



ŞİŞECAM

# The Future Is Here



Türkiye Şişe ve Cam Fabrikaları A.Ş.  
**Annual Report 2020**

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## **THE FUTURE OF GLASS MERGED UNDER ONE ENTITY!**

Şişecam – a global player operating in all key areas of the glass industry, including flat glass, glassware, glass packaging and glass fiber, as well as the chemicals business lines of soda and chromium compounds – has taken a major step forward to shape its future.

Achieving a formidable organizational structure with 43 plants across 14 countries and boasting a global workforce of nearly 22 thousand employees, 45% of whom are located outside Turkey, Şişecam has consolidated all of its operations into one entity.

Thanks to the agile, responsive and lean global re-organization made possible with this merger, Şişecam has entered a new area of progress and advancement. Şişecam is positioned to achieve higher levels of operational excellence with a more integrated, digitalized and optimized structure.

Getting smarter and stronger, glass will stretch and change...

Glass is one of the most significant inventions of civilization.


This remarkable material stands ready to become an even more indispensable part of human life in the future, albeit in different forms.

As a global player, Şişecam of the future will play a leading role by re-defining and shaping this change.









MORE

# INTEGRATED

**A multi-dimensional transformation** is taking place at Şişecam with the global integration of its organizational structure. Centralization of main functions – supply chain, sales, marketing, production and planning – enables **cost optimization**. The new and more synergistic organizational structure under one entity **enhances the agility, efficiency and global competitiveness** of this entire multinational enterprise.







A person in a dark suit and white shirt is seen from the side, looking at a laptop screen. The screen displays various digital data visualizations, including a bar chart with blue bars, a line graph with a white line, and several tables of numbers. The background is dark and blurred, emphasizing the digital elements on the screen.

# MORE DIGITALIZED

Under the new post-merger organizational structure, Şişecam is speeding up its **digital transformation journey to achieve greater operational excellence.** Taking a holistic approach to digitalization, Şişecam aims to digitize its entire value chain rather than merely equipping its production lines with digital capabilities. Şişecam is transforming its digital infrastructure by also taking into account tomorrow's needs.





# MORE OPTIMIZED

The world is evolving at a stunning pace. With its new organizational structure unlocking greater synergy across the entire value chain, Şişecam is taking its **agility and efficiency** to an even higher level. Şişecam aims to leap forward with **effective management of resources and assets across four continents.**





### Robotic Arm and Performance



Zero-Touch



SISE



A futuristic tunnel with glowing blue arches leading to a city skyline at night. The arches are made of a dark material with a bright blue light running along their inner curve. The tunnel floor is dark and reflective. In the background, a city skyline with many lit-up buildings is visible through the end of the tunnel.

MORE

EXCELLENT

Şişecam of the future is **focused on global excellence**. Centralizing its **holistic approach to corporate governance** with highly qualified human resources and extensive use of smart technologies, **Şişecam continuously strengthens** its global organization with agile, lean and effective operations.











## Şişecam

Şişecam operates in the fields of flat glass, glassware, glass packaging and chemicals with 43 plants across 14 countries.

Şişecam is an industrial group conducting business operations on a global scale in flat glass, glassware, glass packaging, and chemicals business lines. Şişecam executes its production activities in 14 countries with a workforce of nearly 22 thousand people, selling 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 85 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.

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

\*Based on production capacity

ŞİŞECAM CREDIT RATING	
MOODY'S	B2/Negative
Fitch	BB-/Negative
ŞİŞECAM CORPORATE GOVERNANCE RATING	
December 16, 2020	9,538



**BORSA  
İSTANBUL**

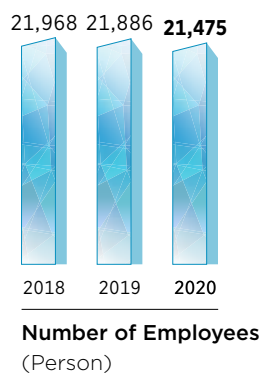
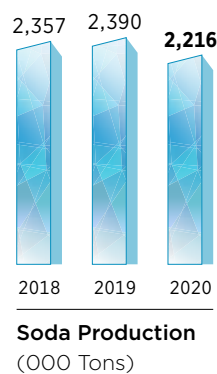
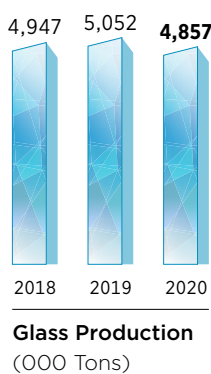
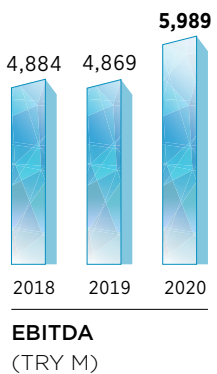
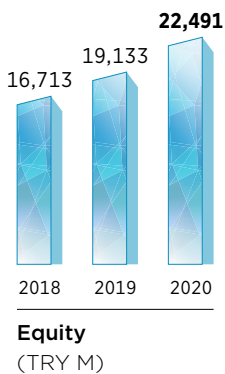
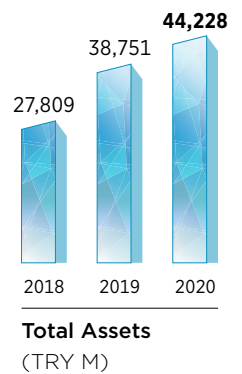
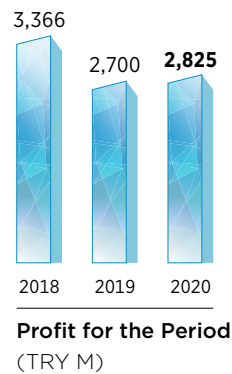
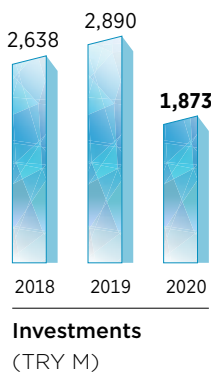
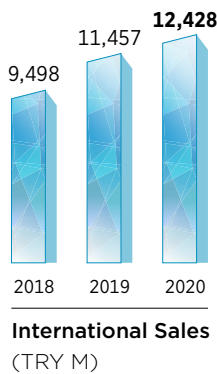
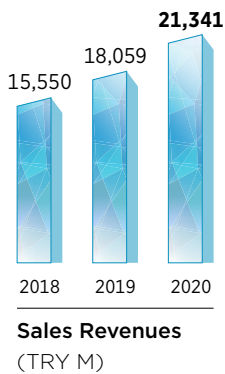
Şişecam shares are traded on  
Borsa İstanbul under  
the ticker symbol **SISE**.



# Financial Indicators

Financial Indicators	2019		2020	
	(TRY M)	(USD M)	(TRY M)	(USD M)
Total Assets	38,751	6,523	44,228	6,025
Equity	19,133	3,221	22,491	3,064
Sales	18,059	3,184	21,341	3,047
Gross Profit	5,880	1,036	6,661	951
Operating Profit Before Financial Expenses (EBIT)	3,494	615	4,338	619
EBITDA	4,869	857	5,989	855
Profit for the Period	2,700	476	2,825	403
Net Financial Debt	4,513	760	3,911	533

Financial Ratios	2019	2020
Current Assets/Current Liabilities	2.10	2.58
Equity/Total Equity and Liabilities	49.4%	50.9%
Net Financial Debt/Total Equity and Liabilities	11.6%	8.8%
Net Financial Debt/Equity	23.6%	17.4%
Gross Profit/Sales Revenue	32.6%	31.2%
EBITDA/Sales Revenue	27.0%	28.1%
EBIT/Sales Revenue	19.3%	20.3%
Net Financial Debt/EBITDA	0.93	0.65





# Şişecam at a Glance



## Şişecam Flat Glass

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

Ranks 5<sup>th</sup> in the world and 1<sup>st</sup> in Europe

### PRODUCTION FACILITIES IN TURKEY

Kırklareli Plant Branch  
Mersin Plant Branch  
Bursa Plant Branch  
Ankara Plant Branch  
Şişecam Otomotiv A.Ş.

### 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  
Şişecam Automotive Bulgaria EAD - Bulgaria  
Richard Fritz Holding GmbH - Germany (Aurach), Slovakia,  
Hungary Plants  
Glasscorp S.A. - Romania  
Automotive Glass Alliance Rus AO - Russia

### PRODUCTION CAPACITY

3.4 million tons/year flat glass capacity  
15 million m<sup>2</sup> auto glass production capacity  
15 million units encapsulated glass production capacity

### INDUSTRY SCOPE

Construction, automotive, solar energy and home appliances

### TOTAL PRODUCTION

2.2 million tons of architectural glass production  
8 million m<sup>2</sup> auto glass production  
8 million units encapsulated glass production



## 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 2<sup>nd</sup> 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

49 stores in Turkey, 3 franchise stores abroad

### SECTORS FOR WHICH MANUFACTURING, DESIGN AND MARKETING ACTIVITIES ARE CONDUCTED

Retail, HoReCa (Hotels, Restaurants & Cafes),  
B2B (Industry, Promotion, Decoration)

### TOTAL PRODUCTION

291 thousand tons





## Şişecam Glass Packaging

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

Ranks 5<sup>th</sup> 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/year

### INDUSTRY SCOPE

Food, beverage, pharmaceuticals and cosmetics

### TOTAL PRODUCTION

2.3 million tons/year



## Şişecam Chemicals

Production of soda products and chromium chemicals, glass fiber, industrial raw materials, electricity, Vitamin K3 derivatives and sodium metabisulphite.

Organization meets its energy needs internally thanks to its electricity production facility.

Ranks 4<sup>th</sup> in soda production in Europe and 8<sup>th</sup> 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.  
Camış 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  
Rudnik Krechnjaka Vijenac D.O.O - Bosnia & Herzegovina  
Cromital S.p.A. - Italy  
Camis Egypt Mining Ltd. Co. - Egypt

### PRODUCTION CAPACITY

2.4 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

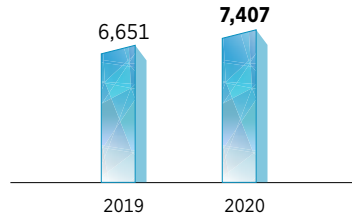
2.2 million tons of soda  
48 thousand tons of glass fiber  
3.9 million tons of industrial raw material



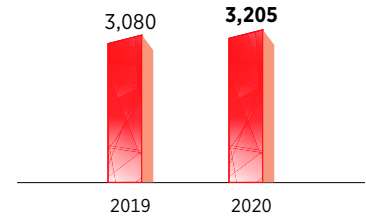
# Consolidated Indicators

	ŞİŞECAM FLAT GLASS CONSOLIDATED INDICATORS (TRY M)		ŞİŞECAM GLASSWARE CONSOLIDATED INDICATORS (TRY M)	
	2019	2020	2019	2020
Sales	6,651	7,407	3,080	3,205
Gross Profit	2,025	2,000	1,036	1,069
Operating Profit Before Financing Expenses	1,119	890	286	344
EBITDA	1,582	1,467	468	551
Net Financial Debt	844	1,161	1,521	1,373
Equity	7,089	7,382	2,427	2,355
Total Assets	15,310	16,738	5,207	6,101
Investments	1,037	570	140	307
Number of Employees	6,659	6,532	7,299	7,199

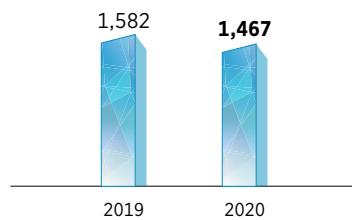
Sales Revenues  
(TRY M)



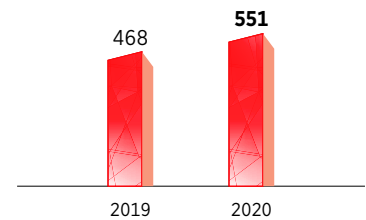
Sales Revenues  
(TRY M)



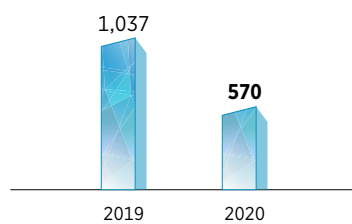
EBITDA  
(TRY M)



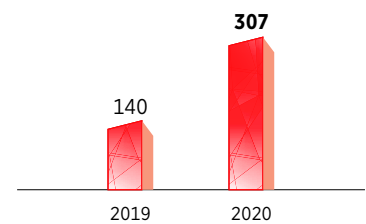
EBITDA  
(TRY M)



Investments  
(TRY M)



Investments  
(TRY M)





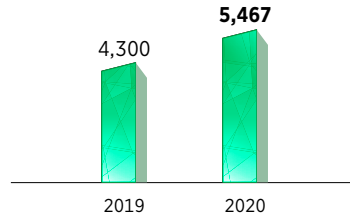
**ŞİŞECAM GLASS PACKAGING**  
CONSOLIDATED INDICATORS (TRY M)

	2019	2020
Sales	4,300	5,467
Gross Profit	1,432	1,961
Operating Profit Before Financing Expenses	769	1,222
EBITDA	1,209	1,748
Net Financial Debt	2,263	2,100
Equity	2,815	2,803
Total Assets	7,253	7,883
Investments	890	529
Number of Employees	4,249	4,324

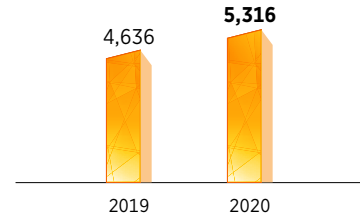
**ŞİŞECAM CHEMICALS**  
CONSOLIDATED INDICATORS (TRY M)

	2019	2020
Sales	4,636	5,316
Gross Profit	1,565	1,929
Operating Profit Before Financing Expenses	1,137	1,640
EBITDA	1,355	1,884
Net Financial Debt	(2,340)	(3,516)
Equity	6,305	7,595
Total Assets	9,313	11,172
Investments	319	225
Number of Employees	2,595	2,607

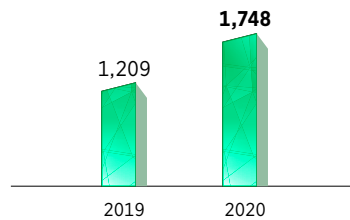
**Sales Revenues**  
(TRY M)



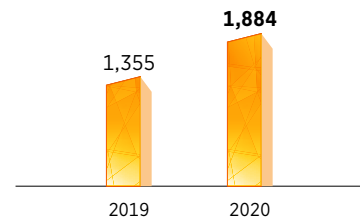
**Sales Revenues**  
(TRY M)



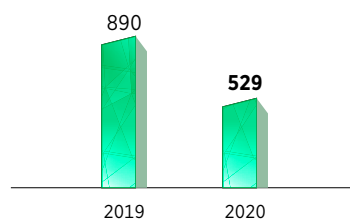
**EBITDA**  
(TRY M)



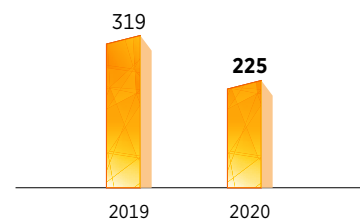
**EBITDA**  
(TRY M)



**Investments**  
(TRY M)



**Investments**  
(TRY M)



## Shareholder and Investor Relations

Şişecam conducts its investor relations activities in a transparent, proactive and expeditious way based on equal disclosure to all investors.

Şişecam Investor Relations' main responsibilities include increasing the shareholder value of Şişecam and taking necessary actions to ensure that capital market instruments issued by Şişecam trade at their fair value.

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 actions 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 related parties, Investor Relations uses many communications tools and platforms, such as websites, investor relations presentations, investor newsletters, webcast teleconferences, participation roadshows and conferences.

Şişecam conducts its investor relations activities in a transparent, proactive and expeditious way based on equal disclosure to all investors. In January 2020, during all stages of the process to consolidate Şişecam's publicly listed subsidiaries into a single entity as part of our merger decision, Investor Relations carried out an intensive communication campaign. This

effort targeted domestic/foreign individual and institutional investors, brokerage firms, credit rating agencies and lenders. Throughout this campaign, we maintained effective communications with investors, explaining the justification for the merger decision and presenting a closer in-depth look at the operations performed under different business lines. Similarly, we also completed a comprehensive roster of communication activities related to the impact of the Covid-19 global pandemic on Şişecam's operations. This campaign included coverage of the various risk management mechanisms put in place and measures taken by Şişecam management to respond to the pandemic. In 2020, we participated in only one physical conference and one roadshow due to the pandemic. In-person physical meetings were extremely limited and could only be held during the first two months of the year. However, we met with 270 existing and potential investors by participating in 10 videoconferences and teleconferences held for domestic and foreign institutional shareholders and bond investors. Additionally, individual teleconferences were conducted with nearly 330 investors and analysts, demonstrating our strong commitment to ongoing investor communications.





During the year, about 600 investor meetings were carried out via telephone, one-on-one online platforms, roadshows and conferences. In 2020, two webcasts were also streamed to announce the 2019 year-end and 2020 first-half financial results. Financial results webcasts are regularly streamed at least twice a year. In 2020, two additional webcasts focused on the subject of the merger. In the first webcast which was streamed in January, the rationale behind the merger decision and the legal obligations to be fulfilled under the merger were explained in detail. During the second webcast in April, investors were presented with detailed information on the application filed with the Capital Markets Board and updated on the current progress of the merger process.

In 2020, the number of analysts at brokerage firms generating research reports on company publicly traded companies continued to decline. Many analysts are joining portfolio management firms due to the

effect of the “Markets in Financial Instruments Directive (MIFID).” Nevertheless, Şişecam did not see a decline in analyst reports about the company compared to the prior two years. In 2020, more than 160 Şişecam company reports were published. The uptick in Şişecam report coverage this year reflected the fact that many domestic and foreign individual and/or corporate investors took notice of Şişecam’s January 2020 announcement to carry out the largest merger ever in the history of the Turkish capital markets. Further, the investor community noted the successful completion of the merger within the following eight months. Another positive high profile development during the year was the inclusion of Şişecam in the MSCI Global Standard index once again, after being excluded due to a November 2019 review report. As a result of its merger, Şişecam has become the industrial enterprise with the highest free float rate in Turkey: 49%. Şişecam’s average daily trading volume also increased to more than TRY 1 billion post-merger.

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In 2020, Şişecam carried out over 600 investor meetings via telephone, one-on-one online platforms, roadshows, videoconferences and teleconferences.

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## Shareholder and Investor Relations

Şişecam creates significant added value in all geographies and industries where it operates, while also creating value for its investors.

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.

2020 was marked by the global public health crisis from the Covid-19 virus which quickly spread around the world following the initial outbreak in Asia. Anti-Covid-19 measures – such as social distancing, curfew restrictions and shorter working hours – slowed the spread of the outbreak to some degree. However, Covid-19 was officially declared a pandemic by the World Health Organization and slowed down economic activity across the globe. Money supply expanded with large-scale support packages announced by central banks, in particular those of developed countries. These efforts were aimed at minimizing the negative effects of the Covid-19 pandemic. The sharp economic contraction brought about by the pandemic affected markets around the world. The rise in mortality from the pandemic, especially in fourth quarter 2020, caused Şişecam to adopt a cautious approach regarding expectations for 2021. Both Turkey and its top export markets were hit hard by the pandemic. The Turkish Lira declined significantly in value in parallel with the sharp fall in economic activity.

The Borsa Istanbul 100 index ended the year up 29% against a backdrop of double-digit inflation, depreciation of the Turkish Lira and a low interest rate policy maintained for most of 2020. Şişecam's share price went up 43% in 2020, recording a low of TRY 3.62 and a high of TRY 7.77 during the year. A rapid rebound was registered in business operations from June due to limiting the impact of the pandemic on Şişecam's main sectors to second quarter. This relatively limited impact was thanks to effective crisis management, a balanced portfolio coupled with positive perception of the merger. These factors caused Şişecam share to outperform the Borsa Istanbul 100 index for the year. In the same period, the BIST-30 Index and BIST Holding Index gained 18% and 29%, respectively.

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

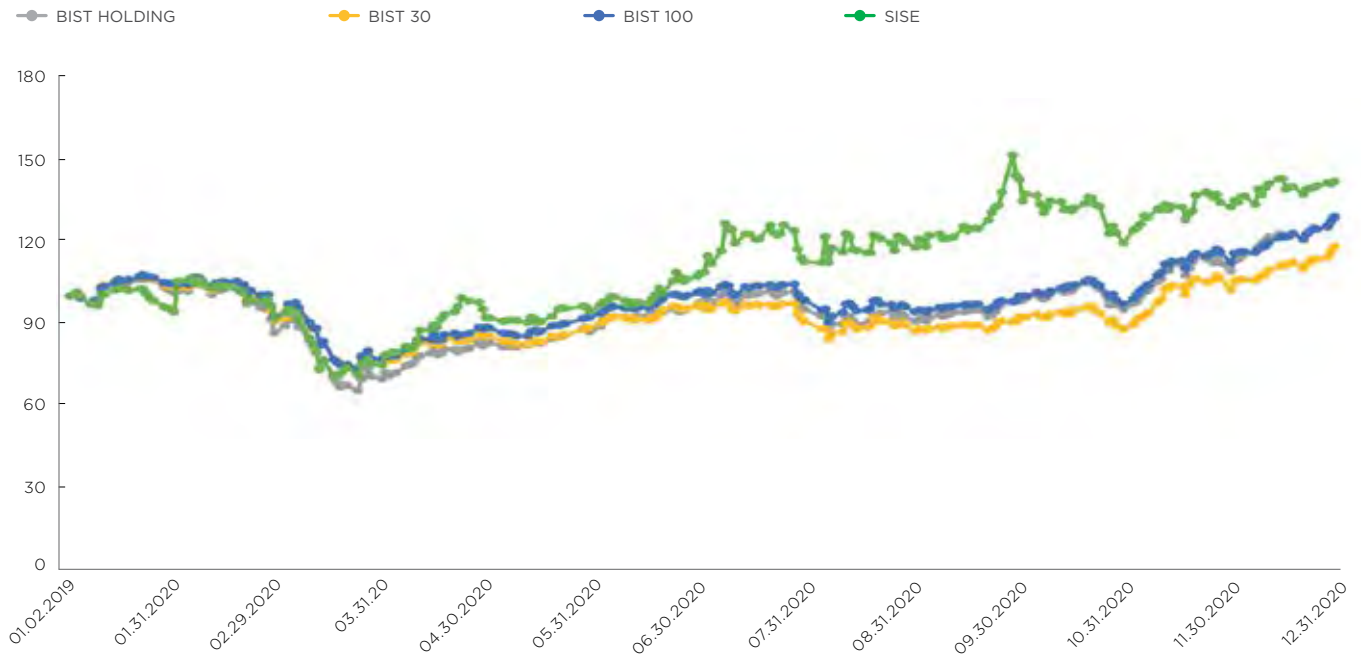
A Corporate Governance Rating Periodic Revision Report dated December 16, 2020 was issued by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., a rating agency licensed to carry out rating assessments in accordance with the Capital Markets Board (CMB) Corporate Governance Principles. In the report, Şişecam's Corporate Governance Rating was increased from 9.53 (9.534/10) in 2019 to 9.54 (9.538/10) in 2020. A slight increase was recorded in the rating of the Shareholders 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-2020, the BIST Holding, BIST-100 and BIST-30 Indexes increased by 29%, 29% and 18%, respectively year-on-year. During the same period, Şişecam shares outperformed all three major BIST indices by rising 43%. Şişecam's strong share performance is due to a rapid rebound in business operations from June as a result of limiting the impact of the pandemic on the company's main sectors to second quarter with effective crisis management, a balanced portfolio distribution coupled with positive perception of the merger.





### Performance of Şişecam Shares Relative to BIST-100 Index (2020)



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

Shareholders	0.25	95.49
Public Disclosure and Transparency	0.25	96.98
Stakeholders	0.15	99.48
Board of Directors	0.35	92.39
<b>Total</b>	<b>1.00</b>	<b>95.38</b>

Investor Relations contact information:

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Tel: +90 850 206 3374

Fax: +90 850 206 4262

Şişecam's Corporate Governance Rating rose to 9.54.

## Şişecam's Production Capacity

Şişecam touches every aspect of the life in the fields of flat glass, glassware, glass packaging and chemicals in more than 150 countries.

**14**

Countries

**43**

Production Facilities

**4.9**

MILLION TONS

Glass Production

**2.2**

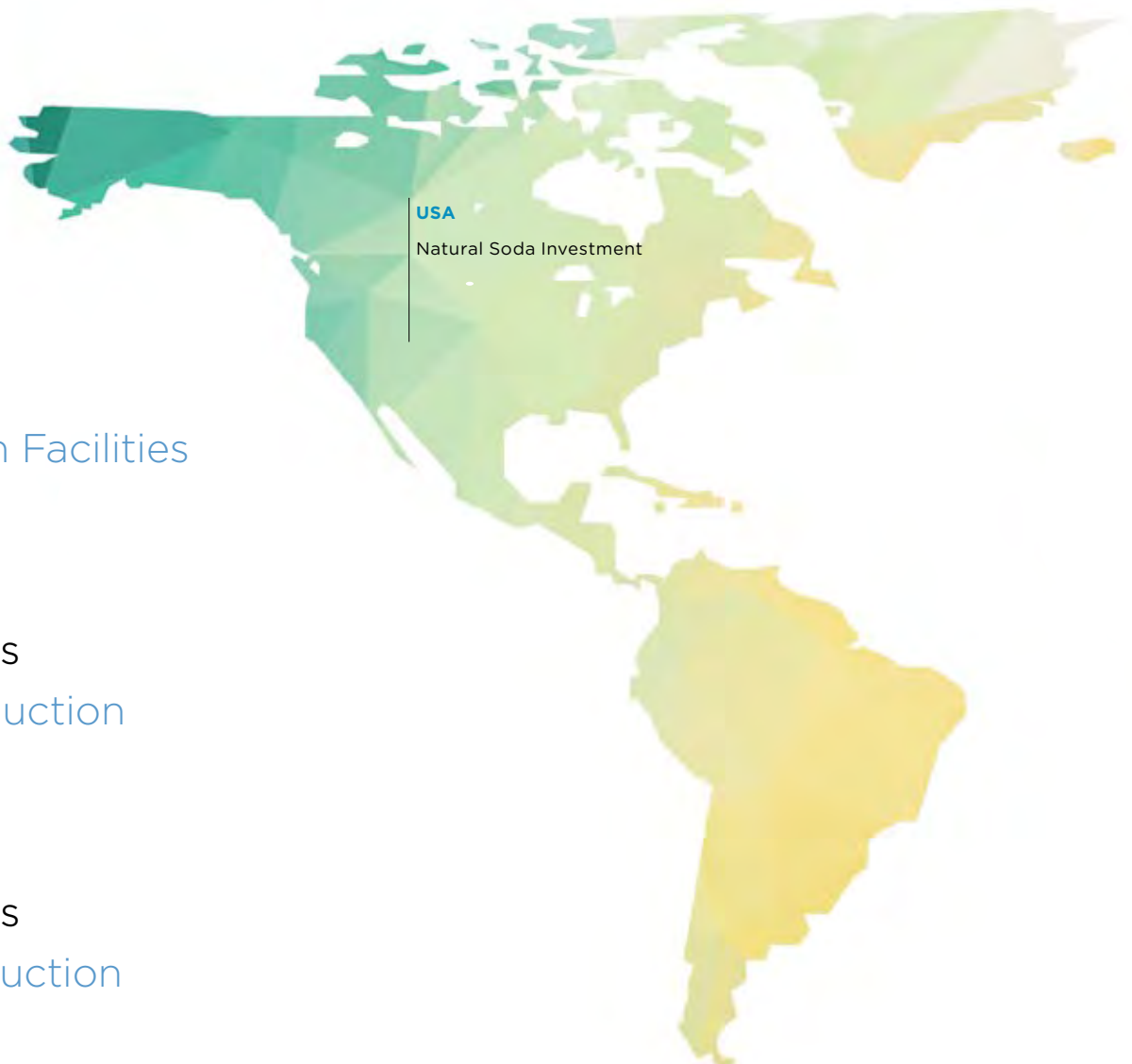
MILLION TONS

Soda Production

**3.9**

MILLION TONS

Industrial Raw Material Production





#### GERMANY

Richard Fritz, Aurach

#### SLOVAKIA

Richard Fritz, Malacky

#### BOSNIA & HERZEGOVINA

Şişecam Soda Lukavac

#### HUNGARY

Richard Fritz, Aszod

#### ROMANIA

Glasscorp

#### UKRAINE

Merefa

#### GEORGIA

Mina – Ksani

#### RUSSIA

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

#### ITALY

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

#### BULGARIA

Trakya Glass Bulgaria  
Sisecam Automotive Bulgaria  
Pasabahce Bulgaria  
Solvay Sodi

#### EGYPT

Pasabahce Egypt  
Saint-Gobain Glass Egypt  
Camis Egypt

Sisecam Flat Glass India

#### INDIA

#### TURKEY

#### ŞİŞECAM FLAT GLASS

Kırklareli Plant Branch  
Mersin Plant Branch  
Bursa Plant Branch  
Ankara Plant Branch  
Şişecam Otomotiv A.Ş.

#### 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

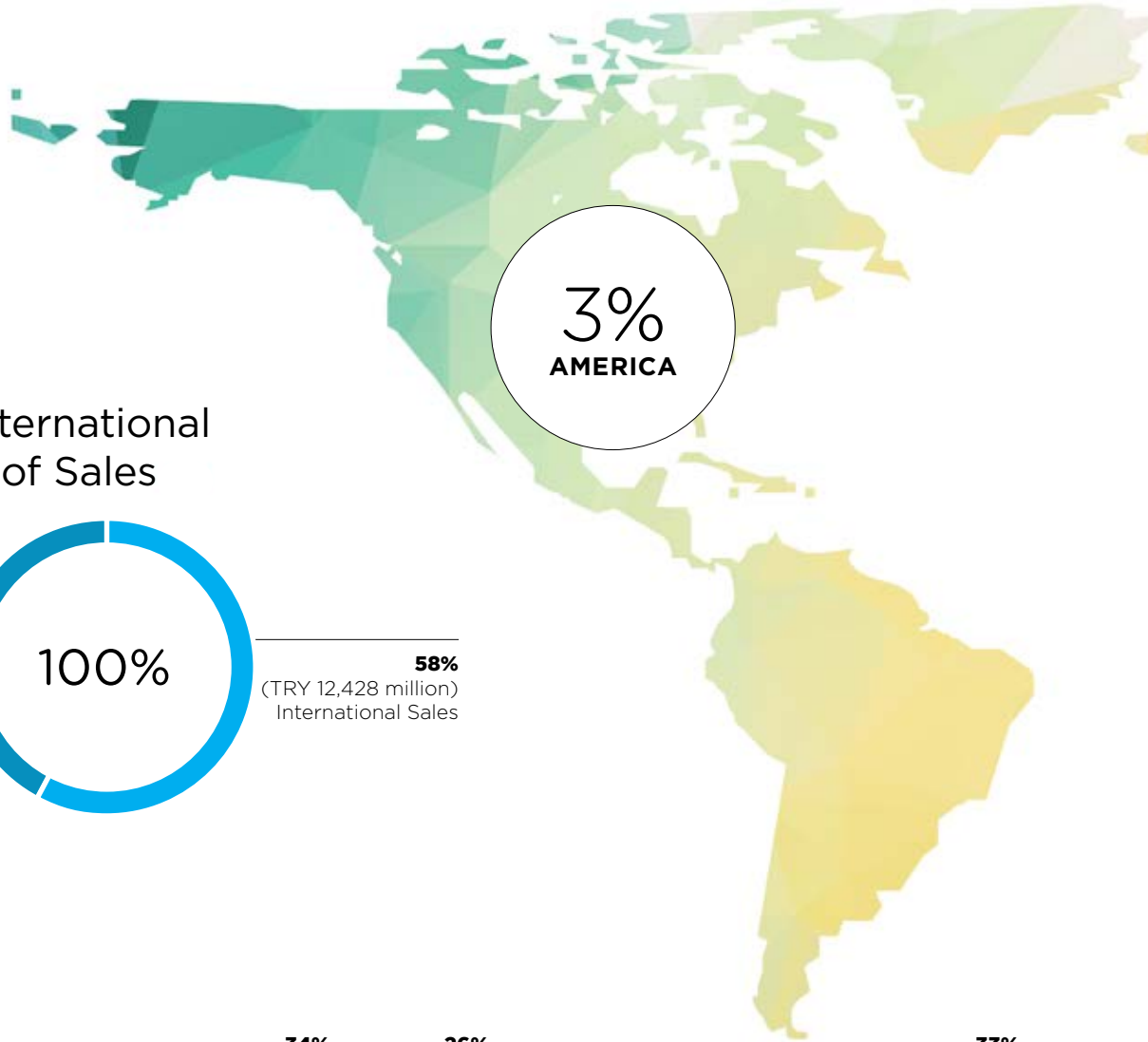
Mersin Soda Plant Branch  
Mersin Kromsan Plant Branch  
Oxyvit Kimya Sanayii ve Ticaret A.Ş.  
Glass Fiber Plant  
Camiş Madencilik Provinces Where the Company Operates:  
Aydın, Balıkesir, Bilecik, İstanbul, Karabük, Kırklareli, Mersin

\* As of year-end 2020, Şişecam has production facilities in the following countries: Turkey, Russia, Georgia, Ukraine, Bulgaria, Bosnia and Herzegovina, Italy, Romania, Egypt, Germany, Hungary, Slovakia and India.

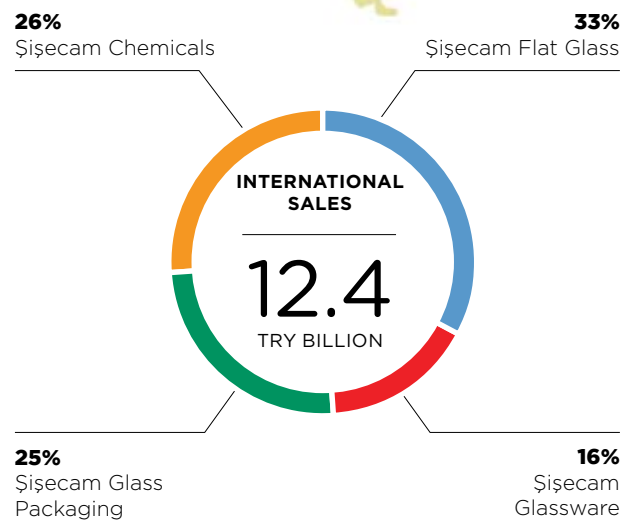
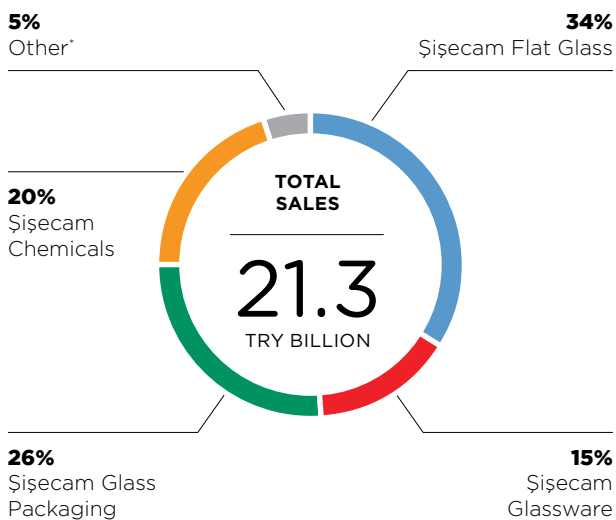
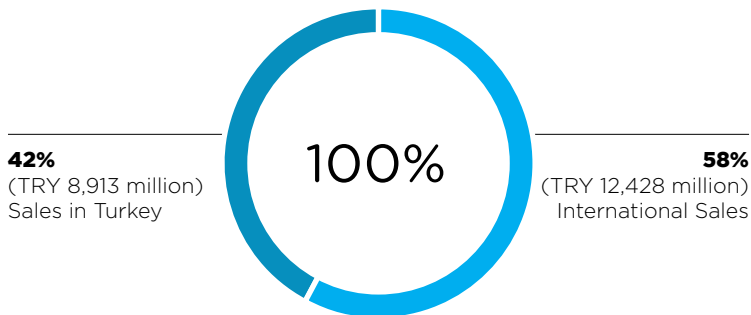
\*\* As of year-end 2020, 45% of Şişecam employees are based abroad.

## 2020 in Numbers

Sales to More Than 150 Countries  
International Sales TRY 12.4 Billion

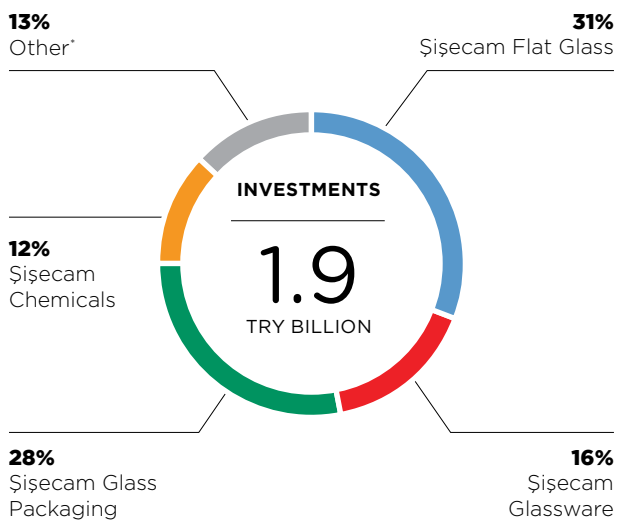
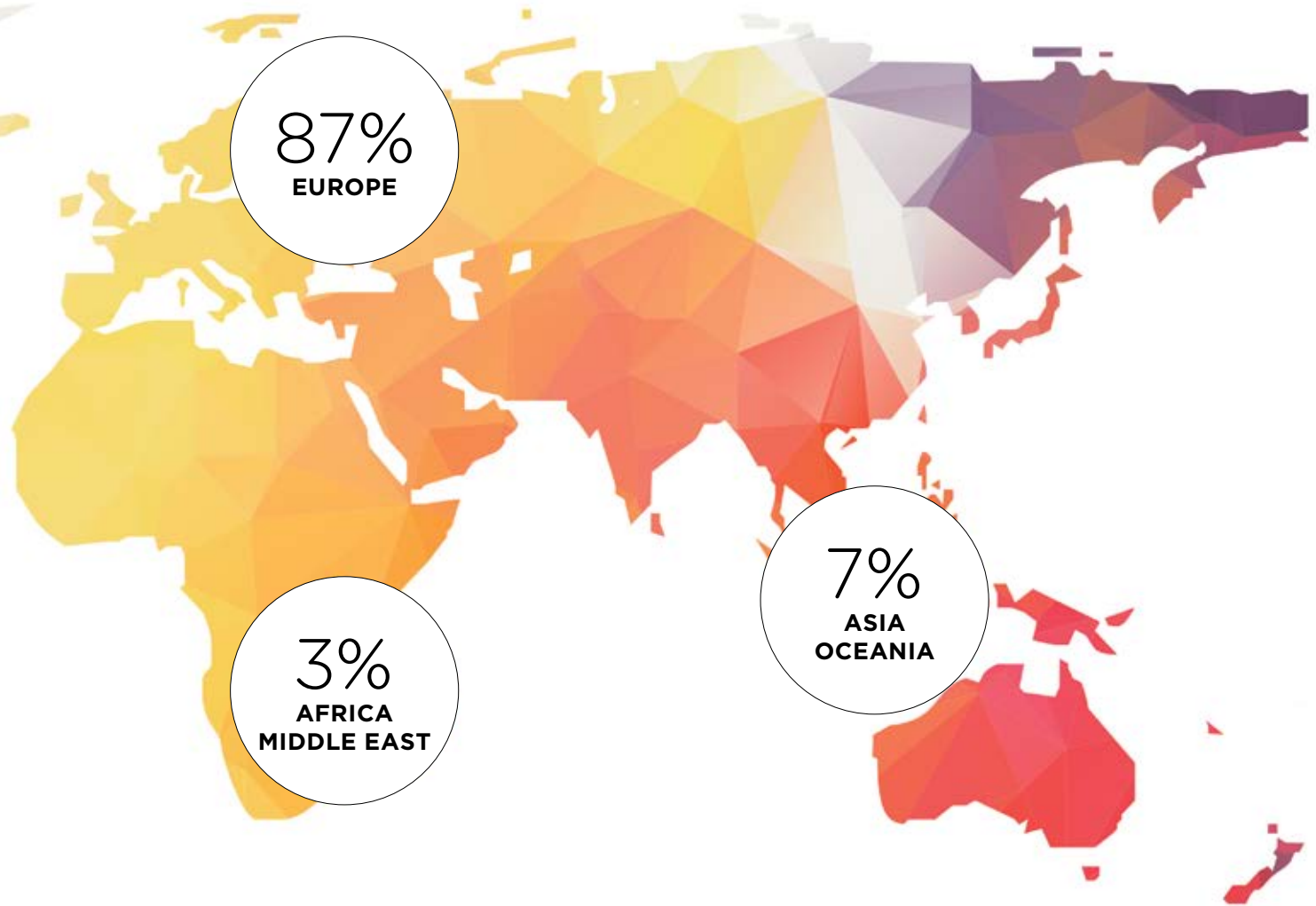


### Domestic-International Distribution of Sales

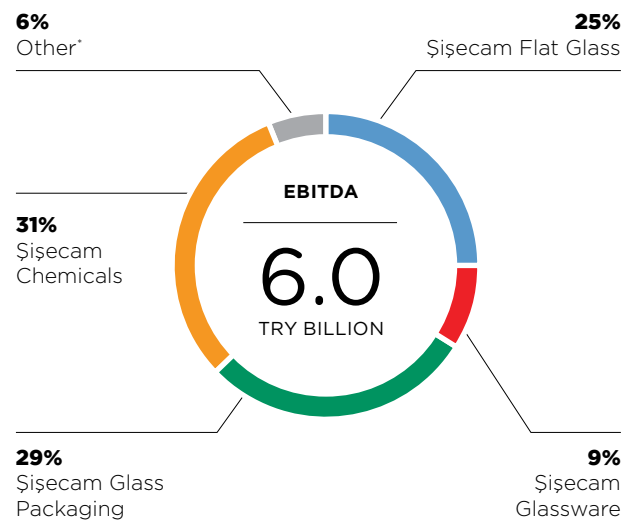




## Regional Distribution of Sales Revenues



\*Includes Şişecam Çevre Sistemleri A.Ş. figure.



\*Includes Şişecam Energy's EBITDA figure.

## Chairman's Message

Feeling the justified pride of representing Turkey on the global stage, Şişecam consolidated all of its operations under a single entity in 2020.

Dear Stakeholders,

Feeling the justified pride of representing Turkey on the global stage with 85 years of experience and inspired innovation, Şişecam recorded a key milestone in its corporate history in 2020. During the year, Şişecam consolidated all of its operations under a single entity. This more dynamic, agile and lean organizational structure enhances the sustainability of the integrated value that Şişecam creates in every segment of glassmaking and accelerates its globalization efforts. With global production operations in 43 facilities spanning 14 countries, Şişecam aims to improve its capability to create stakeholder value with this consolidated entity.

Today's competitive landscape and business processes constantly evolve alongside trends that can emerge at a dizzying pace. This year, we also witnessed and experienced an unprecedented global public health and economic crisis. These extraordinary events served as a reminder of the strategic importance of digitalization, big data, Industry 4.0 and operational excellence which had already been part of our lives for a long time. Since its founding, Şişecam has always pursued knowledge, experience and technology. By addressing these issues in a holistic way, Şişecam is actively preparing for this new era when production is forced to undergo a transformation to remain sustainable.

Dear Stakeholders,

2020 started strong with a positive outlook for the global economy. However, the year was soon marked by the Covid-19 pandemic, which severely impacted public health,

social life and economic activity around the world. The effects of the pandemic will be felt for many years. Anti-pandemic measures were imposed to slow the spread of the pandemic, causing many sectors, services in particular, to shut down their operations. Global demand plunged, production slowed, supply chains were disrupted, unemployment jumped. As a result, investor appetite for risk took a major hit. In second quarter, the world's economies recorded the biggest contraction since the Great Depression. Governments and central banks announced unprecedented stimulus, support and assistance packages on a scale never seen before.

Supported by fiscal stimulus and expansionary monetary policies, global economic activity started to bounce back strong in third quarter when restrictive measures were partially eased following the first wave of the pandemic. During this period, developed economies, especially the USA and European countries, registered record high growth. Meanwhile, more limited support spending in emerging markets caused the extent of economic recovery to vary widely between countries and regions. Data from China, where the coronavirus outbreak originated, indicates that its economy is exiting this extraordinary year in a stronger position compared to the rest of the world.

Encouraging news on vaccination trials in many countries raised positive expectations during the last part of the year. However, disruptions and inequalities in the vaccine supply as well as the enhanced transmission ability of the mutated virus undercut this optimism. Growing public debt

and elevated unemployment rates suggest that the global economy will take a very long time to recover to pre-pandemic levels. The pandemic demonstrated the importance of developing sustainability-driven global and national economic models to eliminate disruptive effects on vulnerable groups. The coronavirus pandemic, an unprecedented event in modern times, deeply disrupted the status quo and fundamentally changed the context of economic development.

Thanks to its strong healthcare system and the extraordinary efforts of healthcare providers, Turkey was relatively more successful in managing the pandemic. Nevertheless, this global crisis also impacted the Turkish economy. The pandemic significantly disrupted all key macroeconomic indicators – especially production, investment spending, employment and growth – until lockdown measures were eased in June. Actions were taken to facilitate credit flows alongside the Central Bank's loose monetary policy, providing a temporary boost to the economy starting from third quarter. However, these stimulative efforts resulted in dollarization, inflationary pressures, capital outflows and partial erosion of foreign currency reserves.

Tight monetary policies and rate simplification adopted by the new economy administration in the latter part of the year to achieve price stability were welcomed by the financial markets. In addition, the country's risk premium rates declined. We believe that maintaining this dialog and coordination which reinstates trust, i.e. the basic capital of the economy, will help Turkey to turn this new era into an opportunity. This is the



ideal time for Turkey to capitalize on its competitive strengths, such as robust human resources, advanced technology and flexible production capabilities.

Dear Stakeholders,

The pandemic slowed many sectors of the economy and even brought some to a virtual halt. The glass industry was no exception. While recording a solid start to the year in parallel with the strong economic recovery, the glass industry had to weather the shocks caused by the pandemic starting from March. In third quarter, the glass industry returned to moderate positive growth once economic activity began to revive.

The automotive industry, a major consumer of flat glass, was among those most affected by the pandemic due to higher financial risks, lower demand and supply chain disruption. However, the automotive sector quickly recovered thanks to buoyant domestic demand driven by credit growth. The construction industry, supported by low interest rates and credit growth similarly to the automotive sector, demonstrated a strong performance until late in the year when contractionary financial and monetary policies were implemented. In white goods, domestic sales partly offset losses incurred by the industry from reduced exports. The pandemic had a negative impact on the performance of the glassware industry. The market contracted significantly as a result of reduced global and domestic demand. However, Şişecam's Flat Glass and Glassware operations showed signs of recovery following the third quarter and registered a solid performance in fourth quarter. Glass Packaging sustained losses due to the sharp slowdown in tourism and other service sectors caused by quarantine and lockdown measures. These losses, however, were partially compensated by a strong performance in the health and hygiene product groups. Overall, Glass Packing performed strongly thanks to its resilient and diversified structure. Chemicals maintained its strong position despite downward price pressures in the market. Şişecam's balanced structure thanks



to market diversification in different business lines was an asset during this challenging year. In addition, our active management of production and operation costs helped us limit the impact of the pandemic on our operations.

During this period of historically high risks, the Turkish glass industry continued to create added value for strategically important and diversified sectors thanks to uninterrupted production operations and its efforts in the logistics and supply arenas. Turkey's glass industry is focused on achieving a sustainable future. It has the potential to enhance its competitiveness in global markets with its advanced capabilities in production, R&D and innovation.

With its new organizational structure and highly qualified human resources, Şişecam is solidly built on deep-rooted values that are essential components of its corporate DNA. Şişecam plans to make further investments in line with its global vision and add value to every aspect of its operations in the coming year as well.

On behalf of the Board of Directors, I would like to thank our employees, who are our most valuable asset, as well as our customers, shareholders, business partners and all other Şişecam stakeholders.

*Adnan BALI*

**Adnan BALI**  
Chairman

## CEO's Message

Navigating through uncertainties with a dynamic approach to crisis management and the ability to quickly adapt to changing conditions, Şişecam continued to create value for all of its stakeholders in the extraordinary year of 2020.

Dear Stakeholders,

Despite being a year characterized by risks and uncertainties due to the Covid-19 pandemic, 2020 also marked a key milestone in the 85-year history of Şişecam. We compensated for the negative impact of the pandemic by taking quick action and demonstrating effective crisis management across all our business lines. We extended support to a large ecosystem consisting of our suppliers, customers and employees. We also led significant transformation projects towards our objective of operational excellence. Our digital infrastructure program moved forward at full speed. As importantly, we established the foundation for Şişecam of the future by combining all of our operations into a single entity.

At Şişecam, with the dedicated efforts of 22 thousand employees located in 14 countries on four continents, we were able to quickly adapt to changing conditions. During this highly challenging year, we continued to create both social and economic value for all of our stakeholders in every region where we operate despite the extraordinary conditions of the global pandemic.

In 2020, Şişecam produced 4.9 million tons of glass, 2.2 million tons of soda and 3.9 million tons of industrial raw materials despite downside risks which grew increasingly more severe during the pandemic. We increased our sales revenue by 18% year-on-year to TRY 21.3 billion at the year-end. Our total exports from Turkey climbed

to USD 685 million. International sales, the sum of exports from Turkey and sales from production outside Turkey, accounted for 60% of Şişecam's consolidated sales as of year's end.

Şişecam builds its investment philosophy on sustainable growth. We are always prepared for a range of future scenarios. Our investments aim to further strengthen our business operations and market positions while addressing risk in the best way possible. With this approach, Şişecam recorded total investment spending of TRY 1.9 billion during this pandemic marked year. For fiscal year 2020, Şişecam reported consolidated nominal EBITDA of TRY 6 billion, with an EBITDA margin of 28.1%. Consolidated net profit amounted to TRY 2.8 billion thanks to cost optimization efforts, efficient production planning and successful crisis management.

In today's increasingly competitive global landscape, Şişecam always follows a value-driven capital investment approach. During the reporting year, Şişecam's biggest investment was the new furnace for Ankara Polatlı flat glass production facility. In response to rising market demand in Turkey, Şişecam invested USD 130 million in the Polatlı facility to commission a new state-of-the-art furnace at Industry 4.0 standards. With this new investment, we created an additional capacity of 240 thousand tons/year, in addition to our existing 300 thousand tons/year flat glass production capacity at this site. As a result, Şişecam's Polatlı facility is now one of the largest flat

glass production sites in Europe. In 2020, our total flat glass production capacity climbed to 3.4 million tons/year, further bolstering Şişecam's leadership in flat glass production in the European market.

Dear Stakeholders,

**Şişecam addressed the impact of the pandemic from all aspects and engaged in dynamic crisis management.**

Şişecam cares for people. We adopt the philosophy of "people first" in all of our operations. In every country where it operates, Şişecam quickly implemented and followed all applicable rules, restrictions and guidelines set by public health and governmental authorities in response to the coronavirus pandemic. Ensuring the health and safety of our 22 thousand employees located in 14 countries is always our top priority. Şişecam follows the highest standards in occupational health and safety across its entire global organization. We have also demonstrated great agility in taking a wide range of measures to ensure business continuity.

Since our current business lines require uninterrupted production, Şişecam quickly updated its production plans and business processes by considering emerging developments in its target sectors. We closely monitored global events and market dynamics related to our business lines with robust crisis management practices. As a result, Şişecam successfully continued its production operations without interruption thanks to focused efforts on optimization and operational excellence.



As part of its responsibility to protect its employees, business partners and customers, Şişecam took all means necessary to safeguard their health without interrupting its production operations and services that are needed to meet the basic needs of our communities. Şişecam continues to review evolving guidance from public health, governmental and scientific authorities. Based on findings and analysis, Şişecam modifies its measures for each stage of the fight against the pandemic, such as periods of tighter restrictions and staggered normalization. We actively promote these precautionary and protective measures in all our operating countries.

Şişecam is keenly aware that corporate success cannot be achieved without successful ecosystems. With this perspective, we quickly take all necessary measures to protect our stakeholders. Despite the challenging environment brought about by the global pandemic, Şişecam supported key suppliers and customers with ecosystem financing solutions to protect its stakeholders. By keeping these critical stakeholders unharmed from highly unfavorable market conditions, Şişecam protected its supply chain. We also ensured operational sustainability by performing exceptional demand/production planning to support our supply system.

We have achieved a remarkably balanced corporate structure thanks to market diversification across our business lines. This competitive advantage, coupled with active management of production and operating costs, helped Şişecam limit the impact of the pandemic on its operations. For the foreseeable future, we will maintain our cautious approach while planning carefully and prudently for the period ahead.

**A longtime pioneer in its fields of activity, Şişecam consolidated all of its operations into a single entity in line with its long-term strategies and competitive goals in global markets.**

In 2020, Şişecam not only celebrated its 85<sup>th</sup> anniversary, but also recorded a key milestone in its corporate history by consolidating all of its operations into a single entity.



Starting out in 1935, Şişecam has achieved great success on a global scale. Our competitive advantages include advanced production operations under continuous development and improvement, highly reputable brands, superior product quality, a strong financial structure and a sustainable growth strategy that creates value. However, Şişecam's organic and inorganic growth model also resulted in a complicated and sprawling organization with 43 production facilities in 14 countries, 67 subsidiaries in 18 countries, four main business lines and five publicly traded companies.

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In 2020, Şişecam celebrated its 85<sup>th</sup> anniversary while also recording a key milestone in its corporate history by consolidating all of its business operations into a single entity.

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## CEO's Message

Over the last three years, Şişecam has taken significant steps to simplify its legal entity and shareholder structures. Our goal is to develop an international operation model better suited to operating in the global competitive landscape. This requires aligning Şişecam's legal infrastructure with its governance structure. We also expect to record greater synergies by centralizing all our existing business operations. In 2020, Şişecam initiated simplification efforts related to its main subsidiaries and consolidated all of its operations into a single organization.

During the year, Şişecam completed the process of consolidating Anadolu Cam, Denizli Cam, Soda Sanayii and Trakya Cam, all publicly listed on Borsa Istanbul, as well as Paşabahçe Cam, a non-public company, under a single entity with unanimous

shareholder consent. Our corporate consolidation was an exceptional success. Thanks to this merger, Şişecam is our only company that is publicly traded on Borsa Istanbul as of year's end.

Our merger was the largest in the history of Turkish capital markets. Today, Şişecam boasts a free float rate of 49% – the highest for any industrial enterprise trading on Borsa Istanbul. Upon completion of the merger, Şişecam was also included in the MSCI Global Standard Index. This large-scale merger further strengthens our position in global capital markets. In addition, the Şişecam merger is the first stage of a multi-dimensional transformation that enables effective management of an organization with operations in different business lines spread across four continents. The end result will provide us with more agility and lean management.

Pursuant to its commitment to operational excellence, Şişecam sees this merger as a critical milestone for its long-term strategies and "global competitiveness." Following this historic step forward, our pursuit of excellence will continue at full speed. We are committed to making Şişecam of the future more integrated, digital, optimized and operationally excellent.

**Şişecam views digitalization as a new culture and way of doing business that encompasses the entire value chain. Numerous digitalization projects are underway across our global operations.**

Şişecam accelerated its digital transformation program to ensure that it has the necessary capabilities and systems to adapt to the conditions of the new normal at the end of the global pandemic. We take a holistic approach to digitalization, beyond merely equipping production lines with digital capabilities. At Şişecam, we are focused on digitalization of the entire value chain, from supply chain to customer experience.

During this transformation journey, Şişecam has implemented one of SAP's three largest global digitalization projects. With this effort, we aim to configure our digital infrastructure in a way that incorporates the entire system, integrating our global operations as well. Once this process is complete, Şişecam will have the basic tools needed to use artificial intelligence analytics and advanced technologies in addition to cloud-based systems and big data processing capabilities.

**Şişecam – the only global company with operations in all core areas of glass manufacturing – quickly transfers its R&D efforts into production with its highly qualified workforce. We add value to life by introducing innovative solutions and practices to the market.**

Şişecam Science, Technology and Design Centre – one of the world's leading glass R&D centres includes 29 well-equipped expert laboratories and a product design centre specialized in glassware and glass packaging. Şişecam expands its sphere of influence and carries out pioneering projects by engaging in national and international collaborations. Our R&D centre operations range from basic scientific research and laboratory studies, to prototyping and commercialization of new products and technologies.

Şişecam's culture of innovation, advanced production capabilities and expertise in corporate R&D dates back 50 years. This deep experience led us to yet another significant breakthrough in 2020. While normalization steps are underway around the globe, Şişecam Science, Technology and Design Centre has developed a special coating technology that neutralizes viruses and bacteria on glass surfaces. This innovative offering can also contribute to the ongoing fight against the Covid-19 pandemic.

Şişecam accelerated its digital transformation program to ensure that it has the necessary capabilities and systems to adapt to the conditions of the new normal at the end of the global pandemic.



We have filed a patent application for our antimicrobial V-Block Technology. This revolutionary coating has been proven effective against many different types of viruses and bacteria, including Covid-19, based on test results from independent accredited laboratories. We have introduced the world's first glassware product group featuring an antimicrobial coating, produced with Şişecam's V-Block Technology, to our customers in Turkey and other global markets.

After the coronavirus pandemic ends, Şişecam will continue adding value to the lives of all its stakeholders with innovative technologies and solutions based on market demands and needs, just as it has in the many years prior.

The global glass industry has the capability to produce solutions for the most critical issues facing the world today, in the arenas of health, the environment, climate and energy. With the areas of glass use constantly expanding, the glass industry gains in importance by the day. Şişecam is one of the major players of the global glass industry with operations spread across four continents. Şişecam's sustainability approach involves integrating sustainability into all levels of the production value chain and empowering its stakeholders to create solutions that make a difference with them.

**Şişecam's sustainability approach "Care for Next" supports the United Nations Sustainable Development Goals and encompasses the entire value chain, from raw materials to end users.**

At Şişecam, our sustainability priorities are based on the pillars of "Protect," "Empower" and "Improve." We conduct comprehensive initiatives and projects, ranging from the Carbon Disclosure Project to integration of zero waste and the circular economy approach into management processes. We also focus on fostering diversity and inclusion; boosting female employment in

production; extending ecosystem financing; bolstering the value chain; performing effective energy and resource management; and minimizing the environmental impact of our operations.

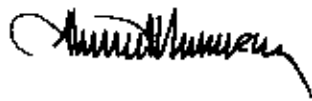
Since its founding, Şişecam has stood apart from the competition with its ethical values, transparency, accountable open management style and responsible approach toward stakeholders. Şişecam remains committed to further improving its entire value chain with a sustainability-driven mindset with a focus on environmental, social and governance (ESG) aspects in line with global digitalization and other evolving trends.

**Şişecam of the future is focused on global excellence.**

For the coming year, Şişecam's main objective is to expand its global presence and create even more value for its stakeholders by capitalizing on its well-qualified workforce and smart technologies and following a holistic approach to corporate governance. We have operations in all segments of the glass industry. Pursuant to our vision to become a company that shapes the future of the glass industry, we aim to become a more integrated, digital, optimized and operationally excellent company.

Şişecam maintained its efforts to achieve sustainable growth in 2020 despite the negative impact of the global pandemic. We continued to pursue our ambitious global objectives and ended an extremely challenging year on a high note. I would like to express my gratitude to our business partners, customers and shareholders for their unwavering trust in Şişecam. And my additional thanks to all of our employees for their hard work and contributions to Şişecam's ongoing success.

Respectfully,



**Prof. Dr. Ahmet KIRMAN**  
Vice Chairman and CEO

Şişecam pursued its ambitious global objectives and ended an extremely challenging year on a high note.

## Board of Directors

**PROF. DR. ŞENER OKTİK**  
*Board Member*

6

**SENAR AKKUŞ**  
*Board Member*

3

**İZLEM ERDEM**  
*Board Member*

5

**PROF. DR. AHMET KIRMAN**  
*Vice Chairman - CEO*

2





**ADNAN BALI**  
*Chairman*

**ZEYNEP HANSU UÇAR**  
*Board Member*

**DİNÇ KIZILDEMİR**  
*Independent Board Member*

**AYSUN MERCAN**  
*Independent Board Member*

**DR. CEM M. KOZLU**  
*Independent Board Member*

1

4

7

8

9



# Board of Directors

## (1) **ADNAN BALI/Chairman**

(58) Adnan Bali graduated from Middle East Technical University, in Ankara with a BS degree in Economics in 1986. His banking career began in 1986 at İşbank by joining the Board of Inspectors as Assistant Inspector after his graduation. After working at various managerial positions at İşbank, Mr. Adnan Bali was promoted to the post of Deputy Chief Executive in 2006. He was appointed as the 16<sup>th</sup> Chief Executive Officer of İşbank on April 1, 2011. Mr. Adnan Bali is the Chairman of İşbank Members Supplementary Pension Fund. He is member of the Board of Directors of Vehbi Koç Foundation along with The Banks Association of Turkey; member of the Institute of International Finance (IIF) and Institut International d'Etudes Bancaires (IIEB). He is also member of the High Advisory Board of Darüşşafaka Society. Throughout his career, Mr. Bali has attended to various training programs held abroad, including an executive program at Harvard Business School in Boston Massachusetts. Mr. Adnan Bali is the Chairman of Türkiye Şişe ve Cam Fabrikaları A.Ş. since April 7, 2017.

## (2) **PROF. DR. AHMET KIRMAN/Vice Chairman - CEO**

(62) 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 30 September 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.

## (3) **SENAR AKKUŞ/Board Member**

(51) Having graduated from Middle East Technical University, Department of Economics, Senar Akkuş began her career at Türkiye İş Bankası A.Ş. in 1991 as an Assistant Treasury Specialist. After working in different managerial positions, she was appointed as Head of Economic Research in 2006 and Head of Treasury in 2008. She became Deputy Chief Executive in 2011 and still continues this duty. Ms. Akkuş also performed duty as Board Member in Anadolu Hayat Emeklilik (2007-2008), İş-Dublin Financial Services Plc (2008-2010, Chairperson), İş Asset Management (2009-2010), İş Investment (2010-2011) and İş Asset Management (2011-2013, Chairperson). She is currently the Chairperson of İş Private Equity (since 2013) and İş Investment (since March 2018). Senar Akkuş 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.

## (4) **ZEYNEP HANSU UÇAR/Board Member**

(49) Zeynep Hansu Uçar graduated from Middle East Technical University, Faculty of Economic and Administrative Sciences, Department of Business Administration. She started her professional career at İşbank in 1994 as an Assistant Investment Specialist in the Subsidiaries Division. She has held several managerial positions responsible for various group companies in the same department and since 2015; Ms. Uçar has been serving as Subsidiaries Division Head of İşbank. She has served as Board Member and Auditor at various Şişecam companies since 2010 and was a Board Member of Trakya Cam Sanayii A.Ş., Anadolu Cam Sanayii A.Ş. and Paşabahçe Cam Sanayii ve Tic. A.Ş. until the merger of these Group companies under Türkiye Şişe ve Cam Fabrikaları A.Ş. On September 30, 2020. She is also Board Member of Türkiye Sınai Kalkınma Bankası A.Ş. since November 27, 2015 and İşbank AG since November 17, 2020 which subsidiaries of İşbank. 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 a Member of the Board since April 15, 2011.

## (5) **İZLEM ERDEM/Board Member**

(52) 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 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 served as a member of the Audit Committee and Board of Directors at Anadolu Hayat Emeklilik A.Ş. and İş Yatırım Menkul Değerler A.Ş., affiliates of İşbank. Currently, she is the Vice Chairwoman of the Board of Directors at 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.

## (6) **PROF. DR. ŞENER OKTİK/Board Member**

(65) 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.

**(7) DİNÇ KIZILDEMİR/Independent Board Member**

(68) 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 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.

**(8) AYSUN MERCAN/Independent Board Member**

(61) A. Mercan holds a graduate degree from Middle East Technical University, Faculty of Administrative Sciences, Department of Management in Ankara and a joint Executive MBA from Manchester Business School and the University of Wales UK. She started her banking career in 1982 and held several senior and executive positions in Corporate Banking, Credits, Foreign Transactions, Project Finance-Investment Banking and Corporate Governance areas at various national and international banks. Following the takeover of shareholder rights of various failed banks by the Banking Regulation and Supervision Agency and the Savings Deposit Insurance Fund, as a result of the banking crisis in 2001, she presided over and managed many projects related to rehabilitation, restructuring of the related financial groups, including the conclusion of repayment contracts, management, sale of assets, and liquidation of the relevant banks so as to allow for the collection of the debts by those banks' controlling shareholders to the Fund. She acted as a member of the Board of Directors and the Board of Liquidators of various companies. She was appointed as the Secretary General of a private bank in 2008 and retired in 2014. She gave lectures within the master's programs of universities regarding investment appraisal, corporate finance and foreign trade finance. She was appointed as an Executive Board Member for MUFG Bank Turkey A.Ş. in January 2016. Aysun Mercan 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 she has been an Independent Board Member since March 21, 2018.

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

(74) 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 Bıracılık 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 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.

<sup>(3)</sup> Member of Early Detection of Risk Committee

<sup>(4)</sup> Member of Early Detection of Risk Committee, Member of Corporate Governance Committee

<sup>(5)</sup> Member of Corporate Governance Committee

<sup>(6)</sup> Member of Early Detection of Risk Committee, Member of Corporate Governance Committee

<sup>(7)</sup> Head of Audit Committee, Head of Early Detection of Risk Committee, Head of Corporate Governance Committee

<sup>(8)</sup> Member of Audit Committee, Member of Early Detection of Risk Committee

<sup>(9)</sup> Has not served on any committee since March 8, 2019.

## Senior Management

**GÖRKEM ELVERİCİ**  
Chief Financial Officer

6

**GÖKHAN KIPÇAK**  
Chief Information Officer

9

**DR. REHA AKÇAKAYA**  
President of Flat Glass Group

2

**DR. SELMA ÖNER**  
Chief Procurement Officer

10

**PROF. DR. AHMET KIRMAN**  
Vice Chairman - CEO

1



**ŞENGÜL ARSLAN**  
Chief Human Resources  
and Corporate  
Communication Officer

7

**TAHSİN BURHAN ERGENE**  
President of Chemicals  
Group

5

**ÖZLEM VERGON**  
Chief Strategy Officer

8

**ABDULLAH KILIÇ**  
President of Glass  
Packaging Group

4

**CEMİL TOKEL**  
President of Glassware Group

3





## Senior Management

### (1) **PROF. DR. AHMET KIRMAN**/*Vice Chairman - CEO*

(62) 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 30 September 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) **DR. REHA AKÇAKAYA**/*President, Flat Glass Group\**

(58) Dr. Reha Akçakaya completed his undergraduate and graduate studies at Boğaziçi University Mechanical Engineering Department. He received a graduate degree in Glass Science from New York State College of Ceramics at Alfred University in the United States and a doctorate 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 one term as Board Member of Glass for Europe. Over the years, Dr. Akçakaya has worked in various management roles within the Group and has been serving as President of Şişecam Flat Glass Group since 2014.

### (3) **CEMİL TOKEL**/*President, Glassware Group*

(49) Cemil Tokel has an honors degree in Business Studies from Humberside University (1991) and completed the Advanced Management Program at Harvard Business School in 2012. Mr. Tokel joined Paşabahçe Cam Sanayii ve Tic. A.Ş. as an International Sales Representative in 1992, where he later worked Supervisor of International Sales, Sales Development Executive, and International Sales Manager. Appointed as Vice President of Marketing and Sales in 2012, Mr. Tokel has served as President of Şişecam Glassware since January 2014.

### (4) **ABDULLAH KILINÇ**/*President, Glass Packaging Group*

(54) 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 2013. Mr. Kılınç joined Anadolu Cam Sanayii A.Ş. as Production Engineer at Mersin Plant in 1992, where he later worked as Chief of Production in 1995. He was appointed Assistant General Manager at Mina Ksani Glass Packaging Company in Georgia in 1999. Mr. Kılınç joined Anadolu Cam Sanayii A.Ş. in 2003 as Management and Sales HQ Business Development Manager. Subsequently, he served within the Glass Packaging Group as General Manager of the Ruscam Ufa Plant, Operations Director of Russia Operations, and Operations Director of the Group. Serving as the President of Glass Packaging Group Turkey since 2014, Mr. Kılınç has been appointed as the President of the Glass Packaging Group as of January 3, 2020 following the merger of operations in Turkey and Russia.

**(5) TAHSİN BURHAN ERGENE/President, Chemicals Group**

(55) Tahsin Burhan Ergene graduated with a Bachelor's degree in Mechanical Engineering from Istanbul Technical University in 1989. He completed the International Management Certificate Program at Istanbul University in 1990 and the Advanced Management Program at Harvard Business School in 2012. Mr. Ergene joined Şişecam in 1990 where he has held various managerial positions in the sales and marketing departments. In 2011, he was appointed as Marketing and Sales Vice President of the Şişecam Chemicals. Mr. Ergene has served as President of Şişecam Chemicals since January 2014.

**(6) GÖRKEM ELVERİCİ/Chief Financial Officer**

(44) Gökem Elverici graduated from Middle East Technical University, Faculty of Engineering, Department of Civil Engineering in 1996 and obtained his MBA from Bilkent University in 1998. In 2015, Mr. Elverici completed the Advanced Management Program at Harvard Business School and is currently working on his Ph.D. dissertation on Banking & Finance at Kadir Has University. He began his professional career İşbank in 1998. Throughout his career, he has worked in various middle and senior management positions at İşbank, HSBC, Deloitte Consulting and Accenture Consulting. Mr. Elverici joined Şişecam as the CFO of Şişecam Flat Glass Group on March 1, 2013. Mr. Elverici is the CFO of Şişecam since May 2014.

**(7) ŞENGÜL ARSLAN/Chief Human Resources and Corporate Communication Officer**

(45) 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 Tikveşli between 2004 and 2007; Assistant General Manager of Avea Human Resources from 2007 until 2011; Assistant General Manager Responsible for Human Resources at HSBC Bank between 2011 and 2017; and HSBC Global Human Resources Transformation Program Change Leader between 2016-2017. Ms. Arslan started to work as Chief Human Resources Officer at Şişecam in March 2017 and she has been serving as the Chief Human Resources and Corporate Communication Officer since January 1, 2018.

**(8) ÖZLEM VERGON/Chief Strategy Officer**

(47) 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. Since January 2015, Ms. Vergon has served as Chief Strategy Officer at Şişecam.

**(9) GÖKHAN KIPÇAK/Chief Information Officer**

(56) 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.

**(10) DR. SELMA ÖNER/Chief Procurement Officer**

(47) 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.

\* Dr. Reha Akçakaya has been serving as Deputy Chief Research & Technological Development Officer since March 20, 2020.

## Şişecam Flat Glass

Şişecam Flat Glass enjoyed a successful year in 2020, thanks to its proactive approach to the supply chain, its people-oriented corporate values and global flexibility.

# 11%

Increase in Şişecam Flat Glass Sales Revenues

### AN OVERVIEW OF 2020

The Turkish economy was hit hard by the depreciation of the Turkish Lira and high inflation rates plaguing the economy since 2018 in addition to the Covid-19 pandemic and other global developments. However, effective measures were taken in the form of expansionary monetary policies and economic stimulus during the year. Leading indicators place Turkey's economy among those few worldwide that are expected to end 2020 with positive growth.

The negative impact of the Covid-19 pandemic on the construction industry, one of main consumers of flat glass, was limited to the second quarter. Industry-specific assistance programs and low-interest credit support boosted the market consequently. Housing demand jumped in the second half of the year. The construction industry expanded by 1% for the first three quarters, thanks to a reinvigorated renovation market and ongoing large-scale projects.

In 2020, automotive sales fell by 24.3% year-on-year with a total of 11.9 million vehicles sold in the EU (26 countries), UK and EFTA markets. During the same period in Turkey, automotive sales rose 57.5% with a total of 610 thousand vehicles sold. With this performance, Turkey ranked sixth in the European automobile market for the year.

The white goods industry – a key sector of the Turkish economy due to its continuity, high added-value and export volume – recorded nearly

the same production figures as the previous year. This solid performance was thanks to elevated demand in the second half of the year after overcoming the disruption in production caused by the Covid-19 crisis.

The European economy was battered by the pandemic in 2020. While the Eurozone economy contracted by an estimated 7-8% for the year, construction activity remained steady compared to the previous year.

In 2020, Russia's economy is projected to shrink by 4% after expanding by 1.3% a year earlier. The Russian economy contracted by 2.7% in the first three quarters of this year.

The Middle East and Northern Africa economies were adversely affected by both the Covid-19 pandemic and lower petroleum prices. These regions are expected to only partially recover in 2021.

In India, flat glass consumption decreased by 20% for the year due to significant contraction in key sectors from the Covid-19 pandemic. In 2020, prolonged lockdowns and production stoppages caused glass production to fall by 15% in the country. However, India is a high potential market due to its favorable demographics and rising demand for value-added products. Strong future growth is projected in the Indian market.

Europe's Largest and the World's 5<sup>th</sup> Largest Flat Glass Producer





## ACHIEVEMENTS IN 2020 AND GOALS FOR THE FUTURE

### A year marked by quickly adapting to the new normal, further diversifying international markets, retaining customers and recording strong sales...

In 2020, Şişecam Flat Glass was able to quickly adapt to the new normal of the supply chain. This ability allowed it to successfully navigate a very challenging year and minimize the impact of the pandemic on its operations, record higher sales and improve customer relations.

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.

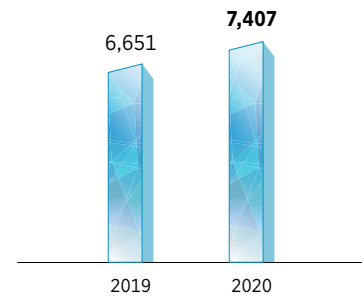
In international markets, Şişecam Flat Glass operates with a qualified product portfolio tailored for customer needs, thanks to its high-capacity potential and widespread distribution network. Şişecam Flat Glass responded to changing market demands via market and customer diversification.

Despite the much-weakened economy in Europe and the severe impact of the Covid-19 pandemic, Şişecam Flat Glass boosted sales in that key market by taking proactive steps in the second half of the year. The Company's leading production capacity position and high value-added product portfolio helped to increase sales in the European market despite the challenging conditions. Şişecam Flat Glass expanded its customer base and sales volume compared to the previous year with the product diversity and additional capacity provided by its second plant in Italy, Manfredonia.

Exports to Russia continued by balancing supply and demand. Current production capacity in Russia was managed optimally by considering the balance between the domestic market and export markets. Production in Russia reached the maximum level in the second half of 2020.

In 2020, Şişecam Flat Glass was able to quickly adapt to the new normal of the supply chain. This ability allowed it to successfully navigate a very challenging year and minimize the impact of the pandemic on its operations, record higher sales and improve customer relations.

Şişecam Flat Glass Sales Revenues  
TRY Million



## Şişecam Flat Glass

**4,098**  
TRY Million

Şişecam Flat Glass  
International Sales

Şişecam Flat Glass is committed to further bolstering its competitiveness in global markets with its customer-oriented approach and a continuously improved, ever-expanding portfolio of high value-added products.

In the architectural glass market, Şişecam Flat Glass conducted its operations in the Middle East and North Africa by meeting the market's needs for high value-added products and leveraging the benefits of its diversified product portfolio.

In 2020, India halted economic activity and enforced strict lockdowns for 1.5 months during the pandemic. This situation negatively affected both the Indian economy and flat glass consumption. However, Şişecam continued its efforts in the Indian market to raise awareness about its global strength and quality product portfolio.

Flat glass manufacturers were forced to suspend production in the short- to medium-term due to lockdown restrictions taken to combat the Covid-19 pandemic. As a result, difficulties were experienced in meeting higher demand once restrictions were eased with demand occasionally outpacing supply. The price of flat glass products began to rise in the second half of 2020. Şişecam expects that strong demand in the markets will continue in the coming year. Supply-demand is projected to come into balance from the second half of 2021 onwards. Overall, Şişecam forecasts that market conditions will remain favorable in 2021. Sales of high value-added products are expected to maintain its upward trend to a varying degree in all markets.

By closely monitoring developments in renewable energy, Şişecam Flat Glass serves the photovoltaic glass market by delivering high-performance Anti-Reflective (AR) coated solar panel glass. In 2020, Şişecam increased its sales to this sector by 42% compared to the previous year.

Şişecam is a key supplier of automotive products to the European market. Its customer portfolio includes leading domestic and global companies. Şişecam Automotive took firm steps toward the future by applying for many projects in 2020.

### New investments, new capacities

Şişecam is a global flat glass producer that enjoys rapid growth with strong brands and innovative solutions. While strengthening its position in markets in which it operates as a local manufacturer, Şişecam is committed to further bolstering its competitiveness in global markets with its customer-oriented approach and a continuously improved, ever-expanding portfolio of high value-added products.

Operating flat glass production facilities at four different locations across Turkey, Şişecam continues its capital investments under all economic conditions to maintain and further improve its sector leadership position. In October 2020, Şişecam commissioned its second flat glass production line equipped with advanced, Industry 4.0-ready technologies and featuring an annual capacity of 240 thousand tons at the Ankara Plant. With the newly commissioned furnace, the Ankara facility's total annual production capacity climbed to 540 thousand tons. As a result, Şişecam's Ankara Plant is one of the biggest flat glass production sites in Europe.

Şişecam reinforced its value chain by investing in production of laminated windshields at its Bulgaria plant during the year.

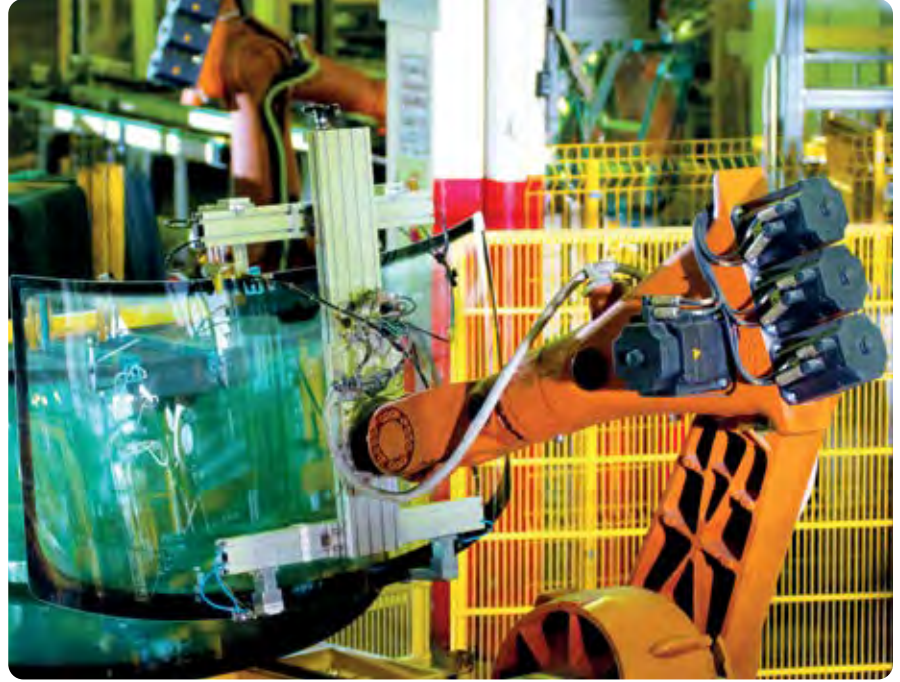
### New product research studies

Şişecam developed the "Şişecam Temperable Solar Low-E Glass Neutral 63/29" for the triple silver product group. This innovative offering delivers the highest selectivity and maximum heat insulation for the architectural glass sector.

During the year, the "Şişecam Temperable Solar Low-E Glass Neutral 70/40 and Neutral 70/37" products were added to the product portfolio. These new additions are designed for use in projects such as residential housing, office centres, villas and retail stores that require transparency and low reflection properties in addition to maximum heat insulation and solar control.

Şişecam enriched the Solar Low-E product family by developing untempered equivalents with the same appearance and performance as the "Temperable Solar Low-E Glass Neutral 70/40, Neutral 70/37 and Neutral 62/44" products. These innovations were introduced in order to meet customer demands in target markets and evolving customer needs.

In 2020, Şişecam created new markets by expanding the areas of use of its products through collaborations. As a result of these efforts, Şişecam reinforced its competitiveness as well as its leading position in the global flat glass sector.



The “Şişecam Temperable Solar Low-E Glass Neutral 51/28” product provides effective heat insulation, optimum daylight admission and maximum solar control. In addition, the “Şişecam Temperable Solar Low-E Glass Neutral 43/28” product was developed and introduced to customers and business partners.

Şişecam also serves the energy sector with solar mirrors developed for CSP (Concentrated Solar Power) systems. In addition, an anti-reflective coating solution was developed in-house for use with solar panels.

In 2020, Şişecam completed the approval and certification process from the Turkish Ministry of Health for its special V-Block coating technology that is effective against bacteria and viruses. V-Block technology began to be used in products for the architecture, white goods and automotive sectors.

As part of new product development efforts for the automotive market, Şişecam developed a high performance windshield with athermic coating. This special coating eases the load on air conditioning and gains a defrosting function by providing heat and solar control for use on the laminated windshields of vehicles. Shipments commenced to customers during the

year. Şişecam is also commercializing the Glass B Pillar products, which are preferred as a replacement for the plastic part used in the B pillar located between the front and rear door glass of vehicles. This product group provides aesthetic unity with the door glasses of the windshield products with Head-up Display that enables projection of selected navigation indicators to the windshield. Commercialization of the glass B-pillar product is at the final stages.

Currently, Şişecam is engaged in product development efforts to offer functional coatings, anti-reflective coatings for the architecture and energy sectors as well as mirrors, painted glasses and smart glass systems to meet industry demands. Enriching the product portfolio and providing innovative solutions to responding to the evolving needs of the industry are key objectives.

#### Efforts to develop production capabilities

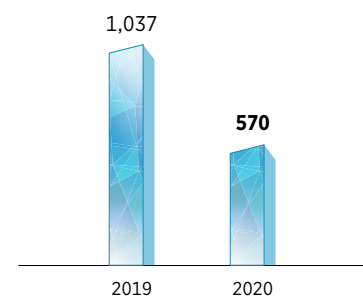
Şişecam Flat Glass expands on-site quality, 5S and lean manufacturing method practices with the strategy of: “Do it right the first time and reduce loss at its source.” The “Lean 6 Sigma” approach is central to its core strategy of continuous improvement. In 2020, Şişecam Flat Glass continued its Lean 6 Sigma initiatives and achieved significant

gains in resource utilization and production process efficiency.

During the year, Şişecam carried out optimization efforts to respond to highly variable customer demands in order to minimize the effects of the pandemic.

Required certification processes for different markets were completed to support more dynamic sales in foreign markets. Şişecam also completed registration of product performance calculators for its industrial customers.

#### Şişecam Flat Glass Investments TRY Million





## Şişecam Flat Glass



Environmental Product Declaration (EPD)s, related to SDG 12 on Responsible Consumption and Production and pursuant to EN 15804, were prepared for Şişecam's architectural glass products. These special products make a major contribution to the construction of sustainable green buildings. The EPDs were made available to stakeholders. Şişecam is the first company in the flat glass sector in Turkey to receive the EPD.

As a Sustainability Committee member of Turkey IMSAD (Association of Turkish Construction Material Producers), Şişecam also actively supports efforts related to the sustainability of the Turkish construction materials industry.

Şişecam Automotive is focused on improving the quality of its products and processes, adapting advanced quality control (inspection) systems, using unique robotic automation systems, developing new products and production methods, and meeting its corporate responsibilities related to occupational health and the environment. Significant progress has been recorded in these key areas in recent years.

### **Integrated promotion and communication activities**

In parallel to the new requirements and ways of doing business which arose during the pandemic, almost any activity that was performed physically has now migrated to the digital platforms as part of the new normal.

A Covid-19 communication campaign was conducted focusing on the psychological and physiological benefits of using flat glass products and their positive effect on human health. As part of this campaign, creative works, announcements, banners, e-mail communications, printed materials, press bulletins and social media posts emphasized various areas of use of flat glass products. These communications were shared with a large target audience in nine different languages.

During the year, digital communication campaigns were conducted to bolster the brand image of Şişecam Flat Glass in target markets. These efforts also promoted and emphasized the benefits of Şişecam's strategically important flat glass products. The digital campaigns were supplemented with traditional marketing communication tools. The first phase of the Italy campaign was completed at the end of 2020 and recorded more than 16 million views, reaching over 4 million individuals.

Şişecam Flat Glass effectively capitalizes on the speed and targeted access capabilities of social media. Communication campaigns are executed via 17 social media accounts which provide content in Turkish and English.

Through effective and integrated use of digital communications across the world, Şişecam provides curated content about flat glass products to millions of persons in the value chain.

In 2020, a variety of social media platforms were actively used to improve brand awareness of Isicam. These efforts aimed to strengthen the brand's ties with end consumers and communicate benefits of products to users through viral videos – the hottest online trend of recent years. A series of viral videos called “Yaşayan Bilir (The Living Knows)” were broadcast during the year. Şişecam recorded more than 5 million views during this campaign.

Due to pandemic conditions, it was not possible to carry out promotional activities at fairs and exhibitions. Instead, Şişecam showcased its flat glass products as well as projects in which flat glass products and services were used on Archiexpo, a leading online architectural marketplace.

Companies around the world migrated their events, meetings and other activities to digital platforms in response to the Covid-19 pandemic. Şişecam pioneered this transformation in Turkey with its digital meetings called “Isicam, Our Home” which were held specifically for Isicam's Authorized Manufacturers. Additionally, Şişecam met with frame production companies and members of MoneyBox Card Club via online showroom tours.

Şişecam aims to further the development of contemporary architecture. To this end, new relationships are established with recently opened architectural offices. In addition, Şişecam undertakes efforts to improve existing relations with prestigious well-established architectural firms.

Online events were held with about 11 thousand industry professionals in attendance, including architects, façade consult, façade firms and architecture students in India and several countries across Europe. During these events, Şişecam presented iconic projects that use Şişecam Flat Glass products. Numerous other presentations focused on relevant themes, such as exploring new areas of use for glass during a post-pandemic architectural world, selecting the right type of glass in architectural projects, discussing the use of glass in hospitals, schools and offices, and boosting health, happiness and productivity through daylight.

T Meetings bring architects, architecture students, designers and construction industry professionals together with inspiring, renowned architects under the tag line “The Transparent Face of Architecture.” This annual event, hosted by Şişecam Flat Glass each year since 2014, was held online for a global audience this year for the first time.

The Turkish architecture bulletin and web site “Şeffaf Bülten” began to be published in English under the name “Transparent Architecture.” Şişecam continues to distribute the Turkish bulletin to about 19 thousand architects. Distribution of the new English bulletin to 11 thousand international architects has begun on a monthly basis.

At an online event during the Istanbul Festival of Architecture, Şişecam presented “Reference Projects 2021” – the third book of the “Reference Projects” publication series. The latest version detailed more than 100 projects, including 29 abroad, that came to life with flat glass products.

During the year, Şişecam began to create BIM (Building Information Modelling) objects to develop smart elements of flat glass products. These objects were published on BIMObject, a commonly used global digital material library, as well as on the Şişecam corporate website.

Şişecam continues to publish online e-training programs via the Şişecam Academy website. E-training programs were translated into English, Russian, Bulgarian, Romanian and Italian and offered to global sales teams and customers.

In 2020, Şişecam added new offerings to its existing mobile applications, including “Isicam Selection Wizard,” “Glass Acoustic,” “Performance Calculator,” “Glass Consultant” and “Glass Projects” – all available in multiple languages. As a result, Şişecam's mobile user base expanded during the year. The “Coated Glass Detector” mobile application, which has the capability to determine the thickness of glass items and whether a piece of glass has a surface coating or not, is now available in Turkish and English.

As part of glass consultancy services, Şişecam held more than 2 thousand meetings with about 3 thousand sector stakeholders. These stakeholders included architects, front desk consultants, investors and contractors – decision-makers for projects in the Turkish and international markets. Şişecam performed 3,500 project-specific technical calculations and provided specification proposals. With this approach, Şişecam ensures that its products that add value to life are used in these projects.

In response to the pandemic, Şişecam moved training events that were formerly delivered in-person to students at Turkey's leading universities, the country's future decision-makers, to digital platforms as part of online programs. Technical field trip to Şişecam's plants were replaced by product and production videos. Approximately 850 students participated in Şişecam's various online training programs during the year.

Isicam Systems MoneyBox Card Club continued to expand its membership network, which climbed to about 8,500 members in 2020. Şişecam carried out awareness programs and campaigns to direct PVC and aluminum frame producer firms to energy-efficient, high-quality Isicam products.

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Şişecam shares online e-training programs via the Şişecam Academy website in order to add even more value to the operations of its business partners by utilizing digital technologies and solutions.

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## Şişecam Flat Glass

By introducing 10 new coated glass products to the market in 2020 as a result of successful R&D efforts, Şişecam further strengthened its competitive edge in the Turkish and international flat glass markets.

Ten firms joined the Flat Glass and Mirror Processing Franchise System during the year. Şişecam set up this system in Turkey to improve the quality of the products and services offered to consumers and achieve business sustainability.

Şişecam implemented the Accreditation System in Turkey to further improve the quality of temperable coated glass processing and achieve business sustainability. Some 61 system-accredited dealers across 26 provinces provided services in 2020. The International Accreditation System was established to ensure common use of this type of glass in the project sales segment in international markets. Initially, Şişecam accredited processing firms from Europe, the Balkans, Middle East and India.

Multi-dimensional product communication campaigns were carried out in India to boost awareness about value-added products in the market and expand the market share of such products. Loyalty campaigns were also conducted throughout the year for direct customers and targeted customer subgroups.

Şişecam reinforced its market position in Europe by transitioning to mid-iron flat glass production at two manufacturing facilities located in Northern and Southern Italy.

During the year, Şişecam entered into collaborations with IKEA and TEKFEN as part of its market development efforts. The Flotal E product, developed exclusively for IKEA, began to be 'sed in IKEA's mirror products for the Turkish market as well as international markets. In conjunction with Tekfen, Şişecam undertook development of solar mirrors for the solar energy sector.

Şişecam supports awareness-raising activities in collaboration with flat glass sector associations as an active member. Via its membership with İZODER, Şişecam contributes to the TS 825 Standard on the Rules of Thermal Insulation in Buildings, revised under the coordination of the Ministry of Environment and Urbanization. With this effort, Şişecam aims to ensure that the U-window value specified in the applicable standard is revised to require use of energy-saving coated glass.

Şişecam Flat Glass contributed to developing definitions related to windows provided in the nZEB (Nearly-Zero Energy Buildings) guidance document as published by the Turkish Ministry of Environment and Urbanization. Standards have been adopted that require buildings to use triple glazing units with two panes coated to be certified as a nearly-zero energy building.

### EXPECTATIONS AND OBJECTIVES FOR 2021

The impact of the Covid-19 pandemic continues to reverberate and intensify around the world. Şişecam Flat Glass quickly adapted to changing market conditions with a customer-oriented approach and product development operations to meet the needs of all stakeholders in the value chain. In 2021, Şişecam also aims to offer innovative solutions to demands from various sectors with its high production capacity and advanced production technologies. The strategic objective is to provide quick solutions with a proactive approach.







In recent years, Şişecam Flat Glass has steadily expanded its area of business activity with breakthroughs and innovations. Şişecam plans to capitalize on market opportunities as the sector evolves and utilize its existing facilities in the most effective way in line with industry developments in the coming year. Şişecam Flat Glass aims to effectively manage all of its business operations under an integrated structure across its operating regions. Şişecam 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.

Despite the many uncertainties caused by the pandemic, Şişecam continues to create value for Turkey. The state-of-the-art second flat glass line, commissioned in 2020 at the Ankara Plant with a production capacity of 240 thousand tons/year, is designed to further boost the plant's capability to produce value-added products. The expanded facility will in turn bolster Şişecam's leading position in the Turkish market.

Şişecam Flat Glass has strengthened its position in the European market with advances in its production and distribution channel capabilities thanks to recent breakthroughs. Şişecam aims to further enrich the value-added product portfolio offered to European markets and boost its market penetration in Europe.

Şişecam Flat Glass sees high growth potential and rising demand in India. As a result, Şişecam is considering new investments in that country. These investments would aim to boost Şişecam's flat glass market share and enhance its competitiveness by improving its value-added product portfolio.

While closely monitoring technological and innovative developments in the industry, Şişecam Flat Glass will continue developing new products in 2021 in conjunction with Şişecam Research and Technological Development Department as well as joint projects with other cooperating institutions.

Offering innovative solutions with its strong brands, Şişecam Flat Glass plans to further invest in advanced technology infrastructure and R&D programs geared toward developing new products that add value to life. With these efforts, Şişecam aims to contribute to a sustainable future for the architecture, solar energy and automotive sectors.

As part of its operational excellence drive, Şişecam Flat Glass will also focus on cost-saving, 6 Sigma and energy-saving efforts in 2021.

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## Şişecam Glassware

In 2020, Şişecam Glassware focused on digital transformation and prioritized product development related investments. We aimed to develop innovative value-added products to respond to consumer needs evolving with the pandemic and emerging primary trends.

4%

Increase in Şişecam Glassware Sales Revenues

### AN OVERVIEW OF 2020

The world's economies were severely impacted by the Covid-19 pandemic during the year, and Turkey was no exception. The global glassware sector, previously at the point of market saturation with only moderate growth, shrank by 25% in 2020 due to the pandemic. In March, the negative effect of the Covid-19 pandemic on global economies began to ease with the start of normalization steps.

The Turkish retail channel was not affected by the pandemic as much as foreign markets. However, Covid-19 case numbers began to rise from October onwards, causing the market to become weighed down by uncertainties and risks once again. Meanwhile, the hard landing in the HoReCa channel still affects the domestic market. A review of its year-end performance reveals that Şişecam Glassware saw the HoReCa channel contract significantly due to anti-pandemic restrictions imposed on the food & beverage sector. However, loss of sales from the HoReCa segment was offset by higher sales in the retail and B2B channels.

As domestic and foreign markets entered a downward trend, risks increased for the glassware sector. Delayed, reduced and/or cancelled customer orders were offset by scheduling furnace repairs (cold repair) to earlier dates and planned production line stoppages. Şişecam Glassware outperformed the sector average by managing the global crisis effectively, taking the right actions and implementing the right strategies. Şişecam Glassware exited fiscal year 2020 with 4% sales growth in Turkish Lira compared to the previous year.

### ACHIEVEMENTS IN 2020

Şişecam Glassware focused on boosting operational efficiency and adopting lean business processes in 2020. Digital transformation efforts were prioritized to ensure seamless integration with advanced technologies. During the year, Şişecam Glassware accelerated its digital transformation with SAP S/4HANA in order to achieve more effective and rapid management of its core operations. As a part of its digital transformation drive, Şişecam Glassware moved its Tuzla Showroom, which had been closed for physical visits due to the pandemic, to the digital environment and made it accessible to customers. Road maps began to be developed for the e-commerce channel which grew even more quickly due to the pandemic. Şişecam Glassware aims to increase the sales volume made directly and/or via distributors both in Turkey and abroad.

Şişecam Glassware continued efforts to improve its distribution capabilities in target markets and enhance brand loyalty in Turkey and abroad. Despite limited growth in the market, key customer management and sales and operations planning (S&OP) strategies enable Şişecam Glassware to achieve the optimal balance of production, sales and inventory. Moreover, product price lists were reviewed in both domestic and foreign markets to set country-specific pricing strategies.

Europe's and the World's 2<sup>nd</sup> Largest Glassware Manufacturer



#### Antimicrobial V-Block

During the pandemic year of 2020, Şişecam Glassware aimed to develop innovative value-added products in line with evolving consumer needs and emerging primary trends. As part of these efforts, Şişecam Glassware introduced to the market the world's first glassware products featuring antimicrobial coating: V-Block Technology. Şişecam's proprietary V-Block coating can be applied to external surfaces of glass products to prevent harmful organisms that can remain and proliferate on glass surfaces. 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 process, Şişecam aims to accelerate the post-pandemic normalization in the fight against Covid-19 while significantly contributing to the national economy with export sales.

#### Aware Collection: Made of 100% Recycled Glass

Şişecam's 100% Recycled Glassware product development initiative is designed to raise awareness on sustainability and the environment. This 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.

#### DESIGN ACTIVITIES

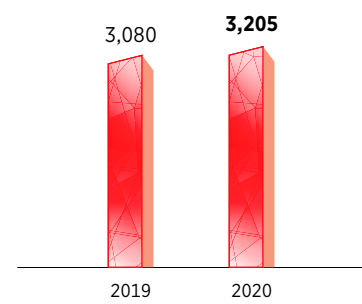
In 2020, the Glassware Design Department created 529 automated process products, 555 value added products, 278 hand-made products and 1,948 packaging designs.

Of these, 325 product, accessory and pattern designs have become commercial products. Finesse Rock & Pop products, designed by Umut Karaman for the Nude brand, received the prestigious Archiproductions Design Award 2020.

Ghost Zero designs, featuring the value proposition of being the glass with the world's lightest grip handle, were presented by the Design Department in two different concepts.

With V-Block Technology, Şişecam introduced the world's first glassware products featuring antimicrobial coating to the market.

**Şişecam Glassware  
Sales Revenues**  
TRY Million





# Şişecam Glassware

**1,938**  
TRY Million

Şişecam Glassware  
International Sales

Under the Roots and Wings Master Data Governance (MDG) project, Şişecam identified product characteristics and prepared master data for active products.

New Stem Zero designs, named "Grace," were developed to expand the series. Mist Light candle stand designs were developed with Tamer Nakışçı and added to the Mist series.

Secondary treatment processes continue to be applied to the Mask decorative product, which is designed to create extraordinary parts with an element of surprise.

Joint collaborations and co-designs were made with celebrated African female designers Fatima Ly, Selly Raby Kane and Sindiso Khumalo for the new Nude collection. This collection also serves as a corporate responsibility effort to lead the way for African female designers.

## CATEGORY MANAGEMENT ACTIVITIES

The Roots and Wings SAP S/4HANA project pricing module was configured and tested prior to going-live. Price master data has been prepared for transfer to the live process.

Under the Roots and Wings Master Data Governance (MDG) project, Şişecam identified product characteristics and prepared master data for active products. Tests before the go-to-live process were completed for transfer of category management information in the product creation practice.

List prices were systematically studied for the target markets of Turkey and Russia based on product properties and segment information. The list prices were imported to the system based on the new pricing configuration in S4.

## Drinkware Category

Şişecam Glassware engaged in further product development efforts in the beverage category, with a focus on developing offerings for the mid- and high-end segments, expanding its well-established series with additional sizes based on market needs, and adding features to existing products.

Product range defining studies were completed for antimicrobial products scheduled for production.

The upmarket series Timeless and Elysia were expanded with six and three new sizes, respectively. The Leafy series in this high-end segment was also launched with three size varieties. The Amber and Iconic series in the mid-segment were expanded with additional size options.

Interest in space-saving stackable products is increasing in the market. In response to this trend, Şişecam Glassware developed and marketed the Hill, Grande-Sunray and Highness series in three sizes in total. Stackable Timeless glasses in three different sizes were also added to the series.

Cold cut glass goblets with thin rims offer a richer tasting experience. The Napa and Veneto series featuring these properties were developed and introduced to the market.

## Tableware Category

The Covid-19 pandemic caused people around the world to spend more time at home, fundamentally changing prior habits. This development boosted the share of the tableware category within Glassware's total sales.

During the year, Şişecam Glassware further improved the footed serving products category – led by Paşabahçe with its rich product range. The "Petite Patisserie" serving platter was introduced featuring a high lid for use with smaller-sized cake and pastry servings in the patisserie household and catering segments. In the household products category, engraved versions were added to offer diversified dome lids for serving platters with standard footing, which recorded higher demand during the pandemic.

For plates and bowls, the largest subcategories of the tableware category, Şişecam Glassware launched the "Estrella" and "Frezya" series in the tableware and small bowl categories, respectively.

The "Timeless" series posted higher growth in the drinkware category. The series was expanded with an ice bucket addition from the tableware category.

The "Tokio" series, featuring products for serving breakfast and snacks, was further expanded with two new plate size options in 2020.

For the healthy lifestyle concept, Şişecam Glassware expanded the “Borcam Nonstick” series with non-stick coating developed for use with glass.



The bottle category, including the “Iconic” bottle with a generic design and watertight screw cap available in half- and one-liter sizes, was further developed in consideration of customers who prefer to store and consume their beverages in a glass bottle. This series was also used in patterned products.

Product development efforts for the upper segment yielded the large-volume, crystalline Pleats and Facade ice cream goblets for a stylish serving solution and the Lavinia oval serving bowl designed for dual use as a decorative object and a food serving bowl.

#### Kitchenware Category

Demand rose for the cooking and food storage product groups as people spent more time at home during the pandemic. This year, total (foreign-domestic) sales in the cooking (Borcam) category jumped 15% in EUR terms compared to the previous year.

Borcam sets designed in collaboration with Arda Türkmen posted significantly higher domestic sales on online channels. As a result, the collaboration was expanded by adding new Borcam cooking and food storage sets during the year.

For the healthy lifestyle concept, Şişecam Glassware expanded the “Borcam Nonstick” series with non-stick coating developed for use with glass. Three new sizes were added to the series.

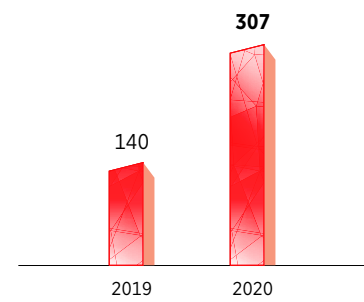
Thanks to synergy with Şişecam Glass Packaging, a new product range in the economical segment was created under the Zestglass series in the Paşabahçe distribution channel. New plastic accessories were developed for seven molds included in the packaging group standard under the jar, oil dispenser bottle and vinegar dispenser bottle functions.

Based on results of competitive analyses, Şişecam Glassware decided to develop square and rectangle, small-volume food storage container products which were missing from the product range. Development of these products was completed. The products were launched at a competitive price level in the economical segment.

In the group of food storage containers with simple lids, Şişecam Glassware addressed consumer complaints related to the quality of plastic lids in the Snow Box and Chefs series. Based on the customer complaints, a material replacement and cost optimization were performed.

A new jar lid was developed for the “Harvest” large-volume pickle jar series, enabling these jars to sell at a lower price point. With this development, Şişecam Glassware achieved its objective of offering different products in national and discount sales channels. For product development purposes, Şişecam Glassware entered into collaboration with plastic suppliers to apply the accessory decoration methods used for cosmetic products to glassware. As a result, “Bella” jar lids can now be produced with different mold labeling even within the same production lot. This capability allows for greater product diversity for the B2B sector by applying customer-specific patterns and branding on jar lids.

#### Şişecam Glassware Investments TRY Million



## Şişecam Glassware

In line with its Care for Next sustainability approach, Şişecam launched the Aware Collection initiative to produce glassware made of 100% recycled glass materials in order to leave a better world for future generations.

### Value-Added Products Category

In line with its Care for Next sustainability approach, Şişecam launched the Aware Collection initiative to produce glassware made of 100% recycled glass materials in order to leave a better world for future generations.

Şişecam Glassware enriched the product range featuring glittering gold rims in the Golden Touch Collection. The products were diversified for different segments based on customer demands.

Patterned collections consisting of glassware and tableware designed in line with WGSN trends of 2020 were introduced to global markets with theme-highlighted packaging.

A licensed product portfolio, developed in conjunction with Warner Bros and Disney for both adults and youth, was placed on store shelves to mark special days and periods.

Şişecam Glassware expanded the product range featuring double-layered metallic paint finishing in the Metallic Touch collection with beverage glass alternatives. The options included different colors and new handles.

The amber-colored Linden and Generation series, consisting of plate sets, bowl sets and beverage glasses, were launched with new packaging designs.

### MARKETING ACTIVITIES

Due to the impact of the pandemic, sector and consumer needs, trends, sales targets and product launches changed throughout the year. In 2020, Şişecam Glassware's marketing activities aimed to boost sales and deepen brand loyalty in the domestic market, and improve brand awareness and expand market share in target foreign markets. Marketing efforts during the year also targeted bolstering communication and engagement with channels, customers and end users.

During the early stages of the pandemic, end users spent heavily on food and hygiene products. In April, the "Stay Home, Stay Healthy" promotional campaign was executed in Turkey and Russia to promote Paşabahçe products that offered the best solutions in terms of health and hygiene. The campaign was also designed to boost sales by making glassware one of the first categories that come to the mind of shoppers. Communication campaigns were carried out across TV, radio and digital channels in Turkey. Special campaign communications were conducted in national and local food chains by using promotional materials to attract attention in retail stores where consumers were spending only a limited amount time.





On Mother's Day, one of the most active periods for retail sales in May, Şişecam Glassware increased its sales volume at online and retail points of sale with the campaign "Best Gifts at Paşabahçe for Our Women with a Beautiful Heart."

In June, only a limited number of retail points of sale were allowed to be opened due to lockdown restrictions. Şişecam Glassware performed communication campaigns on digital platforms and at retail food chains by highlighting and positioning Paşabahçe products as Father's Day gifts that people can easily access at stores that remained open.

In 2020, Şişecam Glassware recorded a significant breakthrough by launching the Aware Collection which consists of products made of 100% recycled glass. In September, communication campaigns were carried out to promote this collection in Turkey and target foreign markets. Pursuant to Şişecam's sustainability strategy, communication campaigns were conducted on digital channels and at points of sale that encouraged consumers to recycle glass and opt for glassware made of recycled glass.

During the Christmas season, one of the peak sales periods in retail, Şişecam Glassware supported sales with a communication campaign that positioned Paşabahçe products as stylish and lasting gifts.

V-Block technology, developed by the Şişecam Science, Technology and Design Centre, was one of Şişecam's biggest innovations of 2020. Şişecam carried out marketing communication campaigns around Paşabahçe products featuring antimicrobial coating made possible with this advanced technology.

Paşabahçe's Turkey and Global Instagram accounts were launched and began to be actively used to improve engagement with domestic and foreign customers and communicate campaigns more effectively via digital marketing. The Instagram Professional account was also actively managed to boost brand awareness and promote products in foreign markets for the HoReCa sector.

Şişecam Glassware performed marketing campaigns taking the form of social media activities, digital marketing, magazine

advertisements, sponsorships and point of sale activities. These efforts aimed to increase brand awareness and support sales in Russia, Italy, England, Germany and Spain throughout the year.

In February, Şişecam Glassware participated in Ambiente, the leading consumer goods trade fair, held in Frankfurt, Germany. New Şişecam products were introduced at the trade show, and sales contacts were made with business partners, distributors and potential customers from across the world. In September, Şişecam Glassware participated in the Household trade fair in Moscow, one of the most important trade shows in the region. Şişecam received new orders and onboarded new customers at this major event.

Due to pandemic related restrictions, physical meetings, activities and trade fairs were cancelled starting from the second half of 2020. As an alternative, Şişecam Glassware participated in online trade shows and moved its showroom located at Tuzla headquarters to a digital platform. With this approach, Şişecam was able to engage with customers who could not visit the showroom due to pandemic lockdowns.

Şişecam Glassware provided marketing support to its domestic and foreign distributors to gain a bigger share of e-commerce sales volume, which rose significantly during the pandemic. As a result, Şişecam was able to boost its sales in this key channel.

#### **NUDE**

In 2020, total global sales revenue of Nude-branded products, including sales revenue in the Turkish market, decreased to USD 10.6 million. Nude worldwide sales were down 30% compared to the previous year due to the negative impact of the pandemic.

Target market sales in the retail and HoReCa channels rose 15% in China. Meanwhile, Nude product sales remained flat in Italy and the USA year-on-year. As a result of lockdown restrictions imposed due to the pandemic, total sales declined by 32% and 77% (in USD terms) in the USA and UK markets, respectively. Sales fell 25% (in Turkish Lira terms) in Turkey. During the year, the number of export markets for Nude products jumped by 18%, climbing to 82 countries in total.

Export turnover of Nude-branded products in the household sector went up 17% (in USD terms) compared to the previous year. Sales recorded on Nudeglass.com soared by 162% year-on-year.

In 2020, Şişecam Glassware launched three new Nude collections and 13 gift sets. Six Nude collections were expanded with new products.

Şişecam Glassware developed a Strategic Business Plan and Development Roadmap for the Nude brand as a result of a performance evaluation and submitted it to the Ministry under the Turquality program. The plan and roadmap were approved during the year. Thanks to this effort, Nude is now eligible to receive support payments for expenditures in target market countries approved by the Ministry.

"Finesse" glasses in the Rock & Pop Artist collection that launched in 2020 were presented with the Design award in the "Tableware" category by Archiproductions, the world's largest online community of architects, designers and design fanatics.

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In February 2020, Şişecam participated in Ambiente, the leading consumer goods trade fair, introducing new products to business partners and potential customers from across the world.

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## Şişecam Glassware

During the year, Şişecam Glassware worked to support the HoReCa sector, which was experiencing one of its worst periods in modern times due to the pandemic. Through two different auctions, Şişecam Glassware contributed to the "Recovery Fund" of the World's 50 Best Restaurants organization which aimed to provide substantial financial relief and assistance to the sector. In Turkey, all proceeds from the sales of the food and culinary arts author Cemre Torun's book-magazine titled "Restoranlar Evde," a compilation of Istanbul's special meal recipes and food related stories, were distributed to people in need as identified by TURYİD, a restaurant industry association. The Nude brand supported this effort by purchasing 100 magazines.

Şişecam Glassware Online conducted cocktail workshops, press conferences, digital launch and PR activities out as part of the launch of the new cocktail collection designed in collaboration with Remy Savage, an award-winning mixologist.

### RETAIL STORE ACTIVITIES

2020 was a year marked by the unforeseen and widespread impact of the global pandemic. The retail industry was hit especially hard by this far-reaching crisis. However, Şişecam Glassware exited 2020 by outperforming the retail sector thanks to its successful business management practices.

Due to uncertainties in the retail environment, Şişecam Glassware suspended new investments, except for the Erenköy store. Meanwhile, the Ataköy and Brandium stores were closed as scheduled on August 31, 2020. The "Life" and "Boutique" concept stores at Kanyon shopping centre were merged to operate as a single retail store on September 18, 2020 in order to create synergies and improve commercial conditions. In parallel to the course of the global pandemic in Italy, the Milan store was closed on March 11, 2020. Şişecam Glassware ended fiscal year 2020 with 49 stores in Turkey. Two stores in Qatar and one franchise store in Saudi Arabia continued to operate despite being negatively affected by the pandemic.

Şişecam Glassware ended 2020, a year marked by the global pandemic, by outperforming the retail sector thanks to its successful business management practices.



The Şişecam Antique Glass Works Collection consists of glassware discovered in the Anatolia region. This special collection reflects a nearly 3,500-year history of glass, dating back to the Ottoman era, the Byzantine and Roman Empires and other ancient civilizations. During the year, Şişecam Glassware created special handcrafted glassware products as part this collection that reflects the time of the Roman Empire. On December 12, a selection of these unique commemorative items was offered to customers as a special offering at a limited number of retail stores with the Antique Glass Works Collection.

In 2020, Paşabahçe Mağazaları website recorded over 4 million visitors, up 33% year-on-year. Sales via this e-commerce channel tripled compared to the previous year. Launched in 2017, the Paşabahçe Club Card program member base jumped to 235 thousand persons in 2020. In addition, Paşabahçe Mağazaları Instagram account had over 1 million followers. A total of 600 thousand communications were sent to Paşabahçe Mağazaları loyalty card program members with their consent during the year. The “Life Is the Most Beautiful Gift” digital communication campaign attracted more than 500 thousand views this year.

In 2020, Paşabahçe Mağazaları reviewed its plans and strategies for the future. A new channel development strategy for the new normal was formulated by considering recent developments, such as growing demand for better customer experience, more services and omni-channels and integration of the physical world with the digital. Paşabahçe Mağazaları aims to boost retail sales and obtain a stronger portfolio structure against risks associated with the pandemic environment by diversifying its customer access channels.

### **CAMIŞ AMBALAJ SAN. A.Ş.**

Camiş Ambalaj is an integrated concern capable of responding to its customers' needs in every field, from marketing to creative design, production, after-sales services and packaging engineering. Thanks to its integrated structure, Camiş Ambalaj increased its sales revenue by 4% in 2020 despite the pandemic and challenging economic conditions.

Besides serving the glassware industry, Camiş Ambalaj provides services to the beverage and food sectors. The company is committed to expanding its market share with modernization-related investments.

### **EXPECTATIONS AND OBJECTIVES FOR 2021**

As the glassware market shrank by 25% in 2020, global revenues for the sector also dropped significantly for the year. With normalization steps now underway, the glassware industry is expected to recover and offset its losses to a degree in 2021. Şişecam Glassware's main objectives for the short-term include effectively managing the production, sales and inventory balance with current capacities; boosting exports and maintaining its current market position in Turkey by improving its level of services; and achieving sustainable profitability.

Şişecam Glassware is committed to achieving end-to-end operational excellence throughout the supply chain, from production to sales, while budgeting its investments accordingly. Accelerating its digital transformation with a focus on operational excellence, Şişecam Glassware plans to maintain its lean management approach and continue its automation and Industry 4.0 related efforts at full speed.

Şişecam Glassware prioritizes investments in product development processes that are aligned with consumer needs and primary trends. This approach to capital investment will continue.

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**Şişecam Glassware maintains its lean management approach and continues its efforts in automation and Industry 4.0 at full speed.**

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Today, glassware market players are facing major financial challenges. As a result, opportunities for new acquisitions and business partnerships may arise in the market. Şişecam Glassware aims to evaluate opportunities for partnerships and other acquisitions by closely monitoring the course of the market in the coming year and beyond.

With steps toward normalization underway, sectors that directly impact glassware sales –travel-tourism, food & beverage and retail – are reviving, with European and American markets forecast to grow more quickly. Şişecam Glassware expects to rebound in the HoReCa channel in parallel with the recovery in the European tourism industry. The retail channel is also projected to improve with higher demand in discount stores. The USA is expected to be one of Şişecam's leading glassware markets once people resume their former habit of dining out regularly. On the other hand, Şişecam Glassware maintains its leadership in the domestic market and plans to further enhance its brand loyalty through customer-oriented sales strategies.



## Şişecam Glass Packaging

In line with its objective to expand access to global markets in the glass packaging business line, Şişecam increased its export volume in 2020.

# 27%

Increase in Şişecam Glass Packaging Sales Revenues

### AN OVERVIEW OF 2020

2020 was a challenging year for the global glass packaging market due to the Covid-19 pandemic. While sector-related investments were postponed to future years, weight reduction projects and other efforts focused on operational excellence and efficiency continued to move forward. Product innovation, total quality management, sustainability, digitalization and Industry 4.0 are priority areas across the entire glass packaging industry and gain more importance each day.

The pandemic resulted in reduced consumption of glass packaging in the alcoholic beverages, soft drinks-fruit juice and bottled water sectors. The HoReCa (hotel-restaurant-café) channel was severely affected by the near global shutdown of tourism, restaurant and entertainment businesses. As anti-pandemic measures were imposed – including curfews, lockdowns and social distancing – people around the globe adopted greater concern for their health and hygiene. As a result, household consumption models began to account for an even higher share in glass packaging products categories. Although increased household consumption partially offset declines outside the home, the global glass packaging industry is expected to contract compared to the previous year. In the short-term, the glass packaging market is expected to shrink by a single digit in North America. Meanwhile, Europe, South America, Asia-Pacific, Middle East and Africa markets are expected to shrink even more due to the pandemic.

The Russian glass packaging market, which steadily contracted until 2018 due to the government push to reduce alcohol consumption, finally

displayed signs of recovery in 2019. After recording positive growth for the first time after many years, Russia's glass packaging market is expected to post a similar performance in terms of volume in 2020 as the prior year. Russian households increased their consumption of alcoholic beverages during the pandemic despite lower demand in the overall alcoholic beverages sector due to the restrictions imposed on the HoReCa channel. The beer and wine industries account for more than half of the total demand in the Russian glass packaging market.

The Turkish glass packaging market shrank compared to the previous year. In 2020, the Turkish glass packaging market experienced difficulties in key segments, including the soft drinks-fruit juice, bottled water, mineral water, wine and alcoholic beverage segments. This performance paralleled the challenging environment faced in the economy, tourism and other crucial sectors. However, household consumption rose due to increasing awareness of hygiene and health during the pandemic. In response to these adverse conditions in the domestic market, Turkey's glass packaging producers increasingly turned to export markets.

### ACHIEVEMENTS IN 2020

In 2020, Şişecam Glass Packaging continued to expand, even as the Turkish economy faced a difficult period and the overall global environment was sluggish. It recorded innovations that facilitated sustainable profitable growth along with increased exports. Always keeping the value offered to the customer at the forefront, Şişecam Glass Packaging increased its sales volume to over 1.2 million tons in its Turkey operations in 2020.

5<sup>th</sup> Largest Glass Packaging Manufacturer in Europe and World-Wide



During the year, Şişecam Glass Packaging further increased its export volume by expanding its access to global markets. Thanks to implementing new marketing and sales strategies, exports accounted for 31% of total sales in Turkish operations. It exported 500 thousand tons to approx. 40 countries in 2020. Glass packaging international sales accounted for 57% of total sales.

With capital investments in Turkey, Şişecam Glass Packaging further expanded its production capacity. A new pharmaceutical line at the Eskişehir Plant was commissioned in third quarter 2020. The Yenişehir Plant was shut down in December to perform scheduled cold repairs on the C furnace. This facility was put back into operation upon completion of the furnace cold repairs in early January 2021.

In 2020, Şişecam Glass Packaging increased its sales volume by 27% compared to the previous year. The business line's net turnover reached TRY 5,467 million, with 57% of sales revenue from overseas operations.

#### Facilities and capacities

Şişecam carries out glass packaging operations in 4 countries, including Turkey, Russia, Ukraine and Georgia, with a total production capacity of 2.6 million tons/year.

#### Operations in Turkey

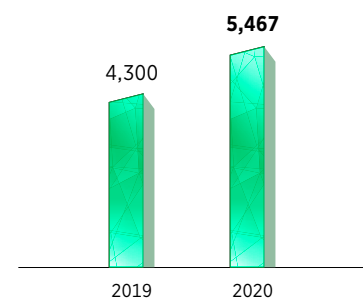
Şişecam Glass Packaging conducts production activities in Turkey at 3 facilities located in Mersin, Bursa, and Eskişehir.

While maintaining its leading position in the sales of Şişecam Glass Packaging, mineral water sector, together with food and alcoholic beverages sectors, constitutes approximately 82% of total domestic sales. The Company aims to consolidate its sales distribution by sector with a more balanced sales mix. Şişecam Glass Packaging is also gradually expanding its capacity allocated to exports in accordance with its growth target in foreign markets.

In 2020, Şişecam Glass Packaging focused on extending the endurance of glass packaging, lightweighting the products, improving new product processes, optimizing product and SKU, reducing process inputs and production wastes, using renewable energy, and boosting the recycling of glass.

Şişecam Glass Packaging increased its sales volume to over 1.2 million tons in its Turkey operations in 2020.

**Şişecam Glass Packaging  
Sales Revenues**  
TRY Million



# Şişecam Glass Packaging

**3,092**  
TRY Million

Şişecam Glass Packaging International Sales

Operating in an energy-intensive sector, Şişecam Glass Packaging is committed to continuously reduce energy consumption and boost energy efficiency in its operations.

## Operations outside Turkey

Şişecam Glass Packaging's first investment abroad is Mina Plant in Georgia. The Company is the Georgian market leader as only glass packaging manufacturer in the country. Although facility sales dropped in 2020 due to the pandemic, the share of the fruit juice-beverage sectors in its sales increased.

During the year, Şişecam Glass Packaging consolidated its position as the leading glass packaging manufacturer in the Russian market. The Company recorded the highest sales volume in local currency in 2020.

## Investment expenditure of TRY 529 million

In 2020, Şişecam Glass Packaging successfully realized modernization, capacity and operational improvement investments totaling TRY 529 million in Turkey, Russia, and Georgia, despite some of the scheduled investments being postponed to 2021 because of the pandemic. Due to growing competition in the glass packaging market, Şişecam Glass Packaging has maintained a strategic focus on cost control, operational excellence, lean production and digitalization. In addition, the Company conducted various development and cost reduction efforts leading to energy savings across all its facilities.

## PRODUCT DESIGN PROJECTS AND AWARDS

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 Centre. In 2020, the Centre completed 368 creative designs for 206 projects. Five new packaging designs were registered, including "ultra-light" water and mineral water bottle designs.

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 creator of so

many award-winning designs, Şişecam Science, Technology and Design Centre is committed to continuously adding to its collection of innovative, high-quality and user-friendly designs.

## University Collaborations

Şişecam Science, Technology, and Design Centre has so far conducted 15 joint project activities with 11 leading universities in Turkey to support and develop the creative designs of university students in Industrial Design departments.

No such project was conducted in 2020 due to the pandemic, though "Online Design Talks" events were carried out with 3 universities:

- Participation in Anadolu University's "Design Club Meets the Industries" event as a speaker (February)
- Participation in Istanbul Commerce University's seminary on the subject of "Design" as a speaker (April)
- Consultancy to students taking the "Glass Design Course" at Mimar Sinan Fine Arts University, Fine Arts School, Ceramic and Glass Design Department (November)

## We Add Glass to Life!

Şişecam engages in awareness-raising activities on the benefits of glass packaging. The "Add Glass to Life (Hayata Cam Kat)" initiative, a standalone web platform, completed its ninth year. We continue to share a variety of content on different subjects, including environment, health and taste, via the website and social media channels.

"Add Glass to Life" is a successful initiative that expanded organically. It is a standout among leading brands in the corporate blog category.

## Studies for using cullet

Based on the awareness that glass is the most natural and healthiest packaging material, Şişecam conducts all its business operations in line with an approach that embraces eco-friendliness and sustainability. The Company aims to use natural resources efficiently, minimize environmental impact, and constantly boost energy efficiency.



To these ends, it plans to increase the use, amount and quality of recycled glass (cullet) at production plants in order to minimize the resource consumption. Şişecam aims to support and continuously improve glass cullet suppliers by conducting quality and quantity premium practices. A total of 256 thousand tons of recycled glass was procured.

Şişecam Çevre Sistemleri A.Ş., a subsidiary of Şişecam, continues its efforts to promote recycling of glass and improving the existing glass waste collection systems in Turkey. Glass waste recycling operations are carried out at sites near the Yenişehir and Eskişehir glass packaging plants. Şişecam Çevre also procures and recycles furnace-ready cullet from other suppliers to ensure that it is re-used in production.

Thanks to the recycled glass savings since 2011;

- 1,561,774 tons of glass waste was avoided,
- Energy savings were provided equivalent to the heating and hot water needs of 65,595 households for one year,
- Carbon dioxide emission equivalent to the withdrawal of 562,239 cars from traffic for 10 thousand kilometers has been prevented, and
- Carbon dioxide emissions equivalent to the quantity of air cleaned by 48,220,678 trees in one year were prevented.

#### EXPECTATIONS AND OBJECTIVES FOR 2021

Being a supplier of the food, beverages and pharmaceuticals sectors, the glass packaging business line is subject to only limited downside risks associated with pandemic in the demand side and therefore still continue to present opportunities. In 2021, Şişecam Glass Packaging will continue efforts to become a global player. The Company aims to expand its 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.



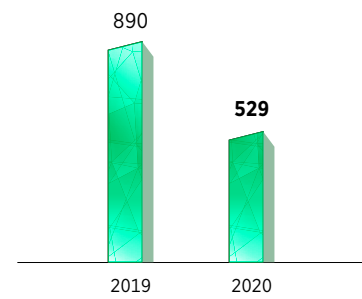
Efforts to boost glass packaging production and encourage recycling thereof will continue apace within a framework of respect for people, nature, and the environment. As an industry leader, Şişecam Glass Packaging will focus on improving its competitiveness in both domestic and international markets in the coming year.

The Company remains committed to boosting manufacturing efficiency in every area by leveraging on its advanced production technologies, creating highly automated 'smart factories', ensuring cross-facility standardization and achieving Industry 4.0 compatibility. Şişecam Glass Packaging uniquely combines its technological superiority with an innovative and authentic perspective. The Company will continue playing a key role in the future of all its stakeholders, particularly employees and customers.

Now more than ever, it is essential to achieve strong positioning in the evolving competitive landscape. The Covid-19 pandemic was a stark reminder of the importance of effective supply chain management and local service expectation is increasing. In 2021, Şişecam Glass Packaging's strategic priorities include remaining cost competitive; engaging in effective end-to-end supply chain and total quality management; positioning itself as a preferred glass packaging manufacturer by enhancing customer loyalty and creating added value for the customer; maintaining high levels of service quality, production efficiency and operational excellence.

“Add Glass to Life” is a successful initiative that expanded organically. It is a standout among leading brands in the corporate blog category.

Şişecam Glass Packaging  
Capital Investments  
TRY Million



## Şişecam Chemicals

In 2020, Şişecam Chemicals maintained its strong performance thanks to its exceptional product and service quality, as well as increased penetration in target markets.

# 15%

Increase in  
Şişecam  
Chemicals Sales  
Revenues

### AN OVERVIEW OF 2020

2020 was a dismal year marked by the global economic contraction from the Covid-19 pandemic which started to impact the world in March. In this challenging environment, Şişecam Chemicals stood out among its competitors in similar sectors thanks to its sustainability-centered focus on production, quality and sales consistency.

### Developments in the soda sector

All of the customer segments were impacted by the global slowdown caused by the Covid-19 pandemic. The construction and automotive industries were especially affected by the restrictive measures taken to combat the pandemic. The flat glass sector faced reduced demand in the early part of the outbreak. Strong demand recorded in the glass packaging market until the end of April was replaced by contraction during the rest of the year due to the ongoing slowdown in tourism and other service sectors. This contraction was also reflected in the demand for glass packaging products, especially in the soft drinks and alcoholic beverages sectors. Robust demand in the powder detergent sector during the first half of the year softened in the second half of the year due to rising inventory. Demand for sodium bicarbonate, a product commonly used in the food and feed sectors, remained steady throughout the year.

In 2020, global demand for soda decreased by 10-15% compared to the prior year. World trade figures provide insight into demand for soda ash. Global export figures of exporting countries dropped for the year, except for China which grew by 2%. The global decline in demand was also reflected in imports. India, one of the world's leading importers of soda, imported 30% less soda compared to 2019. Meanwhile, soda imports of Brazil and the EU decreased by 8% and 11%, respectively.

In Turkey, soda demand from the glass industry dipped below levels seen in recent years due to the pandemic-related contraction in the construction and automotive sectors in 2020. The reduction in the textile industry due to the restrictive measures taken during the pandemic, also caused a decline in soda demand. In the powder detergent sector, health and hygiene concerns due to the pandemic meant higher demand during the first half of the year; however, demand returned back to normal levels in the final months of the same period. Demand in the soda sector remained stable in the latter half of the year. Meanwhile, demand from the food and feed sectors, major consumers of sodium bicarbonate, rose in the first half of the year due to the pandemic effect, but reverted to normal levels the remainder of the year.

Europe's 4<sup>th</sup>  
Largest and the  
World's 8<sup>th</sup> Largest  
Manufacturer  
of Soda



#### Developments in the chromium chemicals sector

In 2020, demand from the domestic and foreign leather and metal plating industries, in addition to many other linked sectors that use chromium chemicals as an input, was negatively affected by the Covid-19 pandemic. During the year, the chromium chemicals market contracted 20% due to the negative effects of the pandemic. As a result of the highly varied restrictions imposed by different governments around the world, 2020 was a year where strategies had to be modified quickly and sustainable service quality played an important role. Restrictive pandemic related measures had a negative impact first on China at the start of the year. Subsequently, Europe and Turkey were affected by lockdown measures, followed by the Americas in the second half of the year.

#### ACHIEVEMENTS IN 2020

In 2020, soda business line recorded soda product sales to 81 countries with its three production plants.

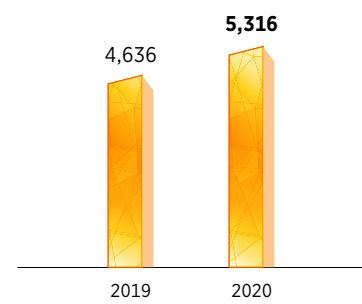
Despite reduced and unstable demand in parallel with increased competition, Şişecam Chemicals maintained its presence in the markets, penetrated new markets

and gained new customers with its strategic interventions. Service quality was improved by offering a range of logistical options 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. The Company's plants in Mersin 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 developing countries. 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. Thanks to this advantage, Şişecam's Soda Lukavac plant became the third largest export company in Bosnia & Herzegovina in 2020.

In 2020, Şişecam's soda business line recorded soda product sales to 81 countries with its three production plants.

**Şişecam Chemicals  
Sales Revenues**  
TRY Million





# Şişecam Chemicals

**3,299**  
TRY Million

## Şişecam Chemicals International Sales

In 2020, Şişecam commenced analytical studies of sales and logistics scenarios in relation to its natural soda investment in the USA. Şişecam is positioned to become one of the top five players in the global soda ash sector once the US investment is completed.

Şişecam Chemicals benefits from synergy with production facilities in three different geographies. Şişecam Chemicals has the capability to offer diversified supply options. This configuration ensures an 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 Chemicals 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. In 2020, Şişecam Chemicals worked further on this investment and commenced analytical studies of sales and logistics scenarios.

The US investment allows 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.

Once this facility is operational, Şişecam will rank among the top five 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, which is intensely competitive. In addition, the new venture will make a positive financial contribution to Şişecam Chemicals by strengthening its power in the global soda market. The natural soda investment is expected to be finalized and initiate production by 2024. The exact timing depends on the date when required business permits and operating licenses are obtained.

The same production partnership structure that Şişecam established for this project has been successfully operational for years in Bulgaria with Solvay, one of the largest producers of synthetic soda in the world.

The highly challenging environment caused by the Covid-19 pandemic during the year adversely affected many sectors of the global economy, including those using chromium chemicals as an input. Despite difficult and volatile commercial conditions in 2020, Şişecam Chemicals minimized the impact of the pandemic by focusing on diversified regions thanks to its extensive sales network.

For the BCS product, an input used in the leather sector, Şişecam Chemicals focused on Central and South America, where are the strategic markets, and boosted sales volume to this region by 6.7% compared to the previous year. While domestic demand for BCS declined in 2020, Şişecam Chemicals maintained its share of the domestic market.

The contraction in the automotive sector negatively affected the metal plating sector as well as demand for chromic acid, used as an input in this sector. However, Şişecam Chemicals maintained its share of both domestic and foreign markets.

The pharmaceuticals and pigments sectors, major consumers of sodium bichromate, were affected by adverse market conditions to a relatively lesser degree. Şişecam Chemicals focused on expanding the customer portfolio and posted a 53% increase in sales volume compared to the previous year.

Şişecam Chemicals conducts chromium production and sales in Italy, sales in China and production at Mersin Kromsan Plant in Turkey, its main facility in this segment. In 2020, the Company generated 88% of its chromium sales revenues from international markets. Şişecam Chemicals Kromsan Plant maintained its pioneering position in its business segment in 2020. The facility boasts advanced production technology, high capacity utilization rate,

Şişecam Chemicals bolstered its operational performance with its continuous improvement strategy. Infrastructure development efforts are underway across the entire organization.



product development activities, continuous high-quality production capability, 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 centre. 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 factory 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.

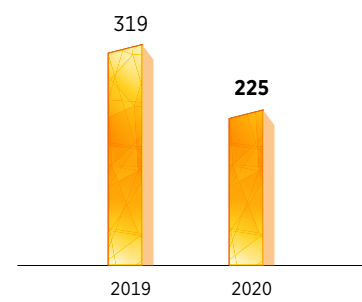
#### Highlights from 2020 investments

Şişecam Chemicals bolstered its operational performance with its continuous improvement strategy. Infrastructure development efforts are underway across the entire

organization. During the year, Şişecam Chemicals carried out projects to achieve operational excellence, increase efficiency and implement sustainable production practices. In addition, work moved forward on marginal capacity increases at its current facilities with a focus on growth. In 2020, Şişecam Chemicals focused on effective use of resources due to the impact of the Covid-19 pandemic and reviewed its capital investments. Şişecam Chemicals recorded investment spending of about TRY 225 million in 2020.

In 2020, Şişecam Chemicals continued its capital investments in its brine facility to provide sustainable raw material supply to Mersin Soda Plant. As part of the operational excellence focus, modernization works at Mersin Kromsan Plant were carried on. Şişecam Soda Lukavac Plant in Bosnia & Herzegovina carried out projects on energy, process efficiency and waste management throughout the year.

#### Şişecam Chemicals Investments TRY Million



## Şişecam Chemicals



### **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 2020.

The chromic acid authorization process, ongoing since March 2015, was successfully completed during the year. The authorization decision was officially issued by the European Chemicals Agency (ECHA) effective from December 18, 2020. The authorization is valid for five areas of use.

Pre-registration of all products and supplied chemicals was completed in accordance with the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (KKDİK/Turkish REACH), published in the Official Gazette dated June 23, 2017, and numbered 30105 (in duplicate).

In 2020, Şişecam also completed preparations to fully meet all of its legal obligations under the UK REACH Regulation to be put in force in the United Kingdom as of January 1, 2021 due to Brexit.

Having a wide chromium chemicals market in South Korea, Şişecam continued its efforts to register its products under the Korean REACH in 2020.

As a major exporter of soda and chromium products, Şişecam Chemicals fulfills its obligations under European Union REACH Regulation No. EC/1907/2006 in 2020.



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 2020, Şişecam Chemicals renewed certifications for the following: ISO 14001 Environmental Management, which is implemented as an Integrated Management System, OHSAS 18001 Occupational Health and Safety Management Systems; ISO 9001:2015 Quality Management System; ISO 27001 Information Security Management System; ISO 50001 Energy Management System; ISO 22000 Food Safety and ISO FSCC 22000 Global Food Safety Management System certificates for sodium bicarbonate product; HELAL, KOSHER, FDA, and GMP+ certificates for the feed type sodium bicarbonate product. In addition to the current management systems, COVID-19 Safe Production Certificate was obtained.

At Şişecam Chemicals, R&D 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.

In 2020, Şişecam Chemicals conducted product development, carbon dioxide capture and cost minimization projects in the soda product group. New product development efforts as well as process and product quality 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.

Legally required permission processes were undertaken related to storage of soda and chromium process waste during the year.

## SIGNIFICANT EVENTS

Committed to embracing sustainability and delivering consistent quality, Şişecam Chemicals participated in the World Soda Ash Conference on October 19-22, 2020. Şişecam attended the multi-day event as a global player in the soda sector and a close follower of market dynamics. At the event, Şişecam Chemicals had the opportunity to review the impacts of recent developments in the soda industry on its medium- and long-term sales and marketing strategies.

Şişecam Chemicals also actively participated in the Executive Board meetings and activities of the Turkish Chemical Manufacturers Association - Chemical Management Platform.

The All China Leather Exhibition (ACLE) and APLF Hong Kong trade fairs, which Şişecam has regularly participated in previous years, were not held in 2020 due to the pandemic.

## MINING COMPANIES

Şişecam carries out its mining operations with Camiș Madencilik A.Ş. and Madencilik San. ve Tic. A.Ş. in Turkey, with Camis Egypt Mining Ltd. Co. in Egypt and with R.K. Vijenac d.o.o. in Bosnia & Herzegovina. The mining companies meet the silica sand, feldspar, limestone, dolomite and kaolin needs of Şişecam factories and supply raw materials to external companies engaged in the glass, ceramic, cement and silicate industries. Having more than 550 employees, the mining companies recorded a total production and sales of 3.9 million tons of raw material in 2020, of which 1.5 million tons were sold to companies outside Şişecam.

In addition to supplying raw materials to Şişecam's glass factories, Camiș Madencilik A.Ş. is also an active industrial raw material supplier in foreign markets and has a significant share in the feldspar exports from Turkey. Thanks to its customer network of ceramic and glass producers across Europe and the Middle East, the Company contributes to the foreign currency sales revenue of Şişecam. Camiș Madencilik A.Ş. exported 438 thousand tons of industrial raw material to 13 countries in 2020.

In 2020, Şişecam Chemicals conducted projects related to new product development, carbon dioxide capture and cost minimization in the soda product group.

Şişecam Chemicals is committed to sustainability and strives to achieve a consistent level of quality. As a global player in soda supply and production, Şişecam Chemicals closely monitors sector dynamics.

## Şişecam Chemicals

The modernization and capacity increase investment effort that commenced at Yalıköy Facility the prior year continued to move forward in 2020. Şişecam's first-ever mining production site, the Yalıköy facility meets the sand needs of Şişecam factories that produce glass packaging and glassware. An EIA (Environmental Impact Assessment) permit was obtained for Çine Harımcık feldspar license; as a result, the amount of mineable reserve in the license was increased. In addition, the license handover process for Milas Türbe feldspar was completed during the year. As part of new mining exploration efforts, Şişecam participated in tenders held by the General Directorate of Mining and Petroleum Affairs and obtained two low-iron limestone licenses in the Eskişehir-Okçu region.

### 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.

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.

In response to the Covid-19 outbreak, which affected the entire world in 2020, Şişecam Elyaf took necessary steps to meet the needs of its target sectors and ensure continuity of its production operations.

Currently, market players are exploring opportunities in mergers and acquisitions. While the EU continues to protect its local producers, a temporary tax has been imposed on products manufactured in Egypt. In 2020, an official application was filed to the relevant authorities seeking actions against import products from Egypt in order to protect local producers in Turkey.

Şişecam Elyaf maintained its collaborations with customers and completed its preparations for 2021. Developments in the wind energy sector in Turkey and target European markets were monitored during the year, and business relationships have been established with industry leading companies.

The new glass fiber plant equipped with advanced technologies reached a competitive performance level in a short period of time. As a result, Şişecam Elyaf quickly stepped up its activity in the market. In 2020, Şişecam Elyaf moved forward with its efforts to boost productivity of its plant and entered new markets despite the impact of the pandemic.

During 2020, concurrent to its highly effective marketing activities, Şişecam Elyaf also accelerated its international certification efforts with the end of being recognized

In 2020, Şişecam Chemicals moved forward with its efforts to boost productivity of its state-of-the-art glass fiber plant and entered new markets despite the impact of the pandemic.



and included in customer supplier portfolios despite the global economic slowdown caused by the pandemic in 2020. Aiming to satisfy the needs of target industries in Turkey and abroad, 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 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.

In 2020, Şişecam Elyaf maintained its membership at the Turkish Composite Industrialists Association while also becoming a member of the Association of Energy Industrialists and Businessmen and the Turkish Wind Energy Association.

#### **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 in the world 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.

Despite the global slowdown in the sector, Oxyvit Kimya maintained its strong position in the market in 2020. Total sales volume in tons went up by 7% compared to the previous year, and export sales accounted for 71% of Oxyvit's total revenues.

Oxyvit Kimya exports about 87% 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 8% in 2020 despite the intense competitive environment.

Oxyvit exported about 56% of its sodium metabisulfite production during the year.

#### **EXPECTATIONS AND OBJECTIVES FOR 2021**

Soda sector forecasts indicate that capacity increases and regional supply-demand variability will continue in 2021. Strong competition is expected in the global market. After declining this year due to the Covid-19 pandemic, soda demand is projected to gradually recover in 2021. Demand for soda is expected to return to 2019 levels in the medium term with higher sales prices, tonnage and demand.

In response to the highly competitive environment expected in the soda sector in 2021, Şişecam Chemicals plans to prioritize projects that manage costs, optimize procurement processes and boost energy efficiency. In the coming year, Şişecam Chemicals aims to improve its operational efficiency and effectiveness with a focus on operational excellence and synergy creation by consolidating its services offered to global customers. Additionally, Şişecam Chemicals plans to sharpen its competitive edge by transforming its operating model via end-to-end digitalization of the entire value chain.

Depending on the course of the pandemic, chromium chemicals sales volumes are expected to rise as a result of projected recovery in sectors in which chromium chemicals are used as an input. Şişecam Chemicals aims to maintain its effectiveness in strategic markets and further boost its market share to reinforce its leadership position.

Strategic priorities include expanding its sales volume and revenues by bolstering its competitiveness with capacity utilization maximization, operational efficiency and cost improvements.

Camış Madencilik plans to acquire new mining sites in Turkey and abroad in order to meet raw material needs from Şişecam plants and expand its mineable reserves by conducting drilling operations in existing licenses. In 2021, Camış Madencilik's priorities include maintaining and boosting sales to companies outside Şişecam via value-added products.

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Şişecam Chemicals aims to enhance its competitive edge by focusing on operational excellence and transformation of its operating model with the support of digitalization.

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In line with the goal of commissioning the Yalıköy Restructuring project in 2021, Camış Madencilik is moving forward with its capital investment activities. The restructuring project is critical to the facility's modernization. In addition, the project will reduce imported sand needs thanks to the planned capacity increase.

Camış Madencilik's plans for the next investment period include installing a flotation unit to produce mid-iron quality silica sand for the use of flat glass plants and moving the solar sand preparation unit in Egypt to Bilecik to expand the capacity of the existing magnetic separation unit. Camış Madencilik plans to produce solar sand at this plant to meet the glass factories' demand for low-iron sand.

In 2021 and beyond, Şişecam Elyaf is committed to achieving growth in foreign markets and boosting its competitiveness in the wind energy industry in both domestic and foreign markets. Şişecam Elyaf plans to enter new markets, monitor developments related to protection measures of local producers and track other relevant sector developments.

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



# Sustainability

Şişecam continues to PRESERVE natural resources and its corporate heritage for future generations and to EMPOWER its stakeholders through its diversity and inclusion principles, and achieves PROGRESS in its fight against climate change.

## 1. Sustainability Strategy

### a. Governance

Şişecam's sustainability vision involves actively advocating sustainability at a global level, integrating sustainability into all aspects of its production value chain and empowering its stakeholders to create solutions that make a difference. To this end, global trends, investor expectations, product and customer expectations and legal obligations are closely monitored to ensure alignment with them.

For sustainable future generations, Şişecam incorporates the Care for Next strategy – which is built on the concepts of Preserve-Empower-Progress in line with the United Nations Sustainable Development Goals (UN-SDGs) – into its business operations. Şişecam continues to preserve natural resources and its corporate heritage for future generations, and to empower its stakeholders through its diversity and inclusion principles, and achieves progress in combatting climate change. Şişecam aims to generalize this sustainability vision to include all stakeholders in the value chain – from raw material procurement to production, production to sales, sales to customer and post-consumption. For this purpose, Şişecam announces its Care for Next approach to internal and external stakeholders via promotional videos and reports shared on social media platforms, its corporate website and various events throughout

the year. Environment (page 69), Energy Management and Production Technologies (page 76), Diversity and Inclusion (page 80), Digitalization and Innovation (page 78), Occupational Health and Safety (page 88) and Corporate Social Responsibility (page 90) activities addressed as part of Şişecam's sustainability strategy are described in detail on the respective pages specified.

With its numerous local and global sustainability-related initiatives, Şişecam 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.) The Sustainability Committee, which directly reports to the CEO, sets out Şişecam's vision, priorities and strategies related to sustainability. The Committee also conducts internal and external stakeholder communications and monitors the performance of workgroups regarding corporate sustainability objectives. The Sustainability Committee is chaired by the Chief Strategy Officer and consists of senior executives from the ArTeGe, Human Resources and Corporate Communications, Risk Management and Internal Audit, Information Technologies, Procurement and Production departments. The Committee convenes at least four times a year to evaluate workgroup activities and their progress towards meeting objectives.

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. Six workgroups operate under the Sustainability Committee: Environment, Corporate Social Responsibility, Energy and Production Technologies, Diversity and Inclusion, Digitalization and Innovation, Occupational Health and Safety.

Since its founding, Şişecam has remained committed to ethical values, transparency, accountability and taking a responsible approach to its stakeholders. Şişecam also maintained its position among the 58 companies included in the latest BIST Sustainability Index. The index was compiled after an evaluation of the sustainability performance of companies trading on Borsa İstanbul (BIST), during the period of December 2020-October 2021. As a result of the merger that took place in October 2020, Anadolu Cam Sanayii A.Ş. (ANACM), Denizli Cam Sanayii ve Ticaret A.Ş. (DENCM), Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. (SODA) and Trakya Cam Sanayii A.Ş. (TRKCM), Şişecam affiliates publicly traded on the BIST, were merged with the Türkiye Şişe ve Cam Fabrikaları A.Ş. (SİSE) account during the sustainability performance evaluation.



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

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

## b. Sustainability Objectives

As part of its Care for Next strategy, Şişecam's sustainability objectives for the next five years were set by taking into account the opinions of internal and external stakeholders in a way that will contribute to UN SDGs. "Preserve" focal points include Use of Natural Resources, Corporate Heritage and Product Stewardship. "Empower" focal points include Diversity and Inclusion, Talent Management, Occupational Health and Safety, and Contribution to Social Development. "Progress" focal points include R&D and Digitalization, Innovative Products, and the Fight Against Climate Change. Numerical targets are set to monitor progress on a yearly basis and to give guidance on taking necessary actions in these areas. The current status of these targets are

shared via the Şişecam Sustainability Report and the corporate website.

## 2. Corporate Environmental Management

### a. Compliance with Environmental Legislation

As described in the Corporate Environment and Energy Policy<sup>(1)</sup>, Şişecam's strategic priorities in terms of environmental management include using production techniques designed to minimize the environmental impact of Şişecam's business operations, implementing active energy and resource management, developing practices to reduce the effects of climate change, and ensuring widespread adoption of waste recovery and recycling practices. Following Şişecam's merger in October 2020, the Şişecam Environmental Management Unit was established. This unit operates in accordance with the Regulation on Environmental Management Services.

All Şişecam business operations are built on environmental management systems. This approach enables Şişecam to achieve its objectives and fulfill its commitments in environmental management. Şişecam also monitors the direct

and indirect effects of its operations on the environment in a holistic manner in order to minimize these impacts in accordance with the environment and energy policy. Under the Supplier Code of Conduct, environmental sustainability management is actively encouraged throughout the entire value chain and periodically checked via evaluation and auditing of legal compliance.

Şişecam has established digital monitoring and tracking systems to ensure fast and active compliance with applicable environmental laws, rules and regulations.

### b. Environmental Incentives-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. In 2020, Şişecam recorded environmental investment spending of TRY 40 million.

<sup>(1)</sup> <https://www.sisecam.com.tr/en/sustainability/policies/environment-energy-policy>

# Sustainability

Şişecam integrated “zero waste” and “circular economy” approaches into its management processes across all of its operations.

## c. Environmental Friendly Innovative Products

Şişecam offers 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 has been achieved only via single bottle type.

With its 100% Recycled Glassware initiative, a product development innovation, Şişecam aims to raise awareness on sustainability and the environment. This effort also incorporates the concept of 100% recycled glass into Şişecam Glassware products. This innovative collection significantly reduces energy consumption and raw material use during the melting process. Greenhouse gas emissions were reduced by more than 38% with this collection.

With its 100% Recycled Glassware initiative, Şişecam aims to raise awareness on sustainability and the environment.

## d. Environmental Indicators and Trends

With its sustainability approach, Şişecam ensures full compliance with applicable environmental legal and regulatory requirements by managing, preventing and/or minimizing the environmental impact of its business operations. To establish the corporate principles and actions related to management of the environmental impact and ensure coordination of relevant responsibilities, Şişecam always takes local legal and regulatory requirements into consideration in areas where it operates. The “Corporate Environmental Management Procedure,” “Implementing Directive for Principles of Waste Management,” and “Guide for Evaluation of Environmental Aspects” are implemented at all Şişecam facilities, in Turkey and abroad.

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 top 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 of 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.

## e. Reducing Environmental Impacts

Under its Corporate Environmental Management approach, Şişecam conducts holistic monitoring and continuous development of its business activities. The following efforts are carried out at periodic intervals to maintain a common baseline across the organization:

- Reporting compliance of Şişecam's activities with the Corporate Environment and Energy Policy and related commitments;
- Annual monitoring and evaluation of environmental parameters;
- Identifying environmental goals and targets;
- Protecting and managing natural resources and developing environmental improvements;
- Monitoring and analysis of environmental data, and reporting to relevant stakeholders;
- Adhering to legal and regulatory requirements and controlling compliance;
- Monitoring performance with internal audit and cross controls;
- Providing environmental trainings and conducting internal/external communication with relevant units.



As part of the Environmental Data Management System, Şişecam periodically monitors and reports the environmental performance indicators including natural resource consumption, waste generation and legal compliance, via the QDMS (Quality Document Integrated Management System).

Şişecam closely monitors its compliance with applicable environmental legislation and regulations of the geographies where it operates via the Environmental Data Management system and Environmental Cross Controls based on declarations of its production facilities. Since 2015, Şişecam has evaluated compliance with the Environmental Management System (ISO 14001) principles, environmental legal requirements and other relevant international legislation and regulations via the declarations of its production facilities, environmental risks and cross controls on an annual basis. Environmental management practices are monitored at all Şişecam facilities, both in Turkey or abroad, via Environmental Cross Controls. Any actions deemed necessary are taken.

#### **f. Management of Environmental Impacts**

##### **Waste and Water Management**

Şişecam has adopted an integrated waste management approach based on central coordination of waste arising from its business activities. The main goal is to manage waste in an integrated manner according to “zero waste” and “circular economy” approaches in preventable wastes generated by its production facilities. Şişecam also aims to evaluate industrial symbiosis opportunities more effectively.

Under the scope of the Integrated Waste Management project, Şişecam conducted improvement activities to prevent, reduce and re-use the waste which is produced due to its operations. Şişecam also undertook

capital investment projects and engaged in training, capacity improvement and collaboration activities. The Şişecam Waste Management Roadmap was created based on the outcomes of these activities. Şişecam performed extensive analyses of its current waste management approach and the standardized implementation of such approach across all its geographies. The related waste costs were calculated by preparing a waste inventory of the entire organization. As per the Zero Waste Regulation, Şişecam’s facilities in Turkey obtained Zero Waste Certification.

In 2020, Şişecam collected 55% of all packaging materials that it had offered to the market during the previous year and delivered them for recycling. This corresponded to about 16,500 tons of recycled paper, cardboard, plastic and wood. In addition to its extensive recycling efforts, Şişecam also contributes to training, support and awareness raising activities for students. Operational data on effective water management and wastewater recovery – the focus areas of Şişecam’s sustainability approach under the Corporate Sustainability Strategy – is monitored on a monthly basis. Relevant investment and improvement efforts are followed up to ensure their effectiveness.

##### **Management of 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 2020.

### **3. Reporting**

Şişecam publishes annual Sustainability Reports describing the sustainability approach of the parent company and its subsidiaries (Trakya Cam Sanayii A.Ş., Anadolu Cam Sanayii A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Şişecam Otomotiv A.Ş.). These reports include economic, environmental and social indicators and assess the performance of production activities within this context. Şişecam’s sustainability reports are drawn up according to GRI (Global Reporting Initiative) standards and are accessible to all stakeholders. Şişecam’s sustainability reports cover all company business activities in Turkey and abroad. The reports are also available in audio book versions in English and Turkish on the relevant web pages. The CEO message, distributed via a communication package, was also written in the Braille alphabet to raise awareness of and provide access to the visually impaired. Recycled and FSC (Forest Stewardship Council) certified papers are used in the printed materials of Şişecam’s sustainability reports. The Şişecam Sustainability Report is accessible by clicking the link below:

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

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**In 2020, Şişecam collected 55% of all packaging materials that it had offered to the market.**

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# Sustainability

Environmental, Social and Governance (ESG) priorities are addressed in all phases of supplier management, including evaluation, application, monitoring and improvement.

## 4. Combatting Climate Change

The Şişecam Corporate Climate Change Coordination Board (IDKK) strives to manage greenhouse gas emissions more effectively and adapt to the physical effects of climate change. Şişecam aims to become a more effective stakeholder in combating climate change and further improve communications on this topic. Priorities were identified in this area and work commenced on formulating appropriate strategies and developing action plans. IDKK consists of relevant representatives of the Production Departments, Sustainability Department, Risk Management and Internal Audit Department, Construction Directorate, Finance Department and Procurement Department. The IDKK aims to:

- (adaptation) evaluate vulnerabilities related to the physical impacts of climate change and determine the priorities at the relevant physical, financial and operational levels in order to adapt to these impacts;

- (mitigation) determine the greenhouse gas emissions reduction potentials and evaluate low-carbon production techniques and technologies; and
- monitor international, regional and national developments and liabilities regarding climate change processes and ensure integrated and effective management of the related processes across Şişecam.

The Şişecam Climate Change Integrated Strategy is formulated with a comprehensive and inclusive approach, ranging from reducing greenhouse gas emissions to adapting to extreme weather events caused by climate change.

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

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 2020, 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.

## Emissions Trading System

Şişecam conducts annual monitoring, reporting and verification of greenhouse gases and follow-up of proposed improvement actions in four of its production plants within the European Union Emission Trading System. For the purposes of the 2021 EUA settlement, 2020 emissions of the facilities were calculated and necessary actions were taken to ensure compliance with applicable legislation.

## 5. Environmental Sustainability Management in the Value Chain

Sustainable supply chain management is a strategic priority at Şişecam. Environmental, Social and Governance (ESG) priorities are addressed in all phases of supplier management, including evaluation, application, monitoring and improvement. Relevant processes are reviewed accordingly. The following were prepared, implemented and integrated with ESG priorities:

- 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 Questions List,
- Supplier Performance Evaluation System

The supplier performance system evaluates suppliers on delivery performance, quality, finance, production technologies, risk

Sustainable supply chain management is a strategic priority at Şişecam.



and sustainability. The Supplier Risk Evaluation and Monitoring Application evaluates the activities of suppliers on financial, ethical, geopolitical, and strategic criteria. The risk score of suppliers is calculated via this application. The order confirmation portal is used to expand and bolster supplier collaboration. Supplier commissioning, selection, audit and performance evaluation processes are reviewed regularly to boost product and service quality based on category. Action plans for development areas are prepared and monitored based on the findings of audits conducted by third party independent audit firms. With these various applications, Şişecam raises the awareness of its suppliers on sustainability and ensures continuous improvement of this key concept.

## 6. Collaboration with Stakeholders

Şişecam undertakes capital investments to improve the collection infrastructure of glass packaging wastes, upgrade the facilities where glass packaging wastes are collected and processed, and separate glass packaging waste found in household waste before landfill. With a business model that incorporates post-consumption recycling, Şişecam turns opportunities into investment and accelerates transition to a circular economy.

Şişecam Çevre Sistemleri A.Ş., a subsidiary of Şişecam, engages in efforts to promote recycling of glass and improve the systems in place to boost glass waste collection in Turkey. Glass waste recycling operations are carried out at branch locations in close proximity to Şişecam's glass packaging plants in Yenışehir and Eskişehir. Şişecam Çevre also procures and recycles furnace-ready cullet from other suppliers to ensure that it is re-used in production. In 2020, Şişecam addressed recycling of 256 thousand tons of glass cullet. For detailed information on Şişecam's communications with stakeholders, refer to the Sustainability Report.

## 7. Quality Management Systems

Following the Şişecam merger, requirements of the ISO 9001 Quality Management System were met across all units at Şişecam headquarters, laying the foundations of Integrated Quality Management. Upon completion of the Quality Document Integrated Management System (QDMS) deployment, the system was commissioned to integrate the ISO 9001 Quality Management System, which successfully passed the certification audit, with other management systems on the digital platform. With the Şişecam merger, certificate transformation of relevant companies has been completed. The integration process of Quality Management Systems is currently underway.

Activities related to the 11 ISO 27001 Information Security Management System certificates owned by Şişecam's 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.

More detailed information about the Şişecam Information Security Management Policy, which was issued in 2020, and relevant employee training is available in the Sustainability Report.

*Details of the Sustainability Strategy and the related high-priority issues are covered in the following sections.*

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With a business model that incorporates post-consumer recycling, Şişecam turns opportunities into investment and accelerates transition to a circular economy.

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## Research-Development and Design

In 2020, the R&D and Design activities were shaped by taking into account Şişecam'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.

In 2020, corporate research-development and design activities were carried out under Şişecam Research and Technological Development Department (RTDD) were undertaken 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 (STTC) has been carrying out its operations in its new campus since 2014. As one of the most advanced R&D centres in Turkey and one of the largest R&D centres of its kind in Europe, STTC consists of 29 well-equipped expert laboratories as well as a product design centre specialized in glassware and glass packaging. The Centre operates under Law no. 5746 as a government licensed R&D facility and employs 164 full-time researchers including 17 design professionals. 37% of the Centre'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 RTDD project management system. In 2020, various work packages

were conducted under 36 umbrella projects. Of the total, 171 work packages relate to opportunities for cost/efficiency/quality optimization in current production processes and products. Of these work packages, laboratory studies were completed for 54 work packages which were aimed to develop new products and technologies, while 32 work packages completed trial production runs, giving birth to new commercial products. 12 work packages were executed as part of furnace renovation and investment projects in 2020.

As part of intellectual property rights protection efforts, Şişecam filed 4 patent applications, 11 patent registrations, 1 PCT/EPO application and 95 design registration applications in 2020. Şişecam and its subsidiaries have 72 active inventions. Of them, 32 have been registered, while 40 are pending registration. Şişecam has intellectual property protection for 743 design registrations for glassware and 281 design registrations for glass packaging products.

### New Products/Technologies

As part of our commitment to contribute to the fight against the global pandemic, the Antimicrobial V-Block Coating Technology which neutralizes virus and bacteria on glass surfaces was developed and commercialized in a short period of time, and a patent application was filed. The V-Block Technology has been proved to be effective against

many different viruses and bacteria, including coronavirus, based on the results of tests performed by accredited laboratories, and official approval processes have been completed for licensing, application and sales of products featuring this technology. These products which feature the antimicrobial V-Block Technology are also the first-ever antimicrobial glassware product group in the world. Additionally, in the Glassware area, the "Recycled" product using 90-95% recycled cullet as raw material was developed. A patent application was filed for this unique product and then the product was passed to mass production in May.

Şişecam started mass production for the high performance windshield with athermic coating developed by the Company to ease the load on air conditioning and gain a defrosting function by providing heat and solar control for use on laminated windshields of vehicles. In addition, a windshield featuring head-up display (HUD) that presents vehicle and driving data without requiring drivers to look away from the road was developed and completed the customer approval process. A patent application was filed for the glass B-pillar developed in 2019. Customer approvals have been received from leading automotive manufacturers for this product, and necessary preparations have been completed to start mass production of the product in 2021.



In 2020, the Company continued the development process of heat and solar control coatings, designed for use in architectural projects, using the sputter deposition technology. Four temperable coatings as well as non-temperable versions of four existing temperable products were developed, and the products were transferred to production.

A new and unique antireflective coating solution was developed for our glass product with antireflective coating for use on solar panels, and a patent application was filed for it. Aging tests were successfully completed according to international standards for these glass products with antireflective coating produced by using this new solution.

Development activities for next-generation ecological water-based mirrors and solar mirrors (called heliostats) which are a key component of tower-type concentrated solar energy plants have been transferred from laboratory scale to production sizes. These products are planned to be transferred to production in 2021.

Three new products for use in glass fibre reinforced composite products were transferred to production and received customer approvals. On the other hand, research and development activities were carried out to transfer three products from laboratory scale to production size, to increase strength of materials with nano additives, and to examine possible use of innovative binding ingredients to get flame retardation, antimicrobial and whitening properties.

In the field of innovative and functional paint systems for glassware, development process of 10 new products was completed. Laboratory studies were also done on electroluminescence, photoluminescence, hydrographic film technology, high reflection and different surface effects.

Glass prototypes have been developed for automotive applications by using 1.1 mm and thinner glasses strengthened with chemical tempering technology.

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The Antimicrobial V-Block Coating Technology which neutralizes virus and bacteria on glass surfaces was developed and commercialized in a short period of time, and a patent application was filed.

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## Research-Development and Design

Modeling and simulation-assisted designs and technological improvements were made in furnace projects to optimize efficiency and energy savings.

Projects were commenced to develop new glass and glasslike materials for use in advanced technological applications and expand Şişecam's product portfolio with such materials. Accordingly, new laboratories were established to melt and prepare such materials. Materials being studied by the Company include infrared transmitting chalcogenide glasses, glass ceramics capable of transmitting different regions of electromagnetic spectrum, laser glasses, high temperature-resistant glasses for general purposes and various optic glasses. Additionally, projects undertaken to develop glass systems offering resistance to different types of attacks, such as ballistic attacks or explosions, for use in security and safety applications continue at full pace.

As part of "Glassware Design" activities, a total of 512 automated production product designs, 543 secondary processing product designs, 292 hand-made product designs and 1,925 packaging designs were created in 2020. Of these, 325 product, accessory and pattern designs have become commercial products. Automated: 157 projects, 512 designs; Hand-made: 78 projects, 292 designs; Embellishment: 85 projects, 543 designs; Packaging: 1,352 projects, 1,925 graphics. Additionally, 81 automated molds, 138 secondary processing products, 106 hand-made molds were created by the Mold Category Group Directorate and commercialized in 2020.

As part of the "Glass Packaging Design" activities, 352 shape designs were created for a total of 191 work packages (100 domestic, 91 abroad) in 2020. Mold ordering process was initiated for 40 out of 191 projects, and 18 of them were commercialized and passed to production. The Company worked on 120 mold projects this year. 19 of them consist of mold set design works. Additionally, 150 structural analyses were performed this year.

### Energy, Process Efficiency and Environment

With ongoing Research and Technological Development activities in the field of high-efficiency and low-emission innovative melting technologies on a global scale, Şişecam continues to seek ambitious objectives in this field.

In 2020, the Company continued to work on cold repair design projects for 11 furnaces, commissioned three furnaces upon completion of repairs in Turkey and proceeded with installation of three furnaces. Modeling and simulation-assisted designs and technological improvements were made in completed and ongoing furnace projects to optimize efficiency and energy savings. Original and energy-efficient furnaces were designed for production groups at affordable costs. Technical support was given to the central procurement in material and equipment procurement.

The "Smart Oxy-Boost" project designed to expand production capacity up to 15% with 'smart' combustion technologies by using process integrated sensors

in a flat glass furnace has been successfully completed. Meanwhile, assembly process for the "CleanOx - Preheating via Radiative Heat Exchangers" project designed to enable pre-heating of reactants by radiant heat exchangers in a glassware furnace has been largely completed. Both projects are supported by the EU LIFE fund. The Smart Oxy-Boost and CleanOx projects are two of Şişecam's internationally supported efforts in 2020. Şişecam joined the EU-certified CO2OLHEAT project as a consortium partner. Initiated under the H2020 call, this project is designed to use super critical CO<sub>2</sub> as a process fluid to achieve two times more energy efficiency compared to traditional systems which produces electricity from waste heat. Under the project of monitoring and analyzing the performance of melting furnaces via an integrated database, a user interface was created for the data collected in real-time and analyses were conducted. This project carried out as part of the Group's digitalization and Industry 4.0 efforts has been completed. The entire structure continued to be expanded with integration of auxiliary systems, besides the furnaces, on an equipment/system basis.

Under Energy Efficiency Law No. 5627 and relevant regulations, Şişecam completed energy surveys of 16 different plants in four production areas.

To evaluate the current potential for waste heat recovery, Şişecam conducted planning studies on four new projects (approximately 10 MW electricity and 24 MW absorption cooling). Rooftop type photovoltaic



solar electric plants located at Flat Glass Mersin Plant and at Science, Technology and Design Centre, with 6.2 MW and 87 kW installed capacity respectively, continue to produce energy.

Şişecam established the ENIS-Energy Monitoring System for real-time monitoring and improvement of energy efficiency of energy sources and processes in the production facilities. The ENIS-Energy Monitoring System was fully or partially 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, and the like – were conducted throughout the year. 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. Efforts to optimize operating conditions of furnaces and production lines for different production demands were supported with the assist of digital simulations. Shaping simulations are 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. Thanks to its modeling capabilities, Şişecam holds “Designer Business Partner” status of leading automobile manufacturers. Studies on designing heating systems in automotive windshields were continued. The Company also gained 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 modeling capabilities for optimization of vacuum coating process as well as process modeling capabilities for the production of soda and chromium components.

In glass technologies, Şişecam has assessed melting and fining performance of 30 alternative raw materials. These were compared with existing raw materials to reduce cost, boost quality and increase efficiency and achieve operational excellence. The Company supported 20 color transitions in flat glass and glass packaging furnaces. Color transition times were shortened. Production efficiency and glass quality were improved.

Şişecam performed analysis studies to improve the cost and quality advantages of its painting systems used for automotive, glassware and glass packaging products. The Company also evaluated six different alternative raw materials for use in glass fiber binding systems.

Quality control processes for electrocast refractories, key materials for the operational life of glass melting furnaces, were improved.

As part of ISO 17025 Laboratory accreditation, necessary preparations were made to adapt to the double-glass standard which received a substantial revision as a result of updated experiment methods. Scope expansion audit conducted by TÜRKAK was successfully completed without any finding of technical non-compliance.

### **National and International Integration/Intellectual and Industrial Rights and Patents**

In 2020, Şişecam carried out research and development activities in collaboration with R&D units of 68 (38 national, 30 international) universities, research institutions and companies. In the design area, joint projects were undertaken with a total of 26 designers, including eight domestic and 18 international designers.

Under TÜBİTAK 1004-Excellence Centre Support Program, the Company accepted Phase 2 applications for the projects carried out in collaboration with Bilkent University UNAM and Middle East Technical University GUNAM. And later, the projects commenced following execution of the respective project contracts.

In 2020, Şişecam executed one ARDEB (Directorate of Research Funding Programs) 1003 – Priority Areas R&D Projects Grant Program and one TEYDEB (Directorate of Technology and Innovation Grand Programs) 1501 – Industry R&D Projects Grant Program. One TEYDEB 1511 – Priority Areas R&D Grant Program was completed. One ERASMUS project is in progress.

Under the TEYDEB 2244-Industry Doctorate Program, in addition to the joint projects undertaken with METU, GTU, Marmara, Sabancı and Özyeğin Universities, the applications jointly submitted with YTU, GTU and Bilkent Universities during the second call of the program were accepted. During the 5 projects undertaken as part of the first call, Şişecam performed studies on specific subjects designated by RTTD with a total 14 doctorate students. The Company plans to work together with 14 more students as part of the second call.

Under the International Support Programs, two EC Life+ projects were executed. Additionally, five HORIZON2020 (two MSCA\_ITN, one MSCA COFOUND, one LC-SPIRE, one LOW-CARBON), one EUROSTARS, one EU Ira-SME, one ERA.NET Rus Plus application as well as one bilateral collaboration (TÜBİTAK and Russia) project application were submitted. Three 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.

Project activities were commenced under one SAGA (Defense Industry's R&D Wide Area Calls) project upon execution of the contracts.

This year, the 35<sup>th</sup> Glass Symposium was held on digital platform in line with new global trends caused by the pandemic. The symposium took place in four sessions on November 9, 2020 under the theme «Glass in sustainable future: Pandemic and New Ecosystem». It was live broadcast on online platforms and a total of 758 people, including 737 viewers, 14 panelists and seven moderators, from 39 countries across five continents participated in the event.

# Information Technologies

Leading technological change by transforming data into value with the vision of “Competition with Data,” the governance of operational technologies, deploying of the agile infrastructure by ensuring business continuity, providing the cybersecurity, risk and compliance, continue to transformation for IT X.O main topics have been the strategic work activities.

## Smart Şişecam

Şişecam carried out activities to develop the corporate data architecture, create an analytical structure and visualize data.

Under the “Roots and Wings Digital Transformation Program,” the Company was engaged in various activities to improve data quality, clean and manage master data and create management cockpits. For the big data architecture design, a data architecture has been created that focuses on Single Şişecam and is reproducible, ensures end-to-end data security and improves analytical capabilities. The first steps of the New Modern Data Warehouse were taken with the data from Şişecam Glassware and Paşabahçe Mağazaları to meet Şişecam’s reporting and analysis needs. A single, integrated data warehouse is planned to be created for the entire Şişecam organization by including data from other groups and functions in the future.

Architectural infrastructure has been created to collect and analyze data from especially proof of concept studies in plants to identify opportunities to generate added-value from data. For this purpose, Furnace Operational Efficiency (energy consumption, optimization based on glass production configurations) and Furnace Data Analytics (IoT, Quality, Safe data access) studies have been carried out.

## Digital Şişecam

With the Roots and Wings Digital Transformation Program, Şişecam laid the foundation for a future-ready technological infrastructure, continued its efforts for integration of groups and central functions, increased the speed and quality of decisions and continued activities to create a digital transformation platform. The following were implemented under the Roots and Wings Digital Transformation Program;

- Financial Affairs - Central Finance & Financial Consolidation, International Bank Payments, Renewed Budget System (Holding, Paşabahçe Mağazalar), e-Transformation (E-invoice, E-dispatch note, E-ledger, etc.), Supplier Finance Glassware and Global Commerce Finance Infrastructure with Blockchain digital solutions
- Procurement - End-to-End Integrated Procurement, Process Standardization, Improved Collaboration with Suppliers, Compliance with Policies and Procedures, User-friendly and Flexible Contemporary Interfaces
- Human Resources - Payroll & Time Management, Global Performance Evaluation, HR Communication Centre Portal for provision of a Unified Employee Experience, Employee Data Centre and mobile technology solutions

- Glassware - New Technological Infrastructure Platform Production Switch, and projects for Production & Supply Chain Common Process Model.

Some of the key projects undertaken include the Paşabahçe Experience store for our customers; Location, Device and Time independent access solutions for Employees under the Digital Office program.

Şişecam continued to adopt widespread use of Smart Warehouse and RFID Production monitoring systems in its plants and evaluated the Digital Twin opportunities.

The Digitalization and Innovation Workgroup searched for opportunities associated with digital transformation technologies that could add value to Şişecam, held workshop events, performed proof of concept studies and useful solutions were turned into projects.



### Productive Şişecam

Şişecam's business processes and IT processes were aligned to create a corporate architectural structure. Business value-based demand management was evaluated on the basis of portfolio, and process and product ownerships were defined. Important projects such as Integrated Work Planning for Processes and Jumbo glass logistics optimization were carried out.

Regarding the use of Competitive Automation with Data, increased efficiency and productivity were achieved by speeding up selected processes, separating them from manual operations, making workforce improvements and contributing to reducing errors.

### IT X.0

With a strategic value creation approach, an architectural model was planned which analyzes changing functional processes focused on Single Şişecam, organizational structure and technological solutions together.

To achieve excellence in the Program and Project Management, demands are addressed as strategic priorities. An Industrial Systems Committee was established to improve governance of operational technologies, and it was ensured that IT & OT teams work in collaboration and coordination. For identity, device, data, application and infrastructure security, comprehensive security projects were carried out to improve cyber security, manage risks, ensure compliance with Zero Trust approach. New Technological Infrastructures were created in a flexible and agile architectural environment. Business continuity was improved by migrating data centre to the cloud architecture. Service Consumption model was changed to the "pay as you go" model. Active monitoring of IT Financials per investment was made possible. Performance measurements were made against International IT Metrics to manage efficiency IT services. New organizations, roles, responsibilities and skill sets were defined under the IT X.0 Structural Transformation. Processes within the IT Process Architecture (ITIL, Cobit-compliant) were analyzed and improved. An integrated IT Governance was ensured with regard to legal regulations, audits and compliance.

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With the vision and mission of "providing a climate of digital transformation to enable Şişecam to compete more effectively with data," Şişecam continues to implement Digital, Smart, Productive and IT X.0 technology strategies as planned in its road map.

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## Human Resources

Employing nearly 22 thousand employees, Şişecam believes that diversity in human resources should be supported with sustainable corporate success.

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. Şişecam focuses on equal opportunities, adopts a systematic and development-oriented approach, transfer its differences and cultural heritage in a stronger position, and shape its future through a perspective that is based on constant improvement and innovation. The Company implements the best human resources practices that allow employees to realize their potential and emphasize talent development.

### Single Şişecam Organizational Structure Activities

In 2020, as part of the “Single Şişecam” vision, activities were undertaken to restructure Şişecam’s operation model and achieve functional excellence and conduct projects that can generate a high value. While the organizational restructuring projects are underway, the Company aimed to establish a lean and agile organization. On the other hand, second phase of the Roots and Wings Digital Transformation Program is planned to be commenced to ensure harmonization among product groups. In this context, the organizations of Supply Chain, Sales and Marketing, Production and Quality functions will be addressed, in addition to the Financial Affairs and Human Resources functions centralization of which has been largely completed.

### Human Resources Transformation Project

Şişecam began working on the Human Resources Transformation Project in 2019 under the “Roots and Wings Digital Transformation Program” which was designed to renew the Company’s ways of doing business and improve its technological infrastructure. Human resources practices and methodologies at Şişecam were overhauled to re-design the Company’s human resources processes from a standard, digital, lean and agile perspective, reduce operational workload through digital technologies and a common service centre approach, and enhance employee experience by focusing on high value-added activities.

The Performance Development System, Employee Central, Global Resource Management, Human Resources Service Channels, and Payroll & Time Management practices were introduced to implement Human Resources solutions with a single, end-to-end data infrastructure offering an integrated and seamless experience. The project is expected to be completed in 2021.

### Diversity and Inclusion at Şişecam

Şişecam sees the diversity of its human resources as one of its most valuable assets. Therefore, the Company adopts an inclusive management and leadership approach that supports every employee to realize their full potential in the workplace. Similarly, the Company continues its activities and projects to eliminate gender inequalities and remove all barriers that hold women back from decent work. “Don’t Discriminate, Use Equal Language (Ayrıma, Dilini Eşitle)” and “The Power of Purple Embraces Everyone on March 8 (8 Mart’ta Morun Gücüne Herkes Dahil)” communication campaigns were executed.

Şişecam workforce is 21% female while its Board of Directors is 44% women. Female employees take up various positions that support production processes, such as forklift operators, quality control staff, logistics staff and fiber processing employees. In 2020, Şişecam continued to make architectural changes in its plants to create a more suitable workplace environment and meet workplace needs under the “Women-Friendly Plant Project.”

Şişecam implements the best human resources practices that allow employees to realize their potential.



### Talent and Career Management

With the Journey Global Talent Management Program implemented to develop talents, Şişecam, driven by its focus on sustainable corporate success culture, 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. Introduced in 13 countries back in 2019, the program covers more than 7 thousand employees on monthly wages. Potential assessment processes were completed for 1,150 employees at four different organizational levels; areas of development for these staff members were also determined. Talent pool-specific development programs were designed to develop talents and increase their loyalty to the company. English Language Development Program development support was provided to more than one thousand employees.

With the “Executive Leadership Program” specially designed for Şişecam in collaboration with INSEAD Business School in 2019, the Company supported the strategic thinking, change management, innovation, operational excellence and leadership skills, and provided manager coaching support in 2020. In addition, the first module training was conducted under the “INSEAD – Plant General Manager Development Program.”

Customized programs such as Individual Development Journeys, Mentoring and Mini MBA were designed for employees in different talent groups.

### Şişecam Academy

Training and development activities which were provided to continuously support development of employees and stakeholders and develop their competencies had to be re-designed by employing alternative training methods and provided via digital platforms due to the pandemic conditions.

Academy seminars, school and certification programs and orientation programs, which were designed specifically for Şişecam and prioritized contents needed during the pandemic, were all moved to the digital platforms.

Under the Digital Transformation projects, e-learning modules were prepared, Remote Training Stations were created for blue collar employees, and virtual classroom practices were introduced. Projects built on virtual reality technologies are planned to be introduced in the future.

Şişecam offers development programs for its distributors and conducts studies on quality education and training programs for young people in cooperation with schools and universities. The “Flat Glass Distributor Development Program” began to be used more commonly. 1,300 users from approx. 800 firms were granted access to the program. 7 trainings were prioritized and made available in English to contribute to company awareness on a global level. The Company began to work on an e-training library to be made available to customers and sales teams abroad in different language versions.

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Manager coaching support was provided with the “Executive Leadership Program” specially designed for Şişecam in collaboration with INSEAD Business School in 2020.

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## Human Resources

Under the school-industry collaborations aimed at developing qualified workforce for the industry, the collaboration protocol was executed with the Ministry of Education.

Under the school-industry collaborations aimed at developing qualified workforce for the industry, the Company signed a collaboration protocol with the Ministry of Education Vocational and Technical Education General Directorate. As per this protocol, the Industrial Automation Technology department was established and workplace was built at the Yenişehir Vocational and Technical Anatolian High School in Bursa. Acceptance criteria were set to receive apprenticeship applications to the Ceramic and Glass Technologies Centre in the Denizli Vali Necati Bilican Vocational Education Centre, and initial actions were taken to ensure that the apprentices get their high school diplomas. In collaboration initiated in 2018 with Balıkesir University, the 3<sup>rd</sup> of Glass Application Certification Program was completed.

28 man\*hours of training was provided for salary employees, while 13 man\*hours of training was provided for hourly employees.

### Performance and Compensation Management

The Performance Development System designed to transform targets set in line with corporate strategies into sustainable and

successful business results and align people towards a common goal with a team spirit has been renewed and implemented in 11 languages across 13 countries.

The system allows employees to be better recognized and rewarded after they become a member of the Şişecam family and aligns their career growth and personal development plans to the corporate objectives. Results from the Performance Development System are used as an input for processes such as employee evaluations, planning training and development programs based on the results of such evaluations, compensation and career management, and rewarding.

Şişecam's compensation system is designed to facilitate attracting and retaining the right talents based on corporate strategies and rewarding them in a fair and consistent manner. Necessary infrastructure is being developed for compensation, benefits and budget processes as part of the transformation process.

### Recognition, Appreciation and Rewarding

The "Stars of the Year" program encourages employees to submit their successful projects for evaluation. Owners of projects who contribute significantly to business results in various areas - including production, efficiency, quality, innovation, technology development, occupational health and safety - are rewarded for their efforts. With the NAR Suggestion Development Platform, innovative and creative suggestions that have the potential to create added value and improve efficiency are taken into evaluation. Exemplary behavior and successes are also appreciated through instant rewarding systems.

The Company also organizes ceremonies to celebrate its employees at all levels completing their 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup> and 30<sup>th</sup> year of service.

### Resource Management

An integrated resource management approach is used during selection and placement processes. The Company's needs for employees are evaluated in a holistic manner with both external and internal candidates. Accordingly, recruitment and career move processes have been designed from end-to-end and the Resource Management application has been made available for use in 13 countries. This application allows all stakeholders to select, evaluate and monitor candidates via a single system. Its user-friendly platform also allows candidates to monitor vacancies. Additionally, robotic process automation solutions add value to processes.

### Employer Brand and Youth Talent Programs

Şişecam quickly adapted to rapidly changing circumstances during the pandemic. The Company moved its youth talent programs and university events to the digital space and reached out to 18 thousand young students through 102 university events.

254 university students were enrolled into the summer internship program "First Step." Student who were assigned to roles within the Headquarters completed their virtual internship, while those who were assigned to roles within Şişecam Science, Technology and Design Centre and plants completed their on-site internship. Additionally, 150 students who could not sign up to the internship program due to quota limitations were supported with a 2-week digital seminary program during which Şişecam professionals shared their knowledge and experience with them.

The Performance Development System was renewed and introduced in 11 languages across 13 countries.



The Global Young Talent Program “Together” received nearly 10 thousand applications in 2020, and 141 project interns began their internship at domestic and overseas organizations. Due to the pandemic, the interns had to work remotely. 64% of the project interns who joined the program were later recruited by Şişecam. Since 2017, a total of 390 interns were accepted to the “Together” program and 164 of them later joined Şişecam.

Under the Industrial Doctorate Program, which is offered in collaboration with TÜBİTAK and allows doctoral students to take part in research projects, 14 doctoral students go on with their studies at Şişecam Science, Technology and Design Centre. In addition, 18 students from five universities are provided with support in relation to their dissertation in cooperation with mentors.

English and Turkish posts under the tag “Şişecam My Career” continue to be shared on social media platforms, i.e. key platforms that enable the Employee Brand to communicate with young talents. The social media accounts attract great attention from young people. The number of followers reached 12 thousand with a 8% increase per month. With 140 posts and 80 thousand interactions, close communication has been established with the labor market through digital platforms.

In 2020, Şişecam moved up five positions in the list of “Best Employers” voted by young professionals and university students, and ranked first under many categories in the manufacturing sector.

#### Employee Engagement and Events

Backed by various actions taken before the pandemic, Şişecam follows the highest standards in occupational health and safety and has shown great agility in taking a variety of measures to protect its workforce and ensure business continuity.

Firstly, a “Pandemic Response Plan” was created pursuant to the decisions of the “Emergency Coordination Committee,” which consisted of the CEO and Executive Board members. Protective measures were quickly implemented, such as handing out personal protective equipment to employees and suppliers, disinfecting work areas, common areas and employee shuttles, and arranging the working conditions in a manner which conforms social distancing rules. A multi-dimensional crisis management was established for all stakeholders and more than 200 announcements were made to raise awareness and provide information through communication campaigns on public restrictions and company practices.

Şişecam reached out to 18 thousand young persons with 102 university events taking place on digital platforms.



## Human Resources

Şişecam follows the highest standards in occupational health and safety and has shown great agility in taking a variety of measures to protect its workforce.



The employee video broadcast during the pandemic ensured a widespread understanding among employees about the importance of collectively fighting against the pandemic.

The number of employees that can be present in a production facility at the same time was optimized to protect employee health without interrupting production activities. The headquarters developed remote working arrangements to avoid overcrowded work areas, protect the health of employees and ensure business continuity.

During the pandemic, People Management and Communication Guidelines were published for managers and human resources team, and the COVID-19 Communication Committee Support Line was opened for questions and requests of employees.

With the free Employee Support Line, 24/7 service support was provided on 10 different subjects including Psychological Consultancy and Medical and Financial matters.

Regular plant visits made by the CEO have been moved to the digital platform. All global employees came together with the senior management during live Single Şişecam Meeting events.

The employee video broadcast during the pandemic ensured a widespread understanding among employees about the importance of collectively fighting against the pandemic. Additionally, Şişecam's Social Activity Club "Şimdi!" which encourages employees to take up social activities outside work has been moved to the digital space. In 2020, a total of 72 social events were held in digital platforms.



### Measuring and Monitoring Employee Experience

In collaboration with independent research firms, Şişecam regularly measures employee loyalty to improve and re-shape its employee management and leadership practices based on the opinions of its employees. Following a survey conducted in 2019 on a global scale with the participation of all employees, including hourly and monthly employees, all management teams identified improvement actions based on the results of the survey and thus, approx. 800 improvement actions were taken in 2020.

### Administrative Affairs and Security

Service procurement models of Şişecam facilities were reviewed and re-designed according to the principles of operational excellence and standardization.

Ongoing projects include Smart Fleet Software, Service Optimization Project, use of e-mobile security systems with the transition to tech-intensive security practices, digital weighbridge practices, security reporting via a single system, procuring physical archiving services from a single service provider, and digital archive project.

The Zero Waste project has been carried out. International certification processes are planned to be performed at buildings in use in 2021.

According to the employee satisfaction surveys designed to measure how satisfied the Şişecam Headquarters employees are with the building management services, food and catering services, employee shuttles and transportation services, the percentage of employees satisfied increased from 77% in 2019 to 83% in 2020.

Şişecam Headquarters and Şişecam Science, Technology and Design Centre meeting the requirements of the TSE COVID-19 Hygiene, Infection Prevention and Control Documentation Program received the TSE COVID-19 Safe Service Certificate, while the Company's production facilities located in Turkey was awarded the TSE COVID-19 Safe Production and Service Certificate.

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## Industrial Relations

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



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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;
- To conduct studies for more effective occupational health and safety in the workplace with the "People First" philosophy.

Şişecam maintains industrial relations with a total of 15 labor unions - four of which are in Turkey, 11 of which are outside Turkey - in coordination with the Industrial Relations and Occupational Health and Safety Directorate within the Human Resources.

### Collective Bargaining Agreements

In Turkey, six collective bargaining agreements were concluded in total, with one agreement for business, four agreements for workplaces, and one collective bargaining agreement including nine factories within Şişecam. With regard to international operations, the Company concluded three workplace agreements in Bulgaria; one workplace agreement for Posuda Plant in Russia; one workplace agreement for Glascorp Plant in Romania; one workplace agreement for Soda Lukavac and Vijenac Plants in Bosnia & Herzegovina; one workplace agreement for Fritz Aszod Plant in Hungary; one workplace agreement for JSC Mina Plant in Georgia; one workplace agreement for Malacky Plant in Slovakia; one workplace agreement for Şişecam Flat Glass Italy in Italy, and one workplace agreement for Şişecam Flat Glass South Italy in Italy.

Among the collective bargaining agreements, which last between one and four years, negotiations for the expired agreements started at

year-end 2019 and at the beginning of 2020. Within the framework of negotiations held with the labor unions, the collective bargaining negotiations were concluded in line with Şişecam's interests.

Details of collective bargaining agreements concluded in Turkey in 2020 are as follows:

- Negotiations on the Collective Bargaining Agreement for the 18<sup>th</sup> term with T.Çimse-İş Labor Union which began on December 11, 2019 at Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Denizli Plant Branch ended on August 20, 2020 with an agreement reached between the parties. The collective bargaining agreement will be effective for three years between January 01, 2020 and December 31, 2022.
- Negotiations on the Collective Bargaining Agreement for the 16<sup>th</sup> term with Selülöz-İş Labor Union which began on January 16, 2020 at Camış Ambalaj San. A.Ş. ended on September 25, 2020 with an agreement reached between the parties. The collective bargaining agreement will be effective for two years between January 01, 2020 and December 31, 2021.
- Negotiations on the Collective Bargaining Agreement for the 19<sup>th</sup> term with Petrol-İş Labor Union which began on January 30, 2020 at Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Mersin Soda Plant and Kromsan Plant Branches ended on November 2, 2020 with an agreement reached between the parties. The collective bargaining agreement will be effective for three years between January 01, 2020 and December 31, 2022.

- Negotiations on the Collective Bargaining Agreement with Kristal-İş Labor Union which began on July 20, 2020 at Camış Madencilik A.Ş. Bilecik plant ended on December 15, 2020 with an agreement reached between the parties. The collective bargaining agreement will be effective for two years between January 01, 2020 and December 31, 2021.

The expired collective labor agreements for the workplaces outside Turkey were renewed as a result of negotiations, which were held paying due regard to the characteristics of the respective countries and Şişecam's interests.

Details of collective bargaining agreements concluded outside Turkey in 2020 are as follows:

- Collective bargaining negotiations carried out with Bosnia & Herzegovina Federation Chemicals and Nonmetal Industry Labor Union organized at the Rudnic Vijenac and Soda Lukavac companies established in Bosnia & Herzegovina were concluded on December 19, 2019 for Rudnic Vijenac and January 17, 2020 for Soda Lukavac. The collective bargaining agreements will be effective for two years between January 01, 2020 and December 31, 2021.
- Negotiations on the 2020 CBA for the Richard Fritz Aszod Plant located in Hungary ended on February 26, 2020 with an agreement reached between the parties. The collective bargaining agreement will be effective between March 1, 2020 and February 28, 2021.
- Negotiations on the 2020 CBA for the Glasscorp S.A. Plant located in Romania ended on April 1, 2020 with an agreement reached between the parties. The collective bargaining agreement will be effective between March 1, 2020 and February 28, 2021.

- Negotiations on the Collective Bargaining Agreement for the 2<sup>nd</sup> term with Georgia Metallurgy, Mining and Chemical Industry Employees Labor Union which began on October 26, 2020 ended on January 22, 2021 with an agreement reached between the parties. The collective bargaining agreement will be effective for four years between January 1, 2021 and December 31, 2024.
- Negotiations on the Collective Bargaining Agreement with Ozkovo Labor Union organized in the Richard Fritz Spol S.R.O Plant and authorized to conduct the collective bargaining agreement began on December 1, 2020.

#### **Legislation and Coordination Studies**

Collective bargaining agreement processes were carried out via online platforms around the world to avoid issues which might have been caused by the Covid-19 pandemic.

Efforts to announce and comment on the implementation of laws, rules, regulations and collective bargaining provisions in the workplace continued in 2020.

In Turkey, effective period of workplace collective bargaining agreements for the 26<sup>th</sup> Term Glass Group and 16<sup>th</sup> Term Camış Ambalaj San. A.Ş. will expire on December 31, 2021. The Ministry will initiate negotiations with respective labor unions following verification of authorization.

Outside Turkey, collective bargaining agreement negotiations will also be held abroad for Trakya Glass Bulgaria EAD Flat Glass Plant, Şişecam Automotive Bulgaria EAD and Paşabahçe Bulgaria EAD Plant, Posuda Factory in Russia, Aszod Factory in Hungary, Glasscorp Factory in Romania and Malacky Plant in Slovakia.

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Collective bargaining agreement processes were carried out via online platforms to avoid issues which might have been caused by the pandemic.

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## Occupational Health and Safety

Health and safety issues were put on the front burner and occupational health and safety actions were successfully implemented during the pandemic in 2020.

### ŞİŞECAM 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 turn 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.

CEO



### Occupational Health and Safety Practices

During the Covid-19 pandemic which remained the hottest topic of the year throughout 2020, As Şişecam Family, we quickly identified and took the necessary actions to protect the health of our employees. We also achieved progress with matters related to occupational health and safety and proceeded with projects in this field.

### Activities Conducted

1- During the Covid-19 pandemic, we quickly identified the infection prevention practices, developed the infection prevention policy and communicated them to all of our workplaces. Additionally, we distributed 8.5 million surgical

masks to our workplaces in Turkey, reduced the workload of these workplaces and reduced the in-use capacity of employee shuttles by 50%. Ventilation systems and work environments were periodically disinfected. All cases of coronavirus in the workplaces were closely monitored, and necessary isolation was implemented to prevent spread of the disease.

2- As a result of audits conducted by the Turkish Standards Institution (TSE), Şişecam's all plants located in Turkey as well as Şişecam Headquarters and Şişecam Science, Technology and Design Centre workplaces were awarded the Covid-19 Safe Production/Service certificate.





3- Occupational Health and Safety Painting Competition which turned into a tradition was this year conducted on an online platform. A painting contest aiming to raise awareness on occupational health and safety was organized for employees' children aged 6-10 years, covering all plants in Turkey and abroad. 288 applications were received from all plants on a global scale for the painting competition on the topic of "Imagine a warning sign." Due to the pandemic, no physical award ceremony was conducted, but gifts and presents were sent to all participants and the highest ranking children.

4- The Occupational Health and Safety Critical Performance Indicators project was completed. OHS Score Card (KPI) project was designed to evaluate the occupational health and safety performance of employees at Şişecam workplaces, develop the OHS culture and create a safe work environment. This project is executed in coordination with Industrial Relations and OHS Directorate, carried out under the sponsorship of the HR

Department and included among the HR-One Transformation Projects. The OHS Score Card (KPI) project was completed and launched on December 22, 2020 and promoted to all Human Resources units and OHS experts in practice.

The OHS Score Card (KPI) Project which began to be actively used in 2021 covers the monthly employees (Supervisors, Engineers, Technicians, Officers, etc.) of Şişecam's plants, facilities and businesses located in Turkey.

5- Şişecam Healthcare Monitoring Program has been created and implemented. This program can be used to monitor all employee health services provided by the workplace healthcare units and is also designed to include all data requested by the Ministry of Family, Labor and Social Services Occupational Health and Safety General Directorate. User training materials on the program were developed with the support of physicians at our workplaces in Turkey, and the program has gone live.

6- Under the "Innovation in the Field" project, Occupational Safety Personal Protective Equipment processes were studied. During the second phase of the "Innovation in the Field" project executed under the sponsorship of the Human Resources Department, Personal Protective Equipment processes were reviewed. A project team was formed and activities were commenced to ensure automation of Personal Protective Equipment processes.

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With healthy employees, we are taking firm steps toward a health and safety organization.

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## Corporate Social Responsibility

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.

### 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 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 “Glass Artifacts 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](http://www.sisecamcameserleri.com/tr). The collection which introduces reflections of a history dating back

to 3,500 years in time consists of 281 items under Archeological and Ethnographic categories and is affiliated to the İstanbul 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 Mağazaları 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. Some 500 different artefacts among limited collections were brought together in this effort. A total of 13 collections - including the Osmanlı Collection Series, Blue and White on Glass, Words of Art on Glass, Enamelled Glass, Mosaics, Anatolian Civilizations, 7, Aşure, Istanbul, Crystalline Tiles, Talking Coins, Zevk-i Selim and World Heritage on Glass - have been arranged to date. The new “The Lost Treasures” collection of Paşabahçe Mağazaları is intended to raise awareness regarding historic artefacts taken abroad, and also on the ownership of our recovered artefacts and cultural assets.

### 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 7,489,892.39 in scholarships were awarded to primary school, high school and university students in 2020.

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





Tree planting activities which have turned into a tradition were carried out during the 14<sup>th</sup> Tree Planting Festival in 2020.

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. 280 students are studying at the school in the 2020-2021 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 2020-2021, 42 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 44 classrooms and one workshop. 1,014 students are studying at the school in the 2020-2021 academic year. 210 out of 610 students who graduated from the school have already started working. Others continue their university education.

#### **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 approx. 32 thousand m<sup>2</sup> around the Karabük Eflani Crushing and Screening Plant was started in 2017 and completed during the first quarter of 2019.

After starting operations in 2008 at quartz sand mine site in Bilecik/Bayırköy township, production is scheduled to end in 2020-2021. Rehabilitation-stratification works still continue in the 400 thousand m<sup>2</sup> area of the site in which the production will end. About 350 thousand m<sup>2</sup> of the site is planned to be afforested by 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. In the factory area, of which approximately 50% is green, the number of trees and saplings has reached 18 thousand.

Şişecam Chemicals plants initiated planting activities in Mersin in 2006. Efforts to set aside forestland designated areas and plant trees continued every year. During the 14<sup>th</sup> Tree Planting Festival in 2020, 2 thousand saplings were planted. Some 45,500 trees have been planted in 15 years.



## Corporate Social Responsibility

The “Glass and Glass Again” Project continued by Şişecam since 2011 is one of the most comprehensive sustainability and social responsibility projects in Turkey.



The Glass and Glass Again project so far prevented 8.7 billion glass bottles to go to waste.

### Glass and Glass Again

Şişecam’s “Glass and Glass Again” project, managed since 2011, is one of Turkey’s most comprehensive sustainability and social responsibility initiatives. This effort is designed to create change in social behavior and support the transition to a recycling aware society. Glass and Glass Again has three primary objectives:

- Raising awareness and informing society about recycling glass packaging,
- Improving the infrastructure to collect glass packaging waste,
- Streamlining the facilities where glass packaging waste is collected and processed, and separating glass packaging waste found in household waste before storage.

Since the start of the Glass and Glass Again initiative in 2011, 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 1,562 thousand tons of glass waste have been recycled. As a result of the project, carbon dioxide emission was prevented equivalent to withdrawing 562,239 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 65,595 households for a year; and carbon dioxide emission has been prevented equivalent to purifying the air with 48,220,678 trees in one year.

Preventing 8.7 billion glass bottles to go to waste, 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 4.5 million people in a month on average. By year's end, Glass and Glass Again recorded 186 thousand followers on Facebook and 32 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 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 1984-2020, 1,960 athletes, including 79 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 some 120 athletes and managers, the Club trains young athletes in the sports of sailing, rowing and canoeing to contribute to the Turkish sports.

In 2020, only four national and one international competitions could be held due to the Covid-19 pandemic. During this competitions, the athletes won 13 first place, four second place and 12 third place awards in the national competitions, while they won one first place and one third place awards in the international competition. As for the performance of the teams, the Youth Male team won the third place cup.

#### **Canoe Branch 2020 Activities**

The Canoe Branch won six first place, one second place, five third place awards in total in the Slack Water Canoe Competitions included in the 2020 activity program. Upon completion of the competitions, four athletes were invited to the National Team.

In the International Gloria Cup competition contested by 76 athletes from 12 countries, national team athletes Özge Uzar won third place, and İbrahim Fırat and Cihan Yıldız won second place awards.

#### **Rowing Branch 2020 Activities**

The Rowing Branch joined one national and four regional competitions in 2020, and won second place awards in three categories and third place awards in four categories. As a result of National Team Tests conducted in Köyceğiz/Muğla, the Youth Male team were invited to the national team for the International Zagreb Competitions.

#### **Sailing Branch 2020 Activities**

Şişecam Çayırova Sports Club Sailing branch athletes won two first place, one second place, and three third place awards in total under the Optimist General, Optimist Junior and Optimist Girls categories in the competitions included in the Turkish Sailing Federation's 2020 activity program.

In 2020, only four national and one international competitions could be held due to the Covid-19 pandemic. The athletes won 13 first place, four second place and 12 third place awards in the national competitions, while they won one first place and one third place awards in the international competition.



## Risk Management and Internal Audit Activities

In 2020, the risk management and internal audit functions were united into the Risk Management and Internal Audit Department in order to improve the effectiveness of these two functions.

The pandemic which made a mark on our lives in 2020 also exposed many risks, including economic ones, and changed the way we prioritize risks.

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 started towards the end of 2019 and began to show its heavy impact on Turkey from March 2020 onwards. With the pandemic, many risks which had been on the front burner for a long time had to be put on the back burner. It brought many risks including economic ones in particular to the surface again and changed the way we prioritized risks. Uncertainties in the global economy, 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 the climate change altered the expectations regarding the future of the world and led 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.

To adapt to the changing circumstances summarized above, Şişecam took initiative to improve the effectiveness of the risk management and internal audit functions, which are key elements of corporate governance, and united these two functions into the Risk Management and Internal Audit Department in 2020. What the Company wanted to achieve with this initiative was to benefit from the synergy to be created by coordinated management of these two key corporate governance functions.

Risk management and internal audit functions report to the Board of Directors and carry out their activities in coordination with operational 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**

At Şişecam, risk management activities are carried out with a holistic and proactive approach based on enterprise risk management principles. Şişecam focused strongly on improving the effectiveness of risk management processes to sustain 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.

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 reporting to track the process robustly is being conducted according to the legislation.

**Internal Audit at Şişecam**

The objective of internal audit activities at Şişecam is to help achieve uniformity and standardization of practices, ensure that all activities are performed in compliance with internal and external regulations as well as the execution of corrective actions on time. In line with the stated objectives, audit activities are being carried out on an ongoing basis within the bodies of the companies of Şişecam operating domestically and abroad.

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.

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Internal audit is carried out under the periodic auditing programs approved by the Board of Directors.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE PERIOD 1 JANUARY 2020 – 31 DECEMBER 2020  
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 2020, and the consolidated income statement and other 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 2020, 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.



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

Key Audit Matters	How key audit matters are addressed in the audit
<b>Goodwill impairment test</b>	
<p>As at 31 December 2020, goodwill, resulting from acquisitions in prior years, and reflected in the financial statements amounts to TRY 368,483 thousand. In accordance with TFRS, the Group performs an impairment test annually for each cash generating unit to assess whether there is an impairment on goodwill.</p> <p>The assumptions, sensitivities and results of the tests performed are disclosed in Note 21 to the consolidated financial statements.</p> <p>Because of the complexity of these tests, which require expert involvement, dependency on the management estimates and on the future market conditions, this topic is assessed to be a key audit matter.</p>	<p>We involved the valuation specialists from another entity that is a part of the same audit network of our audit team to support our assessment about the assumptions and methods used by the Group in testing the discount rates per cash generating unit and assessing the model that calculates future cash flows.</p> <p>Furthermore, we tested the expected growth rates and related expected future cash flows. We assessed whether these future cash flows, amongst others, were based on the strategic plan as prepared by the management.</p> <p>Mathematical accuracy of calculations was checked.</p> <p>In addition, the reasonableness of the projections used was compared with past financial performances and current evaluations and questioned with Group management.</p> <p>In addition, the appropriateness and sensitivity of the disclosures contained in the consolidated financial statements and the importance of these information for the users of the financial statement were questioned by us.</p> <p>The compliance of the disclosures in the consolidated financial statements with TFRS was also evaluated.</p>



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Hedge accounting	
<p>The Group has started to apply cash flow hedge accounting in 2019 by cross currency and interest rate swap contracts, option contracts and commodity contracts to hedge cash flows from exchange rate, interest rate and commodity price risks within the scope of TFRS 9 and continues to apply in 2020. Calculations for the determination and valuation of derivative instruments are complex due to nature of transactions and these are recognized in the consolidated financial statements.</p> <p>As of 31 December 2020, the effect of hedge accounting is recognized in the shareholders' equity as TRY 33,571 thousand and net liability as TRY 57,029 thousand in the consolidated financial statements.</p> <p>In our audit, we have focused on this matter due to the following reasons:</p> <ul style="list-style-type: none"> <li>- The Group started to apply a new accounting policy within the scope of TFRS 9 Financial Instruments in order to hedge currency and interest risks,</li> <li>-There is significant impact on the Group's consolidated financial statements as of 31 December 2020.</li> <li>-The model designed for calculating the fair value of the structured cross currency swap transaction and the model created for hedge accounting include complex calculations and elements and the necessity of using our own experts to examine these calculations / models.</li> </ul> <p>The detailed explanations of hedge accounting are presented in Note 12 and 28.</p>	<p>The processes for the implementation of the hedge accounting of the Group's have been understood end-to-end and calculations subject to hedge accounting and financial models have been assessed by our experts. Transactions related to the cash flows in these financial models are tested.</p> <ul style="list-style-type: none"> <li>- The parameters of the cross-currency swap transactions that have been used during the year and are currently within the Group have been verified by the contracts.</li> <li>- Calculations and financial models of hedge accounting were examined by our experts and the transactions based on the cash flows in the relevant models were tested through sampling.</li> <li>- Accounting records including the effects of these transactions on equity and profit or loss were evaluated.</li> </ul> <p>The compliance of the disclosures in the consolidated financial statements with TFRS was also evaluated.</p>





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

#### 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.



**(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.

**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 1 February 2021.



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

- 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 2020 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

1 February 2021  
Istanbul, Turkey



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2020 AND 31 DECEMBER 2019

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

ASSETS	Notes	31 December 2020	31 December 2019
<b>Current Assets</b>			
Cash and cash equivalents	6	9,354,964	8,368,913
Financial investments	7	2,159,846	426,120
Trade receivables	10,38	4,352,606	3,572,022
– Due from related parties	38	7,508	6,829
– Other trade receivables	10	4,345,098	3,565,193
Other receivables	11	365,758	275,048
Contract assets	15	51,170	23,490
Derivative financial assets	12	4,941	25,764
Inventories	13	4,180,755	3,831,439
Prepayments	14	335,654	233,693
Current tax assets	36	25,111	66,550
Other current assets	27	386,189	390,157
		<b>21,216,994</b>	<b>17,213,196</b>
Assets held for sale	35	-	28,058
<b>Total current assets</b>		<b>21,216,994</b>	<b>17,241,254</b>
<b>Non-current assets</b>			
Financial investments	7	1,716,184	2,537,234
Trade receivables	10	481	275
Other receivables	11	94,003	12,409
Derivative financial assets	12	90,337	64,150
Investments accounted for using the equity method	16	1,001,163	710,578
Investment properties	17	891,141	772,422
Property, plant and equipment	18	16,240,518	14,684,667
Right of use assets	19	170,918	188,156
Intangible assets	20,21	908,154	630,387
– Goodwill	21	368,483	301,469
– Other intangible assets	20	539,671	328,918
Prepayments	14	349,106	372,080
Deferred tax assets	36	1,104,347	1,093,602
Other non-current assets	27	444,690	443,624
<b>Total non-current assets</b>		<b>23,011,042</b>	<b>21,509,584</b>
<b>TOTAL ASSETS</b>		<b>44,228,036</b>	<b>38,750,838</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2020 AND 31 DECEMBER 2019

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

		31 December 2020	31 December 2019
LIABILITIES	Notes		
<b>Current Liabilities</b>			
Short term borrowings	8	2,251,342	2,634,647
Short term portion of long term borrowings	8	2,399,320	2,616,194
Trade payables	10,38	2,444,872	2,093,016
– Due to related parties	38	120,307	84,154
– Due to third parties	10	2,324,565	2,008,862
Liabilities for employee benefits	25	98,610	76,090
Other payables	11,38	220,286	117,492
– Due to related parties	38	59,845	4,932
– Due to third parties	11	160,441	112,560
Contract liabilities	15	38,233	27,163
Derivative instruments	12	53,762	23,587
Deferred income	14	113,763	90,059
Current income tax liabilities	36	38,510	86,419
Short term provisions	23,25	248,634	155,830
Other current liabilities	27	331,146	270,674
<b>Total current liabilities</b>		<b>8,238,478</b>	<b>8,191,171</b>
<b>Non-current liabilities</b>			
Long term borrowings	8	12,491,577	10,594,795
Other payables	11	3,371	30,606
Derivative instruments	12	98,545	89,804
Deferred income	14	81,212	62,946
Long term provisions	25	614,167	451,185
Deferred tax liabilities	36	209,453	196,946
<b>Total non-current liabilities</b>		<b>13,498,325</b>	<b>11,426,282</b>
<b>Total liabilities</b>		<b>21,736,803</b>	<b>19,617,453</b>
<b>EQUITY</b>			
<b>Equity holders of the parent</b>	<b>28</b>	<b>22,194,395</b>	<b>14,622,505</b>
Paid capital		3,063,214	2,250,000
Adjustment to share capital differences		320,075	181,426
Share Premiums (discount)		167,048	527
Accumulated other comprehensive income/expense not to be reclassified to profit or loss		2,564,583	2,091,680
– Gains/(losses) on revaluation and revaluation		2,564,583	2,091,680
– Revaluation gain/(loss) on tangible assets		2,623,553	2,092,836
– Gain/(loss) arising from defined benefit plans		(58,970)	(1,156)
Accumulated other comprehensive income/expense to be reclassified to profit or loss		3,525,321	2,285,616
– Currency translation differences		3,491,750	2,279,280
– Hedge reserves		33,571	4,661
– Gain/(loss) on revaluation and classification		-	1,675
Restricted reserves		1,517,852	187,644
Retained earnings		8,898,265	5,721,078
Net profit or loss for the period		2,138,037	1,904,534
<b>Non-controlling interests</b>	<b>28</b>	<b>296,838</b>	<b>4,510,880</b>
<b>Total equity</b>		<b>22,491,233</b>	<b>19,133,385</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>44,228,036</b>	<b>38,750,838</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2020 AND 2019

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

	Notes	1 January- 31 December 2020	1 January- 31 December 2019
Revenues	29	21,340,686	18,058,686
Cost of Sales	29	(14,679,283)	(12,179,031)
<b>Gross profit/ (loss) from trading activity</b>		<b>6,661,403</b>	<b>5,879,655</b>
General administrative expenses	30,31	(1,126,188)	(1,037,506)
Marketing expenses	30,31	(2,721,967)	(2,311,288)
Research and development expenses	30,31	(58,682)	(74,310)
Other operating income	32	1,796,203	847,114
Other operating expenses	32	(1,304,691)	(472,590)
Share of profit (loss) from investments accounted for using equity method	16	100,234	96,351
<b>Operating profit/ (loss)</b>		<b>3,346,312</b>	<b>2,927,426</b>
Income from investing activities	33	1,237,373	646,594
Expense from investing activities	33	(209,483)	(88,225)
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	33	(36,178)	7,808
<b>Profit (Loss) before financing income (expense)</b>		<b>4,338,024</b>	<b>3,493,603</b>
Financial income	34	4,651,253	2,029,036
Financial expenses	34	(5,734,093)	(2,926,501)
<b>Profit (Loss) from continuing operations, before tax</b>		<b>3,255,184</b>	<b>2,596,138</b>
<b>Tax (expense) income, continuing operations</b>		<b>(430,613)</b>	<b>104,181</b>
– Current period tax (expense) / income	36	(419,508)	(283,143)
– Deferred tax (expense) income	36	(11,105)	387,324
<b>Profit (Loss)</b>		<b>2,824,571</b>	<b>2,700,319</b>
<b>Attributable to:</b>			
– Non-controlling interest	28	686,534	795,785
– <b>Equity holders of the parent</b>	<b>28</b>	<b>2,138,037</b>	<b>1,904,534</b>
<b>Earnings per share</b>	<b>37</b>	<b>0.8711</b>	<b>0.8465</b>



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS OF 1 JANUARY - 31 DECEMBER 2020 AND 2019

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

	Notes	1 January- 31 December 2020	1 January- 31 December 2019
<b>Profit / (loss) for the Period</b>	<b>28</b>	<b>2,824,571</b>	<b>2,700,319</b>
<b>Other Comprehensive Income:</b>			
<b>Items that will not be reclassified to profit or loss</b>	<b>28</b>	<b>12,918</b>	<b>137,653</b>
Gains (Losses) on revaluation of property, plant and equipment		81,388	148,235
Gain / (loss) arising from defined benefit plans		(72,589)	18,021
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		1,772	468
Taxes on items that will not be reclassified to profit or loss		2,347	(29,071)
<b>Items that will be reclassified to profit or loss</b>	<b>28</b>	<b>1,252,897</b>	<b>727,322</b>
Currency translation differences		1,244,450	704,064
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income		(1,773)	(435)
– Gains (losses) on financial assets measured at fair value through other comprehensive income		10	(435)
– Reclassification adjustments on financial assets measured at fair value through other comprehensive income		(1,783)	-
Cash flow hedging		11,898	30,343
Taxes on items that will be reclassified to profit or loss		(1,678)	(6,650)
<b>Other comprehensive income/ (loss)</b>		<b>1,265,815</b>	<b>864,975</b>
<b>Total Comprehensive Income/ (Loss)</b>		<b>4,090,386</b>	<b>3,565,294</b>
<b>Attributable to:</b>			
– Non-controlling interest		700,675	831,404
– <b>Equity holders of parent</b>		<b>3,389,711</b>	<b>2,733,890</b>
<b>Earnings per share</b>	<b>37</b>	<b>1.3811</b>	<b>1.2151</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2020 AND 2019

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

	Issued Capital	Inflation Adjustments on Capital	Share Premiums or Discounts	Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Prior Years' Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
<b>Balance at 1 January 2019</b>	2,250,000	181,426	527	2,004,509	1,581,229	4,231,128	2,288,912	12,696,168	4,016,818	16,712,986
Adjustments related to accounting policy changes	-	-	-	-	-	(18,410)	-	(18,410)	(2,697)	(21,107)
<b>Balance after adjustment</b>	2,250,000	181,426	527	2,004,509	1,581,229	4,212,718	2,288,912	12,677,758	4,014,121	16,691,879
Transfer	-	-	-	-	(21,158)	2,280,863	(2,288,912)	-	-	-
Total comprehensive income / (loss)	-	-	-	81,058	725,545	22,753	1,904,534	2,733,890	831,404	3,565,294
Capital increase	-	-	-	-	-	36	-	36	4,444	4,480
Dividends paid	-	-	-	-	-	(400,000)	-	(400,000)	(219,906)	(619,906)
Impact of change in shares of associates resulted without control loss	-	-	-	6,113	-	96,264	-	104,377	(104,377)	-
Transactions with non controlling interest	-	-	-	-	-	(493,556)	-	(493,556)	(14,806)	(508,362)
<b>Balance at 31 December 2019</b>	2,250,000	181,426	527	2,091,680	2,285,616	5,721,078	1,904,534	14,622,505	4,510,880	19,133,385
	Issued Capital	Inflation Adjustments on Capital	Share Premiums or Discounts	Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Previous Years' Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
<b>Balance at 1 January 2020</b>	2,250,000	181,426	527	2,091,680	2,285,616	1,870,046	1,904,534	14,622,505	4,510,880	19,133,385
Transfer	-	-	-	-	-	34,488	(1,904,534)	-	-	-
Total comprehensive income / (loss)	-	-	-	4,464	1,239,705	7,505	2,138,037	3,389,711	700,675	4,090,386
Effects of business combinations under common control	813,214	138,649	166,521	-	-	(1,926,979)	-	488,139	(536,921)	(48,782)
Dividends paid	-	-	-	-	-	(320,000)	-	(320,000)	(208,813)	(528,813)
Impact of share repurchases	-	-	(1,014)	-	-	(26,122)	-	(27,136)	-	(27,136)
Impact of change in shares of associates resulted without control loss	-	-	-	468,439	-	3,679,694	-	4,148,133	(4,148,133)	-
Transactions with non controlling interest	-	-	-	-	-	(106,957)	-	(106,957)	(20,850)	(127,807)
<b>Balance at 31 December 2020</b>	3,063,214	320,075	167,048	2,564,583	3,525,321	8,898,265	2,138,037	22,194,395	296,838	22,491,233

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

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2020 AND 2019

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

	Notes	1 January- 31 December 2020	1 January- 31 December 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>2,663,054</b>	<b>2,301,502</b>
Net profit/(loss) for the period	28	2,824,571	2,700,319
Adjustments to reconcile profit/ (loss)		2,129,867	1,415,808
- Depreciation and amortization adjustments	18,19,20	1,650,842	1,374,584
- Impairments/(reversals) adjustments	6,7,10,11,13,35	175,732	38,458
- Adjustments in provisions	23,25	238,117	90,964
- Interest income and expenses adjustments	8,32,34,38	883,871	721,235
- Unrealized exchange loss/ (gain) adjustments	32,34	(64,002)	(45,608)
- Fair value loss/(gain) adjustments	7,12,33	(1,066,442)	(546,985)
- Income from investments accounted for under equity accounting adjustments	16	(100,234)	(96,351)
- Tax expenses adjustments	36	430,613	(104,181)
- Adjustments for losses (gains) on disposal of non-current assets	33	3,851	(11,384)
- Other adjustments related to profit/(loss) reconciliation	27	(22,481)	(4,924)
<b>Changes in working capital</b>		<b>(627,366)</b>	<b>(695,476)</b>
- (Increases)/decreases in trade receivables adjustments	10,32,38	619,659	(217,012)
- (Increases)/decreases in other receivables adjustments	11,16,32,38	(97,851)	(228,445)
- (Increases)/decreases in contract assets adjustments	15	(27,680)	(23,490)
- (Increases)/decreases in derivative financial assets	12,34	-	29,248
- (Increases)/decreases in stocks adjustments	13	(461,907)	(857,148)
- (Increases)/decreases in trade payables adjustments	10,32	(852,189)	464,355
- (Increases)/decreases in contract liabilities adjustments	15	11,070	27,163
- (Increases)/decreases in other payables adjustments	11,14,27,38	94,073	74,370
- (Increases)/decreases in derivative financial liabilities	12,34	35,949	(36,340)
- Other (increases)/decreases in net working capital adjustments	14,27	51,510	71,823
<b>Cash flows from operating activities</b>		<b>4,327,072</b>	<b>3,420,651</b>
- Interest paid	8,32,34,38	(1,147,724)	(824,779)
- Interest received	32,34,38	43,454	85,372
- Payments for the provisions for employee benefits	25	(63,277)	(43,023)
- Taxes received / (paid)	36	(496,471)	(336,719)



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2020 AND 2019

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

	Notes	1 January- 31 December 2020	1 January- 31 December 2019
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(1,644,919)</b>	<b>(2,952,838)</b>
– Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	16	(93,496)	(38,955)
– Cash inflows from sales of other entities' or fund's share	7,33	273,198	101,602
– Cash outflows from purchase of other entities' or fund's share	7	(476,010)	(89,209)
– Proceeds from sales of tangible and intangible assets	18,20,33	78,032	61,245
– Purchase of tangible and intangible assets	8,11,18,20,33	(1,872,876)	(2,889,571)
– Cash inflows from sales of investment property	17,33	41,639	(389)
– Cash inflows from sales of non-current assets held for sale	11	44,588	7,099
– Advances given	14	(464,762)	(1,016,196)
– Repayments of advances given	14	505,602	845,828
– Dividends received	16,27	133,168	140,007
– Interest received	6,7,33,34	291,664	341,319
– Other cash inflows/ (outflows)	10,11,27	(105,666)	(415,618)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(2,665,991)</b>	<b>4,933,585</b>
– Payments from changes in ownership interests in subsidiaries that do not result in loss of control	28	(127,807)	(112,575)
– Proceeds from issuing shares or other equity instruments	28	-	4,480
– Payments to acquire entity's shares or other equity instruments	11,28	(31,145)	-
– Proceeds from borrowings	8	10,991,089	18,382,017
– Payments of borrowings	8,34	(12,897,613)	(12,650,926)
– Payments of lease liabilities	8	(81,842)	(69,505)
– Dividends paid	11,28,38	(518,673)	(619,906)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>		<b>(1,647,856)</b>	<b>4,282,249</b>
<b>D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>2,661,258</b>	<b>925,101</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C+D)</b>		<b>1,013,402</b>	<b>5,207,350</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 6</b>		<b>8,371,417</b>	<b>3,164,067</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	<b>6</b>	<b>9,384,819</b>	<b>8,371,417</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 1. 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, 2 joint ventures and 2 associates.

The Group consists of five operating segments including companies operating in flat glass (architectural and 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 85 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. Sosyete's was founded with the title, Company's title have been registered as of Türkiye Şişe ve Cam Fabrikaları A.Ş. in April 25, 1973. The shares of the Company have been publicly traded on the Borsa İstanbul A.Ş. ("BİST"), formerly named as Istanbul Stock Exchange ("ISE"), since January 3, 1986, As of December 31, 2020, İş Bankası holds 50.93 % 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 address	:	<a href="mailto:scmuhasabe@sisecam.com">scmuhasabe@sisecam.com</a>
Registered e-mail address	:	<a href="mailto:sisecam@hs03.kep.tr">sisecam@hs03.kep.tr</a>
National electronic notification address	:	25999-48162-55656
Web site	:	<a href="http://www.sisecam.com.tr">http://www.sisecam.com.tr</a>
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 2020	31 December 2019
Personnel (monthly paid)	6,918	7.127
Personnel (hourly paid)	14,557	14.759
<b>Total</b>	<b>21,475</b>	<b>21.886</b>

62 employees included in the Group's total personnel structure is consisted of the personnel of joint ventures and associates accounted for under equity method. (31 December 2019: 65 employees)

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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
Çayırova Cam Sanayii A.Ş.	Commercial activity	Turkey
Sisecam Flat Glass Holding B.V.	Finance and investment company	Netherlands
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
Glasscorp S.A	Production and sales of automotive glass	Romania
Automotive Glass Alliance Rus AO	Production and sales of automotive glass	Russia
Automotive Glass Alliance Rus Trading OOO	Importing and sales services	Russia
Richard Fritz Holding GmbH	Commercial activity	Germany
Richard Fritz Prototype+Spare Parts GmbH	Glass encapsulation production and sales services	Germany
Richard Fritz Spol S.RO.	Glass encapsulation production and sales services	Slovakia
Richard Fritz Kft	Glass encapsulation production and sales services	Hungary



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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
Camiş Ambalaj Sanayii A.Ş.	Production and sales of paper packaging	Turkey
Pasabahçe Investment B.V. (2)	Finance and investment company	Netherlands
Pasabahçe Bulgaria EAD	Automatic production and sales of glassware	Bulgaria
OOO Posuda	Automatic production and sales of glassware	Russia
Paşabahçe SRL	Sales and marketing services	Italy
Paşabahçe Spain SL	Sales and marketing services	Spain
Paşabahçe Glass GmbH	Sales and marketing services	Germany
Paşabahçe USA Inc.	Sales and marketing services	USA
Paşabahçe (Shanghai) Trading Co. Ltd.	Sales and marketing services	China
Paşabahçe 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. (3)	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

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 Chem Investment B.V.	Finance and investment company	Netherlands
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 Plc.	Finance, investment and sales company	USA
Joint ventures	Nature of business	Country of registration
Pacific Soda LLC	Trade of chemical goods	USA
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
Camış Madencilik A.Ş.	Production and sales of raw materials in glass	Turkey
Madencilik Sanayii ve Tic. A.Ş.	Production and sales of raw materials in glass	Turkey
Camis Egypt Mining Ltd. Co.	Sand mining and sales	Egypt
Joint ventures	Nature of business	Country of registration
Rudnik Kretnjaka Vijenac D.O.O.	Production and sales of lime stone	Bosnia-Herzegovina

##### c) Glass Fiber Group

Subsidiaries	Nature of business	Country of registration
Cam Elyaf Sanayii A.Ş.	Production and sales of glass fiber	Turkey
Şişecam Elyaf Sanayii A.Ş.	Production and sales of glass fiber	Turkey

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

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

#### Companies included in consolidation (continued)

##### 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

##### b) 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

- (1) The company, started the process of company mergers for the first time with the following decision in the Board of Directors Meeting of our Company on January 30, 2020, and the merger process of the Company was completed after the following processes.

Considering the Group's long term strategies, its global competitive environment, and the potential synergies that could be captured by combining all of Sisecam's activities in one entity, it was decided in the Board of Directors Meeting of our Company on January 30, 2020 to engage in negotiations regarding a merger with Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş. Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş.. This is pursuant to Capital Markets Law Number 6362, Capital Market Board's Communiqué Number Seri:II, N 23,1 on Common Principles Applicable to Important Category Transactions and the Right to Exit, Capital Market Board's Communiqué Number Seri:II, N 23,2 on Mergers and Spin-offs, Turkish Commercial Code number 6102, Corporate Tax Law number 5520 and other applicable legislation. The expected synergies will be achieved through an efficient, lean and agile governance that will maximize shareholder value through increased trading volume and depth of shares, to authorize the General Directorate to make all the necessary preliminary preparations regarding these transactions, to make relevant meetings and applications on behalf of our Company, to the Capital Markets Board and other competent authorities, and to obtain the necessary permissions, to have all kinds of documents and contracts, it was decided to authorize the General Directorate for the execution and execution of all kinds of transactions and the arrangement and signature of all kinds of notifications, notices and correspondence, and the execution of the necessary transactions accordingly.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

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

#### Companies included in consolidation (continued)

The announcement text, the merger agreement, the merger report, expert institution report ("PWC Yönetim Danışmanlık A.Ş.") and the amendment text of the articles of association was shared in the public on the Public Disclosure Platform and in the company website and an application was made to the CMB for merger transactions, on April 27, 2020.

With the law No. 7222 which includes amendments Banking Law and some legislation dated 25 February 2020, following that the articles 23 and 24 of the Capital Markets Law ("CML"), CMB's Communiqué on Common Principles regarding Significant Transactions and the Retirement Right (II-23,3) came into force on 27 June 2020. Due to the necessity arising from the mentioned legislative amendment, the documents related to the merger (announcement text, the merger agreement and the merger report, expert institution report and amendment ,amendment text of the Articles of Association) were revised and submitted to the CMB on 14 July 2020.

The company has published the merger agreement and the merger report which is prepared and executed by the Boards of Directors of the companies to merge, independent expert report which is prepared by the PwC, audited financial tables for last three years of the companies to merge, the right to review the merger transaction, real estate valuation reports and other documents to merge with the announcement text, as of 24 July 2020, for reviews of the shareholders through the announcement on Public Disclosure Platform and at the Company Headquarters (İçmeler Mahallesi D-100 Karayolu Caddesi No 44/A 34947 Tuzla/İstanbul Türkiye ) and published through on the web site of the Company at www.sisecam.com published in the Official Gazette numbered 10122 dated 21 July 2020

The Company's 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., have an announcement text prepared for the merger by taking over all assets and liabilities as a whole based on the financial statements dated December 31, 2019 and the Company's Articles of Association, "Purpose and Subject", "Capital" and "Articles of Incorporation Amendments" with the amendment to be made in the 4,7,21 articles of association, the CMB evaluated the text of the amendment to the articles of association titled "Transfer of Share or Certificates of Shares " and "Merger and Division Provisions", respectively, decided to add to the rights according to 33rd and 34th articles, It has been evaluated in the meeting which number 47/937 on July 23, 2020, With the letter which dated July 24, 2020 and numbered E-29833736-106.01.01-7631, it has declared its conformity opinion provided that the merger transactions are approved at the extraordinary general assembly to be held.

Republic of Turkey Ministry of Trade General Directorate of Domestic Trade declared its opinion of conformity in relation to the amendment of the articles of association with the letter number 500035491-431.02-E-00056281580 dated 30 July 2020, provided that it is approved in the extraordinary general assembly in relation to the merger transactions will be made.

Our Company's Extraordinary General Assembly Meeting has been held on the below-mentioned dates at Haliç Congress Center located in Söğüt Mah. Karaağaç Cad. No.19 34445 Beyoğlu-İstanbul / Turkey in order to discuss and take resolutions accordingly.

#### Companies held Extraordinary General Assembly Meeting

#### Date and Time

Anadolu Cam Sanayii A.Ş. (B Type privileged shares)	On August 26th, 2020,Wednesday at 08:30
Anadolu Cam Sanayii A.Ş. (Other shares)	On August 26th, 2020,Wednesday at 09:30
Denizli Cam Sanayii ve Tic. A.Ş.	On August 26th, 2020,Wednesday at 14:00
Trakya Cam Sanayii A.Ş.	On August 27th, 2020,Thursday at 10:00
Paşabahçe Cam Sanayii ve Tic. A.Ş.	On August 27th, 2020,Thursday Saat: 11:30
Soda Sanayii A.Ş.	On August 27th, 2020,Thursday Saat: 14:00
Türkiye Şişe ve Cam Fabrikaları A.Ş.	On August 28th, 2020,Friday 10:00

It is accepted and approved by the majority of votes as a result of aye votes with its own shareholders and also by the shareholder of the subsidiaries in the extraordinary general meeting held in Türkiye Şişe ve Cam Fabrikaları A.Ş.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

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

#### Companies included in consolidation (continued)

It has been reported in the general assembly meeting that the exercise of the right to withdraw within the scope of the approved merger transactions started on September 3, 2020 and will end on September 23, 2020 in 15 working days. In this context, only shareholders from Denizli Cam Sanayii ve Ticaret A.Ş. decided to use their rights to leave.

On September 24, 2020, the CMB approved the issue document regarding the merger transactions and the amendment text of the articles of association.

The Registry of Commerce, confirming the registration process on September 30, 2020 announced in No, 10174 Turkey's Trade Registry Gazette dated October 5, 2020, In the newspaper on the same day, the creditors were called due to the merger and it was notified to apply to the Company within 3 months, In the newspaper on the same day, the creditors were called due to the merger and it was notified to apply to the Company within 3 months.

The taken over subsidiaries are registered as the branches of Türkiye Şişe ve Cam Fabrikaları A.Ş. in October-November as follows.

Branch Title	Trade Registry Gazette Numeral
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	10186
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Flat Glass Mersin Plant Branch	10182
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Flat Glass Kocaeli Processed Glass Plant Branch	10204
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Flat Glass Bursa Plant Branch	10180
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Flat Glass Ankara Plant Branch	10180
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Group Branches	
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Eskişehir Plant Branch	10182
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Group Kırklareli Plant Branch	10184
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Denizli Plant Branch	10184
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Mersin Warehouse Branch	10185
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Machine Maintenance Business Istanbul Branch	10177
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Ankara Regional Directorate Branchi	10189
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware İzmir Regional Directorate Branch	10189
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glassware Adana Regional Directorate Branch	10188
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	10193
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Cam Ambalaj Eskişehir Plant Branch	10184
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Glass Packaging Yenişehir Plant Branch	10179
Türkiye Şişe ve Cam Fabrikaları A.Ş., Mersin Warehouse Branch	10191
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Chemicals Group Branches	
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Chemicals Mersin Soda Plant Branch	10185
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Chemicals Mersin Kromsan Plant Branch	10185
Türkiye Şişe ve Cam Fabrikaları A.Ş., Şişecam Chemicals Cogeneration Plant Operation Branch	10185
Türkiye Şişe ve Cam Fabrikaları A.Ş., Chemical Salt Business Branch	10183
Türkiye Şişe ve Cam Fabrikaları A.Ş., Leather Application Laboratory Branch	10177
Türkiye Şişe ve Cam Fabrikaları A.Ş., Karadiken Kalker Business Branch	10184

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

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

#### Companies included in consolidation (continued)

The shares of the Company merged with Türkiye Şişe ve Cam Fabrikaları A.Ş. were traded on the following dates in the national market on the Borsa İstanbul A.Ş. ("BIST"), formerly named as Istanbul Stock Exchange.

Subsidiary Name	First trading date	The last trading date
Anadolu Cam Sanayii A.Ş.	3 January 1986	31 September 2020
Denizli Cam Sanayii ve Tic. A.Ş.	3 July 1987	31 September 2020
Trakya Cam Sanayii A.Ş.	5 November 1990	31 September 2020
Soda Sanayii A.Ş.	20 April 2000	31 September 2020

As no future contracts have been settled for Trakya Cam Sanayii A.Ş. ("TRKCM") and Soda Sanayii A.Ş. ("SODA") contracts whose future contracts are traded on the Borsa İstanbul Derivatives Market ("VIOP"), the open future contracts of whose term are in September are physically settled as the same as in current practice in the market and the open future contracts whose term is December are terminated by cash settlement as determined by using the price found by multiplying the settlement prices of the "SISE" futures contracts with the share exchange rates and rounding them to the nearest price,

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 December 31, 2020, Türkiye Şişe ve Cam Fabrikaları A.Ş. is traded on "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 TÖM / BIST MALİ / BIST TEMETTÜ 25 and BIST 100.

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 95.38 (9.54 out of 10) as of 16 December 2019, 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 2020	16 December 2019
Shareholders	%25	95.49	95.36
Public disclosure and transparency	%25	96.98	96.98
Stakeholders	%15	99.48	99.48
Board of directors	%35	92.39	92.39
<b>Average Rating</b>	<b>%100</b>	<b>95.38</b>	<b>95.34</b>

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 8 October 2019.

(2) Our subsidiaries Istanbul Investment B.V., Nude Design Investment B.V. and Nude Glass Investment B.V. has been merged under Pasabahce Investment B.V. as of 18 November 2020.

(3) As of 12 March 2020, our two subsidiaries AC Glass Holding B.V. and Anadolu Cam Investment B.V. are merged under Sisecam Glass Packaging B.V.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

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

#### Companies included in consolidation (continued)

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	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	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	76.97	100.00	100.00	70.35	70.35
Çayırova Cam Sanayii A.Ş.	93.52	100.00	100.00	100.00	91.65
Sisecam Flat Glass Holding B.V.	76.97	100.00	100.00	100.00	70.35
TRSG Glass Holding B.V.	53.88	70.00	70.00	70.00	49.24
Trakya Glass Bulgaria EAD	76.97	100.00	100.00	100.00	70.35
Sisecam Flat Glass Italy S.R.L.	76.97	100.00	100.00	100.00	70.35
Sisecam Flat Glass South Italy S.R.L.	76.97	100.00	100.00	100.00	70.35
Trakya Glass Rus AO	53.88	100.00	70.00	100.00	49.24
Trakya Glass Rus Trading OOO	53.88	100.00	70.00	100.00	49.24
Sisecam Flat Glass India Private Limited	76.97	100.00	100.00	100.00	70.35

##### a.2) Associate of Architectural Glass Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Saint Gobain Glass Egypt S.A.E.	21.76	30.00	30.00	30.00	21.10

##### b) Subsidiaries of Automotive Glass Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Şişecam Otomotiv A.Ş.	76.97	100.00	100.00	100.00	70.35
Trakya Investment B.V.	76.97	100.00	100.00	100.00	70.35
Sisecam Automotive Bulgaria EAD	76.97	100.00	100.00	100.00	70.35
Glasscorp S.A.	76.97	100.00	100.00	100.00	70.35
Automotive Glass Alliance Rus AO	76.97	100.00	100.00	100.00	70.35
Automotive Glass Alliance Rus Trading OOO	76.97	100.00	100.00	100.00	70.35
Richard Fritz Holding GmbH	76.97	100.00	100.00	100.00	70.35
Richard Fritz Prototype+Spare Parts GmbH	76.97	100.00	100.00	100.00	70.35
Richard Fritz Spol S.R.O.	76.97	100.00	100.00	100.00	70.35
Richard Fritz Kft	76.97	100.00	100.00	100.00	70.35

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 Glassware Group

Company/Branch Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	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 (*)	99.58	100.00	100.00	99.47	99.47
Paşabahçe Mağazaları A.Ş.	99.58	100.00	100.00	100.00	99.47
Camış Ambalaj Sanayii A.Ş.	100.00	100.00	100.00	100.00	100.00
Pasabahçe Investment B.V.	99.58	100.00	100.00	100.00	99.47
Pasabahçe Bulgaria EAD	99.58	100.00	100.00	100.00	99.47
OOO Posuda	99.58	100.00	100.00	100.00	99.47
Pasabahçe SRL	99.58	100.00	100.00	100.00	99.47
Pasabahçe Spain SL	99.58	100.00	100.00	100.00	99.47
Pasabahçe Glass GmbH	99.58	100.00	100.00	100.00	99.47
Pasabahçe USA Inc.	99.58	100.00	100.00	100.00	99.47
Pasabahçe (Shanghai) Trading Co. Ltd.	99.58	100.00	100.00	100.00	99.47
Pasabahçe Egypt Glass Manufacturing S.A.E.	99.58	100.00	100.00	100.00	99.47

(\*) Unlike among the other group companies of Denizli Cam Sanayii ve Tic. A.Ş. which is included in this group, the partnership structure before the merger is as follows:

Company/Branch Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Denizli Cam Sanayii ve Tic. A.Ş.	60.59	100.00	100.00	51.00	50.73

##### Subsidiaries of Glass Packaging Group

Company's/Branch Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	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	82.33	100.00	100.00	77.27	77.27
Sisecam Glass Packaging B.V.	82.33	100.00	100.00	100.00	77.27
OOO Ruscam Management Company	82.33	100.00	100.00	100.00	77.27
OOO Ruscam Glass Packaging Holding	82.33	100.00	100.00	100.00	77.27
OOO Energosystems	82.33	100.00	100.00	100.00	77.27
CJSC Brewery Pivdenna	82.33	100.00	100.00	100.00	77.27
Merefa Glass Company Ltd.	82.33	100.00	100.00	100.00	77.27
JSC Mina	82.33	100.00	100.00	100.00	77.27

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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.1) Subsidiaries of Soda, Chromium and Other Chemicals Group

Company/Branch Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	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	70.12	100.00	100.00	62.02	62.02
Oxyvit Kimya Sanayii ve Tic. A.Ş.	70.12	100.00	100.00	100.00	62.02
Sisecam Chem Investment B.V.	70.12	100.00	100.00	100.00	62.02
Sisecam Bulgaria EOOD	70.12	100.00	100.00	100.00	62.02
Sisecam Soda Lukavac D.O.O.	70.12	100.00	100.00	100.00	62.02
Cromital S.p.A.	70.12	100.00	100.00	100.00	62.02
Sisecam Trading Co.	70.12	100.00	100.00	100.00	62.02
Sisecam Chemicals USA Plc.	70.12	100.00	100.00	100.00	62.02

#### a.2) Joint Venture of Soda, Chromium and Other Chemicals Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Pacific Soda LLC	31.32	50.00	50.00	50.00	31.01

#### a.3) Associate of Soda, Chromium and Other Chemicals Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Solvay Sisecam Holding AG	15.66	25.00	25.00	25.00	15.51

#### b.1) Subsidiaries of the Mining Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Camış Madencilik A.Ş.	100.00	100.00	100.00	100.00	100.00
Madencilik Sanayii ve Tic. A.Ş.	100.00	100.00	100.00	100.00	100.00
Camis Egypt Mining Ltd. Co.	99.70	99.70	99.70	99.70	99.70

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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

#### b.2) Joint Venture of Mining Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect 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	50.00

#### c) Subsidiaries of Glass Fiber Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Cam Elyaf Sanayii A.Ş.	97.42	100.00	100.00	100.00	96.68
Şişecam Elyaf Sanayii A.Ş.	70.12	100.00	100.00	100.00	62.02

#### Other Group

#### a) Subsidiaries of Energy Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Enerji A.Ş.	100.00	100.00	100.00	100.00	100.00
Camış Elektrik Üretim A.Ş.	87.46	100.00	100.00	100.00	83.86

#### b) Subsidiaries of Recycling Group

Company's Name	1 January-31 December 2020 Dönemi	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	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	90.00

#### c) Subsidiaries of Other Services Group

Company's Name	1 January-31 December 2020 Period	31 December 2020		31 December 2019	
	Average effective ownership rate (%)	Direct and indirect oranı (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	100.00	100.00	100.00	100.00	100.00
Şişecam Dış Ticaret A.Ş.	100.00	100.00	100.00	100.00	100.00
SC Glass Trading B.V.	100.00	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 2020

(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 Standart 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 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 and associates 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. These 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 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 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 Aralık 2020		31 Aralık 2019	
	Period End	Period Average	Period End	Period Average
ABD Dollar	7.34050	7.00342	5.94020	5.67117
Euro	9.00790	8.01396	6.65060	6.34805
Bulgarian Lev	4.60567	4.09747	3.40040	3.24571
Egyptian Pound	0.46802	0.44425	0.37142	0.33819
Russian Ruble	0.09844	0.09640	0.09552	0.08719
Georgian Lari	2.24028	2.25212	2.07142	2.01165
Ukrainian Hryvina	0.25961	0.25973	0.25079	0.21950
Bosnian Mark	4.60567	4.09747	3.40040	3.24571
Romanian Leu	1.83730	1.64607	1.38320	1.33022
Hungarian Forint	0.02467	0.02282	0.02012	0.01951
Chinese Yuan	1.11820	1.01144	0.84545	0.81641
Indian Rupee	0.10048	0.09452	0.08334	0.08055

##### 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 December 31, 2020 and December 31, 2019.

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 December 31, 2020 and December 31, 2019. Joint Ventures are accounted for under equity accounting method.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 2. Basis of Presentation of Financial Statements (continued)

#### 2.1 Basis of Presentation (continued)

##### 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 December 31, 2020 and December 31, 2019, 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 equals 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 December 31, 2020 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.

#### 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 2020 are consistent with those applied in the preparation of the consolidated financial statements of 31 December 2019.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 2. Basis of Presentation of Consolidated Financial Statements (continued)

#### 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 December 31, 2020 are consistent with those used in the preparation of financial statements for the year ended 31 December 2019.

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 as at December 31, 2020 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, 2020. The effects of these standards and interpretations on 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, 2020 are as follows:*

##### *Definition of a Business (Amendments to TFRS 3)*

In May 2019, the PAO issued amendments to the definition of a business in TFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:

- Clarify the minimum requirements for a business;
- Remove the assessment of whether market participants are capable of replacing any missing elements;
- Add guidance to help entities assess whether an acquired process is substantive;
- Narrow the definitions of a business and of outputs; and
- Introduce an optional fair value concentration test,

The amendments to TFRS 3 are effective for annual reporting periods beginning on 1 January 2020 and apply prospectively.

The amendments are not applicable for the Group and did not have an impact on the financial position or performance of the Group.

##### *Amendments to TFRS 9, TAS 39 and TFRS 7- Interest Rate Benchmark Reform*

The amendments issued to TFRS 9 and TAS 39 which are effective for periods beginning on or after January 1, 2020 provide reliefs which enable hedge accounting to continue. For these reliefs, it is assumed that the benchmark on which the cash flows of hedged risk or item are based and/or, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform, in connection with interest rate benchmark reform.

Reliefs used as a result of amendments in TFRS 9 and TAS 39 is aimed to be disclosed in financial statements based on the amendments made in TFRS 7.

The amendments did not have a significant impact on the financial position or performance of the Group.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 2. Basis of Presentation of Consolidated Financial Statements (Continued)

#### 2.5 Amendments in Turkish Financial Reporting Standards (continued)

##### *New standard, amendments and comments effective January 1, 2020 (continued)*

##### *Definition of Material (Amendments to TAS 1 and TAS 8)*

In June 2019, the POA issued amendments to TAS 1 Presentation of Financial Statements and TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to TAS 1 and TAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

The amendments did not have a significant impact on the financial position or performance of the Group.

##### *Amendments to TFRS 16 – Covid-19 Rent Related Concessions*

KGK,(Public Oversight Accounting and Auditing Standards Authority)has provided TFRS leases standards have changed in order to provide concessions about lessees' rights and considerate renting agreement to lessees as of 5 June 2020. Lessees who take advantage from this concession and do not take advantage should make their accounting depends on the updated and last agreement.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments due on or before 30 June 2021; and any reduction in lease payments affects only payments due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

The amendments are mandatory for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

The impact of amendment on the financial position and performance have been explained in Note 8 and Note 34.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 2. Basis of Presentation of Consolidated Financial Statements (Continued)

#### 2.5 Amendments in Turkish Financial Reporting Standards (continued)

##### *Standards issued but not yet effective and not early adopted*

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.

##### *TFRS 17 - The new Standard for insurance contracts*

The PAO 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.

TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The Group does not expect a significant impact on the financial position or performance in general.

##### *Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities*

On March 12, 2020, 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 Group does not expect a significant impact on the financial position or performance in general.

##### *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 assets 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 of 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 (continued)*

##### *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 exemption for those who will apply TFRS for the first time.

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.

##### *Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16*

In August 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.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 (continued)*

###### *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 Risk free rate (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.

###### *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 Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

###### *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 per cent 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 except the changes in IFRS 16 Leases (became effective date of issue), Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments on financial position and performance of the Group.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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

##### 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.

- a) Ownership of the Group's right to collect goods or services.
- b) The ownership of the property of the customer.
- c) Transfer of the possession of the goods or services.
- d) Ownership of significant risks and rewards arising from the ownership of the goods or services.
- e) 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.

##### 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 from resulted from stock investments are recorded in the financial statements when the shareholders are entitled to receive the dividend. Dividends payable 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### Tangible Assets (Continued)

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.

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	3–50 Year
Buildings	2–50 Year
Plant, machinery and equipment	1–30 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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

##### 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).

##### 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.



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### Mining assets (Continued)

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).

##### 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).

##### 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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### 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 and currency/interest rate swap instruments. 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:

##### 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### 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:

- a) the amount of lease liabilities recognised,
- b) lease payments made at or before the commencement date less any lease incentives received,
- c) 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.

##### 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 include:

- (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.

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(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 (Continued)

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.

##### 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.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### Related Parties

For the purpose of these consolidated financial statements, shareholders, key management personnel (general managers, head of group, vice general managers, vice head of group and factory managers) and Board members, 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 or 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.

##### 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.

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(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)

##### Financial Assets (Continued)

##### Recognition and Measurement (continued)

"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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 includes 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis (Note 9).

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

##### 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 is re-measured at the date of purchase to bring the share of equity previously held in the acquire to fair value and the resulting gain / loss is recognized in profit or loss in a progressive business combination. The amount attributable to the acquirer that is accounted for in other comprehensive income before the date of acquisition is transferred to profit or loss on the assumption that such shares are derecognized.



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(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)

##### 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 lives (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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### 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 five business segments determined by the management based on information available for the evaluation of performances and the allocation of resources. These divisions are; flat glass,( architectural and automotive glasses), 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### 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 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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)

##### 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.

##### 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 2020

(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 255,920 thousand (31 December 2019: TRY 261,814 thousand) results from temporary differences as of 31 December 2020 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. As of 31 December 2019, 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 1,117,253 thousand (31 December 2019: TRY 1,111,097 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 at September 30, 2018, re-valuated that is, to be finalized valuation results after disclosure of September 30, 2018 period operating results then due to the effects of 31 December 2018 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 2018 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 2018, 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 4,943 thousand lower / higher.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 28,33). 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).

Due to the Covid-19 outbreak, in some segments in the first six months of this year, revenue and profitability losses occurred due to temporary production stops in the first six months of this year, In order to evaluate the impacts from Covid-19, asset valuations were made using the income approach method, taking into account the future business plans of subsidiaries. In these valuations, using the sector and macroeconomic data, the 8% -20% band was used as the weighted average cost of capital and the %2-8% band was used as the long-term growth rate. As the recoverable amount is above the book value in the calculations, no provision for impairment has been allocated. .

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 3. Business Combinations

In the period of 1 January-31 December 2020, there was no business combination within the scope of TFRS-3 "Business Combinations" standard.

In the period of 1 January-31 December 2019, 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 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 Group's publicly traded companies were last traded on BİS on September 30, 2020. By multiplying the exchange rates calculated by the valuation experts on October 1, 2020 and approved by the CMB, the minority shares are exchanged with shares of Türkiye Şişe ve Cam Fabrikaları A.Ş. and all share exchange transactions were completed on October 5, 2020. The closing price and market values of the publicly traded companies of the Group in Borsa İstanbul A.Ş. are as follows:

30 September 2020	BIST Best Purchase Price	BIST Closing Price	Market Value at Closing Price
Türkiye Şişe ve Cam Fabrikaları A.Ş. (*)	7.31	7.32	16,470,000
Soda Sanayii A.Ş.	8.29	8.30	8,300,000
Trakya Cam Sanayii A.Ş.	4.79	4.79	5,987,500
Anadolu Cam Sanayii A.Ş.	6.27	6.28	4,710,000
Denizli Cam Sanayii ve Tic. A.Ş.	6.68	6.69	100,350

Transferred Company's name	Price of "SİSE" Shares to be received (TRY)	Price of "SİSE" Shares "to be given (TRY)	Market Value at Closing Price (TRY)
Soda Sanayii A.Ş. ("SODA")	369,848,322.72	429,013,331.68	3,069,741,078.58
Trakya Cam Sanayii A.Ş. ("TRKCM")	352,620,440.91	238,425,069.41	1,689,051,911.96
Anadolu Cam Sanayii A.Ş. ("ANACM")	162,884,088.33	143,727,968.41	1,022,912,074.71
Denizli Cam Sanayii ve Tic. A.Ş. ("DENCM")	4,284,384.78	1,417,672.64	28,662,534.18
Paşabahçe Cam Sanayii ve Tic. A.Ş. ("PASAB")	1,179,288.00	630,014.03	4,611,016.08
		<b>813,214,056.17</b>	<b>5,814,978,615.51</b>
Türkiye Şişe ve Cam Fabrikaları A.Ş. ("SİSE")		2,250,000,000.00	16,470,000,000.00
		<b>3,063,214,056.17</b>	<b>22,284,978,615.51</b>

(\*) The opening reference price of "SİSE" shares on October 1, 2020 is TRY 7.275. (=22,284,978,615.51/3.063,214,056.17).

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 2020	BIST Best Purchase Price	BIST Closing Price	Market Value at Closing Price
Türkiye Şişe ve Cam Fabrikaları A.Ş.	7.30	7.31	22,392,095

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 4, Interests in Other Entities (Continued)

31 December 2019	BIST Best Purchase Price	BIST Closing Price	Market Value at Closing Price
Türkiye Şişe ve Cam Fabrikaları A.Ş.	5.27	5.27	11,857,500
Trakya Cam Sanayii A.Ş.	3.50	3.50	4,375,000
Anadolu Cam Sanayii A.Ş.	4.36	4.36	3,270,000
Soda Sanayii A.Ş.	6.18	6.18	6,180,000
Denizli Cam Sanayii ve Tic. A.Ş.	8.30	8.34	125,100

The Rate of Shares Traded in BIST (%)	31 December 2020	31 December 2019
Türkiye Şişe ve Cam Fabrikaları A.Ş.	49.06	32.46

Cash dividend distributions of publicly traded companies prior to merger during the period are as follows:

	1 January- 31 December 2020	1 January- 31 December 2019
Türkiye Şişe ve Cam Fabrikaları A.Ş.	320,000	400,000
Soda Sanayii A.Ş.	245,000	345,000
Trakya Cam Sanayii A.Ş.	130,000	170,000
Anadolu Cam Sanayii A.Ş.	100,000	90,000
Denizli Cam Sanayii ve Tic. A.Ş.	-	-

Subsidiaries 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. have merged with all their assets and liabilities under Türkiye Şişe ve Cam Fabrikaları A.Ş. and merged without liquidation. Within the merge transaction, "SISE" shares of TRY 813,214,056.17 were exchanged to the minority shareholders of the Group.

As a result of the mentioned merger transactions, the share of non-controlling interests in total equity decreased significantly.

As of 31 December 2020, there are non-controlling interests in the following subsidiaries:

Subsidiary name	Non- controlling interests rate (%)
TRSG Glass Holding B.V. ("TRSG Glass")	30.000
Trakya Glass Rus AO	30.000
Trakya Glass Rus Trading OOO	30.000
Şişecam Çevre Sistemleri A.Ş. ("Şişecam Çevre")	10.000
Cam Elyaf Sanayii A.Ş. ("Cam Elyaf")	0.003
Camiş Egypt Mining Ltd. Co. (Camiş Egypt)	0.300

Since TRSG Glass Holding BV, Trakya Glass Rus AO and Trakya Glass Rus Trading OOO have 100% shares, the financial information of these 3 subsidiaries has been consolidated and presented.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 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	Camış 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
<b>Total Assets</b>	<b>1,022,850</b>	<b>135,370</b>	<b>255,818</b>	<b>6,291</b>	<b>1,420,329</b>
Current liabilities	48,091	41,161	4,540	2,748	96,540
Non-current liabilities	16,649	401	24,637	-	41,687
<b>Total liabilities</b>	<b>64,740</b>	<b>41,562</b>	<b>29,177</b>	<b>2,748</b>	<b>138,227</b>
<b>Net Assets of the Company</b>	<b>958,110</b>	<b>93,808</b>	<b>226,641</b>	<b>3,543</b>	<b>1,282,102</b>
Consolidation adjustments due to inter group leases	-	61	-	-	61
<b>Net Assets After consolidation adjustments</b>	<b>958,110</b>	<b>93,869</b>	<b>226,641</b>	<b>3,543</b>	<b>1,282,163</b>
<b>Non-controlling interests rate</b>	30%	10%	0.0033%	0.3%	
<b>Non-controlling interests</b>	<b>287,433</b>	<b>9,387</b>	<b>7</b>	<b>11</b>	<b>296,838</b>
<b>Dividend paid to non-controlling interests</b>	<b>45,681</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>45,681</b>
<b><u>Profit/Loss for the year 1 January - 31 December 2020:</u></b>					
Revenue	371,984	100,653	-	40,215	512,852
<b>Profit/ (loss) for the year</b>	<b>(92,532)</b>	<b>5,197</b>	<b>30,385</b>	<b>272</b>	<b>(56,678)</b>
Other comprehensive income	(22,010)	(11)	(2,732)	445	(24,308)
<b>Total comprehensive income/ (loss) (114,542)</b>	<b>5,186</b>	<b>27,653</b>	<b>717</b>	<b>(80,986)</b>	
Consolidation adjustments due to inter group leases	-	14	-	-	14
<b>Total comprehensive income/ (loss) after Consolidation adjustments (114,542)</b>	<b>5,200</b>	<b>27,653</b>	<b>717</b>	<b>(80,972)</b>	
<b>Non-controlling interests (34,363)</b>	<b>520</b>	<b>1</b>	<b>2</b>	<b>(33,840)</b>	

#### 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 2020

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

### 4. Interests in Other Entities (Continued)

The summary financial information in the subsidiaries has been consolidated in groups, and the summary financial information before intercompany elimination transactions is explained below.

#### The statement of the financial position as of 31 December 2019

	Trakya Cam Consolidated	Anadolu Cam Consolidated	Soda Sanayii Consolidated	Denizli Cam Standalone
Current assets	6,895,059	2,875,605	4,053,660	55,915
Non-current asset	8,012,586	4,397,979	4,573,764	69,871
<b>Total assets</b>	<b>14,907,645</b>	<b>7,273,584</b>	<b>8,627,424</b>	<b>125,786</b>
Current liabilities	3,803,187	1,974,339	1,524,621	47,372
Non-current liabilities	4,307,915	2,473,234	1,360,939	13,059
<b>Total liabilities</b>	<b>8,111,102</b>	<b>4,447,573</b>	<b>2,885,560</b>	<b>60,431</b>
Non-controlling interests	412,109	-	-	-
<b>Net assets of the Company</b>	<b>6,384,434</b>	<b>2,826,011</b>	<b>5,741,864</b>	<b>65,355</b>
Dividend paid to non-controlling interests	29,400	-	-	-

#### Profit/Loss for the year 1 January - 31 December 2019

Revenue	6,650,648	4,307,225	4,182,491	132,361
<b>Profit/ (loss) for the year</b>	<b>769,014</b>	<b>527,224</b>	<b>1,108,934</b>	<b>(5,979)</b>
Other comprehensive income	544,087	116,340	117,712	(729)
<b>Total comprehensive income/ (loss)</b>	<b>1,313,101</b>	<b>643,564</b>	<b>1,226,646</b>	<b>(6,708)</b>
Non-controlling interests	72,132	-	(261)	-

#### Summary of cash flows for the period 1 January - 31 December 2019

Cash flows from operating activities	1,140,852	491,853	681,622	18,366
Cash flows from investment activities	(1,159,508)	(761,163)	(512,706)	(3,575)
Cash flows from financing activities	2,202,589	960,311	713,474	(6,282)
<b>Before currency translation</b>	<b>2,183,933</b>	<b>691,001</b>	<b>882,390</b>	<b>8,509</b>
Currency translation differences	403,343	145,081	227,548	-
<b>Change in cash and cash equivalents</b>	<b>2,587,276</b>	<b>836,082</b>	<b>1,109,938</b>	<b>8,509</b>
Cash and cash equivalents at the beginning of period	1,340,125	153,581	1,192,805	187
<b>Cash and cash equivalents at the end of period</b>	<b>3,927,401</b>	<b>989,663</b>	<b>2,302,743</b>	<b>8,696</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 5. Segment Reporting

#### a) Operating segments

1 January-31 December 2020	Flat glass	Glassware	Glass Packaging	Chemicals	Other	Consolidation adjustments	Consolidated
Net sales – third parties	7,341,892	3,196,871	5,449,024	4,272,387	1,080,512	-	21,340,686
Intergroup sales	64,931	8,171	17,727	1,043,119	1,175,248	(2,309,196)	-
<b>Total net sales</b>	<b>7,406,823</b>	<b>3,205,042</b>	<b>5,466,751</b>	<b>5,315,506</b>	<b>2,255,760</b>	<b>(2,309,196)</b>	<b>21,340,686</b>
Cost of sales	(5,406,865)	(2,136,450)	(3,505,537)	(3,386,773)	(2,092,322)	1,848,664	(14,679,283)
<b>Gross profit</b>	<b>1,999,958</b>	<b>1,068,592</b>	<b>1,961,214</b>	<b>1,928,733</b>	<b>163,438</b>	<b>(460,532)</b>	<b>6,661,403</b>
Operating expenses	(1,592,327)	(871,199)	(1,012,951)	(753,705)	(165,271)	488,616	(3,906,837)
Other operating income	329,156	232,842	343,440	348,231	591,049	(48,515)	1,796,203
Other operating expenses	(241,906)	(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
<b>Operating profit/ (loss)</b>	<b>507,014</b>	<b>347,366</b>	<b>1,102,033</b>	<b>1,392,310</b>	<b>6,434</b>	<b>(8,845)</b>	<b>3,346,312</b>
Income from investing activities	400,581	7,807	136,121	445,454	251,688	(4,278)	1,237,373
Loss from investing activities	(5,641)	(9,253)	(11,911)	(182,865)	-	187	(209,483)
Other valuation gains / (losses)	(12,074)	(2,238)	(4,492)	(14,949)	(2,425)	-	(36,178)
<b>Operating profit before financial income and expense</b>	<b>889,880</b>	<b>343,682</b>	<b>1,221,751</b>	<b>1,639,950</b>	<b>255,697</b>	<b>(12,936)</b>	<b>4,338,024</b>
Financial income	1,587,574	839,253	429,781	1,429,203	427,870	(62,428)	4,651,253
Financial expenses (-)	(1,879,096)	(1,223,596)	(780,823)	(1,000,981)	(923,035)	73,438	(5,734,093)
<b>Profit before tax from continued operations</b>	<b>598,358</b>	<b>(40,661)</b>	<b>870,709</b>	<b>2,068,172</b>	<b>(239,468)</b>	<b>(1,926)</b>	<b>3,255,184</b>
Tax income/ (expense) for the period	15,701	19,826	(115,220)	(424,514)	73,757	(163)	(430,613)
<b>Profit (loss) for the period</b>	<b>614,059</b>	<b>(20,835)</b>	<b>755,489</b>	<b>1,643,658</b>	<b>(165,711)</b>	<b>(2,089)</b>	<b>2,824,571</b>
Purchases of tangible and intangible assets	569,861	306,793	528,725	224,859	243,064	-	1,873,302
Right of use assets	29,241	8,386	1,295	5,745	104	-	44,781
Depreciation and amortization charges (-) (Note 18,19 and 20)	(577,465)	(207,688)	(525,894)	(244,114)	(95,681)	-	(1,650,842)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)(*)</b>	<b>1,467,345</b>	<b>551,370</b>	<b>1,747,645</b>	<b>1,884,064</b>	<b>351,378</b>	<b>(12,936)</b>	<b>5,988,866</b>
(*) 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.							
<b>The Statement of Financial position (31 December 2020)</b>							
<b>Total Assets</b>	<b>16,738,269</b>	<b>6,100,564</b>	<b>7,882,864</b>	<b>11,172,327</b>	<b>4,956,869</b>	<b>(2,622,857)</b>	<b>44,228,036</b>
- Investments accounted for under equity accounting	251,351	-	-	749,812	-	-	1,001,163
- Deferred tax asset	177,578	134,580	345,687	494,393	79,504	(127,395)	1,104,347
<b>Total Liabilities</b>	<b>9,356,016</b>	<b>3,745,848</b>	<b>5,079,595</b>	<b>3,577,818</b>	<b>2,156,259</b>	<b>(2,178,733)</b>	<b>21,736,803</b>
- Deferred tax liabilities	152,222	27,385	4,279	32,404	475	(7,312)	209,453

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 5. Segment Reporting (Continued)

#### a) Operational Segments (Continued)

1 January-31 December 2019	Flat glass	Glassware	Glass Packaging	Chemicals	Other	Adjustments	Consolidated
Net sales – third parties	6,568,009	3,074,818	4,293,177	3,700,600	402,082	-	18,058,686
Intergroup sales	62,639	5,657	6,950	935,221	1,130,232	(2,140,699)	-
<b>Total net sales</b>	<b>6,650,648</b>	<b>3,080,475</b>	<b>4,300,127</b>	<b>4,635,821</b>	<b>1,532,314</b>	<b>(2,140,699)</b>	<b>18,058,686</b>
Cost of sales	(4,625,355)	2,044,570)	(2,868,375)	(3,070,534)	(1,237,508)	1,667,311	(12,179,031)
<b>Gross profit</b>	<b>2,025,293</b>	<b>1,035,905</b>	<b>1,431,752</b>	<b>1,565,287</b>	<b>294,806</b>	<b>(473,388)</b>	<b>5,879,655</b>
Operating expenses	(1,366,469)	(855,619)	(803,623)	(702,221)	(177,247)	482,075	(3,423,104)
Other operating income	343,650	168,772	104,828	207,733	49,497	(27,366)	847,114
Other operating expenses	(175,508)	(68,089)	(45,604)	(159,377)	(31,662)	7,650	(472,590)
Share of profit (loss) from investments accounted for using equity method	21,953	-	-	74,398	-	-	96,351
<b>Operating profit/ (loss)</b>	<b>848,919</b>	<b>280,969</b>	<b>687,353</b>	<b>985,820</b>	<b>135,394</b>	<b>(11,029)</b>	<b>2,927,426</b>
Income from investing activities	271,048	10,421	91,134	217,630	145,548	(89,187)	646,594
Expense from investing activities	(4,406)	(5,100)	(10,060)	(68,414)	(245)	-	(88,225)
Other valuation gains / (losses)	3,320	(383)	995	1,626	2,250	-	7,808
<b>Operating profit before financial income and expense</b>	<b>1,118,881</b>	<b>285,907</b>	<b>769,422</b>	<b>1,136,662</b>	<b>282,947</b>	<b>(100,216)</b>	<b>3,493,603</b>
Financial income	688,137	321,981	129,390	633,467	532,363	(276,302)	2,029,036
Financial expense (-)	(961,364)	(558,394)	(475,350)	(618,459)	(590,388)	277,454	(2,926,501)
<b>Profit before tax from continued operations</b>	<b>845,654</b>	<b>49,494</b>	<b>423,462</b>	<b>1,151,670</b>	<b>224,922</b>	<b>(99,064)</b>	<b>2,596,138</b>
Tax income/ (expense) for the period	(31,688)	3,316	105,458	32,884	(5,327)	(462)	104,181
<b>Profit (loss) for the period</b>	<b>813,966</b>	<b>52,810</b>	<b>528,920</b>	<b>1,184,554</b>	<b>219,595</b>	<b>(99,526)</b>	<b>2,700,319</b>
Purchases of tangible and intangible assets	1,036,906	140,329	889,931	319,250	508,248	-	2,894,664
The right of use assets	4,580	55,280	1,341	5,425	2,242	-	68,868
Depreciation and amortization charges (-) (Notes 18,19 ve 20)	(463,268)	(182,500)	(439,449)	(218,350)	(71,017)	-	(1,374,584)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA) (*)</b>	<b>1,582,149</b>	<b>468,407</b>	<b>1,208,871</b>	<b>1,355,012</b>	<b>353,964</b>	<b>(100,216)</b>	<b>4,868,187</b>

(\*) 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 2019)

<b>Total Assets</b>	<b>15,310,265</b>	<b>5,206,780</b>	<b>7,253,044</b>	<b>9,312,681</b>	<b>7,703,898</b>	<b>6,035,830</b>	<b>38,750,838</b>
- Investments accounted for under equity accounting	204,230	-	-	506,348	-	-	710,578
- Assets held for sale	27,854	-	-	204	-	-	28,058
- Deferred tax asset	62,727	123,720	398,051	491,149	1,931	(1,976)	1,093,602
- <b>Total Liabilities</b>	<b>8,221,285</b>	<b>2,779,981</b>	<b>4,438,484</b>	<b>3,007,710</b>	<b>4,012,273</b>	<b>2,242,280</b>	<b>19,617,453</b>
- Deferred tax liabilities	134,297	16,407	4,496	7,629	43,098	(8,981)	196,946



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 5. Segment Reporting (Continued)

#### b) Geographical segments

	Russia, Ukraine and Georgia					
1 January-31 December 2020	Turkey	Europe	Other	Total	Adjustments	Consolidated
Net sales – third parties	13,229,974	4,582,949	568,890	21,340,686	-	21,340,686
Intergroup sales	615,322	612,917	88,721	1,327,083	(1,327,083)	-
<b>Total net sales (*)</b>	<b>13,845,296</b>	<b>5,195,866</b>	<b>657,611</b>	<b>22,667,769</b>	<b>(1,327,083)</b>	<b>21,340,686</b>
Cost of sales	(9,222,880)	(4,143,849)	(506,349)	(15,819,117)	1,139,834	(14,679,283)
<b>Gross profit</b>	<b>4,622,416</b>	<b>1,052,017</b>	<b>151,262</b>	<b>6,848,652</b>	<b>(187,249)</b>	<b>6,661,403</b>
Operating expenses	(2,247,725)	(585,687)	(192,518)	(4,221,971)	315,134	(3,906,837)
Other operating income	1,685,779	159,828	32,764	2,029,647	(233,444)	1,796,203
Other operating expense	(1,211,898)	(46,964)	(21,761)	(1,395,979)	91,288	(1,304,691)
Share of profit (loss) from investments accounted for using equity method	2,188	-	(8,978)	100,234	-	100,234
<b>Operating profit/ (loss)</b>	<b>2,850,760</b>	<b>541,582</b>	<b>(39,231)</b>	<b>3,360,583</b>	<b>(14,271)</b>	<b>3,346,312</b>
Income from investing activities	2,365,783	154,361	5,559	2,527,202	(1,289,829)	1,237,373
Loss from investing activities	(198,202)	(9,088)	-	(209,483)	-	(209,483)
Other valuation gains / (losses)	(36,207)	29	-	(36,178)	-	(36,178)
<b>Operating profit before financial income and expense</b>	<b>4,982,134</b>	<b>534,022</b>	<b>(33,672)</b>	<b>5,642,124</b>	<b>(1,304,100)</b>	<b>4,338,024</b>
Financial income	4,582,058	55,440	1,067	4,673,173	(21,920)	4,651,253
Financial expense	(5,391,680)	(182,181)	(41,637)	(5,764,208)	30,115	(5,734,093)
<b>Profit before tax from continued operations</b>	<b>4,172,512</b>	<b>407,281</b>	<b>(74,242)</b>	<b>4,551,089</b>	<b>(1,295,905)</b>	<b>3,255,184</b>
Tax income/ (expense) for the period	(377,309)	22,704	(8,489)	(430,613)	-	(430,613)
<b>Profit (loss) for the period</b>	<b>3,795,203</b>	<b>339,762</b>	<b>(82,731)</b>	<b>4,120,476</b>	<b>(1,295,905)</b>	<b>2,824,571</b>
Purchases of tangible and intangible assets	1,420,224	167,356	20,813	1,873,302	-	1,873,302
Right of use assets	11,299	30,123	3,291	44,781	-	44,781
Depreciation and amortization charges (-) (Note 18, 19 and 20)	(781,302)	(486,094)	(64,191)	(1,650,842)	-	(1,650,842)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>5,763,436</b>	<b>645,734</b>	<b>30,519</b>	<b>7,292,966</b>	<b>(1,304,100)</b>	<b>5,988,866</b>
<b>The Statement of Financial position (31 December 2020)</b>						
<b>Total Assets</b>	<b>34,348,934</b>	<b>4,655,470</b>	<b>1,750,291</b>	<b>56,292,220</b>	<b>(12,064,184)</b>	<b>44,228,036</b>
- Investments accounted for under equity accounting	63,448	820,296	117,419	1,001,163	-	1,001,163
- Deferred tax asset	897,274	86,679	487	1,104,347	-	1,104,347
<b>Total Liabilities</b>	<b>14,727,006</b>	<b>5,323,531</b>	<b>649,715</b>	<b>22,709,917</b>	<b>(973,114)</b>	<b>21,736,803</b>
- Deferred tax liabilities	72,225	20,743	96,095	209,453	-	209,453

(\*) Net sales according to the geographical regions are represented based on the countries where the companies are operating.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 5. Segment Reporting (Continued) b) Geographical segments (Continued)

	Russia, Ukraine				Other	Total	Adjustments	Consolidated
1 January-31 December 2019	Turkey	Georgia						
Net sales – third parties	11,042,533	2,589,554	3,904,083	522,516	18,058,686	-	-	18,058,686
Intergroup sales	597,962	20,442	387,603	98,512	1,104,519	(1,104,519)	-	-
<b>Total net sales (*)</b>	<b>11,640,495</b>	<b>2,609,996</b>	<b>4,291,686</b>	<b>621,028</b>	<b>19,163,205</b>	<b>(1,104,519)</b>	<b>(1,104,519)</b>	<b>18,058,686</b>
Cost of sales	(7,510,424)	(1,764,978)	(3,383,399)	(488,169)	(13,146,970)	967,939	(12,179,031)	(12,179,031)
<b>Gross profit</b>	<b>4,130,071</b>	<b>845,018</b>	<b>908,287</b>	<b>132,859</b>	<b>6,016,235</b>	<b>(136,580)</b>	<b>(136,580)</b>	<b>5,879,655</b>
Operating expenses	(2,053,340)	(514,375)	(939,481)	(153,517)	(3,660,713)	237,609	(3,423,104)	(3,423,104)
Other operating income	744,678	52,233	129,852	54,257	981,020	(133,906)	847,114	847,114
Other operating expenses	(338,183)	(41,768)	(95,133)	(5,814)	(480,898)	8,308	(472,590)	(472,590)
Share of profit (loss) from investments accounted for using equity method	1,232	-	111,124	(16,005)	96,351	-	96,351	96,351
<b>Operating profit (loss)</b>	<b>2,484,458</b>	<b>341,108</b>	<b>114,649</b>	<b>11,780</b>	<b>2,951,995</b>	<b>(24,569)</b>	<b>(24,569)</b>	<b>2,927,426</b>
Income from investing activities	814,369	18,601	2,204	4,380	839,554	(192,960)	646,594	646,594
Loss from investing activities	(78,141)	(10,084)	-	-	(88,225)	-	(88,225)	(88,225)
Other valuation gains/(losses)	7,627	181	-	-	7,808	-	7,808	7,808
<b>Operating profit before financial income and expense</b>	<b>3,228,313</b>	<b>349,806</b>	<b>116,853</b>	<b>16,160</b>	<b>3,711,132</b>	<b>(217,529)</b>	<b>(217,529)</b>	<b>3,493,603</b>
Financial income	1,953,041	55,946	35,826	888	2,045,701	(16,665)	2,029,036	2,029,036
Financial expense	(2,659,994)	(179,606)	(110,419)	(26,828)	(2,976,847)	50,346	(2,926,501)	(2,926,501)
<b>Profit before tax from continued operations</b>	<b>2,521,360</b>	<b>226,146</b>	<b>42,260</b>	<b>(9,780)</b>	<b>2,779,986</b>	<b>(183,848)</b>	<b>(183,848)</b>	<b>2,596,138</b>
Tax income/ (expense) for the period 73,145	162,668	(40,101)	(8,648)	(7,309)	106,610	(2,429)	104,181	104,181
<b>Profit for the period</b>	<b>2,684,028</b>	<b>186,045</b>	<b>33,612</b>	<b>(17,089)</b>	<b>2,886,596</b>	<b>(186,277)</b>	<b>(186,277)</b>	<b>2,700,319</b>
Purchases of tangible and intangible assets	2,086,932	216,744	569,433	21,555	2,894,664	-	2,894,664	2,894,664
Right of use assets	66,691	1,861	316	-	68,868	-	68,868	68,868
Depreciation and amortization charges (-)	(689,784)	(278,538)	(349,205)	(57,057)	(1,374,584)	-	(1,374,584)	(1,374,584)
<b>Earnings before interest, taxes, Depreciation and amortization (EBITDA)</b>	<b>3,918,097</b>	<b>628,344</b>	<b>466,058</b>	<b>73,217</b>	<b>5,085,716</b>	<b>(217,529)</b>	<b>(217,529)</b>	<b>4,868,187</b>
<b>Statement of Financial position (31 December 2019)</b>								
<b>Total assets</b>	<b>30,328,975</b>	<b>4,497,865</b>	<b>11,636,394</b>	<b>1,318,631</b>	<b>47,781,865</b>	<b>(9,031,027)</b>	<b>(9,031,027)</b>	<b>38,750,838</b>
- Investments accounted for under equity method	46,254	-	640,992	23,332	710,578	-	710,578	710,578
- Investments accounted for under equity method	204	-	27,854	-	28,058	-	28,058	28,058
- Deferred tax assets	920,511	146,295	26,796	-	1,093,602	-	1,093,602	1,093,602
<b>Total liabilities</b>	<b>13,782,060</b>	<b>2,117,816</b>	<b>4,075,765</b>	<b>540,715</b>	<b>20,516,376</b>	<b>(898,923)</b>	<b>(898,923)</b>	<b>19,617,453</b>
- Deferred tax liabilities	87,352	20,419	16,918	72,257	196,946	-	196,946	196,946

(\*) Net sales according to the geographical regions are represented based on the countries where the companies are operating.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 6. Cash and Cash Equivalents

	31 December 2020	31 December 2019
Cash on hand	311	354
Cash at banks	9,352,466	8,378,795
– Demand deposits	816,820	376,530
– Time deposits with a maturity of three months or less	8,535,646	8,002,265
Other liquid assets	35,077	43
Provision for impairment	(32,890)	(10,279)
	<b>9,354,964</b>	<b>8,368,913</b>

#### Time deposits

Currency	Interest Rate %	Maturity	31 December 2020	31 December 2019
US Dollars	%0.40-%1.50	January-February 2021	4,209,885	4,328,173
EUR	%0.01-%0.50	January-February 2021	3,518,095	2,468,144
Russian Rubles	%3.00-%4.00	January 2021	578,092	519,388
Turkish Lira	%15.75-%16.00	January 2021	143,803	630,235
Bosnian Mark	%7.50	January 2021	23,083	-
Chinese Yuan	%0.50	January 2021	12,981	6,420
Other currencies converted TRY		January 2021	49,707	49,905
			<b>8,535,646</b>	<b>8,002,265</b>

The foreign currency position of cash, demand deposits and other cash values are as follows:

Currency	31 December 2020	31 December 2019
Euro	312,337	248,598
ABD Dollar	298,800	74,694
Turkish Lira	92,734	8,648
Russian Ruble	24,092	10,237
Bulgarian Lev	14,391	3,163
Georgian Lari	10,567	3,408
Rumen Leyi	6,051	449
Bosna Markı	5,199	656
Chinese Yuan	5,452	2,483
Indian Rupi	3,701	2,102
Egyptian Pound	10,307	2,143
Ukrainian hryvnia	137	402
Turkish Lira equivalent of other currencies	68,440	19,944
	<b>852,208</b>	<b>376,927</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 6. Cash and Cash Equivalents (Continued)

Movements in allowance for impairment of cash and cash equivalents are as follows:

	31 December 2020	31 December 2019
1 January	(10,279)	(3,035)
Current year allowance	(24,182)	(7,599)
Currency translation differences	1	(32)
Cancellation of allowance	1,570	387
	<b>(32,890)</b>	<b>(10,279)</b>

Cash and cash equivalents as of 31 December 2020, 31 December 2019 presented in the consolidated statement of cash flows are as follows:

	31 December 2020	31 December 2019
Cash and cash equivalents	9,354,964	8,368,913
Effect of impairment loss	32,890	10,279
Interest accrual	(3,035)	(7,775)
	<b>9,384,819</b>	<b>8,371,417</b>

### 7. Financial Investments

#### a) Current financial investments

Current financial investment	31 December 2020	31 December 2019
Financial assets measured at amortized cost (*)	2,184,028	429,243
Provision for impairment on financial assets	(24,182)	(3,123)
	<b>2,159,846</b>	<b>426,120</b>

(\*) TRY 1,498,463 thousand of this amount represents the short-term portion of the long-term semi-annually fixed-rate securities in USD and the SBI Mutual Fund ("SBI") in India in the Indian Rupee currency of TRY 157,914 thousand (31 December 2019: TRY 330,579 thousand and TRY 98,664 thousand equivalent).



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 7. Financial Investments (Continued)

#### b) Non-current financial investment

	31 December 2020	31 December 2019
<b>Financial assets at fair value through other comprehensive income</b>		
Financial investments not traded in an active market	2	2
Financial investments carried at market price	-	2,015
	<b>2</b>	<b>2,017</b>
<b>Long term financial investments measured at amortized cost</b>		
Financial investments measured by amortized cost	1,758,783	2,585,311
Impairment provision	(42,601)	(50,094)
	<b>1,716,182</b>	<b>2,535,217</b>
<b>Total non-current financial assets</b>	<b>1,716,184</b>	<b>2,537,234</b>

The movement of financial investments at fair value through other comprehensive income are as follows:

	31 December 2020	31 December 2019
Beginning of the period - 1 January	2,017	2,453
Change in fair value	10	(435)
Sales	(2,025)	(1)
	<b>2</b>	<b>2,017</b>

Financial investments valued at market price	Rate of Share (%)	31 December 2020	Rate of Share (%)	31 December 2019
İş Finansal Kiralama A.Ş. (*)	<1	-	<1	2,015

(\*) From Total amount of İş Finansal Kiralama A.Ş. shares with TRY 530,315.35 nominal Value, preferred shares of TRY 225,000 nominal value part has been sold to Trakya Yatırım Holding A.Ş. on 10 December 2020 calculated with TRY 3.75 stock market price which is the closing price one day before the sale. Rest of the shares which equals to TL 305,315.35 nominal value has been sold on Borsa İstanbul A.Ş. with price 3.87 per share on 18 December 2020. (As dated 31.12.2019, shares has been valued by BIAS best expected purchase price TRY 3.80)

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 7. Financial Investments (Continued)

#### b) Non-current financial investment (Continued)

Financial investment not traded in an active market	Rate of Share (%)	31 December 2020	Rate of Share (%)	31 December 2019
Bosen Enerji Elek.Üret.Oto.Pro.Grb. A.Ş.	<1	2	<1	2
		2		2

#### Financial assets measured at amortized cost

Bond issuer	31 December 2020	31 December 2019
Türkiye İş Bankası A.Ş.,	847,777	685,078
Türkiye Vakıflar Bankası T.A.O.,	572,947	461,938
T.C, Hazine ve Maliye Bakanlığı	369,661	-
Türkiye Halk Bankası A.Ş.,	330,554	344,668
Yapı ve Kredi Bankası A.Ş.,	300,093	268,652
Türkiye Sınai Kalkınma Bankası A.Ş.,	286,141	317,995
Turkcell İletişim Hizmetleri A.Ş.,	268,493	217,732
Türkiye Garanti Bankası A.Ş.,	224,948	181,486
Arçelik A.Ş.,	227,205	183,765
Ziraat Bankası A.Ş.,	151,475	122,289
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.,	79,040	63,070
Türkiye İhracat Kredi Bankası A.Ş., (Türk Eximbank)	76,936	61,771
Finansbank A.Ş.,	9,213	7,446
<b>Eurobond (*)</b>	<b>3,744,483</b>	<b>2,915,890</b>

(\*) Fixed yield securities were accounted for by using effective interest rate at amortized costs. These Eurobonds are denominated in US Dollar with fixed rate coupon payment every 6-month.

Financial assets measured at amortized cost have an active market and the values according to market prices (dirty prices) are as follows:

Bond issuer	31 December 2020	31 December 2019
Türkiye İş Bankası A.Ş.,	858,802	693,284
Türkiye Vakıflar Bankası T.A.O.,	581,415	465,184
T.C, Hazine ve Maliye Bakanlığı	370,649	-
Türkiye Halk Bankası A.Ş.,	330,711	335,472
Yapı ve Kredi Bankası A.Ş.,	304,788	269,569
Türkiye Sınai Kalkınma Bankası A.Ş.,	288,072	321,067
Turkcell İletişim Hizmetleri A.Ş.,	283,825	219,305
Arçelik A.Ş.,	235,466	186,389
Türkiye Garanti Bankası A.Ş.,	232,698	186,917
Ziraat Bankası A.Ş.,	152,561	122,136
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.,	83,060	65,568
Türkiye İhracat Kredi Bankası A.Ş., (Türk Eximbank)	79,489	63,545
Finansbank A.Ş.,	9,426	7,493
	<b>3,810,962</b>	<b>2,935,929</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 7. Financial Assets (Continued)

#### b) Non-current financial investment (Continued)

The expiry dates of financial investments measured at amortized cost are as follows:

Collection periods	31 December 2020	31 December 2019
Less than three months	7,410	120,849
3 - 12 months	2,176,618	308,394
1 – 5 years	1,758,782	2,420,921
More than 5 years	-	164,390
	<b>3,942,810</b>	<b>3,014,554</b>

Movements of financial investments measured at amortized cost are as follows:

	31 December 2020	31 December 2019
1 January- Beginning of period	3,014,554	2,671,485
Valuation difference	879,643	498,061
Received within the period	476,010	89,209
Currency translation differences	24,999	6,441
Interest collected within the period	(181,222)	(149,041)
Principal collected during the period	(271,173)	(101,601)
	<b>3,942,811</b>	<b>3,014,554</b>

The movement of impairment on financial investments is as follows:

	31 December 2020	31 December 2019
1 January- Beginning of period	(53,217)	(68,237)
Expense for the period	(70,087)	(52,047)
Cancellation of allowance	56,521	67,067
	<b>(66,783)</b>	<b>(53,217)</b>

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 2020	31 December 2019
İş Portföy Yönetimi A.Ş.	3,176,850	2,755,897
İş Yatırım Menkul Değerler A.Ş.	197,972	159,993
	<b>3,374,822</b>	<b>2,915,890</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 5.53% (2019: 5.53%).

Bond issuer	ISIN Code	Coupon Interest Rate (%)	Maturity Date
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	XS1345632811	5.375	08.02.2021
Türkiye Halk Bankası A.Ş.	XS1188073081	4.750	11.02.2021
Ziraat Bankası A.Ş.	XS1223394914	4.750	29.04.2021
Türkiye Sınai Kalkınma Bankası A.Ş.	XS1412393172	4.875	18.05.2021
T.C. Hazine ve Maliye Bakanlığı	TRT280521F12	3.500	28.05.2021
Türkiye İş Bankası A.Ş.	XS1079527211	5.000	25.06.2021
Türkiye Halk Bankası A.Ş.	XS1439838548	5.000	13.07.2021
T.C. Hazine ve Maliye Bakanlığı	TRT160721F14	2.500	16.07.2021
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	XS1028943089	5.000	23.09.2021
Türkiye İş Bankası A.Ş.	XS1390320981	5.375	06.10.2021
Türkiye Vakıflar Bankası T.A.O.	XS1508914691	5.500	27.10.2021
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
Yapı ve Kredi Bankası A.Ş.	4,200	XS0874840688	4.000	22.01.2020
Türkiye Halk Bankası A.Ş.	13,074	XS0882347072	3.875	05.02.2020
Türkiye Sınai Kalkınma Bankası A.Ş.	14,600	XS1219733752	5.125	22.04.2020
	<b>31,874</b>			

Additionally, INR 705,000 thousand currency 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 2020

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

### 8. Borrowings

	31 December 2020	31 December 2019
<b>Current financial borrowings</b>		
Short term borrowings	2,251,342	2,634,647
<b>Short term portion of long term borrowings</b>		
Short-term principal installments and interests of long- term borrowings	2,232,809	681,772
Liabilities from leasing transactions	80,430	82,833
Principal and installments of bonds issued	107,113	1,878,253
Discount differences and commissions of bonds issued	(1,448)	(1,867)
Cost of deferred lease liabilities (-)	(19,584)	(24,797)
<b>Total short term portion of long term borrowings</b>	<b>2,399,320</b>	<b>2,616,194</b>
<b>Total current financial borrowings</b>	<b>4,650,662</b>	<b>5,250,841</b>
<b>Long term borrowings</b>		
Long term portion of long term borrowings	7,262,593	6,337,430
Bonds Issued	5,138,350	4,158,140
Liabilities from leasing transactions	191,437	238,840
Discount differences and commissions of bonds issued	(44,840)	(52,210)
Cost of deferred lease liabilities (-)	(55,963)	(87,405)
<b>Total long term borrowings</b>	<b>12,491,577</b>	<b>10,594,795</b>
<b>Total financial borrowings</b>	<b>17,142,239</b>	<b>15,845,636</b>

The notes and explanations of the international rating agencies with regards to the Company's credit ratings are as follows:

Ratings and explanations received during the period of January 1 – December 31, 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 8. Borrowings (Continued)

Ratings and explanations received during the period of January 1 – December 31, 2019 are as follows:

#### Moody's:

- In its update report dated March 1, 2019, Moody's confirmed the Company's long-term credit rating as "Ba2" and the outlook as "negative".
- Moody's downgraded the Government of Turkey's long-term issuer rating to B1 from Ba3 while maintaining a negative outlook on June 14, 2019. Moody's also lowered Turkey's foreign currency bond ceiling to B1 from Ba2. Following that, Moody's announced that it has also downgraded the Company's rating along with 10 other Turkish corporates to B1 with negative outlook on June 19, 2019.
- Moody's downgraded the Government of Turkey's long-term issuer rating to B1 from on June 14, 2019. Following that, Moody's announced that it has placed also our Group under review along with several other Turkish companies on June 19, 2019. On September 20, 2019, our Group's long-term foreign currency credit rating is confirmed as B1, and the outlook is changed to "negative" from "under review".

#### Fitch:

- In its update report on March 1, 2019, Fitch ratings confirmed our Company's long-term credit rating as BB+ and the outlook as "negative".
- Following the downgrade of Turkey's sovereign Long-Term Foreign Currency IDR to "BB-" from "BB" on July 12, 2019 and the lowering of Country Ceiling to "BB-" from "BB+", Fitch Ratings has down Fitch Ratings has downgraded Company's Long-Term Issuer Default Rating (IDR) and the senior unsecured ratings to 'BB-' from 'BB+'. The Outlook on the Long-Term IDR is Negative.
- Following the revision of the Outlook on Turkey's Long-Term Foreign Currency IDR to Stable from Negative, and affirmation of the Country Ceiling as "BB-" on November 1, 2019; our Group's long-term rating is confirmed as "BB-", and the outlook is changed to "stable" from "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 reprising dates of the Group is as follows.

Repricing dates for loans	31 December 2020	31 December 2019
Shorter than 3 months	2,482,760	3,081,359
3 – 12 months	6,763,923	2,273,798
1 – 5 years	2,484,642	4,287,435
5 years and more	15,419	11,257
	<b>11,746,744</b>	<b>9,653,849</b>

Coupon interest payments of bond which is TRY 5,199,175 thousand notional are paid every six months in equal installments. (31 December 2019: TRY 5,982,316 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 it's coupon rate %6,95 (effective rate of interest %7,32). Issued bonds are quoted on the Irish Stock Exchange and the stock exchange base price is 101,372 (31 December 2019: 105,678).

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.

The lease obligations in the amount of TRY 196,320 thousand are paid up in equal monthly installments (31 December 2019: TRY 209,471 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 8. Borrowings (Continued)

Financial borrowings movements for the period between 1 January and 31 December 2020 are summarized as 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
Currency translation differences	1,073,298	3,935	(1,167)	1,076,066
Foreign exchange (gain)/loss	749,874	-	-	749,874
Payments-reversals during the period	(10,731,773)	(719,613)	6,508	(11,444,878)
<b>As of 31 December 2020</b>	<b>11,688,094</b>	<b>68,978</b>	<b>(10,328)</b>	<b>11,746,744</b>

Bonds 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
Foreign exchange (gain)/loss	1,364,317	-	-	-	1,364,317
Borrowed –accrued during the period	-	389,273	-	-	389,273
Payments-reversals during the period	(2,165,692)	(378,828)	6,441	1,348	(2,536,731)
<b>As of 31 December 2020</b>	<b>5,138,350</b>	<b>107,113</b>	<b>(40,105)</b>	<b>(6,183)</b>	<b>5,199,175</b>

Operational lease liabilities	Principal	Interest	Total
Beginning of the period – 1 January	209,471	112,202	321,673
Additions	44,781	15,137	59,918
Currency translation differences	17,259	3,707	20,966
Revaluation differences (**)	10,854	-	10,854
Foreign exchange (gain)/loss	10,696	-	10,696
Disposals	(14,899)	(31,921)	(46,820)
Payments during the period	(81,842)	(23,578)	(105,420)
<b>As of 31 December 2020</b>	<b>196,320</b>	<b>75,547</b>	<b>271,867</b>

(\*) 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 has signed 3.9 annual rate loan agreement, with 3 months base interest payments and RUB 281,862 principal payment as dated 31 December 2024. Accrual of interest has been calculated with market rate 6.9% and presented under financial expenses under Profit or Loss statements. Impacts to the period of government incentives accrued from using %3 interest has been accounted under other operating incomes (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.

Partial payments and quarterly rental payments in some stores of the Group where glassware products are sold, haven't been paid due to the Covid-19 outbreak for March to December 2020. According to current rental agreements, the amount of unpaid renting fee is TRY 3,910 under the TFRS-16 Leases standard. These privileges are only for the period which mentioned above the text and have not effected any change in future terms of subsequent lease payments.

Interest expense of TRY 426 thousand in January 1- December 31, 2020 is activated under tangible assets. (January 1- December 31, 2019: TRY 5,093 thousand)

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 8. Borrowings (Continued)

Financial borrowings movements for the period between 1 January - 31 December 2019 are summarized on the below:

Bank Loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	4,780,036	17,170	(3,177)	4,794,029
Borrowed –accrued during the period	14,659,287	554,486	(13,406)	15,200,367
Currency translation differences	624,772	2,232	(299)	626,705
Foreign exchange gain/ (loss)	113,000	-	-	113,000
Payments – reversals during the period	(10,572,484)	(509,976)	2,208	(11,080,252)
<b>As of 31 December 2019</b>	<b>9,604,611</b>	<b>63,912</b>	<b>(14,674)</b>	<b>9,653,849</b>

Bond issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	2,630,450	13,524	(1,462)	(578)	2,641,934
Borrowed –accrued during the period	3,798,370	314,654	(50,907)	(11,327)	4,050,790
Foreign exchange (gain)/loss	619,808	-	-	-	619,808
Payments-reversals during the period	(1,108,903)	(231,510)	5,823	4,374	(1,330,216)
<b>As of 31 December 2019</b>	<b>5,939,725</b>	<b>96,668</b>	<b>(46,546)</b>	<b>(7,531)</b>	<b>5,982,316</b>

Financial lease liabilities	Principal	Interest	Total
Beginning of the period - 1 January	420	126	546
Foreign exchange (gain)/loss	22	7	29
Payments during the period	(442)	(133)	(575)
<b>As of 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>

Operational lease liabilities	Principal	Interest	Total
Beginning of the period - 1 January	-	-	-
Changes in accounting policy	300,707	294,606	595,313
Additions during the period	69,751	36,970	106,721
Foreign exchange (gain)/loss	6,065	-	6,065
Currency translation differences	5,980	1,228	7,208
Revaluation differences	3,548	-	3,548
Payments during the period	(69,063)	(49,459)	(118,522)
Disposals	(107,517)	(171,143)	(278,660)
<b>As of 31 December 2019</b>	<b>209,471</b>	<b>112,202</b>	<b>321,673</b>

Total lease liabilities	Principal	Interest	Total
Beginning of the period – 1 January	420	126	546
Changes in accounting policy	300,707	294,606	595,313
Additions during the period	69,751	36,970	106,721
Foreign exchange (gain)/loss	6,065	-	6,065
Currency translation differences	6,002	1,235	7,237
Revaluation differences	3,548	-	3,548
Payments during the period	(69,505)	(49,592)	(119,097)
Disposals	(107,517)	(171,143)	(278,660)
<b>As of 31 December 2019</b>	<b>209,471</b>	<b>112,202</b>	<b>321,673</b>



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 8. Borrowings (Continued))

Short and long-term bank borrowings are summarized as below:

#### 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 Rup	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
			<b>4,650,662</b>	<b>12,491,577</b>	<b>17,142,239</b>

(\*) 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).

#### 31 December 2019

Currency	Maturity	Interest range(%) (*)	Short Term	Long Term	Total
US Dollar	2020–2026	Libor+2.15-2.90	1,936,478	4,203,285	6,139,763
Euro	2020–2026	Euribor+1.10-3.20	1,726,215	2,928,577	4,654,792
Turkish Lira	2020–2023	10.00-17.50	678,485	2,566,254	3,244,739
Russian Rubles	2020–2021	7.05-10.50	779,779	858,050	1,637,829
Egyptian Pound	2020	14.75-15.00	123,740	-	123,740
Bulgarian Lev	2020	4.00	5,426	37,121	42,547
Indian Rup	2020	5.50	718	1,508	2,226
			<b>5,250,841</b>	<b>10,594,795</b>	<b>15,845,636</b>

(\*) Interest range represents the lower and upper bounds and the weighted average costs are, Libor + 2.27% for the US Dollar, TLref + 0.90% for TRY, Euribor + 2.16% for Euro, Mosprime + 3.20% for RUB (average effective annual interest rates for EUR, USD, RUB, EGP and TRY are 2.20%, 6.08%, 8.19%, 14.84% and 12.75% respectively).

The redemption schedule of the financial liabilities is as follows:

	31 December 2020	31 December 2019
Within 1 year	4,650,662	5,250,841
Within 1-2 years	4,653,709	2,077,533
Within 2-3 years	2,366,371	3,759,849
Within 3-4 years	303,042	381,808
Within 4-5 years	14,707	209,006
More than 5 years	5,153,748	4,166,599
	<b>17,142,239</b>	<b>15,845,636</b>

The weighted average maturity of the financial liabilities is 923 days (31 December 2019: 992 days).

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 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 the 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
<b>Total</b>			<b>700,000,000</b>

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, 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 are 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 aforementioned 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. The details of the transactions that took place from the issuance of the said bond until the amortization date are as follows

The Company quoted the bond amounting to USD 407,210 thousand with the code of ISIN: XS0927634807 issued under Regulation and the bond amounting to USD 92,790 thousand with the code of ISIN: US90016AAA88, issued under Rule 144A on the Irish Stock Exchange and the issue certificate of the notes was provided by the CMB on 3 May 2013 and approved on 30 April 2013 with decision no 15/487, Citigroup, BNP Paribas, J.P. Morgan and HSBC acted as agencies for the issue of the bond. The procedures related to the sale of the bonds to foreign qualified investors were completed on 9 May 2013. The central safekeeping institutions of traded securities are Euroclear and Clearstream.

The amounts were transferred on 9 May 2013 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 250,000 thousand to Trakya Cam Sanayii A.Ş., USD 100,000 thousand to Anadolu Cam Sanayii A.Ş. and USD 50,000 thousand to Soda Sanayii A.Ş.) under the same terms and circumstances, Since the merger of the aforementioned subsidiaries within the Company on September 30, 2020, there is no longer any guarantor obligation.

On March 29, 2019, the Company had bought back amounting to USD 166,835,000 with ISIN code as XS0927634807 and amounting to USD 33,245,000 with ISIN code as US90016AAA88 totally USD 200,080,000 of the bond issued on May 9, 2013 with maturity date as May 9, 2020. Due to buy back, the interest accrued till March 29, 2019 amounting to USD 3,354,119 has been paid.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 9. Other Financial Liabilities

There is no other financial liabilities for the period of January 1- December 31, 2020

Details of other financial liabilities for the period of January 1- December 31, 2019 is as follows:

The Company and European Bank for Reconstruction and Development (EBRD) signed purchase / sale option contracts on 10 November 2014 and 24 October 2014. Accordingly the Company, has a purchase option for the shares while also providing EBRD with a sale option. Since the public offering of Paşabahçe Cam Sanayii ve Tic. A.Ş. ("Paşabahçe") did not take place until October 24, 2019, this purchase / sale options became invalid. Shares of Paşabahçe are taken over 2019 after the option is closed in exchange for the following payments on the following dates: EUR 52,559,975.76 on 12 November 2019, and EURO 100 Million on 14 November 2019. Effective cost of the transaction of EUR 125 Million on 10 November 2014 was 4.40%, In order to finance the option, the Group used a credit of EUR 100 Million from EBRD. Conditions of the credit are as follows: The group will not make any principal payments for the first 2 years, thereafter, principal payment will be made in 5 equal instalments once every six months; interest rate on the credit is Euribor+ 2.40%.

14.85% of Paşabahçe shares that was in the EBRD's portfolio in 2018 are taken over by the Group; therefore the transactions with regards to non-controlling interests are accounted for under liabilities, Difference in the valuation for the transactions is accounted for under the equity. Within this framework, shares of the Group has increased to 99.47% from 84.62% in the subsidiary. The transaction that caused this increase is realized in the financials.

The movement of the other financial liabilities in this period is as follows:

	31 December 2020	31 December 2019
<b>Other Financial Liabilities</b>		
Beginning of the period - 1 January	-	572,660
Borrowed –accrued during the period	-	395,787
Payments – reversals during the period	-	(968,447)
	-	-

### 10. Trade Receivables and Payables

#### Trade Receivables

	31 December 2020	31 December 2019
<b>Current trade receivables</b>		
Trade receivables	4,391,059	3,505,567
Notes receivables and cheques	52,788	128,179
Other trade receivables	41,212	45,821
Due from related parties (Note 38)	7,508	6,829
Rediscount on trade receivables (-)	(31,060)	(20,667)
Provision for doubtful receivables (-)	(108,901)	(93,707)
	<b>4,352,606</b>	<b>3,572,022</b>

	31 December 2020	31 December 2019
<b>Non- Current trade receivables</b>		
Trade receivables	1,580	1,740
Provision for doubtful receivables (-)	(1,099)	(1,465)
	<b>481</b>	<b>275</b>

The Group recognized a finance expense of RUR 1,536 thousand during the period due to its factoring trade receivables. (Note 34) (31 December 2019: RUR 12,519 thousand).

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 10. Other Receivables and Payables (Continued)

#### Trade Receivables (Continued)

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% overdue interest rate. (31 December 2019: 2%). The average sales term for auto glass and processed glass items is 45 days (31 December 2019: 45 days).

The average sales term for automatic glassware is 75 days (31 December 2019: 75 days) and a monthly overdue interest rate of 1.25% is applied for the payments made after the due date (31 December 2019: 1.75%).

Glass packaging products have been sold on cash terms since 1 November 2009. According to customer demand, a monthly interest of 1.5 % (31 December 2019: 1.75%) for terms up to 121 days, and a monthly interest rate of 2.25% for terms exceeding 121 days is applied (31 December 2019: 2.625%). The average sales term for domestic sales of glass packaging products is 64 days (31 December 2019: 65 days). The average sales term for foreign sales of glass packaging products is 84 days (31 December 2019: 76 days).

Inter-group sales terms of Soda products are 60 days (31 December 2019: 60 days) and average term of domestic external sales of Soda products are 62 days (31 December 2019: 63 days). Monthly 1.67% overdue interest for TRY is applied for the payments made after due dates (31 December 2019: 1.08%), Monthly 0.42% overdue interest rate for USD is applied for the payments made after due dates (31 December 2019: 0.33%).

The average sales term for domestic sales of chromium products in foreign currency is 1 days (31 December 2019: 2 days). A monthly overdue interest rate of 1.67% for TRY (31 December 2019: 1.08%), and 0.42% for USD (31 December 2019: 0.33%) is applied for the payments made after the due date. Average sales term for export sales is 66 days (31 December 2019: 68 days).

The Group has recognized allowance for doubtful receivables that has no recoverability. Allowance for doubtful receivables is determined based on the past 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.

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 allowance for short-term doubtful trade receivables is as follows:

	31 December 2020	31 December 2019
Beginning of the period - 1 January	(93,707)	(106,287)
Current year charge	(32,443)	(16,618)
Currency translation differences	(12,152)	(5,034)
Collections	29,401	34,232
	<b>(108,901)</b>	<b>(93,707)</b>



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 10. Trade Receivables and Payables (Continued)

#### Trade Receivables

Allowance for long-term doubtful trade receivables' realised movements are as follows:

	31 December 2020	31 December 2019
Beginning of the period - 1 January	(1,465)	(4,283)
Currency translation differences	(262)	(343)
Current year charge	(263)	(42)
Collections	891	3,203
	<b>(1,099)</b>	<b>(1,465)</b>

The Group has received the following collaterals for trade receivables:

	31 December 2020	31 December 2019
Credit Insurance	1,229,627	1,140,453
Letters of guarantees	557,003	388,940
Direct debit system	294,998	214,319
Cash	48,327	72,573
Mortgages	40,565	39,246
Letter of guarantees, promissory notes and bills	8,061	97,227
	<b>2,178,581</b>	<b>1,952,758</b>

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 2020	31 December 2019
1- 30 days overdue	369,209	252,148
1-3 months overdue	148,942	57,106
3-12 months overdue	43,896	42,534
1- 5 years overdue	66,573	53,295
<b>Total overdue receivables</b>	<b>628,620</b>	<b>405,083</b>
<b>The portion under guarantee with collaterals and similar guarantees</b>	<b>86,246</b>	<b>58,146</b>

#### Trade Payables

	31 December 2020	31 December 2019
<b>Short term trade payables</b>		
Trade payables	2,325,931	2,010,276
Due to related parties (Note 38)	120,307	84,154
Other trade payables	10,777	4,878
Rediscount of payables (-)	(12,143)	(6,292)
	<b>2,444,872</b>	<b>2,093,016</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 11. Other Receivables and Payables

	31 December 2020	31 December 2019
<b>Short- term other receivables</b>		
Receivables from tax office	218,635	158,536
Other miscellaneous receivables	109,878	60,768
Deposits and guarantees given	34,623	47,938
Due from personnel	3,621	3,110
Provision for other doubtful receivables (-)	(999)	(2,404)
Due from sales of financial asset (*)	-	7,100
	<b>365,758</b>	<b>275,048</b>

(\*) Shares of Avea İletişim Hizmetleri A.Ş. were sold by installments to Türk Telekomünikasyon A.Ş. amounting TRY 30,303 thousand on 30 July 2015 and Group has collected final installment of TRY 7,100 thousand on 6 January, 2020.

Movement of provision for doubtful other short-term receivables are as follows:

	31 December 2020	31 December 2019
Beginning of the period - 1 January	(2,404)	(1,198)
Charge for the year	-	(1,585)
Currency translation differences	(41)	(390)
Collections	1,446	769
	<b>(999)</b>	<b>(2,404)</b>

	31 December 2020	31 December 2019
<b>Other non-current receivables</b>		
Government incentive (*)	74,998	-
Deposits and guarantees given	19,001	12,396
Other receivables	4	13
	<b>94,003</b>	<b>12,409</b>

(\*) 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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### 11. Other Receivables and Payables (continued)

	31 December 2020	31 December 2019
<b>Other current payables</b>		
Other payables due to related parties (Note 38) (*)	59,845	4,932
Customer premium debts	47,368	-
Deposits and guarantees received	46,125	42,814
Government right - mining fund	9,484	6,083
Other payables	57,464	63,695
Rediscount on other payables (-)	-	(32)
	<b>220,286</b>	<b>117,492</b>

- (\*) Within the scope of the measures taken due to the COVID-19 pandemic, according to the Law on Reducing the Effects of the Novel Coronavirus (COVID-19) Pandemic on Economic and Social Life and the Law on the Amendment of Certain Laws No, 7244 published in the Official Gazette No, 31102 and dated April 17, 2020 ("Law No, 7244"), with the Law the following provisional article 13 regulates limitations on dividend distribution for profits of 2019 due to Covid-19. According to the Article 13; until the date of 30/09/2020, only up to twenty-five percent of the net profit of fiscal year 2019 can be distributed, previous years' profits and free reserve funds cannot be subjected to the distribution of dividend. Following that, the dividend distribution limitation period was extended for an additional three months pursuant to the Presidential Decision No, 2948 ("Presidential Decision") published in the Official Gazette No, 31248 on September 18, 2020. In this context, in line with the details previously disclosed to the public, the relevant period profit has paid on January 4, 2021 (or the first date to be paid in accordance with the legislation in case it is changed again).

As per these regulations, Anadolu Cam Sanayii A.Ş.'s total amount that will be distributed of TRY 142,193 thousand which adopted by the Ordinary General Assembly of Shareholders on 26 March 2020, the part of TRY 100,506 thousand have been paid on 29 May 2020 and the rest of distributable amount of TRY 41,687 thousand will be distributed on 4 January 2021, TRY 9,780 thousand of this amount to be distributed corresponds to outside of the Group shares. Additionally, the amount of TRY 4,142 thousand which stated in other debts to related parties is the dividend that will be paid to founding, privileged shares and non- public shares which are not traded in Istanbul Stock Exchange.

Principle of per diem deduction applied in payment of dividends in Turkey., However, Anadolu Cam Sanayii A.Ş. had extraordinary general meeting held on August 26, 2020 before the date specified in the above regulation (December 31, 2020), the shareholders who have a shareholder will have the right to dividend on this date since the merger was decided.

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 shares of remaining 1,971 shares were related to the other parties, the shares has been purchased at the period. For the dividend to be paid to the remaining 1,809 founding shares as of the report date TRY 44,773 thousand liabilities remains on our statements.

As of 31 December 2020, TRY 15,072 thousand of this amount is the dividend amount to be paid outside the Group, and TRY 44,773 thousand is the liability for the rights granted to founder shares.

	31 December 2020	31 December 2019
<b>Other non-current liabilities</b>		
Deposits and guarantees received	2,202	29,759
Other payables	1,169	847
	<b>3,371</b>	<b>30,606</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 12. Derivative Instruments

The Group has signed the following contracts in the period of 1 January - 31 December 2020 in order to hedge against cash flow risk:

In order to protect its subsidiary located in Europe region from the cash flow risk, the Group has paid USD Libor +2.15 loan and EUR 1.60% loan with a fixed interest rate with JP Morgan on December 9, 2020, with 3 years to maturity and a principal and interest payment every six months. has signed a fixed interest rate swap agreement.

The Group has signed palladium buying swap agreement with ING Bank N.V. for protection from palladium price fluctuation. The agreement was signed at 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 made a swap contract with Citibank N.A. in order to hedge against cash flow risk which might rise due to the fluctuations of coal prices. The contract has been made between July 9, 2020 and January 9, 2021 and consists of a coal purchase swap agreement, which contains 180 thousand tons of coal and a ton price to be fixed at prices ranging from USD 43.40 to USD 49.60.

The following parts of the hedge contracts against cash flow risk have been realized in the period of January 1 - December 31, 2020.

- The Group has made a cross- currency swap contract against cash flow risk in 2019. In this regard, the swap with respect to USD 39,962.50 thousand interest payment has been realized
- The Group has made a natural gas purchase contract against cash flow risk in 2019, In this regard, 503,003 thousand sm3 of 459,774.72 thousand sm3 of the contract has been realized.
- The Group has made a coal purchase contract against cash flow risk in 2020, In this regard, 180 thousand tons of 150 thousand tons part of the contract has been realized.
- In order to avoid the cash flow risk accrued from the change in silver prices, the Group signed Silver selling swap agreement with Citibank N.A. between January 15, 2020 and December 14, 2020, with a total amount of 447,135.62 troy ounces (round about 13.9 tons), with a final maturity of December 29, 2020 and an ounce price of 12.35 to 20.25 USD.

The Group has signed the following contracts in 2019 in order to hedge against cash flow risk.

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.

- 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.



# TÜRKİYE İŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 12. Derivative Instruments (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 Group holds natural gas purchase and sale contracts. Several of these contracts include floating price formulas, which include gas prices and exchange rates as variables. In order to hedge against cash flow risks, which may arise due to changes in the natural gas prices, the Group has made 3 swap agreements with Citibank N.A. on 11, 15, and 19 November 2019 with a final maturity of 31 December 2019 in order to buy a total of 503,003 thousand sm3 in exchange for TRY 736,969 thousand.

In the mirror and coated glass production lines in flat glass plants of the Group, silver containing products are used. In order to hedge against the cash flow risk, which may arise due to changes in silver prices, the Group has made a swap agreements with Citibank N.A. on 29 December 2019 with a final maturity of 29 December 2020 in order to buy a total of 482,265 troy ounce (approximately 17 tons) of silver in exchange for a fixed rate of USD 17.56 per ounce.

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.

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 2020		31 December 2019	
	Assets	Liabilities	Assets	Liabilities
Short-term swap contracts	4,941	53,762	25,764	23,587
Long-term swap and option contracts	90,337	98,545	64,150	89,804
	<b>95,278</b>	<b>152,307</b>	<b>89,914</b>	<b>113,391</b>

The transactions related to derivative instruments are as follows:

	31 December 2020	31 December 2019
Beginning of the period - 1 January	(23,477)	(280)
Other comprehensive income that will be reclassified to profit or loss	11,807	30,343
- Cash flow hedging	11,898	30,343
- Currency translation differences	(91)	-
Valuation differences accounted in profit or loss	(9,410)	(60,630)
- Income (expense) stated in cost of sales	34,497	-
- Exchange gain(loss) recognized in financial income/ expense	(187,097)	11,795
- Interest income/(expense) recognized in financial income/ expense	143,190	(72,425)
Cash (inflows)/outflows due to realized foreign exchange	(35,949)	7,090
<b>Net asset/ (liability)</b>	<b>(57,029)</b>	<b>(23,477)</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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### 13. Inventories

	31 December 2020	31 December 2019
Finished goods	2,104,173	2,105,420
Raw materials	1,475,032	1,135,419
Trade goods	325,866	331,517
Other inventories	233,175	159,812
Work in process	117,811	117,020
Supplies	61,795	60,215
Goods in transit	15,236	5,208
Provision for inventory impairment (-)	(152,333)	(83,172)
	<b>4,180,755</b>	<b>3,831,439</b>

The movement of provision for inventory impairment is as follows:

	31 December 2020	31 December 2019
Beginning of the period - 1 January	(83,172)	(60,936)
Provisions during the period	(106,644)	(28,021)
Currency translation differences	(5,947)	(3,876)
Released provision	43,430	9,661
	<b>(152,333)</b>	<b>(83,172)</b>

### 14. Prepaid Expenses and Deferred Income

#### Prepaid expenses

Prepaid expenses in current assets	31 December 2020	31 December 2019
Advances given for inventories	263,752	178,502
Prepaid expenses	71,902	55,191
	<b>335,654</b>	<b>233,693</b>

Prepaid expenses in non-current assets	31 December 2020	31 December 2019
Advances given for tangible and intangible assets	288,422	324,702
Prepaid expenses	60,684	47,378
	<b>349,106</b>	<b>372,080</b>

The movement of advances given for tangible and intangible assets is as follows;

	31 December 2020	31 December 2019
Beginning of the period-1 January	324,702	147,978
Advances given in the period	464,762	1,016,196
Currency translation differences	4,560	6,356
Released	(505,602)	(845,828)
	<b>288,422</b>	<b>324,702</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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### 14. Prepaid Expenses and Deferred Income(continued)

#### Deferred income

	31 December 2020	31 December 2019
<b>Short term deferred income</b>		
Advances received from customers	102,705	73,206
Other advances received	8,776	6,935
Deferred income (*)	2,282	9,918
	<b>113,763</b>	<b>90,059</b>

	31 December 2020	31 December 2019
<b>Long term deferred income</b>		
Incomes in relation to the following years (*)	81,212	62,946

(\*) TRY 1,442 thousand of the short term deferred income and total long term deferred income is related to the government incentive provided by the Romanian government to Glasscorp SA and Bulgarian government to Trakya Glass Bulgaria EAD and Paşabahçe Bulgaria EAD, Italian government to Sisecam Flat Glass South Italy S.R.L., Russian government to OOO Ruscam Glass Packaging Holding (31 December 2019 TRY 9,033 thousand of the short term deferred income and TRY 62,944 thousand of the long term deferred income is related to the government incentive provided by the Romanian government to Glasscorp SA and Bulgarian government to Trakya Glass Bulgaria EAD and Pasabahce Bulgaria EAD).

These incentives that TRY 18 thousand amount at short term deferred incomes and TRY 2,710 thousand amount at long term deferred incomes has accrued from our subsidiary OOO Ruscam Glass Packaging Holding, which is located in Russia. Russian Government provides government incentives for increasing exportation by giving low interest rated loans.

### 15. Customer Contract Assets and Liabilities

In accordance with TFRS-15 "Revenue from contracts with customers" standard, the Group recognized receivables 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 2020	31 December 2019
Till 1 month	3,958	-
1-3 month	15,470	9,645
3-6 month	31,742	13,845
	<b>51,170</b>	<b>23,490</b>

#### 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 2020	31 December 2019
Till 1 month	38,233	27,163
	<b>38,233</b>	<b>27,163</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 2020	31 December 2019
Pacific Soda LLC	117,419	23,332
Rudnik Krechnjaka Vijenac D.O.O.	63,448	46,254
	<b>180,867</b>	<b>69,586</b>

#### Associates

	31 December 2020	31 December 2019
Solvay Sisecam Holding AG	568,945	436,762
Saint Gobain Glass Egypt S.A.E.	251,351	204,230
	<b>820,296</b>	<b>640,992</b>
	<b>1,001,163</b>	<b>710,578</b>

The Group's shares in investments accounted for using equity method profit/loss are as follows:

#### Joint Ventures

	31 December 2020	31 December 2019
Rudnik Krechnjaka Vijenac D.O.O.,	2,188	1,232
Pacific Soda LLC	(8,978)	(16,005)
	<b>(6,790)</b>	<b>(14,773)</b>

#### Associates

	31 December 2020	31 December 2019
Solvay Sisecam Holding AG	94,891	89,171
Saint Gobain Glass Egypt S.A.E.	12,133	21,953
	<b>107,024</b>	<b>111,124</b>
	<b>100,234</b>	<b>96,351</b>

Dividends from subsidiaries, joint ventures and associates are as follows:

	31 December 2020	31 December 2019
Solvay Şişecam Holding AG	115,021	107,670
Saint Gobain Glass Egypt S.A.E.	16,582	32,337
Rudnik Krechnjaka Vijenac D.O.O.	1,565	-
	<b>133,168</b>	<b>140,007</b>



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 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 2020	31 December 2019
Beginning of the period - 1 January	710,578	626,895
Currency translation differences (net)	228,251	87,916
Net income for the period from joint ventures and associates	100,234	96,351
Share payment for capital	93,496	38,955
Revaluation increase of tangible assets	1,772	468
Dividends from subsidiaries, joint ventures and associates	(133,168)	(140,007)
	<b>1,001,163</b>	<b>710,578</b>

The summary of the financial statements of Joint Ventures is as follows:

Rudnik Krecnjaka Vijenac D.O.O.

	31 December 2020	31 December 2019
Current assets	12,268	8,340
Non-current assets	120,813	88,678
<b>Total Assets</b>	<b>133,081</b>	<b>97,018</b>
Current liabilities	4,357	3,137
Non-Current liabilities	1,827	1,374
<b>Total liabilities</b>	<b>6,184</b>	<b>4,511</b>
<b>Net Assets (including goodwill)</b>	<b>126,897</b>	<b>92,507</b>

#### 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)

	1 January- 31 December 2020	1 January- 31 December 2019
Revenue	42,926	32,255
<b>Profit / (loss) from continuing operations</b>	<b>4,375</b>	<b>2,464</b>
Other comprehensive income / (loss)	32,966	8,536
<b>Total comprehensive income/ (loss)</b>	<b>37,341</b>	<b>11,000</b>
<b>The Group's share in profit/(loss) from continuing operations</b>	<b>2,188</b>	<b>1,232</b>
<b>Dividend distributions from previous years' profits</b>	<b>2,951</b>	<b>-</b>
<b>The Group's share in distributed dividend (*)</b>	<b>1,565</b>	<b>-</b>

(\*) The joint venture paid half of the dividend amount of BAM 360 thousand on 30 June 2020, and the other half on 24 December 2020 which corresponds to the Group's share. Foreign currency translation differences arising between the dividend amount decided to be distributed and the amount of dividend collected and to be collected by the company are accounted in other comprehensive income.

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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 16. Joint Ventures and Associates (Continued)

The summary of the financial statements of Joint Ventures is as follows (Continued):

#### Pacific Soda LLC

	31 December 2020	31 December 2019
Current assets	155,634	9,911
Non-current assets	545,808	333,295
<b>Total Assets</b>	<b>701,442</b>	<b>343,206</b>
Current liabilities	161,839	28,326
Non-current liabilities	304,766	268,215
<b>Total Liabilities</b>	<b>466,605</b>	<b>296,541</b>
<b>Net assets (including goodwill)</b>	<b>234,837</b>	<b>46,665</b>
<b>Group's share (%)</b>		
– Direct and indirect ownership rate %	50,00	50,00
– Effective ownership rate (%)	50,00	31,01
<b>Group's share in net assets (including goodwill)</b>	<b>117,419</b>	<b>23,332</b>
	1 January- 31 December 2020	1 January- 31 December 2019
Revenue	-	-
<b>Profit / (loss) from continuing operations</b>	<b>(17,955)</b>	<b>(32,010)</b>
Other comprehensive income / (loss)	19,135	763
<b>Total comprehensive income(loss)</b>	<b>1,180</b>	<b>(31,247)</b>
<b>The Group's share in profit/(loss) from continuing operations</b>	<b>(8,978)</b>	<b>(16,005)</b>

Shares of joint venture in third party are owned by Imperial Natural Resources Trona Mining Inc.

The Joint Venture has been consolidated by the Group since October 24, 2019.

Joint Venture has made a capital increase in this period, amounting to USD 26,700 thousand. The Group has satisfied its capital subscription of USD 13,350 thousand (= TRY 93,496 thousand) on 7 February 2020, 9 June 2020, 6 July 2020, 14 August 2020, 16 October 2020 and 31 October 2020.

Joint Venture is founded with a capital USD 13,500 thousand. The Group has satisfied its capital subscription (USD 6,750 thousand in total) on the following dates with the following amounts: October 1, 2019, USD 3,000 thousand; November 6, 2019, USD 3,750 thousand.

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### 16. Joint Ventures and Associates (Continued)

The summary of the financial statements of Associates is as follows:

#### Solvay Sisecam Holding AG

	31 December 2020	31 December 2019
Current assets	780,981	598,130
Non-current assets	2,051,417	1,534,645
<b>Total Assets</b>	<b>2,832,398</b>	<b>2,132,775</b>
Current liabilities	414,533	263,535
Non-current liabilities	84,768	77,478
<b>Total Liabilities</b>	<b>499,301</b>	<b>341,013</b>
Non-controlling interest	57,319	44,716
<b>Net assets</b>	<b>2,275,778</b>	<b>1,747,046</b>
<b>Group's share (%)</b>		
– Direct and indirect ownership rate (%)	25,00	25,00
– Effective ownership rate (%)	25,00	15,51
<b>Group's share in net assets</b>	<b>568,945</b>	<b>436,762</b>
	<b>1 January- 31 December 2020</b>	<b>1 January- 31 December 2019</b>
Revenue	1,580,879	1,409,740
<b>Profit from continuing operations</b>	<b>379,563</b>	<b>356,683</b>
Other comprehensive income/ (loss)	609,253	167,276
<b>Total comprehensive income/ (loss)</b>	<b>988,815</b>	<b>523,959</b>
<b>The Group's share in profit/ (loss) from continuing operations</b>	<b>94,891</b>	<b>89,171</b>
<b>Dividend distributions from previous years' profits</b>	<b>460,083</b>	<b>430,679</b>
<b>The Group's share in distributed dividend (*)</b>	<b>115,021</b>	<b>107,670</b>

(\*) The dividend amounting to EUR 14,353 thousand corresponding to the share of the Group has been paid within the period as of 31 December 2020. The foreign currency translation differences between the dividend amount decided to be paid and the amount of dividends paid have been accounted under other comprehensive income.

Solvay Şişecam Holding AG is a private equity that was founded in Vienna, Austria in order to manage and hold the 97,94% direct and indirect ownership of Solvay Sodi A.D. which was founded based on Bulgarian Republic laws and located in Devnya, Bulgaria.

The associate has been consolidated by the Group since July 23, 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 2020	31 December 2019
Current Assets	243,772	381,827
Non-current assets	705,251	562,704
<b>Total Assets</b>	<b>949,023</b>	<b>944,531</b>
Current liabilities	75,043	234,325
Non-current liabilities	36,144	29,438
<b>Total Liabilities</b>	<b>111,187</b>	<b>263,763</b>
<b>Net asset (including goodwill)</b>	<b>837,836</b>	<b>680,768</b>
<b>Group's share (%)</b>		
– Direct and indirect ownership ratio (%)	30,00	30,00
– Effective ownership ratio (%)	30,00	21,10
<b>Group's share in net assets (including goodwill)</b>	<b>251.351</b>	<b>204,230</b>
	1 January- 31 December 2020	1 January- 31 December 2019
Revenue	427,238	376,212
<b>Profit from continuing operations</b>	<b>40,445</b>	<b>73,178</b>
Other comprehensive income/ (loss)	176,040	139,405
<b>Total comprehensive income/ (loss)</b>	<b>216,485</b>	<b>212,583</b>
<b>The Group's share in profit/ (loss) from continuing operations</b>	<b>12,133</b>	<b>21,953</b>
<b>Dividend distributions from previous years' profits</b>	<b>59,417</b>	<b>107,483</b>
<b>The Group's share in distributed dividend (*)</b>	<b>16,582</b>	<b>32,337</b>

(\*)The Group collected the dividend accrued on 19 June 2020, and the foreign currency conversion differences between the dividend distributed and the amount collected by the Group were accounted for in 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	33,343	483,963	255,116	772,422
Revaluation increase	-	-	150,519	150,519
Disposals	(1,708)	(8,339)	(21,753)	(31,800)
<b>31 December 2020 closing balance</b>	<b>31,635</b>	<b>475,624</b>	<b>383,882</b>	<b>891,141</b>

	Net Book Value	Revaluation Fund	Revaluation Profit/ (Loss) Effect	Fair Value
Beginning of the period-1 January	32,954	490,822	206,192	729,968
Revaluation increase	-	-	48,924	48,924
Revaluation decrease	-	(6,859)	-	(6,859)
Additions (*)	389	-	-	389
<b>31 December 2019 closing balance</b>	<b>33,343</b>	<b>483,963</b>	<b>255,116</b>	<b>772,422</b>

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 801 thousand, recognized maintenance and repair expense is in the amount of TRY 561 thousand,( January 1 - December 31 , 2019: TRY 962 thousand rent income, TRY 736 thousand maintenance and repair expense )

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	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
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)
<b>December 31, 2020 closing balance</b>	<b>1,855,346</b>	<b>876,884</b>	<b>5,141,672</b>	<b>18,099,572</b>	<b>189,400</b>	<b>682,211</b>	<b>1,525,061</b>	<b>1,287,882</b>	<b>29,658,028</b>
<b>Accumulated depreciation and impairment</b>									
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
<b>December 31, 2020 closing balance</b>	<b>-</b>	<b>(463,083)</b>	<b>(423,772)</b>	<b>(10,953,845)</b>	<b>(136,022)</b>	<b>(459,877)</b>	<b>(980,911)</b>	<b>-</b>	<b>(13,417,510)</b>
<b>Net Book Value as of December 31, 2020</b>	<b>1,855,346</b>	<b>413,801</b>	<b>4,717,900</b>	<b>7,145,727</b>	<b>53,378</b>	<b>222,334</b>	<b>544,150</b>	<b>1,287,882</b>	<b>16,240,518</b>
<b>Net Book Value as of December 31, 2019</b>	<b>1,788,571</b>	<b>307,276</b>	<b>4,105,262</b>	<b>6,441,836</b>	<b>47,165</b>	<b>183,466</b>	<b>480,936</b>	<b>1,330,155</b>	<b>14,684,667</b>

(\*) 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 426 thousand of financial expense is activated in Additions (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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### 18. Property, Plant and Equipment (Continued)

Cost	Land	Land improvements	Land	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
1 January	1,698,161	592,006		3,437,319	12,846,231	118,172	491,131	1,155,393	1,300,390	21,638,803
Classifications (*)	3	500		377	1,936	(942)	(1,234)	(618)	(22)	-
Currency translation differences	37,865	56,780		413,945	970,845	11,544	20,622	93,993	60,419	1,666,013
Additions (**)	53,583	4,104		267,035	146,312	4,193	9,800	72,204	2,293,651	2,850,882
Disposals	(4,111)	-		(7,145)	(143,334)	(4,661)	(5,197)	(161,403)	-	(325,851)
Transfers from construction in progress	3,070	59,298		223,698	1,769,316	19,510	50,313	171,851	(2,324,283)	(27,227)
Transfers to assets held for sale	-	-		(28,572)	-	-	-	-	-	(28,572)
<b>December 31, 2019 closing balance</b>	<b>1,788,571</b>	<b>712,688</b>		<b>4,306,657</b>	<b>15,591,306</b>	<b>147,816</b>	<b>565,435</b>	<b>1,331,420</b>	<b>1,330,155</b>	<b>25,774,048</b>
<b>Accumulated depreciation and impairment</b>										
1 January	-	(339,560)		(47,479)	(7,895,065)	(84,455)	(330,736)	(764,186)	-	(9,461,481)
Classifications (*)	-	-		-	(910)	188	474	248	-	-
Currency translation differences	-	(30,414)		(13,616)	(535,702)	(8,561)	(14,825)	(58,487)	-	(661,605)
Charge for the period (***)	-	(35,438)		(142,453)	(852,721)	(11,668)	(41,640)	(160,674)	-	(1,244,594)
Disposals	-	-		169	134,928	3,845	4,758	132,615	-	276,315
Transfers to assets held for sale	-	-		1,984	-	-	-	-	-	1,984
<b>December 31, 2019 closing balance</b>	<b>-</b>	<b>(405,412)</b>		<b>(201,395)</b>	<b>(9,149,470)</b>	<b>(100,651)</b>	<b>(381,969)</b>	<b>(850,484)</b>	<b>-</b>	<b>(11,089,381)</b>
<b>Net Book Value as of December 31, 2019</b>	<b>1,788,571</b>	<b>307,276</b>		<b>4,105,262</b>	<b>6,441,836</b>	<b>47,165</b>	<b>183,466</b>	<b>480,936</b>	<b>1,330,155</b>	<b>14,684,667</b>
<b>Net Book Value as of December 31, 2018</b>	<b>1,698,161</b>	<b>252,446</b>		<b>3,389,840</b>	<b>4,951,166</b>	<b>33,717</b>	<b>160,395</b>	<b>391,207</b>	<b>1,300,390</b>	<b>12,177,322</b>

(\*) TRY 5,093 thousand financial expense capitalized in current year addition (Note 8).

(\*\*) The allocation of period depreciation expense is given in Note 29 and Note 31.

Net book value of buildings and facilities, machinery and devices acquired through financial leasing is zero. (EUR 1,090 thousand – Equivalent TRY 6,573 thousand as of December 31, 2018), No financial leasing has been made in the period.

The Group has no mortgage over lands and buildings due to bank borrowings (January 1– December 31, 2018: None).

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 19. Right-of-Use Assets

Cost	Land	Building	Machinery and equipments	Vehicles	Fixtures	Total
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)
<b>December 31, 2020 closing balance</b>	<b>188</b>	<b>243,337</b>	<b>88,095</b>	<b>37,138</b>	<b>1,302</b>	<b>370,060</b>
<b>Accumulated Amortization</b>						
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)
Period expense (****)	(44)	(46,131)	(21,765)	(8,406)	(48)	(76,394)
Disposals	25	5,534	5,187	-	-	10,746
<b>December 31, 2020 closing balance</b>	<b>(138)</b>	<b>(110,876)</b>	<b>(55,786)</b>	<b>(31,040)</b>	<b>(1,302)</b>	<b>(199,142)</b>
<b>Net Book Value as of December 31, 2020</b>	<b>50</b>	<b>132,461</b>	<b>32,309</b>	<b>6,098</b>	<b>-</b>	<b>170,918</b>
<b>Net Book Value as of December 2019</b>	<b>49</b>	<b>140,318</b>	<b>37,635</b>	<b>10,114</b>	<b>40</b>	<b>188,156</b>

(\*) 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 contracts prior to the expected maturity.

(\*\*\*\*) The allocation of period amortization expense is given in Note 29 and Note 31.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 19. Right-of-Use Assets (Continued)

Cost	Land	Building	Machinery and equipments	Vehicles	Fixtures	Total
Beginning of the period – 1 Ocak	-	-	-	-	-	-
Effect of changes in accounting policies	189	270,994	77,805	25,797	1,218	376,003
Currency translation differences	52	5,988	2,894	307	90	9,331
Revaluation effect	-	2,940	-	608	-	3,548
Additions	45	54,583	9,127	5,113	-	68,868
Disposals (*)	(33)	(113,436)	-	(109)	-	(113,578)
<b>December 31, 2019 closing balance</b>	<b>253</b>	<b>221,069</b>	<b>89,826</b>	<b>31,716</b>	<b>1,308</b>	<b>344,172</b>
<b>Accumulated Amortization</b>						
Beginning of the period – 1 Ocak	-	-	-	-	-	-
Effect of changes in accounting policies	(156)	(58,331)	(30,841)	(12,094)	(821)	(102,243)
Currency translation differences	(42)	(1,323)	(1,942)	(156)	(76)	(3,539)
Period expense (**)	(36)	(45,994)	(19,408)	(9,449)	(371)	(75,258)
Disposals (*)	30	24,897	-	97	-	25,024
<b>December 31, 2019 closing balance</b>	<b>(204)</b>	<b>(80,751)</b>	<b>(52,191)</b>	<b>(21,602)</b>	<b>(1,268)</b>	<b>(156,016)</b>
<b>Net Book Value as of December 31, 2019</b>	<b>49</b>	<b>140,318</b>	<b>37,635</b>	<b>10,114</b>	<b>40</b>	<b>188,156</b>
<b>Net Book Value as of December 31, 2018</b>	<b>33</b>	<b>212,663</b>	<b>46,964</b>	<b>13,703</b>	<b>397</b>	<b>273,760</b>

(\*) Office building of Şişecam headquarters located in İstanbul province İçmeler Mahallesi D-100 Karayolu Caddesi No:44 A/ Tuzla, which was subject to operating lease during this period was purchased in cash. One of the Paşabağçe Stores turned to turnover-based lease during the period. Vehicles involved in the accident became unusable. Because of these circumstances, leases were terminated before their expected maturity.

(\*\*) Allocation of amortization expense is disclosed in Note 29 and Note 31

**Note:** Since it is first year of the adaption of TFRS-16 "Leases" Standart and whereas the standart allows the modified retrospective approach, the accumulated affect of prior years ara disclosed in "change in accounting policies".

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 20. Intangible Assets

Cost	Rights	Capitalized Mine Development assets	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)
<b>December 31, 2020 closing balance</b>	<b>526,028</b>	<b>154,835</b>	<b>229,740</b>	<b>140,052</b>	<b>1,050,655</b>
<b>Accumulated amortization</b>					
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
<b>December 31, 2020 closing balance</b>	<b>(293,612)</b>	<b>(22,297)</b>	<b>(131,013)</b>	<b>(64,062)</b>	<b>(510,984)</b>
<b>Net Book Value as of December 31, 2020</b>	<b>232,416</b>	<b>132,538</b>	<b>98,727</b>	<b>75,990</b>	<b>539,671</b>
<b>Net Book Value as of December 31, 2019</b>	<b>64,088</b>	<b>134,601</b>	<b>73,371</b>	<b>56,858</b>	<b>328,918</b>

Cost	Rights	Capitalized Mine Development assets	Cost	Other	Total
Beginning of the period -1 January	248,850	151,630	122,627	88,148	611,255
Currency translation differences	11,722	-	-	9,288	21,010
Transfers from construction in progress	-	-	27,227	-	27,227
Additions	20,855	-	21,206	1,721	43,782
Disposals	(298)	(16)	-	(184)	(498)
<b>December 31, 2019 closing balance</b>	<b>281,129</b>	<b>151,614</b>	<b>171,060</b>	<b>98,973</b>	<b>702,776</b>
<b>Accumulated amortization</b>					
Beginning of the period -1 January	(189,729)	(12,679)	(72,318)	(30,513)	(305,239)
Currency translation differences	(10,908)	-	-	(3,152)	(14,060)
Period expenses (*)	(16,502)	(4,344)	(25,371)	(8,515)	(54,732)
Disposals	98	10	-	65	173
<b>December 31, 2019 closing balance</b>	<b>(217,041)</b>	<b>(17,013)</b>	<b>(97,689)</b>	<b>(42,115)</b>	<b>(373,858)</b>
<b>Net Book Value as of December 31, 2019</b>	<b>64,088</b>	<b>134,601</b>	<b>73,371</b>	<b>56,858</b>	<b>328,918</b>
<b>Net Book Value as of December 31, 2018</b>	<b>59,121</b>	<b>138,951</b>	<b>50,309</b>	<b>57,635</b>	<b>306,016</b>

(\*) Allocation of amortisation expense is disclosed in Note 29 and Note 31

(\*\*) The Group has reassessed its intangible assets and has made related account classifications. Such changes do not have any effect on profit / (loss).

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 21. Goodwill

The movement of goodwill balance is as follows:

	31 December 2020	31 December 2019
Beginning of the period -1 January	301,469	274,084
Currency Translation Differences	67,014	27,385
	<b>368,483</b>	<b>301,469</b>

The detail of goodwill in terms of subsidiaries is as follows:

	31 December 2020	31 December 2019
Sisecam Flat Glass India Private Limited	270,681	224,508
Glasscorp S.A.	47,342	35,641
Cromital S.p.A.	21,223	15,669
Richard Fritz Holding GmbH	13,106	9,677
Oxyvit Kimya Sanayii ve Tic. A.Ş.	10,862	10,862
OOO Ruscam Glass Packaging Holding	5,269	5,112
	<b>368,483</b>	<b>301,469</b>

### 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 2020:

- Goodwill impairment test is applied through the use of 5 year projection between 1 January 2021 and 31 December 2025,
- 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 10% 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 1% 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 22. Government Grants

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.

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.

Italian Govrenment also provides cash incentives for investments in its country. In this context, our subsidiaries operating in Italy made applications to local governments to benefit from the incentives.

### Reduced Corporate Tax Application (Investment Incentives)

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, VAT and customs tax incentives are also utilized according to the investment incentive documents obtained within the scope of the same decision.

### 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.

### 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.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 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 December 31 2020 according to the opinions of independent legal and tax advisors, apart from the cases for which provision amounting to TRY 92,257 thousand (31 December 2019: TRY 50,263 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 2020 and 31 December 2019 are as follows:

The CPMs given by the Company	TRY Equivalents	31 December 2020				TRY equivalent of TRY and other Currencies
		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	-	-	-	-		-
<b>Total</b>	<b>5,711,807</b>	<b>15,845</b>	<b>376,141</b>	<b>15,177,862</b>		<b>713,148</b>

Percentage of other CPM's given by the Company to the Company's equity is nil as of December 31, 2020.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 23. Provisions, Contingent Assets and Liabilities (Continued)

The CPMs given by the Company	TRY Equivalents	31 December 2019			
		USD	Euro	RUB	TRY equivalent of TRY and other Currencies
A. CPM's given in the behalf of own company	2,729	-	-	-	2,729
B. CPM's given on behalf of the fully consolidated subsidiaries	2,366,175	21,579	135,546	12,525,744	140,070
C. CPM's given on behalf of third parties or ordinary course of business	-	-	-	-	-
D. Total amount of other CPM's given	4,751,780	799,936	-	-	-
i. Total amount of CPM's given on behalf of the parent (*)	4,751,780	799,936	-	-	-
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	-	-	-	-	-
<b>Total</b>	<b>7,120,684</b>	<b>821,515</b>	<b>135,546</b>	<b>12,525,744</b>	<b>142,799</b>

Percentage of other CPM's given by the Company to the Company's Equity is 24.84% as of December 31, 2019.

(\*) On May 9, 2013, March 14, 2019, March 28, 2019, The Group issued a bond with a 7 year maturity and nominal amount of USD 999,920,000 thousand, USD 383,293,333 thousand has been transferred to Trakya Cam Sanayi A.Ş., USD 199,984,000 thousand to Anadolu Cam Sanayii A.Ş., USD 140,000,000 thousand to Paşabahçe Cam Sanayii ve Tic. A.Ş., and USD 76,658,667 thousand to Soda Sanayii A.Ş. As a result, total in the amount of USD 799,936,000 was transferred to subsidiaries. Each subsidiary has guaranteed that principal, interest and similar payment of transferred and benefited amount will be made by itself. In this scope, aforementioned subsidiaries have guaranteed to pay the amount transferred to its own legal entity and did not give guarantee for third party benefit.

As of 31 December 2020, due to the merger of these subsidiaries with Türkiye Şişe ve Cam Fabrikaları A.Ş. as a whole with all assets and liabilities, Türkiye Şişe ve Cam Fabrikaları A.Ş. has been solely liable for all of the aforementioned borrowings.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 23. Provisions, Contingent Assets and Liabilities (Continued)

#### Short term provisions

	31 December 2020	31 December 2019
Provisions of cost	101,151	72,210
Litigation provisions	92,257	50,263
Turnover premium provision	33,648	7,936
Provisions for employee benefits (Note 25)	19,063	18,463
Other short term provisions	2,515	6,958
	<b>248,634</b>	<b>155,830</b>

### 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., (BOTAS), 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 a purchase commitment of 1,101,028 sm3 of natural gas between 1 January - 31 December 2021 (1 January - 31 December 2020: 1,570,528 thousand sm3).

### 25. Employee Benefits

#### Short term liabilities for employee benefits

	31 December 2020	31 December 2019
Due to personnel	98,610	76,090

#### Short term provisions for employee benefits

	31 December 2020	31 December 2019
Unused vacation provision	19,063	18,463

#### Long term provisions for employment benefits

#### Provision for employee termination benefits

	31 December 2020	31 December 2019
Domestic	579,982	426,885
Foreign	34,185	24,300
	<b>614,167</b>	<b>451,185</b>

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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 25. Employee Benefits (Continued)

#### Long term provisions for employment benefits (Continued)

#### Provision for employee termination benefits (Continued)

The amount payable consists of one month's salary limited to a maximum of TRY 6,730.15 for each year of service as of 31 December 2020 (31 December 2019: TRY 6,379.86) TRY 7,117.17 which is effective from 1 January 2021, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2019: TRY 6,730.15 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 2020 and 31 December 2019 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 8.90% (31 December 2019: %8.20) and a discount rate of 13.57% (31 December 2019: 14.69%), the real discount rate is approximately 4.29% (31 December 2019: 6.0%). The anticipated rate of forfeitures that occurred as a result of voluntary turnovers is considered. As of 31 December 2020, estimated probability of not leaving work until retirement is 98.40% (31 December 2019: 98.37%).

The movement of the employment termination benefits is as follows:

	31 December 2020	31 December 2019
Beginning of the period - 1 January	451,185	400,746
Service costs	82,111	51,292
Actuarial Loss/(Gain)	72,680	(17,998)
Interest costs	63,202	57,940
Currency translation differences	8,266	2,228
Payments made during the period	(63,277)	(43,023)
	<b>614,167</b>	<b>451,185</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 26. Impairment of Assets

	31 December 2020	31 December 2019
<b>Impairment of assets</b>		
Provision for short term doubtful receivables (Note 10)	108,901	93,707
Provision for inventory impairment (Note 13)	152,333	83,172
Provision for impairment of long term financial investments (Note 7)	42,601	50,094
Provision for impairment of short term financial investments (Note 7)	24,182	3,123
Impairment for cash and cash equivalents (Note 6)	32,890	10,279
Provision for other doubtful receivables (Note 11)	999	2,404
Provision for long term doubtful trade receivables (Note 10)	1,099	1,465
Provision for impairment of assets held for sale (net) (Note 35)	204	-
Impairment on investment properties (Note 17)	-	6,859
	<b>363,209</b>	<b>251,103</b>

### 27. Other Assets and Liabilities

	31 December 2020	31 December 2019
<b>Other current assets</b>		
VAT transferred	235,155	223,800
Deductible VAT derived from exports	105,511	131,565
Income accruals	30,188	7,707
Work advances	3,909	1,540
Other	11,426	25,545
	<b>386,189</b>	<b>390,157</b>

	31 December 2020	31 December 2019
<b>Other non-current assets</b>		
Business development fee (*)	439,598	439,598
Long term inventory	3,571	2,887
Other non-current assets	1,521	1,139
	<b>444,690</b>	<b>443,624</b>

(\*) 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.

	31 December 2020	31 December 2019
<b>Other current liabilities</b>		
Taxes and funds payables	132,558	79,880
Expense accruals	50,458	69,147
Social security withholdings payable	67,063	50,570
Calculated VAT and other payables	39,599	13,028
Other	41,468	58,049
	<b>331,146</b>	<b>270,674</b>



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 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 2020		31 December 2019	
The limit of registered capital	4,000,000		4,000,000	
Approved paid-in capital	3,063,214		2,250,000	
	31 December 2020		31 December 2019	
Shareholders	Amount TRY	Share (%)	Amount TRY	Share (%)
Türkiye İş Bankası A.Ş.	1,560,176	50,93	1,519,576	67.54
Efes Holding A.Ş.	185,094	6,04	185,094	8.23
Anadolu Hayat Emeklilik A.Ş.	1,411	0,05	1,081	0.05
Other (*)	1,316,533	42,98	544,249	24.18
<b>Nominal capital</b>	<b>3,063,214</b>	<b>100,00</b>	<b>2,250,000</b>	<b>100.00</b>
Adjustment to share capital	320,075		181,426	
<b>Total share capital</b>	<b>3,383,289</b>		<b>2,431,426</b>	

(\*) Other consists of publicly traded part of the Company.

Türkiye Şişe ve Cam Fabrikaları A.Ş. and subsidiaries included in consolidation Trakya Cam Sanayii A.Ş., ("TRKCM"), Paşabahçe Cam Sanayii ve Tic. A.Ş., ("PASAB"), Denizli Cam Sanayii ve Tic. A.Ş., ("DENCM"), Anadolu Cam Sanayii A.Ş., ("ANACM") and Soda Sanayii A.Ş.'s announcement text prepared for the merger by taking over all assets and liabilities, based on the financial statements dated December 31, 2019, merger agreement, merger report, expert organization report, and articles of association amendment text were evaluated at the CMB's meeting numbered 47/937 dated July 23, 2020 and compliance with the merger transactions was obtained with the letter dated July 24, 2020 and numbered E-29833736-106.01.01-7631. Following the approval of the merger transactions of the shareholders at the extraordinary general assembly held between 26-28 August 2020, the merger was registered at the Trade Registry Offices on September 30, 2020. The registration was announced in Turkey Trade Registry Gazette No, 10174 dated October 5, 2020.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### a) Paid in Capital / Adjustment to Share Capital (Continued)

As per the Expert Institution Report ("PWC Yönetim Danışmanlığı A.Ş.") the valuation results approved by the CMB are as follows:

Valuation Methods	Given Weight (%)	Merger Ratio (%)	Capital to be Reached (Million TRY)	Capital increase (Million TRY)
Income Approach	30	71.92092	3,128.436	878.436
Market Approach	30	73.22565	3,072.694	822.694
Net Asset Approach	20	76.57553	2,938.275	688.275
Stock Market Value	20	74.44340	3,022.430	772.430
<b>Chosen Method</b>	<b>100</b>	<b>73.42795</b>	<b>3,064.228</b>	<b>814.228</b>

The Company announced its Board of Directors decision in relation to the merger transactions for the first time on January 30, 2020. 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, the shareholders who have the shares of the companies subject to the merger in their portfolios as of February 25, 2020, had the right to leave the agenda of the merger by using vote negatively in the General Assembly Meeting of the company held between 26-28 August 2020.

Considering the expertinstitution report approved by the CMB, the capital of the companies involved to the merger, the shares of the Group in these companies and the shares of the shareholders using the right to leave, the Company's issued capital of TRY 2,250,000,000 increased by TRY 813,214,056.17 and reached to TRY 3,063,214,056.17.

The change rates and shares of "SISE" shares to be given to the shareholders who have the shares of the companies involved in the merger are as follows:

	A	B	C	D	E=C+D	F=B-E	G=AxF
Transferred company	Exchange ratio	Paid-up capital	The Group's Share	The shares retirement right	The Shares will not be owned "SISE"	The Shares will be owned "SISE"	"SISE" Capital to increase
SODA	1.159971007909870	1,000,000,000	630,151,677.28	-	630,151,677.28	369,848,322.72	429,013,331.68
TRKCM	0.676152150432087	1,250,000,000	897,379,559.09	-	897,379,559.09	352,620,440.91	238,425,069.41
ANACM	0.882394160673640	750,000,000	587,115,911.67	-	587,115,911.67	162,884,088.33	143,727,968.41
DENCM	0.330892930860249	15,000,000	7,649,999.89	3,065,615.34	10,715,615.23	4,284,384.78	1,417,672.64
PASAB	0.534232542849721	224,117,049	222,937,761.00	-	222,937,761.00	1,179,288.00	630,014.03
							<b>813,214,056.17</b>

The capital adjustment differences of the merged companies are as follows:

BIST codes of merged companies	Capital adjustment differences
SISE	181,426
PASAB	107,398
TRKCM	22,451
DENCM	8,799
ANACM	1
	<b>320,075</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### b) Share Premium (Discounts)

It consists of the difference between the nominal price and the sales price of the shares publicly traded.

Share premium of merged companies are as follows:

BIST codes of merged companies	Share Premium
SISE	527
PASAB	166,419
ANACM	79
TRKCM	23
	<b>167,048</b>

#### c) Accumulated Other Comprehensive Income (Expenses) will not be reclassified to Profit or Loss

	31 December 2020	31 December 2019
Increases / (decreases) in revaluation fund	2,623,553	2,092,836
- Revaluation funds of land and buildings	2,195,492	1,685,748
- Revaluation funds of investment properties	428,061	407,088
Revaluation gain / (loss) funds of defined benefit plans	(58,970)	(1,156)
	<b>2,564,583</b>	<b>2,091,680</b>

#### Revaluation funds of land and buildings

The movement of the revaluation value increase funds of land and buildings is as follows:

	31 December 2020	31 December 2019
Beginning of the period – 1 January	1,685,748	1,606,558
Currency translation differences	68,267	96,027
- Fund effect	81,388	155,094
- Tax effect	(12,171)	(26,232)
- Effect of change in non-controlling interests	(950)	(32,835)
Transfers to assets held for sale	-	(18,352)
- Fund effect	-	(32,609)
- Tax effect	-	6,522
- Effect of change in non-controlling interests	-	7,735
Impact of property disposal	-	(4,401)
- Fund effect	-	(7,820)
- Tax effect	-	1,564
- Effect of change in non-controlling interests	-	1,855
Impact of change in shares of subsidiaries resulted without control loss	439,705	5,626
Impact of investments accounted for under equity method	1,772	290
- Fund effect	1,772	468
- Effect of change in non-controlling interests	-	(178)
	<b>2,195,492</b>	<b>1,685,748</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### c) Accumulated Other Comprehensive Income (Expenses) will not be reclassified to Profit or Loss (Continued)

##### Revaluation funds of land and buildings

The movement of the revaluation value increase funds of land and buildings is as follows:

	31 December 2020	31 December 2019
Beginning of the period – 1 January	407,088	411,550
Valuation in the period	-	(5,034)
- Fund effect	-	(6,859)
- Tax effect	-	765
- Effect of change in non-controlling interests	-	1,060
Impact of property sale	(7,505)	-
- Fund effect	(8,339)	-
- Tax effect	834	-
- Effect of change in non-controlling interests	-	-
Impact of change in shares of subsidiaries resulted without control loss	28,478	572
	<b>428,061</b>	<b>407,088</b>

##### 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 2020	31 December 2019
Beginning of the period – 1 January	(1,156)	(13,599)
Valuation in the period	(58,161)	12,505
- Fund effect	(72,680)	17,998
- Tax effect	14,518	(3,604)
- Effect of change in non-controlling interests	1	(1,889)
Currency translation differences	91	23
Impact of change in shares of subsidiaries resulted without control loss	256	(85)
	<b>(58,970)</b>	<b>(1,156)</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

(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 be reclassified to Profit or Loss

	31 December 2020	31 December 2019
Currency translation differences	3,491,750	2,279,280
Hedging reserve	33,571	4,661
Revaluation and reclassification gains (losses)	-	1,675
	<b>3,525,321</b>	<b>2,285,616</b>

#### 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 2020	31 December 2019
Beginning of the period - 1 January	2,279,280	1,558,204
Recognized in the equity	1,212,470	721,076
- Accounted under other comprehensive income	1,244,450	704,064
- Impact of change in non-controlling interests	(31,980)	17,012
	<b>3,491,750</b>	<b>2,279,280</b>

#### 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 2020	31 December 2019
Beginning of the period - 1 January	4,661	(219)
Effective portion of the derivative instrument recognized in the equity	11,898	30,343
Deferred tax effect	(1,776)	(6,674)
Change in non-controlling interest shares	18,788	(18,789)
	<b>33,571</b>	<b>4,661</b>

#### 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 2020	31 December 2019
Beginning of the period - 1 January	1,675	2,086
Change in fair values	10	(435)
Deferred tax effect	98	24
Sale effects	(1,783)	-
	<b>-</b>	<b>1,675</b>



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### e) 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 2020	31 December 2019
<b>Restricted reserves attributable to equity holders of the Parent (*)</b>		
Legal reserves	1,107,550	187,644
Associate sales earnings to be added to the capital	333,654	-
Properties sales earnings to be added to the capital	48,366	-
Statutory Reserves	28,282	-
	<b>1,517,852</b>	<b>187,644</b>

(\*) Includes restricted reserves of the merged companies.

#### f) Retained Earnings

The Group's extraordinary reserves presented in the retained earnings that amount to TRY 8,898,265 thousand (31 December 2019: TRY 5,721,078 thousand) is TRY 6,682,262 thousand (31 December 2019: TRY 678,854 thousand).

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### f) 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 reserves 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 2020	31 December 2019
Net profit for the year	3,707,634	729,474
Legal reserves	(185,382)	(36,474)
Special fund within the scope of Corporate Tax Law no: 5/1-e (*)	(1,130)	(29,424)
<b>Distributable profit for the period</b>	<b>3,521,122</b>	<b>663,576</b>
Extraordinary reserves	6,682,262	678,854
	<b>10,203,384</b>	<b>1,342,430</b>

The details of special funds within the scope of Corporate Tax Law 5/1-e article are as follows:

	31 December 2020	31 December 2019
Profit from sales of shares	333,653	153,525
Profit from sale of properties	48,366	6,389
	<b>382,019</b>	<b>159,914</b>

(\*) 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 27 March 2020, it is decided that the gross dividend of TRY 320,000 thousand corresponding to 14.22222 % 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 29 May 2020.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### g) 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.

**In the period of 1 January-31 December 2020, non-controlling interests had no contributions.**

**In the period of 1 January-31 December 2019, non-controlling interests had the following capital contributions:**

- The pre-emptive right of the TRY 9 Million capital increase of our subsidiary Denizli Cam Sanayii ve Tic. A.Ş., which was issued in order to increase the issued capital of TRY 6 Million within the registered capital ceiling of TRY 25 Million , has been realized between 16 September 2019 and 4 October 2019. On September 26,2019, the Group exercised its pre-emptive right amounting to TRY 4,590 thousand which corresponds to 51%. In this process, for non-controlling interests pre-emptive right amounting to TRY 4,396 Thousand has been exercised and the Company has collected TRY 8,461 thousand. The sale of the nominal shares of TRY 14 thousand, whereas the pre-emptive right has not been exercised, has been realized on October 2, 2019 in the primary market. As a result of this sales transaction to savings owners, a share Premium of TRY 70 thousand was generated.

#### **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 Istanbul 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 Istanbul 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 Istanbul 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 transactions with non-controlling shareholders during the period of 1 January – 31 December 2019 within the scope of restructuring of the Group companies:**

- On June 28, 2019, The Company sold the shares equivalent to a nominal value of Euro 967 thousand of Sisecam Chem Investment B.V. to one of the subsidiaries, namely Soda Sanayii A.Ş., in exchange for Euro 1,005 thousand.
- On June 28, 2019, The Company sold the shares equivalent to a nominal value of Euro 6 thousand of Cromital S.p.A to one of the subsidiaries, namely Sisecam Chem Investment B.V. in exchange for Euro 35 thousand.
- On 22 July 2019, Trakya Yenişehir Cam Sanayii A.Ş. shares equivalent to a nominal value of TRY 30 million, and Trakya Polatlı Cam Sanayii A.Ş. shares equivalent to a nominal value of TRY 18 million has been sold in cash to Trakya Cam Sanayii A.Ş. which is a subsidiary of our Company, in exchange for TRY 83,100 thousand. With this transaction, Trakya Cam Sanayii A.Ş. has become 100% shareholder in these subsidiaries. On 10 September 2019 mergers were announced in the Turkish Trade Registry Gazette and on 16 September 2019 and the legal entities of the acquired companies were eliminated.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### g) Non-controlling interest (Continued)

The transactions with non-controlling shareholders during the period of 1 January - 31 December 2019 within the scope of restructuring of the Group companies (Continued):

- Between 17 September 2019- 14 October 2019, the Group has bought shares of Trakya Cam Sanayii A.Ş. from Borsa İstanbul A.Ş., equivalent to a nominal value of TRY 11,231 thousand in exchange for TRY 31,414 thousand within the range of TRY 2.67- 2.85 per share. As a result, the Group has increased its share to 70.35% from 69.45%,
- On 17 September 2019 the Group has bought shares of Anadolu Cam Sanayii A.Ş. from Borsa İstanbul A.Ş., equivalent to a nominal value of TRY 1,309 thousand in exchange for TRY 3,701 thousand within the range of TRY 2.82- 2.85 per share. As a result, the Group has increased its share to 77.27% from 77.10%.
- Between 17 September 2019- 17 October 2019, the Group has bought shares of Soda Sanayii A.Ş. from Borsa İstanbul A.Ş., equivalent to a nominal value of TRY 13,500 thousand in exchange for TRY 77,460 thousand within the range of TRY 5.66%- 5.81% per share. As a result, the Group has increased its share to 62.02% from 60.67%.
- Put/call option agreements were signed between the Group and European Bank for Reconstruction and Development ("EBRD") on 10 November 2014 and 24 October 2014. Accordingly, the Group has call option for Paşabahçe Cam Sanayii ve Tic. A.Ş. ("Paşabahçe") while the agreement granted a put option to EBRD. Since Paşabahçe did not go public until 24 October 2019, the option is closed between 12 November 2019 - 14 November 2019 in exchange for Euro 152,560 thousand (= TRY 968,447 thousand). TRY 572,660 thousand was accrued on the mentioned transaction on 31 December 2018.

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 2020	31 December 2019
Equity of the parents	4,041,176	(389,179)
Non-controlling interests	(4,168,983)	(119,183)
<b>Net effect of the sale and purchase of shares</b>	<b>(127,807)</b>	<b>(508,362)</b>

The cash dividends paid and/or payable by the Group and Group companies to out of Group are as follows:

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Companies that paid dividend</b>		
Türkiye Şişe ve Cam Fabrikaları A.Ş.	320,000	400,000
Soda Sanayii A.Ş.	90,613	135,683
TRSG Glass Holding B.V.	45,681	-
Trakya Cam Sanayii A.Ş.	36,673	51,934
Anadolu Cam Sanayii A.Ş. (*)	35,846	32,286
Cam Elyaf Sanayii A.Ş.	-	3
	<b>528,813</b>	<b>619,906</b>

(\*) 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### h) Subsidiary Mergers :

- 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 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 dividend to be paid to 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
Türkiye Şişe ve Cam Fab. 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.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 28. Capital, Reserves and Other Equity Items (Continued)

#### h) Subsidiary Mergers (Continued):

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 (31 December 2020). 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.

#### i) Subsidiary Liquidation:

Camiş Limited, which is fully owned by the Group and has been inactive for long time was liquidated on 28 June 2019. There has been no liquidation of the subsidiary in the period of 1 January- 31 December 2020.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 29. Revenue and Cost of Sales

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Revenue</b>		
Revenue	22,809,874	19,350,083
Other income	17,375	6,554
Sales discounts	(947,409)	(871,823)
Sales returns	(89,415)	(86,203)
Other sales discounts	(449,739)	(339,925)
	<b>21,340,686</b>	<b>18,058,686</b>
<b>Cost of Sales</b>		
Direct materials	(6,035,112)	(5,724,233)
Direct labor	(1,062,567)	(924,208)
Production overheads	(3,503,019)	(3,293,667)
Amortization and depreciation	(1,353,206)	(1,116,165)
Change in work-in progress inventories	791	37,374
Change in finished goods inventories	(1,247)	571,331
<b>Cost of goods sold</b>	<b>(11,954,360)</b>	<b>(10,449,568)</b>
Cost of merchandise sold	(2,283,488)	(1,419,612)
Cost of services rendered (*)	(394,100)	(248,819)
Other costs	(47,335)	(61,032)
	<b>(14,679,283)</b>	<b>(12,179,031)</b>

(\*) Depreciation and amortization expenses recognized in the cost of service rendered during the period between 1 January – 31 December 2020 is amounting to TRY 49,535 thousand (1 January – 31 December 2019: TRY 18,581 thousand).

Revenues divided into geographical segments with respect of the customers location is shown below:

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Net sales</b>		
Turkey	8,912,950	6,601,407
Europe	6,558,711	6,084,757
Russia, Ukraine and Georgia	3,030,361	2,661,954
Other	2,838,664	2,710,568
	<b>21,340,686</b>	<b>18,058,686</b>

The Group does not have any significant remaining performance obligations related to the ongoing noncancellable agreements.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 30. General Administrative Expenses, Marketing Expenses, Research and Development Expenses

	1 January- 31 December 2020	1 January- 31 December 2019
General administrative expenses	(1,126,188)	(1,037,506)
Marketing expenses	(2,721,967)	(2,311,288)
Research and development expenses	(58,682)	(74,310)
	<b>(3,906,837)</b>	<b>(3,423,104)</b>

### 31. Expenses by Nature

	1 January- 31 December 2020	1 January- 31 December 2019
Indirect material costs	(57,077)	(61,907)
Salaries and wages expenses	(744,141)	(677,801)
Outsourced service	(1,758,138)	(1,315,764)
Other expenses	(1,099,380)	(1,127,794)
Amortization and depreciation expenses	(248,101)	(239,838)
	<b>(3,906,837)</b>	<b>(3,423,104)</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 32. Other Operating Income and Expenses

	1 January 31 December 2020	1 January- 31 December 2019
<b>Other operating income</b>		
Foreign currency exchange gains	1,290,707	357,061
Term difference interest income	43,445	85,372
Gain on sale of raw materials	51,783	45,942
Incentives related to Covid 19 Pandemic	25,269	-
Gain on sale of scraps	26,082	40,812
Discount interest income on operating activities	17,295	28,233
Provisions no longer required	31,738	38,204
Insurance claim income	15,898	33,721
Investment incentive income	20,375	10,956
Royalty income	9,168	6,947
Commission income	1,202	6,948
Brand incentive (Turquality) income	61	1,194
Government grants	16,122	-
Other operating incomes	247,058	191,724
	<b>1,796,203</b>	<b>847,114</b>

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Other operating expense</b>		
Foreign currency exchange loss	(1,036,992)	(197,518)
Loss on sale of raw materials	(37,135)	(35,929)
Provision expenses	(32,706)	(18,245)
Term difference interest expense	(11,408)	(21,298)
Discount interest expense on operating activities	(21,869)	(17,607)
Loss on sale of scrap0073	(24,369)	(2,048)
Government right – mining fund	(9,941)	(6,701)
Commission expense	(7,267)	(3,316)
Other operating expenses	(123,004)	(169,928)
	<b>(1,304,691)</b>	<b>(472,590)</b>

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Other operating income/ (expense), net</b>		
Foreign currency exchange gain / (loss)	253,715	159,543
Incentives related to Covid 19 Pandemic	25,269	-
Term difference interest income/ (expense)	32,037	64,074
Insurance claims	15,898	33,721
Investment incentive income	20,375	10,956
Gain/ (loss) on sale of scraps	1,713	38,764
Royalty income	9,168	6,947
Gain / (loss) on sale of raw materials	14,648	10,013
Discount interest income (expense) on operating activities	(4,574)	10,626
Provision incomes /(expenses)	(968)	19,959
Commission incomes / (expenses)	(6,065)	3,632
Government right – mining fund	(9,941)	(6,701)
Government grants	16,122	-
Other operating incomes/ (expenses)	124,115	22,990
	<b>491,512</b>	<b>374,524</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 33. Income and Expense from Investing Activities

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Income from Investing Activities</b>		
Valuation gain of held to maturity financial assets	1,064,183	566,475
Gain on sale of investment property	9,839	-
Revaluation gain of investment property	150,519	48,924
Gain on sale of property, plant and equipment	11,049	31,195
Sales income of financial assets fair value change recognised in Statement of other comprehensive income	1,783	-
	<b>1,237,373</b>	<b>646,594</b>

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Expense from Investing Activities</b>		
Valuation difference of held to maturity financial assets	(184,540)	(68,414)
Loss on sale of property, plant and equipment	(22,829)	(19,811)
Loss on sale of assets held for sale	(1,910)	-
Provision for revaluation loss of assets held for sale	(204)	-
	<b>(209,483)</b>	<b>(88,225)</b>

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Income/(Expense) from Investing Activities</b>		
Valuation gain/ (loss) of held to maturity financial assets	879,643	498,061
Revaluation gain / (loss) of investment property	150,519	48,924
Gain on sale of investment property	9,839	-
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	(11,780)	11,384
	<b>1,027,890</b>	<b>558,369</b>

During the period, interest income collected from fixed income financial assets which are measured with amortized cost are listed below.

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Bond Issuer</b>		
Türkiye İş Bankası A.Ş.	44,398	35,123
Türkiye Vakıflar Bankası T.A.O.	32,690	25,644
Türkiye Sınai Kalkınma Bankası A.Ş.	16,463	16,548
Yapı ve Kredi Bankası A.Ş.	16,302	15,710
Türkiye Halk Bankası A.Ş.	15,528	14,632
Türkcell İletişim Hizmetleri A.Ş.	15,083	11,981
Arçelik A.Ş.	10,992	8,640
Türkiye Garanti Bankası A.Ş.	10,977	8,951
Ziraat Bankası A.Ş.	7,908	6,041
Türkiye İhracat Kredi Bankası A.Ş.	4,148	3,247
T.C. Hazine ve Maliye Bakanlığı	3,454	-
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	2,836	2,165
Finansbank A.Ş.	443	359
	<b>181,222</b>	<b>149,041</b>



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 33. Income and Expense from Investing Activities (Continued)

Financial asset valuation profit / (loss) which is measured with amortized cost is as follows:

Bond Issuer	1 January- 31 December 2020	1 January- 31 December 2019
Türkiye İş Bankası A.Ş.	207,097	114,171
Türkiye Vakıflar Bankası T.A.O.	143,700	79,816
Türkiye Sınai Kalkınma Bankası A.Ş.	86,215	55,192
Türkiye Halk Bankası A.Ş.	79,483	56,303
Yapı ve Kredi Bankası A.Ş.	72,603	49,590
Türkcell İletişim Hizmetleri A.Ş.	65,844	36,465
Arçelik A.Ş.	54,453	29,830
Türkiye Garanti Bankası A.Ş.	54,417	30,021
Ziraat Bankası A.Ş.	37,094	20,252
T.C. Hazine ve Maliye Bakanlığı	32,973	-
Türkiye İhracat Kredi Bankası A.Ş.	19,313	10,708
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	18,807	10,124
Finansbank A.Ş.	2,210	1,218
	<b>874,209</b>	<b>493,690</b>

Since the financial assets which are measured at amortised cost are denominated in USD, the profit and loss is affected from change in USD/TRY parity.

Additionally, during the reporting period, a valuation difference of TRY 5,434 has been generated from securities issued by public sector in India, (1 January- 31 December 2019 :TRY 4,371 thousand)

### Impairment gain (loss) and reversal of impairment loss determined in accordance with TFRS 9:

Impairment loss/reversals	1 January- 31 December 2020	1 January- 31 December 2019
Impairment/reversal of financial investment (net)	(13,566)	15,020
Impairment/reversal of cash and cash equivalents (net)	(22,612)	(7,212)
	<b>(36,178)</b>	<b>7,808</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 34. Financial Income and Expenses

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Financial Income</b>		
Foreign exchange gain	4,084,208	1,645,822
- Cash and cash equivalents	3,287,322	1,359,546
- Bank Loans	8,674	10,403
- Bonds issued	479,454	163,383
- Derivative instruments	144,234	60,495
- Other	164,524	51,995
Interest Income	567,045	383,214
- Time deposits	105,702	197,068
- Derivative instruments	455,748	167,183
- Operating lease rent privilege incomes	3,910	-
- Effect of early extermination of leases	1,676	18,963
- Others	9	-
	<b>4,651,253</b>	<b>2,029,036</b>
<b>Financial Expense</b>		
Foreign exchange loss	(4,273,921)	(1,759,757)
- Cash and cash equivalents	(1,156,671)	(748,167)
- Bank Loans	(758,548)	(123,403)
- Bonds issued	(1,843,771)	(783,191)
- Derivative instruments	(331,331)	(48,700)
- Leasing expenses	(10,696)	(6,065)
- Other	(172,904)	(50,231)
Interest Expense	(1,460,172)	(1,166,744)
- Bank Loans	(720,318)	(549,393)
- Bonds issued	(389,273)	(314,654)
- Leasing expenses	(23,578)	(49,592)
- Factoring expenses	(148)	(1,092)
- Derivative instruments	(312,558)	(239,608)
- Other	(14,297)	(12,405)
	<b>(5,734,093)</b>	<b>(2,926,501)</b>
<b>Financial Income/ (Expense), net</b>		
Foreign exchange gain/ (loss)	(189,713)	(113,935)
- Cash and cash equivalents	2,130,651	611,379
- Bank Loans	(749,874)	(113,000)
- Bonds issued	(1,364,317)	(619,808)
- Derivative instruments	(187,097)	11,795
- Leasing expenses	(10,696)	(6,065)
- Other	(8,380)	1,764
Interest Income / (Expense)	(893,127)	(783,530)
- Bank deposits and loans	(614,616)	(352,325)
- Bonds issued	(389,273)	(314,654)
- Leasing expenses	(17,992)	(30,629)
- Derivative instruments	143,190	(72,425)
- Factoring expenses	(148)	(1,092)
- Other	(14,288)	(12,405)
	<b>(1,082,840)</b>	<b>(897,465)</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 35. Assets Held for Sale

Cost	31 December 2020	31 December 2019
Buildings	-	29,933
Plant, machinery and equipment	-	38,214
	-	68,147
<b>Accumulated Depreciation and Impairment</b>		
Buildings	-	2,079
Plant, machinery and equipment	-	38,010
	-	40,089
<b>Net Book Value</b>	-	28,058

Richard Fritz Holding GmbH, one of the subsidiaries in Germany, some of the buildings are remained idle, they were classified into assets held for sale in accordance with the TFRS-5 "Assets Held for Sale and Discontinued Operations" standard on 31 December 2019. It was sold for EUR 3,950 thousand 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 2020	31 December 2019
Beginning of the period- 1 January	28,058	204
Currency translation differences	11,544	1,266
Transfers from tangible assets	-	26,588
Disposals	(39,398)	-
Impairments	(204)	-
	-	28,058

### 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

#### Deferred Tax Assets and Liabilities (Continued)

	31 December 2020	31 December 2019
Deferred tax assets	1,104,347	1,093,602
Deferred tax liabilities (-)	(209,453)	(196,946)
<b>Deferred tax assets (net)</b>	<b>894,894</b>	<b>896,656</b>

	31 December 2020	31 December 2019
<b>Temporary differences</b>		
Useful life and valuation differences		
on tangible and intangible assets	3,945,781	3,243,951
Valuation of investment property	891,141	772,422
Provision for doubtful receivables	(46,648)	(39,086)
Derivative financial valuation	(47,946)	(23,477)
Revaluation of inventory	(287,870)	(271,797)
Employment termination benefits	(614,167)	(451,185)
Carry forward tax losses	(1,593,749)	(1,547,216)
Corporate tax allowances	(5,586,265)	(5,050,443)
Other	(577,953)	(322,768)
	<b>(3,917,676)</b>	<b>(3,689,599)</b>

	31 December 2020	31 December 2019
<b>Deferred tax assets/ (liabilities)</b>		
Useful life and valuation differences		
on tangible and intangible assets	(713,297)	(641,459)
Valuation of investment property	(85,951)	(73,908)
Provision for doubtful receivables	8,539	7,731
Derivative instruments	9,509	5,165
Revaluation of inventory	54,177	55,378
Employment termination benefits	123,031	90,588
Carry forward tax losses	255,920	261,814
Corporate tax allowances	1,117,253	1,111,097
Other	125,713	80,250
	<b>894.894</b>	<b>896,656</b>

The maturity of carry forward tax losses are as follows:

	31 December 2020	31 December 2019
Within one year	29,103	13,609
Within two years	48,072	24,767
Within three years	32,861	36,840
Within four years	104,530	54,501
Within five years	138,858	134,824
Within six years	55,302	25,746
Within seven years	67,145	41,634
Indefinite life	1,117,878	1,215,295
	<b>1,593,749</b>	<b>1,547,216</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

#### Deferred Tax Assets and Liabilities (Continued)

Carry forward tax losses can be carried for maximum 5 years in Turkey, Egypt and China; 7 years in Romania; indefinite in Russia and Ukraine (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 725,209 thousand (31 December 2019: TRY 714,245 thousand).

The movements of deferred tax assets and liabilities are as follows:

	31 December 2020	31 December 2019
Beginning of the period -1 January	896,656	491,422
Recognized in statement of profit or loss	(11,105)	387,324
Currency translation differences	8,674	47,791
Change in accounting standards (Note 2)	-	5,840
Associated with equity (Note 28)	669	(35,721)
	<b>894,894</b>	<b>896,656</b>

#### 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 22% as of 31 December 2020 (31 December 2019: 22%).

The principal tax rates (%) using to calculate deferred taxes for each country are as follows:

Country	31 December 2020	31 Aralık 2019
Germany (*)	31,4	20,0
USA	31,4	20,0
Bosnia-Herzegovina	10,0	10,0
Bulgaria	10,0	10,0
Georgia (**)	-	-
The Netherlands (***)	16,50-25,0	20,0-25,0
Spain	25,0	25,0
Italy (*)	27,9	27,9
Egypt	22,5	22,5
Romania	16,0	16,0
Russia (****)	2,0-20,0	2,0-20,0
Ukraine	18,0	18,0
China (*****)	25,0	25,0
India	34,944	34,944



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

#### Corporate Tax (Continued)

- (\*) There is a progressive tax rate.
- (\*\*) 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.
- (\*\*\*\*\*) 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.

In Turkey, advance tax returns are filed on a quarterly basis and 22% of temporary tax rate is applied during the taxation of corporate income in 2020, (31 December 2019: 22%).

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.

%20 tax rate was used in the deferred tax calculation by the companies located in Turkey for 2021. For 31 December 2019 reporting period, transactions of timing differences until 2020 has calculated with %22 deferred tax rate. Deferred tax assets and liabilities are calculated according to the rate of 20% for the temporary differences extending to 2021.

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.

An advance taxation of %19.8 has to be made on the investment allowance based on the investment incentive certificates received before 24 April 2003. Out of the investment expenses without incentive certificate made after this date, 40% of the ones directly related to the companies' production activities can be deducted from the taxable revenue. Any advance tax deduction is not made from the investment expenses without investment incentive.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 36. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

#### Corporate Tax (Continued)

Corporate tax asset is TRY 25,111 thousand (31 December 2019: TRY 66,550 thousand).

	31 December 2020	31 December 2019
Corporate tax provision	423,451	286,496
Prepaid taxes and funds (-)	(384,941)	(200,077)
<b>Tax provision in the statement of the financial position</b>	<b>38,510</b>	<b>86,419</b>

	1 January- 31 December 2020	1 January- 31 December 2019
Provision for corporate tax for current period	(423,451)	(286,496)
Deferred tax income	(11,105)	387,324
Currency translation differences	3,943	3,353
<b>Tax provision in the statement of profit or loss</b>	<b>(430,613)</b>	<b>104,181</b>

#### Reconciliation of provision for tax

Profit before taxation and non-controlling interest	3,255,184	2,596,138
Effective tax rate	%22	%22
<b>Calculated tax</b>	<b>(716,140)</b>	<b>(571,150)</b>

#### Tax reconciliation

- Other consolidation adjustments	(322,920)	(148,105)
- Non-deductible expenses	(138,825)	(72,120)
- Carry forward tax losses to be utilized (*)	(60,657)	29,270
- Derivative financial instruments	6,120	11,779
- Investment allowances to be used	8,736	4,462
- Currency translation differences	19,950	(21,555)
- The effect of the foreign companies that have different tax rates	32,483	21,955
- Corporate tax allowances	298,114	545,639
- Dividends and other tax-exempt incomes	442,526	304,006
<b>Tax provision in the statement of profit or loss</b>	<b>(430,613)</b>	<b>104,181</b>

<b>Effective tax rate</b>	<b>13%</b>	<b>(%4)</b>
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(\*) Group companies reviewed the reduced corporate tax and their accumulated financial losses from deferred tax assets available for use, and allocated provisions for the portion that cannot be subject to discount in a reasonable time.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 37. Earnings per share

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Earnings per share</b>		
Average number of shares existing during the period (1/1000 value)	2,454,414	2,250,000
Net profit for the period attributable to equity holders of the parent	2,138,037	1,904,534
<b>Earnings per share</b>	<b>0,8711</b>	<b>0.8465</b>
Total comprehensive income attributable to equity holders of the parent	3,389,711	2,733,890
<b>Earnings per share obtained from total comprehensive income</b>	<b>1.3811</b>	<b>1.2151</b>

The capital of Company increased 813,214,056.17 TL and reached 3,063,214,056.17 TL, as a result of Türkiye Şişe ve Cam Fabrikaları A.Ş. and subsidiaries included in consolidation, Trakya Cam Sanayii A.Ş., Paşabahçe Cam Sanayii ve Tic. A.Ş., Denizli Cam Sanayii ve Tic. A.Ş., Anadolu Cam Sanayii A.Ş. ve Soda Sanayii A.Ş mergers with all its assets and liabilities as a whole. Capital increase transactions were registered in the trade registry on 31 September 2020 and started to be reflected in the accounts of the partners on 1 October 2020. During the period, there has been no additional capital increase other than this capital increase.

In the earnings per share calculation, the average number of shares was calculated by taking into account the 92-day period between the capital increase (31 December 2020) and the report date (31 December 2020) and the time factor within 366 days, which is the calendar days for 2020.  $(=92/366 \times 813,214 + 2,250,000)$ .

There is no debt instruments that can be converted into shares, each share has equal rights.

### 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 December 31, 2020, 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

Company's name	Registered Country
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	Turkey

#### Parent company

Company's name	Registered Country
Türkiye İş Bankası A.Ş.	Turkey

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 38. Related Party Disclosures (Continued)

#### Parent company's subsidiaries, joint ventures and associates

Company's name	Registered Country
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

Company's name	Registered Country
Rudnik Krečnjaka Vijeć D.O.O.	Bosnia-Herzegovina
Pacific Soda LLC	USA

#### Joint Ventures' shareholder

Company's name	Registered Country
Fabrika Cementa Lukavac D.D.(FCL)	Bosnia-Herzegovina
Imperial Natural Resources Trona Mining Inc.	USA

#### Associates

Company's name	Registered Country
Saint Gobain Glass Egypt S.A.E.	Egypt
Solvay Şişecam Holding AG	Austria

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 38. Related Party Disclosures (Continued)

#### 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:

	31 December 2020	31 December 2019
<b>Deposits held on related parties</b>		
Türkiye İş Bankası A.Ş.		
– Time Deposit	7,639,166	7,790,711
– Demand deposit	143,798	95,666
	<b>7,782,964</b>	<b>7,886,377</b>
İşbank AG		
– Demand deposits	137	3,159
	<b>137</b>	<b>3,159</b>
	<b>7,783,101</b>	<b>7,889,536</b>

	31 December 2020	31 December 2019
<b>Provision for impairment of deposits held at related parties</b>		
Türkiye İş Bankası A.Ş.	32,653	10,244

	31 December 2020	31 December 2019
<b>Loans received from related parties</b>		
Türkiye İş Bankası A.Ş. and İşbank AG	3,594,142	2,667,675



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 38. Related Party Disclosures (Continued)

#### Carrying value of financial investments measured at amortized cost:

Financial investments measured at amortized cost – Gross value	31 December 2020	31 December 2019
Türkiye İş Bankası A.Ş.	847,777	685,078
Türkiye Sınai Kalkınma Bankası A.Ş.	286,141	317,995
	<b>1,133,918</b>	<b>1,003,073</b>

Impairment of financial investments measured at amortized cost	31 December 2020	31 December 2019
Türkiye İş Bankası A.Ş.	24,641	12,709
Türkiye Sınai Kalkınma Bankası A.Ş.	1,093	3,451
	<b>25,734</b>	<b>16,160</b>

Coupon interest rates and nominal values of financial investments measured at amortized cost are as follows:

Bond issuer	ISIN code	Coupon Interest Rate (%)	31 December 2020 Nominal Amount (thousand USD)	31 December 2019 Nominal Amount (thousand USD)
Türkiye İş Bankası A.Ş.	XS1390320981	5.375	45,464	45,464
Türkiye İş Bankası A.Ş.	XS1508390090	5.500	34,200	34,200
Türkiye İş Bankası A.Ş.	XS1079527211	5.000	33,924	33,924
Türkiye İş Bankası A.Ş.	XS1578203462	6.125	1,200	1,200
			<b>114,788</b>	<b>114,788</b>
Türkiye Sınai Kalkınma Bankası A.Ş.	XS1412393172	4.875	38,830	38,830
Türkiye Sınai Kalkınma Bankası A.Ş.	XS1219733752	5.125	-	14,600
			<b>38,830</b>	<b>53,430</b>
			<b>153,618</b>	<b>168,218</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 38. Related Party Disclosures (Continued)

#### Due from related parties:

	31 December 2020	31 December 2019
<b>Trade receivables from related parties</b>		
Pasific Soda LLC	2,866	-
İş Merkezleri Yönetim ve İşletim A.Ş.	2,525	2,858
Solvay Sisecam Holding AG	751	-
Türkiye İş Bankası A.Ş. ve İşbank AG	730	728
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	375	411
Fabrika Cementa Lukavac D.D.(FCL)	261	24
Anadolu Anonim Türk Sigorta Şirketi	-	2
Saint Gobain Glass Egypt S.A.E.	-	2,754
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	52
	<b>7,508</b>	<b>6,829</b>

#### Due to related parties:

	31 December 2020	31 December 2019
<b>Trade payables to related parties</b>		
Solvay Sisecam Holding AG	104,767	74,541
Anadolu Anonim Türk Sigorta Şirketi	5,790	4,298
Saint Gobain Glass Egypt S.A.E.	4,280	-
Rudnik Krečnjaka Vijenac D.O.O.	2,352	2,745
İş Merkezleri Yönetim ve İşletim A.Ş.	1,328	1,552
Saint Gobain Glass France S.A.	1,127	830
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. A.Ş.	452	5
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	183	143
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	28	18
Kültür Yayınları İş-Türk Ltd. Şti.	-	22
	<b>120,307</b>	<b>84,154</b>

#### Due to related parties:

	31 December 2020	31 December 2019
<b>Other payables to related parties</b>		
The founder shares to be paid to shareholders (*)	44,773	-
Dividend to be paid to shareholders (**)	15,072	4,932
	<b>59,845</b>	<b>4,932</b>

(\*) Rights granted to founding dividend shares that have profit royalty of Anadolu Cam Sanayii A.Ş.'s, one of the subsidiaries, on company's extraordinary general meeting dated August 28, 2020, it has been decided that these rights to be removed and not to be continued in Türkiye Şişe Cam Fabrikaları A.Ş., and TRY 24,750 to be paid for each founding dividend share determined with the framework of expert institution report. In this context, 2,738 shares of the total 4,709 shares belong to Türkiye Şişe ve Cam Fabrikaları AŞ and have been cancelled due to the merger. 162 of remaining 1,971 non-group shares were paid within the period. As of the report day, liability for the TRY 44,773 thousand continues for the dividend to be paid to the remaining founder shares.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 38. Related Party Disclosures (Continued)

#### Income and expenses from/ to related parties:

(\*\*) Agreed on April 16, 2020 in Turkey and published in the Official Gazette on April 17, 2020 Provisional Article 13 which is added with the Law No. 7244 on "Reducing the Effects of the New Coronavirus (Covid-19) Outbreak on Economic and Social Life", has brought restrictions on profit distribution inequity company. Accordingly, companies will be able to distribute as dividends only up to twenty-five percent (25%) of the net profit for the year 2019 until 30 September 2020, and previous year profits and free reserves will not be distributed. Subsequently, in accordance with the Presidential Decree published in the Official Gazette dated 18 September 2020 and numbered 31248, the distribution of the net profit for the year 2019, which was regulated in the Turkish Commercial Code, Provisional Article 13, was extended for another 3 months as of 30 September 2020. In this context, in line with the details previously disclosed to the public, the relevant period profit has paid on January 4, 2021 (or in the case of any changes on dates, the first date according to the legislation.)

In the directions of these regulations, on 29 May 2020, the Company has paid TRY 100,506 thousand of the approved total dividend distribution amounting to TRY 142,193 thousand by the Ordinary General Assembly of Shareholders held by Anadolu Cam Sanayii A.Ş., one of our subsidiaries, on March 26, 2020. And the remaining TRY 41,687 thousand will be distributed on 4 January 2021. The TRY 10,509 thousand of this amount to be distributed corresponds to non-Community shares. In addition, the TRY 4,563 thousand in other payables to related parties refers to the dividend amount to be paid to founders' shares, and privileged shares, and non-public shares that are not traded on the Borsa Istanbul share market.

The principle of per diem deduction is in use for dividend payment in Turkey, the shareholders which have the share on the payment day of the dividend, are entitled to the payment. However, Anadolu Cam Sanayii ve Tic. A.Ş., one of the affiliate companies, held its extraordinary general meeting on 26th of August, before the regulation (30 of September) which is stated above, and decided the dissolve the company without liquidation due to merger, the shareholders which have the share on 26th of August will be entitled to the payment.

#### Income and expenses from/ to related parties:

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Interest income from related parties</b>		
Türkiye İş Bankası A.Ş. and İşbank AG	72,023	170,106
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	9	-
	<b>72,032</b>	<b>170,106</b>
	1 January- 31 December 2020	1 January- 31 December 2019
<b>Interest expenses to related parties</b>		
Türkiye İş Bankası A.Ş. and İşbank AG	219,213	114,268
Türkiye Sınai Kalkınma Bankası A.Ş.	-	100
	<b>219,213</b>	<b>114,368</b>
	1 January- 31 December 2020	1 January- 31 December 2019
<b>Valuation gain of held to maturity financial assets</b>		
Türkiye İş Bankası A.Ş.	207,097	114,171
Türkiye Sınai Kalkınma Bankası A.Ş.	86,215	55,192
	<b>293,312</b>	<b>169,363</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 38. Related Party Disclosures (Continued)

#### Income and expenses from/ to related parties:

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Other income from related parties</b>		
İş Merkezleri Yönetim ve İşletim A.Ş.	29,447	26,430
Türkiye İş Bankası A.Ş. and İşbank AG	7,556	3,051
Solvay Sisecam Holding AG	6,288	6,220
Anadolu Anonim Türk Sigorta Şirketi	4,620	4,422
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	3,506	3,731
Saint Gobain Glass Egypt S.A.E.	3,383	11,921
Rudnik Krechnjaka Vijenac D.O.O.	620	837
Fabrika Cementa Lukavac D.D. (FCL)	292	150
İş Portföy Yönetimi A.Ş.	65	38
İş Finansal Kiralama A.Ş.	31	1
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İlet. Hiz. A.Ş.	18	33
Yatırım Finansman Yatırım Ortaklığı A.Ş.	12	4
Türkiye Sınai Kalkınma Bankası A.Ş.	12	-
Anadolu Hayat Emeklilik Sigorta A.Ş.	3	9
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	2	4
Bayek Tedavi Sağlık Hizmetleri Ve İşletmeciliği A.Ş.	2	1
Kültür Yayınları İş-Türk Ltd. Şti.	1	9
Milli Reasürans T.A.Ş.	1	5
Türkiye Sınai Kalkınma Bankası A.Ş.	-	23
İş Yatırım Menkul Değerler A.Ş.	-	13
İş Factoring Finansman Hizmetleri A.Ş.	-	1
	<b>55,859</b>	<b>56,903</b>

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Other expenses to related parties</b>		
Solvay Sisecam Holding AG <sup>(1)</sup>	429,438	349,748
Rudnik Krechnjaka Vijenac D.O.O. <sup>(2)</sup>	19,498	18,302
İş Merkezleri Yönetim ve İşletim A.Ş. <sup>(3)</sup>	16,569	13,577
Anadolu Anonim Türk Sigorta Şirketi	5,541	3,772
Saint Gobain Glass Egypt S.A.E.	4,567	-
Saint Gobain Glass France S.A.	3,384	2,480
Anadolu Hayat Emeklilik Sigorta A.Ş.	1,820	2,647
İş Portföy Yönetimi A.Ş.	1,307	633
İş Gayrimenkul Yatırım Ortaklığı A.Ş. <sup>(4)</sup>	1,197	24,390
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güv. ve Yard. Vakfı	1,052	1,125
Türkiye İş Bankası A.Ş. ve İşbank AG	629	1,992
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İlet. Hiz. A.Ş.	462	24
İş Yatırım Menkul Değerler A.Ş.	251	50
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	222	295
Fabrika Cementa Lukavac D.D. (FCL)	216	-
Kültür Yayınları İş-Türk Ltd. Şti.	-	38
	<b>486,153</b>	<b>419,073</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 38. Related Party Disclosures (Continued)

#### Income and expenses from/ to related parties (Continued):

- (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) This account consist of the lease payments for office spaces in İş Kuleleri and Paşabahçe stores. Şişecam purchased the real estate development where its headquarters are located by a cash payment of TRY 310,000 thousand +VAT (= TRY 334,800 thousand) on 16 December 2019, (January 1 - December 31 2019: TRY 23,226 thousand).

In accordance with the IFRS-16 "Leases", amount of the lease payments are calculated in accordance with the duration of the lease contract and implicit interest rate of the lease payments, TRY 2,725 thousand is included in the right to use assets statements, TRY 3,078 thousand in the 'Borrowings' on the financial statement, taking into Account the time effect as per the time effect and implied interest rate of the lease amounts, the "Borrowings", TRY 71 thousand is in the asset deferred tax asset, TRY 236 thousand in general administrative expenses as amortization expense, TRY 543 thousand in sales and distribution expenses in rental expenses, TRY 582 thousand in financial expenses, expense was recognized as a deferred tax income of TRY 29 thousand and TRY 147 thousand was recognized as loss within the previous years' profits.

#### Financial asset sales to related parties:

The company has 225 thousand privileged shares of İş Finansal Kiralama A.Ş. Company sold its shares to Trakya Yatırım Holding A.Ş., one of the related parties, for TRY 844 thousand on 10 December 2020, based on the stock exchange price of 3.75. The company decided to keep this profit arising from this sales, in special fund in accordance with the article 5/1-e of the corporate tax law.

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Benefits provided to key management</b>		
Parent (Holding)	26,336	26,067
Consolidated entities	91,498	78,164
	<b>117,834</b>	<b>104,231</b>

Key management personnel are composed of top management; members of board of directors, general manager, Group presidents, general manager assistants, vice presidents and factory directors. The Group has not provided post-employment benefits, benefits due to cancellation of labor contract, share-based payment and other long-term benefits to key management between 1 January – 31 December 2020 and 1 January – 31 December 2019.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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

#### 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 2020 and 31 December 2019 the Group's net debt / total equity ratios are as follows:

	31 December 2020	31 December 2019
Financial liabilities and trade payables	19,587,111	17,938,652
Less: Cash and cash equivalents and financial assets held to maturity	(13,230,992)	(11,330,250)
<b>Net debt</b>	<b>6,356,119</b>	<b>6,608,402</b>
<b>Total equity</b>	<b>22,491,233</b>	<b>19,133,385</b>
<b>Net debt / total equity ratio</b>	<b>28%</b>	<b>35%</b>

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.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

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### 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 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)

	Receivables					
	Trade Receivables			Other Receivables		Cash and Cash equivalents & Derivatives
	Related Party	Third Party	Third Party	Related Party	Third Party	
<b>Credit risks exposed through types of financial instruments</b>						
<b>Maximum credit risk exposed as of 31 December 2020 (*) (A+B+C+D+E)</b>	7,508	4,345,579		-	459,761	3,971,308
- The part of maximum risk under guarantee with collaterals etc.	-	(2,178,581)		-	-	-
<b>A. Net book value of financial assets that are neither overdue nor impaired</b>	7,508	3,716,478		-	459,761	3,971,308
- The part under guarantee with collaterals, etc.	-	(2,092,335)		-	-	-
<b>B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired</b>		481		-	-	-
- The part under guarantee with collaterals, etc.		-		-	-	-
<b>C. Carrying value of financial assets that are overdue but not impaired</b>	-	628,620		-	-	-
- The part under guarantee with collaterals, etc.	-	(86,246)		-	-	-
<b>D. Net book value of impaired assets-</b>	-	-		-	-	-
- Overdue (gross carrying amount)	-	110,000		-	-	-
- Impairment (-)	-	(110,000)		-	-	-
- The part under guarantee with collaterals, etc.	-	-		-	-	-
- Not overdue (gross carrying amount)	-	-		-	999	66,783
- Impairment (-)	-	-		-	(999)	(66,783)
- The part under guarantee with collaterals, etc.	-	-		-	-	-
<b>E. Off-balance sheet items with credit risk</b>	-	-		-	-	-

(\*) 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 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)

	Receivables					
	Trade Receivables			Other Receivables		Cash and Cash equivalents & Derivatives
	Related Party	Third Party	Third Party	Related Party	Third Party	
<b>Credit risks exposed through types of financial instruments</b>						
<b>Maximum credit risk exposed as of 31 December 2019 (*) (A+B+C+D+E)</b>	6,829	3,565,468		-	287,457	8,368,913
- The part of maximum risk under guarantee with collaterals etc.	-	(1,952,758)		-	-	-
<b>A. Net book value of financial assets that are neither overdue nor impaired</b>	6,829	3,160,385		-	287,457	8,368,913
- The part under guarantee with collaterals, etc.	-	(1,894,612)		-	-	-
<b>B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired</b>	-	-		-	-	-
- The part under guarantee with collaterals, etc.	-	-		-	-	-
<b>C. Carrying value of financial assets that are overdue but not impaired</b>	-	405,083		-	-	-
- The part under guarantee with collaterals, etc.	-	(58,146)		-	-	-
<b>D. Net book value of impaired assets</b>	-	-		-	-	-
- Overdue (gross carrying amount)	-	94,306		-	2,404	-
- Impairment (-)	-	(94,306)		-	(2,404)	-
- The part under guarantee with collaterals, etc.	-	-		-	-	-
- Not overdue (gross carrying amount)	-	866		-	-	10,279
- Impairment (-)	-	(866)		-	-	(10,279)
- The part under guarantee with collaterals, etc.	-	-		-	-	-
<b>E. Off-balance sheet items with credit risk</b>	-	-		-	-	-

(\*) 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 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 2020	31 December 2019
Credit Insurance	1,229,627	1,140,453
Letters of guarantees	557,003	388,940
Direct debit system	294,998	214,319
Cash	48,327	72,573
Mortgages	40,565	39,246
Letter of guarantees, promissory notes and bills	8,061	97,227
	<b>2,178,581</b>	<b>1,952,758</b>

Collaterals for the trade receivables that are overdue but not impaired are as stated below:

	31 December 2020	31 December 2019
1-30 days overdue	369,209	252,148
1-3 months overdue	148,942	57,106
3-12 months overdue	43,896	42,534
1-5 years overdue	66,573	53,295
<b>Total overdue receivables</b>	<b>628,620</b>	<b>405,083</b>
<b>Secured with collaterals (-)</b>	<b>(86,246)</b>	<b>(58,146)</b>

##### 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.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.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 2020						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (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	-	-	-
<b>Total liabilities</b>	<b>19,810,768</b>	<b>23,579,304</b>	<b>4,743,181</b>	<b>4,331,828</b>	<b>9,099,505</b>	<b>5,404,790</b>

Derivative financial liabilities	Carrying Value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (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)
	<b>(57,029)</b>	<b>(57,029)</b>	<b>(2,485)</b>	<b>(47,617)</b>	<b>742</b>	<b>(7,669)</b>

31 December 2019						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Bank loans	9,653,849	10,603,803	1,980,262	1,893,620	6,698,908	31,013
Bonds issued	5,982,316	8,569,859	858,331	1,963,939	1,155,963	4,591,626
Lease liabilities	209,471	321,673	23,809	59,024	154,774	84,066
Trade payables	2,008,862	2,015,154	1,999,594	15,560	-	-
Due to related parties	89,086	89,086	89,086	-	-	-
Other payables	143,166	143,198	112,560	-	30,638	-
<b>Total liabilities</b>	<b>18,086,750</b>	<b>21,742,773</b>	<b>5,063,642</b>	<b>3,932,143</b>	<b>8,040,283</b>	<b>4,706,705</b>

Derivative financial liabilities	Carrying Value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Cash inflows	89,914	89,914	-	25,764	-	64,150
Cash outflows	(113,391)	(113,391)	-	(23,587)	-	(89,804)
	<b>(23,477)</b>	<b>(23,477)</b>	<b>-</b>	<b>2,177</b>	<b>-</b>	<b>(25,654)</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.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:

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.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
<b>4. Current assets (1+2+3)</b>	<b>12,359,772</b>	<b>1,046,621</b>	<b>477,720</b>	<b>373,795</b>
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
<b>8. Non-current assets (5+6+7)</b>	<b>2,008,955</b>	<b>241,452</b>	<b>25,391</b>	<b>7,856</b>
<b>9. Total Assets (4+8)</b>	<b>14,368,727</b>	<b>1,288,073</b>	<b>503,111</b>	<b>381,651</b>
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	-	-	-	-
<b>13. Current liabilities (10+11+12)</b>	<b>1,330,162</b>	<b>45,879</b>	<b>109,541</b>	<b>6,652</b>
14. Trade payables	-	-	-	-
15. Financial liabilities	7,440,599	703,543	252,694	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>7,440,599</b>	<b>703,543</b>	<b>252,694</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>8,770,761</b>	<b>749,422</b>	<b>362,235</b>	<b>6,652</b>
19. Net assets of off balance sheet derivative items/ (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	-
<b>20. Net foreign assets / (liability) position (9-18+19)</b>	<b>6,562,537</b>	<b>1,336,966</b>	<b>(402,587)</b>	<b>374,999</b>
<b>21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a))</b>	<b>5,195,213</b>	<b>526,908</b>	<b>106,800</b>	<b>365,400</b>
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

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.3) Market risk management (Continued)

#### b.3.1) Foreign currency risk management (Continued)

Foreign Currency Position as of 31 December 2019				
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	1,128,589	101,057	73,048	42,477
2a. Monetary financial assets, (cash and banks included)	7,789,064	864,593	377,727	141,098
2b. Non-monetary financial assets	-	-	-	-
3. Other	78,804	4,397	7,367	3,690
<b>4. Current assets (1+2+3)</b>	<b>8,996,457</b>	<b>970,047</b>	<b>458,142</b>	<b>187,265</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	2,585,312	435,223	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	246,108	6,803	30,375	3,685
<b>8. Non-current assets (5+6+7)</b>	<b>2,831,42</b>	<b>442,026</b>	<b>30,375</b>	<b>3,685</b>
<b>9. Total Assets (4+8)</b>	<b>11,827,877</b>	<b>1,412,073</b>	<b>488,517</b>	<b>190,950</b>
10. Trade payables	515,824	23,448	55,924	4,610
11. Financial liabilities	2,220,685	326,310	42,453	-
12a. Other monetary liabilities	69,001	6,674	4,409	34
12b. Other non-monetary liabilities	-	-	-	-
<b>13. Current liabilities (10+11+12)</b>	<b>2,805,510</b>	<b>356,432</b>	<b>102,786</b>	<b>4,644</b>
14. Trade payables	-	-	-	-
15. Financial liabilities	6,139,363	716,389	283,263	-
16a. Other monetary liabilities	6	1	-	-
16b. Other non-monetary liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>6,139,369</b>	<b>716,390</b>	<b>283,263</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>8,944,879</b>	<b>1,072,822</b>	<b>386,049</b>	<b>4,644</b>
19. Net assets of off balance sheet derivative items/ (liability) position (19a - 19b)	618,705	575,000	(420,550)	-
19a. Total amount of assets hedged	3,415,615	575,000	-	-
19b. Total amount of liabilities hedged	2,796,910	-	420,550	-
<b>20. Net foreign assets / (liability) position (9-18+19)</b>	<b>3,501,703</b>	<b>914,251</b>	<b>(318,082)</b>	<b>186,306</b>
<b>21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a))</b>	<b>2,558,086</b>	<b>328,051</b>	<b>64,726</b>	<b>178,931</b>
<b>22. Fair value of financial instruments used in foreign currency hedge</b>	<b>(23,477)</b>	<b>(3,952)</b>	<b>-</b>	<b>-</b>
<b>23. Export</b>	<b>5,238,524</b>	<b>482,896</b>	<b>364,011</b>	<b>189,179</b>
<b>24. Import</b>	<b>2,299,511</b>	<b>140,496</b>	<b>228,520</b>	<b>52,078</b>

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.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 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)	-	-
<b>3- USD net effect (1+2)</b>	<b>972,780</b>	<b>(972,780)</b>	<b>11,527</b>	<b>(11,527)</b>
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	-	-
<b>6- EUR net effect (4+5)</b>	<b>(393,342)</b>	<b>393,342</b>	<b>1,390,600</b>	<b>(1,390,600)</b>
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	-	-	-	-
<b>9- Other currencies net effect (7+8)</b>	<b>36,540</b>	<b>(36,540)</b>	<b>376,380</b>	<b>(376,380)</b>
<b>Total (3+6+9)</b>	<b>615,978</b>	<b>(615,978)</b>	<b>1,778,507</b>	<b>(1,778,507)</b>

(\*) 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.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.3) Market risk management (Continued)

#### b.3.1) Foreign currency risk management (Continued)

#### Foreign Currency Sensitivity (continued)

	31 December 2019			
	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	194,869	(194,869)	2,389	(2,389)
2- USD hedged from risks (-)	341,561	(341,561)	-	-
<b>3- USD net effect (1+2)</b>	<b>536,430</b>	<b>(536,430)</b>	<b>2,389</b>	<b>(2,389)</b>
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	43,047	(43,047)	1,086,221	(1,086,221)
5- EUR hedged from risks (-)	(279,691)	279,691	-	-
<b>6- EUR net effect (4+5)</b>	<b>(236,644)</b>	<b>236,644</b>	<b>1,086,221</b>	<b>(1,086,221)</b>
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	17,893	(17,893)	320,474	(320,474)
8- Other currencies hedged from risks (-)	-	-	-	-
<b>9- Other currencies net effect (7+8)</b>	<b>17,893</b>	<b>(17,893)</b>	<b>320,474</b>	<b>(320,474)</b>
<b>Total (3+6+9)</b>	<b>317,679</b>	<b>(317,679)</b>	<b>1,409,084</b>	<b>(1,409,084)</b>

(\*) 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 23,354 thousand as of 31 December 2020 (31 December 2019: TRY 15,341 thousand).

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.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 2020				
	Floating Interest	Fixed Interest	Non-interest bearing	Total
<b>Financial assets</b>	-	<b>17,191,630</b>	<b>852,212</b>	<b>18,043,842</b>
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
<b>Financial Liabilities</b>	<b>5,480,088</b>	<b>14,330,670</b>	<b>10</b>	<b>19,810,768</b>
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
31 Aralık 2019				
	Floating Interest	Fixed Interest	Non-interest bearing	Total
<b>Financial assets</b>	-	<b>14,813,077</b>	<b>378,944</b>	<b>15,192,021</b>
Cash and cash equivalents	-	7,991,986	376,927	8,368,913
Financial assets	-	2,961,337	-	2,961,337
Available for sale financial assets	-	-	2,017	2,017
Trade receivables	-	3,565,468	-	3,565,468
Due from related parties	-	6,829	-	6,829
Other receivables	-	287,457	-	287,457
<b>Financial Liabilities</b>	<b>3,450,175</b>	<b>14,631,065</b>	<b>5,510</b>	<b>18,086,750</b>
Bank borrowings	3,450,175	6,203,096	578	9,653,849
Bonds issued	-	5,982,316	-	5,982,316
Lease liabilities	-	209,471	-	209,471
Trade payables	-	2,008,862	-	2,008,862
Due to related parties	-	84,154	4,932	89,086
Other payables	-	143,166	-	143,166

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.3) Market Risk Management (Continued)

#### b.3.3) Other price risks

#### Equity Price Sensitivity

The Group, has sold İş Finansal Kiralama A.Ş. shares, which recognized as financial asset fair value through other comprehensive income, and has become liquid on 10 December 2020. 225 thousand of shares sold to one of the related companies Trakya Yatırım Holding A.Ş. and 305 thousand shares sold on the BIST share market.

### 40. Financial Instruments (Fair Value and Hedge Accounting Disclosures)

#### Categories of Financial Instruments

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
<b>Financial assets</b>	<b>17,584,079</b>	<b>95,280</b>	<b>-</b>	<b>17,679,359</b>	
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
<b>Financial liabilities</b>	<b>19,646,956</b>	<b>152,307</b>	<b>-</b>	<b>19,799,263</b>	
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

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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) (Continued)

#### Categories of Financial Instruments (Continued)

31 December 2019	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
<b>Financial assets</b>	<b>14,902,547</b>	<b>91,931</b>	<b>-</b>	<b>14,994,478</b>	
Cash and cash equivalents	8,368,913	-	-	8,368,913	6
Trade receivables	3,565,468	-	-	3,565,468	10
Due from related parties	6,829	-	-	6,829	38
Derivative financial assets	-	89,914	-	89,914	12
Financial investments	2,961,337	2,017	-	2,963,354	7
<b>Financial liabilities</b>	<b>17,943,584</b>	<b>113,391</b>	<b>-</b>	<b>18,056,975</b>	
Financial liabilities	15,845,636	-	-	15,845,636	8
Trade payables	2,008,862	-	-	2,008,862	10
Due to related parties	89,086	-	-	89,086	38
Derivative financial liabilities	-	113,391	-	113,391	12

#### Fair Value of Financial Instruments

31 December 2020				
Financial assets	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	-
<b>Total</b>	<b>95,280</b>	<b>-</b>	<b>95,278</b>	<b>-</b>

31 December 2019				
Financial assets	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	2,017	2,015	-	2
Derivative financial assets	89,914	-	89,914	-
<b>Total</b>	<b>91,931</b>	<b>2,015</b>	<b>89,914</b>	<b>2</b>

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).

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020

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

### 41. Events after reporting period

- Anadolu Cam Sanayii A.Ş.'s, which is subsidiary before the merger, dividend payment was postponed to 4 January 2021, regulated in the Turkish Commercial Code no: 6102, provisional article 13 pursuant to the Presidential Decision published in the Official Gazette No, 31248 dated September 18, 2020. The remaining installments have been paid to shareholders on 4 January 2021.

### 42. Other Issues that Significantly Affect the Financial Statements or Other Issues, Required for the Clear Understanding of Financial Statements

#### Uncertainties in relation to the Covid-19 Outbreak

Revenue and profitability losses occurred due to volume decrease due to temporary production stoppages in the first six months of this year due to the Covid-19 outbreak, in some segments, in order to evaluate the effects caused by Covid-19, asset evaluations were made using the income approach method, taking into consideration the future business plans of the subsidiaries. In these valuations, by using the sector and macroeconomic data, 8- 20% band as weighted average cost and 2-8% band as long-term growth rate were used. Since the recoverable amount is above the book value as per the calculations, no impairment provision has been executed.

#### 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 December 31, 2020 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 1 February 2021 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 Financial Control and Reporting Director Gökhan Güralp and Financial Control and Statutory Reporting Manager Murat Yalçın on electronic platform for public announcement and by making required notifications in the scope of CMB regulations.

The consolidated financial statements will be finalized after the approval of the Shareholders' Ordinary General Assembly for 2020.



# 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 2,138,037 thousand of net period profit for the Equity holders of the parent, which was stated in 2020 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	2,138,037
2. As per 5/1-e Article of Corporate Tax Law the amount of dividend put in a special fund	(1,130)
3. Primary Legal Reserve	-
4. Net Distributable Period Profit	2,136,907
5. Donations Made within the year	3,842
6. Net Distributable Period Profit with the Addition of Donations, where the First Dividend will be Calculated	2,140,749
7. First Dividend to Shareholders	
- Cash	500,000
- Bonus Shares	-
Total Dividend	500,000
8. Excess Reserver	1,636,907

That TRY 500,000 thousand of gross dividend, which accounts for 16.32272% 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 2021.

Kind Regards,



Adnan Bali

Chairman of the Board of Directors

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

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### 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.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

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### 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 do nations 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..

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### CODE OF ETHICS

#### 1. General Principles

Şişecam Group performs all its activities under the following general principles. All the employees of the Group are expected to observe those general principles in their relations with customers, suppliers, shareholders, and other stakeholders.

##### 1.1 Honesty

Şişecam Group performs all its activities with due regard for principle of honesty. It acts with integrity and honesty in its relations with the employees, customers, suppliers, shareholders and all stakeholders.

##### 1.2 Transparency

Şişecam Group acts *transparently* and *openly* in its relations with the employees, customers, suppliers, shareholders and all stakeholders. It procures clear and correct information completely and in a timely manner in all its activities.

##### 1.3 Impartiality

It does not make any discrimination among employees, customers, suppliers, shareholders and other stakeholders due to reasons such as religion, language, race, gender, physical condition, marital status and political view. All employees of the Group treat everyone fairly and equally and avoid being prejudiced against anyone.

##### 1.4 Confidentiality

It is of utmost importance to protect the private information pertaining to employees, customers, suppliers, shareholders and other stakeholders and it is not allowed or tolerated to share such information with third parties. Such private information may only be used by the authorized persons within the Group for the benefits of the Group.

##### 1.5 Compliance with laws and regulations

Şişecam Group performs all its activities with due regard for laws and regulations. It follows the laws and regulations appropriately and takes measures in order to ensure compliance with the same.

#### 2. Responsibilities

*The responsibilities attributed to the senior management, managers and all employees are summarized below so that the Code of Conduct adopted by Şişecam Group may be implemented effectively within the Group.*

##### 2.1 Board of Directors and Board of Auditors of the Parent Company

- Board of Directors and Board of Auditors of the Parent Company shall assume responsibility for the implementation of the Code of Conduct to the utmost level.
- Members of the Board of Directors and Board of Auditors shall accept and comply with the Code of Conduct.
- They shall establish a suitable atmosphere within the Group for the implementation of the Code of Conduct.
- They shall provide communication channels required for notifying violations of the Code of Conduct.

##### 2.2 Managers

- All managers shall accept and comply with the Code of Conduct and constitute an example for other employees through their actions and attitudes.
- They shall ensure that their staff understands and implements the Code of Conduct.
- They shall promote the adoption and implementation of the Code of Conduct in their respective departments.
- They shall not force the employees to violate the Code of Conduct in any manner due to any reason.
- They shall listen to the questions, complaints, suggestions and requests of employees in relation to the Code of Conduct and encourage employees to give feedback about the issue.
- They shall evaluate the business procedures in their respective areas under the Code of Conduct, determine the conflicting situations and take measures in order to ensure compliance with the Code of Conduct.

##### 2.3 All Group Employees

- All Group employees shall accept and comply with the Code of Conduct.
- They shall make efforts to ensure that other employees act with due regard for the Code of Conduct and encourage employees in that regard.
- They shall inform their managers and the communication channels provided below of any acts and behaviours in violation of the Code of Conduct.
- All employees shall be knowledgeable about the regulations, procedures, and instructions related to their duties and the Group as a whole and implement them completely.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### 3. Practices

#### 3.1 Use of the Resources of the Group

- It is a requisite to make sure that the resources of the Group are used fairly, effectively, and efficiently at all times. The principle of saving shall be taken into consideration in all activities.
- The resources of the Group may not be used to further personal ends or benefits of a person or organization other than the Group itself.
- Due regard shall be taken in order to prevent assets of the Group from being stolen, impaired or damaged and the assets of the Group shall be protected to the utmost degree.
- Office hours shall be used effectively and efficiently and personal affairs shall be handled outside the office hours.
- Company vehicles, mobile communication devices, computers and other tools allocated to employees shall be regarded as the assets of the Group and they shall be used in compliance with the directives of the Group in line with the aforementioned principles.
- The rules indicated in the directives of the Group shall be observed in order to ensure efficient use of resources as well as information security while benefiting from internet and e-mail services over the communication network of the Group.

#### 3.2 Use of Information

- All accounting and business records of the Group shall be correct, complete and in line with the applicable regulations and all employees shall perform their liabilities completely in that regard.
- Group employees may not use the information they received due to their duties and positions in order to further their personal ends.
- Employees are not allowed to make unfair profit from capital markets by using any non-public information acquired within the Group or else helping third persons to gain unfair profit by disclosing such information.
- Non-public information (strategic plans, sales price details, manufacturing techniques, activities for new products and services, research and development activities etc.) may not be disclosed to third parties outside the Group.
- Whenever it is necessary to disclose non-public information of the Group with third parties, necessary measures, e.g. non-disclosure agreements, shall be taken to prevent any misuse of such information.
- Non-public information of the Group may not be discussed in public spaces such as dining halls, lifts, personnel buses etc.
- Regulations, procedures and instructions pertaining to security of Group information shall be implemented completely. Necessary measures shall be taken to maintain, archive and keep confidential such information.

#### 3.3 Conflicts of Interest

It is obligatory to protect the interests of the Group and to avoid conflicts of interests in all the duties and activities under the Group. Necessary care shall be taken to prevent personal interests having an impact on the ability to protect the interests of the Group. Employees are not allowed to procure personal interests and interests for close relatives/friends by means of duties and responsibilities in the Group or Şişecam identity.

##### 3.3.1 Duties outside the Group

- Group employees may not undertake duties that may lead them to be regarded as “merchants”, “craftsmen” or “self-employed persons”; they may not assume paid or non-paid duties in any company and commercial enterprise as well as any merchant or craftsman.
- Being a director in any company outside the Group is subject to the consent of the Board of Directors of the Parent Company.
- Group employees may assume duties in non-profitable non-governmental organizations and charities voluntarily. Employees shall take care to ensure that such activities do not cause them to neglect their duties within the Group, create any conflict of interest or constitute an explicit violation of the Group policies.
- Group employees may become members to a political party but being involved in politics actively shall be possible through the consent of the General Manager of the Parent Company provided that it does not create any conflict of interest with the policies and activities of the Group and does not lead the employee to neglect his/her duties within the Group.
- Group employees may write articles for media in relation to the company policies and resolutions, manufacturing, sales and similar practices of the company, make interviews, presentations and speeches only through the consent of the General Manager of the Parent Company.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### 3.3.1 Duties outside the Group (Continued)

- Group employees may lecture in professional organizations and educational institutions only through the consent of the General Manager of the Parent Company.
- Group employees may assume duties in organizations and institutions related to the activity areas of the Group (professional chambers, unions, chambers, associations, boards, federations and other public institutions) only through the consent of the General Manager of the Parent Company.

### 3.3.2 Gifts and Entertainments

- Employees are not allowed to request gifts or benefits from customers and suppliers.
- Employees are not allowed to request entertainment and business dinners from customers and suppliers. Business dinner offers made by customers and suppliers may be accepted provided that they are reasonable and compatible with local standards.
- Free holiday, discount check, gift voucher and similar non-cash offers made by customers and suppliers shall be regarded as gift and benefit and shall not be accepted as a principle. Still, if rejection of gift offers made by customers and suppliers shall be regarded as impoliteness and offend the customer or supplier, they may be accepted provided that the value thereof does not exceed 500 TRY or equivalent exchange.
- Such offers may be accepted only if all Group employees are granted the same benefits.
- It shall be possible to accept gifts of symbolical value such as plaques and plates given by the organizers of meetings or seminars in which an employee participates to represent the Group.

### 3.3.3 Close Relatives and Friends

- Employees are not allowed to form any business relationship with their family members, close relatives and friends providing mutual or unilateral benefits while performing their duties within the Group.
- In case family members, close relatives and friends work for supplier companies and customers, such relations shall not be allowed to create a conflict of interest.
- If family members, close relatives and friends work in the Group, the employees shall not permit such relations to affect the decisions to be made for the company. All Group employees shall maintain impartiality at all events and evaluate the staff affiliated to them according to their performance, knowledge and experience.
- Employees who are authorized to make decisions on recruitment shall not make such decisions for their family members, close relatives and friends. Recruitment decision may be made provided that it is for the benefit of the Group and the senior manager who is duly informed of the situation approves recruitment.
- Employees who are authorized to make decisions on purchasing shall not make purchasing decisions for quotations offered by companies in which their family members, close relatives and friends are shareholders directly or indirectly. Purchasing decision may be made provided that the situation should be explained clearly in the assessment, it is for the benefit of the Group and the senior manager who is duly informed of the situation approves the purchasing decision.
- As for quotations made by companies in which ex-members of the Group hold shares directly/indirectly or work as well as all kinds of relations with those companies, the situation shall be indicated explicitly.
- Employees who are not allowed to invest in shares of public companies of the Group may not make investments for their family members, close relatives and friends, either.

### 3.4 Relations with Other Institutions

It is necessary to act in line with the General Principles of Code of Conduct adopted by Şişecam Group in business relations with persons and organizations outside the Group. In that regard, employees are expected to observe the principles of integrity, honesty, transparency, impartiality and confidentiality and act in compliance with the laws, directives, and regulations as well as general ethics.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

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### 3.4.1 Relations with Customers and Suppliers

- The interests of the Group shall be upheld in relations with customers and suppliers at all times.
- Employees shall not form a mutual or unilateral interest relationship – such as debit and credit relations – with customers and suppliers personally.
- Employees shall stick to their commitments to customers and avoid making unrealistic commitments.
- Employees may not be involved in illegal and unethical acts in order to acquire information about customers and suppliers.
- Information acquired by Group employees or communicated to them by third parties in illegal ways about customers and suppliers shall not be used or disclosed.
- Employees shall treat customers and suppliers in line with the principles of respect, equality, courtesy, and equity.
- Employees shall not assume misleading and deceitful behaviours towards customers and consumers.
- Confidential information of customers and suppliers shall not be disclosed to third parties.
- The requirements of agreements and protocols executed with customers and suppliers shall be observed.

### 3.4.2 Relations with Competitors

- It is obligatory to abide by the competition rules and laws which are in force in the country of activity and not to disregard the principle of integrity and honesty during competition.
- It is necessary to remain alert to the infringements of competitive limitations in any meeting, seminar or discussion and to withdraw from such organizations if necessary.
- Being involved in illegal and unethical acts in order to acquire information about competitors shall not be tolerated.
- Information acquired by Group employees or communicated to them by third parties in illegal ways about competitors shall not be used or disclosed.
- Making unreal and anonymous rumours about competitors and contributing to such rumours shall not be tolerated.

### 3.4.3 Relations with Governmental Authorities

- All kinds of information and document requested by governmental authorities shall be delivered completely, accurately and in due time.
- Misleading and deceitful behaviours shall be avoided while forming relations with governmental authorities. Employees are not allowed to create advantage for the Group by misrepresenting a situation; the interests of the Group shall be protected under the applicable laws and regulations.
- Whenever there is uncertainty as to the implementation of a law or regulation, Legal Department and Financial Consultancy of the Group shall be consulted.
- It is prohibited to offer any direct or indirect benefit to a governmental officer in return for a privilege. Cash or similar payment shall not be made to any person apart from those required by laws and regulations even for the benefit of the Group.
- Third parties acting for the Group (representatives, consultants etc.) shall avoid such offers for the activities they undertake in the name of the Group.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### 4. Violations of Şişecam Code Of Conduct

Code of Conduct of Şişecam Group applies to all the positions in the Group just as the Group regulations, procedures and directives which are to be implemented completely in the same manner. Those violating Group Code of Conduct or regulations, procedures and directives shall be subject to a number of disciplinary actions including termination of the employment agreement.

Code of Conduct of Şişecam Group should be adopted and violation of the Code of Conduct should be avoided.

- It is necessary to act with discretion in all activities and decisions. Employees should confirm the lawfulness of the decisions and actions and question their correctness and fairness.
- In case there is any doubt as to the compliance of an activity or decision with Code of Conduct of Şişecam Group, the following communication channels shall be contacted.
- Before making a decision on any activity, it is necessary to contemplate how the Group, employees, shareholders and other stakeholders may be affected by such decision.
- Whenever an employee becomes aware of any violation of Code of Conduct of Şişecam Group, such employee should contact with the applicable manager or the following communication channels.
- Necessary care shall be taken to keep confidential the identity of those notifying violations of the Code of Conduct and all claims shall be reviewed and investigated carefully.

### Contact Details

E-mail : etik@sisecam.com  
 Phone : +90 850 206 50 50  
 Address : Türkiye Şişe ve Cam Fabrikaları A.Ş.  
 Audit Committee  
 İçmeler Mahallesi, D-100 Karayolu Caddesi, No:44/A 34947 Tuzla/İstanbul

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### Anti-Bribery and Corruption Policy

#### 1. Purpose

The purpose of this policy is to set out commitments and position of Şişecam Group with regards to bribery and corruption clearly and uphold the corporate image. This policy, being an integrated part of Code of Conduct adopted by the Group, aims to provide necessary information for prevention of bribery and corruption in all Group activities and to specify responsibilities and rules in that regard.

#### 2. Scope

Anti-Bribery and Corruption Policy covers not only Group employees but also all business partners acting in the name of the Group or offering services to the Group.

In that regard, the policy applies to;

- All Group employees including Directors,
- Third party consultancy, legal consultancy, or counselling companies and their employees,
- Outsourcing sub-contractor companies and employees,
- Persons and entities undertaking activities in the name of the Group directly or indirectly including but not limited to representatives, distributors and agencies.

It is especially important to appreciate that the practices and restrictions provided in this policy are binding over the abovementioned persons and entities. It should not be neglected that the Group may be held responsible for unlawful or unethical conduct of those persons and entities. In that regard, it is of utmost importance to make sure that the business partners of the Group also complies with this policy as well as the Group Code of Conduct, relevant regulations and procedures.

#### 3. Definitions

**Bribe:** Offering a material or immaterial advantage directly or indirectly to a person or a third party designated by that person pursuant to an oral or written agreement to induce that person to take an action that is contrary to requirements of his business tasks or outside the ordinary course of business by means performing, not performing, accelerating or slowing down a specific task. Bribe may take various forms including cash, gift, entertainment invitation or ticket, debt relief, charitable donations etc.

**Corruption:** Misuse of any power that is held due to one's position for personal material or immaterial gains directly or indirectly.

#### 4. Responsibilities

##### Parent Company Board of Directors;

- The Board of Directors of the Parent Company shall be the highest authority responsible for Anti-Bribery and Corruption Policy.
- Parent Company Board shall adopt this policy and provide the necessary background for implementation of the policy.
- It shall establish and develop internal control systems to prevent bribery and corruption.
- It shall ensure establishment of communication channels required for reporting any conduct that is in violation of this policy and take measures to keep the identity of reporting persons confidential and to protect them accordingly.
- It shall make sure that necessary investigations and inquiries are made about the complaints, reports, notifications and allegations in line with the regulations of the Group.
- It shall ensure that audits are conducted for promoting compliance with the legislations, regulations, procedures and policies and corrective measures are adopted as necessary.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### Board of Ethics:

- Board of Ethics shall be responsible for furthering compliance with Şişecam Group Code of Conduct, promoting culture of ethics in the Group, and increasing awareness level in that regard.
- It shall perform activities, make decisions and deliver opinions about potential solutions to the practical problems related to Code of Conduct and Anti-Bribery and Corruption Policy.
- It shall evaluate the internal or external complaints and reports made to the Board as to violation of code of conduct via electronic mail, mail, by phone or other communication means to determine whether any violation is applicable.
- It shall inform the Audit Committee about situations provided in "Regulation on Establishment and Working Principles of Board of Ethics" after duly evaluating the complaints and reports made to the Board.

### Directors and Employees:

- All employees shall agree with the Anti-Bribery and Corruption Policy and act in compliance with the relevant principles.
- Managers shall ensure that the principles provided in the policy are understood, implemented and upheld by the relevant business partners and their reports.
- Employees may not be forced to act in violation of this policy in any manner by any person.
- All Group employees shall be bound to report wrongdoings and suspicions under this policy to their managers and/or the following communication channels.
- Managers shall be bound to transmit the complaints, reports and allegations made by their reports to the following communication channels.

### 5. Policy

Şişecam Group has adopted the Anti-Bribery and Corruption Policy as an indication of its sensitiveness to matters of business ethics. Given the fact that this matter constitutes an action requiring legal punishment in addition to its significance in terms of business ethics, employees are expected to take this matter seriously and evaluate it as part of their personal duties and responsibilities independently from business life.

Şişecam Group aims to act in compliance with anti-bribery and corruption laws and regulations applicable in all the countries of operation and representation, universal rules of law, ethical and professional principles. Accordingly, the Group takes "zero tolerance" approach to bribery and corruption and is committed to undertaking its activities fairly and honestly in line with legal and ethical rules.

Code of Conduct, regulations, procedures and other policies of Şişecam Group require performance of activities correctly, fairly and honestly in compliance with the laws and the Group assumes an even more sensitive approach to anti-bribery and corruption with a view to protecting and furthering the rights of all stakeholders. Anti-Bribery and Corruption Policy has been adopted as part of the significance of the matter.

Şişecam Group explicitly prohibits resort to bribery and corruption in its activities in all countries. Persons to whom this Anti-Bribery and Corruption Policy applies are prohibited from offering payment or anything of value to provide any unlawful or unethical benefit even for the interests of the Group, acquiring any similar benefit from other persons or entities, and being involved in any unlawful and unethical act that might be regarded as bribery or corruption even if such practices are common in the country of operation or in the industry.

In that regard, it is of no importance whether the benefit provided as bribery and corruption has any material value or whether anything is done for the other party in return for the benefit. Anti-Bribery and Corruption Policy shall be considered to have been violated even when the value of the benefit is extremely insignificant or the commitment has not been realized despite making an offer.

Şişecam Group is committed to protect legal rights of governmental organizations, suppliers, customers, employees, and other stakeholders. Accounting procedures shall be recorded fully, correctly and fairly and internal control systems are established for preventing undeclared transactions.



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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

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### 6. Donations and Gifts

Rules of donations and gifts are provided in detail in Şişecam Group Code of Conduct, Donation Regulation and Donation Policy. Şişecam Group Code of Conduct and Donation Policy are published on the corporate website to enable third parties including customers, suppliers, investors and other stakeholders to have access to them. In case of any uncertainty as to interpretation or implementation of the regulations or coming across any situation not provided in the regulations, it is necessary to contact the Board of Ethics by means of the following communication channels.

### 7. Events or Suspicions of Bribery and Corruption

All Group employees shall be bound to inform their managers and/or following contact persons of any bribery and corruption event or suspicion immediately. Here are a few examples to such conditions;

- Offer of bribe to you or your colleague
- Relationships based on mutual interest or conflict of interest which you bear witness or have information about
- Any irregularity in company records
- Acts and behaviours such as providing favour or benefit in tenders and purchases
- Providing benefits to any customer or supplier in violation of legal and internal regulations
- Coercion applied on you or your colleagues by any internal or external person or entity to act in violation of the Group Code of Conduct or this policy

You must contact your manager and/or following communication channels when you come across such situations. In some cases, employees may hesitate to report such practices if they are concerned that they may be affected negatively from reporting such an event. Şişecam Group Board of Directors guarantee that persons reporting or filing complaints about conditions in violation of the legal regulations, code of conduct and Group regulations shall not incur any damages for filing such a report or complaint. The identities of reporting individuals shall be kept strictly confidential and they shall be protected against any damage due to the report or complaint – unless their allegations turn out to be deliberate slanders.

### 8. Sanctions Applicable to this Policy

Group regulations, procedures and instructions apply to all positions in the Group according to which this Anti-Bribery and Corruption Policy must be adopted and implemented by all the employees. In case of violation of Anti-Bribery and Corruption Policy, the Group policies provide for a number of sanctions up to termination of employment agreement in addition to other significant legal sanctions including penalty of imprisonment in many countries.

### Communication

Email: : etik@sisecam.com  
Tel : +90 850 206 50 50  
Adress : Türkiye Şişe ve Cam Fabrikaları A.Ş.  
Ethics Committee  
İçmeler Mahallesi, D-100 Karayolu Caddesi, No:44/A 34947 Tuzla/İstanbul

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

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### WAGES POLICY FOR BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The salaries of the members of Türkiye Şişe ve Cam Fabrikaları A.Ş.'s (Şişecam Group) Board of Directors are fixedly determined at the Ordinary General Meeting every year for all of the members.

The members of the Board of Directors in the Executive Board have separate payments under the policy for senior executives.

For the salary calculation of the Independent Board Members, payment plans based on the performance of the company cannot be used.

Our Group aims to work with a fair and competitive Salary Management System, which is accepted by our Group employees, and keep our Salary Management System up to date in line with the Community strategies and market.

In our Group, job evaluation methodologies which are, independent of the title, are positioned relative to the qualities of the organization's work are used.

With the newly created Salary Management System, our Group is aiming to pay employees equitably, to reward the performance they have achieved, to attract qualified employees to our Company, taking into consideration work efficiency and organizational performance.

The total annual income packages are taken into account when determining the salary levels across the whole Community.

Market salary surveys' indicators covering comparison of the total annual earning packages of the Community personnel with the annual earning packages of equivalent positions in the market and comparison of the fringe benefits are base for Salary Policy.

The Community Human Resources Group Presidency is responsible for the determination of all the policies related to the Salary Management System, for ensuring the implementation unity throughout the Group and for keeping the system up to date according to the conditions of the day.

Senior Executive salaries is composed of performance premiums calculated in accordance with company targets, long term targets and personal effort except fixed salaries determined according to margins on which positions are situated in Grade System established according to Salary Management System and fringe benefits.

### COMPENSATION POLICY

Determination and execution of compensation policy of our company is based on related provisions of the regulations (i.e. law of obligations, labor law regulations and by-laws), collective-bargaining agreement, Group Procedures and jurisdictional decisions.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

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### 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### DISCLOSURE POLICY

#### General Framework

Türkiye Şişe ve Cam Fabrikaları A.Ş. (Şişecam), disclose of all kinds of financial information, other explanations and notices related to notably Capital Markets Legislation, the Turkish Commercial Code and Borsa İstanbul A.Ş. ("BİAŞ") where our shares are traded at, by favoring generally accepted financial reporting standards and corporate governance principles; within this scope, Şişecam carries out a detailed informing and public lighting policy.

The main objective of the information policy is to ensure that necessary information and disclosures beyond the scope of trade secrets are transmitted on equal terms to shareholders, investors, employees, customers and other interested third parties on time, accurately, completely, comprehensibly, easily and at the lowest cost.

Having an active approach to the adoption and implementation of corporate governance principles, Şişecam shows the maximum effort of the relevant legislation and the implementation of international best practices for public disclosure and information. Şişecam disclosure policy approved by the Board of Directors in the framework of the above-mentioned prepared and put into practice.

#### Authority and Responsibility

The Board of Directors prepares disclosure policy. The monitoring, supervision and development of the information and disclosure policy of Şişecam are under the authority and responsibility of the Board of Directors.

Managers responsible for financial management, reporting and investor relations department have been assigned to coordinate the disclosure function. The said authorities fulfill these responsibilities in close cooperation with the Audit Committee and the Board of Directors.

#### Methods, Tools Used and Works Performed Public Disclosure

Within the Capital Market Legislation, the Turkish Commercial Code and other relevant legislation framework; the following are the tools and methods used in public disclosure operations:

- At the end of each quarter, the consolidated financial reports, the footnotes and explanations related to the related financial statements prepared in accordance with the legislation published by the Capital Markets Board (CMB) and the independent audit report conducted at the end of the half year and at the end of the year, the the Board of Directors' interim report are shared with Public Disclosure Platform within the given time frame and published in the Corporate Web Site of our Company ([www.sisecam.com](http://www.sisecam.com)). The relevant financial statements are presented to the approval of the Board of Directors with the opinion of the Audit Committee and are signed by the executives responsible for the financial reporting authorized by the Board of Directors.

Regarding the results of the activities announced on a quarterly basis, a public announcement is also made public about the results of the activity in the relevant period and other important issues.

The financial statements that are disclosed to the public are also translated into English and transmitted to the related parties and published on Şişecam's website. Following the disclosure of financial statements of year ends, on the date of the Ordinary General Assembly, on the press conferences held by Chairman of the Board and/or General Manager, past year performance is evaluated, and press questions are answered.

- Material disclosures that should be made within the scope of the CMB legislation are transmitted to the KAP via electronic platform within the given time frame. Material disclosures are in principle signed by persons who are responsible for financial reporting, have a "qualified electronic certificate", and are presented to the relevant authorities. People who are responsible for making material disclosures are determined from the representatives and competent authorities of the Company. In addition, the statements sent to the KAP in the electronic environment will also be published on the Company Corporate Website at the latest business day after the announcement of the public announcement.
- Announcements are made through the KAP, Trade Registry Gazette in cases such as amendments to the Articles of Association, General Assembly meetings, and capital increase. In addition, Turkish and English texts are published on the company's website.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

- The Annual Report which is prepared in Turkish, with the necessary information and explanations before the General Assembly meeting, is published in the Company's Corporate Website for the shareholders' review and the printed version of the relevant report can be obtained from the Şişecam Shareholders Relations Unit. In addition, annual activity reports are translated into English as soon as possible following general meetings and published in our website.
- When necessary, press explanations are made through written and visual media. Written and visual media releases made by the authorities.
- When necessary, teleconferences provide information to shareholders and other interested parties. Related teleconferences are coordinated by the Investor Relations Department.
- Through investor meetings and investor visits (road - show) held domestically and abroad, information is provided to shareholders and other related parties. The General Manager, the managers responsible for financial management and reporting, and the managers of the Investor Relations Department participate in the meetings and visits carried out by the Investor Relations Department. In necessary cases, the contact teams can be further expanded.
- Promotional and informative meetings held with investors and presentations, reports presented at press conferences are included in the "Investor Relations" section of our Company's Corporate Web Site in order to ensure that all market participants have simultaneous and equal information.
- Related information, especially financial tables, are shared with shareholders and the companies that organize the research report about our company by the e-mail when it is requested.

### Investor Relations Department

In order to fulfill the obligations arising from the CMB legislation in accordance with the rules set forth in the legislation and to maintain its activities more effectively, a central understanding and an appropriate structure have been adopted in our Group. In this context, all liabilities of Şişecam and other publicly traded companies arising from the Turkish Commercial Code and the Capital Markets Legislation have been fulfilled under the supervision, direction and coordination of the Investor Relations Directorate established within the Company's Financial Affairs Presidency in line with the CMB Corporate Governance Principles prospect.

The "Investor Relations Department", which is formed compulsorily by the legislation as well as the Company bodies, plays an active role in facilitating the protection and use of shareholder rights, especially the right to receive and review information.

The Investor Relations section of our corporate website, which is in Turkish and English format, contains quite detailed information and data about our company within the scope of the corporate governance profile. The relevant website is kept up to date by the investor relations department. All questions posed by shareholders and other interested parties by e-mail, letter, phone, etc. are answered as soon as with the coordination of Investor Relations Department.

For this purpose, the authorities who are responsables from the communication with the shareholders as follows.

Name Surname	Title	Phone Number	E-mail
Başak Öge	Corporate Governance and Compliance Coordinator	0850 206 32 62	<a href="mailto:boge@sisecam.com">boge@sisecam.com</a>
Hande Özbörçek	Investor Relations Director	0850 206 33 74	<a href="mailto:hozborcek@sisecam.com">hozborcek@sisecam.com</a>
Sezgi Ayhan	Investor Relations Specialist	0850 206 37 91	<a href="mailto:seyhan@sisecam.com">seyhan@sisecam.com</a>

Başak Öge, who is not a Board Member, member of the "Corporate Governance Committee". In addition to Investor Relation Department responsables, in necessary cases, Gökhan Güralp, Financial Analysis and Financial Control Director and Murat Yalçın, Legal Reporting and Consolidation Manager are delegated to Investor Relations Department.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

In this context, the main activities carried out under the responsibility of the Investor Relations Department are summarized below:

1. Carrying out capital markets and investor relations activities in accordance with determined strategies and policies.
2. Execution of information management activities on capital markets and investor relations legislation
3. Designing a company valuation model, developing value enhancing initiatives.
4. Following up the performance of the public shares of the public in the Group, determining the opportunities for buying and selling.
5. Conducting the conduct of sector and competitor research and informing the Group's top management about the results of research and analysis.
6. Conducting analyst surveys and managing investor / analyst expectations.
7. Representing the Group in events such as road shows, stock / bond conferences.
8. Participating in investor and analyst meetings, making presentations and ensuring that investor and analyst questions are answered in accordance with legislation and Group strategies.
9. Communicating with the Stock Exchange Istanbul (BIST) and the Capital Markets Board (CMB) on behalf of the Group.
10. Preparing and publishing KAP notifications such as material disclosures, annual and interim reports in coordination with the Corporate Communications Directorate and Financial Analysis and Financial Control Directorate.
11. Managing "Investor Relations" section on the corporate website of the Group.
12. Managing relations with rating agencies in coordination with the Treasury and Finance Directorate.
13. Determining the training needs of the Group regarding capital markets and investor relations.
14. Supporting for the public offering, block sales and direct sales activities of shares of the Group.
15. Contribution to the process of preparation of interim and annual reports.
16. Providing top management feedback on the views of investors, expectations, and views of the Group.
17. Assessing and monitoring of complaints and proposals from outside the Group, regarding the Financial Affairs Presidency.

### Measures Taken for the Confidentiality of Information until Public Reveal of Material Disclosures

In order to ensure confidentiality until the public disclosure of special cases, Şişecam employees who have access to internal information are thoroughly informed about the responsibilities arising from the relevant legislation and on what conditions and under what circumstances and by whom the information will be disclosed to the public. Confidentiality is included in the agreements made with persons and institutions that may have access to internal information due to the provision of certain services to Şişecam. Furthermore, in order to prevent unauthorized disclosures related to the results of activities, information is not exchanged with capital market participants about the results of activities and other issues that have not been publicly announced in certain periods of the calendar year. This period is considered as "silent period". During the Silent Period, company responsables do not give an opinion about the financial status of the company, except for information disclosed to the public on behalf of the company. Questions about the financial situation of capital market participants such as analysts and investors are not answered. In the Quiet Period, responsible who make public disclosure and who work in Investor Relations Department, is not restricted to participate in speeches, conferences, panels and similar events; to have interviews to the written and visual media the investor meetings; to participate in investor meeting on condition that they observe the rules of confidentiality of internal information. The Silent Period starts from the first day of the month following the six-month interim and the month after the annual accounting period ends and continues until the financial statements are disclosed to the public.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE POLICIES

### News and Rumors in the Press

Follow-up and monitoring of news and rumors about Şişecam and its affiliates in the media or websites are performed through a professional media follow-up agency. In case of necessity of disclosure within the scope of the legislation related to public disclosure of special cases, an explanation is made about the issue by compiling the necessary information from the related units.

The method and content of the announcement of news and rumors that cited in the press release but which do not give rise to the obligation to disclose are determined by taking into account: such factors as the nature of the news, the extent of the mass received by the media, and the fact whether it affects the reputation of the news company. In cases where such announcements are made regarding such news and rumors, if the disclosure content contains an element that necessitates public disclosure, a special case disclosure is made in line with the relevant legislative provisions.

In the presence of news or rumors in different contexts compared to explanations, circulars, announcements approved by the Capital Markets Board, financial reports and other information disclosed to public via Public Disclosure Platform, which may affect investing decision of the investors and the value of the capital market tools, Şişecam make announcement and explain whether this information shared is correct and sufficient. However, Şişecam do not express any opinion on comments, analyzes, evaluations and estimations made about the Company based on the information disclosed to the public.

### Criteria Used in Determining Administrative Responsibility

In determining people with administrative responsibilities, the duties of the persons in the Company organization and their information access are taken as a criterion.

In this context not only Members of the Board of Directors and Auditors, General Manager, Presidents, Corporate Governance and Compliance Coordinator, Chief Legal Counsel, Vice President, who have detailed information on future plans in addition to the current situation of Şişecam, but also Şişecam's finance department managers who have access to information on Şişecam and are authorized to make administrative decisions that can affect financial reports, strategic targets and similar elements at macro level these persons were identified as persons with administrative responsibility and regular access to internal information. According to this, people who have not knowledge which can influence the value of the capital market instrument and the investment decisions of the investors, in other words, people who have information about only a part of the Company and managers and other employees who have limited knowledge about whole Company are not considered within the scope of the person who has administrative responsibility and has access to internal information.

### Other Disclosures

Disclosures (prospectus, circulars, etc.) except the ones cited above are signed and announced to the public within the authority determined in the Company's signature circular. It is also published on the Company's corporate website.

### Şişecam Corporate Website ([www.sisecam.com](http://www.sisecam.com))

The Company actively uses the Corporate Website of the Company as required by the CMB Corporate Governance Principles in order to be able to maintain its relations with shareholders more effectively and quickly and to be in constant communication with its shareholders. The information contained in this site is continually updated under the investor relations department's responsibility. The information contained in the Corporate Website is the same as the statements made under the relevant legislative provisions and does not contain conflicting or incomplete information.

At the Company Corporate Website; besides the compulsory information to be disclosed in accordance with the legislation, trade registry information, latest status of shareholder and management structure, existence of no privileged share certificates, date and number of trade registry newspapers published with amendments, latest version of Company's Articles of Incorporation, material disclosures, financial reports, annual reports, prospectus and public offering circulars, General Assembly Meeting Agendas, attendance statements and meeting minutes, proxy voting form, Profit Distribution Policy, Disclosure Policy, Company Code of Ethics and answers of the frequently asked questions are cited. In this context, at least the last 5 years of information is included in the Company Corporate Website. The information on the website is also prepared in English, Bosnian, Bulgarian, Hungarian, Italian, Romanian, Russian, German, and Slovak for the benefit of international investors.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

### WORKING PRINCIPLES OF BOARD COMMITTEES

#### Formation and Organization

- According to the Capital Markets Board regulations, it has been decided to establish Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee within the body of Board of Directors. Corporate Governance Committee performs the functions of Nomination Committee and Remuneration Committee.  
It is obligatory to form other committees in parallel with the changes in the current regulations. Apart from these committees, Board of Directors shall be entitled to form other committees if considered necessary.
- If the legal regulations make it possible to unite the tasks, powers and responsibilities of multiple committees under a single committee, such committees may be duly formed.
- Board of Directors shall determine the areas of responsibility, working principles and members of the committees with due regard for the legal regulations.
- Committees shall be comprised of minimum two Board members unless otherwise provided in the regulation. Mandatory provisions of the regulation shall be taken into consideration for determining the qualifications of members and chairpersons.
- Those who assume executive duties as Managing Director/Executive Director or whose reports include executive departments and those who bear "executive" title in terms of managerial powers may not be assigned as members of such committees.
- Committees shall act in line with the powers and responsibilities ascribed to them by Board of Directors.
- Term of office determined for the committee members shall be equal to the term of office specified for Board membership unless otherwise resolved by Board of Directors.

#### Working Principles of the Committees

- Committees shall perform their functions by means of meetings held by members. Meeting dates shall be determined in line with the working principles specified by Board of Directors as well as provisions of the applicable regulation.
- Timing of committee meetings shall be in harmony with that of Board meetings to the extent possible.  
In case of necessity, company managers and executives may participate in such meetings to present their opinions and give information about the meeting agenda upon the invitation of any committee provided that any such participation shall be limited to the purpose of consultation.
- Meetings shall be held with a specific agenda. The agenda shall be prepared appropriately so that it contains the tasks attributed to the respective committee in the regulation.

#### The agenda shall include the following items at a minimum;

**Audit Committee;** oversight of accounting system, public disclosure of financial information, functioning and efficiency of independent audit and internal control system,

**Early Detection of Risk Committee;** early detection and management of internal and external risks that may endanger corporate activities and review of risk management systems,

**Corporate Governance Committee;** in addition to monitoring and improving compliance with corporate governance principles and oversight of activities conducted by the Shareholders Relations Divisionrs, with respect to other activities conducted by Corporate Management Committee;

**For Nomination Committee;** determination and assessment of suitable candidates for Board of Directors, evaluation of the organization and efficiency of Board of Directors and making suggestions to Board of Directors accordingly, determination and oversight of approaches, principles and practices for performance assessment and career development of directors and senior managers,

**For Remuneration Committee;** making suggestions for remuneration principles applicable to directors and senior managers with due regard for long-term objectives of the company in addition to suggestions regarding determination of criteria to be used for remuneration purposes in connection with the performance of the company and directors.

- Information and documentation about the agenda shall be prepared and submitted to the members within a reasonable time prior to the meeting.
- Committees may seek opinion from independent experts and consultancy firms in order to perform their tasks.
- Committee meetings shall be held with the participation of majority of members. Decision quorum for the decisions of the committees shall be the absolute majority of its members who are present in the meeting.
- Meeting minutes and resolutions of the committees shall be written down by a reporter assigned by the Committee and duly signed by the members.
- Committees shall regularly inform Board of Directors about the issues handled in line with the authority given to them or else submit them to the approval of Board of Directors..

# 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.

There are executive and non-executive members of Board of Directors. 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. Most of the members of Board of Directors consist of non-executive members. Prof. Dr. Ahmet Kirman, General Manager, participates in the Board of Directors as an executive member. The chairman of the Board of Directors and the General Manager are not the 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 December 31, 2019, negative comments were not reported by the Capital Market Board in formal letter numbered 29833736-110.99-E.1099 dated 27 January 2020.

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 2020, held on 27 March 2020. 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. 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, 2020

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

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### 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,



Aysun Mercan

December 31, 2020

### 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, 2020



# 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
Adnan Bali	Chairperson of the Board	Türkiye İş Bankası A.Ş. General Manager, Credit Committee Chairperson, Risk Committee Member, Türkiye Bankalar Birliği, Vehbi Koç Vakfı, Global İlişkiler Forumu Board Member, TÜSİAD, Institute of International Finance (IIF), Institut International D'Etudes Bancaires (IIEB) Member, Darüşşafaka Cemiyeti High Advisory Board Member
Prof. Dr. Ahmet Kırman	Vice Chairperson - General Manager	Paşabahçe Mağazaları A.Ş., Şişecam Çevre Sistemleri A.Ş., Şişecam Enerji A.Ş., Camış Elektrik Üretim A.Ş., Trakya Investment B.V., OOO Ruscam Glass Packaging Holding, OOO Ruscam Management Company, Sisecam Chem Investment B.V., SC Glass Trading B.V., Pasabahçe Investment B.V., OOO Posuda, Sisecam Flat Glass Holding B.V., Şişecam Otomotiv A.Ş., Sisecam Automotive Bulgaria EAD, Sisecam Glass Packaging B.V., Glass Corp S.A., Automotive Glass Alliance Rus AO, ve Richard Fritz Kft Chairperson of the Board.
Senar Akkuş	Member	Türkiye İş Bankası A.Ş. Vice General Manager, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. Chairperson of the Board, Yatırım Menkul Değerler A.Ş. Chairperson of the Board.
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.
İzlem Erdem	Member	Türkiye İş Bankası A.Ş. Manager of Department of Economic Research Division and Chief Economist, İş Portföy Yönetimi A.Ş. Vice Chairperson of Board
Prof. Dr. Şener Oktik	Member	None.
Dr. Mehmet Cem Kozlu	Member	Koç Holding A.Ş., Pegasus Hava Taşımacılığı A.Ş., İstanbul based Coca-Cola İçecek A.Ş., Anadolu Efes Biracılık ve Malt Sanayii 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 Chairperson of the Board.
Aysun Mercan	Member	Bank of Tokyo Mitsubishi UFJ Turkey A.Ş. Board Member.
Dinç Kızıldemir	Member	None.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

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### 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 President leads the Board of Directors when the Chairman does not participate. If the vice President 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 date and agenda of the meeting of Board of Directors are determined by the Chairman. The vice President 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 period is 154 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 before a sufficient plenty of time. 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 meeting is 98,05% in 2020. 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 2020 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

### COMMITTEES CONSTITUTED IN THE BOARD OF DIRECTORS

For effective duty and responsibility performance of the Board of Directors, the “Supervisory Committee”, “Corporate Governance Committee” and “Early Risk Identification System and Committee” have been constituted in accordance with the Corporate Governance Principles. The assigned positions, working principles and members of these committees were determined in the Administrative Board Meeting and disclosed to the public on the same day.

Audit Committee members are selected from the independent members of the board. The chairman of the Corporate Governance and Early Risk Identification System and Committee are independent Board members. The Corporate Governance Committee, the Early Risk Identification System and Committee and the Audit Committee consist of five, five and two members, respectively.

The Chairman of the Board of Directors and General Manager do not participate in the committee. There exists no executive member in the committees except for the manager of the “Department of Investor Relations” participating in the Corporate Governance Committee, in accordance with corporate governance principles. Two members of the Board of Directors, who are not independent, have any responsibility in two committees, simultaneously.

The committees are provided with necessary support and resources in order to accomplish their tasks by the Board of Directors. The committees can invite any manager to their meetings and ask for his ideas when necessary.

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.

Being responsible for the company’s accounting system, the independent audit and issue of financial information to public and the observation of internal control and process and effectiveness of internal audit system, the Audit Committee is also responsible for determining the methods and principles of the review and resolution of complaints related the company’s accounting and internal control and its independent audit and assessment of feedbacks of the company’s employees related to the accounting and independent audit issues within the framework of a confidentiality. It declares its findings related to its tasks and responsibilities and related assessments and suggestions to Board of Directors in written. It also declares its assessments related to the consistency of annual and interim financial statements to be issued publicly with the company’s accounting policies in terms of fair presentation and accuracy by the use of consultation from the Company’s responsible managers and independent auditors.

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 and the minutes of meetings have been disclosed in the annual report. The Audit Committee held 15 meeting in 2020. 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 provides the Board of Directors with improving suggestions related to corporate governance applications. Additionally, it traces the activities of “Investor Relations Department. The Corporate Governance Committee held 6 meeting in 2020.

Nomination Committee and Remuneration Committee have not been established and the duties of these committees have been included in the activities of Corporate Governance Committee. The candidacy proposals for independent memberships of the Board of Directors are evaluated by considering the fact whether they possess the requirements of independence of related legislation and these evaluations are reported.

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.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

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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 in the corporate website.

Early Risk Identification System and Committee performs activities related to early identification of the risks concerning the company's going concern and taking necessary precautions related to detected risks with the purpose of risk management and preparing reports by reviewing the risk management systems of Group companies. Early Risk Identification System and Committee held 9 meeting in 2020.

The notifications related to the meetings of Audit Committee, Early Detection of Risk Committee, and Corporate Governance Committee are duly made in due form to the Board of Directors.

Due to the fact that 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), Aysun Mercan (independent)

### **The Corporate Governance Committee;**

Chairman Dinç Kızıldemir (independent), Prof. Dr. Şener Oktik, Zeynep Hansu Uçar, İzlem Erdem and Başak Öge.

### **Early Risk Identification Committee;**

Chairman Dinç Kızıldemir (independent), Aysun Mercan (independent), Prof. Dr. Şener Oktik, Senar Akkuş and 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	
<b>1. SHAREHOLDERS</b>							
<b>1.1. Facilitating the Exercise of Shareholder Rights</b>							
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	-	-	-	-	-	
<b>1.2. Right to Obtain and Review Information</b>							
1.2.1 Management did not enter into any transaction that would complicate the conduct of special audit.	-	-	-	-	-	X	The requests for the assignment of a special auditor has not yet been regulated as individual right in the articles of association. No requests were received for the assignment of a special auditor within the period.
<b>1.3. General Assembly</b>							
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 is 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	-	-	-	-	-	



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
<b>1.4. Voting Rights</b>						
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	-	-	-	-	
<b>1.5. Minority Rights</b>						
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	-	-	-	The Company has adopted the rates specified in the legislation of stock in companies.
<b>1.6. Dividend Right</b>						
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	Profit is distributed.
1.6.4 The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X	-	-	-	-	
<b>1.7. Transfer of Shares</b>						
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	
<b>2.</b>	<b>DISCLOSURE AND TRANSPARENCY</b>						
<b>2.1.</b>	<b>Corporate Website</b>						
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						Significant informations has been translated into English, Bosnian, Bulgaria, Hungarian Italian, Romanian, Slovak, German, Russian and the works proceed
.		-	X	-	-	-	for translating all informations to English
<b>2.2.</b>	<b>Annual Report</b>						
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	-	-	-	The page number or the section related with the conflicts and precaution between the investment consultancy and rating instutations regarding the principle 2.2.2./e are not included
<b>3.</b>	<b>STAKEHOLDERS</b>						
<b>3.1.</b>	<b>Corporations's Policy on Stakeholders</b>						
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	-	-	-	-	

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
3.2. 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	-	-	-	-	

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT		Compliance Status					Explanation
		Yes	Partial	No	Exempted	N/A	
4.2.	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	-	-	-	-	
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	-	-	-	The Board of Directors did not set a target for female members as a rate of not less than 25%, and no policy has determined, However, the rate of female in the Board of Directors is 44%
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	-	-	-	There is no minimum duration although the informing documents are shared to all members in sufficient time.
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 Board member take in charge outside the group except independent members. Their resumes are included in the annual report.
4.5.	Board Committees						
4.5.5	Board members serve in only one of the Board's committees.	-	X	-	-	-	A member who is not an independent member of the Board of Directors is involved in two committees, Independent members are assigned in more than one 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.
4.5.8	Minutes of all committee meetings are kept and reported to board members.	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	
4.6.	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	-	-	-	The Chairman of the Board of Directors and the General Manager make the necessary evaluations in the annual report, and the related performance evaluations are also included in the minutes of the board of Directors.
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

In 2020, only 1 physical conference (JP Morgan, Miami) and 1 roadshow (Goldman Sachs, London) were attended due to the pandemic. After this conference and roadshow, which was held with physical participation in the first two months of the year, the brokerage houses carried the conferences to the virtual platform, taking into account the restrictions regarding the pandemic, and 10 videos and teleconferences were attended to domestic and foreign corporate stock and bond investors throughout the year, have met with existing and potential investors exceeding over 270. In addition, teleconferencing meetings held individually with nearly 330 investors and analysts pointed out that the importance given to investor communication is gradually increasing. The total number of meetings held with investors via phone, one-on-one meetings, roadshows and conferences was close to 600. In addition, two webcasts were held in 2020, where the financial results of the end of 2019 and the first half of 2020 were shared. In 2020, in addition to these webcasts where financial results are discussed, two more webcasts regarding the merger transaction were made. The number of reports published by intermediary institutions specifically for Şişecam has increased to over 160.

##### 1.2 Right to Obtain and Examine Information

The number of special audit request(s)

The request for the appointment of a special auditor in the Company's articles of incorporation has not yet been regulated as an individual right. No requests were received for the appointment of a special auditor within the period.

The number of special audit requests that were accepted at the General Shareholders' Meeting

There was no request for a special auditor at the General Assembly Meeting.

##### 1.3 General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)

[www.kap.org.tr/tr/Bildirim/833018](http://www.kap.org.tr/tr/Bildirim/833018)

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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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 Communiqué on Corporate Governance (II-17.1)

In 2020, all related party transactions and transaction principles were submitted to the Board of Directors. In 2020, 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 Communiqué 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](http://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.

### 1.4 Voting Rights

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

None.

The percentage of ownership of the largest shareholder

50.93 %

# 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	None
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If yes, specify the relevant provision of the articles of association.	None
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### 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 <a href="http://www.sisecam.com">www.sisecam.com</a> .
--	---

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	The Board of Directors did not make any propose to avoid distributing the profits.
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PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	The Board of Directors has not made any proposal to avoid distributing profits.
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# 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 corporate website that contains the General Shareholders' meeting minutes, and also indicates resolution the voting levels for or against	Specify the name 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
					(*)	(*)	None.	233	<a href="https://www.kap.org.tr/Bildirim/824394">https://www.kap.org.tr/Bildirim/824394</a>
27.03.2020	-	84.29 %	0.06 %	84.23 %	(*)	(*)	None.	233	<a href="https://www.kap.org.tr/Bildirim/861659">https://www.kap.org.tr/Bildirim/861659</a>
28.08.2020	-	82.92 %	0.00 %	82.92 %	(**)	(**)	None.	233	

(\*) 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](http://www.sisecam.com).

(\*\*) Specified under the "Extraordinary 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](http://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.

The corporate website is updated continuously as required by CMB Corporate Governance Principals and the informations are updated in order to maintain the relations with shareholders more effectively and rapidly. The information contained on the corporate website is in the same context as the disclosures made in accordance with the provisions of the relevant legislation and does not contain any contradictory or incomplete information.

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

Specifies 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

Specifies 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

Specifies 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

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.
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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	None.
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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.
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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	Specifies in the "Corporate Social Responsibility" section in the Annual report.
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# 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](http://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 94.

The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)

Employees are able to carry unethical processes to the Audit Committee and Internal Audit Department. Besides, there is also report line for stakeholders to inform these unethical processes.

The contact detail of the company alert mechanism.

The e-mail address [etik@sisecam.com](mailto:etik@sisecam.com) is available.

#### 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

Contact Us.

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 Communication Line and Electronic Mail Address" and "Nar" applications are used.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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](http://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.

Human Resources Policy is specified under the Policies title of Sustainability Section at [www.sisecam.com](http://www.sisecam.com).

The number of definitive convictions the company is subject to in relation to health and safety measures

18 case finalized negatively.

### 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](http://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

Specified under the Corporate Social Responsibility title of About Us section at [www.sisecam.com](http://www.sisecam.com).

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](http://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	14 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	Adnan Bali
Name of the CEO	Prof. Dr. Ahmet Kirman
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 within the scope of Board Members and Directors for the probable losses related to business faults. However, our company has not made PDP notification.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

### 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

4 directors, the rate is 44%.

### 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 2020, 154 physical meetings were held.

Director average attendance rate at board meetings

98,05 %

Whether the board uses an electronic portal to support its work or not

Yes, e-mail is used.

Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter

The information and documents related to agenda of Board of Directors are shared at sufficient time before the board meeting for providing equal information flow. Net time is not specified.

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](http://www.sisecam.com) and in the Article 10 of the Articles of Association.

Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors

The Company has subsidiaries and affiliates. The fact that the Board Members take role in the management of these companies. For the benefit of the group, the duties outside the Company does not restricted.

### 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.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

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### 4.6 Financial Rights

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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](http://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.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

### Composition of Board Committees

Name Surname of Committee Members	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
Adnan Baki	Not Executive	Not Independent	07.04.2017				Yes
Prof. Dr. Ahmet Kirman	Executive	Not Independent	14.04.2006				Yes
Senar Akkuş	Not Executive	Not Independent	27.03.2020				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
Diğç Kızıdemir	Not Executive	Independent	21.03.2018	<a href="http://www.kap.org.tr/tr/Bildirim/824392">www.kap.org.tr/tr/Bildirim/824392</a>	Reviewed	No	Yes
Aysun Mercan	Not Executive	Independent	21.03.2018	<a href="http://www.kap.org.tr/tr/Bildirim/824392">www.kap.org.tr/tr/Bildirim/824392</a>	Reviewed	No	Yes
Dr. Mehmet Cem Kozlu	Not Executive	Independent	21.03.2018	<a href="http://www.kap.org.tr/tr/Bildirim/824392">www.kap.org.tr/tr/Bildirim/824392</a>	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 Kızıldemir	Chairman	Member
Corporate Governance Committee	-	Prof. Dr. Şener Oktik	-	Member
Corporate Governance Committee	-	Zeynep Hansu Uçar	-	Member
Corporate Governance Committee	-	İzlem Erdem	-	Member
Corporate Governance Committee	-	Başak Öge	-	Not Member
Audit Committee	-	Diñç Kızıldemir	Chairman	Member
Audit Committee	-	Aysun Mercan	-	Member
Committee of Early Detection of Risk	-	Diñç Kızıldemir	Chairman	Member
Committee of Early Detection of Risk	-	Aysun Mercan	-	Member
Committee of Early Detection of Risk	-	Prof. Dr. Şener Oktik	-	Member
Committee of Early Detection of Risk	-	Senar Akkuş	-	Member
Committee of Early Detection of Risk	-	Zeynep Hansu Uçar	-	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%	6	6
Audit Committee	100,00%	100,00%	15	14
Committee of Early Detection of Risk	100,00%	40,00%	9	9

# 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		
<b>A. GENERAL PRINCIPLES</b>						
<b>A1. Strategy, Policy and Targets</b>						
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	-	-	-	-	
<b>A2. Implementation/Monitoring</b>						
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	-	-	-	-	

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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	-	-	-	Some of the greenhouse gas emissions disclosed in the Sustainability Report are subject to third-party verification processes.

# 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	-	-	-	-	

# 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						
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	-	-	-	The reports made on this subject are explained in the section Sustainability-Environmental Indicators and Trends of the annual report. Scope 1 and Scope 2 emissions are detailed in the Sustainability report.
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	-	-	-	Related disclosure is made in the Sustainability section of the annual report. Detailed information on these targets are available in the sustainability report
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	-	-	-	In the annual report, this information is shared in the Sustainability Waste and Water Management / Emission Management / Collaboration with Stakeholders sections.
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	-	-	There is no reporting on this issue.
25. Carbon pricing within the Company if applicable, details are disclosed.	-	-	X	-	-	There is no reporting on this issue.
26. All mandatory and voluntary platforms that the company discloses its environmental information are 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						
1.1 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	-	-	-	-	

# 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						
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	-	-	-	-	

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

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### Profit Distribution

During the period, at the Ordinary General Assembly Meeting held on 27 March 2020, the gross dividend amounting to TRY 320,000 thousand corresponding to 14.22222% of the existing capital is decided to be, that the shareholders subject to withholding tax to be paid net cash after income tax withholding over cash profit share, distributed to the shareholders on 29 May 2020.

### Capital Increase

The merger of Türkiye Şişe ve Cam Fabrikaları A.Ş. and its Subsidiaries that were included in the consolidation; 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. was approved by the partners at the extraordinary general assembly meeting held between 26-28 August 2020. The merger decisions were registered at the related Trade Registry Offices on September 30, 2020.

As a result of the merger, the Company's current issued capital of TRY 2,250,000,000 increased by TRY 813,214,056.17 to TRY 3,063,214,056.17. The distribution of the increased capital amount to the shareholders of the acquired subsidiaries outside the Group, taking into account the rate of change in proportion to their shares, started on October 1, 2020 and was completed on October 5, 2020.

### Amendments to the Articles of Association

In the extraordinary general assembly meeting in which the merger transactions were approved, the permissions for Article 4 "Purpose and Subject," Article 7 "Capital" and Article 21 "Amendments to the Articles of Association" were also obtained from the Capital Markets Board and legal institutions and, the related amendments were approved. The addition of Article 33 "Transfer of Shares or Shares" and Article 34 "Provisions of Merger and Divisions" with subject to the same approvals, to the Articles of Association, trade registry was approved on 30 September 2021 and announced in the Trade Registry Gazette numbered 10174 on October 5, 2020. Related changes are as follows:

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

### AMENDED ARTICLES OF ASSOCIATION

#### Previous Text

#### PURPOSE AND SUBJECT

##### Article 4-

##### A) Purpose of the Company:

The purpose of the Company is to establish, operate and develop glass industry and auxiliary and complementary industries which are related to this industry. Moreover, purposes of the Company also include managing the investment, financing, organization and management issues of stock corporations it partakes in capital or management wise which are established or to be established collectively, together and mutually, spreading the risk by entering fields other than the glass industry, ensuring the security of investments against conjunctural movements and thus ensuring the development and sustainability of these companies, supporting the development of the capital market and thus national industry by encouraging the safe participation of the savings of Company members and the public within the stock corporations in which it does and does not partake and organizing social services within and outside of the company.

#### Amended Text

#### PURPOSE AND SUBJECT

##### Article 4-

##### A) Purpose of the Company:

Purposes of the company are provided hereunder:

- (i) Production of all kinds of glassware, tableware, glass packaging, flat glass, light bulb, other glass and material made of glass and the establishment, operation, and improvement of auxiliary and complementary industries related to this industry;
- (ii) Production of soda ash, sodium bicarbonate, and other soda chemicals; sodium dichromate, chromic acid, basic chromium sulphate, and other chromium chemicals and all kinds of chemicals, the establishment of plants for the production of other products, participation in these plants and production of heavy machinery;
- (iii) Exploration of other natural raw materials such as salt, limestone, and chromite that are required for the production of soda-chromium chemicals and other materials within the scope of mining law and the establishment and operation of facilities for their extraction;
- (iv) Carry out exploration required for the improvement and reformation of industry related to soda-chromium chemicals, establishment and operation of and partaking in their facilities;
- (v) Carry out all auxiliary and complementary activities in relation to the soda industry and sale of its products in any way.
- (vi) Managing the investment, financing, organization, and management issues of stock corporations it partakes in capital or management wise which are established or to be established, collectively, together, and mutually;
- (vii) Spreading the risk by entering fields other than the glass industry, ensuring the security of investments against conjunctural movements and thus ensuring the development and sustainability of these companies;
- ((viii) Supporting the development of the capital market and thus the national industry by encouraging the safe participation of the savings of Company members and the public in the stock corporations in which it does and does not partake;
- (ix) Organizing social services within and outside of the company.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

### B) Sphere of Activity of the Company:

In order to actualize its purposes mentioned above, the Company may carry out the following;

- a) The Company establishes auxiliary and complementary industries that directly or indirectly relate to all kinds of glass, glassware and glass industry (and/or substitute industry), takes measures for their development and progress and operates them.
- b) The Company may partake in the capital and management of all kinds of industrial and commercial companies both domestic and foreign which operate in any field, whether established or to be established.
- c) The Company may purchase securities such as government bonds (including treasury bills), private sector bonds, profit and loss sharing certificates, bank certificates of deposit so long as they are not in the nature of intermediation activities or portfolio management according to the Capital Markets Law.
- d) On condition that they are not in the nature of investment services or activities, the Company may transfer its current share certificates (or shares) or other securities to others, swap them with other share certificates (and/or shares) and/or other securities, pledge them, buy or sell share certificates and hold in pledge the share certificates (or shares) or other securities of other shareholders.
- e) The Company may provide guarantee for the establishment, capital increase, bank loans and bond-commercial bill issuance and other debts of stock corporations of which capital and/or management it directly or indirectly partakes in.

Principles defined within the scope of capital market legislation are complied with in relation to the Company providing guarantee, warranty and collaterals in favor of itself and 3rd parties and the allocation of the right of pledge including mortgages.

- f) The Company may take over all kinds of receivables arising from the sales of companies and their subsidiaries of which capital and management it partakes in, and transfer and/or endorse them to other institutions it partakes in or not.

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In order to actualize its purposes mentioned above, the Company may carry out the following;

- a) The Company establishes auxiliary and complementary industries that directly or indirectly relate to all kinds of glass, glassware, and glass industry (and/or substitute industry), takes measures for their development and progress, and operates them.
- b) The Company may partake in the capital and management of all kinds of industrial and commercial companies both domestic and foreign which operate in any field, whether established or to be established.
- c) The Company may purchase securities such as government bonds (including treasury bills), private sector bonds, profit and loss sharing certificates, bank certificates of deposit so long as they are not in the nature of intermediation activities or portfolio management according to the Capital Markets Law.
- d) On condition that they are not in the nature of investment services or activities, the Company may transfer its current share certificates (or shares) or other securities to others, swap them with other share certificates (and/or shares), and/or other securities, pledge them, buy or sell share certificates and hold in pledge the share certificates (or shares) or other securities of other shareholders.
- e) The Company may provide a guarantee for the establishment, capital increase, bank loans, and bond-commercial bill issuance and other debts of stock corporations of which capital and/or management it directly or indirectly partakes in.

Principles defined within the scope of capital market legislation are complied with in relation to the Company providing a guarantee, warranty, and collateral in favor of itself and 3rd parties and the allocation of the right of pledge including a mortgage.

- f) The Company may take over all kinds of receivables arising from the sales of companies and their subsidiaries of which capital and management it partakes in, and transfer and/or endorse them to other institutions it partakes in or not.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

g) The Company may own or lease immovable (including ships) and movables and intangible fixed assets (rights) in order to perform its purpose and sphere of activity, it may lease them to others fully or partially, it may transfer, assign or donate the immovable, movable and intangible fixed assets it owns, it may carry out all kinds of promissory and dispositive transactions related to real and intangible rights in accordance with servitude, usufruct, habitation rights and provisions of the civil law and other laws and it may perform disposition on the immovable whether with obligation or not.

h) The Company may borrow against mortgage or other collaterals or without collateral in relation to its purpose and scope, it may receive or give all kinds of collateral both in kind or personal for the collection or establishment of its rights and receivables (including mortgages), it may carry out registration and cancellation proceedings in relation to these before title deeds office and other various government agencies.

i) The Company may collaborate with domestic and foreign companies, it may establish all kinds of participations/partnerships with them and sign agreements based on sharing financial liabilities.

j) The Company may establish foundations with social purposes outside of the Company in line with the provisions of law; it may partake in and aid such various foundations.

k) The Company may intermediate the collection and payments of and carry out financial and legal consulting, auditing and all kinds of other services for companies of which capital and management it directly or indirectly partakes in.

The Company may undertake works such as warehousing, transportation, project preparation, feasibility works, chemical-physical analyses, data processing, import, export, marketing, organization, training and planning of all kinds of enterprises of which capital and management it directly or indirectly partakes in.

The Company may open warehouses, stores, branches, representative offices, galleries and the like in its field both domestically and abroad in order to reach its purpose or offer franchises and dealerships.

Before the Turkish Patent Institute and other institutions both domestic and abroad; the Company may provide services on the registration of all kinds of industrial and intellectual property rights such as trademarks, patents, utility models, industrial designs, geographical marks and integrated circuit photographs and carry out all kinds of tasks and proceedings before these institutions and act as trademark and patent attorney for third parties.

g) The Company may own or lease immovable (including ships) and movables and intangible fixed assets (rights) in order to perform its purpose and sphere of activity, it may lease them to others fully or partially, it may transfer, assign or donate the immovable, movable and intangible fixed assets it owns, it may carry out all kinds of promissory and dispositive transactions related to real and intangible rights in accordance with servitude, usufruct, habitation rights and provisions of the civil law and other laws and it may perform disposition on the immovable whether with an obligation or not.

h) The Company may borrow against mortgage or other collaterals or without collateral in relation to its purpose and scope, it may receive or give all kinds of collateral both in kind or personal for the collection or establishment of its rights and receivables (including mortgages), it may carry out registration and cancellation proceedings in relation to these before title deeds office and other various government agencies.

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k) The Company may intermediate the collection and payments of and carry out financial and legal consulting, auditing, and all kinds of other services for companies of which capital and management it directly or indirectly partakes in.

The Company may undertake works such as warehousing, transportation, project preparation, feasibility works, chemical-physical analyses, data processing, import, export, marketing, organization, training, and planning of all kinds of enterprises of which capital and management it directly or indirectly partakes in.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

- l) The Company may engage in the exploration of all kinds of substances and mines in liquid, solid and gas form (including LPG), the closure, takeover or transfer and procurement and operation of mine sites and the execution of all proceedings in line with related laws and the purification, segregation, warehousing, distribution and trading of these substances and mines.
- m) Apart from the affairs stated above, the Company may also carry out all kinds of agency business, advertisement-publicity, tourism investment and management.
- n) The Company may make donations as part of social responsibility within the terms and conditions set forth by the Capital Markets Board. On condition that the maximum limit of donations is determined by the General Assembly, that donations exceeding this amount are not permitted, the donations are added to the distributable profit base, that regulations of the CMB on hidden income transfer are not violated, necessary material disclosures are made and donations made within the year are provided for the information of shareholders during the General Assembly; it is possible to make donations in a manner that does not interrupt its own purpose and scope.
- o) Necessary permissions must be received from the Ministry of Trade and Capital Markets Board in case of any changes in the purpose and scope of the Company.
- p) The Company is associated with the affairs and proceedings stated under subclauses a -o above and may carry out all kinds of proceedings for their facilitation.

l) The Company may open warehouses, stores, branches, representative offices, exhibitions, and the like in its field both domestically and abroad in order to reach its purpose or grant franchises and dealerships.

m) Before the Turkish Patent Institute and other institutions both domestic and abroad; the Company may provide services on the registration of all kinds of industrial and intellectual property rights such as trademarks, patents, utility models, industrial designs, geographical marks, and integrated circuit photographs and carry out all kinds of tasks and proceedings before these institutions and act as trademark and patent attorney for third parties.

n) The Company engages in the establishment, commissioning, and lease of electricity generation facilities, electricity generation, and the sale of hot water, steam, demineralized water, heat, and by-products stemming from the produced electric energy and/or capacity.

The Company may perform activities in the fields provided hereunder in order to actualize its purpose, in line with the related legislation regarding the electricity market:

To establish, commission, undertake, lease or rent out all kinds of facilities to produce electric energy,

To sell the generated electric energy and/or capacity to; legal persons that possess wholesale license or supply license, legal persons that possess retail sales license and free consumers through bilateral agreements,

To enter into participation relations with electricity generation companies established or to be established.

o) The Company may engage in the exploration of all kinds of substances and mines in liquid, solid, and gas form (including LPG), the closure, takeover or transfer and procurement and operation of mine sites, and the execution of all proceedings in line with related laws and the purification, segregation, warehousing, distribution and trading of these substances and mines.

p) The Company may perform all kinds of logistics and transportation services related to itself and group companies it is a part of, in the framework of purposes and spheres indicated above and may engage in the below services for this purpose.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

It may perform domestic and international transportation works through all kinds of land, sea, and air vehicles.

It may perform all kinds of loading, unloading, port management, and customs clearance work.

It may perform all kinds of storage, private warehousing, packaging, and handling work.

It may perform franchising, distributorship, agency businesses, and brokering services related to issues indicated under a-b-c and conclude agreements.

It may purchase, lease, and provide repair and maintenance services for all kinds of the land, sea, and air vehicles to render services indicated above and engage in the trade and distributorship including import for these vehicles.

It may lease the land, sea, and air vehicles it owns to third parties and may operate them this way.

r) Apart from the businesses stated above, the Company may also carry out all kinds of agency business, advertisement-publicity, tourism investment, and management.

s) The Company may make donations as part of social responsibility within the terms and conditions set forth by the Capital Markets Board.

On condition that the maximum limit of donations is determined by the General Assembly, that donations exceeding this amount are not permitted, the donations are added to the distributable profit base, that regulations of the CMB on hidden income transfer are not violated, necessary material disclosures are made and donations made within the year are provided for the information of shareholders during the General Assembly; it is possible to make donations in a manner that does not interrupt its own purpose and scope.

t) Necessary permissions must be obtained from the Ministry of Trade and Capital Markets Board in case of any changes in the purpose and scope of the Company.

y) The Company may engage in other proceedings related to subjects and proceedings stated within subclauses a - t above and/or may carry out activities permitted by the laws through companies to be established domestically or abroad for this purpose.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

### CAPITAL

#### Article 7-

The Company has accepted the Registered Capital System as per provisions of Capital Markets Law and completed the transition to this system with the Capital Markets Board permission no. 93, dated 4.3.1985.

The upper limit of registered capital of the Company is 4,000,000,000 Turkish Liras and it has been divided into 400,000,000,000 shares each with a nominal value of 1 (One) Kurush.

The permission given by the Capital Markets Board for the upper limit of registered capital is valid for 2017-2021 (5 years). Even if the permitted upper limit of registered capital has not been reached by the end of 2021, in order for the board of directors to take a resolution on capital increase after 2021; it is compulsory to receive authorization from the general assembly for a new time frame not to exceed 5 years by receiving permission from the Capital Markets Board for the previously permitted limit or a new limit. The Company cannot increase its capital with a resolution of the Board of Directors in case the said authorization is not obtained.

The issued capital of the Company is 2,250,000,000 Turkish Liras and it has been divided into 225,000,000,000 bearer shares each with a nominal value of 1 Kurush. 2,250,000,000 Turkish Liras that constitutes the issued capital has been fully paid and covered.

Shares representing the capital are kept in dematerialized form, in line with the rules of dematerialization.

### CAPITAL

#### Article 7-

The Company has accepted the Registered Capital System as per the provisions of Capital Markets Law and completed the transition to this system with the permission of the Capital Markets Board dated 4.3.1985 numbered 93.

The upper limit of the registered capital of the Company is 4,000,000,000 Turkish Liras and it has been divided into 400,000,000,000 shares each with a nominal value of 1 (One) Kurush.

The permission given by the Capital Markets Board for the upper limit of registered capital is valid for the years 2017-2021 (5 years). Even if the permitted upper limit of registered capital has not been reached by the end of 2021, in order for the board of directors to take a resolution on the capital increase after 2021; it is compulsory to get authorization from the general assembly for a new time frame not to exceed 5 years by receiving permission from the Capital Markets Board for the previously permitted limit or a new limit. The Company cannot increase its capital with a resolution of the Board of Directors in case the said authorization is not obtained.

The issued capital of the Company is 3,063,214,056.17 Turkish Liras and it has been divided into shares each with a nominal value of 1 Kurush. 2,250,000,000 Turkish Liras that constitutes the previous amount of the issued capital has been fully paid and covered.

The increased amount of capital, TRY 813,214,056.17 is covered by the merger of our Company with Anadolu Cam Sanayii Anonim Şirketi, Denizli Cam Sanayii ve Ticaret Anonim Şirketi, Paşabahçe Cam Sanayii ve Ticaret Anonim Şirketi, Soda Sanayii Anonim Şirketi and Trakya Cam Sanayii Anonim Şirketi by way of acquiring all of their assets, liabilities, rights, and obligations. The merger took place according to article 134 and the following articles of the Turkish Commercial Code numbered 6102, articles 19 and 20 of the Corporate Tax Code numbered 5520, articles 23, 24, and other related articles of the Capital Markets Law numbered 6362, the Capital Markets Board Communique on Merger and Demerger numbered II-23.2, other related regulations, and the merger agreement dated 27.04.2020, which has been signed by all the companies that are parties to the merger.

All company shares are registered share certificates. The Company cannot issue bearer share certificates except for those to be issued in order to be traded on the stock exchange.

The capital of the company may be increased or decreased in accordance with the provisions of the Turkish Commercial Code, Capital Market Legislation, and Electricity Market Legislation when necessary.

Shares representing the capital are kept in dematerialized form, in line with the rules of dematerialization.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

#### Article 21-

Conclusion and execution of all amendments to take place in this Articles of Association shall be in accordance with the provisions of the Turkish Commercial Code and Capital Markets Law. These amendments become valid as from their date of announcement after being registered in the trade registry, following their approval in due form.

For an amendment in the articles of association to be realized; following the approvals of the Capital Markets Board and the Ministry of Trade, the general assembly shall be invited to meet in line with the Law and the articles of association. The general assembly shall then decide as per the regulations of the Board, and the provisions of the articles of association.

### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

#### Article 21-

Conclusion and execution of all amendments to take place in this Articles of Association shall be in accordance with the provisions of the Turkish Commercial Code and Capital Markets Law. These amendments become valid as from their date of the announcement after being registered in the trade registry, following their approval in due form.

For an amendment in the articles of association to be realized; following the approvals of the Capital Markets Board and the Ministry of Trade, the general assembly shall be invited to meet in line with the Law and the provisions of the articles of association. The general assembly shall then decide as per the regulations of the Board, and the provisions of the articles of association.

It is obligatory to seek the approval of the Energy Market Regulatory Authority for amendments to the articles of association for the following matters: Type of shares, share transfers, company merger and demerger transactions, capital decrease.

### TRANSFER OF SHARES OR SHARE CERTIFICATES

#### Article 33-

Certain share transfers are subject to the approval of the Energy Market Regulatory Authority, provided that the necessary material disclosures are made as required by the Capital Markets Board. These transfers are; shares representing five percent or more of the Company's capital being acquired by a real or legal person directly or indirectly, share acquisitions which result in the share of a single shareholder exceeding five percent of the Company's capital, and/or the share transfers which result in the share of a single shareholder falling below five percent of the Company's capital. The approval becomes invalid if the share transfer does not take place within six months as from the date of approval. This provision is also valid for the acquisition of a voting right.

Even if no share transfer occurs, placement or cancellation of privileges on existing shares or issuance of non-voting shares is subject to the approval of the Energy Market Regulatory Authority regardless of the proportional limit related to the share transfer.

Transfer of share certificates traded on the stock exchange requires compliance with the Capital Markets Legislation.



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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## PROFIT DISTRIBUTIONS, CAPITAL INCREASES, ARTICLES OF ASSOCIATION AMENDMENTS DURING THE PERIOD AND OTHER ISSUES

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### PROVISIONS ON MERGER AND DEMERGER

#### Article 34-

The company may merge with other companies together with all its assets and liabilities. The merger takes place in accordance with the Turkish Commercial Code and Capital Markets Legislation. In case a legal entity that possesses a production license wishes for a merger to take place within itself or within the body of another legal entity with all its assets and liabilities or for a full or partial demerger to take place, it is compulsory to receive approval from the Capital Markets Board and Energy Market Regulatory Authority in relation to the merger or demerger transaction before the merger or demerger takes place, reserving the provisions concerning mergers and acquisitions of the Law numbered 4054 on the Protection of Competition. Merger transactions shall be concluded within a hundred and eighty days to follow the date of approval after the said permission is received.

The said merger agreement shall not include provisions that violate the rights and receivables of consumers or write off the debts of the company and shall include the terms required by the Electricity Market legislation.

Provisions of the Capital Markets legislation on mergers and demergers are reserved.

# 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 2020 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 2020, 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 2021:

- 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 2020 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 2020 fiscal year has been signed by the members of the Company's Board of Directors on 4 March 2021 to be submit for approval by General Assembly.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## SHAREHOLDER'S ORDINARY GENERAL ASSEMBLY AGENDA

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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 2020,
3. Reviews, Discussions and Approval of the Financial Statements as of 2020,
4. Acquittals of the Members of the Board of Directors,
5. Election of the Members of the Board of Directors,
6. Determination of the Compensations pertaining to the Members of the Board of Directors,
7. Granting permissions to the Members of the Board of Directors as per the Articles 395 and 396 of the Turkish Commercial Code,
8. Taking a Resolution on the Distribution Type and Date of the 2020 Profit,
9. Authorization of the Board of Directors for Distribution of Dividend Advance in 2021,
10. 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,
11. Taking Resolution on amendment of Articles of Association, as Specified in the Attached Amendment Draft,
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 2021,
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** : 30 March 2021 Tuesday Time:14.00 pm.

**Place** : İçmeler Mahallesi D-100 Karayolu Cad. No:44 A 34947 Tuzla – İstanbul/Türkiye

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## SHAREHOLDER'S ORDINARY GENERAL ASSEMBLY AGENDA

### Draft Amendments in Articles of Association

#### PREVIOUS TEXT

##### CAPITAL

##### ARTICLE 7-

The Company has accepted the Registered Capital System as per the provisions of Capital Markets Law and completed the transition to this system with the permission of the Capital Markets Board dated 4.3.1985 numbered 93.

The upper limit of the registered capital of the Company is 4,000,000,000 Turkish Liras and it has been divided into 400,000,000,000 shares each with a nominal value of 1 (One) Kurush.

The permission given by the Capital Markets Board for the upper limit of registered capital is valid for the years 2017-2021 (5 years). Even if the permitted upper limit of registered capital has not been reached by the end of 2021, in order for the board of directors to take a resolution on the capital increase after 2021; it is compulsory to get authorization from the general assembly for a new time frame not to exceed 5 years by receiving permission from the Capital Markets Board for the previously permitted limit or a new limit. The Company cannot increase its capital with a resolution of the Board of Directors in case the said authorization is not obtained.

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The increased amount of capital, TRY 813,214,056.17 is covered by the merger of our Company with Anadolu Cam Sanayii Anonim Şirketi, Denizli Cam Sanayii ve Ticaret Anonim Şirketi, Paşabahçe Cam Sanayii ve Ticaret Anonim Şirketi, Soda Sanayii Anonim Şirketi and Trakya Cam Sanayii Anonim Şirketi by way of acquiring all of their assets, liabilities, rights, and obligations. The merger took place according to article 134 and the following articles of the Turkish Commercial Code numbered 6102, articles 19 and 20 of the Corporate Tax Code numbered 5520, articles 23, 24, and other related articles of the Capital Markets Law numbered 6362, the Capital Markets Board Communiqué on Merger and Demerger numbered II-23.2, other related regulations, and the merger agreement dated 27.04.2020, which has been signed by all the companies that are parties to the merger.

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#### AMENDED TEXT

##### CAPITAL

##### ARTICLE 7-

The Company has accepted the Registered Capital System as per the provisions of Capital Markets Law and completed the transition to this system with the permission of the Capital Markets Board dated 4.3.1985 numbered 93.

The upper limit of the registered capital of the Company is 5,000,000,000 Turkish Liras and it has been divided into 500,000,000,000 shares each with a nominal value of 1 (One) Kurush.

The permission given by the Capital Markets Board for the upper limit of registered capital is valid for the years 2021-2025 (5 years). Even if the permitted upper limit of registered capital has not been reached by the end of 2025, in order for the board of directors to take a resolution on the capital increase after 2025; it is compulsory to get authorization from the general assembly for a new time frame not to exceed 5 years by receiving permission from the Capital Markets Board for the previously permitted limit or a new limit. The Company cannot increase its capital with a resolution of the Board of Directors in case the said authorization is not obtained.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

### 1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY MEETING OF 30 MARCH 2021

As our Company's 2020 Shareholders Ordinary General Assembly Meeting will be held on March 30th, 2021, Tuesday, at 14.00 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](http://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 2020, 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](http://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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## 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.	1,560,176,032.12	50.93
Efes Holding A.Ş.	185,093,915.32	6.04
Anadolu Hayat Emeklilik A.Ş.	1,410,871.90	0.05
Other	1,316,533,236.83	42.98
<b>Total</b>	<b>3,063,214,056.17</b>	<b>100.00</b>

#### 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 2020.

#### 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:

- 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%.



# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

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 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 dividend to be paid to 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	30 Days		The Price of Weighted Average		
		Merger Ratio (%)	Exchange Ratio	Price (*)	Effect of Dividend	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
Türkiye Şişe ve Cam Fab. 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.

# 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 30 MARCH 2021

#### 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 2020 prepared by the Board of Directors and presentation of the summary of the Independent Audit Report for the year 2020,

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](http://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 2020,

Within the framework of the TCC and the Regulation, following the reviews and discussions on the Balance Sheet as of the year 2020 and Income Statement for the year ended 2020, they shall be presented for evaluation and approval of our shareholders.

#### 4. 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 2020 shall be presented for approval of the General Assembly pursuant to Article 408 of the TCC.

#### 5. 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 27, 2020. Our Board Members' legal term of office shall end on the date of the Ordinary General Assembly of Shareholders to be held on March 30, 2021. For this reason, it is a legal obligation to renew the election.

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 2020. 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

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

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 26, 2021, resumes and declarations of independence included in Annex-2 have been submitted for the evaluation of the Capital Markets Boards at the dated January 27, 2021 and have been approved by CMB's Letter No. E-29833736-110.07.07-1824 dated February 15, 2021.

### 6. 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.

### 7. 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.

### 8. Taking a Resolution on the Profit Distribution of the year 2020 and the date of the dividend distribution,

According to our financial statements for the period January 1, 2020, and December 31, 2020 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 2,138,037 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.

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

### 9. Authorization of the Board of Directors for Distribution of Dividend Advance in 2021,

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 2021 with the decision of the Board of Directors.

### 10. 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.

### 11. Taking Resolution on amendment of Articles of Association, as Specified in the Attached Amendment Draft,

Provided the necessary permissions are obtained from the Capital Markets Board, the amendment of the articles of association in Article 7 titled "Capital" stated in ANNEX-4 will be presented to the General Assembly for the purpose of extending the registered capital upper limit validity period to end of 2025 and to increase the registered capital upper limit amount to 5.000.000.000 Turkish Liras.

### 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 2021 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 2020, 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 2021 has been determined by our Board as 16,000,000 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 2020 by the Company and its companies included in the scope of consolidation amounts 3,842,397 Turkish liras.

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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

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### 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 2020 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 2020 Dividend Distribution Schedule

(For the Profit Distribution Schedule, please see the Profit Distribution section of the Annual Report.)

ANNEX - 4 : Draft Amendments in Articles of Association

(For the Articles of Association Amendment Draft, please see the section of Ordinary General Assembly Agenda.)

# 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 appoint .....as 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.Ş.'s 2020 Ordinary General Assembly Meeting to be held at İçmeler Mahallesi D-100 Karayolu Caddesi No:44/A 34947 Tuzla /İstanbul on March 30, 2021, Tuesday, at 14.00.

#### 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 equivalents (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;

- a) The Agent is authorized to vote accordingly with his/her own opinion.
- b) The Agent is authorized to vote accordingly with the recommendations of the Company's management.
- c) 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.



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# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

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### 2. Special instructions for any other matters that may emerge at the General Assembly Meeting and particularly for exercising minority rights:

- a) The Agent is authorized to vote accordingly with his/her own opinion.
- b) The Agent is not authorized to represent with respect to these matters.
- c) 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.

- a) Quantity-Nominal value:
- b) Whether or not there is a privilege in voting:
- c) 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

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 the legal entity elected as a board member,

Yours respectfully



Dinç KIZILDEMİR

26.01.2021

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

ANNEX-2

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- 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 the legal entity elected as a board member,

Yours respectfully



Gül Ayşem Sargın

26.01.2021

# TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

## ORDINARY ASSEMBLY MEETING INFORMATIVE DOCUMENTS

ANNEX-2

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#### Türkiye Şişe ve Cam Fabrikaları A.Ş.

#### Presidency of Corporate Governance Committee

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- 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,
- 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,
- 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,
- After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,
- I am deemed to be resident in Turkey according to Revenue Tax Law No.193 dated 31.12.1960,
- 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,
- I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,
- I have not been on the board of the Company for more than six years within last ten years,
- 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,
- I am not registered in the name of the legal entity elected as a board member,

Yours respectfully



Dr. Mehmet Cem KOZLU

26.01.2021

# Independent Auditor's Report on the Early Identification of the Risk Committee and System



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 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 three members, two of which are independent members of the board of directors. For the period between January 1 – December 31, 2020, 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 nine times during the year, it has prepared to the Board of Directors.

### Conclusion

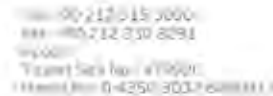
Based on our audit, we have reached the conclusion the early identification of the risk system and committee of Türkiye Şişe ve Cam Fabrikaları A.Ş. is, in all material respects, in compliance with article 378 of the TCC.

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

Zeynep Okuyan Özdemir, SMMM  
Partner

İstanbul, February 1, 2021

A member firm of Ernst & Young Global Limited







Building a better  
working world

#### 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 2021  
İstanbul, Türkiye

# Directory

## TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

### ŞİŞECAM HEADQUARTERS

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#### Richard Fritz Prototype+spare Parts GmbH

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Tel: +49 7143 379 0

#### Richard Fritz Spol S R.O.

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#### Richard Fritz KFT.

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#### Trakya Glass Bulgaria EAD

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Fax: + 359 601 4 77 97

#### Sisecam Automotive Bulgaria EAD

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#### Glass Corp S.A.

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Fax: +40 0238 710552

#### Trakya Glass Rus AO

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#### Automotive Glass Alliance Rus AO

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#### Sisecam Flat Glass Italy S.R.L

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Fax: +39 0431 622781

#### Sisecam Flat Glass South Italy S.R.L

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Tel: +39 0884 023911

#### Sisecam Flat Glass India Pvt. Limited

Registered Office: 2, Red Cross Place, Kolkata-700001/India  
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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

#### Automotive Glass Alliance Rus Trading OOO

423600, Republic of Tatarstan, Yelabuga City, Territory of SEZ «Alabuga,» st. Sh-2, bldg. 15/8  
Tel: + 7 85557 5 32 01

#### 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

#### Trakya Investment B.V

Strawinskylaan 523 1077XX Amsterdam/Netherlands  
Tel: 0031 621 44 11 91

#### 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

#### Çayırova Cam Sanayii A.Ş.

Cumhuriyet Mah. Şişecamyolu Sok. No: 9 Gebze/Kocaeli

**ŞİŞECAM GLASSWARE****Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware**

Şişecam Headquarters  
İçmeler Mahallesi, D-100  
Karayolu Caddesi, No: 44A  
34947 Tuzla/İstanbul  
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  
Tel: +90 850 206 45 45

**Denizli Plant Branch**

Bahçelievler Mah. 4013 Sok.  
No: 10 20040 Denizli  
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  
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  
Tel: +90 850 206 57 71

**Adana Regional Directorate Branch**

Mersin Yolu 10. km  
Küçükdikili Mevkii 01210  
Adana  
Tel: +90 850 206 49 09

**Antalya Branch**

Meydankavağı Mah. Perge  
Blv. B-Blok No: 52/1-2  
Antalya  
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

**Camiş Ambalaj Sanayi A.Ş. Tuzla Plant**

İstasyon Mahallesi, Şehitler  
Caddesi, No: 139 34940  
Tuzla/İstanbul  
Tel: +90 216 581 27 27  
Fax: +90 216 395 27 94

**Pasabahçe Mağazaları A.Ş.**

İçmeler Mahallesi, D-100  
Karayolu Caddesi No:44/A  
Tuzla/İstanbul  
Tel: +90 850 222 19 35

**Russia Sales Office**

Business Center Dezhnev  
Plaza Proezd Dezhneva d. 1,  
4<sup>th</sup> Floor Office 421, 127642  
Moscow/Russian Federation  
Tel: +7 495 937 36 35

**Pasabahçe Bulgaria E.A.D**

Vabel District Industrial Area,  
7700 Targovishte, Bulgaria  
Tel: +359 601 4 7761  
Fax: +359 601 4 7712

**Pasabahçe Egypt Glass Manufacturing S.A.E**

Extension of the 6<sup>th</sup> Industrial  
Zone, Plot from 233 to 241,  
6<sup>th</sup> of October City,  
Cairo/Egypt  
Tel: +20 238 287 600

**OOO Posuda Limited**

N. Novogorod Region Bor  
Steklozavodskoe Shosse  
16 a 606443  
Russian Federation  
Tel: +7 831 597 64 08  
Fax: +7 831 597 65 81

**Pasabahçe Glass GMBH**

Rheinstrasse 2A D-56068  
Koblenz/Germany  
Tel: +49 261 303 740  
Fax: +49 261 303 74 74

**Pasabahçe USA INC.**

41 Madison Avenue, 7<sup>th</sup> Floor,  
New York, NY 10010 USA  
Tel: +1 212 683 16 00  
Fax: +1 212 725 13 00

**Pasabahçe Spain SL**

Torpedero Tucuman, 27 Bis  
Madrid 28016 Madrid/Spain

**Pasabahçe 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

**Pasabahçe SRL**

Viale Beatrice D'Este, 45  
20122 Milan/Italy  
Tel: +39 02 58 316 019

**Pasabahçe (Shanghai) Trading Co Ltd.**

Room 328B, 1B Level 2,  
Building 1, 84 San Lin Road,  
Pudong New Area Shanghai

# Directory

## ŞİŞECAM GLASS PACKAGING

### Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glass Packaging

Şişecam Headquarters  
İçmeler Mahallesi D-100  
Karayolu Caddesi No: 44A Kat  
2 34947 Tuzla/İstanbul/Turkey  
Tel: +90 (0850) 206 50 50  
Fax: +90 (0850) 206 57 57

### Mersin Plant Branch

Toroslar Mah. Tekke Sok. No:  
1/A PK 612 33260 Akdeniz/  
Mersin/Turkey  
Tel: +90 (0850) 206 70 70  
Fax: +90 (0324) 206 00 28-29

### Yenişehir Plant Branch

Tabakhane Mah. Şişecam Cad.  
No: 116900  
Yenişehir/Bursa/Turkey  
Tel: +90 (0850) 206 10 00  
Fax: +90 (0850) 206 10 22

### Eskişehir Plant Branch

EOSB Şehitler Bulvarı No: 6  
26110 Odunpazarı/  
Eskişehir/Turkey  
Tel: +90 (0850) 206 52 00  
Fax: +90 (0850) 206 52 02-03

### OOO Ruscam Management Company

Ulitsa Iskry Str., 17A 129344  
Moscow/Russian Federation  
Tel: (007 495) 662 70 00

### OOO Ruscam Glass Packaging Holding

#### Gorokhovets Plant

84, Gagarina Str.  
Gorokhovets  
601481 Vladimir Region  
Russian Federation  
Tel: (007 49238) 2 40  
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/Russian Federation  
Tel: (007 86131) 2 40 52

### JSC Mina

Ksani Village Mtskheta Region  
3312 Georgia  
Tel: (0099 532) 244 9981

### Merefa Glass Company Ltd. -

84-A Leonivska Str. Merefa  
62472, Kharkiv Region/Ukraine  
Tel: +38 (057) 729 85 06

### OOO Energosystems

Volkhov Highway 11, Kirishi  
Leningradskaya Region 187110  
Russian Federation  
Tel: (007 49566) 2 70 00

### CJSC Brewery Pivdenna

65496, Odessa Region,  
Ovidiopol Dist. Tairove, 5  
Pyvovarnaya Str./Ukraine  
Tel: (0080 48) 716 79 79  
Fax: (0080 48) 716 79 79

### Sisecam Glass Packaging B.V.

Strawinskylaan 523  
1077XX Amsterdam/  
Netherlands  
Tel: +31 621 44 11 91

**ŞİŞECAM CHEMICALS****Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals**

Şişecam Genel Merkezi,  
İçmeler Mah. D-100 Karayolu  
Cad. No: 44B  
Tuzla/İstanbul/Turkey  
Tel: (0850) 206 50 50  
Fax: (0850) 206 40 40

**Mersin Soda Plant Branch**

Kazanlı Bucağı Yanı P.K. 654  
33004 Mersin/Turkey  
Tel: (0324) 241 66 00  
Fax: (0324) 221 90 15

**Mersin Kromsan Plant Branch**

Kazanlı Bucağı Yanı P.K. 421  
33003 Mersin/Turkey  
Tel: (0324) 241 66 00  
Fax: (0324) 451 36 52

**Sisecam Soda Lukavac D.O.O.**

Prva Ulica br.1 75300  
Lukavac/Bosnia and  
Herzegovina  
Tel: (00387) 35 552 323  
Fax: (00387) 35 552 718

**Sisecam Bulgaria EOOD**

27 Bratya Miladinovi Str.  
FL. 4 Apt. 14 9002  
Varna/Bulgaria  
Tel: (00359) 52 608 963  
Fax: (00359) 52 608 964

**Solvay Sisecam**

Holding A.G.  
Bahnhofstrasse 22, 4802  
Ebensee/Austria  
Tel: (0043) 6133 8068-0  
Fax: (0043) 6133 80680-20

**Sisecam Chemicals USA Plc.**

5 Concourse Parkway 2500  
Atlanta GA 30328

**Pacific Soda LLC.**

254 Country Road 4-6 Green  
River WY 82938

**Cromital S.p.A.****Administrative Office**

Via Quarta Strada Palazzo A7  
20090 Assago (Milan)/Italy  
Tel: (0039) 02 57606070  
Fax: (0039) 02 57609175  
www.cromital.eu

**Cromital S.p.A Plant**

Via Giotto, 4 44020 San  
Giovanni Ostellato (FE) Italy  
Tel: (0039) 02868801  
Fax: (0039) 053357391  
www.cromital.eu

**Sisecam Trading Co.**

RM 2105, Lippo Plaza, 222  
Huaihai (M.) Road, Shanghai  
200021/China  
Tel: (0086) 216 391 03 52  
Fax: (0086) 216 391 03 54

**Oxyvit Kimya Sanayii ve Ticaret A.Ş.**

Mersin-Tarsus Organize  
Sanayi Bölgesi, 1. Cad.  
No: 6 P.K. 13 33400  
Mersin/Turkey  
Tel: (0324) 676 43 25 Pbx  
Fax: (0324) 676 43 34  
www.oxyvit.com

**Şişecam Elyaf Sanayii A.Ş.**

İçmeler Mahallesi, D-100  
Karayolu Caddesi  
No: 44/A 34947  
Tuzla/İstanbul  
Tel: +90 850 206 50 50  
Fax: +90 850 206 40 40

**Şişecam Elyaf Sanayii A.Ş.**

Gaziosmanpaşa OSB Mahallesi  
12. Cadde No: 6  
10100 Altıeylül/Balıkesir  
Tel: (0850) 206 14 14

**Camış Madencilik A.Ş.**

İçmeler Mahallesi, D-100  
Karayolu Caddesi, No: 44/A  
34947 Tuzla/İstanbul  
Tel: +90 850 206 50 50  
Fax: +90 850 206 40 40

**Madencilik Sanayii ve Tic. A.Ş.**

İçmeler Mahallesi, D-100  
Karayolu Caddesi, No: 44/A  
34947 Tuzla/İstanbul  
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) 519 82 37

**Rudnik Krečnjaka Vijenac D.O.O.**

Prva ulica 1 75300  
Lukavac/Bosnia-Herzegovina  
Tel: +387 35 550 380  
Fax: +387 35 550 381

**Sisecam Chem Investment B.V.**

Strawinskylaan 523  
1077XX Amsterdam/  
Netherlands  
Tel: (0031) 20820 1120  
Fax: (0031) 20890 8645

**OTHER****Şişecam Sigorta Aracılık Hizmetleri A.Ş.**

Şişecam Operation Centre  
Yayla Mah. D-100 Karayolu  
Cad. No: 70/C Kat: 2 34944  
Tuzla/İstanbul/Turkey  
Tel: +90 850 206 39 80 / 32 76  
Fax: +90 850 206 42 76

**Şişecam Dış Ticaret A.Ş.**

Şişecam Operation Centre  
Yayla Mahallesi, D-100  
Karayolu Caddesi, No: 70C  
34949 Tuzla/İstanbul  
Tel: +90 850 206 50 50  
Fax: +90 850 206 40 40

**Şişecam Enerji A.Ş.**

İçmeler Mahallesi, D-100  
Karayolu Caddesi, No: 44/A  
34947 Tuzla/İstanbul  
Tel: +90 850 206 50 50  
Fax: +90 850 206 40 40

**Camış Elektrik Üretim A.Ş.**

İçmeler Mahallesi, D-100  
Karayolu Caddesi No: 44/A  
34947 Tuzla/İstanbul  
Tel: +90 850 206 50 50  
Fax: +90 850 206 40 40

**Şişecam Çevre Sistemleri A.Ş.**

İçmeler Mahallesi, D-100  
Karayolu Caddesi No: 44/A  
34947 Tuzla/İstanbul  
Tel: +90 850 206 50 50  
Fax: +90 850 206 40 40

**SC Glass Trading B.V.**

Strawinskylaan  
523 1077XX  
Amsterdam/Netherlands  
Tel: 0031 621 44 11 91





### **Legal Disclaimer**

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 2020, were prepared in conformity with the legal legislation to be submitted to the Ordinary General Assembly of Shareholders to be held on the March 30, Tuesday at the address; İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44/A 34937 Tuzla/İstanbul.

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