



Corporate Social Responsibility Report

March 2008 - March 2009

# **CCI Corporate Social Responsibility Strategy**

With a clear Corporate Social Responsibility Strategy, we have in hand a road map for carrying out business. CCI operates in 10 countries and is committed to social, environmental, broader economic and ethical priorities.

Four pillars of CSR strategy:

## Marketplace

We strive to respond to the expectations of our stakeholders with sustainable production and marketing practices.

CCI issued the first GRI checked CSR report in Turkey.

In 2008, CCI Turkey sourced 95% of supplies locally. The amount procured from local suppliers has exceeded

# \$800 million

♦ CCI's 2008 net sales reached TL 2,258 million, with

TL 404 million generated from international operations.

Irom Internatio

♦ CCI's Bursa Plant was granted the

# 2008 KALDER Bursa Quality

**Award**, which is given on the basis of the EFQM Excellence Model, in the category of Private Institutions.

 In response to varying consumer expectations, we extended our package and product range

to + 300 in 2008.

## Workplace

Our goal is to provide a fair and safe work environment for employees while providing strong support for personal and professional development.



- ♦ Open-door meetings were initiated in Turkey.
- 220,370 hours of training to staff in 10 countries was provided during the reporting period.

<sup>\*</sup> Excludes concentrate.



## Environment

CCI conducts its activities while respecting the environment, valuing natural resources and taking into consideration the needs of future generations.

# 

 In Turkey, water, energy consumption and solid waste ratios, were well below TCCS averages:

Water: **1.48** L/L product TCCS average 2.43 Energy: **0.233** Mj/L product TCCS average 0.46

Solid waste rate: **3.237** L/L product TCCS average: 11.61

- CCI was the first company in Turkey to disclose the carbon emissions levels of its production plants.
- Environmental investments were increased
   6.5 times to TL 8.8 millior
- We developed a waterless bottles-cleaning technology.

While the world average for air pressure needed for PET blowing operation is 35-40 bars, at our Kazakhstan plant we became the first and only company to decrease this figure

# to 15 bars.

 Compared to the previous year, in 2008, we saved

8,019,589 kW-hours of energy, 293,026 m<sup>3</sup> of natural gas, 522,113 kg of LPG and prevented

4,510 tons of CO<sub>2</sub> emissions.

♦ We delivered the same amount of product

on **10%** less truck movement, thus reducing CO<sub>2</sub> emissions caused by

transportation by **22%**.

## Community

We care about the needs and expectations of local communities everywhere we operate and support solutions that are responsive to individual community needs.

♦ CCI donates 3% of its pre-tax profit to foundations.

We allocated \$100,000 to the Employee Contribution Fund.

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Climate Change
Energy Management
The Impact of Transportation and Logistics
Lean 6 Sigma Projects
Footprint on Water
Water Management Policy
Reducing Water Comsumption
Water Reuse
Waste Management
Sustainable Packaging

#### Community Social Responsibility

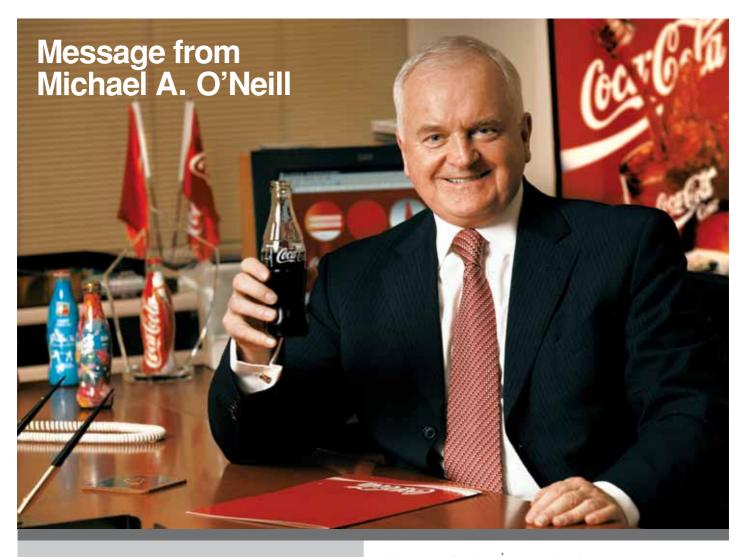
Policy
Principles and Commitments
Social Dialogue

## **GRI Indicators Table**

UNGC Communication on Progress Index

## Glossary





Coca-Cola İçecek focuses on responding to the changing expectations of stakeholders, acts as a leader, not an observer and makes innovation and awareness an inherent part of the way we conduct business.

#### Dear Stakeholders,

The global economic crisis in 2008 proved to be another signal, that we live in a commonly shared world, one in which all sectors must continuously undergo a process of strategic change.

The time has come to assign a new meaning to corporate responsibility. We must place, areas of influence and performance in these fields at the center of our business strategy and we must be ready to be accountable to all stakeholders. Having a responsible corporate approach in our efforts to sustain financial achievements will be of vital importance from now on.

CCI's area of influence can be seen across its geography: Turkey, Pakistan, Central Asia and the Middle East. Coca-Cola İçecek focuses on responding to the changing expectations of stakeholders, acts as a leader, not an observer and makes innovation and awareness an inherent part of the way we conduct business.

Government administrations, business communities, and the general public need to come together in search of solutions for matters that concern the entire world such as climate change, water conservation, energy productivity, human rights and societal development. Even if immediate answers cannot be found, mutual dialogue must be developed to provide leadership in the face of change. In the beverages sector, thanks to strategies and policies that are based on a sustainable foundation, we plan to develop a number of opportunities. Investments in developing regions not only enhance our corporate responsibility but also ensure higher levels of financial achievement for our business. Developing new levels of dialogue with stakeholder groups within our area of influence in the regions, where we are active, responding to commitments, engaging in investments that answer local needs, bring us even closer to the communities, in which we work.

Ignoring the needs of society represents a significant risk in today's business world. At Coca-Cola İçecek we believe that as a corporate citizen, our priority is to continue to engage in activities that conform to the principle of sustainability. Our goal as a responsible business is not only to support the community but also to set priorities with regard to the environment in which we live and to act accordingly. The first corporate social responsibility report that we produced last year in compliance with international standards became Turkey's first corporate social responsibility report that was checked by Global Reporting Initiative (GRI). CCI's leadership in this area was further

established when GRI's Chairman Mervyn King spoke words of praise congratulating Coca-Cola İçecek on becoming a pioneer as the first company in Turkey to have received a GRI application level check and making a giant step towards sustainability.

In Turkey's second AccountAbility Rating, an evaluation of accountability that is highly respected in many countries in the world, CCI was awarded the first place among the top 50 companies in Turkey in the AccountAbility Rating 2008.

CCI has a well-established system of corporate governance with strong ethical and transparency standards. Accountable management is an indispensable principle of CCI. This governance culture was augmented by the establishment of a Corporate Governance Committee in 2008. This is further proof that we are building on strong fundamentals from a responsible and sustainable standpoint.

CCI continued to grow in 2008 despite the global economic crisis. We adhered to our values, firmly laid out our corporate responsibility strategies and succeeded in achieving acceptable performance in terms of marketplace, workplace, the environment and community participation. We worked to provide our employees with the best equal opportunities in the working environment. With community participation projects and a responsible marketing approach, we made every effort to become a model for the sector and the business community in general. As per the Company Articles of Association, we donated 3% of our pre-tax profits to the Anadolu Vakfi (Anatolian Foundation). Anadolu Vakfi, an organization that invests in areas related to community health and education, was established 25 years ago and has completed more than 40 projects to date that include hospitals, health centers, schools, student dormitories and sports complexes.

Water, a key input in beverage production, is a top priority for CCI. To reduce the company's corporate footprint, we focused on protecting and improving water sources and reusing water. CCI's goal is to be the best among its counterparts in water usage and productivity. Our guiding principle is, "Less water, more beverage." This motto expresses clearly and simply our determination to minimize water usage per case of finished beverage.

Water consumption at CCI Turkey fell by 9% in 2008, with the amount of water used for one liter of beverage falling to as low as 1.48 liters. In addition, to increase awareness about water resources, the Coca-Cola System continues to cooperate with WWF-Turkey and UNDP.

CCI will also continue to invest in new technologies in the coming years to further reduce water usage. The company has already developed a new system whereby the cleaning process in PET and aseptic PET bottling assembly lines is performed without the use of water. This is the first time this system has been used in the beverage sector in Turkey and this technique will achieve savings of approximately 18,200 tons of water each year.

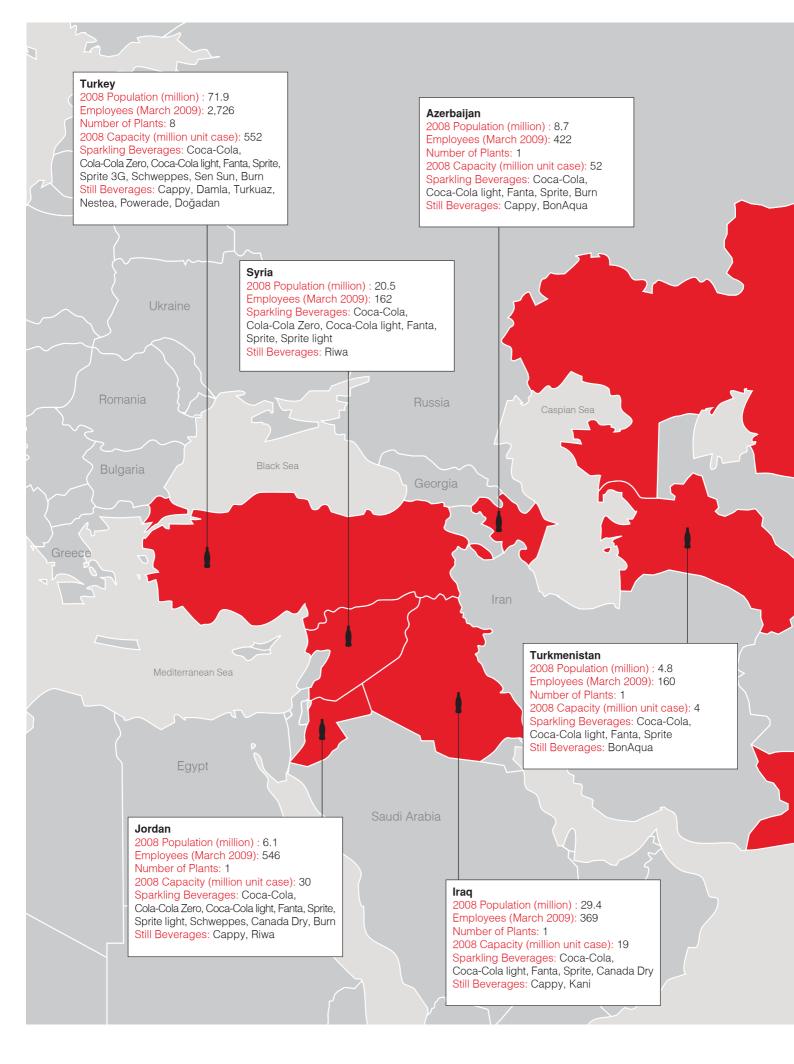
The performance at CCI's Ankara plant has surpassed all expectations, achieving a reduction in the amount of water to 1.25 liters per 1 liter of finished beverage.

At Coca-Cola İçecek, taking advantage of opportunities as we pursue our 2020 Vision will only be possible if sustainability is an integral part of our daily operations. Focusing on the effective use of resources is essential if sustainable growth is to be achieved. We are working harder than ever now to prepare ourselves for the future, for the time when consumer awareness will increase and not only will reasonable prices and product quality affect decisions, but also the consumer's trust in our company and brands. Our reputation as a responsible company adds value to our brand, and we must improve and renew ourselves to a greater degree each year to maintain this image.

We are pleased to present to you our second Corporate Social Responsibility Report. It is a result of our proactive approach to sustainable corporate performance. Accountability capabilities, which were raised to international standards last year, have led to the B-level reporting of our 2008 performance based on GRI G3 principles. This allows us to raise our company performance to the next level. The scope of reporting was expanded to include CCI's performance in Kazakhstan and Jordan. Future plans are to make our systems and processes more traceable and reportable in the coming years so that we can include all of our regions. We will continue to work diligently to demonstrate the determination of the Coca-Cola İçecek team to achieve this goal. We will strive to be a leader in positive change for corporate responsibility in Turkey and in all countries where we operate.

1 Matalla

Michael A. O'Neill CEO



#### Kazakhstan

2008 Population (million) : 15.8 Employees (March 2009): 915 Number of Plants: 1 2008 Capacity (million unit case): 94 Sparkling Beverages: Coca-Cola, Coca-Cola light, Fanta, Sprite, Schweppes Still Beverages: Cappy, Piko, BonAqua, Nestea

#### Kyrgyzstan

2008 Population (million) : 5.3 Employees (March 2009): 285 Number of Plants: 1 2008 Capacity (million unit case): 18 Sparkling Beverages: Coca-Cola, Coca-Cola light, Fanta, Sprite, Schweppes Still Beverages: Cappy, Piko, BonAqua, Nestea



#### Pakistan

2008 Population (million) : 166.4 Employees (March 2009): 3,121 Number of Plants: 6 2008 Capacity (million unit case): 112 Sparkling Beverages: Coca-Cola, Diet Cola-Cola, Fanta, Sprite, Sprite Zero, Sprite 3G Still Beverages: Minute Maid, Kinley

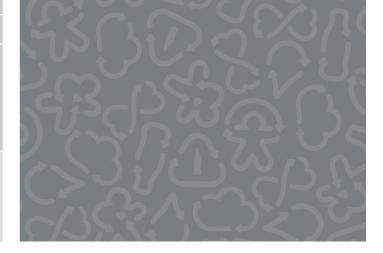
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## **Corporate Profile**

Coca-Cola İçecek (CCI) is the 6<sup>th</sup> largest bottler in the Coca-Cola System 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 operates 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 approximately 350 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 and its depository receipts are traded on the London Stock Exchange under the CICE.LI ticker.



CCI 🧲

## Net sales in 2008 reached TL 2.26 billion with TL 404 million generated from international operations.\*

\* You can view CCI's financial results for 1Q09 on our website. http://www.cci.com.tr/en/investorrelations/financial-results.asp?cid=2&navId= 13&navId2=39&navId3=41

Sparkling Beverages	Market Share
Turkey <sup>1</sup>	68.7%
Pakistan <sup>1</sup>	26.3%
Azerbaijan <sup>1</sup>	53.6%
Kyrgyzstan <sup>3</sup>	70%
Syria <sup>2</sup>	9.4%
Jordan <sup>1</sup>	11.3%

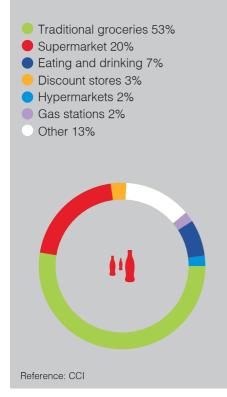
Reference: 2008 whole year

1. Nielsen 2. MEMRB

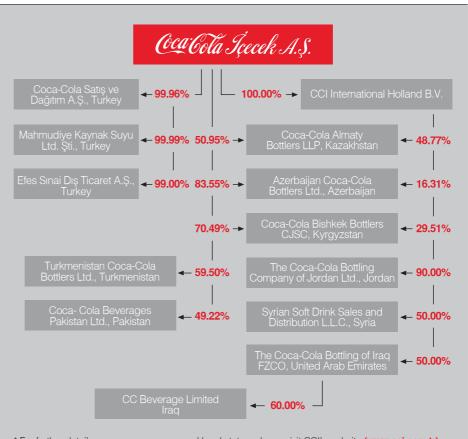
3. CCI Estimate

Nielsen has broadened the scope of its Kazakhstan market measurements from four cities to eleven. Nevertheless, rapid development in the country has made it necessary for us to carry out a more comprehensive survey to better identify changes in consumer preferences and retail structures, market trends, our own position, and opportunities. For this reason, market share details for Kazakhstan will not be announced until a more comprehensive Nielsen study that encompasses the whole market has been finalized.

#### Retail Volume by Channel (2008)



## **CCI Corporate Structure**



\* For further details on company owners and legal status, please visit CCI's website (www.cci.com.tr).

The number of CCI distributors as of March 2009 increased to 1,298, with 355 in Turkey. Every day, we reach 300,000 sales outlets in Turkey and nearly 600,000 across all operations.

CCI business in Turkey has grown continuously over the last five years.

In 2008, the company grew 10% in Turkey and our international operations grew 15% compared to the previous year.



## **Turkey Operations**

CCI always looks to expand its product portfolio in terms of packaging and prices to provide a broader range of choice to consumers. In 2008, our packaging and product range increased to more than 300 and the portfolio was enriched by the tea brand

Doğadan along with ready-to-drink options such as sparkling beverages, fruit juice, water, sports drinks, energy drinks and ice tea.

#### **Product innovations**



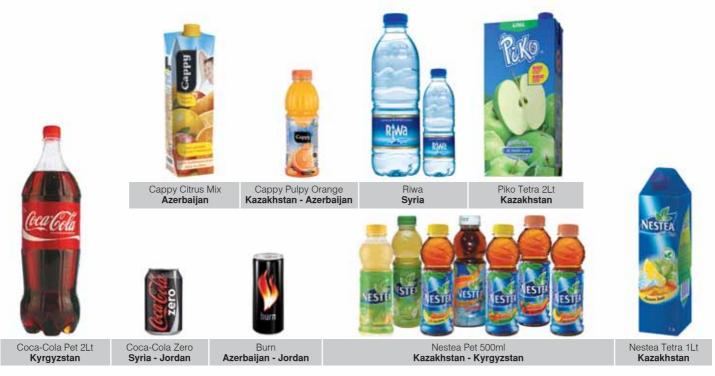
## **International Operations**

In 2008, Turkey accounted for 79% of sales and international operations accounted for the remaining 21%. CCI operates in growing markets where per capita consumption, while growing, is relatively low, yet demographics promise a strong growth potential. CCI's international sales volume reached

113 million unit cases.

With the addition of Pakistan in the last quarter of 2008, CCI's consumer base doubled to 350 million people. This development creates an important growth opportunity for CCI going forward.

#### **Product innovations**



#### Kazakhstan

Kazakhstan has a total land area equal to Western Europe and has delivered uninterrupted growth trends for seven years. The country forms CCI's biggest market in Central Asia. Though Kazakhstan entered economic recession due to the global economic crisis in 2007-2008, CCI continued to gain market share in 2008 after Cappy was successfully launched in the market to meet changing customer expectations.

#### In 2008, Coca-Cola Almaty Bottlers

(CCAB), CCI's subsidiary in Kazakhstan, maintained its leading position in the sparkling beverages market. Coca-Cola and Fanta became the consumer's first choice. CCAB has a wide product portfolio of sparkling beverages as well as fruit juice, ice tea and water.

#### Jordan

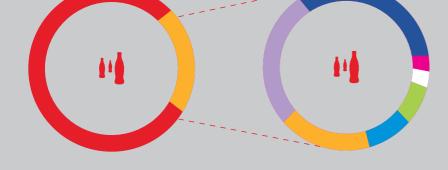
#### The Coca-Cola Bottling Company of

Jordan (CCBCJ), CCI's subsidiary in Jordan, has bottled Coca-Cola since 1994, and Jordan is the first Middle Eastern country where CCI began to implement best practices. Jordan's market has strong growth potential due to its young population and low sparkling beverage consumption per capita. The country contributed to the growth of CCI on the international level.

In 2008, new products, such as Burn energy drink and Coca-Cola Zero, were introduced into Jordan's market. Furthermore, Riwa, launched in 2007, continued to increase its share in the water market in 2008.



# Geography<br/>(unit cases)Country<br/>(unit cases)• Turkey 79%• Kazakhstan 36%<br/>• Azerbaijan 27%<br/>• Jordan 16%<br/>• Pakistan 8%<br/>• Kyrgyzstan 7%<br/>• Iraq 3%<br/>• Syria 3%





## Coca-Cola İçecek by Numbers

- In 2008, CCI reached approximately 350 million consumers and has an annual production capacity of 5 billion liters at its 20 plants.
- More than 8,500 suppliers work to help CCI provide consumers with the best products under the best conditions. CCI considers its customers, distributors and suppliers in all 10 countries, as part of one large family.
- ♦ EBIT was increased by 13% to TL 260 million in 2008.
- By December 2008, production capacity reached to 881.4 million unit cases. In the same period, capacity usage ratio was 68%.
- The installation of 6,800 new coolers in Kazakhstan and 2,700 in Jordan increased the number of cooler doors above 20 per 10,000 people in Kazakhstan and 45 per 10,000 in Jordan.

- CCI raised its stake in Turkmenistan Coca-Cola Bottlers (TCCB) from 33.25% at the end of December to 59.5% in 2009.
- In Turkey, which accounts for 6% of the world's tea consumption, CCI has been selling and distributing Doğadan products by Coca-Cola Satış ve Dağıtım A.Ş., a 99.96% subsidiary of CCI in Turkey. Doğadan is the leader in herbal and fruit tea categories in Turkey.
- CCI has allocated an annual amount of \$100,000 for the Employee Contribution Fund.

Please see CCI's annual report for detailed financial information at http://www.cci.com.tr/uploads/documents\_d/ AnnualReport2008\_en.pdf







# Coca-Cola İçecek and Corporate Social Responsibility

The corporate social responsibility strategy at Coca-Cola İçecek is based on the expectations and concerns of key stakeholders.

Playing a major role in resolving social and environmental problems while taking into consideration stakeholders' comments and recommendations is very important for sustainability in the marketplace.

#### Coca-Cola İçecek, with its 2007 CSR report, was the first company in Turkey to receive **GRI** application level check



CCI's first CSR report, published in 2007, was issued in compliance with GRI G3 principles,

the most commonly used reporting framework in the world. This was the first CSR report checked by GRI in Turkey.

GRI Board Chairman Mervyn E. King, attending the International Corporate Governance Conference held in Istanbul on January 14-15, stated that he was quite pleased to see developments in sustainability in Turkey and went on to say, "I congratulate CCI as the first company in Turkey to receive GRI application level check. Today companies are expected to explain to their stakeholders not only their business success, but how they have made their money. Companies have shared integrated reports about the social, environmental, and economic impact their business has on the community in which it operates. Coca-Cola has set a good example especially concerning the conservation of water and energy use.

"The 21st century is the century of the environment and I am happy to see that Coca-Cola, which owns the most valued brand in the world, is practicing being a good corporate citizen.

"I am pleased to see that Coca-Cola İçecek has made a giant step toward sustainability using the corporate citizenship guidelines of The Coca-Cola Company as a foundation and has become a pioneer in Turkey."

CCI received substantial coverage in print and broadcast media for the accomplishment.

## **About the Report**

In this second corporate social responsibility report, it is CCI's goal to be a leader of positive change in Turkey, fulfilling the vision and obligations set forth by international standards.



CCI published its first corporate social responsibility (CSR) report in 2007. According to the Global Reporting Initiative (GRI) G3 Reporting Principles used by more than 2,000 institutions, CCI made its non-financial performance public, becoming the first company in Turkey to issue a corporate social responsibility report checked by GRI.

CCI's corporate social responsibility approach focuses on stakeholder engagement as described in the 2007 report. The corporate social responsibility strategy, established in accord with the anticipation, concerns and future expectations of key stakeholders, constitutes the cornerstone of this report.



CCI's latest report, covering performance and new practices between March 2008 and March 2009, was prepared following GRI G3 guidelines and principles. We have

prepared our second report at GRI B level, making it a more expansive and advanced report than the previous one. This year's

focus is on the environment, human resources, and occupational health and safety and our products, social participation, human rights and our management approach as it contributes to socioeconomic development in our operating geography. Access to the comprehensive GRI index as it relates to our report is available on our website at www.cci.com.tr.

Furthermore, CCI used the AA1000SES Standard, the only international standard, as a guide to evaluate stakeholder engagement. CCI's reporting approach and method of determining priorities are based on the principles of AA1000 Series Standards.

This CSR report is prepared to ensure that all stakeholders can find answers to their questions about CCI regarding the company's social, environmental, economic and ethical impact. Please e-mail your comments and opinions to corporate affairs@cci.com.tr.

## The Scope of the Report

The scope of this CSR report includes the performance of CCI's operations in Turkey, Kazakhstan and Jordan with special focus on social, environmental, common economic and ethical responsibilities.

CCI's corporate social responsibility strategy and policies provide the foundation for all of our operations. Unless otherwise specified, the non-financial performances of our activities in Kazakhstan and Jordan are included in the scope of this report. In the future, as our geography expands, we expect to include more countries in the scope of this report.

CCI's corporate social responsibility reporting is an important tool for monitoring the development and progress of our performance, for understanding strategic risks and opportunities, and for developing dialogue with stakeholders. Our 2007 report can be accessed on our website at **www.cci.com.tr**.

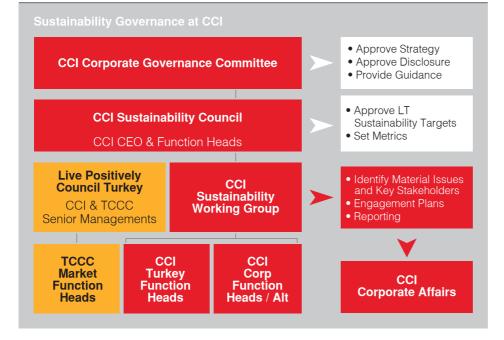


## Corporate Social Responsibility Approach and Management

The global financial crisis that emerged at the end of 2007 and its influence on the world throughout 2008 drew attention to companies with sustainable performances. In the period following this crisis, CCI was required to manage the social and environmental impact of its activities, to have employees who integrate its corporate culture as part of their work ethic, and to develop corporate governance that is adaptable to current challenges. This was done by having a strong long-term relationship with stakeholders while creating value for shareholders.

Corporate social responsibility is one of the most important elements of CCI's business strategy and this approach is incorporated into all operations and aspects of corporate governance. For this purpose, on July 31, 2008, the Board of Directors appointed a "Corporate Governance Committee" to be responsible for monitoring the areas related to corporate social responsibility. Dr. R. Yılmaz Argüden was elected as president with Gerard A. Reidy and M. Hurşit Zorlu as members.

In 2008, a Sustainability Council comprising CCI's CEO and function heads was established to evaluate CCI's long-term sustainability objectives and to provide feedback to CCI's Corporate Governance Committee. Additionally, a Sustainability Workgroup comprising directors and managers from all departments was created to work with this council.





## First Place at AccountAbility Rating 2008

Coca-Cola İçecek was deemed worthy of first place in the "Accountability Rating 2008: Turkey" organized in cooperation with internationally known, independent corporate social responsibility and accountability organization AccountAbility and Kurumsal Sosyal Sorumluluk Enstitüsü (Corporate Social Responsibility Institute). Ahmet Eryılmaz, chairman of the CSR Institute, stated in his celebratory letter sent to Coca-Cola İçecek that the preparations for a successful sustainability report was an important factor contributing to this award, and explained that CCI had received high points in strategy and management systems as a result of the research. Eryılmaz stated that the main reason for this result was CCI's decisive approach in water management and the innovations implemented to reduce its environmental impact. "The security, environment, supplier and energy management policies applied by Coca-Cola İçecek prove that the company values sustainable strategy and management."

## Stakeholder Engagement

CCI aims to develop solution-oriented, positive dialogue by cooperating with stakeholders.

Stakeholder Engagement Principles:

**Completeness:** CCI cares about which stakeholder groups are included in the dialogue processes and ensures that key stakeholders actively participate in stakeholder engagement processes.

**Responsiveness:** CCI considers the remarks and opinions of stakeholders and answers their questions through a variety of methods, including regular reporting.

**Materiality:** CCI correlates its response processes to the priorities of key stakeholders and the beverage sector.

**Inclusivity:** CCI's stakeholder engagement processes are designed and implemented in line with expectations and priorities of stakeholders throughout all geographic locations and results are evaluated accordingly.

#### Stakeholder Engagement Objectives:

Material issues will be indentified by routinely reviewing employee engagement, results from the internal customer satisfaction survey and open door meetings.

- Local stakeholder engagement will be increased and expanded to CCI's operating geography.
- CCI will expand the scope of key performance indicators considering the comments and opinions of all stakeholders.
- All plant employees will be electronically informed and updated regarding the current plant improvement projects.

#### Point of View

"A responsible company is a company that is sensitive to the environment and to society. While making strategic planning for today and future, it must include approaches that will have a positive influence on the happiness, welfare and health of humanity. It must also aim to be a preferred brand with its corporate social responsibility work. CCI follows an effective approach for its corporate social responsibility. In addition to the legal liabilities for all companies in Turkey, CCI has become a preferred company and brand because of the issuance of the Code of Ethics and Corporate Governance Compliance Report for corporate responsibility, the OHSAS 18001 certificate, and by providing information and a hotline for its customers.

The company's "Water Management Strategy" and corporate membership to WWF-Turkey allow CCI to be positively perceived by the end customer and the society at large in the area of corporate social responsibility performance. The Department of Industrial Engineering at Bilkent University has been

performing applied projects in the business world through university-industry cooperation. We do 2 or 3 projects with CCI every year. To date, we have completed 10 projects. We, as Bilkent University, Department of Industrial Engineering, are extremely pleased working with CCI. We think that we have completed the whole process fully and in a manner where both institutions will benefit.

#### Assoc. Prof. Dr. Bahar Yetiş

Bilkent University - Department of Industrial Engineering

#### **Point of View**

"Coca-Cola İçecek is among the leading companies of the Istanbul Stock Exchange with its foreign ownership in the public shares along with being the leader alcohol free beverage supplier of Turkey and in the countries where it operates. The consistent profitability, operating in a geography where the growth potential is high, the strong financial structure as well as consistent communication with its investors are all quite important for corporate investors. I believe that the top level directors who contribute directly to CCI's healthy and profitable growth attending the meetings and conferences where they share their strategies and expectations with investors is vital to the value of the company.

CCI has shared information at the highest level both through the Investor Relations Department and the top level directors since 2006 when it went public. The information reports, presentations and analyst teleconferences prepared by CCI during the financial statement reporting periods helped it set a higher

standard in the sector. CCI's website is an important and effective tool for presenting information about the company for investors and analysts. It is particularly important to us that we be able to access reliable information about the company and learn about developments in a timely manner. Thus, CCI's investor relations policies and the emphasis their top level management puts on these policies are perceived to be an added value by investors."

#### **Toygun Onaran**

Deputy Director / Senior Analyst, Turkey Stock Certificates - KBC



#### **Point of View**

"The relationship with its customers, the respect and the esteem, which companies held by its customers is probably the most important criteria in judging the reputation of a company.

A significant point would be the environmental footprint of Coca-Cola. From what I understand Coca-Cola has not waited but it's moving ahead with standards and goals for zero waste and zero discharges into the environment in their bottling facilities. I think it has become an exemplary company in that way. These are probably the good examples that could be expanded upon.

You know when you step back and look at the problems at the world, whether it's the issues of global climate change or sea change or urbanization, we can count the many problems, environmentally in particular. And then when you say which institution have the resources and expertise to respond, you have business, you have NGOs and you have government. That's about it. So, corporations must step forward. It is not just a matter of the economic resources, in many cases it's often the expertise that rests in the private sector that has to be brought to bear."

#### **David Judson**

Editor in Chief, Hürriyet Daily News & Economic Review

# CCI and Responsiveness Performance

The AA1000 Stakeholder Engagement Standard framework depends on three fundamental principles:

- 1. Materiality
- 2. Completeness
- 3. Responsiveness

These three principles, while forming the strategy of this report, both demonstrate inclusivity in terms of international standards in fields of corporate social responsibility and make focal points comparable. CCI first determines the issues that are among the priorities of stakeholders and evaluates the risks and opportunities accordingly (materiality). Then, while disclosing

performance regarding social, environmental and economic responsibilities, CCI takes into consideration the fundamental aspects of CSR (completeness).

Meanwhile, the responsiveness principle maintains balance between the corporate priorities and expectations of stakeholders. The following table compares the degree of responsiveness in view of the prioritized expectations of stakeholders and CCI's social, environmental and economic areas of responsibility. The issues explored in this report were chosen based on what stakeholders expect from CCI and what was emphasized by key stakeholders.



From the inauguration of the new capacity investment at CCI Azerbaijan plant

Kürsat Tüzmen, former state minister of the Republic of Turkey, delivered a speech during the inauguration of the new capacity investment. Tüzmen declared that the investment in the Baku plant contributed substantially to both Azerbaijan and Turkey. He stated: "The increase in market share of a globally accepted beverage is very important in terms of a Turkish investment in Azerbaijan. In an environment where the alcohol-free beverage market is growing with such potential, this triggers the development of Turkey's exports and subsidiary industries such as trucks and other transportation vehicles."

#### **CCI and Responsiveness Performance**

Material Issue	Employee	Vendor/ Retailer	Shareholders	Customers	Suppliers	Investors	Public Agencies	NGO	Trade Union	Media	Consumers
Product responsibility	1	1	1	1	1	1	1	1	1	1	1
Recycling	1	1	1	1		1	1	1		1	1
Qualified workforce	1	1	1	1		1			1		
Engagement with local communitie	s 🗸	1	1	1		1	1	1			1
Carbon footprint	1		1			1	1	1		$\checkmark$	1
Perception of the brand	1	1	1	1	1	1			1	1	1
Water resources	1		1			1	1	1		1	1
Packaging waste	1	$\checkmark$	1	1		1	1	1			$\checkmark$

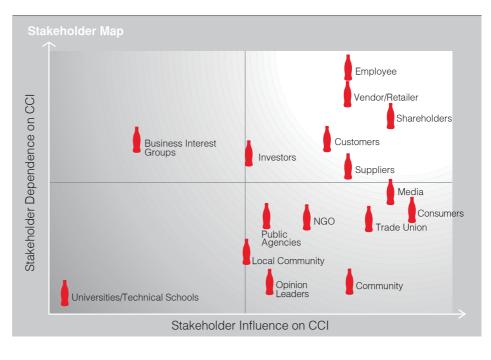
The performance data is available in the relevant sections of our report.

## **Material Issues**

## **Key Stakeholders**

The AA1000 standards, taken as guidelines for CCI's reporting strategy, aim to facilitate reporting criteria and raise corporate awareness of the importance of developing dialogue methods specific to stakeholder groups.

CCI's key stakeholders were determined through a workshop hosted by the CCI Sustainability Workgroup, and the following table outlines the pertinent dialogues.



## **Stakeholders and Dialogue Platforms**

Employees	Employee Engagement and Satisfaction Survey, Open-door meetings, Newsline, CokePort, press reports, The World of CCI Magazine, Internal Customer Satisfaction Survey, CCI Inventor Competition, CCI training programs, leadership development training, sales incentive programs
Distributors/Sellers	Distributor meetings, regular visits, training programs, plant visits, distributor satisfaction questionnaire
Shareholders	General Committee Meetings, Public Disclosure Platform
Customers	Training, support programs, regular visits, plant visits
Suppliers	Training programs, improvement audits, plant visits
Investors	Operation reports, investor conferences, analyst meetings, annual reports, CSR reports, website, webcast, Investor Relations Department, e-mail distributions, ISE announcements, Public Disclosure Platform, direct feedback forms through CCI's corporate website
Public Institutions and Organizations	Information for contribution to sector development, full compliance with laws and regulations, support regarding infrastructure investments
NGOs	Project partnerships, corporate and employee memberships, participation in conferences and presentations, employee and corporate donations
Union	Union representation, collective labor agreements, representative meetings, plant visits
Media	Periodical information, statements, support programs, regular visits, CCI's corporate website, plant visits
Consumers	Coca-Cola Information Center, CCI's corporate website, informative publications, plant visits, product labels
Sector Groups	Corporate memberships, joint projects, participation in meetings
Local Community	Environmental training sessions, plant visits, social engagement projects, field studies
Opinion Leaders	Meetings, surveys, eliciting opinions
Society	Donations, CCI's corporate website, plant visits, support programs, voluntary practices, Coca-Cola Information Center, information through mass communication, product labels, advertisement and marketing activities

## The Process of Specifying CCI's Material Issues

CCI identified key material issues and stakeholders by considering the following criteria:

- ♦ Impact of the issue on CCI performance
- The issue's importance to stakeholders
- ♦ CCI policies related to the issue
- Whether the community's stance toward an issue established

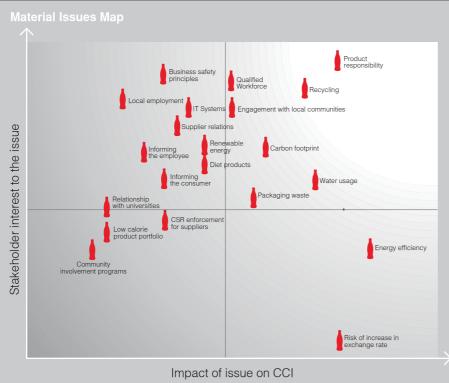
According to AA1000SES standards for determining material issues, the CCI Sustainability Workgroup applied a five-part materiality test and prioritized each issue appropriately.

The social maturity phases of the issues have been categorized into four groups according to AA1000SES:

- 1. Priority areas are the issues that present special importance for key stakeholders, generate strategies and policies, and directly influence CCI's performance.
- 2. Secondary material issues include topics considered important by the community based upon solid data that is also of relevance to key stakeholders.
- **3.** Issues that have emerged recently with no substantial impact on CCI's performance but are of moderate concern to stakeholders are considered tertiary material issues. They are excluded from the scope of this report.
- 4. Issues that only indirectly influence CCI's performance and are a low priority for key stakeholders, but present potential risk, are monitored by the CCI Sustainability Workgroup. They are excluded from the scope of this report.



CCI's first CSR report, published in 2008, took a step toward building a corporate social responsibility strategy based on stakeholder engagement. The second report builds on that foundation. The Sustainability Workgroup has chosen the AA1000SES Standard as a benchmark and has completed the first priority determination study.



## The Approach to Corporate Social Responsibility at CCI

#### **Marketplace**



#### **Achievements**

- Three suppliers were audited and auditing is ongoing for three more. Sixteen suppliers received training.
- Ref PET production at the Bursa plant started. Ref PET is distributed to 13 cities.
- We increased our packaging and product range to more than 300 and diversified it by adding the tea brand Doğadan.
- We distributed "Straight Facts About Beverages" via our website and through other participant activities.



#### 2009 Objectives

- Focus on the supply chain and on the productivity of marketing expenses and investment expenses in areas where the impact of the economic crisis was strongest,
- Transfer successful productivity applications from the Turkish supply chain to international operations,
- Maintain long term profit distribution policies,
- Increase the ratio of procurement from local suppliers throughout all procurement procedures,
- Increase the number of audits of suppliers,
- Complete the processes for ISO 18001 and ISO 22000 standards at the Jordan plant,
- Respond to consumer inquiries and complaints within the same day,
- Continue to distribute the brochure "Straight Facts About Beverages" to key stakeholders,
- Support the scientific community and opinion leaders who work with our products.

## Workplace

#### **Achievements**

- Participation in the Engagement and Satisfaction Survey was 84% at Corporate and 73% in Turkey.
- 423 employees have taken balanced nutrition and physical activity trainings.
- Participation in the internal customer satisfaction survey increased by 16% over the previous year. CCI's overall score improved by 12%.
- We gave feedback to 213 employees in Turkey within the Evaluation Center.
- In March 2009, Individual Development Plans for designated employees began in Turkey.
- 40 managers in Turkey attended the Leadership Development Program.
- IMCR trainings were given in Ankara, Mersin and İzmir plants in Turkey as well as in Jordan and Kazakhstan.

#### 2009 Objectives

- Increase performance in the biannual Employee Engagement and Satisfaction Survey in Turkey and to use the result of this study in other regions in our operating geography,
- Perform activities stated in the action plan in a timely manner in order to achieve at least 70 points in the Employee Engagement and Satisfaction Survey in Kazakhstan and Jordan,
- Increase participation in the internal customer satisfaction survey in Turkey by 50% and to ensure a 5% improvement in the services of the Turkey Administrative Affairs department,
- ♦ Increase Corporate internal employment to 20%,
- Prepare backup and individual development plans in Kazakhstan and Jordan during the first half of the year,
- Expand open door meetings,
- Provide development training opportunities for employees in technical departments,
- Develop CCI's incident investigation processes through new learning tools to increase precautionary exercises,
- Set up a functional occupational health and safety program and expand it across our other operating geography,
- Expand Incident Management and Crisis Resolution training in CCI's international operations,
- Develop internal communication with online bulletins and publish the CCI Bulletin for distribution in 10 countries, including the bulletin project in Kazakhstan,
- Reduce the ratio of overtime cost in Kazakhstan and Jordan,
- Enhance auto control systems by establishing an internal leadership mechanism.

## Environment

#### **Achievements**

- ✤ Energy consumption was reduced from 0.258 to 0.233.
- CCI Turkey units reached the highest performance among the 2,500 facilities globally in terms of energy efficiency.
- The online conference system started in İzmir, Ankara and Dudullu centers.
- ✤ Lightweight packaging project was initiated in 2008.
- We exceeded our objectives in water and energy consumption as well as solid waste and recycling rates.



#### 2009 Objectives

- Replicate CCI Turkey's water consumption performance in other regions,
- ♦ Reduce CO<sub>2</sub> emissions in Turkey to 23 g/L,
- Promote and accelerate research in fuel-efficient driving techniques,
- Increase environmental awareness among suppliers, distributors and customers and initiate new studies to make long-term performance evaluations,
- Supply 5,000 coolers with an energy management device installed, providing 25% to 30% energy savings in Turkey,
- Save an average of 3,500 tons of resin annually through lightweight packaging.

Turkey	Kazakhstan	Jordan
1,456	2,1	1,87
0,224	1	0,52
3,191	4,2	6,5
91,03	60	80
	1,456 0,224 3,191	1,456 2,1 0,224 1 3,191 4,2



#### **Achievements**

Community

- CCI carried out studies with TCCC to increase awareness about important environmental problems in the context of the Life Plus Youth Program.
- CCI created a \$100,000 fund in 2008 to contribute to employee donations. Employees and distributors collaborated to establish a classroom school in Mardin.
- CCI supported social participation projects in the regions, where its plants are located.
- ♦ CCI donated 3% of its profit before tax to the Anadolu Foundation.

#### **2009 Objectives**

- Build on cooperation with local administrations,
- Develop dialogue to better understand social concerns and priorities and evaluate feedback,
- Donate 3% of our pre-tax profit to foundations,
- ♦ Continue the Employee Contribution Fund,
- Enhance cooperation with related non-governmental organizations to increase public awareness on environmental issues,
- Provide internships to 10 students as part of the Koza Project,
- Support the INJAZ program by having senior CCBCJ managers give courses to local students about business life.





# Marketplace

We strive to respond to the expectations of our stakeholders with sustainable production and marketing practices.

## **Alcohol-free Beverage Sector**

At 48%, tea takes the largest share of the alcohol-free beverage market. In terms of per capita tea consumption, Turkey comes in first place worldwide. Furthermore, almost half of the ready-to-drink alcohol-free beverage market consists of sparkling beverages.

Operations in the Central Asia region continued to lag behind due to the economic recession and the 25% devaluation of the local currency in Kazakhstan in February 2009. While the devaluation negatively affected consumer purchasing power, the slowing of commercial activities and increasing price sensitivity also put pressure on sales volumes in the region.

Although our market share in Jordan and Syria gradually increased in the first quarter of 2009, sales in Jordan stagnated largely due to the war in Gaza and the economic recession in the region.

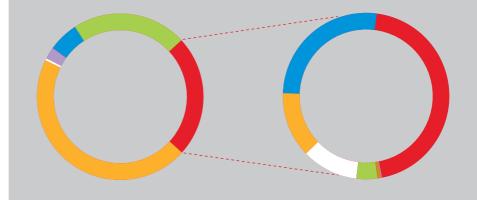
#### 2008 Turkey Alcohol Free Beverage Market

#### Alcohol free beverage market

- Tea 45.5%
- Ready-to-drink alcohol free beverages 23.6%
- HOD water 22.3%
- Milk 5.9%
- Coffee 2.3%
- Powders and concentrates 0.4%

## Ready-to-drink alcohol free beverages market

- Sparkling beverages 44.9%
- Bottled water 26.5%
- Fruit juices and nectars 12.7%
   Ayran 10.9%
- Sparkling water 4.1%
- Ice tea 0.7%
  Iced coffee,
  - energy and sports drinks 0.2%





In Liters	2007	2008
Alcohol-free beverages	371.3	379.5
Sparkling beverages	40.5	41.8
Fruit juices	0.9	1.0
Bottled water	25.8	28.4
Bottlog Mator	20.0	20.1



## **Economic Responsibility**

## **Sustainable Economy**

Coca-Cola İçecek contributes substantially to the global economy as the sector leader in its operating geography.

CCI has direct influence on its economic sustainability with a portfolio composed of more than 300 products and employment potential. Furthermore, CCI demonstrates productive economic growth due to the rapid growth and the magnitude of the potential growth within its geographic areas. In 2008 CCI's net sales expanded at a rate of 17% compared to the previous year despite the economic crisis.

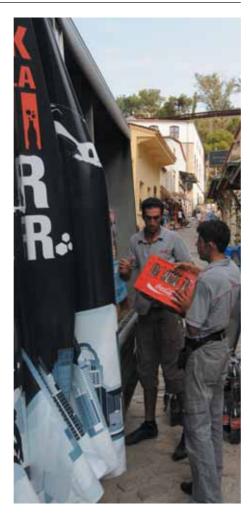
The number of our employees increased 117% in 2008 compared to previous year, due to new developments in our operating geography.

## Policy

CCI's responsible and sustainable business model ensures added economic value for all stakeholders, namely national governments, partners, investors, suppliers, distributors and customers, while protecting the interests of all parties as it pursues active leadership in sustainable development.

## **Principles**

- CCI cares for the economic interests of all stakeholders.
- In the countries where it operates, CCI evaluates how its economic performance and sustainable development can positively affect local opportunities.
- CCI believes in the importance of local employment and chooses corporate objectives to ensure that its direct economic impact is beneficial for all parties.
- CCI protects its fair, competitive and reliable brand image in the marketplace and continues to invest in its reputation.
- CCI makes a conscious effort to increase the awareness of its Code of Ethics throughout its supply chain.



## Commitments

- Pursue efforts to increase direct economic value in our operating geography while maintaining a high-quality human force to ensure superior growth and continuing to create opportunities that attract highly qualified potential employees.
- Develop new procedures to encourage employment in the local community.
- Support various public infrastructure investments.
- Create new communication channels to improve current relationships with local suppliers.
- Focus on direct and indirect economic impacts and protect CCI's trusted brand reputation in the communities where it is active.
- Develop economic performance and relevant policies with continuous training, observation and supervision.

In 2008, CCI Turkey sourced 95% of supplies locally. The amount procured from local suppliers has exceeded \$800 million.\*

\* Excludes concentrate.



## KALDER Quality Award

The "2008 KALDER Bursa Quality Award," given on the basis of the EFQM Excellence Model in cooperation with KALDER Bursa branch and BUSIAD,

was presented to Coca-Cola İçecek's Bursa plant in the category of "Private Institutions." According to independent research, for every direct employment in the Coca-Cola System, up to 10 indirect jobs are generated in supporting supplier sectors such as transportation, distribution, advertising and promotion.

#### 2008 Objectives

Increase number of supplier training sessions and audits.

Expand scope of Ref PET

#### **Achievements**

Three suppliers were audited and auditing is ongoing for three more. Sixteen suppliers received training.

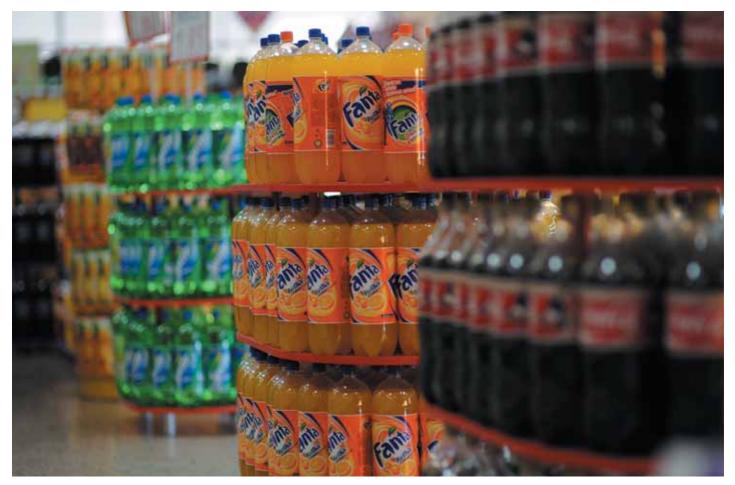
Ref PET production at the Bursa plant has started. Ref PET is distributed to the cities of Sakarya, Kütahya, Bilecik, Eskişehir, Uşak, Manisa, Balıkesir, Çanakkale, Düzce, Afyon, Yalova, İzmit and İstanbul.

#### 2009 Objectives

- Focus on increasing efficiencies of supply chain, marketing and investment expenses,
- Transfer successful productivity applications from the Turkish supply chain to international operations,
- ✤ Maintain long term profit distribution policies,
- Increase the ratio of procurement from local suppliers throughout all procurement procedures,
- Increase the number of audits of suppliers.

# Managing Activities Related to Economic Responsibilities

CCI's economic performance is monitored primarily by the Board of Directors and the company's management. All reporting related to monitoring our economic performance is carried out by the Financial Department.



## **Product Responsibility**

## Policy

We strive to provide the highest quality and food safety compliant beverages with a broad portfolio to meet hydration needs of every lifestyle, life stage and refreshment occasion.

## **Principles**

- CCI takes into account the expectations and concerns of its customers.
- CCI routinely monitors its spheres of influence and services as it works toward eliminating externalities.

- CCI adheres to and encourages a responsible service understanding in its supply chain.
- CCI sees its suppliers as business partners and cares about their contribution to its products and services.
- CCI makes every effort to produce the best product through the most responsible processes.
- CCI provides timely and regular information to its customers about its products and services.
- CCI strives to improve the quality of its products and services beyond what laws and regulations mandate.

#### 2008 Objectives

Develop a product portfolio that offers consumers a variety of choices with respect to calories, taste and function.

Provide extensive information to consumers regarding the ingredients used in our products.

#### **Achievements**

We increased our packaging and product range to more than 300 SKUs. Furthermore, CCI diversified its product range by adding the tea brand Doğadan.

We distributed the information booklet "Straight Facts About Beverages" via our corporate website and through other stakeholder activities.

## Commitments

- Implement environmentally sensitive production processes in all our areas of operation.
- Share the production processes with stakeholders.
- Create dialogue methods for informing customers about our products.
- Develop and organize a product portfolio in accordance with customers' expectations.

#### 2009 Objectives

- Complete the processes for ISO 18001 and ISO 22000 standards at the Jordan plant,
- Respond to consumer inquiries and complaints within the same day,
- Continue to distribute the brochure
   "Straight Facts About Beverages" to key stakeholders,
- Support the scientific community and opinion leaders who work with our products.



## Process Management at CCI

- Process management is one of eight primary systems in the company. The process structure is broken down into the primary processes, the support processes and the sub-processes. CCI's primary processes include production, planning and material management, storage, and shipment. The primary processes are geared toward the procurement of products that feature the highest level of quality. Human resources, learning and development, maintenance, and purchasing processes provide support to CCI's primary systems.
- ♦ The processes are regulated in accordance with the management system requirements using Strategy and Business Planning, Quality Assurance, Environment, Food Safety, Continuous Improvement, and Occupational Health and Safety.
- ♦ CCI's system was provided by TCCC requirements in accordance with the



#### **Quality in Production Processes**

Coca-Cola İçecek develops its processes in accordance with the policy and strategies laid out in the framework of TCCC standards. These procedures became more effective by using TCCQS standards along with ISO Quality standards. All our plants in Turkey, except for Elazığ and Köyceğiz, have ISO 9001, ISO14001, ISO18001 and ISO 22000 certificates. The certification processes for the Elazığ plant are expected to be completed in 2010. Our plants in Kazakhstan and Jordan have ISO 9001, ISO14001 and ISO18001 certificates. ISO 22000 certification is planned for Jordan in November 2009.

Date	Process	Development
1994	TCCQS	Built awareness
1998	ISO 9002:1994	Enhanced systematic process formation
2002	TCCQS, ISO 9001: 2000	Identified interactions
2003	SAP, BW usage	Monitored performances in detail
2004	Reviewing the processes	Provided detailing
2008	Self-assessment and system revision	Restructured processes according to the EFQM model

revision of ISO 9001:2000. As a beverage company, in order to prevent the possible negative impact of our products on human health, we started work on HACCP in 1998 and earned the TS13001 certification in 2004. In 2007, upon issuance of the Food Safety Management Standards, CCI's food safety certificate was converted into an ISO 22000 certificate. To ensure that employees work in safe conditions, an Occupational Safety and Health

**Audits** 

Management System was implemented in 2003 and integrated into our current management systems a year later. Activities related to the environment were certified by TCCC prior to 2004 and by ISO 14000 after 2004.

No violation of conduct was found and no penal sanctions were applied against the company for uncompetitive behavior, monopolistic approaches or similar practices during the reporting period.

Process	Audited by	Period
TCCQS	LRQA	Once a year
TCC ÇYS	LRQA	Once a year
TCC ISG	LRQA	Once a year
ISO 9001:2000	TSE	Once a year
ISO 14001	TSE	Once a year
TS 18001	TSE	Once a year
ISO 22000	TSE	Once a year
Spring water and drinking water production	Ministry of Health	Once a year
Carbonated drink and fruit juice production	Ministry of Agriculture and Rural Works	Once a year
GMP, Environment, OHS practices	CCI coordinators	Once a month
System procedures	Internal Audit Teams	Once a year
Technical service (CRC)	Central internal audit	Twice a year



## **Distributors**

As of March 2009, Coca-Cola İçecek became a large family with 355 distributors in Turkey and 1,298 distributors in total. CCI works consistently to develop open dialogue between its distributors and sales points by performing frequent field visits and providing feedback mechanisms.

Inspection teams frequently visit distributors to monitor their satisfaction and to raise awareness. During these visits, CCI not only has a chance to learn about their expectations, but is also able to audit their warehouses for product quality.

## **Supply Chain**

CCI shares product responsibility and quality awareness with its supply chain. Ultimately, CCI strives to establish solid and lasting cooperation with all employees, institutions and organizations within the supply chain.

All materials provided by suppliers are subject to control analyses by CCI's quality assurance departments. Materials found to be non-compliant with the quality criteria as a result of these analyses or during production are returned to the supplier after completing the necessary forms. These forms are one of the tools used to measure supplier product and shipment quality. Furthermore, relations with suppliers are reviewed via supplier evaluation forms that

#### Criteria to Select the Supplier

- TCCC approval for raw material suppliers
- Quality management certificates
- ♦ Corporate structure
- Price tolerance
- Warranty for the produced material, goods and service
- Compliance with all deadlines and quick returns
- Technical services
- Communication and transportation facilities
- Relations with other institutions that provide supply services
- Sector experience

CCI distributors are categorized by size, market requirements, distribution region and business model framework. Whether they are corporate enterprises with high revenues and a fleet of 100 vehicles or small family businesses, they all share our values of work discipline, our love for our brands, and our determination to collaborate and succeed together.

#### Point of View

"A responsible company exhibits the essence of what a true business represents: by meeting the needs of the consumer first and the customer second. The needs of the customer are met by truly concentrating on building relationships and looking at work as a partnership rather than a transfer of service. As a result, the distributor will



bear the responsibility of acting as a strategic partner in carrying Coca-Cola's vision forward. This is achieved by allowing and ensuring that the distributor is part of the decision-making process."

#### Mohammad Abul Heija

Owner / Manager, ZDA (CCBCJ Distributor, Jordan)

are completed every six months by process owners and via monthly assessments by purchasing departments that are made available on CokePort.

Seventy percent of purchases are made according to the purchasing principles in the "Operating Guidelines of the Cross Enterprise Procurement Group" used in the Coca-Cola System.



# Supplier Guidelines Application Guide

TCCC prepared the Supplier Guidelines (TKI) in 2002 for TCCC's direct suppliers, TCCS authorized suppliers and direct bottle suppliers.

TKI is a document that summarizes what is expected of TCCC's suppliers and the approved third parties that provide labor to these suppliers. TKI requires that suppliers are in strict compliance with the trade and environmental laws and regulations of the country and with the authorized local bodies where they operate.

Thus, CCI expects its suppliers not only to adopt and implement these principles, but also to routinely assess themselves.

#### TKI includes the following topics

- Respect for union rights and collective bargaining rights
- Elimination or zero tolerance for forced employment and abuse
- Prevention of child labor
- Prevention of discrimination
- Fair practices for working hours and wages
- Providing a safe and healthy working environment
- Protection of the environment

## Labels and Consumer Information

CCI lists information concerning energy and nutritional elements on all its product labels so consumers are able to make informed selections. The recycling logo is placed on all packages, indicating that the packaging materials are recyclable. Our diet products have notices that sweetener and phenylalanine are used, and products that contain caffeine bear the warning "includes caffeine."

## **Customers**

Responding to customers' expectations and supporting their development are of utmost importance at Coca-Cola İçecek. Paying attention to the remarks, recommendations, and concerns of customers and responding quickly are crucial to CCI's competitive advantage.

CCI's customers can be found through various channels such as markets and supermarkets, distributors and agents, and restaurants and gas stations. CCI offers 14 different brands and more than 300 package types, including tea, to customers in a high quality, fast and responsible manner.



CCI is committed to satisfying the needs of different customer groups.

#### Retail channel

- > Hypermarkets
- > Supermarkets
- > Discount stores
- General convenience stores

## On-premise consumption channel Restaurants

- > Hotels
- > Fast food chains
- Gas stations

According to the results of the annual customer satisfaction survey carried out by Ipsos KMG, CCI maintained its leadership in 2008. CCI exhibited higher customer satisfaction performance figures than its competitors in the beverage market with a score of 76%.

Company	/ Image	Order / Delivery		Product properties		
<b>2007</b> 63.4	<b>2008</b> 70.1	<b>2007</b> 43.5	<b>2008</b> 53.0		<b>2007</b> 44.8	<b>2008</b> 54.0

#### **Point of View**



"One of our three programs related to climate change is to work together with our supply chain and partners to minimize our emissions. We are very happy to cooperate with Coca-Cola to attain our corporate objectives. We believe that such collaboration is important, and we are willing to work together with our suppliers to minimize emissions from our products. We believe this will have a revolutionary impact on green consumption."

#### Ayşe Narin

Social Planning Manager, Tesco Kipa

## Consumers

The health and safety of all consumers is of utmost importance to the Coca-Cola System. Every phase of production is audited at international standards. Our products, after going through multiple quality control processes, must conform to all sector standards before being approved and distributed to consumers.



As a result of Q3 TCCMS audits, the Sapanca plant received the TCCMS certificate for producing Damla Natural Spring Water without using any protective agents under non-ozone conditions. The conclusion of the audit indicated that the Sapanca Plant had no non-conformity in all phases of production. The TCCMS certificate is granted by an auditing company designated by TCCC. This zero nonconformity certificate, earned in a very short time, provides a good example for spring water plants around the world.

Damla is the first natural spring water brand in Turkey that satisfies World Health Organization and European Union requirements and has been granted Quality Management System (ISO 9001) and Food Safety Management (ISO 2000) certificates in addition to meeting the Coca-Cola Quality System requirements.



We diversify our product portfolio with low -or zero- calorie products according to the changing needs and expectations of consumers.

## **Brand Reputation**

Consumers are more interested in our social, environmental and ethical performance than before due to changing socio-cultural and economic conditions and increasing awareness. We are well aware of the fact that our CSR performance has a direct influence on consumer trust and that consumption trends are shaped by this trust.



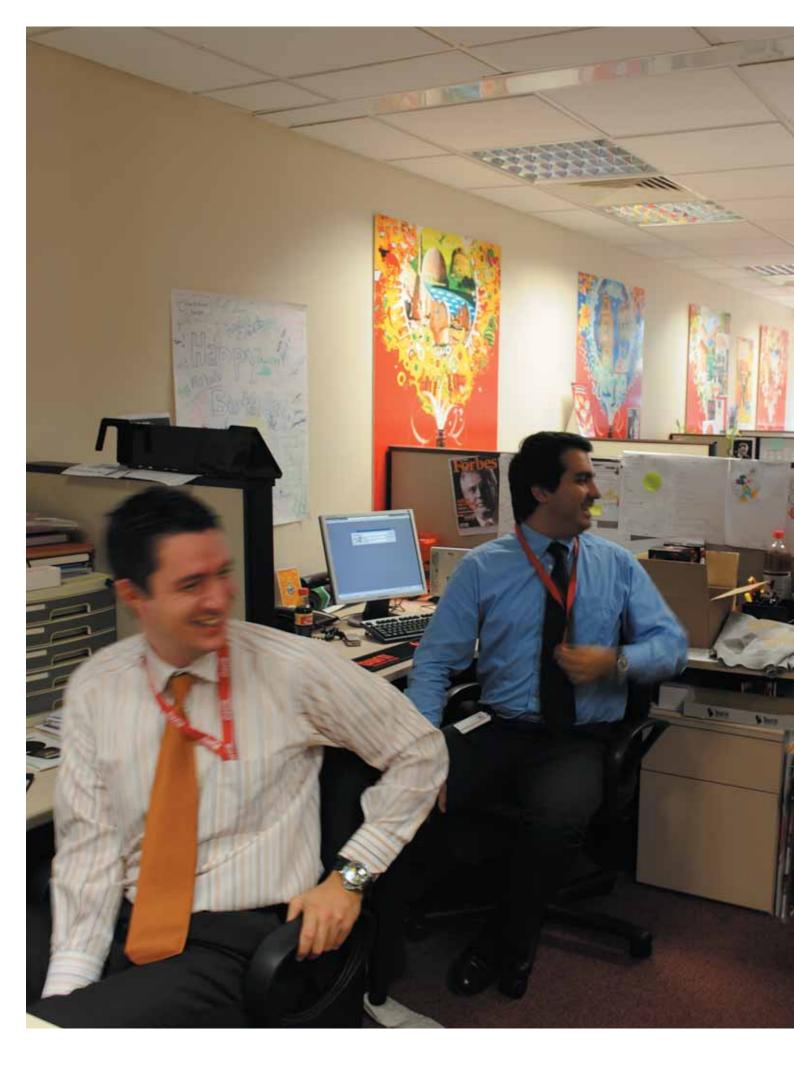
# Member Associations and Institutions

♦ ÇEVKO

Environment Protection and Packaging Wastes Processing Trust - Founding member

- SUDER Association for Packaged Water Products
- MEDER Association of Beverage Producers
- MEYED Association of Fruit Juice Industry
- YASED
   International Investors
   Association of Turkey
- TÜYİD Turkey Investor Relations Society
- TÜSİAD
   Turkish Industrialists' and
   Businessmen's Association
- MKG Brand Protection Group







# Workplace

Our goal is to provide a fair and safe work environment for employees while providing strong support for personal and professional development.



## **Corporate Governance**

The CCI Information Policy strives to apply the principles of timeliness, relevancy, accuracy and equality when disclosing information to any stakeholder. In this context, the Investor Relations Department manages communications with shareholders and all other related parties in order to ensure that relevant information is disseminated in a timely, accurate, understandable, analyzable, cost-effective and easily accessible manner to avoid any asymmetric dissemination of information.

#### Silent Period and Public Information Practices

Company spokespeople are required to comply with the "quiet period," starting two

## **Code of Ethics**

The Code of Ethics consists of two parts. The first part explains the values that CCI strives to protect everywhere it operates and includes the company's responsibilities to the public and to its employees. The second part describes our employees' responsibilities to the company. The scope of CCI's Code of Ethics applies to all management and employees throughout the company and its subsidiaries. Information about the Code of Ethics, which all employees sign, is reinforced in orientation meetings held every two years.

CCI's Code of Ethics emphasizes that it is necessary for employees, as representatives of the company, to be honest and consistent at all times in every situation. The CCI Internal Audit Department monitors all actions and behavior, including those specified in our Code of Ethics. All business operations regularly carry out and report these audits each year. Penalties for misbehavior and detailed information about the process are included in the code. In 2010, CCI aims to review the Code of Ethics to make necessary and appropriate changes in accordance with key stakeholders' expectations.

For detailed information, please see the CCI Code of Ethics on the corporate website, http://www.cci.com.tr/en/ content/detail.asp?cid=83&navId= 13&navId2=82&navId3=83 weeks prior to the disclosure of quarterly financial results and ending on the date of the final disclosure. When the date of the financial results announcement is set, the start and end dates of the quiet period are published on the calendar in the Investor Relations section of CCI's corporate website. Generally, the date the financial results will be released and the quiet period are announced at least four weeks before the results are made public.

Written questions directed to the Investor Relations Department, including already publicized information, are answered in writing within two working days if the information is available and within five working days if the information needs to be collected. All correspondence with analysts and investors is recorded. You may find information policy on CCI's corporate website, http://www.cci.com.tr /en/content/detail.asp?cid=91&navId=1 3&navId2=82&navId3=91

detailed information related to the company

Detailed information regarding topics such as shareholders, public information and transparency, beneficiaries, and the Board of Directors can be found in the Corporate Governance Compliance Report, which is published on the corporate website at http://www.cci.com.tr/uploads/ documents\_d/CCl2008CGCompliance Report.pdf. This report is updated routinely.

#### **Our Values**

We have a team spirit fashioned by corporate integrity built out of respect, trust, openness and social responsibility. CCI dedicates itself to excellence and continuous growth in quality, service and leadership.

#### **Our Responsibilities**

#### A. To our people

We do not discriminate in hiring and remunerating/promoting employees on the basis of characteristics such as race, color of skin, religion, gender or physical handicap; our "open door" policy allows all employees to have easy access to top corporate management;

We adopt the principle of equality in working conditions, apply a policy of remuneration and promotion based on employees' qualifications and performance;

We take the necessary precautions to protect employees' personal information;

We are committed to continuous improvement, provide the necessary training to enable employees to attain the required level of performance;

We take the necessary measures to ensure the occupational safety and health of all employees.



#### B. To protecting the environment

We act in compliance with the provisions of legislation pertaining to the environment. We establish company procedures and ensure that all employees comply with them.

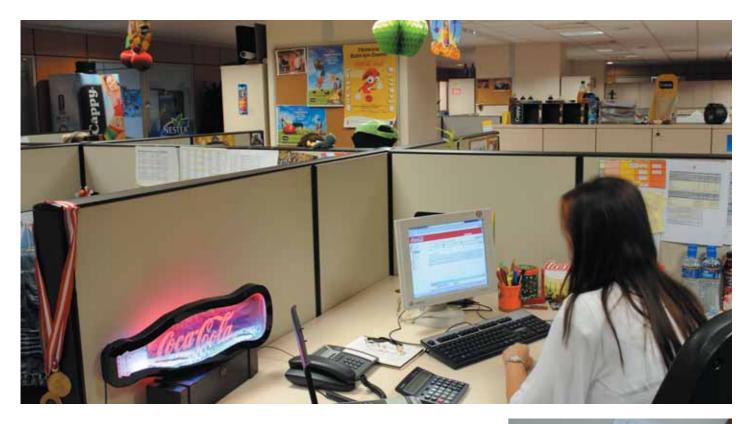
All CCI employees are obliged to comply with company policies and procedures regarding environmental protection and to promptly report related breaches to their supervisors.

Our goal is to adopt the principle of continuous improvement in all our activities and to fulfill these goals and objectives relating to the environment, to exercise leadership in environmental issues, to avoid harm to the environment and to promote these views.

#### C. To occupational safety and health

Our company takes the necessary measures to protect the occupational safety and health of its employees. It fully complies all and requires employees to comply with the occupational safety and health regulations.

We provide training and apply routine audits to reinforce compliance.



## **Risk Management and Internal Auditing System**

The CCI Risk Management and Internal Audit System is under the control of company management. The Internal Audit Department aims to provide assurance and consultancy to the management regarding these issues. The department reports directly to the Audit Committee of the Board of Directors and is managed by experts with in-depth information and experience with the company's procedures and information systems.

As part of CCI's Corporate Risk Management, the internal audit director evaluates the potential risks that may emerge in achieving the company's objectives and the internal auditing system established to minimize such risks with the function directors and country general managers every year. The company management shares its action plans for minimizing risks with the internal audit director to be presented to the Audit Committee.

Based on the audit plan prepared according to potential risks, the Internal Audit Department systematically and regularly reviews the company's processes and information systems to achieve the following goals and reports to the Audit Committee and company management:

 Accuracy and reliability of financial and operational data

- ♦ Effectiveness and efficiency of operations
- Protection of company assets
- Compliance with laws, regulations and contracts

The CCI Internal Audit Department was audited by Deloitte, an independent auditing company, on March 25, 2009, and the necessary evaluations were made.

CCI also implements the Incident Management and Crisis Resolution Program, designed to prevent incidents from occurring in each phase of the system and to form an effective structure to control and prevent these incidents. IMCR is a sustainable program and is implemented everywhere in the world. The program is an integral part of TCCC's Global Asset Protection strategy and is managed by the headquarters; it provides robust protection for our material assets, such as people, products, infrastructure and financial assets. The protection of these material assets ensures control over the most important non-material assets, such as the image and prestige of CCI's operations.

The IMCR training program has been held in our plants since 2008. Specifically, the IMCR training program has been completed in the Ankara, Mersin and İzmir plants in Turkey and in our plants in Jordan and Kazakhstan.





## **Responsibilities to Employees**

## **Human Resources Policy**

The basis of the CCI Human Resources policy is to attract, employ and develop a labor force that will ensure superior growth. CCI aims to provide its employees with an environment of trust and the possibility for personal career development through self-improvement. CCI respects universal human rights and believes in diversity. CCI provides equal rights and equal opportunities for all employees, regardless of their religion, language, race or gender.

### **Principles**

- CCI treats all employees and all stakeholders fairly, respectfully and with tolerance.
- CCI provides all the necessary support employees need to develop themselves.
- The health and safety of all employees and stakeholders is CCI's priority.
- CCI's most important task is to create a healthy and safe working environment for its employees.

Emp Sati Ach emp Phy Incr sati	2008 Objectives	Achievements
	Employee Engagement and Satisfaction Survey	In May 2008, CCI started to measure engagement and satisfaction together. The participation rate was 84% at Corporate and 73% in Turkey.
	Achieve the targeted number of employees in Balanced Nutrition and Physical Activity training sessions	423 employees from seven plants participated in the training.
	Increase internal customer satisfaction	Participation in the internal customer satisfaction survey in 2008 increased by 16% over the previous year. CCI's overall score improved by 12%.
	Continue supporting employees' personal development in the specified business families and levels	In 2008, we provided feedback related to the strong and open-to-improvement aspects of 191 employees in Turkey and 22 employees in Corporate within the Evaluation Center.
		In March 2009, Individual Development Plans for designated employees began in Turkey.
		40 managers attended the Leadership Development Program (LEAD) held in cooperation with Sabancı University to develop high potential mid -and senior- level managers.
En Sa Accen Ph Ind sa Cccpe		Performed IMCR training in Turkey's Ankara, Mersin and İzmir plants as well as in Jordan and Kazakhstan's international operations.



## Commitments

- Continuously develop ourselves in order to provide the safest working environment for employees.
- Respect and evaluate the expectations of employees regarding changing circumstances and living conditions in regions where CCI operates.
- Develop feedback mechanisms enabling employees to communicate with their managers and share their opinions.
- Provide the necessary environment for healthy performance reviews and for employees to develop themselves.
- Revise reward mechanisms regularly to maintain competitiveness.
- Continue to collect employee opinions through regular surveys and questionnaires and keep communication channels open.
- By using the most qualified and professional approaches and methods, continue to hire personnel who will adopt CCI's principles and policies.
- Create opportunities for employee relocation, rotation, etc. within the company.
- Continue to develop health and safety performance at international standards and support employees to increase their life quality in both their business and private lives.
- Encourage all business partners and key stakeholders to create a similar work environment for their employees.
- Develop and reinforce the human resources policy and objectives with continuous training, observation and audits.

#### 2009 Objectives

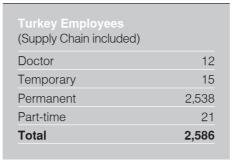
- Increase performance in the biannual Employee Engagement and Satisfaction Survey in Turkey in 2010, implement actions that result from the survey and use the results of this study in other regions in our operating geography,
- Perform activities stated in the action plan in a timely manner in order to achieve at least 70 points in the Employee Engagement and Satisfaction Survey in Kazakhstan and Jordan,
- Increase participation in the internal customer satisfaction survey in Turkey by 50% and to ensure a 5% improvement in the services of the Turkey Administrative Affairs Department,
- Increase Corporate internal employment to 20%,
- + Prepare backup and individual development plans in Kazakhstan and Jordan during the first half of the year,
- Expand open-door meetings,
- Provide development training opportunities for employees in technical departments,
- Develop CCI's incident investigation processes through new learning tools to increase precautionary exercises,
- + Set up a functional occupational health and safety program and expand it across our other operating geography,
- Expand Incident Management and Crisis Resolution training in CCI's international operations,
- Develop internal communication with online bulletins and publish the CCI Bulletin for distribution in 10 countries, including the bulletin project in Kazakhstan,
- ♦ Reduce the ratio of overtime cost to total employee costs from 8% to 3% in Kazakhstan and from 7.5% to 5% in Jordan.

#### Number of CCI Employees\*

	Toplam
Turkey**	2,726
Azerbaijan	422
Kazakhstan	874
Kyrgyzstan	285
Jordan	546
Iraq	369
Syria	162
Turkmenistan	160
Pakistan***	3,121
Total	8,665

Number of employees as of March 2009. CCI's total number of employees, which was reported as 10,579 in CCI's 2008 Annual Report, has been adjusted to 8,542 by excluding temporary and third party employees of CCBPL, in order to provide consistency with the calculation method used in the 2009 Annual Report.

- \*\* Employees in Turkey include: CCI's employees residing in Turkey assigned in Turkey operations and Corporate employees residing in Turkey. Corporate employees are responsible for the whole corporate performance including CCI's international operations.
- \*\*\* Includes permanent staff.



#### Turkey Employees (Supply Chain excluded)

Supply	Chain	excluded)	
Doctor			

	. —
Temporary	6
Permanent	1,396
Part-time	21
Total	1,435

12

During the reporting period, 319 interns and 26 new graduates were hired from Turkey. Ten interns were also hired as employees.



Temporary	40
Kazakhstan Employees Permanent	834

Jordan Employees	
Permanent	516
Temporary	30
Total	546

## League of Champions

The performance of plant lines is evaluated monthly in the League of Champions. Each line is graded monthly according to criteria such as line efficiency, its production realization rate, package quality points, its consumer complaint rate, its number of work incidents, GMP (order and arrangement) points, environment points, and the number of deficiencies in the line. A winner, determined by calculating the average points for all months, is announced each month and year.



## **Sales Incentive Programs**

In order to increase sales, five incentive programs were conducted during the reporting period. The programs were developed primarily for sales teams but some also included all CCI employees. This provided CCI Turkey employees outside of the sales department an opportunity to support the sales team and also experience the culture of winning together.

# Sales Incentive Programs dates and participants

- January 12 to March 31, 2009, Champions League Incentive Program: All sales employees, distributors and all CCI employees.
- June 2008, Hit the Throttle Incentive Program: Distributors and all CCI Employees, all presellers, distributor chiefs and sales developers.
- March 31 to April 30, 2008, Ready to Train with the National Team Incentive Program: Sales developers.
- March 10 to 16, 2008, Coke Zero Exhibitions Let You Win Incentive Program: MIT (merchandising and impact team members).
- January 7 to March 31, 2008, Eurocup Incentive Program: All sales teams, distributors and all CCI employees.

## Business Continuity at Coca-Cola İçecek

As a result of CCI's rapid international growth, a need arose to develop a "Business Continuity Solution/ Emergency Plan" to help establish CCI's central solutions in newly acquired territories. In early 2008, CCI decided to implement the bOnPC solution package by GBS for personal computer sales processes to

## **Internal Communication**

#### Coca-Cola İçecek Newsline

"Newsline" bulletin boards in Turkey are used as an instrument to inform employees about recent developments and to share success stories.



ensure business continuity. In case a line failure prevents access to the systems at the headquarters, or if an emergency is declared by a country manager, bOnPC acts as a back-up system for order submission, invoicing and calculation processes. When the emergency is over, all transactions are then consolidated with the BASIS (GBS Sales Distribution Systems Solution) system, and the continuity of normal processes is ensured.

Outside of Turkey, the CCI Business Continuity Solution has been established in Kyrgyzstan, Iraq, Syria and Jordan.



#### **Open-door Meetings**

CCI believes that keeping employees informed about changes in company strategy and new corporate initiatives and receiving their feedback contribute significantly to its business success. Consequently, CCI initiated open-door meetings to exchange ideas through various methods.

The first session of open-door meetings began in 2008 with 106 employees.

In these well attended meetings, 81% of participants said the meetings satisfied their expectations. Open-door meetings are planned for the Dudullu, İzmir and Yenibosna facilities in 2009. The CCI Turkey Region President and the people who report directly to him are part of these meetings, and they respond to questions and comments from the employees.

#### **Point of View**

"In the open door meeting, there was a comfortable atmosphere for me to ask what I want to know about our company. The managers gave clear answers and met my expectations. I think that such meetings contribute to our motivation and I support the organization of these meetings periodically. I think that holding these meetings again with smaller groups would be more effective."

Comment from an open door meeting participant



# Employee Engagement and Satisfaction Survey

Every two years, we measure our employees' level of satisfaction regarding their workplace, their managers and their working conditions. We evaluate the results in order to improve the level of satisfaction. In 2008, the survey was reformulated and engagement and satisfaction are measured now simultaneously. Eighty-four percent of Corporate employees and 73% of Turkey employees participated in the 2008 survey.



## CCI Inventor Competition

In order to promote the culture of innovation, every year we organize a CC inventor competition.

CCI's Ankara plant compiles projects carried out during the year. At the end of the year, a 10-person jury comprising the plant manager, engineers and employees awards first place to the project that is most beneficial to the system in terms of creativity, added value and transferability to other plants.

#### **Trade Union Representation**

CCI respects employees' rights to be affiliated with a trade union.

CCI adopts and applies business practices that support fair and healthy working conditions and preserves employees' rights regardless of their affiliations with trade unions.

CCI agrees upon the following topics during collective labor agreements with trade unions:

- Health check-ups
- Sick leave: work accidents, maternity leaves, nursing leaves
- Sick leave allowances
- ♦ First aid
- Workplace protective equipment and clothing
- Occupational Health and Safety

yees	
Total	%
559	22
2,027	78
2,586	100
	<b>Total</b> 559 2,027

\* There are no employees in CCI Corporate who are union members.

#### **Collective Labor Agreement**

The second term of the collective labor agreement for CCI Turkey employees was signed between CCI and the Öz Gıda-İs Trade Union. Collective labor agreement negotiations concluded successfully without any dispute as a result of good intentions from both parties. The agreement is effective from April 1, 2008, to March 31, 2010. According to this collective labor agreement, the wage increase for unionized CCI employees was 13.5% for the first year of the agreement. It was also agreed that for the second year, wage increases would be based on the change in the Turkish Statistical Institute 2003=100 based Consumer Price Index (CPI) between April 1, 2008, and March 31, 2009.

## BSG – CokePort campaign

In 2008, the Business Support Group (BSG) initiated a campaign to encourage employees to submit technical failures.



incidents and breakdowns online through CokePort, CCI's internal communication portal, as an alternative to the call center. The purpose of this campaign was to save resources by lowering the call center's response time and to increase awareness of CokePort among employees. During the campaign, from September 2008 to December 2008, online submission rate through CokePort increased from 4% to 25%, excluding distributors and country operations outside of Turkey. The campaign changed the way employees report technical problems, and resulted in annual savings of TL 45,000. A total of 512 CCI employees who submitted their problems online were awarded various gifts.



## **Training and Education**

#### Training

CCI creates opportunities to encourage its employees to develop themselves and increase their knowledge and competencies. Developing their staffs is accepted as one of the fundamental competencies of CCI's managers, and they are regularly evaluated to ensure that they develop themselves and their teams. CCI provides fundamental training programs based on an employee's position. Additionally, training and development requirements for each employee are identified through face-to-face meetings with managers. Each employee's development needs primarily provided through a training and development system called "CCI Campus." This includes internal training, external training and online training, or e-learning. CCI works with the top training companies in the sector and also has a significant in-house training staff.

One of CCI's distinctive training initiatives is the **Sales Academy** program for employees chosen as sales developers, who occupy a critical position for the success of the sales organization. The purpose of the Sales Academy - a oneweek program - is to provide competency training and fundamental information about technical issues so that sales employees have the skill-set to do their jobs.

In addition to the training programs, CCI creates "learning by doing" opportunities for employees such as rotation programs and special projects. CCI creates channels for sharing feedback through coaching and tools such as an evaluation center and 360-degree evaluation. The total cumulative training time for CCI employees during the reporting period is 220,370 hours.

CCI employees in Turkey are trained in 84 topics including sales, marketing and finance, among others. Employees are trained in seven topics in Jordan and eight in Kazakhstan.

#### **CCI Campus**

Employees benefit from the "**CCI Campus**," which consists of both traditional training and e-learning programs. Various training activities, such as advanced intra-corporate training, training offered by other corporations, internship training, seminars and workshop training, are a part of CCI Campus. Thanks to this system, employees have the opportunity to acquire knowledge on many subjects including how to create a safe working environment and what to do in case of natural disasters. Occupational health and safety training is also offered as part of CCI campus. The training, offered separately to sales and office workers, warehouse workers and technical/production workers, provides information that is useful not only at work but also in their private lives.

Leadership and the ability to develop staff members are among the most important competencies sought in employees working at the managerial level of our company. In order to develop managerial skills, all employees at the management level have participated in the Development of Management Competency Program, which consists of a two-year evaluation and monitoring process.



#### **Sales Academy Program**

Two Sales Academy Programs were planned for 2009; the first one was completed in March, and the second was held in December. A total of 45 employees were scheduled to attend the training sessions, which covered 26 topics.

#### **Online Training**

Traditional training, such as time management, stress management, Lean 6 Sigma and work safety are also offered as e-learning courses in Turkey, Jordan and Kazakhstan. In parallel with CCI's expanding geography, this training is now available in English, Russian and Arabic.



## **Equal Opportunity for Everyone**

CCI encourages promotion and professional development to help employees rise within the company. CCI is proud to have employees from different religions, languages, races, genders and cultures. We evaluate each employee according to his/her job definition and performance and provide equal opportunities and fair working conditions.

## Gender and Age Breakdown of CCI Turkey Employees (including supply chain)

	Gender Breakdown			Age Breakdown			
	Male % Fe	emale %	Total	<30 % 30-50 %		>50 %	Total
Senior Management	87%	13%	46	0%	87%	13%	46
Mid-Level Management	91%	9%	512	24%	76%	1%	512
Employees	90%	10%	2,013	43%	56%	1%	2,013
Temporary Workers	87%	13%	15	93%	7%	0%	15
Total	90%	10%	2,586	39%	60%	1%	2,586

## Gender and Age Breakdown of CCI Turkey Employees (excluding supply chain)

	Gender Breakdown				Age Brea	akdown	
	Male % F	emale %	Total	<30 %	30-50 %	>50 %	Total
Senior Management	82%	18%	33	0%	88%	12%	33
Mid-Level Management	t 92%	8%	437	21%	79%	0%	437
Employees	81%	19%	959	60%	39%	1%	959
Temporary Workers	67%	33%	6	100%	0%	0%	6
Total	84%	16%	1,435	47%	52%	1%	1,435

#### Gender and Age Breakdown of CCI Corporate Employees

	Gender Breakdown			Age Breakdown			
	Male % F	emale %	Total	<30 %	30-50 %	>50 %	Total
Senior Management	68%	32%	28	0%	89%	11%	28
Mid-Level Management	57%	43%	30	20%	80%	0%	30
Employees	50%	50%	80	50%	48%	3%	80
Temporary Workers	0%	100%	2	100%	0%	0%	2
Total	54%	46%	140	34%	62%	4%	140

# Point of View

"I've been working in CCBCJ for two years and during this period, I've realized how much this company means to me, not only as an individual, but also what it means to the surrounding community, where it employs more than 300 employees and allocates a huge part of its earnings to contribute to public and private activities. Our managers develop good relationships with all their employees no matter what level they are.

Amal Naghway, Jordan

# The level of internal recruitment is 30.45% in Turkey.

\* 2009 1<sup>st</sup> quarter internal recruitment rates will be included in the next reporting period.

Point of View



"We have a good salary, and it is enough for me. We regularly receive a uniform and boots. Meals are very tasty and inexpensive. The work schedule is convenient. We have good friendships on the team. Our warehouse is always very clean and neat. We have a chance to be promoted to merchandising personnel."

**Dautayev Danijar,** Kazakhstan



**Point of View** 



"One of the happiest moments of my life was the moment when I learned that I was hired by this company. After graduation in 2003, I started to work at Coca-Cola as junior accountant then senior accountant. The greatest step was becoming a financial controller assistant. There is another reason for this success. Our senior management is very interested in employees and they monitor us. They are investing in employees."

#### Hekmat Salameh, Jordan

#### Gender and Age Breakdown of CCI Jordan Employees

	Gender Breakdown						
	Male % Fe	male %	Total	<30 %	30-50 %	>50 %	Total
Senior Management	96%	4%	21	9%	91%	0%	21
Mid-Level Management	t 99%	1%	67	29%	68%	8%	67
Employees	94%	6%	428	50%	48%	2%	428
Temporary Workers	85%	15%	30	82%	18%	0%	30
Total	94%	6%	546	47%	51%	2%	546

#### Gender and Age Breakdown of CCI Kazakhstan Employees

	Gender Breakdown						
	Male % Fe	emale %	Total	<30 %	30-50 %	>50 %	Total
Senior Management	78%	22%	33	2%	88%	10%	33
Mid-Level Management	t 67%	33%	35	28%	65%	7%	35
Employees	84%	16%	766	51%	44%	5%	766
Temporary Workers	94%	6%	40	94%	6%	0%	40
Total	84%	16%	874	51%	45%	5%	874



#### **CCI Employee Turnover**

Country	2008
Turkey	14.7%
Kazakhstan	32.2%
Jordan	51.2%
Corporate	10.33%
CCI Total	28.5%

#### **Point of View**

"I like the fact that my colleagues are always ready to help, even if it requires time and effort. They are responsible and diligent, and they attend to their work seriously."

**Djusehanova Gulmira,** Kazakhstan



\* Rates are provided for 2008. 2009 1<sup>st</sup> quarter figures will be included in the next reporting period.

#### Breakdown of turnover by gender & age

	Employee Turnover Number	Male %	Female %	<30 %	<b>30-50</b> %	> 50 %
CCI Turkey	339	85.25	14.75	37.17	60.47	2.36
CCI Corporate	19	42	58	11	79	11
CCI Kazakhstan	463	92.01	7.99	NA	NA	NA
CCI Jordan	298	95.97	4.03	NA	NA	NA

## Workplace Rights Policy

Treating employees fairly and with respect lies at the center of CCI's reputation as a respectable company. The Coca-Cola System established these principles in its Workplace Rights Policy, which was launched in 2007. The Workplace Rights Policy, which is practiced throughout the entire Coca-Cola System, was created based on the Universal Declaration of Human Rights and the United Nations Global Compact. This policy is valid for all employees and suppliers of CCI Turkey.

#### **Talent Transfer:**

CCI's geographical outreach brings diverse career opportunities to employees. For instance, any successful employee from CCI Turkey has the opportunity to be employed at CCI Corporate or at one of its international operations. As a part of this initiative, 16 employees from Turkey work in different countries as expatriates.

#### **Employee Benefits**

Benefits provided to full-time employees include private health insurance covering their dependant family members, life insurance covering employees and their spouses, a moving allowance when an employee is relocated, individual pension plan contributions, and vehicles, cell phones and Blackberry phones, etc., as required by position and responsibility.

Employees are able to get loans from the company for personal reasons such as marriage, death of a family member, natural disasters or medical expenses that are not covered by health insurance.

During the reporting period, 596 employees from CCI Turkey and 68 employees from CCI Corporate benefited from the Individual Pension Contribution Plan. There were no retired employees as of March 2009. CCI Turkey paid TL 394,685.97 in employer contribution, and Corporate paid TL 94,640.85 in employer contribution.

#### **Employee Health**

- In case of a pandemic risk, a precaution package is distributed to employees who travel.
- Warning notifications about hand sanitation are posted in restrooms to prevent the spread of flu infection.
- Health examinations and auditory tests are given to warehouse employees every six months.

- New employees are screened for Hepatitis B and based on the results a vaccination is given for protection.
- If a blood test is required, weekly laboratory visits are carried out, and blood tests are done for employees.
- Eye exams are given to all employees once a year.



#### **Occupational Health and Safety**

Keeping our workplace safe for employees and making continuous improvements according to changing conditions is a top priority for CCI. In addition to what the company provides, it is important for employees to increase their knowledge on this subject, apply protective methods and increase their awareness. A total of 5.6% of employees in CCI Turkey participate in official health and safety committees and help monitor company performance and recent developments on the subject.

CCI's occupational safety and health management system covers employee safety and the prevention of loss of labor; it is referred to as the Coca-Cola Occupational Safety and Health System (TCCOSH). This standard is applied to TCCS around the world and was prepared based on the international BSI OHSAS 18001 standard in accordance with the company's priorities. The Coca-Cola Safety Management System (TCCSMS) is integrated with the Coca-Cola Management System (TCCMS), which incorporates quality, environment, occupational safety and health, and loss prevention into a single framework.

# TCCOSH complies with the following:

- OHSAS 18001: 1999
- The Coca-Cola Management System Standard,
- The Labor and Social Security Regulations of the Republic of Turkey,
- The balance of external sources (training, inspection, etc.) taking into consideration the stipulations of The

Coca-Cola System, the simplified structure of the Safety Management System Standards and management requirements for projects to maintain employee safety and to prevent the loss of labor.

At the root of The Coca-Cola Occupational Safety and Health Management System is five values that include the responsibilities of TCCC. Each of these values is supported by the special requirements and practices that can be found in our day-to-day operations and that are crucial to achieving our leadership goal.

**Commitment:** The promise to ensure the safety of our employees and society in general applies to the entire organization. CCI believes that effective safety management systems can be implemented only with each employee's participation. All officials, managers and employees work together to ensure that the safety management system is applied at every level of CCI's operations.

**Compliance with law:** CCI is determined to continue its strict safety practices during daily activities. Even in the absence of specialized regulations, CCI carries out practices that are compliant with The Coca-Cola Company's labor loss prevention systems.

#### Lowering impact and increasing

**opportunities:** In order to reduce occupational risks related to equipment and products, CCI takes advantage of research and new technologies. CCI practices, supports and maintains programs, procedures and activities necessary to effectively determine and control harm that may impact its employees, assets and business continuity.

**Accountability:** CCI conducts audits of safety programs to prevent loss of labor, documents the results and carries out the necessary changes.

**Informing stakeholders:** CCI has many mechanisms in place to ensure communication about safety performance with employees, consumers, public corporations and institutions, investors and other stakeholders.

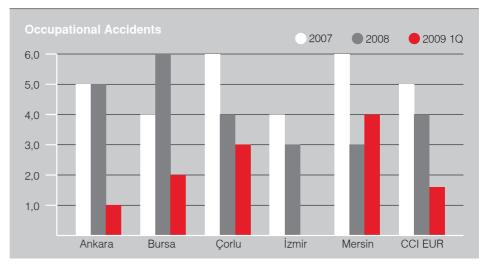
#### Principles of the Safety Management System:

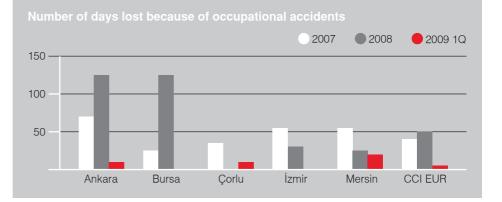
- Employee visitor and contractor area safety.
- ♦ Safety of society.
- Intervention in issues that may cause loss of property or affect the continuity of work.
- Intervention in the event of potential damage to the public image and trademarks of TCCC and CCI.
- Regular risk, safety and accident analyses.
- Risk evaluations in activity zones (Occupational Safety Analysis or comparative risk examinations).
- Evaluation of occupational health risks.
- Evaluation of possible natural disasters and emergency conditions (such as fire, medical cases, riot, terrorism, etc.).
- Developing and adopting an action plan that will enable intervention in accidents and emergencies in order to prevent any possible impact on the environment.
- Developing a matrix or similar device to indicate who and what units to contact in an emergency.
- Forming an Emergency Management Team to coordinate a data analysis and decision mechanism.
- ♦ Keeping other local problems in mind.





Employees are offered healthy food options in the CCI cafeteria. Low-calorie food options are also available.





## **Responsibilities Related to Human Rights**

## **Human Rights Policy**

CCI protects universal human rights within its area of influence and operating geography and is committed to increasing awareness among stakeholders. CCI adopts and applies the basic principles of the Universal Declaration of Human Rights as its human rights policy.

## **Principles**

- ♦ CCI respects human rights.
- CCI believes in the universality of human rights and that everybody has equal rights regardless of origin, gender, race, religion, language, and cultural or ethnic backgrounds.

## Commitments

- Support all internal stakeholders within our operating geography to increase their awareness of human rights.
- Compensate employees in accordance with human rights and condemn child labor.
- Work toward making business partners and key stakeholders more aware of human rights.
- Establish mechanisms in accordance with our human resources policy for employees to notify senior management about possible breaches.
- Not compromise on the compensation policy, which is based on the principle of "equal compensation for equal work."
- Encourage all business partners and key stakeholders to create a working environment with the same conditions for their employees.
- Improve and update our human rights policy and objectives through ongoing training, monitoring and audits.

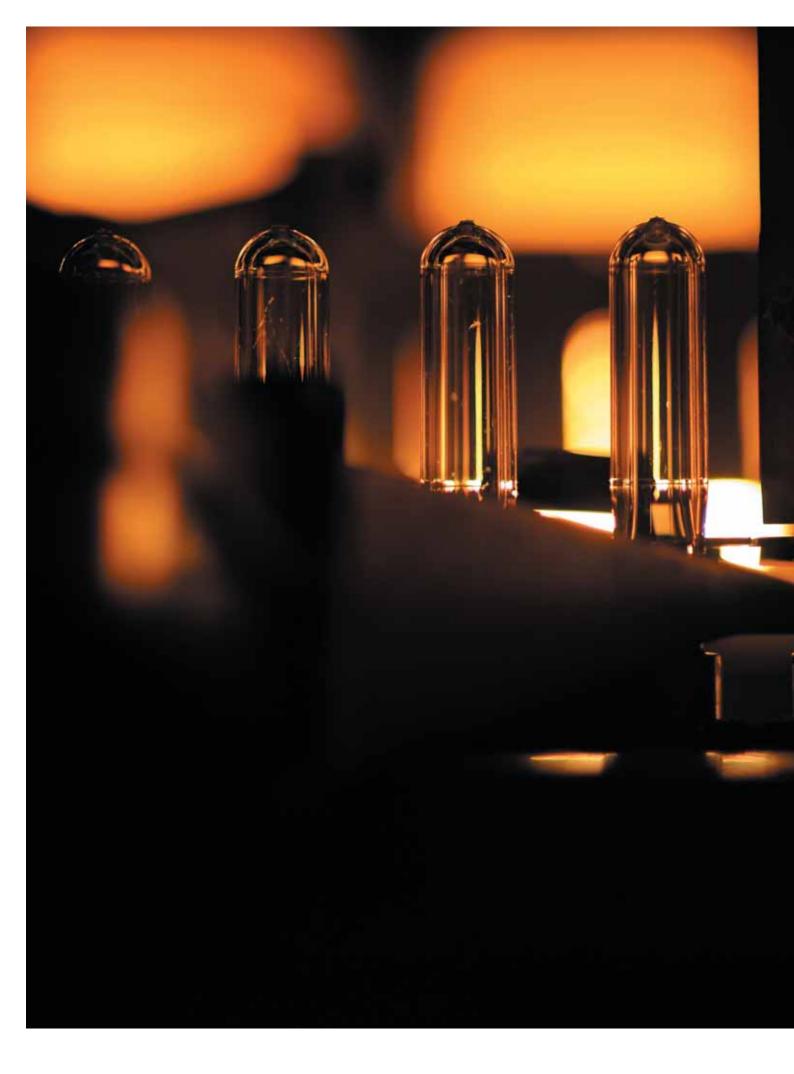


#### 2009 Objectives

 Enhance auto control systems by establishing an internal leadership mechanism.

The TCCC Supplier Principles agreed upon by CCI's suppliers covers policies and strategies regarding human rights. Consequently, CCI's suppliers cannot violate human rights and cannot accept this behavior or working model. During the reporting period, CCI has not received any complaints about human rights violations and no compensation or fine was exacted.







# **Environment**

CCI conducts all activities while respecting the environment, valuing natural resources and taking into consideration the needs of future generations.



Since 2005, CCI has reduced the energy spent to produce 1 liter of product by 15% and 1 liter of water by 15.6% in Turkey operations.

In Turkey, CO<sub>2</sub> emission levels in plants were reduced by 22.6% per liter of product compared to 2004.

## **Environmental Footprint**

In accordance with TCCS, CCI focuses on three main fields regarding the environment: water stewardship, sustainable packaging and effective use of energy, protecting the environment and climate change. We will continue to pursue commitments and set targets on these issues. CCI's performance in environmental issues and its related policies are managed and monitored. The Environment Workgroup was established in 2007 within CCI Turkey. The workgroup consists of plant environment managers and Corporate quality assurance managers and reports directly to the Turkey supply chain director. The CCI Turkey Environment Workgroup is responsible for establishing, developing, monitoring and reporting environmental initiatives. This group gathers to evaluate the company's performance.

The workgroup meets twice a year, but the members communicate with each other regularly. Five Key Performance Indicators (KPI) are monitored by the Supply Chain Department as part of a three-year work plan, which is presented at the end of each year. Water usage ratio, energy consumption rates, recycling rate, solid waste and wastewater recycling rates are set as key performance indicators. Work plan studies that track the key performance indicators are carried out during board meetings.

The fundamentals of CCI's environmental policy are reusing, recycling and disposing of waste without harming the earth. CCI attempts to reduce its suppliers' impact on the environment by increasing their awareness. CCI cooperates with various institutions and organizations to support the development of environmental protection initiatives.

We believe it is important to report our impact on the environment and relevant performance on a regular basis in order to establish this awareness. With this purpose in mind, we disclose carbon emissions in our corporate social responsibility report. The second report covers the company's environmental performance in Kazakhstan and Jordan.

## **Environmental Policy**

CCI conducts all activities while respecting the environment, valuing natural resources and taking into consideration the needs of future generations.

CCI develops environmentally friendly production processes and cooperates with stakeholders to increase their awareness.

Although the overall objective with respect to the environment is to reach "the least," we believe "how" we reach this objective is as important as reaching it.

Protecting the environment is each individual's responsibility. Leading all studies and developments on this subject is part of each CCI employee's job description.



## **Principles**

We believe that our principles, responsible behavior and management style constitute the basics of creating sustainable value for the marketplace and workplace as well as for the environment and community.

- CCI works to protect the environment, reduce its impact on climate change and lead positive change with the support of its stakeholders.
- CCI strives to perform beyond the requirements of local laws and regulations with its operation processes.
- CCI sets objectives to reduce its environmental impact to an applicable minimum level.

## Commitments

- Work toward conveying to all employees the importance of transparency and accountability concerning the environment and making each CCI employee an advocate.
- Provide training and orientation for all employees about the environment and encourage CCI employees to make environmental awareness an integral part of their career.
- Benefit from stakeholders' experiences and support key stakeholders to increase their awareness.
- Invest in new technologies to minimize the impact on the environment and work to make these technologies widely used within our operating geography.

2008 Objectives	Achievements
Reduce the energy consumption rate by 10%	Energy consumption was reduced from 0.258 to 0.233.
Have the İzmir plant recognized as the world's best Coca-Cola production plant in terms of energy consumption	CCI Turkey units reached the highest performance among the 2,500 facilities globally in terms of energy efficiency.
Have an online conference system to reduce CO <sub>2</sub> emission caused by travel	The online conference system started in İzmir, Ankara and Dudullu offices.
Have lightweight and environmentally friendly packaging alternatives	Lightweight packaging project was initiated in 2008.
Water consumption: 1.61 L/L	We went beyond the objective, with a 1.48 L/L water consumption rate.
Energy consumption rate: 0.26 MJ/L	We went beyond the objective, with a 0.23 MJ/L energy consumption rate.
Solid waste target: 3.39 g/L	We went beyond the objective, with a 3.24 g/L solid waste rate.
Recycling target: 90.58%	The recycling rate is 0.02 points less than the set objective at 90.56%.

No fines were paid for non-compliance regarding environmental issues, and no legal notices were received because of our operations during the reporting period. CCI did not negatively impact the biological diversity in its operational geographies.

## **Climate Change**

In trying to reduce our impact on the environment by developing new technologies and raising stakeholder awareness, our attention to global warming and climate change increases every day. Using resources more efficiently, reducing emissions, reusing packaging waste, finding new solutions for recycling and controlling our carbon footprint by reducing business trips not only help us reduce costs but also help us fulfill our responsibilities on issues causing climate change.

Climate change continues to be one of the biggest risk factors not only for the beverage sector but also for the global business

- Consider all stakeholders' environmental concerns and work toward achieving the best possible performance.
- Work on reducing environmental emissions, improving waste management, increasing recycling and reducing energy and water consumption.
- Review our performance regularly and analyze expectations.
- Report environmental performance publicly and maintain leadership.
- Review environmental policy regularly and revise it when necessary.

#### 2009 Objectives

- Replicate CCI Turkey's water consumption performance in other regions,
- ♦ Reduce CO₂ emissions in Turkey to 23 g/L,
- Promote and accelerate research in fuel-efficient driving techniques,
- Increase environmental awareness among suppliers, distributors and customers and initiate new studies to make long-term performance evaluations,
- Supply 5,000 coolers with an energy management device installed, providing 25% to 30% energy savings in Turkey,
- Save an average of 3,500 tons of resin annually through lightweight packaging.

	Turkey	Kazakhstan	Jordan
Water Usage Rate (L/L)	1.456	2.1	1.87
Energy Consur Rate (MJ/L)	mption 0.224	1	0.52
Solid Waste Rate (g/L)	3.191	4.2	6.5
Recycling (%)	91.03	60	80

world. We also know that our efforts to reduce our impact on the environment create new opportunities for us and for our peers. All stakeholders now consider environmentally friendly production processes to be more important than they did in the past. CCI works toward meeting these expectations. The Burunday plant in Kazakhstan reduced the pressure required for the PET blowing operation to 15 bars for the first time in the entire Coca-Cola System. Burunday is the first and only plant to use such low pressure for blowing PET.

## **Energy Management**

CCI's energy management policy is based on three basic principles:

- Reduction
- Recycling
- Replenish

Energy consumption is analyzed in detail at every CCI plant, and objectives are set for each plant based on It/kW figures. In addition, a coordinator responsible for energy management is assigned to each plant. Energy consumption reduction programs are managed and evaluated using the 6 Sigma method. Energy management performance is one of the key performance indicators, and CCI's senior management monitors the results regularly.

	The Coca-Cola System 2008	Turkey 2008	Jordan 2008	Kazakhstan 2008
Average water consumption rate L/L product	2.43	1.48	1.89	2.3
Average solid waste rate g/L product	11.61	3.237	6.96	4
Average energy consumption rate MJ/L	0.46	0.233	0.57	0.52

Environmental Indicators					
	Unit	2005	2006	2007	2008
TURKEY					
Water consumption rate	L/L	1.754	1.738	1.624	1.48
Energy consumption rate	MJ/L	0.274	0.26	0.258	0.233
Solid waste rate	g/L	3.836	3.899	3.574	3.237
Recycling	%	91.26	90.99	90.14	90.34
KAZAKHSTAN					
Water consumption rate	L/L	2.1	2.10	1.90	2.30
Energy consumption rate	MJ/L	0.22	0.18	0.24	0.52
Solid waste rate	g/L	4.3	4.240	4.230	4.300
Recycling	%	94.40	94.67	96.21	59.00
JORDAN					
Water consumption rate	L/L	3.78	3.44	2.38	1.89
Energy consumption rate	MJ/L	1.69	1.12	0.62	0.57
Solid waste rate	g/L	28.092	15.723	10.261	6.959
Recycling	%	76.00	81.60	76.95	72.87

\* The data in the table are only for production plants.

In 2008, the Jordan plant improved the most in the Middle East Coca-Cola System regarding its energy consumption rate.



## 40% energy saving in İzmir

As a result of the Energy Management System initiative, which aims to reduce CCI's impact on the environment by reducing energy consumption, various projects were developed at seven production plants. The İzmir plant saved 40% on energy by using the "measure, analyze, develop and inspect" approach. Employees focusing on taking advantage of daylight and solar energy invested in this field. In addition, they set a good example with these energy recycling projects for all Coca-Cola production facilities throughout the world.

The 6 Sigma application helped CCI reduce the required pressure for the PET inflating operation to 17 bars in İzmir; that figure is generally 35 to 40 bars around the world. This is a significant achievement because it saves 40% of the energy required for the operation. Another innovative project at the İzmir plant is the evaporation of carbon dioxide using water instead of energy. The cold water that results from the process is used to cool the product.



## The Impact of Transportation and Logistics

CCI's business is to deliver various products to customers on time in 10 countries. CCI continues to make significant efforts to reduce the impact of transportation and logistics on the environment. CCI implemented an online conference system in 2008 in order to reduce CO<sub>2</sub> emission levels caused by domestic and international business trips. This initiative also helps increase employees' time efficiency.

	2	007	2	800
	L Product	Fuel L	L Product	Fuel L
TURKEY				
Ankara	520,174,000	3,598,573	421,580,624	4,048,651
Çorlu	486,371,000	1,671,291	518,120,823	991,979
Mahmudiye	64,618,000	350,441	249,278,811	1,322,737
Mersin	378,359,000	3,134,709	360,324,934	3,117,321
İzmir	268,232,064	1,650,002	334,183,309	2,532,514
Bursa	385,334,000	3,013,413	396,346,902	2,532,514
Elazığ*	-	-	149,971	-
KAZAKHSTAN				
Burunday	215,249,578	717,899	231,032,670	958,772
JORDAN				
Amman	107,810,773	1,144,807	122,388,056	782,496

Compared to the previous year, in 2008, we saved 8,019,589 kW/hour energy, 293,026 m<sup>3</sup> natural gas, and 522,113 kg LPG, and prevented 4,510 tons of CO<sub>2</sub> emissions.

\*Elazığ plant had not started production within the reporting period. However, production tests were launched in December 2008. The production in December is reported in the table.



Plant Emission Rates			
	2006	2007	2008
TURKEY			
CO2 grams	47,289,000,000	48,374,000,000	53,161,974,000
Liter produced	1,815,511,000	1,998,615,000	2,279,985,375
Emission rate (g/L product)	26	24	23
KAZAKHSTAN			
CO2 grams	-	14,199,619,000	22,014,532,000
Liter produced	86,418,812	124,095,614	164,554,992
Emission rate (g/L product)	-	114	134
JORDAN			
CO2 grams	4,521,746,920	2,396,506,920	2,090,217,760
Liter produced	90,031,443	107,810,773	122,388,056
Emission rate (g/L product)	50	22	17

## Success Achieved by Reducing CO<sub>2</sub> Emissions Levels Caused by Transportation

By implementing a Lean 6 Sigma project for truck routes between production facilities and production loading rotations in Turkey, the same amount of product was delivered with a 10% decrease in transportation. This study also reduced CO<sub>2</sub> emission levels caused by the trucks during delivery by 22%.



## Energy Efficiency in Bursa Plant

Our goal is to reduce energy consumption in the Bursa plant by 10% and improve the CO<sub>2</sub> efficiency rate to 65% from 51% as a result of the CO<sub>2</sub> efficiency improvement study that started in January 2009 and the energy consumption reduction study that was launched in December 2008. Other goals are to increase efficiency, reduce costs and use resources more efficiently by improvements that will result from these studies.



## Kazakhstan

**Fleet emissions** 2008 2007 Unit Burunday Burunday 15.80 CO<sub>2</sub> g/L 5.01 NOx mg/L 803.40 253.40 3.23 9.80 ΡM mg/L 32.90 HC 10.40 mg/L СО 10.90 34.50 mg/L Diesel fuel cons. L/L 0.018 rate 0.005

#### Jordan Fleet emissions

1 1001 0		/110	
		2007	2008
	Unit	Amman	Amman
CO2	g/L	22.24	15.20
NOx	mg/L	362.49	247.77
PM	mg/L	14.01	9.57
HC	mg/L	14.83	10.14
СО	mg/L	49.43	33.79
Diesel fuel cons.			
rate	L/L	8.24	5.63



## Reducing LPG Consumption for Forklifts in Mersin

As a result of a study initiated on February 1, 2008, to reduce LPG consumption for forklifts, the Mersin plant achieved an LPG crate/kg ratio of 191.36, an improvement of 20% compared to 2007.

#### Turkey Fleet Emissions

				20	07					20	08		
	Unit	Ankara	Mahmu.	Çorlu	Mersin	İzmir	Bursa	Ankara	Mahmu.	Çorlu	Mersin	İzmir	Bursa
CO2	g/L	18.68	14.64	9.28	22.37	16.61	21.11	20.31	14.55	4.91	8.82	16.56	20.15
NOx	mg/L	304.39	238.62	151.2	364.54	270.66	344.09	331.00	237.13	79.97	143.81	269.88	328.36
PM	mg/L	11.76	9.22	5.84	14.08	10.46	13.29	12.79	9.16	3.09	5.56	10.43	12.69
HC	mg/L	12.45	9.6	6.19	14.91	11.07	14.08	13.54	9.7	3.27	5.88	11.04	13.43
СО	mg/L	41.51	32.54	20.62	49.71	36.91	46.92	45.14	32.34	10.91	19.61	36.80	44.78
Diesel fu consum													
rate	L/L	6.92	5.42	3.44	8.29	6.15	7.82	7.55	5.39	1.82	3.28	6.15	7.46

## Lean 6 Sigma Projects

In 2007, CCI initiated Lean 6 Sigma Green Belt Projects in every plant. The results from the project within the reporting period are listed below.

#### Location: Çorlu and İzmir

**Project:** Saving Energy (Electricity – LPG)

**Purpose:** To protect the environment and reduce costs by consuming less energy.

**Results in Çorlu:** We achieved an 8.7% gain by decreasing energy consumption from 0.352 MJ/lt to 0.322 MJ/lt. This was achieved by improving the amount of product, PET bottle, and preform produced per 1 unit of energy. We saved \$660,000 per year.

**Results in İzmir:** We increased the amount of product consumed by 1 Kw/h to 56.19 It/Kwh by improving energy consumption more than 9%. We improved the amount of PET blowing by 24% and increased the amount from 41.7 It/Kwh to 51.79 It/Kwh. Natural gas consumption improved by 50.29% to 769.27 It/cm<sup>3</sup>. Furthermore, our LPG consumption rate improved by 21.10%, reaching 222.83 phc/kg. We saved \$246,500 in the reporting period.

#### **Location: Bursa**

**Project:** Eliminating transportation between warehouses

**Purpose:** To increase direct product transportation to customers by decreasing transportation between warehouses, thus reducing transportation and logistics costs.

**Result:** We increased the direct transportation rate to 78% by March 2009, exceeding the 2009 objectives and saving TL 1.6 million compared to the previous year.

#### **Location: Mersin**

Project: Increasing can line efficiency

**Purpose:** To respond to sales needs rapidly and reduce costs, by increasing the amount of product output per unit time.

**Result:** We increased the mechanical line efficiency, which stood at 77% at the end of 2007, to 81% at the end of 2008, saving \$220,000 within a short period of time - only 12 months.



The details of the other Lean 6 Sigma projects that started within the reporting period are listed below.

Locatior	Name of Project	Purpose				
İzmir	Increasing the OEE (overall equipment efficiency) of Line-2	Preventing time and material losses while boosting production by increasing general equipment efficiency and reducing the cost per case.				
İzmir	Reducing spare parts inventory by optimizing the preventive maintenance program	Saving on the inventory interest rate by reducing stock levels. Decreasing maintenance costs by reducing spare parts usage.				
İzmir	Improving the process of using POP displays in terms of cycle time	Reducing problems with the use of POP displays and improving the process of using POP materials.				
Ankara	Reducing concentrate inventory costs	Determining the optimum stock amount and cost by using the Kanban stock tracking system on the concentrate inventory and reducing stocking costs.				
Ankara	Reducing natural gas consumption	Reducing natural gas consumption through improvement studies on energy consumption.				
Mersin	Optimizing tunnel pasteurization heat on the can line	Saving fuel by optimizing heat for proper products in the tunnel pasteurization baths.				
Çorlu	Improving CO2 efficiency	Improving efficiency by identifying factors that cause low CO2 efficiency for sparkling beverages and eliminating losses.				
Çorlu	Improving solid waste recycling	Determining losses by carrying out a detailed analysis of recycled solid wastes and recycling, as well as reducing losses.				
Çorlu	Reducing set-up times	Standardizing and controlling production sanitation, change over and preparation times and reducing time losses, improving processes in order to support this improvement.				
Çorlu	Increasing syrup yield	Increasing syrup efficiency for sparkling beverages through detailed process analyses and reducing losses caused by low efficiency.				
Bursa	Improving annual CO <sub>2</sub> consumption efficiency	Improving CO <sub>2</sub> efficiency from 51% to 65%.				
Bursa	Reduction of energy consumption rate	Reducing energy consumption rate by 10%.				

CCI increased its environmental investments in Turkey 6.5 times compared to the previous year.

### Ionized Air Instead of Water for Bottle Rinsing

One of the most important studies carried out in the Çorlu plant in 2006 regarding water consumption was the transition to a water-less bottle cleaning technology. Using this technology in three lines at the plant, CCI saved 100 tons of water each day. In 2008, by improving the technology, the results increased 25%, with 120 tons of water saved on each line daily.

## Water Management Policy

- CCI aims to maximize water efficiency and to set an example by improving water quality and wastewater management.
- 2. CCI supports efforts aimed at conserving water reservoirs and considers the concerns of the local communities throughout its operating regions.

## **Footprint on Water**

The world's population tripled in the course of the previous century, and it is expected to reach 9 billion by 2050, a 50% increase. Water consumption per capita is six times more than it was a century ago. According to the latest report by Goldman Sachs, it is inevitable that water consumption will double every 20 years.

Water is a necessity for all industrial activities; 20% of the world's water resources are used for these purposes. Precipitation has decreased in many regions of the world,

and water resources are stressed because of climate change.

Governments, civil society organizations and the business world are concerned about the planet's water problem. The sustainability of industrial activities depends on using and conserving water resources efficiently, encouraging reusing and recycling through innovation, and preventing natural or human-related loss of usable water.

## CCI Turkey achieves one of the lowest consumption rates among the Coca-Cola System's business units.

#### Water consumption in production plants

TUDKEY	2006 L/year	2007 L/year	2008 L/year
TURKEY			
Ankara	544,749,000	584,978,000	565,119,847
Çorlu	928,005,000	895,729,000	739,249,000
Mahmudiye	-	78,942,821	301,459,985
Mersin	641,898,300	608,172,000	545,796,000
İzmir	459,215,000	509,275,000	521,647,000
Bursa	580,860,195	568,837,000	704,806,323
KAZAKHSTAN			
Burunday	181,479,505	211,975,000	384,835,000
JORDAN			
Amman	309,902,000	257,077,000	231,106,000

Production Plants' amount of wastewater and place of discharge

TURKEY	2007 (L)	2008 (L)	Place of destination
	~~ / ~ ~ ~ ~ ~		
Ankara	86,408,000	80,120,000	Çubuk Stream
Çorlu	182,418,000	157,327,000	Çorlu Stream
Mahmudiye	12,133,104	51,303,379	Municipiality Facilities
Mersin	176,697,000	154,891,000	Discharge Line
İzmir	99,177,000	106,946,396	Nif Brook
Bursa	184,880,000	124,521,000	Green Environment Central Cleaning
KAZAKHSTA	N		
Burunday	56,728,000	101,630,000	Local Municipal System
JORDAN			
Amman	149,266,488	154,797,444	Local Municipal System

## **Reducing Water Consumption**

CCI's motto, "**Less water, more beverage**" represents the goal of reducing as much as possible the water consumed for each case of beverage produced. for the Coca-Cola System. A decrease in water resources and water quality is one of the most significant risks to our business. Therefore, CCI works to achieve optimal performance in areas such as climate change and efficient water consumption.

Water is the most important production input

## Water Reuse

CCI strives to reuse water in every phase of operations.

	Project Description	Annual Water Savings
BURSA	Using a dry conveyor belt mover system for fruit juice and Damla water production lines	1,232 tons
	Re-directing recycled water from an air-conditioning system into raw water tank	<s 648,000="" th="" tons<=""></s>
	Reducing water consumption with CIP optimization studies	7,320 tons
	Installing a circulation system for rinsing water on can line	25 tons
PROJECT	The project to re-direct recycled carbon ta a raw water tank is ongoing. As a result of water used in carbon tanks will be reused.	this initiative, the washing



	Project Description	Annual Water Savings
İZMİR	Collecting wastewater in a recycling tank for reuse	35,000 tons
	Reducing water consumption by using three-step caustic sanitation instead of five-step caustic sanitation	1,250 tons
	Reducing water consumption by using a dry conveyor belt mover in SIG PET line	4,000 tons
	Removing the rinser from H&K PET filling line installed in 1986 and eliminating water use in the process	7,500 tons
PROJECT	Collecting wastewater from the reverse osr disposal unit allows the water to be reused facilities and for washing forklifts and in te addition, the dry conveyer belt mover syst be applied to other PET lines in 2009.	in restrooms and treatment echnical service units. In

In 2008, CCI Turkey invested nearly TL 8.77 million for a cleaner environment, less energy and water consumption, and other environmentally friendly projects.

Discharged water from our plants is re-used in an aquarium with fish in it.



# CCI continues to invest in social awareness projects about water consumption.



## Sarayköy Training Program for Water Consumption and Protecting Water Reservoirs

A pipeline causing the loss of 50,000 tons of water in Sarayköy, Ankara, was restored by TCCC in 2007. After the project was completed, 15,000 people living in Sarayköy had access to clean water.

In conjunction with the Sarayköy project, CCI launched a training program regarding water consumption and protecting water reservoirs. Water management expert Professor Kemal Sönmez from Ankara University trained three target groups: women, teachers and 9 -to 12–yearold students.



	Project Description	Annual Water Savings
ANKARA	Removing the rinser from line 3	5,110 tons
	Reusing rinser water from line 1 and line 2 in cooling tower	7,300 tons
	Recycling line 4 rinser water in the raw water tank	27,375 tons
	Redirecting washing water from active carbon and sand tanks to raw water tank	7,300 tons
	Starting three step cool chemical sanitation instead of five-step caustic sanitation through CIP optimization studies	s 1,627 tons
PROJECT	The dry conveyor belt mover system used be used in line 3. In addition, the water col restructuring of the old LPG pool will be re wash forklifts and water gardens.	llected through the

	Project Description	Annual Water Savings
ÇORLU	Using a dry conveyor belt mover system	7,700 tons
	Achieving proportional level control in the usage of Boiler RO water and the surface/bottom system	3,200 tons
	Transition to rinse-free production on three lines with inline PET bottle production	190,000 tons
	Canceling the tower cooling system operated with water evaporation and providing a basic syrup cooling process with closed circuit raw water	540 tons
	Reducing the waste water rate proportionate to the water saved with the transition from the five-step CIP to a three-step CIP	e 9,000 tons

	Project Description	Annual Water Savings
MAHMUDİYE	Transition to dry conveyor belt mover system from wet conveyor belt mover system	1,569,5 tons
	Transition from daily four-step sanitation to daily two-step sanitation and then to two-step sanitation every two days	23,400 tons
	Project Description	Annual Water Savings
MERSİN	Savings from KHS Line case washings	2,070 tons
	Savings from rinser water	32,011 tons

## Waste Management

Waste management is one of the most important environmental issues for CCI operations. Waste management costs around the world are increasing daily, and responsible packaging has become a key performance indicator in the business world, not to mention reuse, recycling and responsible disposal methods. In addition, CCI customers' expectations and sensitivities about this issue are increasing

## **Sustainable Packaging**

Packaging is an inevitable fundamental production process needed to offer healthy beverages to customers and consumers.

#### In 2008 we used:

- Lighter packages and
- Smaller case packages

#### **Ultra Bottle**

In 2008, the design of CCI's best-known glass contour bottle was changed, its weight reduced and its strength increased, with the help of the latest technology and computer software. The innovative "ultra bottle" - designed to be 20% lighter, 40% stronger and 10% cheaper than the conventional contour bottle - saved 52,000 metric tons of glass, enabling a 26,000-ton reduction in the amount of carbon dioxide. In accordance with its Management Systems Policy, CCI is committed to using natural resources more efficiently and faithfully evaluating consumption-based risks and environmental impact. For this reason, as part of the "ultra bottle" project, CCI initiated a new project to reduce preform weights.

Currently, CCI uses three types of preforms for five types of bottles. With this project, the goal was to use low-weight preforms for all bottles. Thanks to cooperation with suppliers, new preform designs have been developed. After testing sample preforms in production lines, preform casts were modified accordingly. Five models were sent for revision and two new preforms were every day. Expectations regarding production processes and packaging in compliance with environmental standards are becoming more of a priority for all stakeholders.

A total of 35% of packaging wastes from products released in 2008 are recycled via ÇEVKO.

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purchased. Within four months, the production of five new preforms using seven new casts began. Initially, lighter preforms were used in the Çorlu plant, and after a short time, all production facilities started using lighter preforms.

Ultra Bottle	Preform produced	Electricity savings for injection (Kw/h)	Resin weight savings (kg)	Natural gas savings for injection (Nm <sup>3</sup> )
2008	1,028,341,958	505,732	960,891	10,222
2009 (1Q)	102,396,964	790,173	1,501,329	15,972

# CCI's reusing/recycling rate in 2008 was 90.34%.

#### Turkey

Total Waste

2007							2008						
	Unit	Ankara	Çorlu	Mersin	Mahmu.	İzmir	Bursa	Ankara	Çorlu	Mersin	Mahmu.	İzmir	Bursa
Paper/Cardboar	d kg	129,310	610,530	203,860	56,324	110,992	142,443	143,079	457,940	177,390	169,234	126,279	261,925
Glass	kg	286,860	173,590	152,060	-	275,700	309,000	221,040	312,394	174,940		339,340	97,150
Plastic	kg	340,341	709,882	187,826	38,416	170,124	178,278	259,537	439,946	207,221	130,662	232,967	281,200
Metal	kg	61,820	72,910	140,700	56	6,541	508,970	50,526	82,097	167,581	7,437	36,394	222,140
Wood	kg	588,794	167,220	213,450	3,970	247,360	234,250	740,893	244,414	241,438	175,780	145,300	244,860
Other	kg	45,980	203,204	188,238	14,266	102,689	267,922	70,040	229,280	159,917	37,289	114,596	371,173

#### Kazakhstan

Total Waste

		2007	2008
	Unit	Burunday	Burunday
Paper/Cardboard	kg	21,860	11,069
Glass	kg	-	-
Plastic	kg	59,780	28,688
Metal	kg	24,000	52,925
Wood	kg	256,550	202,976
Other	kg	71,714	67,570



	ta				
	100				

		2007	2008
	Unit	Amman	Amman
Paper/Cardboard	kg	129,930	147,410
Glass	kg	333,830	147,800
Plastic	kg	171,781	99,923
Metal	kg	33,489	85,413
Wood	kg	182,320	139,340
Other	kg	2,244	2,031



# CCI Turkey is among ÇEVKO's founding members

ÇEVKO is a nonprofit foundation founded by 14 leading industry corporations in Turkey on November 1, 1991, in order to contribute to establishing a sustainable recycling system with participation and contribution from industry, local administrations and consumers for regular and economic recycling of packaging wastes.

ÇEVKO adopts Integrated Waste Management principles in all of its operations in accordance with its founding objectives. ÇEVKO carries out studies to establish the necessary systems for healthy, clean recycling of glass, metal, plastic and paper/cardboard packaging materials. Integrated Waste Management emphasizes sharing responsibility between local administrations, industry and consumers.

ÇEVKO obtained the right to use the International Green Point symbol in Turkey in 2002 and joined other recycling organizations in using this symbol,

which is very common in Europe. ÇEVKO also obtained the right to represent Turkey in the European Union.



#### Point of View

"Coca-Cola has financially supported the initiatives of the Trust since the foundation of ÇEVKO and has also taken an active and participatory place on the foundation's board. In my view, this approach is a significant indicator of Coca-Cola's environmental awareness and social responsibility understanding.



I think that acting in accordance with the principles of "sustainable development" is an important factor in Coca-Cola's continued success. I hope these solutions, developed by taking into consideration the social, environmental and economical aspects of business, will set an example for other institutions. I believe that their commitment to ethical values is a strong shield that protects the company against internal and external dangers.

I thank Coca-Cola for its projects, which set an example in the area of corporate social responsibility in Turkey, and I wish the company success in the future."

#### Mete İmer

General Secretary, ÇEVKO Foundation

#### Shrink and Main Cardboard Minimization Studies

As part of the Environment Management System, CCI aims to minimize consumption of raw materials. CCI continues to contribute to protecting the environment with minimization studies on "shrink" and "main cardboard," which are materials frequently used during production.

As a result of the studies carried out by CCI Turkey between March 2008 and March 2009, 96 tons of shrink were recovered.

During the same period, 402,793 units of main cardboard were saved, which corresponds to a recovery of 175.6 tons of cardboard. Given that 17 mature trees are cut to produce a ton of cardboard, CCI saved 2,985 trees with this project.

March 2008 - March 2009 Shrink Minimization

	Kg shrink
Bursa	8,894
Çorlu	16,500
Mersin	697
İzmir	70,000
Total	96,091



March 2008 - March 2009 Main Cardboard Minimization

Quantity	Kg	Trees
227,823	99,330	1,390
14,900	6,496	91
31,480	13,725	192
128,590	56,065	785
	227,823 14,900 31,480	227,823         99,330           14,900         6,496           31,480         13,725

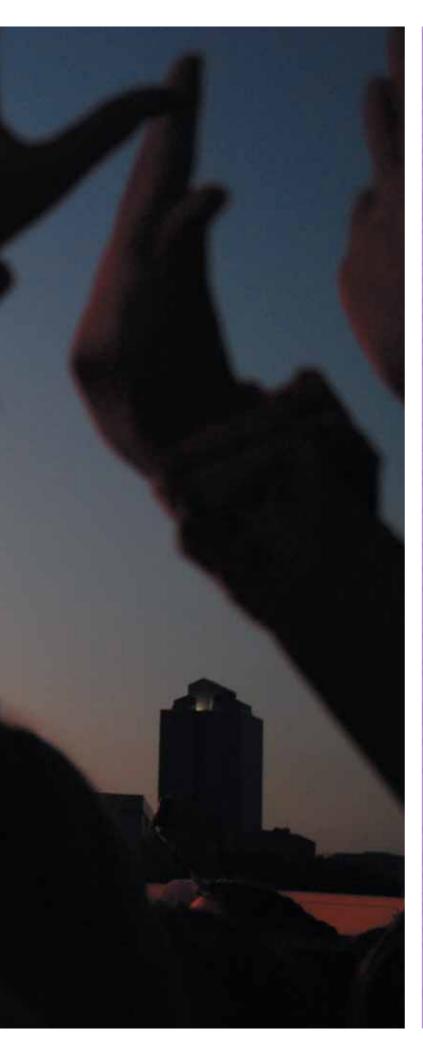


# Creating Environment Awareness in Our Offices and Facilities

Saving our resources is a way of life in CCI. In order to promote the idea of conserving nature, we try to do our best in our daily lives at CCI facilities.

- To prevent paper waste, a warning notice on paper towel machines was placed in CCI production facilities.
- Recycling baskets for waste paper have been placed throughout the company.
- All printers company-wide have warning notices about reducing paper waste.
- CCI's annual report and corporate social responsibility report issued in 2008 were not printed and instead were published on the corporate web site, thus saving 41 mature trees.
- Paper waste collection areas have been set up for recycling in the warehouses. Authorized institutions collect the company's waste paper.





# Community

We care about the needs and expectations of local communities everywhere we operate and support solutions that are responsive to individual community needs.

# Social Responsibility

## Policy

CCI achieves its business objectives by fulfilling societal expectations and meeting the legal regulations in the countries and regions in which it operates. CCI aims to be a role model as a significant player in the area of sustainable development.

## **Principles**

- CCI strives to contribute to society and the local community in its operating geography.
- CCI treats social stakeholders fairly and bases the prestige of its brand on honesty and transparency.



## Working Together to Make a Difference

A joint effort of CCI employees and business partners...

Distributors from the eastern and southeastern regions and CCI employees in Diyarbakır founded a school in Mardin's Yukarı Esentepe village in collaboration with the Association in Support of Contemporary Life (CYDD). Classes began at the start of the 2009 school year. These donations were matched by the company's Employee Contribution Fund.

## Commitments

- ♦ Establish and maintain a collaborative dialogue with stakeholders, who can affect or are affected by CCI's operations directly or indirectly.
- Work to create opportunities that are beneficial to the community.
- Standardize projects according to company priorities by setting a general framework within CCI based on social responsibility policy.
- Improve and revise social responsibility policy and objectives through training feedbad and au

ack from stakeholders, observations udits.	1200
Objectives	Achievements
nce cooperation with relevant overnmental organizations in to increase public awareness rironmental issues	CCI carried out studies with TCCC to increase awareness about important environmental problems in the context of the Life Plus Youth Program. For more information, visit <b>www.hayataarti.com</b>
nue to contribute to social opment by disseminating our ort policy to employees' voluntary ions	CCI created a \$100,000 fund in 2008 to contribute to employee donations. Employees and distributors collaborated to establish a three-classroom school in Mardin.
	CCI supported social participation projects in the regions where its plants are located.
	CCI donated 3% of our pre-tax profit to

the Anatolian Foundation.

### 2009 Objectives

- ♦ Build on cooperation with local administrations.
- Develop dialogue to better understand social concerns and priorities and evaluate feedback,
- Donate 3% of our pre-tax profit to foundations,
- ✤ Continue the Employee Contribution Fund,
- ♦ Enhance cooperation with related nongovernmental organizations to
- ✤ Provide internships to 10 students as part of the Koza Project,



## **Social Dialogue**

Community is always a priority for Coca-Cola İçecek. CCI operates in accordance with social expectations and arranges its business processes in order to eliminate the risk of affecting public health and safety in its regions. CCI supports public activities via either direct participation or sponsorships and enhances dialogue with local communities in order to understand the public's expectations.





#### **Bursa Spouses Club**

This volunteer social solidarity club, formed by the spouses of CCI Bursa plant employees, started in 2008. The primary objective of the club, which has eight fulltime members among its 38 total members, is to find people in need and help them using the club's resources.

#### Activities of Bursa Spouses Club:

- ♦ Building a kindergarten for Çataltepe Elementary School.
- Providing school material for students in need in Çataltepe, Narlıdere and Derekızık Village Elementary Schools.
- ♦ Painting Şehit Piyade Er Rahim Keskin Elementary School Autistic Children's gymnasium.
- ♦ Covering the expenses for six children to attend the Kestel Circumcision Festival,
- Constructing the Çataltepe Village public restrooms.
- Providing food and supplies to families in need during Ramadan.
- ♦ Maintaining and delivering unused clothing and shoes to families in need.
- Conducting nursing home visits during Senior Citizens Week.

## Full Support from Coca-Cola İçecek to the Koza Project

CCI fully supports the Koza Project, which was created by the International Investors Foundation (YASED) as an internship program for students in Southeast Anatolia. The goal is to train the students on business systems at the company headquarters or in different operations throughout Turkey and to encourage them to use these experiences to better their regions or for their own personal development. CCI employees volunteered to mentor 10 students in every field between July and August 2009.

## Contribution to Future of Sports through Cooperation between Tansaş and Coca-Cola

In order to help pay for school sports expenses, CCI donated 0.50 TL to ÇYDD for each Coca-Cola, Coca-Cola Zero and Coca-Cola light purchase equal to or more than 5 TL made at Tansaş Markets between May 29 and June 29, 2008. At the end of the campaign, the donation totaled 33,489 TL.

# Straight Facts About Beverages

It is essential that all segments of the community have access to accurate and complete information about our products. The Straight Facts About Beverages brochure is published for this purpose. The brochure can be found on CCI's corporate website, and it is also distributed during various community activities. The brochure

on the website draws on average 500 clicks monthly.





## Volunteering and Social Contribution at CCI

The Employee Donations Contribution Program Fund was initiated in 2008 to encourage social responsibility awareness, giving our employees the opportunity to contribute to various charitable institutions. CCI encourages donations by making a yearly contribution equaling the total donations of all employees. CCI has allocated an annual amount of \$100,000 to be used in the Employee Donations Contribution Program Fund.



# Social Participation at CCBCJ

CCBCJ offered training to more than 1,230 students from Um Ayman Secondary School with the help of 18 volunteer CCBCJ employees as part of the "Silver Package" project, supported by the Madaba Governorship. These training courses include Personal Life Planning, Individual Economy,

Entrepreneurship, The Art of Success, My Money Company, and Protecting the Environment by Recycling Domestic Wastes. Within the curriculum of the "School Adoption Program" (SAP), INJAZ and CCBCJ aimed to develop the students' skills and train them to be more selfsufficient. CCBCJ contributes to the development of education in its area of social influence.

CCBCJ volunteers also painted the school theater, the teachers' room, corridors and doors during this project.

#### Bursa Plant Environmental Training

CCI engineers held environmental training for 422 students and 21 teachers from schools around the Bursa plant in March 2009. The training was organized to inform students and increase their environmental awareness. Information was provided throughout the program on environmental protection, waste, categorizing waste, and the benefits of protecting the environment.





Coca-Cola Search and Rescue Team

Following the 1999 Marmara earthquake, CCI employees founded the Search and Rescue Team. The team is made up of volunteer members with various interests and areas of expertise. The team shares its experiences with company employees and with other corporations through training and seminars. The primary purpose of the Coca-Cola Search and Rescue Team is to help company employees during natural disasters and to train stakeholders on emergency situations.



#### Soundwave University Tour

Coca-Cola İçecek continues to organize free concerts and various activities at different universities in Turkey through the Soundwave University Tour, which has already become a tradition. During the fifth tour, held in 2008, students at Anatolian universities were entertained at events similar to those that their peers in larger cities have access to.

#### Soundwave University Tour 2008 Program

	, ,
May 9, 2008	Bursa Uludağ University
May 12, 2008	Edirne Trakya University
May 14, 2008	Manisa Celal Bayar University
May 15, 2008	Afyon Kocatepe University
May 16, 2008	Kayseri Erciyes University
May 17, 2008	Konya Selçuk University
May 19, 2008	Trabzon Karadeniz Technical University
May 21, 2008	Malatya İnönü University
May 23, 2008	Eskişehir Anadolu University



# University and Private Sector Partnership Program with Ankara Bilkent University

Students from the Bilkent University's department of industrial engineering carried out three studies with the CCI Supply Chain and Sales Teams as a part of Bilkent University's Industry and University Cooperation program. Three different student groups carried out these studies based on the following models:

- 1. Eastern Region Distribution Model
- 2. Ankara Sales Headquarters Distribution and Sales Departments Integration
- 3. Doğadan Sales Model

The purpose of this program, carried out yearly by Bilkent University, is to strengthen cooperation between universities and the private sector and to provide real-time business experience for senior students.

# Coca-Cola Çorlu Plant and Namık Kemal University Cooperation Projects

CCI's Çorlu plant continues to cooperate with Namik Kemal University's Department of Food Engineering through plant tours, training and internship programs. As a part of this cooperation, CCI engineers from the Çorlu plant spoke to 75 university students and seven faculty members about HACCP (Hazard Analysis and Critical Control Points - Food Safety Management System) and ISO 22000 at a food safety seminar held on November 27, 2008, and responded to their questions.

## Contribution to Community Volunteers through Cooperation between Carrefour and Coca-Cola

CCI donated 0.50 TL to the Community Volunteers Foundation for each customer who purchased Coca-Cola, Coca-Cola Zero and Coca-Cola light worth at least 5 TL from Carrefour Markets between September 18 and October 1, 2008. A total of 23,595.50 TL was donated to the Community Volunteers Foundation through this campaign.







# **GRI Indicators Table**

Profile Indicators	Explanation	Perfor- mance	Reference Pages
1. Strategy	and Analysis		
1.1	CEO Statement	Full	7
1.2	Impact of operational activity, key risks and opportunities	Full	7, 19, 20-21, 26
2. Organiza	tional profile		
2.1	Name of the organization	Full	77
2.2	Primary brands, products and services	Full	10-11
2.3	Operational structure of the organization	Full	10
2.4	Location of organization's headquarters	Full	77
2.5	Countries where the organization operates	Full	8 - 9
2.6	Ownership structure and legal form	Full	10 CCI Articles of Association can be found on our web site http://www.CCI.com.tr/en/content/detail.asp?cid=88&navId =13&navId2=82&navId3=88
			ISE Announcements are also being published regularly on our web site. http://www.CCI.com.tr/en/investor-relations/imkb.asp?navId=13&navId2=81
2.7	Markets served	Full	8 - 9
2.8	Scale of the organization profile	Full	8 – 10 All financial information of CCI is being disclosed on our web site. For detailed information; http://www.CCI.com.tr/en/investor- relations/financial-results.asp?intYear=2008&cid=2&navId =13&navId2=39&navId3=41
2.9	Significant changes regarding size, structure or ownership	Full	10
2.10	Awards	Full	2, 17

#### 3. Report parameters

3.1	Reporting period	Full	16
3.2	Date of the most recent report	Full	16
3.3	Reporting cycle	Full	16
3.4	Contact people for questions regarding the report	Full	16
3.5	Process for defining report content	Full	16 -17, 21
3.6	Boundary of the report	Full	17-18
3.7	Limitations of the scope or boundary of the report	Full	17-18
3.8	Basis for reporting on joint ventures	Full	17-18
3.9	Data measurement techniques and bases of calculations.	Full	17-19 CCI CSR Report is compliant with GRI B level. Data gathering process is conducted within the corporate database of CCI with the leadership of the CCI Sustainability Working Group. Calculation methods used by the whole Coca-Cola System are used.

3.10	Re-statements of information	Full	CCI 2007 CSR Report, published last year, is our first report. Some projects which started before 2008 and ended in 2008 are included in this report. For detailed information a link to the report is given on the CCI website: http://www.cci.com.tr/uploads/ contentdoc_d/KSS%20rapor_5%20Mart%202009.pdf
3.11	Changes from previous reporting periods in the scope, boundary or measurement methods.	Full	22-23
3.12	GRI Index	Full	69-73
3.13	External assurance	N/A	CCI 2008 Corporate Social Responsibility Report is prepared at GRI B level. The report is self-assessed according to GRI performance indicators and no external assurance is included for the 2008 CSR Report.

#### 4. Governance, commitments and engagement

4.1	Governance structure of the organization	Full	CCI 2008 Corporate Governance Compliance Report http://www.CCI.com.tr/uploads/documents_d/CCI2008CG ComplianceReport.pdf
			Detailed information regarding Board of Directors members, independent members and committees can be founded at our website under "corporate governance". http://www.CCI.com.tr/en/content/detail.asp?cid=83&navId =13&navId2=82&navId3=83
			Details about Sustainability Council and Working Group can be seen on page 17.
4.2	Independence of the Chairman of the Supervisory Board	Full	CCI 2008 Corporate Governance Compliance Report http://www.CCI.com.tr/uploads/documents_d /CCI2008CGComplianceReport.pdf
			Members of the Board - website http://www.CCl.com.tr/en/content /detail.asp?cid=85&navId=13&navId2=82&navId3=85
4.3	Number of independent members in the highest governance body	Full	Members of the Board - website http://www.CCl.com.tr/en/content /detail.asp?cid=85&navId=13&navId2=82&navId3=85
4.4	Co-determination right of employees and shareholders	Full	CCI 2008 Corporate Governance Compliance Report http://www.CCI.com.tr/uploads/documents_d /CCI2008CGComplianceReport.pdf
			Members of the Board - website http://www.CCl.com.tr/en/content /detail.asp?cid=85&navId=13&navId2=82&navId3=85
4.5	Linkage between executive compensation and achievement of sustainability goals	Partly	17 CCI 2008 Corporate Governance Compliance Report http://www.CCI.com.tr/uploads/documents_d /CCI2008CGComplianceReport.pdf (Financial benefits granted to the Board of Directors - Page 22)
4.6	Process in place to avoid conflicts of interest	Full	CCI 2008 Corporate Governance Compliance Report http://www.CCI.com.tr/uploads/documents_d /CCI2008CGComplianceReport.pdf
			CCI Code of Ethics http://www.CCI.com.tr/en/content /detail.asp?cid=83&navId=13&navId2=82&navId3=83
4.7	Qualifications and expertise of the highest governance body regarding CSR topics	Full	17 Detailed information about Corporate Governance Committee can be found at http://www.CCI.com.tr/uploads/documents_d /CCI2008CGComplianceReport.pdf
4.8	Values, mission statements, principles and codes of conduct of organization relevant to sustainability	Full	Corporate mission, vision and values http://www.CCl.com.tr/en /content/detail.asp?cid=6&navId=1&navId2=6 CCI Code of Ethics http://www.CCl.com.tr/en/content /detail.asp?cid=83&navId=13&navId2=82&navId3=83

4.9	Oversight of sustainability performance and relevant risks by the Board of Management	Full	CCI Audit Committee Charter http://www.CCI.com.tr/uploads /documents_d/audit_committee_charter.pdf CCI 2008 Corporate Governance Compliance Report http://www.CCI.com.tr/uploads/documents_d /CCI2008CGComplianceReport.pdf
4.10	Assessment of the performance of the Board of Management regarding sustainability	Full	CCI 2008 Corporate Governance Compliance Report http://www.cci.com.tr/uploads/documents_d/ CCI2008CGComplianceReport.pdf - Page 22 - 23
4.11	Precautionary approach	Full	<ul> <li>7 Board Approach,</li> <li>50 -51 Operational approach to environmental stewardship,</li> <li>56 - 57 Precautionary approach to water consumption</li> </ul>
4.12	Support for external economic, environmental and social activities	Full	7 – GRI 16 – AA1000 30 – ISO 45 – TCCOSH 45 – OHSAS 55 – Lean 6 Sigma 74 - UNGC
4.13	Memberships in associations and representations of interests	Full	33
4.14	Stakeholder groups engaged by the organization	Full	20
4.15	Basis for identification and selection of stakeholders	Full	19 - 20
4.16	Approaches to stakeholder engagement	Full	18 - 20
4.17	Key stakeholder topics	Full	19

#### **Performance Indicators**

Economic	Management Approach	Full	27 – 28
EC1	Direct economic value generated	Full	10 – 13 For detailed economic performance (Pages 4-5) http://www.CCl.com.tr/uploads/documents_d /AnnualReport2008_en.pdf
EC2	Financial implications due to climate change	Full	50 – 51, 55
EC3	Organization's defined benefit plan obligations	Full	CCI 2008 Annual Report ( Pages 94 -98) http://www.CCI.com.tr/uploads/documents_d /AnnualReport2008_en.pdf
EC4	Significant financial assistance received from government	Full	Government is not present in the ownership structure of the company. Detailed ownership can be found at CCI 2008 Annual Report (page 50) http://www.cci.com.tr/uploads/documents_d/ AnnualReport2008_en.pdf
			For the year ended December 31, 2008 the Group does not have any utilized investment incentive amount and there is no deferred investment incentive.
			Investment Incentives - CCI 2008 Annual Report (Page 112) http://www.CCI.com.tr/uploads/documents_d/ AnnualReport2008_en.pdf
EC6	Policy, practices and proportion of locally based suppliers	Partly	2, 13, 20, 27, 28, 31
EC7	Procedures for local hiring	Full	43 - 45
EC8	Impact of infrastructure investments and services	Full	13 Coca –Cola İçecek by Numbers, 64-65 Public benefits and investments under social responsibility

EC9	Indirect economic impact	Full	27-28
Environmen	t Management Approach	Full	50 - 51
EN3	Direct energy consumption	Full	52
EN5	Energy savings	Full	53 - 55
EN6	Energy efficient products and services	Full	53 - 55
EN8	Total water withdrawal	Full	56
EN10	Percentage of water recycled and reused	Full	56 -58
EN11	Production plants in protected areas	Full	CCI has no production plants in protected areas.
EN16	Direct and indirect greenhouse gas emissions.	Partly	53 – 54 WRI/WBCSD GHG Protocol Scope 1 and Scope 2
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Full	53 - 55
EN21	Total water discharge	Full	72
EN22	Total weight of waste by type and disposal method	Full	56
EN23	Significant spills	Full	During the reporting period there were no spills as a result of our operations.
EN26	Initiatives to mitigate of harmful environmental impact of products	Full	59 - 61
EN28	Significant fines and sanctions for non-compliance with environmental laws	Full	51
EN29	Significant environmental impact of transporting products, goods, materials and members of the workforce	Partial	53 - 54
EN30	Environmental protection expenditures and investments	Partial	56
Labor practices an Decent Work	Management Approach	Full	38 - 39
LA1	Total workforce by employment, type, contract and region	Full	17, 39 The scope of this CSR report includes the performance of CCI's operations in Turkey, Kazakhstan and Jordan. Total workforce by employment type, employment contract, and region for these countries are reported on page 39. CCI's other operations have not been included in this report.
LA2	Employee turnover rate	Partial	44
LA3	Benefits provided only to full time employees	Full	45
LA4	Percentage of employees covered by collective bargaining agreements	Full	41
LA5	Minimum notice period(s) regarding significant operational changes	Full	If an employee is terminated because of low performance, behavioral misconduct, absence or insufficient skills during the trial period, action is taken in compliance with legal procedures.
LA7	Rates of injury, occupational diseases,	Full	46

Partly

45

Education, training, counseling and risk control programs

LA8

LA9	Health and safety topics covered in agreements with trade unions.	Full	41
LA10	Average hours of training	Full	42
LA11	Skills management and lifelong learning that support the continued employability of employees	Partly	42
LA12	Employee performance and career development reviews	Partly	43-44
LA13	Composition of governance bodies and breakdown employees per category	Full	43- 44

#### Human

Rights	Management Approach	Full	47
HR4	Incidents of discrimination and actions taken	Full	There was no incident of discrimination during the reporting period.
HR5	Operations with significant risk concerning the freedom of association and collective bargaining	Full	41
HR6	Operations with significant risk for incidents of child labor	Full	31, 47 There was no incident of child labor during the reporting period.
HR7	Operations with significant risk for incidents of forced and compulsory labor	Full	41 There was no incident of forced and compulsory labor during the reporting period.

#### Product

Responsi- bility	Management Approach	Full	29
PR1	Life cycle stages in which health and safety impact of products and services are assessed	Full	30-32
PR3	Type of product and service information required by procedures	Full	32
PR5	Customer satisfaction	Full	32
PR6	Programs for compliance with laws, standards and voluntary codes related to marketing communications	Partial	32
PR8	Number of substantiated data protection complaints	Full	There were no complaints made to our company regarding the personal privacy of consumers or loosing consumer data during the reporting period.
PR9	Significant fines for non-compliance with laws and regulations concerning the provision and use of products	Full	We have received no penalties for our products not complying with laws and regulations.

#### Social

Performance Management Approach		Full	64		
SO2	Number of business units analyzed for risks related to corruption	Partial	36 CCI Code of Ethics http://www.CCI.com.tr/en/content /detail.asp?cid=83&navId=13&navId2=82&navId3=83		
SO4	Actions taken in response to incidents of corruption	Full	There was no incident of corruption during the reporting period.		
SO5	Public policy positions and participation in public policy development and lobbying	Full	36 CCI Code of Ethics http://www.CCI.com.tr/en/content /detail.asp?cid=83&navId=13&navId2=82&navId3=83		
SO7	Number of legal actions for anti-competitive behavior	Full	30		

## United Nations Global Compact Communication on Progress Index

The 10 Principles of UN Global Compact	Location at the CCI CSR Report				
Human Rights					
<b>Principle 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights; and	38, 45, 47				
<b>Principle 2.</b> make sure that they are not complicit in human rights abuses.	38, 45, 47				
Labour					
<b>Principle 3.</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	41				
<b>Principle 4.</b> the elimination of all forms of forced and compulsory labour;	31 36 - CCI Code of Ethics http://www.CCI.com.tr/en/content/detail.asp?cid=83&navId =13&navId2=82&navId3=83				
	CCI does not confess any form of forced and compulsory labor. Additionally Coca-Cola Supplier Guidelines clearly indicates our approach towards child labor.				
Principle 5. the effective abolition of child labour; and	31, 47 CCI does not use child labour. Additionally, Coca-Cola Supplier Guidelines clearly indicates our approach towards child labour.				
<b>Principle 6.</b> the elimination of discrimination in respect of employment and occupation.	31, 36				

#### Environment

<b>Principle 7.</b> Businesses are asked to support a precautionary approach to environmental challenges;	36, 50- 61
<b>Principle 8.</b> undertake initiatives to promote greater environmental responsibility; and	7, 50 - 61
<b>Principle 9.</b> encourage the development and diffusion of environmentally friendly technologies.	36, 50 - 61

#### **Anti-Corruption**

Principle 10. Businesses should work against corruption in	36
all its forms, including extortion and bribery.	

**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 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 Vakfi (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.Ş.

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's 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. (http://www.thecocacolacompany.com/investors/pdfs/2020\_vision.pdf)



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## Coca-Cola İçecek A.Ş.

Head Office İstanbul Esenşehir Mah. Erzincan Cad. No:36, 34776 Dudullu - İstanbul - Turkey Tel: (0090216) 528 40 00 Fax: (0090216) 365 84 67/68 www.cci.com.tr

> Consultancy Ayşegül Hatay

