

■ **At Şişecam it's  
crystal clear:  
Glass is an  
object of  
success  
(and has been  
for more than  
3,500 years!)**



Prof. Ahmet Kirman is chairman and executive member of the board of Şişecam. He has had a long career in law, banking, and insurance as well as in academics. In recognition of his contributions to glass science and technology, Prof. Kirman received the President's Award from the International Commission on Glass. He was awarded the honour of Cavaliere of the Order of the Star of Italy for his contribution to economic relations and mutual investments between Italy and Turkey, one of many international honours. Prof. Kirman has authored 12 books and numerous scholarly articles and has been a key speaker at many scientific and business events.

**Şişecam puts sustainability at the heart of its operations, investments, governance and social responsibility processes.**

Glass is everywhere; we rely on it every day. It protects, contains, insulates, is impervious to the natural elements, and is recyclable and highly versatile: glass is the epitome of success.

Şişecam is a global player in key areas of the industry, such as flat glass, glassware, glass packaging, automotive glasses, and glass fibre, as well as in soda and chromium compounds. The company sells its products in more than 150 countries and employs more than 24,000 people. As quoted in *Forbes*, Gökem Elverici, CEO of Şişecam, said, "we need to celebrate this miraculous material because it can transform the world into a better place. Without it, we would never have reached the moon, nor will we ever step on Mars." In this interview Prof. Ahmet Kirman shares his vision of success in the glass industry.

**Glass has historically been a symbol of success. But what does success mean in your business, and how do you measure it?**

Şişecam operates in diverse sectors and has a wide production footprint in 14 countries on four continents, so we take a strategic portfolio company approach in our decision making, with different roles and goals for each business unit and geography.

Even though we set the benchmarks differently for the various business units, the main pillars defining our success are industry-leading quality products, cutting-edge technology, and customer satisfaction, all undertaken within our sustainability strategy.

With a history spanning 87 years, Şişecam is one of the most established industrial enterprises in Turkey and ranks among the world's most prestigious manufacturers thanks to its expertise and highly competitive operations.

**Has the definition of success changed over its years in business?**

Şişecam was founded by Mustafa Kemal Atatürk, renowned leader of Turkey and one of its first industrialists. During its foundational era, success had a very simple definition: meeting the domestic demand for glassware and glass packaging. Over the years, the demand for glass increased, both in terms of volume and of variety of product offerings, so Şişecam responded by broadening its product portfolio. After becoming a regional force with multiple business units in the glass manufacturing industry, Şişecam began to focus on technological advancement and R&D activities.

Since the 2000s, Şişecam's definition of success has focused on globalisation by expanding our presence worldwide. Şişecam aims to be one of the top three global players in its main fields of activity, and our definition of success revolves around this target. In parallel, we aim to improve and streamline our operations. Remaining agile is key to our durability. We have created the resources and

capabilities to maintain a competitive position globally in an era with challenging economic conditions and uncertainties.

**In 2020, Şişecam successfully merged its four main fields of activity. Can you tell us more about the rationale of this merger and what you hoped to achieve with "One Şişecam"?**

Şişecam consolidated its business units (flat glass, glassware, glass packaging, and chemicals), under a single roof at the beginning of 2020. Individually traded companies Anadolu Cam, Denizli Cam, Soda Sanayii, and Trakya Cam were consolidated under one Şişecam company, aligning the legal structure with the management structure. As a result of the merger, the Group's legal entity and shareholding structure were simplified and created greater value for all the stakeholders. The merger process of the highly complex individual shareholder structures, each of which were subject to strict regulations, can be considered a tremendous success since it was completed in a relatively short time considering the scale of the operations.

We then adopted a dynamic portfolio management approach to achieve a more customer-centric and agile operating





**For us, successful business is owed to knowledge, excellence in execution, and dedication.**



model. In parallel with the “One Şişecam” vision, portfolio-wide success is the top priority to ensure sustainable value-creating growth. Meanwhile, digitalisation was given high priority as a key component of corporate success. Digital transformation at Şişecam is a journey that never ends and will continue for further growth.

As a benefit of consolidating our main fields of activity, Şişecam has opened new doors in terms of competencies and resources by improving and strengthening supply chain organisation and infrastructure transformation and digitalisation. We were also able to position ourselves more strongly in terms of access to financing and credit by consolidating the solid financials of all business units. Greater financial flexibility allowed us to seize new opportunities to expand our capabilities.

From the investors’ perspective, with the merger Şişecam became the only company of the Group that is traded in Borsa Istanbul. The increase in the trading depth of the stock with the increase in the free-float ratio made Şişecam’s shares more attractive for long-term corporate fund investments, and that has added to the company’s value. With investor sentiment toward Şişecam growing positively, we attracted additional foreign investors by providing a remarkable investment opportunity in global capital markets.

#### **Is careful strategic planning the key to Şişecam’s success?**

With the current extraordinary circumstances globally, the crucial role of strategic planning has become more valuable. To provide business continuity in an era in which the world is facing uncertainties in various business areas, such as supply security, energy price volatility and market expectations, risk mitigation plans and scenario planning have become fundamentals for Şişecam’s strategic planning.

Although Şişecam is a global manufacturer, an entrepreneurial spirit underlies our company vision. Benefiting from years of experience, we understand the need to transform to align with future needs. So Şişecam invests strategically to ensure the company remains both agile and durable.

Şişecam achieved the ability to secure financing through our sustainable business plan and efficient global operations.

At Şişecam, we develop our internal processes by adopting a scenario-based continuous risk-assessment approach. Şişecam maintains a solid corporate-decision making structure and benefits from the competitive advantage of taking rapid actions against risks and evaluating opportunities in relevant markets. For us, successful business is owed to knowledge, excellence in execution, and dedication.

#### **What areas of business and industry are destined for future success?**

After the pandemic, the world evolved, and the needs for the future became clearer. Even though technological advancement and supply chain security turned out to be critical drivers for the future of manufacturing, other aspects of global well-being also entered business leaders’ scope. In terms of providing solutions for the energy crisis, global warming, and humanitarian needs such as food and health services, glass stands out as one of the most strategic materials of the future with superior aspects that support sustainability targets.

Şişecam sets the trends and manufactures future products by combining its production power with excellent R&D competence. Research and technological development have crucial roles in remaining competitive in the race to



develop future products and production technologies. Making the R&D culture one of our building blocks, Şişecam took the first step in its product and technology ownership strategy in 1976 and has been improving since then. In 2018, Şişecam, which established one of the first private sector R&D centres in Turkey, strengthened the relationship between the rings in the value chain leading to the product and gathered its R&D and design activities under one roof called the “Şişecam Science, Technology and Design Center.”

Glass plays a key role in many fields, from transportation to housing, architecture to energy, and health to communication. Thanks to its unique structure and diverse uses, it directly serves the United Nations’ sustainable development goals. Many scientists and industry leaders highlight the value of innovative R&D in the glass manufacturing industry by naming the incoming era as the “Glass Age.” Şişecam will continue to expand its products and offerings by further developing technologies to be the pioneer of this era.

**How are long-term success metrics and regional or sectoral leadership goals and KPIs set?**

Şişecam combines qualified labour with smart technologies to achieve its goals quickly. The overall strategy to set the

KPIs is similar across all business units, stating strategic priorities, projects, targets, and actions by numbers and including them in five-year financial projections. Cash flow and EBITDA generation performance, net debt/EBITDA, ROE, and ROIC performances are evaluated for growth strategies. Given current uncertainties, scenario, and sensitivity analysis will be crucial. Risk and mitigation actions are needed to act proactively for each of our strategies. In addition to business-unit targeted KPIs, all units are aligned around Şişecam’s sustainability targets. Our “Care for Next” goals are included in the KPI sets and are cascaded within our business units.

**How do you position your Group’s future strategies, growth prospects and success with respect to expected global developments in the sector?**

For example, the flat-glass market is expected to be driven by the rapid growth in demand for electronic displays worldwide. Flat glass with anti-reflective coatings is used to decrease glare from televisions, computer screens, glass cases, and other electronic displays. Self-cleaning glass may also be utilised for outdoor digital signage.

Applications and new products based on glass, described as “futuristic” in the recent past, are finding their places in our lives today. While glass is used in many industries in



the 21st century, the functions and benefits of glass are increasing on a scale that will challenge our imagination. Scientists, glass technologists, and industrialists continue to dedicate great effort to expanding the boundaries of the glass industry.

Şişecam also sets and follows the trends in the glass market. As the technology develops with significant momentum and the demand for high-quality glass increases, Şişecam is ready to supply for future needs. Presently, we are heavily focused on developing coating technologies for example, antimicrobial V-Block Technology which prevents the spread and reproduction of viruses and bacteria that can be transmitted through person-to-person contact on glassware. We are also focused on a specially coated anti-reflective glass that reduces glass-surface-reflection to below 1%. These are just some examples of the new technologies and products we have developed.

**How is the Şişecam Group dealing with global risks from climate change, the energy crises, and other geopolitical issues facing the world today?**

Şişecam takes responsibility for protecting the planet, empowering society, and transforming life in line with its sustainability strategy “Care for Next,” which centres around the United Nations Sustainable Development Goals. The Care for Next strategy’s fundamental drivers are to protect the planet, empower society, and transform life, clearly illustrating that Şişecam uses its broad experience and competencies to promote sustainable development in

every aspect. Şişecam is advancing climate science-based emission reduction and net zero targets, such as halving greenhouse gas emissions worldwide by 2030 and reducing the footprint to zero by 2050, together with SBTi (Science Based Targets initiative) to prevent the acceleration of global warming.

Supply chain management also has a crucial role in mitigating risks regarding climate change and the energy crisis, along with global developments and sanctions. Maintaining sustainable corporate operations with sourcing circularity is a key goal for Şişecam. Resourcing efficiency not only benefits the operations of Şişecam, but also accelerates the process to achieve goals regarding our Care for Next strategy.

Şişecam shapes all investment, production, management, and social responsibility processes with a clear sustainability focused approach. To keep the focus on sustainability goals and ensure efficient supply chain management, supply chain management gets represented in the executive committee of Şişecam. Şişecam will continue to take concrete steps towards a sustainable future, aiming for continuous improvement with the “Care for Next” strategy. ■



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