTION
FACILITY AT A
SINGLE LOCATION.**

With the addition of the Wyoming facility, Şişecam's annual soda production capacity climbed to 5 million tons. After the Pacific-Atlantic natural soda investments are commissioned, Şişecam will control a total soda production capacity of over 10 million tons per year. With the additional capacity planned to go onstream by 2026, Şişecam aims to become the world leader in the soda production that same year. Thanks to its investments in the country, Şişecam will be the largest natural soda ash producer in the USA. The Wyoming investment will also include the establishment of the largest soda ash production facility at a single location worldwide.

SUSTAINABLE AND ENVIRONMENT-FRIENDLY PRODUCTION

As a major exporter of soda and chromium products, Şişecam Chemicals fulfilled its obligations under European Union REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Regulation No. EC/1907/2006 in 2021.

The authorization process for the chromic acid product, which was initiated in March 2015, was successfully completed on December 18, 2020. Work moved ahead for the new authorization process in 2021.

In 2021, Şişecam Chemicals received the title of "Lead Registrant" for chromic acid, sodium bichromate, basic chromium sulfate, chromium nitrate and chromium chloride products. The pre-registration of which was completed in accordance with the "Regulation on Registration, Evaluation, Authorization And Restriction Of Chemicals" (KKDİK/Turkish REACH), published in Turkey in the Official Gazette dated June 23, 2017, and numbered 30105 (in duplicate). In addition, Cromital S.p.A. and Şişecam Soda Lukavac d.o.o. companies assumed the role as exclusive representatives for these products.

Şişecam has completely fulfilled all its legal obligations under the UK REACH Regulation put in force in the United Kingdom as of January 1, 2021 due to Brexit. Pre-registration of all its products is now complete.

To access the large chromium chemicals market in South Korea, Şişecam completed efforts to register its products under the Korean REACH in 2021.

Şişecam Chemicals conducted its management system activities to ensure the well-being and safety of the environment in addition to its employees and customers.

In 2021, Şişecam Chemicals renewed certifications for the following: ISO 14001 Environmental Management, which is implemented as an Integrated Management System; ISO 45001 Occupational Health and Safety Management Systems; ISO 9001: 2015 Quality Management System; ISO 27001 Information Security Management System; ISO 50001 Energy Management System; Covid-19 Safe Production; ISO 22000 Food Safety and ISO FSCC 22000 Global Food Safety Management System certificates for sodium bicarbonate product; HELAL, KOSHER, and GMP+ certificates for the feed type sodium bicarbonate product.

At Şişecam Chemicals, development activities aim to improve existing processes in the production of soda and chromium compounds in an environmentally compatible manner with the use of low-cost technologies. Other R&D objectives include enriching the product portfolio with high value-added products and boosting Şişecam Chemicals' competitiveness by reducing costs and improving productivity.

ŞİŞECAM CHEMICALS



In 2021, Şişecam Chemicals conducted projects related to new product development and cost minimization in the soda product group. Process and leather chemicals improvement initiatives were carried out in the chromium product group. Requests related to the environment, product and raw materials were analyzed within a scientific framework.

With the Paris Agreement on climate change and carbon markets, Şişecam Chemicals closely monitored studies carried out by the Ministry and planned for implementation in Turkey in addition to European Green Deal processes. The greenhouse gas verification process was completed during the year.

Legal obligations within the scope of environmental legislation were successfully fulfilled in 2021.

SIGNIFICANT EVENTS

The All China Leather Exhibition (ACLE) and APLF Hong Kong trade fairs, where Şişecam has been a regular participant in previous years, were not held in 2021 due to the pandemic.

MINING COMPANIES

Şişecam carries out its operations with mining companies Camiş Madencilik A.Ş. in Turkey, Camiş Egypt Mining Co. in Egypt, and R.K. Vijenac d.o.o. in Bosnia & Herzegovina. These entities operate to meet the raw material needs of glass, glass fiber and soda plants.

Şişecam's mining companies employ more than 650 persons globally to meet the company's raw material needs. These companies also provide raw materials to a wide range of external manufacturers in the glass, ceramics, cement and silicate sectors. In 2021, Camiş Madencilik sold nearly 1 million tons of industrial raw materials to customers outside Şişecam, 57% of which was exported. Camiş Madencilik, a major exporter of feldspar in Turkey, is a reliable raw material supplier to ceramic and glass manufacturers in Europe and the Middle East.

In 2021, Şişecam completed the internal merger of Camiş Madencilik A.Ş. and Madencilik San. ve Tic. A.Ş. in an effort to boost operational efficiency within the company. Ten licenses under Madencilik San. ve Tic. A.Ş. were transferred to Camiş Madencilik A.Ş. as part of this transaction.

The two-year modernization and capacity increase investment at the Yalıköy Facility was completed in 2021. As Şişecam's first-ever mining production facility, the Yalıköy site meets the sand needs of Şişecam plants that produce glass packaging and glassware. By reducing the need for imported sand in glass production, the 150 thousand ton annual raw material need of Eskişehir and Yenişehir Glass Packaging Plants started to be met from domestic sources. In addition, Şişecam planted more than 11 thousand trees at the Yalıköy site, choosing varieties most suitable for the region's climate.

Official authorization processes for the Türbe feldspar field and Sarıkaya crushing/screening plant, which were acquired in 2020, were completed; both assets were commissioned during the year. These acquisitions aim to ensure efficient use of feldspar resources that constitute almost all of the mining companies' exports.

In 2021, Şişecam performed drilling explorations for the purpose of reserve development at Eskişehir limestone and dolomite, Balıkesir kaolin, Aydın feldspar, Mersin dolomite and Adana quartzite site areas. Geological prospecting studies were carried out at target areas identified across Turkey. As a result of the exploration works, Şişecam obtained an exploration license for a quartzite field identified to have potential in Muğla province.

ŞİŞECAM ELYAF

In early 2019, Şişecam Elyaf commissioned its glass fiber plant equipped with state-of-the-art technologies. The facility was assessed by the Ministry of Economy, General Directorate of Incentive Implementation and Foreign Investment as a Strategic Investment. The glass fiber plant aims to grow in parallel with the developing composite industry.

Şişecam Elyaf manufactures the main inputs for the composite industry – including mats, multi-end roving, single end roving, and chopped strands. A wide range of business sectors are supplied for use in wind turbine blades, interior/exterior automotive parts, engineering plastics, marine products, industrial applications and construction.

After the pandemic created significant barriers to global trade in 2020, Şişecam Elyaf adapted to the changes in the supply/demand balance in 2021 and took actions to protect business relations in target markets.

Various players in the market are forming strategic partnerships to avoid re-experiencing the negative impacts of the pandemic. In Europe, a target export market, a temporary taxation on products from Egypt is ongoing. The scope of the anti-dumping investigations is being expanded to prevent the dumping of Far Eastern origin products.

In Turkey, implementation of anti-dumping measures is protecting Şişecam Elyaf's local manufacturing operation and the domestic industry. As of 2021, applications were submitted to support continuation of the anti-dumping measures.

Negativities resulting from supply chain disruptions experienced due to the pandemic in 2021 were eliminated on the customer's side. Customer relations were effectively managed during the year. Planning and preparations for 2022 were also completed. Developments in the wind energy sector in Turkey and target European markets were monitored throughout the year. Şişecam Elyaf established business relationships with sector leaders.

In 2021, Şişecam Elyaf further boosted its productivity, building on gains from the previous year. Higher productivity positively contributed to operating profit as of the year-end. In the current portfolio, Şişecam Elyaf recorded sales to more than 30 countries and over 100 customers, including the European target market, as well as the USA, India, among others.

During the year, in parallel with its highly effective marketing activities, Şişecam Elyaf stepped up its international certification efforts to raise its profile and be included in customer supplier portfolios. Aiming to satisfy the needs of target industries in Turkey and globally, Şişecam fiber products hold DNV-GL,

Lloyds Register, FDA (USA), FC (EU 10/2011), KTW and ACS certifications, all of which are internationally recognized.

Şişecam Elyaf Sanayii carried out system certification efforts in 2019, when it started its operations. The company obtained ISO 14001 Environmental Management, ISO 9001 Quality Management, ISO 50001 Energy Management, ISO 45001 Occupational Health and Safety Management Systems certifications within an Integrated Management System and ensures their sustainability. In addition to the current management systems, Şişecam Elyaf received Covid-19 Safe Production certification.

Şişecam Elyaf conducts R&D activities in line with its strategic targets and objectives. R&D efforts are focused on improving existing processes, boosting efficiency and developing high-performance products. To this end, various R&D activities are underway to expand the portfolio with new products by reviewing glass composition, process conditions and final product performance.

Şişecam Elyaf maintained its membership in the Turkish Composite Industrialists Association and the Association of Energy Industrialists and Businessmen in 2021. Additionally, it also joined the Turkish Wind Energy Association as a member.

OXYVIT

Oxyvit Kimya – founded jointly with the Italian Cheminvest B.V. in 1996 and wholly acquired in 2017 – produces Vitamin K3 and sodium metabisulfite. As Europe's only Vitamin K3 producer, Oxyvit Kimya is positioned as a major supplier to the global feed industry with this high value added product. Sodium metabisulfite is used in the food, mining, textile and water treatment sectors. Oxyvit's products are preferred by customers due to their high quality.

ŞİŞECAM ELYAF MANUFACTURES THE MAIN INPUTS FOR THE COMPOSITE INDUSTRY – INCLUDING MATS, MULTI-END ROVING, SINGLE END ROVING, AND CHOPPED STRANDS. A WIDE RANGE OF BUSINESS SECTORS ARE SUPPLIED FOR USE IN WIND TURBINE BLADES, INTERIOR/EXTERIOR AUTOMOTIVE PARTS, ENGINEERING PLASTICS, MARINE PRODUCTS, INDUSTRIAL APPLICATIONS AND CONSTRUCTION.

ŞİŞECAM CHEMICALS



Despite the global slowdown in the sector, Oxyvit Kimya maintained its strong position in the market in 2021. Total sales volume in tons went up by 10% year-on-year, and sales revenues jumped by 52%. Some 76% of revenues were generated from global sales.

Oxyvit Kimya exports about 88% of its Vitamin K3 production, primarily to Europe. Thanks to its high-quality products and supportive relationships with business partners, sales of sodium metabisulfite, another product produced by the plant, rose by 9% in 2021 despite the ongoing intense competitive environment. Oxyvit exported approximately 65% of its sodium metabisulfite production.

In 2021, Oxyvit Kimya renewed its certifications for the following: ISO 14001 Environmental Management; ISO 45001 Occupational Health and Safety Management Systems; ISO 9001: 2015 Quality Management System; ISO 27001 Information Security Management System; ISO 50001 Energy Management System; Covid-19 Safe Production; HELAL, KOSHER certificates for the sodium metabisulfite product; and Fami-QS for the Vitamin-K3 product.

EXPECTATIONS AND OBJECTIVES FOR 2022

The economic recovery that started in 2021 after the relaxation of anti-pandemic measures is expected to continue in 2022. Since a large capacity increase is not expected in China until 2026, demand for soda is projected to be strong until that time, especially with the expected increase in solar glass investments. As a result, China will remain a net importer of soda rather than exporter in the coming year.

The supply shortage in the global soda market is projected to continue until the commissioning of large-scale investments planned in 2026.

Sales prices are expected to rise further in 2022 with the effect of higher energy and logistics costs.

After starting to rebound the prior year, the chromium chemicals market is expected to extend its recovery in 2022. Ongoing risks in supply chain management are expected to play a pivotal role in the course of the sector in the coming year. Şişecam Chemicals aims to maintain its effectiveness in strategic markets and further boost its market share, maximize profitability, and bolster its leadership position.

Camiş Madencilik aims to expand raw material production by 1 million tons in line with the growing raw material needs of Şişecam glass and glass fiber production plants. In addition, Camiş Madencilik plans to conduct new field exploration and reserve development studies for this purpose while protecting and boosting external sales by diversifying its value-added product offering. The objective is to bring minerals featuring various qualities to relevant industries.

In parallel with Şişecam's growth projections, the 2022 investment program includes projects to expand the OSB limestone/dolomite production capacity and establish a new sand preparation facility in Mersin. These projects aim to meet the raw material need for the Flat Glass TR-9 line. Following the completion of the Yalıköy Restructuring Investment project, depending on the increased capacity at the facility, construction of new product silos will commence; these are planned to be commissioned by the end of 2023.



In line with Şişecam's plan to commission a glass packaging facility in Hungary, exploratory and technical studies are ongoing for potential suppliers and mine sites for the raw material needs of the new production plant. To meet the raw material needs of Şişecam's glass manufacturing facilities in the Russian Federation over the long term in a sustainable way, evaluation and assessment studies of the existing resources are ongoing. Technical studies are also underway to include new resources in the portfolio.

Şişecam Elyaf Sanayii aims to grow in target markets as a result of the greater importance of geographic advantages with the changes in the supply balance in 2021. The company also plans to provide strategic support to the rapid growth experienced in the Turkish composite industry.

Efforts are underway to expand the number of customers and countries in its global portfolio. The objective is to reach a reliable customer base in the medium term with greater diversification. Steps are underway to boost the number of approved suppliers in the wind energy sector in Turkey. Expanding the portfolio with high added value products is a key priority.

Oxyvit Kimya aims to increase its market penetration by diversifying its customer portfolio in global markets, mainly Europe and South America, for Vitamin K3 and sodium metabisulfite products.

ŞİŞECAM ELYAF SANAYİİ AIMS TO GROW IN TARGET MARKETS AS A RESULT OF THE GREATER IMPORTANCE OF GEOGRAPHIC ADVANTAGES WITH THE CHANGES IN THE SUPPLY BALANCE IN 2021.

ŞİŞECAM AUTOMOTIVE



INCREASE
IN ŞİŞECAM
AUTOMOTIVE
SALES REVENUES

37%

EUROPE'S 4TH
WORLD'S 8TH
LARGEST
AUTO GLASS
MANUFACTURER

AN OVERVIEW OF 2021

2021 was a challenging year for the automotive industry. The negative impacts of declining vehicle production due to problems in the supply chain and worsening economic conditions persisted throughout the year. Meanwhile, the effects of the pandemic were constantly felt with more intensity. During this volatile year, Şişecam Automotive focused on digitalization, Industry 4.0 migration studies, new product development efforts, simplification of quality management, and supply chain improvements.

The negative impacts of the Covid-19 pandemic squeezed the automotive industry both in Turkey and Europe. In 2021, the sector turned its focus toward optimizing production fluctuations by constantly monitoring developments in the supply chain and making rapid decisions. Being able to respond quickly to changes and act with flexibility is currently the top priority for all stakeholders in the industry.

PRODUCT DEVELOPMENT

After heatable coated windshields went into mass production in 2020, development work moved forward at an accelerated rate. Mass production of HUD featured windshields, whose customer approval processes were completed in 2021, is scheduled to commence in 2022. Further development studies are underway for the HUD featured windshields and AR-HUD featured windshields.

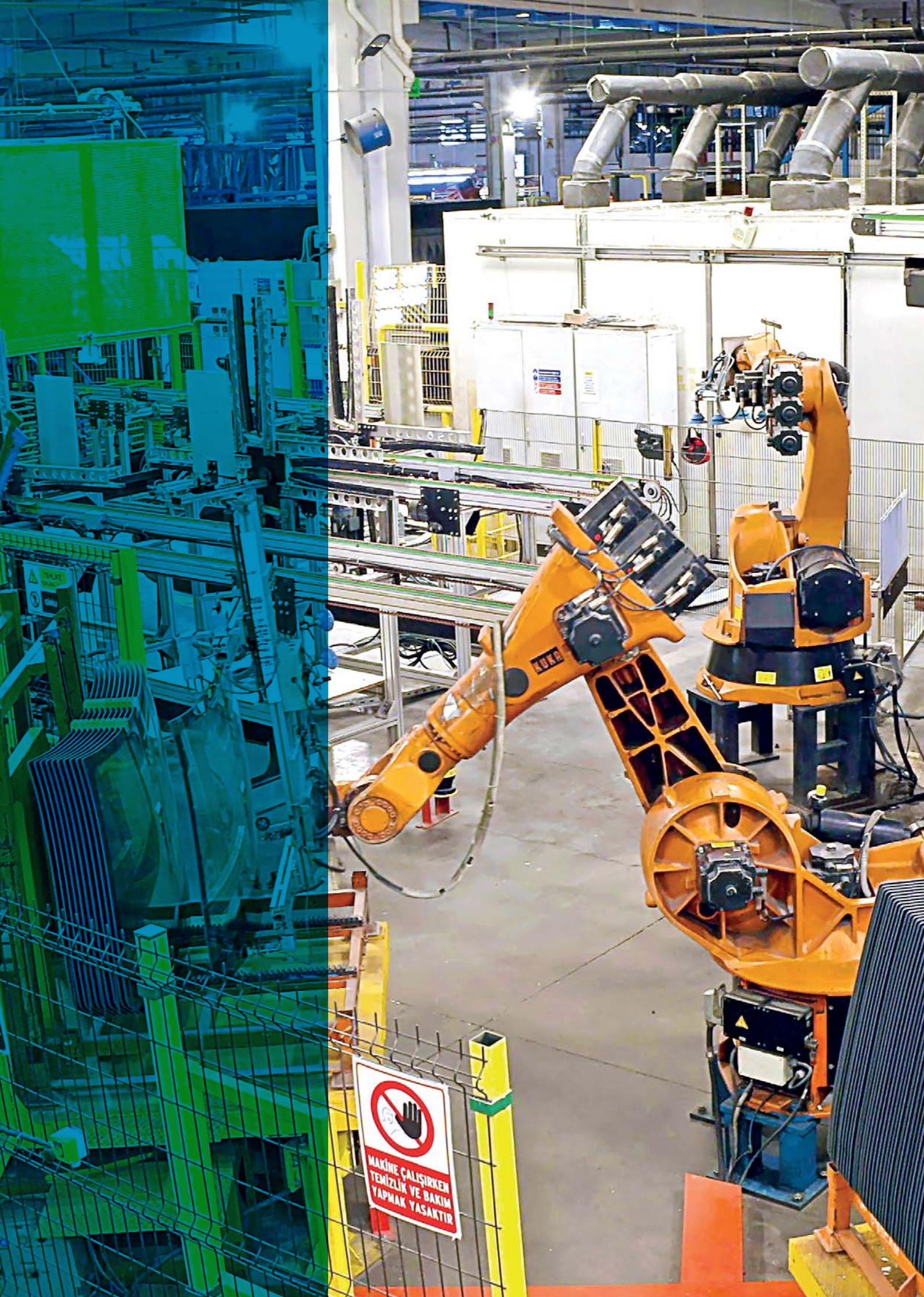
Development of antenna systems integrated into the rear glass and partnerships and feasibility studies to become a service provider gained momentum in 2021. In parallel with meetings held with customers and suppliers, Şişecam Automotive will present solutions that include emerging technologies. Serving as a service provider for identified solutions will enable automotive glass production capabilities, as well as help achieving the goal of being a technological solution partner.

During the year, Şişecam Automotive improved and supported its relations with public institutions in the defense industry, which it supplies, with new technologies. In addition to the existing product portfolio, Şişecam Automotive plans to further boost development in the sector with R&D studies.

Automotive Glass Sales Revenues (TRY million)

2019	2,503
2020	2,382
2021	3,252

Şişecam Automotive
boosted its sales to
TRY 3.3 billion.




MAKİNE ÇALIŞIRKEN
TEMİZLİK VE BAKIM
YAPMAK YASAKTIR



**IN ADDITION TO
ITS CAPACITY
INCREASE
INVESTMENTS,
ŞİŞECAM
AUTOMOTIVE
MOVED AHEAD
WITH ITS
AUTOMATION PLAN
SCHEDULED FOR
IMPLEMENTATION
IN ALL ITS
AUTOMOTIVE
FACILITIES IN 2021.**

DIGITALIZATION

Şişecam Automotive is developing its digital tools in order to simplify and improve its business processes. This effort also aims to enable employees in its production facilities and management centers in seven countries to work together more effectively. The digital platform where feasibility, cost and proposal studies can be carried out jointly was developed successfully. Control mechanisms were improved by simplifying processes. Thanks to developments made on the platform, Şişecam Automotive aims to further boost work efficiency and accelerate the follow-up processes by ensuring that all relevant employees are integrated into the process at the right time.

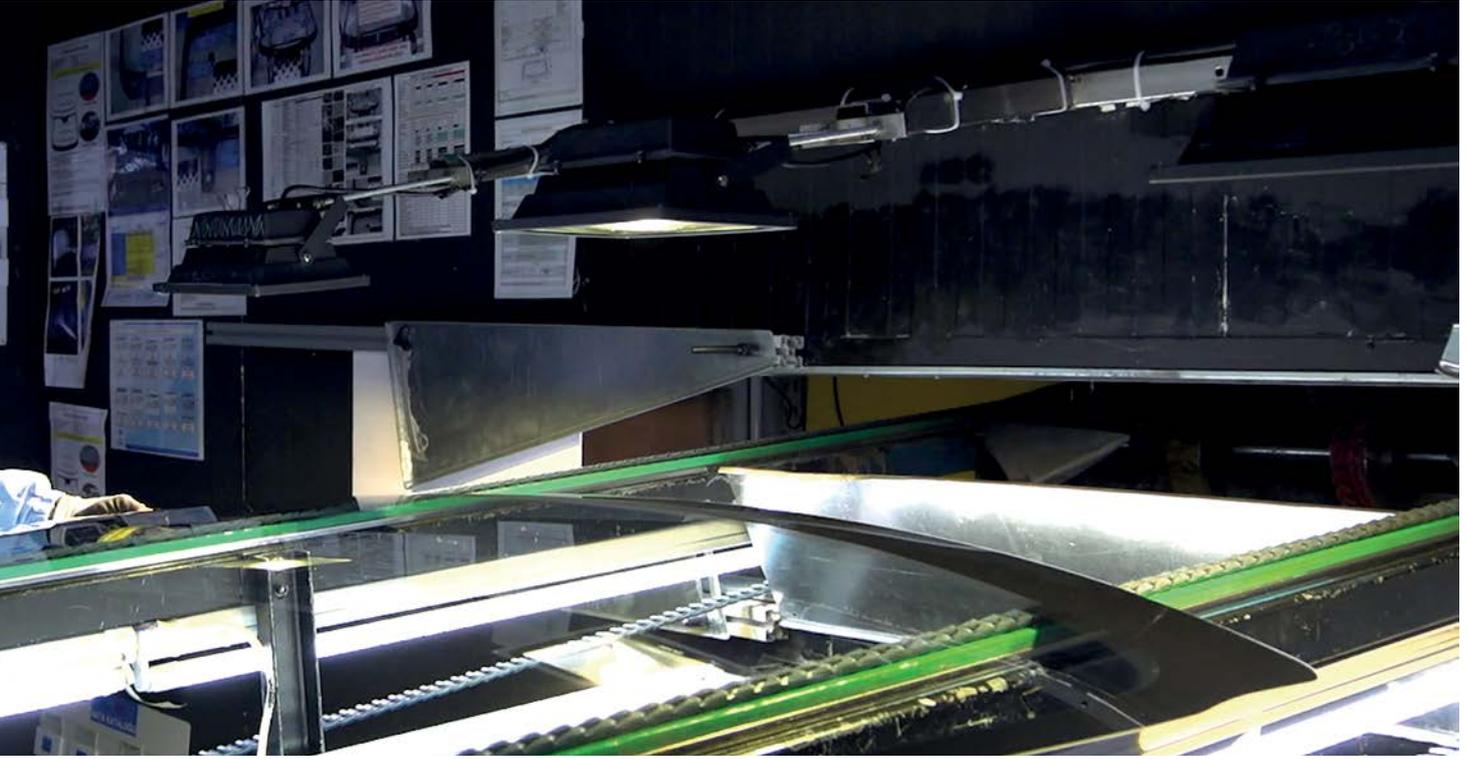
**INVESTMENT AND ROBOTIC
AUTOMATION**

Şişecam Automotive produces high quality auto glass for the world's leading automotive manufacturers. In addition to its capacity increase investments, Şişecam Automotive moved ahead with its automation plan scheduled for implementation at all its automotive facilities in 2021. With full implementation

of the automation plan, Şişecam Automotive aims to boost efficiency in its line development investments. In addition, this effort introduces high-level robotic applications in its auto glass, secondary processing and encapsulation operations. Şişecam believes in the importance of systems and production plants that communicate with each other in a digitalizing and transforming world. Şişecam aims to create highly automated facilities where data can be accessed instantly with its investment plan for online production tracking systems and digitalization technologies.

QUALITY MANAGEMENT

The main strategic priorities at Şişecam Automotive include maintaining quality and supplier management operations while preserving the level of automotive Tier-1 supplier standards and strengthening resource management by optimizing all process and quality activities. As part of its business quality operations, Şişecam Automotive carries out automation-based control systems, digital quality management, single product monitoring, Lean Six Sigma projects, and fault mode impact



ŞİŞECAM AUTOMOTIVE INTERNATIONAL SALES

2.5 TRY billion

ŞİŞECAM
AUTOMOTIVE'S
SIMPLIFIED AND
DIGITALIZED
PROCESSES
WILL IMPROVE
ITS AGILITY
IN DECISION-
MAKING AND
ENABLE OPTIMAL
MANAGEMENT OF
THE PREPARATION
PERIOD FOR NEW
PROJECTS.

analysis studies. In 2021, efforts to expand the use of digital applications in customer quality operations, prepare customer-based action plans, and studies for instant feedback mechanisms and customer sites moved forward according to schedule. As part of the One Şişecam transformation, quality management systems were integrated. Major steps were also taken in standardizing quality control practices together with all process architecture efforts.

EXPECTATIONS AND OBJECTIVES FOR 2022

In 2022, Şişecam Automotive plans to boost the share of sales to automotive manufacturers as the impacts of the Covid-19 pandemic on the automotive industry are expected to subside. Other priority objectives for the coming year include optimizing costs, strengthening the supply chain, and increasing the agility of responding to customer demands. In 2022, Şişecam Automotive also aims to maintain sales growth in the Automotive Replacement Glass (ARG) market, which it entered in 2019.

Searching for new markets will continue to ensure profitable growth. Feasibility studies are planned for new projects to commence mass production in coming years by stepping up relations with customers. Şişecam Automotive's simplified and digitalized processes will improve its agility in decision-making and enable optimal management of the preparation period for new projects.



**CAREFORNEXT
MISSION: ADDING
POSITIVE VALUE
GLOBE WIDE
BY DELIVERING
SUSTAINABLE
PRODUCTS
AND SERVICES
THAT MEET THE
CHANGING NEEDS
OF THE PLANET
AND SOCIETIES.**

1. Sustainability Strategy

CareforNext is the sustainability strategy that Şişecam boldly commits to in taking responsibility along its entire value chain. Şişecam formulated CareforNext in order to achieve strong global transformation targets integrated with the United Nations Sustainable Development Goals (UN-SDG), in line with its vision of creating sustainable value. This strategy includes all Şişecam's stakeholders in the value chain – from raw material procurement to production, production to sales, sales to customer – and its post-consumption recovery.

Activities related to Corporate Environmental Management (page 89), Energy Management and Production Technologies (page 94), Diversity and Inclusion (page 103), Digitalization and Innovation (page 98), Occupational Health and Safety (page 108) and Corporate Social Responsibility (page 110) that are addressed as part of Şişecam's material topics are described in detail on the respective pages specified.

2030 CareforNext Strategy

As part of Şişecam's Sustainability Priorities study conducted in 2021, Şişecam compiled the views of managers and employees at all levels of the organization, determined the material topics and targets that are important within the scope of company activities and areas of influence, and formulated the 2022-2030 Sustainability Strategy.

CareforNext mission: adding positive value globe wide by delivering sustainable products and services that meet the changing needs of the planet and societies.

While setting the strategy, the three main axes underlying the framework were revealed from the opinions of nearly 400 stakeholders including CI level executives in 14 countries from different levels and departments across Şişecam; one-to-one meetings with employees including managers; and other meetings, surveys and workshops. The two-way evaluation approach was adopted in the process of drawing the framework for priorities and supporting areas. The aim of the two-way approach is to determine Şişecam's targets from a strategic level perspective, as well as to test the applicability of the actions to be identified towards these targets at the operational level. In these studies, the opinions and feedback of the participants were blended. Material topics of importance within the scope of Şişecam's activities and areas of influence and their importance levels were identified with members of senior management. Views of internal stakeholders – as well as global good practice examples, industry practices, criteria of rating agencies, sustainability priorities of the previous period (2017-2022), and Şişecam's general strategy – were also taken into consideration during this process.



PROTECT the Planet

Climate Change

Vision of Carbon Neutral ŞİŞECAM by 2050
Studying 2030 target in line with SBTi

Increasing the renewable energy capacity 8 fold to reach 53 MW



Water Use

15% Reduction in water withdrawal



Circular Production



50% Reduction in Packaging Waste

35% External Glass Cullet in Glass Packaging

Base year: 2020



EMPOWER Society

Corporate Heritage



Pioneering the Glass Heritage for Future Generations

Leadership at ICG for Year of Glass 2022

Equality, Diversity and Inclusion

25% FEMALE EMPLOYMENT Ratio

Globally INCLUSIVE Workplace



Talent Acquisition, Management and Development

- Functional and personal competence trainings
- Acquiring of new generation talents
- Advanced employee engagement

Occupational Health and Safety

- Zero Accident & Employee Well-being
- Leadership in Occupational Health and Safety (OHS)
- OHS Culture Transformation Program



TRANSFORM Life

Digitized Value Chain

- Digital Working Environment
- Digitalization throughout Corporate Operations
- Decision Making Based on Data Analytics

Sustainable Products

- Increasing the share of sustainable products in turnover
- New sustainable solutions and products
- Life Cycle Analysis Program, and
- Eco-labeling

Value Chain Sustainability

- Supplier Capacity Building Program
- Compliance of All Suppliers with the Code of Conduct

Enriching Collaborations

- Collaborations and partnerships serving SDG 17 (Partnerships for the Goals)

A materiality assessment was performed in order to classify the primary material topics selected from among 200 topics of importance for Şişecam according to their degree of importance. The assessment also aimed to identify which stakeholders considered which topics of high importance. The main axes and material topics are summarized below with the contributions of the stakeholders involved in the study. Targets, indicators and actions were set in each priority area. A strategic plan document was prepared with a sustainability perspective.

In line with Şişecam's CareforNext vision, this strategy was designed to achieve strong global transformation targets integrated with UN Sustainable Development Goals. Under the three main axes – "Protect the Planet," "Empower Society," and "Transform Life" – within the scope of the strategy, and under the supportive area titled "Continuous Development," which intersects horizontally all sustainability activities, Şişecam identified targets that are planned to be achieved in 2030 and that will be followed as public or internal targets.

Under the "Protect the Planet" sustainability axis, Şişecam defines its objectives of minimizing the negative impact on nature from its business activities, reducing the amount of waste generated, and using its resources in the most efficient way. Within the scope of this axis, Şişecam identified its priority areas as: "Climate Change," "Water Use," and "Circular Production."

Objectives to be monitored within the scope of this axis include:

- Transitioning to a low-carbon business model by 2030
- Increasing the installed capacity of renewable energy 8-fold in total by 2030
- Achieving a 15% reduction in water withdrawal by 2030
- Achieving a 50% reduction in packaging waste by 2030
- Reaching 35% of external glass cullet used in production by 2030

Şişecam aims to create a positive impact on all its stakeholders. In particular, Şişecam targets the local people and communities in its fields of activity, Şişecam employees, users and suppliers of Şişecam products, within the scope of the "Empower Society" sustainability axis. The priority areas under the "Empower Society" axis were identified as: "Corporate Heritage," "Equality, Diversity and Inclusion," "Talent Acquisition, Development and Management," and "Occupational Health and Safety."

The objectives on this axis include:

- Disseminating glass culture on a global scale
- Reaching 25% female employment by 2030
- Creating a multinational workplace environment
- Realizing the Women Expression Program
- Increasing functional and personal competencies through training by 2030 (47 person hours/year)
- Boosting the employee engagement rate
- Acquiring new generation talent
- Achieving zero work accidents and a healthy life by 2030



**“PROTECT,”
“EMPOWER” AND
“TRANSFORM” ARE
THE MAIN PILLARS
IDENTIFIED
WITHIN THE SCOPE
OF 2022-2030
SUSTAINABILITY
STRATEGY WHILE
CONTINUOUS
DEVELOPMENT
IS RECOGNIZED
AS A CROSS-
CUTTING PILLAR
ATTRIBUTED WITH
SUSTAINABILITY
TARGETS WHICH
ARE PLANNED TO
BE INTERNALLY
MONITORED.**

The Sustainability Committee, consisting of Şişecam Board members and chaired by the Chairman of the Board, was established in 2021.

The “Transform Life” sustainability axis reveals Şişecam’s vision for forward-looking improvement through research, development and digitalization efforts. Priorities within the scope of this axis were identified as: “Sustainability across the Value Chain,” “Digitalized Value Chain,” “Sustainable Products,” and “Value Added Partnerships.”

The objectives on this pillar include:

- Committing all suppliers to the “Şişecam Supplier Code of Conduct” by 2030
- Strengthening the digital infrastructure and making it traceable - Supporting decision-making processes with analytical systems - Digitizing the workplace
- Boosting the number of sustainable product patents
- Ensuring a percentage increase in the ratio of value-added products in turnover
- Conducting a life cycle analysis program and engaging in capacity building
- Implementing the innovative Basalia process
- Expanding R&TD collaboration with research institutions

- Developing new collaborations with customers and other institutions
- Boosting the number of collaborations and partnerships for sustainable innovation
- Increasing collaborations to boost sustainability and technology performance

“Protect,” “Empower” and “Transform” are the main pillars identified within the scope of 2022-2030 Sustainability Strategy while “Continuous Development” is recognized as a cross-cutting pillar attributed with sustainability targets which are planned to be internally monitored. Those covered under the cross-cutting pillar are classified under “Operational Excellence,” “Communication and Awareness” and “Risk Management.”

Governance

Şişecam conducts numerous local and global sustainability-related initiatives. The company is committed to developing its corporate experience in this key area and expanding its sphere of influence. (See the Sustainability Report for the current list of associations that Şişecam has joined as a member.)

In addition to the Sustainability Executive Committee, consisting of Şişecam Executive Board members, a Board Level Sustainability Committee with members from the Şişecam Board and chaired by the Chairman, was established in 2021.



Şişecam adopts pursuing corporate sustainability and creating value for all its stakeholders as the basis of its way of doing business. Şişecam's corporate sustainability strategy was shaped in an integrated way around the axes of "PROTECT" "EMPOWER" and "PROGRESS" in line with the United Nations Sustainable Development Goals, reflecting the sustainability priorities of the organization. Through this strategy, the Sustainability Committee works to accelerate the integration of sustainability into Şişecam's structure. The Committee aims to identify the relevant policies and approaches by adopting the efforts at the highest level.

The Sustainability Executive Committee annually reports its activities to the CEO. The Committee carries out vision, priority and strategy formulation efforts related to sustainability. The Sustainability Executive Committee is charged with internal and external stakeholder communication in addition to the sustainability targets and performance monitoring of the working groups. The Committee is chaired by Şişecam's CEO and consists of the Executive Board members of the Committee. The Committee evaluates the developments related to the studies and objectives of the working groups.

The Sustainability Directorate is responsible for reporting on corporate sustainability, ensuring supply chain sustainability, providing sustainability training programs, measuring internal sustainability activities, and managing energy and natural resources.

Since its founding, Şişecam has remained committed to ethical values, transparency, accountability and taking a socially responsible approach to its stakeholders. In 2021, Şişecam maintained its position on the BIST Sustainability Index for the period of October 2021-June 2022 as Türkiye Şişe ve Cam Fabrikaları A.Ş. (SİSE). Borsa İstanbul (BIST) companies that are evaluated as having an excellent sustainability performance are included in the BIST Sustainability Index.

For more information on Şişecam's corporate policies related to its environmental, social and governance approach, which is updated from time to time with the comments of its internal-external stakeholders, refer to the Şişecam Sustainability Report and Şişecam's corporate website.

<https://www.sisecam.com.tr/en/sustainability/sisecam-sustainability>

Reporting

Şişecam publishes annual Sustainability Reports describing the sustainability approach of the parent company and its subsidiaries. These reports include economic, environmental and social indicators and assess the performance of production activities within this context. Şişecam's sustainability reports are prepared according to GRI (Global Reporting Initiative) standards and are accessible to all its stakeholders. Şişecam's sustainability reports cover all operating regions. The reports are also available in audio book versions in English and Turkish on the relevant web pages.

The financial indicators in the 2021 Şişecam Sustainability Report were confirmed by the Annual Report. In the reporting year, Şişecam initiated study to verify the environmental and social indicators as well. The verification statement and verified data will be published in the 2021 Sustainability Report.

<https://www.sisecam.com.tr/en/sustainability/reporting/sustainability-report>

Since 2011, Şişecam has regularly monitored carbon emissions from its business operations. Data obtained from its monitoring efforts are disclosed via the Carbon Disclosure Project (CDP). In 2021, Şişecam publicly disclosed its report on the previous year's carbon emissions performance of the Group's operations in Turkey, Italy and Bulgaria. The report included details of its risk and opportunities analyses to comply with the principle of transparency.

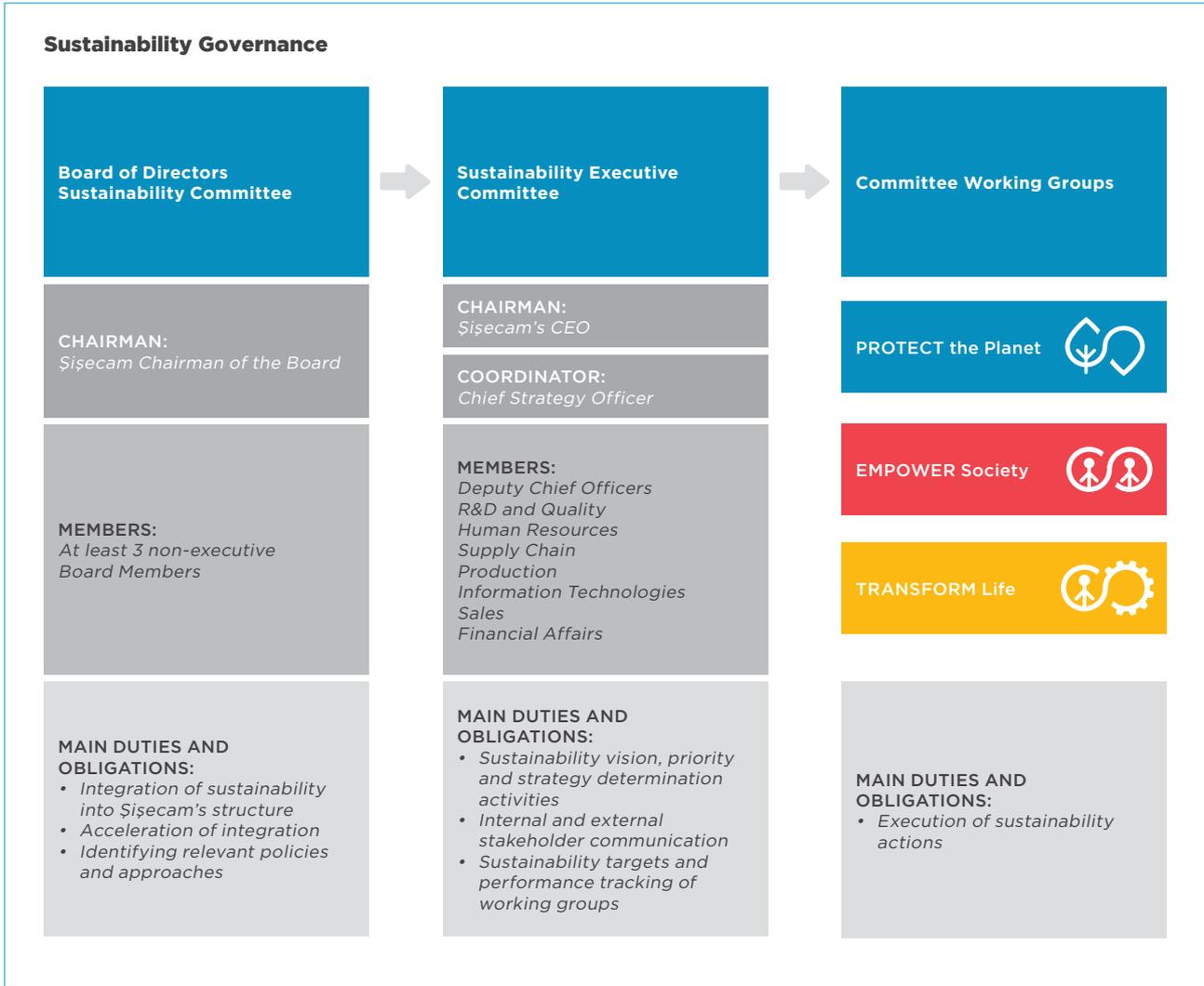
2. 2017-2022 Sustainability Developments

In 2021, CareforNext was pursued on the Protect-Empower-Progress axes. The outstanding practices and achievements under each heading are listed below.

PROTECT

Under "Protect," one of the three main areas of Şişecam's CareforNext sustainability strategy, Şişecam is committed to protecting the safety of its products, natural resources, biodiversity and its corporate heritage. "Protect" focal points include "Use of Natural Resources," "Corporate Heritage," and "Product Stewardship."

Şişecam became one of the first companies to address the circular economy at the policy level in 2021. In line with its commitments under the "Protect" heading of its CareforNext sustainability strategy, Şişecam published its "Waste and Circular Economy Policy." This policy is designed to optimize natural resource costs in the value chain, prevent waste by making processes more efficient, and reduce sustainable resource consumption through recovery/recycling. Much like its Environment and Energy Policy, Şişecam's Waste and Circular Economy Policy supports an end-to-end approach to waste management that includes all stakeholders. The Waste and Circular Economy Policy is shaped around the following principles and has been adopted for all of Şişecam's business activities:



- Aligning waste management and continuously improving Şişecam standards
- Taking into consideration of circular economy and savings opportunities consideration of circular
- Evaluating waste as a material or energy source
- Prioritizing needs with actual waste costs
- Planning and implementing with a life cycle approach
- Acting with the awareness of producer responsibilities, together with suppliers

Under its circular economy approach, Şişecam carried out the following studies in the areas of supporting glass recycling for high recovery of glass waste in the value chain and implementing the National Deposit-Return System initiative:

- Pioneering the establishment of the Deposit Return System to be implemented for the first time in Turkey, Şişecam installed a smart glass packaging recycling vending machine in the main entrance corridor of its headquarters in July. In a collaboration with Turkcell, points are collected via the Paycell mobile application for each recycled bottle. Şişecam aims to disseminate this new practice in the coming months.
- The "Journey of Glass" video,* explaining Şişecam's contribution to the circular economy, was published on Şişecam's social media accounts on June 5, World Environment Day.

- A recycling-oriented campaign was launched Paşabahçe with stores in line with the CareforNext strategy, emphasizing that glass is a 100% recyclable and reusable material.

The biotechnology-based Basalia process, supported under Şişecam's research and development efforts, will directly contribute to the realization of Şişecam's 2030 CareforNext strategy. The first Basalia pilot application is being conducted at the Mersin Soda-Chromium Facility. The Basalia pilot application aims to treat wastewater, capture carbon from flue outlet, and achieve zero waste and zero emission gains.

In 2021, Şişecam launched a comprehensive Life Cycle Analysis (LCA) project. This effort is aimed at adopting a life-cycle-oriented approach in the value chain, assessing impacts on all phases of the product lifecycle, and registering sustainable products. Within the scope, life cycle analysis, environmental labeling/eco labeling (EPD: Environmental Product Declaration) and other relevant certification (GRS Global Recycle Standard, etc.) studies for selected products in the segments of flat glass, auto glass, glass packaging, glassware and chemicals are planned.

Within the scope of EU Integration Process Support Activities, coordinated by Republic of Turkey Ministry of Environment, Urbanisation and Climate Change, Şişecam supported the “National Environmental Label System Establishment Project” to determine the environmental label criteria for the glass product group (flat glass, glass packaging, glassware) in line with the Environmental Label Regulation (No.30570 dated October 19,2018) in 2021.

Şişecam continues to offer lightweight glass packaging solutions as part of its commitment to design glass packaging products that can be produced with less raw materials and less energy. By implementing a design change, a 14% of reduction in greenhouse gas emissions was achieved via modifying a single bottle type. In 2021, Şişecam also continued production of cover glasses (low iron), which are inputs for solar energy panels; wind turbines; glass fiber materials used in the automobile industry; and photovoltaic coated glasses used as architectural glass with state-of-the-art technology applications.

To combat climate change, Şişecam has developed flat glass solutions such as Solar Low-E coated glass under the Isıcam K brand. Energy costs are lowered by reducing heat loss in residences by 50%. Meanwhile, operating costs of air conditioning systems are lowered by reducing solar heat by 40% in summer. Şişecam is closely monitoring opportunities arising from the Renovation Wave for Europe, a key component of the European Green Deal.

In 2021, Şişecam’s Aware Collection, glassware produced from 100% recycled glass, was granted the “Recycled Claim Standard” by a third party certification body after its assessment. Subsequently, the Aware Collection received another certificate attesting that 100% recycled cullet is used in its manufacture. Production of this innovative collection significantly lowers energy and raw material consumption during the melting process: 39% less natural gas is consumed with 41% fewer greenhouse gas emissions. In line with the CareforNext strategy, Şişecam reached out to consumers with the “Are you aware?” communication campaign. The Aware Collection generated intense consumer interest before the start of production in 2022. In addition, a third party verification statement was issued by UL certifying the collection’s Recycled Glass content.

EMPOWER

Şişecam aims to foster an inclusive corporate culture that provides equal opportunities for everyone and respects the differences of its employees across all its business operations and geographies. “Empower” focal points include “Diversity and Inclusion,” “Talent Management,” “Occupational Health and Safety,” and “Contribution to Social Development.”

The Diversity and Inclusion Working Group, operating under Şişecam Sustainability Committee, undertakes efforts to offer equal opportunity in recruitment of employees and all operational processes while conveying this approach to stakeholders in the value chain. As part of its efforts, Şişecam launched the “Women Expression” program. Under this initiative, female managers selected from talent pools at Şişecam provide support to female employees as mentors in matters such as strategic and global perspective and leadership skills.

Women hold about 26% of managerial positions at Şişecam. In addition, women are employed in various positions that support production processes, such as forklift operators, quality control staff, logistics staff, and fiber processing staff. As part of the global young talent program “Together,” Şişecam extended its equal employment opportunity approach to internship positions by having an equal proportion of male and female interns in 2021.

On March 8, International Women’s Day, Şişecam shared a stakeholder communication video prepared for female employees working at Şişecam production facilities on the company’s social media accounts. To eliminate discriminatory language within Şişecam, an online word game was played with the employees and word cards were added to food packaging.

Activities and initiatives carried out to foster diversity and inclusion are detailed under the heading “Diversity and Inclusion” in the Annual Report. Relevant policies and principles can be found on the website.

<https://www.sisecam.com.tr/en/sustainability/policies/human-resources-policy>

ŞİŞECAM CONTINUES TO OFFER LIGHTWEIGHT GLASS PACKAGING SOLUTIONS AS PART OF ITS COMMITMENT TO USE LESS RAW MATERIALS AND LESS ENERGY IN ITS DESIGN OF GLASS PACKAGING PRODUCTS

SUSTAINABILITY

As part of its talent management approach, Şişecam expanded its activities aimed at being the most preferred workplace and recruiting the right talent as well as developing the potential of the existing talent.

Şişecam's Performance Development System is designed to cultivate a sustainable success-oriented performance culture among the workforce and support the transformation of personal achievements into corporate success. "Journey," the global talent management program, aims to develop talent at the company and prepare high-potential employees for their development and leadership roles. In 2021, Şişecam continued to carry out its global young talent program "Together" and its free Employee Support Program, which provides 24/7 legal, health, veterinary, and psychological support to all Şişecam employees and their family members. Şişecam Academy trainings and external trainings provided for the personal and professional development of employees continued this year as well. Şişecam initiated the Glass Application Certificate Program in conjunction with Balıkesir University and Balıkesir Labor and Employment Agency Directorate. The certification program aims to develop a well-trained female workforce for the glass industry. Detailed information about the programs and trainings can be found in the "Talent Acquisition" heading of this report and in the Sustainability Report.

Occupational health and safety (OHS) is another focus area of Şişecam's "Empower" axis. In 2021, Şişecam conducted all operations in its production facilities within the framework of its OHS Policy, OHS Procedure, and the ISO 45001 Occupational Health and Safety Management System. The OHS Score Card application was effectively introduced for all employees of Turkey facilities in 2021. This effort aims to

disseminate the OHS culture across the organization and raise employee awareness to pursue the "Zero Accidents" target set by the Occupational Health and Safety Working Group under Şişecam Sustainability Committee. The OHS Score Card is planned to be introduced to Şişecam facilities in all geographies in the coming year. Parameters within the score card are planned to be reported and evaluated every three months. Şişecam occupational accident statistics are shared with all Şişecam employees via e-mail and the internal document system on a monthly, annual, field of activity, and chief basis in the OHS Bulletin.

Detailed information on efforts carried out in this area can be found in the "Occupational Health and Safety" section of this report and the Şişecam Sustainability Report.

Contribution to Social Development

The "Sebastian Team" - a group of Middle East Technical University students mentored by Şişecam to raise awareness of glass recycling - won first place in the Gamefed Hackathon competition with its POTTLE solution and application. A gamification feature supported by a loyalty program was initiated to turn it into a real mobile application for end-consumers.

During the year, Şişecam representatives attended many panel discussions and seminars open to public and sector associations. Some of these events were provided with various types of support, such as reporting training. Details of these activities will be included in the Sustainability Report.

PROGRESS

Şişecam maintains its activities in collaboration with its stakeholders to combat climate change. In order to be a solution partner in climate change, Şişecam aims to minimize energy consumption by developing innovative,

environmentally friendly products that meet customer needs for all sectors in which it operates. "Progress" focal points include "R&D and Digitalization," "Innovative Products," and the "Combatting Climate Change."

At the 2021 Sustainability Business Awards, organized by Sustainability Academy, Şişecam was presented with an award in the "Sustainable Innovation-Product" category for the world's first glassware products featuring antimicrobial coating with V-Block Technology.

Actual expenditures of sustainability projects (13 million TRY) out of Şişecam's total R&D projects (46 million TRY) is 28.4% in 2021.

Şişecam participated in the 26th Conference of the Parties (COP26), held in Glasgow, Scotland in 2021 under the United Nations Framework Convention on Climate Change (UNFCCC). Attending the conference as a leading member of the global glass industry, Şişecam shared policy recommendations that would pave the way for investment and technology development in decarbonization. Şişecam delivered its recommendations at the Turkish Delegation session in Glasgow with a presentation titled "Ways to Unlock the Potential of the Glass Industry in "Combatting Climate Change."

Şişecam contributes directly and indirectly to the combatting climate change. Its various efforts include developing design and energy efficiency-based improvements and boosting the rate of cullet in many parts of its production ecosystem, especially in melting technologies from past to present.



* https://www.youtube.com/watch?v=qr8HONw_vS8

In order to manage greenhouse gas emissions more effectively and adapt to the physical impacts of climate change, Şişecam formed the Climate Change Coordination Board (CCCB) staffed by relevant representatives from the Chief Production Office, Chief Strategy Office, Risk Management and Internal Audit Department, Construction Coordination, Chief Financial Office and Chief Supply Chain Office. CCCB ensures the following in Şişecam's operating geographies:

- (compliance/adaptation) evaluate vulnerabilities related to the physical impacts of climate change and identify the priorities at the relevant physical, financial and operational levels in order to adapt these impacts,
- (mitigation) set greenhouse gas emissions reduction potentials and evaluate low-carbon production techniques and technologies, and
- closely monitor international, regional, and national developments and liabilities related to climate change processes and realize the integrated and effective management of the related processes across Şişecam.

Şişecam prepared a roadmap to manage greenhouse gas emissions resulting from its production activities and exacerbating climate change, while giving consideration to the opportunities, requirements and constraints in Şişecam's production geography. The roadmap was created by taking into account key aspects, including energy and carbon mitigation efficiency, growth targets and market projections, research and technological development projects, industrial and geographical policies, and competition.

In addition to working to reduce greenhouse gas emissions, Şişecam undertook efforts to accurately identify the needs of its business activities within the scope of existing European Union (EU-ETS) carbon pricing.

Şişecam aimed to monitor them digitally with a confidence level free from operator errors, boost the capacities of relevant units, and manage the needs by making the most efficient use of market instruments. With these efforts, Şişecam ensured cost optimization, as well as coordination for establishing a short and medium-term market strategy and capacity building.

Monitoring of the Climate and Energy Legislation, which was planned to be updated under the European Green Deal, was carried out through the affiliated sector associations in Europe. Guidance and contributions were made as part of Şişecam's European activities. Evaluation and impact analysis of the EU Carbon Border Regulation Mechanism was studied during the year. This mechanism is the most critical focus area of climate regulations under the European Green Deal and matches with Şişecam activities.

To ensure its roadmap is supported by effective targets in combatting climate change, Şişecam launched a project in 2021 for data analysis, needs assessment, scope and roadmap determination via evaluation of Şişecam's main business activities within the scope of science-based targets on climate change.

To meet the requirements of the Regulation on Monitoring of Greenhouse Gas Emissions pursuant to Turkish legislation, Şişecam calculates and reports annual greenhouse gas emissions of its production plants in Turkey. The relevant reports are verified by accredited independent organizations and declared to the relevant Ministry.

With the "Climate Change" video* posted on its social media accounts in 2021, Şişecam shared its energy efficiency efforts, renewable energy investments, and sustainable product solutions to the public.

3. Corporate Environmental Management

Şişecam's strategic priorities in environmental sustainability include implementing practices to prevent or minimize the direct or indirect impact of each stage in the value chain on the environment. Şişecam aims to ensure a positive environmental impact with its products and services by optimizing energy and resource use.

Compliance with Environmental Legislation

Monitoring and tracking systems from digital platforms are used to monitor legal and regulatory requirements across all operating geographies and to ensure fast and effective compliance. Projection of local legal and regulatory requirements at company production facilities was monitored with the coordination of Şişecam Environmental Management Unit established under One Şişecam. Control of the authorization, license and declaration requirements of the facilities was ensured via the QDMS environmental data management system.

At Şişecam, environmental management is carried out by environmental engineers at the operational level; Quality and Environment Directorates at the field of activity level; and the Environmental Management Department under the Sustainability Directorate at the General Directorate level. Şişecam's environmental management approach is supported by the ISO 14001 Environmental Management System at its production facilities. Effective communication, audit and reporting practices are conducted with a multi-layered system extending from Şişecam's senior management to the factory and subcontractor level. Primary environmental indicators – use of raw materials, water consumption, waste generated, energy consumption, greenhouse gas emissions, and amounts recycled – are shared in the Sustainability Report on a yearly basis. Details of certifications held by each facility are also disclosed in the Sustainability Report.

**ŞİŞECAM WAS AWARDED IN THE
"SUSTAINABLE INNOVATION-PRODUCT"
CATEGORY WITH THE WORLD'S FIRST
GLASSWARE PRODUCTS FEATURING
ANTIMICROBIAL COATING.**

SUSTAINABILITY



Implementation of Environmental Investments

Environmental audits are performed in the production value chain, encompassing legal and regulatory compliance as well as natural resource and waste management. Based on these findings, Şişecam determines relevant actions by identifying areas of development and associating them with investment plans where required. Environmental investments – including 49 detailed project investments and 30 main investment items determined for 2021 – were included in Şişecam’s 2021 Investment Program. Budgeted environmental investment projects totaled about TRY 13 million in 2021. Şişecam evaluated planned investments, environmental legislation, “Protect-Empower-Progress” targets under its sustainability approach, results of environmental audits and cross-controls. These were prioritized in the Şişecam Environmental and Energy Policy Evaluation Report along with the basic objectives and activities of its integrated environmental governance.

Monitoring and Management of Environmental Impacts

Management of Solid Waste: As part of *Şişecam’s Waste and Circular Economy Policy*, the Environmental Data Management

System, where information such as natural resource consumption, waste generation and legal compliance, which are the basis for the environmental performance of the facilities, is monitored periodically. **the Integrated Waste Management - Site Level Pilot Project** – which covers the digital traceability and waste management processes initiated at the production sites of Mersin Soda and Kromsan Plants and Glassware Eskişehir Plants in 2021 – were completed. In line with the results obtained from the existing pilot studies, Şişecam plans to extend the pilot efforts until the start of 2022. Pilot studies are planned to commence at five different facilities – Glass Packaging Mersin, Flat Glass Mersin, Bulgaria, India, Glassware Kırklareli – for a shorter period in 2022. This approach aims to disseminate the waste monitoring effort in a way that supports Şişecam’s Circular Economy Policy. These pilot studies were also added to the facility budgets.

Management of Flue Gas Emissions:

In accordance with the provisions of the Continuous Emission Measurement Systems Communiqué published on October 12, 2011, and the Notice on Online Monitoring of Continuous Emission Monitoring Systems dated April 24, 2014, Şişecam monitors its levels of NOx emissions via continuous emission measurement systems.

These results are duly transferred to the Ministry’s system. Şişecam set a target under its sustainability strategy to reduce NOx emissions of its glass furnaces; efforts to reduce emissions of nine additional glass furnaces were completed in 2021.

In order to revise local limit values and ensure compliance with EU levels; within the framework of studies coordinated by the Ministry of Environment, Urbanisation and Climate Change in 2021, contribution was made to the Project of Preparation of **Sectoral Guidelines and Checklists for the Determination and Reduction of Industrial Air Pollution and to the Project of Determination of Industrial Emission Strategy (DIES) of Turkey within the Scope of Integrated Pollution Prevention and Control (IPPC)**. A gap analysis study was then carried out for the effective implementation of the best available techniques approach for the glass and chemicals sectors.

Management of Water and Wastewater:

Considering effective water consumption as part of the corporate sustainability approach “CareforNext,” activities for identifying and announcing good practices in order to reduce consumption in all production geographies and to maximize their recovery, for identifying potentials in this regard, and guiding towards the “zero discharge” approach with awareness-raising activities were carried out in 2021 as well.

4. Corporate Quality Management

After obtaining the ISO 9001 Quality Management Certificate for the Headquarters, R&TD and Operations Center in 2020, the activities necessary to fulfill the system requirements continued in 2021 as well.

The Quality Transformation project was launched for a central and aligned management of the quality function across Şişecam, and the studies continued throughout the year.

Activities related to the ISO 27001 Information Security Management System certificates owned by Şişecam's 11 production units and affiliates are monitored and coordinated. Various activities – including audit, training, risk assessment, follow-up of indications, identification of targets and opportunities, documentation updates – are centrally executed. This approach ensures that Information Security Management System activities are conducted effectively across Şişecam.

Şişecam Information Security Training published in 2021 was updated. The training was made interactive and entertaining, and reassigned to employees (white collar and blue collar).

5. Sustainability Management across Corporate Value Chain

Sustainable supply chain management is a strategic priority at Şişecam. Efforts for the integration of environmental, social and governance (ESG) priorities into all phases of the supply chain, including evaluation, application, monitoring and improvement of supplier management, are being conducted. Accordingly, the inclusion of ESG dimensions in the following processes by reviewing the relevant processes is within the scope of the studies.

- Supplier Commissioning and Decommissioning Systems,
- Supplier Risk Evaluation and Monitoring Application,
- General Terms and Conditions of Procurement,
- Şişecam Supplier Code of Conduct,
- Supplier Competency Audit.

The Supplier Risk Evaluation and Monitoring Application evaluates the activities of suppliers on operational, financial, ethical, geopolitical, continuity, and strategic criteria. The risk scores of suppliers are calculated via this application. These annual risk evaluation criteria also include important sustainability topics such as ethical practices, risk of child labor, risk of forced/ uninsured labor, occupational health and safety conditions and natural disasters, and these issues were specified as high priority. A supplier deemed to be risky in any of these criteria is directly classified as the “highest risk supplier” and its practices and procedures are closely followed. Its class remains the same until an improvement is observed in the relevant supplier. If no improvement is observed, actions such as reducing the supplier share and finding alternative suppliers are initiated. With these various applications, Şişecam raises the awareness of its suppliers on sustainability and ensures continuous improvement of this key concept.

In accordance with the digitalization approach in the supply chain, supplier applications are received through the Şişecam Supplier Portal as of 2018. Suppliers applying through this portal can continue with the process by accepting the “Şişecam Supplier Code of Conduct” and are informed about the expectations in this regard. Şişecam Supplier Code of Conduct can also be used in the tender and contract stages. Within the scope of the responsible purchasing approach, it is required to ensure that the supplier's ways of doing business comply with the “Şişecam Supplier Code of Conduct.” In this direction, whether Şişecam suppliers have policies such as child labor, gender equality, bullying and harassment, and discrimination is monitored through the Şişecam

Supplier Portal. Also with the new 2030 strategy, it is aimed that all suppliers comply with the criteria of “Şişecam Supplier Code of Conduct.”

Being aware of its responsibility on conflict minerals, Şişecam reports the compliance of the sources of the suppliers regarding conflict minerals, with the principle of responsible purchasing by preparing CMRT (Conflict Mineral Template Format) reports prepared by the “Responsible Minerals Initiative,” and then shares them with its customers upon request.

Our “Chemical Management Procedure,” which was valid as of January 1, 2021 in order to emphasize the procedures and principles regarding the management of chemicals and to ensure that the suppliers comply with these procedures and principles within the scope of the Corporate Environmental Management System, has been published on the in-house website in Turkish, English, and Russian languages. In the procedure, all the rules to be applied at the onset of the supply of chemicals, then during their use and storage, and at disposal after use or at the end of their life are explained in detail.

In addition, an e-mail was sent to the company's suppliers in 2021 by the Environmental Management Directorate informing them of their responsibilities regarding EU REACH and the Turkish Chemicals Regulation (National Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals). While most suppliers declared that they pre-registered chemicals for their products in this context, those who did not pre-register were requested to declare that they accepted their responsibilities and would complete their registration by the mandatory deadline, and the follow-up was initiated.

ACTIVITIES IN ASSOCIATION WITH A NUMBER OF 11 SYSTEM CERTIFICATES OWNED BY ŞİŞECAM AND ITS AFFILIATES ON INFORMATION SECURITY MANAGEMENT ARE MONITORED AND COORDINATED.

* <https://www.youtube.com/watch?v=IXOD9xlezfQ>



IN 2021, THE R&D, DESIGN AND QUALITY ACTIVITIES WERE SHAPED BY TAKING INTO ACCOUNT ŞİŞECAM'S STRATEGIES, GLOBAL TRENDS IN THE INDUSTRY AS WELL AS SOCIO-ECONOMIC CHANGES CAUSED BY THE PANDEMIC AROUND THE WORLD, AND THEY WERE SUPPORTED WITH NATIONAL AND INTERNATIONAL COLLABORATIONS.

Corporate research, development, design and quality activities were shaped under the Chief Research, Development and Quality Office (R-D&Q) by taking into account the company's strategies, global trends in the industry as well as socio-economic changes caused by the pandemic around the world, and they were supported with national and international collaborations.

Şişecam Science Technology and Design Centre (STDC), one of the most advanced R&D centers in Turkey and one of the largest R&D centers of its kind in Europe, consists of 31 well-equipped expert laboratories as well as a product design center specialized in glassware and glass packaging. STDC employs 176 full-time researchers including 18 design professionals. 38% of the Center's staff have a postgraduate degree. R&D and Design activities range from basic scientific research and creation of a laboratory-scale prototype to commercialization of new products and technology with production groups. R&D activities are conducted on a project basis. Development of each project is monitored within the "R&TD PRO" project management system. In the R&D Center, which is accredited within the scope of the Law No. 5746 Regarding Support to Research, Development and

Design Activities, 37 umbrella projects and in the Design Center 7 umbrella projects have been conducted.

New Products/Technologies

The technology readiness levels (TRL) of the projects carried out on optics, laser, night vision glasses and glass ceramic materials for civil and defense industry use, which are not yet in Şişecam's product portfolio, were improved, and the first prototypes were obtained in the laboratory environment.

As part of the collaboration project on bio-inert glasses with a leading pharmaceutical company in Turkey, the synthesis of glass microspheres with micron diameter, spherical shape and a special composition used in cancer treatment was carried out in the laboratory environment. After the creation of the prototype product, a supplier contract was signed between the two companies. A glass type to be used in medical practice will be synthesized for the first time at Şişecam, and this product will be the first product supplied from the R&D Center.

In order to increase agricultural productivity, studies were carried out to develop a controlled release glass fertilizer composition, and two different glass fertilizer



WITHIN ŞİŞECAM R&D, PROTOTYPE PRODUCTS WERE DEVELOPED BY SYNTHESIZING MICROSPHERES OF SPHERICAL FORM WITH MICRON DIAMETER TO BE USED IN CANCER TREATMENT, AND A SUPPLIER CONTRACT WAS SIGNED WITH A LEADING PHARMACEUTICAL COMPANY IN TURKEY.

compositions, with and without additives, were created. A patent application was made for these two glass compositions, and efficiency studies were initiated in real environment by a leading company in the field of agriculture.

Experimental studies initiated as part of developing glass fiber (R-Glass) with high Young's modulus (>85 GPa) for use in wind turbine blades continued with a focus on producing high modulus fiber glass with Şişecam's unique patent. Studies have begun for a glass composition with a linear thermal expansion coefficient at a certain level, compatible with the vaccine to be stored, for vaccine tube/vial needs on a local and global scale.

As part of environmental technologies research, studies on existing carbon capture technologies continued and focused on the biological cyclic Basalia process. The Basalia process is a cyclical system with a zero-waste-zero-emission commitment, in which inorganic wastes are disposed of independently of the content on the basis of micro-organism community capabilities, hydrogen dense gas is produced in the meantime, waste water is treated with nano-sized dust obtained as an intermediate product, and carbon capture from flue outlet is made. The feasibility studies for the industrial scale implementation of the cyclical system, whose pilot studies were carried out at the Mersin Soda-Chromium Facility, are ongoing. The project brings radical solutions to many environmental problems. In addition, its potential to break new ground in energy supply and hydrogen production is being studied.

A patent was obtained for the Antimicrobial V-Block Technology, which was commercialized in the glassware product group, after the licensing and official approval processes were completed, and studies were carried out to apply it to flat glass and glass packaging product groups.

As per the demands in different geographies, the development studies of new products with heat and light control features and low emissivity coatings for architectural implementations continued. A total of 4 products, 3 with double silver, in temperable and non-temperable versions, solar low-e 50/25 and 40/22 performances with neutral reflection color and 1 with one silver in 41/28 performance with green reflection color and high reflection feature, were developed in the laboratory and put to production.

Studies on glass systems with a wide range of light and heat transmittance, developed in parallel with the increasing use of glass in the automotive market, continued. In line with the needs of the electro-optics, telecommunication and defense industries, product-oriented development studies were carried out through collaborations with universities, institutes and start-ups on coating and overcoating processing technologies.

Projects to develop thin and light ballistic resistant laminated glass systems for land and air vehicles for the defense industry continued. With the optimization studies carried out on the process parameters of the existing products, the production efficiency and storage life were improved.

As part of the development activities of heliostat solar mirror, which is an important component of the next generation ecological water-based mirror and tower-type concentrated solar power plants, production-scale trials were completed and patent applications were made.

2 new products for use with glass fiber reinforced composite products were passed to production. Alternative raw material studies were focused to increase supply resources. Many alternatives were developed, and domestic and foreign companies were added to the supply chain portfolio.



RESEARCH AND DEVELOPMENT ACTIVITIES FOR INNOVATIVE TECHNOLOGIES IN THE FIELD OF HIGH-EFFICIENCY AND LOW- EMISSION MELTING AND ENERGY RECOVERY CONTINUED ON A GLOBAL SCALE.

In the field of innovative and functional paint systems for glassware products, 6 new product development studies were completed. Collaborations with sub-producers to make coatings with different techniques so as to obtain surfaces with high reflectivity were performed. Şişecam collaborated with domestic companies in studies to improve the cost and quality advantages of its painting systems used for decoration in glassware and glass packaging products. Developed alternative inorganic and organic based printing paints are offered to be used in factories. A cost advantage of up to 50% was achieved in paint systems developed with domestic suppliers.

As part of glassware design activities, on the automatic product side, a total of 346 designs were made for 105 projects, and set mold approval was given for 48 of them. In pattern design, 572 designs were made for 62 projects and 352 designs were commercialized. In hand-made products, 258 designs were made for 50 projects and 17 molds were commercialized. In the packaging design department, 1,675 designs were prepared and implemented for 457 projects. Three "2022-23 Colors" workshops were held with Color Consultant Ümit Ünal, and one "Design Thinking" workshop were held with the Makers firm. 6 prototypes were prepared for automatic manufacturing projects.

As part of glass packaging design activities, a total of 239 design studies, 134 analysis studies and 103 mold design studies were carried out for 139 product projects. Mold ordering process was initiated for 31 out of 139 projects, and 19 of them were commercialized. 18 improvement and weight lightening studies were carried out, and the process was completed by ordering set molds for 6 of them. Set mold designs of 15 out of 31 projects for which trial and set mold orders were given in 2021 were prepared.

Energy, Process Efficiency and Environment

Research and Development activities for innovative technologies in the field of high-efficiency and low-emission melting and energy recovery continued on a global scale.

The company continued to work on cold repair design projects for 9 furnaces, and commissioned 6 furnaces upon completion of repairs. Technological improvements in terms of optimum production and energy efficiency in the furnaces repaired, were realized with designs supported by modeling and simulation. Alternative solutions were produced for the constraints experienced in the supply of materials for furnace repairs, and energy efficient furnaces were brought to the production groups at affordable costs by avoiding delays in the targeted furnace maintenance and repair dates.

The “Smart Oxy-Boost” project, supported by the EU LIFE fund, aiming to increase the production capacity up to 15% in the Bulgarian flat glass furnace with smart combustion technology, was successfully concluded. The field assembly works of the “CleanOx pre-heating” project, which aims to save energy in the glassware furnace with the innovative waste heat recovery technology supported by the EU LIFE fund, were completed. Şişecam joined the EU-certified CO₂OLHEAT project as a consortium partner. Initiated under the H2020 call, this project is designed to use super critical CO₂ as a process fluid to achieve 2 times more energy efficiency compared to traditional systems which produce electricity from waste heat.

Under Energy Efficiency Law No. 5627 and relevant regulations, Şişecam completed energy surveys of 16 different plants in 4 production areas. The identified savings potential is followed up on an annual basis. Four VAP applications were made to benefit from the energy efficiency incentive mechanism of the Ministry of Energy and Natural Resources.

In addition to 4 existing facilities for waste heat recovery, planning studies on 4 new projects to evaluate the potential continued. The budget for 2 new waste heat recovery facilities was included in the investment program. Rooftop type photovoltaic solar electric plants located at Flat Glass Mersin Plant and at STDC, with 6.2 MW and 87 kW installed capacities respectively, continued to produce energy. Regional renewable energy potential studies were carried out, and 1 WPP and 4 GES Power Plants were included in the investment program.

Şişecam established the ENIS-Energy Monitoring System for real-time monitoring and improving the efficiency of energy sources and processes in the production facilities. The ENIS-Energy Monitoring System was commissioned in a total of 39 facilities, including 18 plants, 5 businesses and 16 buildings/stores. Monitoring and instantaneous analysis studies of key energy consumption points (electric motors, compressors, fans, pumps, lighting fixtures, etc.) were conducted. This effort improved specific energy consumption. In addition, hardware deficiencies for digitalization were identified. Energy bulletins and analysis reports were also generated.

Operational Excellence in Design and Production

Next-generation fully electric and hybrid furnace development activities were continued to reduce consumption of fossil fuels and improve energy efficiency. Studies for design criteria determination through simulation were completed for the TR-9 furnace with a capacity of 1,200 tons/day, which is planned to be the highest capacity flat glass furnace in Europe. Efforts to optimize operating conditions of furnaces and production lines for different production demands were supported with the assist of digital simulations. Shaping simulations were utilized to support efforts to reduce weight of glass packaging products. New product development processes were supported with the use of ballistic performance and crash test simulations. Şişecam holds “Designer Business Partner”

status of leading automobile manufacturers. Studies on designing heating systems in automotive windshields were continued. The company also improved competency in analyzing and designing head-up display systems. Glass furnace operation and the production process of chemicals such as chromic acid sodium monochromate were optimized with artificial intelligence methods. Classification of glass defects was supported with machine learning methods. Şişecam continues to improve its modelling capabilities for optimization of vacuum coating process, as well as process modelling capabilities for the production of soda and chromium components.

The production of recycled glassware, which was produced for the first time in 2020 with 100% cullet, continued by using cullets of different compositions supplied from Turkey. Stable production was maintained by making changes in the production parameters and cullet mixing ratios to ensure that the glass color and properties remained at the target values during the production, and the campaign continued for 2 months, resulting in 31% energy savings and a 0.423 tons/ton glass reduction in CO₂ emissions.

The production efficiency and glass quality were increased by supporting 22 color transitions, and the melting and affinity performances of 24 alternative raw materials were evaluated in comparison with the existing ones. Alternative raw material and blend optimization studies were carried out in the glass fiber blend, and 2 applications were determined to reduce the foaming problem. An increase in glass quality, a decrease in raw material and production costs, and an increase in efficiency were achieved by modifying the composition of automatic crystal glassware. A training series on raw materials, melting and affinity, glass composition, color, defect and annealing specific to glass packaging and flat glass production was held with wide participation from Turkey/global factories.



In the analysis and characterization laboratory, studies on the use of alternative raw materials in glass production, performance tests of alternative refractories thought to be used in furnace investments, and examinations for the solution of glass problems were made. Analysis and characterizations needed in product development projects were carried out with hi-tech devices and different methods, and new methods such as coating analysis with LA-ICP-MS for sustainable quality, rapid migration control in glassware printed products, determination of photocatalytic effect in thin film coatings were incorporated into R-D&Q.

Within the scope of ISO 17025 Laboratory accreditation, TÜRKAK audits were successfully completed without any finding of technical non-compliance.

National and International Integration/Intellectual and Industrial Rights and Patents

Şişecam conducted collaborations with 84 (45 national, 39 international) universities, research institutions and R&D units. In the design area, joint projects were undertaken with a total of 27 designers, including 11 domestic and 16 international designers.

As part of TÜBİTAK 1004-Center of Excellence Grant Program, the first 6 months of the projects carried out with Bilkent-UNAM and METU-GÜNAM were completed, and periodic technical and financial reports were made. 1 ARDEB (Directorate of Research Funding Programs) 1505-University-Industry Collaboration Grant Program project was carried out, and 1 ARDEB 1003 - Priority Areas R&D Projects Grant Program and 1 TEYDEB (Directorate of Technology and Innovation Grant Programs) 1501 - Industry R&D Projects Grant Program were completed. One ERASMUS project has continued. Within the scope of the Defense Industry R&D Wide Area call, 1 project was carried out. As part of TEYDEB 2244-Industry Doctorate Program, a total of 9 projects were carried out with METU, GTU, Marmara, Sabancı, Özyeğin, YTU and Bilkent Universities, and studies were conducted on the subjects determined by R-D&Q with 23 doctoral students. Under the International Support Programs, 2 EC Life+ projects and 2 HORIZON2020 projects were executed. 1 M-Era.Net and 1 CSP Era.Net applications were made. Two ARDEB 1071-Support Program for Increasing the Capacity to Benefit from

International Research Funds and Participation in International R&D Collaborations project applications were also submitted. In 2021, many different sessions were held with students from different universities, and a certificate program was designed to last for 8 weeks, named "Certificate Program for Glass Industry Applications with Şişecam" for the first time within METU Metallurgical and Materials Engineering.

Şişecam filed 5 patent applications, 11 patent registrations, 3 PCT/EPO application and 137 design registration applications. Şişecam and its subsidiaries have 77 active inventions. Of them, 43 were registered, while 34 are pending registration. Şişecam has intellectual property protection for 872 design registrations for glassware and 280 design registrations for glass packaging products.

The 36th Glass Symposium was held on a virtual platform due to ongoing pandemic conditions. A total of 557 people, including 537 viewers, 13 panelists and 7 moderators, from 40 countries across 5 continents participated in the event, which was held in 4 sessions on November 12, 2021 with the theme of "Glass is Future."

One Şişecam Quality Transformation

The Design Principles of single quality function requirements were determined with the Quality Organizational Transformation Project. Current and future situation analyzes were made, and the operation model and processes were designed according to the target situation criteria.

According to the fields of activities;

Architectural glasses; ISO 9001 Quality Management System documents of Şişecam Flat Glass Turkey Factories were combined under the Management and Sales Center. Required certification processes for different markets were completed to support dynamic sales opportunities in global markets. Şişecam also completed registration of product performance calculators for its industrial customers. To be able to sell products in the American market, the American Standards (ASTM) product declarations were made by conducting inspections within the scope of ASTM, and the performances of 65 products were published in the IGDB database used by the customers. The SGCC certification processes required for the sale of laminated products were completed.

The IFT certification process in Bulgaria and Bursa Plants for the sale of coated products in the European market were completed. Coated glass accreditation studies were carried out for 74 dealers in Turkey and 22 dealers in abroad.

By including the “Kaizen” projects in 6 Sigma projects in 2021, 29 projects were planned, and achieved significant gains that provide cost advantages to increase the efficiency of resource use and production processes.

Auto Glass; the revision project of the Quality System was completed and extended to all businesses. Supplier management system infrastructure was established and procedures were completed. IATF certification started to be managed with a single audit source. TISAX and ISO 27001 certifications and audits were successfully completed. Under the sustainability topic, glass facilities were gathered under one roof in SAQ and Ecovadis subjects.

Glassware; corrective actions were initiated by the relevant units for the input quality control system structure, sub-producers and suppliers. In the SAP QM system, all problems experienced in the molds were recorded by creating “mold information forms.” Mold-related complaints were also displayed by providing integration with SAP CRM.

For V-Block products, the notifications sent as a result of the Market Surveillance and Audit activities carried out by the Provincial Health Directorates of different provinces under the Ministry of Health in Turkey within the scope of the Communiqué on Articles Treated with Biocidal Products were answered. For global markets, necessary examinations were made on the relevant market rules and announced within Şişecam.

For the products developed for customers such as Nestle, McDonald’s, Ikea, Primark, Tupperware and TCC, specifications were created. Their performance, compliance audits and tests were carried out, and shipments were monitored. Besides, the company worked with the factory, customer and test laboratories to develop 34 accessory projects, and the projects were completed. Necessary specifications were established for adding commercial products such as porcelain and melamine to the portfolio.

Glass Packaging; the steps of standardization, management of customer complaints with action plans, commonization and systematic follow-up of quality plans, improvement of packaging materials and supplier management, which were planned within the scope of the Total Quality Management Development Project, were completed. The work to increase the resistance of the wooden pallet used in the packaging process was completed,

and the types of pallet were reduced. Compressed wedges were used in some pallets for the mould problem of wooden pallets. With the support received from the university, trainings were given to all factories and suppliers. The plastic pallet trials were successful, and plastic pallets started to be use in the customers with whom an agreement was reached.

Homogeneity studies for the improvement of hot and cold coating applications, standardization and verification of measurements, standardization of maintenance plans and alternative coating material trials were completed.

Chemicals; the authorization process initiated for the Chromic Acid product was successfully completed on December 18, 2020, and work continued for the new authorization process within 2021.

The title of “lead registrant” was received for chromic acid, sodium bichromate, basic chromium sulfate, chromium nitrate and chromium chloride products, the pre-registration of which was completed in accordance with the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (KKDİK/Turkish REACH), published in Turkey in the Official Gazette dated June 23, 2017, and numbered 30105 (in duplicate). The exclusive representative role for Cromital SpA and Şişecam Soda Lukavac companies was assumed.

Şişecam has fully fulfilled all of its legal obligations under the UK REACH Regulation put in force in the United Kingdom as of January 1, 2021 due to Brexit, and completed the pre-registration of all its products. In South Korea, where Şişecam has a wide chromium chemicals market, product registration operations were completed under the Korean REACH in 2021.

BY INCLUDING THE “KAIZEN” PROJECTS IN 6 SIGMA PROJECTS IN 2021, 29 PROJECTS WERE PLANNED, AND ACHIEVED SIGNIFICANT GAINS THAT PROVIDE COST ADVANTAGES TO INCREASE THE EFFICIENCY OF RESOURCE USE AND PRODUCTION PROCESSES.

INFORMATION TECHNOLOGIES



INFORMATION TECHNOLOGIES CONTINUES TO IMPLEMENT TECHNOLOGICAL TRANSFORMATION ACTIVITIES FOCUSED ON ONE ŞİŞECAM, IN LINE WITH “SMART, PRODUCTIVE, DIGITAL AND IT X.0” STRATEGIES.

Smart Şişecam

The development of the corporate data architecture continued, and the creation of the Digital Twins of the factories started with the Balıkesir Elyaf and Yenişehir Flat Glass Factories while the corporate data warehouse efforts continue.

The company was engaged in activities to improve data quality, clean and manage master data and create management cockpits, which were started under the Roots and Wings Digital Transformation Program, and they were expanded to different functions and fields of activity. Work for the implementation of a single, integrated data warehouse for Şişecam continued.

As part of continuous research of opportunities to create value from data, the first tests of the analytical models developed for the optimization of the natural gas consumption of the furnace were started at the Yenişehir Glass Packaging furnace, and the tests for the optimization of production parameters with analytical models to increase the production efficiency were started at the Balıkesir Fiber Factory.

Digital & Productive Şişecam

Within the scope of the projects carried out in addition to the Roots and Wings Digital Transformation Program, corporate application solutions aligned with Şişecam Business Functions (Center of Excellence's) processes were developed, and technological infrastructure, data and security architectures were created. In this scope:

- **Supply Chain:** Supplier Park Stock and Shipment solutions, Glassware Bulgaria Factory Supplier Financing with Conveyor system, Process Mining, Contract Management, e-Invoice, Purchasing Catalog Management, e-Tender, Transport Purchasing, Supplier Order projects
- **Financial Affairs:** Secure Bank Payments with Kyriba Swift, Digital Fraud detection control system, Supplier Financing system, Import Payments Kyriba integration, and Infrastructure, ERP integration and legal compliance activities within the scope of Global Mergers and Name Changes

INFORMATION TECHNOLOGIES PLAY A STRATEGIC ROLE IN ACHIEVING ŞİŞECAM'S GLOBAL GOALS BY "COMPETING WITH DATA."

- **Sales and Marketing:** Flat Glass Overseas Loyalty Program within the scope of enhancing B2B and B2C customer experience, Glass Packaging Corporate Customer EDI solutions, Erenköy and İstinyepark Paşabahçe Experience Store technological infrastructure for our Retail Customers, Bodrum Showroom, different Mobile & Web-based applications
- Within the scope of increasing the HR employee experience, the HR Corporate Solution Architecture technological infrastructure was created with the secure, flexible, location and device independent implementation of the Digital Office, Communication and Collaboration platform, and activities related to processes such as Recruitment & Orientation, Training Management System, Career Development & Back-up, Workforce Planning were carried out. Travel Cost Management, Personnel Attendance Tracking System renewal projects
- **Production and Production Technologies:** Projects for dissemination of RFID Pallet Label standards in prioritized factories including global, commissioning of Automotive

Special Cut lines, dissemination of Soda Smart Weighbridge Automation systems, MES Production Tracking Systems, integration of Glass Packaging Finished Goods Warehouse systems with ERP, realization of Flat Glass and Auto Glass transports with RFID, Order Shipment Improvements, Auto Glass Product Traceability were implemented. Production and Production Technologies field applications were evaluated within the scope of IT/OT Standards created, and modernization studies related to prioritized applications

Efforts on Production and Operational Technologies' (OT) Governance at the factories and in the field were prioritized within the scope of Production Technologies infrastructure activities. Efforts continue on the Industrial Control Systems (ICS) Inventory Estimate and Network Topology Improvement Project. IT/OT Standards for Industrial Systems Basic Rehabilitation were determined, and activities to ensure environment safety

- Improvements within the scope of the SAP ERP Center of Excellence organization
- Robotic Active Process Monitoring, RPA Automation, Process Simulations and Analysis for Using Robotic Automation in Processes as part of Functional Activity Model and Common Process studies

were implemented, and efficiency, productivity, quality and speed increase have been achieved.

IT X.O

Main Physical Data Center was closed within the scope of New Technological Infrastructures and Expansion of Business Continuity, and a modular, flexible and agile infrastructure architecture has been adopted with the Hybrid and Multi-Cloud Data Center. Studies on Data Storage Consolidation, Cloud Center of Excellence, Serverless Infrastructure, Value Added Services and dissemination of Business Continuity are going on. In addition, a roadmap for the Modernization of Current Corporate Applications was created and the transformation of prioritized applications initiated.

Within the scope of Cyber Security, Risk and Compliance projects, significant improvements were made in the risk map both within the scope of IT and OT, by increasing the resistance levels for Identity, Device, Application/ Data and Infrastructure Security. Network Infrastructure Modernization & Redundancy efforts needed in digital transformation were completed at a critical level.

In order to manage and increase IT Performance & Efficiency, Critical Supplier Management monitoring, Help Desk satisfaction measurement metrics, Service Level agreement compliance ratios, accessibility of Critical Services, performance measurements for process outputs, and other international IT metrics were closely followed. A joint alignment of Şişecam's Strategic Objectives with Information Technologies and Individual Objectives was provided.

Roles, duties and responsibilities were analyzed by modernizing the IT Process Architecture, and an increase in speed and efficiency was provided by implementing an operational activity model compatible with the processes. Work continues on transforming organizational skills and managing competencies.

Within the scope of IT Financial Efficiency, the "Pay As You Go" model was expanded. Significant gains were achieved with the Şişecam License Management project.

Within the scope of Legal Compliance, internal and external audits were carried out regarding standard and legal regulations such as GDPR, KVKK, ISO 9001 Şişecam Quality Management System, ISO 27001 Information Security Management, IATF 16949 Automotive CMB Information Systems Communiqué, EMRA Energy Market Regulatory Authority, and the continuity of the existing certifications was ensured with the improvements.



THE HUMAN RESOURCES FUNCTION PREPARES THE ORGANIZATION AND THE COMPETENCIES OF HUMAN RESOURCES FOR THE FUTURE WITH THE STRATEGY OF “COMPETENT WORKFORCE, AGILE AND LEAN ORGANIZATION” BY FEEDING ON CORPORATE STRATEGIES.

Conducting production, sales and marketing operations in 14 countries with about 22 thousand employees, Şişecam firmly believes that diversity in human resources must be promoted and is key to achieving sustainable corporate success. The Human Resources Function, which accordingly implements best practices and creates value on a global scale with a strong organization, innovative and constantly developing corporate culture, prepares the organization and the competencies of the human resources for the future with the strategy of “**Competent workforce, agile and lean organization**” by feeding on corporate strategies.

Our Human Resources Policy

Şişecam strives to implement a human resources policy that fosters sustainable global success, nurtures an innovative corporate culture that encourages collaborative learning, implements the best human resources policies in all areas of operation and adds value to all stakeholders.

Şişecam shapes its human resources approach in accordance with laws, corporate values and ethical principles, and embraces diversity and equal opportunities. With aspirations of becoming an employer of choice, Şişecam adopts an impartial, systematic and development-oriented

approach in all human resources processes, including recruitment, career management, professional development and training, and performance management. It recognizes and rewards consistent and high performance and implements competitive compensation and benefits strategies that are compatible with market conditions.

Şişecam respects the historical and cultural values of the communities in which it operates. It endeavors to pass on to future generations the diversity and cultural heritage of its global workforce and stakeholders by empowering them.

It respects its employees' work-life balance and implements human resources programs accordingly. It offers communication platforms that consider employees' suggestions and expectations, and monitors employee engagement and satisfaction through impartial and independent studies. The Group continuously improves upon the methods that advance engagement and foster a positive workplace, and it provides a healthy and safe work environment where corporate values are nurtured.

It aims to maximize the potential of its global human resources, ensure sustainable high performance and make the value it creates for its stakeholders stronger in the future. Şişecam Group shapes and strengthens its future with

an understanding based on being human-oriented, and on continuous development and innovation by combining its long history with an outlook toward the future.

One Şişecam Organizational Structure Activities/Transitioning Human Resources into New Operating Model

As one of the Şişecam Target Operation Model transformation initiatives carried out as per the “One Şişecam” vision, the efforts to redesign the organization on the axis of functional structuring was completed to a large extent. The harmonization of human resources was carried out in stages as the design studies were approved, and in the process that started with the Financial Affairs and Human Resources transformations at the beginning of 2021, transformations of the Supply Chain, Production, Quality, Legal Affairs, Strategy, Investments functions were finally completed at the beginning of 2022. The transformation efforts of Sales, Marketing, Communication, and Design functions are going on. The new structure will contribute to the implementation of synergies with the potential of accelerated excellence and creating high value, in achieving the growth vision that creates sustainable value with global excellence and innovation platforms. Within the scope of these transformations, 3,818 individual evaluation tools were used to place approximately 2,850 employees in their new roles, and appointment decisions were made with the active participation of the relevant management teams. In the whole process, managers and employees were informed through more than 30 well-attended communication meetings held at different stages. At the same time, basic knowledge and skill needs identified for adaptation to new roles were addressed through Şişecam Academy schools and a foreign language support program.

With the “One Şişecam Culture and Career Architecture Project” to be carried out as per the new operational model implemented, “Culture, Values and Leadership Model,” “Competency Model, Job Architecture and Career Management and “Job Evaluation and Total Rewards Model studies will be carried out.

Human Resources Global and Digital Transformation

As part of the “Roots and Wings Digital Transformation Program,” the “Human Resources Global and Digital Transformation” Project based on innovation and digitalization perspective was launched in 2019. The Human Resources processes, policies and procedures, operating model and organization, service channels, digital and analytical infrastructure were restructured globally with a focus on future and employee experience. With its innovative, creative and successful applications in the human resources, the Human Resources Global and Digital Transformation Project won an achievement award in the “Leadership in Digital Transformation” category at the PERYÖN Human Value Awards. In addition, Şişecam was the finalist of the Grand Prize. Also, it was granted the “Silver Award” in the category of Human Resources Team of the Year at the “Stevie International Business Awards (IBA).”

As part of the Human Resources Global and Digital Transformation Project, 40 main processes were designed and the program was carried out with teams structured with an agile project approach for 45 different products/solutions. 64 policies and procedures regarding Şişecam’s global Human Resources applications were prepared in line with the new integrated digital and global processes.

Performance and Reward System

The Performance Development System renewed to transform targets set in line with corporate strategies into sustainable and successful business results were implemented in all operating countries. Main human resources processes such as development, talent management, rewarding, compensation and career management are fed with the final outputs of the Performance Development process, which is shaped by the continuous dialogue between managers and employees.

Successful projects that contribute to business results are awarded within the scope of the Stars of the Year. In this context, 234 employees were awarded with 28 projects in the Operational Excellence and Corporate Development category, 27

factories in the Occupational Health and Safety category, 8 inventions in the Patent category, 21 projects in the CEO Special Award category, and specific to 2020, 3 projects in the Pandemic Crisis Management category.

The exemplary conduct and achievements of the employees, which enable them to create value with innovative approaches, are appreciated with the instant rewarding application.

NAR Suggestion Development System

Şişecam aims to reveal new and original practices or approaches by using the know-how, experience and creativity of its employees as well as their productive curiosity dynamism. Applications aimed at increasing organizational development and creativity are supported with the NAR Suggestion Development System.

Compensation and Budget Management

A compensation policy, which is competitive, fair, stable, and supports high performance, is adopted at Şişecam. The aim is to attract human resources needed to the company and to create a positive and competitive work environment by keeping the existing employee loyalty high. The compensation management system is based on the market, compliance with current compensation structure and ability to pay, individual performance, and business grade.

With Budget Management policies, it is ensured that personnel and labor expenses are realized in accordance with Şişecam policies, in order to provide the effective management and control of the financial structure globally.

EMPLOYEE EXPERIENCE AND ENGAGEMENT

Internal Communication and Employee Experience

Şişecam employees in different geographies are ensured to be a harmonious team advancing towards common goals thanks to effective in-house communication management. Internal communication activities and strategy are determined in line with strategic focuses and employee feedback. Communication channels used for improving employee experience are improved in line with strategies, technological developments, and needs.

HUMAN RESOURCES



SINCE 2017, 246 OF THE 571 INTERN WERE EMPLOYED AT ŞİŞECAM, AND THE SATISFACTION SURVEY RATE OF THE GLOBAL YOUNG TALENT PROGRAM “TOGETHER” WAS MEASURED AS 97%.

Employee Events

The annual calendar of employee events includes events such as **Family Day at Şişecam, New Year’s Celebrations, Stars of the Year, and Seniority Incentive Award Ceremonies**, etc., which are held regularly on a global scale and in accordance with pandemic conditions.

Celebration-remembrance messages and events related to internationally recognized **special days** and **32 different local special days** of the countries in which Şişecam operates are carried out with an inclusive approach, taking into account the local cultures of all countries.

The activities carried out in Turkey since 2014 with the colorful face of Şişecam **Şimdi! Sports and Social Activities**, took the step of globalization under the name **“NOW!”** in 2021. Thousands of employees are involved in dozens of tournaments, live broadcasts, hobby clubs, workshops and sports activities with **“NOW!”**, which carries its activities to digital with the pandemic.

Employee Şişecam Life-Wellbeing

Applications: Efforts were initiated to expand the scope of existing applications that would improve employee health and well-being and to gather them under a single brand. These focused on improving the physical, mental, social and financial well-being of employees in a broad context and creating a holistic approach.

Employer Brand

Efforts to develop the Employer Brand and **become a preferred company** are being carried out. Within the scope of the **global young talent program “Together,”** the long-term internship program that supports talent acquisition strategies, interns can work in Head Office units, Science, Technology and Design Center, and factories. Since 2017, 246 of the 571 Intern were employed at Şişecam, and the satisfaction survey rate of the program was measured as 97%. Together Program was granted the Bronze Award in the **“Best Young Talent Employment Strategy”** category at Stevie Awards for Great Employers in 2021. In addition, the short-term **First Step Summer Internship Program** is managed to support talent acquisition needs. In 2021, **224** university interns completed their summer internships at different locations.

Within the scope of projects to improve **University & Industry collaboration**, university students were allowed to work at different units for their graduation projects, and in 2021, collaborations were made with **6 universities on 17 projects**. In addition, a total of **24 lectures at 9 universities** were given as guest speakers by Şişecam's expert employees. With the Together Doctorate program, the "2244 Industry Doctorate Program," which was implemented in collaboration with TÜBİTAK to increase the number of employees with doctorate degrees in the industry, is attended with the Science, Technology and Design Center projects, and a total of **23 doctorate students** from **6 universities** are assigned to the program.

Every year, independent surveys that identify the most preferred companies are being attended. Şişecam was ranked 10th in the "**Graduate Survey (Realta)**" and 20th in the "**Most Attractive Employers Survey (Universum)**" among the top engineering students. It was one of the top 10 companies in the "**Most Admired Companies of the Business World**" survey (Capital Magazine) and became Turkey's most admired company in the Ceramic-Glass sector.

Supporting Diversity and Inclusion

All employees in different geographies are supported to equally benefit from global opportunities, and sustainable performance and success culture are strengthened by nurturing innovation with experience diversity. A Diversity and Inclusion Working Group was formed within the Şişecam Sustainability Committee, and many initiatives were implemented to offer equal opportunities to employees and to convey this understanding to all stakeholders. With the priority of fighting gender-based discrimination determined as per the Diversity and Inclusion Policy, studies are carried out to increase women's employment in production areas. The number of female employees is over 5,100 and the ratio of female employees among all is 22.8%.

The Women Expression Program was launched as a pilot in 2021. The program that is designed to support the strategic and global perspective of female managers determined from talent pools, and to develop their leadership competencies, is supported by coaching and experience sharing. The program, which is supported by senior female executives as mentors, will be expanded in 2022.

With the project initiated to create a work environment suitable for the needs of all employees, the transformation of physical spaces in workplaces continues.

TALENT MANAGEMENT

Global Talent Acquisition

The aim is to attract human resources that can contribute to Şişecam's future strategies, to place suitable candidates in the right positions and to promote them, through globally standardized recruitment and career movement processes, by ensuring effective management of internal and external candidate resources. The internal candidate journey was structured and the new **Internal Posting System "TAKE-A-WAY"** was implemented. Hence, the development of in-house resources was supported, and career paths and mobility opportunities were increased.

Talent Management

The Journey Global Talent Management Program aims to contribute to development of high-potential employees and prepare them for leadership roles. The program ensures end-to-end talent management thanks to its integrated structure which includes resource management, career management, succession and development management systems. In order to measure the impact on business results in an individual basis and to increase improvement performance, development programs are carried out on executive and strategic leadership topics with the best business schools, coaching support and mentoring experience are offered, and mutual learning is supported through learning and sharing seminars. In addition, special development journeys

are designed and followed up for each employee. A total of 42 managers were included in the executive, strategic and female leadership programs carried out as part of talent management, 150 employees in the mentoring experience, and 362 employees in development journeys. The Mini MBA Program, whose design has been completed, will be implemented in 2022.

Career Management

With the structuring of Şişecam's operating model, the organization and career architectures were redesigned. For the determination of the success profiles in the target structure, titles, career lanes and career management principles were designed in accordance with the functional organization frame. Technical career paths to support functional specialization were determined, and career levels were established in line with dimensions such as scope, responsibility, area of influence, know-how, skill and competence level of certain titles. Career lanes have been reconfigured to allow transitions between each other, and alignment and compliance that can support the transition between functions were considered.

Global assignment applications are maintained in order to meet the need for know-how and experience from internal resources by circulating the international workforce so as to support Şişecam's global structure, and to support the common Şişecam culture and values. The International Assignment Management policy is updated to meet the requirements of growth, the new operating model and the new business world. The aim is to expand local and global temporary assignment activities, as well as the existing expat management and local assignment practices in 2022. At the same time, initiatives for the assignment of employees from different countries within Şişecam Headquarters are planned to be implemented in short term in order to support international mobility in a multi-faceted manner, to increase diversity and to strengthen the global corporate culture.

HUMAN RESOURCES



THE PURPOSE OF THE ŞİŞECAM ACADEMY IS TO IMPLEMENT, CONTRIBUTE AND DEVELOP SYSTEMS IN ACCORDANCE WITH PROFESSIONAL/ TECHNICAL KNOWLEDGE, PERSONAL DEVELOPMENT AND CAREER DEVELOPMENT PLANNING BY THE DEVELOPMENT SOLUTIONS.

TRAINING AND DEVELOPMENT

Şişecam Academy

The purpose of the Şişecam Academy is to implement, contribute and develop systems in accordance with professional/technical knowledge, personal development and career development planning by the development solutions. In this direction, development solutions are offered with a holistic approach targeting the entire ecosystem with use of the latest technologies from a global perspective.

Training and development activities for 2021 were delivered to employees through digital media/hybrid solutions in line with the pandemic conditions. In this period, 25 man*hours of training was provided for monthly-paid employees and 20 man*hours of training for hourly-paid employees.

In parallel with the organizational transformation studies in 2021, the Human Resources, Financial Affairs, Glass Technology and Leadership School for New Managers were redesigned. Within the scope of the Foreign Language Development Program, 49,972 hours of training was provided.

Turkish and English e-learning modules of the Global Orientation training supported by 360-degree video footage were prepared, and efforts to adapt the content to virtual reality glasses are underway.

The Plant Human Resources Project was initiated in order to establish a multi-skill system for hourly-paid workers, to perform the first manager development trainings and to design an hourly-paid employee development card. In addition, the VR (Virtual Reality) Technical Training Project, which gives the opportunity for employees working on the production line to experience the work instructions in a safer environment before going to the field, was initiated as a pilot and will be put into use in 2022. Moreover, the Mutual Understanding & Collaboration Project which will support the efforts of Plant Human Resources Project, is being carried out.



BY REDUCING THE NEGATIVE IMPACTS OF THE ONGOING COVID-19 PANDEMIC, A HEALTHY AND SAFE WORKING ENVIRONMENT HAS BEEN ESTABLISHED FOR ALL EMPLOYEES IN SUCH A WAY NOT TO DISRUPT THE PRODUCTION AND SERVICE CONTINUITY.

In order to create a qualified workforce for the glass industry and to contribute to the development of school-industry collaboration, collaborations are carried out with high schools and universities in the operating countries. In 2021, the 4th Glass Application Certificate Program was held in Balıkesir. 10 out of 63 students who participated in the program were recruited. With the collaboration realized so far, a total of 95 students joined Şişecam. Negotiations were held in this context with the Ministry of National Education in Bulgaria, and dual education collaboration was carried out with 3 new schools.

Especially to close the engineer gap in research, development and production, a branded course was implemented especially for Materials Engineering. The Glass Industry Applications Certificate Program was implemented with Şişecam at METU and 50 Metallurgical and Materials Engineering students attended the program.

ADMINISTRATIVE AFFAIRS AND SECURITY

Covid-19 Employee Experience and Crisis Communication

By reducing the negative impacts of the ongoing Covid-19 pandemic in 2021, a healthy and safe working environment has been established for all employees in such a way not to disrupt the production and service continuity. In this scope, the actions taken in the field of occupational health and safety were developed and adapted to the conditions with agile change management.

The health of all employees, customers, suppliers and their families remained as top priority during the pandemic period. An "Emergency Committee" consisting of CEO and senior management members was established, a "Pandemic Action Plan" was formed, and the measures published by the World Health Organization and official institutions of the countries were implemented. "Crisis Committees" were established to monitor the measures taken at workplaces, and the "Covid-19 Communication Committee Support Line" was opened. "Case Management" and "Communication Guides" were prepared for managers. **TSE Covid-19 Safe Production and Service Certificate** was obtained

for the factories in Turkey, Şişecam Headquarters and the Science, Technology and Design Center.

With the priority of protecting employment and preventing loss of income for employees, work schedules are being created in such a way that will not affect production activities, but will protect employee health. Protective measures such as providing disinfection in work areas, common areas and employee shuttles, general health checkup, vaccination, and working conditions in a manner which conforms social distancing rules are fully implemented.

Digital trainings were held on topics such as remote working and anxiety-stress management. **90,268 person x hours** occupational health and safety trainings, **3,544 person x hours** online seminars on pandemic and e-training practices were organized. Psychological consultancy, medical and financial support were provided with the unpaid Employee Support Line, and **2,832 support requests** were answered.

The "Covid-19 Information Center" has been made accessible to all employees via the in-house intranet and mobile application. **5,700** employees participated in two separate Covid-19 Employee Experience Surveys, and **90%** of the participants shared that they found the communication successful.

Other Administrative Affairs and Security Activities

Efforts for the projects on the transition to tech-intensive security practices, physical archives and digital archives, global facility and security management continued. The Smart Fleet Software project was put into use in 2021, and digitalization steps will be accelerated with the Service Optimization project in 2022. As part of environmentally friendly practices, studies on the use of hybrid technologies in vehicle fleets and food waste management continue. The Facility Security Service Model has been put into practice in Turkey and its dissemination studies continue. Standardization studies regarding the Facility Management Services such as transportation, cleaning, and meal are continuing.

INDUSTRIAL RELATIONS



ŞİŞECAM MAINTAINS INDUSTRIAL RELATIONS WITH A TOTAL OF 15 LABOR UNIONS - 4 OF WHICH ARE IN TURKEY, 11 OF WHICH ARE OUTSIDE TURKEY - IN COORDINATION WITH THE INDUSTRIAL RELATIONS AND OHS DIRECTORATE WITHIN THE HUMAN RESOURCES FUNCTION.

Şişecam aims to maintain Industrial Relations that are competitive and efficient in line with today's working conditions.

Şişecam's Vision on Industrial Relations:

- To improve competitiveness and efficiency by developing balanced and healthy industrial relations within the framework of Şişecam policies,
- To ensure continuity of labor accord based on trust and dialogue in the workplace, by working closely with labor unions and make efforts for more effective occupational health and safety practices at the workplaces under the principle of "people first."

Şişecam maintains industrial relations with a total of 15 labor unions - 4 of which are in turkey, 11 of which are outside turkey - in coordination with the Industrial Relations and OHS Directorate within the Human Resources function.

Collective Labour Agreements

In Turkey, 7 collective labour agreements were concluded in total, with 1 for business, 5 for workplaces, and 1 group collective labour agreement including 9 factories across Şişecam. With regard to international operations, the company concluded 3 workplace agreements in Bulgaria, and collective labour agreements for Glassware Factory in Russia, Automotive Factory in Romania, Soda Lukavac and Maden Vijenac Factories in Bosnia & Herzegovina, Automotive Factory in Hungary, Glass Packaging Factory in Georgia, Automotive Factory in Slovakia, Flat Glass Factory in North Italy, and Flat Glass Factory in South Italy.

Among the collective labour agreements, which last between 1 and 4 years, negotiations for the expired agreements started at year-end 2020 and at the beginning of 2021. Within the framework of negotiations held with the labor unions, the collective labour negotiations were concluded in line with Şişecam's interests.

In this regard, as of 2021, the interim years of the current collective labour agreements in Turkey continued, and businesses were informed about the applications on the implementation of collective labour agreements.



Outside Turkey;

- Negotiations on the Collective Labour Agreement for the 2nd term in Georgia Glass Packaging Factory with Georgia Metallurgy, Mining and Chemical Industry Employees Labor Union which began on 26.10.2020, ended on 22.01.2021 with an agreement reached between the parties. The collective labour agreement will be effective for 4 years between 01.01.2021 and 31.12.2024.
- An agreement was reached on 29.03.2021 in the current negotiations on the collective labour agreement at the Automotive Hungary Factory in Hungary. Collective labour agreement will be effective for 13 months between 01.03.2021 and 31.03.2022.
- An agreement was reached on 14.04.2021 in the current negotiations on the collective labour agreement at the Automotive Romania Factory in Romania. Collective labour agreement will be effective for 13 months between 01.03.2021 and 31.03.2022.
- An agreement was reached on 04.05.2021 in the current negotiations on the collective labour agreement at the Automotive Slovakia Factory in Slovakia.

- The collective labour agreement will be effective for 2 years between 01.04.2021 and 31.03.2023.
- An agreement was reached on 06.07.2021 in the current negotiations on the collective labour agreement at the Flat Glass Bulgaria Factory, Automotive Bulgaria Factory and Glassware Bulgaria Factory in Bulgaria. The collective labour agreement will be effective for 2 years between 01.07.2021 and 31.06.2023.
- An agreement was reached on 17.08.2021 in the negotiations on the collective labour agreement at the Glassware Russia Factory in Russia. The collective labour agreement will be effective for 2 years between 01.01.2021 and 31.12.2022.

Legislation and Coordination Studies

Due to the worldwide Covid-19 pandemic, significant changes occurred in the legislation concerning Industrial Relations, and businesses were regularly informed about these changes. Coordination meetings were held to solve the problems, and thus negativities were prevented.

Efforts to announce and comment on the implementation of laws, rules, regulations and collective labour provisions in the workplace continued in 2021.

Şişecam Job Grouping System - Harmonization with Factories Outside Turkey

During the 2021 CBA negotiations of Automotive Bulgaria, Romania, Hungary, Slovakia, Glassware Russia, Glassware Bulgaria, Flat Glass Bulgaria Factories, the Job Grouping System transition was realized and agreement was reached.

Resource Optimization Project

As part of the Resource Optimization Project, a protocol was signed with Kristal - İş Labor Union on 13.08.2021. Within the scope of the protocol signed with the labor union, 193 personnel were employed for the relevant positions, both from the contractor companies and from the existing personnel promotions and outsourcing.

OCCUPATIONAL HEALTH AND SAFETY



BY REDUCING THE NEGATIVE IMPACTS OF THE ONGOING COVID-19 PANDEMIC WITH THE OHS PROJECTS IN 2021, A HEALTHY AND SAFE WORKING ENVIRONMENT HAS BEEN ESTABLISHED FOR ALL EMPLOYEES IN SUCH A WAY NOT TO DISRUPT THE PRODUCTION AND SERVICE CONTINUITY.

Şişecam Occupational Health and Safety Policy

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

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

In this direction, we declare and undertake:

- To meet the relevant standards and requirements in the field of legal obligations for Occupational health and safety,
- To increase our performance and our processes with a proactive approach on the continuous improvement on Occupational health and safety,
- To continue improving the education and activities of our employees and sub-contractors/ suppliers to their employees, visitors, interns for adopting the principles of OHSAS.



Occupational Health and Safety Practices

Under pandemic measures and Case Tracking Systems, 650 meetings were held by the OHS boards to follow the developments and case management on a factory basis. A Health Tracking System was established to instantly and holistically monitor the health status of employees. In accordance with the KVKK, the health status of employees who have chronic diseases and are at high risk of being affected by the pandemic are instantly monitored by workplace health units through this system. On-site vaccination was carried out with the cooperation of local official institutions.

The "OHS Score Card Project" was put into practice at workplaces in Turkey as of 2021. The OHS performance of Şişecam employees was evaluated under the activities and works carried out, the OHS culture was disseminated, and a safe working environment was created in the workplaces. As part of the project, the OHS Score Cards were prepared on the basis of production and chief offices that directly affect production at the workplaces of Şişecam. As of the year-end, the final evaluation scores and grading were completed as part of the project, which was implemented in 142 units and 5 mining facilities affiliated to workplaces in Turkey. Within the specified scope, the average OHS Score Card grade of the businesses in Turkey for 2021 was calculated as **67**.

The Health Services Tracking Program started to be used in Turkey in 2021 was developed to cover Covid-19 requirements, and the occupational health and pandemic conditions (vaccine, case, isolation) of the employees were managed as per the KVKK rules.

OHS Risk Management and Action Tracking System application went live in 2021 in Slovakia, Hungary, and Romania, and trainings were held. In the "Action Module," "Risk Assessment Module" and "Incident Notification Module" of the OHS Risk Management and Action Tracking System, improvements were completed to meet the legal regulations of all countries in which Şişecam operates. Efforts to expand it to countries are going on.

With the Training Tracking System, the records of legally mandatory and target-oriented training data at workplaces in Turkey are now kept on the system. Adaptation of workplaces outside Turkey will be completed in 2022.

As of the end of 2021, the training time given specifically to Şişecam OHS was 304,800 man-hours. 65,700 man x hours - target-oriented training, 153,500 man x hours - legally mandatory OHS training was completed at workplaces in Turkey. 85,600 man x hours of OHS training was provided in workplaces outside Turkey.

As part of the HR Analytics Project, 18 OHS key performance indicators were made digitally traceable in 2021. "Notifications, Actions and Completion Ratios, Accident Data, Personnel Distribution and Training Data" indicator screens, which cover all global OHS data, can be accessed instantly by OHS teams and all managers.

CORPORATE SOCIAL RESPONSIBILITY



THE ANTIQUE GLASS WORKS COLLECTION WHICH INTRODUCES REFLECTIONS OF A HISTORY DATING BACK TO 3,500 YEARS IN TIME CONSISTS OF 520 ITEMS UNDER ARCHAEOLOGICAL AND ETHNOGRAPHIC CATEGORIES AND IS AFFILIATED TO THE ISTANBUL ARCHAEOLOGY MUSEUM DIRECTORATE.

CONTRIBUTION TO CULTURAL VALUES

Antique Glass Works Collection

Şişecam's collection consisting of 520 antique glassworks which it brought together to preserve cultural values and which reflects a history of nearly 3,500 years – is registered with the Istanbul Archaeology Museum. The collection is also preserved and exhibited in a specially prepared area at Şişecam's headquarters. Şişecam moved its "Antique Glass Works Collection" to the digital platforms to transfer its cultural heritage to the next-generations and preserve such heritage in the best possible way.

The "Antique Glass Works Collection" exhibition which reflects the historical development of glass can be viewed at www.sisecamcameserleri.com/tr.

The collection which introduces reflections of a history dating back to 3,500 years in time consists of 520 items under Archaeological and Ethnographic categories and is affiliated to the Istanbul Archaeology Museum Directorate. Art-lovers are able to view the items in the collection under the categories of Ottomans, the Byzantine, Roman Empire and Antique Greece, while they will be able to see some items in 3D. Visitors will also be able to review each item in terms of its era, region and technical features used during their production.

History-Culture-Glass Collections

The first of the History, Culture and Glass Collections was presented in 1999 in Paşabahçe Stores and reflected the historical and cultural background of Anatolia through glass artwork. This project was initiated in line with the mission of Şişecam to preserve and pass on cultural heritage to the coming generations. These special collections are designed to reflect Anatolia's historical and cultural richness through glass artworks. Different artefacts among limited collections were brought together in this effort. A total of 16 collections - including Ottoman, Blue and White on Glass, Artistic Writing on Glass, Enamelled Glass, Mosaics, Anatolian Civilizations, 7, Ashura, Istanbul, Crystalline Chinas, Talking Moneys/Coins, Zevk-i Selim, World Heritage in Glass, Lost Treasures, and Antique Glass Works Collection - have been arranged to date. These handmade glassware, which were created in inspiration from the latest "Antique Glass Works" Collection by Paşabahçe Stores reflecting the era of the Roman Empire, have been offered to customers as a unique memory and a meaningful gift. You can visit the Antique Glass Works Collection website (<http://www.sisecamcameserleri.com/tr>), which consists of 520 works, to learn about the historical development of glass from 5 thousand years ago to the present.



THE 15TH TREE PLANTING FESTIVAL WAS REALIZED IN 2021 BY PLANTING APPROXIMATELY 2 THOUSAND MORE SAPLINGS WITH THE HELP OF MERSIN PROVINCIAL DIRECTORATE OF FORESTRY DUE TO THE PANDEMIC CONDITIONS, AND 47,500 TREES WERE REACHED IN THE 15TH YEAR.

CONTRIBUTION TO EDUCATION AND TRAINING

Şişecam awards an Education Incentive Scholarship to its employees and their children who are studying. Under this initiative, some TRY 9.2 million in scholarships were awarded to a total of 8,532 primary school, high school and university students in 2021.

Şişecam continued contributing to education and completed the construction of "Yenişehir Şişecam Vocational and Technical Anatolian High School" within the scope of the protocol signed between the Governorate of Bursa, Provincial National Education Directorate and the Municipality of Yenişehir. The school built by Şişecam was transferred to the Ministry of National Education and opened. Built on a total area of 20 thousand square meters, the school started the academic year 2019 with 16 classrooms, three laboratories and 13 workshops. 240 students are studying at the school in the 2021-2022 academic year. As part of a collaboration protocol executed with MEB, a Mechatronics branch was opened under the Industrial Automation Department of the school in 2020. Students studying at this department will not only be able to complete their internship program at Şişecam, but also they will meet the need for technical staff in Turkey. During the academic year 2021-2022, 63 students study Mechatronics under the Industrial Automation Department.

Şişecam Private Vocational and Technical Anatolian High School, which was built by Şişecam in Mersin Tarsus Organized Industrial Zone (MTOSB) and handed over to the Ministry of National Education, provides support for more young people to have occupations with the training activities carried out since 2014-2015 Education Term. In addition, Şişecam constructed the Private Şişecam Vocational and Technical Anatolian High School in Mersin and it comprises 28 classrooms, four workshops, and 1 food laboratory. 951 students are studying at the school in the 2021-2022 academic year. 309 out of 895 students who graduated from the school already started working. And others still continue their university education or prepare for the exam.

CONTRIBUTION TO ENVIRONMENTAL VALUES

Forestation

Şişecam sets aside areas between five to 10 acres within the sites of its facilities as forest land. "Şişecam Forests" are also brought to life in all regions where the company conducts operations. Camiș Madencilik A.Ş. boasts a Şişecam Forest that covers 368 dunams. This forest land is a result of the company's forestation efforts initiated in 2000 in the Yalıköy area, where Camiș Madencilik's pit and facilities are located. The forestation activity planned to be conducted on an area of approximately 32 thousand m² around the Karabük Eflani Breaking and Sieving Plant was started in 2017 and completed during the first quarter of 2019.

Within the scope of Şişecam CareforNext strategy, for the target of forestation of 35 hectares in the period of 2017-2022, forestation was carried out on an area of 3.2 hectares at Karabük Facility and 0.65 hectares at the Yalıköy Facility. At the Bilecik Facility, the aim is to forest 20 hectares of land, whose rehabilitation is about to be completed, by the end of 2022. 68% of the forestation target will have been achieved by the end of 2022.

Thanks to its sapling planting efforts in the Cankurtaran Region, Şişecam Glassware Denizli Plant created a mini forest with mature trees on an area of three acres.

Planting activities of Şişecam Chemicals Mersin Soda and Kromsan Plants initiated in 2006, were traditionally carried out every year in order to determine treeless areas and plant trees in these areas. With the efforts made in this context, the 15th Tree Planting Festival was realized in 2021 by planting approximately 2 thousand more saplings with the help of Mersin Provincial Directorate of Forestry due to the pandemic conditions, and 47,500 trees were reached in the 15th year.

CORPORATE SOCIAL RESPONSIBILITY



Glass and Glass Again Project

Şişecam's "Glass and Glass Again" project, managed since 2011, is one of Turkey's most comprehensive sustainability and social responsibility initiatives. Within the scope of the project, which aims to support the transition to a recycle aware society by creating a social behavior change, more than 250 thousand elementary school students have received training on recycling, more than 20 thousand glass recycling bins were provided for use by municipalities, and 2 thousand tons of glass waste have been recycled since 2011. As a result of the project, carbon dioxide emission was prevented equivalent to withdrawing 642 thousand cars from the roads for 10 thousand km; energy savings from recycling has been achieved equivalent to meeting the heating, and hot water needs of 75 thousand households for a year; and carbon dioxide emission has been prevented equivalent to purifying the air with 55 million trees in one year.

In parallel with Şişecam's sustainability strategy, preventing glass waste equivalent to 9.9 billion glass bottles to be wasted, Glass and Glass Again Project has so far reached millions of people with various events and awareness-raising activities and continues to raise awareness on the importance of glass recycling.

Glass and Glass Again Raises Awareness in Social Media

The social media accounts share posts to emphasize the importance of recycling, provide details about the use of glass, and benefits of recycling. These social media accounts reach out to 4 million people in a month on average. By year's end, Glass and Glass Again recorded 182 thousand followers on Facebook and approximately 30 thousand followers on Instagram. The Glass and Glass Again project provides a significant contribution to awareness and consciousness-raising activities thanks to the interaction with large target groups through social media accounts.

CONTRIBUTION TO SPORTS

Şişecam Çayırova Sports Club

Çayırova Sports Club, founded by Şişecam under the name of Çayırova Yelken İhtisas Spor Kulübü Derneği (Çayırova Sailing Expertise Sports Club Association), started its activities in 1982 at Çayırova social facilities to encourage young people to do sports in Canoe, Rowing and Sailing branches and contribute to the development of their physical and moral capabilities; and achieved federate club status from the General Directorate of Youth and Sports in 1984.

During the period 1984-2021, 1,961 athletes, including 80 national team athletes, started their sports life at Şişecam Çayırova Sports Club. The number of athletes who started their sports life at this club and proceeded to their professional career in the sports area is 193. With a team of 139 athletes and five trainers, the Club today trains young athletes in the sailing, rowing and canoe branches to contribute to the Turkish sports.



The investment and support on promising young athletes is very important for the continued success of the Club, and its purpose is to assist in the training and development of our country's and the world's leading talented athletes. In the club, efforts are being made for the athletes to develop themselves not only to be outstanding performers, but also to be individuals with better social and cultural characteristics.

In 2021, the athletes participated in a total of 27 national and two international competitions in the branches of Canoe, Sailing and Rowing.

Canoe Branch 2021 Activities

Participating in 10 national and 2 international Slack Water Canoe Competitions in the 2021 activity program, the Canoe Branch received a total of 118 medals and eight cups.

Athletes Özge Uzar and Abbas Anıl Şen participated in the Slack Water Canoe Youth and U23 European Championship competitions held in Poznan, Poland, and Selin Sevin wore the national jersey in the International Olympic Hopes 2021 competitions held in Racice, Czechia.

Rowing Branch 2021 Activities

The Rowing Branch, which participated in the six national competitions in the 2021 activity program, won a total of 74 medals and six cups in the competitions.

Sailing Branch 2021 Activities

Athletes of the Sailing Branch, who participated in 11 national and regional competitions in the 2021 activity program, won a total of 65 medals and a cup.

Athletes Uğurkan Yılmaz and Yağız Aşçıoğlu were entitled to participate in the 2022 European Pirate Championship, based on their success in the Turkish Pirate League.

**PARTICIPATING IN
10 NATIONAL AND
2 INTERNATIONAL
SLACK WATER
CANOE
COMPETITIONS IN
THE 2021 ACTIVITY
PROGRAM, THE
CANOE BRANCH
RECEIVED A TOTAL
OF 118 MEDALS AND
EIGHT CUPS.**

RISK MANAGEMENT AND INTERNAL AUDIT ACTIVITIES



ŞİŞECAM CONTINUOUSLY INCREASES THE EFFICIENCY OF ITS RISK MANAGEMENT AND INTERNAL AUDIT ACTIVITIES AND BENEFITS FROM THE SYNERGY CREATED BY THE MANAGEMENT OF SUCH FUNCTIONS IN COORDINATION.

As it operates in an intense domestic and international competitive landscape, Şişecam implements effective risk management and internal audit processes to provide adequate risk assurance to its stakeholders, and constantly reviews and improves its process to respond to the needs.

The pandemic, which has been on the agenda for a long time, put some of the risks on the back burner, and put many other risks, especially economic risks, on the front burner by acting as a catalyst, and changed the risk order in a sense. With the acceleration of the vaccination process at the global level in 2021, although there was a recovery in economic activities, the Covid-19 variants, which emerged especially after the second half of the year and showed rapid transmission, caused the uncertainty regarding the pandemic to continue. Within the framework of these developments, uncertainties both in the global economy and our country's economy, negative geopolitical developments specific to intensive interstate conflicts, protectionism on the rise, global inequalities which became even more obvious during the

pandemic and the security issues triggered by such inequalities, technological developments gaining even more speed due to the pandemic, and concerns about the climate change and sustainability continues to cause the expectations for the future of the world to differ and people to question the sustainability of the established system.

The fact that most of the above-mentioned risks are uninsurable changed the perspective on risks across the world. It has also greatly increased the importance and added value of risk management (i.e. assurance functions) as a corporate discipline.

Şişecam continuously increases the efficiency of its risk management and internal audit activities, which are two important functions of corporate governance, and benefits from the synergy created by the management of such functions in coordination. In this direction, risk management and internal audit activities are reported to the Board of Directors and carried out in coordination with functional units. The results of regular meetings with the Early Risk Detection Committee, Audit Committee and



Corporate Governance Committee are reported to the Board of Directors in accordance with the legislation. These activities are intended to reassure stakeholders, safeguard the tangible and intangible assets of Şişecam, conserve its resources, protect the environment, minimize losses originating from uncertainties and maximize potential benefits gained from opportunities.

Risk Management at Şişecam

Şişecam focused strongly on improving the effectiveness of risk management processes to raise the risk assurance provided to the stakeholders in the intense internal and external competitive environment and to effectively manage the ever-increasing uncertainties caused by global developments. At Şişecam, risk management activities are carried out with a holistic and proactive approach based on enterprise risk management principles. Activities carried out in line with the company's objectives and strategies are constantly reviewed and improved, taking into account best practices.

Accordingly, communication and coordination activities throughout Şişecam are being emphasized, as in previous years, for the management of risks which are identified, prioritized and linked to action plans according to the risk appetite, within the framework of corporate risk management, and technological means are being utilized, and follow-up and reporting to monitor the process robustly are being conducted according to the legislation.

Internal Audit at Şişecam

The objective of internal audit activities, which have been carried out globally within Şişecam for many years, is to assist the healthy development of the functions, to ensure uniformity in practices, and to guarantee that all activities are performed in compliance with internal and external regulations, as well as the execution of corrective actions in a timely manner.

In 2021, Şişecam took one of the most important steps of its transformation journey and moved from an activity-based organizational structure to a functional organizational structure. This change inevitably affected the framework of our internal audit activities, and the programs focused on subject/process based audit activities. On the other hand, the fact that the integration of digital technologies in social and sectoral needs improved/changed workflows and business culture provided the basis for the acceptance of digitalization as an important development area in internal audit activities as well, and in this context, data-oriented, technology-enabled and dynamic on-site and remote auditing studies are carried out.

Internal audit is carried out under the periodic auditing programs approved by the Board of Directors. During the preparation of the audit programs, the results of the risk management activities are also used, meaning that "risk-based audit" practices are implemented.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD 1 JANUARY 2021 - 31 DECEMBER 2021
TOGETHER WITH THE AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)



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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Türkiye Şişe ve Cam Fabrikaları A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Türkiye Şişe ve Cam Fabrikaları A.Ş. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Key Audit Matters	How key audit matters are addressed in the audit
Recognition of property, plant and equipment by revaluation method	
<p>The Group has continued to reflect land and buildings at their revaluated amounts according to results of valuation reports that are prepared by independent appraiser in the consolidated financial statements as of December 31, 2021.</p> <p>Since the valuation models and transactions are complex and include significant judgements and estimations, we have considered this as the key audit matter.</p> <p>The detailed explanations of tangible assets are presented in Note 2.7 and Note 18.</p>	<p>We have evaluated the capabilities, expertise and objectivity of the independent appraisal firm appointed by the management. In our audit, we have evaluated the appropriateness of the valuation methods used by independent valuation appraiser in the valuation of land and buildings for the fair value determination.</p> <p>Real estate valuation experts of EY Network are included in the audit team to evaluate the appropriateness of assumptions compared to market information used by independent valuation appraiser. In this scope, through the review and studies that are conducted by EY Real Estate valuation experts, we have assessed if assumptions, estimations and valuation methods used are reasonable or not.</p> <p>The average value per square meter used by valuation appraiser is compared to market information and its sensitivity on fair value assessed on a sample basis. Besides, valuation method used by the valuation appraiser firm, the information and estimations used by the valuation appraiser firm are evaluated for their reasonability.</p> <p>In addition, with respect to such accounting treatment, the compliance of the information in the consolidated financial statements and explanatory disclosures in accordance with TAS 16 have been assessed.</p>



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Business combinations	
<p>The Group has acquired 60% shares of New Resources LLC and Atlantic Soda LLC as of December 21, 2021 with Share Purchase Agreements dated November 19, 2021. At the same date, by acquiring 10% shares in addition to the existing 50% shares of Pacific Soda LLC, shareholding is increased to 60%.</p> <p>As a result of these transactions, New Resources LLC became a subsidiary and its name was changed to Şişecam Chemicals Resources LLC and started to be consolidated using the full consolidation method. In addition, 60% of Atlantic Soda LLC and Pacific Soda LLC's shares are considered as joint operations in the scope of TFRS 11 and consolidated as joint operation accounting.</p> <p>This transaction was accounted for as a business combination in accordance with TFRS 3 "Business Combinations". As of 31 December 2021, the Group has benefited from the temporary recognition exemption provided by TFRS 3 and has accounted these business combinations accordingly..</p> <p>The complexity and significant judgment in the transactions are significant to our audit and have therefore been identified as a key audit matter..</p> <p>The accounting policies and related explanations regarding the accounting of the business combination of the Group are given in Note 2.6 and Note 3.</p>	<p>In our audit, we have performed below procedures with respect to accounting of business combinations.</p> <p>Review of share purchase agreements and assessment of their impact on the accounting of the business combinations,</p> <p>Assessment of the Group management's conclusion of control in accordance with TFRS 3 and joint operations as per TFRS 11 by reviewing share purchase agreements and shareholders agreements,</p> <p>Control of calculations prepared and assessment of compliance of accounting entries with related TFRSs,</p> <p>, The compliance of the information in the consolidated financial statements and explanatory disclosures in accordance with TFRS 3 and TFRS 11 have been assessed.</p>



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4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 8 February 2022.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2021 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Zeynep Okuyan Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

8 February 2022
Istanbul, Turkey

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2021 AND 31 DECEMBER 2020

ASSETS	Notes	31 December 2021	31 December 2020
Current Assets			
Cash and cash equivalents	6	12,810,775	9,354,964
Financial investments	7	3,265,243	2,159,846
Trade receivables	10,38	9,185,761	4,352,606
– <i>Due from related parties</i>	38	19,130	7,508
– <i>Other trade receivables</i>	10	9,166,631	4,345,098
Other receivables	11	339,499	365,758
Contract assets	15	121,875	51,170
Derivative financial assets	12	427,362	4,941
Inventories	13	7,687,597	4,180,755
Prepayments	14	741,391	335,654
Current tax assets	36	77,416	25,111
Other current assets	27	1,016,457	386,189
Total current assets		35,673,376	21,216,994
Non-current assets			
Financial investments	7	1,069,888	1,716,184
Trade receivables	10	26	481
Other receivables	11	142,903	94,003
Derivative financial assets	12	647,328	90,337
Investments accounted for using the equity method	16	1,652,925	1,001,163
Investment properties	17	1,468,823	891,141
Property, plant, and equipment	18	30,954,149	16,240,518
Right of use assets	19	449,823	170,918
Intangible assets	20,21	14,762,668	908,154
– <i>Goodwill</i>	21	3,994,571	368,483
– <i>Other intangible assets</i>	20	10,768,097	539,671
Prepayments	14	674,079	349,106
Deferred tax assets	36	1,158,118	1,104,347
Other non-current assets	27	18,405	444,690
Total non-current assets		52,999,135	23,011,042
TOTAL ASSETS		88,672,511	44,228,036

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2021 AND 31 DECEMBER 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated)

LIABILITIES	Notes	31 December 2021	31 December 2020
Current Liabilities			
Short term borrowings	8	3,524,752	2,251,342
Short term portion of long-term borrowings	8	6,913,434	2,399,320
Trade payables	10,38	5,033,187	2,444,872
– Due to related parties	38	163,228	120,307
– Due to third parties	10	4,869,959	2,324,565
Liabilities for employee benefits	25	255,526	98,610
Other payables	11,38	347,021	220,286
– Due to related parties	38	5,008	59,845
– Due to third parties	11	342,013	160,441
Contract liabilities	15	110,857	38,233
Derivative instruments	12	29,473	53,762
Deferred income	14	405,904	113,763
Current income tax liabilities	36	868,425	38,510
Short term provisions	23, 25	906,826	248,634
Other current liabilities	27	797,447	331,146
Total current liabilities		19,192,852	8,238,478
Non-current liabilities			
Long term borrowings	8	17,213,186	12,491,577
Other payables	11	3,002	3,371
Derivative instruments	12	42,280	98,545
Deferred income	14	226,706	81,212
Long term provisions	25	2,000,551	614,167
Deferred tax liabilities	36	618,045	209,453
Other non-current liabilities	27	12,181	-
Total non-current liabilities		20,115,951	13,498,325
Total liabilities		39,308,803	21,736,803
EQUITY			
Equity holders of the parent	28	39,431,881	22,194,395
Paid capital		3,063,214	3,063,214
Adjustment to share capital differences		320,075	320,075
Treasury shares		(39,213)	-
Share premiums (discount)		167,048	167,048
Accumulated other comprehensive income/expense not to be reclassified to profit or loss		6,139,201	2,564,583
– Gains/(losses) on revaluation and remeasurement		6,139,201	2,623,553
– Revaluation gain/(loss) on tangible assets		6,240,309	2,623,553
– Gain/(loss) arising from defined benefit plans		(101,108)	(58,970)
Accumulated other comprehensive income/expense to be reclassified to profit or loss		8,874,058	3,525,321
– Currency translation differences		9,062,730	3,491,750
– Hedge reserves		(188,672)	33,571
Restricted reserves		1,517,852	1,517,852
Retained earnings		10,256,361	8,898,265
Net profit or loss for the period		9,133,285	2,138,037
Non-controlling interests	28	9,931,827	296,838
Total equity		49,363,708	22,491,233
TOTAL LIABILITIES AND EQUITY		88,672,511	44,228,036

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 December 2021	1 January- 31 December 2020
Revenues	29	32,057,875	21,340,686
Cost of Sales	29	(20,877,579)	(14,679,283)
Gross profit/ (loss) from trading activity		11,180,296	6,661,403
General administrative expenses	30,31	(1,511,634)	(1,126,188)
Marketing expenses	30,31	(4,056,158)	(2,721,967)
Research and development expenses	30,31	(111,625)	(58,682)
Other operating income	32	4,115,299	1,796,203
Other operating expenses	32	(3,388,155)	(1,304,691)
Share of profit (loss) from investments accounted for using equity method	16	216,937	100,234
Operating profit/ (loss)		6,444,960	3,346,312
Income from investing activities	33	3,331,270	1,237,373
Expense from investing activities	33	(719,780)	(209,483)
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	33	63,624	(36,178)
Other Income(Expense) from Subsidiaries, Joint Controlled Entities and Associates)	33	515,153	-
Profit (Loss) before financing income (expense)		9,635,227	4,338,024
Financial income	34	12,354,552	4,651,253
Financial expenses	34	10,912,241	(5,734,093)
Profit (Loss) from continuing operations, before tax		11,077,538	3,255,184
Tax (expense) income, continuing operations		(1,853,162)	(430,613)
– Current period tax (expense) / income	36	(1,519,062)	(419,508)
– Deferred tax (expense) income	36	(334,100)	(11,105)
Profit (Loss)		9,224,376	2,824,571
Attributable to:			
– Non-controlling interest	28	91,091	686,534
– Equity holders of the parent	28	9,133,285	2,138,037
Earnings per share	37	2.9937	0.8711

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS OF 1 JANUARY – 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 December 2021	1 January- 31 December 2020
Profit / (loss) for the Period	28	9,224,376	2,824,571
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss	28	3,689,904	12,918
Gains (Losses) on revaluation of property, plant, and equipment		4,313,085	81,388
Gain / (loss) arising from defined benefit plans		(52,407)	(72,589)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		691	1,772
Taxes on items that will not be reclassified to profit or loss		(571,465)	2,347
Items that will be reclassified to profit or loss	28	5,534,242	1,252,897
Currency translation differences		5,756,485	1,244,450
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income			(1,773)
<i>Gains (losses) on financial assets measured at fair value through other comprehensive income</i>		-	10
<i>Reclassification adjustments on financial assets measured at fair value through other comprehensive income</i>		-	(1,783)
Cash flow hedging		(275,450)	11,898
Taxes on items that will be reclassified to profit or loss		53,207	(1,678)
Other comprehensive income/ (loss)		9,224,146	1,265,815
Total Comprehensive Income/ (Loss)		18,448,522	4,090,386
Attributable to:			
- Non-controlling interest		362,863	700,675
- Equity holders of parent		18,085,659	3,389,711
Earnings per share	37	5,9281	1.3811

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Issued Capital	Inflation Adjustments on Capital	Treasury Shares	Share Premiums or Discounts	Other Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Restricted Reserves	Previous Years Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2020	2,250,000	181,426	-	527	2,091,880	2,285,616	187,644	5,721,078	1,904,534	14,622,505	4,510,880	19,133,385
Transfer	-	-	-	-	4,464	1,239,705	34,488	1,870,046	(1,904,534)	-	-	-
Total comprehensive income / (loss) Effects of business combinations under common control	813,214	138,649	1,014	166,521	-	-	1,295,720	(1,926,979)	2,138,037	3,389,711	700,675	4,090,386
Dividends paid	-	-	-	-	-	-	-	(320,000)	-	488,139	(536,921)	(48,782)
Increase (decrease) through treasury share transactions	-	-	(1,014)	-	-	-	-	(26,122)	-	(320,000)	(208,813)	(528,813)
Impact of change in shares of associates resulted without control loss	-	-	-	-	468,439	-	-	-	3,679,694	(27,136)	-	(27,136)
Transactions with non controlling interest	-	-	-	-	-	468,439	-	(106,957)	(106,957)	-	4,148,133	(4,148,133)
Balance at 31 December 2020	3,063,214	320,075	-	167,048	2,564,583	3,525,321	1,517,852	8,896,265	2,138,037	22,194,395	296,838	22,491,233

	Issued Capital	Inflation Adjustments on Capital	Treasury Shares	Share Premiums or Discounts	Other Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Restricted Reserves	Previous Years Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2021	3,063,214	320,075	-	167,048	2,564,583	3,525,321	1,517,852	8,898,265	2,138,037	22,194,395	296,838	22,491,233
Transfer	-	-	-	-	-	-	-	2,138,037	(2,138,037)	-	-	-
Total comprehensive income / (loss) Effects of business combinations under common control	-	-	-	-	3,574,618	5,348,737	-	29,019	9,133,285	18,085,659	362,863	18,448,522
Capital increase	-	-	-	-	-	-	-	-	-	-	9,304,084	9,304,084
Entities under common control	-	-	-	-	-	-	-	-	-	-	1,297	1,297
effect of mergers	-	-	-	-	-	-	-	(6)	-	(6)	6	-
Dividends paid	-	-	-	-	-	-	-	(499,017)	-	(499,017)	(33,261)	(532,278)
Increase (decrease) through treasury share transactions	-	-	(39,213)	-	-	-	-	(309,936)	-	(349,149)	-	(349,149)
Not result in a loss of control in subsidiaries increase/decrease due to share rate changes	-	-	-	-	-	-	-	(1)	-	(1)	-	(1)
Balance at 31 December 2021	3,063,214	320,075	(39,213)	167,048	6,139,201	8,874,058	1,517,852	10,256,361	9,133,285	39,431,881	9,931,827	49,363,708

Explanations on change of equity table are presented in Note 28.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 December 2021	1 January- 31 December 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period	28	9,224,76	2,824,571
Adjustments to reconcile profit/ (loss)		(3,973,414)	2,129,867
- Depreciation and amortization adjustments	18,19,20	2,061,254	1,650,842
- Impairments/(reversals) adjustments	6,7,10,11,13,35	300,742	175,732
- Adjustments in provisions	23,25	547,312	238,117
- Interest income and expenses adjustments	8,32,34,38	577,756	883,871
- Unrealized exchange loss/ (gain) adjustments	32,34	(5,375,711)	(64,002)
- Fair value loss/(gain) adjustments	7,12,33	(3,162,826)	(1,066,442)
- Income from investments accounted for under equity accounting adjustments	16	(216,937)	(100,234)
- Tax expenses adjustments	36	1,853,162	430,613
- Adjustments for losses (gains) on disposal of non-current assets	33	(57,613)	3,851
- Adjustments for (Income) Expense Caused by Sale or Changes in			
- Share of Associates, Joint Ventures and Financial Investments	33	(515,153)	-
- Other adjustments related to profit/(loss) reconciliation	27	14,600	(22,481)
Changes in working capital		(950,180)	(627,366)
- (Increases)/decreases in trade receivables adjustments	10,32,38	407,317	619,659
- (Increases)/decreases in other receivables adjustments	11,16,32,38	63,005	(97,851)
- (Increases)/decreases in contract assets adjustments	15	(70,705)	(27,680)
- (Increases)/decreases in derivative financial assets	12,34	379,483	-
- (Increases)/decreases in stocks adjustments	13	(3,422,015)	(461,907)
- (Increases)/decreases in trade payables adjustments	10,38	1,978,860	(852,189)
- (Increases)/decreases in contract liabilities adjustments	15	72,624	11,070
- (Increases)/decreases in other payables adjustments	11,14,27,38	243,081	94,073
- Increase (decrease) in derivative liabilities	12,34	-	35,949
- Other (increases)/decreases in net working capital adjustments	14,27	(601,830)	51,510
Cash flows from operating activities		4,300,782	4,327,072
- Interest paid	8,32,34,38	(1,197,104)	(1,147,724)
- Interest received	32,34,38	121,206	43,454
- Payments for the provisions for employee benefits	25	(57,832)	(63,277)
- Taxes received / (paid)	36	(724,356)	(496,471)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

Notes	1 January- 31 December 2021	1 January- 31 December 2020
B. CASH FLOWS FROM INVESTING ACTIVITIES	(5,991,236)	(1,644,919)
Cash outflows arising from purchase of shares or		
- capital increase of associates and/or joint ventures	16 (185,771)	(93,496)
- Cash outflows for obtaining control of subsidiaries		
- purchases	3 (5,909,727)	-
- Cash inflows from sales of other entities' or fund's share	7,33 2,285,750	273,198
- Cash outflows from purchase of other entities or fund's share	7 (242,430)	(476,010)
- Proceeds from sales of tangible and intangible assets	18,20,33 199,021	78,032
- Purchase of tangible and intangible assets	8,11,18,20,33 (2,636,572)	(1,872,876)
- Cash inflows from sales of investment property	17,33 50,931	41,639
- Cash inflows from sales of non-current assets held for sale	11,33,35 -	44,588
- Advances given	14 (1,361,983)	(464,762)
- Repayments of advances given	14 1,229,667	505,602
- Dividends received	16,27 154,050	133,168
- Interest received	6,7,33,34 360,668	291,664
- Other cash inflows/ (outflows)	10,11,27 65,160	(105,666)
C CASH FLOWS FROM FINANCING ACTIVITIES	(2,539,532)	(2,665,991)
- Cash outflows from changes in ownership interests		
in subsidiaries that do not result in loss of control	28 -	(127,807)
- Cash inflows from changes in ownership interests		
in subsidiaries that do not result in loss of control	28 29,005	-
- Payments to acquire entity's shares or other equity instruments	6,28 (349,149)	(31,145)
- Proceeds from borrowings	8 4,081,994	10,991,089
- Payments of borrowings	8,34 (5,625,980)	(12,897,613)
- Payments of lease liabilities	8 (143,124)	(81,842)
- Dividends paid	11,28,38 (532,278)	(518,673)9
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)	(6,088,072)	(1,647,856)
D, EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS	9,522,492	2,661,258
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	3,434,420	1,013,402
E, CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 6	9,384,819	8,371,417
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E) 6	12,819,239	9,384,819

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. In Group's Organization and Nature of Operations

Türkiye Şişe ve Cam Fabrikaları A.Ş. Group (the "Group") consists of a holding company, Türkiye Şişe ve Cam Fabrikaları A.Ş. (the "Company"), 55 subsidiaries, 1 joint venture 2 associates and 2 joint activities.

The Group consists of six operating segments including companies operating in architectural glass, automotive glass, glass packaging, glassware, chemicals (soda, chromium, and other chemicals), and others (export, import, energy, collection, separation, processing, recycling and acquisition of packing waste and insurance agency services). The Group's main area of activity is glass production, and it deals with complementary industrial and commercial operations for glass production. Additionally, the Group participates in management of various industrial and commercial companies.

The Group was established 86 years ago by Türkiye İş Bankası A.Ş. ("İş Bankası") in Turkey, being one of the largest Turkish private commercial banks, as of Türkiye Şişe ve Cam Fabrikaları A.Ş. Sobyetesi was founded with the title and registered with the trade registry on January 23, 1936. And the establishment was announced in the trade registry gazette on February 5, 1936. Company's title has been registered as of Türkiye Şişe ve Cam Fabrikaları A.Ş. on April 25, 1973 and published in the trade registry gazette on May 10, 1973. The shares of the Company have been publicly traded on the Borsa İstanbul A.Ş. ("BIST"), formerly named as İstanbul Stock Exchange ("ISE"), since January 3, 1986, As of December 31, 2021, İş Bankası holds 51,06% of the shares and retains the control of the Group.

The Head Office and the Shareholder Structure of the Company

The shareholder structure of the Company is disclosed in Note 28.

The Company is registered in Turkey and the contact information is as presented below:

Address	:	İçmeler Mahallesi D-100 Karayolu Cad, No:44 A 34947, Tuzla / İstanbul / Türkiye
Telephone	:	+ 90 850 206 50 50
Fax	:	+ 90 850 206 40 40
E-mail adress	:	scmuhasebe@sisecam.com
Registered e-mail address (KEP)	:	sisecam@hs03.kep.tr
E-mail address	:	infosisecam@sisecam.com
National electronic notification address	:	25999-48162-55656
Website	:	http://www.sisecam.com
Address Code	:	3640907410

Trade Registry Information of the Company

Registered at	:	Istanbul Registry of Commerce Office
Registry no	:	:21599
Central Legal Entity Information System	:	:0-8150-0344-7300016
Nace Code	:	: 70.10.01 primary and additionally 23.11.01, 23.13.01, 20.13.07, 35.11.19, 74.10.02
Legal Entity Identifier (LEI)	:	: 789000KWOK751Q6R8875
Tax Authority	:	: Büyük Mükellefler
Tax Authority number	:	: 8150034473

Personnel structure of the Group

	31 December 2021	31 December 2020
Personnel (monthly paid)	7,397	6.918
Personnel (hourly paid)	15,301	15.450
	22,698	22.368

926 employees included in the Group's total personnel structure is consisted of the personnel of joint ventures accounted under equity method (31 December 2020: 955 employees.).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation

The nature of operations of the companies/branches included in consolidation is presented as follows:

Flat Glass Group

a) Architectural Glass Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Flat Glass Group Branches (1)	Production and sales of flat glass, auto glass and processed glass	Turkey
TRSG Glass Holding B.V	Finance and investment company	Netherlands
Trakya Glass Bulgaria EAD	Production and sales of flat glass, laminated, coated glass, and mirror	Bulgaria
Sisecam Flat Glass Italy S.R.L	Production and sales of flat and laminated glass	Italy
Sisecam Flat Glass South Italy S.R.L	Production and sales of flat and laminated glass	Italy
Trakya Glass Rus AO	Production and sales of flat glass and mirror	Russia
Trakya Glass Rus Trading OOO	Importing and sales services	Russia
Sisecam Flat Glass India Private Limited	Production and sales of flat glass and mirror	India

Associate	Nature of business	Country of registration
Saint Gobain Glass Egypt S.A.E	Production and sales of flat glass	Egypt

b) Automotive Glasses Group

Subsidiaries	Nature of business	Country of registration
Şişecam Otomotiv A.Ş.	Production and sales of automotive glass	Turkey
Trakya Investment B.V.	Finance and investment company	Netherlands
Sisecam Automotive Bulgaria EAD	Production and sales of automotive glass and white goods glasses	Bulgaria
Sisecam Automotive Romania SA (*)	Production and sales of automotive glass	Romania
Sisecam Automotive Rus JSC (*)	Production and sales of automotive glass	Russia
Sisecam Automotive Rus Trading LLC (*)	Importing and sales services	Russia
Sisecam Automotive Germany GmbH	Commercial activity	Germany
Richard Fritz Prototype+Spare Parts GmbH	Glass encapsulation production and sales services	Germany
Sisecam Automotive Slovakia S.R.O. (*)	Glass encapsulation production and sales services	Slovakia
Sisecam Automotive Hungary Kft (*)	Glass encapsulation production and sales services	Hungary

(*) The company titles of the subsidiaries have changed in 2021 as presented comparatively below.

Previous Title	Current Title
Glasscorp S.A.	Sisecam Automotive Romania SA
Automotive Glass Alliance Rus AO	Sisecam Automotive Rus JSC
Automotive Glass Alliance Rus Trading OOO	Sisecam Automotive Rus Trading LLC
Richard Fritz Holding GmbH	Sisecam Automotive Germany GmbH
Richard Fritz Spol S.R.O.	Sisecam Automotive Slovakia S.R.O.
Richard Fritz Kft	Sisecam Automotive Hungary Kft

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Glassware Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Glassware Group Branches (1)	Automatic production and sales of glassware	Turkey
Paşabahçe Mağazaları A.Ş.	Retail sales of glassware	Turkey
Camış Ambalaj Sanayii A.Ş.	Production and sales of paper packaging	Turkey
Pasabahçe Bulgaria EAD	Automatic production and sales of glassware	Bulgaria
OOO Posuda	Automatic production and sales of glassware	Russia
Pasabahçe SRL	Sales and marketing services	Italy
Pasabahçe Spain SL	Sales and marketing services	Spain
Pasabahçe Glass GmbH	Sales and marketing services	Germany
Pasabahçe USA Inc.	Sales and marketing services	USA
Pasabahçe (Shangai) Trading Co. Ltd.	Sales and marketing services	China
Pasabahçe Egypt Glass Manufacturing S.A.E	Automatic production and sales of glassware	Egypt

Glass Packaging Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Glass Packaging Group Branches (1)	Production and sales of glass packaging	Turkey
Sisecam Glass Packaging B.V. (*)	Import, sales, finance and investment company	Netherlands
OOO Ruscam Management Company	Finance and investment company	Russia
OOO Ruscam Glass Packaging Holding	Production and sales of glass packaging	Russia
OOO Energosystems	Leasing of industrial materials	Russia
CJSC Brewery Pivdenna	Production and sales of glass packaging	Ukraine
Merefa Glass Company Ltd.	Production and sales of glass packaging	Ukraine
JSC Mina	Production and sales of glass packaging	Georgia
Sisecam Glasspackaging Hungary Kft. (**)	Production of all kinds of glass and glass products' processing and shaping	Hungary

(*) The subsidiaries residing in the Netherlands, Sisecam Flat Glass Holding BV from the "Architectural Glasses" group, Pasabahçe Investment BV from the Glassware group and Sisecam Chem Investment BV from the "Chemicals" group has merged, and dissolved as a whole with all its assets and liabilities under Sisecam Glass Packaging BV, one of the subsidiaries of "Glass Packaging" group, on 30 June 2021. In note 5 "Reporting by Segments" of the consolidated financial statements, under the heading "Reporting by activity groups", the financial position and performance of the merged companies and their subsidiaries are separated by taking into account the segments in which they operate, and they continue to be reported under the heading of the relevant operating segment.

The name of the company has been changed as of 3 January 2022, Şişecam Investment B.V.

(**) The Company was established on 1 July 2021.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Chemicals Group

a) Soda, Chromium and Other Chemicals Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Chemicals Group Branches (1)	Production and sales of soda and chromium chemicals	Turkey
Oxyvit Kimya Sanayii ve Tic. A.Ş.	Vitamin K-3 and derivatives manufacturer	Turkey
Sisecam Bulgaria EOOD	Soda goods trade	Bulgaria
Sisecam Soda Lukavac D.O.O.	Production and sales of soda	Bosnia-Herzegovina
Cromital S.p.A.	Production and sales of chromium sub products	Italy
Sisecam Trading Co.	Commercial activity	China
Sisecam Chemicals USA Inc.	Finance, investment and sales company	USA
Sisecam Chemicals Resources LLC (*)	Production and sales of soda	ABD
Sisecam Chemicals Wyoming LLC (**)	Production and sales of natural soda	ABD
Ciner Resources LP (***)	Natural soda goods trade	ABD
Ciner Resources General Partners LLC (***)	Natural soda goods trade	ABD
Ciner Wyoming LLC (***)	Production and sales of natural soda	ABD

(*) Ciner Resources Corporation was acquired on December 21, 2021, and its name was changed to Sisecam Chemicals Resources LLC on the same day.

(**)Ciner Wyoming Holding Co. Company was purchased on December 21, 2021, and its name was changed to Sisecam Chemicals Wyoming LLC on the same day.

(***)Acquired on December 21, 2021.

Joint Activities	Nature of business	Country of registration
Pacific Soda LLC(*)	Soda goods trade	USA
Atlantic Soda LLC (**)	Soda goods trade	USA

(*) The company, which was a joint venture until December 21, 2021, became a joint operation by purchasing another 10% of its shares.

(**)Acquired on December 21, 2021

Associate	Nature of business	Country of registration
Solvay Sisecam Holding AG	Finance and investment company	Austria

b) Mining Group

Subsidiaries	Nature of business	Country of registration
Camiş Madencilik A.Ş. (*)	Production and sales of raw materials in glass	Turkey
Camis Egypt Mining Ltd. Co.	Sand mining and sales	Egypt

(*) At the meeting of the Board of Directors dated 30 June 2021 decided that the subsidiaries, Madencilik Sanayii ve Tic. A.Ş. and Camiş Madencilik A.Ş. has merged under Camiş Madencilik A.Ş. as a whole together with all its assets and liabilities. The registration process regarding the merger transaction that took place on 16 August 2021 and published in the Turkish Trade Registry Gazette dated 19 August 2021 and numbered 10391.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

b) Mining Group (continued)

Joint ventures	Nature of business	Country of registration
Rudnik Krechnjaka Vijenac D.O.O.	Production and sales of lime stone	Bosnia-Herzegovina

c) Glass Fiber Group

Subsidiaries	Nature of business	Country of registration
Şişecam Elyaf Sanayii A.Ş. (**)	Production and sales of glass fiber	Turkey

(**) At the meeting of the Board of Directors dated 29 March 2021 decided that the subsidiaries, Cam Elyaf Sanayii A.Ş. and Şişecam Elyaf Sanayii A.Ş. has merged under Şişecam Elyaf Sanayii A.Ş. as a whole together with all its assets and liabilities. The registration process regarding the merger transaction that took place on 6 August 2021 and published in the Turkish Trade Registry Gazette dated 11 August 2021 and numbered 10385.

Other Group

a) Energy Group

Subsidiaries	Nature of business	Country of Registration
Şişecam Enerji A.Ş.	Storage and sales of natural gas and electricity	Turkey
Camiş Elektrik Üretim A.Ş.	Trade Production and sales of electricity	Turkey

b) Recycling Group

Subsidiaries	Nature of business	Country of Registration
Şişecam Çevre Sistemleri A.Ş.	Collection, sorting, processing, recycling and recovery of glass	Turkey

c) Other Services Group (*)

Subsidiaries	Nature of business	Country of Registration
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	Insurance agency	Turkey
Şişecam Dış Ticaret A.Ş.	Exportation of group products	Turkey
SC Glass Trading B.V.	Import, sales, finance and investment company	Netherlands

(*) One of the subsidiaries Çayırova Cam Sanayii A.Ş., that is inactive, which has sole owner is Şişecam, has dissolved without a capital increase by merging with the simplified method as a whole together with all its assets and liabilities. The registration process regarding the merger transaction that took place on 31 December 2021 and published in the Turkish Trade Registry Gazette dated 5 October 2021 and numbered 10423.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

(1) Branches of activity groups are as follows:

Branch Title

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Kırklareli Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Mersin Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Kocaeli Processed Glass Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Bursa Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Ankara Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Eskişehir Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Group Kırklareli Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Denizli Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Mersin Warehouse Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Machine Maintenance Business Istanbul Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Ankara Regional Directorate Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware İzmir Regional Directorate Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Adana Regional Directorate Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glass Packaging Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Cam Ambalaj Mersin Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Cam Ambalaj Eskişehir Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glass Packaging Yenişehir Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Mersin Warehouse Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Mersin Soda Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Mersin Kromsan Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Cogeneration Plant Operation Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Chemical Salt Business Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Leather Application Laboratory Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Karadiken Kalker Business Branch

The Group's only publicly-traded company, Türkiye Şişe ve Cam Fabrikaları A.Ş.'s share information are as follows:

Share Information	BIST Code	Reuters code	Bloomberg code
Türkiye Şişe ve Cam Fabrikaları A.Ş.	SISE	SISE.IS	SISE.TI

As of 31 December 2021, Türkiye Şişe ve Cam Fabrikaları A.Ş. is traded on "Financial Institutions, Holdings and Investment Companies" sectors "Star Market" in Borsa İstanbul A.Ş. (BIAS), and the indexes that the Company's included are as follows: BIST BANKA DIŞI LİKİT 10 / BIST İSTANBUL / BIST 30 / BIST TEMETTÜ / BIST 50 / BIST SÜRDÜRÜLEBİLİRLİK / BIST KURUMSAL YÖNETİM / BIST HOLDİNG VE YATIRIM / BIST YILDIZ / BIST TÜM / BIST MALİ / BIST TEMETTÜ 25 / BIST 100.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

In addition, the Company's shares have been added to the Morgan Stanley Capital International (MSCI) "Middle Market Value Shares Index" as of October 1, 2020.

Periodic Revision Report on Corporate Governance Rating has been completed by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. ("SAHA"), which is officially authorised to carry out rating processes in Turkey in line with Capital Markets Board Corporate Governance Principles, The Corporate Governance Rating Score of 95.51 (9.55 out of 10) as of 16 December 2021, Following the continuous improvement efforts made in the area of application of corporate governance principles. In its rating work SAHA used the new methodology based on Corporate Governance Principles published by the CMB in January 2014.

Main Sections	Weight	16 December 2021	16 December 2020
Shareholders	%25	95,49	95,49
Public disclosure and transparency	%25	97,48	96,98
Stakeholders	%15	99,48	99,48
Board of directors	%35	92,42	92,39
Average Rating	%100	95,51	95,38

Türkiye Şişe ve Cam Fabrikaları A.Ş. is included in the BIST "Corporate Governance Index" since 31 December 2014. The company is placed in the first group according to the World Corporate Governance Index (WCGI) which was published by SAHA on 10 March 2021.

The following are the direct and effective shareholder share rates within the capital of the companies that are included in the consolidation of the Group:

Flat Glass Group

a.1) Subsidiaries of Architectural Glass Group

Company/Branch Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Flat Glass Group Branches	100.00	100.00	100.00	100.00
TRSG Glass Holding B.V.	70.00	70.00	70.00	70.00
Trakya Glass Bulgaria EAD	100.00	100.00	100.00	100.00
Sisecam Flat Glass Italy S.R.L	100.00	100.00	100.00	100.00
Sisecam Flat Glass South Italy S.R.L	100.00	100.00	100.00	100.00
Trakya Glass Rus AO	100.00	70.00	100.00	70.00
Trakya Glass Rus Trading OOO	100.00	70.00	100.00	70.00
Sisecam Flat Glass India Private Limited	100.00	100.00	100.00	100.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

a.2) Associate of Architectural Glass Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Saint Gobain Glass Egypt S.A.E.	30.00	30.00	30.00	30.00

b) Subsidiaries of Automotive Glass Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Şişecam Otomotiv A.Ş.	100.00	100.00	100.00	100.00
Trakya Investment B.V.	100.00	100.00	100.00	100.00
Sisecam Automotive Bulgaria EAD	100.00	100.00	100.00	100.00
Sisecam Automotive Romania SA	100.00	100.00	100.00	100.00
Sisecam Automotive Rus JSC	100.00	100.00	100.00	100.00
Sisecam Automotive Rus Trading LLC	100.00	100.00	100.00	100.00
Sisecam Automotive Germany GmbH	100.00	100.00	100.00	100.00
Richard Fritz Prototype+Spare Parts GmbH	100.00	100.00	100.00	100.00
Sisecam Automotive Slovakia S.R.O.	100.00	100.00	100.00	100.00
Sisecam Automotive Hungary Kft	100.00	100.00	100.00	100.00

Subsidiaries of Glassware Group

Company/Branch Name	31 Decemebr 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Glassware Group Branches	100.00	100.00	100.00	100.00
Paşabahçe Mağazaları A.Ş.	100.00	100.00	100.00	100.00
Camiş Ambalaj Sanayii A.Ş.	100.00	100.00	100.00	100.00
Pasabahçe Bulgaria EAD	100.00	100.00	100.00	100.00
OOO Posuda	100.00	100.00	100.00	100.00
Pasabahçe SRL	100.00	100.00	100.00	100.00
Pasabahçe Spain SL	100.00	100.00	100.00	100.00
Pasabahçe Glass GmbH	100.00	100.00	100.00	100.00
Pasabahçe USA Inc.	100.00	100.00	100.00	100.00
Pasabahçe (Shangai) Trading Co. Ltd.	100.00	100.00	100.00	100.00
Pasabahçe Egypt Glass Manufacturing S.A.E.	100.00	100.00	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Subsidiaries of Glass Packaging Group

Company's/Branch Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Glass Packaging Group Branches	100.00	100.00	100.00	100.00
Sisecam Glass Packaging B.V.	100.00	100.00	100.00	100.00
OOO Ruscam Management Company	100.00	100.00	100.00	100.00
OOO Ruscam Glass Packaging Holding	100.00	100.00	100.00	100.00
OOO Energosystems	100.00	100.00	100.00	100.00
CJSC Brewery Pivdenna	100.00	100.00	100.00	100.00
Merefa Glass Company Ltd.	100.00	100.00	100.00	100.00
JSC Mina	100.00	100.00	100.00	100.00
Sisecam Glasspackaging Hungary Kft.	100,00	100,00	-	-

Chemicals Group

a.1) Subsidiaries of Soda, Chromium and Other Chemicals Group

Company/Branch Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Chemicals Group Branches	100.00	100.00	100.00	100.00
Oxyvit Kimya Sanayii ve Tic. A.Ş.	100.00	100.00	100.00	100.00
Sisecam Bulgaria EOOD	100.00	100.00	100.00	100.00
Sisecam Soda Lukavac D.O.O.	100.00	100.00	100.00	100.00
Cromital S.p.A.	100.00	100.00	100.00	100.00
Sisecam Trading Co.	100.00	100.00	100.00	100.00
Sisecam Chemicals USA Inc.	100.00	100.00	100.00	100.00
Sisecam Chemicals Resources LLC	60.00	60.00	-	-
Sisecam Chemicals Wyoming LLC	60.00	60.00	-	-
Ciner Resources General Partners LLC	60.00	60.00	-	-
Ciner Resources LP	74.00	44.40	-	-
Ciner Wyoming LLC	51.00	22.64	-	-

a.2) Production Partnership of Soda, Chromium and Other Chemicals Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Pacific Soda LLC	60,00	60,00	50,00	50,00
Atlantic Soda LLC	60,00	60,00	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

a.3) Associate of Soda, Chromium and Other Chemicals Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Solvay Sisecam Holding AG	25.00	25.00	25.00	25.00

b.1) Subsidiaries of the Mining Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Camiş Madencilik A.Ş.	100.00	100.00	100.00	100.00
Camis Egypt Mining Ltd. Co.	99.70	99.70	99.70	99.70

Chemicals Group

b.2) Joint Venture of Mining Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Rudnik Krechnjaka Vijenac D.O.O.	50.00	50.00	50.00	50.00

c) Subsidiaries of Glass Fiber Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Elyaf Sanayii A.Ş.	99.999	99.999	99.999	9.999

Other Group

a) Subsidiaries of Energy Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Enerji A.Ş.	100.00	100.00	100.00	100.00
Camiş Elektrik Üretim A.Ş.	100.00	100.00	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1.Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

b) Subsidiaries of Recycling Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Çevre Sistemleri A.Ş.	90.00	90.00	90.00	90.00

c) Subsidiaries of Other Services Group

Company's Name	31 December 2021		31 December 2020	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	100.00	100.00	100.00	100.00
Şişecam Dış Ticaret A.Ş.	100.00	100.00	100.00	100.00
SC Glass Trading B.V.	100.00	100.00	100.00	100.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14,1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standard issued by Public Oversight Accounting and Auditing Standards Authority ("POA/ASA"), TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC"), The accompanying consolidated financial statements are prepared in accordance with resolution No, 30 TAS taxonomy published by POA/ASA on 2 June 2016 and in accordance with the TAS taxonomy announced by POA/ASA as current "2019 TFRS" including TFRS-15 Revenue from contracts with customers and TFRS-16 Leases on 15 April 2019.

The Company (and its subsidiaries, Joint Activities and Joint Ventures registered in Turkey) maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance, subsidiaries, joint ventures, associates and joint activities operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The year end consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. This year end consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS.

Presentation and Functional Currency

The individual financial statements of each Group entity are presented in its currency where the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in thousand Turkish Lira (TRY), which is the functional of the Company and the presentation currency of the Group. The currencies other than TRY are also expressed in thousands.

Preparation of Financial Statements in Hyperinflationary Periods

In accordance with the CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, IAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

Going Concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries, joint ventures, joint activities and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified where necessary, to conform to changes in presentation in the current period consolidated financial statements.

Financial Statements of subsidiaries that operate in foreign countries

The financial statements of subsidiaries, partnerships, joint activities and affiliates operating in foreign countries are prepared in accordance with the laws and regulations applicable in the countries in which they operate and are regulated according to Group accounting policies and whereas assets and liabilities are translated into Turkish lira using the exchange rate as of the consolidated report date income and expenses are translated into Turkish lira using the average exchange rate. The differences arising from the use of closing and average exchange are followed under the cumulative translation difference account within the shareholders' equity.

The rates used in the cycle of overseas activities within the scope of consolidation are as follows:

Döviz Cinsi	31 December 2021			31 December 2020	
	Period End-Buy	Period End- Sale	Period Average	Period End	Period Average
ABD Dollar	13.32900	13.35300	8.87793	7.34050	7.00342
Euro	15.08670	15.11390	10.46496	9.00790	8.01396
Bulgarian Lev	7.71371	7.72761	5.35065	4.60567	4.09747
Egyptian Pound	0.85144	0.85297	0.56765	0.46802	0.44425
Russian Ruble	0.17697	0.17929	0.12058	0.09844	0.09640
Georgian Lari	4.30301	4.31076	2.75633	2.24028	2.25212
Ukrainian Hryvina	0.48863	0.48951	0.32540	0.25961	0.25973
Bosnian Mark	7.71371	7.72761	5.35065	4.60567	4.09747
Romanian Leu	3.03160	3.07130	2.12537	1.83730	1.64607
Hungarian Forint	0.04089	0.04096	0.02919	0.02467	0.02282
Chinese Yuan	2.08400	2.11120	1.37781	1.11820	1.01144
Indian Rupee	0.17939	0.17971	0.12009	0.10048	0.09452

Consolidation Principles

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with Turkish Accounting Standards applying uniform accounting policies and presentation. The results of subsidiaries and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries are companies over which the parent company controls the financial and operating policies for the benefit of the parent company and exposed to variable yield due to their relationship with the entity, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies and sustain variable income because of the relationship with this companies.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Note 1 presents all subsidiaries included in the scope of consolidation and effective interest ownership as of 31 December 2021 and 31 December 2020.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases, where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively. The expenses related to acquisitions are accounted for under profit/loss statement once occurred.

The statements of financial position and statements of profit or loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between the Company and its Subsidiaries are eliminated during the consolidation. The cost and the dividends arising from shares held by the Company in its Subsidiaries are eliminated from equity and income for the period, respectively.

The non-controlling interests shares in the consolidated subsidiaries net assets are separately disclosed in the equity of the Group, the non-controlling interests represent the sum of the shares issued during the initial business combinations and the non-controlling interests' shares in the equity changes from the date of business combination.

When the losses attributable to the non-controlling portion exceed the non-controlling interest in the equity of the subsidiary, the excess loss, and the further losses attributable to the non-controlling are recognized as non-controlling interest.

Joint Ventures

Joint Ventures are the companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Company exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly held by itself. The table in Note 1 sets out all Joint Ventures included in the scope of consolidation and shows their ownership and effective interests as of 31 December 2021 and 31 December 2020. Joint Ventures are accounted for under equity accounting method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

Joint Activities

A joint activities occurs when the parties to the arrangement that have joint control have rights to the assets and obligations for the liabilities related to the arrangement. A joint venture participant is evaluated according to its assets, liabilities, revenues and costs. Assets, liabilities, equity items, income and expense accounts and cash flow movements of joint operations are included in the financial statements using the proportional consolidation method, and intra-group transactions, balances and unrealized profits/losses from these joint operations are eliminated from the consolidated financial statements. Atlantic Soda LLC and Pacific Soda LLC, which the Group has jointly controlled with its share purchases in 2021, are considered as joint activities and included in the consolidation.

Associates

The equity method is used for accounting of associates, Associates are companies in which the Group has an interest which is more than 20% and less than 50% of the voting rights and over which a significant influence is exercised. As of 31 December 2021, and 31 December 2020, the details of the Group's associates are disclosed in Note 1. Affiliates are included in the scope of consolidation by using the equity method.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables or the significant influence ceases the Group does not continue to apply the equity method, unless it has incurred obligations or made payments on behalf of the associate. Subsequent to the date of the cessation of the significant influence the investment is carried either at fair value when the fair values can be measured reliably or otherwise at cost when the fair values cannot be reliably measured.

Since profit/loss from investment in associates and joint ventures is related with the Group's main operations, they are presented under "Operating Profit" in the consolidated statement of profit or loss.

Financial investments at fair value through other comprehensive income

The financial investments are accounted for in accordance with IFRS 9. "Financial Instruments" effective from 1 January 2018, The Group has a preference for the equity investment that is not held for trading purposes and held for the first time and that the subsequent amendment to fair value would not be reversible for presentation in other comprehensive income, gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified.

Financial investments, in which the Group has controlling interests equal to or above 20%, or over which are either immaterial or where a significant influence is not exercised by the Group, that do not have quoted market prices in active markets and whose fair values cannot be reliably measured are measured by its costs carried at cost less any provision for impairment.

Available-for-sale investments, in which the Group has an interest that is below 20% or in which a significant influence is not exercised by the Group, that have quoted market prices in active markets and whose fair values can be reliably measured, are carried at their fair values in the consolidated financial statements.

2.2 Statement of Compliance to TAS

The Group prepared the accompanying consolidated financial statements as of 31 December 2021 in accordance with Communiqué Serial II, No: 14,1 and the related announcements. The accompanying consolidated financial statements and explanatory notes were disclosed in compliant with reporting formats recommended by Capital Markets Board (CMB), including the compulsory explanations.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.3 Changes in Accounting Policies

Significant changes in the accounting policies are applied to prior periods and financial statements of prior periods are restated. The accounting policies applied in the preparation of the consolidated financial statements as of 31 December 2021 are consistent with those applied in the preparation of the consolidated financial statements of 31 December 2020.

2.4 Restatement and Errors in the Accounting Policies and Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 31 December 2021 are consistent with those used in the preparation of financial statements for the year ended 31 December 2020.

Material changes in accounting policies or material errors are applied, retrospectively by restating the prior period consolidated financial statements.

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS")

The accounting policies adopted in preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Company / the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows:

Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

The new standards, amendments and interpretations which are effective as of 1 January, 2021 are as follows (continued):

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 31 December 2021

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. On April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

Standards issued but not yet effective and not early adopted effective from 31 December 2021

Standards, interpretations, and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 10 and TAS 28: Sale or contribution of assets between an investor and its associate or joint venture (Amendments)

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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2. Basis of Presentation of Financial Statements (Continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

Standards issued but not yet effective and not early adopted effective from 31 December 2021 (continued)

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent asset do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018).

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.]

Amendments to TAS 16 – Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant, and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant, and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first-time adopters.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.]

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

Standards issued but not yet effective and not early adopted effective from 31 December 2021 (continued)

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment did not have a significant impact on the financial position and performance of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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2. Basis of Presentation of Financial Statements (Continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

Standards issued but not yet effective and not early adopted effective from 31 December 2021 (continued)

Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

-TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.

-TFRS 9 Financial Instruments – Fees in the "10 percent test" for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.

-TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

2.6 Summary of Significant Accounting Policies

Revenue

Revenue, goods, or services related to performance obligations in the form of goods or service turnover are accounted for as they fulfil their performance obligations by transferring them to their customers.

The Group evaluates the transfer of control of the goods or services sold to the customer.

- Ownership of the Group's right to collect goods or services.
- The ownership of the property of the customer.
- Transfer of the possession of the goods or services.
- Ownership of significant risks and rewards arising from the ownership of the goods or services.
- It takes into account the conditions for the customer to accept the goods or services.

If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Interest Income

Interest income is accrued using the effective interest method which brings the remaining principal amount and expected future cash flows to the net book value of the related deposit during the expected life of the deposit.

Interest income and income from exchange rate differences that are related to commercial transactions are accounted under Other Operating Income.

Dividend Income

Dividend income from resulted from stock investments are recorded in the financial statements when the shareholders are entitled to receive the dividend. Dividends payables are accounted as liability in the financial statements after the approval of the general assembly.

Inventories

Inventories are valued at the lower of cost or net realizable value, The cost of inventories is determined on the weighted average basis for each purchase. Cost elements included in inventories are materials, labor and an appropriate amount for factory overheads, The cost of borrowings is not included in the costs of inventories, Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Inventories consist of raw material, semi-finished goods, finished goods, commercial goods, and goods in transit and other stocks (Note 13).

Tangible Assets

Property, plant and equipment except for land and buildings are carried at cost less accumulated depreciation and any impairment in value. Land and buildings are carried at fair value as of revaluation date less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Land and buildings were accounted for under the net method in accordance with revaluation method, the change of accounting policy was applied with the financial statements as of 31 December 2015. Unless there is a significant economic change that would affect the value of these properties, it is routinely revalued every three years. In this context, a revaluation has been made to reflect in the financial statements dated 31 December 2018.

The assets used in the production of goods and services or used for administrative purposes and are under construction, are shown by deducting the impairment loss, if any, from the cost values. Legal fees are also included in the cost. In the case of assets that require considerable time to be ready for use or sale, borrowing costs are capitalized in accordance with the Group's accounting policy. Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets. Cost amounts of tangible assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. There is no depreciation due to the fact that they have unlimited lives for land. The estimated useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes in the estimates and they are accounted for on a prospective basis if there is a change in the estimates (Note 18).

Assets held under finance leases are depreciated over the expected useful life and the shorter of the lease term in the same way as other tangible assets.

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2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Useful Life</u>
Land and improvements	2–50 Year
Buildings	2–50 Year
Plant, machinery, and equipment	1–64 Year
Vehicles	3–15 Year
Fixtures	2–50 Year
Other Tangible Assets	1–20 Year

Property, plant, and equipment are reviewed for impairment losses, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Costs of property plant and equipment are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of income during the financial period in which they were incurred. Gain or losses on disposal of property, plant and equipment are included in the "Income/Expense from Investing Activities" and are determined as the difference between the carrying value and amounts received.

The gain on revaluation on tangible assets presented in the equity is transferred directly to the retained earnings when the asset is retired from use or disposed of or fully depreciated.

Intangible Assets

Intangible assets acquired

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives, estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis. Purchase costs are included in the related assets and are amortized at between 2 and 15 years based on their economic lives (Note 20).

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-15 years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Software development costs include employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding fifteen years) (Note 20).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset, and their fair value can be measured reliably. Cost of such intangible assets is the fair value at the acquisition date, after initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets acquired separately (Note 20).

Mining assets

Development costs incurred to evaluate and develop new ore bodies, or to define mineralization in existing ore bodies, or to establish or expand productive capacity or to maintain production are capitalized. Mine development costs are capitalized to the extent they provide probable access to mine bearing reefs; have future economic benefits and they are attributable to an area of interest or those that can be reasonably allocated to the area of interest. Costs incurred during commissioning period which are directly attributable to developing the operating capability of the mine, are capitalized and only the costs that represent costs of producing mine are recognized in the consolidated statement of comprehensive income.

In cases where it is difficult to separate the research phase from the development phase in a project, the entire project is treated as research and recorded as expense to the statement of comprehensive income. Depreciation starts when the asset is in a location and condition necessary for it to be capable of operating in the manner intended by the Group management.

Development costs incurred during the production phase are capitalized and depreciated to the extent that they have future economic benefits. The development cost is allocated at initial recognition to its significant components and each component is depreciated separately by units of production method, considering the attributable area of interest. The major overhauls that extend the future economic benefits throughout the life of mine are capitalized as future benefits will flow to the Company. Other than major overhauls, repairs are expensed as incurred. In accordance with the unit of production method, the depreciation charge of development costs is calculated by dividing the number of tons of ore extracted during the period by the remaining proven and probable mine reserves in terms of tons for attributable area of interest.

Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in future from known mineral deposits in the attributable area of interest.

Mineral and surface rights are recorded at acquisition cost and amortized principally by the units of production method based on estimated proven and probable reserves. In accordance with the unit of production method, the amortisation charge of mineral and surface rights are calculated by dividing the amount of ore extracted during the period to the remaining proven and probable mine reserves in terms of tons (Note 20).

Mining Rights

Mineral reserves include trona reserves, which at the time they are determined can be economically and legally mined and processed into soda ash or sodium bicarbonate. Mining reserves are initially recognized at fair value. Mining reserves are then shown at the initial value less accumulated amortization and accumulated impairment losses.

The Group amortizes its mineral rights according to the consumption life of the total mineral reserves determined by independent experts according to the production amount based on the management's estimates. The average lifetime of mineral rights is between 40-50 years.

Development costs

Costs incurred on development projects related to the design and testing of new or improved products are recognized as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognized as an expense as incurred. Development expenditures previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis in projected project life. Expense of current period amortisation and depreciation are recognized with cost of goods sold and operational expenses (Note 29 and Note 31).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Investment Properties

Land and buildings those are held for long term rental yields or capital appreciation or both, rather than in the production of supply of goods and services or administrative purposes or for the sale in the ordinary course of business are classified as "Investment property". Investment properties are accounted for using the fair value model at the financial statements. If an owner-occupied property becomes an investment property that will be carried at fair value, an entity shall apply TAS 16 "Property, Plant and Equipment" up to the date of change in use. The entity treats any difference at that date between the carrying amount of the property in accordance with TAS 16 and its fair value as a revaluation in accordance with TAS 16 and revaluation differences are accounted for under equity. Fair value of investment property has been calculated at the end of each year by the Capital Market Board (CMB) licensed independent valuation firms that have required professional experience (Note 17). In subsequent periods, profit or loss due to the revaluation of fair value of investment property are accounted for under current period's profit or loss. If the value of the asset is reduced as a result of revaluation, the decrease is accounted as an expense, However, this decrease should be accounted in the scope of other comprehensive income to the extent of any receivables revaluation related to that asset. The corresponding decrease, accounted in other comprehensive income, reduces the amount accumulated in equity under the revaluation surplus heading.

Non-Current Assets Classified as Held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets are classified as assets held for sale when their carrying amount is considered to be recovered principally through a sale transaction instead of usage. The assets can be a business unit, sales group, or a separate tangible asset. The sale of assets held for sale is expected to be settled within 12 months after the end of balance sheet date. Various events or circumstances can extend the completion time more than one year. If there is no sufficient evidence supporting that the delay is beyond the control of entity and sales plan of sales transaction of the asset (or disposal asset group) continues; the delay does not prevent the classification of assets (or disposal asset group) as assets held for sale.

Assets held for sale are stated at the lower of carrying amount or fair value. The impairment loss is recognised as expense under consolidated profit or loss statement of the period, at when the carrying value is less than the fair value. No amortisation is recognized for these assets.

Derivative Instruments and Hedging Instruments

Derivative financial instruments are initially recognised at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered and are subsequently remeasured at fair value. The derivative instruments of the Group mainly consist of foreign exchange forward contracts, currency/interest rate swap instruments, purchase and sale of gas, coal, silver, tin, and palladium. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the consolidated financial statements. The fair value changes for these derivatives are recognised in the consolidated profit or loss statement. The hedging transactions of the Group that qualify for hedge accounting are accounted for as follows:

Fair Value Hedges

The changes in the fair value of derivative transactions determined as fair value hedges are recorded in the profit or loss statement together with the changes in the fair value of the hedged asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Cash flow hedge

Hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit and loss are designated as cash flow hedges by the Group. Changes in the fair value of derivatives, designated as cash flow hedges and qualified as effective, are recognised in equity as "hedging reserves", where the forecasted transaction or firm commitment results in the recognition of an asset or of a liability, the gains and losses previously recognised under equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts recognised under equity are transferred to the consolidated comprehensive income statement in the period in which the hedged firm commitment or forecasted transaction affects the consolidated comprehensive income statement.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or losses previously recognised in equity are transferred to the profit or loss statement, If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in equity until the forecast transaction or firm commitment affects the statement of profit or loss.

Hedge Accounting:

The Group determined all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under TFRS 9. As TFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of TFRS 9 did not have a significant impact on Group's financial statements.

Impairment of Assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income. The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortisation amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted under the comprehensive income statement.

Right-of-Use Assets

The Group recognises right-of-use assets at the commencement of the lease (i.e., the date of underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any revaluation of lease liabilities.

The cost of right-of-use asset includes:

- the amount of lease liabilities recognised,
- lease payments made at or before the commencement date less any lease incentives received,
- initial direct costs incurred

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

At the commencement date of the lease, the measurement of the lease liabilities includes:

- (a) Fixed payments,
- (b) The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs,
- (c) The amounts expected to be paid by the Group under residual value guarantees
- (d) The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and
- (e) The payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate,

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group discounts the lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

After the commencement date, the Group measures the amount of lease liabilities as follows:

- (a) the amount of lease liabilities is increased to reflect the accretion of interest, and
- (b) reduced for the lease payments made

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Borrowing costs

Borrowings are recognized initially at the proceeds received; net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized under consolidated statement of comprehensive income over the period of the borrowings (Note 8 and Note 34).

In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are recognized under consolidated statement of comprehensive income in the period in which they are incurred.

Foreign exchange differences relating to borrowings, to the extent that they are regarded as an adjustment to interest costs, are also capitalized. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

Related Parties

For the purpose of these consolidated financial statements, shareholders, key management personnel (general manager, vice general managers, coordinator of general management, and factory managers) Board members, and senior executives (chairman and coordinator) reporting to the company's board of directors in each case together with the companies controlled by/or affiliated with them, are considered and referred to as related parties (Note 38).

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting.

Financial Assets

Classification

Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Recognition and Measurement

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables" and "financial investments". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under consolidated statement of profit or loss.

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of profit or loss.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of profit or loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL), The impairment model applies for amortized financial and contractual assets.

Provision for loss measured as below:

- 12- Month ECL: results from default events that are possible within 12 months after reporting date,
- Lifetime ECL: results from all possible default events over the expected life of financial instrument

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

The group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are measured at amortized cost, using the effective interest rate method. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach. Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income (Note 10 and Note 32).

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the consolidated statement of income or loss (Note 10 and Note 32).

The Group collects some of its receivables through factoring. The receivables that are subject to the factoring transaction are deducted from their respective receivables' accounts, if the collection risk is undertaken by the Factoring Company. The amounts at Group's collection risk continue to be transferred to the Consolidated Financial Statements and advances received from the factoring companies are presented as debts from factoring transactions under the "Borrowings" account in the Consolidated Financial Statements.

Cash and Cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 6).

Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments (Note 7).

Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value.

Financial liabilities are classified as equity instruments and other financial liabilities.

Equity instruments

Financial liabilities related to non-controlling share put options are reflected in the financial statements in conformity with their discounted value of them own redemption plan. The discounted value of the financial liability which is the subject of the put option is estimated to be the fair value of the financial asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 10).

Business Combinations and Goodwill

A business combination is the bringing together of separate entities or business into one reporting entity. Business combinations are accounted for using the purchase method in the scope of TFRS 3 (Note 3).

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquired business and in addition, any costs directly attributable to the business combination. The cost of the business combination at the date of the acquisition is adjusted if a business combination contract includes clauses that enable adjustments to the cost of business combination depending on events after acquisition date, and the adjustment is measurable more probable than not. Costs of the acquisition are recognized in the related period. Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell, any impairment is recognized immediately as an expense and is not subsequently reversed.

Legal mergers arising between companies controlled by the Group are not considered within the scope of TFRS 3. Consequently, no goodwill is recognized in these transactions. Similarly, the effects of all transactions between the legally merged enterprises, whether occurring before or after the legal merger, are corrected in the preparation of the consolidated financial statements.

The Group remeasures its previously held equity interest in the acquired business to fair value at the acquisition date (ie the date the Group takes control), in a business combination that takes place in stages and the resulting gain/loss, if any, Associates, Joint Controlled Accounts in Other Income (Expenses) from Businesses and Subsidiaries. Amounts arising from the share of the acquired business recognized in other comprehensive income before the acquisition date are transferred to profit or loss for the period or retained earnings, assuming that the said interests are disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Business combinations and Goodwill (Continued)

Customer Relations

Customer relations and contracts that are acquired as a result of the merger are accounted with their fair values on the acquisition date. Customer relations that are binded with contracts are depreciated using straight line depreciation method through their useful lifes (10 years) and carried with the value, which is obtained by subtracting the redemption from acquisition cost. Customer relations are subject to impairment tests when conditions for impairment are observed. When there is impairment, registered value of the customer relations is brought to its recoverable rate and related amount is recorded as cost in respective term's results.

Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded under equity.

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira (TRY), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in foreign currencies (currencies other than TRY or the currency other than the functional currency of the related entity) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing at the balance sheet date.

Revenue and expense items are translated using the average exchange rates for the period when the exchange rates in the period in which the transactions are to be made do not fluctuate significantly (in the case of significant fluctuations, the exchange rates at the transaction date are used). The resulting exchange differences are classified as equity and transferred to the Group's currency translation differences fund. Such conversion differences are recognized in profit or loss in the period in which the foreign operation is derecognized. Goodwill and fair value adjustments arising from acquisitions of operations abroad are treated as assets and liabilities of the foreign operation and translated using the period end exchange rate.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at period end rates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Earnings per Share

Earnings per share disclosed in the accompanying consolidated statement of profit or loss is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation (Note 37).

Events after the Reporting Date

The Group adjusts the amounts recognized in its financial statements to reflect adjusting events occurring after the reporting date. If non-adjusting events after the reporting date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation, Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably (Note 23).

Segment reporting

The Group has six business segments determined by the management based on information available for the evaluation of performances and the allocation of resources. These divisions are architectural glass, automotive glass, glassware, glass packaging, chemicals, (soda, chromium and other chemicals, mineral, glass fiber), and others that includes of export, import, energy, recycling, collection, separation, processing, recycling and acquisition of packing waste and insurance agency services. These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns. The evaluation of geographical performance by the management is performed in terms of "Turkey", "Russia, Ukraine, Georgia", "Europe" and "Other", When evaluating the segments' performance, Group Management is utilizing the financial statements prepared in accordance with TFRS (Note 5).

Operating segments are reported in a manner consistent with the reporting provided to the Group's chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. As the sectors merged under "Other" do not meet the required quantitative thresholds to be a reportable segment, these have been merged for the purpose of segment reporting.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Segment reporting (Continued)

For an operating segment to be identified as a reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its profit or loss is 10% or more of the combined profit or loss or its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Government grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all the required conditions (Note 22).

Government grants related to costs are accounted as income on a consistent basis over the related periods with the costs.

Government grants relating to property, plant and equipment are included in "deferred income" under the non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized directly in equity (Note 36). In such case, the transaction including tax is recognized in shareholders' equity.

The current period tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Employee Benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefit to all personnel in cases of termination of employment without due cause, retirement or death upon the completion of a minimum one-year service. The provision which is allocated by using the defined benefit pension's current value is calculated by using the estimated liability method. All actuarial profits and losses are recognized in the consolidated statements of changes in equity (Note 25).

The liabilities related to unused vacation days are accrued when they are earned.

The Group has defined benefit plans and post-retirement benefits in its operations in the United States, with business combinations in 2021. Details of the relevant plans are given below.

Defined benefit plans

(i) Benefit Plan

Pension Plan and Hourly Employee Pension Plan benefits are based on years of service and average remuneration for the highest 60 consecutive months of the employee's last 120 months of service as defined. Each plan primarily covers Ciner Wyoming LLC and Sisecam Chemicals Resources LLC all full-time employees hired before May 1, 2001. The Group's funding policy contributes the minimum required amount of funding and the funding amount that will provide the highest tax advantage.

(ii) Savings Plans

Covers all eligible and hourly employees of Ciner Wyoming LLC and Sisecam Chemicals Resources LLC. The savings plan is limited to all domestic and foreign employees residing in the United States indefinitely. While the related plan allows employees to contribute with their own contribution rate, the Group contributes to the plan with certain percentages based on the contribution amounts of the employees. The savings plan has been changed for employees hired after May 1, 2001, making it possible for the Group to make an additional contribution at certain rates depending on the contribution rates of the employees.

The Group's defined benefit plans (benefit plan and savings plan) are funded. The Group measures the planned asset plans for the defined benefit plans at their fair value. As of the reporting period, the Group offsets assets and presents net liabilities within the scope of its liabilities related to defined benefit plans and the planned asset plan for these liabilities. Defined benefit plans are calculated based on an estimate of the present value of the company's probable future obligation and the probabilities that the benefits will be paid. TAS 19 "Employee Benefits" stipulates that the liabilities of the enterprise are calculated using actuarial valuation methods within the scope of defined benefit plans.

Post Retirement Benefits

Some employees of Sisecam Resources LLC are subject to a post-retirement benefit plan. Post-retirement benefits provide additional health and life benefits, unlike the defined benefit and savings plans outlined above. Post-retirement benefits apply if the employee is still employed by the company when they reach retirement age. The Group has the right to change and cancel post-retirement benefits. Post-retirement benefits are not funded. Post-retirement benefits are calculated based on an estimate of the present value of the company's probable future obligation. TAS 19 "Employee Benefits" requires the entity to calculate its liabilities under post-retirement benefit plans using actuarial valuation methods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

Statement of Cash Flows

The Group prepares statements of cash flows as an integral part of its financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities. The Group has preferred to present the cash inflows and outflows from operating activities in the financial statements in indirect way.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

2.7 Critical accounting estimates, judgments, and assumptions

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future, the accounting estimates and assumptions, by definition, may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither an accounting nor taxable profit/ (loss). The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, current period losses, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.7 Critical accounting estimates, judgments, and assumptions (Continued)

As a result of the assessment of Group Management, a tax asset of TRY 814,144 thousand (31 December 2020: TRY 255,920 thousand) results from temporary differences as of 31 December 2021 that are arising from the tax allowances and can be used since the tax advantage continue. The Group is entitled with corporate tax allowances in accordance with Corporate Tax Law No, 5520, article 32/A. The amount of corporate tax allowances related to temporary differences and that can be utilized during the period of corporate tax allowance advantage is TRY 1,060,796 thousand (31 December 2020: TRY 1,117,253 thousand) (Note 36).

The Group reviews the amount of goodwill on its books every single year, or more often when there are signs of impairment. Recoverable amounts of the cash generating assets are determined based on use value calculations. Several estimations are made with respect to these calculations (Note 21), As a result of these processes, no impairment has been detected.

The Group, Turkey Accounting Standards (TAS) 16 under "revaluation method" to evaluate the real estate (land, land improvements and buildings), taking into account the value on September 30, 2021, re-valuated that is, to be finalized valuation results after disclosure of September 30, 2021 period operating results then due to the effects of 31 December 2021 dated financial statements.

Land and buildings are stated at revalued amounts in accordance with IAS 16 revaluation method. Fair values in the financial statements dated 31 December 2021 are based on the appraisal reports prepared by independent valuation firms.

As there were recent similar buying/ selling transactions nearby, revaluations of land were based on the method of reference comparison whereas if there were recent similar buying/ selling transactions nearby revaluations of buildings were based on of market reference comparison if not the method of cost approach.

In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m² sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional independent valuation company was utilized.

In the cost approach method, fair value of the buildings and land improvements was calculated by considering recent re-construction costs and related depreciation, In the cost approach method, above explained market reference comparison method was used in calculation of the land value, one of the components. The carrying values of land, land improvements and buildings do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date. Group performs impairment assessment for lands and buildings of which valuations are based on market value and cost approach, in accordance with the "TAS 36 Impairment of Assets", and impairment has been recognized in income statement. Net book values of related assets have been adjusted to reflect the revalued amounts and the gain has been accounted for under the revaluation reserve in equity, net-off relevant deferred tax impact.

For the period 1 January-31 December 2021, if the fair value determined by the independent valuation company was 1% lower / higher, the total comprehensive income for the period would have been TRY 43,130 thousand lower / higher.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.7 Critical accounting estimates, judgments, and assumptions (Continued)

Revaluation gains from land and buildings were accounted for under "Gain/loss on revaluation" in equity and revaluation loss were accounted if any, is deducted in the Revaluation and Measurement Earnings / Losses account, which is previously recognized in equity, the undue value decrease is more; recognized in "Expenses from investing activities (-)" under the statement of profit or loss.

The Group has revalued the investment properties accounted for within the scope of TAS 40 "Investment Property" and revaluation gain was accounted for under income from investment activities in the consolidated income statement, and (Note 28 and 33). Deferred tax liability was calculated from the amount which is recognized in the income statement by considering the possibility of sale in the subsequent period and tax exemption of profit on sale in accordance with the current Corporate Tax Law ("CTL") article 5/1-e and accounted for under deferred tax expense for the period (Note 36).

3. Business Combinations

In order to become the world leader in the Group's existing soda production investments, with additional soda ash production investments to be made until 2026, it has purchased three companies to incorporate the American natural soda operations belonging to Ciner Group. With these acquisitions, the Group aims to expand its operations in the United States, primarily to become the leader in natural soda production in the United States, and to expand its other glass business operations in this geography.

Details of the relevant purchases are shown below.

	Pacific Soda LLC	Atlantic Soda LLC	Sisecam Chemicals Resources	Total
Purchase Price	306,567	1.692,783	3,998,700	5,998,050
Cash and cash equivalents	21,138	-	67,185	88,323
Net Cash Flow	285,429	1,692,783	3,931,515	5,909,727

a) Pacific Soda LLC

While the Group has been consolidating Pacific Soda LLC's joint venture in the United States with a 50% shareholding method since October 24, 2019, 10% of Pacific Soda LLC's shares were purchased on December 21, 2021 for a cash consideration of USD 23,000,000. The shares have been transferred to Sisecam Chemicals USA Inc.

The fair values of the identifiable assets and liabilities of the business combination as of 31 December 2021 closest to the acquisition are as follows. In the 10-day period between December 31, 2021, the financial results of which are taken into account, and December 21, 2021, which is the share purchase day, there are no significant transactions affecting the financial statement items. Imperial Natural Resources Trona Mining Inc., the other partner of Pacific Soda with a 40% stake. It has been evaluated as a joint operation according to the articles of association signed with the Company and has been included in the consolidated financial statements with the proportional consolidation method.

This calculation made on the provisional amounts will be completed within twelve months following the purchase date and, if necessary, correction entries will be made as of the purchase date. It is anticipated that a significant portion of the goodwill calculated over the provisional amounts will be mineral rights.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3. Business Combinations(continued)

Current Assets	Note	31 December 2021
Cash and cash equivalents		21,138
Due from related parties		271,444
Other receivables		120
Total current assets		292,702
Non-current assets		
Tangible assets	18	87,747
Intangible assets	20	567,076
Right of use assets	19	16,448
Total non-current assets		671,271
TOTAL ASSETS		963,973
LIABILITIES		
Short term portion of long-term borrowings	8	34,544
Trade payables	38,10	80,428
- Due to related parties	38	1,505
- Due to third parties	10	78,923
Total current liabilities		114,972
Long term borrowings	8	316,288
Total non-current liabilities		316,288
Total liabilities		431,260
EQUITY		
Paid capital		657,368
Accumulated other comprehensive income/expense to be reclassified to profit or loss		(1,733)
- Currency translation differences		(1,733)
Retained earnings/loss		(122,924)
Total equity		532,711
TOTAL LIABILITIES		963,971
a. i) Transferred amount		306,567
a. ii) Fair value of the pre-purchase shares at the merger date		1,226,268
- Value of net identifiable assets before acquisition		444,569
- Business development cost considered as affiliate cost(note 27)		439,598
- Fair value change before acquisition(note 33)		342,101
a. (i+ii)		1,532,835
Net identifiable assets		532,711
Translation differences		69,206
b. Total		601,917
(a - b) Goodwill at the acquisition date		930,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3. Business Combinations(continued)

b) Atlantic Soda LLC

As part of the acquisition of 60% of Ciner Group's soda operations in the United States, 60% from the Group titled "Atlantic Soda LLC" was purchased from Imperial Natural Resources Trona Mining Inc., a resident of the USA, for USD 127,000,000. Joint operations have been evaluated according to the articles of association signed between the partners and have been included in the consolidated financial statements using the proportional consolidation method.

The calculation made on the provisional amounts will be completed within twelve months following the purchase date, and if necessary, adjustments will be made as of the purchase date. It is anticipated that a significant portion of the goodwill calculated over the provisional amounts will be mineral rights.

Non-Current assets		31 Aralık 2021
Tangible assets	18	86,372
Intangible assets	20	195,961
Total non-current assets		282,333
TOTAL ASSETS		282,333
Trade payables to related parties		271,444
Trade payables to third parties		147
Total current liabilities		271,591
Total liabilities		271,591
EQUITY		
Paid capital		196,313
Accumulated other comprehensive income/expense		
to be reclassified to profit or loss		(20)
- <i>Currency translation differences</i>		(20)
Retained earnings / loss		(185,552)
Total equity		10,741
TOTAL LIABILITIES		282,332
NET TOTAL ASSETS		10,741
Total Cash Paid		1,692,783
Goodwill		1,682,041

c) Sisecam Chemicals Resources(Formerly "New Resources LLC")

As part of the acquisition of 60% of Ciner Group's soda business operations in the United States, 60% of the company titled "Ciner Resources Corporation" was purchased from Ciner Enterprise Incorporation, a resident of the United States, on 21 December 2021 for USD 300.000.000, and The company's title was changed to Sisecam Chemicals Resources on the same day. Between the date of 31 December 2021, when the financial results are taken into account, and the acquisition date, there was no significant transaction that would affect the financial statements.

The calculation made on the provisional amounts will be completed within twelve months following the purchase date, and if necessary, adjustments will be made as of the purchase date. It is anticipated that a significant portion of the goodwill calculated over the provisional amounts will be mineral rights.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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3 Business Combinations(continued)

Current Assets	31 Aralık 2021	
Cash and cash equivalents		67,185
Trade receivables		1.599.184
Other receivables		37.630
Derivative instruments		113.247
Inventories		367,731
Prepayments		40.945
Total Current Assets		2.225,922
Non-current assets		
Tangible assets	18	4.650,813
Intangible assets	20	9.393.942
Prepayments		39.620
Right of use assets	19	271.240
Total Non-Current Assets		14.355,615
Total Assets		16.581,537
Current Liabilities		
Short term portion of long-term borrowings		229.217
Trade payables		183,745
Liabilities for employee benefits		106.325
Other payables		236.306
Derivative instruments		32.590
Short term provisions		368,246
Other current liabilities		70.788
Total current liabilities		1,227,217
Non-current liabilities		
Long term borrowings	8	1.707.961
Long term provisions	25	1.109,980
- Long-term provisions for employee benefits	25	558,764
- Other long term provisions (*)	25	551,216
Total non-current liabilities		2,817,941
Total liabilities		4,045,158
EQUITY		
Paid capital		1,505,994
Accumulated other comprehensive income/expense		
to be reclassified to profit or loss		(29,856)
- Currency translation differences		(29,856)
Profit reserves		6,177,134
Retained earnings/loss		(2,246,209)
Total equity		5,407,063
Non-controlling interests		7,129,317
TOTAL EQUITY		16,581,538
(*)Other long-term provisions consist of environmental rehabilitation provisions.		
Net assets total		12.536.379
Translation differences		20.084
Non-controlling interests (-)		(7.129.317)
Total		5.427.146
Received share		%60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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3 Business Combinations(continued)

Non-controlling interests arising from the purchase	2,174,767
Total cash paid	3,998,700
Goodwill	742,412

In the period of 1 January-31 December 2020, there was no business combination within the scope of TFRS-3 "Business Combinations" standard.

4. Interests in Other Entities

The Group presents the disclosures related to the changes in ownership rates that do not result in control ceases in the subsidiaries in Note 28.

The disclosures related to Company's subsidiaries, business associations, production partnership and affiliate's names, affiliated country and ownership rates presented in Note 1.

The Group does not have any subsidiaries and structured businesses that are not consolidated.

Company's Joint Ventures and Associates information presented in Note 16.

The closing price and market value of Türkiye Şişe ve Cam Fabrikaları A.Ş. in Borsa İstanbul A.Ş. as of the report date are as follows:

31 December 2021	Best Purchase Price	BIST Closing Price	BIST Closing Price	Market Value at Closing Price
Türkiye Şişe ve Cam Fabrikaları A.Ş.	13,81	13,38		40,985,804
31 December 2020	Best Purchase Price	BIST Closing Price	BIST Closing Price	Market Value at Closing Price
Türkiye Şişe ve Cam Fabrikaları A.Ş.	7,30	7,31		22,392,095

The Rate of Shares Traded in BIST (%)	31 December 2021	31 December 2020
Türkiye Şişe ve Cam Fabrikaları A.Ş.	48,94	49,06

Non-controlling interests (%) in subsidiaries are as follows:

Subsidiary Name	31 December 2021	31 December 2020
Sisecam Chemicals Resources LLC (**)	40,000	-
Sisecam Chemicals Wyoming LLC (**)	40,000	-
Ciner Resources LP(**)	55,600	-
Ciner Resources General Partners LLC (**)	40,000	-
Ciner Wyoming LLC (**)	77,356	-
TRSG Glass Holding B.V. ("TRSG Glass") (*)	30,000	30,000
Trakya Glass Rus AO (*)	30,000	30,000
Trakya Glass Rus Trading OOO (*)	30,000	30,000
Şişecam Çevre Sistemleri A.Ş. ("Şişecam Çevre")	10,000	10,000
Şişecam Elyaf Sanayii A.Ş. ("Şişecam Elyaf") (***)	0,001	0,003
Camis Egypt Mining Ltd. Co. ("Camis Egypt")	0,300	0.300

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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4. Interests in Other Entities (Continued)

(*) Since TRSG Glass Holding B.V., Trakya Glass Rus AO and Trakya Glass Rus Trading OOO have 100% shares, the financial information of these 3 subsidiaries has been presented as consolidated.

(**) The companies are consolidated and presented under Sisecam Chemicals Resources LLC.

At the meeting of the company's board of directors on March 29, 2021; one of the subsidiaries Cam Elyaf Sanayii A.Ş. and Şişecam Elyaf Sanayii A.Ş., together with all the assets and liabilities of Şişecam Elyaf Sanayii A.Ş. It has been decided to combine it as a whole, based on the financial statements dated 31 December 2020. It has been announced in the Turkish Trade Registry Gazette dated 13 July 2021 and numbered 10369 that the extraordinary general assembly meetings to be held regarding the merger will be held on 30 July 2021. Taking into account the change rate of 6,15279 stated in the expert report of "PWC Yönetim Danışmanlığı A.Ş." on June 9, 2021, a capital increase was realized in Şişecam Elyaf Sanayii A.Ş. and these shares were transferred to Cam Elyaf Sanayii A.Ş. allocated to its partners. Şişecam Elyaf Sanayii A.Ş.'s 600 Million Turkish Lira nominal capital has been increased by 369,167,40 thousand Turkish Liras and reached 969,167,40 thousand Turkish Liras. Of the increased nominal capital share of 369,167,40 thousand Turkish Liras, 12,16407 thousand Turkish Liras were allocated to the non-controlling shares. The share of non-controlling interests in the subsidiary is 0.001% (12,16407 / 969,167,40). (As of 31 December 2020, the ratio of non-controlling shares of Cam Elyaf Sanayii A.Ş. is 0.003%).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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4. Interests in Other Entities (Continued)

[The statement of the financial position as of 31 December 2021:](#)

	Sisecam Chemicals Resources Konsolide	TRSG Glass Consolidated	Şişecam Çevre Standalone	Şişecam Elyaf Standalone	Camis Egypt Standalone	Total
Current assets	2,225,922	1,190,898	42,456	297,052	6,509	3,762,837
Non-current asset	14,355,615	1,105,578	46,943	1,353,227	952	16,862,315
Total assets	16,581,537	2,296,476	89,399	1,650,279	7,461	20,625,152
Current liabilities	1,227,217	130,898	30,927	319,722	1,293	1,710,057
Non-current liabilities	2,817,941	52,498	893	145,381	12,181	3,028,894
Total liabilities	4,045,158	183,396	31,820	465,103	13,474	4,738,951
Non-controlling interests	7,129,317					7,129,317
Net Assets of the Company	5,407,062	2,113,080	57,579	1,185,176	(6,013)	8,756,976
Consolidation adjustments due to inter-group leases	-	71	21	-	-	92
After consolidation adjustments	5,407,062	2,113,080	57,650	1,185,197	(6,013)	8,756,976
Non-controlling interests rate	%40	%30	%10	%0,0033	%0,3	
Non-controlling interests	9.292.142	633.924	5.765	15	(19)	9.931.827
Dividend paid to non-controlling interests	-	(33.260)	-	(2)	(1)	(33.261)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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4. Interests in Other Entities (Continued)

Profit/Loss for the year 1 January - 31 December 2021:

	Sisecam Chemicals Resources Konsolide	TRSG Glass Consolidated	Şişecam Çevre Standalone	Şişecam Elyaf Standalone	Camis Egypt Standalone	Total
Revenue	-	799,155	132,768	642,741	52,809	1,627,473
Profit/ (loss) for the year	-	315,780	(36,217)	111,108	(7,953)	382,718
Other comprehensive income	-	905,868	(12)	98,912	(1,292)	1,003,476
Total comprehensive income/ (loss)	-	1,221,648	(36,229)	210,020	(9,245)	1,386,194
Consolidation adjustments due to inter group leases	-	-	2	1	-	3
Total comprehensive income/ (loss) after Consolidation adjustments	-	1,221,648	(36,227)	210,021	(9,245)	1,386,197
Non-controlling interests	-	366,495	(3,623)	3	(12)	362,863

Summary of cash flows for the period 1 January - 31 December 2021:

Purchases of tangible, intangible and right of use assets	-	8,097	9,581	21,132	-	38,810
Borrowings from:						
- Cash inflows	-	-	-	-	-	-
- Cash outflows	-	(106)	(13)	(469,244)	-	(469,363)
Dividends paid	-	(110,865)	-	(45,000)	(172)	(156,037)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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4. Interests in Other Entities (Continued)

[The statement of the financial position as of 31 December 2020](#)

	TRSG Glass Consolidated	Şişecam Çevre Standalone	Cam Elyaf Standalone	Camis Egypt Standalone	Total
Current assets	434,070	75,868	154,857	5,324	670,119
Non-current asset	588,780	59,502	100,961	967	750,210
Total assets	1,022,850	135,370	255,818	6,291	1,420,329
Current liabilities	48,091	41,161	4,540	2,748	96,540
Non-current liabilities	16,649	401	24,637	-	41,687
Total liabilities	64,740	41,562	29,177	2,748	138,227
Net Assets of the Company	958,110	93,808	226,641	3,543	1,282,102
Consolidation adjustments due to inter group leases	-	61	-	-	61
Net Assets					
After consolidation adjustments	958,110	93,869	226,641	3,543	1,282,163
Non-controlling interests rate	30%	10%	0.0033%	0.3%	
Non-controlling interests	287,433	9,387	7	11	296,838
Dividend paid to non-controlling interests	(45,681)	-	(0.4)	-	(45,681)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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4. Interests in Other Entities (Continued)

Profit/Loss for the year 1 January – 31 December 2020:

	TRSG Glass Consolidated	Şişecam Çevre Standalone	Cam Elyaf Standalone	Camis Egypt Standalone	Total
Revenue	371,984	100,653	-	40,215	512,852
Profit/ (loss) for the year	(92,532)	5,197	30,385	272	(56,678)
Other comprehensive income	(22,010)	(11)	(2,732)	445	(24,308)
Total comprehensive income/ (loss)	(114,542)	5,186	27,653	717	(80,986)
Consolidation adjustments due to inter group leases	-	14	-	-	14
Total comprehensive income/ (loss) after Consolidation adjustments	(114,542)	5,200	27,653	717	(80,972)
Non-controlling interests	(34,363)	520	1	2	(33,840)

Summary of cash flows for the period 1 January - 31 December 2020:

Purchases of tangible, intangible and right of use assets	3,239	2,941	-	-	6,180
Borrowings from;					
- Cash inflows	-	-	-	-	-
- Cash outflows	(69)	(24)	(1)	-	(94)
Dividends paid	(152,272)	-	(10,750)	-	(163,022)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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5. Segment Reporting

a) Operating Segments

1 January-31 December 2021	Architectural	Automotive	Glassware	Glass Packaging	Chemicals	Other	Consolidation adjustments	Consolidated
Net sales – third parties	9,169,529	3,229,910	4,876,128	7,472,165	5,864,874	1,445,269	-	32,057,875
Intergroup sales	608,773	22,212	1,509	92,686	1,746,746	1,790,456	(4,262,382)	-
Total net sales	9,778,302	3,252,122	4,877,637	7,564,851	7,611,620	3,235,725	(4,262,382)	32,057,875
Cost of sales	(5,516,460)	(2,751,319)	(3,043,095)	(4,997,661)	(4,926,090)	(2,664,380)	3,021,426	(20,877,579)
Gross profit	4,261,842	500,803	1,834,542	2,567,190	2,685,530	571,345	(1,240,956)	11,180,296
Operating expenses	(1,894,895)	(650,605)	(1,257,784)	(1,529,759)	(1,234,179)	(222,176)	1,109,981	(5,679,417)
Other operating income	743,141	314,430	666,151	511,471	684,207	1,315,801	(119,899)	4,115,302
Other operating expenses	(501,590)	(176,426)	(337,254)	(213,766)	(381,313)	(1,809,259)	31,460	(3,388,148)
Share of profit (loss) from investments accounted for using equity method	98,939	-	-	-	117,998	-	-	216,937
Operating profit/(loss)	2,707,437	(11,798)	905,655	1,335,136	1,872,243	(144,289)	(219,414)	6,444,970
Income from investing activities	817,997	7,689	63,481	268,376	1,297,606	938,512	(62,391)	3,331,270
Loss from investing activities	(4,349)	(51,143)	(25,983)	(22,946)	(613,410)	(1,979)	30	(719,780)
Other valuation gains / (losses)	19,127	1,291	1,845	7,037	541,993	7,474	-	578,767
Operating profit before financial income and expense	3,540,212	(53,961)	944,998	1,587,603	3,098,432	799,718	(281,775)	9,635,227
Financial income	3,898,070	183,049	1,406,222	1,197,278	4,163,326	16,461,184	(323,783)	26,985,346
Financial expenses (-)	(3,205,685)	(127,741)	(1,423,725)	(1,422,945)	(2,638,407)	(17,233,426)	508,894	(25,543,035)
Profit before tax from continued operations	4,232,597	1,347	927,495	1,361,936	4,623,351	27,476	(96,664)	11,077,538
Tax income/ (expense) for the period	(793,815)	(100,154)	(203,056)	(182,701)	(688,480)	130,975	(15,931)	(1,853,162)
Profit (loss) for the period	3,438,782	(98,807)	724,439	1,179,235	3,934,871	158,451	(112,595)	9,224,376
Purchases of tangible and intangible assets	637,136	151,728	497,079	608,369	625,862	289,939	-	2,810,111
Right of use assets	17,093	-	56,471	-	2,158	-	-	75,72
Depreciation and amortization charges (-) (Note 18, 19 and 20)	(588,267)	(156,884)	(261,934)	(631,778)	(268,358)	(154,033)	-	(2,061,254)

Earnings before interest, taxes, depreciation and amortization (EBITDA) (*)

4,128,479 102,923 1,206,932 2,219,381 3,366,790 953,751 (281,775) 11,696,481

(*) EBITDA is not defined by TAS. The Group defined EBITDA as profit before interest, depreciation and tax. The EBITDA amounts disclosed are shown separately by the Group management for a better understanding and measurement of the Group's operational performance.

The Statement of Financial position (31 December 2021)

Total Assets	23,915,846	6,066,865	10,443,280	12,459,866	32,465,869	11,042,655	(7,721,868)	88,672,513
- Investments accounted for under equity accounting	558,455	-	-	-	1,539,039	-	(444,569)	1,652,925
- Deferred tax asset	159,966	78,022	37,878	265,090	790,006	135,618	(308,462)	1,158,118
Total Liabilities	11,240,177	4,055,388	5,498,563	7,549,563	10,093,595	6,498,150	(5,626,426)	39,308,805
- Deferred tax liabilities	415,676	43,323	67,846	6,426	99,565	408	(15,199)	618,045

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

5. Segment Reporting (Continued)

a) Operating Segments (Continued)

	1 January-31 December 2020			Glass			Consolidation		
	Architectural	Automotive	Glassware	Packaging	Chemicals	Other	Other	adjustments	Consolidated
Net sales – third parties	4,959,765	2,382,127	3,196,871	5,449,024	4,272,387	1,080,512	-	-	21,340,686
Intergroup sales	324,487	37	8,171	17,727	1,043,119	1,175,248	-	(2,309,196)	-
Total net sales	5,284,252	2,382,164	3,205,042	5,466,751	5,315,506	2,255,760	-	(2,309,196)	21,340,686
Cost of sales	(3,674,864)	(1,991,400)	(2,136,450)	(3,505,537)	(3,386,773)	(2,092,322)	-	1,848,664	(14,679,283)
Gross profit	1,609,388	390,764	1,068,592	1,961,214	1,928,733	163,438	-	(460,532)	6,661,403
Operating expenses	(1,161,481)	(431,648)	(871,199)	(1,012,951)	(753,705)	(165,271)	-	488,616	(3,906,837)
Other operating income	243,732	90,747	232,842	343,440	348,231	591,049	-	(48,515)	1,796,203
Other operating expenses	(201,516)	(40,390)	(82,869)	(189,670)	(219,050)	(582,782)	-	11,586	(1,304,691)
Share of profit (loss) from investments accounted for using equity method	12,133	-	-	-	88,101	-	-	-	100,234
Operating profit/ (loss)	502,256	9,473	347,366	1,102,033	1,392,310	6,434	-	(8,845)	3,346,312
Income from investing activities	399,446	1,135	7,807	136,121	445,454	251,688	-	(4,278)	1,237,373
Loss from investing activities	(73)	(5,568)	(9,253)	(11,911)	(182,865)	-	-	187	(209,483)
Other valuation gains / (losses)	(10,888)	(1,186)	(2,238)	(4,492)	(14,949)	(2,425)	-	-	(36,178)
Operating profit before financial income and expense	890,741	3,854	343,682	1,221,751	1,639,950	255,697	-	(12,936)	4,338,024
Financial income	1,436,267	151,319	839,253	429,781	1,429,203	427,870	-	(62,428)	4,651,253
Financial expenses (-)	(1,768,055)	(112,752)	(1,223,596)	(780,823)	(1,000,981)	(923,035)	-	73,438	(5,734,093)
Profit before tax from continued operations	558,953	42,421	(40,661)	870,709	2,068,172	(239,468)	-	(1,926)	3,255,184
Tax income/ (expense) for the period	60,770	(45,069)	19,826	(115,220)	(424,514)	73,757	-	(163)	(430,613)
Profit (loss) for the period	619,723	(2,648)	(20,835)	755,489	1,643,658	(165,711)	-	(2,089)	2,824,571
Purchases of tangible and intangible assets	493,057	76,804	306,793	528,725	224,859	243,064	-	-	1,873,302
Right of use assets	9,286	19,955	8,396	1,295	5,745	104	-	-	44,781
Depreciation and amortization charges (-) (Note 18, 19 and 20)	(436,184)	(141,281)	(207,688)	(525,894)	(244,114)	(95,681)	-	-	(1,650,842)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1,326,925	145,135	551,370	1,747,645	1,884,064	351,378	-	(12,936)	5,988,866

(*) EBITDA is not defined by TAS. The Group defined EBITDA as profit before interest, depreciation and tax. The EBITDA amounts disclosed are shown separately by the Group management for a better understanding and measurement of the Group's operational performance

The Statement of Financial position (31 December 2020)

Total Assets	13,869,892	3,796,960	6,100,564	7,882,864	11,172,327	4,956,869	-	(2,622,857)	44,228,036
- Investments accounted for under equity accounting	251,351	-	-	-	749,812	-	-	-	1,001,163
- Deferred tax asset	132,374	45,204	134,580	345,687	494,393	79,504	-	(127,395)	1,104,347
Total Liabilities	7,190,703	2,307,599	3,745,848	5,079,595	3,577,818	2,156,259	-	(2,178,733)	21,736,803
Deferred tax liabilities	137,334	14,888	27,385	4,279	32,404	475	-	(7,312)	209,453

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5. Segment Reporting (Continued)

b) Geographical segments

	Turkey	Russia, Ukraine and Georgia	Europe	Other	Total	Adjustments	Consolidated
1 January-31 December 2021							
Net sales – third parties	18,260,766	4,630,564	8,133,065	1,033,480	32,057,875	-	32,057,875
Intergroup sales	2,191,897	39,192	986,519	179,912	3,397,520	(3,397,520)	-
Total net sales (*)	20,452,663	4,669,756	9,119,584	1,213,392	35,455,395	(3,397,520)	32,057,875
Cost of sales	(13,140,409)	(2,948,128)	(7,119,142)	(800,646)	(24,008,325)	3,130,746	(20,877,579)
Gross profit	7,312,254	1,721,628	2,000,442	412,746	11,447,070	(266,774)	11,180,296
Operating expenses	(3,202,970)	(896,045)	(1,895,308)	(311,426)	(6,305,749)	626,332	(5,679,417)
Other operating income	4,157,994	85,868	401,406	38,631	4,683,899	(568,597)	4,115,302
Other operating expense	(3,063,742)	(56,334)	(227,929)	(55,709)	(3,403,714)	15,566	(3,388,148)
Share of profit (loss) from investments accounted for using equity method	665	-	247,943	(31,671)	216,937	-	216,937
Operating profit/ (loss)	5,204,201	855,117	526,554	52,571	6,638,443	(193,473)	6,444,970
Income from investing activities	3,741,484	52,652	118,310	9,801	3,922,247	(590,977)	3,331,270
Loss from investing activities	(630,759)	(69,107)	(12,154)	(7,790)	(719,810)	30	(719,780)
Other valuation gains / (losses)	63,614	-	-	515,153	578,767	-	578,767
Operating profit before financial income and expense	8,378,540	838,662	632,710	569,735	10,419,647	(784,420)	9,635,227
Financial income	26,879,452	74,092	41,963	1,833	26,997,340	(11,994)	26,985,346
Financial expense	(25,394,325)	(194,825)	(120,020)	(19,304)	(25,728,474)	185,439	(25,543,035)
Profit before tax from continued operations	9,863,667	717,929	554,653	552,264	11,688,513	(610,975)	11,077,538
Tax income/ (expense) for the period	(1,899,888)	(120,326)	8,567	158,485	(1,853,162)	-	(1,853,162)
Profit (loss) for the period	7,963,779	597,603	563,220	710,749	9,835,351	(610,975)	9,224,376
Purchases of tangible and intangible assets	1,799,405	260,205	509,535	240,968	2,810,113	-	2,810,113
Right of use assets	50,182	12,037	10,225	3,278	75,722	-	75,722
Depreciation and amortization charges (-) (Note 18, 19 and 20)	(967,528)	(404,402)	(606,673)	(82,651)	(2,061,254)	-	(2,061,254)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	9,346,068	1,243,064	1,239,383	652,386	12,480,901	(78,420)	11,696,481
The Statement of Financial position (31 December 2021)							
Total Assets	52,097,212	9,085,889	27,908,275	23,997,870	113,089,246	(24,416,733)	88,672,513
- Investments accounted for under equity accounting	103,141	-	1,549,784	444,569	2,097,494	(444,569)	1,652,925
- Deferred tax asset	479,223	130,260	229,125	319,511	1,158,119	(1)	1,158,118
Total Liabilities	23,150,939	3,523,559	9,302,301	6,859,601	42,836,400	(3,527,595)	39,308,805
- Deferred tax liabilities	315,970	58,627	53,009	190,439	618,045	-	618,045

(*) Net sales according to the geographical regions are represented based on the countries where the companies are operating.

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(**) Although there is no significant effect on the income statement except for other valuation gains/losses in the income statement regarding the American investments purchased under TFRS 3, the related assets and liabilities are presented in the "Other" column.

5. Segment Reporting (Continued) b) Geographical segments (Continued)

	Russia, Ukraine				Total	Adjustments	Consolidated
	Turkey	Georgia	Europe	Other			
1 January-31 December 2020							
Net sales – third parties	13,229,974	2,958,873	4,582,949	568,890	21,340,686	-	21,340,686
Intergroup sales	615,322	10,123	612,917	88,721	1,327,083	(1,327,083)	-
Total net sales (*)	13,845,296	2,968,996	5,195,866	657,611	22,667,769	(1,327,083)	21,340,686
Cost of sales	(9,222,880)	(1,946,039)	(4,143,849)	(506,349)	(15,819,117)	1,139,834	(14,679,283)
Gross profit	4,622,416	1,022,957	1,052,017	151,262	6,848,652	(187,249)	6,661,403
Operating expenses	(2,247,725)	(585,687)	(1,196,041)	(192,518)	(4,221,971)	315,134	(3,906,837)
Other operating income	1,685,779	151,276	159,828	32,764	2,029,647	(233,444)	1,796,203
Other operating expenses	(1,211,898)	(46,964)	(115,356)	(21,761)	(1,395,979)	91,288	(1,304,691)
Share of profit (loss) from investments accounted for using equity method	2,188	-	-	107,024	(8,978)	100,234	100,234
Operating profit/ (loss)	2,850,760	541,582	7,472	(39,231)	3,360,583	(14,271)	3,346,312
Income from investing activities	2,365,783	1,499	154,361	5,559	2,527,202	(1,289,829)	1,237,373
Loss from investing activities	(198,202)	(9,088)	(2,193)	-	(209,483)	-	(209,483)
Other valuation gains/(losses)	(36,207)	29	-	-	(36,178)	-	(36,178)
Operating profit before financial income and expense	4,982,134	534,022	159,640	(33,672)	5,642,124	(1,304,100)	4,338,024
Financial income	4,582,058	55,440	34,608	1,067	4,673,173	(21,920)	4,651,253
Financial expense	(5,391,680)	(182,181)	(148,710)	(41,637)	(5,764,208)	30,115	(5,734,093)
Profit before tax from continued operations	4,172,512	407,281	45,538	(74,242)	4,551,089	(1,295,905)	3,255,184
Tax income/ (expense) for the period	(377,309)	(67,519)	22,704	(8,489)	(430,613)	-	(430,613)
Profit for the period	3,795,203	339,762	68,242	(82,731)	4,120,476	(1,295,905)	2,824,571
Purchases of tangible and intangible assets	1,420,224	264,909	167,356	20,813	1,873,302	-	1,873,302
Right of use assets	11,299	68	30,123	3,291	44,781	-	44,781
Depreciation and amortization charges (-)	(781,302)	(319,255)	(486,094)	(64,191)	(1,650,842)	-	(1,650,842)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	5,763,436	853,277	645,734	30,519	7,292,966	(1,304,100)	5,988,866
Statement of Financial position (31 December 2020)							
Total assets	34,348,934	4,655,470	15,537,525	1,750,291	56,292,220	(12,064,184)	44,228,036
- Investments accounted for under equity method	63,448	-	820,296	117,419	1,001,163	-	1,001,163
- Deferred tax assets	897,274	119,907	86,679	487	1,104,347	-	1,104,347
Total liabilities	14,727,006	2,009,665	5,323,531	649,715	22,709,917	(973,114)	21,736,803
- Deferred tax liabilities	72,225	20,743	20,390	96,095	209,453	-	209,453
Net sales according to the geographical regions are represented based on the countries where the companies are operating.							

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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6. Cash and Cash Equivalents

	31 December 2021	31 December 2020
Cash on hand	502	311
Cash at banks	12,740,494	9,352,466
– Demand deposits	2,233,174	816,820
– Time deposits with a maturity of three months or less	10,507,320	8,535,646
Other liquid assets	81,806	35,077
Provision for impairment	(12,027)	(32,890)
	12,810,775	9,354,964

The maturity, interest rates and foreign currency position of time deposits are as follows:

Currency	Interest Rate %	Maturity	31 December 2021	31 December 2020
Euro	%0,01-%0,05	January-February 2022	6,178,653	3,518,095
US Dollars	%0,20-%1,00	January-February 2022	3,075,022	4,209,885
Turkish Lira	%5,00-%21,00	January-February 2022	101,357	143,803
Russian Rubles	%4,00-%9,20	January 2022	1,006,456	578,092
Other currencies converted TRY		January-February 2022	145,832	49,707
			10,507,320	8,535,646

The foreign currency position of cash, demand deposits and other cash values are as follows:

Currency	31 December 2021	31 December 2020
Euro	1,353,866	312,337
ABD Dollar	478,487	298,800
Turkish Lira	115,607	92,734
Bosnian Mark	153,188	5,199
Bulgarian Lev	9,543	14,391
Russian Ruble	75,671	24,092
Egyptian Pound	13,067	10,307
Georgian Lari	28,278	10,567
Chinese Yuan	5,733	5,452
Rumen Leu	939	6,051
Indian Rupee	8,598	3,701
Hungarian Forint	1,216	-
Ukrayna Grivnası	154	137
Turkish Lira equivalent of other currencies	71,135	68,440
	2,315,482	852,208

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6. Cash and Cash Equivalents (Continued)

Movements in allowance for impairment of cash and cash equivalents are as follows:

	31 December 2021	31 December 2020
1 January	(32,890)	(10,279)
Current year allowance	(2,717)	(24,182)
Currency translation differences	(10)	1
Cancellation of allowance	23,590	1,570
	(12,027)	(32,890)

Cash and cash equivalents as of 31 December 2021, 31 December 2020 presented in the consolidated statement of cash flows are as follows:

	31 December 2021	31 December 2020
Cash and cash equivalents	12,810,775	9,354,964
Effect of impairment loss	12,027	32,890
Interest accrual	(3,563)	(3,035)
	12,819,239	9,384,819

7. Financial Investments

a) Current financial investments

	31 December 2021	31 December 2020
Current financial investment		
Financial assets measured at amortized cost (*)	2,897,569	2,184,028
Time deposits (**)	377,551	-
Provision for impairment on financial assets	(9,877)	(24,182)
	3,265,243	2,159,846

(*) TRY 2.291.532 thousand of the regarding amount represents the short-term portion of long-term, semi-annual fixed-income US dollar securities, and TRY , 606.037 thousand consists of SBI Liquid Fund Regular Growth ("SBI") mutual fund (ISIN Code: INF200K01MA1) securities traded in India. (On 31 December 2020, for TRY 1,985,700 thousand and TRY 198,328 thousand respectively in return).

(**) It refers to time deposits with maturities between three months and one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

7. Financial Investments (Continued)**b) Non-current financial investment**

	31 December 2021	31 December 2020
Financial assets at fair value through other comprehensive income		
Financial investments not traded in an active market	2	2
	2	2
Long term financial investments measured at amortized cost		
Financial investments measured by amortized cost	1,084,041	1,758,783
Impairment provision	(14,155)	(42,601)
	1,069,886	1,716,182
Total non-current financial assets	1,069,888	1.716.184

The movement of financial investments at fair value through other comprehensive income are as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	2	2,017
Change in fair value	-	10
Sales	-	(2,025)
	2	2

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7. Financial Investments (Continued)

b) Non-current financial investment (Continued)

Financial investment not traded in an active market	Rate of Share (%)	31 December 2021	Rate of Share (%)	31 December 2020
Bosen Enerji Elek.Üret.Oto.Pro.Grb. A.Ş.	<1	2	<1	2
				2

Financial assets measured at amortized cost

Bond issuer	31 December 2021	31 December 2020
Türkiye İş Bankası A.Ş.	475,720	847,777
Türkiye Vakıflar Bankası T.A.O.	544,251	572,947
Yapı ve Kredi Bankası A.Ş.	543,778	300,093
Turkcell İletişim Hizmetleri A.Ş.	486,382	268,493
Arçelik A.Ş.	409,708	224,948
Türkiye Garanti Bankası A.Ş.	412,740	227,205
Ziraat Bankası A.Ş.	228,298	151,475
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.	145,605	79,040
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	112,341	76,936
Finansbank A.Ş.	16,750	9,213
TR Ministry of Treasury and Finance	-	369,661
Türkiye Halk Bankası A.Ş.	-	330,554
Türkiye Sınai Kalkınma Bankası A.Ş.	-	286,141
Securities, US Dollar currency	3,375,573	3,744,483
Securities, Indian Rupee currency	606,037	198,328
	3,981,610	3,942,811

(*) Fixed yield securities were accounted for by using effective interest rate at amortized costs. Securities denominated in US Dollars pay fixed interest rate coupon payment every 6-month. Securities denominated in Indian Rupees pay fixed interest rate coupon payment every 3-month

The expiry dates of financial investments measured at amortized cost are as follows:

Collection periods	31 December 2021	31 December 2020
Less than three months	434.965	7,410
3 - 12 months	2.462.604	2,176,618
1 - 5 years	1.084.041	1,758,782
	3.981.610	3,942,811

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

7. Financial Assets (Continued)

b) Non-current financial investment (Continued)

Financial assets denominated in US Dollars measured at amortized cost have an active market and the values according to market prices (dirty prices) are as follows:

Bond issuer	31 December 2021	31 December 2020
Türkiye İş Bankası A.Ş.	484,969	858,802
Türkiye Vakıflar Bankası T.A.O.	557,160	581,415
Yapı ve Kredi Bankası A.Ş.	553,417	304,788
Turkcell İletişim Hizmetleri A.Ş.	478,486	283,825
Arçelik A.Ş.	413,436	235,466
Türkiye Garanti Bankası A.Ş.	414,512	232,698
Ziraat Bankası A.Ş.	231,599	152,561
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.	147,989	83,060
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	111,071	79,489
Finansbank A.Ş.	16,796	9,426
TR Ministry of Treasury and Finance	-	370,649
Türkiye Halk Bankası A.Ş.	-	330,711
Türkiye Sınai Kalkınma Bankası A.Ş.	-	288,072
	3,409,435	3,810,962

There is no active market for securities issued in India.

Movements of financial investments measured at amortized cost are as follows:

	31 December 2021	31 December 2020
1 January- Beginning of period	3,942,811	3,014,554
Valuation difference	2,040,533	879,643
Received within the period	242,430	476,010
Currency translation differences	239,041	24,999
Interest collected within the period	(197,455)	(181,222)
Principal collected during the period	(2,285,750)	(271,173)
	3,981,610	3,942,811

The movement of impairment on financial investments is as follows:

	31 December 2021	31 December 2020
1 January- Beginning of period	(66,783)	(53,217)
Expense for the period	42,751	(70,087)
Cancellation of allowance	-	56,521
	(24,032)	(66,783)

The held to maturity investments are kept in the portfolios of İş Yatırım Menkul Değerler A.Ş., and İş Portföy Yönetimi A.Ş. and are measured by the effective interest rate method. The amount per company is as follows:

	31 December 2021	31 December 2020
İş Portföy Yönetimi A.Ş.	3,177,424	3,176,850
İş Yatırım Menkul Değerler A.Ş.	198,149	197,972
	3,375,573	3,374,822

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

7. Financial Investments (Continued)

b) Non-current financial investment (Continued)

Coupon interest rates and the redemption dates for financial assets measured at amortized cost denominated in USD are as follows. Effective interest rate of marketable securities is 5.61% (2020: 5.53%).

Bond issuer	ISIN Code	Coupon Interest Rate (%)	Maturity Date
Yapı ve Kredi Bankası A.Ş.	XS1571399754	5,750	24.02.2022
Türkiye İş Bankası A.Ş.	XS1508390090	5,500	21.04.2022
Ziraat Bankası A.Ş.	XS1605397394	5,125	03.05.2022
Finansbank A.Ş.	XS1613091500	4,875	19.05.2022
Türkiye Vakıflar Bankası T.A.O.	XS1622626379	5,625	30.05.2022
Türkiye Garanti Bankası A.Ş.	USM8931TAF68	5,250	13.09.2022
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	XS0848940523	3,375	01.11.2022
Türkiye Vakıflar Bankası T.A.O.	XS0849728190	6,000	01.11.2022
Arçelik A.Ş.	XS0910932788	5,000	03.04.2023
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	XS1496463297	5,375	24.10.2023
Türkiye İş Bankası A.Ş.	XS1578203462	6,125	25.04.2024
Yapı ve Kredi Bankası A.Ş.	XS1634372954	5,850	21.06.2024
Turkcell İletişim Hizmetleri A.Ş.	XS1298711729	5,750	15.10.2025

Coupon interest rates and the redemption dates for fully amortized financial assets that are denominated in USD are as follows:

Bond Issuer	Nominal value (Thousand USD)	ISIN Code	Coupon Interest Rate (%)	Redemption Date
Türkiye İhracat Kredi Bankası A.Ş.	1,100	XS1345632811	5.375	08.02.2021
Türkiye Halk Bankası A.Ş.	16,233	XS1188073081	4.750	11.02.2021
Ziraat Bankası A.Ş.	3,500	XS1223394914	4.750	29.04.2021
Türkiye Sınai Kalkınma Bankası A.Ş.	38,830	XS1412393172	4.875	18.05.2021
TR Ministry of Treasury and Finance	25,000	TRT280521F12	3.500	28.05.2021
Türkiye İş Bankası A.Ş.	33,924	XS1079527211	5.000	25.06.2021
Türkiye Halk Bankası A.Ş.	27,950	XS1439838548	5.000	13.07.2021
TR Ministry of Treasury and Finance	25,000	TRT160721F14	2.500	16.07.2021
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	1,000	XS1028943089	5.000	23.09.2021
Türkiye İş Bankası A.Ş.	45,464	XS1390320981	5.375	06.10.2021
Türkiye Vakıflar Bankası T.A.O.	37,111	XS1508914691	5.500	27.10.2021
	255,112			

Additionally, 701,000 thousand Indian Rupee financial investment have amortized during the period.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

7. Financial Investments (Continued)

b) Non-current financial investment (Continued)

During the period, principal collection was made from the securities detailed below from fixed income financial assets measured at amortized cost.

Bond issuer	1 January- 31 December 2021	1 January- 31 December 2020
TR Ministry of Treasury and Finance	426,115	-
Türkiye Vakıflar Bankası T.A.O.	351,861	-
Türkiye Halk Bankası A.Ş.	355,725	78,070
Türkiye Sınai Kalkınma Bankası A.Ş.	324,110	101,606
Türkiye İş Bankası A.Ş.	698,683	-
Indian Public Sector Securities	84,183	66,637
Ziraat Bankası A.Ş.	28,651	-
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	16,422	-
Yapı ve Kredi Bankası A.Ş.	-	24,860
	2,285,750	271,173

During the period, interest has been collected from the fixed income financial assets measured at amortized cost, from the securities detailed below.

Bond issuer	1 January- 31 December 2021	1 January- 31 December 2020
Türkiye İş Bankası A.Ş.	45,185	44,398
Türkiye Vakıflar Bankası T.A.O.	41,695	32,690
Türkiye Sınai Kalkınma Bankası A.Ş.	7,900	16,463
Yapı ve Kredi Bankası A.Ş.	19,597	16,302
Türkiye Halk Bankası A.Ş.	13,963	15,528
Türkcell İletişim Hizmetleri A.Ş.	17,728	15,083
Arçelik A.Ş.	12,874	10,992
Türkiye Garanti Bankası A.Ş.	12,790	10,977
Ziraat Bankası A.Ş.	8,407	7,908
Türkiye İhracat Kredi Bankası A.Ş.	4,736	4,148
TR Ministry of Treasury and Finance	8,689	3,454
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	3,297	2,836
Finansbank A.Ş.	594	443
	197,455	181,222

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

8. Borrowings

	31 December 2021	31 December 2020
Current financial borrowings		
Short term borrowings	3.524.752	2,251,342
	31 December 2021	31 December 2020
Short term portion of long-term borrowings		
Short-term principal installments and interests of long- term borrowings	6.498.628	2,232,809
Liabilities from leasing transactions	241.646	80,430
Principal and installments of bonds issued	194.576	107,113
Discount differences and commissions of bonds issued	(1.447)	(1,448)
Cost of deferred lease liabilities (-)	(19.969)	(19,584)
Total short-term portion of long-term borrowings	6.913.434	2,399,320
Total current financial borrowings		4,650,662
	31 December 2021	31 December 2020
Long term borrowings		
Long term portion of long-term borrowings	7.310.009	7,262,593
Bonds issued	9.347.100	5,138,350
Liabilities from leasing transactions	635.894	191,437
Discount differences and commissions of bonds issued	(42.804)	(55,963)
Cost of deferred lease liabilities (-)	(37.013)	(44,840)
Total long-term borrowings	17.213.186	12,491,577
Total financial borrowings	27.651.372	17,142,239

The notes and explanations of the international rating agencies with regards to the Company's credit ratings are as follows:

Credit ratings received during the period of 1 January – 31 December 2021 are as follows;

Fitch:

- The international rating agency Fitch Ratings confirmed Turkey's long-term foreign currency credit rating as "BB-" on February 19, 2021 and changed its credit outlook from "negative" to "stable", with a press release dated March 1, 2021, T. Şişe ve Cam Fabrikaları A.Ş. has announced to the public that the company maintained its credit rating as "BB-" and changed its outlook to "stable"..
- On June 24, 2021 international credit rating agency, Fitch Ratings, has affirmed 'BB-' with 'Stable' outlook to T.Şişe ve Cam Fabrikaları A.Ş.'s ('Şişecam') Long term Issuer Default Rating. In its statement, Fitch Ratings has highlighted the strengths of Şişecam as stable business risk profile and strong capital structure with high profitability and low leverage levels resulting from its product diversification in different geographies and end markets with different macro drivers and assessed Şişecam's Standalone Credit Profile unchanged at 'BB+'.
- On December 10, 2021 the affirmation of Turkey's sovereign rating at BB- and the outlook revision from "stable" to "negative" on 3 December 2021, International Credit Rating agency Fitch Ratings has affirmed the credit rating of Türkiye Şişe ve Cam Fabrikaları A.Ş. at BB- and revised the Outlook from "stable" to "negative".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

8. Borrowings (Continued)

Moody's

- With the credit opinion update report published on 21 September 2021, International Credit Rating Agency Moody's Investor Service (Moody's) kept our Company's Long-term credit rating unchanged at "B2" with a negative outlook.
- In its comment note dated 24/11/2021, International Credit Rating Agency Moody's stated that US Soda Ash investments, which might weaken the credit metrics in the short-term, would bring long-term competitive advantages and kept Şişecam's credit rating unchanged as "B2" and the outlook as "negative".

JCR Avrasya Derecelendirme A.Ş.

The company's credit rating process carried out by JCR Eurasia Rating has been completed and following ratings has been assigned; the Long-Term National Rating "AAA (Trk) / (Stable Outlook)", the Short-Term National Rating "A-1+ (Trk) / (Stable Outlook)", the Long-Term International (foreign and local currency) Rating "BBB- / (Stable Outlook)" and the Short-Term International (foreign and local currency) Rating "A-3 / (Stable Outlook)". Both ratings are investment grade level.

Credit ratings received during the period of 1 January - 31 December 2020 are as follows;

Moody's:

- In its updated report dated September 11, 2020, Moody's confirmed that Turkey's country credit rating has reduced from B1 to B2, outlook is "negative" and affirmed as, the also lowered Turkey's foreign currency bond ceiling from B1 to B2. Following that, Moody's announced that it has also reduced the Company's credit rating along with 8 other Turkish corporates from B1 to B2 with negative outlook on September 17, 2020.

Fitch:

- In its updated report dated July 2, 2020, Fitch confirmed the Company's long-term credit rating as "BB-" and the outlook is stable.
- In its updated report dated August 21, 2020, following Turkey's country credit rating has confirmed as BB- and the outlook has amended from stable to negative, it has been confirmed that as per the assesment made for Türkiye Şişe ve Cam Fabrikaları A.Ş. Turkey's country credit rating publicly disclosed as BB- and the outlook has amended from stable to negative.

Even though the company has financial commitments regarding the loans received, there is no violation of these financial commitments as of the reporting date.

As of the balance sheet date, risk of changes in interest rates on loans and contractual repricing dates of the Group is as follows.

Repricing dates for loans	31 December 2021	31 December 2020
Shorter than 3 months	3.521.277	2.482.760
3 – 12 months	10.353.935	6.763.923
1 – 5 years	2.918.594	2.484.642
5 years and more	539.583	15.419
	17.333.389	11.746.744

Coupon interest payments of bond which is TRY 6,170,854 thousand notional are paid every six months in equal installments. (31 December 2020: TRY 5,199,175 thousand). The bond which was issued on 14 March 2019, and which will redeem on 14 March 2026, is USD 700,000 thousand notional and its coupon rate %6,95 (effective rate of interest 6.95%). Issued bonds are quoted on the Irish Stock Exchange and the stock exchange base price is USD 111.03 (31 December 2020: USD 101.372).

Nominal value of the bond that issued on 8 May 2013 is USD 299,920 thousand, as of 11 May 2020 this bond has paid and redeemed.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

8. Borrowings (Continued)

The lease obligations in the amount of TRY 186,411 thousand are paid up in equal monthly installments (31 December 2020: TRY 196,320 thousand).

Since the effect of the discounting is not significant, the carrying values of the short-term loans is estimated to converge to the fair value. The fair values are determined using the average effective annual interest rates. The long-term financial liabilities are generally subject to repricing within three- and six-month periods and a large amount of those liabilities consists of foreign currency denominated loans. Therefore, it is expected that the carrying value of the financial liabilities that are calculated by effective interest rate method converge to their fair values.

Financial borrowings movements for the period between 1 January and 31 December 2021 are summarized as below:

Bank loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	11,688,094	68,978	(10,328)	11,746,744
Affiliate acquisition effect	1,652,357	2,204	-	1,654,561
Borrowed –accrued during the period (*)	4,111,165	789,479	(29,171)	4,871,473
Currency translation differences	3,637,093	26,479	(1,197)	3,662,375
Foreign exchange (gain)/loss	1,745,936	-	-	1,745,936
Payments-reversals during the period	(5,625,980)	(750,196)	28,475	(6,347,701)
As of 31 December 2021	17,208,666	136,944	(12,221)	17,333,389

Bonds issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	5,138,350	107,113	(40,105)	(6,183)	5,199,175
Foreign exchange (gain)/loss	4,208,751	-	-	-	4,208,751
Borrowed –accrued during the period	-	474,555	-	-	474,555
Payments-reversals during the period	-	(387,093)	5,649	2,179	(379,265)
As of 31 December 2021	9,347,101	194,575	(34,456)	(4,004)	9,503,216

Operational lease liabilities	Principal	Interest	Total
Beginning of the period - 1 January	196,320	75,547	271,867
Affiliate acquisition effect	633,449	-	633,449
Additions	71,015	24,159	95,174
Currency translation differences	29,962	4,926	34,888
Foreign exchange (gain)/loss	16,284	-	16,284
Revaluation differences (**)	6,302	-	6,302
Disposals	(19,685)	(17,615)	(37,300)
Payments during the period	(118,880)	(24,244)	(143,124)
As of 31 December 2021	814,767	62,773	877,540

(*) Russian Government provides government incentives with an annual interest rate cut of 3% from market interest rates to support export-oriented companies. Our subsidiaries located in Russia have signed within the band 3.90% - 6.30% (market interest rate 6.90% and 9.30%) annual rate loan agreement, with quarterly interest payments and RUB 4,946,847 thousand principal payment as dated between 21 February 2024 - 30 December 2024. The accrual of interest expenses calculated with market interest rate and recognized in the "Financing Expenses" account under profit or loss (Note 34). The positive effect of the 3% annual interest effect related to the government incentives, corresponding to the period, has been accounted under the "Other Income from Investing Activities" account in profit or loss (Note 32).

(**) The Group has remeasured the lease liability to reflect the changes arising from the index-related price increase in the lease payments, and the resulting effect is reflected in the financial statements as an adjustment to the right to use asset (Note 20). The interest effect has been reported by adding up the interest amount specified in the additions line during the period together with the new lease agreements.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

8. Borrowings (Continued)

Financial borrowings movements for the period between 1 January - 31 December 2020 are summarized on the below:

Bank Loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	9,604,611	63,912	(14,674)	9,653,849
Borrowed –accrued during the period	10,992,084	720,744	(995)	11,711,833
Foreign exchange (gain)/loss	1,073,298	3,935	(1,167)	1,076,066
Currency translation differences	749,874	-	-	749,874
Payments – reversals during the period	(10,731,773)	(719,613)	6,508	(11,444,878)
As of 31 December 2020	11,688,094	68,978	(10,328)	11,746,744

Bond issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	5,939,725	96,668	(46,546)	(7,531)	5,982,316
Borrowed –accrued during the period	1,364,317	-	-	-	1,364,317
Foreign exchange (gain)/loss	-	-	389,273	-	-389,273
Payments-reversals during the period	(2,165,692)	(378,828)	6,441	1,348	(2,536,731)
As of 31 December 2020	5,138,350	107,113	(40,105)	(6,183)	5,199,175

Operational lease liabilities	Principal	Interest	Total
Beginning of the period - 1 January	209,471	112,202	321,673
Additions during the period	44,781	15,137	59,918
Revaluation differences (*)	10,854	-	10,854
Currency translation differences	17,259	3,707	20,966
Foreign exchange (gain)/loss	10,696	-	10,696
Payments during the period	(81,842)	(23,578)	(105,420)
Disposals	(14,899)	(31,921)	(46,820)
As of 31 December 2020	196,320	75,547	271,867

(*) The Group has remeasured the lease liability in a way to reflect the changes arising from the index-related price increase in the lease payments, and the resulting effect is reflected in the financial statements as an adjustment to the right to use asset (Note 20). The interest effect of this effect has been reported by adding up the interest amount specified in the additions line during the period together with the new lease contracts.

In the period of 1 January-31 December 2021, TRY 554 thousand interest expense was capitalized on tangible fixed assets (1 January-31 December 2020: TRY 426 thousand interest expense was capitalized on tangible fixed assets).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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8. Borrowings (Continued)

Short and long-term bank borrowings are summarized as below:

31 December 2021

Currency	Maturity	Interest range (%) (*)	Short Term	Long Term	Total
Euro	2022–2026	Euribor+1,10-2,95	6,728,948	3,334,499	10,063,447
US Dollar	2022–2028	Libor+2,15-2,90	474,598	11,764,776	12,239,374
Turkish Lira	2022–2023	11,75-17,00	2,123,942	838,972	2,962,914
Russian Rubles	2022–2024	6,90-10,13	1,101,258	1,268,195	2,369,453
Bulgarian Lev	2022-2023	4,00	2,822	2,047	4,869
Egyptian Pound	2022	8,00-12,25	1,549	1,350	2,899
Indian Rupee	2022-2023	5,50	1,907	2,654	4,561
Chinese Yuan	2022-2022	2,40	862	-	862
Rumen Leu	2022	4,00	2,300	693	2,993
			10,438,186	17,213,186	27,651,372

(*) Interest range represent the lower and upper bounds and the weighted average costs are, Libor + 2.84% for the US Dollar, TLref + 1.12% for TRY, Euribor + 2.18% for Euro (average effective annual interest rates for EUR, USD, RUB, EGP and TRY are 2.16%, 6.72%, 7.22%, 8.37% and 14.19% respectively).

31 December 2020

Currency	Maturity	Interest range (%) (*)	Short Term	Long Term	Total
Euro	2021–2026	Euribor+1.10-2.95	1,791,087	4,210,712	6,001,799
US Dollar	2021–2026	Libor+2.15-2.90	128,216	5,119,872	5,248,088
Turkish Lira	2021–2023	9.00-18.50	1,226,886	2,882,053	4,108,939
Russian Rubles	2021–2023	5.40-9.00	1,350,076	232,127	1,582,203
Egyptian Pound	2021	8.00	142,009	-	142,009
Bulgarian Lev	2021-2023	4.00	9,356	42,532	51,888
Indian Rupi	2021-2023	5.50	918	2,164	3,082
Romanian Leu	2021	4.00	1,217	1,661	2,878
Chinese Yuan	2021-2022	2.40	897	456	1,353
			4,650,662	12,491,577	17,142,239

(*) Interest range represent the lower and upper bounds and the weighted average costs are, Libor + 2.27% for the US Dollar, TLref + 1.12% for TRY, Euribor + 2.44% for Euro, (average effective annual interest rates for EUR, USD, RUB, EGP and TRY are 2.15%, 6.84%, 7.19%, 8.00% and 13.42% respectively).

The redemption schedule of the financial liabilities is as follows:

	31 December 2021	31 December 2020
Within 1 year	10,438,186	4,650,662
Within 1-2 years	2,247,569	4,653,709
Within 2-3 years	1,763,389	2,366,371
Within 3-4 years	494,129	303,042
Within 4-5 years	11,740,530	14,707
More than 5 years	967,569	5,153,748
	27,651,372	17,142,239

The weighted average maturity of the financial liabilities is 824 days (31 December 2020: 923 days).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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8. Borrowings (Continued)

On 27 April 2018 with the decision 19/546 approved by CMB, the Company obtained the right to issue bonds to foreign qualified investors for one year, amounting to a maximum of USD 750 Million. Within its right, the Company issued bonds amounting to a total of USD 700 Million. The bond has been quoted on the Irish Stock Exchange, BNP Paribas London Branch, Citigroup Global Markets Limited, HSBC Bank PLC and J.P. Morgan Securities PLC acted as agencies for the issue of the bond. The central safekeeping institutions of traded securities are Euroclear, Clearstream and The Depository Trust Company ("DTC").

The ISIN codes of the issued bonds are as follows:

Central Safekeeping Institution	ISIN Code	CFI Code	Amount (USD)
Euroclear and Clearstream	XS1961010987	DYFXXR	497,270,000
DTC	US90016AAB61	DBFGGR	202,730,000
Total			700,000,000

The Company has issued two bonds outside of Turkey amounting to a nominal value of USD 700 Million. First one is issued on 14 March 2019 with a nominal value of USD 550 Million and the second one is issued on 28 March 2019 with a nominal value of USD 150 Million. Coupon payments of these bonds are equalized by making a collection USD 405,417 thousand, since the maturities of both of these bonds are the same (14 March 2026) yet issued on different dates (14 March 2019 and 28 March 2019). The maturity date of the bonds is 14 March 2026, Principal payment will be redeemed on maturity date. Coupon interest rate of the bonds is 6.95% and the fixed payments are made semi annually, hence effective cost of the bonds to the Group is 7.32%.

The amounts were transferred to the bank accounts of our subsidiaries which provided a guarantee for capital, interest, and similar payments in relation to the issue of the bonds (USD 233,333,333 to Trakya Cam Sanayii A.Ş., USD 140,000,000 to Paşabahçe Cam Sanayii ve Tic. A.Ş., USD 140,000,000 to Anadolu Cam Sanayii A.Ş. and USD 46,666,667 to Soda Sanayii A.Ş.), Under the same terms and circumstances USD 140,000,000 has remained in the Company. Since the merger of the subsidiaries within the Company on September 30, 2020, all liabilities transferred to the Company.

Also, The Company have already had the bond issue on 9 May 2013 with a nominal value of USD 500,000 thousand, the maturity of 9 May 2020, the coupon interest of which was 4.25%, remaining amount of nominal value of bond USD 299,920 thousand and interest have been redeemed at maturity date.

9. Other Financial Liabilities

There are no other financial liabilities for the period of January 1- December 31, 2021. (January 1- December 31, 2020: none.)

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10. Trade Receivables and Payables

Trade Receivables

	31 December 2021	31 December 2020
Current trade receivables		
Trade receivables	9,205,050	4,391,059
Other trade receivables	140,059	52,788
Notes receivables and cheques	42,278	41,212
Due from related parties (Note 38)	19,130	7,508
Unearned finance income (-)	(48,540)	(31,060)
Provision for doubtful receivables and expected credit loss (-)	(172,216)	(108,901)
	9,185,761	4,352,606

	31 December 2021	31 December 2020
Non- Current trade receivables		
Trade receivables	512	1,580
Provision for doubtful receivables and expected credit loss (-)	(486)	(1,099)
	26	481

The sales terms for the Group's domestic sales based on the main product lines are as follows:

A portion of domestic sales of basic glasses is made on cash. The average term for basic glasses sales is 90 days (2019: 90 days). A portion of export sales is made on cash and rest of export sales' term is 45 days. The Group applies 2.5% overdue interest rate. (31 December 2020: 2%). The average sales term for auto glass and processed glass items is 45 days (31 December 2020: 45 days).

The average sales term for automatic glassware is 75 days (31 December 2020: 75 days) and a monthly overdue interest rate of 1.75% is applied for the payments made after the due date (31 December 2020: 1.25%).

Glass packaging products has been sold in cash until February 17, 2021, the new term system has been started from this date. According to customer demand, a monthly interest of 1.75 % (31 December 2020: 1.5%) for terms up to 121 days, and a monthly interest rate of 2.50% for terms exceeding 121 days is applied (31 December 2020: 2.25%). In addition, if customer requests a discount, it is possible to buy a monthly 1.75% maturity discount. The average sales term for domestic sales of glass packaging products is 60 days (31 December 2020: 64 days). The average sales term for foreign sales of glass packaging products is 85 days (31 December 2020: 84 days).

Inter-group sales terms of Soda products are 60 days (31 December 2020: 60 days) and average term of domestic external sales of Soda products are 59 days (31 December 2020: 62 days). Monthly 1.50% overdue interest for TRY is applied for the payments made after due dates (31 December 2020:1.67%), monthly 0.25% overdue interest rate for USD is applied for the payments made after due dates (31 December 2020: 0.42%).

The average sales term for domestic sales of chromium products in foreign currency is 1 days (31 December 2020: 1 days). A monthly overdue interest rate of 1.50% for TRY (31 December 2020:1.67%), and 0.25% for USD (31 December 2020: 0.42%) is applied for the payments made after the due date. Average sales term for export sales is 64 days (31 December 2020: 66 days).

The Group has recognized allowance for doubtful receivables that has no recoverability. Allowance for doubtful receivables is determined based on the experience. In determining the recoverability of a trade receivable, the Group considers whether any change in the credit quality of the trade receivable from the date credit was initially granted to the reporting date or not.

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10. Trade Receivables and Payables (Continued)

The Group has no significant concentration risk since the Group has been working with the spread over a large number of counterparties and customers. Accordingly, the management believes that no further allowance is required more than recognized in financial statements.

The movement of provision for short-term doubtful trade receivables and expected credit loss is as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	(108,901)	(93,707)
Current year charge	(67,095)	(32,443)
Currency translation differences	(28,638)	(12,152)
Collections	35,084	29,401
Affiliate acquisition effect	(2,666)	-
	(172,216)	(108,901)

Provision for long-term doubtful trade receivables' and expected credit loss realized movements are as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	(1,099)	(1,465)
Currency translation differences	(375)	(262)
Current year charge	(101)	(263)
Collections	1,089	891
	(486)	(1,099)

The Group has received the following collaterals for trade receivables:

	31 December 2021	31 December 2020
Credit Insurance	2,450,653	1,229,627
Letters of guarantees	867,623	557,003
Direct debit system	446,031	294,998
Mortgages	53,991	48,327
Cash	64,245	40,565
Confirmed Letter of Credit	40,241	-
Promissory notes and bills	18,720	8,061
	3,941,504	2,178,581

The aging analysis of trade receivable that are past due but for which no provisions are made is as follows, this is related to various independent customers with no recent history of default.

	31 December 2021	31 December 2020
1- 30 days overdue	496,628	369,209
1-3 months overdue	88,244	148,942
3-12 months overdue	41,704	43,896
1- 5 years overdue	77,823	66,573
Total overdue receivables	704,399	628,620
The portion under guarantee with collaterals and similar guarantees (-)	(238,385)	(86,246)

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10. Trade Receivables and Payables (Continued)

Trade Payables

	31 December 2021	31 December 2020
Short term trade payables		
Trade payables	4,885,144	2,325,931
Due to related parties (Note 38)	163,228	120,307
Other trade payables	26,306	10,777
Deferred finance expense (-)	(41,491)	(12,143)
	5,033,187	2,444,872

11. Other Receivables and Payables

	31 December 2021	31 December 2020
Short- term other receivables		
Receivables from tax office	94,648	218,635
Other miscellaneous receivables	138,404	109,878
Deposits and guarantees given	103,283	34,623
Due from personnel	4,353	3,621
Provision for other doubtful receivables and expected credit loss (-)	(1,189)	(999)
	339,499	365,758

Movement of provision for doubtful other short-term receivables and expected credit loss are as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	(999)	(2,404)
Currency translation differences	(597)	(41)
Collections	407	1,446
	(1,189)	(999)

	31 December 2021	31 December 2020
Other non-current receivables		
Government incentive (*)	125,609	74,998
Deposits and guarantees given	17,254	19,001
Other receivables	40	4
	142,903	94,003

(*) The subsidiary in Southern Italy will receive an incentive to be received in cash, approved by the local government, due to its investments in the region.

	31 December 2021	31 December 2020
Other current payables		
Deposits and guarantees received	63,894	46,125
Other payables due to related parties (Note 38) (*)	5,008	59,845
Other miscellaneous payables	134,288	53,334
Customer premium debts	-	47,368
Emission quota debts	-	4,130
Government right - mining fund	101,101	9,484
Payables to the employee	42,730	-
	347,021	220,286

(*) The details of payables to related parties as of 31 December 2021 are as follows:

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11. Other Receivables and Payables (continued)

- One of the subsidiaries Cam Elyaf Sanayii A.Ş. held their Ordinary General Assembly meeting on 12 March 2021 regarding 2020 year and decided to distribute a gross dividend of TRY 45,000 thousand in cash. The cash payment date decided as March 31, 2021. Liabilities were recorded for a total amount of 4 thousand Turkish Liras, including 1 thousand Turkish Liras corresponding to the outside of the Group and the dividend rights not yet claimed by the non-Group shareholders from the cash dividends distributed in previous years. This obligation continues as a subsidiary of Şişecam Elyaf Sanayii A.Ş., with the merger of Cam Elyaf Sanayii A.Ş. with all its assets and liabilities as a whole under Şişecam Elyaf Sanayii A.Ş. on 6 August 2021.
- The liability of TRY 5,003 thousand was recorded for the dividend amount not yet demanded by the Shareholders of Anadolu Cam Sanayii A.Ş., one of the subsidiaries before the merger process was completed on 30 September 2020.
- Also, the Group has decided to terminate prioritized rights on founding shares of Anadolu Cam Sanayii A.Ş. after the merge that are amounted to 4,709 shares at Extraordinary General Assembly dated 28 August 2020. Based on valuation report, the value of each founding shares is determined as TRY 24,750 thousand. In this context, Türkiye Şişe ve Cam Fabrikaları A.Ş. has 2,738 of 4,709 founding shares, which has been canceled because of the merger transactions. 162 of the remaining 1,971 non-group shares were paid in 2020. As of the report date, the liability of TRY 44,773 thousand remains to be paid for 1,809 founder shares. Some of the founding shareholders objected to the share price, and at the hearing held at the T.C. İstanbul Anadolu Mahkemesi, 11th Commercial Court of First Instance on May 24, 2021, the case of the shareholders who objected to the share price was dismissed.

The details of payables to related parties as of 31 December 2020 are as follows:

- One of the subsidiaries Cam Elyaf Sanayii A.Ş. The Shareholders of 2019 held their Ordinary General Assembly meeting on 20 March 2020 and decided to distribute a gross dividend of TRY 10.750 thousand. In line with the decision taken, the cash payment date has been determined as March 31, 2020. The Group has collected the amount corresponding to its share, and the liability was recorded for a total of TRY 3 thousand, including the dividend rights not yet requested by the non-group shareholders, from the cash dividends distributed in previous years and TRY 1 thousand.
- The liability of TRY 15,069 thousand was recorded for the dividend amount not yet demanded by the shareholders of Anadolu Cam Sanayii A.Ş., one of the subsidiaries before the merger process was completed on 30 September 2020.
- In addition, the rights granted to the founding shares of Anadolu Cam Sanayii A.Ş., which have privilege rights from a total of 4,709, were abolished in the extraordinary general assembly meeting of the Company held on 28 August 2020, decided that the shares of Türkiye Şişe ve Cam Fabrikaları A.Ş. rights will not continue after the merger and TRY 24,75 thousand will be paid for one non-Group founder share determined within the framework of the expert institution report. In this context, 2,738 of the 4,709 founding shares in total are owned by Türkiye Şişe ve Cam Fabrikaları A.Ş. and has been canceled due to merger. 162 of the remaining 1,971 non-group shares were paid in 2020. As of the report date, the liability of TRY 44,773 thousand continues for the dividend to be paid to the remaining 1,809 founder shares. Some of the founding partners objected to the share price and on May 24, 2021, T.R. At the hearing held at the İstanbul Anatolian 11th Commercial Court of First Instance, it was decided to reject the lawsuit of the partners who objected to the share price.
(**) Within the scope of TFRS 3, a significant portion of the amount in 2021 comes from the purchases of American companies.
- Prior to the merger process completed on 30 September 2020, Anadolu Cam Sanayii A.Ş. within the period of January 1 – December 31, 2021, a total of TRY 10,066 thousand of dividend payment was made to the shareholders who applied to the Company from the dividend rights of the shareholders who are not registered on the Merkezi Kayıt Kuruluşu A.Ş.

	31 December 2021	31 December 2020
Other non-current payables		
Deposits and guarantees received	351	2,202
Other payables	2,651	1,169
	3,002	3,371

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12. Derivative Instruments

Derivative instruments for trading purposes:

Forward transactions

The Group has signed the following contracts for trading purposes between the dates 2 February- 15 November 2021:

- EUR 23,000 thousand selling, TRY 211,074 thousand buying,
- EUR 10,000 thousand selling, USD 11,824 thousand buying, TRY 213.104 thousand selling EUR 23.000 thousand buying,, USD 2.294.939 thousand selling, USD 268.280 thousand buying, USD 29.484 thousand selling, EUR 25.000 thousand buying, USD 401.280 thousand selling, TL 3.357.658 thousand buying,, EUR 5.280 thousand selling ,RUB 454.394 thousand buying,,
- RUB 1,644,886 thousand selling, EUR 17,600 thousand buying,

The above-mentioned forward foreign currency contracts realized during the reporting period are as follows:

- TRY 957,030 thousand selling, USD 117,280 thousand buying, EUR 10,000 thousand selling, USD 11,824 thousand buying,
- TRY 213,104 thousand selling, EUR 23,000 thousand buying,,
- TRY 2.189.174 thousand selling ,USD 256.280 thousand buying,,
- USD 401.280 thousand selling, TRY 3.357.658 thousand buying,
- USD 29.484 thousand selling,,EUR 25.000 thousand buying,
-

Derivative transactions for hedging purposes:

a) Fair value hedge transactions:

Swap transactions

The Group has signed the following swap agreements to hedge fair value risk during reporting period:

- The Company signed a swap agreement with Citibank N.A. in order to hedge its subsidiary in Egypt with Libor+2.60 floating interest rate in US Dollars, semi-annual interest payment and USD 10 Million principal payment on June 15, 2024 from fair value risk. The Company, signed a swap agreement on 8 April 2021 with a fixed interest rate of 13.85% in Egyptian Pound in line with the ongoing interest maturities of the loan. These transactions will result in a cash settlement on the interest and principal payment days of the loan.
- The Company signed a swap agreement with Citibank N.A. in order to hedge its subsidiary in Egypt with Libor+2.90 floating interest rate in US Dollars, semi-annual interest payment and USD 15 Million principal payment on June 15, 2024 from fair value risk. The Company, signed a swap agreement on 8 April 2021 with a fixed interest rate of 16.50% in Egyptian Pound in line with the ongoing interest maturities of the loan. These transactions will result in a cash settlement on the interest and principal payment days of the loan.
- The Company, estimating the natural gas consumption of its subsidiaries residing in Bulgaria and Italy, signed swap purchase agreements in order to hedge the fair value risk of natural gas purchase costs with JP Morgan Securities Plc. with a maturity of 8 December 2021 in a unit price range of EUR 22.85 – 85,00 and total of 807,300 MWh, which the purchase dates are 30 April 2021, 9 June 2021, 21 June 2021, 24 June 2021 ,29 June 2021, 16 November 2021 and 17 November 2021..

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12. Derivative Instruments (Continued)

Derivative transactions for hedging purposes (continued):

a) Fair value hedge transactions (continued):

The ongoing swap agreements signed by the Group before January 1, 2021 for fair value hedging purposes are as follows:

- The Company, signed a swap agreement with J.P. Morgan in order to hedge its subsidiary in Bulgaria with Libor+2.15 floating interest rate in US Dollars, semi-annual interest and principal payment and USD 11,538 thousand principal payment on June 15, 2023 from fair value risk. The Company, signed a swap agreement on 9 December 2020 with a fixed interest rate of 1.60% in EUR in line with the ongoing interest maturities of the loan.

Among the above-mentioned fair value hedging swap contracts, the realized contracts during reporting period are as follows:

- On June 15, 2021, 523 thousand USD was purchased and EGP 41,444 thousand was given in return.
- On June 15, 2021, 4,868 thousand USD was purchased and EUR 3,945 thousand was given in return.
- Estimating the natural gas consumption of the subsidiaries residing in Bulgaria and Italy, the Company has signed swap purchase agreements with a total of 387.300 MWh and a unit price range of 22.85-34.05 Euros, with JP Morgan Securities Plc on April 30, 2021, June 9, 2021, June 21, 2021, June 24, 2021 and June 29, 2021 to hedge the fair value risk of natural gas purchase costs with a maturity of 8 December 2021. 387.300 MWh of these contracts were realized in the reporting period. As a result of the cash settlement of these transactions, a cash inflow of 10,990 thousand Euros was provided.

b) Cash flow hedge transactions:

Swap and Option Contracts

The Group has signed the following swap agreements to hedge fair value risk during reporting period:

- The Group, in order to avoid the cash flow risk occurred from the change in silver prices, signed various silver purchase-sale swap agreements with J.P. Morgan Securities Plc., on between January 11, 2021 and 2 December 2021, the total amount of 120,920.48 troy ounces (approximately 3,7 tons), with a final maturity between 31 December 2021 and 5 January 2022 and ounce price will be fixed prices within the range of USD 21,58 to 28.18 with the cash settlement method.
- The Group, in order to avoid the cash flow risk occurred from the change in tin prices, signed various tin purchase-sale swap agreements with J.P. Morgan Securities Plc. on between January 12, 2021, and July 28, 2021, the total amount of 31 tons with a final maturity between December 31, 2021, and January 4, 2022, and ounce price will be fixed prices within the range of USD 20,780 to 24,800 with the cash settlement method.
- The Group, in order to avoid the cash flow risk occurred from the change in palladium prices, signed various palladium sale swap agreements with ING Bank N.V. between 26 January – 21 September 2021, the amount of 1,193.96 troy ounces (approximately 37 kgs), with a final maturity of between December 31, 2021, and January 5, 2022, and ounce price will be fixed prices within the range of USD 1,861 to 2,846 with the cash settlement method.
- The Group, in order to avoid the cash flow risk occurred from the change in coal prices, signed various coal purchase swap agreements with Bank of America, N.A., the swap contracts signed between June 3, 2021, and June 10, 2021, in the amount of 90 thousand tons, between 1 July 2021 and 1 December 2021, price will be fixed prices within the range of USD 92.70 to 99.45 with the cash settlement method.
- The Group, in order to avoid the cash flow risk occurred from the change in coal prices, signed various coal purchase swap agreements with J.P. Morgan Securities Plc., the swap contracts signed between June 4, 2021, and June 8, 2021, in the amount of 90 thousand tons, between 7 October 2021 and 7 January 2022, price will be fixed prices within the range of USD 96.20 to 100.60 with the cash settlement method.
- In order to hedge the cash flow risk caused by the change in gas prices, the Company signed various gas purchase swap agreements between 17 November 2021 and 17 January 2022, with Citibank N.A. on June 15, 2021, which will fix a total amount of 12,700 thousand sm³ with a formula structure of petroleum-based fuel and currency fluctuations, and 31,301 thousand Turkish Liras.
- With the acquisition of the US operations, interest rate swap agreements and natural gas purchase swap agreements to reduce exposure to possible increases in interest rates were transferred to the Group. As of December 31, 2021, the interest rate swap contracts are USD 37.5 million and the maturity is 2024. The maturity of the natural gas purchase swap contracts is until 2024, with a nominal amount of US\$ 24.1 million.

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12. Derivative Instruments (Continued)

b) Cash flow hedge transactions (continued):

Swap and Option Contracts (continued)

The following parts of the hedge contracts against cash flow risk have been realized during the reporting period.

- The Group has contracts with petroleum-based fuel and exchange rate variable formula structure in gas trading transactions. The Group has signed gas purchase swap contracts with Citibank N.A. in total amount of 503,003 thousand sm³, with a final maturity of 18 January 2021, on November 11, 2019, November 15, 2019 and November 19, 2019. Gas purchase swap contracts were signed on a monthly basis, with a final maturity of 18 January 2021 and a fixed amount of TRY 736.969 thousand. The remaining balance of 43,227.891 sm³ of these contracts has been fully realized by making a cash settlement on January 18, 2021.
- The Group, in order to avoid the cash flow risk occurred from the change in coal prices, signed coal swap agreement with Citibank N.A. between the dates June 9, 2020 and January 9, 2021 the total amount of 180 thousand tons. The remaining balance of 30 thousand tons of these contracts has been fully realized by making a cash settlement on 11 January 2021.
- Within the scope of cross-currency swap agreements signed by the Group in 2019 to hedge cash flow risk, on March 15, 2021 and September 14, 2021, a payment of EUR 20,030 thousand and TRY 115,343 thousand was realized in exchange for a total purchase of USD 39,963 thousand.

The Group's ongoing contracts signed before 1 January 2021 in order to hedge against cash flow risk:

- The Group has signed palladium buying swap agreement with ING Bank N.V. for protection from palladium price fluctuation. The agreement was signed on 18 December 2020, for 2,340.59 Troy Ons (round about 73 kg) palladium with fixed price USD 2,365 and maturity is 31 December 2021.
- The Group has signed cross currency swap agreements amounting to US Dollars 575 million (approximately 82%) of the bonds issued in the period amounting to U.S. Dollars 700 million which will be matured on 14 March 2026 with 6.95% semi-annual interest rate in order to protect from cash flow risks. The details are explained below. The cash flow statements dates and protected US Dollars sections (6.95%) of these aforementioned agreements are same (Note 8).

The summary of cross-currency transactions in 2019 is as follows:

	US Dollars		Euro		Turkish Liras	
	Principal	Interest	Principal	Interest	Principal	Interest
Total, to be received	575,000	278,908	-	-	-	-
Total, to be paid	-	-	420,550	139,887	595,100	808,176

Principal swaps will be made on March 16, 2026, and interest swaps will be made semi-annually as of March 2019.

The details of the transactions are as follows:

- The Group agreed with J.P, Morgan on 17 April 2019 in order to buy USD 100,000,000 and sell EUR 88,440,788.89 on 13 March 2016 and agreed on interest swap USD 6.95% with EUR 4.68 % interest starting from 13 September 2019 at each six months till 13 March 2026.
- The Group agreed with Citibank N.A. on 10 June 2019 in order to buy USD 40,000,000 and sell EUR 35,385,704.18 on 13 March 2016 and agreed on interest swap of USD 6.95% with EUR 4.85 % starting from 13 September 2019 at each six months till 13 March 2026.
- The Group agreed with Citibank N.A. on 17 April 2019 in order to buy USD 75,000,000 and sell EUR 66,301,272.98 on 13 March 2016 and agreed on interest swap of USD 6.95% with EUR 4.68% starting from 13 September 2019 at each six months till 13 March 2026.
- The Group agreed with Türkiye Ekonomi Bankası (TEB) on 17 April 2019 in order to buy USD 200,000,000 and sell EUR 176,991,150.44 on 13 March 2016 and agreed on interest swap of USD 6.95% with EUR 4.68 % starting from 13 September 2019 at each six months till 13 March 2026.

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12. Derivative Instruments (Continued)

b) Cash flow hedge transactions (continued):

Swap and Option Contracts (continued)

- The Group agreed with HSBC on 29 April 2019 in order to buy USD 30,000,000 and sell EUR, 26,905,829.60 on 13 March 2016 and agreed on interest swap of USD 6.95% with EUR 4.68 % starting from 13 September 2019 at each six months till 13 March 2026.
- The Group agreed with HSBC on 17 April 2019 in order to buy USD 30,000,000 and sell EUR 26,525,198.94 on 13 March 2016 and agreed on interest swap of USD 6.95% with EUR 4.73 % starting from 13 September 2019 at each six months till 13 March 2026.
- The Group agreed with HSBC on 29 April 2019 in order to buy USD 100,000,000 and sell TRY 575,510,000 on 13 March 2026 and agreed on interest swap of USD 6.95% with TRY 19.12 % starting from 13 September 2019 every six months until 13 March 2026. On top of that, swap agreement includes an option that allows us to buy USD on spot price, if the USD/TRY exchange rate on interbank markets is lower than 5.91 on 12 March 2026 at 12,00 London time. Same option allows us to buy USD on 5,951 if USD/TRY exchange rate is higher than 5.951; and sell USD on 12.591 if the USD/TRY exchange rate is higher than 12.951.

The following parts of the contracts signed by the Group to hedge cash flow risk have been realized within the period of 1 January - 31 December 2020.

- Within the scope of cross-currency swap agreements signed by the Group in 2019 to hedge cash flow risk, on March 16, 2020, and September 11, 2020, a payment of 20,030 thousand Euros and 115,680 thousand Turkish Liras was realized in exchange for a total purchase of 39,963 thousand USD.
- 459,774.72 thousand sm³ of the total amount of 503,003 thousand sm³ of natural gas purchase contracts signed by the Group in 2019 to avoid cash flow risk has been realized.
- 150 thousand tons of the coal purchase contracts of 180 thousand tons in total, signed by the Group in 2020 in order to avoid cash flow risk, have been realized.
- The Group was signed silver sale swap contract with Citibank N.A. between the dates of January 15, 2020, and December 14, 2020, silver sale swap contract with a total amount of 447,135.62 troy ounces (approximately 13.9 tons) with a final maturity of December 29, 2020, and ounce fixed price range of 12.35 to 20.25 USD, in order to avoid the cash flow risk to be created by the change in silver prices.

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12. Derivative Instruments (Continued)

The Group measured that the hedge from financial risk is effective in prospective test, in prospective effectiveness test, in accordance with "Scenario Analysis" method at the initial date of swap agreement and at the date of report, quantitative assessment has been performed. In addition, the high efficiency of derivative transactions was measured according to the critical conditions method.

Since the efficiency test performed on aforementioned swap agreements has been resulted as effective, fair value change has been accounted in equity firstly. After accounting of fair value amount in equity, the portion of the Subsequently, the portion of this amount, which is accounted under equity, corresponding to the periods when the protected item affects the profit and loss is reclassified to profit and loss.

The distribution of derivative instruments is as follows:

	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Short-term foreign exchange transactions	73,847	-	-	-
Long-term foreign exchange transactions	-	-	-	-
For Trading Purposes	73,847	-	-	-
Short-term swap contracts	101,198	-	-	-
Long-term swap	-	20,114	-	-
Fair Value Hedging	101,198	20,114	-	-
Short-term swap contracts	252,317	29,473	4,941	53,762
Long-term swap and option contracts	647,328	22,166	90,337	98,545
Cash Flow Hedging	899,645	51,639	95,278	152,307
Total short-term	427,362	29,473	4,941	53,762
Total long-term	647,328	42,280	90,337	98,545
	1,074,690	71,753	95,278	152,307

The transactions related to derivative instruments are as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	(57,029)	(23,477)
Affiliate acquisition effect	80,657	-
Other comprehensive income that will be reclassified to profit or loss	(269,438)	11,807
- Cash flow hedging	(275,450)	11,898
- Currency translation differences	6,012	(91)
Valuation differences accounted in profit or loss	1,592,006	(9,410)
- Income (expense) stated in cost of sales	20,843	34,497
- Exchange gain (loss) recognized in financial income/ expense	1,084,684	(187,097)
- Interest income (expense) recognized in financial income/ expense	486,479	143,190
Realized cash (inflows)/outflows	(343,259)	(35,949)
Net asset/ (liability)	1,002,937	(57,029)

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

13. Inventories

	31 December 2021	31 December 2020
Finished goods	3,661,295	2,104,173
Raw materials	3,012,472	1,475,032
Trade goods	544,908	325,866
Other inventories	310,128	233,175
Work in progress	285,218	117,811
Supplies	99,429	61,795
Goods in transit	46,584	15,236
Provision for inventory impairment (-)	(342,437)	(152,333)
	7,687,597	4,180,755

The movement of provision for inventory impairment is as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	(152,333)	(83,172)
Provisions during the period	(178,413)	(106,644)
Currency translation differences	(58,091)	(5,947)
Released provision	46,400	43,430
	(342,437)	(152,333)

14. Prepaid Expenses and Deferred Income

Prepaid expenses

	31 December 2021	31 December 2020
Prepaid expenses in current assets		
Advances given for inventories	546,747	263,752
Prepaid expenses	194,644	71,902
	741,391	335,654
Prepaid expenses in non-current assets		
Advances given for tangible and intangible assets	521,434	288,422
Prepaid expenses	152,645	60,684
	674,079	349,106

The movement of advances given for tangible and intangible assets is as follows;

	31 December 2021	31 December 2020
Beginning of the period-1 January	288,422	324,702
Affiliate acquisition effect	21,819	
Advances given during the period	1,361,983	464,762
Currency translation differences	61,077	4,560
Released	(1,211,867)	(505,602)
	521,434	288,422

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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14. Prepaid Expenses and Deferred Income (continued)

Deferred income

	31 December 2021	31 December 2020
Short term deferred income		
Advances received from customers	368,229	102,705
Other advances received	32,006	8,776
Deferred income (*)	5,669	2,282
	405,904	113,763

	31 December 2021	31 December 2020
Long term deferred income		
Deferred income (*)	226,706	81,212

(*) All of the short term deferred income and TRY 203,112 thousand part of long term deferred income is related to the government incentive provided by Bulgarian government to Trakya Glass Bulgaria EAD and Pasabahce Bulgaria EAD, Italian government to Sisecam Flat Glass South Italy S.R.L., Romanian government to Sisecam Automotive Romania SA, and Russian government to OOO Ruscam Glass Packaging Holding (31 December 2020 TRY 1,442 thousand of the short term deferred income and the amount of the long term deferred income is related to the government incentive provided by the Romanian government to Sisecam Automotive Romania SA, Bulgarian government to Trakya Glass Bulgaria EAD and Pasabahce Bulgaria EAD, Italian government to Sisecam Flat Glass South Italy S.R.L., Russian government to OOO Ruscam Glass Packaging Holding.).

15. Customer Contract Assets and Liabilities

In accordance with TFRS-15 "Revenue from contracts with customers" standard, the Group recognized as asset for the contracts whereas the obligation fulfilled and liability for the contracts whereas the obligation to be fulfilled.

Customer Contract Assets

The Group recognized receivables for the contracted manufacturer products and the expected collection periods for these receivables are as follows:

	31 December 2021	31 December 2020
Till 1 month	1,348	3,958
1-3 month	59,529	15,470
3-6 month	60,998	31,742
	121,875	51,170

Customer Contract Liabilities

The Group recognized liability for the transactions to fulfill the obligation amounting and the expected payment periods for these liabilities are as follows:

	31 December 2021	31 December 2020
Till 1 month	110,857	38,233

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

16. Joint Ventures and Associates

Net asset values of joint ventures and associates accounted for using equity method presented in the financial position are as follows:

Joint Ventures

	31 December 2021	31 December 2020
Pacific Soda LLC	103,141	117,419
Rudnik Krechnjaka Vijenac D.O.O.	-	63,448
	103,141	180,867

Associates

	31 December 2021	31 December 2020
Solvay Sisecam Holding AG	991,330	568,945
Saint Gobain Glass Egypt S.A.E.	558,454	251,351
	1,549,784	820,296
	1,652,925	1,001,163

The Group's shares in investments accounted for using equity method profit/loss are as follows:

Joint Ventures

	31 December 2021	31 December 2020
Rudnik Krechnjaka Vijenac D.O.O.	665	2,188
Pacific Soda LLC	(31,671)	(8,978)
	(31,006)	(6,790)

Associates

	31 December 2021	31 December 2020
Solvay Sisecam Holding AG	149,004	94,891
Saint Gobain Glass Egypt S.A.E.	98,939	12,133
	247,943	107,024
	216,937	100,234

Dividend income from joint ventures is as follows:

	31 December 2021	31 December 2020
Solvay Sisecam Holding AG	122,337	115,021
Saint Gobain Glass Egypt S.A.E.	27,812	16,582
Rudnik Krechnjaka Vijenac D.O.O.	3,901	1,565
	154,050	133,168

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16. Joint Ventures and Associates (Continued)

The movements of the investments accounted for under equity accounting method during the period are as below:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	1,001,163	710,578
Currency translation differences (net)	852,265	228,251
Net income for the period from joint ventures and associates (net)	216,937	100,234
Share payment for capital	185,771	93,496
Revaluation increases of tangible assets	(4,592)	1,772
Dividend income	(154,050)	(133,168)
Transfers to subsidiaries as a result of business combinations	(444,569)	-
	1,652,925	1,001,163

The summary of the financial statements of Joint Ventures is as follows:

Rudnik Krecnjaka Vijenac D.O.O.

	31 December 2021	31 December 2020
Current assets	19,786	12,268
Non-current assets	202,348	120,813
Total Assets	222,134	133,081
Current liabilities	12,497	4,357
Non-current liabilities	3,355	1,827
Total liabilities	15,852	6,184

Net Assets (including goodwill) **206,282** **126,897**

Group's share (%)

- Direct and indirect ownership rate %	50.00	50.00
- Effective ownership rate (%)	50.00	50.00

Group's share in net assets (including goodwill) **103,141** **63,448**

	1 January- 31 December 2021	1 January- 31 December 2020
Revenue	40,552	42,926
Profit / (loss) from continuing operations	1,329	4,375
Other comprehensive income / (loss)	83,719	32,966
Total comprehensive income/ (loss)	85,048	37,341
The Group's share in profit/(loss) from continuing operations	665	2,188
Dividend distributions from previous years' profits	5,665	2,951
The Group's share in distributed dividend	3,901	1,565

Shares of joint venture in third party are owned by Fabrika Cementa Lukavac D.D. (FCL).

The joint venture has been consolidated by the Group since December 10, 2010.

Currency translation differences between the dividends paid by the joint venture and those received by the Group are accounted for in other comprehensive income. (In the period of 1 January-31 December 2020, a dividend of BAM 180 thousand paid to the Group, which corresponds to half of the BAM 360 thousand dividend until 31 December 2020.)

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16. Joint Ventures and Associates (Continued)

The summary of the financial statements of Joint Ventures is as follows (Continued):

Pacific Soda LLC

	31 December 2021	31 December 2020
Current assets	-	155,634
Non-current assets	-	545,808
Total Assets	-	701,442
Current liabilities	-	161,839
Non-current liabilities	-	304,766
Total Liabilities	-	466,605
Net assets (including goodwill)	-	234,837
Group's share (%)		
- Direct and indirect ownership rate %	50.00	50,00
- Effective ownership rate (%)	50.00	50,00
Group's share in net assets (including goodwill)		117,419
	1 January- 31 December 2021	1 January- 31 December 2020
Revenue	-	-
Profit / (loss) from continuing operations	(63,343)	(17,955)
Other comprehensive income / (loss)	346,103	19,135
Total comprehensive income(loss)	282,760	1,180
The Group's share in profit/(loss) from continuing operations	(31,671)	(8,978)

Shares of joint venture in third party is owned by Imperial Natural Resources Trona Mining Inc.

The Joint Venture has been consolidated by the Group since October 24, 2019. While the Group has been consolidating its joint venture Pacific Soda LLC, located in the United States of America, using the equity method with 50% share since October 24, 2019, 10% of the shares of Pacific Soda LLC were purchased on December 21, 2021 for a cash price of 23,000 thousand USD. As of 31 December 2021, the financial results have been consolidated using the proportional consolidation method.

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16. Joint Ventures and Associates (Continued)

The summary of the financial statements of Associates is as follows (Continued):

Solvay Sisecam Holding AG

	31 December 2021	31 December 2020
Current assets	1,499,206	780,981
Non-current assets	3,549,752	2,051,417
Total Assets	5,048,958	2,832,398
Current liabilities	893,633	414,533
Non-current liabilities	125,749	84,768
Total Liabilities	1,019,382	499,301
Non-controlling interest	64,259	57,319
Net assets	3,965,317	2,275,778
Group's share (%)		
– Direct and indirect ownership rate (%)	25,00	25,00
– Effective ownership rate (%)	25,00	25,00
Group's share in net assets	991,330	568,945
	1 January- 31 December 2021	1 January- 31 December 2020
Revenue	2,334,568	1,580,879
Profit from continuing operations	596,016	379,563
Other comprehensive income/ (loss) (*)	1,582,872	609,253
Total comprehensive income/ (loss)	2,178,888	988,815
The Group's share in profit/ (loss) from continuing operations	149,004	94,891
Dividend distributions from previous years' profits	489,348	460,083
The Group's share in distributed dividend (**)	122,337	115,021

(*) Other comprehensive income consists of foreign currency translation differences and property, plant and equipment revaluation fund effect. The tangible fixed assets of the associate were revalued in 2021 and as a result of this valuation, there was a net value decrease in equities of 3,084 thousand Euros. Due to the foreign currency translation effect of the property, plant and equipment revaluation fund, the amount corresponding to the Group's share of the increase in other comprehensive income and expense is TRY 755 thousand (1 January – 31 December 2020: TRY 752 thousand).

(**) The associate has paid 11,690 thousand Euros corresponding to the Group's share as of 31 December 2021. Currency translation differences between the dividend amount decided to be distributed and the dividends collected or to be received by the Group are accounted for in other comprehensive income.

Solvay Sisecam Holding AG; Solvay Sodi AD, a joint stock company established in the Bulgarian-Devnya region and established in accordance with the laws of the Republic of Bulgaria, is a capital company established in Austria-Vienna in order to directly or indirectly own 97.94% of the shares of its subsidiaries and to manage this subsidiary. Solvay Sisecam Holding AG; Solvay Sodi AD, a joint stock company established in the Bulgarian-Devnya region and established in accordance with the laws of the Republic of Bulgaria, is a capital company established in Austria-Vienna with the aim of directly or indirectly owning 97.94% of the shares of its subsidiaries and managing this subsidiary. The Group has included the associate in the consolidation since 23 July 1997.

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16. Joint Ventures and Associates (Continued)

The summary of the financial statements of Associates is as follows (Continued):

Saint Gobain Glass Egypt S.A.E

	31 December 2021	31 December 2020
Current assets	974,639	243,772
Non-current assets	1,133,032	705,251
Total Assets	2,107,671	949,023
Current liabilities	180,404	75,043
Non-current liabilities	65,754	36,144
Total Liabilities	246,158	111,187
Net asset (including goodwill)	1,861,513	837,836
Group's share (%)		
– Direct and indirect ownership ratio (%)	30.00	30.00
– Effective ownership ratio (%)	30.00	30.00
Group's share in net assets (including goodwill)	558,454	251,351
	1 January- 31 December 2021	1 January- 31 December 2020
Revenue	692,817	427,238
Profit from continuing operations	329,797	40,445
Other comprehensive income/ (loss)	798,808	176,040
Total comprehensive income/ (loss)	1,128,605	216,485
The Group's share in profit/ (loss) from continuing operations	98,939	12,133
Dividend distributions from previous years' profits	104,929	59,417
The Group's share in distributed dividend (*)	27,812	16,582

(*) The foreign currency translation difference between the dividends paid by the subsidiary to the Group and the Group's received amount is accounted under other comprehensive income.

The associate has been consolidated by the Group since October 4, 2012. The associate has subsidiaries in Egypt, titled "Saint-Gobain Mirrors Egypt S.A.E." and "Saint-Gobain Egypt Trade LLC".

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17. Investment Properties

	Net Book Value	Revaluation Fund	Revaluation Profit/ (Loss) Effect	Fair Value
Beginning of the period-1 January	31,635	475,624	383,882	891,141
Disposals	(253)	(7,612)	(750)	(8,615)
Revaluation increase	-	-	586,297	586,297
31 December 2021 closing balance	31,382	468,012	969,429	1,468,823

	Net Book Value	Revaluation Fund	Revaluation Profit/ (Loss) Effect	Fair Value
Beginning of the period-1 January	33,343	483,963	255,116	772,422
Revaluation increase	-	-	150,519	150,519
Disposals	(1,708)	(8,339)	(21,753)	(31,800)
31 December 2020 closing balance	31,635	475,624	383,882	891,141

The Group has classified properties that are not used for operation or administrative purposes as investment property with fair value. The fair value increase because of initial classification was recognized in "Gains/losses on revaluation and revaluation" under equity.

The fair value of these investment properties depends on the independent appraisal reports prepared by "Harmoni Gayrimenkul ve Danışmanlık A.Ş." which has a capital market real estate appraisal license and sufficient professional knowledge and current knowledge about the class and location of real estates.

By using valid and current construction plan and permits for the parcels in which real estates are locating, cost approach, direct capitalization, cash flow and market approach have been used for the fair value measurement. In determination of the values, the shortage of number of land parcels in the region where the real estates subject to appraisal are located, transportation matters, environmental structures and the ongoing construction plan processes have been taken into consideration:

All investment properties are located in Turkey.

Rent income generated from investment properties is amounting to TRY 877 thousand, maintenance and repair expense is in the amount of TRY 170 thousand (January 1 - December 31, 2020: TRY 801 thousand rent income, TRY 561 thousand maintenance and repair expense occurred.)

The fair value level of investment properties is determined as Level 2. (Level 2: Expresses the value from inputs used to determine the direct or indirect market price other than the stock exchange prices).

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18. Property, Plant and Equipment

Cost	Land	Land improvements	Land	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
Beginning of the period – 1 January	1,855,346	876,884	5,141,672	18,099,572	189,400	682,211	1,525,061	1,287,882	29,658,028	
Classifications (*)	(6,035)	(30,799)	(3,667)	31,400	-	242,766	(301,285)	-	(67,620)	
Currency translation differences	351,188	283,712	2,438,530	7,145,392	85,016	176,698	520,505	292,323	11,323,488	
Additions (**)	60,135	37,662	70,958	60,046	628	47,505	210,804	2,089,492	2,577,230	
Disposals	(11,775)	(2,483)	(6,591)	(517,667)	(15,056)	(37,503)	(74,369)	(47,404)	(712,848)	
Transfers from construction in progress	-	11,009	166,415	1,556,051	3,092	88,697	167,790	(2,103,029)	(109,975)	
Revaluation increase	1,531,985	-	1,147,111	-	-	-	-	43,389	2,692,359	
Affiliate acquisition effect	5,865	252,888	1,000,283	2,269,873	937	5,364	408,044	881,678	4,824,932	
31 December 2021 closing balance	3,786,709	1,428,873	9,954,711	28,644,667	264,017	1,205,738	2,456,550	2,444,329	50,185,594	
Accumulated depreciation and impairment										
Beginning of the period – 1 January	-	(463,083)	(423,772)	(10,953,845)	(136,022)	(459,877)	(980,911)	-	(13,417,510)	
Classifications (*)	-	11,054	65,669	(13,211)	28	(150,630)	150,552	-	63,462	
Currency translation differences	-	(150,237)	(76,231)	(4,433,120)	(73,166)	(124,255)	(316,272)	-	(5,173,281)	
Charge for the period (***)	-	(45,677)	(236,449)	(1,255,796)	(16,489)	(69,843)	(213,503)	-	(1,837,757)	
Disposals	-	557	2,238	452,890	14,642	22,704	45,250	-	538,281	
Revaluation increase	-	-	595,360	-	-	-	-	-	595,360	
31 December 2021 closing balance	-	(647,386)	(73,185)	(16,203,082)	(211,007)	(781,901)	(1,314,884)	-	(19,231,445)	
Net Book Value as of June 30, 2021	3,786,709	781,487	9,881,526	12,441,585	53,010	423,837	1,141,666	2,444,329	30,954,149	
Net Book Value as of December 31, 2020	1,855,346	413,801	4,717,900	7,145,727	53,378	222,334	544,150	1,287,882	16,240,518	

(*) The Group has reassessed its tangible assets and has made related account classifications and netting including the assets which have been fully amortized, such changes do not have any effect on profit / (loss).

(**) TRY 554 thousand interest expense is capitalized under the additions

(***) The allocation of period depreciation expense is given in Note 29 and Note 31.

The Group has no mortgage over lands and buildings due to bank borrowings. (January 1 – December 31, 2020: None).

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18. Property, Plant and Equipment (Continued)

Cost	Land	Land improvements	Land	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
Beginning of the period – 1 January	1,788,571	712,688	-	4,306,657	15,591,306	147,816	565,435	1,331,420	1,330,155	25,774,048
Classifications (*)	(735)	-	-	1,772	(1,037)	-	-	-	-	-
Currency translation differences	70,366	47,541	-	491,073	1,824,266	27,903	48,272	80,899	99,973	2,690,293
Additions (**)	17	2,254	-	14,935	33,371	2,531	3,634	69,604	1,727,238	1,853,584
Disposals	(2,889)	(714)	-	(1,873)	(246,220)	(5,145)	(5,802)	(130,454)	-	(393,097)
Transfers from construction in progress	16	115,115	-	329,108	897,886	16,295	70,672	173,592	(1,869,484)	(266,800)
31 December 2020 closing balance	1,855,346	876,884	-	5,141,672	18,099,572	189,400	682,211	1,525,061	1,287,882	29,658,028

Accumulated depreciation and impairment

Beginning of the period – 1 January	-	(405,412)	-	(201,395)	(9,149,470)	(100,651)	(381,969)	(850,484)	-	(11,089,381)
Classifications (*)	-	-	-	(19,681)	(24)	-	-	19,705	-	-
Currency translation differences	-	(17,540)	-	(29,965)	(997,860)	(23,159)	(34,040)	(45,629)	-	(1,148,193)
Charge for the period (***)	-	(40,380)	-	(172,945)	(1,031,092)	(16,446)	(46,898)	(179,940)	-	(1,487,701)
Disposals	-	249	-	214	224,601	4,234	3,030	75,437	-	307,765
31 December 2020 closing balance	-	(463,083)	-	(423,772)	(10,953,845)	(136,022)	(459,877)	(980,911)	-	(13,417,510)

Net Book Value as of 31 December 2020 1,855,346 413,801 4,717,900 7,145,727 53,378 222,334 544,150 1,287,882 16,240,518

Net Book Value as of 31 December 2019 1,788,571 307,276 4,105,262 6,441,836 47,165 183,466 480,936 1,330,155 14,684,667

(*) The Group has reassessed its tangible assets and has made related account classifications and netting including the assets which have been fully amortized. Amounts integrated with intangible assets are separated. Such changes do not have any effect on profit / (loss).

(**) TRY 291 thousand financial expense capitalized in current year addition (Note 8).

(***) The allocation of period depreciation expense is given in Note 29 and Note 31.

The Group has no mortgage over lands and buildings due to bank borrowings (January 1 - December 31, 2019: None).

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19. Right-of-Use Assets

Cost	Land	Building	Machinery and equipments	Vehicles	Fixtures	Total
Beginning of the period – 1 January	188	243,337	88,095	37,138	1,302	370,060
Affiliate acquisition effect	15,094	14,524	254,166	3,904	-	287,688
Reclassifications (*)	-	(30,784)	299	(15,967)	-	(46,452)
Currency translation differences	176	24,977	22,309	9,339	210	57,011
Revaluation effect (**)	-	6,302	-	-	-	6,302
Additions	136	48,275	18,225	9,086	-	75,722
Disposals (***)	(83)	(84,902)	(5,768)	(7,775)	(1,512)	(100,040)
31 December 2021 closing balance	15,511	221,729	377,326	35,725	-	650,291

Accumulated Amortization

Beginning of the period – 1 January	(138)	(110,876)	(55,786)	(31,040)	(1,302)	(199,142)
Reclassifications (*)	6	30,784	7,048	17,395	-	55,233
Currency translation differences	(79)	(10,911)	(12,865)	(4,431)	(210)	(28,496)
Charge for the period (****)	(26)	(46,849)	(22,521)	(6,529)	-	(75,925)
Disposals	83	32,724	5,768	7,775	1,512	47,862
31 December 2021 closing balance	(154)	(105,128)	(78,356)	(16,830)	-	(200,468)

Net Book Value as of 31 December 2021 15,357 116,601 298,970 18,895 - 449,823

Net Book Value as of December 2020 50 132,461 32,309 6,098 - 170,918

(*) The Group has made related account classifications and netting with respect to the assets without the right of use since the lease agreements are expired, such changes do not have any effect on profit / (loss).

(**) It relates to the differences caused by price increase (decrease) of the lease agreement index.

(***) Disposals occurred due to the fact that termination of the lease transactions prior to the expected maturity.

(****) The allocation of period amortization expense is given in Note 29 and Note 31.

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19. Right-of-Use Assets (Continued)

Cost	Land	Building	Machinery and equipments	Vehicles	Fixtures	Total
Beginning of the period – 1 January	253	221,069	89,826	31,716	1,308	344,172
Reclassifications (*)	(88)	(13,596)	(16,634)	(69)	(347)	(30,734)
Currency translation differences	5	17,415	5,568	1,627	341	24,956
Revaluation effect (**)	-	10,854	-	-	-	10,854
Additions	68	24,552	16,297	3,864	-	44,781
Disposals (***)	(50)	(16,957)	(6,962)	-	-	(23,969)
31 December 2020 closing balance	188	243,337	88,095	37,138	1,302	370,060
Accumulated Amortization						
Beginning of the period – 1 January	(204)	(80,751)	(52,191)	(21,602)	(1,268)	(156,016)
Reclassifications (*)	88	13,596	16,634	69	347	30,734
Currency translation differences	(3)	(3,124)	(3,651)	(1,101)	(333)	(8,212)
Charge for the period (****)	(44)	(46,131)	(21,765)	(8,406)	(48)	(76,394)
Disposals	25	5,534	5,187	-	-	10,746
31 December 2020 closing balance	(138)	(110,876)	(55,786)	(31,040)	(1,302)	(199,142)
Net Book Value as of 31 December 2020	50	132,461	32,309	6,098	-	170,918
Net Book Value as of 31 December 2019	49	140,318	37,635	10,114	40	188,156

(*) The Group has made related account classifications and netting with respect to the assets without the right of use since the lease agreements are expired, such changes do not have any effect on profit / (loss).

(**) It relates to the differences caused by price increase (decrease) of the lease agreement index.

(***) The disposals occurred due to the termination of lease transactions before the expected maturity.

(****) The allocation of period amortization expense is given in Note 29 and Note 31.

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20. Intangible Assets

Cost	Rights	Mine assets	Mining Rights	Capitalized Development Cost	Other	Total
Beginning of the period -1 January	526.028	154.835	-	229.740	140.052	1.050.655
Affiliate acquisition effect	-	365.764	9.318.446	-	472.769	10.156.979
Classification (*)	1.043	-	-	2.862	-	3.905
Currency translation differences	112.123	-	-	-	97.557	209.680
Transfers from construction in progress	45.857	4.400	-	52.367	7.351	109.975
Additions	47.565	-	-	10.459	1.872	59.896
Disposals	(716)	(31)	-	-	(11.820)	(12.567)
31 December 2021 closing amount	731.900	524.968	9.318.446	295.428	707.781	11.578.523
Accumulated amortization						
Beginning of the period -1 January	(293.612)	(22.297)	-	(131.013)	(64.062)	(510.984)
Classification (*)	685	-	-	(432)	-	253
Currency translation differences	(107.816)	-	-	-	(47.717)	(155.533)
Period expenses (**)	(86.625)	(4.922)	-	(42.311)	(13.714)	(147.572)
Disposals	714	14	-	-	2.682	3.410
31 December 2021 closing amount	(486.654)	(27.205)	-	(173.756)	(122.811)	(810.426)
Net Book Value as of 31 December 2021	245.246	497.765	9.318.446	121.672	584.968	10.768.097
Net Book Value as of 31 December 2020	232.416	132.538	-	98.727	75.990	539.671

Cost	Rights	Mine assets	Capitalized Development Cost	Other	Total
Beginning of the period -1 January	281,129	151,614	171,060	98,973	702,776
Currency translation differences	40,445	-	-	25,452	65,897
Transfers from construction in progress	192,123	3,221	58,680	12,776	266,800
Additions	16,824	-	-	2,894	19,718
Disposals	(4,493)	-	-	(43)	(4,536)
31 December 2020 closing balance	526,028	154,835	229,740	140,052	1,050,655
Accumulated amortization					
Beginning of the period -1 January	(217,041)	(17,013)	(97,689)	(42,115)	(373,858)
Currency translation differences	(38,777)	-	-	(11,658)	(50,435)
Period expenses (**)	(37,850)	(5,284)	(33,324)	(10,289)	(86,747)
Disposals	56	-	-	-	56
31 December 2020 closing balance	(293,612)	(22,297)	(131,013)	(64,062)	(510,984)
Net Book Value as of 31 December 2020	232,416	132,538	98,727	75,990	539,671
Net Book Value as of 31 December 2019	64,088	134,601	73,371	56,858	328,918

(*) The Group has reviewed its intangible assets, including those at the end of their useful life, and made the relevant account classifications and offsets. Amounts integrated with tangible fixed assets are separated. These changes have no effect on profit/(loss).

(**) Allocation of amortisation expense is disclosed in Note 29 and Note 31.

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21. Goodwill

The movement of goodwill balance is as follows:

	31 December 2021	31 December 2020
Beginning of the period -1 January	368,483	301,469
Currency translation differences	270,717	67,014
Goodwill arising from the purchase during the period	3,355,371	-
	3,994,571	368,483

The detail of goodwill in terms of subsidiaries is as follows:

	31 December 2021	31 December 2020
Sisecam Flat Glass India Private Limited	483,255	270,681
Sisecam Automotive Romania SA	78,116	47,342
Cromital S.p.A.	35,544	21,223
Sisecam Automotive Germany GmbH	21,951	13,106
Oxyvit Kimya Sanayii ve Ticaret A.Ş.	10,862	10,862
OOO Ruscam Glass Packaging Holding	9,472	5,269
Sisecam Chemicals USA	742,412	-
Pacific Soda LLC	930,918	-
Sisecam Chemicals Resources LLC	1,682,041	-
	3,994,571	368,483

Goodwill Impairment Test

The Group applies the goodwill impairment test every year. Recoverable amounts of cash flow producing assets are decided based on the valuations on use. Use value is calculated by discounting the cash flow, which is expected to be created by continuous use of the asset.

Therefore, Group used the following assumptions in order to calculate the use value of Sisecam Flat Glass India Private Limited, which is a subsidiary of the group, as of 31 December 2021:

- Goodwill impairment test is applied through the use of 5 year projection between 1 January 2022 and 31 December 2026.
- In order to forecast the cash flows (infinite), which will be generated in the future, growth rate of 2% is used, which does not exceed the average forecasted growth rate of Turkey.
- In order to calculate the recoverable amount weighted average cost of capital of 9,5% is used as after tax discount rate.

In the real assumption, if the long-term growth rate taken as 2% is accepted as 1.5%, the recoverable value remains above of the book value of the cash-generating unit, and no impairment is required. In the original assumption, if the discount rate taken as 10% is accepted as 9%, the recoverable value remains above of the book value of the cash producing unit with goodwill and brand value, and no impairment is required.

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22. Government Grants

Research & Development Incentives

In line with the Law on the Support of Research and Developments (R&D) Activities No. 5746 on the basis of new technology and research and development activities in search of information, 100% of the expenditures made in the R & D centers within the scope of the enterprises are considered as R & D discounts in determining the corporate income until 31 December 2023. On the basis of the provisions of the law no 5746. The amount of R & D reduction that cannot be deducted in the relevant accounting period due to insufficient earnings is transferred to the next accounting period. Amounts transferred shall be taken into consideration by increasing the revaluation rate determined every year according to Tax Procedure Law No: 213 without any time limit in the following years.

In addition according to the Law No. 5746. Withholding tax incentive and insurance premium support is provided for personnel working in the R & D center. According to this law, among the design and support personnel working in R & D and design centers; ninety five percent (95%) for those who have at least a master's degree in one of the basic sciences, ninety percent (90%) for those who have a bachelor's degree in one of the basic sciences, others (80%) are excluded from income tax. Among design and support personnel working in R & D and design centers; half of the employer's share of the insurance premium calculated on the wages they have obtained in return for these works shall be met from the appropriation to be made to the Ministry of Finance for each employee. The Group also utilizes R & D incentives mentioned.

Reduced Corporate Tax Application

In the line with the article 32 / A of the Corporate Tax Law No,5520, the Group receives tax support for the profits obtained from investments connected to the incentive certificate by Ministry of Economy. The amount of corporate tax to be paid each year until the amount of investment contribution calculated according to the investment contribution rate determined by the Council of Ministers is reached, corporate tax to be paid each year is also utilized by deducting the corporate tax discount rate determined by the Council of Ministers, Value Added Tax ("VAT") and customs tax incentives are also utilized according to the investment incentive documents obtained within the scope of the same decision.

Application of exemption from industrial property rights

Pursuant to Article 5/B of the Corporate Tax Law, inventions resulting from research, development and innovation activities and software activities carried out by corporate taxpayers in Turkey;

- Earnings and revenues obtained as a result of leasing,
- Gains obtained as a result of its transfer or sale,
- Earnings obtained if they are mass-produced and marketed in Turkey,
- The income derived from the sale of the products produced as a result of use in the production process in Turkey, attributed to the invention with patent or utility model certificate, if the conditions specified in the article 50% are fulfilled,

it is exempted from corporate tax.

The mentioned incentive is utilized by our Group.

Investment Incentives

Italian Government also provides cash incentives for investments in its country. In this context, our subsidiaries operating in Italy as part of the Manfredonia investment, made applications to governments to benefit from these incentives.

Incentives provided under Covid-19

Within the scope of the Covid-19 pandemic, the incentives are used where our Group Companies is located, in cases where the incentive requirements are fulfilled.

Export Operations and Other Foreign Exchange Earning Activities

Export operations and other foreign exchange earning activities within the scope of the standards determined by the Ministry of Finance and Undersecretaries of Foreign Trade are exempt from stamp tax and fees, Government grants are paid to support participating in international fairs in accordance with the Decision No: 2004/11 of the Money Credit and Coordination Committee issued at 16 December 2004.

Russian Government provides financial incentives for increasing exportation by decreasing %3 interest rate. Exporting expenses has been subjected to incentives. The subsidiaries' of the Group operates in Russia has been utilized from aforementioned incentives.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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22. Government Grants (Continued)

Turquality

Turquality is a brand support program that aims to increase awareness and awareness of Turkish Brands by supporting them within the framework of the Notification no, 2006/4 for Branding of Turkish Products Abroad, Placement of the image of Turkish goods and Supporting Turquality;

- Expenses related to patent, utility model, Industrial design and trademark registration
- Expenses related to certification,
- Expenses related to fashion / industrial product designer / chef / cook employment,
- Promotion, advertising and marketing activities,
- Expenses related to units in abroad,
- Consulting expenses

are supported within certain limits.

According to the locations in which our Group operates, the brand support program has been utilized.

23. Provisions, Contingent Assets and Liabilities

The Group has been defendant and plaintiff of various cases within the ordinary operations during the period. As of 31 December 2021, according to the opinions of independent legal and tax advisors, apart from the cases for which provision amounting to TRY 78,978 thousand (31 December 2020: TRY 92,257 thousand) have been allocated. The Group considers the possibility of incurring loss from the cases as low.

Lawsuits filed against the Company are related to more than one issue, but a significant part of them are labor law cases and lawsuits filed by the Competition Authority.

Collaterals pledges and mortgages ("CPM") given by the Company as of 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021					TRY and TRY equivalent of other Currencies
	TRY Equivalents	USD	EUR	RUB		
The CPMs given by the Company						
A. CPM's given in the behalf of own company	404,972	1,856	632	-		370,637
B. CPM's given on behalf of the fully consolidated subsidiaries	8,051,020	38,224	350,937	11,914,150		100,500-
C. CPM's given on behalf of third parties or ordinary course of business	-	-	-	-		-
D. Total amount of other CPM's given	-	-	-	-		-
i. Total amount of CPM's given on behalf of the parent	-	-	-	-		-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-		-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-		-
Total	8,455,992	40,080	351,569	11,914,150		471,137

Percentage of other CPM's given by the Company to the Company's equity is nil as of 31 December 2021.

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23. Provisions, Contingent Assets and Liabilities (Continued)

The CPMs given by the Company	31 December 2020					TRY and TRY equivalent of other Currencies
	TRY Equivalents	USD	EUR	RUB		
A. CPM's given in the behalf of own company	3,657	1	-	-		3,650
B. CPM's given on behalf of the fully consolidated subsidiaries	5,708,150	15,844	376,141	15,177,862		709,498
C. CPM's given on behalf of third parties or ordinary course of business						
D. Total amount of other CPM's given						
i. Total amount of CPM's given on behalf of the parent						
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C						
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C						
Total	5,711,807	15,845	376,141	15,177,862		713,148

Percentage of other CPM's given by the Company to the Company's equity is nil as of 31 December 2020.

Short-term provisions

	31 December 2021	31 December 2020
Provisions of cost	683,081	101,151
Turnover premium provision	76,137	92,257
Litigation provisions	78,978	33,648
Provisions for employee benefits (Note 25)	59,713	19,063
Other short-term provisions	8,917	2,515
	906,826	248,634

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24. Commitments

According to the agreements with Türkiye Petrolleri Anonim Ortaklığı A.Ş., Shell Enerji A.Ş., Mersin Organize Sanayi Bölgesi, Aygaz Doğal Gaz Toptan Satış A.Ş., Boru Hatları ve Petrol Taşıma A.Ş., (BOTAŞ), Eskişehir Organize Sanayii Bölge Müdürlüğü, Palgaz Doğalgaz A.Ş., Enerya Denizli Gaz Dağıtım A.Ş., Akfel Petrol and Doğalgaz Mühendislik A.Ş., the Group has purchase commitment of 1,259,172 thousand sm³ of natural gas in total between 1 January - 31 December 2022 (1 January - 31 December 2021: 1,101,028 thousand sm³).

25. Employee Benefits

Short-term provisions and short-term employee benefits

	31 December 2021	31 December 2020
Due to personnel	255,526	98,610
	31 December 2021	31 December 2020
Short term provisions for employee benefits		
Pension funds	21,114	-
Unused vacation provision	38,599	19,063
	59,713	19,063

Long term provisions for employment benefits

	2021	2020
Long term provisions for employee benefits		
Provisions for severance pay	890,571	614,167
Pension funds	558,764	-
Environmental rehabilitation provision	551,216	-
	2,000,551	614,167

(*) Result from US operations companies acquired under TFRS 3. (Note 2.)

Defined benefit plans

Movements in defined benefit plans and post-retirement benefits are as follows:.

	31 December 2021	31 DEcember 2020
Beginning of the period - 1 January	-	-
Affiliate acquisition effect	579,878	-
	579,878	-

The Group's defined benefit plans include plan benefits for its employees. In this context, the Group determines its liabilities with the calculations of the actuaries.

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25. Employee benefits (continued)

	(Funded) Defined Benefit Plans	(Unfunded) Post Retirement	Total
Liability arising from defined benefit plans	(2,748,126)	(142,810)	(2,890,936)
Fair value of funded assets	2,311,058	-	2,311,058
	(437,068)	(142,810)	(579,878)
Short term liabilities	(906)	(20,208)	(21,114)
Long Term liabilities	(436,162)	(122,602)	(558,764)
	(437,068)	(142,810)	(579,878)

- (i) The Group uses some important actuarial assumptions in determining its obligations under defined benefit plans. The relevant assumptions are set out below.

	31 December 2021
Discount Rate	%2.35 -%2.8
Benefit increase rate (*)	%3

(*) Benefit increase rate; It includes statutory limitations on salary, future social security salary base pay, and benefits.

The sensitivity analysis of liabilities related to defined benefit plans to significant assumptions is as follows::

	%1 decrease	%1 increase
Discount rate	365,248	(301,519)
Benefit increase rate	(20,922)	25,504

- (i) The key assumptions regarding post-retirement benefits are as follows:

	31 December 2021
Discount Rate	%2.35
Trend Rate (*)	%4.5 -%7

(*) Trend rate; It represents the rate of use of benefits by post-retirement employees. While this rate is 7% for 2021, it is expected to decrease to 4.5% by 2026.

The sensitivity analysis of liabilities related to post-retirement benefits to significant assumptions is as follows.:

	%1 decrease	%1 increase
Discount Rate	11,733	(10,047)
Trend Rate	(2,076)	2,210

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25. Employee benefits (continued)

Details of defined benefit plans and expected benefit payments for post-retirement benefits are as follows.

Year	Defined benefit plans	Posr Retirement Plans
2022	129,657	20,445
2023	135,166	16,658
2024	139,006	13,901
2025	142,496	11,616
2026	145,871	9,494
After 2026	753,530	41,243

Provision for employee termination benefits

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Additionally, employees entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2422 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506, Some transitional provisions related with retirement prerequisites have been removed due to the amendments dated 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 8,284.51 for each year of service as of 31 December 2021 It has been taken into account in the calculation of the severance pay provision of the group, the ceiling amount of 10,848.59 TL effective from 1 January 2022. (31 December 2020: TRY 6,730.15) TRY 8,284.51. (31 December 2020: TRY 7,638.96 which is effective from 1 January 2020).

Liability of employment termination benefits is not subject to any funding as there is no obligation.

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees, TAS 19 "Employee Benefits" requires actuarial valuation methods to be used to estimate the Group's obligation under the defined benefit plans.

The following actuarial assumptions are used in the calculation of the total liability, Actuarial loss/ (gain) are accounted in the other comprehensive income statement under Funds for Actuarial Gain/Loss on Defined Benefit Plans.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, the liabilities in the accompanying consolidated financial statements as of 31 December 2021 and 31 December 2020 are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by assuming an annual inflation rate of 10,95% (31 December 2020: %8.90) and a discount rate of 14.83% (31 December 2020: 13.57%), the real discount rate is approximately 3.50% (31 December 2020: 4.29%). The anticipated rate of forfeitures that occurred as a result of voluntary turnovers is considered. As of 31 December 2021, estimated probability of not leaving work until retirement is 95,88% (31 December 2020: 98.40%).

The movement of the employment termination benefits is as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	614,167	451,185
Service costs	178,291	82,111
Actuarial Loss/(Gain)	52,181	72,680
Interest costs	79,075	63,202
Currency translation differences	24,688	8,266
Payments made during the period	(57,832)	(63,277)
	890,570	614,167

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25. Employee benefits (continued)

The movements in return for the pension fund are as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	-	-
Affiliate acquisition effect	558,764	--
	558,764	-

The domestic and international distribution of provisions for severance pay is as follows:

	31 December 2021	31 December 2020
Domestic	829,442	579,982
Foreign	61,128	34,185
	890,570	614,167

26. Impairment of Assets

	31 December 2021	31 December 2020
Impairment of assets		
Provision for inventory impairment (Note 13)	342,437	152,333
Provision for short term doubtful receivables and expected credit loss (Note 10)	172,216	108,901
Provision for impairment of long-term financial investments (Note 7)	12,027	32,890
Provision for impairment of short-term financial investments (Note 7)	14,155	42,601
Impairment for cash and cash equivalents (Note 6)	2,717	24,182
Provision for other doubtful receivables and expected credit loss (Note 11)	1,189	999
Provision for long term doubtful trade receivables and expected credit loss (Note 10)	486	1,099
Provision for impairment of assets held for sale (net) (Note 35)	-	204
	545,227	363,09

27. Other Assets and Liabilities

	31 December 2021	31 December 2020
Other current assets		
VAT transferred	418,018	235,155
Deductible VAT derived from exports	572,440	105,511
Work advances	2,794	3,909
Income accruals	5,332	30,188
Other	17,873	11,426
	1,016,457	386,189

	31 December 2021	31 December 2020
Other non-current assets		
Business development fee (*)	-	439,598
Tax receivables to be deducted for future periods	15,139	-
Other non-current assets	3,266	5,092
	18,405	444,690

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27. Other Assets and Liabilities(continued)

(*) The Group and Imperial Natural Resources Trona Mining Inc., a Ciner Group company, have signed an agreement to establish a product joint venture based on equal share percentage to undertake an investment in Green River region of Wyoming, USA to produce 2,5 million tons of natural soda and 200 thousand tons of sodium bicarbonate, a total of 2,7 million tons of annual production capacity by solution-based mining process. Aforementioned amount consists of business development fee paid by the Group.

Other current liabilities	31 December 2021	31 December 2020
Expense accruals	180,157	50,458
Taxes and funds payables	327,485	132,558
Social security withholdings payable	86,765	67,063
Calculated VAT and other payables	100,201	39,599
Other	102,839	41,468
	797,447	331,146

28. Capital, Reserves and Other Equity Items

Equity components, "Paid-in Share Capital", "Restricted Reserves" and "Share Premiums" are accounted as legal reserves in accordance with related Article of the Turkish Commercial Code and are presented with in the statutory financial statements. The differences, that are recognized through the valuation made in accordance with CMB Reporting Standards and cannot be subject to dividend distribution or capital increase as of reporting date (such as inflation adjustment differences) and relevant to the paid-in share capital, are associated with "Adjustments to Share Capital" which is under paid-in share capital and the differences resulting from the "Restricted Reserves" and "Share Premiums" are associated with "Retained Earnings".

a) Paid in Capital / Adjustment to Share Capital

The issued capital of the Company is TRY 3,063,214,056.17, each of this capital is divided into shares with a nominal value of Kr 1 (One Kurus).

All of the shares of the company are registered. The company cannot issue bearer shares, except for those that will be issued to be traded on the stock exchange. It shall be monitored within the framework of dematerialization principles shares representing the capital, there are no privileges granted to share groups and there is no restriction.

	31 December 2021	31 December 2020
The limit of registered capital	5,000,000	4,000,000
Approved paid-in capital	3,063,214	3,063,214

	31 Decemebr 2021		31 December 2020	
	Amount TRY	Share (%)	Amount TRY	Share (%)
Shareholders				
Türkiye İş Bankası A.Ş.	1,563,980	51.06	1,560,176	50,93
Efes Holding A.Ş.	185.094	6.04	185,094	6,04
Anadolu Hayat Emeklilik A.Ş.	1.411	0.05	1,411	0,05
Other (*)	1,312,729	42.85	1,316,533	42,98
Nominal capital	3,063,214	100,00	3,063,214	100,00
Adjustment to share capital	320,075		320,075	
Total share capital	3,383,289		3,383,289	

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28. Capital, Reserves and Other Equity Items (Continued)

(*) Other consists of publicly traded part of the Company and the buy-back shares from the BIST share market of the Company. It also includes shares with a nominal amount of TRY 39,213 thousand, which corresponds to 1,28% of the issued capital.

The company's registered capital ceiling has raised from TRY 4,000,000 thousand to TRY 5,000,000 thousand, and Capital increase could made with Board of Directors decision within the 2021-2025 years (5 years) with the approvals of Capital Markets Board's permission letter numbered E-29833736-110.03.03-3310 dated March 12, 2021, and the Ministry of Commerce General Directorate of Internal Trade permission letter numbered E-50035491-431.02-00062573566 dated March 23, 2021 and the shareholders at the 2020 Ordinary General Assembly meeting held on March 30, 2021. The decisions of the general assembly were announced in the turkish commercial registry Gazette numbered 10306 dated April 9, 2021.

b) Treasury Shares

Due to the Company's share price traded in the share market Borsa İstanbul A.Ş. has not reflect the real performance of the activities of the Company, in the meeting of the Board of Directors of the Company dated February 26, 2021;

- to repurchase its shares on the Stock Exchange with respect to the announcements made by the Capital Markets Board of Turkey on 21.07.2016 and 25.07.2016,
- to determine the maximum number of shares, which may be subject to the buyback, as nominal TRY 150,000,000,
- to determine the maximum amount of funds to be allocated for the share buyback as TRY 1,200,000,000, and to finance respective share repurchases from the Company's internal resources,

has been decided and this decision taken by the Board of Directors And shareholders was informed regarding decisions and approved at the 2020 Ordinary General Assembly meeting held on 30 March 2021.

In this context, Company shares bought back between 15 March 2021 and 23 December 2021 with a total nominal amount of TRY 39,213 thousand with a price of TRY 367,149 thousand within the price range 6.45 to 12,90 (Average cost of purchase per share is TRY 8.90). These purchased shares correspond to 1.28% of the Company's capital and the details are as follows:

Transaction date	Exchange Date	Nominal Value (TRY)	Average Transaction	Purchase
			Price	Price
15 March 2021	17 March 2021	1,619	7.69	12,446
18 March 2021	22 March 2021	1,500	7.82	11,733
22 March 2021	24 March 2021	1,500	7.08	10,621
23 March 2021	25 March 2021	350	6.49	2,273
9 April 2021	13 April 2021	1,050	7.27	7,635
29 June 2021	1 July 2021	525	7.64	4,011
12 July 2021	14 July 2021	575	7.57	4,352
16 July 2021	27 July 2021	1,500	7.54	11,306
19 July 2021	27 July 2021	414	7.44	3,080
27 July 2021	29 July 2021	1,088	7.39	8,034
14 September 2021	16 September 2021	1,000	8.50	8,500
15 September 2021	17 September 2021	1,000	8.43	8,433
16 September 2021	20 September 2021	2,000	8.35	16,695
17 September 2021	21 September 2021	1,211	8.29	10,032
20 September 2021	22 September 2021	1,450	8.19	11,873
22 September 2021	24 September 2021	1,700	8.09	13,754
27 September 2021	29 September 2021	1,931	8.15	15,737
28 September 2021	30 September 2021	3,250	8.02	26,060
29 September 2021	1 October 2021	2,000	8.08	16,165
4 October 2021	6 October 2021	2,500	8,18	20,450
6 October 2021	8 October 2021	3,000	7,95	23,838
23 December 2021	27 December 2021	8,050	12,69	120,121
		39,213	8,90	347,149

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Capital, Reserves and Other Equity Items (Continued)

c) Share Premium (Discounts)

It consists of the difference between the nominal price and the sales price of the shares publicly traded. As of 31 December 2021, TRY 167,048 thousand (31 December 2020: TRY 167,048 thousand).

d) Accumulated Other Comprehensive Income (Expenses) will not be reclassified to Profit or Loss

	31 December 2021	31 December 2020
Increases / (decreases) in revaluation fund	6,240,309	2,623,553
- Revaluation funds of land and buildings	5,819,099	2,195,492
- Revaluation funds of investment properties	421,210	428,061
Revaluation gain / (loss) funds of defined benefit plans	(101,108)	(58,970)
	6,139,201	2,564,583

Revaluation funds of land and buildings

The movement of the revaluation value increase funds of land and buildings is as follows:

	31 December 2021	31 December 2020
Beginning of the period – 1 January	2,195,492	1,685,748
Revaluation differences	2,834,938	-
- Fund effect	3,317,845	-
- Deferred tax effect	(460,290)	-
- Effect of change in non-controlling interests	(22,617)	-
Currency translation differences	814,363	68,267
- Fund effect	984,926	81,388
- Deferred tax effect	(134,093)	(12,171)
- Effect of change in non-controlling interests	(36,470)	(950)
Effect of tax rate change	(4,177)	-
- Fund effect	(14,626)	-
- Deferred tax effect	8,659	-
- Effect of change in non-controlling interests	1,790	-
Impact of property sale	(22,168)	-
- Fund effect	(25,438)	-
- Deferred tax effect	3,270	-
Impact of investments accounted for under equity method	651	1,772
- Fund effect	691	1,772
- Deferred tax effect	(40)	-
Impact of change in shares of subsidiaries resulted without control loss	-	439,705
	5,819,099	2,195,492

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Capital, Reserves and Other Equity Items (Continued)

d) Accumulated Other Comprehensive Income (Expenses) will not be reclassified to Profit or Loss (Continued)

Fair value difference fund of investment properties

The movement of the fair value difference of investment is as follows:

	31 December 2021	31 December 2020
Beginning of the period – 1 January	428,061	407,088
Impact of property sale	(6,851)	(7,505)
- <i>Fund effect</i>	(7,612)	(8,339)
- <i>Deferred tax effect</i>	761	834
Impact of change in shares of subsidiaries resulted without control loss	-	28,478
	421,210	428,061

Revaluation gain / (loss) funds of defined benefit plans

The amendment in TAS-19 "Employee Benefits" does not permit the actuarial gain /loss considered in the calculation of provision for employee termination benefits to be accounted for under the statement of profit or loss.

The gains and losses arising from the changes in the actuarial assumption have been accounted for by "Revaluation gain / (loss) funds of defined benefit plans" under the equity.

The movement of the provision for employee termination benefits in actuarial gain / loss funds is as follows:

	31 December 2021	31 December 2020
Beginning of the period – 1 January	(58,970)	(1,156)
Valuation made during the period	(41,912)	(58,161)
- <i>Deferred tax effect</i>	(52,181)	14,518
<i>Fund effect</i>	10,268	(72,680)
<i>Effect of change in non-controlling interests</i>	1	1
Currency translation differences	(226)	91
Impact of change in shares of subsidiaries resulted without control loss	-	256
	(101,108)	(58,970)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Capital, Reserves and Other Equity Items (Continued)

e) Accumulated Other Comprehensive Income (Expenses) will be reclassified to Profit or Loss

	31 December 2021	31 December 2020
Currency translation differences	9,062,730	3,491,750
Hedging reserve	(188,672)	33,571
	8,874,058	3,525,321

Currency translation differences

It consists of the exchange differences arising from the translation of financial statements of foreign subsidiaries, joint ventures and associates to reporting currency of TRY and accounted under equity.

The movement of currency translation differences is as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	3,491,750	2,279,280
Recognized in the equity	5,571,015	1,212,470
- <i>Accounted under other comprehensive income</i>	5,756,485	1,244,450
- <i>Impact of change in non-controlling interests</i>	(185,470)	(31,980)
	9,062,765	3,491,750

Hedge reserve

It consists of the effective portion of cumulative change in the fair value of derivative financial instruments related to cash flow hedge.

The movement of hedging reserves is as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	33,571	4,661
Valuation made during the period	(275,450)	11,898
- <i>Gains (losses) from cash flow hedges</i>	(275,450)	11,898
- <i>Currency translation differences</i>	-	-
Deferred tax effect	53,207	(1,776)
Change in non-controlling interest shares	-	18,788
	(188,672)	33,571

Revaluation and reclassification gains (losses)

Financial assets revaluation fund arises from the valuation of financial asset available for sale at fair value. In the event that a financial instrument valued at fair value is disposed of, the part of the value increase fund associated with the financial asset sold is recognized directly in profit or loss. If a revalued financial instrument is permanently impaired, the portion of the revaluation fund related to the financial asset that has suffered an impairment is recognized in the statement of profit or loss.

The movement in the financial asset revaluation fund is as follows:

	31 December 2021	31 December 2020
Beginning of the period - 1 January	-	1,675
Change in fair values	-	10
Deferred tax effect	-	98
Sales effect	-	(1,783)
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Capital, Reserves and Other Equity Items (Continued)

f) Restricted Reserves

Retained earnings in the statutory financial statements can be distributed as dividends except for judgments related to legal reserves described below.

Legal reserves consist of first and second legal reserves calculated in accordance with the Turkish Commercial Code. The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is calculated after the first legal reserve and dividends at the rate of 10% per annum of all cash dividend distributions; however, holding companies are not subject to this application.

Publicly traded entities make their dividend distributions within the framework set forth in the standards and notifications published by Capital Markets Board.

Legal Reserves, "Share Premiums" in the legal reserve status and legal reserves allocated for specific purposes (participation sales revenue allocated to obtain tax advantage) other than profit distribution allocated within the framework of the related Clause of Turkish Commercial Code are reflected as their recorded amounts. Within this scope, differences arising in the evaluations made within the framework of TFRS principles and inflation adjustments not subject to profit distribution or capital increase as by the report date are related with previous year's profits/losses.

The earnings arising from the sale of founding shares, redeemed shares and priority rights, which the institutions have for at least two full years in their assets and the same period as the immovable and participation shares, are exempted from tax for 50% for real estates and 75% for participation shares. Exempted earnings are transferred to another account in any way other than being added to the capital within five years or withdrawn from the business or taxes not accrued on time due to the exception applied for the part transferred to the head office by limited taxpayer institutions are considered to be lost. The amounts of the exempted earnings that have not been added to the capital even after 5 years may be subject to profit distribution. Amounts exceeding this period are reported in the "Previous Years Profits or Losses" account.

	31 December 2021	31 December 2020
Restricted reserves attributable to equity holders of the Parent		
Legal reserves	1,107,550	1,107,550
Associate sales earnings to be added to the capital	333,654	333,654
Properties sales earnings to be added to the capital	48,366	48,366
Statuary Reserves	28,282	28,282
	1,517,852	1,517,852

g) Retained Earnings

The Group's extraordinary reserves presented in the retained earnings that amount to TRY 10,256,361 thousand (31 December 2020: TRY 8,898,265 thousand) is TRY 10,447,169 thousand (31 December 2020: TRY 6,682,262 thousand).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Capital, Reserves and Other Equity Items (Continued)

g) Retained Earnings (Continued)

Dividends Distribution

Dividends are distributed according to Communiqué Serial: II-19,1 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law" principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements, that will be prepared and announced to the public in accordance with the Communiqué II-14,1 as long as sufficient reserve exist in the unconsolidated statutory books.

In publicly traded companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition.

Reserves subject to dividend distribution

The Company's net distributable profit statutory accounts and the amount of reserves subject to dividend distribution as of balance sheet date are listed below. Provision for taxes in the net profit for the period was calculated based on estimations since the amount had not been certain as of the report date.

	31 December 2021	31 December 2020
Net profit for the year	6,289,147	3,707,634
Legal reserves	-	(185,382)
Special fund within the scope of Corporate Tax Law no: 5/1-e (*)	(11,495)	(1,130)
Distributable profit for the period	6,277,652	3,521,122
Extraordinary reserves	10,447,169	6,682,262
	16,724,821	10,203,384

The details of special funds within the scope of Corporate Tax Law 5/1-e article are as follows:

	31 December 2021	31 December 2020
Profit from sales of shares	-	333,654
Profit from sale of properties	11,495	48,366
	11,495	382,020

(*) The existing funds should be kept until the end of the fifth year following the year in which the sales are realized, If the funds are transferred to another account (except for the capital increase) in the following five years the tax authority shall be obliged to process tax penalty and default interest in accordance with the Tax Law.

At the Ordinary General Assembly Meeting of the Company held on 30 March 2021, it is decided that the gross dividend of TRY 500,000 thousand corresponding to 16.32272 % of the issued capital will distributed in cash, and it will be paid net to shareholders subject to withholding tax after deducting withholding tax on dividends and the cash dividend payment will be paid on 31 May 2021. In this context, the dividends transferred to the accounts of the shareholders for non-public shares on May 31, 2021, and dividends transferred to the accounts of the shareholders for publicly held shares on June 2, 2021 due to the stock market clearing period.

The Company bought back its own shares with a nominal value of TRY 6,019 thousand from the Borsa Istanbul Equity Market within the framework of the share buyback program prior to the dividend payment date. For this reason, TRY 983 thousand of the TRY 500,000 thousand profit distribution decided to be distributed remained within the Company. A dividend payment of TRY 499,017 thousand was made to the shareholders outside the Company. (=500,000 -983).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Capital, Reserves and Other Equity Items (Continued)

h) Non-controlling interest

Shares of third parties including the issued and paid-in capital of the consolidated subsidiaries are separately presented as "Non-controlling Interests" in the consolidated financial statements by a reduction of related equity components. Shares of third parties in the net profit or loss for the period of the subsidiaries in consolidation separately accounted for as non-controlling interests in the distribution of period profit/ (loss) section of the consolidated statement of profit and loss.

Capital contributions of non-controlling interests:

In the reporting period, non-controlling interests had no contributions to capital (1 January-31 December 2020: None.).

The transactions with non-controlling shareholders during the period of 1 January – 31 December 2021 within the scope of restructuring of the Group companies:

- At the meeting of the company's board of directors dated March 29, 2021, it was decided to merge Cam Elyaf Sanayii A.Ş. and Şişecam Elyaf Sanayii A.Ş., which are subsidiaries, together with all their assets and liabilities, under Şişecam Elyaf Sanayii A.Ş., based on the financial statements dated 31 December 2020. It has been announced in the Turkish Trade Registry Gazette dated 13 July 2021 and numbered 10369 that the extraordinary general assembly meetings to be held regarding the merger will be held on 30 July 2021. A capital increase was realized in Şişecam Elyaf Sanayii A.Ş., taking into account the change rate of 6.15279, which was stated in the expert report of "PWC Yönetim Danışmanlığı A.Ş." on June 9, 2021, and these shares allocated to Cam Elyaf Sanayii A.Ş.'s shareholders. The current TRY 600 million nominal capital of Şişecam Elyaf Sanayii A.Ş. was increased by TRY 369,167.40 thousand and reached TRY 969,167.40 thousand. Of the increased nominal capital share of TRY 369,167.40 thousand, TRY 12.16407 thousand were allocated to the non-controlling shares. The share of non-controlling interests in the subsidiary is 0.001% (12.16407 / 969,167.40). (As of 31 December 2020, the ratio of non-controlling shares of Cam Elyaf Sanayii A.Ş. is 0.003%). The registration process regarding the merger transaction that took place on 6 August 2021 was published in the Turkish Trade Registry Gazette dated 11 August 2021 and numbered 10385.

The transactions with non-controlling shareholders during the period of 1 January – 31 December 2020 within the scope of restructuring of the Group companies:

- Between 27 March 2020- 21 April 2020, the Group has bought shares of Trakya Cam Sanayii A.Ş. from Borsa İstanbul A.Ş., equivalent to a nominal value of TRY 18,019 thousand in exchange for TRY 53,292 thousand within the range of TRY 2.62- 3.45 per share. As a result, the Group has increased its share to 71.79% from 70.35%.
- Between 27 March 2020- 21 April 2020, the Group has bought shares of Anadolu Cam Sanayii A.Ş. from Borsa İstanbul A.Ş., equivalent to a nominal value of TRY 7,588 thousand in exchange for TRY 23,632 thousand within the range of TRY 2.73- 3.75 per share. As a result, the Group has increased its share to 78.28 % from 77.27%.
- Between 27 March 2020- 20 April 2020, the Group has bought shares of Soda Sanayii A.Ş. from Borsa İstanbul A.Ş., equivalent to a nominal value of TRY 9,935 thousand in exchange for TRY 50,883 thousand within the range of TRY 4,76%- 5,81% per share, as a result, the Group has increased its share to 63.02% from 62.02%.

The aforementioned transactions have impacts on the effective capital structures of the related companies' associates, subsidiaries and joint venture, the impact on the equity is as follows:

	31 December 2021	31 December 2020
Equity of the parents	(6)	4,041,176
Non-controlling interests	6	(4,168,983)
Net effect of the sale and purchase of shares	-	(127,807)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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28. Capital, Reserves and Other Equity Items (Continued)

h) Non-controlling interest

The cash dividends paid and/or payable by the Group and Group companies to out of Group are as follows:

Companies that paid dividend	1 January- 31 December 2021	1 January- 31 December 2020
Türkiye Şişe ve Cam Fabrikaları A.Ş.	500,000	320,000
Şişecam Elyaf Sanayii A.Ş. (*)	1	-
Camis Egypt Mining Ltd. Co.	1	-
Treasury shares effect (-)	(984)	-
Soda Sanayii A.Ş.	-	90,613
TRSG Glass Holding B.V.	33,260	45,681
Trakya Cam Sanayii A.Ş.	-	36,673
Anadolu Cam Sanayii A.Ş. (**)	-	35,846
	532,278	528,813

(*) It refers to the pre-merger dividend payment made by Cam Elyaf Sanayii A.Ş., one of the subsidiaries that merged as a whole with all its assets and liabilities within Şişecam Elyaf Sanayii A.Ş. on 6 August 2021.

(**) 2020 amounts of, TRY 14,128 thousand of this amount will be paid to the owner of founding shares and TRY 21,718 thousand paid/ will be paid to the holders of ordinary shares.

i) Subsidiary Mergers :

Subsidiary mergers between 1 January – 31 December 2021:

- The subsidiaries, Sisecam Flat Glass Holding B.V., Pasabahce Investment B.V. and Sisecam Chem Investment B.V. merged as a whole, with all their assets and liabilities, under Sisecam Glass Packaging B.V. on 30 June 2021.
- At the meeting of the Board of Directors on March 29, 2021, the inactive subsidiary Çayırova Cam Sanayii A.Ş. and all its assets and liabilities, based on the financial statements dated December 31, 2020, were taken over and decided to be merged in a simplified manner. Due to the sole shareholder of the voting shares of Çayırova Cam Sanayii A.Ş by Şişecam, merger transaction pursuant to Article 6 subparagraph 1/a of the communiqué on mergers and acquisitions for which permission must be obtained from the Competition Authority, published in the Official Gazette dated 7 October 2010 and numbered 27722, so no application has been made to the Competition Board regarding this merger transaction, as it is an "intra-group transaction that does not lead to a change in control". In accordance with the Turkey Energy Market Regulatory Authority ("EMRA") generation licenses held by Şişecam, an application was made to EMRA, and approval was obtained by EMRA on 29 July 2021. Also, the merger agreement and merger announcement report, which were approved by the Company's Board of Directors on May 17, 2021, were approved by the CMB on August 19, 2021. The registration process regarding the merger transaction that took place on September 30, 2021, was published in the Turkish Trade Registry Gazette dated October 5, 2021 and numbered 10423.
- At the meeting of the Board of Directors dated March 29, 2021, Cam Elyaf Sanayii A.Ş. and Şişecam Elyaf Sanayii A.Ş. together with all assets and liabilities will be merged under the Şişecam Elyaf Sanayii A.Ş. has been decided to be merged based on the financial statements dated December 31, 2020. The registration of the merger transaction, which took place on 6 August 2021, was published in the Turkish Trade Registry Gazette dated 11 August 2021 and numbered 10385.
- At the meeting of the Board of Directors dated June 30, 2021, Camiş Madencilik A.Ş. and Madencilik Sanayii ve Tic. A.Ş., together with all their assets and liabilities will be merged under Camiş Madencilik A.Ş. has been decided. The registration of the merger transaction, which took place on 16 August 2021, was published in the Turkish Trade Registry Gazette dated 19 August 2021 and numbered 10391.

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28. Capital, Reserves and Other Equity Items (Continued)

i) Subsidiary Mergers (continued) :

Subsidiary mergers between 1 January - 31 December 2020:

- The Company announced its Board of Directors decision in relation to the merger transactions for the first time on January 30, 2020. Subsequently, within the framework of its decision made on April 27, 2020 and numbered 34, Trakya Cam Sanayii A.Ş., Paşabahçe Cam Sanayii ve Tic. A.Ş., Denizli Cam Sanayii ve Tic. A.Ş., Anadolu Cam Sanayii A.Ş., and Soda Sanayii A.Ş., it was decided to take over the assets and passive assets by the company as a whole. In this context, the "Merger Report and Merger Agreement" prepared in accordance with Articles 145 and 147 of the Turkish Commercial Code and based on the determinations stipulated in the valuation report of PWC Yönetim Danışmanlık A.Ş., has been signed, in accordance with the determination given in the relevant specialized agencies report, the prioritized rights granted to existing founder shares in Anadolu Cam Sanayii A.Ş., will be terminated by Türkiye Şişe ve Cam Fabrikaları A.Ş. and TRY 24,750 will be paid to for each founder share certificate as recommended in valuation report, These recommendations were approved respectively in August 26, 2020 and August 28, 2020 by Extraordinary General Assembly for Anadolu Cam Sanayii A.Ş. and Türkiye Şişe ve Cam Fabrikaları A.Ş.

Türkiye Şişe ve Cam Fabrikaları A.Ş. has 2,738 of 4,709 founding shares, which has been canceled because of the merger transactions. 162 shares of remaining 1,971 shares were related to the other parties, debt of 48,782 TL (=1,971 x 24.75) paid to other parties in the period. For the remaining 1,809 founding shares as of the report date TRY 44,773 thousand liabilities remains on our statements.

- Under Provisional Article 1 of the Communiqué numbered II-23.3 it is stated that for the significant transactions announced to the public before 25 February 2020, shareholders who have the retirement right will be determined by taking into consideration the date of 25 February 2020. In this context, considering the dividend payment for 2019, the merger change ratio and retirement right prices calculated by the expert institution firm are calculated as follows:

Company's name	BIST Code	Merger Ratio (%)	Exchange Ratio	30 Days Weighted Average Price (*)	Effect of Dividend	The Price of Retirement Right usage
Denizli Cam Sanayii ve Tic. A.Ş.	DENCM	0.07937	0.330892930860249	8.852	-	8.852
Soda Sanayii A.Ş.	SODA	14.00070	1.159971007909870	6.389	(0.245)	6.144
T. Şişe ve Cam Fabrikaları A.Ş.	SISE	73.42795	1.000000000000000	5.268	(0.142)	5.126
Anadolu Cam Sanayii A.Ş.	ANACM	4.69050	0.882394160673640	4.455	(0.133)	4.322
Trakya Cam Sanayii A.Ş.	TRKCM	7.78092	0.676152150432087	3.474	(0.104)	3.370
Paşabahçe Cam Sanayii ve Tic. A.Ş.	PASAB	0.02056	0.534232542849721	-	-	-
			100.00000			

(*) The first notification of the merger transactions was announced in Public Disclosure Platform on BIST 2 on January 30, 2020 following to the closing of market. Therefore, the retirement right price has been based on the calculation of taking the average of the 30-day weighted average prices retrospectively (as of January 1, 2020) including 30 January 2020. Due to the dividend payments are made after May 29, 2020, the retirement right price was recalculated by excluding the dividend effect. The term of retirement right has been determined as 15 working days, starting at 9.00 on September 3, 2020, and at 17.00 on September 23, 2020. İş Yatırım Menkul Değerler A.Ş. was authorized to intermediate the retirement right. The retirement right were paid the day after the shareholder applied to the brokerage house. The retirement right is exercised in 3,065,615.335 shares of "DENCM" shareholders between 3 September 2020 and 22 September 2020. 27,137 thousand TRY (= 3,065,615.335 x 8,852) was paid in return for these shares, "SISE" share with a nominal value of 1,014 thousand TRY (= 3,065,615.335 x 0,330892930860249) was acquired due to these shares. These acquired shares have been included in the capital increase and accordingly they are terminated.

KGK, published a decision numbered 2018-1 to eliminate the differences related to accounting policies common in Turkey. This principle per the decision as per the hierarchy cited in IAS 8 of the said paragraph in accounting for under common control business combination "Combining the rights "method used.

- According to this method; The acquired business has included the assets and liabilities of the acquired business in the financial statements at the book values determined in accordance with TFRS on the date of merger (30 September 2020).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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28. Capital, Reserves and Other Equity Items (Continued)

i) Subsidiary Mergers (continued) :

In this context, the following principles are as follows:

- a) The book values of the acquired entity's assets and liabilities in terms of the party holding joint control as of the date of the merger are taken into account. Therefore, as the book values of the said assets and liabilities, the book values that should be included as of the date of the merger in the appropriate statement of financial position are used.

The consolidated statement of financial position in accordance with TFRS, in which the party holding joint control, or a ultimate parent company also includes identifiable assets and liabilities that arose in accordance with TFRS 3 as a result of the previous acquisition of the acquired business by the relevant entity (the party holding joint control or a ultimate parent company) and (goodwill, brand value, customer lists, contingent liabilities, etc.) are also considered as assets of the acquired business.

- b) Necessary corrections and classifications have been made to apply uniform accounting policies.
 c) The equity, income, expenses, and cash flows, as well as in-group assets and liabilities related to the transactions between the acquirer and the acquired business are all eliminated.
 d) As different from the purchasing method in TFRS 3; the acquired entity's assets and liabilities have not been remeasured at their fair value at the merger date and even if the acquired entity has another identifiable asset or liability other than those included in the statement of financial position used in accordance with paragraph (a) as of the merger date, are not included in the financial statements.

The acquirer measures the value of non-controlling shares, if any, at the merger date over the proportional share of the book values of the assets and liabilities to which these shares are related. Changes in non-controlling interests due to merger have been accounted for as equity transactions in accordance with TFRS 10 Consolidated Financial Statements.

Costs incurred in relation to the merger are directly reflected in profit or loss.

Goodwill does not arise in business mergers subject to joint control.

In the case that the entity acquired as a result of the business combination subject to joint control ceases to exist and is included in acquiring business or the occurrence of such a situation later or the dissolution of the subsidiary subsequently, amounts arising from "The Impact of Mergers Subject to Joint Control Enterprise or Businesses" are transferred to the "Previous Years' Profits/Losses" in equal installments within a most of 5 financial periods, starting from the financial period in which the event occurred. The Group, in this principle decision taken by the POA, the transaction to "Previous Years' Profits / Losses" for a most of 5 financial periods, in line with the accounting policy applied in similar mergers in previous fiscal periods, has accounted for the entire amount by transferring it to "Previous Years' Profits / Losses" at once.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Revenue and Cost of Sales

	1 January- 31 December 2021	1 January- 31 December 2020
Revenue		
Revenue	33,778,060	22,809,874
Other income	26,541	17,375
Sales discounts	(1,357,039)	(947,409)
Sales returns	(92,292)	(89,415)
Other sales discounts	(297,395)	(449,739)
	32,057,875	21,340,686
Cost of Sales		
Direct materials	(9,796,777)	(6,035,112)
Direct labor	(1,476,496)	(1,062,567)
Production overheads	(6,197,695)	(3,503,019)
Amortization and depreciation	(1,662,795)	(1,353,206)
Change in work-in progress inventories	167,083	791
Change in finished goods inventories	1,557,122	(1,247)
Cost of goods sold	(17,409,558)	(11,954,360)
Cost of merchandise sold	(2,818,059)	(2,283,488)
Cost of services rendered (*)	(639,007)	(394,100)
Other costs	(10,955)	(47,335)
	(20,877,579)	(14,679,283)

(*) Depreciation and amortization expenses recognized in the cost of service rendered during the period between 1 January – 31 December 2021 is amounting to TRY 84,112 thousand (1 January – 31 December 2020: TRY 49,535 thousand).

Revenues divided into geographical segments with respect of the customers location is shown below:

	1 January- 31 December 2021	1 January- 31 December 2020
Net sales		
Turkey	11,038,268	8,912,950
Europe	11,727,539	6,558,711
Russia, Ukraine and Georgia	4,782,050	3,030,361
Other	4,510,018	2,838,664
	32,057,875	21,340,686

The Group does not have any significant remaining performance obligations related to the ongoing noncancellable agreements.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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30. General Administrative Expenses, Marketing Expenses, Research and Development Expenses

	1 January- 31 December 2021	1 January- 31 December 2020
General administrative expenses	(1,511,634)	(1,126,188)
Marketing expenses	(4,056,158)	(2,721,967)
Research and development expenses	(111,625)	(58,682)
	(5,679,417)	(3,906,837)

31. Expenses by Nature

	1 January- 31 December 2021	1 January- 31 December 2020
Indirect material costs	(84,338)	(57,077)
Salaries and wages expenses	(940,941)	(744,141)
Outsourced service	(3,000,158)	(1,758,138)
Other expenses	(1,339,655)	(1,099,380)
Amortization and depreciation expenses	(314,325)	(248,101)
	(5,679,417)	(3,906,837)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

32. Other Operating Income and Expenses

	1 January- 31 December 2021	1 January- 31 December 2020
Other operating income		
Foreign currency exchange gains	3,279,268	1,290,707
Term difference interest income	127,105	43,445
Gain on sale of raw materials	154,880	51,783
Incentives related to Covid 19 Pandemic	-	25,269
Gain on sale of scraps	93,210	26,082
Discount interest income on operating activities	5,900	17,295
Provisions no longer required	35,907	31,738
Insurance claim income	23,167	15,898
Investment incentive income	28,244	20,375
Royalty income	9,260	9,168
Commission income	2,180	1,202
Brand incentive (Turququality) income	1,435	61
Government grants	278,724	16,122
Other operating incomes	76,019	247,058
	4,115,299	1,796,203
Other operating expense		
Foreign currency exchange loss	(2.772.021)	(1,036,992)
Loss on sale of raw materials	(105.254)	(37,135)
Provision expenses	(67.196)	(32,706)
Term difference interest expense	(63.017)	(11,408)
Discount interest expense on operating activities	(14.426)	(21,869)
Loss on sale of scrap0073	(83.534)	(24,369)
Government right – mining fund	(9.274)	(9,941)
Commission expense	(8.171)	(7,267)
Other operating expenses	(265,262)	(123,004)
	(3,388,155)	(1,304,691)
Other operating income/ (expense), net		
Foreign currency exchange gain / (loss)	507,247	253,715
Incentives related to Covid 19 Pandemic	-	25,269
Term difference interest income/ (expense)	64,088	32,037
Insurance claims	23,167	15,898
Investment incentive income	28,244	20,375
Gain/ (loss) on sale of scraps	9,676	1,713
Royalty income	9,260	9,168
Gain / (loss) on sale of raw materials	49,626	14,648
Discount interest income (expense) on operating activities	(8,526)	(4,574)
Provision incomes /(expenses)	(31,289)	(968)
Commission incomes / (expenses)	(5,991)	(6,065)
Brand incentive (Turququality) income	1,435	61
Government right – mining fund	(9,274)	(9,941)
Government grants	278,724	16,122
Other operating incomes/ (expenses)	(189,243)	124,054
	727,144	491,512

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

33. Income and Expense from Investing Activities

	1 January- 31 December 2021	1 January- 31 December 2020
Income from Investing Activities		
Valuation gain of held to maturity financial assets	2.637.227	1.064.183
Gain on sale of property, plant and equipment	47,253	11,049
Gain on sale of investment property	42,316	9,839
Revaluation gain of investment property	586,297	150,519
Impairment cancellation profits of property, plant and equipment	18,177	-
Sales income of financial assets fair value change recognised in statement of other comprehensive income	-	1.783
	3,331,270	1.237.373
Expense from Investing Activities		
Valuation difference of held to maturity financial assets	(597,696)	(184,540)
Loss on sale of property, plant and equipment	(31,956)	(22,829)
Provision for impairment of assets held for sale	-	(204)
Loss on sale of assets held for sale	-	-
Impairment on property, plant and equipment revaluation	(90,128)	(1,910)
	(719,780)	(209,483)
Income/(Expense) from Investing Activities		
Valuation gain/ (loss) of held to maturity financial assets	2,039,531	879,643
Revaluation gain / (loss) of investment property	586,297	150,519
Gain on sale of investment property	42,316	9,839
Property, plant and equipment revaluation value increase/(decrease)	71,951	-
Sales income of financial assets fair value change recognised in Statement of other comprehensive income	-	1,783
Impairment of assets held for sale	-	(2,114)
Gain / (loss) on sale of property, plant and equipment	15,297	(11,780)
	2,611,490	1,027,890

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

33. Income and Expense from Investing Activities (Continued)

Impairment gain (loss) and reversal of impairment loss determined in accordance with TFRS 9:

	1 January- 31 December 2021	1 January- 31 Decemeber 2020
Impairment loss/reversals		
Impairment/reversal of financial investment (net)	42,751	(13,566)
Impairment/reversal of cash and equivalents (net)	20,873	(22,612)
	63,624	(36,178)

Other Income (Expense) from Associates, Joint Controlled Entities and Subsidiaries:

The Group increased its ownership to 60% by taking an additional 10% share on December 21, 2021, of Pacific Soda LLC, which it valued using the equity method with a 50% share. With this acquisition, the investment has become a subsidiary due to the transfer of control to the Group, and its effects are reflected in the financial statements according to the TFRS-3 "Business Combinations" accounting standard..

As the company valuation studies have not been completed as of the report date, the calculation made over the temporary amounts is as follows:

Estimated fair value on the day of share purchase	2,043,780
Net book value of defined assets on the day of share purchase	(740,949)
Fair value difference	1,302,831
Fair value difference of 60% (=1.302.831 x %60)	781,699
Goodwill amount before 60% share purchase	(439,598)
Fair value difference profit	342,101

Gains (Losses) on Classification of Financial Assets at Fair Value at Fair Value through Profit or Loss:

The Group has accounted for Pacific Soda LLC, which is accounted for using the equity method, due to the termination of the application of the equity method due to the additional share purchase, in the "Foreign currency translation differences" account group in the other comprehensive income "to be reclassified in profit or loss" account in TAS-28 "Investments in Associates and Joint Ventures". closed by accounting in profit or loss in accordance with the standard.

Currency translation differences of Pacific Soda LLC as of December 31, 2021 are as follows:

The portion of the amount included in the individual financial statement corresponding to our share (2.888 x %60)	(1,733)
The difference arising from the netting of the capital of the joint venture and the Group's financial asset	174,785
	173,052

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34. Financial Income and Expenses

	1 January- 31 December 2021	1 January- 31 December 2020
Financial Income		
Foreign exchange gain	11,480,636	4,084,208
- Cash and cash equivalents	10,134,587	3,287,322
- Derivative instruments	1,116,824	144,234
- Non-trade receivables and payables	203,790	-
- Leasing expenses	10	-
- Bonds issued	23,310	479,454
- Bank Loans	2,115	8,674
- Other	-	164,524
Interest Income	873,916	567,045
- Derivative instruments	691,179	455,748
- Time deposits	163,741	105,702
- Effect of early extermination of leases	16,986	1,676
- Operating lease rent privilege incomes	2,010	3,910
- Others	-	9
	12,354,552	4.651.253
	1 January- 31 December 2021	1 January- 31 December 2020
Financial Expense		
Foreign exchange loss	(9,384,193)	(4,273,921)
- Bonds issued	(4,232,061)	(1,843,771)
- Cash and cash equivalents	(3,252,460)	(1,156,671)
- Bank Loans	(1,748,052)	(758,548)
- Leasing expenses	(16,294)	(10,696)
- Derivative instruments	(32,140)	(331,331)
- Other	-	(172,904)
Interest Expense	(1,528,048)	(1,460,172)
- Bank Loans	(788,925)	(720,318)
- Bonds issued	(474,555)	(389,273)
- Derivative instruments	(204,700)	(312,558)
- Leasing expenses	(24,244)	(23,578)
- Factoring expenses	(53)	(148)
- Other	(35,571)	(14,297)
	(10,912,241)	(5,734,093)

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	1 January- 31 December 2021	1 January- 31 December 2020
Financial Income/ (Expense), net		
Foreign exchange gain/ (loss)	2,096,443	(189,713)
- Cash and cash equivalents	6,882,127	2,130,651
- Derivative instruments	1,084,684	(187,097)
- Leasing expenses	(16,284)	(10,696)
- Bank Loans	(1,745,937)	(749,874)
- Bonds issued	(4,208,751)	(1,364,317)
- Other	-	(8,380)
- Non-trade receivables and payables	100,604	-
Interest Income / (Expense)	(654,132)	(893,127)
- Bank deposits and loans	(625,184)	(614,616)
- Bonds issued	(474,555)	(389,273)
- Leasing expenses	(5,248)	(17,992)
- Factoring expenses	(53)	(148)
- Derivative instruments	486,479	143,190
- Other	(35,571)	(14,288)
	1,442,311	(1,082,840)

35. Assets Held for Sale

There are no assets held for sale between 1 January – 31 December 2021 (31 December 2020: None).

The details of assets held for sale between 1 January – 31 December 2021 are as follows:

- Sisecam Automotive Germany GmbH, a subsidiary, was reclassified to assets held for sale on 31 December 2019 in accordance with TFRS-5 "Assets Held for Resale and Discontinued Operations" standard, as some of its buildings in Germany remained idle. It was sold for 3.950 thousand EUR during the period.
- Cam Elyaf Sanayii A.Ş., the subsidiary of the Group, ceased its operations of the second furnace in December 2015 since the related machinery and equipment and fixtures came to the end of their technical useful lives. In accordance with TFRS-5 "Non-current Assets Held for Sale and Discontinued Operations", the scalable part of these machinery and equipment and fixtures has been reclassified as "Asset Held for Sale" with their fair values. The part that cannot be used is impaired and recognized as expense.

The movements of assets held for sale are as follows:

	31 December 2021	31 December 2020
Beginning of the period- 1 January	-	28,058
Currency translation differences	-	11,544
Impairments	-	(204)
Disposals	-	(39,398)
	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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36. Taxes on Income (Including Deferred Tax Assets and Liabilities)

Deferred Tax Assets and Liabilities

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TAS and its tax base of statutory financial statements. These differences usually result in the recognition of income and expense items in different periods for CMB and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company, its subsidiaries and joint ventures to prepare a consolidated tax return, therefore, tax provisions have been reflected in these consolidated financial statements which have been calculated on a separate entity basis, in this respect deferred tax assets and liabilities of consolidated entities in the accompanying consolidated financial statements are not offset.

	31 December 2021	31 December 2020
Deferred tax assets	1,158,118	1,104,347
Deferred tax liabilities (-)	(618,045)	(209,453)
Deferred tax assets (net)	540,073	894,894
	31 December 2021	31 December 2020
Temporary differences		
Useful life and valuation differences		
on tangible and intangible assets	6,113,990	3,945,781
Valuation of investment property	1,468,823	891,141
Provision for doubtful receivables and expected credit loss	762,095	(46,648)
Derivative financial valuation	-	(47,946)
Revaluation of inventory	(463,601)	(287,870)
Employment termination benefits	(781,961)	(614,167)
Carry forward tax losses	(3,577,227)	(1,593,749)
Corporate tax allowances	(3,728,483)	(5,586,265)
Other	(453,084)	(577,953)
	(659,448)	(3,917,676)
	31 December 2021	31 December 2020
Deferred tax assets/ (liabilities)		
Useful life and valuation differences		
on tangible and intangible assets	(1,345,192)	(713,297)
Valuation of investment property	(165,306)	(85,951)
Provision for doubtful receivables and expected credit loss	(174,703)	8,539
Derivative instruments	-	9,509
Revaluation of inventory	92,198	54,177
Employment termination benefits	177,699	123,031
Carry forward tax losses	814,144	255,920
Corporate tax allowances	1,060,796	1,117,253
Other	80,437	125,713
	540,073	894,894

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Deferred Tax Assets and Liabilities (Continued)

The maturity of carry forward tax losses are as follows:

	31 December 2021	31 December 2020
Within one year	108,188	29,103
Within two years	45,916	48,072
Within three years	166,472	32,861
Within four years	247,120	104,530
Within five years	1,068,619	138,858
Within six years	108,234	55,302
Within seven years	85,693	67,145
Indefinite life	1,746,985	1,117,878
	3,577,227	1,593,749

Deferred Tax Assets and Liabilities (Continued)

Carry forward tax losses can be carried for maximum 5 years in Turkey, Hungary, Slovakia, Egypt, and China; 7 years in Romania; indefinite in Russia and Ukraine, to be deducted from the taxable profits that will occur in the coming years (In Russia it has been indefinite since 30 November 2016). However, loss cannot be deducted retrospectively from retained earnings.

The amount of carry forward tax losses that are not subject to deferred tax calculation is TRY 1,524,827 thousand (31 December 2020: TRY 725,209 thousand).

The movements of deferred tax assets and liabilities are as follows:

	31 December 2021	31 December 2020
Beginning of the period -1 January	894,894	896,656
Currency translation differences	497,537	8,674
Recognized in statement of profit or loss	(518,258)	669
Associated with equity (Note 28)	(334,100)	(11,105)
	540,073	894,894

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36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Corporate Tax

The Group is subject to Turkish corporate taxes. Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes as reflected in the accompanying consolidated financial statements are calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the revenues exempted from tax, non-taxable revenues, and other discounts (if any previous year losses, if preferred investment allowances and also R&D center incentive) are deducted.

In Turkey, applied corporate tax rate is 25% as of 31 December 2021 (31 December 2020: 22%).

The principal tax rates (%) using to calculate deferred taxes for each country are as follows:

Country	31 December 2021	31 December 2020
Germany (*)	31.4	31.4
USA	31.4	31.4
Bosnia-Herzegovina	10.0	10.0
Bulgaria	10.0	10.0
China (**)	15.0-25.0	15.0-25.0
India	34.944	34.944
Georgia (***)	-	-
The Netherlands (****)	16.50-25.0	16.50-25.0
Spain	25.0	25.0
Italy (*)	27.9	27.9
Hungary	9.0	9.0
Egypt	22.5	22.5
Romania	16.0	16.0
Russia (*****)	2.0-20.0	2.0-20.0
Slovakia	21.0	21.0
Ukraine	18.0	18.0

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36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Corporate Tax (Continued)

- (*) There is a progressive tax rate.
- (**) 15% of tax rate for the profit up to CNY 300,000 and 25% of tax rate for the exceeding portion are applied in China.
- (***) Corporate tax has been abolished in Georgia and tax is collected only from distributed dividend, Thus, deferred tax amount is decreased to nil.
- (****) 16.50% of tax rate for the profit up to EUR 200,000 and 25% of tax rate for the exceeding portion are applied in Netherlands.
- (*****) The general tax rate in Russia is 20%, of which 18% is allocated to the "Regional Budget" and 2% to the "General Budget", Since Our subsidiaries in Russia's Tatarstan region have been located in Special Economic Zone, they pay 2% tax for the profits from their main operations and pay 20% tax for the profits from the non-core operating income.

In Turkey, advance tax returns are filed on a quarterly basis and 25% of temporary tax rate is applied during the taxation of corporate income in 2021 (31 December 2020: 22%).

In Turkey, the Law on the Procedure of Collection of Public Receivables numbered 7316 and the amendments change law published on 22 April 2021, numbered 31462. With this law change, the tax rate of 20% will be taken into account for the period from January 1 - September 30, 2021. Although the advance tax periods are three months, taxation will be made by taking into account the 25% rate of the cumulative corporate tax base for the three, six, nine and twelve months, taxation will be made taking into account the rate of 25% of the cumulative corporate tax base for the whole year of 2021. For the year 2022; taxation will be made taking into account the 23% rate of the corporate tax base.

In the deferred tax calculation for the period from January 1 to September 30, 2021; in the measurement heading of TMS-12 "Income Taxes" standard included "deferred tax assets" or debts effective at the end of the reporting period or assets are converted into income based on tax rates (and tax laws) that are nearly certain to come into force or is calculated using tax rates expected to be applied in the periods when debts are paid according to the verdict, the rate of 23% that will be valid for 2022 has been taken into account in the deferred tax calculation of the Company and its subsidiaries in Turkey.

In tax calculations for the period of 1 January - 31 December 2020; the 20% tax rate stated in the first paragraph of Article 32 of the Corporate Tax Law No 5520 Law and the amendment to the Law on the Amendment of Certain Tax Laws and Some Other Laws No, 7061, which was accepted on 28 November 2017, and the tax rate of 20% for the taxation periods of 2018, 2019 and 2020 will be applied 22% as a provisional basis. In addition, the 75% portion of the taxable profits from the sale of immovable properties that are included in the assets of the institutions for at least two full years has been changed to 50%, which is stated in the same "Omnibus Bill" and in the first paragraph of Article 5 of the Corporate Tax Law No, 5520 Law.

Therefore, companies in Turkey have calculated the deferred tax assets and liabilities according to the rates of 21% and 20%, considering the time dimension of the effect, in the deferred tax calculation, the timing difference is 22% in the transactions until 2020, and in the transactions whose effects are published for short and longer terms.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 - 25 April following the close of the accounting year to which they relate (Companies with special accounting periods file their tax returns between 1- 25 of the fourth month subsequent to the fiscal year end). However, tax authorities may examine such returns and the underlying accounting records and may revise assessments within five years.

Income Tax Withholding

In addition to corporate taxes, companies should also calculate income tax withholding and funds surcharge on any dividends distributed, except for companies receiving dividends which are resident companies in Turkey and Turkish branches of foreign companies. This rate was changed to %15 for all companies as of 23 July 2006, Undistributed dividends incorporated in share capital are not subject to income tax withholding.

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36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Corporate Tax (Continued)

Corporate tax asset is TRY 77.416 thousand (31 December 2020: TRY 25,111 thousand).

	31 December 2021	31 December 2020
Corporate tax provision	1,607,718	423,451
Prepaid taxes and funds (-)	(739,293)	(384,941)
Tax provision in the statement of the financial position	868,425	38,510

	1 January- 31 December 2021	1 January- 31 December 2020
Provision for corporate tax for current period	(1,607,718)	(423,451)
Deferred tax income	(334,100)	(11,105)
Currency translation differences	88,656	3,943
Tax provision in the statement of profit or loss	(1,853,162)	(430,613)

Reconciliation of provision for tax

Profit before taxation and non-controlling interest	11,653,297	3,355,418
Investments accounted under the equity method (-)	(575,759)	(100,234)
Profit before tax, joint venture and subsidiary profit/loss, non-controlling interests		
Effective tax rate	%25	%22
Calculated tax	(2.769,385)	(716.140)

Tax reconciliation

- Dividend and other consolidation adjustments	408,759	125,726
- Non-deductible expenses	(112,624)	(138,825)
- Carry forward tax losses to be utilized (*)	3,923	(60,657)
- Investment allowances to be utilized (*)	(563)	8,736
- Currency translation differences	80,233	19,950
- The effect of the foreign companies that have different tax rates	144,931	32,483
- Corporate tax allowances (*)	391,564	298,114
Tax provision in the statement of profit or loss	(1,853,162)	(430,613)

Effective tax rate %17 %13

(*) Group companies have reviewed the carry forward tax losses and investment allowances from deferred tax assets that can be utilized during the reporting period, and have set provisions for those that cannot be deducted within a reasonable time. (In this context, it has reviewed the reduced corporate tax and accumulated financial losses for the period of 1 January-31 December 2020, and has set aside a provision for the portion that cannot be deducted within a reasonable time.)

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37. Earnings per share

	1 January- 31 December 2021	1 January- 31 December 2020
Earnings per share		
Average number of shares existing during the period (1/1000 value)	3,050,820	2,454,414
Net profit for the period attributable to equity holders of the parent	9,133,285	2,138,037
Earnings per share	2.9937	0.8711
Total comprehensive income attributable to equity holders of the parent	18,085,659	3,389,711
Earnings per share obtained from total comprehensive income	5.9281	1.3811

The Company bought back its own shares from the Borsa Istanbul Equity Market. Considering the takeover days and the period until 31 December 2021, the details of average number of shares available is as follows:

Beginning of the Period	Shares in Circulation	Time Factor	Weighted number of shares
1 January 2021	3,063,214	1.00000	3,063,214

Share purchase dates	Nominal amount, purchased	1 January-31 December 2021	
		Time Factor	Weighted number of shares
15 March 2021	(1,619)	0.73260	(1,186)
18 March 2021	(1,500)	0.72161	(1,082)
22 March 2021	(1,500)	0.70696	(1,060)
23 March 2021	(350)	0.70330	(246)
9 April 2021	(1,050)	0.64103	(673)
29 June 2021	(525)	0.34432	(181)
12 July 2021	(575)	0.29670	(171)
16 July 2021	(1,500)	0.28205	(423)
19 July 2021	(414)	0.27106	(112)
27 July 2021	(1,088)	0.24176	(263)
14 September 2021	(1,000)	0.06227	(62)
15 September 2021	(1,000)	0.05861	(59)
16 September 2021	(2,000)	0.05495	(110)
17 September 2021	(1,211)	0.05128	(62)
20 September 2021	(1,450)	0.04029	(58)
22 September 2021	(1,700)	0.03297	(56)
27 September 2021	(1,931)	0.01465	(28)
28 September 2021	(3,250)	0.01099	(36)
29 September 2021	(2,000)	0.00733	(15)
4 October 2021	(2,500)	0.24384	(610)
6 October 2021	(3,000)	0.23836	(715)
23 December 2021	(8,050)	0.02466	(199)
Buy-back shares	(39,213)		(12,294)

Average number of shares, 1 January-31 December 2021

3,050,820v

In the Group, there is no debt instruments that can be converted into shares. In all Group companies, each share has equal rights to both voting rights and dividends.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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38. Related Party Disclosures

The main shareholder of the Group is Türkiye İş Bankası A.Ş. Since the transactions between the Company and its consolidated subsidiaries are eliminated during consolidation, they are not disclosed in this note.

As of 31 December 2021, the full list of the relationship level of companies which are specified as related parties is grouped in alphabetical order as follows:

The shareholder of parent

<u>Company's name</u>	<u>Registered Country</u>
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	Turkey

Parent company

<u>Company's name</u>	<u>Registered Country</u>
Türkiye İş Bankası A.Ş.	Turkey

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

38. Related Party Disclosures (Continued)

Parent company's subsidiaries, joint ventures and associates

<u>Company's name</u>	<u>Registered Country</u>
Anadolu Anonim Türk Sigorta A.Ş.	Turkey
Anadolu Hayat Emeklilik Sigorta A.Ş.	Turkey
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	Turkey
Camiş Yatırım Holding A.Ş.	Turkey
Efes Yatırım Holding A.Ş.	Turkey
İş Factoring Finansman Hizmetleri A.Ş.	Turkey
İş Finansal Kiralama A.Ş.	Turkey
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	Turkey
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Turkey
İş Koray Tur.Orm. Mad. İnş. Tah. Tic. A.Ş.	Turkey
İş Merkezleri Yönetim ve İşletim A.Ş.	Turkey
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	Turkey
İş Portföy Yönetimi A.Ş.	Turkey
İş Yatırım Menkul Değerler A.Ş.	Turkey
İş Yatırım Ortaklığı A.Ş.	Turkey
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	Turkey
Kültür Yayınları İş-Türk Ltd. Şti.	Turkey
Milli Reasürans T.A.Ş.	Turkey
Mipaş Mümessillik İth. İhr. ve Paz. A.Ş.	Turkey
Topkapı Yatırım Holding A.Ş.	Turkey
Trakya Yatırım Holding A.Ş.	Turkey
TSKB Gayrimenkul Değerleme A.Ş.	Turkey
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	Turkey
Türkiye Sınai Kalkınma Bankası A.Ş.	Turkey
Yatırım Finansman Menkul Değerler A.Ş.	Turkey
İşbank AG	Germany

Joint Ventures

<u>Company name</u>	<u>Registered Country</u>
Rudnik Krechnjaka Vijenac D.O.O.	Bosnia-Herzegovina

Joint Ventures' shareholder

<u>Company's name</u>	<u>Registered Country</u>
Fabrika Cementa Lukavac D.D.(FCL)	Bosnia-Herzegovina

Joint Activity

<u>Company's name</u>	<u>Registered Country</u>
Pacific Soda LLC	USA

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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38. Related Party Disclosures (Continued)

Partner of Joint Activity

Company's name	Registered Country
Imperial Natural Resources Trona Mining Inc.	USA

Associates

Company's name	Registered Country
Saint Gobain Glass Egypt S.A.E.	Egypt
Solvay Sisecam Holding AG	Austria

Associates' shareholders

Company's name	Registered Country
Saint Gobain Glass France S.A.	France
Société Financière D'Administration Et De Gestion SAS (SOFIAG)	Belgium

Available for sale investment

Company's name	Registered Country
Bosen Enerji Elektrik üret. Oto Pro. Grb. A.Ş.	Turkey

Details of the transactions between the Group and the related parties mentioned above are explained below.

Deposit and loans regarding related parties:

Deposits held on related parties	31 December 2021	31 December 2020
Türkiye İş Bankası A.Ş.		
- Time Deposit (*)	9,299,500	7,639,166
- Demand deposit	1,034,656	143,798
	10,334,156	7,782,964
İşbank AG		
- Demand deposits	5,433	137
	5,433	137
	10,339,589	7,783,101

(*) TRY 2,500 thousand of the time deposit is blocked.

Provision for impairment of deposits held at related parties	31 December 2021	31 December 2020
Türkiye İş Bankası A.Ş.	11,157	32,653

Loans received from related parties	31 December 2021	31 December 2020
Türkiye İş Bankası A.Ş. and İşbank AG	2,455,000	3,594,142

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38. Related Party Disclosures (Continued)

Carrying value of financial investments measured at amortized cost:

	31 December 2021	31 December 2020
Financial investments measured at amortized cost – Gross value		
Türkiye İş Bankası A.Ş.	475,720	847,777
Türkiye Sınai Kalkınma Bankası A.Ş.	-	286,141
	475,720	1,133,918

	31 December 2021	31 December 2020
Impairment of financial investments measured at amortized cost		
Türkiye İş Bankası A.Ş.	1,783	24,641
Türkiye Sınai Kalkınma Bankası A.Ş.	-	1,093
	1,783	25,734

Coupon interest rates and nominal values of financial investments measured at amortized cost are as follows:

			31 December 2021	31 December 2020
Bond issuer	ISIN code	Coupon Interest Rate (%)	Nominal Amount (thousand USD)	Nominal Amount (thousand USD)
Türkiye İş Bankası A.Ş.	XS1508390090	5,500	34,200	34,200
Türkiye İş Bankası A.Ş.	XS1578203462	6,125	1,200	1,200
Türkiye İş Bankası A.Ş.	XS1390320981	5,375	-	45,464
Türkiye İş Bankası A.Ş.	XS1079527211	5,000	-	33,924
			35,400	114,788
Türkiye Sınai Kalkınma Bankası A.Ş.	XS1412393172	4.875	-	38,830
			-	38,830
			35,400	153,618

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38. Related Party Disclosures (Continued)

Due from related parties:

	31 December 2021	31 December 2020
Trade receivables from related parties		
Saint Gobain Glass Egypt S.A.E.	11,189	-
İş Merkezleri Yönetim ve İşletim A.Ş.	6,004	2,525
Türkiye İş Bankası A.Ş. ve İşbank AG	1,878	730
Fabrika Cementa Lukavac D.D. (FCL)	59	261
Solvay Sisecam Holding AG	-	751
Pacific Soda LLC	-	2,866
Anadolu Anonim Türk Sigorta Şirketi	-	-
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	-	375
	19,130	7,508

Due to related parties:

	31 December 2021	31 December 2020
Trade payables to related parties		
Solvay Sisecam Holding AG	140,859	104,767
Anadolu Anonim Türk Sigorta Şirketi	6,584	5,790
Saint Gobain Glass France S.A.	5,432	1,127
İş Merkezleri Yönetim ve İşletim A.Ş.	5,281	1,328
Rudnik Krečnjaka Vijenac D.O.O.	4,054	2,352
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	332	183
Türkiye İş Bankası A.Ş.	452	-
İş Portföy Yönetimi A.Ş.	196	-
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	23	28
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. A.Ş.	5	452
Saint Gobain Glass Egypt S.A.E.	-	4,280
Kültür Yayınları İş-Türk Ltd. Şti.	10	-
	163,228	120,307

Due to related parties:

	31 December 2021	31 December 2020
Other payables to related parties		
The founder shares to be paid to shareholders	5,003	44,773
Dividend to be paid to shareholders	5	15,072
	5,008	59,845

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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38. Related Party Disclosures (Continued)

Income and expenses from/ to related parties:

	1 January- 31 December 2021	1 January- 31 December 2020
Interest income from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	117,001	72,023
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	-	9
	117,001	72,032
Interest expenses to related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	341.366	219.213
Türkiye Sınai Kalkınma Bankası A.Ş.	-	-
	341,366	219,213
Valuation gain of held to maturity financial assets		
Türkiye İş Bankası A.Ş.	371,812	207,097
Türkiye Sınai Kalkınma Bankası A.Ş.	45,869	86,215
	417,681	293,312
Other income from related parties		
İş Merkezleri Yönetim ve İşletim A.Ş.	37,833	29,447
Türkiye İş Bankası A.Ş. ve İşbank AG	12,150	7,556
Solvay Sisecam Holding AG	-	6,288
Anadolu Anonim Türk Sigorta Şirketi	6,829	4,620
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	-	3,506
Saint Gobain Glass Egypt S.A.E.	19,590	3,383
Rudnik Krechnjaka Vijenac D.O.O.	-	620
Fabrika Cementa Lukavac D.D. (FCL)	-	292
İş Portföy Yönetimi A.Ş.	1	65
İş Finansal Kiralama A.Ş.	-	31
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İlet. Hiz. A.Ş.	17	18
Yatırım Finansman Yatırım Ortaklığı A.Ş.	26	12
Türkiye Sınai Kalkınma Bankası A.Ş.	-	12
Anadolu Hayat Emeklilik Sigorta A.Ş.	23	3
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	2
Bayek Tedavi Sağlık Hizmetleri Ve İşletmeciliği A.Ş.	1	2
Kültür Yayınları İş-Türk Ltd. Şti.	3	1
Milli Reasürans T.A.Ş.	1	1
Türkiye Sınai Kalkınma Bankası A.Ş.	50	-
İş Yatırım Menkul Değerler A.Ş.	2	-
İş Factoring Finansman Hizmetleri A.Ş.	11	-
	76,537	55,859

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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38. Related Party Disclosures (Continued)

Income and expenses from/ to related parties (Continued):

	1 January- 31 December 2021	1 January- 31 December 2020
Other expenses to related parties		
Solvay Sisecam Holding AG ⁽¹⁾	550,504	429,438
Rudnik Krecnjaka Vijenac D.O.O. ⁽²⁾	24,640	19,498
İş Merkezleri Yönetim ve İşletim A.Ş. ⁽³⁾	18,874	16,569
Anadolu Anonim Türk Sigorta Şirketi	6,609	5,541
Saint Gobain Glass Egypt S.A.E.	-	4,567
Saint Gobain Glass France S.A. ⁽⁴⁾	18,851	3,384
Anadolu Hayat Emeklilik Sigorta A.Ş.	2,079	1,820
İş Portföy Yönetimi A.Ş.	770	1,307
İş Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽⁵⁾	1,129	1,197
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güv. ve Yard. Vakfı	5,087	1,052
Türkiye İş Bankası A.Ş. ve İşbank AG	656	629
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İlet. Hiz. A.Ş.	594	462
İş Yatırım Menkul Değerler A.Ş.	770	251
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	94	222
Fabrika Cementa Lukavac D.D. (FCL)	-	216
Kültür Yayınları İş-Türk Ltd. Şti.	33	-
	630,690	486,153

(1) Consists of the purchases of soda ash from Solvay Sodi AD.

(2) Amount consists of the expenses related with purchase of glass raw materials (sand).

(3) It consists of management and operating expenses of Tuzla Şişecam Headquarters and İş Kuleleri.

(4) Royalty amount of acoustic pvb.

(5) This account consists of the lease payments for office spaces in İş Kuleleri and Paşabahçe stores.

Sales of financial assets to related parties:

There are no transactions made in the period of 1 January-31 December 2021..

The transaction made during the period of 1 January-31 December 2020 is as follows::

The company has 225 thousand privileged İş Finansal Kiralama A.Ş. sold its shares to Trakya Yatırım Holding A.Ş., one of the related parties, on 10 December 2020, for TL 844 thousand based on the stock market price of 3.75 units. The company has decided to take the profit from this sale to a special fund pursuant to article 5/1-e of the corporate tax law.

	1 January- 31 December 2021	1 January- 31 December 2020
Benefits provided to key management		
Parent (Holding)	36,861	26,336
Consolidated entities	97,778	91,498
	134,639	117,834

Key management personnel are composed of top management, members of board of directors, senior executives (president and members and coordinator) reporting to the company's board of directors, general manager, general manager assistants, coordinator of general management and factory directors.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

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39. Financial Instruments and Financial Risk Management

a) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings and other debts disclosed in Notes 8 and 10, cash and cash equivalents disclosed in Note 6 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 28.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liability (comprises of financial liabilities, leasing and trade payables as presented in the statement of financial position) less cash and cash equivalents.

As of 31 December 2021, and 31 December 2020 the Group's net debt / total equity ratios are as follows:

	31 December 2021	31 December 2020
Financial liabilities and trade payables	32,684,559	19,587,111
Less: cash and cash equivalents and financial investments	(17,145,906)	(13,230,992)
Net debt	15,538,653	6,356,117
Total equity	49,363,708	22,491,233
Net debt / total equity ratio	%31	28%

The Group's general strategy is in line with prior periods.

b) Financial Risk Factors

The Group's activities expose it to various financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.

The Group manages its financial instruments centrally in accordance with the Group's risk policies via Accounting Department. The Group's cash inflows and outflows are monitored by the reports prepared on a daily, weekly and monthly basis and compared to the monthly and yearly cash flow budgets.

Risk management is carried out by the Risk Management Department under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors sets out written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's management mitigates this risk through limitations on the contracts made with counterparties and obtaining sufficient collaterals where appropriate. The Group's credit risks mainly arise from its trade receivables. The Group manages this risk by the credit limits up to the guarantees received from customers. Use of credit limits is monitored by the Group by taking into consideration the customer's financial position, past experiences and other factors and customer's credibility is evaluated on a consistent basis. Trade receivables are evaluated based on the Group's policies and procedures and presented net in the financial statements after the provision for doubtful receivables is made (Note 10).

Trade receivables consist of many customers operating in various industries and locations, Credit risk of the receivables from counterparties is evaluated.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

39. Financial Instruments and Financial Risk Management (continued)

- b) Financial Risk Factors (Continued)
b.1) Credit Risk Management (Continued)

	Receivables				Cash and Cash equivalents & Derivatives	Financial Investments
	Trade Receivables Related Party	Third Party	Other Receivables Related Party	Third Party		
Credit risks exposed through types of financial instruments	19,130	9,166,631	-	482,402	12,810,775	5,409,821
Maximum credit risk exposed as of 31 December 2021 (*) (A+B+C+D+E)	-	(3,941,504)	-	-	-	-
- The part of maximum risk under guarantee with collaterals etc.	19,130	8,461,772	-	482,402	12,810,775	5,367,070
- Net book value of financial assets that are neither overdue not impaired	-	(3,703,119)	-	-	-	-
- The part under guarantee with collaterals . etc.	-	-	-	-	-	-
A. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	26	-	-	-	-
- The part under guarantee with collaterals . etc.	-	-	-	-	-	-
B. Carrying value of financial assets that are overdue but not impaired	-	704,399	-	-	-	-
- The part under guarantee with collaterals . etc.	-	(238,385)	-	-	-	-
C. Net book value of impaired assets	-	486	-	-	-	-
- Overdue (gross carrying amount)	-	(486)	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals . etc.	-	-	-	1,189	12,027	42,751
- Not overdue (gross carrying amount)	-	-	-	(1,189)	(12,027)	(42,751)
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals . etc.	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

39. Financial Instruments and Financial Risk Management (continued)

- b) Financial Risk Factors (Continued)
b.1) Credit Risk Management (Continued)

	Receivables						Financial Investments
	Trade Receivables		Other Receivables		Cash and Cash equivalents	Derivatives	
	Related Party	Third Party	Related Party	Third Party			
Credit risks exposed through types of financial instruments	7,508	4,345,579	-	459,761	9,354,964	3,971,308	
Maximum credit risk exposed as of 31 December 2020 (*) (A+B+C+D+E)	-	(2,178,581)	-	-	-	-	
A. Net book value of financial assets that are neither overdue nor impaired	7,508	3,716,478	-	459,761	9,354,964	3,971,308	
- The part under guarantee with collaterals, etc.	-	(2,092,335)	-	-	-	-	
B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	481	-	-	-	-	
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	
C. Carrying value of financial assets that are overdue but not impaired	-	628,620	-	-	-	-	
- The part under guarantee with collaterals, etc.	-	(86,246)	-	-	-	-	
D. Net book value of impaired assets-	-	-	-	-	-	-	
- Overdue (gross carrying amount)	-	110,000	-	-	-	-	
- Impairment (-)	-	(110,000)	-	-	-	-	
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	
- Not overdue (gross carrying amount)	-	-	-	999	32,890	66,783	
- Impairment (-)	-	-	-	(999)	(32,890)	(66,783)	
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

39. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (Continued)

b.1) Credit Risk Management (Continued)

Guarantees received from the customers are as follows:

	31 December 2021	31 December 2020
Credit Insurance	2,450,653	1,229,627
Letters of guarantees	867,623	557,003
Direct debit system	446,031	294,998
Cash	64,245	48,327
Mortgages	53,991	40,565
Confirmed Letter of Credit	40,241	-
Promissory notes and bills	18,720	8,061
	3,941,504	2,178,581

Collaterals for the trade receivables that are overdue but not impaired are as stated below:

	31 December 2021	31 December 2020
1-30 days overdue	496,628	369,209
1-3 months overdue	88,244	148,942
3-12 months overdue	41,704	43,896
1-5 years overdue	77,823	66,573
Total overdue receivables	704,399	628,620
Secured with collaterals (-)	(238,385)	(86,246)

b.2) Liquidity Risk Management

The Group manages liquidity risk by providing the continuity of sufficient funds and loan reserves by matching the maturities of financial assets and liabilities and by following cash flows regularly.

Liquidity risk

Conservative liquidity risk management requires maintaining adequate reserves in addition to having the ability to utilize adequate level of credit lines and funds as well as closing market positions.

Funding risk attributable to the current and future potential borrowing needs is managed by providing continuous access to an adequate number of high-quality creditors.

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39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.2) Liquidity Risk Management (Continued)

Liquidity risk tables (Continued)

The following table details the Group's expected maturity for its financial liabilities. The tables below have been prepared based on the undiscounted contractual maturities and the earliest date of payment of the financial liability. Amount of interest payable to be paid on aforementioned liabilities are considered in the table.

31 December 2021						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
		(I+II+III+IV)	(I)	(II)	(III)	(IV)
Bank loans	17,333,389	17,688,445	1,283,035	8,953,464	6,811,678	640,268
Bonds issued	9,503,216	16,282,805	4,337,211	324,812	11,620,782	-
Lease liabilities	814,767	877,539	58,489	183,156	280,737	355,157
Trade payables	4,869,959	4,911,450	4,626,416	285,034	-	-
Due to related parties	168,236	168,236	168,236	-	-	-
Other payables	345,015	345,015	342,013	-	3,002	-
Total liabilities	33,034,582	40,273,490	10,815,400	9,746,466	18,716,199	995,425

31 December 2020						
Derivative financial liabilities	Carrying Value	Total Contractual Cash flows	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
		(I+II+III+IV)	(I)	(II)	(III)	(IV)
Cash inflows	1,074,690	1,074,690	148,415	278,947	647,328	-
Cash outflows	(71,753)	(71,753)	(7,908)	(21,565)	(42,280)	-
	1,002,937	1,002,937	140,507	257,382	605,048	-

31 December 2020						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
		(I+II+III+IV)	(I)	(II)	(III)	(IV)
Bank loans	11,746,744	12,392,135	754,345	4,070,301	7,546,726	20,763
Bonds issued	5,199,175	8,234,630	1,310,703	178,558	1,428,461	5,316,908
Lease liabilities	196,320	271,867	21,863	58,567	124,318	67,119
Trade payables	2,324,565	2,336,708	2,312,306	24,402	-	-
Due to related parties	180,152	180,152	180,152	-	-	-
Other payables	163,812	163,812	163,812	-	-	-
Total liabilities	19,810,768	23,579,304	4,743,181	4,331,828	9,099,505	5,404,790

31 December 2020						
Derivative financial liabilities	Carrying Value	Total Contractual Cash flows	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
		(I+II+III+IV)	(I)	(II)	(III)	(IV)
Cash inflows	95,278	95,278	3,660	-	1,281	90,337
Cash outflows	(152,307)	(152,307)	(6,145)	(47,617)	(539)	(98,006)
	(57,029)	(57,029)	(2,485)	(47,617)	742	(7,669)

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management

The Group is exposed to financial risks related to changes in foreign exchange and interest rates as a consequence of its operations. At the Group level market risk exposures are measured by sensitivity analysis. Comparing to previous year, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

b.3.1) Foreign currency risk management

Transactions in foreign currency cause the exchange rate risk to occur. The Group has adopted currencies different than the functional currencies according to the economies of the countries in which the subsidiaries and associates operate as foreign currencies.

The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follows:

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39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

		Foreign Currency Position as of 31 December 2021			
		TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1.	Trade Receivables	2,333,568	101,481	57,327	116,053
2a.	Monetary financial assets, (cash and banks included)	16,627,963	685,456	464,276	487,116
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	223,565	4,939	10,455	2
4.	Current assets (1+2+3)	19,185,096	791,876	532,058	603,171
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	1,084,041	81,329	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	174,196	1,587	9,967	2,673
8.	Non-current assets (5+6+7)	1,258,237	82,916	9,967	2,673
9.	Total Assets (4+8)	20,443,333	874,792	542,025	605,844
10.	Trade payables	1,077,422	34,591	38,992	28,092
11.	Financial liabilities	3,626,705	15,898	226,345	-
12a.	Other monetary liabilities	207,344	9,721	4,122	15,579
12b.	Other non-monetary liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	4,911,471	60,210	269,459	43,671
14.	Trade payables	-	-	-	-
15.	Financial liabilities	11,471,294	732,235	113,433	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	11,471,294	732,235	113,433	-
18.	Total liabilities (13+17)	16,382,765	792,445	382,892	43,671
19.	Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	1,802,873	730,378	(525,784)	-
19a.	Total amount of assets hedged	9,735,214	730,378	-	-
19b.	Total amount of liabilities hedged	7,932,341	-	525,784	-
20.	Net foreign assets / (liability) position (9-18+19)	5,863,441	812,725	(366,651)	562,173
21.	Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a)	3,662,807	75,821	138,711	559,498
22.	Fair value of financial instruments used in foreign currency hedge	1,002,937	75,245	-	-
23.	Export	10,248,835	452,575	264,902	201,891
24.	Import	4,030,149	131,704	145,068	78,963

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

	Foreign Currency Position as of 31 December 2020			
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	1,341,120	89,016	69,440	62,189
2a. Monetary financial assets, (cash and banks included)	10,866,070	947,714	399,595	309,863
2b. Non-monetary financial assets	-	-	-	-
3. Other	152,582	9,891	8,685	1,743
4. Current assets (1+2+3)	12,359,772	1,046,621	477,720	373,795
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	1,758,784	239,600	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	250,171	1,852	25,391	7,856
8. Non-current assets (5+6+7)	2,008,955	241,452	25,391	7,856
9. Total Assets (4+8)	14,368,727	1,288,073	503,111	381,651
10. Trade payables	614,744	21,997	49,687	5,699
11. Financial liabilities	646,239	17,664	57,347	-
12a. Other monetary liabilities	69,179	6,218	2,507	953
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	1,330,162	45,879	109,541	6,652
14. Trade payables	-	-	-	-
15. Financial liabilities	7,440,599	703,543	252,694	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	7,440,599	703,543	252,694	-
18. Total liabilities (13+17)	8,770,761	749,422	362,235	6,652
19. Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	964,571	798,315	(543,463)	-
19a. Total amount of assets hedged	5,860,031	798,315	-	-
19b. Total amount of liabilities hedged	4,895,460	-	543,463	-
20. Net foreign assets / (liability) position (9-18+19)	6,562,537	1,336,966	(402,587)	374,999
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a))	5,195,213	526,908	106,800	365,400
22. Fair value of financial instruments used in foreign currency hedge	(57,029)	(7,769)	-	-
23. Export	5,656,407	404,762	324,922	217,777
24. Import	2,186,357	109,256	171,494	46,845

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39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

The Group is mainly exposed to EUR and USD risks. Effects of other currencies are immaterial.

The table below represents the Group's sensitivity to a 10% deviation in foreign exchange rates (especially USD and EUR), 10% is the rate used by the Group while generating exchange rate risk reports; the related rate stands for the presumed possible change in the foreign currency rates by the Group's management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates, This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss before tax or equity.

Foreign Currency Sensitivity

	31 December 2021			
	Profit/(Loss)		Equity (*)	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	101,062	(101,062)	43,825	(43,825)
2- USD hedged from risks (-)	973,521	(973,521)	-	-
3- USD net effect (1+2)	1,074,583	(1,074,583)	-	(43,825)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	209,269	(209,269)	3,032,476	(3,032,476)
5- EUR hedged from risks (-)	(793,234)	793,234	-	-
6- EUR net effect (4+5)	(583,965)	583,965	3,032,476	(3,032,476)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	55,950	(55,950)	775,989	(775,989)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	55,950	(55,950)	775,989	(775,989)
Total (3+6+9)	546,568	(546,568)	3,852,290	(3,852,290)

(*) Presents the increase or decrease in total shareholders' equity due to 10% change in currency translation to Turkish Lira of subsidiaries, associates and joint ventures operating outside of Turkey.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

Foreign Currency Sensitivity (continued)

	31 December 2020			
	Profit/(Loss)		Equity (*)	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	386,777	(386,777)	11,527	(11,527)
2- USD hedged from risks (-)	586,003	(586,003)	-	-
3- USD net effect (1+2)	972,780	(972,780)	11,527	(11,527)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	96,204	(96,204)	1,390,600	(1,390,600)
5- EUR hedged from risks (-)	(489,546)	489,546	-	-
6- EUR net effect (4+5)	(393,342)	393,342	1,390,600	(1,390,600)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	36,540	(36,540)	376,380	(376,380)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	36,540	(36,540)	376,380	(376,380)
Total (3+6+9)	615,978	(615,978)	1,778,507	(1,778,507)

(*) Presents the increase or decrease in total shareholders' equity due to 10% change in currency translation to Turkish Lira of subsidiaries, associates and joint ventures operating outside of Turkey.

b.3.2) Interest rate risk management

The Group's exposure to interest rate risk is related to its financial liabilities. Based on the current balance sheet composition and analysis calculated by the Group, if the TRY interest rates were increased/decreased by 1% and foreign currency interest rates were increased/decreased by 0.25% with the assumption of keeping all other variables constant. The effect on net profit/loss for the period before taxation and non-controlling interest would decrease/increase by TRY 33,539 thousand as of 31 December 2021 (31 December 2020: TRY 23,354 thousand).

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39. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market Risk Management (Continued)

b.3.2) Interest rate risk management

Interest Rate Sensitivity

The Group's financial instruments that are sensitive to interest rates are as follows:

	31 December 2021			
	Floating Interest	Fixed Interest	Non-interest bearing	Total
Financial assets	-	24,510,638	2,303,457	26,814,095
Cash and cash equivalents	-	10,507,320	2,303,455	12,810,775
Financial assets	-	4,335,129	2	4,335,131
Trade receivables	-	9,165,657	-	9,165,657
Due from related parties	-	20,130	-	20,130
Other receivables	-	482,402	-	482,402
Financial Liabilities	12,975,027	20,059,555	-	33,034,582
Bank borrowings	12,975,027	4,358,362	-	17,333,389
Bonds issued	-	9,503,216	-	9,503,216
Lease liabilities	-	814,767	-	814,767
Trade payables	-	4,689,959	-	4,689,959
Due to related parties	-	168,236	-	168,236
Other payables	-	345,015	-	345,015
	31 December 2020			
	Floating Interest	Fixed Interest	Non-interest bearing	Total
Financial assets	-	17,191,630	852,212	18,043,842
Cash and cash equivalents	-	8,502,754	852,210	9,354,964
Financial assets	-	3,876,028	2	3,876,030
Trade receivables	-	4,345,579	-	4,345,579
Due from related parties	-	7,508	-	7,508
Other receivables	-	459,761	-	459,761
Financial Liabilities	5,480,088	14,330,670	10	19,810,768
Bank borrowings	5,480,088	6,266,646	10	11,746,744
Bonds issued	-	5,199,175	-	5,199,175
Lease liabilities	-	196,320	-	196,320
Trade payables	-	2,324,565	-	2,324,565
Due to related parties	-	180,152	-	180,152
Other payables	-	163,812	-	163,812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

40. Financial Instruments (Fair Value and Hedge Accounting Disclosures)

Categories of Financial Instruments

31 December 2021	Financial assets or liabilities measured with amortized cost method	Financial assets or liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value	Note
Financial assets	26,331,688	899,647	175,045	27,406,380	
Cash and cash equivalents	12,810,775	-	-	12,810,775	6
Trade receivables	9,166,657	-	-	9,166,657	10
Due from related parties	19,130	-	-	19,130	38
Derivative financial assets	-	899,645	175,045	1,074,690	12
Financial investments	4,335,129	2	-	4,335,131	7
Financial liabilities	32,689,567	51,639	20,114	32,761,320	
Financial liabilities	27,651,372	-	-	27,651,372	8
Trade payables	4,869,959	-	-	4,869,959	10
Due to related parties	168,236	-	-	168,236	38
Derivative financial liabilities	-	51,639	20,114	71,753	12
31 December 2020	Financial assets or liabilities measured with amortized cost method	Financial assets or liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value	Note
Financial assets	17,584,079	95,280	-	17,679,359	
Cash and cash equivalents	9,354,964	-	-	9,354,964	6
Trade receivables	4,345,579	-	-	4,345,579	10
Due from related parties	7,508	-	-	7,508	38
Derivative financial assets	-	95,278	-	95,278	12
Financial investments	3,876,028	2	-	3,876,030	7
Financial liabilities	19,646,956	152,307	-	19,799,263	
Financial liabilities	17,142,239	-	-	17,142,239	8
Trade payables	2,324,565	-	-	2,324,565	10
Due to related parties	180,152	-	-	180,152	38
Derivative financial liabilities	-	152,307	-	152,307	12

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40. Financial Instruments (Fair Value and Hedge Accounting Disclosures) (Continued)

Fair Value of Financial Instruments

Financial assets	31 December 2021			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	2	-	-	2
Derivative financial assets	1.074.690	-	1.074.690	-
Total	1.074.690	-	1.074.690	2

Financial assets	31 December 2020			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	2	-	-	2
Derivative financial assets	95,278	-	95,278	-
Total	95,280	-	95,278	-

The classification of the Group's financial assets and liabilities at fair value is as follows:

- **Category 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Category 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is as prices) or indirectly (that is derived from prices).
- **Category 3:** Inputs for the asset or liability that is not based on observable market data (that is unobservable inputs).

41. Events After Reporting Period

- Borsa İstanbul A.Ş. In the PDP statement made on January 18, 2022, Article 8.3 of the BIST Market Value Weighted Equity Indices Basic Rules. Pursuant to the article, the Company exited the BIST Dividend 25 index to be valid for the period 1 February 2022 – 31 January 2023.
- On 27/01/2022, Turkey Şişe ve Cam Fabrikaları A.Ş. and its subsidiaries Şişecam Otomotiv A.Ş. and Şişecam Elyaf Sanayii A.Ş. started the new period collective bargaining negotiations with Türkiye Cam Çimento ve Toprak İşverenleri and Kristal-İş for Flat Glass facilities located in Ankara, Bursa, Kırklareli and Mersin, for our Glassware facilities located in Denizli, Eskişehir, Kırklareli and Mersin and for our Glass Packaging facilities located in Eskişehir, Mersin and Yenişehir. The new period collective bargaining negotiations have been started with Türkiye Çimse-İş, as well, for our Auto Glass Lüleburgaz facility, Glass Fiber Balıkesir facility, for Bilecik facility of Camiş Madencilik A.Ş., a subsidiary of our company and for other workplaces associated with the union on the same date. The public was informed with the PDP announcement on January 27, 2022.
- Upon the resolution taken at the Board of Directors meeting dated 03.02.2022, it has been decided to acquire the Italian company Refel S.p.A., one of the world's leading refractory materials manufacturers with an annual production capacity of 6K tons, in exchange for a cash payment of EUR 22 Million. With this strategic acquisition, Şişecam aims to secure its AZS refractory needs and manage supply chain-based risk for its new furnace investments and scheduled furnace maintenance processes while deeply caring about Refel's existing and potential clients' refractory material requirements. The public was informed with the PDP announcement on February 3, 2022.
- On 31 January 2022, the Company made a foreign currency protected deposit with a maturity of 182 days from İşbank, amounting to TL 1,500,000,000. The amount of tax exemption to be provided has not been clarified yet, since the communiqué regulating the procedures and principles regarding how the exemption will be determined within the scope of the said regulation is still in the draft stage and includes different calculation methods.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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42. Audit Fees

Fees for the services received from the independent auditor/independent audit firm The Group's statement on the fees for the services rendered by the independent audit firms, which is based on the KGK's letter dated 19 August 2021, the preparation principles of which are prepared pursuant to the KGK's Board Decision published in the Official Gazette repeated on 30 March 2021 as follows:

	31 December 2021 (*)	31 December 2020 (*)
Fees for Independent audit the reporting period	13,029	12,045
Fees related to tax consultancy services	9	-
Fees for other assurance services	235	177
	13,273	12,222

(*) Foreign currency fees of foreign subsidiaries and affiliates are translated into TL using annual average rates.

43. Other Issues that Significantly Affect the Financial Statements or Other Issues, Required for the Clear Understanding of Financial Statements

Approval of Financial Statements

The audited consolidated statements of financial position, profit or loss, comprehensive income, cash flow and changes in equity (Financial Statements) for the period ended 31 December 2021 of the Group which have been prepared in compliance with format that has been determined by Capital Market Board ("CMB") and Public Oversight Authority ("POA") in accordance with the Communiqué on Principles Regarding Financial Reporting in Capital Markets Turkish Accounting Standards / Turkish Financial Reporting Standards (TAS / TFRS) by CMB by taking into consideration the opinion of the Audit Committee, and it is decided on Board of Directors meeting held on 8 February 2022 that the consolidated financial statements have been fairly presented, the result of operations are accurately presented, the accounting principles applied by the Company are accurate and in compliance with the regulations of the Capital Markets Board by approving of financial statements by Assistant General Manager Responsible for Financial Affairs Gökhan Güralp and Legal Reporting and Financial Control Director Sibel Koç Karacaoğlu on electronic platform for public announcement and by making required notifications in the scope of CMB regulations.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

PROFIT DISTRIBUTION

Dear Shareholders,

T. Şişe ve Cam Fabrikaları A.Ş. submit to your information and approval that our TRY 9,133,285 thousand of net period profit for the Equity holders of the parent, which was stated in 2021 consolidated financial statements that was prepared in accordance with IAS / IFRS and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst&Young Global Limited) to be segregated as follows in accordance with CMB's regulations regarding profit distribution, 25th article of our Articles of Association and the considerations specified in our company's "Profit Distribution Policy":

	Thousand Turkish Lira
1. Net Profit for the Period	9,133,285
2. As per 5/1-e Article of Corporate Tax Law the amount of dividend put in a special fund	(10,808)
3. Primary Legal Reserve	-
4. Net Distributable Period Profit	9,122,477
5. Donations Made within the year	8,913
6. Net Distributable Period Profit with the Addition of Donations, where the First Dividend will be Calculated	9,131,390
7. First Dividend to Shareholders	
- Cash	1,250,000
- Bonus Shares	-
Total Dividend	1,250,000
8. Excess Reserver	7,872,477

That TRY 1,250,000 thousand of gross dividend, which accounts for 40,806812 % of current issued capital, to be distributed in cash, that the shareholders subject to withholding tax to be paid net cash after income tax withholding over cash profit share and that cash dividend payment date to be determined as 31 May 2022.

Kind Regards,



Prof. Dr. Ahmet Kirman

Chairman of the Board of Directors

CORPORATE GOVERNANCE POLICIES

PROFIT DISTRIBUTION POLICY

The Company's profit distribution policy is determined in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Law, the Tax Laws and other applicable legislation and the Articles of

Association. Accordingly;

- a. The Company adopts to distribute at least 50% of the distributable net period profit calculated as cash and / or bonus profit share at the end of the year in the framework of the Capital Market Legislation and other relevant legislation. Taking into consideration factors such as economic conditions, investment plans and cash position, the Shareholders Ordinary General Assembly may decide to make a different distribution compared to targeted one.
- b. The profit distribution proposals of our Board of Directors, including the details set forth in the Capital Markets Board regulations and the Corporate Governance Principles, are announced to the public through the public disclosure platform, our company's website and annual report.
- c. The cash dividends to be distributed in accordance with the decision to be taken at the General Meeting is paid on the date determined in the General Assembly. The transactions related to the dividends to be distributed as bonus shares are completed within the legal period stipulated in the regulations of the Capital Markets Board.
- d. Within the framework of the profit distribution policy, dividends are distributed equally to all existing shares at the date of distribution, irrespective of their issuance and acquisition dates.
- e. In the event that the Board of Directors proposes not to distribute profits to the General Assembly, the reason and information on the use of non-distributed profits are submitted to shareholders at the General Assembly meeting.
- f. In the profit distribution policy, a balanced policy is followed between the interests of the shareholders and the interests of the company izlenir.
- g. There are no privileged shares in obtaining dividends from the profit.
- h. In our Articles of Association, there is no application for giving dividend to our Board of Directors members and employees with the founder usufruct share.
- i. According to the Company's Articles of Association, The Board of Directors may distribute profit share advances by being authorized by the General Assembly and by complying with the Capital Markets Law and the relevant regulations of the Capital Markets Board. The authority to distribute the profit share advance granted to the Board of Directors by the General Assembly is limited to the year of appointment.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE POLICIES

DONATION POLICY

This policy has been established in line with the provisions of the Turkish Commercial Code, the Capital Markets Law, the Capital Markets Board Communiqué, Principle Decisions and other regulations and Company Articles of Association.

Purpose:

The main purpose of donations and grants is to fulfill our social responsibilities, to build a sense of corporate responsibility in our partners and employees, as well as to meet social and communal needs and to benefit the public. For this purpose, the company's organization and its activities within the framework of the fulfillment of the proper social purpose and social responsibility in education, health, culture, law, the arts, scientific research, environmental protection, and to support sports and other activities.

Fundamentals of Donation and Help:

The Company may make donations within the scope of social responsibility and in accordance with the principles and procedures determined by the Capital Markets Board as stated in the Articles of Association. By taking prior approval of the Board of Directors, it is possible to make donations to foundations established for social purposes, associations, educational institutions and other persons, institutions and organizations within the framework of the principles set by the Capital Markets Board; however, giving donations and grants that would distract the company from the protection of its shareholders' rights are avoided.

All donations and grants made under the direction of the Company's management are made in accordance with the company's vision, mission and policies, taking into account the company's ethical principles and values and company annual budget appropriations. Donations and aids can be made in two ways, cash and in kind.

The form, amount and nature of the donation are expected to be in accordance with the corporate social responsibility policies of the institution, organization or Civil Society Organization (CSO). Detailed information is provided to the public by placing a separate agenda item at the Ordinary General Meeting of the year about all of the donations and the amount of aid and the beneficiaries of the policy changes made during the period.

Within the framework of the Capital Markets legislation, the limits of donations and grants made by shareholders are determined by the general assembly.

In this context, the limits set by the General Assembly within the framework of the provisions of the relevant legislation shall be taken into consideration when giving donations and assistance. In addition, for the implementation of the donations will be made and assistance, in-house implementation principles that determine the "Donate" Regulation is complied.

Please read the QR code below to access the **Code of Ethics** of Türkiye Şişe ve Cam Fabrikaları



Please read the QR code below to access the **Anti-Bribery and Corruption Policy** of Türkiye Şişe ve Cam Fabrikaları



Please read the QR code below to access the **Wages Policy For Board Of Directors And Senior Executives** of Türkiye Şişe ve Cam Fabrikaları



CORPORATE GOVERNANCE POLICIES

HUMAN RESOURCES POLICY

Sisecam Group; aims to implement a human resources policy that targets a globally sustainable success, disseminates an innovative and co-operative corporate culture, fosters the best human resource practices in its business areas and adds value to all stakeholders.

Group shapes its approach to human resources within the framework of legislation, corporate values and ethical rules, based on inclusiveness and equal opportunity in all its application. Starting from the target of being the most preferred employer, in all human resources processes like recruitment, career management, training and development, performance management, it conform an objective, systematic and development-oriented approach. A competitive and arm's length compensation and benefits strategy based on awarding steady-high performance is the foundation of the systems.

Şişecam Group, respects to the historical and cultural differences of the geographies where the group operates. It strives to promote the diversity of global human resources and stakeholders, and strengthening the cultural heritage of future generations.

Considering the balance between the work and the private life of the employees, the human resources programs to support this balance are passed on, the communication platforms where the suggestions and expectations of the employees are taken into account are presented and employee loyalty and satisfaction are followed with objective and independent researches. Based on employee loyalty and satisfaction researches, we continuously improve the positive business climate development approaches and provide a healthy, safe and environment in which corporate values are kept alive.

Şişecam Group, which aims to actualize the potential of global human resources at the highest level, ensuring sustainable high performance and increase the value to the future that stakeholders build more strongly, by combining its deep-rooted past and future orientation in the common denominator, it is shaping and strengthening its future with an understanding based on human focus, continuous development and innovation.

Please read the QR code below to access the **Disclosure Policy** of Türkiye Şişe ve Cam Fabrikaları



Please read the QR code below to access the **Anti-Retaliation Policy** of Türkiye Şişe ve Cam Fabrikaları



Please read the QR code below to access the **Gift and Hospitality Policy** of Türkiye Şişe ve Cam Fabrikaları



TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

WORKING PRINCIPLES OF BOARD COMMITTEES

The Board of Directors may establish committees and commissions and assign them to address certain issues in order to provide solutions deemed necessary by the legislation and appropriate for the purpose, in order to realize the strategies of Şişecam Group. It is essential that the duration of the committees be limited to the term of office of the Board of Directors and the assigned member of the Board of Directors. Commissions, on the other hand, are formed permanently or temporarily to address a specific subject and carry out activities such as monitoring the progress of the efforts and preparing reports on the desired subjects.

The Corporate Governance and Compliance Office performs the secretariat services of the committees. The information and documents of all Committees are preserved.

Formation

- Unless otherwise stated in the relevant section for each Committee, these general provisions apply to all committees at the level of the Board of Directors. As sub-committees of the Board of Directors of Şişecam, the Audit Committee, the Corporate Governance Committee, the Committee for Early Detection of Risk are formed in accordance with the regulations of the Capital Markets Board, and the Group Performance Management Committee, the Social Responsibility Committee and the Sustainability Committee are also formed. In accordance with the Capital Markets legislation, the duties of the Remuneration Committee and the Nomination Committee are also carried out by the Corporate Governance Committee, unless these committees have already been established.
- In parallel with the legislation, if it is possible to combine the duties, powers, and responsibilities of more than one committee within a committee, committees with the aforementioned features may be formed. It is essential to establish other committees that are deemed necessary in parallel with changes in legislation. In addition to the aforementioned committees, it is possible to establish other committees deemed appropriate by the Board of Directors.
- The duties, working principles, and members of the committees are determined by the Board of Directors in accordance with the Legislation. The Committees consist of at least two members elected from among the members of the Board of Directors unless there is a contrary provision in the Legislation. In terms of the qualifications of the members and chairmen, the provisions of the Legislation shall be complied with.
- The CEO or those with executive duties, or those who are affiliated with an executive unit, and members assigned for management matters cannot be appointed as members of the committees under the Board of Directors.
- The term of office of the committee members is equivalent to the term of membership in the Board of Directors unless otherwise decided by the Board of Directors.
- Apart from the aforementioned committees, the Board of Directors may establish committees to address the necessary issues. Group Employees can be recruited in the committees formed from within the Company for a specified matter, provided that they do not have voting rights.

Working Principles of the Committees

- Committee activities are carried out through working meetings where members come together. When determining the meeting dates of the committees, the provisions of the Legislation and the working principles announced by the Board of Directors are followed.
- Committee meetings are held in parallel with Board meetings to the greatest extent possible.
- Third parties (Group Employees, consultants, auditors, etc.) may be invited to the meeting for consultative purposes, without having the right to vote, by the Chairman of the Committee in order to present their opinions and provide information regarding the topics on the agenda.
- Meetings are held with an agenda. The agenda is determined by the Chairman of the Committee, and it includes the duties assigned to the Committees by the Legislation and this regulation.
- Information and documentation regarding the agenda are prepared by the Corporate Governance and Compliance Office and delivered to the members within a reasonable time frame prior to the meeting.
- If deemed necessary, the committees may solicit the opinion of independent experts or organizations in order to fulfill their duties.
- Committee meetings are held only if the majority of the total number of members is reached. Committee decisions are made by the majority of the members present at the meeting.
- Matters discussed and decisions made at the meeting are recorded in the minutes by the committee secretary and signed by the members.
- The committees regularly convey the matters they address within the authority given to them to the Board of Directors through the Chairman of the Board, depending on the nature of such matters.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

Audit Committee

The Audit Committee consists of at least two members, and all members must be independent members of the Board of Directors. The Audit Committee convenes at least once every three months. In cases required by the company's business, it can also convene upon request of any member, without having to wait for the quarterly routine meeting. Members of the Board of Directors who do not hold the qualifications for independence cannot be recruited for the committee. The Corporate Governance and Compliance Office performs the secretariat services of the committee.

The duties and obligations of the Audit Committee:

- Carrying out the necessary procedures to select the independent audit company, preparing the independent audit contracts and initiating the independent audit process, and overseeing the activities of the independent audit company at every stage,
- Determining the adequacy of the independent auditor with respect to the independence criteria, as well as to the declaration of independence and the additional services that can be obtained from the independent audit company,
- Evaluating the findings obtained within the scope of the independent audit report conveyed to the committee by the independent audit company, together with important issues related to the accounting policy and practices of the partnership, and assessing alternative practices and public disclosure options, their possible consequences, and implementation proposals within the framework of the accounting standards and accounting principles of the Capital Markets Board, which were previously communicated to the Company management by the independent auditor,
- Determining the methods and criteria to be applied in assessing and finalizing the complaints received by the Company regarding the accounting, reporting, and internal audit systems and independent audit processes of the company, and evaluating the statements of employees relating to accounting, reporting, internal audit, and independent auditing in full confidentiality,
- Soliciting the opinions of the responsible managers and independent auditors on the compliance of the annual and midterm financial statements to be disclosed to the public with the accounting principles and the reliability and accuracy thereof, and notifying the Board of Directors in writing together with personal evaluations,
- Monitoring compliance with regulations regarding Internal Audit, Internal Regulation and other internal policies and implementation procedures approved by the Board of Directors, and making suggestions to the Board of Directors regarding the measures to be taken,
- Ensuring the establishment of communication channels that enable internal irregularities to be reported directly to the committee itself or to the Risk Management and Internal Audit Function,
- Examining Internal Audit plans and submitting them to the approval of the Board of Directors,
- Fulfilling other duties assigned to the committee as per the Capital Markets Board regulations and the Turkish Commercial Code.

Committee for Early Detection of Risk

The Committee for Early Detection of Risk consists of at least two members. If it consists of two members, both members must be non-executive Board members; if it consists of more than two members, the majority must be non-executive Board members. The Committee for Early Detection of Risk convenes at least once every three months. In cases required by the company's business, it can also convene upon request of any member, without having to wait for the quarterly routine meeting. Experts who are not members of the Board of Directors may also be members of the Committee for Early Detection of Risk. The chairman of the committee is elected from among the independent members of the Board of Directors. The CEO cannot be a member of the committee but may attend the meetings to give information. The Corporate Governance and Compliance Office performs the secretariat services of the committee.

The duties and obligations of the Committee for Early Detection of Risk:

- Carrying out monitoring activities targeting risk management policies and practices and supporting the Board of Directors in this regard,
- Evaluating the availability of the necessary methods, tools, and implementation procedures for identifying, measuring, monitoring, and controlling risks,
- Managing and evaluating risks arising from management activities and reviewing the alignment of risky activities with risk appetite and strategic objectives.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

Corporate Governance Committee

The Corporate Governance Committee consists of at least two members. If it consists of two members, both members must be non-executive Board members; if it consists of more than two members, the majority must be non-executive Board members. The Corporate Governance Committee convenes at least once every three months. In cases required by the company's business, it can also convene upon request of any member, without having to wait for the quarterly routine meeting. Experts who are not members of the Board of Directors may also be members of the Corporate Governance Committee. The chairman of the committee is elected from among the independent members of the Board of Directors. The CEO cannot be a member of the committee but may attend the meetings to give information. The Corporate Governance and Compliance Office performs the secretariat services of the committee.

The duties and obligations of the Corporate Governance Committee:

- Monitoring and overseeing Company activities in order to ensure the compliance of corporate governance policies, regulations, and procedures with the Legislation,
- Leading, monitoring, and supporting activities that define and determine corporate governance principles, the code of ethics and corporate values,
- Submitting proposals designed to improve corporate governance principles and practices to the Board of Directors,
- Overseeing the remuneration policies, processes, and practices on behalf of the Board of Directors in order to ensure an independent and effective remuneration system,
- Evaluating the compensation for Board members to be proposed to the General Assembly, and making proposals to the General Assembly on the issues of remuneration, attendance fees, premiums, and the distribution of a share of the annual profit among the members of the Board of Directors,
- Constantly monitoring changes in compensation practices, business trends, and the Legislation in order to establish and manage a robust and competitive compensation system,
- Working toward the establishment of a transparent system for the determination, evaluation, and training of suitable candidates for the Board of Directors and the executive roles to be determined, and determining policies and strategies in this regard,
- Evaluating the independence of the members of the Board of Directors to be nominated as independent candidates,
- Performing regular evaluations of the structure and effectiveness of the Board of Directors and submitting recommendations to the Board of Directors regarding the changes that can be made with respect to these matters.

Group Performance Management Committee

It is essential to ensure the measurement of the performance of the Group with respect to the targets determined as a result of the evaluations conducted by the Board of Directors regarding the financial results expected to be achieved in accordance with annual plans and the budget prepared by the Office of the CEO. The goals serving as a basis for performance expectations are determined and evaluated with an understanding that aligns with the long and medium-term strategic plans of the Group, towards realizing the Group's Mission and Vision, by also paying regard to the Group's stakeholders. During the performance evaluation of the Group, a holistic evaluation is performed by taking into account the Group's reputation and the Group's values and sustainability goals; the sole focus is not on the financial results. It is possible to consider the evaluations in terms of the ranks within the Group and examine them in the context of positions.

The Group Performance Management Committee is formed to perform these activities. The Committee consists of the Chairman of the Board of Directors and an independent member, and the report to be prepared on a periodic or annual basis is submitted to the Board of Directors.

The Group Performance Management Committee convenes at least once every three months. In cases required by the company's business, it can also convene upon request of any member, without having to wait for the routine meeting. Experts who are not members of the Board of Directors may also be members of the Group Performance Management Committee. The CEO cannot be a member of the committee but may attend the meetings. The Corporate Governance and Compliance Office performs the secretariat services of the committee.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

Social Responsibility Committee

Social Responsibility involves the Group's consideration of social benefit with its social stakeholders while working towards its long-term strategic goals. The function of the Social Responsibility Committee is to determine the general approach of the Group on this path and guide it in fulfilling its duty of corporate citizenship.

The Social Responsibility Committee consists of at least three members. The majority of the members must be non-executive Board members. The Social Responsibility Committee convenes when deemed necessary and when needed. Experts who are not members of the Board of Directors may also be members of the Social Responsibility Committee. The CEO cannot be a member of the committee but may attend the meetings. The Corporate Governance and Compliance Office performs the secretariat services of the committee.

The duties and obligations of the Social Responsibility Committee:

- Determining the Group's corporate social responsibility (CSR) policies in addition to its general approach and standard,
- Providing guidance and making suggestions to the Board of Directors to enable the fulfillment of its duty of corporate citizenship arising from its social responsibility and sustainability approach,
- Supporting Şişecam in implementing projects aimed at contributing to social, economic, and environmental development alongside social development in its regions of operation, and determining the main principles to be followed in the projects to be implemented,
- Ensuring that all social development activities are carried out within the principles of sustainability, transparency, and participation,
- Enabling the preparation of the Şişecam CSR investment program,
- Examining the reports on the activities and projects to be carried out within the scope of the CSR Investment Program of the Group,
- Ensuring that the activities carried out by the responsible units are reported to the Board of Directors.

Sustainability Committee

Şişecam adopts corporate sustainability and value creation for all its stakeholders as the basis of the way of doing business. Şişecam's corporate sustainability strategy is shaped in an integrated manner around the axes of "protect, empower and develop" in line with the United Nations Sustainable Development Goals, reflecting the sustainability priorities of the company. In line with this strategy, the Sustainability Committee works to accelerate the integration of sustainability into the Group structure and to determine the relevant policies and approaches by ensuring consideration of these matters at the top level.

The Sustainability Committee consists of at least three members. The majority of the members must be non-executive Board members. The Sustainability Committee convenes at least once every three months. In cases required by the company's business, it can also convene upon request of any member, without having to wait for the quarterly routine meeting. Experts who are not members of the Board of Directors may also be members of the Sustainability Committee. The CEO cannot be a member of the committee but may attend the meetings. The Corporate Governance and Compliance Office performs the secretariat services of the committee.

The duties and obligations of the Sustainability Committee:

- Determining the general approach and standard of the Group in the field of sustainability,
- Ensuring that issues, risks, and opportunities that prioritize sustainability are determined and Environment, Sustainability, Governance (ESG) policies are established accordingly,
- Determining short and long-term goals in accordance with sustainability policies and ensuring their disclosure to the public,
- Monitoring efforts to integrate sustainability into the structure of the Group and developing projects in this direction,
- Approving the Group's sustainability roadmap and performance criteria in its practices, auditing the reported performance in accordance with the targets,
- Ensuring that the responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and within the maximum time frame determined for the disclosure of annual reports to the public.

Board of Ethics

Operating under the Corporate Governance Committee, the Board of Ethics determines and updates the Group's code of ethics based on universal principles and guidelines, by taking into account the global understanding and the realities of the region in which it operates. It is responsible for supervising the implementation of the determined rules and assessing the discrepancies. It examines submitted applications and, if it deems necessary, ensures that the matter is examined by the Risk Management and Internal Audit Function for a more detailed evaluation of the relevant notice. The Board of Ethics reports its activities to the Corporate Governance Committee. The working principles, duties, authorities, and responsibilities of the Board of Ethics are regulated by the Regulation on the Board of Ethics of Şişecam Group. In cases where a violation of a member of the Board of Directors must be assessed, a committee of three members determined by the Board of Directors conducts the aforementioned assessment.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

STRUCTURE AND CONSTITUTION OF THE BOARD OF DIRECTORS

Strategic decisions of the board of directors aim to manage the company's risk, growth, and return balance at an appropriate level and conduct a rational and cautious risk management approach with a view to the long-term interests of the company. The board represents and governs the Company within these principles.

The board of directors has defined the company's strategic goals and identified the needs in human and financial resources, and controls management's performance. The board also oversees that company activities are managed in compliance with the legislation, articles of association, internal procedures and established policies.

The Board of Directors has been determined in order to allow the board members to work productively and constructively, to make quick and rational decisions and with the purpose of setting up committees and allowing those to organize their operations effectively.

A non-executive member of the Board of Directors is the one who is not involved in ordinary operations and daily workflows of the Company and is not responsible for any other administrative role apart from the membership in Board of Directors. All of the members of Board of Directors consist of non-executive members. The chairman of the Board of Directors and the General Manager are not the same person. In accordance with the criteria set by the Capital Market Board's Corporate Governance Principles, there exist three independent members in the Board of Directors.

Independent members have been determined in accordance with the procedures envisaged in the corporate governance principles and presented to the Board of Directors. Regarding the election of the independent members eligible at the meeting of the Board of Directors dated January 26, 2021, negative comments were not reported by the Capital Market Board in formal letter numbered E-29833736-110.07.07-1824 dated 15 February 2021.

The independent and non-independent members of the board, who have been determined within this scope, have been elected for one year in the General Assembly Meeting related to year 2021, held on 30 March 2021. Since the one-year duty terms of the members of Board of Directors cease to exist in the ordinary general assembly meeting to be held on 2021, the board members will be elected in the aforementioned ordinary general assembly meeting. Hasan Cahit Çınar has been elected as the Deputy Chairman of the Board of Directors on 27.9.2021, which was vacated due to Senar Akkuş's resignation on 23.9.2021 and Can Yücel has been elected as a member of the Board of Directors on 3.1.2022, which was vacated due to Zeynep Hansu Uçar's resignation on 31.12.2021, both are to be submitted to the approval of the General Assembly to be held in 2022. The curriculum vitae of the member of Board of Directors have been announced in the related section of our annual report and the Company's corporate website and no issue arose that may threaten the independence of independent members. Accordingly, the statements of independence of members are presented as follows:

INDEPENDENCE DECLARATION

Türkiye Şişe ve Cam Fabrikaları A.Ş.
Board of Directors Presidency

I hereby declare that I am currently fulfilling the "Independent Board Members" conditions determined by the Capital Markets Law, Capital Markets Board Communiqué, Principle Decree and other regulations and the Company's Articles of Association; in case of emergence of a situation that eliminates the question of independence, I would immediately inform the Board of Directors and the Public Disclosure Platform together with the grounds in writing and I will act in accordance with the decision of the Board of Directors complying with the matters specified in article 4.3.8 of the Corporate Governance Principles.

Yours respectfully,



Dr. Mehmet Cem Kozlu

December 31, 2021

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

INDEPENDENCE DECLARATION

Türkiye Şişe ve Cam Fabrikaları A.Ş.
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Yours respectfully,



Gül Ayşem Sargin

December 31, 2021

INDEPENDENCE DECLARATION

Türkiye Şişe ve Cam Fabrikaları A.Ş.
Board of Directors Presidency

I hereby declare that I am currently fulfilling the "Independent Board Members" conditions determined by the Capital Markets Law, Capital Markets Board Communiqué, Principle Decree and other regulations and the Company's Articles of Association; in case of emergence of a situation that eliminates the question of independence, I would immediately inform the Board of Directors and the Public Disclosure Platform together with the grounds in writing and I will act in accordance with the decision of the Board of Directors complying with the matters specified in article 4.3.8 of the Corporate Governance Principles.

Yours respectfully,



Dinç Kızıldemir

December 31, 2021

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

POSITIONS HELD OUTSIDE THE GROUP BY BOARD MEMBERS

Name Surname	Title	As-is Out of Group Responsibilities
Prof. Dr. Ahmet Kirman	Chairman	Paşabahçe Mağazaları A.Ş., Şişecam Çevre Sistemleri A.Ş., Şişecam Enerji A.Ş., Camiç Elektrik Üretim A.Ş., Şişecam Otomotiv A.Ş., OOO Ruscam Glass Packaging Holding, OOO Ruscam Management Company, OOO Posuda, Sisecam Automotive Rus JSC, Trakya Glass Bulgaria EAD, Sisecam Automotive Bulgaria EAD, Sisecam Automotive Romania S.A., SC Glass Trading B.V., Sisecam Glass Packaging B.V, Trakya Investment B.V., Sisecam Automotive Hungary Kft Chairman
Hasan Cahit Çınar	Vice Chairman	Türkiye İş Bankası A.Ş. Vice General Manager, TİB Banka ve Ticaret Hukuk Araştırma Enstitüsü Head of the Institute Board, İş Yatırım Menkul Değerler Chairman
İzlem Erdem	Member	Türkiye İş Bankası A.Ş. Manager of Department of Economic Research Division and Chief Economist
Dinç Kızıldemir	Member	None
Dr. Mehmet Cem Kozlu	Member	Koç Holding A.Ş., Pegasus Hava Taşımacılığı A.Ş., Kâmil Yazıcı Yönetim ve Danışmanlık A.Ş. and Vienna based DO&CO Aktiengesellschaft Board Member. Muhtar-Defne Kent Foundation, Boğaziçi Üniversitesi Foundation and İstanbul Modern Sanatlar Foundation Board of Trustees Member, Global Relations Forum Chairman of the Board.
Sezgin Lüle	Member	Türkiye İş Bankası A.Ş. Vice General Manager, Erişim Müşteri Hizmetleri A.Ş. Chairman
Prof. Dr. Şener Oktik	Member	None
Gül Ayşem Sargın	Member	Boeing Türkiye General Manager and Country Representative, International Investors Association (YASED) Board Chairperson, AmCham Turkey/ABFT and Foreign Economic Relations Board of Turkey (DEİK) Board Member.
Zeynep Hansu Uçar	Member	Türkiye İş Bankası A.Ş. Subsidiaries Division Unit Manager, Türkiye Sınai Kalkınma Bankası A.Ş. and Trakya Yatırım Holding A.Ş. Board Member

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

FUNDAMENTALS OF ACTIVITIES OF BOARD OF DIRECTORS

The Board of Directors elects a chairman and vice-president subsequent to each general assembly meeting. The Board of Directors makes a new election for the chairman and/or vice-president when they cease to have their roles for any reason. The Vice Chairman leads the Board of Directors when the Chairman does not participate. If the Vice Chairman does not participate neither, any member of the board who is elected by the board itself temporarily leads the meeting of Board of Directors. The Chairman determines the date and agenda of the meeting of Board of Directors. The Vice Chairman is responsible for these duties when the Chairman does not participate in the meeting. The Board of Directors organizes the meetings as necessary with respect to the transactions of the Company. However, a meeting once a month is required.

The number of decisions made by the Board of Directors during the the year is 186 and the decisions are made at the consensus of the available members. There has not been any opponent member of the board. The meeting and decision quorums of Turkish Commercial Code, Capital Markets Board and related legislations are considered in making Board of Directors' meeting.

Thereby providing an equal flow of information, the information and documents related to agenda items of meeting of Board of Directors are presented for the review of members of the Board of Directors 5 days in advance. The members of the Board of Directors can make suggestion for changes in the agenda to Chairman, before the meeting. The opinion of any member who does not participate in the meeting and expresses his opinion to Board of Directors in written is presented to the other members. Each member of the board has a voting right in the Board of Directors.

Each agenda item is discussed clearly and in all aspects in the meetings of the Board of Directors. Participation rate of members of the board of Directors to the Board of Directors meetings is 97,44% in 2021. Independent member of the board of Directors did not vote for their own election. The Chairman makes his best effort to ensure the effective participation of non-executive members in the meetings of Board of Directors. The reasonable and detailed reasons of opponent votes related to opposed agenda items by the members of the Board of Directors. The reasons for the opposite opinions are declared publicly in detailed. However, there is no such publicly announcement in the year 2021 since there exists no such opinion was declared.

The meetings of Board of Directors are generally held at head office of the Company and the significant minutes of Board of Directors are announced to public via PDP and the minutes announced to public are also published in the Company's corporate website.

Authorities and responsibilities of the Board of Directors are clearly explained in the Articles of Association. Authorities are prepared by the Board of Director's decision no 95 in accordance with the article 367 and 371 of Turkish Commercial Code in 6 October 2020 and exercised in compliance with the internal legislation registered and published on 23 October 2020 via Official Gazette numbered 10188. The Board of Directors plays a leading role in ensuring effective communication between the Company and the shareholders, in settlement of disputes and in reaching a solution and with this purpose, the Board of Directors is in a close collaboration with the Department of Investor Relations.

There were no incidents that may cause any conflicts of interest with organizations from whom the Company obtains investment consultancy, rating or similar services.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

“Audit Committee”, “Corporate Governance Committee” and “Committee for Early Detection of Risk”, “Group Performance Management Committee”, “Sustainability Committee” and “Social Responsibility Committee” have been established within the Board in order to fulfill the duties and responsibilities of the Board of Directors. The duties, working principles and the members of the committees have been determined by the Board of Directors and disclosed to the public on the Company's website.

Audit Committee members are selected from among the independent members of the board. The chairman of the Corporate Governance and Committee for Early Detection of Risk are independent Board members. The Corporate Governance Committee, the Committee for Early Detection of Risk, the Audit Committee, the Group Performance Management Committee, the Sustainability Committee and the Social Responsibility Committee consist of five, five, two, two, four, four members, respectively.

The Chairman of the Board of Directors and the General Manager are not included in the committees whose establishment is required by law. There are no executive members on the committees.

The Board of Directors provides the necessary resources and support for the committees to fulfill their duties. Committees can invite any manager they deem necessary to their meetings and get their opinions.

The frequency of meeting of the committees is sufficient and is documented in written and recorded. The reports including information concerning their activities and minutes of meetings are presented to the Board of Directors.

The Audit Committee monitors the company's accounting system, the disclosure of financial information to the public, the effectiveness of the internal control and internal audit systems. It determines the methods and criteria to be applied in the evaluation of complaints received by the company regarding the company's accounting and internal control system and independent auditing, within the framework of the principle of confidentiality. The committee notifies the Board of Directors in writing about its determinations regarding its own duties, responsibilities, its evaluations and suggestions. It ensures that the annual and interim financial statements to be disclosed to the public are accurate and in compliance with the accounting principles followed by the company. Taking the opinions of the responsible managers and independent auditors of the company, the Audit Committee notifies the Board of Directors in writing with its own evaluations.

The members of the Audit Committee possess the qualifications defined in the Corporate Governance Principles. The details related to the activities of the Audit Committee have been disclosed in the annual report. The Audit Committee held 17 meetings in 2021. The determination of independent auditors is performed in a way that the Audit Committee suggests an audit firm to the Board of Directors, considering the circumstances related to the competence and independence of independent audit firms.

The Corporate Governance Committee determines whether the corporate governance principles are applied properly within the company and if not, detects the conflicts of interests due to incompliance with these principles and and makes recommendations to the Board of Directors to improve corporate governance practices. It also oversees the activities of “Investor Relations Department”. The Corporate Governance Committee held 8 meetings in 2021.

The setting-up of a transparent system for the determination, evaluation and training of appropriate candidates for the memberships of Board of Directors and definition of related policies and strategies and performance of regular evaluations for the effectiveness and structure of Board of Directors and providing Board of Directors with the suggestions concerning the necessary changes are determined as the duties of the committee.

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

The wages policy including the principles of determination of wages of managers involved in the administrative responsibilities and the members of Board of Directors was defined and announced to public on the corporate website.

The Committee for Early Detection of Risk works to detect risks that may endanger the existence, development and continuation of the company, to take the necessary precautions regarding the identified risks and to manage the risk. It reviews and reports Şişecam's risk management systems. The Committee for Early Detection of Risk held 8 meetings in 2021.

The Group Performance Management Committee works to measure the performance of the Şişecam with respect to the targets determined as a result of the evaluations conducted by the Board of Directors regarding the financial results expected to be achieved in accordance with annual plans and the budget. The committee makes a holistic evaluation by taking into account the Group's reputation, Group values and sustainability goals, on top of financial results. The Group Performance Management Committee held 2 meetings in 2021.

The Sustainability Committee works to accelerate the integration of sustainability into Şişecam's structure and to determine the relevant policies and approaches by ensuring consideration of these matters at the top level. The Sustainability Committee held 2 meetings in 2021.

The notifications related to the meetings committees are duly made to the Board of Directors.

Because all members of Audit Committee and chairman of other committees and three members of Board of Directors are required to be independent, in accordance with Corporate Governance Principles, it has required a member of Board of Directors to be involved in more than one committee.

The Audit Committee;

Chairman Dinç Kızıldemir (independent), Gül Ayşem Sargın (independent)

The Corporate Governance Committee;

Chairman Dinç Kızıldemir (independent), Prof. Dr. Şener Oktik, Zeynep Hansu Uçar, İzlem Erdem and Başak Öge

The Committee for Early Detection of Risk;

Chairman Dinç Kızıldemir (independent), Gül Ayşem Sargın (independent), Prof. Dr. Şener Oktik and Zeynep Hansu Uçar

The Group Performance Management Committee;

Chairman Prof. Dr. Ahmet Kirman ve Dinç Kızıldemir (independent)

The Sustainability Committee;

Chairman Prof. Dr. Ahmet Kirman, Gül Ayşem Sargın (independent), İzlem Erdem, Sezgin Lüle

The Social Responsibility Committee;

Chairman Prof. Dr. Ahmet Kirman, Gül Ayşem Sargın (independent), Prof. Dr. Şener Oktik ve Zeynep Hansu Uçar

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) are announced on Public Disclosure Platform ("PDP") at least three weeks before the General Assembly Meeting. The company report status of complying the volunteering principals with CGCR, informs about the corporate governance implementation with KYBF templates.

The Corporate Governance Compliance Report was prepared in accordance with the decision no.2/49 of Capital Markets Board's dated 10 January 2019 and prepared within the framework of the corporate governance principles stated in the "CMB" Communiqué Series II 17.1 and approved on 4 March 2021 by Corporate Governance Committee.

(X) represents the Company's compliance status and the explanations are made for the status other than yes.

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
1. SHAREHOLDERS						
1.1. Facilitating the Exercise of Shareholder Rights						
1.1.2 Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website	X	-	-	-	-	
1.2. Right to Obtain and Review Information						
1.2.1 Management did not enter into any transaction that would complicate the conduct of special audit	X	-	-	-	-	
1.3. General Assembly						
1.3.2 The company ensures the clarity of the general Assembly agenda, and that an item on the agenda doesn't cover multiple topics.X		-	-	-	-	
1.3.7 Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	-	-	-	-	X	There was no such transaction.
1.3.8 Members of the board of directors who are concerned with specific agenda items, auditors and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X	-	-	-	-	
1.3.10 The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	-	X	-	-	-	There is a separate item on the agenda, but since there are many donations and beneficiaries, summary information is provided.
1.3.11 The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X	-	-	-	-	

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
1.4. Voting Rights						
1.4.1	There is no restriction preventing shareholders from exercising their shareholder rights.	X	-	-	-	-
1.4.2	The company does not have shares that carry privileged voting rights.	X	-	-	-	-
1.4.3	The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	-	-	-	-	X
1.5. Minority Rights						
1.5.1	The company pays maximum diligence to the exercise of minority rights.	X	-	-	-	-
1.5.2	The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.	-	-	X	-	-
1.6. Dividend Right						
1.6.1	The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X	-	-	-	-
1.6.2	The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X	-	-	-	-
1.6.3	The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	-	-	-	-	X
1.6.4	The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X	-	-	-	-
1.7. Transfer of Shares						
1.7.1	There are no restrictions preventing shares from being transferred.	X	-	-	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status				Explanation
	Yes	Partial	No Exempted	N/A	
2. DISCLOSURE AND TRANSPARENCY					
2.1. Corporate Website					
2.1.1 The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X	-	-	-	-
2.1.2 The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X	-	-	-	-
2.1.4 The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content	X	-	-	-	-
2.2. Annual Report					
2.2.1 The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X	-	-	-	-
2.2.2 The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X	-	-	-	-
3. STAKEHOLDERS					
3.1. Corporations's Policy on Stakeholders					
3.1.1 The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X	-	-	-	-
3.1.3 Policies or procedures addressing stakeholders' rights are published on the company's website.	X	-	-	-	-
3.1.4 A whistleblowing programme is in place for reporting legal and ethical issues.	X	-	-	-	-
3.1.5 The company addresses conflicts of interest among stakeholders in a balanced manner.	X	-	-	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
3.2. Supporting the Participation of the Stakeholders in the Corporation's management						
3.2.1 The Articles of Association, or the internal regulations (terms of reference/manuals), of employees in management.	X	-	-	-	-	
3.2.2 Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X	-	-	-	-	
3.3. Human Resources Policy						
3.3.1 The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X	-	-	-	-	
3.3.2 Requirement criteria are documented.	X	-	-	-	-	
3.3.3 The company has a policy on human resources development, and organises trainings for employees.	X	-	-	-	-	
3.3.4 Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X	-	-	-	-	
3.3.5 Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X	-	-	-	-	
3.3.6 Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X	-	-	-	-	
3.3.7 Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X	-	-	-	-	
3.3.8 The company ensures freedom of association and supports the right for collective bargaining.	X	-	-	-	-	
3.3.9 A safe working environment for employees is maintained.	X	-	-	-	-	

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
3.4. Relations with Customers and Suppliers						
3.4.1 The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X	-	-	-	-	
3.4.2 Customers are notified of any delays in handling their requests.	X	-	-	-	-	
3.4.3 The company complied with the quality standards with respect to its products and services.	X	-	-	-	-	
3.4.4 The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X	-	-	-	-	
3.5. Ethical Rules and Social Responsibility						
3.5.1 The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X	-	-	-	-	
3.5.2 The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X	-	-	-	-	
4. Board of Directors						
4.1. Role of the Board of Directors						
4.1.1 The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X	-	-	-	-	
4.1.2 The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X	-	-	-	-	

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status				Explanation	
	Yes	Partial	No Exempted	N/A		
4.2. Activities of the Board of Directors						
4.2.1	The board of directors documented its meetings and reported its activities to the shareholders.	X	-	-	-	
4.2.2	Duties and authorities of the members of the board of directors are disclosed in the annual report.	X	-	-	-	
4.2.3	The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X	-	-	-	
4.2.4	Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X	-	-	-	
4.2.5	The roles of the Chairman and Chief Executive Officer are separated and defined.	X	-	-	-	
4.2.7	The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X	-	-	-	
4.2.8	The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	-	X	-	-	Although there's a manager liability insurance, the ratio is below the recommended limit. Considering the high capital of the company, the current insurance amount is considered sufficient in terms of foreseeable risks, and insurance limits are regularly reviewed.
4.3. Structure of the Board of Directors						
4.3.9	The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	-	X	-	-	As of the end of 2021, the rate of female members in the Board of Directors is 33%. A target and policy has not yet been established for the rate that was over 25% in the past years.
4.3.10	At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X	-	-	-	

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
4.4. Board Meeting Procedures						
4.4.1 Each board member attended the majority of the board meetings in person	X	-	-	-	-	
4.4.2 The board has formally approved a minimum a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X	-	-	-	-	
4.4.3 The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X	-	-	-	-	
4.4.4 Each member of the board has one vote.	X	-	-	-	-	
4.4.5 The board has a charter/written internal rules defining the meeting procedures of the board.	X	-	-	-	-	
4.4.6 Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X	-	-	-	-	
4.4.7 There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.	-	X	-	-	-	There is no restriction regarding the members of the Board of Directors to take on other duties outside of our Company. We act in accordance with the regulations in this regard. The duties undertaken by the members outside the company are presented at the general assembly meeting.
4.5. Board Committees						
4.5.5 Board members serve in only one of the Board's committees.	-	-	X	-	-	Committees are formed by taking into account the experiences of our members. Some of our board members take part in more than one committee, and this structure increases the opportunities for cooperation between committees.
4.5.6 Committees have invited persons to the meetings as deemed necessary to obtain their views.	X	-	-	-	-	
4.5.7 If external consultancy services are used, the independence of the provider is stated in the annual report.	-	-	-	-	X	The Committee did not receive any significant advisory services except independent audit firm and credit rating agency.

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation	
	Yes	Partial	No	Exempted	N/A		
4.5.8	Minutes of all committee meetings are kept and reported to board members.	X	-	-	-	-	
4.6.	Financial Rights						
4.6.1	The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	-	-	X	-	-	Performance evaluation of those with administrative responsibility were carried out, but no specific work was conducted at the Board of Directors level. Best practices on the subject are being researched, and their implementation can be evaluated in the medium term.
4.6.4	The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X	-	-	-	-	
4.6.5	The individual remuneration of board members and executives is disclosed in the annual report.	-	-	X	-	-	In accordance with the law no. 6698 Protection of Personal Data, the total amount is explained in terms of categories rather than on individual basis.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

1. SHAREHOLDERS

1.1 Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year

Although physical conference and roadshow participation could not be achieved in 2021 due to the pandemic, investor communication continued through video and teleconferences planned by intermediary institutions and investment banks in line with the "pandemic and new normal" conditions. In this context, 250 existing and potential domestic and foreign corporate stock and bond investors were met through 17 videos and teleconferences attended. In addition, the fact that individual teleconference meetings were held with nearly 200 investors and analysts indicates that Investor Relations activities continue without slowing down. The total number of meetings held with investors through phone calls, one-to-one online meetings, roadshows and video and teleconferences is close to 450. In addition, two webcasts were organized in 2021, where the financial results for the end of 2020 and the first half of 2021 were shared. Through these publications, more than 200 investors were reached. More than 150 investors were met through two webcasts held in November regarding the "Natural Soda Investment in America". A total of 5 new institutions, 2 of which are foreign, were added to the intermediary institutions that keep Şişecam on their watch lists, and more than 100 reports were published throughout the year.

1.2 Right to Obtain and Examine Information

The number of special audit request(s)

-

The number of special audit requests that were accepted at the General Shareholders' Meeting

-

1.3 General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)

<https://www.kap.org.tr/tr/Bildirim/921988>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time

The documents of the General Assembly Meeting are published simultaneously in English.

CORPORATE GOVERNANCE COMPLIANCE REPORT

1.3 General Assembly

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no unanimous transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	In 2021, all related party transactions and transaction principles were submitted to the Board of Directors. In 2021, there were no related party transactions or significant transactions that should be submitted to the approval of the General Assembly since independent members did not approve.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/910514
The name of the section on the corporate website that demonstrates the donation policy of the company	Specified under the Corporate Governance Policies that participated in Corporate Governance subtitle in Corporate Overview and Governance title of Investor Relations Section at www.sisecam.com
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.kap.org.tr/tr/Bildirim/350694
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 15
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Company employees and their representatives may attend the General Assembly meeting.
Whether the shares of the company have differential voting rights	No / There is no privilege in voting rights.
In case that there are voting privileges, indicate the owner and percentage of the voting majority of share	-
The percentage of ownership of the largest shareholder	50.93 %

1.4 Voting Rights

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

1.5 Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association -

If yes, specify the relevant provision of the articles of association. -

1.6 Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy Specified under the Corporate Governance Policies that participated in Corporate Governance subtitle in Corporate Overview and Governance title of Investor Relations Section at www.sisecam.com.

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend -

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends -

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
30.03.2021	-	%88,01	%0,01	%67,99	(*)	(*)	None	261	https://www.kap.org.tr/tr/Bildirim/915282

(*) Specified under the "Ordinary General Assembly" section that participated in "General Assembly Announcements and Documents" subtitle in "Corporate Overview and Governance" title of Investor Relations Section on the company's corporate website at www.sisecam.com.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

2. DISCLOSURE AND TRANSPARENCY

2.1 Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

All information can be accessed from the relevant sections under the Investor Relations tab at <https://www.sisecam.com.tr/>.

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the share

There is no natural person shareholder who owns more than 5% of the shares.

List of languages for which the website is available

Turkish, English, Bosnian, Bulgarian, German, Hungarian, Italian, Romanian, Russian and Slovak

2.2 Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members

Specified in the "Additional Information about Corporate Governance" section in the Annual report.

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure

Specified in the "Additional Information about Corporate Governance" section in the Annual report.

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings

Specified in the "Additional Information about Corporate Governance" section in the Annual report.

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation

Note 2 of the financial statements

CORPORATE GOVERNANCE COMPLIANCE REPORT

2.2 Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof

Explained in the note 23. Insurances, Contingent Assets and Liabilities in financial report.

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest

Specified in the "Additional Information about Corporate Governance" section in the Annual report.

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%

None.

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results

Specified in the "Corporate Social Responsibility" section in the Annual report.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

3. STAKEHOLDERS

3.1 Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy

Specified under the Corporate Governance Policies that participated in Corporate Governance subtitle in Corporate Overview and Governance title of Investor Relations Section at www.sisecam.com.

The number of definitive convictions the company was subject to in relation to breach of employee rights

The number of judgments finalized against the company due to violation of employee rights is 61.

The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)

As of the end of 2021, the whistleblower hotline system has been updated, and a new application started with the opportunity to receive independent and anonymous notices in compliance with international legislation. It is possible for employees and all stakeholders to notify their managers and/or the "Ethics Hotline", the ethical whistleblowing line, of any suspected violations of Şişecam Group's Code of Business Ethics, relevant policies and the law, and of suspected situations. The notifications in question can be made verbally or in writing to the relevant managers, from the internet address <https://ethicshotline.sisecam.com>, and from telephone numbers serving in 17 languages. In accordance with Şişecam Group's internal legislation, incoming reports are reported to the Ethics Council.

The contact detail of the company alert mechanism.

<https://ethicshotline.sisecam.com>
Turkey/0800 621 2393, USA/1 800 508 1753, Germany/0800 180 0655, Austria/0800 017855, Bosnia and Herzegovina/080 083 067, Bulgaria/0800 46 269, China/400 120 0275, Georgia/0800 10 02 50, India/000 800 919 0261, Netherlands/0800 022 2904, Italy/800 828 488, Spain/900 876 290, Hungary/80 088 538, Egypt/0800 006 0316, Romania/0800 360 147, Russia/8 800 301 85 34, Slovakia/0800 601 478, Ukraine/ 0800 801 480

3.2 Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.

There is no public link to the relevant internal regulation.

Corporate bodies where employees are actually represented

All communication channels are kept available and probable handicaps are cleared for the company employees to participate in the management. For this purpose; "Message to the CEO", "Ethics Hotline" and "Nar" applications are used. In addition, the digital employee event called CEO Talks, which is held twice a year, provides employees with the opportunity to share their questions and suggestions.

CORPORATE GOVERNANCE COMPLIANCE REPORT

3.3 Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The Board of Directors forms the necessary succession plans.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	There is "Human Resources Policy" under the "Policies" title in the "Sustainability" section on the website www.sisecam.com . Equality was taken as a basis and transparency was ensured in recruitment and career planning. Activities are carried out on the basis of the articles of the "Şişecam Group Human Resources Regulation" created within the Company regarding the subject.
Whether the company provides an employee stock ownership programme	There is no share purchase plan.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	There are "Human Resources Policy" and "Anti-Retaliation Policy" in the "Policies" tab in the "Sustainability" section of the www.sisecam.com.tr website.
The number of definitive convictions the company is subject to in relation to health and safety measures	10 cases

3.5 Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	The Code of Ethics specified under Corporate Governance Policies subtitle in Corporate Governance title of Investor Relations section at www.sisecam.com .
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues	Information is provided in the "Corporate Social Responsibility" section under "About Us" on the company's corporate website at www.sisecam.com . In addition, detailed information is provided in the Sustainability Report under the "Reporting" tab under "Sustainability".
Any measures combating any kind of corruption including embezzlement and bribery	Anti-Corruption policy specified under the Corporate Governance Policies subtitle in Corporate Governance title of Investor Relations Section at www.sisecam.com .

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

4. BOARD OF DIRECTORS - I

4.2 Activity of the Board of Directors

Date of the last board evaluation conducted	None.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes, they were released.
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	There has been no delegation.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	25 reports
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Specified in Risk Management and Internal Audit Facilities section in the annual report.
Name of the Chairman	Prof. Dr. Ahmet Kırman
Name of the CEO	Mustafa Görkem Elverici
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	They are different people.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Parent Company, Türkiye İş Bankası A.Ş. has signed "Executive Responsibility Insurance" with Anadolu Anonim Türk Sigorta for an amount below 25% of the company's capital. However, our company has not made PDP notification.

4.2 Activity of the Board of Directors

The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	3 directors, the rate is 33%.

4. BOARD OF DIRECTORS – II

4.4 Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	In 2021, 13 physical meetings were held.
Director average attendance rate at board meetings	97,44 %
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	5 days
The name of the section on the corporate website that demonstrates information about the board charter	Specified under Corporate Overview and Governance title of Investor Relations Section at www.sisecam.com and in the Article 10 of the Articles of Association. In addition, although there is an internal regulation on the subject (Şişecam Group Corporate Governance Regulation), it is not a public document.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Although the upper limit is not defined, candidacy may or may not be accepted by considering the duties of the candidate outside the Company in the election of members. The Corporate Governance Committee makes an assessment on this matter and presents it to the Board of Directors.

4.5 Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Specified in the “Additional Information About the Corporate Governance” section in the Annual Report.
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.gov.tr/tr/Bildirim/206123

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

4. BOARD OF DIRECTORS – III

4.5 Board Committees – II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)

Specified in the “Additional Information About the Corporate Governance” section in the Annual Report.

Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)

Specified in the “Additional Information About the Corporate Governance” section in the Annual Report.

Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)

Specified in the “Additional Information About the Corporate Governance” section in the Annual Report.

Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)

Specified in the “Additional Information About the Corporate Governance” section in the Annual Report.

Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)

Specified in the “Additional Information About the Corporate Governance” section in the Annual Report.

CORPORATE GOVERNANCE COMPLIANCE REPORT

4.6 Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)

Specified in the Chairman and CEO messages in the Annual Report.

Specify the section of website where remuneration policy for executive and non-executive directors are presented

Wages Policy of the senior executives specified under the Corporate Governance Policies subtitle in Corporate Governance title of Investor Relations section at www.sisecam.com.

Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)

Specified in the Note 38-Related Party Disclosures.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Composition of Board Committees

Name	Whether Executive Director Or Not	Whether Independent Director Or Not	The first Election Date To Board	Link to PDP Notification That Includes The Independence Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether the Director Who Cased to Satisfy The Independence Or Not	Whether the Director Has At Least 5 Years' Experience on Audit, Accounting And/Or Finance or not
Prof. Dr. Ahmet Kıрман	Not Executive	Not Independent	14.04.2006				Yes
Hasan Cahit Çınar	Not Executive	Not Independent	27.09.2021				Yes
Zeynep Hansu Uçar	Not Executive	Not Independent	15.04.2011				Yes
İzlem Erdem	Not Executive	Not Independent	25.03.2015				Yes
Prof. Dr. Şener Oktik	Not Executive	Not Independent	27.03.2020				Yes
Dinç Kızıldemir	Not Executive	Independent	21.03.2018	www.kap.org.tr/tr/Bildirim/915282	Reviewed	No	Yes
Dr. Mehmet Cem Kozlu	Not Executive	Independent	21.03.2018	www.kap.org.tr/tr/Bildirim/915282	Reviewed	No	Yes
Gül Ayşem Sargın	Not Executive	Independent	30.03.2021	www.kap.org.tr/tr/Bildirim/915282	Reviewed	No	Yes

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Board Committees – I

Names of the Board Committees	Name of Committees Defined As "Other" In the First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Corporate Governance Committee	-	Diñç Kızıdemir	Chairman	Member
Corporate Governance Committee	-	Prof. Dr. Şener Oktik	-	Member
Corporate Governance Committee	-	Zeynep Hansu Uçar	-	Member
Corporate Governance Committee	-	Izlem Erdem	-	Member
Corporate Governance Committee	-	Başak Öge	-	Not Member
Audit Committee	-	Diñç Kızıdemir	Chairman	Member
Audit Committee	-	Gül Ayşem Sargın	-	Member
Committee of Early Detection of Risk	-	Diñç Kızıdemir	Chairman	Member
Committee of Early Detection of Risk	-	Gül Ayşem Sargın	-	Member
Committee of Early Detection of Risk	-	Prof. Dr. Şener Oktik	-	Member
Committee of Early Detection of Risk	-	Sezgin Lüle	-	Member
Committee of Early Detection of Risk	-	Zeynep Hansu Uçar	-	Member
Group Performance Management Committee	-	Prof. Dr. Ahmet Kırman	Chairman	Member
Group Performance Management Committee	-	Diñç Kızıdemir	-	Member
Sustainability Committee	-	Prof. Dr. Ahmet Kırman	Chairman	Member
Sustainability Committee	-	Gül Ayşem Sargın	-	Member
Sustainability Committee	-	Izlem Erdem	-	Member
Sustainability Committee	-	Sezgin Lüle	-	Member
Social Responsibility Committee	-	Prof. Dr. Ahmet Kırman	Chairman	Member
Social Responsibility Committee	-	Gül Ayşem Sargın	-	Member
Social Responsibility Committee	-	Zeynep Hansu Uçar	-	Member
Social Responsibility Committee	-	Prof. Dr. Şener Oktik	-	Member

Board Committees– II

Names of the Board Committees	The Percentage of Non Executive Directors	The Percentage Of Independent Directors in The Committee	The Number Of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Corporate Governance Committee	%100,00	%20,00	8	4
Audit Committee	%100,00	%100,00	17	8
Committee of Early Detection of Risk	%100,00	%40,00	8	8
Group Performance Management Committee	%100,00	%50,00	2	1
Sustainability Committee	%100,00	%25,00	2	1
Social Responsibility Committee	%100,00	%25,00	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

The "Sustainability Principles Compliance Framework" includes the basic principles expected to be explained by public partnerships while conducting their "Environmental, Social, Corporate Governance ("ESG") studies. Although the implementation of these principles is voluntary, it is obligatory to report whether they have been implemented or not with the principle of "Comply or Disclose."

The Sustainability Principles Compliance Framework were prepared in accordance with the announcement made by the Capital Markets Board ("CMB") within the scope of the amendment made in the Corporate Governance Communiqué Series: II-17.1 published in the Official Gazette dated October 2, 2020 and numbered 31262:

The section marked with an (X) indicates the Company's compliance status, and where the answer is not "yes," necessary explanations are given:

SUSTAINABILITY PRINCIPLES	Compliance Status				N/A	Explanation
	Yes	Partial	No	Exempted		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Targets						
1.1 The Board of Directors determines the material issues, risks and opportunities related to ESG and defines the related ESG policies. Directives, business procedures, etc. may be prepared within the Partnership for the effective performance of the policies in question. These policies are based on the resolutions of the Board of Directors and disclosed to the public.	X	-	-	-	-	
1.2 The Company Strategy is defined in compliance with the ESG policies, risks and opportunities. The Company strategy and short- and long-term goals in line with the ESG policies are defined and disclosed to the public.	X	-	-	-	-	
A2. Implementation/Monitoring						
2.1 Committees/departments in charge of ESG policies are defined and disclosed to the public. The activities carried out within the scope of the policies are reported by the responsible committee/department to the Board of Directors at least once a year and always within the maximum periods defined under the relevant regulations of the Board for the disclosure of the annual reports to the public.	X	-	-	-	-	
2.2 Implementation and action plans are developed in line with the short- and long-term goals defined and disclosed to the public.	X	-	-	-	-	
2.3 ESG Key Performance Indicators (KPI) are defined and disclosed based on year-on-year comparisons. If verifiable data is available, KPIs are submitted together with the local and international sector comparisons.	X	-	-	-	-	
2.4 Innovation activities improving the sustainability performance related to work processes or product and services are disclosed.	X	-	-	-	-	

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

SUSTAINABILITY PRINCIPLES	Compliance Status				N/A	Explanation
	Yes	Partial	No	Exempted		
A3. Reporting						
3.1 Sustainability performance, goals and actions are reported at least once a year and disclosed to the public. Information regarding sustainability activities are described within the scope of the annual report.	X	-	-	-	-	
3.2 It is essential for the critical information to be directly and concisely shared for a better comprehension of the position, performance and progress of the Group for the stakeholders. Detailed information and data can also be disclosed on the company's website, separate reports can be prepared to fulfil the requirements of different stakeholders.	X	-	-	-	-	
3.3 Maximum attention is placed to the preparation of the report in terms of transparency and reliability. As part of a balanced approach, developments regarding the material issues are objectively disclosed in the announcements and reports.	X	-	-	-	-	
3.4 Information on which activities are related to which United Nations (UN) 2030 Sustainable Development Goals is provided.	X	-	-	-	-	
3.5 Information on the lawsuits filed and/or concluded against the company on ESG issues is disclosed.	X	-	-	-	-	
A4. Verification						
4.1 Sustainable performance measurements verified by the independent third parties (independent sustainability assurance providers) are disclosed to the public and efforts are put to increase the related verification processes.	X	-	-	-	-	

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

SUSTAINABILITY PRINCIPLES	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
B. ENVIRONMENTAL PRINCIPLES						
1. Policies and practices in environmental management, action plans, environmental management systems (referred to as ISO 14001 standard) and programs are disclosed.	X	-	-	-	-	
2. Environment-related laws and other related regulations are adopted and disclosed.	X	-	-	-	-	
3. The constraints regarding the scope, reporting period, reporting date, data collection process and reporting conditions of the report that will be included in the report prepared within the scope of Sustainability Principles are disclosed.	X	-	-	-	-	
4. The highest-level person in charge of the environment and climate change in the company, related committees and their duties are disclosed.	X	-	-	-	-	
5. Incentives offered for the management of environmental issues including achieving the goals are disclosed	X	-	-	-	-	
6. The integration of environmental issues into business goals and strategies are explained.	X	-	-	-	-	
7. Sustainability performance and sustainability performance improvement activities related to work processes or products and services are disclosed.	X	-	-	-	-	
8. The management of environmental issues not only in direct operations but also throughout the partnership's value chain and the integration of suppliers and customers into the strategies are explained.	X	-	-	-	-	
9. Whether included or not being included in the policy development processes related to environmental issues (sector-based, regional, national and international); environment-related associations being a member of, collaborations with related institutions and Non-governmental organizations and tasks undertaken and activities supported, if any, are disclosed.	X	-	-	-	-	

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

SUSTAINABILITY PRINCIPLES	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
B. ENVIRONMENTAL PRINCIPLES						
10. Information regarding the environmental impacts considering the Environmental Indicators (GHG Emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect))1, air quality, energy management, water and wastewater management, waste management, biodiversity impacts) are periodically and comparably reported.	X	-	-	-	-	
11. The standards, protocols, methodology and reference year details used to collect and calculate data are disclosed.	X	-	-	-	-	
12. The status of the environmental indicators in the report years is disclosed in comparison with the previous years (increase or decrease).	X	-	-	-	-	
13. Short- and long-term targets to mitigate the environmental impacts are defined and disclosed to the public. These targets are advised to be defined as Science-Based Targets suggested by the United Nations Climate Change Conference Parties. In the event of any improvements in the reporting year according to the previously defined targets, information is provided.	X	-	-	-	-	
14. The strategy and actions to tackle the climate crisis are disclosed.	X	-	-	-	-	
15. Programs or procedures to mitigate or minimize the potential adverse impacts of the products and/or services provided are disclosed; actions taken to enable third parties to reduce their GHG emissions are disclosed.	X	-	-	-	-	
16. Actions taken to mitigate the environmental impacts, projects carried out and the total number of initiatives and the resulting environmental benefits/advantages and cost conservation are disclosed.	X	-	-	-	-	
17. Total energy consumption data (excluding raw materials) is reported and the energy consumption is disclosed in terms of Scope-1 and Scope-2.	X	-	-	-	-	
18. Information on produced and consumed electricity, heat, vapor and cooling is provided for the reporting year.	X	-	-	-	-	

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

SUSTAINABILITY PRINCIPLES	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
B. ENVIRONMENTAL PRINCIPLES						
19. Activities are carried out to increase renewable energy use, transition to zero or low carbon electricity and information related to these activities is disclosed.	X	-	-	-	-	
20. Renewable energy production and usage data are revealed.	X	-	-	-	-	
21. Energy efficiency projects are carried out; and, thanks to these projects, energy consumption and emission reduction figures are disclosed.	X	-	-	-	-	
22. Drawn, used, recycled and discharged Water amounts from surface water and groundwater, their resources and procedures (Total water drawn per resource, water resources Affected from water drawn; percentage and total volume of the recycled and reused water, etc.) are reported.	X	-	-	-	-	
23. Whether or not the operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax) is disclosed.	X	-	-	-	-	
24. Accumulated or purchased carbon credit during the reporting period is disclosed.	X	-	-	-	-	
25. Carbon pricing within the Company if applicable, details are disclosed.	-	X	-	-	-	
26. All mandatory and voluntary platforms that the company discloses its environmental information are disclosed.	X	-	-	-	-	

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

SUSTAINABILITY PRINCIPLES	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
1.1	Corporate Human Rights and Employees Rights Policy, which includes commitment to full compliance to Universal Declaration of Human Rights, ILO conventions that Turkey is a party to and legal frame and legislation regulating the human rights and employee rights in Turkey, is developed. Roles and responsibilities related to the subject policy and implementation of the policy are disclosed to the public.					
	X	-	-	-	-	
1.2	Equal opportunity is assured during recruitment. Considering supply and value chain impacts, the policy covers fair labor, improvement of working standards, women employment and inclusion (no discrimination based on sex, religious belief, language, race, ethnicity, age, disability, immigration status, etc.) issues.					
	X	-	-	-	-	
1.3	Measures taken throughout the value chain to consider the rights/equal opportunities to minorities or to people susceptible to specific economic, environmental, social factors (people with low incomes, women, etc.) are disclosed.					
	X	-	-	-	-	
1.4	Developments on preventive and corrective practices regarding discrimination, inequality, human rights violations, forced and compulsory labor are reported. Regulations that prohibit child labor are disclosed.					
	X	-	-	-	-	
1.5	Policies regarding investments in employees (training, development policies), compensation, fringe benefits, right to a union, work/life balance solutions and skills management are disclosed. Conflict resolution processes are defined by creating mechanisms for the resolution of employee complaints and disputes. Activities related to employee satisfaction are regularly disclosed.					
	X	-	-	-	-	

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

SUSTAINABILITY PRINCIPLES	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
1.6 Occupational health and safety policies are developed and disclosed to the public. Measures taken for the prevention of work accidents and protection of health and accident statistics are disclosed	X	-	-	-	-	
1.7 Protection of personal data and data security policies are developed and disclosed to the public.	X	-	-	-	-	
1.8 Ethics policy (including activities related to work, professional ethics, adaptation processes, advertisement and marketing ethics, disclosure, etc.) is developed and disclosed to the public.	X	-	-	-	-	
1.9 Activities regarding social investment, social responsibility, financial inclusion, access to financing are disclosed.	X	-	-	-	-	
1.10 Informative meetings and training programs on ESG policies and practices are delivered.	X	-	-	-	-	
C2. Stakeholders, International Standards and Initiatives						
2.1 Sustainability activities are carried out considering the requirements and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, governmental and non-governmental organizations, etc.).	X	-	-	-	-	
2.2 Customer satisfaction policy is prepared regarding customer satisfaction management and resolution, and the policy is disclosed to the public.	X	-	-	-	-	
2.3 Stakeholder communication is maintained in a continuous and transparent manner; stakeholders are communicated how frequently for which purpose and on which issues, as well as developments in sustainability activities, are disclosed.	X	-	-	-	-	
2.4 International Reporting Standards adopted (Carbon Disclosure Policy (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), etc.) are disclosed to the public.	X	-	-	-	-	

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK INFORMATION

SUSTAINABILITY PRINCIPLES	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
C. SOCIAL PRINCIPLES						
2.5 International organizations or principles that the company has ratified or is a member of (Equator Principles, United Nations Environment Programme Finance Initiative (UNEP-FI), United Nations Global Compact (UNGC), United Nations Principles for Responsible Investment (UNPRI), etc.), and the international principles adopted (International Capital Market Association (ICMA) Green/Sustainable Bond Principles, etc.) are disclosed to the public.	-	-	X	-	-	There is no membership in related initiatives.
2.6 Substantial efforts are put to be listed in the Borsa Istanbul Sustainability Index and the international sustainability indexes (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indexes, etc.).	X	-	-	-	-	
D. CORPORATE GOVERNANCE PRINCIPLES						
1.1 All efforts are put to adapt to the Corporate Governance principles that shall be abided as part of Capital Markets Board Corporate Governance Communiqué II-17.1 as well as all other Corporate Governance principles.	X	-	-	-	-	
1.2 Sustainability, environmental impacts of the operations and related principles are considered while defining corporate governance strategy.	X	-	-	-	-	
1.3 As stated in Corporate Governance Principles, necessary measures are taken to comply with the principles related to beneficiaries and strengthen the communication with beneficiaries. Beneficiaries are consulted while defining the measures and strategies in sustainability.	X	-	-	-	-	
1.4 Company works on social responsibility projects, related events and training programs to raise awareness on sustainability and its importance.	X	-	-	-	-	
1.5 Efforts are put to become a member of international standards and initiatives regarding sustainability and contribute to their activities.	X	-	-	-	-	
1.6 Policies and programs on anti-bribery and anti-corruption and tax-related goodwill principles are described.	X	-	-	-	-	

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

Other Issues:

[Affiliated Company Report](#)

The Conclusion section of the "Affiliated Company Report" drawn up pursuant to Article 199 of the Turkish Trade Act is as follows:

In all transactions realized in 2021 with the controlling company and the subsidiaries thereof, our Company adhered to the provisions of the legislation governing disguised profit distribution through transfer pricing and no such situation was arose in 2021, which would have required equalization of losses by reason of the transactions described above.

[Common and Continuous Related Party Transactions for Year 2021](#)

As per Article 10 "Common and Continuous Transactions" of the Capital Markets Board's Communiqué No. II -17.1 on Corporate Governance, published in the Official Gazette dated 3 January 2014 and numbered 28871; within the scope of our Company's financial planning and budget for 2022:

- Common and continuous export sales of Group companies, executed through our affiliate Şişecam Dış Ticaret A.Ş. within the financial year, were expected to exceed 10 % of the cost of goods sold and sales revenue figures stated in the latest publicly disclosed annual financial statements of our company. Therefore, it was decided that the pricing of Group companies' export sales, executed through Şişecam Dış Ticaret A.Ş., would be the same with the price determined for the exports executed through nonrelated third parties, that a reasonable market-rate commissions would be charged for the services rendered, and that all terms of the transactions would be in compliance with the previous years' terms and reasonable compared with the market conditions.

[Legal Reference of the Annual Report](#)

The annual report of the Group for 2021 fiscal year has been prepared in conformity with the provisions of the "Regulation on the Minimum Contents of Annual Reports of Companies" issued by the Ministry of Customs and Trade based on Articles 516 (3) and 518 of the Turkish Commercial Code and of the CMB Communiqué on Principles of Financial Reporting in Capital Markets.

[Preparation Principles of the Annual Report](#)

The annual report presents an accurate, complete, fair and true view of the Company's affairs and transactions in the relevant fiscal year, and its financial status with all aspects, in a manner that also observes the Company's rights and interests. The annual report does not contain any deceitful, exaggerated, false or misleading statements.

The annual report is prepared carefully and in detail to furnish the shareholders with full and accurate information about the Company's all operations and activities.

[Approval of the Annual Report](#)

The Company's annual report for 2021 fiscal year has been signed by the members of the Company's Board of Directors on 4 March 2022 to be submit for approval by General Assembly.

SHAREHOLDER'S ORDINARY GENERAL ASSEMBLY AGENDA

1. Election of the members of the Chairmanship Council and granting the Chairmanship Council the power to sign the minutes of the General Meeting,
2. Reading of the Summary of the Reports prepared by the Board of Directors and the Independent Auditor on the activities that have been performed by our Company in the year 2021,
3. Reviews, Discussions and Approval of the Financial Statements as of 2021,
4. Approval of the Appointment of the Member of the Board of Directors who resigned during the year
5. Acquittals of the Members of the Board of Directors,
6. Election of the Members of the Board of Directors,
7. Determination of the Compensations pertaining to the Members of the Board of Directors,
8. Granting permissions to the Members of the Board of Directors as per the Articles 395 and 396 of the Turkish Commercial Code,
9. Taking a Resolution on the Distribution Type and Date of the 2021 Profit,
10. Authorization of the Board of Directors for Distribution of Dividend Advance in 2022,
11. Giving information to the General Assembly Regarding The Share Buyback Executions Including The Purpose of The Share Buy-Back, Use of Resources and The Summary of Transactions in Accordance with The Decision Taken by The Board of Directors and Approval of share buyback transaction limit for 2022,
12. Taking a resolution on appointment of an independent audit company as per the Turkish Commercial Code and regulations of the Capital Markets Board,
13. Furnishing information to the shareholders in respect of the donations granted within the year and; determination of the limit pertaining to the donations to be granted in 2022,
14. Furnishing information to the shareholders in respect of the collaterals, pledges and mortgages given on behalf of third parties,
15. Wishes and requests.

Date : 28 March 2022 Tuesday Time:10.00 pm.

Place : İçmeler Mahallesi D-100 Karayolu Cad. No:44 A 34947 Tuzla – İstanbul/Türkiye

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY MEETING OF 28 MARCH 2022

As our Company's 2021 Shareholders Ordinary General Assembly Meeting will be held on March 28th, 2022, Monday, at 10.00 at the Company headquarters situated at İçmeler Mahallesi D-100 Karayolu Caddesi No:44/A 34947 Tuzla/Istanbul in order to discuss and take resolutions on the contents of the below-indicated agenda; our Esteemed Shareholders or their representatives are requested to honor the meeting on the mentioned day and at the mentioned hour.

The shareholders are allowed to participate in our Company's Ordinary General Assembly Meeting personally in physical environment or in electronic environment and they are also allowed to participate in the meeting by means of their representatives. It is possible to participate in the General Assembly Meeting in electronic environment by secure electronic signatures of the shareholders or their representatives. Therefore; the shareholders, who will perform transactions through the Electronic General Assembly System (EGKS) are firstly required to be registered with the e-MKK Information Portal of the Central Registry Agency (CRA) and thereby, they are required to ensure that their contact information are recorded into the system and; in addition, they are required to have a secure electronic signature. The shareholders or their representatives, who have not been registered with the e-MKK Information Portal and do not have a secure electronic signature, are not allowed to participate in the General Assembly Meeting in electronic environment.

In addition; the shareholders or their representatives, who wish to participate in the meeting in electronic environment, are required to fulfill their obligations in compliance with the provisions of "the Regulation on the General Assembly Meetings to be held in Electronic Environment in Joint Stock Companies" published in the Official Gazette dated August 28th, 2012 and No 28395 and with the provisions of "the Communiqué on the Electronic General Assembly System to Apply in the General Assemblies of Joint Stock Companies" published in the Official Gazette dated August 29th, 2012 and No 28396.

The shareholders, who will not be able to participate personally in the meeting in physical or electronic environment, are required to prepare their powers of attorney in compliance with the Annex-1 or are required to obtain a copy of the powers of attorney form from our Company Headquarters or from the corporate web site at www.sisecam.com.tr and are also required to fulfill the requirements of the matters stipulated in the Capital Market Board's Communiqué Nr. II-30.1 on "Casting Votes By Proxy and Collection of Proxies By Way of Calls" and thereby, they are required to submit their powers of attorney, the signatures of which shall have been affirmed by a public notary. The shareholders, who wish to participate personally in the General Assembly meeting in physical environment, are, by submitting their identity cards, allowed to exercise their rights concerning their shares registered with "Shareholders List" contained in the system pertaining to the Central Registry Agency (CRA).

Our shareholders, who will participate in the General Assembly Meeting in electronic environment through the Electronic General Assembly System, may obtain information about the principles and procedures regarding participation, appointment of a representative, submission of proposals, declaration of opinions and voting, by using the link, <https://www.mkk.com.tr>, which is the web address belonging to the Central Registry Agency.

Reports of the Board of Directors and the Independent Auditing Firm pertaining to the activity year 2021, the Financial Statements and the Board of Directors' proposal on Distribution of Profit will be made available for reviews of the shareholders at the Company Headquarters situated İçmeler Mahallesi D-100 Karayolu Caddesi No:44/A 34947 Tuzla /Istanbul and, will be accessible through the page "Investor Relations" on the web site of the Company at www.sisecam.com.tr in advance of minimum 3 weeks to the date of the General Assembly Meeting.

For invitation to the General Assembly Meeting, no registered letters will additionally be sent to our shareholders, as per the Article 29 of the Capital Markets Law No 6362.

The above matters are respectfully submitted for information of the Esteemed Shareholders

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

2. ADDITIONAL DISCLOSURES RELEASED WITHIN THE SCOPE OF ARTICLE 1.3.1 OF CMB'S CORPORATE GOVERNANCE PRINCIPLES

Pursuant to CMB's Communiqué No. II-17.1 on Corporate Governance, in addition to the notifications and disclosures to be made by the Company as required by the legislation and in addition to the documents to be made available for reviews by shareholders, together with the General Assembly Meeting announcement, on the Company's corporate web site and on PDP within the framework of Article 437 of the Turkish Commercial Code No. 6102 a minimum of three weeks before the date of the General Assembly Meeting provided that the dates of the announcement and the meeting are excluded; the additional disclosures, which are relevant to the Articles of the Agenda, are provided in the relevant below Article of the Agenda, and the general disclosures are submitted for the information of our shareholders in this chapter.

2.1 Partnership Structure and Voting Rights

In the Company Articles of Association, there is no privilege for the exercise of voting rights. Pursuant to the Company Articles of Association, each share provides one vote.

The Company's shareholder structure is as follows and there is no real person ultimate controlling shareholder among the Company's shareholders.

Shareholders	Share Amount (TRY)	Share Rate (%)
Türkiye İş Bankası A.Ş.	1,563,980,054.48	51.06
Efes Holding A.Ş.	185,093,915.32	6.04
Other	1,314,140,086.37	42.90
Total	3,063,214,056.17	100.00

2.2 The Requests of Shareholders, the Capital Markets Board (CMB) and/or Other Public Institutions or Organizations, with which the Company is concerned, for Inclusion of Articles into the Agenda

No such written demand has been made for the Ordinary General Assembly Meeting to discuss the operations in the year 2021.

2.3 Planned Changes in Management and Operations of the Company and its Affiliates, Subsidiaries in the Previous of Future Accounting Period which Significantly Affect Company Operations

There are no managerial or operational changes that has or that will substantially affect the Company's activities. If it comes into question, the relevant disclosure is released to the public within the framework of the legislation.

The transactions realized during the period within the scope of the restructuring of our group companies are as follows:

On December 21, 2021, Ciner Resources Corporation, Ciner Wyoming Holding Co., Ciner Wyoming LLC and Atlantic Soda LLC were acquired.

Pacific Soda LLC, which was a joint venture until December 21, 2021, became a joint operation by purchasing another 10% of its shares.

Upon the resolution taken at the Board of Directors meeting dated 03.02.2022, it has been decided to acquire the Italian company Refel S.p.A., one of the world's leading refractory materials manufacturers with an annual production capacity of 6K tons, in exchange for a cash payment of EUR 22 Million. With this strategic acquisition, Şişecam aims to secure its AZS refractory needs and manage supply chain-based risk for its new furnace investments and scheduled furnace maintenance processes while deeply caring about Refel's existing and potential clients' refractory material requirements. The public was informed with the PDP announcement on February 3, 2022.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

3. OUR EXPLANATIONS REGARDING THE ARTICLES ON THE AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED ON 28 MARCH 2022

1. Election of the members of the Chairmanship Council and granting the Chairmanship Council the power to sign the minutes of the General Meeting,

Elections of the members of the Chairmanship Council and the Chairman, who will manage the General Assembly meeting, shall be accomplished within the framework of the provisions contained in "the Turkish Commercial Code" (TCC) and in "the Regulation on the General Assembly Meetings of Trading Companies" (the Regulation) prepared by the Ministry of Customs and Trade.

2. Presentation of Annual Report of the Company for the fiscal year 2021 prepared by the Board of Directors and presentation of the summary of the Independent Audit Report for the year 2021,

Within the framework of TCC, the Regulation and the Capital Markets Law and related regulations, Annual Report of the Board of Directors and summary of the Independent Auditor's Report prepared and signed Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi A member firm of Ernst & Young Global Limited, which has been submitted at the Headquarters of our Company and on the website of the Company at www.sisecam.com.tr for examination of our shareholders for a period of three weeks before the General Assembly meeting and they shall be presented for evaluation and approval of our shareholders.

3. Review, discussion and approval of the Balance Sheet and Income Statement as of and for the year ended 2021,

Within the framework of the TCC and the Regulation, following the reviews and discussions on the Balance Sheet as of the year 2021 and Income Statement for the year ended 2021, they shall be presented for evaluation and approval of our shareholders.

4. Approval of the Appointment of the Member of the Board of Directors who resigned during the year,

Mr. Hasan Cahit Çınar, on 27 September 2021, to be submitted to the approval of the first General Assembly to be held in accordance with the article 363 of the Turkish Commercial Code, to serve as a member of the Board of Directors vacant due to the resignation of Mrs. Senar Akkuş on September 23, 2021. He was elected as the Vice President.

Mr. Can Yücel was appointed on January 3, 2022, to be submitted to the approval of the first General Assembly to be held pursuant to Article 363 of the Turkish Commercial Code, to serve within the remaining term for the vacant Board of Directors membership due to the resignation of Mrs. Zeynep Hansu Uçar on 31 December 2021.

5. Release of the Members of the Board of Directors from liability for the affairs,

Within the framework of provisions of TCC and the Regulation, release of the members of Board of Directors one by one due to activities, transactions and accounts of the year 2021 shall be presented for approval of the General Assembly pursuant to Article 408 of the TCC.

6. Election of the Members of the Board of Directors,

As is known, our Company's Board Members were elected to serve for one year at the Ordinary General Assembly of Shareholders held on March 30, 2021. Our Board Members' legal term of office shall end on the date of the Ordinary General Assembly of Shareholders to be held on March 28, 2022. For this reason, it is a legal obligation to renew the election.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

In addition, the one-year legal term of office of our Board Members acting as independent members shall end on the same date. It is therefore obligatory to make the independent member election in accordance with Article 4.3.7 of the Capital Markets Board (CMB) Corporate Governance Principles.

In this scope;

The term of office of Dinç Kızıldemir, Aysun Mercan and Dr. Mehmet Cem Kozlu who have been acting as independent members in our Company's Board of Directors, shall end on the date of the Ordinary General Assembly of Shareholders to be held in relation to the year 2021. In order to reach the minimum number of Independent Members of the Board of Directors as laid down in the Corporate Governance Principles and to ensure the assignment of Independent Members of the Board of Directors, as a result of the evaluation made by our Corporate Governance Committee within the scope of the provisions of the Communiqué on Corporate Governance, it has been found that the following persons meet the criteria of independence specified in Article 4.3.6 of the Corporate Governance Principles, have already been acting as independent members in our Company's Board of Directors, have made positive contributions to Company's activities and remained impartial in case of conflict of interests between shareholders, have strong ethical standards to decide independently taking stakeholders' rights as well as professional reputation and experience, have duly fulfilled their duties as Independent Members of the Board and opportunity to spare their time to the Company to the extent required for following up Company's activities and fulfilling the requirements of the duties they have undertaken. Thus,

- Dinç Kızıldemir
Gül Ayşem Sargın and
Dr. Mehmet Cem Kozlu,

shall be elected as "independent members" of the Company Board of Directors, within the framework of the criteria of independence stipulated in Article 4.3.6 of the Capital Markets Board (CMB) Corporate Governance Principles, "Corporate Governance Committee" report with Board of Directors decision dated January 17, 2022, resumes and declarations of independence included in Annex-2 have been submitted for the evaluation of the Capital Markets Boards at the dated January 24, 2022 and have been approved by CMB's Letter No. E-29833736-110.07.07-16800 dated February 4, 2022.

7. Resolution of gross salaries of the Members of the Board of Directors,

Monthly gross salaries of the members of the Board of Directors shall be determined by the General Assembly within the framework of the provisions contained in the TCC and in the Regulation and within the framework of the principles contained in the Articles of Association.

8. Authorization of the Members of the Board of Directors as per Articles 395 and 396 of the Turkish Commercial Code,

It is, only with the approval by the General Assembly, possible for the members of our Board of Directors to perform transactions within the framework of the Article 395, entitled "the Prohibition to Transacting with and Becoming Indebted to the Company" and of the Article 396, entitled "Noncompetition", contained in the TCC. As per the CMB's mandatory Corporate Governance Principle No. 1.3.6, prior approval should be granted by the General Assembly so that the majority shareholders, the members of the Board of Directors, top executives and their spouses and their relatives by blood and by marriage (up to the second degree) are able to perform any significant transactions in such a nature that may cause a conflict of interest with the Company or with any subsidiaries thereof and so that these persons are able to compete with them. In addition, information about the mentioned transactions should be provided at the General Assembly. In order that the requirements of these arrangements can be fulfilled, the request to grant the mentioned permission shall be submitted to our shareholders for approval at the General Assembly and, in addition, our shareholders shall be informed about the transactions that have been performed in such a nature within the year.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

9. Taking a Resolution on the Profit Distribution of the year 2021 and the date of the dividend distribution,

According to our financial statements for the period January 1, 2021, and December 31, 2021 audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi A member firm of Ernst & Young Global Limited, in accordance with the International Financial Reporting Standards and within the framework of the provisions contained in the Capital Markets Board's Communiqué Nr. II.14.1 "on the Principles Concerning Financial Reporting in Capital Markets", the "Consolidated Net Profit for the Period" belonging to equity holders of the Parent is amounting to 9,133,285 thousand Turkish Lira. The proposal for the distribution of profit, which has been submitted by our Board of Directors to the General Assembly for approval, has been prepared as Annex 3 in accordance with the principles mentioned in the "Profit Distribution Policy" which has been revised at our Board of Directors' meeting dated February 27th, 2013 and has been disclosed to the public on the same date, as well as the arrangements issued by CMB in relation to distribution of profit and Article 25 of our Articles of Association.

10. Authorization of the Board of Directors for Distribution of Dividend Advance in 2022,

Pursuant to the provisions of the Capital Markets Board (CMB) Communiqué numbered II-19.1, authorization for the distribution of dividend advances will be submitted to the approval of the General Assembly in 2022 with the decision of the Board of Directors.

11. Giving information to the General Assembly Regarding The Share Buyback Executions Including The Purpose of The Share Buy-Back, Use of Resources and The Summary of Transactions in Accordance with The Decision Taken by The Board of Directors,

At the meeting of the Board of Directors of the Company on February 26, 2021; Pursuant to the announcements of the Capital Markets Board dated 21 July 2016 and 25 July 2016, the maximum number of shares that can be subject to Buy-Back is determined as 15,000,000,000 (150,000,000 Turkish Liras in nominal), and it has been decided to determine the fund to be allocated as 1,200,000,000 Turkish Liras at most, to be covered by the Company's internal resources. Necessary information regarding the transaction that can be made between the date of this announcement and the date of the general assembly will be submitted to the General Assembly and the share buyback transaction limit for 2022 will be submitted to the approval of the General Assembly.

12. Taking a resolution on the appointment of an independent auditing firm as per the Turkish Commercial Code and the regulations issued by the Capital Markets Board,

Independent Audit Company to make independent audits of the financial statements for 2022 to be prepared in accordance with the provisions of the Articles 397 to 406 of the TCC and the provisions of the CMB's "Communiqué on Principles of Financial Reporting in Capital Markets" by the Board of Directors will be presented to the General Assembly for approval.

13. Providing information to shareholders with respect to the donations granted within the year and determination of the limit pertaining to the donations to be granted in 2021,

In accordance with the principles of "the Donation Policy" which has been established in line with the provisions contained in the Turkish Commercial Code, the Capital Markets Law, the Communiqués, Principle Resolutions and other arrangements issued by the Capital Markets Board as well as the provisions contained in the Company's Articles of Association; any donations and aids, which have, for social aid purposes, been granted to the foundations and associations (societies) by the Company in the year 2021, shall be submitted to the General Assembly for information. In addition, the limit of the donations to be granted by publicly-held corporations shall be determined by the General Assembly of Shareholders in accordance with the provisions of the Capital Markets Law No. 6362, Article 19 paragraph 5. In this context, the sum of the donations which shall be granted in the activity year of 2022 has been determined by our Board as 20,000,000 Turkish lira and shall be submitted to the General Assembly for approval, and the sum of the donations which have been granted to the educational institutions and various foundations and associations (societies) in the year 2021 by the Company and its companies included in the scope of consolidation amounts 8,912,707 Turkish liras.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

14. Providing information to shareholders with respect to the collateral, pledges, mortgages provided in favor of third parties.

As per Capital Markets Board's Corporate Governance Communiqué No. II-17.1 Article 12 entitled "Collaterals, pledges, mortgages and sureties", information has been provided under footnote no. 23 pertaining to the financial statements for the year 2021 issued in line with the provisions of the Capital Markets Board's Communiqué No. II.14.1 "on the Principles Concerning Financial Reporting in Capital Markets" and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi A member firm of Ernst & Young Global Limited.

15. Wishes and Requests

ANNEX

- ANNEX -1 : Power of Attorney
ANNEX -2 : Resumes Of Members Of The Board Of Directors
(For Resumes, please see the Board of Directors section of the Annual Report.)
ANNEX -3 : Board of Directors Decision regarding 2021 Dividend Distribution Schedule
(For the Profit Distribution Schedule, please see the Profit Distribution section of the Annual Report.)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

ANNEX-1

POWER of ATTORNEY

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

I hereby appointas my agent who is introduced in details below; so that he/she is authorized to represent me, vote, submit proposals and sign the required documents, accordingly with the considerations that I indicate below, at Türkiye Şişe ve Cam Fabrikaları A.S.'s 2020 Ordinary General Assembly Meeting to be held at İçmeler Mahallesi D-100 Karayolu Caddesi No:44/A 34947 Tuzla /İstanbul on March 28, 2022, Tuesday, at 10.00.

The Agent's (*);

Name and Surname/Trade Name:

T.R. Identity No/Tax ID No, Trade Registry and Trade Registration Number and Central Registration System (MERSIS) No:

(*):For the foreign agents, it is mandatory to submit the equivalentents (if any) of the above information..

A) Scope of Representative Authority

For the Sections No 1 and 2 provided below, one of the alternatives indicated as (a), (b) and (c) should be checked and thereby; the scope of the representative authority should be determined..

1. In respect of the matters contained in the agenda of the General Assembly Meeting;

- The Agent is authorized to vote accordingly with his/her own opinion.
- The Agent is authorized to vote accordingly with the recommendations of the Company's management.
- The Agent is authorized to vote accordingly with the instructions declared in the table below.

Instructions:

In case the alternative (c) is checked by the shareholder; the instructions specific to the article of the agenda shall be given by checking one of the alternatives provided next to the relevant agenda article of the general assembly meeting (affirmative or dissentient) and, in case the alternative "dissentient" is checked, by indicating the dissenting opinion (if any) requested to be written on the minutes of the General Assembly Meeting.

Articles of the Agenda (*)	Affirmative	Dissentient	Dissenting Opinion
1.			
2.			
3.			

- (*) The matters contained in the agenda of the General Assembly Meeting shall be listed one by one. If the minority has a separate resolution draft, this draft shall additionally be specified in order for casting vote by proxy.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

2. Special instructions for any other matters that may emerge at the General Assembly Meeting and particularly for exercising minority rights:

- The Agent is authorized to vote accordingly with his/her own opinion.
- The Agent is not authorized to represent with respect to these matters.
- The Agent is authorized to vote accordingly with the special instructions below.

Special Instructions; any special instructions (if any), which will be given to the agent by the shareholder, shall be specified here.

B) The shareholder shall check one of the alternatives below and thereby, shall indicate the shares, which the shareholder requests the agent to represent.

1. I grant approval for representation of my shares by the agent, the details of which are provided below.

- Quantity-Nominal value:
- Whether or not there is a privilege in voting:
- Its rate to the voting rights/total shares held by the shareholder:

2. I grant approval for the agent's representation of all of my shares contained in the list which is relevant to the shareholders that are allowed to participate in the General Assembly Meeting and has been prepared by the Central Registry Agency on the day before the day of the General Assembly Meeting.

THE SHAREHOLDER'S:

Name and Surname/Trade Name (*):

T.R. Identity No/Tax ID No, Trade Registry and Trade Registration Number and Central Registration System (MERSIS) No:

Address:

(*):For the foreign shareholders, it is mandatory to submit the equivalents (if any) of the above information.

Signature:

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

RESUMES OF THE BOARD OF DIRECTORS MEMBERS ANNEX-2

Dinç Kızıldemir

(69) Having graduated from the Department of Administrative Sciences at Boğaziçi University in 1975, Dinç Kızıldemir started his career as the Sales and Marketing Manager at Elka Elyafı Plaka Sanayii A.Ş., which was previously an affiliate of Garanti Bank and then joined Koç Group. Kızıldemir acted as the Sales and Marketing Manager and Vice Managing Director at Kelebek Kontrplak ve Mobilya A.Ş., an affiliate of Enka Group, and assumed the responsibility for establishing and managing McDonalds Corporation Turkey company in 1991. He acted as the Managing Director and the Vice Chairman of the Board of Directors at this company and supervised the establishment of retail, logistics and supply infrastructure for the company. Joining OYAK Group in 2001, he acted as the Managing Director for the Retail Group and became a Board Member for AXA-OYAK Holding and its insurance companies and at companies such as Good Year and Eti Marketing by representing minority shares. Since 2006, he has worked at Erdemir Group of Companies for 10 years as the Chairman of the Board of Directors and Executive Director. Between 2009 and 2016, he worked as the Head of Business Development (new company acquisitions) Group, Energy Group, International Chemistry Group and the Department of Legislation Compliance and the Department of Sustainability within OYAK Group. He acted as the Chairman of the Board of Directors, Executive Director and Board Member at more than 40 national and international companies within OYAK Group. He assumed responsibility for the acquisition and, subsequently, management of more than 20 companies, factories and refineries in the USA, Germany, the Netherlands, Austria, Australia, the United Kingdom, China, Japan, Brazil, India and other countries. As a part of these assignments, he was involved in the establishment of a joint medical start-up company with Massachusetts General Hospital of Harvard Medical School. Dinç Kızıldemir was appointed again as an Independent Member in line with the Corporate Governance Principles of the Capital Markets Board of Turkey at the Ordinary General Meeting of Shareholders on March 27, 2020 and he has been an independent member since 21 March 2018.

Gül Ayşem Sargin

(51) She graduated from the Department of Economics of the Middle East Technical University in 1992. She has served on the currency markets division in Türk Eximbank (Türkiye İhracat Kredi Bankası A.Ş.) between 1992 and 1994 and worked in Omni Ltd. between 1995 and 1997. She worked as a Senior Economic Advisor at the Embassy of the United States of America between 1997 and 2010, and in this role, she worked on strengthening Turkish-American investment and trade relations, especially in the energy, aviation, health and telecommunications sectors. Between 2010 and 2012, she served as Director of External Relations and worked on the negotiation of an international gas pipeline in British Petroleum ("BP") in Turkey. In the years between 2012-2015 has served as Director of Public Affairs and Policy in General Electric ("GE") Turkey. She has been serving as Managing Director and Country Representative in Boeing Turkey since 2015, September and also served as the President of the International Investors Association ("YASED") in February 2019. She is currently a Board Member of AmCham (American Group of Companies) and Foreign Economic Relations Board ("DEIK") and a member of the Board of Trustees of TED Istanbul College.

Dr. Mehmet Cem Kozlu

(75) A graduate of Denison University, Cem M. Kozlu has an MBA degree from Stanford University and a PhD from Boğaziçi University. He worked as a manager at NCR in the USA and Procter & Gamble in Switzerland, and acted as the Managing Director of Komili for 12 years. Serving as the Managing Director and the Chairman of the Board of Directors at Turkish Airlines between 1988 and 1991, he was elected as the Chairman of the Association of European Airlines (AEA) in 1990. Then, he remained in public positions as a Member of the Parliament between 1991 and 1995 and as the Chairman of the Board of Directors at Turkish Airlines between 1997 and 2003. Kozlu has worked at the Coca-Cola Company at different positions since 1996. Assuming responsibility for 51 countries as the President of Central Europe, Eurasia and the Middle East Group headquartered in Vienna prior to his retirement in 2006, Kozlu acted as Adviser for Eurasia and Africa Group at the Coca-Cola Company between 2007 and 2015. Kozlu served as a Board Member at Hürriyet, TAV and The Marmara Hotels & Residences and as the Chairman of the Board of Directors at Evyap Asia headquartered in Singapore. Kozlu currently serves on the boards of Coca-Cola Beverages, Anadolu Efes Biracılık ve Malt Sanayii, Koç Holding, Kamil Yazıcı Yönetim ve Danışmanlık A.Ş., Pegasus Airlines, and DO&CO (Vienna) and acts as a Board of Trustees member at Muhtar- Defne Kent and Boğaziçi University Foundation and Istanbul Modern Arts Foundation. He is the Chairman of the Board of Directors of the Global Relations Forum. Dr. Cem Kozlu worked as a lecturer at Boğaziçi and Denison Universities and authored 10 books and many articles as well producing TV series on management. Dr. Cem Kozlu was appointed again as an Independent Member in line with the Corporate Governance Principles of the Capital Markets Board of Turkey at the Ordinary General Meeting of Shareholders on March 27, 2020 and he has been an independent member since 21 March 2018.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

ANNEX-2

DECLARATION OF INDEPENDENCE

Türkiye Şişe ve Cam Fabrikaları A.Ş. Presidency of Corporate Governance Committee

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's ("CMB") Communiqué on Corporate Governance. In that regard I also confirm that;

- a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders,
- b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,
- c) My resume indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,
- ç) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,
- d) I am deemed to be resident in Turkey according to Revenue Tax Law No.193 dated 31.12.1960,
- e) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- f) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,
- g) I have not been on the board of the Company for more than six years within last ten years,
- ğ) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul,
- h) I am not registered in the name of any legal entity elected as a board member,

Yours respectfully

Dinç KIZILDEMİR

17.01.2022



TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

ANNEX-2

DECLARATION OF INDEPENDENCE

Türkiye Şişe ve Cam Fabrikaları A.Ş. Presidency of Corporate Governance Committee

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's ("CMB") Communiqué on Corporate Governance. In that regard I also confirm that;

- a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders,
- b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,
- c) My resume indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,
- ç) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,
- d) I am deemed to be resident in Turkey according to Revenue Tax Law No.193 dated 31.12.1960,
- e) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- f) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,
- g) I have not been on the board of the Company for more than six years within last ten years,
- ğ) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul,
- h) I am not registered in the name of any legal entity elected as a board member,

Yours respectfully

Gül Ayşem Sargın

17.01.2022



TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

ANNEX-2

DECLARATION OF INDEPENDENCE

Türkiye Şişe ve Cam Fabrikaları A.Ş. Presidency of Corporate Governance Committee

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's ("CMB") Communiqué on Corporate Governance. In that regard I also confirm that;

- a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders,
- b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,
- c) My resume indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,
- ç) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,
- d) I am deemed to be resident in Turkey according to Revenue Tax Law No.193 dated 31.12.1960,
- e) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- f) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,
- g) I have not been on the board of the Company for more than six years within last ten years,
- ğ) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul,
- h) I am not registered in the name of any legal entity elected as a board member,

Yours respectfully

Dr. Mehmet Cem KOZLU

17.01.2022



INDEPENDENT AUDITOR'S REPORT ON THE EARLY IDENTIFICATION OF THE RISK COMMITTEE AND SYSTEM



**Building a better
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Güney Bağımsız Denetim ve SMMM A.Ş.
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Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE EARLY IDENTIFICATION OF THE RISK COMMITTEE AND SYSTEM

To the Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş.

We have audited the Early Identification of the Risk System and Committee established by Türkiye Şişe ve Cam Fabrikaları A.Ş..

Responsibility of the Board of Directors

Pursuant to paragraph 1 of Article 378 of the Turkish Commercial Code 6102 ("TCC"), the board of directors is obliged to establish a committee of experts and operate and improve the system for the purposes of: early identification of factors posing a threat on the company's existence, development and continuation; implementation of necessary measures and solutions in this regard; and management of the risk.

Responsibility of the independent auditor

Our responsibility is to express a conclusion on the Early Identification of the Risk System and Committee based on our audit. Our audit was conducted in accordance with TCC and the "Principles on the Independent Auditor's Report on Early Identification of the Risk System and Committee" and ethical requirements as announced by Public Oversight Accounting and Auditing Standards Authority ("POA") of Turkey. These Principles require us to determine whether the early identification of the risk system and committee has been established, and if established, to evaluate whether the system and committee operate in accordance with Article 378 of TCC. Our audit does not involve auditing the appropriateness of the solutions on the risks identified by the Early Identification of the Risk System and Committee and the practices performed by the management against the risks.

Information Regarding the Early Identification of the Risk System and Committee

The Company established the Early Identification of the Risk System and Committee on 25 May 2012. Committee consists of five members, two of which are independent members of the board of directors. For the period between January 1 – December 31, 2021, the committee has met for the purposes of early identification of factors posing a threat on the Company's existence and development, implementation of necessary measures and solutions in this regard and the management of the risk; and has submitted the reports eight times during the year, it has prepared to the Board of Directors.



Conclusion

Based on our audit, we have reached the conclusion the early identification of the risk system and control of Türkiye Şişe ve Cam Fabrikaları A.Ş. is, in all material respects, in compliance with article 378 of the

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

A handwritten signature in blue ink, reading 'Zeynep Okuyan Özdemir', is written over a circular blue stamp. The stamp contains the text 'GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ' and the number '194841237A'.

Zeynep Okuyan Özdemir, SMMM
Partner

Istanbul, February 8, 2022

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS



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Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
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Mersis No: 0-4350-3032-6000017

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of Türkiye Şişe ve Cam Fabrikaları A.Ş.

1) Opinion

We have audited the annual report of Türkiye Şişe ve Cam Fabrikaları A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2021-31/12/2021.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 8, 2022 on the full set consolidated financial statements of the Group for the period of 1/1/2021-31/12/2021.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.



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5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Zeynep Okuyan Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

4 March 2022
İstanbul, Türkiye

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.**ŞİŞECAM HEADQUARTERS**

İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44/A 34947 Tuzla/Istanbul/Turkey
Tel: +90 850 206 50 50 Fax: +90 850 206 40 40
www.sisecam.com.tr

ŞİŞECAM FLAT GLASS**Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Management and Sales Centre**

Şişecam Headquarters
İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla/Istanbul/Turkey
Tel: +90 850 206 50 50
Fax: +90 850 208 40 40

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Kırklareli Plant Branch

Büyükkarıştıran Mevkii, P.K. 98 39780 Lüleburgaz/Kırklareli/Turkey
Tel: +90 288 400 80 00
Fax: +90 288 400 77 99

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Mersin Plant Branch

Mersin Tarsus Organize Sanayi Bölgesi, Atatürk Caddesi No: 1 33100 Akdeniz/Mersin/Turkey
Tel: +90 324 676 40 70
Fax: +90 324 400 77 99

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Bursa Plant Branch

Organize Sanayii Bölgesi 16900 Yenişehir/Bursa/Turkey
Tel: +90 224 280 12 05
Fax: +90 224 773 27 55

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Ankara Plant Branch

Polatlı Organize Sanayi Bölgesi 212. Cad. No: 1 06900 Polatlı/Ankara/Turkey
Tel: +90 850 206 26 46
Fax: +90 850 206 23 02

Trakya Glass Bulgaria EAD

District "Vabel" Industrial Area 7700 Targovishte/Bulgaria
Tel: +359 601 4 78 01
Fax: +359 601 4 77 97

Trakya Glass Rus AO

Sh-2 Street, Building 12/7 Alabuga Special Economic Zone (SEZ), Russian Federation-Tatarstan-423600
Tel: +7 85557 5 33 01

Sisecam Flat Glass Italy S.R.L

Via Jacopo Linussio, 2 S. Giorgio Di Nogaro (UD) 33058/Italy
Tel: +39 0431 1983812
Fax: +39 0431 622781

Sisecam Flat Glass South Italy S.R.L

Strada Statale 89 KM 162.250 SNC 71037, Monte Sant'Angelo FG/Italy
Tel: +39 0431 628111

Sisecam Flat Glass India Pvt. Limited

Registered Office: 2, Red Cross Place, Kolkata-700001/India
Tel: +91 (033) 22543100
Fax: +91 (033) 22543130

Saint Gobain Glass Egypt S.A.E.

66 Cornish El Nile, Elzahraa Building, Floor No. 38 Maadi Cairo/Egypt
Tel: +202 25288070/75
Fax: +202 25285535

Trakya Glass Rus Trading OOO

Sh-2 Street, Building 12/7 Alabuga Special Economic Zone (SEZ), Russian Federation-Tatarstan-423600
Tel: +7 85557 5 33 01

Sisecam Flat Glass Holding B.V.

Strawinskylaan 523 1077XX Amsterdam/Netherlands
Tel: 0031 621 44 11 91

TRSG Glass Holding B.V.

Strawinskylaan 523 1077XX Amsterdam/Netherlands
Tel: 0031 621 44 11 91

ŞİŞECAM GLASSWARE**Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware**

Şişecam Headquarters
İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla/Istanbul/Turkey
Tel: +90 850 206 50 50

Kırklareli Plant Branch

Büyükkarıştıran Mevkii, Muratlı Yolu 39750 Lüleburgaz/Kırklareli/Turkey
Tel: +90 288 400 88 00

Eskişehir Plant Branch

Organize Sanayi Bölgesi 15. Cadde 26110 Eskişehir/Turkey
Tel: +90 850 206 45 45

Denizli Plant Branch

Bahçelievler Mah. 4013 Sok. No: 10 20040 Denizli/Turkey
Tel: +90 258 295 40 00
Fax: +90 258 377 24 79

Ankara Regional Directorate Branch

Ankara Ticaret Merkezi B-Blok, Kızılırmak Mah. 1450. Sokak 13. Kat No. 1/64 Çukurambar Çankaya/Ankara/Turkey
Tel: +90 850 206 49 42

İzmir Regional Directorate Branch

Adalet Mah. Manas Blv. Folkart Kuleleri No: 47 A-Blok K: 23 No: 2301 Bayraklı/İzmir/Turkey
Tel: +90 850 206 57 71

Adana Regional Directorate Branch

Mersin Yolu 10. km Küçükdikili Mevkii 01210 Adana/Turkey
Tel: +90 850 206 49 09

Antalya Branch

Meydankavağı Mah. Perge Blv. B-Blok No: 52/1-2 Antalya/Turkey
Tel: +90 242 311 78 08

Trabzon Branch

Cumhuriyet Mah. Devlet Karayolu Cad. No: 53 Büro 201, 203, 205 Köleoğlu İş Merkezi Kaşüstü Yomra Trabzon
Tel: +90 535 737 88 71

Camış Ambalaj Sanayi A.Ş. Tuzla Plant

İstasyon Mahallesi, Şehitler Caddesi, No: 139 34940 Tuzla/Istanbul/Turkey
Tel: +90 216 581 27 27
Fax: +90 216 395 27 94

Paşabahçe Mağazaları A.Ş.

İçmeler Mahallesi, D-100 Karayolu Caddesi No:44/A Tuzla/Istanbul/Turkey
Tel: +90 850 222 19 35

Russia Sales Office

Business Center Dezhnev Plaza Proezd Dezhneva d. 1, 4th Floor Office 421, 127642 Moscow/Russian Federation
Tel: +7 495 937 36 35

Paşabahçe Bulgaria EAD

Vabel District Industrial Area, 7700 Targovishte, Bulgaria
Tel: +359 601 4 7761
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Paşabahçe Egypt Glass Manufacturing S.A.E

Extension of the 6th Industrial Zone, Plot from 233 to 241, 6th of October City, Cairo/Egypt
Tel: +20 238 287 600

OOO Posuda Limited

N. Novogorod Region Bor Steklozavodskoe Shosse 16 a 606443 Russian Federation
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Fax: +7 831 597 65 81

Paşabahçe Glass GMBH

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Fax: +49 261 303 74 74

Pasabahce USA INC.
41 Madison Avenue, 7th
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Fax: +1 212 725 13 00

Pasabahce Spain SL
Torpedero Tucuman, 27 Bis
Madrid 28016 Madrid/Spain

Pasabahce Investment B.V.
Strawinskylaan 1265, World
Trade Center Amsterdam,
D Tower Level 12, 1077XX,
Amsterdam/Netherlands
Tel: +31 20 820 11 20
Fax: +31 20 890 86 45

Pasabahce SRL
Viale Beatrice D'Este, 45
20122 Milan/Italy
Tel: +39 02 58 316 019

**Pasabahce (Shanghai)
Trading Co Ltd.**
Room 328B, 1B Level 2,
Building 1, 84 San Lin Road,
Pudong New Area Shanghai

ŞİŞECAM GLASS PACKAGING

**Türkiye Şişe ve Cam
Fabrikaları A.Ş. Şişecam
Glass Packaging**
Şişecam Headquarters
İçmeler Mahallesi D-100
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Turkey
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Mersin Plant Branch
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Mersin/Turkey
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Fax: +90 (0324) 206 00
28-29

Yenişehir Plant Branch
Tabakhane Mah. Şişecam
Cad. No: 116900
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Fax: +90 (0850) 206 10 22

Eskişehir Plant Branch
EOSB Şehitler Bulvarı No: 6
26110 Odunpazarı/
Eskişehir/Turkey
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Fax: +90 (0850) 206 52
02-03

**OOO Ruscam Management
Company**
Ulitsa Iskry Str., 17A 129344
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**OOO Ruscam Glass
Packaging Holding**

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84, Gagarina Str.
Gorokhovets
601481 Vladimir Region
Russian Federation
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52/53

Ufa Plant
450028, Bashkortostan
Ufa Proizvodstvennaya
10/1 Ufa Bashkortostan
Republic/Russian
Federation
Tel: (007 347) 292 40 53

Kirishi Plant
Volkhov Highway 11,
Kirishi
Leningradskaya Region
187110 Russian Federation
Tel: (007 81368) 9 69 03

Pokrovsky Plant
Sovetskaya Street, 96,
Saznov town 162430
Vologda Oblast
Chagodshensky Region/
Russian Federation
Tel: (007 81741) 3 11 46

Kuban Plant
Krasnodar Kurgannaya
Str. 1A Krymsk City
Krasnodar Region/
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JSC Mina
Ksani Village Mtskheta
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Merefa Glass Company Ltd.
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OOO Energosystems
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Leningradskaya Region
187110 Russian Federation
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Ovidiopol Dist. Tairove, 5
Pyvovarnaya Str./Ukraine
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Fax: (0080 48) 716 79 79

**Sisecam Glass Packaging
B.V.**
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1077XX Amsterdam/
Netherlands
Tel: +31 621 44 11 91

ŞİŞECAM CHEMICALS

**Türkiye Şişe ve Cam
Fabrikaları A.Ş. Şişecam
Chemicals**
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İçmeler Mah. D-100
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Fax: (0850) 206 40 40

Mersin Soda Plant Branch
Kazanlı Bucağı Yanı P.K. 654
33004 Mersin/Turkey
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**Mersin Kromsan Plant
Branch**
Kazanlı Bucağı Yanı P.K. 421
33003 Mersin/Turkey
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Fax: (0324) 451 36 52

**Sisecam Soda Lukavac
d.o.o.**
Prva Ulica br.1 75300
Lukavac/Bosnia and
Herzegovina
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Fax: (00387) 35 552 696

Sisecam Bulgaria EOOD
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Fax: (00359) 52 608 964

**Solvay Sisecam Holding
A.G.**
Bahnhofstrasse 22, 4802
Ebensee/Austria
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Fax: (0043) 6133 80680-20

**Sisecam Chemicals USA
Inc.**
5 Concourse Parkway 2500
Atlanta GA 30328

Pacific Soda LLC.
254 County Road 4-6 Green
River WY 82938

Atlantic Soda LLC.
254 County Road 4-6 Green
River WY 82938

Sisecam Chemicals Resources LLC.

5 Concourse Parkway, Suit
2500. Atlanta GA 30328
Tel: (00770) 375 2300

Ciner Wyoming LLC

254 County Road, 4-6,
Green River, WY, 82935
Tel: (00307) 875 2600

Cromital S.p.A. Administrative Office

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Cromital S.p.A Plant

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Giovanni Ostellato (FE) Italy
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Sisecam Trading Co.

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Fax: (0086) 216 391 03 54

Oxyvit Kimya Sanayii ve Ticaret A.Ş.

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Mersin/Turkey
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Fax: (0324) 676 43 34
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Şişecam Elyaf Sanayii A.Ş. Balıkesir Plant

Gaziosmanpaşa OSB
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10100 Altıeylül/Balıkesir/
Turkey
Tel: (0850) 206 14 14

Şişecam Elyaf Sanayii A.Ş. Çayırova Warehouse Branch

Cumhuriyet Mah. Şişecam
Yolu Sokak No:7
Gebze/Kocaeli/Turkey
Tel: (0850) 206 14 18

Camış Madencilik A.Ş.

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Turkey
Tel: +90 850 206 50 50
Fax: +90 850 206 40 40

Camis Egypt Mining Ltd. Co.

Corner Road 254-206,
Digla-Maadi Cairo/Egypt
Tel: (00202) 25 198 236
Fax: (00202) 25 198 237

Rudnik Krečnjaka Vijenac D.O.O.

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Lukavac/Bosnia-
Herzegovina
Tel: +387 35 550 380
Fax: +387 35 550 381

ŞİŞECAM AUTO GLASS**Şişecam Otomotiv A.Ş.**

E-5 Karayolu Üzeri
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P.K. 28 39780
Lüleburgaz/Kırklareli/
Turkey
Tel: 0090 288 400 85 31
Fax: 0090 288 400 83 58

Şişecam Automotive Germany GmbH

Fritz-Lieken-Str. 2 74321
Bietigheim-Bissingen
Germany
Tel: 0049 7143 379-0

Şişecam Automotive Germany GmbH Aurach Plant

Auf der Frankenhöhe 191589
Aurach / Germany
Tel: 0049 9804 91520

Sisecam Automotive Romania SA

Aleea Industriilor, No: 1BIS,
120068 Buzau/Romania
Tel: (0040) 238 710 552

Şişecam Automotive Slovakia S.R.O.

Tovarenska 15 Malacky 901
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The Auditor's Report, the Consolidated Financial Statements and the Independent Audit Report included in this Annual Report ("Report"), regarding the activities and accounts for the year 2021, were prepared in conformity with the legal legislation to be submitted to the Ordinary General Assembly of Shareholders to be held on the 28th of March, Monday at the address; İcmeler Mahallesi, D-100 Karayolu Caddesi, No: 44/A 34937 Tuzla/Istanbul.

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