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## **CORPORATE PROFILE**

Coca Cola İçecek (CCI) is the 6<sup>th</sup> largest bottler in the Coca Cola System worldwide in terms of sales volume. CCI's core business is to produce, sell and distribute sparkling and still beverages of The Coca Cola Company (TCCC). CCI employs close to 9,000 people and has operations in Turkey, Pakistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq and Syria as well as exports to Tajikistan.

CCI has a total of 20 plants and offers a wide range of beverages to a consumer base of more than 360 million people. In addition to sparkling beverages, the product portfolio includes juices, waters, sports and energy drinks, tea and iced teas.

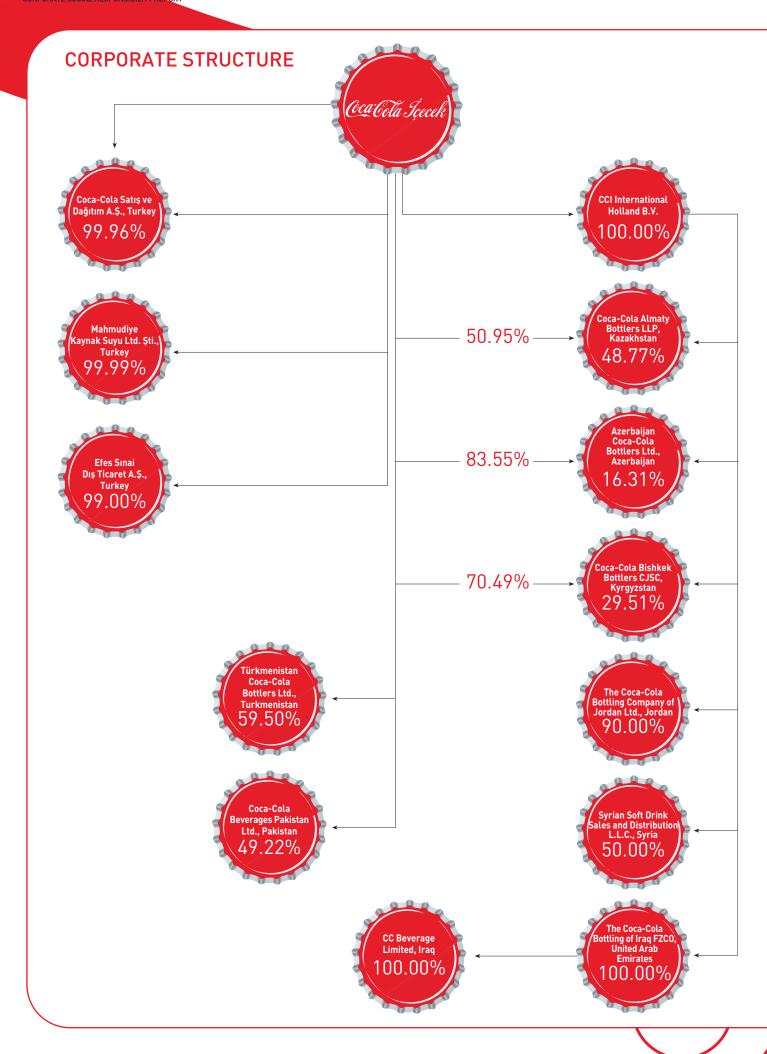
CCI's shares are traded on the Istanbul Stock Exchange under the CCOLA.IS ticker.

20 Plants
8,628 Employees
363 Million Population

Countries

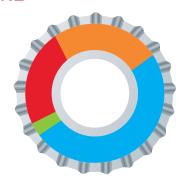
978 Million Unit Cases Production Capacity\*

690,000 Sales Points



#### SHAREHOLDING STRUCTURE

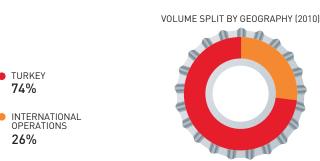
- ANADOLU EFES BİRACILIK VE MALT SANAYİ A.Ş.\* 50.3%
- ÖZGÖRKEY HOLDING A.Ş. 4.0%

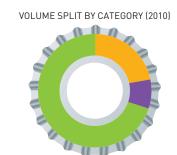


PUBLICLY TRADED • 25.6%

THE COCA-COLA COMPANY • 20.1%

#### **SALES VOLUME SPLIT (2010)**





STILL BEVERAGES 72%

> SPARKLING • **BEVERAGES**

20% TEA 8%

IRAQ 🛑

3%

JORDAN 🔵

7%

**7**%

#### INTERNATIONAL OPERATIONS VOLUME SPLIT



IRAQ

9% TURKMENISTAN 4%

AZERBAIJAN 18%

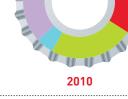
KYRGYZSTAN 5%

SYRIA 2%

PAKISTAN 36%

KAZAKHSTAN 23%





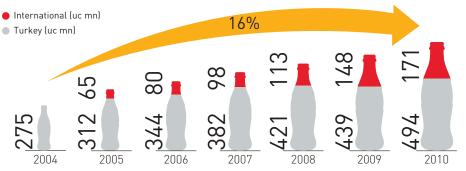
TURKMENISTAN • PAKISTAN • 34% KAZAKHSTAN • 24%

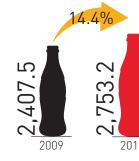
**CONSOLIDATED NET SALES** 

AZERBAIJAN 19% KYRGYZSTAN • 5% SYRIA •

1%

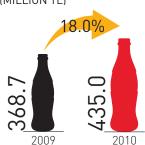
#### **CONSOLIDATED SALES VOLUME (MILLION UNIT CASES)**



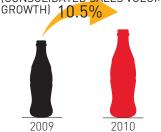


(MILLION TL)

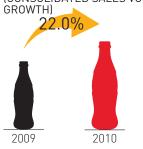




#### CONSOLIDATED SALES VOLUME GROWTH (CONSOLIDATED SALES VOLUME



#### **SPARKLING BEVERAGES** (CONSOLIDATED SALES VOLUME



<sup>\*</sup> Including its affiliates.

# 2009-2010 **Performance Summary**

#### MARKETPLACE

#### WE STRIVE TO RESPOND TO THE EXPECTATIONS OF STAKEHOLDERS WITH SUSTAINABLE PRODUCTION AND MARKETING PRACTICES.



- In 2009, we signed the United Nations Global Compact.
- In 2009, CCI obtained EFQM's Competency in Excellence 5 Star Certificate in the national category.
- In 2009, CCI Bursa plant received EFQM's Competency in Excellence 4 Star Certificate in the regional category.
- We became the first company in Turkey to provide GRI B Level reporting with the Corporate Social Responsibility Report we published in 2010.
- Our plant in Jordan earned ISO 22000 and ISO 18001 Quality Certification.
- CCI's Turkey operation completed both the 3<sup>rd</sup> and the 4<sup>th</sup> Wave Operational Excellence Projects. Azerbaijan, Kazakhstan and Jordan operations completed the 1st Wave Operational Excellence Projects.
- In 2010, the CCI Ankara plant was granted the "Quality Achievement Award" as part of the EFQM Excellence Model.
- Within the Coca Cola System, CCI Turkey was the business unit, which made the most progress in the area of supplier monitoring in 2010.
- We formulated the CCI 2020 Vision and Strategic Framework.

## **WORKPLACE**

#### **OUR GOAL IS TO PROVIDE A FAIR AND SAFE WORK ENVIRONMENT** FOR EMPLOYEES. WHILE PROVIDING STRONG SUPPORT FOR PERSONAL AND PROFESSIONAL DEVELOPMENT.



- CCI Jordan won the "Occupational Health and Safety Encouragement Award" in 2009 and the "Occupational Health and Safety Excellence Award" in 2010.
- Our internal employment rate was 47% in 2009 and 57% in 2010.
- In 2009 and 2010, we provided our employees with 154,014 hours of training.
- In 2010, Corporate Governance Rating was revised upwards to 8.43 on a scale of 10.
- Our magazine, the World of Coca Cola İçecek, won the Grand Prize in the Best House Organ for Employees category at the 2010 International Business Awards (STEVIE).



# CCI CONDUCTS ITS ACTIVITIES WHILE RESPECTING THE ENVIRONMENT, VALUING NATURAL RESOURCES AND TAKING INTO CONSIDERATION THE NEEDS OF FUTURE GENERATIONS.

- CCI was among the first signatories of the Copenhagen Communiqué in 2009 and the Cancun Communiqué in 2010 addressing the global warming and climate change.
- CCI Turkey was named the Best Country Bottling Operation in The Coca Cola Company Eurasia and Africa Group President's Environmental Awards.
- CCI Izmir plant won The Coca Cola Company Eurasia and Africa Group President's Environmental Award in the Best Performing Plant category out of 122 plants.
- CCI Brundai plant in Kazakhstan lowered the pressure required in PET bottle blowing operations to 15 bars from the global average of 30-40 bars, which results in 1,323,000 kWh energy saving.
- As a result of the achievements in the CCI Inventor Competition and the projects implemented, we achieved a total energy savings of 1,632,000 kWh of electricity, an amount equivalent to the annual average consumption of 590 4-person households and water savings of 84,000 tons, an amount equivalent to the average annual consumption of 1,000 4-person households.
- In 2009, CCI Turkey operation was named the "Most Successful Business Unit" in the entire Coca-Cola System in terms of water and energy consumption rates.
- 92% of the coolers purchased by CCI Turkey in 2010 were new coolers that consume 42% less energy and whose Global Warming Potential (GWP) is equivalent to 0.2% of the previous models. As a result, a saving of 37,000,000 kWh was realized on the total energy consumption of CCI coolers in 2010.

Environment Indicators	Water Consumption Rate (L/L)		Energy Consumption Rate (MJ/L)			CO <sub>2</sub> Emission Rate (gr/L)		Solid Waste Rate (gr/L)	
	2009	2010	2009	2010	2009	2010	2009	2010	
Turkey	1.50	1.42	0.23	0.22	28.97	28.95	3.11	2.94	
Jordan	1.82	1.97	0.52	0.51	64.06	72.44	7.97	15.95	
Kazakhstan	1.86	1.75	0.33	0.31	45.83	45.15	3.39	2.04	
Azerbaijan	2.03	1.73	0.27	0.23	60.51	53.54	1.75	1.14	

#### **COMMUNITY**

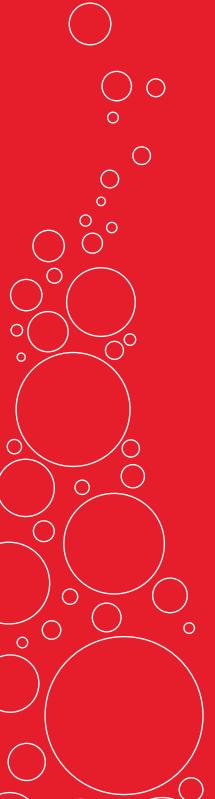
# WE CARE ABOUT THE NEEDS AND EXPECTATIONS OF LOCAL COMMUNITIES EVERYWHERE WE OPERATE AND SUPPORT SOLUTIONS THAT ARE RESPONSIVE TO INDIVIDUAL COMMUNITY NEEDS.

- The Coca-Cola System has a multiplier effect of 10 on employment in Turkey including direct, indirect and induced effects. Accordingly, as of the end 2009 the Coca-Cola System provided employment for approximately 25,000 people in Turkey.
- We transferred 3% of our pre-tax profit to the Coca-Cola Life Plus Foundation and Anadolu Education and Social Aid Foundation.
- The Coca-Cola Life Plus Foundation supported 52 projects in 34 provinces to date.
- CCI's Jordan operation was awarded the second prize in the "Corporate Social Responsibility Arabia Awards" organized by the Arabia CSR Network for its energy and water conservation projects and its social development efforts.
- In 2009, 1,230 students in Jordan benefited from the education project executed together with INJAZ and USAID.

#### **MESSAGE FROM THE CEO**

Coca-Cola İçecek is a large and respected company in a rapidly developing geography and aims to inspire others with innovative practices in order to achieve a sustainable future.

#### Michael A. O'Neill





Over the past 6 years, CCI has been transformed from a local bottling operation into an international beverage company. Its geography has expanded through significant acquisitions in the Middle East, Central Asia and Pakistan. An impressive Compounded Annual Growth Rate of 16% from 2005 to 2010 has been delivered. In tandem with this rapid growth, our company has been a pioneer in the industry by exhibiting an exemplary performance in the area of sustainability.

The global economy suffered a severe economic crisis starting in late 2008, with increasingly dire consequences. National economies were seriously damaged by the crisis, which had no precedent since the Second World War in terms of its impact. In 2010, we saw the negative effects of the crisis being diminish thanks to the measures and remedies that were taken, resulting in a relative revival of economic activity, especially in our geography.

2009 and 2010 were marked not only by the economic crisis, but also by rising stakeholder expectations especially of international companies. The long-term existence of a corporate structure that is not nourished by the values of transparency, accountability and sustainability is no longer viable in today s world. Having been committed to these principles for years, CCI has integrated them into our corporate culture and championed them across the region. Today, expectations are increasing significantly around these principles, giving us hope for a stronger global economy and a world that is more conducive to life both socially and physically.

We are preparing our company for an exciting future as we leverage the significant momentum that was gained in recent years. Not too long ago, we launched CCI's 2020 Vision and Strategic Framework, which provides a road map for implementing the extraordinary growth opportunities ahead of us. CCI's 2020 vision is to be the outstanding beverage company leading the market, inspiring people, adding value through excellence and we are building CCI's future on the basis of Commercial Leadership, People and Organizational Leadership, Supply Chain, Operational Excellence and Sustainability.

The 2020 Vision and Strategic Framework is proof that sustainability and corporate social responsibility are not perceived as separate fields of activity at CCI, but rather as an integral part of the way we do business. Management at CCI, consider sustainability a fundamental part of the relationship we have with society at large and our planet, and we believe that a sustainable business strategy gives us a competitive edge. We are aware of the fact that the longterm success of our business is closely related to the peace and prosperity of the societies in which we operate.

Adding value to our business, our employees and communities is not just one of CCI's fundamental pillars, but it is a fundamental value of the Coca-Cola brand, which has been spreading happiness for the past 125 years. Therefore, we work to be a company that is accepted and appreciated by society as we meet stakeholder expectations with a business model that is transparent and accountable while respecting people and the environment.

CCI continues to play a pioneering role across the region when it comes to reporting on corporate social responsibility performance, which is a primary tool for stakeholder dialogue. CCI earned the privilege of becoming the first company in Turkey

to issue a GRI-certified corporate social responsibility report that covered its performance from January 2007 to March 2008. In the second report covering the period from March 2008 to March 2009, CCI succeeded in becoming the first company to receive B-Level GRI certification. We have also expanded the scope of the reporting continuously. In this report, a wider geographical area is covered. CCI's goal is to include the performance of all country operations in future reports.

We conducted a number of projects during the reporting period for the purpose of strengthening sustainability management. First of all, we reevaluated CCI's sustainability priorities in line with our strategic vision to respond to changing conditions and stakeholder expectations.

In 2009, CCI signed the Copenhagen Communique, which calls for increased international cooperation with regards to combating global warming and climate change as impacts are being felt today in ever increasing ways. In 2010, we signed the Cancun Communiquè, a continuation of the Copenhagen Communiquè. Our fundamental purpose in signing these Communiquès is to be part of a solution as we act in concert with pioneering companies taking initiatives to develop a joint global strategy, which we believe is needed in order to solve the problem of climate change.

During the reporting period, CCI significantly improved its performance by building on its commitments to sustainability. CCI achieved an exemplary performance for the industry through innovative solutions that are developed in the fields of greenhouse gas emissions, the consumption of water, energy and packaging materials. A signal of progress is the fact that the CCI Turkey operations won the "Best Country Bottling Operation" award in

The Coca-Cola Company Eurasia and Africa Group President s Environmental Awards in 2009 competing against 34 countries and that the CCI Izmir plant received the "Best Performing Plant" award out of 122 plants in the region.

CCI also continued to bring added value to the lives of its stakeholders through continuous investment on social development. As a result of these efforts, CCI Jordan operations was awarded the second prize in the "Corporate Social Responsibility Arabia Awards" organized by the Arabia CSR Network.

CCI's geography has significant growth potential with a young population, growing middle-class and a trend towards urbanization. Our objective is to maintain rapid growth while contributing to social welfare and the sustainability of the world. In order to achieve this objective, we have first and foremost placed confidence in our committed organization and talented employees. We strive to provide CCI's employees with a fair, honest, safe and inspiring work environment in order to ensure that colleagues can realize their full potential. In the future, CCI will endeavour to continue its leadership role when it comes to positive change in the area of sustainability and corporate social responsibility, across the entire region. I would like to take this opportunity to thank all stakeholders, especially our employees, investors, business partners, distributors and customers, for their trust and support in our journey to a sustainable future.

Sincerely Yours,

Malalan

Michael A. O'Neill





Senior management's most important responsibility is to keep their companies healthy by creating continuous and longlasting value for stakeholders. With this fact as a guiding principle, we have taken our understanding of corporate social responsibility (CSR), which is essentially managing the social, economic and environmental impact with a model that ensures stakeholder engagement, and makes it more than just one area of operating, turning it instead into a basic model in order to ensure the sustainability of our business. It is inconceivable to even consider the sustainability strategy of CCI separate from its primary business strategies. Therefore, our CSR commitment begins at the highest levels of management and is disseminated to field operations at every level directing the working practices in every business unit. We have created a management approach that is shaped by strategy and policies in order

to ensure central decision-making, coordination and monitoring of CCI's CSR performance. Those efforts are coordinated by a strategic and organizational structure that operates under the umbrella of sustainability management.

Within the framework of our CSR approach, we work in concert with various organizations operating in fields that we have designated as a priority. The most comprehensive of the initiatives that we are engaged in is the UN Global Compact. This voluntary agreement outlines business principles for companies in social, economic and environmental areas and CCI is in full compliance with all of its articles in all of our operations. With regards to combating climate change, we were among the first companies to sign the Copenhagen Communiqué in 2009 and the Cancun Communiqué in 2010.





## COCA-COLA İÇECEK 2020 VISION AND SUSTAINABILITY APPROACH

SUSTAINABILITY IS AMONG THE MAIN PRINCIPLES THAT WILL CARRY COCA-COLA **ICECEK TO THE FUTURE.** 



Leading change is a fundamental business principle for CCI. We develop pioneering practices that serve as an example for the business world and especially for stakeholders in our geography. We believe that these practices can always be developed further. Therefore, improving our

business processes and practices is a never-ending process, and it is this understanding that guided us in the creation of the five-pillar CCI 2020 Vision and Strategic Framework in 2010. Sustainability is one of these pillars that will guide CCI on its journey to 2020.



#### 2020 Vision and Strategic Framework

#### Vision

BE THE OUTSTANDING BEVERAGE COMPANY LEADING THE MARKET, INSPIRING PEOPLE, ADDING VALUE THROUGH **EXCELLENCE** 

#### Mission

**BUILD A SUSTAINABLE AND PROFITABLE BUSINESS** THROUGH REFRESHING CONSUMERS, PARTNERING WITH **CUSTOMERS. DELIVERING SUPERIOR VALUE TO** SHAREHOLDERS AND BEING TRUSTED BY COMMUNITIES

### **Values**

#### Passion:

WE PUT OUR HEARTS AND MIND INTO WHAT WE DO.

#### **Accountability:**

WE ACT WITH A HIGH SENSE OF RESPONSIBILITY AND HOLD OURSELVES ACCOUNTABLE.

#### Integrity:

WE ARE OPEN, HONEST, ETHICAL AND WE TRUST AND RESPECT EACH OTHER.

#### Teamwork:

WE COLLABORATE FOR OUR COLLECTIVE SUCCESS.

- People and Organizational Leadership
- 66 Build a highly capable organization and be the employer of choice 99
- Supply Chain
- 66To be the best in class consumer demand fulfillment organization that exceeds customer expectations highest in quality, lowest in cost, in a sustainable, socially responsible manner 99

- Commercial Leadership
- 66 Profitably deliver superior value to consumers & customers at the optimal cost to serve 99
- Operational Excellence
- 66 Create a culture of Operational Excellence to support continuous improvement of our business process and systems 99

- Sustainability
- 66 Ensure the long-term viability of our business by being proactive and innovative in protecting the environment and be recognized as one of the most responsible corporate citizens by all stakeholders 99
- Embed sustainability in our culture to achieve our commitments

**Environment:** Minimize our carbon footprint and water usage by reducing packaging, water, and energy

**Marketplace:** Consistently provide the highest quality and food safety compliant beverages **Workplace:** Ensure a safe place to work respecting human rights and be fully compliant with workplace rights

**Community:** Make a difference in our local communities by encouraging employee volunteerism and by corporate involvement

• Develop all employees and business partners to become proud ambassadors of our products and company

As part of the first stage of our efforts to position our sustainability management practices on a strategic plane, the CCI Sustainability Working Group conducted a comprehensive project to prioritize our sustainability issues and stakeholders

during the last reporting period. We followed the principles and tools indicated by the AA1000SES standard in order to create a systematic methodology in these studies

#### What is Life Plus?

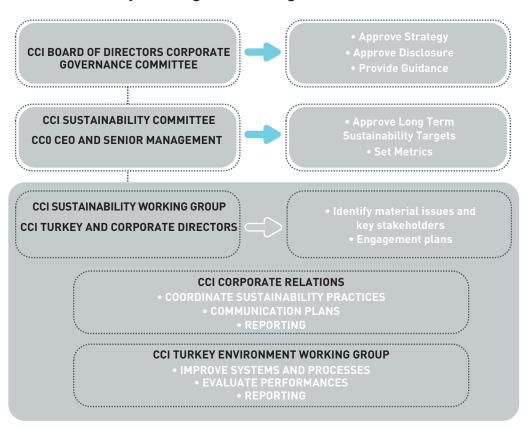
Life Plus is a sustainability approach created by TCCC in 2007 and it encompasses the entire Coca-Cola System. The fundamental objective of this strategic framework is to provide all of the sustainability programs in the System with an integrated structure and visibility. This framework consists of sustainability priorities defined under the pillars of Marketplace, Workplace, Environment and Community and its foundation is our commitment to "live positively". The framework and the primary operating principles apply to every level of The Coca-Cola System operations and are directed by ambitious goals. The fundamental objective of this structure is to generate sustainable business value across The Coca-Cola System, meanwhile ensuring the quality of life for future generations.



As one of the six largest business partners of The Coca-Cola Company, we took the Life Plus strategy as the general framework in developing our approach to sustainability management. However, CCI represents a socio-economic organization that reaches millions of people through its operations in 10 countries, all of which are socially and structurally diverse. Therefore, we have ensured that our strategic approach is in harmony not only with the global priorities within the Coca-Cola System but also the priorities in our own geography.

First of all, the CCI Sustainability Working Group reevaluated the sustainability issues that we had previously identified with an awareness that our priorities may change over time. After this prioritization phase, we moved on to the completeness stage of the evaluation recommended in the AA1000SES standard which included a comprehensive determination of the different component parts involved in sustainability issues and their place in the affected area. In the workshops that we held for this purpose, members of the CCI Sustainability Working Group discussed what the issues we have designated as priorities mean in terms of the general and local elements of the Life Plus model and CCI operations and what types of applications should be implemented on specific issues in light of expert opinions and stakeholder feedback. We formulated the CCI Life Plus Sustainability Framework as a result of these efforts.

#### Sustainability Management Organization

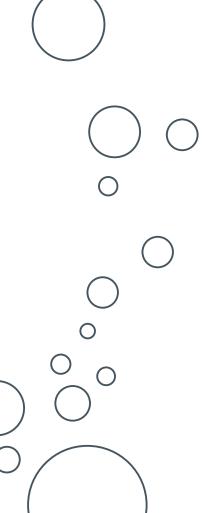


CCI's sustainability model is based on managing the social, economic, environmental and ethical impacts of its operations and products and is managed by its own unique administrative organization within our corporate management structure. This organization is represented at all levels of CCI management throughout its geography. Approving the sustainability strategy and monitoring performance is the responsibility of the CCI Board of Directors Corporate Governance Committee.

The CCI Sustainability Committee is headed by the CEO and is comprised of senior management, which provides the feedback necessary to properly discharge its duty. The fundamental role of the Sustainability Committee is to identify long-term sustainability targets and set sustainability metrics. The CCI Sustainability Working Group operates with the participation of all CCI Function Heads and plays a critical role in making sure that sustainability management is

connected with field operations and the upper-level management structure. The strategic orientation and objectives that emerge from upper-level management processes are communicated to functional management by the Working Group to be transformed into field applications.

As it identifies sustainability priorities and long-term objectives as part of the global Coca-Cola System, CCI also takes into account the sustainability priorities identified by The Coca-Cola Company (TCCC). The coordination required is provided through coordination meetings that are attended by senior CCI and TCCC executives.



#### Stakeholder Engagement

Stakeholder engagement plays a significant role in our approach to corporate social responsibility. Our fundamental objective in stakeholder engagement efforts is to develop long-term relationships with strong foundations through positive, solution-oriented dialogue.

We believe that mutual benefit will increase as long as stakeholder engagement efforts are conducted within the framework of specific principles and system applications. Therefore, we prefer to use the stakeholder engagement principles and tools recommended by the AA1000SES standard in our practices. CCI's areas of high priority sustainability performance form the basis of stakeholder engagement efforts. Whether it is reciprocal dialogue or a joint initiative, the goal in the formulation of practices is to meet the expectations of the stakeholders in the broadest possible fashion and to produce comprehensive solutions with a holistic perspective on their problems.

The CCI Sustainability Working Group is responsible for identifying key stakeholders and devising engagement plans. In the previous reporting period, CCI's Working Group had identified key stakeholder groups. In this reporting period, we reevaluated our corporate

stakeholder map in anticipation of possible changes. Then, we outlined our identification work in detail by focusing on types of practices. Within the framework of our reporting we identified the target readership for the CCI Corporate Social Responsibility Report, so that we could implement methods particularly suited to the characteristics and the expectations of the stakeholder groups during the communication of our CSR report.

In order to take our reporting practice to a higher level, the CCI Sustainability Working Group decided to implement a pilot stakeholder panel for the purpose of obtaining more systematic stakeholder feedback following the publication of our report. The main objective of this effort is to learn the extent to which our reporting practices meet stakeholder expectations, to determine the needs for improvement and the ways to implement improvement practices, together with the stakeholders. We plan to expand the scope of this pilot program in future reporting periods with different priority issues and practices.

## Atilla D. Yerlikaya, CCI Corporate Relations Director:

The relationships we have formed with all of our stakeholders based on transparency and accountability are critically important for our company to be accepted by the society and the long-term sustainability of our business.

### Dialogue Stakeholders and Dialogue Platforms

**Employees** 

**Distributors and Vendors** 

**Shareholders** 

Customers

**Suppliers and Contractors Investors and Analysts** 

**Credit Rating Agencies Public Institutions** and Organizations

NGOs

Unions

Media

Consumers

**Sector Groups** 

**Local Community** 

**Opinion Leaders** Society

Employee Loyalty and Satisfaction Survey, Internal Customer Satisfaction Survey, Open-door Meetings, CCI Training Programs, Leadership Development Training, Sales Incentive Programs, CCI Inventor Competition, CCI Contribution to Society Program, The World of CCI Magazine, Newsline, CokePort, Press Reports

Distributor Meetings, Distributor Satisfaction Questionnaire, Regular Visits, Training Programs, Plant Visits

General Committee Meetings, Public Disclosure Platform

Training, Support Programs, Regular Visits, Plant Visits

Improvement Audits, Training Programs, Plant Visits Annual Reports, CSR Reports, Investor Conferences, Analyst Meetings, CCI Corporate Website and Online Feedback Forms, Webcast, Investor Relations Department, E-mail Distribution, Istanbul Stock Exchange Announcements, Public Disclosure Platform

Annual Reports, CSR Reports

Information for contribution to sector development, full compliance with laws and regulations, support regarding infrastructure investments

Project partnerships, corporate and employee memberships, participation in conferences and presentations, employee and corporate donations

Collective Labor Agreements, Union Representation, Representative Meetings, Plant Visits

Periodical information, statements, support programs, CCI's corporate website, plant visits

Coca-Cola Information Center.

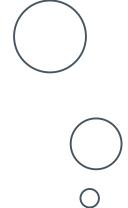
CCI corporate website, informative publications, Plant Visits, Product Labels

Corporate memberships, joint projects, participation

Environmental training sessions, plant visits, social engagement projects, field studies

Meetings, surveys, eliciting opinions

Support Programs, Coca-Cola Information Center. Plant Visits, voluntary practices, Donations, information through mass communication, Product Labels, advertisement and marketing activities, CCI corporate website





#### Izmir Plant Environment Day

Establishing strong relationships with local governments, administrators, NGOs and academicians in the regions where we have operations is very important in terms of the sustainability of our business. Our goal in this regard is to regularly share our environmental performance with local community representatives and opinion leaders and to establish effective dialogue with them on this issue. In keeping up with this goal, we organized the first Environment Day in our Izmir plant on December 22, 2010 and we plan to repeat it every year. As part of our commitment to transparency, we shared the environmental performance of our Turkey operations and the Izmir Plant with our stakeholders and took their feedback.

UNDP program director Hansın Doğan, Hürriyet Daily News Editor in Chief David Judson, and the Secretary General of the Turkish Ethics and Reputation Society Tayfun Zaman participated in our stakeholder panel as speakers.

The panel was also attended by representatives from Kemalpasa Health Group Ministry, Kemalpasa District Agricultural Directorate, Chamber of Environmental Engineers, Kemalpaşa Municipality, Kemalpasa District Gendarmerie Command, KOSBO, Kemalpasa Forestry Office, the Aegean Association, State Water Works and the Kemalpasa District Governor's Office, providing an opportunity for CCI to demonstrate its environmental performance in a transparent fashion and receive feedback on relevant issues from stakeholders active in the field while underscoring the importance CCI places on stakeholder engagement.

## Meeting with Stakeholders at CSR Solutions Marketplace

CSR Solutions Marketplace, organized by CSR Europe since 2005 in many countries of Europe, was held in Turkey for the first time in 2009. CCI participated to this innovative platform, organized by Corporate Social Responsibility Association Turkey (KSSD) and supported by CSR Europe, both in 2009 and 2010, and presented successful CSR projects to its stakeholders.

#### **CCO Association and Organization Membership**

YASED TABA

KalDer DEİK SUDER

MEYED



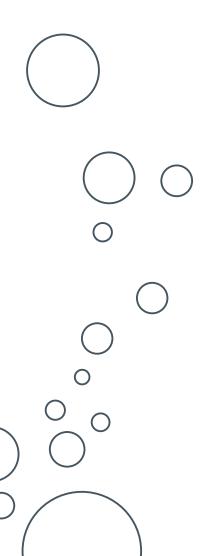
## Corporate Social Responsibility Reporting

CCI's approach to corporate social responsibility with a focus on stakeholder engagement is based on the principles of transparency and accountability. Therefore, providing stakeholders with accurate, open and honest information about company operations, objectives and accomplishments is an important part of our sustainability management. The most basic tool for accomplishing this is the CSR report, which we published for the first time in 2008 for the March 2007 - March 2008 period. With this report CCI become the first company in Turkey to share non-financial performance through a corporate social responsibility report sanctioned by the Global Reporting Initiative (GRI). With its second report, CCI expanded the scope of the report and became the first company in Turkey to disclose information at the B-Level of the GRI G3 Reporting Guidelines. CCI continued to lead the way for nonfinancial performance reporting in Kazakhstan and Jordan by including the performance of operations in these countries in the 2<sup>nd</sup> CSR report covering the period from March 2008 to March

2009. Our company's reporting practices have been praised by many stakeholders both in Turkey and abroad.

#### Scope of the Report

This third CSR report differs from the previous report published in August 2010 in terms of scope. This year we changed our reporting period to cover the calendar year. In order to ensure that no period is left unreported, only for this year, we reported the performance for two years. This report covers our performance and practices from January 1, 2009 until December 31, 2010. In the future, we intend to publish our corporate responsibility reports annually on a calendar-year basis. The general scope of the content of the report consists of CCI's principles, practices and performance in social, environmental, economic and ethical areas. Special emphasis has been put on the issues of energy management, water management, sustainable packaging, governance, quality of life, product responsibility and active-healthy life, as well as social and economic development, all of which are components of the CCI Life Plus Sustainability Framework.





## Performance Measurement and Future Goals

All the data that we share in this report is calculated and published in accordance with the content specified by GRI reporting principles. However, in the evaluation of performance for some indicators, values are extracted from production amounts to create figures for units produced to make it easier for our readers to analyze. Therefore, we have also followed this practice which is commonly used in our sector.

We will continue to further develop our reporting practice in the future just as we do now in keeping up with our principle of leading change. Our objective for future periods is to increase the number of country operations included in the report. This will enable us not only to give comprehensive explanations of our performance to stakeholders, but also to blaze a trail for these types of practices in operational areas where examples of such reporting are rare.

## Transparency and Stakeholder Feedback

The fundamental purpose of our reporting work is to share CCI's principles of operation, practices and performance results with the stakeholders with as much transparency as possible. Therefore, all the areas specified within the scope of CCI's sustainability management are included in the report, and we objectively describe the performance achieved. We believe that a prerequisite to achieving the constructive and effective stakeholder dialogue we aim for is adherence to the principle of accountability.

Stakeholder feedback is an effective tool when it comes to improving practices. Therefore, we intend to put forth a more comprehensive effort aimed at obtaining stakeholder feedback in the future.

The easiest means for us to obtain opinions and recommendations from our stakeholders is via e-mail. We take every issue that is brought to our attention seriously and we use it to improve our practices. For this reason, stakeholders can send their opinions, suggestions and criticisms to us at

#### corporate.affairs@cci.com.tr

We have also expanded the geographic scope of the report this year. In the last period, we added operations in Jordan and Kazakhstan to the work which we had begun by reporting on the performance of operations in Turkey. This year, we have expanded the scope of the report to include operations in Azerbaijan. Unless otherwise specified, data for operations in Turkey, Jordan, Kazakhstan and Azerbaijan are included in all of the performance values presented in the report.

The report follows the GRI G3 Reporting Principles at the B level. At the end of the project, we resorted to GRI as we have done in the past years to confirm that the G3 Reporting Principles were properly implemented. Furthermore, this report also complies with the Progress Reporting principles of the United Nations Global Compact to which we are a signatory. You can find detailed indexes regarding the use of the GRI standard and the Global Compact Progress Reporting principles along with the GRI reporting level confirmation in the last section of the report and on our corporate website www.cci.com.tr. You can also find an electronic copy of our report in PDF format on our website.









### **Target Audience**

CSR REPORT IS THE MOST COMPREHENSIVE CHANNEL OF COMMUNICATION THROUGH WHICH CCI'S SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE IS SHARED WITH THE STAKEHOLDERS.

It is prepared for the purpose of providing the information to 18 different stakeholder groups on the CCI's stakeholder map. However, when all the issues addressed in the report are considered, it turns out that the information expected and demanded by certain stakeholder groups are given prominence. In order to meet the expectations of these stakeholder groups in a more comprehensive fashion, CCI Sustainability Working Group identifies the target audience of our report for communication purposes. Employees, distributors and vendors, consumers, trade unions, NGOs, media and opinion leaders found on the CCI's stakeholder map constitute the target audience for our report.









### THE NON-ALCOHOLIC BEVERAGES SECTOR

CCI GEOGRAPHY OFFERS GREAT OPPORTUNITIES FOR THE NON-ALCOHOLIC **BEVERAGES SECTOR WITH ITS YOUNG** POPULATION. GROWING MIDDLE-CLASS AND TREND TOWARDS URBANIZATION.





The non-alcoholic beverage sector plays a key role in meeting the basic need of quenching peopleis thirst. Therefore demographic factors have a direct influence on the structure and development of the sector. The demographics in countries that are the focus of CCI operations present tremendous opportunities for the nonalcoholic beverage sector. The rising trend observed in population and per

capita GDP in these countries, along with the fact that approximately 62% of the population is under 29 years of age creates an environment that is conducive to the development of the non-alcoholic beverage sector. The fact that per capita non-alcoholic beverage consumption is lower compared to the developed countries also represents a significant growth potential.



,	Population	Percentage of Population Under 29 to Total (%)	GNP per Capita (\$)****		Per Capita Sparkli Beverage Consumption (L)*****	
	(2010)*	(2010)***	2009	2010	2009	2010
Turkey	73.7**	51.4	8,427**	10,079**	40.3	44.0
Pakistan	185.5	65.1	1,017	1,049	10.9	11.0
Kazakhstan	16.2	50.8	6,875	8,326	21.9	20.9
Azerbaijan	9.0	51	4,864	5,765	24.1	27.6
Iraq	31.4	68.2	2,245	2,626	20.0	21.8
Jordan	6.4	68	3,490	4,435	53.0	52.2
Turkmenistan	4.9	59.1	3,489	3,663	21.3	26.1
Kyrgyzstan	5.5	58.4	872	816	9.3	11.0
Syria	22.5	65.1	2,668	2,892	23.0	24.1
Tajikistan	7.7	67.7	705	732	0.9	1.4
			* EIU, ** <sup>-</sup>	TUIK, *** UN,	**** IMF, ***** CA	NADEAN

In 2009 negative effects of the economic crisis were felt in all the markets where CCI operates. CCI enhanced its ability to withstand economic crisis by implementing different strategies customized for each market. On one hand, it increased its market share in various categories with new products and innovative packaging; on the other hand it offered the market more economic packaging alternatives to increase the affordability of its products.

<b>Turkey</b>	<b>Mar</b>	ket S	hares	2010*
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	2009	Ranking	2010	Ranking
Sparkling Beverages	69.2%	1	68.9%	1
Water	8.8%	3	9.2%	2
Fruit Juices & Nectars	25.1%	1	24.5%	1
Iced Tea	28.5%	2	29.0%	2
Energy Drinks	30.0%	2	30.1%	2
Sports Drinks	97.0%	1	97.2%	1

<sup>\*</sup> Due to a change in Nielsen's forecasting method, 2009 market shares differ from the data presented in 2009 Annual Report.

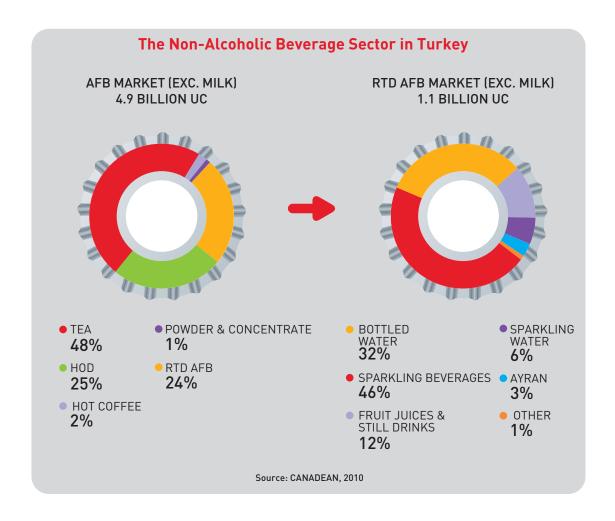
#### Sparkling Beverages Market Shares

	2009	Ranking	2010	Ranking
Kazakhstan	34.2%	1	34.2%	1
Azerbaijan	52.6%	1	56.2%	1
Pakistan	27.8%	2	28.7%	2
Jordan	13.2%	2	12.2%	2
Syria**	10.5%	2	8.9%	2
Turkmenistan	-	1*	-	1*
Kyrgyzstan	-	1*	-	1*

Source: Nielsen.\* CCI Estimate\*\* MEMRB

CCI diversified its product portfolio and made significant progress towards its strategic objective of attaining growth in categories other than carbonated beverages in 2009 and 2010. The high growth rate achieved in the carbonated beverages category in 2010 contributed significantly to the increase in CCI's sales volume and profitability.

Every year, we sell 14 billion servings of beverages to 363 million consumers. Through our business partners, we offer product and packaging options to consumers from every demographic group and lifestyle in the market and we diversify our product portfolio according to the ever-changing expectations of our consumers.



to the plants, distributors to the points of sale. Under the heading of active healthy life, we report our responsibilities at the stage where our products meet the consumers. Issues covered under this heading include product diversity, disclosure of information about the products and physical activity.

#### What We Said?

- Increase the number of suppliers that are audited.
- Increase the rate of purchases from local suppliers relative to total purchases.
- Respond to consumer complaints within the same day.
- Continue to distribute the information booklet entitled Straight Facts About Our Beverages to our key stakeholders.
- Support the work of scientific circles and opinion leaders regarding our products.
- Complete the procedures related to ISO 18001 and ISO 22000 at our Jordan plant.
- Focus on the efficiency of our supply chain, marketing and investment expenditures.
- Continue to implement the supply chain efficiency practices we have created for Turkey operations to International Operations.
- Continue our long-term profit distribution policy.

#### What We Achieved?

- We audited 23 suppliers in 2009 and 31 suppliers in 2010 within the framework of the Supplier Guiding Principles.
- Purchasing from local suppliers accounted for 95% of our total purchasing.\*
  - \* This figure does not include concentrate.
- Our success in resolving problems in consumer complaints exceeded our goals in both 2009 and 2010.
- CCI's Turkey operation completed both the 3<sup>rd</sup> and the 4<sup>th</sup> Wave Operational Excellence Projects. Meanwhile Azerbaijan, Kazakhstan and Jordan operations completed the 1<sup>st</sup> Wave Operational Excellence Projects.
- CCI Jordan plant earned ISO 22000 and ISO 18001 certifications in 2009.
- We continued to distribute our informational booklet in printed form and make it available on the company website.
- We participated actively in healthrelated events organized by universities and NGOs throughout 2009 and 2010.
- We increased our Dividend Payout Ratio from 29.5% in 2009 to 35.4% in 2010.

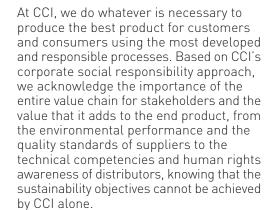
## What We Aim?

- Establish the CCI Supplier Academy (CSA) model in 2011 and ensure that all suppliers are CSA certified in the long-term.
- Develop our distributor system and increase distributors' competencies,
- Implement the 5<sup>th</sup> and the 6<sup>th</sup> Wave Operational Excellence projects in Turkey and the 2<sup>nd</sup> Wave in Azerbaijan, Kazakhstan and Jordan.
- Start the "Everything You Wanted to Know About Coca-Cola" training program to train all CCI Turkey employees about the content of our products and conduct a minimum of 50 training courses reaching around 1,000 employees in 2011.

#### PRODUCT RESPONSIBILITY

OUR PRODUCT RESPONSIBILITY POLICY IS TO OFFER A BROAD PRODUCT PORTFOLIO TO MEET THE NEEDS OF EVERY LIFESTYLE, AGE AND OCCASION, WHILE PRODUCING WITH THE HIGHEST QUALITY IN COMPLIANCE WITH FOOD SAFETY STANDARDS.





We break down our product responsibility approach into subcategories such as product standards and quality, supply chain management, distributors, consumers, accessibility of our products and responsible marketing approach.

For more detailed information about our product responsibility and commitments, please visit our website on <a href="http://www.cocacolaturkiye.com.tr/cocacola\_taahhutleri.aspx">http://www.cocacolaturkiye.com.tr/cocacola\_taahhutleri.aspx</a>.

## Product Standards and Quality

Ensuring the safety and quality of its products is CCI's fundamental responsibility and it is directly linked to the business success. CCI's quality and safety protocols encompass all the materials used during the manufacturing and packaging of its products, as well as the production, bottling and distribution operations. We have begun implementing the Coca-Cola Operating Requirements System (KORE), which is the new management system that The Coca-Cola Company implemented in 2010. KORE is a comprehensive system that provides a detailed description of the policies, specifications and programs required to manage product quality, occupational health and safety as well as environmental standards. Stages of governance and risk management methods that monitor the systems which ensure product safety are also defined in KORE. KORE has replaced the previous system referred to as the Coca-Cola Management Systems (TCCMS) in our previous reports.



WE STRIVE TO OFFER A BROAD PRODUCT PORTFOLIO TO MEET THE NEEDS OF EVERY LIFESTYLE, AGE AND OCCASION, WHILE PRODUCING WITH THE HIGHEST QUALITY IN COMPLIANCE WITH FOOD SAFETY STANDARDS.

66 We shape our product strategies by staying abreast of the changing customer expectations and needs in each country where we operate. Our goal is to offer customers and consumers a wide portfolio of high-quality products and packages at optimum prices.

In parallel with KORE, we act in compliance with the standards of ISO 18001 to ensure occupational health and safety, ISO 14001 to minimize our environmental impact, ISO 9001 to comply with quality requirements and ISO 22000 to ensure food safety, in our production facilities. All CCI plants in Turkey, except Köycegiz, possess ISO 9001, ISO 14001, ISO 18001 and ISO 22000 certificates. Our

plant in Elazig obtained all of the certificates in the Coca-Cola Quality Management System within the first year of its establishment (ISO 9001, ISO 22000, ISO14001, ISO 18001 and TSE certificates). Our plants in Kazakhstan and Jordan possess ISO 9001, ISO14001 and ISO 18001 certificates and our Jordan plant received the ISO 22000 certificate in 2009.

### **Current Quality Systems**

**KORE ECM** Coca-Cola Quality Management and Document System (Enterprise Content Management System)

**Operational Excellence** (Operational Excellence)

**EFQM Excellence Model** (European Foundation for Quality Management)

ISO 9001 Quality Management System

ISO 14001 Environmental Management System

ISO 18001 Occupational Health and Safety System

ISO 16001 Energy Management System

PAS 220 Food Safety Prerequisite Program

The internal and external audits that CCI plants regularly undergo play a crucial role in the maintenance of the level of quality that stakeholders expect from us in the product content and manufacturing

processes. These audits help us to follow the same standards across our geography and minimize resource usage while improving product quality.

Process	Auditor	Audit Interval
TCCCQS	LRQA	Annually
TCC ÇYS	LRQA	Annually
TCC ISG	LRQA	Annually
ISO 9001:2000	TSE	Annually
ISO 14001	TSE	Annually
TS 22000	TSE	Annually
ISO 18001	TSE	Annually
Production of Spring Drinking Water	Ministry of Health	Annually
Production of Spring Beverages	Ministry of Agriculture	
and Fruit Juice	and Rural Affairs	Annually
GMP, Environmental and OHS Practices	CCI Coordinators	Monthly
System Procedures	Internal Audit Teams	Annually
Technical Service (CRC)	Central Internal Audit	Annually



As per our transparency principle, we welcome and organize plant visits for stakeholders. During the reporting period, around 9,000 individuals including university students, government employees, distributors and consumers visited CCI plants in Turkey. During the visits, CCI's stakeholders obtained firsthand information from CCI employees on issues of interest to them, as well as watching documentaries and attending seminars. If you wish to organize a visit to one of our plants, please call our toll-free number at 0 800 261 1920 or contact the Coca-Cola Information Center at cocacoladanismamerkezi@eur.ko.com.

During the reporting period, no fines or penalties were received for failure to comply with laws and regulations regarding the supply or use of products and services.

### **CCI Turkey Quality Journey**

**1998:** SGS ISO 9002 Quality Management System

2001: TCCQS International Coca-Cola Quality Standards

(The Coca-Cola Quality System)

**2001:** TSE ISO 13001 Food Safety Quality Management System (HACCP)

**2002:** TSE ISO 14000 Environmental Management System

**2002:** TSE ISO 9001:2000

2003: TSE ISG OHSAS 18001 Occupational Health and Safety Management System

2006: TSE ISO 22000 Food Safety Quality Management System

**2008:** TCCMS International Coca-Cola Quality Standards

(The Coca-Cola Management System)

2009: PAS 220 Food Safety Prerequisite Program2010: ISO 16001 Energy Management System

**2010:** KORE Coca-Cola Quality Management and Document System

(The Coca-Cola Requirements)





# Quality Management and Development Tools

**2000:** SPC Statistical Process Control **2005:** TPM Total Productive Maintenance

**2006:** 5 S

2007: Lean 6 Sigma Studies
2008: MEX Maintenance Excellence

**2009:** OE Operational Excellence

## Quality Management and Databases

**2000:** Database of Customer & Consumer Complaints

**2004:** SAP

**2005:** Performance Management System

**2005:** Business Warehouse General

Reports Database

2006: Management Cockpit

2009: Capex Collector

In 2009, CCI Turkey received the "5-Star Competency in Excellence Certificate" at the national level, which is the final pre-award stage of the European Quality Management Foundationis (EFQM) Five-Stage European Journey to Excellence Program.

Again in 2009, CCI received EFQM's
"4-Star Competency in Excellence
Certificate" in the regional category for
its successful management practices at
the Bursa plant. In 2010, CCI's Ankara
plant received the "Quality
Accomplishment Award" in the
EFQM Excellence Model.

### **Supply Chain**

Coca-Cola İçecek works with approximately 3,500 suppliers. CCI's approach to quality and product responsibility is shared with its suppliers. CCI builds relationships with its suppliers on the premise of establishing long-term cooperation and strategic partnerships. At CCI, supply chain processes are divided into two parts: procurement of direct materials that constitute the content of our products such as sugar, resin and bottles; and the procurement of indirect materials. Continuous monitoring of the standards that we expect from suppliers and contribution to their development towards these standards comprise the strategy of our purchasing process.

#### Supplier Selection Criteria

- TCCC approval for raw material suppliers
- Possession of quality system certifications
- Awareness of social responsibility
- Corporate structure
- Price tolerance
- Warranty for the goods, materials produced and services provided
- Meeting deadlines
- Technical services
- Strong communication and transportation capacity
- Good relations with other organizations it supplies
- Experience in the sector
- Market credibility
- Success in audits of Supplier Guiding Principles

Integration of standards required from the suppliers on issues such as employee health and safety, environmental impact and human rights into their business practices and the monitoring of this process are performed under the guidance of the **Supplier Guiding Principles** (SGP) prepared by TCCC in 2002. Strategic partnerships established with the suppliers are sh aped by processes such as training provided for the application of these principles, audits and corrective/preventative action plans.

# Supplier Guiding Principles Primary Topics

- Freedom of Association and Collective Bargaining
- Prohibit Forced Labor and Abuse of Labor
- Prohibit Child Labor
- Eliminate Discrimination
- Ensure Fair Work Hours and Wages
- Provide a Safe and Healthy Working Environment
- Protect the Environment

23 suppliers in 2009 and 31 suppliers in 2010 were audited within the framework of the Supplier Guiding Principles in Turkey. Likewise, 15 suppliers in Azerbaijan and 7 in Kazakhstan were audited. The 2010 goal was to have 60% of the suppliers certified and by the year end, the realized rate has been 77%. The goal for 2011 is to have 80% of the suppliers audited. During the reporting period, 20 field visits/audits were conducted to 20 direct material suppliers. As part of Supplier Guiding Principles Training, a total of 636 hours of training was provided, with 511 hours to 73 employees from 39 companies in 2009 and 125 hours to 25 employees from 19 companies in 2010.

## Top 5 Business Units in The Coca-Cola System in Terms of Supplier Audits

	Turkey	Mexico	South Africa	Canada	China	
	77%	91%	91%	87%	78%	
٠,						

<sup>\*</sup> The figures show the number of suppliers audited as a percentage of the total number of suppliers.

## Top 5 Most Improved Business Units in the Coca-Cola System in Terms of Supplier Audits

Turkey	South Africa	Russia Ukraine Belarus	Canada	İberia
64%	47%	91%	87%	78%

Our goal is to further strengthen the strategic partnerships we have established with the suppliers with the **CCI Supplier Academy** supply management and development model that we aim to implement in 2011.



THE CCI SUPPLIER ACADEMY IS THE SUPPLIER MANAGEMENT AND DEVELOPMENT MODEL THAT WE AIM TO ESTABLISH IN ORDER TO DEVELOP THE PRIMARY SUPPLIERS THAT WE WORK WITH FOR THE PROCUREMENT OF INDIRECT MATERIALS.

The objectives include measuring the performance of our suppliers, ensuring the improvement of product quality, identifying suppliers that will provide the highest quality product in harmony with the environment, have a developed sense of social responsibility, and make on-time delivery with the best commercial conditions and enhancing our mutual collaboration. The model will be set up in partnership with the global certification company Intertek, where suppliers will participate in the development process on a voluntary basis. They will be subject to a comprehensive evaluation that consists of laboratory tests, deadline compliance audits, health and safety inspections and environmental performance assessments. With this model CCI aims to pave the way for the development of suppliers in Turkey, with the ultimate objective of having all our primary suppliers obtained the CCI Supplier Academy certification.

#### **Distributors**

CCI's distributors account for approximately 70-75% of the sales volume, being among the most important business partners. Our aim is to meet their expectations and support their growth by establishing effective communications with close to 350 distributors in Turkey and around 1250 throughout CCI's geography of operations, thus ensuring the sustainability of our business. We help distributors create an effective business system by providing training on topics like customer satisfaction, personnel management, business development, stock management and sales techniques, and we pay special attention to maintain a healthy dialogue with them through regular field visits, feedback mechanisms and audits. Regional meetings are held with all distributors once a year to communicate business plans and objectives for the year. Distributors are visited at least four times a year by distributor consultants in each region and evaluated monthly with the distributor performance assessment forms. Distributor storage conditions are inspected through audits conducted by the Sales Processes Improvement Manager. We achieved a 77.5% satisfaction rate from the distributor satisfaction survey conducted in 2010.

As part of our Distributor Training program, in 2009 6,330 man-hours, in 2010 3,540 man-hours of training was provided to distributors.

### **Distributor Dialogue Platform**

CCI Business Partners Meeting
Third Party Audits
Distributor Performance Assessment Forms
Distributor Consultants
Sales Processes Improvement Managers
Distributor Satisfaction Survey
Distributor Warehouse Inspection and Training

Annually
Annually / Biannually
Monthly
Minimum Four Times a Year
Random Inspections
Annually
Minimum Once a Year



#### Coca-Cola İçecek Road Show

One of the most effective ways to connect with the thousands of customers that we reach across Turkey is to visit them in their own city. "Customer and Distributor Training" is a guiding strategy that has been applied since the day CCI was established. A vehicle which is custom designed for such visits first set off in 1999. It traveled to various cities and towns reaching a total of 22,000 customers in 785 days. This project was CCI Turkey's first customer training program.

"Coca-Cola İçecek Road Show" hit the road again departing from Istanbul on 12 July 2010 with an improved content and it aims to reach 180,000 customers in 81 cities and 923 towns within 1.5 years.

Our objective with this project is to support customers in using more profitable and sustainable work processes.

## Distributor Training Programs by Subject (2009)

#### Distributor Training Programs by Subject (2010)





### Availability of Our Products

CCI reaches approximately 360 million consumers via around 690,000 points of sale in 10 countries. Our aim is to bring our products to consumers in the fastest, most effective, and most affordable manner through a strong sales and distribution network while operating in accordance with the principle of effective planning and efficient distribution. In keeping with a goal of commercial leadership, we make our products available at sales points easily accessible to consumers at any time and we

restructure processes to match the changing market conditions and consumer / customer expectations.

We present a broad product portfolio created according to the expectations of consumers from all segments of the society, with different display alternatives that we select based on timing and place. With RED (Right Execution Daily), the sales and marketing tool described as "Right execution everywhere everyday", we monitor a large field of application from the arrangement of coolers to the positioning of products at the sales points

### GOAL Coke'N Design

As CCI, we aim to make stakeholders an essential part of our business processes and implement practices that will increase their participation. In this regard we plan to organize a design contest called Coke'N Design in 2011. The contest will be organized in collaboration with Izmir Economy University, Istanbul Technical University and the Middle East Technical University, where university students will be invited to compete with stands of their own design to have the opportunity to experience production for an active market. The competition will include 4 categories: modern channel design, traditional channel design, environmental design and designs that touch on the future. Through the contest, we aim to produce stands that will be actively used in the Turkish and global market, as well as channeling creative students as potential employees into the system by providing internship opportunities to the winners.

CCI takes seriously its commitment to market responsibly across all advertising media and across all of its products. CCI, together with The Coca-Cola Company, implements responsible advertising and promotion practices in compliance with laws and regulations related to marketing in the countries in which it operates.

As CCI, we believe that parents should make decisions about the eating habits of their children. We therefore do not engage in advertising or marketing activities targeting children. In spite of the fact that we are not legally bound by local laws, due to our commitment to the responsible marketing practices set by TCCC's Global School Beverage Guidelines, we do not actively conduct sales operations for carbonated beverages in elementary schools beginning with the 2010 - 2011 academic year, and we inform our business partners of this policy. If there is an official request for the sale of our products in school cafeterias from the Ministry of Education, school administrations or school-family associations, we respond to the request.

No lawsuits have been filed against CCI for failure to comply with laws related to marketing communications, advertising, promotions or sponsorships during the reporting period.

http://www.coca-colaturkiye.com.tr/cocacola taahhutleri.aspx

# Efficient Management of Consumer Complaints

Rapid and effective evaluation of consumer feedback and converting these to corrective / preventative action is an important business priority, therefore we focus on technological infrastructure

improvements to improve our performance on a constant basis. Consumers who are able to contact us via post, e-mail or our call centers receive detailed explanations with an assessment of their feedback in the quickest manner possible, and when necessary, we ask CCI employees to visit the individuals making the complaint and provide information on the situation.

We listen to suggestions, requests, complaints and questions of all our stakeholders primarily through the **Coca-Cola Information Center** on duty 24 / 7, and we act as quickly as possible to resolve stakeholder problems. The Information Center can be reached at 0800 261 19 20. We work hard to respond to stakeholders as quickly as possible and to resolve issues and requests while improving our performance every year.

The Information Center exceeded performance targets both in terms of its success in resolving issues and response time to the 149,000 calls received between 2008 and 2010.

# Customer Satisfaction Survey

The "Customer Satisfaction Survey" that we conduct every year serves to measure the level of satisfaction of customers regarding our services. According to the results of the survey conducted by an independent organization in 2010 at 1,822 locations selected from the list of CCI customers, CCI has once again succeeded in maintaining its clear leadership position within the entire fastmoving consumer goods sector during the 2009 - 2010 reporting period.



WE SHARE COMPREHENSIVE INFORMATION ABOUT OUR PRODUCTS WITH CONSUMERS, WE AIM TO CREATE A PRODUCT PORTFOLIO SUITABLE FOR ALL LIFESTYLES BY DIVERSIFYING OUR PRODUCT OFFERING AND WE SUPPORT CONSUMERS, EMPLOYEES AND THE SOCIETY TO ENJOY A MORE ACTIVE LIFESTYLE.

#### **Informing Consumers**

Providing consumers with clear, comprehensive information about the products based on scientific sources is a priority for CCI. We inform our consumers in compliance with the labeling regulations set by the countries in which we operate. We indicate energy values and nutrients on the labels of all of products to help consumers make informed choices. We place a "contains caffeine" warning on all products that contain caffeine, and we inform on the use of sweeteners and phenylalanine in diet products. We place the recycling logo on packaging to indicate that our packaging materials are recyclable. In addition, we inform stakeholders on topics such as food additives, caffeine, aspartame and obesity with the booklet entitled, "Straight Facts About Our Beverages", distributed to key stakeholders and available on our corporate website. We explain to stakeholders how all our products can be a part of an active healthy life with proper nutrition and regular physical exercise. We engage in activities to inform consumers about important aspects of balanced nutrition and an active lifestyle

with seminars and events that we organize and via publications such as booklets and brochures.

In 2009 and 2010, together with TCCC, we established cooperation with universities and NGOs focusing on health issues. We provided stakeholders with detailed information regarding both our products and issues related to healthy nutrition by actively participating in events organized by TİBOTAK, Diet Istanbul, the Association of Turkish Dieticians, Hacettepe University, Uluda University, Trakya University, the Ministry of Health, the Food Safety Association and KalDer.

There are no court rulings against us related to any failure to comply with regulations on health and safety impacts of products and services in their life-cycle stages.

http://www.cci.com.tr/uploads/contentdoc\_d/mesrubatlar-hakkinda-merakettikleriniz\_2.pdf



#### **Communications Campaign in Kazakhstan**

Coca-Cola Almaty Bottlers (CCAB) conducted a communications campaign in 2009 in Kazakhstan with an aim to inform consumers, customers and all our stakeholders that Coca-Cola does not contain synthetic flavors or preservatives. The campaign was directed to a target audience of adults of ages between 20 and 40 with the message "It Contains Something For Everyone... But No Preservatives. No Synthetic Flavors."

CCI'S OBJECTIVE WITH THIS PROGRAM IS TO SHARE OUR COMPANY'S POLICY REGARDING THE FUNDAMENTAL ISSUES OF HEALTH, PRODUCT SAFETY AND QUALITY WITH ITS EMPLOYEES AND TO HELP THEM DEVELOP THE BASIC RELEVANT COMMUNICATIONS SKILLS.

In 2011 we will begin to train employees in Turkey beginning with sales functions. We intend to complete the project in 2 years reaching almost all CCI Turkey employees. We will also include the training in orientation programs so that colleagues who are new to the CCI family can also benefit from the training.

#### **Product Portfolio**

Thanks to its strong partnership with The Coca-Cola Company, CCI offers consumers 4 of the world's 5 most popular carbonated beverages. Product diversity is a fundamental aspect of our business strategy. We strive to offer consumers products that suit their lifestyle and eating habits. Therefore, we offer consumers approximately 1,000 product and packaging alternatives in our geography of operations with detailed product labels and we help them make informed choices.

We have an extensive product portfolio ranging from carbonated beverages to water, 100% fruit juices to energy drinks and tea. All the products we provide to consumers are manufactured with the highest quality and safety standards.

# A Brand New, Low-Calorie Taste from Doğadan

In 2010, CCI successfully introduced to the Turkish market a segment found in only a handful of countries. It brought consumers looking for natural products a delicious combination of herbs and fruits with Doğadan herbal-fruit iced tea. The low-calorie Doğadan herbal-fruit iced tea contains less than 20 kcal in 100 ml.

# Cappy Ramazan Sherbet wins the "Best Innovation in Juice" Award

Coca-Cola received the award for "Best Innovation in Juice" with its Cappy Ramazan Sherbet at the "World Fruit Juice Awards", where leading names in the fruit juice and retail sector compete with their new products.



<sup>\*</sup> More detailed information about our entire product portfolio is available on our corporate website at www.cci.com.tr.



#### **Physical Activity**

An important part of living healthy is being physically active. Therefore, CCI supports an active lifestyle in all segments of the society through the Coca-Cola Life Plus Foundation and engages in projects that increase the level of physical activity among employees, consumers and society at large. We support numerous sporting events of various sizes ranging from local tournaments to world-class sporting events like the World Cup and Olympic Torch Relay. The long-term partnerships we have established in this area are also the most concrete proof of our commitment to a healthy society. In this regard, we supported numerous international and local sporting events in Turkey, Azerbaijan, Kazakhstan and Jordan during the reporting period and executed projects targeting both our employees and different segments of the society.

The Coca-Cola Life Plus Foundation was among the sponsors of the "32nd Intercontinental Istanbul Eurasia

Marathon" in 2010. Approximately 8,000 athletes from 84 countries participated in the marathon. Coca-Cola Life Plus Foundation was at the finish line of the public portion of the marathon with its mobile "Active Life Station" to measure how active participants were in their daily lives and their physical activity levels, also making suggestions to the participants based on their results.

Coca-Cola Bylgary Dop, held successfully in Kazakhstan since 2006, has become one of the largest public events in Kazakhstan. In cooperation with the Kazakhstan Football Federation, CCI and TCCC have organized the Coca-Cola Bylgary Dop to meet the increased national interest in the game, and it won the "Most Valuable Grassroots Football Event" award from the UEFA.

The "Let's Play" project conducted in Turkey as a joint effort by the Coca-Cola Life Plus Foundation, the Active Life Association and the Turkish Ministry of Education aims to help elementary school students become physically more active.





Therefore, it presents students with games appropriate for their local areas in order to bring movement to their lives. The project invites children to play, participate in games, socialize through games, learn and have fun. This five-year long project will introduce one million elementary school students to physically active games.

We continued to support Right to Play. an international aid organization that organizes sports and game activities for children and youth living in and around Palestinian refugee camps by bringing together local teachers, leaders and communities in Jordan. Thousands of people joined the march called "A Healthier Life for Children" sponsored by TCCC and organized by Right to Play to which CCI's affiliate in Jordan, Coca-Cola Bottling Company of Jordan (CCBCJ), provides food and beverage aid. In 2009, CCBCJ also created opportunities for young people to engage in sports by supporting the "Competition for Madaba" Schools" project and supplied funds for education through the funds collected at the end of the competition.

During the reporting period, a football team was formed to take part in the Anatolia Group Employees Football Tournament with participation from CCI Turkey employees. During this same period, a football team was formed with CCI Jordan employees. In order to encourage our employees to develop an active lifestyle, stands are set up periodically within the company by outside suppliers so that they can promote products that support a healthy lifestyle, and contracts are concluded with wellness and sports clubs so that our company employees can take advantage of sporting activities at discounted prices.

Information brochures prepared by TCCC regarding physical activities for youth and adults are available on http://www.cocacolaturkiye.com.tr/urunler\_ve\_piyasa daki\_uygulamalar.aspx.









CCI'S GOVERNANCE PHILOSOPHY, POLICIES AND PRACTICES THAT WE CONTINUOUSLY REVISE AND IMPROVE, ARE THE GREATEST HELP AND GUIDANCE TO US.



As a result of the fact that we operate in different geographic regions, multi-culturalism pervades our work environment. One of the most important objectives is to provide a fair and safe workplace for all employees in each country where we do business and to

support their personal development. CCI's governance philosophy, policies and practices that are continuously revised and improved are the greatest help and guidance for the entire organization in this regard.



#### What We Said

- Raise our performance in the employee loyalty and satisfaction survey conducted once every 2 years in Turkey, to implement the priority actions that emerge from the survey and to transfer this approach to other CCI regions.
- Perform activities in the action plan on time in order to score at least 70 points on the employee loyalty and satisfaction results in Kazakhstan and Jordan.
- Increase participation in the internal customer satisfaction survey in Turkey by 50% and achieve an improvement of 5% in our administrative affairs department in terms of services.
- Raise the Headquarters internal employment rate to 20%.
- Prepare back-up and individual development plans in the first half of the year in Kazakhstan and Jordan.
- Increase the prevalence of open door meetings.
- Provide personal development training opportunities for employees in technical departments.
- Work on new learning tools related to accident prevention by developing an accident investigation processes.

#### What We Achieved

- Participation in the Employee Loyalty and Satisfaction survey rose to 87%.
- Even though we performed the activities on the action plan in Kazakhstan and Jordan, we did not achieve the overall loyalty score that we were aiming for. Nevertheless, satisfaction scores did improve significantly in some areas and departments compared to the previous survey.
- We revised the content and the size of the 2009 internal customer satisfaction survey. We revised our goals due to the differences in performance categories. We achieved an improvement of 4.12% in our administrative affairs department in terms of services.
- Our internal employment rate in 2009 was 49% and grew to 57% in 2010.
- We prepared back-up plans for Kazakhstan and Jordan, and based on these plans, we also prepared individual development plans for employees who shall back-up critical roles.
- We increased the prevalence of open door meetings in 2009 and 2010.
- We have met the personal development needs of our employees in technical departments at planned levels via either e-training or classroom training.
- We began more effective utilization of the Picasso system together with TCCC with regard to accident investigation processes.

- Expand Incident Management and Crisis Resolution training in international operations.
- Enhance internal communication with online bulletins and to publish a CCI bulletin for distribution in 10 countries as well as a bulletin for distribution in Kazakhstan.
- Reduce overtime costs as a percentage of total employee costs from 8% to 3% in Kazakhstan, and from 7.5% to 5% in Jordan.
- Update CCI's Business Ethics Code.

- OHS audits we performed were more comprehensive that those in previous periods, and we laid the foundation for a new OHS organization.
- We gave Incident Management and Crisis Resolution training in Azerbaijan, Kazakhstan and Jordan.
- We reached employees in all the regions where we operate with our magazine The World of CCI and the CCI Newsletter.
- We reached the target rate of overtime costs to total employee costs in Kazakhstan and Jordan.

#### What We Aim

- Analyze the current situation with regard to employee health and safety and raise standards. We will further develop OHS organization.
- Sign a new collective labor agreement at our Mahmudiye plant in 2011.
- Improve overtime practices.
- Realize Incident Management and Crisis Resolution Validation in a total of 7 countries by the end of 2011.
- Launch CokePort, our most important internal communication tool, with its revised and improved content operations beginning in 2011.

#### **GOVERNANCE**

CCI'S STRONG CORPORATE
MANAGEMENT CULTURE IS BASED ON
THE PRINCIPLES OF FAIRNESS,
TRANSPARENCY, ACCOUNTABILITY AND
RESPONSIBILITY.

In keeping up with the principle of public disclosure, CCI aims to share information that is timely, accurate, comprehensible and analyzable in a manner that is easily accessible at low cost. It aims to foster open communication with all its stakeholders who are within its area of impact throughout its geography of operations.. Detailed information regarding relations with shareholders, information disclosure policy, duties and responsibilities of the Board of Directors and its committees, and the issues of Risk Management and Internal Audit is available in the Corporate Governance Compliance Report published on our corporate website.

In 2010, CCI once again proved its commitment to the principles of corporate governance. Our Corporate Governance Rating was revised to 8.43 out of 10. The importance CCI places on corporate governance principles, its willingness to implement this as a continual, dynamic process and the improvements it has made in this area contributed to CCI's revised corporate governance rating.

N. Orhun Köstem, CCI Chief Financial Officer

66 In order to maintain our commercial and financial success, we build our company organization on corporate governance principles shaped by fairness, transparency, accountability and responsibility.

### Coca-Cola İçecek Shares the First Place with Anadolu Efes in the "Best Corporate Governance Communication" Category

Coca-Cola İçecek shared the first prize with Anadolu Efes in the "Best Corporate Governance Communication" category at the "2010 Turkish Investor Relations Awards" organized by Acclaro and Extel Survey.

# CCI has the Best CEO, CFO and Investor Relations Department in Turkey

According to the results of the 36<sup>th</sup> Thomson Reuters Extel Research conducted in 2009, CCI CEO Michael A. O'Neill was named "Turkey is Best CEO", while CCI's Burak Başarır was named "Turkey's Best CFO". According to the results of the same research, the CCI Investor Relations Team was selected as "Turkey's Best Investor Relations Department".

CCI Code of Ethics consists of two sections and was prepared with the objective of maintaining and strengthening the relationship of trust established with the stakeholders. The first section of the Code of Ethics includes the values that we will uphold in every place where we do business and the responsibilities to employees and society. The second section covers business management principles that address employee responsibilities to the company.

Actions to be taken in the event of possible conflicts of interests are specified in our Code of Ethics. CCI Code of Ethics holds good for all executives and employees of CCI and its affiliates including the members of the Board of Directors. The Internal Audit department reports directly to the CCI Board of Directors Audit Committee and submits its independent opinion on relevant issues.

As was clearly stated in the Code of Ethics, CCI does not make donations or provide assistance to any political party, nor does it engage in any lobbying activity.

The CCI Code of Ethics is available on http://www.cci.com.tr/uploads/contentdoc\_d/COCA-COLA%20CODE%20OF%20ETHICS%20%20-ING.pdf

#### **CCI praised by Ethics Expert**

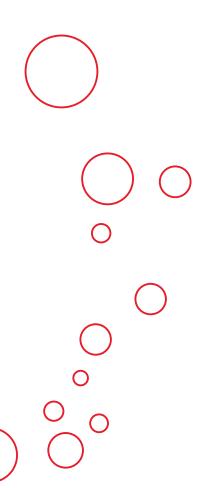
The book entitled Transient Caretakers written by the GRI (Global Reporting Initiative) President Prof. Mervyn King published in 2009. was promoted at a special cocktail held as part of the 3rd Corporate Governance Summit. In his book, whose translation into Turkish was supported by CCI, King refers to the Coca-Cola System and CCI with praise saying: "The greatest proof of the Coca-Cola Company's positive impact on its business partners is the fact that CCI has published the first GRI certified Corporate Social Responsibility Report in Turkey."

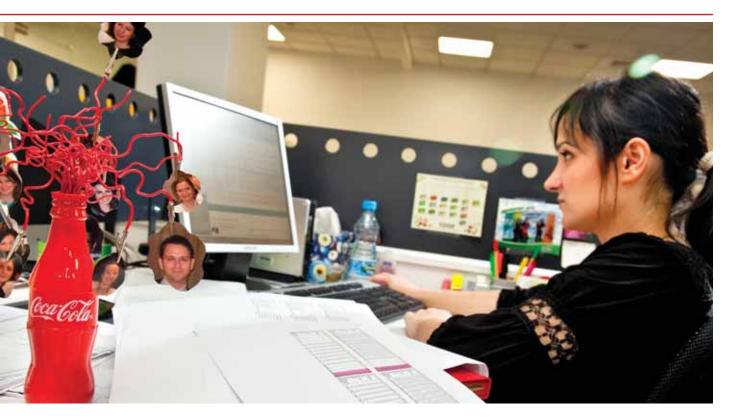
## Risk Management and the Internal Audit System

The Internal Audit Department functions as a security net within the framework of a systematic approach to evaluating and improving the efficiency of risk management, internal audits and governance processes on behalf of the company management and the Board of Directors. The Internal Audit Department is responsible for forecasting risk in a timely manner, communicating with the concerned management levels when necessary, ensuring employee compliance with CCI's Code of Ethics, efficient use of resources, ensuring that operations are consistent with company objectives, promoting quality and continuous progress during the audit processes, as well as identifying and addressing legal and administrative problems.

With the new audit approach we will implement in the 2011 - 2013 period, our goal is to:

- Adopt a risk-oriented approach in the areas of planning, audits and reporting by further developing our internal audit approach,
- Implement quick, effective solutions based on fundamental risks, controls and processes by further developing our audit approach,
- Further develop our communication model.





The Internal Audit Department is audited by an independent organization at specified intervals for compliance with the International Internal Audit Standards. An independent audit company audited our Internal Audit Department in March 2009 and as a result CCI received a quality certificate.

For detailed information about our organizational chart, organizational structure, shareholding structure, Board of Directors and its related committees and our senior executives, please visit our corporate web site.

### **Business Continuity**

We use the Incident Management and Crisis Resolution (IMCR) program which is a part of TCCC's Global Asset Protection strategy, to prevent disruptions that might occur in CCI's operations. This program enables us to administrate our entire system from a single point and create a company long-term memory

where our processes are stored. Our people, products, infrastructure and financial assets are protected within the framework of this central program.

In the event of an extraordinary situation preventing access to our central systems, CCI's Business Continuity Solution bOnPC application ensures that order entry, invoicing and accounting processes continue uninterrupted. This application has been featured on the Coca-Cola Company Global Bottler Solution website as a best practice.

We continue to strengthen our disaster recovery technology in order to ensure business continuity. The 9-person disaster recovery planning team that we formed in Pakistan in 2010 will set to work in 2011 and they will ensure CCI's business continuity in the case of emergencies.

#### QUALITY OF LIFE AT CCI

WE AIM TO PROVIDE EMPLOYEES WITH OPPORTUNITIES FOR PROGRESS IN THEIR CAREERS IN A SAFE ENVIRONMENT WHERE THEY CAN CONTINUALLY DEVELOP THEMSELVES.



CCI's approach to quality of life seeks to maintain a corporate culture based on values that include respect for human rights where employee development is supported in every aspect. In order to develop this culture, CCI focuses on creating a work environment that is safe, motivating, diverse and tolerant.

We apply this approach in all of our business practices in order to improve the quality of life of CCI employees starting from the hiring process. The same approach applies to our human resources policy, internal communications, performance management and the career planning system, training, talented workforce, compensation policy, cooperation with unions, employee health and safety activities, as well as our security management system.

#### Aliye Alptekin, CCI Human Resources Director:

66 Our highest priority is to create a healthy, safe and fair working environment for all employees based on mutual respect. We provide employees all the support they need for their personal development.

#### **Human Resources Policy**

CCI's human resources policy aims to ensure that CCI is a preferred company by creating a competent organization consisting of highly engaged employees. In keeping up with this goal, continuous improvement regarding the main strategic priorities listed below is a key principle:

- Developing primary organizational competencies that will enhance our competitive edge as a company,
- Acquiring and developing new talent for the company to ensure the continuity of leadership,
- Encouraging high performance and loyalty,
- Building a common corporate culture that can hold differences together and take advantage of this diversity.

CCI aims to provide employees with opportunities to progress in their careers in a safe environment where they can continually develop. Our objective is to encourage employees to optimize use of their talents and productivity while providing them an enjoyable work environment where trust, cooperation, and ownership is highlighted.

All the human resources systems including the assessment of human resources needs, recruitment and placement, performance management, talent management, training and development management. compensation and benefits management, recognition and rewards, operate with the principle of ensuring, promoting and rewarding continuous development and superior performance.. Human Rights and related practices are fully integrated with our human resources policy. With this understanding, we regard and apply the Universal Declaration of Human Rights as part of our human resources policy. We support and comply with the principles outlined in the United Nations Global Compact. We do not discriminate between employees based on religion, race, language, color, gender or physical disability while making recruitment or salary/promotion decisions and we do



not apply different compensation policies We do not employ child labor or forced labor in CCI.

Employees who feel that there is an inconsistency between our principles and practices in the workplace can submit their questions, opinions and complaints to the Management, Human Resources, Internal Audit or Legal Departments.

Our policy of being fair, respectful and tolerant towards employees is further reinforced with the implementation of the "Workplace Rights Policy" prepared by the Coca-Cola System in 2007. Information about the application of this policy which is organized under the headings of Talent Transfer, Employee Benefits, Employee Health and Occupational Health and Safety is shared throughout this report in the relevant sections.

We defend universal human rights in our areas of influence and strive to raise the awareness of our business partners especially the supply chain in this respect. We therefore aim to implement the strategies, policies and practices related to human rights on our supply chain within the framework of TCCC Supplier Principles. The Supplier Principles state that none of our suppliers may engage in behavior that violates human rights, approve such behavior or such business practices.

CCI did not receive any complaints related to any violation of human rights during the reporting period and has not been subject to any penalties or compensation claims in this regard.

#### Employee Breakdown By Contract Type (%)

		Permanent	Temporary	Total Number
Turkey	2009	98.8	1.2	2,633
	2010	99.5	0.5	2,659
Jordan	2009	99.2	0.8	495
	2010	99.4	0.6	382
Kazakhstan	2009	100	0	803
	2010	100	0	694
Azerbaijan	2009	64.7	35.3	395
	2010	67.5	32.5	404

#### Employee Breakdown By Status (%)

	White Collar	Blue Collar	<b>Total Number</b>
2009	67	33	2,633
2010	68	32	2,659
2009	52	48	495
2010	52	48	380
2009	49	51	803
2010	54	46	694
2009	22	78	395
2010	27	73	404
	2010 2009 2010 2009 2010 2009	2009       67         2010       68         2009       52         2010       52         2009       49         2010       54         2009       22	2009     67     33       2010     68     32       2009     52     48       2010     52     48       2009     49     51       2010     54     46       2009     22     78



The ability of our employees to raise their opinions in an efficient manner and to stay informed about corporate news and developments is not only important in terms of employee development, but it is also an enriching set of practices for our company. This reciprocal communication and sharing of information is realized in our company through different practices.

CokePort is the intranet site that we use to convey the bulk of internal communication. Employees can utilize CokePort to access all company news, policies and procedures, company organizational chart and telephone extensions, electronic forms, training calendars, vacant positions and new appointments. CokePort is planned to be functional with improved content in Turkey in 2011.

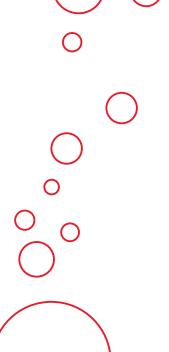
Internal publications also play an important role in internal communication. We began publishing an internal magazine in 1999 and starting in 2007, a revised version has been prepared

The World of Coca-Cola icecek won the Grand Prize in the "Best Communication Medium of the Year" category at the 2010 International **Business Awards (STEVIE).** 

and is now being published regularly covering all our countries under the name The World of Coca-Cola İçecek.

The CCI News Line, prepared every month, is posted on company bulletin boards, and the CCI Newsletter is sent electronically to all CCI country operations.

Pursuant to our Open Door Policy, all employees should have easy access to the company's upper-level management. Open Door Meetings give CCI employees the opportunity to directly meet the senior management.



It is very important to us that our employees enjoy their work and that we are able to implement their suggestions for improvement at the workplace. Therefore, we have been conducting employee surveys once every two years since 2008 where we measure loyalty and satisfaction together. The survey participation rate for CCI Turkey Employee Loyalty Survey conducted in 2010 reached 87%, marking a significant increase from 73% realized in the previous survey.

#### **Employee Breakdown By Gender**

		Male	Female	Total <sup>1</sup>
Turkey	2009	2,309	324	2,633
	2010	2,319	340	2,659
Jordan	2009	464	31	495
	2010	364	16	380
Kazakhstan	2009	681	122	803
	2010	585	109	694
Azerbaijan	2009	365	30	395
	2010	366	38	404

<sup>1</sup> Excluding part-time and temporary employees.

#### **Equal Opportunity for All**

In the light of our business philosophy and human resources policy, it is very important that all employees work in an environment of equal opportunity regardless of their religious beliefs, language, race or gender. We implement a compensation and promotion policy based on the qualifications and performance of employees as per the principle of equal working conditions. A fair and transparent compensation policy prevents discrimination. Compensation is evaluated and determined through a systematic process that considers factors that are both internal and external to the company.

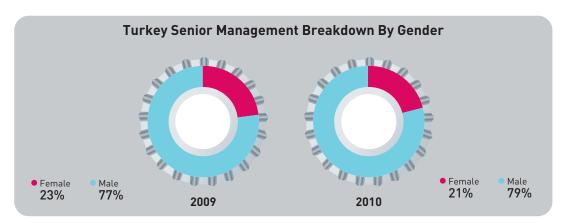
We provide health insurance to all fulltime employees and their family members (spouse and children) as well as a life insurance policy for them and their spouses. Relocation allowance is provided for work related relocations to other cities and employees that complete 6 months in the company are entitled to be included

in the company's cost shared Personal Pension Scheme.

In 2009 and 2010, a total of 1,206 employees at CCI Turkey and 164 employees at the Headquarters benefited from the company's Personal Pension Scheme. The employer contribution made by the company was TL851,830 for CCI Turkey and TL284,074 for the Headquarters. The rights and benefits offered to employees who retire from CCI are determined within the framework of applicable laws.

All employees are subject to progressive discipline procedures. Dismissal procedures conform to the labor law, applicable legislation and progressive discipline procedures. When dismissal happens for reasons such as poor performance, inappropriate behavior, absenteeism and inadequate performance during the trial period, we follow the legal time periods and procedures for dismissal notification.

# THERE ARE 3 FEMALE EXECUTIVES, DIRECTLY REPORTING TO THE CEO, IN THE CCI EXECUTIVE COMMITTEE.





We make efforts to help employees achieve a balance between work life and private life and consider it as an important process. Accordingly, we are working on measures to reduce overtime. As per our compassionate leave policy, every employee is entitled to use six days of compassionate leave during a calendar year. Employees' annual leave are planned at the start of every year and used accordingly throughout the year.

#### Performance and Talent Management

We are aware of the fact that the most important factor that will improve company performance over time is our human capital. Therefore we place great importance on improving the performance of employees.

Superior performance can only be achieved with high competency. Therefore, our human resources policy is based on attracting talented employees and constantly developing them. Beginning with the recruitment process, assessment of competency and capacity is the common denominator in human resources processes, all of which are aimed towards developing employees and managers. All our employees and managers are developed in a way that will support the culture that we want to

create in parallel with our strategic goals and in accordance with basic competencies.

The performance of employees is evaluated every year. Through these evaluations we determine the areas of potential development for the employees and specify programs to develop these areas. During the year following the performance evaluation, employees take part in programs prepared for them. In addition to this practice, we conduct intermediate assessments for changes that may occur within the year and we make the necessary revisions in employees' targets.

As part of that Talent Management process, every year, we review the performance and the potential of employees who occupy critical positions. We update the succession plans for these positions. The Talent Committee meets 4 times a year to follow the development of employees that back up critical positions and those with high potential.

Training and Vocational Development

rising to 57% in 2010.

Ensuring the development of employees within the Coca-Cola System and helping them to reach higher levels is a constant goal. Therefore, it is very important that employees acquire familiarity with different functions and enrich their experience, and ensure that their talent is identified and enhanced.

In addition to basic training, training needs for the development of employees are identified through interviews realized between employees and their managers. Although these meetings vary in different countries within the CCI organization, they are held once every 3 months or 6 months.

In 2010, we maintained a focus on the importance of increasing the diversity of training programs by separating technical training from personal development training and establishing separate departments for each. Through the CCI Campus system, employees have the opportunity to benefit from various training activities comprising of internal, external and e-learning modules.

The e-learning program includes subjects such as Six Sigma, today's leader, consultancy-based sales, change management, the power of inner creativity, occupational safety, professional behavior in business life, stress management, time management, basic management skills, basic coaching skills, decision-making, the winning team, project management, strategy, team-work, right execution

#### Total Training Hours in Turkey (2009 - 2010)

	2009	2010
Turkey	76,851	39,237
Jordan	15,665	9,468
Kazakhstan	2,674	8,816
Azerbaijan	581	722

### Annual Training Hours Per Employee by Status in Turkey

	2009	2010
Turkey		
Blue Collar (man-hour) White Collar (man-hour)	23 45	9 30
Jordan		
Blue Collar (man-hour) White Collar (man-hour)	31 26	4 18
Azerbaijan		
Blue Collar (man-hour) White Collar (man-hour)	42 27	0 22
Kazakhstan		
Blue Collar (man-hour) White Collar (man-hour)	10 14	7 17

Apart from training, we create opportunities for hands-on learning such as rotation programs and project work. With tools like our assessment center and 360-degree assessment, we aim to contribute to employee development by providing them with more accurate feedback.

Sales Academy program is directed at sales development supervisors, which is a critical position for us. The purpose of this one-week program is to give competency-based training to employees in sales departments and to equip them with basic technical knowledge so that they can perform their duties in the best way possible. We conducted two Sales Academy Programs in Turkey in 2009; the first one in March and the second one in December. A total of 45 employees took part in the two training sessions which included 26 different topics. In 2010, on the other hand, we conducted two Sales Academy Programs, the first one in April and the second one in November. A total of 44 employees took part in the two training sessions that included 16 different topics.

#### **Talented Workforce**

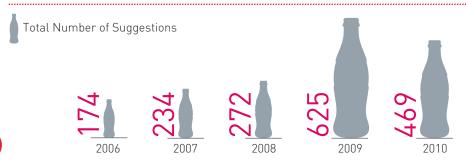
Employees are the greatest asset when it comes to improving and advancing business processes. Making use of the creative ideas of employees regarding business processes is a method that CCI proactively utilizes in order to make our business processes more efficient.

We support employees with the goal of implementing a business model that is innovative, creative and environmentally friendly. As a result of this approach, we launched the "Inventor Competition" in 2009 within the supply chain of Turkey operations. In 2010 the program was extended to the entire Turkey operation. The purpose of the project is to spread a culture of innovation among employees and to ensure that they are more efficient and use less resources.

Since 2005, the "CSR Solutions Marketplace" activity has been conducted in numerous European countries by CSR Europe and has proven extremely popular. It was held for the second time in Turkey by the Turkish Corporate Social Responsibility Association (KSSD). We entered the Turkish CSR Solution Marketplace with the "Inventor Competition", which is a contest of innovation and replication with the slogan, "CCI inventors work, the environment wins."

Champions League program entails a comparative evaluation of the performance of the production lines in our plants on a monthly basis. The primary categories in these assessments are line efficiency, production realization rate, package quality points, number of work-related accidents, tidiness and order, environment, consumer complaints and non-compliance. The lines are evaluated monthly in these categories and the winners for the month and the year are announced.

One of the most important practices is the employee suggestion system which allows employees to demonstrate their talents, also making CCI's business practices more efficient. Employee suggestions are the most important source of our innovations and they have been steadily increasing each year.



## Freedom of Association at CCI

CCI respects the freedom of association of employees, and does not in any way violate these legal rights.

There are currently union organizations in six plants. One of the most important supporting elements in our relationship with unions is the "Industrial Relations"

Assessment Boards". This board is comprised of the employer, union representatives and workplace representatives. The fundamental purpose of the board is to identify problems in issues such as working conditions, efficient and quality production, as well as work peace, and contribute to the solution through reciprocal information sharing. The board meets at least once a year at each plant.

Consensus is reached regarding health check-ups, sick leaves, work-related

accidents and birth / maternity leaves, sick pays, first-aid, protective equipment, work wear and occupational health and safety via collective labor agreements concluded with the union.

We plan to sign a new collective labor agreement at our Mahmudiye plant in 2011. No occasion took place during the reporting period that posed a significant threat to the freedom of association and collective bargaining.

#### Number of Union Employees at CCI Turkey\*

	2007	2008	2009	2010
Number of Union Employees	437	508	482	525
Number of Union Employees as a Percentage of Supply Chain Employees	47.75%	47.61%	41.33%	40.57%

<sup>\*</sup> Even though the number of union employees is increasing, due to the increase in the overall number of employees, the ratio of union employees to total employees has been decreasing.

# Occupational Health and Safety

Ensuring that employees work in a healthier and safer environment and helping them to effectively adapt to changing work conditions are the most fundamental objectives of both our workplace rights and Code of Ethics. Therefore, we stay abreast of modern business practices and developments. An important guide in this regard is the Coca-Cola Occupational Health and Safety System (TCCOSH). The system contains our company's changing and developing occupational health and safety priorities, local legal procedures and internationally recognized standards. It is also integrated with the Coca-Cola Management System, which regulates issues such as occupational health and safety, quality, environment and work loss prevention.

The Health and Safety Committee works on issues related to occupational health and safety. Employees are represented by a union representative, a representative from foreman position or a Human Resources and Administrative Affairs Supervisor. Employee representatives participate in the workplace health and safety inspections and monitor them, making suggestions

and requests for preventative measures, representing workers primarily on issues related to health and safety. The Occupational Health and Safety Board meets the last Friday of every month and two worker representatives attend the meeting, one being a substitute.

We have 14 committees that facilitate the monitoring of occupational health and safety programs and make recommendations in this regard. Currently there are 41 employee representatives in these committees. A total of 155 people currently work in the OHS committees.

The occupational health and safety informational meetings that we hold monthly are attended by production managers, supervisors, engineers, union representatives and employees.

The occupational health and safety performance is regularly monitored by the senior management through the Management Cockpit system. Related staff can also access the system via CokePort. The system operates using SAP and provides a comparative look at the basic environmental and occupational health and safety indicators as well as the targets that have been realized.



The Safety Management System (SMS) is the sum of all the practices which management of each department is responsible to establish. Each department determines its potential impact on employee safety and public safety. These impacts are divided into groups based on the amount of risk they pose, and in this way, safety and risk prevention procedures are determined. The management of the department is responsible for implementing, maintaining and improving the system.

All CCI plants are audited by independent auditors regarding occupational health and safety, environment, working conditions, employee rights, subcontractors and compliance with laws and regulations within the framework of our Workplace Rights (WPR) and Supplier Guiding Principles (SGP).

All plants in Turkey have been successful in these audits that have continued since 2008. In 2010, the Elazığ plant and the Mahmudiye plant received a perfect score for compliance with no defect. In 2011, the plants in Izmir, Köyceğiz, Çorlu, Mersin and Ankara will be audited. Audits were performed in Azerbaijan and Kazakhstan in 2010. In Jordan the next audit is planned to be held in 2012.

CCI has unfortunately recorded two fatal accidents during the reporting period. Mustafa Atay, employed as a production operator, was critically injured due to an accident at Mersin plant on June 7<sup>th</sup>, 2009 and Ayhan Kaya, employed as a preseller, died due to a car crash while on duty on December 22<sup>nd</sup>, 2010. In order to avoid such incidents in the future, we will further develop internal communication focused on occupational health and safety.

During the reporting period, OHSAS 18001 Quality certificate preparations were conducted at our plants in Kazakhstan, Jordan, Köyceğiz and Elazığ. Elazığ and Köyceğiz plants obtained their OHSAS certificates at the end of 2010. Occupational Health and Safety training was provided to our plant employees via e-Learning and an Occupational Health and Safety Handbook was prepared. Improvements were also made through corrective and

### Principles of the Security Management System;

- Employee safety, security of the visitor and contractor area,
- Public safety,
- Intervention regarding the health impact of the operations,
- Assessment of occupational health risks
- Developing and implementing an action plan that provides for intervention in accidents and emergencies for the purpose of preventing possible environmental impacts,
- Developing a matrix or similar tool that indicates which departments or people can be contacted in the event of an emergency,
- Intervening in negative situations that could affect business continuity or result in the loss of assets.
- Intervening to prevent damage to the public image or trademarks of TCCC and CC,
- Regular risk, safety and accident analyses,
- Risk Assessments in areas of operation (Occupational Safety Analysis or comparative risk reviews.),
- Assessment of possible natural disasters and emergency situations (fire, medical incidents, riots, terrorism, etc.),
- Creating an Emergency Management Team that can coordinate information analysis and the decision-making mechanism,
- · Taking other regional problems into account,

#### Jordan Occupational Health And Safety Excellence Award

**JORDAN OPERATIONS WAS** AWARDED THE OCCUPATIONAL **HEALTH AND SAFETY EXCELLENCE** AWARD BY THE JORDANIAN MINISTRY OF LABOR, THE OCCUPATIONAL HEALTH AND SAFETY ASSOCIATION, THE SOCIAL SECURITY INSTITUTION AND THE TECHNICAL UNIVERSITY OF SCIENCE AND HEALTH.

Awards in two categories, "Occupational Health And Safety Excellence Award" and "Occupational Health And Safety Incentive Award", were distributed at the contest attended by more than 100 companies from 9 different sectors. Our Jordan operation, which was awarded the "Incentive Award" in 2009, was proud to receive the "Excellence Award" in 2010 with a score of 92%, also being recorded as the only beverage company to have received the award since the contest was launched in 2007.

#### Occupational Health and Safety by Years

		Total Hours Worked	Lost Days	Absent Days	Fatalities- Total	Average Hours Worked	LTI Rate	Lost Time Injury Severity Rate	Total Incident Rate	Absentee Rate
Turkey	2008	3,228,118	250	6,428	-	2.71	2.42	15.49	2.98	404.54
	2009	8,181,012	264	2,503	1	5.49	0.90	6.61	1.14	64.81
	2010	10,324,726	391	6,176	1	6,554	1.01	9.62	2	125.79
Jordan	2008	1,479,616	190	-	-	2.48	39	25.68	6.76	-
	2009	1,238,040	197	-	-	2,502	24	31.82	1.94	-
	2010	971,008	67	1,702	-	1,999	11	18.37	9.4	350.56
Kazakhstan	2008	951,810	136	188	-	1,857	2	58.58	0.96	64.82
	2009	596,192	-	-	-	1,816	-	-	-	-
	2010	1,363,127	-	-	-	1,784	-	-	-	-
Azerbaijan	2008	562,880	14	14	-	1.92	2	4.97	0.71	4.97
	2009	543,360	-	-	-	1.92	-	-	-	-
	2010	843,520	9	850	-	1.92	1	2.13	1.19	201.54



#### **Employee Health**

A significant portion of CCI's occupational health and safety practices consists of employee health practices. Our philosophy is to take proactive measures for a variety of situations that might have a negative impact on the health of employees from day one. As a result of this approach, we take the following measures:

- Screen new hires for Hepatitis B and provide preventative vaccinations based on the test results,
- Weekly laboratory visits and blood tests for employees,
- Periodic check-ups such as hearing tests, carrier examinations and eye examinations against vocational diseases,
- Warnings posted regarding hand hygiene against influenza.

Another area of practice related to the health of our workers is the improvement of physical working conditions. During the reporting period, for personnel working with computers in an office environment, ergonomic chairs good for the back and lower back were obtained as part of the improvements to create ergonomic working conditions for CCI Turkey employees. Furthermore, in order to improve the lighting systems, transparent plexi applications were implemented to turn light into sunlight.

During the reporting period, the new building for the Yenibosna Office was opened. Work on the additional buildings at the Dudullu Office is scheduled to be completed in 2011.

Informational meetings on cervical cancer were held for our female employees at CCI Turkey during the reporting period, and cervical vaccinations were applied to interested personnel. Dental screening and eye examinations were provided for company employees.

Our work on health-related issues was not restricted only to employees. The Bursa Spouses Club, which has won so much recognition for its accomplishments, organized "Breast Cancer" and "Family Planning" seminars for the women of Derekızık Village in cooperation with the Bursa Provincial Health Directorate in 2010. Seminars were attended by 35 people, during which brochures on all types of cancer and family planning were distributed.











The increasing scarcity of natural resources and the destructive impact of climate change make a sustainable business model essential. CCI fulfills its responsibilities in this regard and leads change in across its geography.

Effective management of the environmental impact that results from CCI's activities constitutes one of the

primary elements of the CCI Life Plus Sustainability Model just as it does throughout the entire Coca-Cola System. Three primary focus areas of CCI with regards to the management of its environmental impact are water management, sustainable packaging, energy efficiency and climate change.



We conduct operations by prioritizing the value of the resources that future generations will require and by respecting the environment.

We believe that minimizing our impact on the environment is a requirement for conducting business in the best way possible. Therefore, we carefully monitor our environmental impact and target a performance that exceeds legal requirements.

We place the issue of water usage, which is fundamental to our business, at the heart of our environmental policy and aim to be an exemplary company in this regard.

We make energy efficiency a priority in every area of operations, measure our carbon footprint and take the necessary actions to reduce it.

Reducing the consumption of resources by increasing reuse and recycling, as well as disposing of the waste generated from operations without harming the earth are important aspects of our environmental management policy.

We develop environmentally-friendly manufacturing processes in our area of operations, take initiative to create the same awareness with all stakeholders in our sphere of influence, taking leadership in joint projects and initiatives.

We manage our environmental impact with the most advanced systems. These systems are set up in compliance with internationally recognized management standards and the Coca-Cola System, and are constantly improved in keeping up with legal regulations and the advance of technology.

The most basic tool that CCI utilizes in the management of its environmental priorities is the Coca-Cola Operating Requirements Management System (KORE). KORE encompasses the areas of product quality, environment and occupational health and safety. The environmental pillar of the KORE System is the environmental management module known as EKOsystem.



The fundamental structure of this module is based on the ISO 14001 Environmental Management Standard, while requirements specific to our operations have also been included in the system. The basic content of EKOsystem consists of work standards, due diligence, audits and performance reporting standards and requirements related to effective management of distribution fleets, energy efficiency, hazardous materials, waste water and solid waste and water resources as well as protection of the ozone layer.

As is the case with other performance areas, CCI sets goals, manages and monitors its environmental performance through its a sustainability management organization that ranges from the Board of Directors to operational departments. Management of environmental issues is handled by the Supply Chain Directorate. However, due to certain legal regulations that were put in place during the reporting period, it has become necessary to establish a unit that will be responsible for the management of environmental issues. We already began working on creating the organizational structure and identifying the necessary supervisors and specialist personnel for the CCI Environmental Management Unit, which will begin functioning in 2011.

Country operations also create support structures to strengthen the decisionmaking and application processes within the scope of environmental management. The CCI Turkey Environment Working Group formed in 2007 consists of Plant Environmental Managers and the Headquarters Quality Assurance Manager, and it conducts operations related to issues such as reporting, performance evaluation, efficiency increase, system and process improvements, compliance with legal regulations and changing systems as per our environmental priorities. The Work Group meets twice a year and reports environmental performance to the Supply Chain Directorate. The performance results are discussed by the Board of Directors as part of the process to formulate 3-year business plans.

We are a constantly growing and developing organization, therefore we make numerous physical investments. We evaluate the environmental impact of these investments at the decisionmaking stage. If the environmental impact at the building stage and the impact that will result from operation of the facility are within acceptable limits, then we make the investment. In situations that fall within the scope of the Environmental Impact Assessment Regulation, we prepare an EIA Report and make the necessary applications.

### Ali Hüroğlu, CCI Supply Chain Services Director:

**66** Our strategy is based on efficiency, innovation and respect for people and nature. We believe that minimizing our impact on the environment is a requirement for conducting business in the best way possible. The focus on projects within the scope of Operational Excellence, which is a part of our corporate culture, is to minimize waste and the use of resources. These efforts do not only lead to significant advances in our environmental performance, but they also have a positive effect on our financial performance. 99

### **Best Country Bottling** Operation" Award for our **Turkey Operation**

CCI Turkey operations received the "Best Country Bottling Operation" award as part of The Coca-Cola Company Eurasia and Africa Group President's 2009 Environmental Awards for superior performance in its management of water resources, sustainable packaging and energy efficiency and for the support it has given to organizations that work for the benefit of society. CCI Izmir plant won the "Best Performing Plant" award out of 122 plants and CCI Jordan operation was one of the finalists in the "Best Country Bottling Operation" category.

#### CCI is a Finalist in the EU **Environmental Awards**

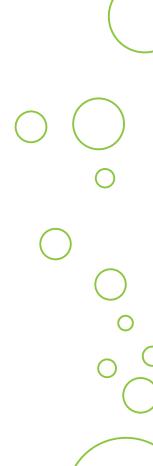
becoming a finalist in the European Union organized by TÜSAİD and REC for the friendly technology and certifying the a trail with eco-friendly policies,

#### What We Said?

- Transfer the best water usage performance in Turkey to other regions,
- Reduce CO<sub>2</sub> emissions in our plants in Turkey to 23 g/L,
- Expand and accelerate work on efficient and safe driving techniques,
- Work towards raising awareness of the environment with suppliers, distributors and customers and to initiate work on long-term performance assessment,
- Procure 5,000 coolers in Turkey that provide energy savings of 25-30% and have energy management devices (EMD) installed.
- Save an average of 3,500 tons of resin per year through Lightweight.

#### What We Achieved?

- Water consumption rate in Kazakhstan, Jordan and Azerbaijan declined since
- CO<sub>2</sub> emissions from our plants in Turkey were 28.97 g/L in 2009 and 28.95 g/L in 2010.
- We reduced fuel consumption rate of 5.05 L/KL in 2009 to 4.34 L/KL in
- Due to cooler purchases throughout Turkey operations in 2010, the percentage of coolers that do not use HFC was raised to 11% and the percentage of coolers with EMDs installed rose to 14%.
- Resin savings totaling 4,280.1 tons were achieved by Lightweight in 2009 and 2010. At the same time, this enabled natural gas savings of 45,533.69 Nm3 and 2,252,703 kWh of electricity.
- The Supply Chain Environmental Management System was launched in
- Turkey Operations reduced the water consumption rate from 1.48 L/L product to 1.42 L/L product from 2008 to 2010.
- In Kazakhstan, we reduced CO2 emissions by 580 tons and energy consumption by 1,323,000 kWh by lowering the amount of pressure used in PET bottles from the global average of 30-40 bars to 15 bars.
- During the reporting period, we achieved energy savings of 1,632,000 kWh and water savings of 84,000 tons thanks to innovation projects carried out by CCI Inventors.



#### What We Aim

- Establish the CCI Environmental Management Unit.
- Achieve energy consumption per liter of product produced in 2011 to 0.216 MJ/L in our Turkey operation, 0.47 MJ/L in Jordan operation, 0.34 MJ/L in Kazakhstan operation and 0.23 MJ/L in Azerbaijan operation.
- Reduce CO<sub>2</sub> emissions per liter of product produced to 6.2% in our Turkey operation, 8% in Jordan operations, 7.3% in Kazakhstan operations and 8.6% in Azerbaijan operations.
- Reduce energy consumption and CO2 emissions with green IT applications.
- Increase recycling rates for materials in our Turkey operations by 0.5%, in Jordan operations by 0.7%, in Kazakhstan operations by 4.7%, and in Azerbaijan operations by 1%.
- Participate in the Carbon Disclosure Project Turkey in 2011 and disclose our carbon emissions and climate change policies.

#### Operational Excellence

CCI business strategies are founded on efficiency, innovation and continuous improvement. Therefore, we have combined the efficiency efforts we launched in 2007 with Lean Six Sigma under the umbrella of the Operational Excellence Program. The focus of projects that are part of the Operational Excellence Program is to minimize waste output and the use of resources, particularly energy. These efforts not only enhance our environmental performance significantly, but the savings that are achieved also have a positive effect on our financial performance.

### **CCI Turkey: Creator of Best Practices**

In 2009, we achieved total annual savings of USD1.8 million as a result of the 9 projects that were completed with the execution of 2<sup>nd</sup> wave operational excellence projects in Turkey.

The expansion of the Operational Excellence Program in 2009 to encompass our international operations means that all of the countries where we operate now have a common language, their processes comply with those in other countries and project efficiencies have increased. We developed almost 60 performance indicators in order to create this common language. We achieved savings of USD1.3 million in 2010 by completing 32 projects that we launched in packaging, logistics, storage of concentrate, energy consumption, line efficiency, cooler distribution and sales processes in Azerbaijan, Kazakhstan, and Jordan. At the same time, we completed, 3<sup>rd</sup> and 4<sup>th</sup> wave Operational Excellence projects in Turkey operations. We achieved savings of USD4.76 million with 46 3<sup>rd</sup> wave projects, and USD1.95 million with 17 4<sup>th</sup> wave projects. A goal is to realize savings of USD8.73 million with the implementation of 56 new projects as part of the 5<sup>th</sup> wave that we will launch in the next period.



#### **ENERGY EFFICIENCY AND CLIMATE CHANGE**

WE AIM TO REDUCE THE AMOUNT OF ENERGY WE CONSUME IN THE PRODUCTION, DISTRIBUTION AND COOLING PROCESSES THAT MAKE UP OUR ENERGY CONSUMPTION BY PURSUING IMPROVEMENTS AND AT THE SAME TIME TO ENHANCE OUR QUALITY.

Energy is essential for production. In spite of the advances made in the use of energy generation technologies and renewable resources, hydrocarbon-based energy resources are still a significant part of today's consumption portfolio. CO2 emissions generated as a result of the consumption of non-renewable energy resources contribute to climate change, which is the greatest environmental challenge of our day.

In order to guarantee a sustainable future, we consider the reduction of energy consumption and consequently of CO<sub>2</sub> emissions as absolutely critical. The issues of energy efficiency and climate change are inseparable areas of basic performance for CCI just as they are for the entire Coca-Cola System.

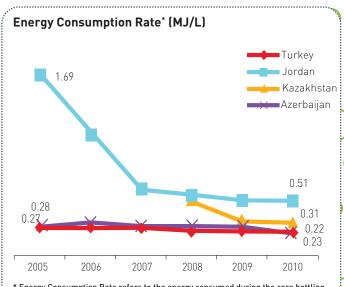
### **Energy Management**

CCI's energy management policy is based on realizing the greatest amount of production with the lowest amount of energy while making the best possible choices in terms of the types of energy we consume. We aim to reduce the amount of energy we consume in production, distribution and cooling processes that make up our energy consumption by pursuing improvements and at the same time to enhance quality.

All plants have an energy coordinator responsible for energy management. The energy consumption managed through an Operational Excellence approach is directed using several key indicators as part of the CCI performance management system. Performance achieved in these indicators is monitored by senior-level bodies at regular intervals.

### CCI, Climate Platform – Charter Member of the Climate Change Leaders Group

CCI Turkey Region President Burak Başarır is one of the charter members of the 'Climate Platform - Climate Change Leaders Group'. Work on this project began in 2010, and the goal was to have it established in 2011 by the Regional Environmental Center (REC) Turkey and the Turkish Industrialists' and Businessmen's Association (TÜSİAD). The purpose of the Climate Change Leaders Group is to combat climate change and to support the business community as Turkey transitions to a low-carbon economy. Its priority goals include creating innovative policies that will encourage energy efficiency, the widespread use of renewable energy and low-carbon technologies, the production of eco-friendly products and the development of a sustainable business philosophy as well as enhancing the environment of cooperation with all stakeholders, the public in particular.



\* Energy Consumption Rate refers to the energy consumed during the core bottling operation and excludes the consumpion from preform and CO<sub>2</sub> production.

Our goal is to hold energy consumption per liter of product produced in 2011 to 0.216 MJ/L in our Turkey operations, 0.47 MJ/L in our Jordan operations, 0.34 MJ/L in our Kazakhstan operations and 0.23 MJ/L in our Azerbaijan operations.

We track the amount of electricity expended per bottle during the PET blowing process, the amount of LPG expended per crate during loading process, and the amount of energy expended for each liter of product produced throughout the manufacturing process and we aim to enhance our performance with improvement efforts. We aim to reduce the consumption of all types of basic energy resources, such as natural gas, electricity, LPG and diesel.

### We Improved Cooling Processes in the Izmir Plant and Now Consume Less Energy

Cooling processes constitute one of the most significant sources of energy consumption in beverage manufacturing facilities. At the CCI Izmir plant, cooling processes account for 10% of the energy consumed. This is equivalent to annual energy consumption of 1 million kWh. CCI engineers studied the energy needed to refrigerate product by heating CO2 in an effort to reduce energy consumption in this area. As a result, we increased cooling capacity, so that at the end of this project, we were able to cool 25 tons of coolant per hour compared with 6 tons prior to the project.

CO2 evaporator fans were also deactivated providing additional energy savings. As a result of these efforts, annual savings of 300,000 kWh were realized. The total financial return of these savings during the reporting period was TL90,000, and during the same period, the release of 260 tons of CO2 into the atmosphere was prevented. The financial return of this project in these operations implemented in the Bursa and Elazığ plants in 2009 and 2010 was TL527,000.

#### We Use Less Energy and Produce More



Here at CCI, we view climate change as a significant threat, and when it comes to taking effective measures on this issue, we are one of the leading Turkish companies. At the center of our efforts in this regard is work to reduce CO<sub>2</sub> emissions.

We measure direct and indirect emissions with reliable measuring techniques for an effective emission management program. Starting with our 2007 performance, we have published our CO2 emissions results and submitted them for stakeholder review. In this way, we fulfill our responsibility to be an accountable company when it comes to combating the climate change which affects the lives of our stakeholders. On the other hand, publishing our performance motivates us to fulfill commitments regarding combating climate change with even better performance, going forward.

As a pioneering organization in our area of operations that discloses its performance related to CO<sub>2</sub> emissions,

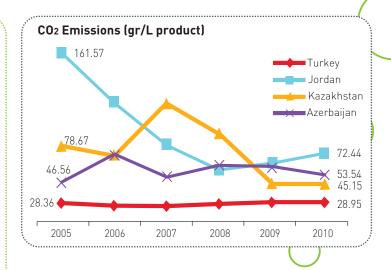
we encourage suppliers, business partners, competitors and the business community to adopt similar practices and join the fight to stop climate change.

Climate change is not something that affects only the beverage sector; it is a problem shared by the entire business world. However, it is also clear that it creates a number of opportunities in spite of the risks it poses. Measures to control emissions also reduce the costs associated with the consumption of resources. As a result of the impact, which increased consumer awareness has on purchasing behavior, it is a fact that companies that do not formulate a responsible business model will incur significant commercial losses while companies that do meet stakeholder expectations will maximize the value they create. Therefore, we share knowledge and opinions with all of the elements of the CCI supply chain, especially distributors, customers, suppliers and business partners in order to raise this awareness. In the future, we will be implementing projects that will reduce emissions throughout our supply chain in cooperation with stakeholders.

#### CCI Inventors Work and the Environment Wins

The Inventor Competition organized by CCI Turkey to encourage the creative potential of employees at every level has contributed significantly to our environmental performance. Subsequent to the successful results we achieved with the practice we launched in the Turkey supply chain in 2009, the CCI Inventor Competition was expanded to include the entire Turkey operation in 2010. In 2009, there were 211 project applications for the competition and 187 in 2010. As a result of the achievements in the CCI Inventor Competition and the projects that were implemented, total energy savings of 1,632,000 kWh of electricity, an amount equivalent to the annual average consumption of 590 4-person households and water savings of 84,000 tons, an amount equivalent to the average annual consumption of 1,000 4-person households, were realized.

Winners achieving energy efficiency were: the Izmir Plant Inventors realized energy savings of 300,000 kWh with their "Meeting Refrigeration Need with CO2 Exchanger" innovation project, the Çorlu Plant Inventors achieved time savings of 104 hours with their "Labeling Machine Bottle Wastes Revision" innovation project, the Ankara Plant Inventors increased production capacity by 12% with their innovation project entitled "Converting the Pallet Machine Entry Conveyor System to a Two-Way System", and the Bursa Inventors with a replication project entitled "Using CO2 to Cool the Coolant Water Used on the Lines".



Our goal is to reduce the CO<sub>2</sub> emissions generated for each liter of product we produce in 2011 to 27.15 gr/L in our Turkey operations, 66.67 gr/L in Jordan operations, 41.84 gr/L in Kazakhstan operations and 48.95 gr/L in Azerbaijan operations.

Managing the Impact of Transportation and Logistics

sector.

praised not only within The Coca-Cola

System but also by numerous international

organizations both in and outside of our

We reach over 360,000,000 consumers via almost 690,000 points of sale in 10 countries in which we operate. Every morning thousands of CCI employees leave their homes for this purpose and head for production and management centers while our sales and distribution teams deliver our products to points of sale to meet our consumers and provide optimal display conditions. Business travel to domestic and foreign locations takes place so that these processes can be realized without interruption and developed even further. Because a large number of vehicles are used in these processes, one of our main areas of performance is reducing energy consumption resulting from transportation and logistics operations, and therefore, reducing the amount of emissions.

In order to reduce energy consumption and emissions, a basic objective is to minimize the movement of trucks. Therefore, we optimize routes and product loading rotations. As a result, the maximum amount of product is delivered to the necessary destinations with minimum truck movement. Other emission-reducing practices include choosing vehicles with better gas mileage and lower emissions as well as improving driving habits. We reduced our fuel consumption rate of 5.05 L/KL in 2009 to 4.34 L/KL in 2010 by implementing more efficient driving techniques.

#### Fleet Emissions

Fleet Emissions	Turkey		Jo	Jordan		khstan	Azerbaijan		
	2009	2010	2009	2010	2009	2010	2009	2010	
CO <sub>2</sub> (gr/L)	13.64	11.71	21.59	58.48	4.92	3.20	10.92	10.24	
Nox (mg/L)	221.78	190.57	351.89	598.58	80.16	52.10	125.95	115.79	
PM (mg/L)	8.57	7.36	13.60	24.18	3.10	2.01	5.23	4.79	
HC (mg/L)	9.12	7.83	14.40	61.91	3.28	2.13	9.39	9.15	

Product shipment from Mersin to East and Southeast Anatolia was transferred to the Elazığ plant when full capacity production was brought online in 2009. This change reduced fuel consumption from 3,364,057 liters in 2008 to 2,297,356 liters in 2009 and 1,778,083 liters in 2010.

# Accurate Planning, Efficient Distribution

with the effective inventory management it implemented at 58 large distributors in 2009. With this model, product was supplied from the most ideal source to 95% of all distributors. By reducing shipments between warehouses, direct shipments to the customer in 2009 reached 81%, an increase of 10% compared to the previous year. In 2010, on the other hand, performance was enhanced even further with a direct shipment ratio of 83%.



We also take into account the environmental impact of the vehicles used by our sales team. In the course of operations, the sales team optimizes field visits. We ensure safer road travel by training employees regarding safe and effective driving while reducing the consumption of fuel.

We provide personnel transportation services. Mass personnel transport combined with the features of the vehicles that are chosen to provide a significant advantage in energy consumption and emissions. Route optimization reduces travel, thereby enhancing performance.

We are focused on reducing carbon emissions caused by the business travel which is required by operations in a dynamic sector spread over 10 countries. For this reason, we frequently take advantage of information technology applications. In 2009 and 2010, we expanded the use of our online meeting and communications platform set out in 2008, thus reducing our need for travel.

#### **Cooling Practices**

It is important that many of our products be served cold in order for the consumer to enjoy the best taste experience. We ensure that products are stored at low temperatures at the sales points in order to maintain display quality and ensure availability for immediate consumption. For this reason, we have thousands of coolers and vending machines at sales points. 11% of the energy consumption that takes place throughout CCI Turkey operations is due to production, 12% to distribution, and the remaining 77% to coolers. We act responsibly in making a choice of coolers in order to reduce this impact, and we are making the coolers we use more eco-friendly with advanced technology.

Reducing the amount of energy consumed per cooler is also an important part of our 2020 Vision. For this reason, in 2010, we began replacing the coolers that we use in our Turkey operation with coolers that are equipped with energy management devices (EMD) custom

designed for the Coca-Cola System and use R600a refrigerant, which is a more eco-friendly gas. In the first year of the program, 11% of total inventories consisted of coolers that do not contain HFC (Hydro-Fluoro-Carbon) and 14% are equipped with EMDs. 92% of the coolers purchased by CCI Turkey in 2010 are new coolers that consume 42% less energy and whose Global Warming Potential (GWP) is equivalent to 0.2% of the previous models. As a result, energy consumption related to cooling has been reduced by 37,000,000 kWh. This reduction is equivalent to the total energy requirements of three plants the size of CCI's Izmir plant. CO2 emissions caused by cooling have been reduced by 16,000 tons with this program. This effort has made CCI one of the companies in the Coca-Cola System that is closest to realizing its 2015 cooler inventory goals.

#### Green IT

Green IT is the name we have given to all our efforts to reduce energy consumption and emissions by using information systems as well as computers, servers and related subsystems effectively and efficiently and ensuring that they are recycled. Within the scope of our Green IT practices, we select electronic devices and systems which are more efficient in terms of energy consumption and maintenance while also recycling systems who have reached the end of their economic life cycle. Furthermore, we use information systems to optimize resource consumption, especially to reduce energy consumption and emissions resulting from transportation and business travel.

During the reporting period, we obtained remarkable energy efficiency by making more eco-friendly choices in information systems and using them more efficiently. For example, we replaced the CRT monitors that we use with more efficient LCD monitors, replaced desktop computers with Thin Client systems to achieve energy savings of 42,000 kWh and 44,000 kWh MW respectively, which is equivalent to the annual energy consumption of 37 households. In 2011. we will reduce our environmental impact by augmenting these efforts with new projects. Our goal is to achieve energy savings of 27,000 kWh by making changes to the way printers are used, and 40,000 kWh with our power management policy for information systems. As a result of these efforts, we will achieve a total reduction in consumption of 67,000 kWh, which is equivalent to the annual energy consumption of 29 households.

### We Work with Business Partners to Recycle E-waste

Electronic devices have become an essential part of our lives, but obsolete devices should definitely be recycled in the appropriate way. Therefore, CCI ensures that all of its electronic devices that have reached the end of their economic life cycle are recycled by solution partners licensed by authorized institutions.

Many of the electronic devices that CCI uses in its operations fall within the scope of the information services that are purchased and owned by the service supplier. Once these devices have reached the end of their life cycle, the recycling process is handled by the service provider.

# Smart Business Designs Make Us More Eco-Friendly

We frequently use the opportunities afforded by information technologies to reduce our environmental impact. One of the best examples of this is the Distribution Optimization Project we carried out in Jordan in 2010. We restructured the business processes and job descriptions when the "dispatching module" was installed in the sales and distribution software. We provided 100 man-hours of training for employees so that the new program would be used effectively. We achieved significant improvements even in the first days after the project was implemented. First of all, we reduced the number of trucks used in distribution from 20 to 16, and we raised the use of truck capacity to 90% from 70%. As a result, we reduced the amount of fuel consumed to transport 1 case of beverage from 0.031 liters to 0.029 liters. With a project that was initiated in December of 2010, we achieved savings of 1,126 liters per month in fuel consumption and an efficiency ratio of 5.7%, thus preventing the release of 2,815 kg of CO<sub>2</sub>. Our aim is to rapidly implement the distribution optimization efforts we have successfully carried out in Jordan in other countries as well.

We completed the planning for numerous green IT projects to be implemented in 2011. First of all, we will consolidate our existing servers and significantly reduce energy consumption. This will also facilitate management and data security. This project will enable us to centralize operations by replacing the 24 rack servers we have in the region with 10 blade servers. We hope to achieve savings of 66% in operation, and 25% in climate control reducing annual energy consumption by 79,804 kWh and reducing emissions by 48,542 kg.



#### **WATER MANAGEMENT**

A KEY BUSINESS STRATEGY IS BASED ON REDUCING THE AMOUNT OF WATER WE USE WHILE INCREASING PRODUCTION, ENSURING THAT WASTE WATER IS REUSED AT DIFFERENT STAGES OF OPERATIONS SUCH AS COOLING AND WASHING, AND FINALLY PRESERVING AND DEVELOPING WATER RESOURCES.

Water is the source of life for all living organisms. The rapid increase in the world's population and the negative effects of global warming pose a significant risk to water resources. Protecting water resources is very important in our geography because of the rapidly increasing population and developing economies.

Because water is one of the fundamental ingredients in our products, water resources are critically important to corporate sustainability. For this reason, water management is also an inseparable part of the CCI Sustainability Management System. In the area of water management, our business strategy is based on reducing the amount of water we use while increasing production, ensuring

that waste water is reused at different stages of operation such as cooling and washing, and finally preserving and developing water resources.

The ultimate goal of the Coca-Cola System, which CCI is a part of, is to reclaim all of the water used in production processes and products for society and the environment. Therefore, here at CCI, we have made reduced consumption and increased recycling a priority. We support efforts outside of our own business aimed at protecting and developing water basins in general. We conduct joint projects with public agencies and civil society organizations in this regard and support efforts to raise social awareness of water consumption.

#### **CCI's Water Policy**

- Maximizing the efficient use of water in our production facilities and to be an example in this area by improving water quality and waste management.
- We support the preservation of water basins in our geography and value the concerns of the local population.

# Jordanian Operations Rank Second in The Arab World in Corporate Social Responsibility

In 2010, CCI Jordan took second place in the Arabia Corporate Social Responsibility Awards organized by Arabia CSR Network, one of the most respected social responsibility organizations in the world, for its water and energy efficiency projects and its community investments. CCI Jordan has reduced water consumption rate by 59% and energy consumption rate by 69% with the projects it has implemented over the last 5 years. This performance makes our Jordan operations one of the best among thousands of facilities in the Coca-Cola System when it comes to the use of water and energy.

# Reducing Water Consumption

As an industrial company, we strive to fulfill all of our responsibilities when it comes to reducing the amount of water used in the production process. In spite

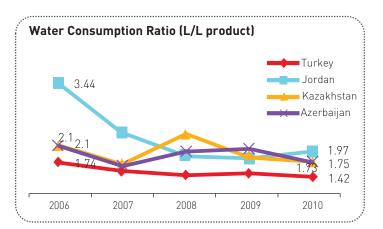
of small changes due to differences in production increases between regions, we continue to accelerate the declining trend in the amount of water we consume for each liter of product we produce. In 2008, water consumption was 1.48 L/L product while in 2009, this came in slightly higher at 1.51 L/L product.

In 2010, on the other hand, we exceeded the ambitious goal of 1.46 L/L product and reduced water consumption to 1.42. These figures make CCI one of the most successful bottlers in the Coca-Cola system when it comes to reducing the amount of water used.

CCI Turkey is among the highest performers not only in CCI operations but in the entire Coca-Cola System in terms of water consumption. With the improvements achieved especially during the reporting period, the CCI Ankara plant achieved a consumption ratio of 1.25 L/L product in August of 2008, and in 2010, it was the best performer in the world with an average of 1.307 L/L product.

### Waste Water Management and Reclamation

Waste Water Management at CCI is shaped by the following objectives: significant reclamation of resources with advanced waste water purification systems and zero waste water generation. The quality of the water we use in our products is extremely important to us, but no more important than the quality of the waste water that is generated as a result of production processes. The quality of the waste water that is discharged is regulated by parameters determined by public agencies, measured by accredited laboratories and then monitored by public agencies. CCI plants are strict about keeping waste water parameters in full compliance with the parameters specified by regulations and ensures that waste water discharge does not have a negative impact on the environment by discharging water within the scope of permits that have been obtained. Another standard which CCI must comply with regarding waste water management is the waste water management system and limits imposed by TCCC on bottling companies.

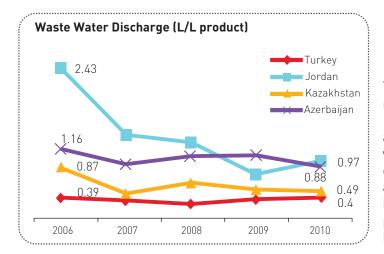


### Waterless Bottle Cleaning Technology

A goal is to produce more beverages with less water. was implemented for the first time in 2006 at the Corlu plant and which has performed significantly better over

### We are Reducing Water Consumption at our Izmir **Plant Even More**

CCI's plant in Izmir was named the most eco-friendly Coca-Cola plant, and during the reporting period, it implemented a number of projects to reduce water consumption. By mixing water from the reverse osmosis unit with water passed through an activated carbon system, the reverse osmosis unit was operated less, resulting in both water and energy savings. The syrup tanks in syrup department were replaced with more efficient models. Water consumption was reduced in shortcycle washing machines. A rainwater collection system was installed in the plant's annex buildings with 2,000 square meters of roof space so that irrigation could be performed without the consumption of additional water.



We are improving the quality of waste water with the investments we are making in waste water management systems while raising the amount of waste water reclaimed. With such projects having implemented, our plants use waste water systems in alternative efficiency channels.

Numerous projects to reclaim the water are implemented in our plants. These projects make it possible for the company to constantly increase the amount of reclaimed water used in production processes. The amount of water that we have reclaimed and directed back to production in the CCI Turkey operations during the reporting period increased by 5% compared with 2008. Our plant in Izmir reclaimed 86,000 m<sup>3</sup> of water in 2010 and as a result. 18% of the total amount of water used had in fact been reclaimed. During this same period, 5% of the water used in washing machines for 5-gallon water dispenser bottles was reclaimed in the Sapanca and Köyceqiz plants and was used to supply external washing machines.

### Preserving Water Resources

Today, water resources face significant risks both in terms of quantity and quality. In various regions around the world, fewer and fewer people have access to clean water sources. Here at CCI, we are aware of the dangers posed to water resources, and we act in concert with stakeholders in our geography to carry out projects for preserving and improving water resources both in terms of quality and quantity.

We begin preservation efforts with the resources that we use ourselves. We have made a very clear commitment to stakeholders in this regard. Our ultimate goal is to supply and reclaim all of the water that we use in production without harming the environment. Therefore, we are conducting source vulnerability assessments especially on the water resources we utilize for our plants. As a result of these efforts, we carry out risk assessments for water resources and take the necessary precautions. These results are a fundamental component of the KORE system and they are also shared with TCCC. During the reporting period, we also conducted studies on the risks to water basins and contamination status reports. These studies were conducted for the water basins of the Corlu, Izmir, Ankara and Mersin plants in 2009 and studies for the remaining plants were conducted in 2010.

### **Rain Water Harvesting Project**

In industrial facilities, rainwater is generally collected via channels separate from waste water systems and discharged into nature. As a result, a resource that could be effectively used to supply underground aquifers runs into the sea. With a pilot project launched in September 2010, CCI's Izmir plant installed a rainwater collection system that fed water from its 2,000  $\rm m^2$  roof back into the ground. In the three-month period that had lapsed by the end of the year, 150  $\rm m^3$  of rainwater had been discharged directly into the ground, thereby supplying underground aquifers.

### SUSTAINABLE PACKAGING



Product packaging is an important part of meeting consumer expectations. Our products maintain the highest quality standards up to the moment they are consumed because of superior packaging. We share information that consumers need about our products via the labels on packaging. On the other hand, production of packaging materials require use of energy and water and produces significant amounts of CO<sub>2</sub>. Therefore, we are constantly looking for ways to use this valuable resource again in the most efficient way possible.

The strategy regarding sustainable packaging can be summarized in three

words: reduce, reuse and recycle. First of all, we conduct new design projects to develop packaging that is sturdier than what was used in the past, but which minimize the use of fundamental packaging materials, such as plastic, glass, metal, paper and composite materials. We carry out joint projects with supply chain as part of these efforts. We work on the use of lightweight glass bottles and lightweight PET bottles. We achieved resin savings totaling 4,280.1 tons by introducing lightweight bottles in 2009 and 2010. In addition, we realized natural gas savings of 45,533.69 Nm<sup>3</sup> and electricity savings of 2,252,703 kWh during the injection process.

Ultra Bottle			•••
Previou	ıs Weight	Present Weight	Savings
Coca-Cola RGB 200 ml	295 gr	230 gr	22% – 65 gr
Fanta RGB 200 ml	305 gr	230 gr	25% – 75 gr
Fanta RGB 250 ml	330 gr	255 gr	23% – 75 gr

### Ultra Bottle

With the "ultra" bottles we developed in 2010, we reduced the weight of Coca-Cola 200 ml, Fanta 200 ml, and Fanta 250 ml. returnable glass bottles (RGB) by up to 25% while preserving their original design.

We saved 319,839 kg of glass with the 4,651,613 bottles we purchased in 2010. We also achieved a reduction in secondary packaging materials with this project. In 2010, the use of shrink nylon was reduced by 21% compared to 2008 with work on dimension optimization, saving 2,478,514 kg of materials. With stretch film optimization, 844,600 kg of materials was also saved and a 5% reduction compared to 2008 was achieved.



### A First in Turkey: Lightweight HOD Bottle

We reduced the weight of the HOD bottle from 770 grams to 625 grams with a new design developed by engineers at the Sapanca plant. We succeeded in reducing the length of the process cycle from 69 minutes to 65 minutes. These HOD bottles, which in terms of weight are the first and only examples in Turkey, allow us to reduce our use of materials in production by 19%.

### Best in its Class: Fragmented Separator Project

With a project launched in 2009, CCI's Izmir plant modified the separator feeding systems and began using four 360x450 mm fragmented separators instead of the single piece 960x1,160 mm and 960x1,180 mm cardboard separators on its product packaging. As a result of this project, the consumption of 265 tons of cardboard equivalent to 3,584 trees was prevented.

### We Work Together with Business Partners to Achieve Sustainable Packaging

Excessive product packaging not only leads to the use of more resources, but it can also make shipping products to customers and the stocking and display procedures at the sales points more difficult. Therefore, we conducted a joint project with customers regarding the packaging practices used on our products. As a result of this project, we modified packaging practices to reduce the consumption of paper, glue and plastic. Beginning in 2011, our goal is to save a total of 7,168 km of adhesive tape and 4,300 km of cardboard by eliminating the handles on cases.

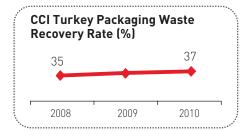
#### Total Waste (ton)

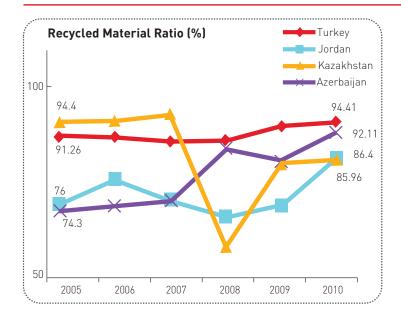
	2009	2010
Turkey	6,954	7,356
Jordan	678	1,141
Kazakhstan	629	611
Azerbaijan	261	201

We ensure that the packaging waste from consumed product is collected by our authorized business partners. The collected packaging waste is recycled and reused in the manufacture of packaging material. The CEVKO Foundation, in which we are charter members, is our business partner when it comes to collecting packaging waste. As a result of the work conducted by CEVKO, the percentage of packaging waste that is reclaimed increases every year. In 2010, we achieved reclamation of 37% of our product packaging. A goal is to raise this percentage to 38% in 2011.

#### **CCI Turkey Packaging Waste (ton)**

	2009	2010
Paper / Cardboard	1,335	1,444
Glass	1,030	1,068
Plastic	1,694	1,735
Metal	493	522
Wood	1,415	1,712
Other	1,115	763





### CCI Recycling Bank

The CCI Recycling Bank automatically classifies all PET and glass bottles and it has been available at Tesco-Kipa Çiğli mall, one of the largest shopping centers in Izmir, since March of 2008. The Tesco-Kip management turns over the bottles that are collected to appropriate municipality departments. When the machine was first installed, 100 PET bottles were returned, but recently this has risen to 1.000 per month.

#### In 2011, our goal is to increase the amount of recycled material to 94.85% in our Turkey operations, 87% in Jordan operations, 90% in Kazakhstan operations and 93% in Azerbaijan operations.

Not only do all of these efforts result in using less material, but the work on lighter material designs, reclamation and reuse also reduces the amount of energy used to manufacture materials from scratch as well as the CO<sub>2</sub> emissions that accompany manufacture.

### Young Environmentalists in Mersin

As part of a project initiated by employees at the Mersin plant in March 2010, waste containers that made it possible to separate and collect plastic, glass and paper waste were placed at village schools near the plant. Through this project, which was augmented by instruction on protecting the environment and recycling, the goal is to make students part of the waste collection process and raise their awareness of the issue. The wastes collected through this project are picked up and recycled by the official recycling service provider of the CCI Mersin Plant. This also provides the village schools with a source of income.

### Developing Environmental Awareness

Our reputation as a leading company that develops solutions for environmental problems is based on the fact that employees are equipped with accurate information and are sensitive to environmental problems. We constantly strive to keep this awareness and knowledge fresh. For this reason, we provide employees with informative trainings that raise environmental awareness every year. In this regard, we provided a total of 2,620 man-hours of training in 2009 to CCI employees, and 4,015 man-hours in 2010. We use internal communication channels to maintain and improve the level of awareness. Internal publications include informative articles about environmental issues, and we also provide continuous information about our environmental practices through visual communication devices found in employee break rooms.

Efforts to raise environmental awareness are not limited to CCI employees. We also target the local population in areas of operations with social responsibility projects and educational initiatives. As part of these efforts, engineers gave environmental training regarding the importance of protecting the environment and separating wastes to the 21 teachers serving in the village schools near our plant in Bursa and to the 422 students studying in these schools. During the year, our Environmental Coordinator at the Corlu plant gave environmental raining to over 300 elementary school students while the Environmental Coordinator at the Mersin plant also gave informative seminars on recycling waste to students at schools in the surrounding villages. Furthermore, the Elaziq plant continues to work on applied environmental projects in cooperation with the Provincial Environmental Directorate.









### **WE AIM TO SUPPORT SUSTAINABLE DEVELOPMENT IN COMMUNITIES** WHERE WE OPERATE AND CONTRIBUTE TO THE WELFARE OF SOCIETY.



CCI provides employment in hundreds of cities and towns throughout 10 countries and engage in local manufacturing, procurement and sales activities. Being a local company on an international level is not only a source of great pride for us. but it also involves tremendous responsibility. In this regard, we aim to support social and economic development of the communities and ensure the sustainability of our business by contributing to the welfare of society.

The social and economic value that we create aims to achieve better living standards for our employees, their families, young people, our consumers and all of our other stakeholders. Ensuring that our stakeholders each become an active part of the programs

that we conduct in order to create these values is the most fundamental principle of our relationship with the society.

We classify and monitor our impact in the regions where we operate as affecting either social or economic development. The primary factors that constitute our impact on economic development are local procurement, the employment we provide, the taxes we pay, and the support we provide for the activities of our customers while the social impact is shaped by the social responsibility activities we engage in. Within the framework of our 2020 Vision and Goals. we aim to make a difference in our local communities by encouraging employee volunteerism and providing corporate involvement.



HERE AT CCI, WE CONDUCT BUSINESS BY MEETING THE EXPECTATIONS OF SOCIETY AND COMPLYING WITH LEGAL REQUIREMENTS IN THE COUNTRIES AND REGIONS WHERE **WE OPERATE. WE CONSIDER IT A PRIMARY DUTY TO LEAD** SUSTAINABLE DEVELOPMENT IN THE SOCIETIES WE ARE A PART OF WITH PRACTICES THAT REALIZE THE POTENTIAL OFFERED BY OUR AREA OF BUSINESS.



### What We Said?

- Build on cooperation with local administrations.
- Transfer 3% of pre-tax profit to foundations.
- Provide internship opportunities to 10 students as part of the "Koza Project".
- Increase and develop cooperation with NGOs in order to raise social awareness about the environment.
- Increase the participation to the Employee Donations Contribution Fund.
- Support students studying in local. schools as part of the INJAZ program by having senior CCBCJ executives give classes on business life.

### What We Achieved?

- In 2010, we organized a stakeholder panel on environment at Izmir plant with the participation of local authorities. This panel gave us an opportunity to share information about our environmental performance and to receive feedback from stakeholders.
- We transferred 3% of pre-tax profit to the Coca-Cola Life Plus Foundation and Anadolu Education and Social Aid Foundation.
- We provided internship opportunities to 10 students as part of the Koza Project.
- We supported the International Coastal Clean-up Campaign in cooperation with DenizTemiz/TURMEPA.
- We budgeted USD100,000 to the Employee Donations Contribution Fund.
- As part of the INJAZ program, executives provided lectures to 1,230 students at Madaba on topics such as personal life planning, personal economics and skills for success.
- CCI Board of Directors created a USD500,000 fund to be used in relief and rehabilitation efforts after the flooding that occurred in Pakistan.
- We launched Community Champion Awards Program.

### What We Aim?

- Further build on cooperation with local administrations.
- Transfer 3% of pre-tax profit to foundations.
- Increase the participation to the Employee Donations Contribution Fund. We will budget USD100,000 for this project.
- Design and implement sustainable projects for rehabilitation and socio-economic development in the areas affected by the flooding in Pakistan utilizing USD300,000 set aside by the CCI Board of Directors.
- Ensure a broader participation in the Community Champion Awards Program.

### **ECONOMIC DEVELOPMENT**

CCI'S ECONOMIC DEVELOPMENT POLICY IS TO CREATE ECONOMIC VALUE FOR ALL STAKEHOLDERS, INCLUDING SHAREHOLDERS, INVESTORS, SUPPLIERS, DISTRIBUTORS, CUSTOMERS AND GOVERNMENTAL INSTITUTIONS WITH A RESPONSIBLE AND SUSTAINABLE BUSINESS MODEL, WHILE CONSIDERING THE INTERESTS OF ALL PARTIES INVOLVED AND TO PLAY AN ACTIVE LEADERSHIP ROLE IN SUSTAINABLE DEVELOPMENT.

In 2009, we conducted a detailed study for the purpose of examining the impact that the Coca-Cola System on Turkish economy. A working group consisting of CCI executives and faculty members from Boğazici University and Middle East Technical University conducted this research, which examined the positive impact of the Coca-Cola System on the Turkish economy during the global economic crisis. The study reveals the impact of the broader Coca-Cola System in Turkey including the manufacturing activities and all the other services provided to CCI and TCCC. The direct, indirect and induced impacts that emerged in the study are as follows:

# THE COCA-COLA SYSTEM IN TURKEY CREATES AN INDIRECT EMPLOYMENT OF 10 PEOPLE FOR EACH DIRECT EMPLOYEE.

- CCI provided direct employment for approximately 2,500 people in 2009 while service providers and dealers who work only for the Coca-Cola value chain provided employment for approximately 5,000 people.
- The Coca-Cola System has a multiplier effect of 10 on employment in Turkey including direct, indirect and induced effects. Accordingly, as of end 2009 the Coca-Cola System provided employment for approximately 25,000 people in Turkey. This number includes the broader employment impact of our ecosystem including distributors', suppliers' and all business partners' employees as well as CCI employees. In parallel with the increase in direct employment, this number is estimated to reach 30,000 by 2010.

### **Burak Başarır,** CCI Turkey Region President

We are aware of our responsibilities and the economic impact in the countries, where we operate. For each employee at Coca-Cola İçecek, we create indirect employment for 10 people. The ecosystem that we create through distributors, customers, consumers and suppliers generates significant added value in local economies and contributes to economic development.

## CCI Jordan Supports Employment for Disabled Individuals with a Kiosk Project

Advertising support has been provided for a company that sets up kiosks selling mass transit cards, telephone cards and Coca-Cola products in different parts of Amman and Irbid with a project that began in 2010 and is scheduled to continue for three years. The kiosk employees are disabled individuals, thus creating employment for disabled citizens.

### SOCIAL DEVELOPMENT



We care about the needs of local communities everywhere we operate and our goal is to find common solutions for common problems. During the reporting period, we defined our social development activities as raising environmental awareness, natural disaster relief, support for education, employee volunteerism and contributions to social

### Social Responsibility **Projects Related to the Environment**

Respect for the environment is both fundamental to our way of doing business and an area for implementing social responsibility. As we aim to minimize the environmental impact of manufacturing and distribution processes, we also strive to raise awareness of environmental issues across the region.

### Jordan Youth Leadership **Program**

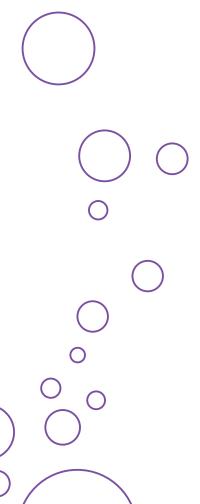
As part of the Jordan Youth Leadership Program conducted in cooperation with the Jordan River Foundation and our Jordan operations, the infrastructure in 8 undeveloped regions of Jordan was improved, parks and gardens were landscaped, trees were planted and

recycling projects were executed in 2010. Led by 25 volunteer university students who had received training in project leadership and project management, the project was carried out by 225 volunteers between the ages of 15 and 19. CCI executives also took an active role in the project.

### Waste Collection in Mersin

In 2009, employees at the Mersin plant executed a successful waste collection project by supplying waste collection containers for schools in surrounding villages for the purpose of collecting and recycling plastic, paper and glass packaging materials. The goal of the project was to include and inform the children in village schools about waste separation, which is fundamental to an understanding of environmental protection, and books and brochures obtained from ÇEVKO were distributed at the schools.

The waste collected in the villages was picked up by our plant's licensed recycling company. The project not only raised environmental awareness among children, but it also provided a source of income for the village schools.





### Cleaning Our Coasts

For the first time in 2009, CCI's Azerbaijan operations participated in the annual coastal cleanup project. As a result of the work that was performed by not only CCI employees but many volunteers as well, waste was removed from 1.3 km of coastline.

Employees from the CCI Izmir plant and the sales team cleaned up Sigacik Port as part of the International Coastal Cleanup Campaign. Coca-Cola has, since 2005, served as the international sponsor of the campaign, which is conducted to draw attention to the importance of clean coasts and seas. The Turkish leg of the project is executed in cooperation with DenizTemiz / TURMEPA, and every year almost 500,000 volunteers around the world come together to clean the lake and sea shores.

### Orchards for Children

A social responsibility project from the Cappy brand entitled "Orchards for Children" was conducted in cooperation with the Ministry of Education, Ankara University and the YADA Foundation in order to immerse children in nature. We launched this project after a stakeholder meeting held in February 2010. The purpose of the project is to provide

children the opportunity to grow fruit trees in the school yard and gain experience with ecology. The first stage of the project includes 15,000 students in 70 schools and 7 provinces. CCI sales teams closely monitor the project and provide consultation helping the children to create, develop and maintain their orchards.

### CCI Plants Bring Green to the Environment

The CCI Ankara plant planted 1,300 saplings on 12 acres near the plant in cooperation with our suppliers in a project under the slogan "Working Together with Our Suppliers for a Greener Planet".

Eliminating the acoustic impact of industrial facilities located near residential areas is important. We took measures to reduce noise so that the people living in Yazıkonak residential area near the Elazığ Industrial Zone would not be adversely affected. During the reporting period, employees and their families planted 600 pine trees and 250 fruit trees on 15,000 m², thus minimizing the impact of noise. Saplings were also planted at the Sapanca and Bursa plants with employee participation.

CCI Izmir employees donated 1,000 saplings to a forestry area burned in Sirince in support of the Aegean Forestry Foundation. CCI senior executives made personal donations to the reforestation campaign, which was also supported within the framework of the Employee Donation Contribution Fund.

In 2010, the Jordan Operations also contributed to reforestation of the region by supporting "National Tree Planting Day" of Jordan.

### The Life Plus Youth Program and Life Plus Foundation

With a total budget of 2 million dollars, the "Life Plus Youth Program" administered in cooperation with the United Nations Development Program, the Coca-Cola Life Plus Foundation and the YADA Foundation has, to date, sponsored 52 projects prepared by young people in 34 provinces in basic areas such as preserving water resources, waste management, encouraging the use of renewable energy resources and ensuring the sustainable use and preservation of forests.

"Life Plus" is the first and only long-term program in Turkey that supports environmental projects of young people and serves as a comrade to youth groups in resolving local environmental problems. In the last two years, "Life Plus Youth Program" projects have sent messages related to Turkey's water resources, renewable energy opportunities and waste management to almost 100,000 people. It has supported numerous projects in different regions of Turkey, such as developing model applications for drip irrigation, raising issues like drought and pollution, expanding the use of renewable energy sources and reclaiming solid waste.

Since 2008, the "Life Plus Youth program" conducts its activities under the umbrella of the Coca-Cola Life Plus Foundation.

### Life Plus Projects

#### The Arid Seyfe Region Becomes a Lake

- Kırşehir: The project addressed the importance and problems of Lake Seyfe in Kırşehir, which is drying up and on the verge of being forgotten.

### One Drop One Thousand Returns -

**Balikesir:** The project developed model applications for farmers in Balıkesir to help their transition to irrigation methods that preserve water resources.

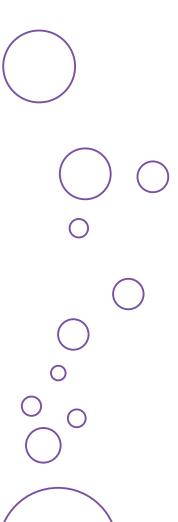
### Cleaning Gediz One Step at a Time -

**Manisa:** The project succeeded in getting local governments and public agencies to act for the purpose of drawing attention to pollution in the Gediz Basin.

**100% Cycle - Bursa:** In order to expand the use of renewable energy resources in everyday life, a sample greenhouse and two hobby houses where all heating and electricity requirements are provided by solar power were constructed.

Manyas Wants its Clean Water Back -**Balikesir:** The project brought concerned organizations and individuals together to draw attention to and prevent pollution in Lake Manyas.

Waste Masterpieces - Mardin: The aim of the project was to draw attention to the solid waste problem in Mardin by reclaiming waste in a creative fashion.





### Employee Volunteer Programs

A specialized workforce that is open to change and very aware of its social responsibilities exists in our operations. Employees also use their problem-solving abilities to resolve social problems and serve on a variety of civil society organizations. CCI supports these types of employee initiatives and also provides financial support.

### Employee Donations Contribution Fund

This initiative was launched in 2008 under the name the Employee Donations Contribution Fund and employees have contributed to various organizations. In order to motivate employees' understanding of social responsibility, CCI makes matching contributions for each employee donations. CCI set aside USD100,000 a year to be used in the Employee Donations Contribution Fund.

### **Community Champions**

Building strong ties with the communities we live in and improving social conditions is part of Coca-Cola İçecek's value system. In addition to the corporate efforts we make as part of our Social Responsibility strategy to achieve this goal, we also value and support the individual initiatives of employees. In 2010, we launched the Community Champions

Program, which was organized to honor employees who develop initiatives to address social or environmental problems using their own resources or contribute to existing initiatives.

Muhammad Dilawar won first place with a campaign he launched to rebuild the sewer system that collapsed in his village of Pepliwala near Gujranwala, Pakistan. Second place went to Hüseyin Servi, who spearheaded a program to offer courses to low-income students affected by the flooding that occurred in Ikitelli in 2009.

Third place was shared by three different employees. Melis Djumagulov (Kyrgyzstan) is on the Habitat Kyrgyzstan aid relief commission and works to identify needy families and raise funds for building and repairing their homes. Following the flooding in Pakistan, Azfar Ansari formed a group of friends and colleagues to collect aid and he personally took this aid to the families affected by the flooding in the Multan region. Azfar also volunteered to work as a coordinator for Coca-Cola Pakistan's relief efforts. Oshurova Irina (Kazakhstan) organizes donations for children being treated for cancer at the Pediatric and Children Surgery Research Center especially during holidays. Twice a year, on Christmas and "Children's Day" Oshurova takes the initiative to form a team so that gifts are purchased for the children and delivered to the Research Center Hospital.

Coca-Cola Jordan (CCBCJ) received the Jury's Special Award for its long-term and influential efforts to benefit society. CCBCJ focuses on the needs and

expectations of the local community and comes up with appropriate solutions, for which it won the 2010 Arabia Corporate Social Responsibility Award

Spouses Club is a volunteer social solidarity club comprised of the spouses of employees at the CCI plant in Bursa and was formed to identify and assist people in need.

### **Projects Completed in 2009**

Cold Winter Days Project: Winter boots, socks and test books were given to students at the Orhaneli Elementary School.

**Environmental Project:** Environmental education was provided to the elementary schools in Derekızık, Barakfaki, Narlidere and Çataltepe, and as a result, about 200 students learned about the environment. Teachers from the elementary schools also participated in the classes.

My Health Project: Classes on Breast Cancer and Family Planning were given by a specialist from the Provincial Health Directorate to women in the village of Derekızık in a project conducted jointly with the Provincial Health Directorate.

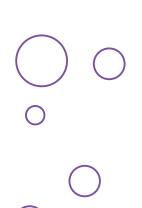
### Projects completed in 2010

The Spouses Club Meets the Elderly Project: Elderly citizens were visited in nursing homes with gifts.

**Assistance and Solidarity Project:** Aid was given to "If You Aren't Wearing It, Let Someone Else" social services agency administered by the Nilüfer Municipality.

**Domestic Goods Week:** Events organized in cooperation with the elementary school and families in Derekızık Village as part of Domestic Goods Week were attended. Cappy fruit juice was provided for the domestic goods events.

Women's Solidarity Project: The Kestel and Surrounding Villages Women's Advancement, Protection and Cooperation Association was visited.



### Assistance in Natural **Disasters**

CCI can access tough-to-reach places with its extensive distribution network. It uses this infrastructure for the benefit of society and to rapidly provide aid for needy areas in the aftermath of natural disasters.

Following the Pakistan's disastrous flooding in 2010, the Coca-Cola System was among the first organizations to lend a helping hand in the region. We immediately began shipping drinking water to the region from our facilities in Pakistan at the very beginning of the disaster, and we rapidly supplied the disaster victims with a total of 2 million liters of drinking water. Our employees actively participated in humanitarian aid efforts. In addition, we provided 1,150 tents to the disaster area as well as direct food assistance to 3,200 families and indirect assistance to 1,000 more. In

addition to the relief aid we provided in the first week after the disaster, we played an active role in setting up health facilities, shelters and kitchens in the disaster-struck region in cooperation with the Pakistani Red Crescent, SAHARA Foundation, PANI Pakistan Initiative, the Education, Health and Development Foundation and the Office of the Prime Minister's Pencap Provincial Foundation. In the aftermath of the disaster, the Coca-Cola System provided over USD1 million worth of aid. We intend to play an active role in the reconstruction and rehabilitation efforts that the Pakistani people will need in the medium and longterm.

In the early morning hours when the news of the Elazig earthquake that occurred in March 2010 was received, we contacted the Elazığ Disaster Coordination Team and water was shipped from a regional distributors and our Elazig plant to the region as it is what people need the most when disaster strikes.

### **Support for Education**

An educated generation is the most significant driving force in the development of nations, so CCI supports education in its geography.

In 2009, CCI executed a model project together with its employees and distributors. CCI employees, together with the Eastern and Southeastern Anatolian Distributors build a school at the village of Yukarı Esentepe in Mardin under the leadership of the Association in Support of Contemporary Life (CYDD). The school, which consists of 3 classrooms and 1 residential unit, began operating in the second half of the 2008 - 2009 academic year. Employees from the Headquarters and Ankara plant also supported the project and CCI matched employee donations as part of the "Employee Donations Contribution Fund".

### Full Support for the "Koza Project"

Coca-Cola İçecek gave its full support to the "Koza Project" which aims to give students studying in the Southeastern Anatolia Region private sector experience and an opportunity for students to utilize the experience and vision they acquire during their internship for personal development as well as the development of their region. As a result, 10 students were included in the internship process.

As part of the project launched by the Association of International Investors (YASED), volunteer mentors among our employees provided support to these students in any area of need for the onemonth period. 10 students took part in the process in July and August completing internships in Sales, Finance, and Supply Chain functions. The students went through a variety of orientation

process at the Headquarters and plants, developing themselves through an e-learning program, and they were equipped for job interviews through the "Interview Rehearsal" activity they participated in.

### "Online Monitoring" Project

In 2010, we carried out the "Online Monitoring" project together with the Sapanca Oskilip Technical High School as part of cooperation with educational institutions. Our goal with this project was to have technical high school students conduct an industrial project by purchasing the parts for electronic boards needed in the plant instead of buying the board so that the students had a chance to see how theory was put into practice. The students built and assembled an electronic board on which assembly line data could be followed in real time, and they actively took part in every stage of the project from designing the driver card and building the circuit assembly to installing the computer software and building the card. The project was completed in a two-month period in accordance with our social responsibility principle to make stakeholders an active part of CCI operations.

### Support for Education from CCI Jordan

In 2009, CCI Jordan provided support for the Um Ayman School with a project that was carried out by 18 volunteer employees. Classes were taught to the students by volunteer employees on a variety of topics ranging from personal finance, to life planning and environmental awareness as part of the project. 1,230 students benefited from this project conducted as a joint effort with INJAZ as part of the SAP (Schools Adoption Program) project.

Another project conducted with INJAZ in 2009 was a career festival where students and companies came together giving students an opportunity to gather firsthand knowledge that would enable them to make the best career choices.

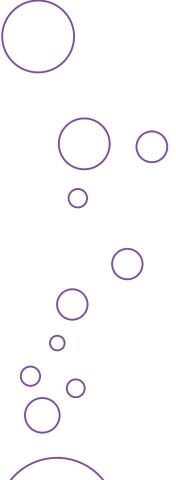
Anadolu Education and Social Aid Foundation

As a member of the well-established Anadolu Group, Coca-Cola İçecek donates a portion of its pre-tax profit to the Anadolu Education and Social Aid Foundation every year as specified in its articles of association. In 2009, TL4,500,000 was transferred to the Foundation and this rose to TL7.000.000 in 2010. As a result, we have, to date, helped bring more than 40 permanent structures (kindergartens, elementary schools, student dormitories and health institutions) to our country in the education, health and social fields.

From its inception, the fundamental goal of the Anadolu Education and Social Aid Foundation has been to provide modern health services to the Turkish people. The Anatolian Health Center in the Anatolian Health Village was launched

as a non-profit venture and it is the most comprehensive project developed by the Foundation so far. It began operations as a general hospital in 2005.

The Anadolu Education and Social Aid Foundation has established a strategic cooperation with John Hopkins Medicine, which has been named the best hospital in the United States in America for 18 years running. All of the proceeds from the Anatolia Health Center, which is a pioneering venture, are used for project development and to cover education and research expenditures. In addition, free health screening, patient education programs, first-aid courses and seminars and programs related to preventative medicine are organized to raise public awareness. Furthermore, the Foundation provides scholarships to approximately 750 students every year. To date, it has invested in the future of over 10,000 students through scholarships.



### **GRI INDICATORS TABLE**

GRI INDICATORS	REFERENCE	PAGE	NOTES	RESPONS
Profile Indicators	M ( 11 050	0.0		F II
<u>1.1</u> 1.2	Message from the CEO	8-9		Full
1.2	2009-2010	/ 🖪		Full
	Performance Summary	6,7		
	Message from the CEO	8,9		
	Corporate Social	10 10 1/ 15		
	Responsibility Approach	12, 13, 14, 15		
	Combating Climate Change and	/ / /8		
	Emission Management	66, 67		
2.1	Contact	104		Full
2.2	Corporate Web Site		http://www.cci.com.tr/en /content/detail.asp? cid=2&navId=1&navId2=2	Full
2.3	Corporate Profile	2, 3		Full
	Corporate Structure	4		
2.4	Contact	104		Full
2.5	Corporate Profile	2, 3		Full
	Scope of the Report	19, 20		
2.6	Shareholding Structure	5		Full
27	Corporate Profile	2, 3		Full
	The Non-Alcoholic Beverages Sector	24, 25		
2.8	Corporate Profile	3, 5	http://www.cci.com.tr/ uploads/documents_d/CCI -AR-ENG-SP-19-05-2011.pdf	Full
	Economic and Administrative		·	
	Performance Indicators	95		
	CCI Annual Report 2010	24, 141,142		
2.9	Corporate Web Site		Detailed information about significant changes in reporting period can be obtained from ISE Announcements section located at www.cci.com.tr http://www.cci.com.tr/en/investor-relations/imkb.asp?navId=13&navId2=81	Full
2.10	Corporate Profile	6, 7		Full
	Marketplace	30, 37		
	Workplace	44, 56		
	Environment	62, 65, 70		
3.1	Scope of the Report	19		Full
3.2	Scope of the Report	19		Full
3.3	Scope of the Report	19		Full
3.4	Contact	104		Full
3.5	Corporate Social			
	Responsibility Approach	10, 11, 12, 13,		
		14, 15, 16, 17		Full
	Target Audience	21		
3.6	Scope of the Report	19, 20		Full
3.7	Scope of the Report	19, 20		Full
3.8	Scope of the Report	19, 20		Full
3.9			In performance measurement, CCI uses standardized and reliable system and information technology infrastructure. While throughout the report, the performance measurement parameters addressed by the GRI indicators are employ in the Environmental Performance indicator parameters common in the Alcohol-Free Beverage Sector are preferred.	

	t Approach			
DMA EC	Corporate Social Responsibility Approach	10 - 16	For further reference on DMA EC aspects such as economic performance, market presence, indirect economic impacts: 2009-2010 Performance Summary p.7, Message from the CEO p.8-9, Sustainability Management Organization p.15, The Non-Alcoholic Beverages Sector p.24-26 Community p.78-79 http://www.cci.com.tr/uploads/documents_d/CCI%20FR%2006% 2004%202011%20SP.pdf	Full
	Marketplace Governance Community CCI Annual Report 2010	24 - 27 44 78 - 81 101 - 104	2004/0202011/02031 .pui	
DMA EN	Corporate Social Responsibility Approach	10 - 16	For further reference on DMA EN aspects such as materials, energy, water, biodiversity, emissions, effluents and waste, products and services, compliance, transport and overall: Message from the CEO p.8-9, Sustainability Management Organization p.15, Environmental Policy p.60, What We Said-What We Achieved p.62, Operational Excellence p.63, Energy Efficiency and Climate Change-Energy Management p.64, Combating Climate Change and Emission Management p.66-67, Managing the Impact of Transportation and Logistics p.67-68, Cooling Practices p.68, Green IT p. 68-69, Water Management p.70, Reducing Water Consumption p.70-71, Waste Water Management and Reclamation p.71-72, Preserving Water Resources p.72, Sustainable Packaging p.73-75	Full
	Environment	60 - 63	3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3	
DMA LA	Corporate Social Responsibility Approach	10 - 16	For further reference on DMA LA aspects such as employment, labor-management relations, OHS, training and education, diversity and equal opportunity: What We Said-What We Achieved p.42-43, Human Resources Policy p.48, Internal Communication p.49-50, Equal Opportunity for All p.50, Performance and Talent Management p.51-52, Training and Vocational Development p.52, Freedom of Association at CCI p.53-54, Occupational Health and Safety p.52, Employee Health p.57 Personal characteristics of employees in CCI and its companies do not constitute a reason for being treated differently. Employees who work equally, are paid equally. Seniority, performance and overtime spent, may have an effect on the wages.	Full
	Workplace	42, 43, 48		
DMA HR	Corporate Social Responsibility Approach	10 - 16	For further reference on DMA HR aspects such as investment and procurement practices, non-discrimination, freedom of association and collective bargaining, child labour, forced and compulsory labour, security practices, indigenous rights: Supplier Guiding Principles Primary Topics p.31, Freedom of Association at CCI p.55-56 As a signatory of UNGC, CCI and its affiliates take the necessary measures within the organization to realize the relevant practices including that of security. It is expected from the suppliers to display such sensiti	Full

DMA SO	Corporate Social Responsibility Approach	10 - 16	For further reference on DMA SO aspects	Full
	, approach		such as community, corruption, public	1 att
			policy, anti-competitive behaviour,	
			compliance: Sustainability Management	
			Organization p.15, Risk Management and	
			the Internal Audit System p.45-46, Community	
			p.78-79, Economic Development p.80	
	Community	79 - 81		
DMA PR	Corporate Social Responsibility	10 - 16	For further reference on DMA PR aspects	Full
	Approach		such as customer health and safety,	
			product and service labelling, marketing communications, customer privacy, compliance	
			Product Standards and Quality p.27-29,	<b>:</b> :
			Responsible Advertising and Marketing p.35,	
			Efficient Management of Consumer	
			Complaints p.35, Informing Consumers p.36	
	Marketplace	27 - 29, 34 - 3		
Performance In				
EC1	Detailed Performance Indicators	95		Full
	CCI Annual Report 2010	101	http://www.cci.com.tr/uploads	
			/documents_d/CCI%20FR%2006%	
			2004%202011%20SP.pdf	
EC2	Message from the CEO	9		Full
	Environment	60, 61		
EC3	Energy Efficiency and Climate Change	64, 65, 66		E.II
EUS	Equal Opportunity for All CCI Annual Report 2010	50 137	http://www.cci.com.tr/uploads	Full
	CCI Allituat Report 2010	137	/documents_d/CCI-AR-ENG	
			-SP-19-05-2011.pdf	
EC4	CCI Annual Report 2010	133	http://www.cci.com.tr/uploads	Full
	'		/documents_d/CCI-AR-ENG	
			-SP-19-05-2011.pdf	
EC6	What We Achieved	26		Partial
	Supply Chain	30, 31		
EC7	Detailed Performance Indicators	101		Partial
EC8	Social Development	81, 82, 83, 84,		E. II
EC9	Economic Development	85, 86, 87 80		Full Full
EN3	Energy Management	64		Full
LINO	Detailed Performance Indicators	95		Tutt
EN5	What We Achieved	62		Full
2.10	Energy Management	65		
	Combating Climate Change and			
	Emission Management	66		
	Cooling Practices	68		
	Green IT	69		
	Sustainable Packaging	73		
EN6	Cooling Practices	68		Partial
EN7	Managing the Impact of	/F / ^		Б
	Transportation and Logistics	67, 68		Partial
	Smart Business Designs Make	/ 0		
ENIO	Us More Eco-Friendly	69		Dagtiel
EN8 EN9	Detailed Performance Indicators	96, 97 72		Partial
EN10	Preserving Water Resources Waste Water Management	1		Partial
LINIU	and Reclamation	71-72		Partial
-	and Neclamation	/ 1 / 4		ı artıdt

EN11			CCI has no production plants in the protected areas.	Full
EN16	Combating Climate Change and			
	Emission Management	66, 67		Partial
	Managing the Impact of Transportation	68		
	and Logistics			
EN18	Combating Climate Change and			
	Emission Management	66		Partial
	Managing the Impact of Transportation	67		
	and Logistics			
	Cooling Practices	68		
	Smart Business Designs Make Us More Eco-Friendly	69		
EN20	Managing the Impact of Transportation			
LINZU	and Logistics	67		Partial
EN21	Detailed Performance Indicators	97		Full
EN22	Sustainable Packaging	74	The disposal methods are determined with	1 att
L1 <b>1</b> 22	Sustainable Facility in a sustainable Facili	7 -	regards to the regulations, directives and	Partial
			standards determined for the relevant waste types.	
EN23			During the reporting period, there were	
			no spills as a result of our operations.	Full
EN26	Energy Management	64, 65		Full
	Combating Climate Change and			
	Emission Management	66		
	Managing the Impact of	67		
	Transportation and Logistics			
	Cooling Practices	68		
	Water Management	70, 71, 72		
	Sustainable Packaging	73, 74, 75		
EN27	Sustainable Packaging	74 - 75	ANGEL CONTRACTOR OF THE CONTRA	Partial
EN28			Within the reporting period, no fines were paid for non-compliance regarding environmental issues; no legal notices were received because	Full
EN29	Managing the Impact of Transportation	67	of our operations.	
L1 <b>4</b> Z7	and Logistics	07		Partial
	Smart Business Designs Make	69		
	Us More Eco-Friendly			
LA1	Quality of Life at CCI	49		Full
LA2	Detailed Performance Indicators	101		Full
LA3	Equal Opportunity for All	50		Full
LA4	Talented Workforce	54		Full
LA5	Equal Opportunity for All	50		Full
LA6	Occupational Health and Safety	54		Partial
LA7	Occupational Health and Safety	56		Full
LA8	Employee Health	57		Partial
LA9	Freedom of Association at CCI	53, 54		Full
LA10	Training and Vocational Development	52		Full
LA11	Performance and Talent Management	51		Partial
I A 1 O	Training and Vocational Development	52		D'' 1
LA12	Performance and Talent Management Detailed Performance Indicators	51 101		Partial
LA13 HR4	Detailed Performance Indicators	IUI	There were no incidents of discrimination	Partial Full
ПП4			within the reporting period.	rull
HR5	Freedom of Association at CCI	53, 54	within the reporting period.	Full
HR6	Human Resources Policy	48		Full
HR7	Human Resources Policy	48		Full
S02	CCI Code of Ethics		http://www.cci.com.tr/en/content/detail.asp	Partial
			?cid=83&navld=13&navld2=82&navld3=83	
S05	Code of Ethics	45		Full
	CCI Code of Ethics		http://www.cci.com.tr/en/content/detail.asp ?cid=83&navId=13&navId2=82&navId3=83	

S06	Code of Ethics	45		Full
	CCI Code of Ethics		http://www.cci.com.tr/en/content/detail.asp ?cid=83&navId=13&navId2=82&navId3=83	
S07	GRI Indicators Table	93	Within the reporting period, no violation of conduct was determined against CCI with regards to uncompetitive behaviour, monopolistic or similar practices. No penal sanctions were applied in this regard.	Full
PR1	Product Responsibility	27, 28, 29, 30, 31, 32, 33, 34,		Full
	Sustainable Packaging	35, 36 73, 74, 75		
PR2	Informing Consumers	36		Full
PR3	Informing Consumers	36		Full
PR4			There is one lawsuit pending regarding a violation of regulations regarding labeling of products and services during the reporting period. No final judgment has been issued.	Full
PR5	Efficient Management of Consumer Complaints Customer Satisfaction Survey Detailed Performance Indicators	35 35 100	,	Full
PR6	Responsible Advertising and Marketing Efficient Management of Consumer Complaints	35 35		Full
PR7	Responsible Advertising and Marketing	35		Full
PR8	, and a second second		Within the reporting period, no complaints were received to CCI regarding the violation of customers' personal privacy or the loss of customer data.	Full
PR9	Product Standards and Quality	29		Full

### **UNGC COMMUNICATION ON PROGRESS INDEX**

Principle 1: Businesses should support and respect the protection of internationally	
proclaimed human rights and;	p.47 - 48
Principle 2: Make sure that they are not complicit in human rights abuses	p.47 - 48
Principle 3: Businesses should uphold the freedom of association and the effective	
recognition of the right to collective bargaining;	p.53 - 54
Labour Standards	
Principle 4: The elimination of all forms of forced and compulsory labour;	p.42 - 57
Principle 5: The effective abolition of child labour; and	p.42 - 57
Principle 6: The elimination of discrimination in respect of employment and occupation.	p.48 - 50
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	p.60 - 75
Principle 8: Undertake initiatives to promote greater environmental responsibility; and	p.7, 60 - 75, 81 - 83
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	p.60 - 75
Anti-Corruption Contract Contr	
Principle 10: Businesses should work against corruption in all its forms,	
including extortion and bribery.	CCI Code of Ethics:
	http://www.cci.com.tr/en/
	content/detail.asp?cid=83&navld
	=13&navld2=82&navld3=83

### **DETAILED PERFORMANCE INDICATORS**

/						***
	2005	2006	2007	2008	2009	2010
Economic Performance Indicators						
Sales Volume (million unit cases)	317.60	423.90	480.30	533.40	586.50	665.40
Net Sales (million TL)	1,183.90	1,667.20	1,925.90	2,258.10	2,407.50	2,753.20
EBIT (million TL)	113.60	176.50	229.70	259.60	236.50	271.80
EBIT Margin	9.60	10.60	11.90	11.50	9.80	9.90
EBITDA (million TL)	186.50	266.00	329,80	375.30	368.70	435.00
EBITDA Margin	15.80	16.00	17.10	16.60	15.30	15.80
Net Income (million TL)	87.30	86.70	153.70	81.40	169.60	197.70
Net Income Margin (%)	7.40	5.20	8.00	3.60	7.00	7.20
Earnings per Share (TL)	0.0038	0.0035	0.0060	0.0032	0.0067	0.0078
Total Equity (million TL)	666.20	848.70	924.40	1,108.20	1,269.90	1,435.00
Total Assets (million TL)	1,215.90	1,458.20	1,677.10	2,447.30	2,863.60	3,014.00
Net Debt (million TL)	291.50	322.10	360.00	774.60	704.10	646.80
Corporate Governance Rating					8.30	8.43
Foreign Currency Senior Unsecured	BB-	BB	BB	BB	BBB-	BBB-
Rating and IDR	Positive	Positive	Stable	Stable	Stable	Positive
	Outlook	Outlook	Outlook	Outlook	Outlook	Outlook
				[19.2.2009]		
Local Currency Senior Unsecured	BBB	BBB	BBB	BBB	BBB	BBB
Rating and IDR	Stable	Stable	Stable	Negative	Stable	Stable
	Outlook	Outlook	Outlook	Outlook	Outlook	Outlook
Environmental Indicators						
Energy Consumption Rate						
Turkey	0.27	0.26	0.26	0.23	0.23	0.22
Jordan	1.69	1.12	0.62	0.57	0.52	0.51
Kazakhstan	-	-	-	0.52	0.33	0.31
Azerbaijan	0.28	0.32	0.28	0.28	0.27	0.23
00.5						
CO2 Emission Rate	20.27	2/05	٥٢ ٢٢	07.50	20.07	00.05
Turkey	28.36	26.05	25.55	27.53	28.97	28.95
Jordan	161.57	117.97	80.29	57.24	64.06	72.44
Kazakhstan	78.67	70.85	116.29	89.85	45.83	45.15
Azerbaijan	46.56	71.40	51.81	62.13	60.51	53.54

200	E	2006	2007	2008	2009	2010
Fleet Emissions - CO2 (gr/L)	อ	2006	2007	2008	2007	2010
Turkey	_			13.24	13.64	11.71
Jordan	_			- 13.24	21.59	58.48
Kazakhstan	_			7.43	4.92	3.20
Azerbaijan	_			4.05	10.92	10.24
Azcı baljalı				4.00	10.72	10.24
Fleet Emissions - NOx (mg/L)						
Turkey	-	_	_	215.39	221.78	190.57
Jordan	-	-	-	-	351.89	598.58
Kazakhstan	-	-	-	121.12	80.16	52.10
Azerbaijan	-	-	-	39.19	125.95	115.79
Fleet Emissions - PM (mg/L)						
Turkey	_			8.32	8.57	7.36
Jordan	_		_		13.60	24.18
Kazakhstan	_	_	_	4.68	3.10	2.01
Azerbaijan	_	_	_	1.89	5.23	4.79
Fleet Emissions - HC (mg/L)						
Turkey	-	-		8.86	9.12	7.83
Jordan	-	-	-	-	14.40	61.91
Kazakhstan	-	-	-	4.95	3.28	2.13
Azerbaijan	-	-		2.68	9.39	9.15
Total Water Consumption - Turkey (m³)						
Ankara	-	544,749	584,978	565,119	469,378	508,865
Çorlu	-	928,005	895,729	739,249	657,401	675,480
Mahmudiye	-	-	78,943	301,460	288,171	285,313
Mersin	-	641,898	608,172	545,796	496,171	560,964
İzmir	-	459,215	509,275	521,647	484,356	481,424
Bursa	-	580,860	568,837	704,806	795,202	729,862
Köyceğiz	-	_		-	16,654	61,477
Elazığ	-	-	-	-	208,558	255,064
Total Water Consumption - Jordan, Amman (m³)	_	309,902	257,077	231,106	155,040	140,904
Total Water Consumption - Kazakhstan, Brundai (m³)	_	181,480	211,975	384,835	344,497	422,064
Total Water Consumption - Azerbaijan, Baku (m³)	-	280,701	346,623	344,830	302,263	305,164

	2005	2006	2007	2008	2009	2010
Waste Water Discharge - Country / Place of I	Discharge					
Turkey						
Ankara / Çubuk Stream	-	81,581	86,408	80,120	69,462	75,177
Çorlu / Çorlu Stream	-	173,794	182,418	157,327	136,592	119,518
Mahmudiye / Municipality Facilities	-	-	12,133	51,303	54,404	45,663
Mersin / Discharge Line	-	192,911	176,697	154,891	193,611	246,242
İzmir / Nif Brook	-	135,742	99,177	106,946	119,524	123,895
Bursa / Green Environment						
Central Cleaning	-	125,901	184,880	124,521	156,228	313,851
Köyceāiz / Köyceāiz General Directorate				·		
of State Hydraulic Works Canal	-	-	_	_	4,340	10,190
Elazığ / Industrial Zone	_	-	-	-	67,500	67,375
<u> </u>						
Jordan, Amman / Local Municipal System	-	218,929	149,267	154,797	64,104	69,363
Kazakhstan, Brundai / Local Municipal Syste	m -	75,045	56,728	101,630	96,220	117,179
Azerbaijan, Baku / Local Municipal System	-	154,384	190,643	183,975	157,176	155,839
Recycled Material Ratio (%)						
Turkey	91.26	90.99	90.14	90.34	93.50	94.41
Jordan	76.00	81.60	76.96	72.88	75.54	86.40
Kazakhstan	94.40	94.67	96.21	59.00	85.00	85.96
Azerbaijan	74.30	75.55	76.56	88.45	85.81	92.11
,						
Total Waste (ton)						
Turkey	-	-	_	_	6.954	7.356
Jordan	-	-	-	_	678	1.141
Kazakhstan	-	-	-	_	629	611
Azerbaijan					261	201

<u> </u>						
	2005	2006	2007	2008	2009	2010
Absentee Rate						
Turkey	-	-	-	404.54	64.81	125.79
Jordan	-	-	-	-	-	350.56
Kazakhstan	-	-	-	64.82	-	-
Azerbaijan	_	-	-	4.97	-	201.54
Total Training Hours						
Turkey	_	-	-	-	76,851	39,237
Jordan	_	-	_	-	15,665	9,468
Kazakhstan	-	-	-	-	2,674	8,816
Azerbaijan	-	-	-	-	581	722
Total Training- Blue						
Collar (man-hour)						
Turkey	-	-	-	-	23	9
Jordan	-	-	-	-	31	4
Kazakhstan	-	-	-	-	10	7
Azerbaijan	-	-	-	-	42	0
Total Training - White						
Collar (man-hour)						
Turkey	-	-	-	-	45	30
Jordan	-	-	-	-	26	18
Kazakhstan	-	-	-	-	14	17
Azerbaijan	-	-	-	-	27	22
Overtime Hours in Full Time						
Equivalent per Total Headcount (%)						
Turkey	-	-	-	-	2.2	2.6
Jordan	-	-	-	-	8.2	4.6
Kazakhstan	-	-	-	-	3.3	4.1
Azerbaijan	-	-	-	-	3.3	3.1
Turkey Senior Management						
Breakdown by Gender (%)						
Female	-	-	-	-	23	21
Male	-	-	-	-	77	79
Number of Union Employees at CCI Turkey						
Number of Union Employees	-	-	437	508	482	525
Number of Union Employees as a						
Percentage of Supply Chain Employees (%)	-	-	47.75	47.61	41.33	40.57

### **Employee Profile Indicators**

Tu	ırkey	Jor	dan Kaza		azakhstan Azer		erbaijan	
2009	2010	2009	2010	2009	2010	2009	2010	
lar 33	32	48.3	48.2	51	45.7	64.8	59.3	
lar 67	68	51.7	51.8	49	54.3	35.2	40.7	
ale 12.4	12.8	6.2	4.2	15	16	10.4	11.8	
ale 87.6	87.2	93.8	95.8	85	84	89.6	88.2	
pe (%)								
ent 98.8	99.5	99.2	99.4	100	100	64.7	67.5	
ary 1.2	0.5	0.8	0.6	-	-	35.3	32.5	
	lar 33 lar 67 ale 12.4 ale 87.6 pe (%) ent 98.8	2009 2010  llar 33 32  llar 67 68  ale 12.4 12.8 ale 87.6 87.2  rpe (%) ent 98.8 99.5	2009 2010 2009  llar 33 32 48.3  llar 67 68 51.7  ale 12.4 12.8 6.2  ale 87.6 87.2 93.8  rpe (%)  ent 98.8 99.5 99.2	2009     2010     2009     2010       llar     33     32     48.3     48.2       llar     67     68     51.7     51.8       ale     12.4     12.8     6.2     4.2       ale     87.6     87.2     93.8     95.8       rpe (%)       ent     98.8     99.5     99.2     99.4	2009     2010     2009     2010     2009       clar     33     32     48.3     48.2     51       clar     67     68     51.7     51.8     49       cale     12.4     12.8     6.2     4.2     15       ale     87.6     87.2     93.8     95.8     85       cpe (%)       ent     98.8     99.5     99.2     99.4     100	2009         2010         2009         2010         2009         2010           clar         33         32         48.3         48.2         51         45.7           clar         67         68         51.7         51.8         49         54.3           ale         12.4         12.8         6.2         4.2         15         16           ale         87.6         87.2         93.8         95.8         85         84           rpe (%)           ent         98.8         99.5         99.2         99.4         100         100	2009     2010     2009     2010     2009     2010     2009       clar     33     32     48.3     48.2     51     45.7     64.8       clar     67     68     51.7     51.8     49     54.3     35.2       ale     12.4     12.8     6.2     4.2     15     16     10.4       ale     87.6     87.2     93.8     95.8     85     84     89.6       rpe (%)       ent     98.8     99.5     99.2     99.4     100     100     64.7	

### Employee Breakdown by Education Status (%)

	Turkey		Jordan		Kazakhstan		Azerbaijan	
	2009	2010	2009	2010	2009	2010	2009	2010
University and Above	40.3	45.5	21.8	22.6	52.7	48.6	48.5	50.4
Other	59.7	54.5	78.2	77.4	47.3	51.4	51.5	49.6

### **Coca-Cola Information Center Performance**

	Response Rate in 0-20 Seconds	Average Response Time	Responded Calls	Problem Solving Success Rate	Average Process Time
2008	82%	00:00:26	45,825	91%	00:02:41
2009	88%	00:00:14	47,908	94%	00:02:03
2010	84%	00:00:08	55,267	87%	00:02:26

### Employee Breakdown by Age (%)

		,,	•				
		20-30	31-40	41-50	51-60	61 and Above	Total Number
Turkey	2009	32.50	48.80	17.10	1.50	0.10	2,633
	2010	39.60	43.40	15.70	1.20	0.10	2,659
Jordan	2009	39	45	15	1	0	495
	2010	35	45	18	2	0	380
Kazakhstan	2009	46	33	16	5	0	803
	2010	44	36	14	6	0	694
Azerbaijan	2009	47	27	19	7	0	395
	2010	46	31	17	6	0	404

### Employee Breakdown by Seniority (%)

		•						
		0-5	6-10	11-15	16-20	21-25	25 and Above	Total Number
Turkey	2009	54.30	17.00	19.70	7.20	1.70	0.10	2,633
_	2010	58.90	14.80	18.10	6.60	1.50	0.10	2,659
Jordan	2009	55	22	21	2	0	0	495
	2010	54	18	23	5	0	0	380
Kazakhstan	2009	75	16	9	0	0	0	803
	2010	73	17	9	1	0	0	694
Azerbaijan	2009	77	6	17	0	0	0	395
	2010	71	11	17	1	0	0	404

### Turnover Breakdown by Age (%)

		20-30	31-40	41-50	51-60	61 and Above	Total Number
Turkey	2009	49	37	13	1	0	278
	2010	56	35	8	1	0	296
Jordan	2009	70	21	9	0	0	165
	2010	65	27	8	0	0	125
Kazakhstan	2009	55	31	12	2	-	183
	2010	61	30	6	3	-	149
Azerbaijan	2009	67	29	3	1	0	66
	2010	54	29	17	0	0	24 .

### Overtime Hours in Full Time Equivalent per Total Headcount (%)

	2009	2010
Turkey	2.2	2.6
Jordan	8.2	4.6
Kazakhstan	3.3	4.1
Azerbaijan	3.3	3.1

Female Executives as a percentage of total Executives in International Operations (%)

Azerbaijan	Kazakhstan	Jordan
. 18	20	0

Local Executives as a percentage of total Executives in International Operations (%)

Azerbaijan	Kazakhstan	Jordan
. 85	97	97

### Turnover Breakdown by Gender (%)\*

2009	2010
10	11
12	15
34	33
16	25
	_
21	21
19	16
16	6
23	3
	10 12 34 16 21 19

\* Calculated as a percentage of employee ... breakdown by gender.

### Local Employment as a Percentage of Total Employment in International Operations (%)

• •	•		
	Azerbaijan	Kazakhstan	Jordan
Senior Management	36	20	17
White Collar Inc.			
Senior Management	96	99	99
Blue Collar	100	100	100

### Glossary

AA1000 Standars: A series that was developed in 1999, by AccountAbility, a global, not-for-profit self-managed partnership, which provides a framework to help organisations build their accountability and social responsibility through quality social and ethical accounting, auditing and reporting. (http://www.accountability21.net)

AA Audit Standard (AA1000AA): The only standard in the world that inspects the sustainability disclosures of corporations with respect to their priorities, integrities and principles. (http://www.accountability21.net/publications)

#### AA1000SES (AA1000 Stakeholder Engagement Standard):

The only stakeholder engagement standard in the world, developed by AccountAbility, the AA1000SES Provides a principles-based, open source framework, for designing, implementing, evaluating and assuring the quality of stakeholder engagement.

Anadolu Vakfı (Anatolian Foundation): An organization that invests in areas related to community health and education. The foundation was established 25 years ago in Turkey and has completed more than 40 projects to date which include hospitals, health centers, schools, student dormitories and sports complexes.

#### BASIS (Beverage Advanced Standard Information System):

A standardized sales accounting software system used by most of the Coca-Cola bottlers in the world.

**bOnPC (BASIS On Personal Computer):** A package offered as personal computer sales process solution of BASIS.

**Bottler:** A business like Coca-Cola İçecek that buys concentrates, beverage bases, or syrups made available by The Coca-Cola Company, which manufactures, packages, merchandises and distributes the final branded beverages to customers and vending partners, who then sell those products to consumers.

**BSG (Business Solutions Group):** CCI's Business Solutions and Information Communication Department

**Business Unit:** Units responsible of the management of Coca-Cola operations in more than one country i.e. Eurasia and Africa Business Unit.

CCI: Coca-Cola İçecek A.S.

**CCI Campus:** CCI's training and development structure

**CCI Corporate:** Coca-Cola İçecek's division responsible for the whole corporate performance including international and Turkey operations.

**CCI Turkey:** Coca-Cola İçecek's division responsible for operations in Turkey

CIP: Sanitation of production plants' lines

Coca-Cola Almaty Bottlers (CCAB): CCI's affiliate in Kazakhstan

CokePort: Coca-Cola İçecek's intranet portal

**Concentrate:** A product manufactured by The Coca-Cola Company or other beverage company, sold to bottlers to prepare finished beverages through the addition of sweeteners and/or water.

Corporate Social Responsibility: Corporations and institutions voluntarily making the social, environmental and economic concerns of the society part of their activities and their relations with their stakeholders, thereby acting towards all of their stakeholders and the entire society in an ethical and responsible manner, and by making and implementing decisions accordingly.

**Customer:** An individual store, retail outlet, restaurant, or a chain of stores or businesses that sells or serves our products directly to consumers.

**EFQM Excellence Model:** Management system, founded by European Foundation of Quality Management (EFQM), to achieve sustainable excellence

Global Reporting Initiative (GRI): It is the world's most widely used reporting frame that was founded in 1997 and that became a partner of UNEP (United Nations Environment Programme) in 1999. Multinational companies, SMEs, public corporations, municipalities, NGOs and Universities around the world report their social, environmental and economic performances in accordance with GRI guidelines. The contents of the GRI reporting guidelines which is an open source is prepared on an online platform in which universities, companies, NGOs and anyone interested can participate. (http://www.globalreporting.org)

**G3 Guidelines:** The latest reporting guidelines published by GRI in 2006. (http://www.globalreporting.org)

**GDP:** Gross Domestic Product

**HACCP:** Hazard Analysis and Critical Control Points - Food Safety Management System

**HFCS (High Fructose Corn Syrup):** Corn syrup with high levels of fructose. Processed from corn as a substitute sweetener to crystal sugar.

#### IMCR (Incident Management and Crisis Resolution):

A sustainable program applied in the whole Coca-Cola System, designed to prevent the incidents to occur,

INJAZ: A non-profit organization aiming to educate and inspire Jordanian youth. INJAZ strives to provide real life examples to the youth and develop career opportunities in cooperation with Jordan Ministry of Education, business world, volunteers and USAID (United States Agency for International Development).

ISE: Istanbul Stock Exchange

**KPI:** Key performance indicators

Lean 6 Sigma: Lean production integrated with 6 Sigma. 6 Sigma is a business management strategy, which seeks to improve the quality of process outputs by identifying and removing the causes of defects (errors) and minimizing variability in manufacturing and business processes. It uses a set of quality management methods, including statistical methods, and creates a special infrastructure of people within the organization ("Black Belts", "Green Belts", etc.) who are experts in these methods.

NGO: Non-governmental organization

On-Premise: Outlets where consumers buy soft drinks for immediate consumption at or near the point-of-sale.

Per capita consumption: Average number of 8-ounce servings consumed per person, per year in a specific market.

**PET (polyethylene terephthalate):** The material from which CCI's plastic bottles are manufactured.

Physical case: The unique combination of beverage products and package sizes used for deliveries to customers.

POP equipment: Equipments used in the point of purchase

Preform: Intermediate product used in the production of PET bottles

Preseller (sales representative): Employee at the sales department who take the orders

Ready to drink beverage: Beverage in a prepared form, ready for consumption. Alcohol free sparkling beverages, juices, nectar and sweetened waters, ice teas, sports and energy drinks, bottled waters, HOD waters and ayrans are included in this group. Even though milk and milk products are not included in the ready to drink group, ayran is included.

RefPET: Refillable PET bottle.

RGB: Returnable glass bottle.

Shrink: Raw material used in product packaging

SKU: Stock keeping unit, product or product group that has different brand code/codes but counted as one sales unit.

Spacing Cardboard: Raw material used in product packaging

Sparkling Beverage: Non-alcoholic beverage containing flavorings and sweeteners. Excludes, among other beverages, waters and flavored waters, juices and juice drinks, sports drinks, and teas and coffees.

**Stakeholder:** Persons or groups who directly or indirectly affect or are affected by the activities of corporations and institutions.

Stakeholder engagement: Mechanisms that enable stakeholder expectations and suggestions to be represented in the management structure of the company.

Still Beverage: Non-alcoholic non-sparkling beverage including, but not limited to, waters and flavored waters, juices and juice drinks, sports drinks, and teas and coffees.

Sustainability: The ability to render development sustainable by meeting the needs of the present without compromising the ability of future generations to respond to their own needs. (United Nations Commission on Environment and Development - 1987)

Sustainable Development: Sustainable development is the actualization of economic growth and welfare increasing efforts while protecting the environment and the quality of life of all human beings living on earth. (United Nations Commission on Environment and Development - 1987)

The Coca-Cola Bottling Company of Jordan (CCBCJ): CCI"D5s affiliate in Jordan

The Coca-Cola Company (TCCC): Founded in 1886, The Coca-Cola Company is the world's leading manufacturer, marketer and distributor of non-alcoholic beverage concentrates and syrups that are used to produce more than 230 beverage brands. The Coca-Cola Company's corporate headquarters are in Atlanta with local operations in nearly 200 countries around the world.

The Coca-Cola System (TCCS): The Coca-Cola Company and its bottling partners

The Coca-Cola Turkey System: The system including TCCC Turkey and CCI Turkey operations.

TCCF: The Coca-Cola Company Foundation

TCCMS: The Coca-Cola Company Management System

TCCOSH: The Coca-Cola Occupational Safety and Health System

TCCQS: The Coca-Cola Quality System

Turkmenistan Coca-Cola Bottlers (TCCB): CCI's affiliate in Turkmenistan

**UNGC:** United Nations Global Compact

Unit Case: Unit of measurement that is the equivalent to 5,678 liters, in other in other words, 24 servings or 192 American standard ounces.

Unit Case Volume: Number of unit cases that the company sells to its customers. It is considered an excellent indicator of the underlying strength of soft drink sales in a particular market.

**Volume:** The number of physical cases of products directly or indirectly sold to our customers.

2020 Vision: A roadmap which focuses on what The Coca-Cola System needs to do to deliver in the near-term while getting ready for the future.

#### LEGAL DISCLAIMER

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