

# SUSTAINABILITY REPORT 2014

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# **About Our Report**

This is the seventh Sustainability Report published by Coca-Cola İçecek (CCI). This report includes our practices and performance results obtained during the period from January 1 to December 31, 2014 for four of the 10 countries in which we operate: Azerbaijan, Jordan, Kazakhstan and Turkey. In the report, we refer to these countries as our "four countries of operation."

This year, we have extended the scope of the report and started providing both qualitative and detailed quantitative data from our Pakistan operations. In cases where Pakistan data is included, we refer to these countries as our "five countries of operation". We have also extended the contents to respond to the information needs of the Borsa Istanbul Sustainability Index.

#### **Standards Used**

In preparing this report, we were guided by the three principles of the AA1000 Assurance Standard: materiality, inclusiveness and responsiveness. We measure and report our social, environmental and ethical performance using leading standards and methodologies such as those adopted by the Global Reporting Initiative (GRI) G4, CDP, the International Labor Organization (ILO), the United Nations Convention Against Corruption (UNCAC) and the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute (WRI).

The contents of this report have been prepared in accordance with the "core" option of the G4 Sustainability Reporting Guidelines of the GRI. The report also serves as our Communication on Progress (COP) to the United Nations Global Compact (UNGC).

#### Verification

For the fourth consecutive year, certain data in this report were independently audited. The GHG emissions of CCI Turkey's manufacturing, sales and distribution operations for 2014 were audited, as in the last two years, by a third-party auditing organization, SGS, and verified in accordance with the International Organization for Standardization's ISO 14064-3 2006 Standard as meeting the requirements of ISO 14064-1. CCI's Turkey operations have successfully passed the audits. Both GHG Protocol's Scope 1 emissions (direct GHG emissions from stationary and mobile combustion, process emissions, and fugitive emissions) and Scope 2 emissions (indirect emissions such as those arising from purchased electricity) were verified as a result of this process. The level of assurance was deemed "reasonable" and the materiality was considered to be below 5% by the verifier. The assurance statement of SGS is included on pages 106-108 of this report.

In addition to this verification, the selected information as defined in the Independent Limited Assurance Report on page 105 of this report received limited assurance from independent audit company EY. In 2014 we obtained, for the fourth time, limited assurance on Selected Information\* from our operations in Turkey. The Selected Information covered total energy data, per-product energy use, total water data and per-product water use, as described in the CCI Reporting Guidance included on pages 93-97 of this report. Within the context of this audit, 2014 data from CCI's Turkey plants were assessed to reach a conclusion of "limited assurance" in accordance with the international standard "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" (ISAE 3000). In addition, for the first time, the same Selected Information\* (total energy data, per-product energy use, total water data and per-product water use) for our operations in Pakistan have received limited assurance in accordance with the international standard "ISAE 3000".

#### Feedback

Collecting stakeholder feedback is vital in helping us improve both our practices and our reporting processes. We closely examine every issue that comes to our attention, and use any feedback from our stakeholders to continuously improve our practices.

We invite our stakeholders to forward any opinions, suggestions or complaints via mail to

corporate.affairs@cci.com.tr,

or by contacting Corporate Affairs Department at **3** +90 216 538 40 00,

or through the "contact us" tab on our website **cci.com.tr**.



<sup>\*</sup> The Selected Information is covered on page 105 of this report.

# Message from the CEO

With annual sales exceeding 1 billion unit cases to make us the fifth-largest bottler of the Coca-Cola system, Coca-Cola İçecek is acutely aware of how significant an impact our business operations may have on the environment and on society. Forever striving to be the best FMCG company across our markets, we continuously seek to better integrate our sustainability efforts into our daily actions. Given the volatility, uncertainty and the complexity of today's business environment, we know that the success of our business depends on integrating sustainability into the very heart of our enterprise, where we endeavor to create value for our stakeholders and even their stakeholders.

We continued our sales growth in 2014, another challenging year for our business due to ongoing economic, political, and security-related volatility in our operating geography. Still, we enjoy the privilege of operating in the second-largest market of the Coca-Cola system in terms of population, and we recognized that this area remains a great growth potential for us. Our sustainability efforts this year also faced important challenges, which constrained our progress with respect to our goals. We know that sustainability is an ongoing journey, and we are recommitting ourselves to seeking out innovative methods of working with all our stakeholders to further progress towards our sustainability goals.

#### **Changes in Our Reporting**

As with our 2013 sustainability report, the contents of this report also have been developed in accordance with the Global Reporting Initiative's G4 Reporting Guidelines. Where this year's report differs, however, is that for the first time we have included selected key performance indicators (environmental, health and safety, and employees) of our Pakistan operation. This data covers all six plants in Pakistan and has been audited by an independent third party auditing firm. In the next year's report we plan to include full data for our Pakistan operation.

In order to improve our sustainability and reporting performance, we formed an external report review committee. Committee members provided us with valuable feedback, and we implemented some of their suggestions directly in this year's report. We will endeavor to implement the remainder in coming years. The committee's recommendations are also included in this report.

#### me: Enhancing personal well-being

We continue to support The Coca-Cola Company's four global commitments on the well-being of our consumers: offering low- or no-calorie beverage options, providing transparent nutrition information on our products, marketing responsibly, and supporting programs which promote physical activity.

In our world marked by many seemingly insurmountable obstacles to overcome, it is not realistic to expect a business

or even an entire industry to make a meaningful difference single-handedly. We believe we must work in conjunction with businesses, governments, and civil society organizations in order to make a real difference. For example, our 3.2.1. Move! program, through which we inspire, empower, and engage a generation of youth to appreciate an active and healthy lifestyle, was developed in partnership with Mercy Corps. In 2014 we expanded 3.2.1 Move! such that it touched the lives of more than 50,000 young people in Turkey, Pakistan and Iraq, and in 2015 we plan to launch it in Kazakhstan and Azerbaijan.

Also, our Coca-Cola Grassroots Football Tournament is the result of partnerships between the Coca-Cola Company and grassroots organizations in the communities we serve. Since its launch in 2006 in Kazakhstan, this tournament has successfully spread throughout CCI's entire operating geography, and in 2014 as many as 650,000 young people from Azerbaijan, Jordan, Kazakhstan and Pakistan participated in these games.

#### we: Employees

It is the capabilities of our people that will enable our company to move forward toward our goal of building a highly capable organization and being the employer of choice. In this regard, not only did we continue to develop capabilities in 2014, but we also rolled out the iLead leadership training program in all our operations.

Additionally, the health and safety of our employees remains of paramount concern for us. Thanks to extensive improvements, we reduced the lost time incident rate (LTIR) in 2014 in Kazakhstan, Jordan and Azerbaijan, though, regrettably, we saw a slight increase (0.12) in Turkey's LTIR. It is with heavy sadness that I report that a fatal accident at one of our Pakistan plants resulted in the tragic loss of one of our employees. Responding immediately, we implemented corrective and preventive measures after conducting a detailed analysis of the incident. With the gravity of this incident informing us as we move through 2015 and beyond, we will strive to ensure even better safety and security for all our employees and stakeholders.

#### we: Building stronger communities

Creating value for our communities is necessary to build strong, sustainable societies. We care about the needs and expectations of everyone in the communities where we operate, and we are proud to be in a position to propose and support solutions that directly address local issues. For instance, because we see the value in creating partnerships within our communities and with our stakeholders, we teamed up with WWF to implement the Clean Water Project in Pakistan where access to clean drinking water remains a very serious public health problem. We aim to provide clean drinking water to more than 500,000 people across Pakistan by the end of 2016 via this program.

Additionally, the economic empowerment of women, which is essential to building stronger communities, remains one of our top priorities, and we therefore became a signatory to the UN Women's Empowerment Principles. In 2014, we initiated and sponsored a number of projects and events in Azerbaijan, Jordan, and Kazakhstan to help women in communities in those countries overcome some of the common social and economic barriers they encounter as female entrepreneurs. In 2015 we expect to have all the foundations in place so that we may launch a women's empowerment project in Turkey in partnership with The Coca-Cola Company.

#### world: Environment

We recognize that there is a vital connection between a clean environment and a sustainable business, and we understand the significance of this relationship. As such, CCI aims to produce more by consuming less. Not only are we amongst the top-performing bottlers in the Coca-Cola system in terms of water and energy conservation, but we continue to make progress towards our 2020 environmental performance targets regarding reductions in energy and water use and waste generation.

Clean, accessible water is critical to the good health of communities and to the sustainability of ecosystems. Because water is the main ingredient in our beverages and therefore essential for our business, we place a high value on water conservation and have thus identified water scarcity as one of CCI's major risks for the medium term. We understand the priceless value of water, and we strive to reduce our water use ratio by focusing more on water reuse and recycling projects in all CCI operations. We have achieved significant reductions in water use ratios in Turkey, Jordan, Azerbaijan, and Kazakhstan since 2006, the first year we began reporting, and we continue to work towards challenging reduction targets for 2020 across our operating region. In 2014, we invested on water use reduction studies and succeeded in saving 635,300 tons of water in Turkey, Kazakhstan and Pakistan. We are working toward achieving water neutrality in Turkey and expect to reach this important threshold by the end of 2015.

Global warming remains one of the biggest concerns for everyone, everywhere. CCI continues to take voluntary action regarding climate protection and reducing our environmental and carbon footprint. We set goals in order to reduce our GHG gas emissions and to conserve energy, implementing energy-saving programs and technological innovations to reach these goals. In 2014, we achieved an energy savings of 54 million MJ in our five countries of operation, corresponding to a reduction of 4,640 tons of GHG emissions.

Reducing total generated waste and recycling packaging waste are two other environmental priorities for us. We will continue our efforts to extend lightweight projects in all CCI operations and increase the use of PlantBottle in Turkey operation.

#### Transparency

In 2014 we submitted our first Carbon Disclosure Project (CDP) Water Report and participated in the 2015 CDP Water Program in Turkey. We have been responding to CDP Turkey's Climate Change Program since 2011, and in 2014 we issued our fifth report which won us recognition as one of the top transparency leaders in Turkey's CDP Climate Change Program.



We are very pleased that CCI's sustainability efforts are recognized by various platforms. For example, at the 2015 Coca-Cola Eurasia and Africa Sustainability Awards we received three awards: CCI Turkey was awarded Grand Prize for "Best Country Bottling Operation" and also the Excellence Award in the Well-being category while CCI Turkey's Izmir plant was named the "Best Performing Plant" in the Environment category. Additionally, our Azerbaijan and Kazakhstan operations were nominated for Grand Prize.

CCI remains firmly committed to adhering to the ten principles of the United Nations Global Compact (UNGC) related to the environment, human rights, labor and workplace rights, and anti-corruption measures. We will continue to integrate these principles into our overall business strategy as well as assist our suppliers to integrate them into their business strategies. We will continue to measure our progress and improve our performance against these UNGC principles.

On behalf of everyone at CCI, I am pleased to present our 2014 sustainability report, and I thank you for your interest in our sustainability journey.

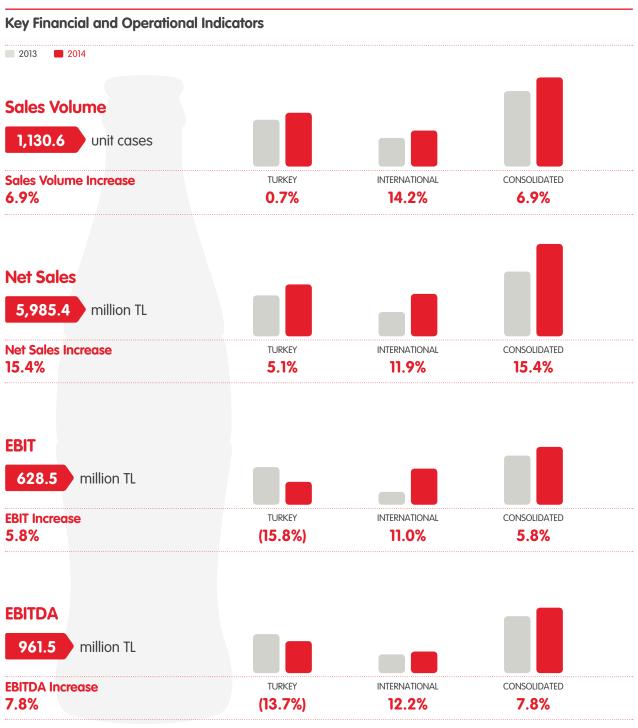
Sincerely, Burak Başarır, CEO

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# **CCI At a Glance**

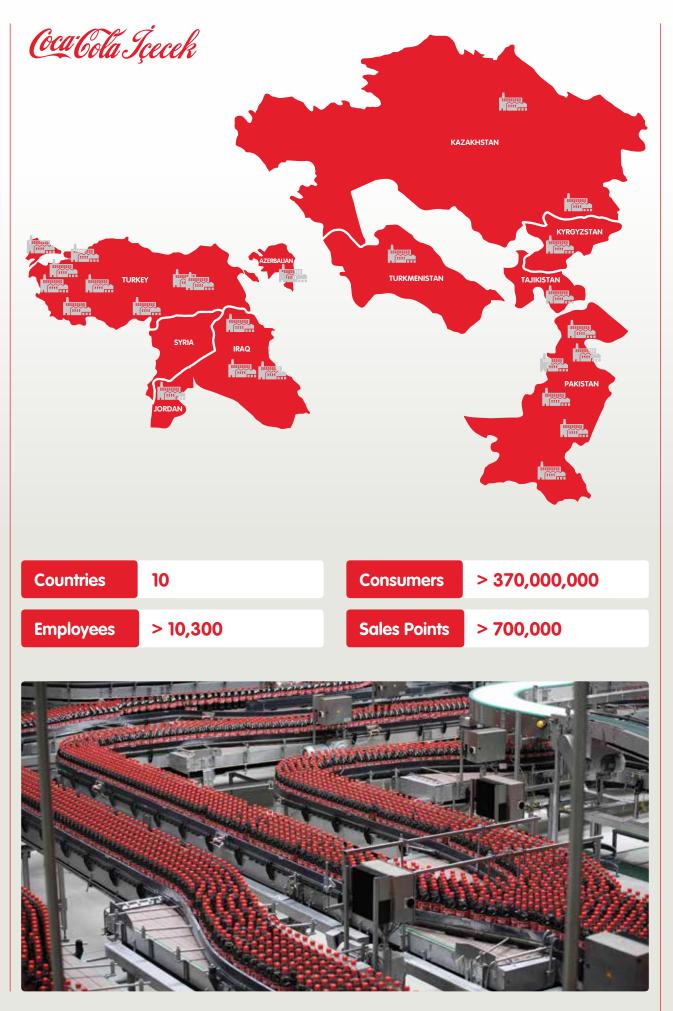
CCI is the fifth-largest bottler in the Coca-Cola System in terms of sales volume. CCI produces, distributes and sells sparkling and still beverages of The Coca-Cola Company (TCCC) across Azerbaijan, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Pakistan, Syria, Tajikistan, Turkmenistan and Turkey.

CCI employs more than 10,300 people and has a total of 25 plants\*, offering a wide range of beverages to a consumer base of more than 370 million people. In addition to sparkling beverages, its product portfolio includes juices, waters, sports and energy drinks, teas, and iced teas. CCI's shares are traded on the Borsa Istanbul (BIST) under the ticker "CCOLA.IS," American depositary receipts (ADR) are traded over the counter in the United States under "COLAY," and Eurobonds are traded on the Irish Stock Exchange under "CCOLAT".



\* As of December 31, 2014, CCI owned 23 plants.

CCI At a Glance



# Performance Highlights in 2014

#### SUSTAINABILITY ACROSS THE VALUE CHAIN

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We identified and implemented Operational Excellence (OE) projects and improvements worth approximately

# **7.9** million \$.

We provided nearly 640 training sessions on numerous technical and personal development topics. These trainings were attended by **9,700 employees** of our distributors.



#### me - ENHANCING PERSONAL WELL-BEING

8,000 associates and additional 5,000 employees from CCI's customers and distributors have participated in Ambassador Program about products, ingredients and CCI's sustainability perspective since 2011.



# 321 MOVE!

CCI's 3.2.1 Move! Program kicked off in 46 schools in Iraq and Pakistan and 52 schools in Turkey. We have touched the lives of more than **50,000 young people** in Turkey, Pakistan and Iraq through this program in partnership with Mercy Corps.

#### Around 650,000 young

people participated the Coca-Cola Grassroots Football Tournaments in Jordan, Kazakhstan, Azerbaijan and Pakistan.

#### we - BUILDING STRONGER COMMUNITIES

#### Workplace



A total of **70,000 man-hours** of training (corresponding to 16.9 hours of training per employee) was given in the four countries of operation.

#### Community

CCI donated **3%** of pre-tax profits, equivalent of TL 3.6 million, to The Anadolu Foundation for charitable causes. An additional TL 500,000 was donated to other foundations.



The Coca-Cola Belestery program provided business skills trainings and green technologies opportunities to around **3,400 women** in 52 villages in Kazakhstan.

An economic impact study which was conducted by Lums and IBA Karachi proves that CCI Pakistan operations employs over 5,000 individuals directly and over 70,000 people indirectly throughout its value chain.



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#### We supported around 3,600 young

entrepreneurs with Startup Weekend Program in Jordan and with Youth Inc. Program in Azerbaijan.

The Pani Clean Water Initiative in partnership with WWF aims to provide clean drinking water to over 500,000 people across Pakistan by the end of 2016.



#### world - PROTECTING THE ENVIRONMENT



**3,700 man-hours** of environmental training was provided to our employees in the four countries of operation

#### **Energy Efficiency & Climate Protection**

**59%** of all coolers in Turkey are HFC-free coolers.

By installing EMDs in our coolers in Turkey, Jordan, Kazakhstan and Azerbaijan, we prevented:

 Approximately
 185,000 tons of CO<sub>2</sub> emissions in 2014.

 Approximately
 545,000 tons of CO<sub>2</sub> emissions between 2009-2014.



Thanks to our eco-friendly coolers, in Turkey we managed to prevent emitting CO<sub>2</sub> that is equivalent to the amount that **14.6 million trees** trees extract annually from the environment.



84% of our coolers are equipped with EMD (energy management device) in Turkey, 29% in Kazakhstan, 5% in Jordan and 50% in Azerbaijan.

Through the OE projects conducted at our Turkey, Kazakhstan, Jordan, Azerbaijan and Pakistan plants, we achieved total annual energy savings of **54.1** million MJ. Through these savings we managed to prevent **4,640** tons of CO<sub>2</sub> emissions, an amount equivalent to the amount of  $CO_2$  that **386,667** trees extract annually from the environment.



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#### Water

We submitted our first report to CDP Water Program after being invited to take part.

Between 2006-2014, we achieved a water use reduction rate of



Our water replenishment rate in Turkey reached **58%** (up from 28% in 2013), equal to about **1.8 billion liters of water**, roughly the consumption of approximately **21,400 households**.

Our Izmir plant marked a big success in water efficiency by achieving an annual average water usage ratio of **1.18 L/L** for 2014, one of the top performances globally within TCCC system.

#### Sustainable Packaging and Waste

We achieved approximately

**3.3%** reduction in water

consumption from 2012 to 2014 in

the four countries of operation.



We use 30 % plant resin in **plantbottle** in Turkey.

As a result of our "Lightweight" project implemented in 2014, we saved **3,827 tons of resin**: 1,471 tons in Turkey, 1,875 tons in Kazakhstan, and 481 tons in Azerbaijan. In 2014, we reduced the glass weight of 200-ml returnable glass bottles (RGB) in our Turkey operations by **21%** and achieved savings of **1,170 tons** of glass at our supplier.



Unless otherwise stated, the figures provided are related to the four countries of operation: Turkey, Jordan, Kazakhstan and Azerbaijan.

# **CCI's Sustainability Achievements**

#### The First Half of 2015

- CCI Turkey operation receives three awards, including the Grand Prize of "Best Country Bottling Operation" at the 2015 Coca-Cola Eurasia and Africa Sustainability Awards. In addition, CCI's Azerbaijan and Kazakhstan operations were among the 10 finalists nominated for this prize. CCI Turkey also received the "Excellence Award" in the individual "Well-being" category and the "Best Performing Plant" award in the environment category for its Izmir plant.
- CCI becomes a signatory to the UN Women's Empowerment Principles.
- CCI submits second CDP Water Report as part of CDP Water Program in Turkey.

#### 2014

- CCI's sixth Sustainability Report is published in accordance with the GRI G4 "core" option.
- The Izmir plant receives an award in the "water management" category from the Green Business Platform.
- CCI receives the second-highest score and wins second place in the "transparency" category at the CDP Turkey Climate Leadership Awards.
- CCI becomes the first and only

company in Turkey to respond to the CDP Water Questionnaire.

- Turkey's Elazığ plant achieves the LEED v2009 Gold Certificate in the "existing building" category.
- CCI's Corporate Governance Rating score as measured by SAHA increased to 9.25 from 8.8.
- CCI is awarded the Grand Prize in the ÇEVKO Green Dot Industry Awards, which recognizes companies with environmentally sustainable practices.
- Turkey's Ankara plant is awarded "Best Performing Plant for Quality" and CCI's Izmir plant is awarded "Best Performing Plant for the Environment" in the 2014 TCCC Eurasia & Africa Group (EAG) President's Sustainability Awards.
- Turkey's Bursa and Sapanca plants received National Quality Excellence Awards.

#### 2013

- All plants in all operating countries complete the Top 10 Energy-Saving Challenge Program.
- CCI receives the Ethics Award from the Ethical Values Center Association.
- CCI wins three prizes at the 2013 TCCC EAG President's Sustainability Awards: the Best Country Bottling

Operation Grand Prize, the Best Performing Plant for Quality and the Best Performing Plant for the Environment.

- CCI announces its new Code of Ethics, Workplace Rights Policy and CCI Ethics Service.
- CCI Turkey receives ISO 14064-1 certificate for its greenhouse gas emissions.
- CCI becomes the first and only company in Turkey and within TCCC system to be included in the UN Global Compact 100 Index.
- CCI is named one of Turkey's carbon disclosure and performance leaders by CDP in its "Turkey 100 Climate Change Report 2013."
- CCI Turkey is awarded a "Gender Equality Certification" by KAGIDER.
- CCI's fifth Sustainability Report is published in accordance with the GRI's A+ application level.

#### 2012

- CCI recognized as one of Turkey's top two carbon performance leaders of 2012 by CDP.
- The Izmir and Mersin plants complete the Top 10 Energy-Saving Challenge of TCCC and WWF (the World Wildlife Fund).
- CCI is named among the companies with the best





sustainable development practices, representing Turkey in the Rio+20 Innovation Competition.

- The Ankara plant takes EFQM's (the European Foundation for Quality Management) "Taking Responsibility for a Sustainable Future" prize.
- The fourth Corporate Social Responsibility (CSR) report receives a GRI Check as an A+ level report.
- Turkey, Azerbaijan and Jordan operations are among the finalists in TCCC EAG President's Sustainability Awards. CCI Turkey wins Best Country Bottling Operation Grand Prize. The Ankara plant is recognized as the Best Performing Plant for Quality and the Izmir plant as the Best Performing Plant for the Environment.

#### 2011

- Jordan wins the Occupational Health and Safety Management Award.
- The third CSR report is published and includes operations in Turkey, Kazakhstan, Jordan and Azerbaijan.
- CCI becomes a charter member of the Climate Change Leaders Group.
- CCI becomes Turkey's first food & beverage company to participate in the Carbon Disclosure Project, and one of the country's five carbon disclosure leaders.

 CCI signs the "2°C Communiqué" against climate change.

#### 2010

- 2020 Vision and Strategic Framework is defined.
- The Izmir plant wins the TCCC EAG President's Environmental Award.
- CCI wins TCCC EAG Environment Award for Best Country Bottling Operations.
- CCI publishes second CSR report, which includes Jordan and Kazakhstan operations and becomes Turkey's first GRI B-level report.

#### 2009

- CCI places first in Turkey for its Accountability Rating.
- CCI signs the United Nations Global Compact.

#### 2008

- The Corporate Governance Committee is established.
- The first CSR report is published, becoming the first GRI-checked CSR report in Turkey.

#### 2007

- CCI implements Lean Six Sigma projects.
- CCI places fifth in Turkey for its Accountability Rating.

#### 2006

• The Ankara plant receives the first ISO 22000 Food Safety Quality Management System certification.

#### 2004

• The Izmir plant receives the first HACCP TS 13001 Food Safety Quality Management System certification.

### 2003

- The Ankara plant wins TCCC Eurasia Africa Group Presidency Quality Award.
- The Ankara plant receives the first OHSAS 18001 Occupational Health and Safety Management System certification.

#### 2002

- CCI's first environment policy is put in place.
- CCI receives its first ISO 14001 Environmental Management System certification.

#### 1997

• The Mersin plant obtains the first ISO 9001 Quality Certificate and Certificate of Compliance with The Coca-Cola Quality System.

#### 1994

• CCI signs up to TCCC water usage savings commitment.





# **INTEGRATING SUSTAINABILITY**

# **CCI 2020 Vision & Strategic Framework**

Vision:	To be the outstanding beverage company by leading the market, inspiring people and adding value through excellence.			
Mission:	To build a sustainable and profitable business by refreshing consumers, partnering with customers, delivering superior value to shareholders and being trusted.			
Values:	Passion: We put our heart and mind into what we do.Building Blocks of our Culture: We trust in each otherTeamwork: We collaborate for our collective success.We trust in each otherAccountability: We act with a high sense of responsibility and hold ourselves accountable.We inspire innovation We collaborate for successIntegrity: We are open, honest and ethical, and we trust and respect each other.We have fun and enjoy			
CCI Target Fields	Our Goals			
People and Organizational Leadership	Build a highly capable organization and be the employer of choice.			
Commercial Leadership	Profitably deliver superior value to consumers and customers at the optimal cost to serve.			
Supply Chain	Be the best-in-class consumer demand fulfillment organization that exceeds customer expectations, highest in quality and lowest in cost, in a sustainable, socially-responsible manner.			
Operational Excellence	Create a culture of Operational Excellence to support continuous improvement of our business process and systems.			
Sustainability	<ul> <li>Ensure the long-term viability of our business by being proactive and innovative in protecting the environment and be recognized as one of the most responsible corporate citizens by all stakeholders.</li> <li><i>Our key strategies:</i> <ol> <li>Environment: Minimize our environmental footprint by reducing our energy, water and material use, GHG emissions and packaging waste.</li> </ol> </li> <li>Marketplace: Consistently provide the highest-quality and food-safety-compliant beverages.</li> <li>Workplace: Ensure a safe place to work, respect human rights and be fully compliant with workplace rights.</li> <li>Community: Make a difference in our local communities by encouraging employee volunteerism and by corporate involvement.</li> </ul> <li>Develop in all employees and business partners a desire to become proud ambassadors of our products and company.</li>			

## **Sustainability Management**

As an integral part of CCI's operational framework, sustainability is managed together with our core business strategy, thereby effectively deploying the sustainability concept throughout every layer and level of the organization.

The CCI Board of Directors' Corporate Governance Committee has the ultimate responsibility in determining and implementing the sustainability strategy. This responsibility is undertaken by the CCI Executive Committee, headed by the CEO, and by the CCI Sustainability Steering Committee, which will be operational in 2015. The CCI Executive Committee is comprised of senior management, and the Sustainability Steering Committee is composed of the Finance, Corporate Affairs, Legal, Human Resources and Supply Chain Directors.

The main responsibilities of the Sustainability Steering Committee are:

- To set the long-term sustainability vision, strategy, plan and goals, and to submit these for the CEO's approval;
- To make decisions on capital expenditures regarding sustainability;
- To review quarterly progress and performance on key performance indicators (KPIs); and
- To give the final approval on sustainability disclosures.

The function heads of CCI at both the Group and Country level integrate the sustainability targets set by the committee into their respective functional objectives. All CCI function heads play a critical role in making sure that sustainability priorities and targets are connected to field operations. The strategic orientation and objectives that emerge from upper-level management processes are conveyed to functional management in order to be transformed into field applications. The Corporate Affairs function is responsible for the disclosure, reporting and communication of sustainability targets and performance results.

The committee is supported by the "Climate Protection & Energy Management" and "Environment & Water Management" Working Groups. These working groups are composed of plant energy coordinators, and the Logistics, Cooling Equipment, Procurement, Engineering, Corporate Affairs, Administration and TCCC Technical & Public Affairs functions managers. These working groups meet at least quarterly, develop the sustainability roadmap, calculate annual and short-term environment and climate protection goals, identify and implement improvement measures to achieve environmental goals, support sustainability verification and reporting projects, including the Sustainability Report and CDP, and conduct Climate Change & Water Risk Assessments.

Moreover, our employees are key enablers in allowing CCI to integrate sustainability into its business practices. Our technical operators, in particular, play a significant role in achieving "supply chain" and "operational excellence" targets through the improvements they make in production processes by maintaining maximum levels of operational efficiency, maintenance and quality while maintaining minimum levels of waste, energy and resource consumption, and environmental impact. We work hard to embed a sustainability culture throughout CCI operations by recognizing our employees through awards programs such as CCIdea.



#### CCI's Roadmap for Sustainability Reporting

We have employed an external review committee to review CCI's Sustainability Reports, and aim to extend our reporting scope in terms of geographical operations, starting with our 2014 report.

2010	Materiality analysis to determine key sustainability pillars
2011-2012	Update of the materiality analysis
2013	Stakeholder panel to review CCI 2011 CSR Report
2013	Stakeholder mapping workshop
2014	Materiality analysis in line with GRI G4
2014	Review of sustainability report by an External Report Review Committee
2014-2015	Extend reporting scope in terms of country operations

# **Sustainability Approach**

Sustainability is one of the five main pillars of our 2020 Vision and Strategic Framework. Our overall sustainability goal is to ensure the long-term viability of our business by being proactive and innovative in environmental protection and to be recognized as one of the most responsible corporate citizens by all stakeholders. In line with this approach, our sustainability strategy focuses on issues that are material for our stakeholders as well as for our company.

#### CCI's Sustainability Framework and Core Sustainability Areas



Our sustainability framework – what we call "me, we, world" – is our shared vision with TCCC for how we can work together to create social value, enable positive change for the consumers and communities we serve, and help preserve our environment. While this framework was developed by TCCC, CCI has adapted it to suit our needs. Under this framework, we have identified eight material areas that we manage closely, which are listed in the table above. The contents of our sustainability report reflect our commitments and progress in these areas.

#### Defining Report Content G4-18, G4-19, G4-20,

#### G4-21, G4-24, G4-25, G4-26, G4-27

While defining report content, we consider issues that are material to our sector, company and stakeholders. We identify issues based on the GRI G4 aspect list, stakeholder engagement activities, desktop research on broad-based societal expectations, and benchmarks with other food and beverage companies. Within the context of sustainability reporting, our key stakeholders, in order of importance, are: investors, non-governmental organizations (NGOs), opinion leaders, shareholders, financial institutions, our employees and TCCC System. When developing the contents of our report, we use GRI's four Principles for Defining Report Content: sustainability context, materiality, stakeholder inclusiveness and completeness.

We conducted our first comprehensive materiality analysis in 2010 using TCCC's global sustainability framework as a guide. Since then, each year we review and revise our material issues regarding their relevance and importance for our stakeholders as well as their impact for our business. At the beginning of 2014, we conducted a materiality analysis of various business functions with our senior managers. These managers shared not only their own opinions on what is important for CCI but also the expectations of stakeholders, with whom they are in constant communication. For the purpose of reviewing the contents of this report and revising material issues, we received feedback from an external report review committee.

#### **External Review**

"The emphasis of the operating companies in CCI on embedding sustainability into their long term strategy was a rewarding experience for me as the former chairman of the Global Reporting Initiative and chairman of the International Integrated Reporting Council.

I have read the recent sustainability report which covers all issues material to the business of CCI and is set out in clear, concise and understandable language. It is also encouraging to read the clear statement of strategy, performance, the targets which were set and the level of achievement of those targets.

CCI can be proud of the role it is playing in integrating into its strategy, the resources essential to its business and the relationships with its stakeholders. This integrated thinking will lead to the creation of value in the long term in a sustainable manner.

I wish CCI good fortune in its financial year ahead."

Mervyn King Chairman – International Integrated Reporting Council (IIRC)

#### **External Report Review Committee**

With the aim of improving our sustainability management and disclosure performance, we established an external report review committee in 2015. The Review Committee is comprised of four members who contributed valuable commentary to the draft version of our 2014 Sustainability Report. Many of those comments were suitable for inclusion in the final version of this 2014 Report, while others require either additional actions or additional disclosure. We will be reporting our progress on these additional comments in our 2015 Sustainability Report.

Review Committee members:

- Asst. Prof. Tamer Atabarut, Boğaziçi University, Director of Lifelong Learning Center & Deputy Director of Sustainable Development and Cleaner Production Center
- Prof. Güler Aras, Yıldız Technical Univ. Center for

Finance, Governance & Sustainability, Founding Director

- İbrahim Betil, Founder of Sen-de-Gel Association
- Ozan Çakmak, International Labour Organization, Turkey Office, Policy and Partnerships Officer



#### Main Comments of the External Report Review Committee

**Content and boundary of the Report:** CCI's 2014 Sustainability Report clearly expresses both the commitments and the efforts of CCI to improve its sustainability performance. The Company has taken into account all relevant stakeholder groups to provide extensive information on its annual sustainability practices.

Meeting the general expectations and needs of CCI's stakeholders, this Report includes:

- Commitment of top management on sustainability issues
- Focus on material social, environmental, and economic issues
- Consultation with stakeholders on the content of the Report
- Sustainability governance and approach to sustainability

RECOMMENDED ACTION: While the Committee is well aware of the challenges of collecting reliable data in the geographic regions where CCI operates, it recommends extending the boundary of the Report by including all of CCI's active operations in future.

PROGRESS: In this year's Report, we added selected data for Pakistan. We are seeking to extend the boundary and scope of the reporting.

RECOMMENDED ACTION: It is recommended that we increase the level of transparency regarding the perceived impact of Coca-Cola product's on individual health and also on the Company's success in managing the environmental impacts of raw material suppliers.

PROGRESS: To increase the level of transparency on those subjects, we will work in partnership with TCCC, the owner of the brand and the supplier of our main ingredients.

**Reliability & Transparency:** The Report contains elements which contribute positively to the reliability and transparency of the Report. These include:

- Disclosing performance indicators against benchmark data and comparing our current years results with commitments and results of previous years.
- Reference to TCCC's own standards as well as international standards for comparison purposes
- External assurance and verification of selected information and a detailed "Report Guidance" section

 Comparison of previous years' performance results with targets

RECOMMENDED ACTION: The Committee is of the opinion that CCI could provide more disclosure about its challenges and areas for improvement.

PROGRESS: We have attempted to implement this recommendation in this Report.

**Ease of reading:** Message from the CEO, "CCI At a Glance," and "Performance Highlights" provide a good summary for readers. Overall, the wording in the Report is clear, however not all readers may be familiar with all of the detail and technical text. RECOMMENDED ACTION: Simplifying long sentences and using fewer photos may help readers to digest the

PROGRESS: We have attempted to implement this recommendation in this Report.

content more easily.

Quantitative information: The Report provides a wide range of qualitative and quantitative information. RECOMMENDED ACTION: Sharing quantitative results of the programs implemented on community investment and active, healthy living as well as disclosing references related to the socio-economic effects of the projects is strongly recommended.

PROGRESS: This action has been partially implemented in this Report. In next year's report we will improve our disclosure performance.

**Women Empowerment:** Since CCI is recognized as a leader in sustainability, the Company is also expected to take a leading role on women's empowerment.

RECOMMENDED ACTION: It is recommended that we review our 2020 goals related to women's empowerment and that we set more ambitious goals. PROGRESS: We will try to implement this recommendation in the next reporting cycle.

**Workplace Rights Policy (WRP):** CCI has a very comprehensive WRP covering many essential topics. This year's Report includes more detailed disclosure than last year's Report.

RECOMMENDED ACTION: To keep its leading role, CCI should set more ambitious goals and further improve its practices such as extension of paid parental leave, birthday bonus, provision of pre-school support, etc.

PROGRESS: We will take up this suggestion in our Board of Directors' Compensation and Benefits Committee.

#### **Stakeholder Reputation Survey**

At the end of 2013 and the beginning of 2014, we conducted for the first time an extensive stakeholder survey of our corporate reputation and perception. The survey canvassed the opinions of more than 2,600 people, including our employees, national and local opinion leaders, members of local communities and neighboring facilities and residents of Turkey.

The survey sought to measure the perception of CCI's stakeholders regarding CCI's performance on reducing environmental impact, social investment, workplace conditions, financial stability, product and service quality, management quality, and similar areas. We also asked opinion leaders to indicate sustainability topics that they consider to be material to CCI. Some of the issues that were raised as important by more than one stakeholder group included water use, energy efficiency, product safety, and health and safety. GHG emission is a material issue for CCI and investors but according to the stakeholder survey results, this issue is not as important as other significant topics.

CCI Pakistan also planned to conduct a stakeholder reputation survey in 2015. The results of the survey will be shared in next report.

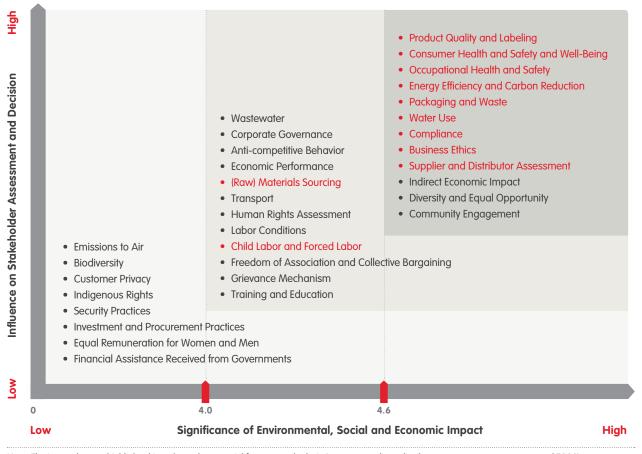
#### Material Issues (G4-19, G4-20, G4-21)

The results of the materiality analyses, external stakeholder panel, corporate reputation survey, and external report review committee opinions, as well as feedback we received in 2014 via various stakeholder dialogue platforms led to the material issues illustrated below.

Those issues listed in the top right corner of the matrix are material issues that are relevant to most of our stakeholders and important to the success of our company. These issues have a relatively high environmental, social or economic impact, and are therefore included in our priority list for managing and improving our performance. This report focuses on these material issues.

Issues that are important to some of our stakeholders, or issues that we believe have less impact on our business, are listed in the middle of the materiality matrix. We actively monitor and manage these issues and communicate our actions and performance through different media, including our sustainability reports.

The bottom left corner of the materiality matrix includes the list of issues that we have assessed but do not find material enough to report our performance on in this report. Although these issues are less material to our stakeholders, we still monitor and/or manage them.



**Note:** The issues that are highlighted in red are also material for our supply chain (e.g. our suppliers, distributors, customers, consumers and TCCC). **Note:** The issues given in the quadrants above are not listed in terms of importance.

#### Aspect Boundaries G4-20, G4-21, G4-23

During the materiality analysis we conducted with the senior managers, we assessed the issues not only for our own operations, but also for the operations of other stakeholders in the supply chain, namely suppliers, distributors and customers. While conducting this assessment, we took into account our influence on the issue. For example, energy efficiency and carbon emissions reduction are important issues both for our own operations and for our customers. We help our customers reduce their energy consumption by offering them energy-efficient coolers. Another area where we have direct influence is in the health and safety performance of our contractors. We actively manage and closely monitor both of these issues.

There are other issues where we do not have direct influence, such as those managed by TCCC. For example, child labor and biodiversity issues with regard to our suppliers' agricultural operations are managed by TCCC through Supplier Guiding Principles (SGP) audits conducted by third parties. Detailed information is available on pages 25 and 26. In the matrix on the previous page, the issues that are also material for our supply chain and where we have influence are indicated in red. Information on our efforts and performance on these issues are available in this report.

# **Stakeholder Engagement** G4-24, G4-25, G4-26, G4-27

At CCI we find it important to be in an ongoing dialogue with our stakeholders. We strive to develop longterm relationships, and to create platforms for open and honest dialogue. We conduct our stakeholder engagement efforts within the framework of international principles and standards such as the AA1000 Accountability Principles.



#### **Stakeholder Mapping**

In 2013 a comprehensive stakeholder-mapping workshop was held with the participation of representatives from all CCI Turkey business units, headquarters, Turkish plants and the commercial team to identify key stakeholders and devise engagement plans. AccountAbility's AA1000 SES Standard and the EFQM Business Excellence Model were utilized in mapping and prioritizing our stakeholders. The engagement methods and frequency of engagement with our key stakeholders were mapped during the workshop.

In 2014, as a part of the materiality analysis, we conducted a stakeholder prioritization analysis with our senior managers of various business functions. Through these stakeholder mapping and prioritizing exercises, within the context of sustainability reporting, we identified our key stakeholders as: investors, NGOs, opinion leaders, shareholders, financial institutions, our employees and the TCCC System. For business continuity, we also engage regularly and intensively with other stakeholders, including our distributors, customers and suppliers.

#### Borsa Istanbul (BIST) Sustainability Index and Transparency Practices in Corporate Reporting Assessment

CCI's disclosure performance was assessed for the first time in 2015 as part of the assessment to be included in the BIST 50 Sustainability Index and as well as within the scope of "Transparency in Corporate Reporting among BIST 100 Companies" study. CCI's practices and reporting performance in corporate governance, environmental management, climate change mitigation, biodiversity, human rights, health and safety, anticorruption, supply chain standards, and labor practices were assessed and reported by third party organizations, EIRIS and Transparency International. These assessments presented both challenges and opportunities for us to be more transparent with regard to CCI's environmental management and reporting, human rights, ethics and anti-corruption mechanisms, which is essential for creating long-term stakeholder value.

CCI's Sustainability Index Working Committee completed their study in the context of the 2015 BIST Sustainability Index Assessment and disclosed further information on CCI's corporate website in June 2015. The BIST Sustainability Index launched by Borsa Istanbul in 2014 aims to provide a benchmark for Borsa Istanbul companies which perform well on corporate sustainability measures and to increase the awareness, knowledge, and practice of sustainability in Turkey. The Index offers companies the opportunity to compare their sustainability performance on both local and global levels, thereby allowing them to further develop their risk management abilities for corporate transparency, accountability and sustainability. This, in turn, allows companies to gain a competitive edge. Inclusion in the Index will also increase the visibility and enhance the reputation of participating companies.

### How do we respond to stakeholders' questions and concerns? G4-24, G4-25, G4-26, G4-27

Stakeholders	Engagement Platforms	Frequency of engagement	Examples of issues that were brought up by stakeholders in 2014
Investors and financial institutions	Annual report, investor conferences, analyst meetings, investor presentation, webcast, e-mail distributions, special case announcements, Public Disclosure Platform, direct feedback forms through CCI's corporate website, sustainability report, CDP Climate Change Report, CDP Water Report, BIST Sustainability Index Questionnaire	Regular and often	CCI's financial, operational and sustainability performance; future investment plans. Example: We responded to the CDP Water Questionnaire for the first time in 2014. We were also invited to respond CDP Turkey Water Program in 2015. Example: We were requested to respond to the BIST Sustainability Index Questionnaire in 2015.
NGOs	Project partnerships, corporate and employee memberships, participation in conferences and presentations, Reputation Survey, Stakeholder Engagement Panel	Regular	CCI's operational, environmental, quality and community-related performance; transparency and reporting. Example: CCI Pakistan operations and WWF-Pakistan signed a memorandum of understanding under which both organizations will jointly work to improve access to safe drinking water. Example: CCI became a signatory to the Women's Empowerment Principles established by the United Nations Global Compact and UN Women. Example: CCI Jordan operation and Jordanian Food Bank extended their partnership and launched a new winter campaign to provide clothing and shelter for families in need and refugees in Jordan.
Opinion leaders	Reputation Survey, sustainability report, External Stakeholder Review Committee, Stakeholder Engagement Panel	Regular	CCI's operational, environmental, quality and community-related performance. Example: Please see previous page.
Shareholders	General Assemblies, website, Public Disclosure Platform	Regular	Financial and operational performance and reporting.
Employees	Employee Engagement and Satisfaction Survey, Newsline, Newsletter, CokePort, Vision 2020 (CCI Turkey Magazine), press releases, CCI training programs, leadership development trainings, Reputation Surveys, CCI Community Champions Awards, CCIdea	Regular	Business results, environmental performance, community projects, awards and recognitions, compensation and benefit topics. Example: We launched CCIdea, a new platform where all our employees have the opportunity to share their ideas.
TCCC System	Regular meetings, TCCC's Sustainability, Public Affairs and Communication Summits	Regular, very often	CCI's and its suppliers' sustainability performance. Example: TCCC shares its sustainability vision and strategy at Eurasia Sustainability Summit in June each year.
Distributors/ Sellers	Customer Interaction Center, Distributor Satisfaction Survey, distributor meetings and trainings, regular visits, plant visits, distributor portal, CCI Call Center	Periodic	Business performance, commercial plans, satisfaction scores. Example: We provided capacity-building trainings to the owners and employees of our distributors.
Customers	Trainings, support programs, regular visits, plant visits, Coca-Cola Customer Road Show, Customer Satisfaction Survey, CCI Call Center, focus group studies	Periodic	Business performance, commercial plans, products, marketing plans.

Stakeholders	Engagement Platforms	Frequency of engagement	Examples of issues that were brought up by stakeholders in 2014
Suppliers	Training programs, improvement audits, plant visits, supplier days, supplier performance scores, supplier satisfaction surveys, cooperation portal, Green Supplier Awards, industrial development and pilot activities	Regular	Quality of the materials and services, future plans, strategic initiatives, business performance, sustainability, workplace rights, innovation in cooling equipment.
Public Institutions and Organizations	Information for contribution to sector development, compliance with laws and regulations, support for infrastructure investments, Reputation Survey, Environment Days, Presentations, expertise sharing in public conferences	Annual reputation survey, regular meetings	CCI's operational, environmental, quality and community-related performance; compliance with regulations.
Consumers	Coca-Cola "Open to Curiosity" Platform, Coca- Cola Social Interaction Center, informative publications, plant visits, product labels	Regular	Product quality, consumer satisfaction, low- and no-calorie product alternatives, nutritional labeling, product ingredients.
Union	Union representation, collective labor agreements, representative meetings, plant visits	Regular	Human and workplace rights.
Sector Groups	Corporate memberships, joint projects, meetings	Regular	Industry-wide issues, regulations, legal compliance, speaking engagements at conferences, benchmark visits to plants.
Local community	Stakeholder Survey, voluntary practices, donations, plant visits, field studies, needs analyses for community investment projects, economic impact assessments	Annual	CCI's operational, environmental, quality and community-related performance; sponsorship and donation requests. Example: 3.2.1 Move! Program aims to support social and physical development of young people and promote active and healthy lifestyles in our communities.
Society	Coca-Cola "Open to Curiosity" Platform, donations, plant visits, voluntary practices, product labels, advertisement and marketing activities, social engagement projects, field studies, meetings, survey and eliciting opinions, Sustainability Report	Regular	Product quality, product ingredients, marketing and promotion campaigns, sport tournaments.
Media	Periodical information, statements, support programs, regular visits, plant visits, Reputation Survey	Regular	Products, marketing and promotion campaigns, product ingredients, sustainability performance, community development projects.
University	Conferences, career days, plant visits, sponsorship, volunteering for community development projects	Regular	Sustainability performance, career development opportunities. Example: Students from Virginia Tech University conducted a study taking the CCI Izmir plant as a best case. They visited the plant and gained more information about processes. After the visit, we responded their additional questions by e-mail. Example: We sponsored the Global Sustainability Summit of Boğaziçi University.

#### **Our Corporate Memberships**

CCI continued in 2014 as a member of the following NGOs and business associations:

- ÇEVKO (Environmental Protection and Packaging Waste Recovery and Recycling Trust)
- TÜSİAD (Turkish Industry and Business Association)
- YASED (International Investors Association)
- MEDER (Beverage Industry Association)
- KALDER (Turkish Quality Association)
- DEİK (Foreign Economic Relations Board)
- SUDER (Packed Water Manufacturers Association)
- MEYED (Fruit Juice Industry Association)
- TEID (Turkish Ethics and Reputation Society)
- TÜYİD (Investor Relations Association)
- TOBB (Union of Chambers and Commodity Exchanges of Turkey)
- TGDF (Federation of Food and Drink Industry Associations of Turkey)
- Brand Protection Group
- UN Global Compact Network Turkey

By taking part in business NGOs and sector NGOs, we follow topics related to reputation and regulations. Additionally, as one of the founding members and steering committee members of ÇEVKO, we plan to initiate a partnership on environmental awareness in the near future.

#### Initiatives to which we are Signatories

- CDP Climate Change Program
- CDP Water Program

- Equality at Work Platform, established by the Ministry of Family and Social Policies of Turkey within the scope of the World Economic Forum's Closing Gender Equality Gap Program.
- United Nations Global Compact
- Turkish Climate Platform of the Turkish Climate Change Leaders Group
- The 2°C Challenge Communiqué of the Prince of Wales's Corporate Leaders Group
- Women's Empowerment Principles (March 2015)

#### **CDP Water Program**

In 2014, CCI prepared and submitted for the first time its CDP Water Report and responded to Turkey's first CDP Water Program in 2015. These reports, submitted to the CDP Water Program, provide information on how CCI identifies, manage and mitigate risks and opportunities related to water. CCI's Water Disclosure Report, submitted in September 2014, focuses on water information regarding CCI Turkey operation, and CCI prepared a summary report based on Source Vulnerability Assessments and 2013 water performance results at CCI Turkey plants. CDP is an international, non-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. Some 573 institutional investors with \$60 trillion in assets are signatories to the CDP Water Program. CCI has been reporting to the CDP Climate Change Program since 2011, and will continue reporting to both CDP Programs in the coming years.



#### **External Recognition**

#### Water Management Award

CCI Turkey's Izmir plant was honored at the Sustainable Business Awards of the Green Business Platform in 2014, receiving an award in the "Water Management" category for its efficient water management and usage project. The plant has reduced its water use ratio by 25%, from 1.69 liters in 2007 to 1.27 liters in 2013, or by 190,000 m3 of water annually. The Sustainable Business Awards are distributed to leaders who set an example of sustainability and genuinely pursue an endeavor to widen the extent of sustainable business models in the categories of water management, carbon and energy management, sustainability communication, and more.



#### **CDP Climate Change Program**

CCI received the second-highest score and won second place in the "transparency" category at the CDP Turkey Climate Leadership Awards. CCI also became one of five Turkish companies listed in the CDP Climate Disclosure Leadership Index inaugurated in 2014.



#### **TCCC Sustainability Awards**

CCI Turkey operations received three awards, including the Grand Prize of "Best Country Bottling Operation," at the Coca-Cola Eurasia and Africa Sustainability Awards ceremony organized in June 2015. Turkey marked a unique success this year by receiving this prestigious award for the third time, after receiving it in 2009 and 2012, competing with more than 50 candidates in more than 80 countries within Eurasia and Africa. The Grand Prize is given each year to the operation that has the best performance not only in terms of business, but also quality, environment and contribution to society. CCI's Azerbaijan and Kazakhstan operations were also among the 10 finalists nominated for the Grand Prize of "Best Country Bottling Operation" within the Eurasia and Africa region.

In addition to the Grand Prize, CCI Turkey received the "Excellence Award" in the individual "Well-being" category with its 3.2.1 Move! active youth lifestyle program, and the "Best Performing Plant" award in the environment category for its İzmir plant. The "Excellence Award" came in recognition of CCI's 3.2.1 Move! active youth lifestyle program, which has been expanding successfully in Turkey since its launch in 2013. Meanwhile, this year the İzmir plant received the "Best Performing Plant" award in the environment category for the fourth time, following on its awards in 2009, 2012 and 2013. Having successfully embedded environmental sustainability principles into all of its operations, CCI's İzmir plant has firmly established its position among the top-performing plants in environmental practices within the global Coca-Cola system.



#### **CSR Award for Bylgary Dop**

In 2014, Coca-Cola Almaty Bottlers (CCAB) received a CSR award from the European Business Association of Kazakhstan (EUROBAK) for its Coca-Cola Bylgary Dop project. EUROBAK is a non-commercial organization representing Kazakhstan's European business community. Once every year, EUROBAK organizes an official awards ceremony where Kazakhstan's most important social responsibility projects are presented.

#### **Green Point Industrial Award**

CCI Turkey received the Green Point Industrial Award for large-scale businesses, given for the first time in 2014 by ÇEVKO. The Green Point Industrial Award program aims to encourage companies to assume more responsibility in the field of sustainability in Turkey. The award is yet another important endorsement of CCI's sustainability strategy, which focuses on water and energy management, climate change, and sustainable packaging.

# SUSTAINABILITY ACROSS THE **VALUE CHAIN**

CCI is one of TCCC's 250 bottling partners worldwide, and manufactures, packages, merchandises and distributes the final branded beverages to its customers, who then sell the products to consumers. We have access to close to 700,000 sales points through our extensive sales and distribution network. More than 370 million consumers enjoy our products in the 10 countries in which we operate.

We purchase ingredients and packaging material from the "strategic suppliers" selected and authorized by TCCC. Concentrates, beverage bases and syrups are

manufactured by TCCC and sold to bottling operations, including CCI.

Meeting the expectations of our stakeholders at every level of our business is our top priority. We work in compliance with TCCC Standards and consider the regional characteristics of the geographic areas in which we operate. We expect our business partners, namely our suppliers and distributors, to comply with TCCC Standards and engage only with those that display the best environmental, social and economic performance.



#### **CCI's Value Chain**

# **Goals and Commitments**

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals	
Excellence at our Operations	To continue involving our distributors in Operational Excellence projects in Turkey.	We implemented Operational Excellence projects with our distributors.	0	To continue involving our distributors in new Operational Excellence projects in Turkey.	
	To implement the Sales Force Capability Development Program within the framework of the C4E Program, and to increase the organizational capability in our countries of operation.	The Sales Force Capability Development Program was launched in February with the participation of sales executives from all of our countries of operation.	0	The training sessions under the Sales Force Capability Development Program will continue. To receive "Recognition for Excellence 5-Stars" for Turkey operations, including plants, logistics, planning and purchasing.	
	To receive external EFQM assessments at two of our plants in Turkey, and to apply for the Kalder National Quality Award.	Two of our plants in Turkey were assessed externally in line with the EFQM Excellence Model and received "Kalder Excellence Award." Five of our plants in Turkey have received "Recognition for Excellence 5-Stars" from EFQM.	٥		
Sustainability at our Suppliers	To conduct a Supplier Satisfaction Survey every two years.	This survey will be conducted in 2015.	0	To conduct a Supplier Satisfaction Survey in 2015.	
	To attain a success rate of 88% for the SGP audits in Turkey, Jordan, Kazakhstan and Azerbaijan.	The SGP success rate was 78% for these four countries.	N	To attain a success rate of 91% for the SGP audits in Turkey, Jordan, Kazakhstan and Azerbaijan.	
Capacity Building at our Distributors	To continue conducting training programs for our distributors.	In 2014 we conducted a series of specific "Distributor Business Development" trainings aimed at owners, sales representatives and all employees of our distributors.	A	In 2015 we plan to provide Occupational Health and Safety trainings to our distributors.	
Customer Satisfaction	To achieve a customer satisfaction performance score that is above the average score of our competitors.	According to a study conducted by a third party, we achieved a customer satisfaction performance score that is above the average score of our competitors.	A	To achieve a customer satisfaction performance score that is above the average score of our competitors.	

### **Our Operations**

We conduct bottling (manufacturing) and distribution operations at 23 plants in 10 countries. After legal compliance, continuous improvement and excellence in our operations are key priorities for the sustainability of our company.

#### CCI's Journey to Excellence

To reach our 2020 Vision "to be the outstanding beverage company by leading the market, inspiring people and

adding value through excellence," our Turkey operations initiated a comprehensive program in 2012 called "Change for Excellence (C4E)." The program is based on the all-encompassing 2013 EFQM Business Excellence Model, which helps companies achieve and sustain outstanding levels of performance that meet or exceed the expectations of their stakeholders. With the C4E Program, we aim to define clearly the CCI way of doing business, and also to identify features of our corporate culture, taking into account the expectations and needs of our stakeholders.

#### **Operational Excellence (OE)**

One of our target fields in CCI's 2020 Vision is "operational excellence," where we defined our target as "to create a culture of Operational Excellence to support continuous improvement of our business processes and systems." Operational Excellence (OE) is also the name of the model that we have integrated into our systems and apply to all of our functions, called the OE Model. The focus of the OE Model is to maximize quality and efficiency while minimizing failure and waste.

Our OE Model was developed using Lean Six Sigma methodologies. We have been training our employees in the OE Model since 2008.

In 2014, 38 Green Belt and 61 Yellow Belt Certifications were achieved for joining the ranks of continuous improvement in Turkey. Moreover, 119 out of 135 OE Projects were successfully implemented with the participation of more than 300 employees. Approximately 50% of the 100 OE projects realized were developed at our production plants. As a result of the OE projects completed in Turkey in 2014, we implemented measures that will save us \$6.2 million per year.

The 81 OE Projects that were implemented in Jordan, Kazakhstan, Azerbaijan and Pakistan in 2014 resulted in annual savings of \$1.7 million.

Since introducing our OE Model, we have implemented a total of 838 projects in Turkey, Jordan, Kazakhstan, Azerbaijan and Pakistan, and we have received 556 certifications.

Thanks to our OE Projects, we managed to identify and implement improvements worth approximately \$7.9 million in the five operating countries in 2014.

#### Achievements in Turkey

2008	2014 Actual	2014 Actual (Cumulative since 2008)	2020 Projected (Cumulative since 2008)
6 Projects	135 Projects	518 Projects	1,200 Projects
42 Certifications	99 Certifications	418 Certifications	1,320 Certifications
\$1.2 million per year in savings	\$6.2 million per year in savings	\$45.5 million* savings	\$110 million* savings

\*Calculated on a yearly basis.

#### CCIdea

"Harnessing creativity and Innovation" is one of the fundamental concepts in the EFQM Model. To full fill this need with a more systematic approach, in June 2014 we launched CCIdea, a new platform where all of our employees could share their ideas. At the outset, around 130 experts (key users and evaluators) were identified based on their expertise in the subject areas and were then trained in the evaluation method. In 2014, employees from all countries of operation sent a total of 685 ideas, 388 of which came from Turkey. After selection of feasible ideas, key users support the idea-owners in developing a project proposal. In total, 102 project proposals have so far been developed based on these ideas. After conducting further feasibility studies, we will implement the projects that are most feasible in terms of resource use and financial return.

CCIdea also has a capability to develop special campaigns. As an example, we organized the "Supply Chain of the Future" campaign to promote the launch of the CCIdea platform in Turkey. Within this campaign, 255 ideas were submitted and three projects were selected for further implementation. All idea-owners were given awards, and the idea-owners of the top three projects received cash awards.

#### Supply Chain Capability Development Program

CCI's Supply Chain Capability Development Program is designed to enhance the capabilities of our Supply Chain employees, enable planned succession with regard to critical positions, and develop future Supply Chain leaders. This project was initiated in late 2012 with an overall budget of more than \$2 million and will continue until 2016. It is a comprehensive on-thejob training program of technical and managerial training modules as well as post-training project assignments. The duration of the program is 12 weeks for production engineers, four weeks for quality engineers, and one week for warehouse employees Ten participants are targeted from each plant in order to create a common working culture and to foster networking opportunities among all CCI Plants. Each trainee is given the goal of initiating 30 replication projects in his or her operation. So far, 2,851 projects have been implemented. At the end of each training program, an assessment of all trainings, trainers and trainee performance is made and shared with the HR Department. (Note: within the context of this program, "Supply Chain" refers to CCI's all operational processes including production, logistics and distribution, warehouse, procurement, quality and planning functions.)

# Continuous Improvement and Excellence at Turkey Plants

All of our plants are assessed and audited regularly by TCCC for their compliance with its operating requirements (KORE), their possession of relevant and applicable certifications, and their engagement with approved excellence programs. The results of these assessments are consolidated into a "Maturity Continuum" consisting of five categories: Risk, Compliance, Process, Improvement and Excellence. Each plant in TCCC system is categorized according to the Maturity Continuum based on its progress towards these requirements.

During the reporting period, eight CCI plants in Turkey reached the "Excellence" category in the Maturity Continuum, which represents about 50% of the plants in the entire TCCC system that reached this category. We owe this success partly to the self-assessment and external assessment methodologies conducted at the plants according to the EFQM Excellence Model. The EFQM approach helped us not only to identify our strengths and improvement areas but also to put action plans in place. Through self-assessment, we gained a holistic overview of our production operations. The fact that excellence is engrained in the operations of our factories also plays an important part in this success.

During the reporting period, eight CCI plants in Turkey reached the "Excellence" category in the Maturity Continuum, which represents about 50% of the plants in the entire TCCC system that reached this category.

#### **CCI Turkey's Quality Award Journey**

2009	2010	2010	2012	2014	2015 Goal
Bursa Plant: Recognition for Excellence 4-Star	Ankara Plant: National Quality Prize	Headquarters and Çorlu plant: Recognition for Excellence 5-Star Ankara plant: National Quality Award	Ankara plant: EFQM prize	Bursa and Sapanca Plants: KalDer Turkey Excellence Award İzmir, Çorlu, Mersin, Köyceğiz and Elazığ Plants: Recognition for Excellence 5-Star	Bursa plant: To apply for the EFQM Excellence Award. Sapanca plant: To apply for the KalDer Turkey Excellence Award and to receive the Grand Prize. To receive Recognition for Excellence 5-Star for Turkey operations, including plants, logistics, planning and purchasing.

#### **CCI Plant Certification**

As of the end of 2014:

- All plants in Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkey hold certificates for the following Standards: ISO 9001, ISO 14001, OHSAS 18001 and FSSC 22000.
- 84% of all CCI plants hold certificates for the following Standards: ISO 9001, ISO 14001, OHSAS 18001 and FSSC 22000. We plan to complete the certification of our plants against all these standards in 2015, except our Turkmenistan and South Iraq plants, where we plan to achieve OHSAS 18001 certification in 2016.
- All of our plants that produce preforms hold PAS 223 Packaging certificates.
- All of our Turkish plants, sales operations and offices are certified against ISO 50001 Energy Management and ISO 14064-1 Greenhouse Gases Standards. In

2015, we plan to obtain the ISO 50001 certificate for our Burundai Plant in Kazakhstan.

• In 2014, the Elazığ plant in Turkey was awarded the LEED v2009 Existing Buildings Gold Certificate, and it is the first plant in the whole TCCC System to receive this.



#### Standards and Policies

In the Coca-Cola System, the set of operating requirements known as KORE governs food safety and quality, environment, and health and safety performance at our plants. KORE is consistent with the external standards and principles listed in the table below. All of our production processes operate in accordance with the requirements of these standards, and required audits are conducted annually both by third parties and by TCCC internal auditors.



Issue	Internal Policies	Related External Standards and Principles
Environmental Management	CCI Health, Safety & Environment (HSE) Policy TCCC HSE Policy KORE - EOSH Requirements	ISO 14001
Water Management	KORE - EOSH (*) Requirements	ISO 14001
Energy Management & Carbon Emissions	KORE - EOSH Requirements	ISO 14001, ISO 50001, ISO 14064-1, GHG Protocol
Sustainable Packaging & Waste Management	KORE - EOSH Requirements	ISO 14001, PAS223
Quality Management (Production Process)	KORE - OE	ISO 9001, EFQM Business Excellence Model, Lean Six Sigma
Product Quality & Safety	KORE	ISO 9001, ISO 22000, FSSC 22000, GFSI (**)
Occupational Health & Safety	KORE - EOSH Requirements	OHSAS 18001
Marketing Responsibly	TCCC Responsible Marketing Policy, Global School Beverage Guideline	
Sustainable Supply Chain	Supplier Guiding Principles	UNGC, GRI
Anti-corruption	CCI Ethics Code, Workplace Rights Policy	UNGC
Community Involvement	TCCC's Policy	UNGC
Overall	Code of Business Conduct, KORE	UNGC, GRI

\* EOSH: Environmental and Occupational Safety and Health

\*\* GFSI: Global Food Safety Initiative

# **Our Suppliers**

We source ingredients, raw materials, equipment and services from our suppliers. Most of our products are made from concentrates and syrups that are supplied by TCCC directly. In addition, we buy ingredients for our products and packaging material from authorized strategic suppliers of TCCC. These include sugar, juices, carbon dioxide used in making our products, and packaging materials such as aluminum, PET plastic, corrugated cardboard and shrink-wrap. A detailed overview of the types and amounts of materials used is provided under the "Performance Indicators" section of this report. Together with TCCC, we work closely with our suppliers to improve our suppliers' sustainability performance. We make use of various tools and methods to embed sustainability criteria into our procurement processes. These range from Supplier Guiding Principles (SGP) to international standards.

#### **Supplier Guiding Principles**

The SGP set out the minimum requirements to which we expect our suppliers to adhere, just as all CCI operations, including laws and regulations on labor rights, human rights, health and safety, environment, and business ethics (see below for a list of issues covered). The SGP have been a part of supplier agreements since in 2002, applicable to direct suppliers to TCCC, authorized suppliers of TCCC and direct suppliers to bottlers. All of our suppliers receive a copy of our SGP when we establish a business relationship with them and they are expected to distribute the principles throughout their workforce. By communicating the SGP to our suppliers and conducting SGP audits, we expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with the SGP requirements.

Alongside audits conducted by a team of TCCC's and CCI's own trained personnel, TCCC routinely utilizes independent third parties to assess supplier compliance with the SGP. These assessments include confidential interviews with employees and on-site contract workers. If a supplier fails to uphold any aspect of the SGP requirements, that supplier is expected to implement corrective actions. TCCC reserves the right to terminate an agreement with any supplier that cannot demonstrate that it is upholding the SGP requirements. In practice this means that, as CCI, we also stop purchasing from such a supplier.

The frequency of audits depends on a number of factors, including the results of risk assessment, and they may vary from once a year to every three years. The findings of the audits, including non-conformities, are reported to TCCC's global audit team and are recorded and tracked on the global audit system, which can be reviewed by authorized CCI staff. Alongside our audits, we provide support to our suppliers in various ways – for example, to improve their performance on SGP topics, or to help them investigate options for producing HFC-free cooling equipment.

Of the 63 direct suppliers in Turkey, Jordan, Kazakhstan and Azerbaijan that were audited in 2014 for compliance with SGP, 78% of them passed without any major issues. Major findings of 2014 SGP audit were related with working hours especially night shifts, rest day violation, health and safety in Turkey and excess over time issues, fire safety and contract worker issues in Pakistan. In 2014, our SGP success rate has decreased compared to last year and we could not achieve our goal of 88%. This is due to the fact that some suppliers of glass and sugar have seasonal production, which results in overtime. We are working with these suppliers to solve their overtime issues and to become SGP compliant again. In Pakistan, 17 direct suppliers were audited and 82% compliance was achieved. For issues that are identified for improvement, an action plan for remediation is sent to the supplier and follow-up visits are organized. In the last three years, TCCC has audited all of CCI's suppliers of ingredients and packaging. The full text of the SGP can be viewed at this link:

http://assets.coca-colacompany.com/lb/ d5/9c8554554fd29678c9779le27c83/SGP\_ Brochure\_ENG.pdf

#### Supplier Satisfaction Survey

In 2013 we conducted a supplier satisfaction survey for the first time, with the goal of improving our collaboration by creating a platform where we can learn their opinions and welcome their suggestions for a better and more effective business relationship. Our suppliers assessed CCI under four categories: tendering and order management, payments, approach, and communication. We have been conducting supplier assessments for many years, but this was the first time our suppliers had the chance to assess us. We achieved an overall score of 84%, indicating that our suppliers are mainly satisfied with CCI. For those areas identified as requiring improvement, we have already begun taking action. We aim to conduct this survey every two years to measure the strength of collaboration with our suppliers and to improve our already strong business relationship with them

#### **Supplier Compliance with Standards**

Just as our plants are required to hold one of the certificates recognized by the Global Food Safety Initiative (GFSI), so also are our strategic suppliers. Therefore regarding food safety, all of our authorized strategic suppliers hold a relevant and current certificate, such as FSSC 22000. Suppliers that hold the FSSC 22000 certificate are also required to have ISO 9001 Quality Management Systems in place.

Our Supplier Guiding Principles outline minimum requirements and address the following key areas:

Laws and regulations	Freedom of association and collective bargaining	Health and safety
Child labor	Discrimination	Environment
Forced labor	Wages and benefits	Demonstration of compliance
Abuse of labor	Work hours and overtime	

# Quality, Environmental, and Health and Safety Certificates of our Suppliers:

- 100% of our strategic suppliers' plants hold a relevant and current certificate for the ISO 9000 Quality Management System and FSSC 22000 (or similar).
- 75% of our strategic suppliers' plants have been awarded a certificate for the ISO 14001 Environmental Management System.
- 63% of our strategic suppliers' plants have been awarded a certificate for the OHSAS 18001 Health and Safety Management System.
- 13% of our strategic suppliers' plants have been awarded a certificate for the ISO 50001 Energy Management System.
- 4% of our strategic suppliers' plants have been awarded a certificate for ISO 14064-1 GHG Emissions.

**Note:** This data refers to the 21 plants of our top 10 strategic suppliers, which supply us with packaging materials and ingredients.



#### Working with Local Suppliers

At CCI, we make direct and indirect contributions to the local economies where we carry out our operations. Through our local spending, we contribute directly to the economies where we operate. The proportion of spending disbursed to local suppliers (within the same country) for raw materials is provided in the table below.

Local Procurement (%)	Turkey*	Jordan**	Kazakhstan***	Azerbaijan***	Pakistan
2014	98	65	12	54	95
2013	96	68	17	48	94
2012	96	20	12	41	-

\* Concentrate is not included.

\*\* In Jordan we switched to local suppliers for sugar, can and preform in 2013, which resulted in an increased percentage.

\*\*\* There are no approved suppliers in these local markets for some product and service categories. (There are no local suppliers available for some of the product categories with high spend. Selection and approval of the suppliers are done by TCCC).

### **Our Distributors**

Distributors play a critical role in our sales operations. In Turkey we work heavily with distributors, while in other countries of operation where distributor networks are not common, we work with third-party partners.

Distributors are our strategic business partners, and we share our know-how and expertise with them. We support them in building at their end the same highquality systems that we have adopted. Our overall goal is to bring our business partners up to our standards as we hand over to them our distribution responsibilities.

As of the end of 2014, we work with 273 distributors in Turkey, which conduct around 75% of our distribution operations. The responsibilities of our distributors include warehousing, order taking, distribution, invoicing and collection. Some of our distributors even generate orders and conduct merchandising and account management activities, working in tandem with our sales teams. These sustainable and long-term relationships benefit us in many ways, including the achievement of 100% market sales monitoring.

To improve business relations with our distributors, we engage with them on different platforms, such as our Customer Interaction Center, Distributor Business Development Projects and Distributor Satisfaction Surveys, where we learn about their needs, wishes and complaints.

Under the "people" dimension of the Distributor Business Development Project, we provide a series of capacitybuilding trainings to the owners and employees of our distributors. In 2014 we provided about 640 training sessions on numerous technical and personal development topics, which were attended by a total of 9,700 participants.

#### **Distributor Satisfaction Survey**

To evaluate the satisfaction level of our distributors, a third-party service provider, IPSOS, conducts a Distributor Satisfaction Survey, which includes an evaluation of our company image. The results of these surveys for the last four years are provided in the table below, which illustrates an increase in the satisfaction scores. 93% of our suppliers participated in the 2014 Survey.

Distributor Satisfaction Survey	2011	2012	2013	2014
Satisfaction Score	76.0	83.8	84.0	84.9
Company Image	81.6	89.2	88.4	87.8

### **Our Customers**

In all CCI countries of operation, we have around 700,000 sales points, including supermarkets, restaurants, convenience stores, hotels and other retail outlets.

#### **CCI Customer Engagement Studies**

Increasing the level of satisfaction among our customers is a key factor in achieving our vision. We aim to develop strategies that focus on maximizing customer satisfaction. To this end, we apply a holistic approach to customer engagement. In countries such as Turkey, where we have strong distributor channels, we include evaluations of our distributors' customers in our customer engagement studies. With this approach, we create the opportunity to broadly assess customers' levels of satisfaction and learn about their expectations. The results of these engagement surveys help us identify improvement areas against which we develop action plans. An independent research company conducts these surveys by telephone, questionnaires and face-toface meetings.

To engage with our customers, we use the following:

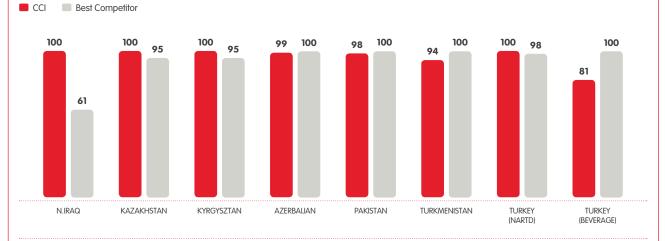
- Annual Customer Satisfaction Surveys
- Quarterly Distributor Customer Satisfaction Surveys
- Annual Distributor Satisfaction Surveys
- Focus Groups with Customers

#### **Customer Satisfaction Survey**

CCI's Turkey operations has been conducting annual customer satisfaction surveys since 2005. Other CCI operations (excluding Syria, South Iraq and Tajikistan) conducted this study for the first time in 2012 since then, surveys are conducted once every two years.

With the help of customer satisfaction surveys, we aim to determine customer satisfaction levels in all CCI operations. We also reveal and track to what extent their expectations have been met, assessing criteria such as company image, consumer promotion, sales team composition, commercial support, order and delivery, and product portfolio. During the 2014 survey, faceto-face interviews were conducted by local research agencies – separately for each CCI operation. Reporting has been carried out by third party research agency, GfK, using the exact same methodology for all countries.

Approximately 2,000 customers from Turkey and 3,700 from other CCI operations took part in the 2014 survey. As noted in the graph below, four of the eight CCI countries scored highest while three scored second best among the companies assessed in the study.



Graph scores indicate the competitive advantage/disadvantage of CCI versus its next best competitor.

# CORPORATE GOVERNANCE AND ETHICS

## **Goals and Commitments**

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals		
Risk Management	To monitor action plans that were prepared as a result of corporate risk assessment.	Progress on the action plans was monitored.		Utilize CCI Portal for communication and develop an awareness program for ERM.		
	To share best practices with other bottlers in September during the Coca-Cola System Enterprise Risk Management (ERM) Exchange.	Best practices were shared within CCI and TCCC at the meeting in September.	۵	Continue to share best practices with other bottlers in October during the Coca-Cola System ERM Exchange.		
Information Security		A CCI policy on information security was developed and published.	New	Create awareness of information security and give training to our employees, starting with the Group Office.		
Business Ethics	To continue giving training to our employees on the CCI Ethics Code.	In Turkey, we provided four-hour training sessions on the CCI Ethics Code to 1,050 employees in 13 locations, including sales points and plants.	۵	To give training on the Foreign Corrupt Practices Act and anti-bribery policy to management teams.		
Business Continuity	To complete validation by the Incident Management and Crisis Resolution (IMCR) in Turkey, Pakistan, Jordan and Azerbaijan.	The IMCR Validation Program was completed in Pakistan, Jordan and Azerbaijan.	0	To complete the IMCR validation Program in Turkey. To provide IMCR training to teams in Kazakhstan and Jordan.		
	To provide IMCR training to country executive committee members in Turkey, Jordan Azerbaijan and Kazakhstan.	IMCR training was delivered to teams in Turkey, Jordan, Azerbaijan and Kazakhstan.	۵			
A Achieved P Partial O Ongoing N Not Achieved						

### **Corporate Governance**

CCI conducts all of its operations within the framework of existing regulations and the "Corporate Governance Principles" as outlined by Turkey's Capital Markets Board. In line with these principles, we publish an annual Corporate Governance Principles Compliance Report which includes information corresponding to each item of the Corporate Governance Principles.

CCI has a strong corporate governance structure. It is managed and represented by a Board of Directors comprised of 12 members, four of which are independent, elected by the General Assembly. There are three committees under the CCI's Board of Directors: Audit, Corporate Governance and Risk Detection. All members of the Audit Committee, and the chairman of other committees, are independent. Likewise, the chief executive/general manager does not have a role in any of the committees. CCI's Corporate Governance Committee oversees the determination and implementation of the sustainability strategy.

For further details on corporate governance at CCI please see the CCI Annual Report and the investor relations page of cci.com.tr.

### **Risk Management**

CCI's management has the primary ownership for the Risk Management and Internal Control System. Enterprise Risk Management (ERM), which directly reports to the Risk Committee, acts as a facilitator and provides assurance and consultancy services in the risk management area.

Upon a resolution of the Board of Directors dated June 2013, the Risk Committee was established. The mission of CCI's Risk Committee is to ensure early determination and mitigation of risks that may endanger the presence, growth or continuity of the Company.

Under the ERM framework, CCI's management identifies important opportunities and threats, and manages these according to the Company's risk appetite using a systematic and disciplined approach that is integrated into the Strategic Business Planning process.

CCI's ERM team determines risks on both a country and a group basis, and it submits these to management for evaluation. High-priority risks and mitigation action plans are presented to the Early Risk Detection Committee for reporting to the Board of Directors. We also give training to our employees on risk management.



CCI's management assesses business risks in accordance with the pillars defined in the company's strategic business plan. Among the risk events that are evaluated under our "sustainability" pillar are all environmental risks including energy, climate change, community relations, water scarcity, waste water, air emissions, and noise. Risks such as packaging, water, supplier management, quality, and food safety are evaluated under the "supply chain" pillar. Bribery, corruption, ethics, and all compliance risks are assessed under the "legal & compliance" pillar, whereas workplace & human rights and health & safety risks are defined and assessed under the "people" pillar. These risks are assessed periodically by the management of each country operation, and mitigation plans are monitored by top management and the Risk Committee. Environmental risks such as water, climate change and recycling, legal compliance, water scarcity, health, safety and security were among CCI's priority risks during 2014-2015.

In order to mitigate operational risks, we use a system that provides real-time operational results and improves the efficiency of the internal control system.

## **Information Security**

CCI places utmost importance on information security. In 2014 we developed an official CCI policy on information security and started conducting a number of actions to increase employee awareness on this topic, including hanging posters and distributing leaflets. A new intranet site on information security for our employees became operational in 2014, and we began giving training to our employees, starting with the Group Office.

### **Ethics**

Besides passion and teamwork, the other two values of our 2020 Vision are integrity and accountability. These values are of vital importance to enhancing our reputation and representing our company and brands in the most appropriate way. Our brand presents very important qualities, such as its esteem with respect to honesty and reliability. This esteem, in turn, comes from shared values, and especially from fastidiousness about continuing the Company's activities in the best way possible.

We developed the CCI Code of Ethics to guide our employees to live our values and "do the right thing." The Code was updated on April 30, 2013 and expanded so as to apply to all of the countries in which CCI operates. An Ethics and Compliance Committee has been formed and the CCI Ethics and Compliance Director and Local Ethics and Compliance Managers have been appointed. In addition, new ethics communication channels, a website and a communication line, managed by an independent third party, were created.

#### **Code of Ethics**

The CCI Code of Ethics, which provides guidance to uphold our corporate values, highlights four main principles:

- Act with integrity and honesty.
- Safeguard business and financial records and keep them accurate, complete and correct.
- Safeguard the interests of CCI and avoid any conflicts of interest.
- Deal with everyone we encounter fairly and in accordance with the law:
  - Take particular care when evaluating a third party who might interact with a government authority on behalf of the Company.
  - No pecuniary or non-pecuniary interest may be offered to a government official.
  - Bribes are prohibited.

#### **Communication Channels**

Our employees have alternative channels of communication to express their thoughts and concerns. They can directly contact their managers or their Local Ethics and Compliance Officers. Alternatively, they can use the CCI Ethics Service, which is available 24/7 to all our employees. There are translators providing translation services online in Arabic, English, Russian and Turkish.

CCI Ethics Service communication channels are

- E-mail: the employee's e-mail address and name are kept confidential.
- 2. CCI Ethics and Compliance websites
  - www.ccietikhat.com (in Turkish) and
  - www.cciethicsline.com (in English, Russian and Arabic): employees can login to the page anonymously and enter their message.
- 3. Dedicated phone number.

The Corporate Governance Committee has also developed necessary mechanisms for stakeholders to report any illegal or unethical practices in the company to the Corporate Governance Committee or the Audit Committee.

#### Procedural Rules and Available Sources

CCI's Corporate Governance Committee ensures full implementation and enforcement of the Code of Ethics. Implementation of the Code is the responsibility of the Ethics and Compliance Officer and the Local Ethics and Compliance Officers. All investigations concerning Code violations are handled by the Internal Audit Department. All decisions regarding Code violations are made by the Ethics and Compliance Committee. Certain categories of decision-making authority may be delegated to local managers in accordance with the Guidelines for Handling Code of Ethics Matters.

Our employees received highlights of the Code of Ethics on paper, and a detailed "Code of Ethics Handbook" and "Guidelines for Handling Code of Ethics Matters" were shared electronically. Starting in 2013, we began training our employees on the renewed Code of Ethics, the Code of Ethics Handbook and procedural provisions. CCI management has provided necessary advice on interpretation of the Code of Ethics, and has conducted investigations on complaints made by relevant parties since the launch of the revised version of the Code of Ethics. In 2014, we provided 4,200 man-hours of training on the CCI Ethics Code in 13 locations, including sales points and plants in Turkey.

### **Business Continuity**

CCI implements TCCC's Incident Management and Crisis Resolution (IMCR) Program, which is designed to create and maintain an efficient and integrated structure for preventing and managing incidents. Through the IMCR Program, we build and maintain a robust capability to protect our tangible assets: people, products, infrastructure (our offices, plants, supply chain, distribution channels), information and financial assets. Protection of these tangible assets leads to the protection of our valuable intangible asset, the image and reputation of our business system. Implementing the IMCR Program is a key management activity, but it is everyone's responsibility at CCI.

To ensure that we prevent or reduce the impact of incidents on our business, we have incident management teams in each country of operation. Each team joins our annual trainings, and collectively they work on simulations of complex incidents. As a part of the IMCR Program, each country conducts the IMCR Validation Program, which aims at creating readiness for crisis situations, building awareness, identifying gaps and developing action plans to make improvements. In 2014 the IMCR Validation Program was completed in Azerbaijan, Jordan and Pakistan.

#### CCI's Disaster Recovery Center

At CCI, we place utmost importance on business continuity and disaster recovery. In 2012, file servers and terminal servers were transferred to the data center in Istanbul. Additionally, CCI's Disaster Recovery Center was restructured in line with international standards in order to take action in case of an emergency and to ensure business continuity. In case of an emergency, the Disaster Recovery Center will ensure that the main systems in Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkey are operational within 24 hours. Additionally, functions such as e-mailing, instant messaging, video conferencing and corporate portal applications are to be provided by the Disaster Recovery Center via the internet in case of an emergency.

# Case: Ethics and Competition Law Training in Kazakhstan

Upon adaption of the CCI Code of Ethics and approval of its Ethics Regulations, CCAB launched training sessions related to ethics and competition law. CCAB's Legal Department, with the support from the Human Resource Department's "Trainer's School" program, developed two types of trainings: staff training and full-day training for supervisors and managers. Participants enjoyed role-playing and other activities that allowed them to "live" the essence of ethics regulation and competition law, and understand the importance of compliant behavior.



Goals and Commitments Product Safety and Quality Consumer Well-being Active, Healthy Living



# **Enhancing Personal Well-being**

In our sustainability framework, "me" implies providing highquality, safety-compliant beverages while working to inspire happier, healthier lives.

Our longstanding commitment to consumers' well-being begins with ensuring that each and every beverage we deliver is safe. Furthermore, we work to inspire consumers to pursue happier, healthier lives through the wide variety of products we offer, our transparent labeling practices, our responsible marketing practices and the many physical activity programs we support around the world.



## **Goals and Commitments**

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals
Product safety and quality	To increase the number of projects submitted by our plants for TCCC Quality & Food Safety Award.	We increased the number of projects submitted by all CCI plants from 17 to 24 for the TCCC Global Supply Chain Award.	٥	To apply for TCCC Global Supply Chain Award with a minimum of one project for each CCI plant. To have zero major findings in food safety and quality audits.
Consumer Well-being	· · · · · · · · · · · · · · · · · · ·	Curiosity" (Merak Ettim) Platform in Turkey.	۵	To continue with the "Open to Curiosity" (Merak Ettim) platform as a means to communicate with our customers.
	To re-launch the plant tours.	We re-launched the plant tours in a number of CCI countries.	A	
Active healthy living	To reach 50,000 young people in 50 schools in Turkey to inspire them to be more physically active.	We reached almost 50,000 young people in 52 schools within the <b>S21 MOVE!</b> Program in Turkey.	Δ	To inspire more than 60,000 young people in 10 cities in Turkey to be more physically active, support 80 schools and reach 100 physical education teachers. To train 7,000 youth and inspire in total more than 60,000 young people in Pakistan and Iraq to be more physically active.
	To launch 320 Move! Program in Pakistan and Iraq.	We launched <b>321 MoVE</b> in Pakistan entitled "3.2.1 Bhago!" and in Iraq entitled "1.2.3 Entalik!", in which 4,900 young people regularly participated.	۵	
A Achieved	Partial O Ongoing N No	1 Achieved		in Kazakhstan and reach-out to 18 underprivileged schools.

### **Product Safety and Quality**

Our commitment to well-being begins with our commitment to product safety and product quality. We implement rigorous product standards designed to ensure the safety and quality of each of our products.

We make sure that all actors in our value chain, including our own plants and our strategic suppliers, comply with international food safety standards and/or TCCC's Operating Standard (KORE). At our plants we implement various globally accepted standards such as the FSSC 22000 Food Safety Standards.

Our strategic suppliers, such as suppliers of ingredients and packaging material, are required to hold a certificate that is recognized by the GFSI. Compliance with product safety and quality requirements is regularly audited – unannounced – by TCCC. In 2014, 11 CCI plants were audited and nine of them passed the audit successfully; in the other two plants corrective actions were taken to comply with the requirements. In addition, thirdparty external audits on compliance with the FSSC 22000 Standard are conducted, resulting in either recertification or follow-up.

Since 2011, TCCC has been conducting a competition called TCCC Quality & Food Safety Award. In 2014, the scope of the award was expanded to include all operations, such as plants, logistics, planning and purchasing, and the title was changed to "TCCC Global Supply Chain Award". Some 275 projects were submitted for the award from global TCCC operations, 24 of which were CCI plants. The Bursa plant was awarded third prize for a project aimed at improving product quality and decreasing the use of resources. (Further information about the quality processes is provided under the chapter "Sustainability in the Value Chain."



## **Consumer Well-being**

We are engaging with our consumers, the public and health professionals about the role that our products play within a balanced lifestyle. TCCC's support of evidencebased, scientific research as well as educational and awareness raising programs are important components of our engagement as we work to expand the broader understanding of our beverages and how they can be part of an active, healthy lifestyle.

Our business commitments to help promote consumer well-being include offering low- or no-calorie beverage options in every market, providing transparent nutrition information and marketing responsibly.

#### **Awareness Raising**

We strive to provide our consumers with clear, understandable and scientific information regarding our products. This approach not only satisfies our obligation to comply with local legal requirements, but also represents our commitment to a policy of transparent communication about our products.

We organize seminars, trainings and plant tours to inform our stakeholders. We offer our stakeholders a booklet called "Straight Facts about our Beverages," a compilation of frequently-asked questions regarding calories, vitamin index, caffeine, aspartame, food additives and obesity. A Turkish-language version of the booklet may be found at:

www.cci.com.tr/UserFiles/pdf/mesrubatlarhakkinda-merak-ettikleriniz.pdf

#### "Open to Curiosity" Platform

As a response to a healthy perception of our products among stakeholders, we have launched a transparent consumer communication campaign in Turkey in order to address concerns at the consumer level. The "Open to Curiosity" (Merak Ettim) Platform was launched in 2014 for continuous consumer interaction.

#### **Open Door Policy: Plant Tours**

We organize tours for those interested in visiting our plants. Consumers may either physically visit our plants or attend virtual tours online to experience the production phases of Coca-Cola products. In 2014, we organized tours for students in Jordan and Azerbaijan, and for media representatives in Turkey. For more information: **) coca-colafabrikasi.com** 



#### Coca-Cola Ambassador Program

"Coca-Cola Ambassador" is a global initiative designed to ensure that all CCI employees use the same language when talking about our company and its products, and that they are strong ambassadors of Coca-Cola. This year CCI continued to train its employees throughout its operating geography, along with the employees of its customers and distributors. As of the end of 2014, the total number of CCI employees who took the Ambassador training since the program was launched in 2011 exceeded 8,000. Moreover, an additional 5,000 employees from CCI's customers and distributors have been trained during the same period.

#### **Transparent Nutrition Information**

We are committed to providing transparent nutrition information about all of our products, so that consumers can make choices that fit their lifestyles. We follow nutrition labeling requirements in the countries where our products are sold, and in many places we exceed these requirements. At a minimum, our labels provide basic nutritional information of the beverage, such as the amount of energy (kilocalories, calories, kilojoules), protein, carbohydrates, fats, total sugars and sodium. Our corporate policy exempts bottled water products that are not flavored or sweetened, since water is inherently free of calories.

Among the products (excluding tea) that were sold in Turkey in 2014, 2.16% had increased nutritional content.

#### Low- or No-calorie Beverages

CCI puts on the market various products with different calorie contents, including low- or no-calorie beverages. We indicate the amount of energy per serving as kilocalories, calories or kilojoules on the packages. The graphic below contains a sample of CCI-produced beverages available in Turkey, based on their calorie content.

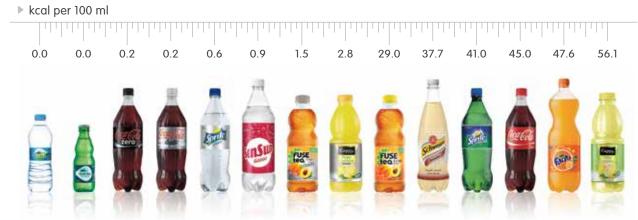
Among the products that were sold in Turkey in 2014 (excluding tea, including water), 19% were in the category "without energy" (< 4kcal/100 ml). For a breakdown of the products, please see the "Performance Indicators" section of this report.

CCI provides front-of-pack energy (calorie) information on its beverage products.

#### Responsible Advertising and Marketing

In line with our principle of complying with legal regulations, we practice only responsible and lawabiding advertising and promotional practices across all CCI countries, all advertising media, and all of our beverages. In addition to legal requirements and the expectations of our stakeholders, TCCC's standards and policies serve as our fundamental guide in our marketing practices. The Global School Beverage Guidelines, as set by TCCC, grounds our approach to responsible marketing. We have chosen to cease conducting sales operations for sparkling beverages in all elementary schools throughout our operating geography. Moreover, honoring the rights of parents and caregivers to make the appropriate choices for their children, we do not engage in advertising or marketing activities targeting children under 12 years old. Details for our responsible marketing policy can be found at:

www.coca-colacompany.com/stories/responsiblemarketing-policy



# Active, Healthy Living

Promoting active and healthy lifestyles in our communities, especially for youth, is one of TCCC's global commitments. It is also one of the main focuses of CCI's community engagement programs. Our vision is to inspire, empower and engage a generation of youth regarding the importance of an active, healthy lifestyle that includes a balanced diet and regular physical activity. We put this vision into practice through a number of projects and programs, which are making a great difference in the lives of youth. These include 3.2.1 Move! in Turkey, Iraq and Pakistan; Coca-Cola Grassroots Football Tournaments in several CCI countries, the Active Family Project in Azerbaijan and the Coca-Cola Life Plus Foundation's "Let's Play" project in Turkey.



**Turkey:** 7 Cities - 285 applications - 52 schools - activated 50,000 young people

Iraq: 114 coaches and youth leaders - 22 schools - trained 2,500 young people

**Pakistan:** 153 coaches and youth leaders - 24 schools - trained 2,400 young people

We developed and launched the **D**201 **MOVE** Program in partnership with Mercy Corps in 2013 with the vision to support the social and physical development of young people, raise their awareness on active and healthy living, and help them develop a lifelong habit of physical activity. Both regular (trained) and non-regular (activated) participants attend the Program. In 2014 we touched the lives of about 50,000 young people in Turkey, Pakistan and Iraq through **D**201 **MOVE** We will continue to expand the program in 2015 to reach thousands more.



#### Turkey

Launched in three pilot cities in October 2013, the program expanded to seven cities in the 2014/15 academic year, inspiring more than 50,000 young people to live a more physically active and healthy life.

In the 2014/15 academic year, the program was carried out in 52 secondary schools and high schools in the provinces of Istanbul, Mersin, Bursa, Sakarya/Sapanca, Van, Ordu and Hatay. The projects were developed and implemented under the leadership of physical education teachers, where CCI supported them by providing internal and external physical activity grounds as well as sports equipment. Through these projects, young people have started taking active part in various activities, such as athletics, gymnastics, table tennis, basketball, volleyball, dance, step, korfball, bocce, archery, handball and badminton.



In 2014, the Physical Activity Festival was organized at Mersin University with the participation of close to 1000 young people from 22 participating schools. For an entire day, participants had the opportunity to come together with their peers and take part in activities at 12 different game stations. They did friendly matches and dance performances that illustrate the project activities they had done within the past year. Using the festival motto "movement is happiness," the participants underlined the importance of doing at least 60 minutes of physical activity every day.

Academic field research was conducted in order to measure the effects of the projects implemented in the participant schools on the physical and social development of young people. The results indicated that 92% of youngsters regularly participate in the project activities and 80% of the participants become more active as a result of the program. The research revealed that 98% of the participants had improved their physical and social development through the program.

#### **Pakistan and Iraq**

The pilot phase of the program in Iraq (1.2.3 Entalik!) and Pakistan (3.2.1 Bhago!) was carried out in selected secondary schools and high schools in Lahore, Pakistan and Baghdad, Iraq during the 2014/15 academic year. Through the program, about 4,900 young people were trained on critical life skills through games and inclusive sports activities. Overall, the program has reached in total over 20,000 youth through school-wide and community events, and was projected to reach an additional 20,000 young people by the end of the school year.



Throughout the year, young people learned how to get and stay active while developing critical life skills in leadership, communication, teamwork and resilience. After six months, 80% of youth reported that they are more physically active now than before. For example, 50% of girls in Pakistan had never even participated in sports activities prior to the program, and now they see sports and physical activity as an important way to learn and connect with their peers. Some 90% of parents are reporting that their children are more active now than before the program and, even more incredibly, have reported that their children are demonstrating better health and better study habits.



In the 2015/16 academic year, we aim to increase the number of young people reached through the program by 40%, which means training over 7,000 youth and reaching 60,000 young people through events and activities in Pakistan and Iraq.





#### Coca-Cola Grassroots Football Tournaments

**Azerbaijan:** Started in 2011 - 250,000 young people participated in 2014

**Jordan:** Started in 2014 - 640 young people participated in 2014

**Kazakhstan:** Started in 2006 - **396,000** young people participated in 2014

**Pakistan:** Started in 2013 – 3,000 young people participated in 2014

The first of the Coca-Cola grassroots football tournaments, aimed at promoting love of football among children and young people, was organized in 2006 in Kazakhstan under the name "Kazakhstan Bulgary Dop." Next, Azerbaijan and Northern Iraq organized School CUP tournaments in 2011 and 2012, respectively. With organizations such as the "Kyrgyzstan Bylgary Dop," the "Baghdad Copa Coca-Cola," and the "Coca-Cola Mekdep Kubogy" in Ashgabat, Turkmenistan," and the "Coca-Cola Football League" in Pakistan, Coca-Cola grassroots football tournaments have spread throughout the entire CCI operating geography.

#### Azerbaijan

Since 2011, nationwide Grassroots Football Tournaments have been taking place in partnership with the Association of Football Federations of Azerbaijan and the Ministry of Education. Every year more than 250,000 school children participate in the School CUP, which covers all regions of Azerbaijan. One of the important elements of the School CUP is that every football team must have a female player. Some of the schools that participated in the Coca-Cola School CUP move on to professional leagues. A joint group of experts evaluate the impact of the project based on the number of school children involved, their performance at school and their plans to continue physical activities.

#### Jordan

In Jordan, Copa Coca-Cola was organized in partnership with the Ministry of Education for the first time in May 2014. Some 64 schools and 640 children participated in the tournament, with matches played in three locations. The closing ceremony, along with the semi-final and final matches, took place at Coca-Cola premises in Madaba. The winning team, from Zarqa province, took a trip to Istanbul as a reward. (Source: Annual report)

#### Kazakhstan

In Kazakhstan, the eighth season of Coca-Cola Bylgary Dop, Kazakhstan's most popular youth football tournament, started in September 2013 and ended in August 2014. Around 396,000 young people from 5,500 schools all across the country participated in the tournament, with matches played in the cities of Taraz, Semey and Karaganda. The winning school's three best players attended the opening ceremony of the 2014 FIFA World Cup in São Paulo, Brazil.

#### Pakistan

Football activities in Pakistan began in 2013 with a football tournament featuring 60 teams organized in Karachi. In the second year, the format was expanded and a league that featured 140 teams was organized.



After successful football events in Karachi, the Coca-Cola Football League was organized as a standalone competition in Multan in August 2014, which featured leading clubs from across the country. The league ran for two weeks, during which 32 teams from all over Pakistan played 39 matches. The final match of the tournament was played on Pakistan's Independence Day and was followed by a colorful celebration. A platform like the Coca-Cola Football League not only provides an opportunity for youth to channel their energies positively, but also teaches them values like teamwork, leadership and perseverance.



# Feal Ailem, Sağlam Alem (Active Family, Healthy Community)

**Azerbaijan:** Started in 2013 - 40,000 young people and their parents participated in 2014

**Target:** To reach 70,000 people in 2015 and about half a million people by 2018

**Project Partners:** The National Olympic Committee and the Ministry of Education

Starting in 2013, Coca-Cola Azerbaijan launched the Feal Ailem, Sağlam Alem (FASA) program in partnership with the National Olympic Committee and the Ministry of Education. This is a five-year program that is carried out in the form of regular and entertaining sport activities among schoolchildren together with their parents. In 2014 more than 5,000 parents and 35,000 school children participated in the national tournament, which covered 20 regions. Winning families from the regions then participate in the series of contests in the finals, held in Baku. In 2015 we are expecting more than 70,000 people to participate in the FASA games. The scale and regularity of the games will help encourage hundreds of thousands of people in Azerbaijan towards active, healthy living in the next five years.

# LET'S PLAY

#### The Coca-Cola Life Plus Foundation's "Let's Play" Project

#### 50 Cities - 400 Schools - 3,200 Playgrounds

.....

**Target:** To reach 1 million children in 50 cities at 500 schools in Turkey

**Project Partners:** The Ministry of National Education, the Coca-Cola Life Plus Foundation, the Active Living Association

The "Let's Play" project is a partnership between the Coca-Cola Life Plus Foundation, the Ministry of National Education and the Active Living Association. The project aims to encourage children to include more physical activity in their daily routines by creating play areas in primary schools. The project ensures that play lies at the core of the learning process. In this way, children are able to develop their creative sides, become physically more active and develop communication abilities with their peers while playing games. The "Let's Play" project creates "game clubs" which develop new games and carry out in-school activities.



For more information: • www.hayataarti.org/disari\_oynayalim.html

# We Employees

Our Workplace Goals and Commitments Employee Profile Diversity and Inclusion Recruitment and Placement Talent Management Performance Management Learning and Development Compensation and Benefits Employee Engagement Occupational Health and Safety

# **Our Workplace**

The business success of CCI depends on our employees. While developing, incorporating and retaining the best talents, CCI's priority is to provide a happy, safe and motivating workplace where our employees can fulfill their true potential.

At CCI we celebrate our diversity; we come from 10 different countries. We are an equal opportunity employer; we hire and promote our employees on an equal basis, whether they are young people or older people, disabled or non-disabled, women or men.

We value our relationships with our employees, and achieve success through the contribution of each one of them. We are determined to develop open and participatory workplaces that are based on recognizing universal human rights. Each and every employee is valued and encouraged to do his or her best.

Respecting the human rights of our staff, and creating an environment for them to succeed, is a moral as well as a business imperative. We have outlined a clear policy on workplace rights and issued our human rights statement. These documents clearly state our commitment to the fundamental principles of international, human and workplace rights in every place that we do business.

#### Workplace Rights

In line with the target priorities in our 2020 Vision, we fully integrate human and workplace rights into our practices, our corporate values and our sustainability strategy. Our respect for human and workplace rights is engrained in our culture and guides our interactions with suppliers, customers, consumers, employees and the communities we serve.

For CCI operations, we are guided by the CCI Workplace Rights Policy (WRP), and our suppliers are required to comply with the Supplier Guiding Principles (SGP), which also cover all the issues of WRP (see chapter on "Our Suppliers" for detailed information on the SGP).

At CCI, we implement the three components of the UN Guiding Principles on Business and Human Rights, which were adopted by the UN Human Rights Council in 2011. These are:

- A policy commitment to fulfill the responsibility to respect human rights;
- A due diligence process to identify, prevent, mitigate and be accountable for human rights abuses; and
- Processes to enable the remediation of any adverse human rights impacts which CCI causes or to which it contributes.

The CCI Head of Human Resources (HR), who reports directly to the CEO, is responsible for the development and implementation of the WRP across all CCI countries. A directorate that has been established under the Group HR Department coordinates the implementation process. All HR associates and people managers are given WRP training in order to embed WRP components into CCI's day-to-day operations in all countries of operation. The WRP and Code of Ethics are also included in the training provided to newly joining employees during the onboarding and orientation period.

### Workplace Rights Policy

CCI's WRP supports our values and establishes a set of fundamental standards on human rights and working conditions. It is based on international standards of human rights according to the United Nations Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact.

In the event that the WRP provides broader protection than the applicable laws, policies or common law in the countries in which we operate, this policy is applied. Local standards are applied where applicable laws, policies or common law provide more extensive protection for employees.



The WRP was launched and communicated to all CCI employees in October 2013, and is available in English as well as in all of the main local languages in our countries of operation. It is also available online on our website at www.cci.com.tr/IK/workplace\_rights\_at\_cci

The WRP covers the following elements:

- Freedom of Association and Collective Bargaining: Our Company respects the right of our employees to join or not to join a union, or to establish a union without fear of retaliation, threat or harassment. We undertake to establish a constructive dialogue with the representatives who are chosen freely by our employees to represent them in a union recognized by law and authorized according to legal regulations. Our Company is committed to bargaining with these representatives in good faith.
- **Prohibition of Forced Labor:** Our Company forbids the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor or slave labor.
- Commitment Not to Employ Child Labor: Our Company abides by the minimum age provisions stated in the applicable laws and regulations. The Company forbids the assignment of people under 18 to positions requiring dangerous work. Our Company's prohibition against child labor complies with the standards of the International Labor Organization.
- Arbitrary Discrimination: Our Company values all of its employees and the contributions they provide, and has a long-established commitment to equal opportunity and against tolerating arbitrary discrimination. The Company is determined to keep its workplaces free from any arbitrary discrimination or physical or verbal harassment based on race, sex, color, nationality or social origin, religion, age, disability, sexual orientation or political view, or any other status protected by applicable laws. Selection, recruitment, placement, training, wage-setting and advance payment in The Company are all performed on the basis of capability, performance and experience.
- Working Hours and Wages: Our Company establishes its wage policy according to the sector conditions and the local labor market. We carry out our activities in full compliance with the applicable laws, including those regarding wages, working hours, overtime and benefits. We offer our employees opportunities through which they can develop their abilities and capacities, and we also provide opportunities for advancement.
- A Safe and Healthy Workplace: Our Company offers a safe and healthy workplace environment. By minimizing the factors that could lead to industrial accidents, occupational diseases and health risks,

we establish a safe, healthy and efficient work environment.

- Workplace Security: Our Company is committed to providing a workplace environment free from violence, harassment, threats and other insecure or disturbing conditions arising from threats from both inside and outside The Company. Security protection is provided for our employees when required and with due regard to the employee's privacy and reputation.
- Community and Stakeholder Engagement: Our Company accepts the influence it wields on the societies in which it operates. While carrying out our business, we undertake to establish relationships with our stakeholders in these societies in order to listen to their opinions, obtain information and show that we take their opinions into account. When appropriate, we undertake to establish a dialogue with our stakeholders about business and workplace rights within our field of operation. We believe that local problems are solved most appropriately at the local level. Additionally, through locally connected enterprises we undertake to create economic opportunities and to develop good will within the societies in which we operate.

#### **WRP** Processes

We have a due diligence process in place to identify, prevent, mitigate and be accountable for human rights abuses. Alongside our WRP implementation efforts, independent audits on WRP take place for our own operations, and SGP audits take place at our suppliers' operations.



When a CCI operation is found to be non-compliant with WRP components, an action plan is developed and implemented. After completing the action plans, an independent auditing company conducts a followup audit to check the results. In 2014, our plants in Northern Iraq, Turkmenistan, Pakistan (four plants) and Turkey (four plants) were audited, and all plants except that in Turkmenistan received a "green score" with zero negative findings. Our target is to achieve 100% compliance in all WRP and SGP audits, with zero negative findings. An action plan for the Turkmenistan operation was developed, and corrective actions were completed as of the first quarter of 2015.

The recently established CCI Ethics procedure allows our employees to report claims regarding harmful practices

within CCI, including those that involve violation of the CCI Code of Ethics and WRP. Claims can be reported to CCI's Ethics and Compliance Committee anonymously through our independent service provider, CCI Ethics Line, and are subject to investigation. In addition, CCI employees can report their claims directly to their manager, or to representatives of the HR or legal departments. Investigations of claims are coordinated by the CCI Group Employee Relations Department, and all necessary parties are involved in the investigation process. If a reported breach is proven, appropriate corrective action is performed in order to improve the situation. Each country has a disciplinary procedure that is aligned with the local and international legal requirements. Managers are held responsible for breaches of policy within their areas of responsibility.

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals
Workplace Rights	To complete the implementation of the WRP throughout all CCI operations.	The implementation process for the WRP was completed.	۵	To obtain "green scores" on WRP audits for all CCI operations in 10 countries.
Diversity and Inclusion	To continue focusing on increasing female participation in our workforce.	Recruitment processes were enhanced to ensure an increase in the number of female candidates, the way our recruiters reach out to female talent was improved.	0	To maintain the current female-male ratio (which is 14.6%). To continue working on business processes that concern The Company's gender equality goal.
Leadership Development	To implement the iLead2020 Program with mid-level managers in all CCI operations.	The iLead2020 Program for senior leaders and mid-level managers was completed for almost all CCI countries.	۵	To provide top-level managers and supervisors with two new programs: the Manager on Board Program and the Supervisor on Board Program. To complete the iLead2020 Program for mid-level managers in Pakistan.
Work-life balance	To set annual leave usage targets as a part of our management objectives.	All CCI countries except Iraq and Turkmenistan have achieved their targets.	٨	To set annual leave usage targets as a part of our management objectives.
	To launch the "bonus leave" policy in order to incentivize annual leave usage.	The bonus leave policy was launched and successfully implemented in Turkey.	۵	
Employee Engagement		We conducted the Employee Engagement Survey in all countries of CCI operations. The participation rate was 91% and our sustainable engagement score increased by three points compared to the previous survey.	New	To conduct the Employee Engagement Survey in all countries of CCI operations in 2016.
A Achieved	Partial O Ongoing N No	t Achieved		

# **Goals and Commitments**

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals
OHS policy, procedures and systems	To develop and share internally the CCI OHS Standards.	CCI OHS Standards were published and shared internally.	A	To make sure that all countries of operation develop and publish their own disciplinary procedures.
	To conduct legal compliance assessments in all CCI countries of operation.	We conducted legal compliance assessments in all countries of operation and shared their results with the managers in each country.	۵	
	To publish the Golden Rules Disciplinary Procedure Guidelines.	We published the Golden Rules Disciplinary Procedure Guidelines.	4	
OHS awareness and training	To conduct a five-day CCI OHS summit for all OHS managers in four countries of operation.	We organized our first CCI OHS summit, where 13 employees participated, including the OHS managers of all CCI countries.	۵	To conduct a four-day CCI OHS summit for all OHS managers. To conduct additional leadership safety
	To provide leadership safety training for the leadership teams in four countries of operation.	We provided 500 man-hours of leadership safety training to 50 employees in four countries of operation.	4	training in Pakistan for all people managers.
Safe Driving	To launch the CCI Safe Driving Policy.	We launched the CCI Safe Driving Policy.	4	To make sure that all CCI countries have defensive driving training.
	To provide practical and theoretical "defensive driving" training for employees who drive company vehicles.	We provided 4,000 man-hours of practical and theoretical defensive driving training to 750 employees in Turkey and Pakistan.	0	To install GPS Devices in all suitable Turkey and Group Office vehicles. To plan and conduct an RTM workshop in Pakistan.
	To install tracking devices in 50% of company vehicles in Turkey.	In Turkey, we installed tracking devices in 50% of company vehicles.	A	
	To conduct a five-day fleet safety workshop in Azerbaijan.	We organized a five-day fleet safety workshop in Azerbaijan, in which 34 employees participated.	4	
OHS performance	To further reduce the LTIR to a maximum of 0.65* in the four countries of operation.	The LTIR was 0.62 for the four countries of operation and 0.58 for all CCI countries.	4	To further reduce the LTIR to a maximum of 0.50 in the four countries of operation, and to a maximum of 0.45 for all countries of operation.
OHS along the supply chain		In 2014 we developed plans to improve the OHS performance of our business partners. Every CCI country prepared annual OHS Plans by considering the top seven risks and strategic priorities.	New	To develop and share CCI contractor safety procedures in all CCI countries. To develop and share CCI distributor safety procedures in Turkey. To train the employees of our distributors in six countries on KORE requirements.

\* This goal is revised.

# **Employee Profile**

At CCI we enjoy having diverse teams in all of our operations. Details of our employee profile (on gender, contract type and employment category) in the five countries of operation are indicated in the table below. In this year's report, we began reporting the Turkey employee profile in two separate categories: Group Office and Operations.

As of the end of 2014, some 10,341 people were employed by CCI in the 10 countries of operation, of which 8,315 are from the five countries of operation.

Employees by Gender, Employment Type and	Country	Male			Female		
Contract (%)		2012	2013	2014	2012	2013	2014
Blue Collar	Turkey – Group Office	98.8	00.0	0.0	1.0	1.0	0.0
	Turkey – Operations*	90.0	98.8	98.5	1.2	1.2	1.5
	Jordan	100.0	100.0	99.5	0.0	0.0	0.5
	Kazakhstan	98.9	99.3	98.8	1.1	0.7	1.2
	Azerbaijan	97.7	97.5	97.4	2.3	2.5	2.6
	Pakistan**	n/a	n/a	99.2	n/a	n/a	0.8
White Collar	Turkey – Group Office	79.5	76.6	58.4	20.5	23.4	41.6
	Turkey – Operations*	77.5	70.0	77.1	20.5	23.4	22.9
	Jordan	92.1	91.8	90.4	7.9	8.2	9.6
	Kazakhstan	75.0	75.2	77.7	25.0	24.8	22.3
	Azerbaijan	76.9	77.7	78.2	23.1	22.3	21.8
	Pakistan**	n/a	n/a	93.2	n/a	n/a	6.8

#### Number of Employees by Gender, Employment Type and Contract

\* Turkey operations include plants and sales offices.

\*\* The blue-collar/white-collar distinction is based on permanent employees since Pakistan does not have this information for its temporary workers.

In the four countries of operation, we employ no part-time employees. We employ a limited number of temporary employees, often to replace an employee on maternity leave or to conduct a short-term project. During high season, we employ seasonal workers in Turkey and Azerbaijan. In 2014 we hired 379 seasonal employees in Turkey and 240 employees in Azerbaijan.

Number of Employees per Employee Category	Senior Management			Other Employees		
Culegoly	2012	2013	2014	2012	2013	2014
Turkey – Group Office	10	14**	9 7	2,812	2,759	157
Turkey – Operations*						2,335
Jordan	4	4	6	396	405	391
Kazakhstan	23	25	25	657	724	820
Azerbaijan	5	6	6	314	367	384

\* Turkey operations include plants and sales offices.

\*\* This figure includes all senior managers in the CCI Group office and CCI Turkey Operations.

# **Diversity and Inclusion**

At CCI, we implement an equal opportunity approach in all HR policies, procedures and recruitment processes.

CCI's philosophy in pursuing diversity and inclusion incorporates the following:

- Recruiting and retaining a high-performing, talented workforce which is reflective of the diverse marketplace we serve.
- Fostering an inclusive culture which helps us embrace differences and impacts our ability to meet our 2020 Vision goals.

In the geographical areas where CCI operates, there are major challenges for female employment. Production and sales positions in the operations in which the majority of our employees work and on which the majority of our recruitment efforts focus also do not attract female candidates as a first choice. Major efforts therefore revolve around encouraging female recruitment in both CCI's operations and those of our partners. As of the end of 2014, some 14.6% of CCI's employees in the four countries of operation were female, with representation rates of 5% in Jordan, 13.8% in Kazakhstan, 12.3% in Azerbaijan, 15% in Turkey and 41% in the Group Office located in Turkey. We aim to increase the percentage of female employees in Turkey to 20% by 2020.

We also take an active role in many different platforms in order to support the employment of women. For example, we launched a Women's Leadership Steering Committee in Turkey with the aim of facilitating communication among women in leadership roles, expanding employment opportunities for women and increasing the representation of women in leadership roles. In addition, as discussed in detail in the "we – community" chapter of this report, we support Women's Clubs and networking events for women entrepreneurs.

Employees by Gender (%)	20	13	2014		
	Male	Female	Male	Female	
Turkey – Group Office	83.7 16.3		59.0	41.0	
Turkey – Operations*			85.0	15.0	
Jordan	95.6	4.4	95.0	5.0	
Kazakhstan	84.9	15.1	86.2	13.8	
Azerbaijan	88.2	11.8	87.7	12.3	
TOTAL	85.4	14.6	85.8	14.6	
* Turkey operations include plants and sales offices					

## **Recruitment and Placement**

Recruiting the right people with capabilities that are aligned with CCI's culture is a strategic business priority of our 2020 Vision. Our Talent Acquisition (TA) roadmap includes the following key priorities:

- Install structured, standardized and simple TA processes, integrated with talent management processes (called Organizational Development Platforms, ODPs) and aimed at inducting top talent across all CCI countries.
- Introduce and implement objective assessment tools (psychometric, assessment centers etc.) to make better selection decisions that result in acquisition of the capabilities CCI requires and contribute to a performance-driven organizational culture.
- Build and enhance CCI's Employer Value Proposition through effective use of social media applications

to reach out to "Generation Y" while focusing on a positive candidate experience to enhance The Company's reputation.

 Use technology to automate TA processes, and define and implement TA KPIs to monitor and improve TA capabilities.

## **Talent Management**

At CCI, we recognize all our employees as "talent." We promise to invest in our talent based on our organizational needs and the competencies we wish to develop. Talent management is the mechanism through which CCI ensures that it has the right people, optimally deployed and properly engaged to deliver The Company's strategy and produce business results. Talent management is also a key business accountability that is shared by all of our People Managers, who co-create and encourage feedback and development. In line with our 2020 Vision, we are constantly improving our approaches to talent management with the aim of training our HR and structuring our leadership teams, which we consider crucial to reaching our strategic objectives. We continue to conduct our ODPs and strengthen the process in order to fill positions with right people.

Furthermore, we facilitated transfer of crucial knowledge, experience and talent by exploiting opportunities in both international and local career moves within a larger framework. We filled critical positions from our internal talent pool by creating opportunities to gain experience abroad for 42 of our employees.

In order to support and be more effective in career planning process, we also make use of a platform called "My Career Talk." This platform helps CCI employees to identify their career goals, establish a plan for pursuing those goals and take personal responsibility for making those goals a reality.

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## **Performance Management**

Our Performance Management System ensures that we remain able to deliver successful results by improving performance and developing the capabilities of both teams and individuals. We focus not only on business results but also on the way in which we do business and the development of our employees' behavior, creating opportunities for them to obtain feedback about which of their personal qualities we find to be strong and which have room for improvement.

CCI's Performance Management System is comprised of two performance cycles: developmental objectives, and business objectives.

We use "SuccessFactors" as our HR technology platform. SuccessFactors includes performance management, e-recruitment, and 360-degree evaluation to support development objectives and succession plans. Succession plans include potential assessment questionnaires as well as learning and development plans. Our employees use SuccessFactors to follow their performance and development plans.

There are also two different performance segments in CCI based on job grades: target-based evaluation and competency-based evaluation.

Comprehensive 360-degree evaluations are an important management tool that we use to provide

feedback to our employees at management level every two years. Based on the outcome of these evaluations, managers are able to define their personal and professional development objectives.

In the coming years, we aim to work on increasing our people management capabilities, such as setting smart business objectives, providing feedback and coaching, handling performance review discussions and evaluating team success in an objective manner.

At CCI, performance assessment processes are implemented for all employees regardless of gender.

# Learning and Development

Capability development, both at the individual level as well as the organizational level, is a top priority for CCI. Therefore, we create an environment where learning and development is highly valued. Capability development programs in leadership, professional and commercial areas are instrumental in ensuring that all employees are equipped to meet strategic business and personal development objectives. Acquiring knowledge and developing managerial and leadership skills are highly encouraged at CCI.

All training and development solutions are designed in line with CCI culture and values and only after a thorough needs analysis of strategies, business needs, leadership requirements, challenges and opportunities.

We encourage our employees to take responsibility in their own development. As such, "individual development planning" is conducted in line with performance review meetings, and potential evaluation sessions are tracked on a web-based learning management system.



In addition, there is a defined leadership development path supporting all roles, from supervisor to general manager. Leadership development programs that we offer include: iLead2020, Manager on Board and Supervisor on Board. Furthermore, the Supply Chain, HR and Finance Departments have their own capability development programs in order to leverage employees' technical knowledge and support them in their functional roles using digital platforms, on-the-job learning and inclass training programs.

Commercial teams have various development programs ranging from e-learning simulations to one-month on-thejob training programs such as the Sales Force Capability Development program and Sales Field Coaching. There are also country-based certificate programs run in collaboration with prestigious universities.

In 2014, the planned total training hours in Turkey was lower than that of previous years. This is due to the fact that each year we develop a training schedule based on the requests and needs of our employees. These were lower in 2014 compared to previous years.

Total Training Hours (man-hours)	2012	2013	2014
Turkey – Group Office	32,550	56,429	6,255
Turkey – Operations*	32,330	50,429	19,540
Jordan	13,681	10,788	13,916
Kazakhstan	9,251	10,091	24,757
Azerbaijan	5,574	4,145	5,481
TOTAL	61,056	81,453	69,949

\* Turkey operations include plants and sales offices.

## **Compensation and Benefits**

We aim to provide competitive, holistic, performancedriven and fiscally reasonable compensation and benefits to all employees in order to attract and retain the best people. Our key lever in working towards this objective is remaining market sensitive in all of the countries in which we operate. We work with both global and local consultancies in order to obtain accurate market data, on which we base our policies related to:

• "Total rewards" in order to provide a holistic view of CCI's offerings and foster employee engagement. Our

#### iLead2020 Program

iLead2020, our flagship program on leadership, continued with the participation of more than 200 mid-level leaders in Turkey, Kazakhstan, Kyrgyzstan, Jordan, and Iraq. The program is scheduled to commence in Pakistan in 2015. Program modules are aligned with CCI's 2020 Vision and are designed to reinforce leadership qualities, encourage and enhance engagement, increase business acumen, and develop skills necessary for future leaders.

Publicly and globally acclaimed for its success, the program received a CUBIC Award from the International Quality and Productivity Center (IQPC) in the "Learning Leader of the Year" category as well as an "Excellence in Practice" award from the Association for Talent Development (ATD), one of the world's most highly regarded accredited institutions in talent development.

Average Hours of Training Per Employee	2013	2014
Turkey – Group Office	20.3	37.7
Turkey – Operations*	20.5	8.3
Jordan	26.4	35.1
Kazakhstan	13.5	29.3
Azerbaijan	11.1	14.1
TOTAL	18.9	16.9
IUIAL	10.9	10.9

\* Turkey operations include plants and sales offices.

key lever to reach this objective is to focus our policies on "beyond base salary" and even "beyond pay."

- "Pay for performance" in order to focus efforts on CCI's objectives. Our key lever to reach this objective is to link all possible reward elements to performance conditions, starting with base salary increases and variable pay programs,
- "Fiscal management" in order to ensure fiscal reasonableness to improve the sustainability of our business. Whatever decisions we make, we ensure that CCI pursues long-term affordability in order to provide competitive "total rewards."

Benefits Provided to Full-time Employees in 2014	Turkey	Jordan	Kazakhstan	Azerbaijan
Private health insurance	Yes	Yes	Yes	Yes
Private life insurance	Yes	Yes	No	No
Individual pension funds	Yes	No	No	No
Company products	Yes	Yes	Yes	Yes
Seniority service awards	Yes	No	Yes	Yes

# **Employee Engagement**

As part of our 2020 Vision we aim to be the employer of choice in all of the markets in which we operate. To achieve this, we have been conducting Employee Engagement Surveys since 2008 in order to understand our employees' insights and thoughts and to get feedback about our strengths and areas for improvement in our people processes, culture and work environment. At CCI, we decided to conduct these surveys every two years in order to give ourselves the opportunity to understand areas for improvement and take the necessary actions to make these improvements.

In 2014 we changed our engagement approach to "sustainable engagement." Our methodology has also been revised. Opinions and feedback from our stakeholders and employees have been heard during all steps of the Employee Engagement Survey and during the post-survey evaluation stages.

As in previous years, in 2014 we implemented brand new tools and data such as benchmarks, "key drivers" analysis, comment analysis tools, online action planning tools, and interactive and snapshot reports. Post-survey communications continued, such as result-sharing meetings and focus groups.

Participation in the Employee Engagement Survey reached 91% in 2014, compared to 88% in 2013. According to survey results, the overall score for employee engagement has risen by three points, and our strengths are "involvement and innovation," "cultures and values" and "safety and work environment." We will continue to focus on improvement areas; efficiency, career & development and rewards & recognition, in line with our 2020 Vision.

The results of the 2014 Employee Engagement Survey revealed that the physical working conditions at our workplaces needed to be improved. With the aim of increasing our employees' motivation, we developed the "Happy Office" project. Within this context, cafeterias and kitchens in the Ankara Sales Center, the Çorlu Plant and the Group Office were completely renewed.

#### Union Rights and Employee Representation

At CCI, we respect the rights of our employees to join (or not join) unions and to establish a union without fear of retaliation, threat, or harassment. CCI is committed to constructive dialogue with employees who are members of legally-recognized trade unions. Only employees of Mahmudiye and Hazar plants in Turkey are covered by an ongoing collective bargaining agreement. The unionization ratio of the Mahmudiye and Hazar plants is 65%. The collective bargaining agreement covering all other plants in Turkey ended on 31 March 2012. The jurisdiction dispute of two different unions proceeded to court, thereby disrupting the collective bargaining process. These judicial proceedings were still ongoing as of 31 December 2014.

In addition to Turkey operations, CCI's Pakistan operations also feature unionized employees.

Employee representation in CCI's Turkey operations is ensured at the following committees:

- a) The Occupational Health and Safety Committee;
- b) The Meal and Cafeteria Service Quality Improvement Committee;
- c) The Disciplinary Board; and
- d) The Accident Evaluation Committee.

Percentage of Emplo Covered by Collectiv Bargaining Agreeme	•		%
Turkey – Operations	2013	38	4.1
	2014	41	4.3
Pakistan	2013	2,156	50.0
	2014	1,881	45.0

**Note:** These percentages were calculated by using the number of unionized employees and the total number of blue-collar employees. White-collar employees are not covered by collective bargaining agreements.

#### Internal Communication Channels

At CCI, we employ various channels for internal communication to keep our employees informed and engaged. CCI's corporate communications portal, CokePort, serves users simultaneously in Azerbaijan, Kazakhstan, Jordan, Pakistan and Turkey as a safe and user-friendly working platform. CokePort helps our operational information to flow smoothly. We also make use of "SoCCIal," a social media platform for CCI employees in Turkey. Through this platform, our employees share activities, news, comments and ideas with each other.

In-house publications such as the monthly CCI News Line, CCI Newsletter and 2020 Magazine, issued specifically for our Turkey location every two months, are important media for communication among our employees.

We have a simple yet comprehensive framework, CCIdea, for creating and harvesting new ideas in our daily operations at CCI. Our employees share their ideas through this platform, which is an important part of the working culture across CCI. With the aim of integrating social responsibility into Company culture and encouraging employee volunteerism in support of community development programs, in 2013 we launched the CCI Volunteers initiative and started establishing Employee and Family Volunteering Clubs in the countries of operation. These clubs also create a platform for our employees to improve internal communication.

# Occupational Health and Safety (OHS)

#### Approach

We believe that a safe and healthy workplace is both a fundamental right of every person and a business imperative. Our Workplace Rights Policy requires that we take responsibility for maintaining a productive and safe workplace by, among other things, working towards minimizing the risk of accident, injury and exposure to health hazards for all of our employees, contract workers and visitors to our operations. Our ultimate goal with respect to OHS is to achieve "zero OHS incidents" in all of our operations.

We reach more than 700,000 sales points every day with 14,000 vehicles covering approximately 400,000 km in order to offer a wide range of beverages to consumers. More than 10,300 CCI employees work at our 23 production plants and numerous administration offices spread across 10 countries.

While the scope of this report is limited to four countries of operation, our OHS approach, as with any other sustainability approach, applies to all CCI countries of operation.

#### **OHS Policy**

Our Environment and OHS Policy specifically seeks to:

- Protect the most valuable and important resource of our company – our human capital – from any OHS risks or hazards;
- Protect the environment and minimize the impact of CCI's operations on the environment while ensuring a sustainable business;
- Ensure that OHS is an integral part of our business and is actively supported through management leadership and commitment;
- Protect The Company from any legal challenges by complying with (at a minimum) local legal requirements and applying industry best practices to set higher standards than such legal requirements; and
- Protect all other resources and assets from any losses that may be caused by work-related risks and hazards.

#### **OHS Golden Rules**

CCI believes that our people are our most valuable asset. Providing a safe and healthy workplace and a sustainable environment is one of our primary responsibilities and is fundamental to our success. This belief is part of our culture, and this policy applies across the CCI system.

CCI has developed 12 Golden Safety Rules to focus attention on common causes of major accidents and serious injuries known from the industry and from experience. These rules are;

- Safety first
- Always learn emergency procedures and participate in health and safety trainings
- Always fasten your seatbelts
- Never exceed speed limits
- Never use a phone while driving a vehicle or operating machinery
- Never drive or operate a machine while fatigued or under the influence of alcohol or drugs
- Always isolate powered systems
- Always work at height safely
- Always obtain work permits for hazardous works
- Always use appropriate Personal Protective Equipment (PPE)
- Always control and manage contractors effectively
- Always manage change and design processes effectively and assess risks

#### **OHS Management**

The Coca-Cola Operating Requirements (KORE) define the policies, standards and requirements for managing safety (as well as environment and quality) throughout our operations. Additionally, all our plants in the four countries of operation covered in this report and Pakistan have OHSAS 18001 Management System certification, which is a framework for an effective OHS management system. OHS issues are also handled within the context of collective bargaining agreements signed with labor unions.

We believe that leadership is crucial in OHS management; hence, OHS is a priority area for plant managers. While managers make sure that the rules are properly applied, it is the responsibility of all our employees to behave safely in our offices and plants as well as on the road. At CCI, every employee has the right and is obliged to stop any operation that is deemed a potential risk. Furthermore, employees may report such threats to an immediate supervisor, HR manager, OHS manager or even to the CEO. In 2014 we conducted our first Health and Safety Summit, a five-day workshop in which 13 employees participated, including OHS managers of all CCI countries. We plan to organize this Summit regularly.

#### **OHS Practices**

In 2014 we implemented a number of initiatives on OHS issues and worked hard to make OHS an integral part of our daily operations and business culture. Below are some examples of the initiatives that were taken in 2014 to support our targets.

OHS managers at CCI plants have started to effectively use the KPI reporting and recording system. KPIs are tracked, measured and reported by all CCI countries on a monthly basis. Based on the KPIs, the OHS performance of our plants and of CCI as a whole is analyzed periodically.

In order to increase leadership engagement for the OHS program, we conducted Leadership Safety Workshops at all CCI countries with the participation of all Leadership Team members. We aimed to have more involvement by the Leadership Team in the CCI OHS program.

Additional OHS topics were included in the scope of the CCI Turkey Workplace Health Audits, which are carried out by CCI's Internal Audit Department. In 2014, the Internal Audit Team visited eight CCI Turkey locations in 2014, and a CCI Turkey safety audit was conducted at seven CCI locations with the participation of Turkey's OHS Manager as a joint auditor. Similarly, OHS issues were included in the scope of international audits in cooperation with the Group OHS Manager. By the end of 2015, the Internal Audit Team will have visited all CCI operations.

The Legal Compliance Assessment Project was conducted by a third-party auditing company at all CCI Countries in order to see the status of each country in terms of compliance of local OHS regulations. As a result, all CCI countries comply with local OHS rules and regulations apart from minor issues.

Reporting "near miss" cases is another initiative that was started at all CCI locations in 2014. We believe that reporting and investigating near misses will help decrease the number of major accidents and incidents.

#### **OHS Training**

We constantly work towards building a company culture regarding OHS, and trainings play an important role in this. Employees, regardless of gender, are offered targeted OHS trainings based on their functions. Periodic refresher training for all employees and contractors conducting work on our behalf are also provided. newcomers the OHS Golden Rules, which guide our efforts to put our policy into practice in our offices, in our plants and on the road. We communicate the OHS Golden Rules extensively across our operations.

In 2014, as many as 38,475 man-hours of OHS training were provided to our employees in the five countries of operation. The main topics of the training sessions included site induction, first aid training, confined space, working at height, emergency response, CCI's Golden Rules, and forklift safety.

Total Man-hours of OHS Training	2013	2014
Turkey	9,268	17,751
Jordan	1,043	1,562
Kazakhstan	4,370	2,118
Azerbaijan	916	1,218
Pakistan	n/a	15,826
TOTAL	15,597	38,475

#### Focus on Road Safety

Route-to-market (RTM) safety remains our single biggest safety challenge, and is accordingly a significant area of focus. A very significant portion of the risks to our employees emerges outside the plants (e.g., on the roads while distributing our products). Driving safely to eliminate traffic accidents is therefore a priority area. In line with this priority, we developed the CCI Safe Driving Policy and launched it in 2014.

In 2014 a total of 249 accidents involving CCI-owned vehicles took place in Turkey, Kazakhstan, Jordan and Azerbaijan, a reduction from 309 in 2013. We achieved this improvement mostly through effective defensive driving trainings and RTM workshops in Turkey and Azerbaijan, with the participation of all OHS Supervisors and Fleet Managers from all CCI Countries.

The root cause analysis shows that unsafe behavior is the number one cause of these road accidents. We therefore put substantial effort into continuous improvement of our employees' driving behavior. We offer training on defensive and safe driving for our sales teams. As an additional measure, we have begun installing tracking devices in company vehicles in order to trace speed limit violations in Turkey, and we aim to extend this to other countries.

In 2014, at every CCI location, we continued to teach

#### **OHS** Performance

At CCI we follow a systematic approach for OHS and undertake a wide range of initiatives to improve our OHS performance. In Turkey, the lost time incidents value increased substantially in 2014 compared to previous years. The main reason is the improved quality and coverage of the OHS reporting. In this report, we also included OHS performance data for Pakistan. In 2014, a fatal accident occurred in Pakistan where an employee received an electrical shock from an extension board. After the accident, OHS experts conducted field research and determined what lessons were to be learned. They prepared a report that included the immediate and root causes of the accident as well as corrective actions. Major corrective/preventive actions are:

- All extension boards were checked at all plants. Any non-standard extension boards or those with no name or brand were removed immediately and destroyed.
- Third party electrical assessments of all plants were implemented to identify unsafe conditions and failures, assure safety, and meet international standards.

- Disciplinary Procedure on OHS non-compliances were developed and implemented.
- A presentation on lessons learned about the accident was prepared and delivered to all CCI Pakistan staff.
- All extension boards and industrial sockets which supported portable electrical equipment were fitted with ground fault Interrupters.
- An inspection regime was implemented for all portable electric equipment at all plants.
- Near-miss reporting stations were provided in all areas for people to easily access blank forms and report near misses.
- All ambulances of all plants are to be certified by 1122 authority, a hired doctor/paramedic, and a proper treatment room in each plant.
- PPEs were enforced 100% as per requirement of risk assessment in all areas.

The table below provides consolidated OHS performance data for the four countries of operation. Pakistan data is provided separately. This is to make it easier to compare the 2013 and 2014 data.

OHS Performance Indicators		t Time Incide workdays los		Los	Lost Time Incidents (number)			Number of Fatalities		
	Employee	Contractor	Total	Employee	Contractor	Total	Employee	Contractor	Total	
Turkey										
2012	240	204	444	29	22	51	0	0	0	
2013	208	79	287	21	12	33	0	0	0	
2014	648	98	742	30	7	37	0	0	0	
Jordan										
2012	186	56	242	12	0	12	0	0	0	
2013	140	20	160	10	0	10	0	0	0	
2014	146	0	146	9	0	9	0	0	0	
Kazakhstan										
2012	0	0	0	0	0	0	0	0	0	
2013	0	0	0	0	0	0	0	0	0	
2014	0	0	0	0	0	0	0	0	0	
Azerbaijan										
2012	0	43	43	0	2	2	0	0	0	
2013	0	21	21	0	1	1	0	0	0	
2014	0	0	0	0	0	0	0	0	0	
<b>OVERALL*</b> (excluding Pakistan)										
2013	348	120	468	31	13	44	0	0	0	
2014	794	94	888	39	7	46	0	0	0	
Pakistan										
2014	156	28	184	10	4	14	1	0	1	
*Total values for the four co	ountries of oper	ation								

OHS Performance Indicators	LTIR	LTISR	Total Vehicle Accident	Vehicle Accident Rate
Turkey				
2012	0.90	7.84	250	15.33
2013	0.55	4.75	241	13.87
2014	0.67	8.83	164	14.22
Jordan				
2012	2.62	52.78	34	19.40
2013	1.56	27.67	54	23.80
2014	1.54	24.91	50	22.02
Kazakhstan				
2012	0.00	0.00	5	1.47
2013	0.00	0.00	8	2.93
2014	0.00	0.00	27	9.89
Azerbaijan				
2012	0.39	8.34	22	13.70
2013	0.17	3.58	6	3.40
2014	0.00	0.00	8	4.28
OVERALL* (excluding Pakistan)				
2013	0.55	5.90	309	12.97
2014	0.62	11.87	249	13.68
Pakistan				
2014	0.27	3.15	n/a**	n/a**

\*Total values for the four countries of operation.

\*\* In 2014, vehicle accident data for Pakistan was not prepared on consistent basis between plants.



# We Community

ANADOLU

Goals and Commitments Community Development Volunteerism Economic Impact

# **Building stronger communities**

As CCI, we strive to build stronger communities where we operate. We build local partnerships focusing on social needs such as women's empowerment, youth development and environmental protection. We also encourage and support our employees in initiating and/or actively taking part in community development projects in areas such as education, environmental protection and humanitarian aid.

We make significant economic contributions in the countries where we operate, both directly through hiring,

and indirectly through local procurement.

As CCI Turkey, in 2014, we donated 3% of our pre-tax profits, equivalent to TL 3.6 million, to the Anadolu Foundation for charitable causes and another TL 500,000 to 52 public schools that are part of 3.2.1 Move! Program, and to other foundations. In addition, we continued to support the Coca-Cola Life Plus Foundation in Turkey in its efforts to promote active lifestyles and protect the environment.

# **Goals and Commitments**

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals
Community Development/ Environment	To promote educational awareness programs on clean water and hygiene in Pakistan.	CCBPL launched the Pani Clean Water Initiative to address the critical issue of access to drinking water.	٥	To plant 20,000 trees through the program "Plant a tree, give a gift to life" in Azerbaijan. To provide safe drinking water to at least 20,000 people from rural areas in Kazakhstan. To reach more than 10,000 youth in Kazakhstan to raise awareness about separate waste collection.
Community Development/ Women Empowerment			New	To initiate a Women's Empowerment Project together with TCCC, in partnership with Boğaziçi University and The Union of Chambers and Commodity Exchanges in Turkey, targeting to reach 1,000 women. To train 380 women in partnership with the UNDP and the State Committee for Family Women and Children Affairs of the Republic of Azerbaijan. To initiate an entrepreneurship program for women in Kazakhstan and to allocate grants to at least 10 applicants.
Volunteerism	To initiate various volunteering projects at different locations in Turkey through the Employee and Families Volunteering Clubs.	Through the Employee and Family Volunteering Clubs, we implemented at least one activity or project in the local communities where we have plants.		To continue conducting social development activities and projects in the local communities where we have plants.
	To support the Clean Binagadi Project through CCI volunteers in Azerbaijan.	We implemented a volunteer project on environmental protection in Azerbaijan.	0	To achieve 500 participants in volunteer projects in Azerbaijan.
Economic Development	To complete the economic impact research for CCI Jordan operation.	This study has not been completed in Jordan, however our Pakistan operation released its economic impact study.	N	No new target.

# **Community Development**

We care about the needs of the local communities where we operate. Through partnerships and collaboration with both local and international partners, we identify community challenges and needs, and develop and implement projects to address them. We also encourage our employees and stakeholders to take an active part in these projects. In Turkey, on behalf of CCI the Anadolu Foundation conducts projects on community development focusing on women empowerment and youth employment, and the Coca-Cola Life Plus Foundation conducts projects on environmental protection (and active, health living).



#### Women's Empowerment

Unleashing the entrepreneurial potential of women is one of the most powerful and enduring ways to help families and communities prosper. It is also an important way to help make our business more sustainable.

Studies show that women do 66 percent of the world's work – 90 percent of which goes back to their families and communities – yet earn 10 percent of the world's income. To help address this disparity, in 2010 TCCC launched "5by20," its global commitment to enable the economic empowerment of five million women entrepreneurs across TCCC's value chain. (Sources: UNICEF, Gender Equity: The Big Picture, 2007 and Phil Borges, Women Empowered: Inspiring Change in the Emerging World, 2007.) As a bottling partner of TCCC, we contribute to the goal of helping women entrepreneurs overcome the common social and economic barriers they face due to the lack of business skills training, financial services, assets, peer networks and mentoring.

#### Azerbaijan

Azerbaijan Coca-Cola Bottlers (ACCB) signed an agreement with the United Nations Development

Program Azerbaijan in November 2014 to sponsor Economic and Social Empowerment of Young Women, a project aimed at creating opportunities for women and youth to fully participate in the economic and social life of local communities. The project's activities include training to build skills and knowledge on business startups, financial support to the best business proposals, the establishment of a Women's Resource Center and a communication campaign to build awareness of jobrelated gender stereotypes and restrictive socio-cultural practices.

Inspired by CCI's goal of encouraging women's leadership and empowering women in the workplace and community, ACCB established its Women's Club comprised of all female employees in The Company. Subsequently, the first official meeting of the ACCB Women's Club hosted Galya Frayman Molinas, President of the Turkey, Caucasus and Central Asia Business Unit of TCCC, who delighted attendees with an inspirational speech and answered questions from members. In 2014, the Women's Club held an event for International Day for Protection of Children with the participation of around 100 children of employees. After a brief introduction to health and safety guidelines, the children toured the plant with Women's Club members.

In 2015 we plan to conduct a minimum of 12 internal trainings, six community activities and six charity initiatives within the Women's Club of ACCB.



#### Jordan

The Coca-Cola Bottling Company of Jordan (CCBCJ) sponsored the first MENA Women's Empowerment and Leadership Conference in Amman in 2014. The event attracted 250 leading women's organizations from Jordan and the greater Middle East and North Africa region. CCBCJ presented its best practices for empowering women in surrounding communities – through establishing special training sessions and workshops, and partnering with local official and nonofficial institutions in different topics, such as "Women in Jordanian Labor Law" and breast cancer awareness under the umbrella of CCBCJ Women's Club.

# we - Community

#### Kazakhstan

The Coca-Cola Belestery program, which started in 2013 in Kazakhstan, aims to develop entrepreneurship among women. Our partners in the program are the Coalition for Green Economy and Development of G-global and Public fund "Social dynamics". The program provides business skills training and technical support to women in Almaty and Astana on how to start and effectively run a business. In March 2014, a new phase of Coca-Cola Belestery was launched in Astana with a round-table conference on addressing the employment problems of women in rural areas. Throughout 2014, the program focused on the development of female entrepreneurship in rural areas using green technologies. It provided business skills trainings and "green technologies" opportunities to around 3,400 women in 52 villages in the Almaty and Akmola regions. Additionally, 12 grants were given to the best business plans and business ideas proposed by the participants.



#### Youth Development

The dynamic growth in CCI's countries of operation requires a new generation of entrepreneurs, a new mindset, new approaches and new skills that will drive the economy and improve the wellbeing of communities. Development and economic empowerment of youth is a key factor in achieving stronger communities. Together with local partners, we encourage and support entrepreneurship among youth through education and skill-building.

#### Azerbaijan

In 2013 TCCC initiated its Youth Inc. Program, the goal of which is to develop a new generation of young entrepreneurs who will establish and run successful businesses and become future leaders of the private sector in Azerbaijan. The program is supported by our Azerbaijan operation and conducted in partnership with Azerbaijan's Ministry of Youth and Sports as well as with the Debates in Civil Society Public Union.

The Program, consisting of five stages, is designed to take place over five years. During the first phase of the program, more than 2,000 young people participated in 47 courses on various elements of business management, such as how to start a business, how to develop a business case and developing marketing strategies. Once they complete the training courses, young entrepreneurs get exposed to real business management practices at selected companies, get to meet and talk to successful entrepreneurs, and then become ready to access initial funds to start their businesses. Since the launch of the Program, seven new start-ups and 200 new jobs have been supported.



#### Jordan

CCBCJ partnered with Jordan Startup Weekends, an initiative established by a group of young students who conducted a series of workshops focusing on entrepreneurship and reached out to more than 1,600 participants over eight weekends. Startup Weekends hosted several key speakers, mentors and entrepreneurs during its implementation.

#### Kazakhstan

"Change the World Around You!" is a competition program open to all students who aspire to become social entrepreneurs. The program, organized by the University of Central Asia's School of Professional and Continuing Education in collaboration with TCCC, has attracted applicants aged 19-28. Empowering young people for the country's socio-economic development by reducing youth unemployment has been a key focus of the program. All applicants are invited to training sessions on how to formulate a business idea, write a business plan and present it. Participants are also able to find solutions to a number of social issues through entrepreneurship.

In 2014 seven winners of the competition, who were selected based on the sustainability, feasibility, originality and social importance of their projects, received awards at a ceremony held at the International Academy of Business in Almaty. The winning projects include incomegenerating worm composting activities in Daulet village; creating a resource book for the visually impaired; a feature allowing university students to access printers from mobile phones; collection and recycling of plastic bottles in Almaty; a mini-sewing workshop for employment of people with disabilities; a website to inform young people about new opportunities through projects, competitions and events; and the purchase of equipment for a training center in Semey town.

#### The Anadolu Foundation

The Anadolu Foundation was established by Anadolu Group founders in 1979 with the aim of creating lasting works to serve where needed, focusing initially on education and health. The financial resources of the Anadolu Foundation are shaped entirely by donations from Anadolu Group companies. Group companies donate 1-5% of their earnings every year to the Foundation. As a Group company, CCI donates 3% of its Turkish pre-tax profits to the Anadolu Foundation.

**Mission:** To make a difference in improving people's quality of life by triggering development in education, health and social issues.

**Vision:** To become a "Center of Excellence" in its region by benefiting from globally innovative and pioneering practices, with high social influence and corporate structure in social investments.



In tandem with this mission and vision, the Anadolu Foundation:

- Established more than 50 permanent buildings, including schools, dormitories, sports facilities, university buildings, hospitals and community healthcare centers.
- Provided scholarship to more than 20,000 students.
- Established the Anadolu Health Center in cooperation with Johns Hopkins Medicine, which was selected as the best hospital in the United States 21 times in a row, and offered 85,000 physical examinations, 6,500 operations and 17,000 days of in-patient treatment as of the end of 2014.

#### Anadolu Foundation 2014 Projects

In the field of health, the Foundation offered free of charge to the patients in need 15,870 physical examinations, 1,957 operations and 5,776 days of inpatient treatment. Through the project "Healthy Children, Happy Future," 2,200 children were reached, where 6,380 physical examination, 1,500 circumcision, 250 operations and 5,250 laboratory tests were provided.



In the field of education, the Foundation funded the establishment of a conference and training center for the Efes Occupational and Technical High School in Kazan, Ankara. It continued to provide scholarships to more than 1,000 students and provided financial support to maintain schools, hospitals and similar to those that were initially funded by the Foundation.

In the last three years, the Anadolu Foundation has also been focusing on strategic community development approaches and initiatives. A mentoring program has been launched to create a sharing and learning platform between scholars and older generations. Through the "Young Social Entrepreneurs" project, which received funding from the "Financial Support for Children and Youth" program of the Istanbul Development Agency, young entrepreneurs have the possibility to develop their capacities and develop joint projects with universities, local governments and NGOs. Within the framework of the "My Dear Teacher" project conducted throughout Turkey, more than 2,500 teachers and school children attended more than 20 seminars on social entrepreneurship and project development. The project offers the possibility for youth and teachers to develop sustainable solutions for their communities.



For more information and annual report of the Anadolu Foundation please visit: • www.anadoluvakfi.org.tr/en

#### **Environmental Protection**

It is essential for us to protect and enhance the environment where we operate. We are working with local communities and other local stakeholders on activities related to safe and sufficient water supply, local clean-up, and reforestation.

#### Azerbaijan

In order to achieve its water replenishment targets and contribute to environmental well-being of Azerbaijan, Coca-Cola and ADA University launched a multi-annual project in Azerbaijan entitled "Plant a Tree, Give a Gift to Life." The joint campaign envisages the planting of 100,000 trees, thus promoting massive afforestation and reforestation in designated areas of the country in order to preserve and replenish freshwater resources in Azerbaijan. The project started in 2014 and will be completed in 2020. 8,000 trees were planted in 2014. In 2015, we plan to increase the number of trees planted to 21,000.

#### Jordan

CCBCJ collaborated with the Royal Society for the Conservation of Nature on a series of clean-up campaigns focusing on saving the environment in touristic areas and planting trees in cities. CCBCJ employees volunteered to join the clean-up campaigns and actively supported the Greater Amman Municipality and the Municipality of Madaba in the execution of the clean-ups and tree-planting projects.

#### Kazakhstan

CCI Kazakhstan operations (CCAB) launched a number of projects to address the issue of safe drinking water in rural areas. In four villages of Kazakhstan, about 2,000 people were provided with safe drinking water through improvement of the water supply system. More than 100,000 local people were informed about ways to use water efficiently, and hundreds of farmers were informed about water-saving technologies in agriculture.

CCAB has initiated the Eco-cross Project, which aims at encouraging collection of waste by separate categories and thus contributing to environmental protection in Astana. The Eco-cross Project involves six key universities, where 10,000 volunteers are gathered to become "eco-brigades." The main objective of the eco-brigades is to stimulate students of the universities to collect plastic and paper waste separately. The teams will also compete with each other on the amount of plastic waste they collect.

#### Pakistan

CCI Pakistan operations (CCBPL) collaborated with the Punjab Forestry Department to plant 30,000 trees in Lahore. Several employees participated to kick-start the plantation in Jallo, a national park situated in the outskirts of Lahore. CCBPL launched the Pani Clean Water Initiative to address the critical issue of access to drinking water in marginal communities suffering from an acute shortage of safe drinking water. The project aims to provide clean drinking water to over 500,000 people across Pakistan. During the initial phase of the project, two filtration plants were built with contributions from CCBPL, in partnership with Rotary International and the Clean Water Trust, to provide clean and healthy drinking water to the communities of Malir in Karachi and Youhanabad in Lahore. The Initiative was taken to the next level by the signing of a MoU with WWF-Pakistan in April 2015. As part of this new partnership, CCBPL and WWF will install 15 filtration plants over the course of two years, with intensive community outreach and mobilization opportunities. The initiative will be carried out in target areas selected on the basis of clean water shortage, communities' needs and their willing participation. Through the partnership, local communities will be mobilized for capacity building and women's empowerment regarding clean drinking water operations, and the concept of water stewardship will be promoted. The communities will be selected according to their water situation, needs and level of participation in solving the issue.



#### Turkey

In Turkey, CCI supports the Coca-Cola Life Plus Foundation in developing and implementing programs to protect the environment. In 2014, the Foundation continued to conduct the "Life Plus Environment Program," which aims to foster a new approach to land and water management in line with adaptation to climate change and decreasing water resources.

Under the Life Plus Environment Program, two major projects have been launched: Agriculture of the Future and Night Irrigation at Harran. Through the Program, 1.8 million liters of water in 13,000,000 m<sup>2</sup> of agricultural land was saved, and 100,000 saplings were planted as a windbreak system in Konya Basin. The Program has reached 1,415 people, including farmers, public and NGO representatives, and academicians. (For detailed information on these projects see the "World" section of this report.)

#### The Coca-Cola Life Plus Foundation

In Turkey, CCI supports the efforts of the Coca-Cola Life Plus Foundation, which was founded in 2009 in Turkey. The Foundation has been conducting projects in partnership with about 135 NGOs, universities and public institutions in order to have an impact at the national level. In every project, the Foundation focuses on public benefit, enabling stakeholder participation to ensure environmental and social sustainability.

The Coca-Cola Life Plus Foundation has conducted more than 65 projects in more than 50 cities in Turkey, reaching about 400,000 people and investing more than TL 26 million in social and environmental development since 2009.

The Foundation contributes to the sustainability of communities and the environment via two main initiatives: the "Life Plus Environment Program" and "Let's Play." (Please see the Chapters "world" and "me" for detailed information on respective topics.)



For more information: www.hayataarti.org

# Volunteerism

With the aim of integrating social responsibility into Company culture and encouraging employee volunteerism in support of community development programs, in 2013 we launched the CCI Volunteers initiative and began establishing Employee and Families Volunteering Clubs in the countries of operation. Through the CCI Volunteers Initiative, we use our system muscle, as well as our people skills and passions, to build stronger communities.

#### **CCI Community Champions Awards**

Encouraging and supporting employee volunteerism is one of the building blocks of CCI's organizational culture. We hold our annual Community Champions Award Program to acknowledge and reward CCI employees who actively participate and engage others in social projects that support local communities. Launched in 2010, CCI's Community Champions Awards Program celebrated new winners for 2014. Award winners for 2014 were recognized for various projects, such as providing free educational facilities to under-privileged students from urban and rural areas of Pakistan in order to help eliminate child labor; establishing libraries and distributing gifts to school children in Turkey; and founding a shelter home for needy blind women in order to provide them with basic vocational education.

#### Azerbaijan

**Coastal Clean-up:** In 2014, CCI Azerbaijan operations (ACCB) organized an initiative called Coastal Clean-up for the fifth time in Azerbaijan to help eradicate litter and debris from its Caspian Sea coast. ACCB attracted 400 people to participate, including associates, their friends and families, and volunteers – all from different age groups. Participants collected more than two tons of trash and covered more than two miles of coastline.

#### Jordan

**Clean-up:** CCI Jordan operations (CCBCJ) organized the Madaba Clean-up campaign, in collaboration with the city of Madaba and the Jordanian group "For a Better Jordan," to clean the touristic areas in Madaba. Around 100 volunteers participated in the campaign, 10 of whom were from CCBCJ. **Partnership with Food Bank:** After having delivered monthly food packages to more than 900 families in 2014, Jordanian Food Bank and CCBCJ extended their partnership and launched a new winter campaign to provide clothing and shelter for families in need and for refugees in Jordan. The campaign's scope was extended in 2015 to include nine out of 11 provinces in Jordan. The campaign is organized in collaboration with the Greater Amman Municipality and was announced publicly to a large audience. It was also covered by local media and TV channels in order to encourage more Jordanians to volunteer and participate in the campaign.

**School Adoption Project:** For more than a year, CCBCJ employees have been maintaining the infrastructure of Om Ayman School as well as standing in as trainers as a part of its School Adoption Project, held in conjunction with non-profit organization INJAZ. Dedicated employees recently completed a final project at the school, which included painting the school's perimeter fence and painting graffiti drawings related to health and safety in a school environment.

#### Kazakhstan

"All wishes will come true" concert: CCI Kazakhstan operations (CCAB) was sponsor of a charity concert called "All wishes will come true." This was an unusual concert where the artists were orphan, disabled and autistic children. The aim of the concert was to show children and parents that there are children with limited physical and mental conditions living among us, and that it is very important to interact with them.

**Children's Day:** Every year volunteers of CCAB celebrate Children's Day on the 1<sup>st</sup> of June with disabled children in the Almaty region and from the oncology center.

#### Pakistan

**Humanitarian Aid in Pakistan:** Monsoon rains in Pakistan have left a trail of large-scale devastation across Punjab and Sindh. Thousands of households in rural areas have been washed away. As part of its commitment to disaster relief, CCI Pakistan operations has donated over 150,000 liters of water to internally displaced people and to victims of earthquake and flood in Pakistan.

**People of Substance - Aspire to Inspire:** In a bid to kickstart 2015, CCI Pakistan operations decided to invite all of its employees across its seven territories in Pakistan to an event aimed at making people stop and think about things around them. Called "People of Substance," this event was a forum where people with disabilities from different walks of life were invited to talk about their experiences.

#### Turkey

CCI employees from Turkish plants participated in a fullday training on volunteerism, where they gained knowhow in developing social responsibility projects.

In 2014 each of the Employee and Families Volunteering Clubs conducted at least one social responsibility project or community welfare activity based on the local needs of the communities in which we have plants. About 20 volunteer events were organized that, among other things, supported primary schools in disadvantageous regions; contributed to the social development of children through the Social Services and Child Protection Agency; supported disabled young people in integrating into social life; gave applied training at vocational high schools; visited the elderly at old people's homes; donated blood; and increased environmental awareness.



# **Economic Impact**

At CCI, we create direct and indirect economic impacts in the countries where we operate. To measure our economic contribution, we conduct economic impact assessment studies.

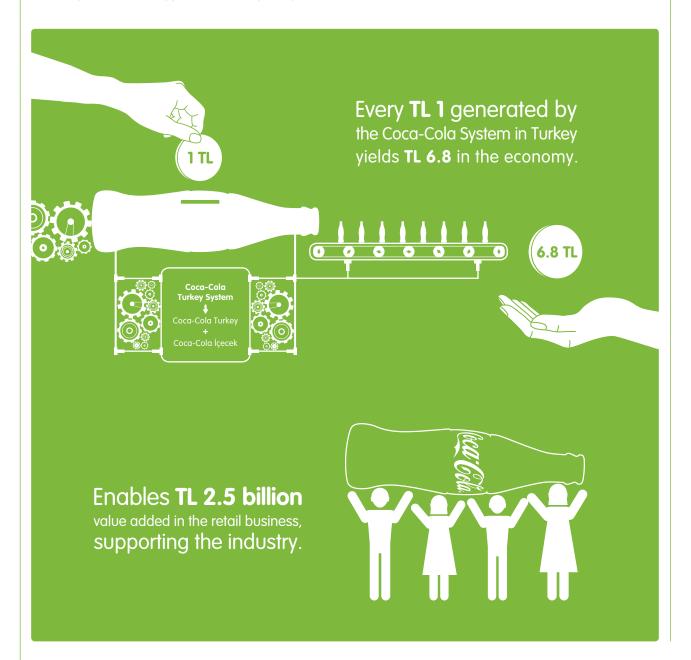
#### **Economic Impact of Coca-Cola in Turkey**

TCCC has been a powerful contributor to Turkey, providing a wide range of economic and social benefits. It not only makes strong contributions to Turkey's macroeconomic indicators but also improves the country's social and environmental welfare.

Every 1 TL of value created by Coca-Cola Turkey translated into TL 6.8 for the Turkish economy. In addition, the Coca-Cola system enabled 20,000 full-time jobs through its core operations and suppliers, or 77,000 jobs if you include the impact on customers, or a total of 118,000 jobs (corresponding to 0.51% of Turkey's overall employment) if you take into account the full indirect impact.

The Coca-Cola System is a driving force in Turkey's agriculture industry, where it contributed TL 685 million to GDP in 2012, and generated income for 145,000 farmers through its beet sugar, corn sugar, and juice concentrate purchases.

Coca-Cola Turkey's presence with local retailers enabled TL 2.5 billion of added value to be created.



# The Coca-Cola System people. Coca-Cola System represents 0.51 percent of total employment in Turkey. Created TL 685 million value added in the agriculture industry in 2012. The Coca-Cola System is one of the largest purchasers of ST FT FT ðir dir dir dir concentrate in Turkey Generated income for 145,000 farmers.

Note: "Overall impact calculation methodology including bottom-up calculations with targeted Input/Output multipliers" was used during the study which was conducted by Mckinsey.

#### Economic Impact of Coca-Cola Beverages Pakistan

CCI Pakistan operations (CCBPL) conducted an Economic Impact Study for the first time and presented the results at the third Pakistan-US Business Opportunities Conference held in Islamabad in March 2015. The conference was inaugurated by Pakistan's Minister of Finance, its Minister of Commerce and the US Secretary of Commerce, and was attended by more than 300 guests.

The study was jointly conducted by research teams from two leading business schools, the Institute of Business

Administration in Karachi and the Lahore University of Management Sciences in Lahore. According to the results of the study, CCBPL's output multiplier is 4.9, which means that its injection of PKR 10 billion generates PKR 49 billion in the economy. CCBPL employs over 5,000 people directly and over 70,000 indirectly through its value chain. A diverse range of sectors benefit from the production and distribution of CCBPL's products, including the plastic, motor-vehicles, electricity, business services, trade, food, and agriculture sectors. According to the study, CCBPL's tax multiplier is 1.65, and since July 2009 it has contributed over PKR 47 billion in taxes to the Pakistani economy.

# world

Our Environmental Approach Goals and Commitments Energy Management and Climate Protection Water Management Sustainable Packaging and Waste

# Protecting the environment

Minimizing our environmental impact by using fewer natural resources and generating less waste are among our top priorities. This approach is essential for the sustainability of our business as well as for the sustainability and welfare of the communities in which we operate.



# **Our Environmental Approach**

Our environmental approach is based on the hierarchy of prevention pollution, reduction, reuse and recycle. With our continuous efforts to minimize water consumption, reduce our total carbon footprint and the amount of waste we produce in our operations, and conserve natural resources, we aim to deliver on our sustainability commitments and inspire other companies in our industry with our performance.

In line with our environmental management approach, we have identified three main focus areas:

- Energy Efficiency and Climate Protection
- Water Stewardship
- Sustainable Packaging and Waste

#### **Environmental Management**

In managing our environmental aspects, we are guided first and foremost by legal requirements, and then by TCCC standards and industrial practices. In all of our operations, we establish environmental management systems in order to monitor and improve our environmental performance.

As of the end of 2014, all existing plants of CCI except for those in South Iraq, Tajikistan and Turkmenistan (planned for 2015-16) hold ISO 14001 Environmental Management System Certificates. While complying with local legislation and TCCC Standards, we also engage with our stakeholders to learn about their expectations, and we try hard to respond to their expectations regarding minimizing our environmental impact.

In addition to our main focus areas, namely energy and water use, GHG emissions, packaging and waste, we also monitor and manage our emissions in line with the national regulations of the countries where we operate and in line with TCCC standards. All CCI plants, except water bottling plants, are required to obtain emissions permits according to the Air Pollution Control Regulation in five countries of operation. SOx, NOx, dust, CO and CO<sub>2</sub> values are measured and reported to the regulatory authorities periodically. In 2014 there was no non-compliance at our plants on emissions to air. Emissions from our plants are both quantitatively and qualitatively insignificant given the sector in which we operate. Therefore, based on the materiality assessment conducted in 2014, we decided not to include detailed data on emissions in this report.

Regarding biodiversity, our bottling plants are located in industrial zones, urban areas and in areas that do not have high biodiversity value. CCI Turkey operations are exempt from the environmental impact assessment (EIA) commonly required by environmental legislation in Turkey. At CCI, we fully implement TCCC's environmental policy and support projects conducted by the Coca-Cola Life Plus Foundation that focus on conservation of eco-systems. (For further details see the "water" section of this report.)

At the end of 2014 we revised our sustainability governance structure, which will be operational in 2015. The Operational Sustainability Group, which reports to the CCI Sustainability Steering Committee, will be responsible for setting annual targets, reviewing quarterly performance on KPIs and approval of data for disclosure. Under this Group, we established two working groups to manage environmental issues: the Turkey Water and Environment Working Group, and the Turkey Climate Change and Energy Working Group. These working groups are responsible for, among other things, supporting the development of the contents of the Sustainability Report as well as the CDP Climate Change and CDP Water reports. In 2014 environment investment and expenses totaled to \$ 450,000 in Turkey.

We believe that creating environmental awareness in our workplace plays an important role in helping us achieve our ambitious environmental targets. In 2014 we provided 3,698 man-hours of environmental training to our employees in Turkey, Jordan, Azerbaijan and Kazakhstan.

Total Man-hours of Environment Training	2013	2014
Turkey	2,490	3,342
Jordan	80	34
Kazakhstan	63	98
Azerbaijan	79	224
TOTAL	2,712	3,698

#### Key performance data

In line with our priority areas, we keep track of four KPIs, of which performance in 2014 and targets for 2020 are provided in the table below.

Key Performance	Turkey		Jordan		Kazakhstan		Azerbaijan	
Indicators	2014	2020 Target	2014	2020 Target	2014	2020 Target	2014	2020 Target
Energy use ratio* (MJ/L)	0.26**	0.23	0.41	0.35	0.40	0.24	0.39	0.30
GHG ratio *** (g CO <sub>2</sub> -e/L)	27.92	28.54	55.89	50.00	49.85	30.00	71.82	55.00
Water use ratio (L/L)	1.41**	1.20	2.04	1.50	1.55	1.25	1.82	1.40
Total waste recycling rate (%)	96.66	98.00	90.45	95.00	91.70	96.00	94.00	98.00

\* Refers only to filling (core) operations in the plants, and excludes energy use for preform injection and CO<sub>2</sub> production processes at plants in Turkey, Kazakhstan and Azerbaijan.

\*\* These figures have received limited assurance from the independent assurance firm, EY.

\*\*\* This figure refers to GHG emissions of CCI plants, excluding emissions from sales and fleet operations, divided by total production in liters. **Note:** For a more detailed description of these KPIs, see the Reporting Guidance section of this report.

# **Goals and Commitments**

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals
Energy Efficiency	To obtain, at a minimum, the LEED Gold certification.	Our Elazığ plant received the LEED Gold certificate in the environmentally friendly buildings rating system "LEED v2009 Existing Buildings," the first within the global Coca-Cola system ever to receive this.	٥	To achieve the following energy use ratios: 0.26 MJ/L for Turkey 0.39 MJ/L for Jordan 0.31 MJ/L for Kazakhstan 0.39 MJ/L for Azerbaijan
	To achieve the following energy use ratios: 0.25 MJ/L for Turkey 0.39 MJ/L for Jordan 0.32 MJ/L for Kazakhstan 0.40 MJ/L for Azerbaijan	The results achieved: 0.26* MJ/L in Turkey 0.41 MJ/L in Jordan 0.40 MJ/L in Kazakhstan 0.39 MJ/L in Azerbaijan	P P N A	To establish energy management systems in Jordan, Azerbaijan Kazakhstan by 2017. To initiate extended piloting of energy excellence & Behavioral Energy Efficiency Program in Bursa, İzmir & Çorlu plants.
	To establish energy management systems in Jordan, Azerbaijan Kazakhstan by 2017.	We are working on developing an energy management system in Jordan, Azerbaijan Kazakhstan.	0	
GHG Emissions	To achieve a carbon emissions ratio of: 27 CO <sub>2</sub> g/L in Turkey 45 CO <sub>2</sub> g/L in Kazakhstan 60 CO <sub>2</sub> g/L in Azerbaijan	The following results were achieved: In Turkey 27.92 CO <sub>2</sub> g/L In Kazakhstan 49.85 CO <sub>2</sub> g/L In Azerbaijan 71.82 CO <sub>2</sub> g/L In Jordan 55.89 CO <sub>2</sub> g/L	<b>P</b> 2 2	To achieve a carbon emissions ratio of: 27.5 CO <sub>2</sub> g/L in Turkey 45.0 CO <sub>2</sub> g/L in Kazakhstan 70.0 CO <sub>2</sub> g/L in Azerbaijan 52.0 CO <sub>2</sub> g/L in Jordan
	To ensure that 100% of all new cooler equipment purchased is HFC-free by end of 2015 (depending on the availability of the coolers).	In Turkey the HFC-free cooler ratio was 59%, thereby reducing the fugitive GHG emissions by 294 tons.	0	To ensure that 100% of all new cooler equipment purchased is HFC-free by end of 2015 (depending on the availability of the coolers).
	To increase the share of our coolers that are equipped with Energy Management Devices (EMDs) to 84% in 2014 and 89% in 2016 in Turkey.	We increased our EMD-equipped coolers to 84% of the total in Turkey.	۵	To increase our EMD-equipped coolers to 89% of the total in 2016 in Turkey.

\* This figure has received limited assurance from the independent assurance firm EY.

Priority Areas	2014 Goals	Performance in 2014	Status	2015 Goals		
Water Stewardship	To continue water reuse, reduce and recycle projects to achieve our annual water use ratio target.	Our Izmir Plant conducted a water mapping study. As a result of water minimization projects implemented, we achieved approximately 40,300 m <sup>3</sup> water savings in Turkey, 20,000 m <sup>3</sup> savings in Kazakhstan and 575,000 m <sup>3</sup> savings in Pakistan. A source vulnerability assessment (SVA) study was conducted at the Çorlu and Izmir plants.	٥	To conduct second SVA study at the Ankara, Mersin, Bakü, Lahore and Rahim Yar Khan plants. To achieve a water use ratio of: 1.36 L/L in Turkey 1.90 L/L in Jordan 1.54 L/L in Kazakhstan 1.81 L/L in Azerbaijan To submit our second CDP Water		
	To achieve a water use ratio of: 1.40 L/L in Turkey 1.80 L/L in Jordan 1.63 L/L in Kazakhstan 1.80 L/L in Azerbaijan	The following results were achieved: 1.41* L/L in Turkey 2.04 L/L in Jordan 1.55 L/L in Kazakhstan 1.82 L/L in Azerbaijan		Program report.		
	To submit a report to the CDP Water Program.	We submitted our first report to the CDP Water Program.	۵			
Packaging and Waste	To continue implementing "Lightweight" and "Short Neck" projects in Azerbaijan. To start "Lightweight" and "Short Neck" projects in Jordan in 2015.	In Azerbaijan we saved 481 tons of resin in preform thanks to "Lightweight" and "Short Neck" projects. In addition, by implementing "Short Neck" projects, we decreased the cap weight from 3.25 g to 2.45 g, resulting in savings of 175 tons of resin at our suppliers.	0	To conduct a benchmark study covering all CCI countries of operation to map the amount of resin used for all sizes of bottles and to share among the plants any best practices of lightweight applications. To start "Lightweight" and "Short Neck" projects in lorder in 2015		
	To save a minimum of 50 tons of resin with "Lightweight" projects in 330- ml Damla bottles in Turkey.	We saved 27 tons of resin in 330-ml Damla bottles by implementing a "Lightweight" project.	0	projects in Jordan in 2015. To continue saving resin by replacing a part of the resin with PlantBottle resin.		
	To increase returnable glass bottles to around five million in Turkey.	We converted an additional 3.5 million non-returnable bottles to returnable bottles in Turkey. In total, 302.8 million returnable bottles were sold in Turkey in 2014.	۵	To produce all 330-ml and 1-L Damla water bottles in Turkey using PlantBottle resin. To achieve a total waste ratio of: 4.60 g/L in Turkey		
	To produce a portion of Damla water bottles using PlantBottle resin.	After obtaining permits from regulatory authorities, we started producing 330-ml Damla water bottles in Turkey by using PlantBottle resin.		<ul> <li>2.20 g/L in Jordan</li> <li>1.80 g/L in Kazakhstan</li> <li>2.01 g/L in Azerbaijan</li> <li>To reduce the weight of 200 ml OWB from</li> <li>150 g to 140 g in Turkey by 2015.</li> </ul>		
	To achieve a total waste ratio of: 4.5 g/L in Turkey 13.0 g/L in Jordan 1.6 g/L in Kazakhstan 1.0 g/L in Azerbaijan	We achieved: 4.77 g/L in Turkey 3.29 g/L in Jordan 1.82 g/L in Kazakhstan 2.06 g/L in Azerbaijan	8 8 8	To reduce 200 ml RGB from 230 g to 185 g in Turkey by 2016.		
Environmental Compliance**	100% compliance with legal environmental limits and TCCC's standards.	Turkey, Kazakhstan, Azerbaijan and Pakistan plants achieved this goal. Jordan was unable to comply with waste water treatment specification, but corrective action was taken.	0	100% compliance with legal environmental limits and TCCC's standards.		
A Achieved P Partial O Ongoing N Not Achieved						

\*This figure has received limited assurance from the independent assurance firm EY.

\*\*Environmental compliance in air emissions, wastewater discharge, noise, waste management, environmental reporting etc.

world

# **Energy Management and Climate Protection**

Energy management and climate protection are a priority in our sustainability strategy. We strive to reduce our energy consumption and GHG emissions both to achieve better financial performance and to contribute to global efforts to combat climate change.

There is a scientific consensus that global climate change is occurring and that human-caused GHG emissions are a contributing factor. The implications of climate change for our planet are profound and wideranging, with expected impacts on energy and water resources, agriculture and biodiversity. As a bottling company in the Coca-Cola system, we recognize that climate change may have long-term direct and indirect implications for our business and supply chain. As a responsible company, we have a role to play in ensuring that we use the best possible mix of energy sources, improve the energy efficiency of our manufacturing processes and reduce the potential climate impact of the products we sell.

At CCI, we set ambitious reduction targets for energy use and GHG emissions, identify and implement energy reduction measures, and explore low-carbon technology alternatives to achieve these targets. We systematically seek measures to reduce our energy consumption and related GHG emissions during production (packaging, transportation and cooling processes) while improving efficiency and quality.

The newly established Energy and Climate Protection Work Group in Turkey consists of energy managers at plants as well as representatives from CCI Corporate Affairs, Purchasing, Logistics, Cooling Equipment, Administrative Affairs, TCCC Public Affairs, and Environmental and Occupational Health (EOSH) functions. The responsibilities of the Work Group include, among other things, preparing strategies and road maps with regard to energy use reduction and climate protection; submitting these strategies and their budgets to top management for approval; and collecting and reporting data on GHG emissions.

Our energy management and climate protection strategy focuses on the following:

- Increasing the energy efficiency of our plants and offices, thereby reducing GHG emissions
- Reducing logistics-based emissions with effective fleet and fuel management practices
- Reducing indirect emissions by focusing on our climate-friendly refrigeration applications
- Increasing awareness of climate protection by collaborating with our distributors, dealers, suppliers and other stakeholders

- Constructing new plants in line with green building standards
- Calculating, verifying and reporting accurate data on the carbon footprint of our operations
- Preparing to calculate the carbon footprint of our products
- Researching and investing in clean and renewable energy where possible
- Promoting climate protection awareness

#### LEED Certification for Elazığ Plant

The U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) program, which recognizes outstanding "green building" projects, awarded CCI Turkey's Elazığ plant with its Gold Certificate for environmentally friendly buildings, a first for any CCI plant among all Coca-Cola plants worldwide.

#### **GHG Emissions Management**

While advancing towards our 2020 growth targets, we also take firm steps to track and minimize our carbon footprint, a measure that is essential for the sustainability of the environment as well as of our business. Since 2011, we have been submitting annual comprehensive reports to the CDP Climate Change Program on our climate change strategy and GHG emissions.

According to a study conducted by Coca-Cola Enterprises for its 2013/14 Sustainability Report, ingredients and packaging account for around 69% of the total GHG footprint of our products as they move along the value chain. Manufacturing and distribution account for a total of 14%, while refrigeration accounts for another 17%. We focus our emissions reduction efforts on the value chain processes where we have the most control, namely manufacturing, distribution, refrigeration and, to a lesser degree, packaging and ingredients.

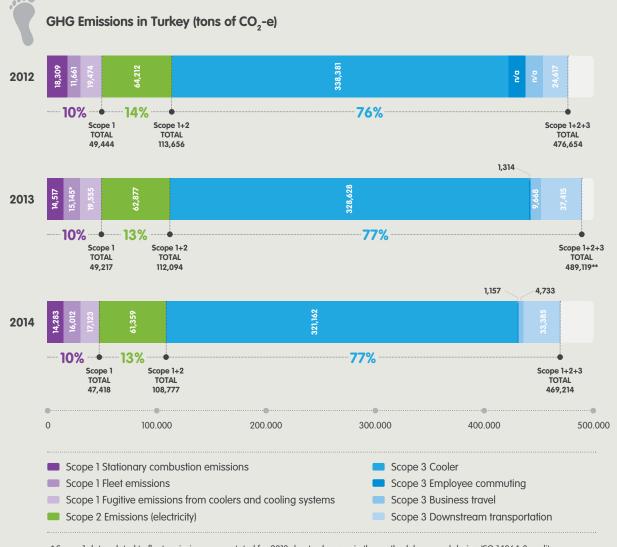
The Coca-Cola System launched a global initiative in 2013 called "Reduce the CO<sub>2</sub> emissions embedded in the drink in your hand by 25% by 2020" aimed at reducing GHG emissions across its entire value chain. At CCI, we are aligning our climate protection target with this overall target in order to achieve comprehensive carbon footprint reductions across our manufacturing processes, packaging formats, delivery fleet, refrigeration equipment and ingredient sourcing. This is a comprehensive approach, since the goal covers Scope 1, 2 and 3 emissions. Our goal for Turkey operations is to achieve 144.7 g CO<sub>2</sub>/I GHG emissions by 2020 covering manufacturing, fleet and cooler functions.

#### **GHG Emissions in Turkey**

For three consecutive years at our Turkey operations, we have had our GHG emissions externally verified by a third-party auditing company, SGS, in line with the requirements of the ISO 14064-3. The carbon footprint calculations cover emissions from our plants, offices and vehicle fleet in Turkey, which follows the requirements of ISO 14064-1. Our total absolute Scope 1 and Scope 2 GHG emissions in Turkey were verified as 108,777 tons of CO<sub>2</sub>equivalent emissions (CO2-e) for 2014, 3% lower than the 112,094 tons in 2013. This reduction was achieved as a result of the energy efficiency projects we implemented (approximately 2,030 tons of CO<sub>2</sub>-e) and the decrease in production volume. More specifically, the decrease was due to implementation of route optimization for our fleet; a recalculation of third-party fleet emissions; an increase in the use of video-conferencing; restrictions on business travels; implementation of energy-saving projects;

efficiency improvements in coolers; and the decrease in production volume.

In 2013, in addition to reporting CO<sub>2</sub> emissions due to electricity consumption by coolers, we also calculated and reported more of our Scope 3 emissions for Turkey for the first time, including emissions from domestic and international air travel, employee commuting, product distribution by third parties (excluding distributors) and electricity use by coolers at our customers' operations. In 2014, we changed the methodology to calculate emissions due to transportation, and restated 2013 figures for the categories of employee commuting, business travel and downstream transportation. (In 2014 we started to use WRI/WBSCD GHG Protocol's "GHG emissions from transport or mobile sources" tool, version 2.6 of May 2015, and calculated business and economy flights separately for domestic and international flights.)



\* Scope 1 data related to fleet emissions are restated for 2013 due to changes in the methodology used during ISO 14064-3 audits.

\*\* Scope 3 data related to transportation, employee commuting and business travel are restated for 2013 due to changes in the methodology used.

Note: Since 2012, third-party auditing company SGS has verified CCI's Scope 1 and 2 GHG emissions for all of its operational facilities in Turkey according to the requirements of ISO 14064-1.

#### GHG Emissions in the Five Countries of Operation

GHG Emissions (tons of CO <sub>2</sub> -e)	2012	2013	2014
Turkey			
Scope 1	49,444*	49,217*	47,418*
Scope 2	64,212*	62,877*	61,359*
Jordan			
Scope 1	1,873	786	866
Scope 2	3,203	3,412	3,990
Kazakhstan			
Scope 1	8,276	9,597	18,734
Scope 2	8,929	10,553	10,133
Azerbaijan			
Scope 1	6,454	5,335	9,215
Scope 2	8,319	10,399	8,817
Pakistan			
Scope 1	n/a	n/a	35,554
Scope 2	n/a	n/a	27,095
TOTAL			
Scope 1	66,047	64,935	111,787
Scope 2	84,663	87,241	111,394
OVERALL TOTAL	150,710	152,176	223,181

\* Data on Turkey for 2012, 2013 and 2014 are verified by SGS according to the requirements of ISO 14064-1.

**Note**: Figures in the table above include emissions from all processes, including filling, preform injection, CO<sub>2</sub> production and electricity production (only in Kazakhstan) at our plants. In all CCI countries except Turkey, emissions from fleet and fugitive emissions are excluded.

In addition to monitoring total emissions for each country of operation, we also monitor our GHG emissions ratio, which represents grams of CO<sub>2</sub>-e per liter of product produced. This ratio includes all Scope 1 and 2 emissions as included in the table above. In Azerbaijan, the GHG emissions ratio has increased due to the start-up of "hot fill" operations, which consume more energy and crystal sugar.

GHG Emissions Ratio (g CO <sub>2</sub> -e/L)	2012	2013	2014
Turkey	28.52	28.47	27.92
Jordan	55.31	54.76	55.89
Kazakhstan	41.07	39.22	49.85
Azerbaijan	62.55	69.38	71.82
тссс	37.81	37.10	36.89

#### **Energy Management at Plants**

Processes related to energy consumption are managed within the framework of CCI's Energy Management System, in line with the ISO 14001 Environmental Management System, the ISO 50001 Energy Management System, the OE model and corporate KPIs related to operational plans.

All of our plants in Turkey have been rewarded with TS EN 50001 Energy Management System certificates. In other countries of operation, we continue to lay the foundations for robust energy management systems. CCI's senior management monitors and evaluates the performance results related to energy use. Energy coordinators implement the Energy Management System at the plants in Turkey.

For our plants, we report our energy use in two categories. The first category is energy use for core operations, namely bottling, while the second category includes all processes at the plants. For the purpose of benchmarking among plants, the figures for energy use ratios (EURs) are calculated based only on the "core operations" values. For 2014, data related to total energy use as well as EUR for Pakistan are included in this year's report. The EUR value for Pakistan is calculated as 0.52 MJ/L for 2014. (This figure has received limited assurance from the independent auditing firm EY.) For detailed data on energy use, see the "Performance Indicators" section of this report.

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Energy Use for Core Operations (Million MJ)	2012*	2013*	2014
Turkey	720.91	709.66	712.23*
Jordan	36.51	31.38	35.62
Kazakhstan	112.05	225.92	231.62
Azerbaijan	83.94	93.47	97.92
Pakistan	n/a	n/a	298.20*
TOTAL	953.41	1,060.43	1,374.20

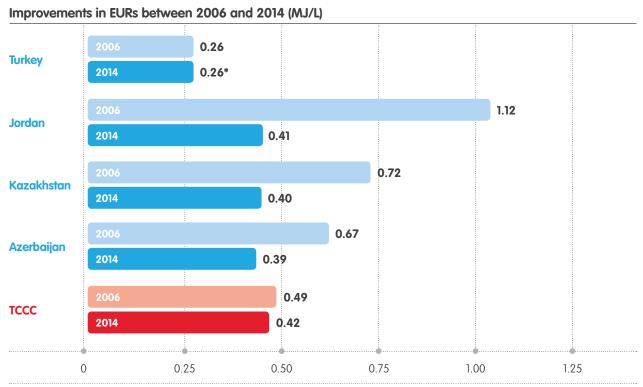
 $^{\ast}$  These figures have received limited assurance from the independent auditing firm EY.

**Note:** These figures exclude energy use for pre-form injection and CO<sub>2</sub> production processes at plants in Turkey, Kazakhstan and Azerbaijan. Energy use for the electricity manufacturing process, which is present only at our Kazakhstan plant, is included in the 2013 and 2014 data.



 $\ast$  These figures have received limited assurance from the independent auditing firm EY.

At our Jordan, Kazakhstan and Azerbaijan plants, we managed to reduce our EUR compared to 2006. In Turkey energy-efficiency has been a top priority at plants, where major improvement measures have already been completed. Additionally, due to new acquisitions, the start-up of new processes and lines, our product portfolio, and the start-up of "hot fill" operations, which consume more energy and crystal sugar in Turkey, the EUR values show a steady trend.



\* These figures have received limited assurance from the independent auditing firm EY.

## **Energy and GHG Emissions Reduction**

Within the scope of the OE Program conducted in CCI plants, we identify and implement projects to reduce our energy consumption and decrease our GHG emissions.

In Turkey, through OE projects related to energy efficiency, we achieved a total reduction of 28 million MJ of energy and 1,890 tons of GHG emissions.

Energy saved and GHG	20	13	2014			
emissions reduced due to OE projects	Energy (MJ)	GHG Emissions (tons of CO <sub>2</sub> )	Energy (MJ)	GHG Emissions (tons of CO <sub>2</sub> )	Monetary Saving (\$) in 2014	
Turkey	46,785,900	4,767	28,449,667	1,890	1,959,921	
Jordan	910,560	108	4,671,332	515	112,605	
Kazakhstan	2,148,329	224	8,987,850	1,499	40,958	
Azerbaijan	118,340	11	822,807	59	22,209	
Pakistan	5,697,333	560	11,112,062	674	529,329	
TOTAL	55,660,462	5,670	54,093,718	4,637	2,665,022	

Through the OE projects conducted at our Turkey, Kazakhstan, Jordan, Azerbaijan and Pakistan plants, we achieved total annual energy savings of 54,1 million MJ, a reduction of 4,637 tons of  $CO_2$  emissions. Details are shown in the table below. The total cost of energy reduction investments totaled to \$694,363. Major energy-efficiency projects and savings in 2014 were:

- In Turkey, we installed an exhaust gas analyzer to measure the concentrations of emissions and adjusted burners on the boiler for optimal combustion.
- In Turkey, we installed the Flash Steam Recovery system in our condensate collection system and saved significant amount of natural gas.
- In Turkey, we decreased the slurry pastor temperatures and saved of energy.
- In Jordan, we installed a new LED lights for all locations.
- In Azerbaijan, we implemented projects such as installation of automatic sensors in plant lighting systems, optimization of the cooling water temperature of the blower machine and improvement of pasteurization equipment in the control system.
- In Pakistan, we modified and optimized parameters for the blowing process to reduce breakdowns and improve line efficiency; replaced conventional lights with efficient LEDs; provided combustion control with oxygen trim for boilers; and carried out many other projects to improve energy efficiency.

**Renewable Energy Pilot Project at Izmir Plant** In 2014 we implemented a pilot project where we installed photovoltaic solar system and a wind turbine to provide energy to one of the production lines. This installation produced about 3,000 kWh of energy in 2014, and we shared our experiences during this pilot implementation with other CCI plants.

#### **GHG Emissions Reductions in Turkey**

In 2014, due to the various projects we implemented, we achieved a GHG emissions reduction of 181,976 tons of  $CO_2$ -e in Turkey.

2014 Emissions (tons of CO <sub>2</sub> -e)	Scope	Amount	
	HFC emissions reduction in coolers	Scope 1	294
Cali	Product distribution fleet improvement	Scope 1	366
	Fugitive emissions reductions in coolers	Scope 1	299
0.06672	Energy efficiency and low-carbon projects at plants	Scope 1+2	2,030
-	Video-conferencing	Scope 1+3	2,937
	Route optimization	Scope 3	1,050
	Cooler EMD improvement	Scope 3	175,000
		Total	181,976

## **Transportation and Logistics**

We transport millions of goods and products from our suppliers to our plants, and from our plants to our customers and distributors. CCI's extensive logistics network means that sales and distribution of our products, together, form the largest part of our operations. As such, optimization of logistics is crucial to our business performance. In addition, transportation accounts for about 7% of the total GHG emissions of our value chain.

We continuously seek opportunities to increase our fuel efficiency and decrease our GHG emissions by minimizing the daily number of vehicle movements and the daily kilometers driven. In this context, we developed the "Route Optimization Project" in 2013 to further improve route planning for our sales and distribution teams. There are two subcategories of Route Optimization: Sales Route Optimization and Distribution Route Optimization.

To support our efforts, we use a technological platform called "Road Net," which we established for our Turkey operations in 2013. As of 2014, our 64 distributors use this platform in Turkey. In 2014 we also implemented Road Net for our five direct distribution points. Additionally, we continued to test delivery route optimization software for use in Kazakhstan and Jordan. We aim to start the software installation process for these two countries of operation in 2015. According to our estimates, using Road Net in Turkey will result in a reduction of 1.35 million km driven and approximately 1,050 tons of  $CO_2$  emissions, as well as \$650,000 in fuel savings.

In addition to minimizing the daily number of vehicle movements and the daily kilometers driven, we prefer vehicles with lower fuel consumption and carbon emissions. In 2014 we replaced five trucks from the year 2005 with 2014 models with Euro 5 motors, which helped us reduce  $CO_2$  emissions by 2% compared to the previous year. This reduction corresponds to about 365.7 tons of  $CO_2$ -e.

## **Cooling Practices**

For the consumer to enjoy the best experience, it is important to serve most of our products cold. We have around 296,000 pieces of cooling equipment in Turkey alone and a total of about 600,000 in the four countries of operation. Cooler equipment is owned by Coca-Cola Satış ve Dağıtım A.S. (Sales Operations) but operated by our customers.

Cooling equipment is a large source of GHG emissions in our value chain, accounting for about 17% of the total. The GHG emissions result from electricity consumption as well as from leaking refrigerants. Therefore, reducing the amount of energy consumed per refrigerator and switching to HFC-free cooling equipment that contain refrigerants with low global warming potential are important elements of our 2020 energy management and climate protection targets.

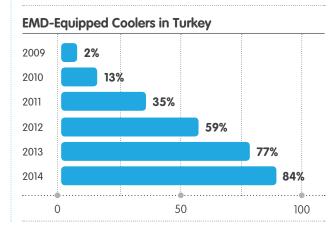


## Energy Management Device (EMD) Program

Since 2009 we have been working on our EMD Program to reduce GHG emissions resulting from electricity consumed by our cooling equipment. Coolers equipped with EMDs use about 42% less energy than conventional models.

As a commitment within our EMD Program, we purchase new coolers that are larger than 250 liters and equipped with an EMD. In addition, we convert our customers' non-EMD coolers to EMD-fitted coolers. By the end of 2014, some 84% of our coolers in Turkey were equipped with EMDs, an improvement over 77% in 2013. In Azerbaijan, Jordan and Kazakhstan we have also been installing EMDs in existing coolers, the ratios of which are available in the table below.

EMD Ratios (%)	2011	2012	2013	2014
Turkey	35	59	77	84
Jordan	5	5	5	5
Kazakhstan	12	19	29	29
Azerbaijan	50	50	50	50



As a result of the EMD program, in 2014 we reduced our energy consumption from refrigeration by approximately 381 million kWh and our of CO<sub>2</sub> emissions by approximately 175,000 tons (equivalent to the amount of CO<sub>2</sub> that 14.6 million trees extract annually from the environment) in Turkey. These results placed CCI among those companies that are closest to realizing the 2015 refrigerator inventory goals within TCCC.

Between 2009 and 2014, our EMD program in Turkey resulted in a total energy savings of about 1,123 million kWh (equal to the annual energy consumption of 197,000 households) and a total reduction of approximately 515,000 tons of CO<sub>2</sub> emissions (equal to the amount of CO<sub>2</sub> that 43 million trees extract annually from the atmosphere).

In 2014, thanks to the EMD program, we managed to save approximately 402 million kWh electricity in the four countries of operation, resulting in a CO<sub>2</sub> reduction of approximately 185,000 tons (equal to the amount of CO<sub>2</sub> that 15 million trees extract annually from the atmosphere). We will continue our efforts to reduce CO, emissions resulting from our coolers. For detailed CO<sub>2</sub> emissions data see the "Performance Indicators" section of this report.

## **More Efficient Lighting**

To reduce electricity consumption of coolers, in addition to using EMDs we have been switching to LED lighting systems, which reduce in-equipment lighting by 80%. As of the end of 2014, approximately 85,000 of our coolers in Turkey were equipped with LED lighting systems.

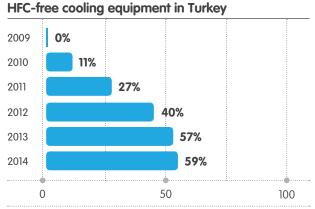
### **HFC-Free Coolers**

Hydroflorocarbons (HFCs) used as refrigerants in coolers are known to contribute to global climate change. Together with its bottling partners, TCCC has established a goal that 100% of new cold-drink equipment will be HFC-free by the end of 2015. Where a commercial HFCfree solution is not currently available, we collaborate with our suppliers to develop new HFC-free solutions. Compared to HFC versions, the global warming potential of HFC-free coolers is at least one thousand times lower.

Refrigerants contained in cooling equipment may slowly leak into the atmosphere during use or may leak completely if the equipment is not properly disposed of at the end of its life cycle. CCI always ensures that coolers are properly emptied of any gases that may remain. In 2014 a total of about 25,950 pieces of old cooling equipment (weighing approximately 1,815 tons) was disposed of properly by our Turkey operations.

By the end of 2014, some 59% of the coolers we use in Turkey were HFC-free. Due to our use of HFC-free cooling equipment, we managed to reduce our total fugitive CO<sub>2</sub> emissions by 1,053 tons between 2009 and 2014. In

2014 we achieved emission reductions of 299 tons of CO, with eco-friendly coolers (an amount equivalent to the contribution of 935 trees to the environment).



## **Green IT Practices**

## Integrated Communication and **Cooperation Platform**

To tackle the challenge of operating in different languages, time zones and geographical locations, it is of importance to create an integrated communication and cooperation platform that at the same time maximizes employee efficiency and supports our vision of growth. Functions of the platform include e-mailing, instant messaging, corporate portal, corporate documentation and content management, employee and position searching, personal information, and individual and collective audio-visual communication.

Major benefits of this integrated platform include improvements in work-life balance thanks to fewer business trips, and risk reduction resulting from lower traffic. In addition, telephone and travelling costs, GHG emissions and paper consumption have also been reduced.

## Video-conferencing

In 2014 we established six new video-conferencing rooms, and these were used efficiently in line with our travel policy. Hypothetically, holding 100 video conferences results in 20 fewer business trips. With 10,800 video conferences realized during 2014, we assume that 2,160 trips were prevented, which translates to a reduction of approximately 2,937 tons of CO. emissions. Travel restrictions and an increase in the use of video conferences at CCI reduced business travel, resulting in an emissions reduction of 51% in 2014 compared to 2013 emissions (9,668 tons).

## Water Management

Water is the main ingredient in our beverages, and is central to our manufacturing processes. It is also necessary for our suppliers to grow the agricultural products that we use as ingredients. A sufficient quantity of safe, accessible water is essential to the welfare and good health of the communities in which we operate, and is key to our business success.

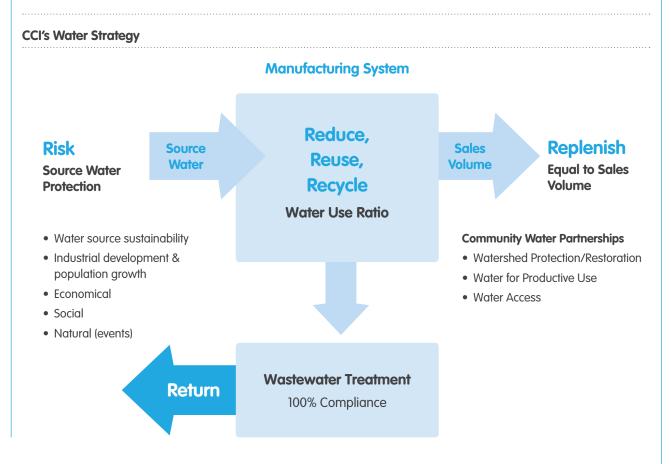
We have a particular interest in protecting the water sources that sustain communities. Because the communities that host our bottling plants are also our consumer bases, we sell our products where we make them. If those communities stay strong, our business will stay strong; if the watersheds we share with them are preserved, those communities and our business can thrive. Therefore, in addition to the ethical and ecological imperatives that drive our water stewardship, we also have a vested business interest in preserving and improving local water sources.

Given that water supplies are acutely stressed and increasingly threatened, especially as global demand rises from growing populations, economic development and the impact of climate change, we use every opportunity to reduce the amount of water we use in line with our water management policy and strategy. We reuse and recycle water, treat it via wastewater treatment facilities and replenish it through our community projects.

At the local level, we conduct **source vulnerability assessments** (SVAs) and implement the resulting plans to protect water catchment basins in the regions where our plants are located. As our business volume increases, our goal is "to produce more beverages by consuming less water".

We fully support TCCC's ultimate goal of "replenishing every drop of water used." As a bottling partner, we implement TCCC's global water strategy, which focuses on:

- Improving production facility performance through water efficiency, reducing water use ratios and reuse;
- Maintaining 100% compliance in wastewater treatment;
- Protecting watersheds through conducting SVAs, implementing source water protection plans and restoration;
- Replenishing used water;
- Supporting sustainable communities by facilitating access to safe water and water from productive use
- Raising global awareness and activism regarding water challenges



Similar to the Energy and Climate Protection Work Group, we established a "Water and Environment Work Group" in Turkey consisting of representatives from our plants as well as managers responsible for purchasing, logistics, administrative affairs, corporate affairs and TCCC. The responsibilities of the Work Group include, among other things, preparing strategies and roadmaps with regard to water and the environment; conducting risk assessments on water and climate change, submitting these strategies, risks, including their budgets, for top management approval; and collecting and reporting data on water use and total waste.

In 2014 we submitted our first detailed annual report to the CDP Water Program, describing our water strategy and disclosing our SVA study summary update, the results of water risk assessments, and data on our water withdrawal, discharge and consumption. We will submit our second report to the Program in 2015.



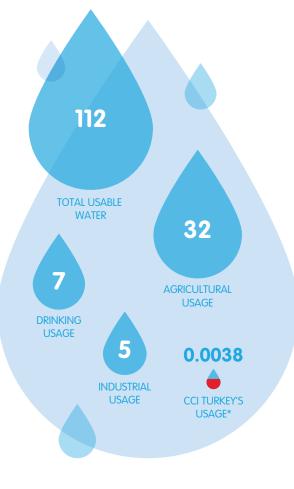
**Case Study:** In January 2015, students from Virginia Tech University's Center for Leadership in Global Sustainability conducted a study to identify the primary factors leading to the launch and success of CCI's leadership in industrial water efficiency, taking the Izmir plant as a case study. In this study, students concluded that "CCI is committed to reducing water consumption not only for the economic benefits, but also for the long-term sustainability of their business in the face of water scarcity. CCI has managed to make water conservation relevant to all employees at all levels of the business. In doing so they created and now foster a culture of innovation and sustainability."

## Water Consumption

Since water is the main ingredient in our beverages, our use of water resources is relatively significant in the regions where our plants are located, but relatively insignificant in the countries where we operate. Through our ambitious target to preserve and replenish water resources in the areas of operation, we work hard to keep our impact to a minimum.

According to a study conducted by Turkey's State Hydraulic Works, the amount of annual total usable water in Turkey is 112 billion m<sup>3</sup>, of which 32 billion m<sup>3</sup> is dedicated to agricultural use (irrigation), 7 billion m<sup>3</sup> is used as drinking water and five billion m<sup>3</sup> is used in industry. CCI's Turkey operations account for 0.0038 billion m<sup>3</sup>, or only 0.076% of Turkey's industrial water usage.

Turkey's annual water consumption amounts to three times the volume of Lake Büyükçekmece in Istanbul. The use of water is distributed as follows: 11% to industrial operations, 15% to houses and 74% to agriculture.



\* In 2014, CCI replenished 58% of its water consumption in Turkey.

Source: Report entitled "The State of Water Resources in Turkey and New Approaches to Water Management" published by the Turkish Business Council on Sustainable Development in 2013.

The amounts of our total water consumption in the four countries of operation over the last three years are provided in the table below. Approximately 81% of our water comes from wells, 11% comes from spring water (spring water is used only in Turkey) and 8% comes from municipal water systems. In 2014, the total water consumption in the four countries of operation amounted to 5,363,424 m<sup>3</sup>, which is slightly higher than the value in 2013.

Total Water Consumption by Region (m <sup>3</sup> )	2012*	2013*	2014
Turkey	3,914,531	3,912,240	3,832,252*
Jordan	160,240	153,656	177,081
Kazakhstan	706,955	849,980	896,218
Azerbaijan	412,162	436,075	457,873
Pakistan	n/a	n/a	3,138,972*
TOTAL	5,193,888	5,351,951	8,502,396

\* These figures have received limited assurance from the independent auditing firm EY.

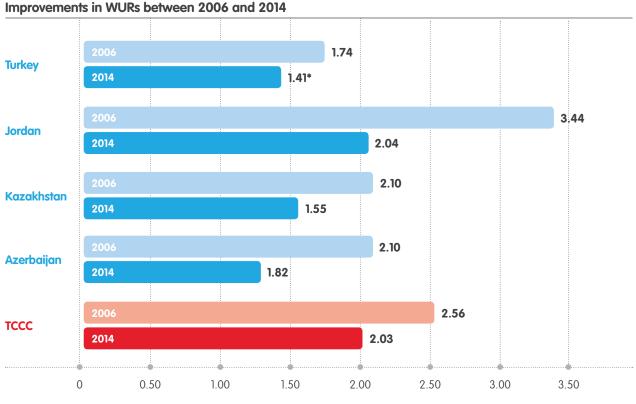
Note: In 2013 and 2014, water withdrawal figures are the same as water consumption figures in the four countries of operation.

### Water Efficiency

As our business grows, our production volume increases. Thanks to our OE projects at our plants, we manage to reduce the amount of water we consume per liter of product.

In all countries of operation, we monitor our water efficiency through WURs, which indicate how much water is used for every one liter of product. We also set water use reduction targets based on this KPI and keep close track of our performance.

In the four countries of operation, we managed to reduce our WURs compared to 2006. In all of these countries, the WUR value is lower than the average within the Coca-Cola System.



#### Improvements in WURs between 2006 and 2014

\* This figure has received limited assurance from the independent auditing firm EY.



\*These figures have received limited assurance from the independent auditing firm EY.

In line with TCCC's goal of improving the System's water efficiency by 25% by 2020 (taking 2010 as a baseline), CCI will continue to improve water use efficiencies per liter of product through operational advancements.

We achieved approximately 3.3% reduction in water consumption from 2012 to 2014 in the four countries of operation.

Some of the achievements at our Turkish plants in 2014 include:

- We achieved approximately 19% water savings per liter of product as a result of efficiency projects implemented from 2006 to 2014.
- Our Izmir plant marked a big success in water efficiency by achieving an annual average WUR of 1.18 L/L for 2014. This is the lowest annual average our Izmir plant has ever achieved, and the lowest ever reached among our plants in Turkey. It is also one of the top performances achieved globally within the Coca-Cola System.

## Water Minimization Workshop

Within the framework of the CCI Capability Development Program, we provide training to CCI country representatives on various topics, one of which is on water use minimization. Representatives from CCI countries come together for a two-day workshop to discuss the importance of water in our operations, technical measures to reduce water consumption and our water use targets. On the second day of the workshop, participants receive hands-on training by visiting a plant.

### Case: Water Mapping Study at Izmir Plant

In 2014 we developed a water map of our Izmir plant to better identify opportunities to improve efficiency. On this map, we plotted water meters and monitored the daily water consumption at each point. This map allows us to identify any problems that may occur at a specific production location and to immediately take corrective actions. Within the framework of this project, we installed additional water meters and started reporting to the top management on the daily performance data obtained from the water map.

## Water Preservation and Replenishment

We have a particular interest in conservation of water sources that sustain communities. Because the communities that host our bottling plants are also our consumer bases, we sell our products where we make them. If those communities stay strong, our business will stay strong; if the watersheds we share with them are preserved, those communities and our business can thrive. Therefore, in addition to the ethical and ecological imperatives that drive our water stewardship, we also have a vested business interest in preserving and improving local water sources.

## Water Assessment

Since the end of 2009, TCCC has required all of its bottling partners to conduct a local SVA for their plants and to develop a source water protection plan (SWPP) to mitigate water-related risks to our System and to the communities we serve. SVAs allow us to assess vulnerabilities to community sources of water and help us to determine the potential impact of our water usage and wastewater discharge.

Within the scope of SVA studies, the following issues are considered:

- The conceptual hydrologic model for the watershed and groundwater basin;
- The sustainability and continuity of water supplies;
- Potential internal and external risk factors that affect raw water quality and quantity;
- Historical issues with water quantity and quality;

During an SVA study, an analysis of water basins and sub-basins around our plants is conducted, and it includes the topographical, geological, hydro-geological and hydrological assessment of the study areas, as well as identification of any risks to the quality and quantity of water resources within these areas.

SVA studies include processes such as field surveys, stakeholder analyses, interviews with plant authorities or site representatives, interviews with local and national authorities, and desktop studies. These assessments identify the social, environmental and political risks to the water sources that supply our facilities and surrounding communities. We evaluate the results of these studies, develop SWPPs based on the results and take actions at each plant. The SVAs are conducted by an expert water consultancy company with the participation of CCI Water Resource Management Teams who are trained in specific water issues, including but not limited to: hydrology and hydraulics of surface water systems, biological health of natural water systems, water balancing and budgeting, local and regional water rights, and water resource and watershed management policy.

In line with the information gathered as a result of the assessment studies, various practices were conducted to avoid contamination, prevent decreases in water quality arising from contamination by pesticides, and foster water usage minimization and recycling. Other studies that were held in conjunction with assessments focused on alternative water resources, ensuring business continuity, improving the knowledge level of employees, and explaining water policy and facts of TCCC to the community. SVAs are conducted every five years at all CCI plants. As of December 31, 2014, all CCI plants had completed their SVA studies in all countries of operation. CCI plants in the four countries of operation have also developed a Source Water Protection Plan and have begun implementing improvement measures. Our Turkey plants will complete a second SVA study cycle by 2016, and all CCI operations will do so by 2019, including our Iraq operations.

#### **TCCC's Ambitious Replenishment Goal**

The Coca-Cola System aims to safely return to communities and nature an amount of water equal to what it uses in its finished beverages and their production. This is called "water neutrality," and it is defined as:

- Returning the water we use back to the communities we serve by treating all wastewater and giving it back to the environment at a level of purity that supports aquatic life.
- 2) Replenishing an amount of water equivalent to our product volume through locally relevant water and sanitation projects.

Between 2005 and the end of 2014, through 209 community water partnership projects in 61 countries, TCCS balanced an estimated 94% of the equivalent amount of water used in their finished beverages (based on 2014 sales volume). This totals approximately 153.6 billion liters of water replenished to communities and nature. Water replenishment rate in Turkey has reached 58% (from 28% in 2013), equal to about 1.8 billion liters of water.

# Wastewater Management and Reclamation

"Zero wastewater generation" and "reclamation" are concepts that define our wastewater management approach. In addition to complying with national and local laws regulating quality limits for wastewater discharge in all of the countries in which we operate, we are also required to comply with TCCC's Requirements for Treated Wastewater Quality. In many cases the allowed maximum discharge values set by TCCC are much lower than the limits established by the local authorities. All CCI plants are regularly audited regarding their compliance with TCCC's standards as well as by third parties within the scope of ISO 14001 Environment Management System audits.

We monitor our wastewater parameters with periodic analyses and reduce our environmental impact by treating wastewater prior to discharge. In line with our OE objectives, we develop projects to reduce the amount of wastewater generated as a result of our activities. These projects include, among others, reverse osmosis, reusing treated wastewater as irrigation water and reusing final rinse water for floor washing.

#### Water Discharge between 2006 and 2014

In addition to monitoring and managing the quality of the wastewater we discharge, we also monitor the amount of wastewater discharged per liter of product. The water discharge ratio of our Turkey operations increased due to changes in sanitation standards and to the increase in the number of types of packaging used. In Kazakhstan and Jordan, discharged water decreased due to decrease in WUR, increase in efficiency and implementation of water reduction projects in the past.

Water Discharge (L/L)	2006	2014
Turkey	0.39	0.41
Jordan	2.43	1.04
Kazakhstan	0.87	0.42
Azerbaijan	1.16	0.94
Pakistan	n/a	0.56

## The Coca-Cola Life Plus Foundation's "Life Plus Environment" Program

We want to play our part in building thriving communities in partnership with governments, NGOs and universities. Turkey is considered to be a "nearly water-scarce" country, with an average allowance of only 1,520 m<sup>3</sup> of water per person, and more than 70% of the country's fresh water is being used in agriculture. In this sense, water saving in irrigated farming will create value for communities and the environment. "The Life Plus Environment" Program aims to foster a new approach to land and water management in line with adaptation to climate change and decreasing water resources.

Under the Life Plus Environment Program, two projects have been conducted: Agriculture of the Future and Harran Night Irrigation. The Program has so far saved 1.8 million liters of water on 13,000,000 m<sup>2</sup> of agricultural land. Some 100,000 saplings were also planted as windbreakers in Konya basin, and the Program has reached 1,415 people, including farmers, public and NGO representatives, and academicians.

The Water replenishment project in Konya, initiated by Coca-Cola has a budget of \$1,500,000 distributed over three years.

### Agriculture of the Future Project

This Project has three objectives: to improve the waterholding capacity of soil, ensure the efficient use of land and water, and increase the capacity to use "ecosystem services" in agriculture through direct seeding and windbreaks. The Project was conducted in partnership with the Coca-Cola Life Plus Foundation, the Ministry of Food, Agriculture and Livestock, and the Nature Conservation Center.



**Biodiversity Conservation Aspect of the Project** Conventional nature conservation activities focus on conservation of certain species or their ecosystems. The new approaches, such as ecosystem and biodiversity conservation, take into account the multi-sector nature of conservation practices and aim at sustainable use and conservation of natural resources. The Agriculture

of the Future Project aims at promoting the "ecosystem services" approach in agricultural practices in order to conserve agricultural ecosystems and biodiversity without reducing the prosperity of society. The project's ecosystem services and biodiversity monitoring activities are summarized below.

#### **Ecosystem Services Approach in the Project**

Natural ecosystems provide various benefits, called ecosystem services, for human welfare directly or indirectly. Agriculture is a dominant human activity, and agricultural land covers nearly 40% of the terrestrial surface. The ecosystem services used by agricultural production can be provisioning (freshwater, genetic biodiversity etc.), supporting (soil structure and fertility) or regulating services (climate regulation, pollination, biological control etc.). In the Agriculture of the Future Project, the aim is to integrate the Ecosystem Approach - a strategy for sustainable management of land, water and living resources - into agricultural activities. The Ecosystem Approach provides tools to minimize the conflicts between nature conservation and economic activities, thus enhancing the sustainability of socioecological systems. The project is first of its kind to use such a comprehensive approach in handling socioeconomic activities and environmental values together.

### Harran Night Irrigation Project

Harran Plain is one of the agricultural production centers of Turkey. In the summer months, irrigation is done in high temperatures, which increases evaporation. In order to reduce the amount of water lost by evaporation, it is important to carry out the irrigation in the early hours of the day, in the evening or at night, instead of during the daytime. Reducing water loss will also minimize environmental problems due to over-irrigation, such as salination, fungal diseases and pollution.

With the implementation of this project, 550 million liters of water were saved in Cullap, and when the project results are disseminated in the region, a total of 4,320 million liters of water will have been saved in Harran Plain. In addition, farmers achieved a 15% yield increase.



## Sustainable Packaging and Waste

It is important to us to deliver the quality beverages our consumers expect from us as sustainably as possible. We make progress toward this objective through packaging innovation, resource minimization, recyclability, use of recycled and renewable materials, and engaging consumers to join us on the journey.

Reducing, reusing and recycling packaging material helps conserve not only resources but also energy. Conserving energy and resources such as polyethylene terephthalate (PET) resin and glass helps us reduce our total carbon footprint, and it also makes good business sense. We safely dispose of the waste that we cannot avoid, and support programs that encourage consumers to recycle used beverage packaging.



Three fundamental principles define our approach to sustainable packaging:

- Reduce Continuously reducing the amount of material and energy used in the manufacturing of packaging material, and using recycled materials as much as food safety principles and technology allow
- Reuse and Recycle Working together with various stakeholders to establish an environmentally friendly and economically sustainable infrastructure for postconsumer packaging recovery and recycling
- Renewable Exploring and testing alternative, renewable materials such as PlantBottle.

### **Our Sustainable Packaging Strategy**

REDUCE	PET and Glass Lightweight
REUSE	Returnable Bottles
RECYCLE	Post-Consumer Material Collection
RENEW	PlantBottle

Since waste management and sustainable packaging are key components of CCI's general environmental performance, we continuously monitor total waste ratios and total waste recycling rates against annual targets at all our plants. Our ultimate goal is to recover 100% of hazardous and non-hazardous waste resulting from our operations.

# Reducing Materials Used in Product Packaging

In line with our strategy of reducing the amount of natural resources used in packaging, we have been testing the use of the minimal amount of resin (both for preforms and caps) as well as glass, while making sure that we do not undermine the safe transport of our products.

#### Plastic

Our first use of the lightweight PET bottle was in 2008 at our Izmir plant, where we reduced the length of the bottleneck. Since then, we have continued to reduce the amount of resin in PET bottles through "Lightweight" and "Short Neck" projects applied to various bottle sizes at our Turkey, Kazakhstan and Azerbaijan plants. In the coming years we plan to extend the implementation of these projects in other countries of operation.

As a result of our "Lightweight" and "Short Neck" projects, we saved 1,471 tons of resin in our Turkey operations in 2014, and 5,564 tons over the last three years. In Kazakhstan, we saved 1,875 tons of resin in 2014 and 3,469 tons in the last two years; in Azerbaijan, 481 tons of resin was saved. Our projects and design changes (mainly Short Neck projects) have also resulted in savings at our closure suppliers in Turkey and in Kazakhstan. Some 723 tons of resin in Turkey and 365 tons of resin in Kazakhstan have been saved.

#### Glass

Since 2010, we have been implementing Lightweight projects to reduce the amount of glass used by our suppliers. In 2014, we reduced the glass weight of 200ml returnable glass bottles (RGB) in our Turkey operations from 235 g to 185 g, and achieved savings of 1,170 tons of glass at our supplier.

In Kazakhstan, we worked with our supplier to reduce the amount of glass used in one-way-bottles (OWB) by 15 grams per bottle. The first application of its kind in the whole Coca-Cola system, this application resulted in an annual saving of 274 tons of glass.

#### Labels

In 2015 we started working with our label suppliers in Turkey to develop and use lighter labels used on the bottles with large surfaces (e.g., the 1-liter and 2.5-liter bottles). Per label, we aim to reduce the density by approximately 15% and the thickness by 9%.

## Recycling and Reuse of Packaging Materials

Our recycling efforts include several initiatives, such as encouraging our customers to use returnable bottles and helping authorized business partners collect packaging waste.

In Turkey, there is legislation mandating recycling of post-consumer packaging waste. The system in Turkey is based on a concept of extended producer's liability. During the reporting period, the recycling rate in Turkey for plastics, glass, metal and aluminum packaging waste was 44%. We achieved this rate with the help of our authorized business partner, the Çevko Foundation. We aim to achieve a 60% post-consumer packaging recycling rate in Turkey by 2020.

We purchase, from our suppliers, glass and aluminum packages produced from recycled materials. In Turkey, the percentage of recycled material in our glass is about 20-25% and in aluminum about 50%. While it is possible to use recycled plastic for PET bottles in some countries, in Turkey it is not legally allowed to use recycled material in packaging material for use in direct contact with food.

In 2013, we formed a Recycling Task Force, a crossfunctional team with the aim of defining CCI's long-term recycling strategy for post-consumer packaging material. The Task Force has been established especially for the CCI countries where there is no legal and organized recycling scheme. The Recycling Task Force conducted a study analyzing the waste infrastructure, legal background and stakeholder expectations regarding recycling of packaging material in the countries of operation. In Kazakhstan, one of our priority countries for setting up a recycling scheme, we started stakeholder engagement efforts to create a common vision for recycling in the country.

## **Renewable Packaging Material**

Considering that about 60 percent of TCCC's beverage volume today is delivered in PET plastic packaging, and that in some countries we are not legally allowed to use recycled plastic, TCCC invests in alternative technologies to reduce its environmental footprint due to PET use.

Developed by TCCC, PlantBottle packaging replaces the fossil-fuel-based ingredients traditionally used to make PET plastic with renewable substitutes made from plants. The key difference between PlantBottle packaging and traditional PET plastic bottles is that, instead of using petroleum and other fossil fuels to produce a key ingredient in the plastic, PlantBottle packaging uses materials that are up to 30% plant-based. In essence, we are trading fossil fuels for plant-based materials without sacrificing performance or recyclability.

In 2013 we conducted several trials at our plants using PlantBottle. After obtaining legal permits in 2014, we started to produce 330-ml Damla water bottles in Turkey using PlantBottle resin. We aim to start producing 1.5-liter Damla water bottles using PlantBottle resin in 2016.

Detailed information about PlantBottle can be found at:

- http://www.coca-colacompany.com/stories/plantbottle-basics and
- http://www.damlasu.com.tr/pages/landing/index.html

The innovative PlantBottle technology makes one of the two ingredients found in PET plastic from renewable plant material. Working with leading technology partners, TCCC is well on its way towards replacing the other ingredient and commercializing the first fully recyclable PET bottle made 100% from plants.



## Waste Management

Next to post-consumer packaging waste, we also manage the waste that is generated by our plants. These include waste due to production, construction, food service or other activities.

Waste management is a vital part of the ISO 14001 Environmental Management System established in our plants. Waste management is carried out in accordance not only with CCI Environmental Policy, environmental legislation and ISO 14001 standards but also with TCCC's EOSH standards.

Our approach to waste management focuses on the hierarchy of "prevent pollution, reduce, reuse, recycle and recover". To achieve our targets, we conduct OE projects in order to minimize waste generation and maximize recycling values. In order to reuse waste generated from handling raw materials, CCI collaborates with suppliers.

We are committed to minimizing the discharge of waste and its impact on the environment, as well as to ensuring that all waste is managed in an environmentally friendly and safe manner. Our ultimate goal is to achieve "zero waste to landfill" at one of our Turkey plants by 2020. All factory waste that can be reused is reused, and that which can be recycled and recovered is delivered to licensed companies for these purposes. Waste which cannot be recycled or recovered is sorted according to specific, legally defined categories and delivered to licensed disposal facilities or municipalities to be used as landfill or to be incinerated. According to our waste management standard, all waste disposal sites are evaluated before use, and periodically thereafter, to verify and document site acceptability. All of the waste disposal facilities that we work with should be able to demonstrate compliance with applicable regulations, operational performance, and environmental and financial sustainability. In addition, waste is stored in proper waste storage areas as defined in relevant regulations, and these areas receive special attention regarding fire hazards, storm water pollution and pest controls.

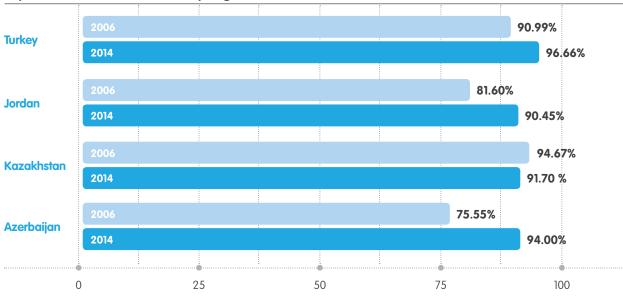
For detailed data on waste see the "Performance Indicators" section of this report, and for key definitions on waste see the "CCI Reporting Guidance" section.

#### Case: Improved Waste Disposal at Izmir Plant

In 2014, we started sending a portion of our domestic waste with high-calorific value to a licensed company for incineration. In this way, the waste is recovered as energy, and we thus avoided sending 200 tons of waste to landfills.

#### Waste Recycling Rate

In Kazakhstan we changed the accounting procedure for waste. Currently, solid waste is weighed instead of calculated using coefficients. In addition, we now have more precise data. As a result, our waste recycling ratio for 2014 is lower than that of 2006.



Improvements in Total Waste Recycling Rate Between 2006 and 2014

#### Total Waste Ratios between 2006 and 2014

In addition to monitoring our total waste amounts in hazardous and non-hazardous categories, we also monitor the amount of waste we generate per liter of product. Since 2006, in some countries we improved our total waste ratio performance. In Turkey, however, the amount of waste increased, and therefore so did the total waste ratio value. This increase was due to the inclusion in the total of the amount of waste disposed of from technical service buildings and due to renewing our wood pallets. In Azerbaijan one of the production lines was disassembled and the scrap metal resulted in an increase in the total waste ratio during 2014.

Total Waste Ratio (g/L)	2006	2013*	2014
Turkey	3.74	4.99	4.77
Jordan	15.72	6.44	3.29
Kazakhstan	4.14	1.59	1.82
Azerbaijan	0.65	1.28	2.06

\*These figures have received limited assurance from the independent auditing firm EY.

# **Performance Indicators**

This section contains additional data on CCI's sustainability performance.

## Sustainability Across the Value Chain

Materials Used (tons)	Turl	xey Jordan		dan	Kazakhstan		Azerbaijan	
	2013	2014	2013	2014	2013	2014	2013	2014
Materials in product								
Concentrate and beverage base	40,951	42,169	4,878	213	5,115	4,672	1,809	1,878
Sugar	230,222	217,892	7,293	8,040	48,890	66,914	17,555	18,954
CO <sub>2</sub>	24,255	23,508	997	1,151	4,588	4,815	2,706	2,954
Packaging								
Steel crown	945	987	62	49	69	32	0	0
PE closure	4,112	3,419	105	121	1,263	1,411	817	896
PET preform and resin	55,369	43,168	1,056	1,247	16,305	17,418	9,939	7,171
Glass	25,664	27,941	7,005	4,942	6,124	3,974	0	0
Aseptic carton packaging	4,580	4,958	0	0	694	663	0	0
Carton	8,481	7,692	262	317	1,329	1,685	786	570
Aluminum cans and can ends	10,866	11,304	1,076	1,293	339	361	0	0
Plastic shrink and stretch	6,667	5,853	237	274	1,878	1,889	850	855

#### me

### Products that fall under the "without energy" category (< 4kcal/100 ml)

Product names	Sales (excluding tea), % of total
Cappy Pulpy Lemonade Sugar-free	0.02
Coca-Cola Light	1.23
Coca-Cola Zero	2.55
Damla Natural Source Water	13.85
Damla Minera Natural Mineral Water	0.87
Gladiator Energy Drink Sugar-free	0.01
Fuse Tea Ice Peach Sugar-free	0.03
Sensun	0.35
Schweppes Soda Water	0.06
Sprite Sugar-free	0.01

Note: The above-mentioned values are for products sold in Turkey in 2014.

## we - Employees

**Employee Profile** 

Number of Employees	2013	2014
Turkey – Group Office	0.770	166
Turkey – Operations*	2,773	2,342
Jordan	409	397
Kazakhstan	749	845
Azerbaijan	373	390
Pakistan	4,491	4,175
Iraq	1,349	1,137
Turkmenistan	348	419
Syria	9	9
Tajikistan	48	77
Kyrgyzstan	366	384
Total CCI employees	10,915	10,341

Employees by Gender, Employment Type and Contract	Country	Male		Female			Total			
(Number)		2012	2013	2014	2012	2013	2014	2012	2013	2014
Blue Collar	Turkey – Group Office	0.00	070	0	11	11	0	004	0.0.4	0
	Turkey – Operations*	883	873	851	11	11	13	894	884	864
	Jordan	185	190	199	0	0	1	185	190	200
	Kazakhstan	261	299	335	3	2	4	264	301	339
	Azerbaijan	172	193	188	4	5	5	176	198	193
	Pakistan	n/a	n/a	1,866	n/a	n/a	15	n/a	n/a	1,881
White Collar	Turkey – Group Office	1.500	1 4 4 7	97	396	442	69	1.000	1,889	166
	Turkey – Operations*	1,532	1,447	1,140	390	442	338	1,928	1,009	1,478
	Jordan	199	201	178	17	18	19	216	219	197
	Kazakhstan	302	337	393	104	111	113	416	448	506
	Azerbaijan	110	136	154	33	39	43	143	175	197
	Pakistan	n/a	n/a	2,008	n/a	n/a	147	n/a	n/a	2,155
Permanent	Turkey – Group Office	0.001	0.210	97	404	451	69	2,795	0.770	166
	Turkey – Operations*	2,391	2,319	1,990	404	451	347	2,795	2,770	2,337
	Jordan	384	389	349	17	18	19	401	407	368
	Kazakhstan	573	636	726	107	113	117	680	749	843
	Azerbaijan	282	329	342	37	44	48	319	373	390
	Pakistan	n/a	n/a	3,874	n/a	n/a	162	n/a	n/a	4,036
Temporary	Turkey – Group Office	24	1	0	3	2	0	27	2	0
. ,	Turkey – Operations*	24	1	1	3	Z	4	27	3	5
	Jordan	0	2	28	0	0	1	0	2	29
	Kazakhstan	9	0	2	0	0	0	9	0	2
	Azerbaijan	0	0	0	0	0	0	0	0	0
	Pakistan**	n/a	n/a	136	n/a	n/a	3	n/a	n/a	139

\* Turkey operations include plants and sales offices.

\*\* The blue-collar/white-collar distinction is based on permanent employees since Pakistan does not have this information for its temporary workers.

Number of Outsourced Employees	Outsource-	Core jobs (*)	Outsource-Auxiliary jobs (**)		
	2013	2014	2013	2014	
Turkey – Group Office	902	0	673	0	
Turkey – Operations	702	896	075	0	
Jordan	7	0	53	55	
Kazakhstan	0	0	86	106	
Azerbaijan	164	153	33	42	
Pakistan	n/a	806	n/a	865	

\* Outsource-Core Jobs: Employees who are on the payroll of a third-party company and whose jobs are directly related to our own business (e.g., jobs in merchandising, sales, warehouse operations, production etc.)

\*\* Outsource-Auxiliary Jobs: Employees who are on the payroll of a third-party company and whose jobs are not directly related to our own business (e.g., jobs in security, gardening, health services etc.)

Percentage of Emp	Percentage of Employees by Age (%)		Under 30			Between 30-50			Above 50		
		2012	2013	2014	2012	2013	2014	2012	2013	2014	
Senior	Turkey – Group Office	0.0	0.0	0.0	80.0	80.0	77.8	20.0	20.0	22.2	
Management	0.0         0.0         8           Turkey – Operations         0.0         0.0	00.0	00.0	100.0	20.0	20.0	0.0				
	Jordan	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	
	Kazakhstan	4.3	4.0	0.0	78.3	76.0	76.0	17.4	20.0	24.0	
	Azerbaijan	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	
Other Employees	Turkey – Group Office	31.8	27.1	9.6	67.2	67.2 71.4	87.3	1.0	1.5	3.2	
	Turkey – Operations	51.0	27.1	23.5	07.2	71.4	74.6	1.0	1.5	1.8	
	Jordan	32.8	35.3	30.9	62.9	60.0	62.4	4.3	4.7	6.7	
	Kazakhstan	46.3	49.9	40.4	46.4	43.1	52.1	7.3	7.0	7.5	
	Azerbaijan	39.5	42.5	40.3	48.7	46.0	48.7	11.8	11.6	11.0	

Number and Percentage (%) of Employees by	Countries	Male				Female			
Gender		2012	2013	2014	2014 (%)	2012	2013	2014	2014 (%)
Senior	Turkey – Group Office	7	10	7	77.8	3	4	2	22.2
Management	Turkey – Operations	/	10	5	71.4	3	4	2	28.6
	Jordan	4	4	5	83.3	0	0	1	16.7
	Kazakhstan	18	18	18	72.0	5	7	7	28.0
	Azerbaijan	3	3	3	50.0	2	3	3	50.0
Other Employees	Turkey – Group Office	2,408	2 210	91	58.0	404	449	66	42.0
	Turkey – Operations	2,400	2,310	1,986	85.1	404	449	349	14.9
	Jordan	379	387	372	94.1	17	18	19	4.9
	Kazakhstan	555	618	710	86.6	102	106	110	13.4
	Azerbaijan	279	326	339	88.3	35	41	45	11.7

Note: 2013 Turkey figures include senior managers of CCI Group Office and CCI Turkey Operations.

## New Employee Hires

Total Number and	Rates of New	New Hir	e - Male	New Hir	e - Male	
Employee Hires		Number	Rate (%)	Number	Rate (%)	
2012	Turkey – Group Office	205	8.49	67	16.46	
	Turkey – Operations	205	0.49	07	10.40	
	Jordan	215	55.99	2	11.76	
	Kazakhstan	153	26.29	15	14.02	
	Azerbaijan	13	4.61	2	5.41	
2013	Turkey – Group Office	179	7.72	95	20.97	
	Turkey – Operations	17.7	1.12	75	20.77	
	Jordan	136	34.78	5	27.78	
	Kazakhstan	188	29.56	28	24.78	
	Azerbaijan	82	24.92	1	2.27	
2014	Turkey – Group Office	1	1.03	1	1.45	
	Turkey – Operations	135	6.78	44	12.54	
	Jordan	49	13.00	6	30.00	
	Kazakhstan	206	28.30	29	24.79	
	Azerbaijan	43	12.57	8	16.67	

Note: "Employee turnover" refers to CCI employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

Note: "New Employee hires" refers to new CCI employees joining the organization for the first time.

Note: For CCI, "age group" is not material data. Therefore this data is not provided in the table above.

#### **Employee Turnover**

Total Number and		Male Tu	rnover	Female 1	lurnover	Total Turnover (%)
Employee Turnove	I Contraction of the second seco	Number	Rate (%)	Number	Rate (%)	
2012	Turkey – Group Office	265	11.2	56	14.8	11.4
	Turkey – Operations	205	11.Z	20	14.0	11.4
	Jordan	84	21.5	3	17.7	21.7
	Kazakhstan	54	9.3	16	15.0	10.2
	Azerbaijan	24	8.5	7	18.9	9.7
2013	Turkey – Group Office	205	8.8	41	9.1	8.9
	Turkey – Operations	205		41	7.1	0.7
	Jordan	40	10.2	3	16.7	10.5
	Kazakhstan	109	17.1	19	16.8	17.1
	Azerbaijan	25	7.6	5	11.4	8.0
2014	Turkey – Group Office	11	11.3	10	14.5	12.7
	Turkey – Operations	342	17.2	64	18.2	17.3
	Jordan	49	13.0	6	30.0	13.9
	Kazakhstan	109	15.0	18	15.4	15.0
	Azerbaijan	30	8.8	4	8.3	8.7

## Local Employment

2012Turkey - Group Office Turkey - Operations90.099.8Jordan67.097.2Jordan67.097.2Kazakhstan38.098.8Azerbaijan40.097.0Turkey - Group Office Turkey - Operations90.099.6Jordan60.097.0Kazakhstan50.098.9Azerbaijan16.796.0Zordan100.097.0Kazakhstan50.099.8Jordan16.796.0Zorda100.097.0Jordan67.099.8Jordan67.099.8Jordan67.099.8Jordan67.099.8Jordan67.099.8Jordan67.099.8Jordan67.099.8Jordan67.099.8Jordan67.099.8Jordan67.090.0Kazakhstan50.099.2	Local Employmer Operations	t in International	Local Senior Management Employment Rate (%)	Local White Collar Employment Rate (%)	Local Blue Collar Employment Rate (%)
Turkey - OperationsTurkey - OperationsJordan67.0Kazakhstan38.0Azerbaijan40.0Turkey - Group Office90.0Turkey - Operations90.0Jordan60.0Jordan60.0Kazakhstan50.0Azerbaijan16.7Turkey - Group Office100.0Turkey - Operations90.0Jordan60.0Jordan50.0Jordan60.0Jordan16.7Jordan90.0Jordan90.0Jordan90.0Jordan90.0Jordan67.0Jordan67.0Jordan67.0	2012	Turkey – Group Office	00.0	00.9	100.0
Kazakhstan38.098.8Azerbaijan40.097.01013Turkey - Group Office90.099.6Turkey - Operations10rdan60.097.0Jordan50.098.998.9Azerbaijan16.796.01014Turkey - Operations97.0Turkey - Operations90.097.0Jordan100.097.0Jordan100.097.0		Turkey – Operations	90.0	99.0	100.0
Azerbaijan         40.0         97.0           2013         Turkey - Group Office         90.0         99.6           Turkey - Operations         90.0         97.0           Jordan         60.0         97.0           Kazakhstan         50.0         98.9           Azerbaijan         16.7         96.0           Yurkey - Operations         100.0         98.9           Iurkey - Group Office         100.0         97.0           Yurkey - Operations         90.0         97.0           Jordan         66.7         96.0           Jordan         67.0         98.9           Jordan         100.0         97.0           Jordan         67.0         100.0		Jordan	67.0	97.2	98.0
2013Turkey - Group Office Turkey - Operations90.099.6Jordan00.090.0Jordan60.097.0Kazakhstan50.098.9Azerbaijan16.796.02014Turkey - Group Office100.0Turkey - Operations90.099.8Jordan67.0100.0		Kazakhstan	38.0	98.8	100.0
Turkey - Operations         90.0           Jordan         60.0         97.0           Kazakhstan         50.0         98.9           Azerbaijan         16.7         96.0           Turkey - Group Office         100.0         97.0           Turkey - Operations         90.0         98.9           Jordan         66.0         97.0           Jordan         100.0         97.0           Jordan         67.0         100.0		Azerbaijan	40.0	97.0	100.0
Turkey - Operations         Turkey - Operations           Jordan         60.0         97.0           Kazakhstan         50.0         98.9           Azerbaijan         16.7         96.0           Turkey - Group Office         100.0         97.0           Turkey - Operations         90.0         97.0           Jordan         67.0         100.0	2013	Turkey – Group Office	00.0	99.6	100.0
Kazakhstan         50.0         98.9           Azerbaijan         16.7         96.0           2014         Turkey - Group Office         100.0         97.0           Turkey - Operations         90.0         99.8           Jordan         67.0         100.0		Turkey – Operations	90.0		
Azerbaijan         16.7         96.0           2014         Turkey - Group Office         100.0         97.0           Turkey - Operations         90.0         99.8           Jordan         67.0         100.0		Jordan	60.0	97.0	99.0
2014         Turkey – Group Office         100.0         97.0           Turkey – Operations         90.0         99.8           Jordan         67.0         100.0		Kazakhstan	50.0	98.9	100.0
Turkey – Operations         90.0         99.8           Jordan         67.0         100.0		Azerbaijan	16.7	96.0	100.0
Jordan 67.0 100.0	2014	Turkey – Group Office	100.0	97.0	0.0
		Turkey – Operations	90.0	99.8	100.0
Kazakhstan 50.0 99.2		Jordan	67.0	100.0	100.0
		Kazakhstan	50.0	99.2	100.0
Azerbaijan 16.7 96.0		Azerbaijan	16.7	96.0	100.0

## Employee Breakdown by Seniority (Years of Service)

Employee Break	down by Seniority (%)	2012	2013	2014
0 – 5 Years	Turkey – Group Office	54.04	50.03	53.00
	Turkey – Operations	56.84	53.81	43.34
	Jordan	59.21	55.01	53.15
	Kazakhstan	60.59	61.15	60.00
	Azerbaijan	57.05	58.45	55.13
6 – 10 Years	Turkey – Group Office	01.00	04.40	32.00
	Turkey – Operations	21.29	24.49	32.37
	Jordan	13.27	14.91	15.87
	Kazakhstan	27.94	27.77	26.63
	Azerbaijan	27.27	27.88	32.31
11 – 15 Years	Turkey – Group Office	10.40	10.01	4.00
	Turkey – Operations	13.43	10.01	6.87
	Jordan	19.66	18.34	14.61
	Kazakhstan	5.73	5.34	7.93
	Azerbaijan	6.58	4.56	3.33
16 – 20 Years	Turkey – Group Office		0.07	5.00
	Turkey – Operations	6.84	9.36	13.88
	Jordan	7.86	11.74	10.58
	Kazakhstan	5.73	5.74	4.73
	Azerbaijan	9.09	9.12	10.51
20+ Years	Turkey – Group Office	1.40	0.00	6.00
	Turkey – Operations	1.60	2.32	3.54
	Jordan	0.00	0.00	5.79
	Kazakhstan	0.00	0.00	0.71
	Azerbaijan	0.00	0.00	0.00

Note: Figures as of December 31 in 2012, 2013 and 2014.

Note: 2013 Turkey figures include employees of CCI Turkey Operations and CCI Group Office.

## world

### **Energy Management and Climate Protection**

GHG Emissions due to Electricity Consumption by Coolers (tons of CO <sub>2</sub> -e)	2012	2013	2014
Turkey	338,381	328,628	321,162
Jordan	20,511	27,073*	27,202
Kazakhstan	31,417	34,836	42,998
Azerbaijan	9,627	12,716	14,092
TOTAL	399,936	403,253	405,454
*This data is restated due to a calculation error			

\*This data is restated due to a calculation error.

CCI uses two main KPIs to measure energy intensity:

- 1. Energy Use Ratios (MJ/L), which relate only to the core process, filling, so that the energy efficiency of core processes can be compared between plants. (For more information see page 94 of this report.)
- 2. Total Energy Use Ratio (MJ/L), which is the total absolute energy consumption (in MJ) from the plant divided by total production (in liters).

Total Energy Use Ratio (MJ/L)	2012*	2013*	2014
Turkey	0.30	0.30	0.30*
Jordan	0.47	0.41	0.41
Kazakhstan	0.69	0.68	0.64
Azerbaijan	0.74	0.75	0.72
Pakistan	n/a	n/a	0.59*

\* These figures have received limited assurance from the independent auditing firm EY.

Energy Use in C			Fuel -	Plant		Purchase	d Energy	TOTAL
Operations (Mi	liion MJ) *	Heavy fuel oil	Diesel	LPG	Natural gas**	Electricity	Steam	
Turkey	2012	0	4.38	58.09	254.51	403.93	0	720.91
	2013	0	3.23	59.62	255.56	391.25	0	709.66
	2014	0	1.75	55.69	269.10	385.69	0	712.23
Jordan	2012	0	12.59	3.53	0	20.39	0	36.51
	2013	0	7.45	4.66	0	19.27	0	31.38
	2014	5.28	3.41	4.00	0	22.60	0	35.29
Kazakhstan	2012	0	0	13.33	0	52.16	46.56	112.05
	2013	0	0.54	13.90	106.65	50.20	54.63	225.92
	2014	0	0.41	16.49	93.06	61.08	63.59	230.63
Azerbaijan	2012	1.30	0	5.79	30.06	46.79	0	83.94
	2013	1.07	0.96	5.87	29.70	55.87	0	93.47
	2014	0	0.71	7.34	29.30	60.49	0	97.84
Pakistan	2014	0	180.20	21.50	11.00	85.50	0	298.20
TOTAL	2012	1.30	16.97	80.74	284.57	523.27	46.56	953.41
	2013	1.07	12.18	84.05	391.91	516.59	54.63	1,060.43
	2014	5.28	186.48	105.03	402.46	615.36	63.59	1,374.20

**Note:** These figures exclude energy use for preform injection and CO<sub>2</sub> production processes at plants in Turkey, Kazakhstan and Azerbaijan. Energy use for the electricity manufacturing process, which is present only at our Kazakhstan plant, is excluded from 2012 data but included in 2013 and 2014 data.

\*The figures for 2012 and 2013 in the four countries of operation and the figures for 2014 in Turkey and Pakistan have received limited assurance from the independent auditing firm EY.

\*\* The increase in natural gas consumption from 2012 is due to a change in the methodology used: in 2012, fuels used to generate on-site electricity were reported within total energy consumption, whereas starting in 2013, energy consumption from on-site electricity generation was allocated to "core operations."

Total Energy Us	e		Fuel –	Plant		Purchase	d Energy	TOTAL
(Million MJ) *		Heavy fuel oil	Diesel	LPG	Natural gas	Electricity	Steam	
Turkey	2012	0	4.56	58.09	272.85	503.53	0	839.03
	2013	0	3.23	59.64	273.13	482.22	0	818.22
	2014	0	2.01	55.69	284.11	466.83	0	808.64
Jordan	2012	0	12.59	3.53	0	20.39	0	36.51
	2013	0	7.45	4.66	0	19.27	0	31.38
	2014	5.28	3.41	4.00	0	22.60	0	35.29
Kazakhstan	2012	0	0.16	13.33	134.59	83.42	46.56	278.06
	2013	0	0.54	13.90	184.19	96.04	54.63	349.30
	2014	0	0.41	16.49	188.45	110.62	63.59	371.47
Azerbaijan	2012	1.30	47.76	5.79	30.06	76.24	0	161.15
	2013	1.07	49.52	5.87	29.70	84.30	0	170.46
	2014	0	54.70	7.34	29.30	88.90	0	180.23
Pakistan	2014	0	434.85	45.81	57.81	233.57	0	772.04
TOTAL	2012	1.30	65.07	80.74	437.50	683.58	46.56	1,314.75
	2013	1.07	60.74	84.07	487.02	681.83	54.63	1,369.36
	2014	5.28	495.47	129.33	559.64	922.52	63.59	2,167.74

Note: This table includes data on energy use for all processes at the plants.

\* The figures for 2012 and 2013 in the four countries of operation and the figures of 2014 in Turkey have received limited assurance from the independent auditing firm.

### Water Management

Water Use Ratio (L/L)	2012*	2013*	2014
Turkey	1.39	1.41	1.41*
Jordan	2.06	2.00	2.04
Kazakhstan	1.76	1.65	1.55
Azerbaijan	1.90	1.92	1.82
Pakistan	n/a	n/a	2.40*

\* These figures have received limited assurance from the independent auditing firm EY.

Volume of Water Recycled and Reused (m <sup>3</sup> )	2012	2013*	2014
Turkey	114,582	284,782	40,337
Jordan	10,942	0	0
Kazakhstan	0	0	0
Azerbaijan	6,758	5,580	5,942
TOTAL	132,282	290,362	46,279

Percentage of Water Recycled and Reused * (%)	2013	2014
Turkey	7.28	1.05
Jordan	0.00	0.00
Kazakhstan	0.00	0.00
Azerbaijan	1.28	1.30
TOTAL	5.43	0.86
* Percentage is calculated based on water consumption figures.		

## Sustainable Packaging and Waste

	ight of Waste by Typ osal Method (Tons)	e	Turkey*	Jordan	Kazakhstan*	Azerbaijan	Pakistan
2013	Hazardous	Reuse	0.0	0.0	0.8	0.0	n/a
		Recycle	15.4	0.0	0.2	0.0	n/a
		Landfill	7.6	0.0	0.0	0.0	n/a
		Incineration	8.0	0.0	0.0	0.0	n/a
		Recovery	609.8	0.0	0.0	0.0	n/a
		TOTAL	640.8	0.0	1.0	0.0	n/a
	Non-Hazardous	Reuse	6.3	0.0	650.6	77.0	n/a
		Recycle	12,510.0	467.5	85.9	212.6	n/a
		Landfill	520.7	26.2	79.1	1.2	n/a
		Recovery	132.6	0.0	0.0	0.0	n/a
	TOTAL	13,169.6	493.7	816.6	290.8	n/a	
	TOTAL		13,810.4	493.7	817.6	290.8	n/a
2014	Hazardous	Reuse	2.4	0.0	0.0	0.0	4.0
		Recycle	69.4	0.0	1.5	0.0	2.6
		Landfill	5.9	0.0	0.0	0.0	28.0
		Incineration	8.2	0.0	0.4	0.0	122.8
		Recovery	415.8	0.0	0.0	0.0	0.0
		TOTAL	501.7	0.0	1.9	0.0	157.4
	Non-Hazardous	Reuse	0.0	0.0	204.9	0.0	6,221.0
		Recycle	12,032.5	260.3	757.8	486.0	10,630.0
		Landfill	407.6	0.0	89.2	31.0	422.0
		Recovery	0.0	0.0	0.0	0.0	0.0
		TOTAL	12,440.1	260.3	1,051.9	517.0	17,273.0
	TOTAL		12,941.8	260.3	1,053.8	517.0	17,430.4

\* 2013 figures for Turkey and Kazakhstan have received limited assurance from the independent auditing firm EY.

# Glossary

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

Azerbaijan Coca-Cola Bottlers (ACCB): CCI's affiliate in Azerbaijan.

**CDP:** CDP is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information.

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

**The Coca-Cola Bottling Company of Jordan (CCBCJ):** CCI's affiliate in Jordan

**Coca-Cola Beverages Pakistan Limited (CCBPL):** CCI's affiliate in Pakistan

CokePort: CCI's intranet portal.

**Concentrate:** A product manufactured by TCCC or other beverage company and sold to bottlers to prepare finished beverages by adding sweeteners and/or water.

**Crash:** Any collision in which a Company vehicle is involved (whether in motion, temporarily stopped or parked) that results in personal injury and/or material property damage, regardless of who was hurt, what property was damaged, who was responsible, whether the incident was preventable, and/or whether the incident was legally required to be reported.

**Equivalent carbon dioxide (CO<sub>2</sub>-e):** A measure that describes how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide as a reference.

**Guideline Daily Amounts (GDAs):** A guide to how much energy and nutrients are present in a portion of a food or beverage, and what each amount represents as a percentage of a person's daily dietary needs.

**ISAE 3000:** The International Standard on Assurance Engagements developed by the International Federation of Accountants.

Leadership in Energy & Environmental Design (LEED): A green building tool that addresses the entire lifecycle of a building and that recognizes best-in-class building strategies. **Leased Vehicles:** "Distribution" or "all other" vehicles leased by The Company. Rental cars for business travel would be included here only if the rental period coincided with the entire reporting period.

**LTI:** Lost Time Incident: a work incident or occupational illness, including incidents involving death, that results in one or more days off work.

**LTIR:** Lost Time Incident Rate: (number of lost time incidents / occupational illnesses) x 200,000 / (total hours worked during reporting period)

**LTISR:** Lost Time Incident Severity Rate: (number of days lost due to occupational incidents) x 200,000 / (total hours worked during reporting period)

**PET Blowing process:** A manufacturing process whereby PET bottles are formed from preforms.

**Preform:** An intermediate product used in the production of PET bottles.

**Preform injection process:** The manufacturing processes for preforms.

**The Coca-Cola System (TCCS):** The term used to describe the corporate network, consisting of The Coca-Cola Company (TCCC) and more than 300 bottling partners around the world.

**Unit Case:** A unit of measurement equal to 5.678 liters, or 24 8-ounce (US) servings.

Vehicle Accident Rate: (number of accidents x total number of vehicles) / 100 vehicles.

# **CCI Reporting Guidance**

This document is the CCI Reporting Guidance (RG) for those indicators – included either in the 2014 CCI Sustainability Report or in this year's assurance readiness project for Pakistan – which have been externally assured for the current or a prior period.

Indicators that have been externally assured for this year's report are asterisked in the report. Other indicators covered in this Sustainability Report are reported in line with the G4 Guidelines of the Global Reporting Initiative (GRI) and are listed on pages 98-104.

The data within the scope of this guidance document is for the financial year ending on December 31, 2014 and concerns the relevant operations in Turkey, Kazakhstan, Azerbaijan, Jordan and Pakistan. The referral to "The Company" cover these five countries, unless otherwise stated.

#### 2014 Assurance Scope G4-17:

The RG document covers The Company's data-gathering and reporting obligations for the indicators listed below. It is the responsibility of Company management to ensure that appropriate procedures are in place to prepare data related to these indicators in line with the RG in all material respects.

- The total energy consumption, energy usage ratio (EUR), total water withdrawal and water usage ratio (WUR) of The Company's Turkey and Pakistan operations were audited according to the ISAE 3000 Standard.<sup>1</sup>
- GHG emissions of the Turkey operations were verified in line with the ISO 14064-3 Standard.
- Total water discharge (G4-EN22), total solid waste (G4-EN23), environmental compliance as per G4-EN29, injury data as per G4-LA6, training data (G4-LA9) and employee data as per G4-10 of Pakistan operations were included in the scope of a successful assurance readiness project.

#### Legal entities covered fully by this report include:

Coca-Cola İçecek A.Ş., Turkey Coca-Cola Satış ve Dağıtım A.Ş., Turkey Mahmudiye Kaynak Suyu Ltd. Şti., Turkey J.V. Coca-Cola Almaty Bottlers LLP, Kazakhstan Azerbaijan Coca-Cola Bottlers Limited LLC., Azerbaijan

<sup>1</sup> Please see external opinion statement on page 105.

The Coca-Cola Bottling Company of Jordan Ltd., Jordan For a full list of entities included in CCI's financial statements, please see page 44 of the CCI 2014 Annual Report, available at:

www.cci.com.tr/UserFiles/pdf/cci\_ar\_2014\_13nisan.pdf

# Legal entities covered partially by this report include:

The indicators for Coca-Cola Beverages Pakistan Ltd. (our Pakistan operations) that are covered in this guidance document are included in this report.

### **General Reporting Principles**

In preparing this guidance document, consideration has been given to the following principles:

- Information Preparation to highlight the primary principles of relevance and reliability of information; and
- Information Reporting to highlight the primary principles of comparability, consistency (especially with regard to other data, including that of previous years), understandability and transparency so as to provide clarity to users.

### **Key Definitions**

For the purpose of this report, the following definitions apply:

**PLANT:** All on-site facilities, including production buildings, water treatment units, wastewater treatment units, warehouses, laboratories, administration buildings and technical service operations.

**ENERGY:** Electricity, natural gas, diesel, gasoline, fuel oil, liquefied petroleum gas (LPG) and steam. For the purpose of this report, energy does not include alternative forms of fuel, such as bio-waste, biomass, bio-diesel, or renewable sources of energy such as wind or solar energy, which collectively represent an insignificant share of total energy consumption and carbon emissions.

**ENERGY CONSUMPTION:** The energy consumed during the reporting year (January 1 to December 31). Energy consumption data covers energy used in the operation of on-site industrial facilities and manufacturing processes, including electrical systems, heating, lighting, on-site transportation, air circulation and air conditioning (HVAC system). Energy consumption also includes preform injection for those plants which use this energy-intensive process. Manufacturing processes refer to the energy consumed in the core bottling (filling) operation. Total energy consumption also includes energy used for CO<sub>2</sub>

production processes at our plants in Kazakhstan and Azerbaijan, and electricity manufacturing processes, which are present only in Kazakhstan.

ENERGY USE RATIO (EUR): MJ of energy consumed per liter of product produced, calculated as the sum of all individual energy sources from the filling (core) production processes (in MJ) divided by production volume (in liters). To allow comparability between different CCI plants, energy consumption during preform injection, an energy-intensive process, is excluded from the EUR since only a few sites employ this process. Of those CCI operations which fall within the scope of this RG, only the Turkish bottling facilities in Ankara and Çorlu, the international operations in Kazakhstan and Azerbaijan, and the bottling facility in Lahore, Pakistan employed an operational preform injection process during the reporting period. Moreover, energy consumption for CO<sub>2</sub> production processes at our plants in Kazakhstan and Azerbaijan is also excluded from the EUR calculation. Starting in 2013, electricity manufacturing processes, which are present only in Kazakhstan, are included in EUR calculations. Energy consumption from preform injection, CO<sub>2</sub> production and electricity production is included in total energy consumption, as explained in the "Energy Consumption" paragraph of this RG document.

GHG EMISSIONS: Emissions during the reporting year (January 1 to December 31). The GHGs reported are those currently required by the United Nations Framework Convention on Climate Change and the Kyoto Protocol. These GHGs are currently: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>4</sub>) and nitrogen trifluoride (NF<sub>3</sub>). Other GHGs, including those regulated by the Montreal Protocol, are excluded from "GHG emissions" and analyzed separately. "GHG emissions" refers to emissions from all production processes, such as bottling and preform injection, arising from The Company's plants in Jordan, Azerbaijan, Kazakhstan and Pakistan. In Turkey, CCI has been reporting its GHG emissions more extensively since 2012 in accordance with the ISO 14064-1 Standard for quantifying and reporting GHG emissions at the organization level. Consequently, GHG emissions reported for Turkey also include CCI's GHG emissions from its non-plant buildings, e.g. offices, fleet transport and fugitive emissions. Where a plant generates energy on-site, the related energy consumption is defined as the energy of the fuel used for generation (e.g., for on-site, diesel-fired electricity generators, the energy consumption would be the diesel used rather than the electricity output of the generator).

**WASTE:** Waste generated at a given site includes waste due to production, construction, food service or other activities. Examples of the types of solid waste generated by The Company include paper, plastic, corrugated

cardboard, metal, glass, sludge from water, waste oils, fleet waste (tires, batteries, coolants, oils, etc.) and damaged ingredients or products, plus all hazardous waste such as solvents, inks and lab waste. Liquid waste disposed of through the wastewater system is not included in the calculations as such waste is accounted for in wastewater discharge volume and wastewater sludge. TOTAL WASTE RATIO (G/L): Grams of total waste generated per liter of product produced. WASTE RECYCLING RATE (%): Tons of waste recovered, re-used or recycled divided by total waste generated (in tons), i.e. the Waste Recycling Rate represents the portion of waste that is not disposed to a landfill or incinerated. In the four countries covered by the 2014 CCI Sustainability Report, accredited waste contractors collected tons of waste for recycling and re-use. WASTE DISPOSAL: Waste disposal has followed the GRI G4 EN23 classification. To determine the method of disposal, CCI has used the legal categories laid out in the disposal documentation provided by its accredited waste contractors. Based on the disposal documentation, the categories of waste generated by CCI during the reporting period were recycling, re-use, recovery, incineration and landfill. Some hazardous waste is sold for use as fuel in processes such as cement manufacturing. In accordance with the legal categories of accredited waste documentation, this waste is classified as recovery rather than as incineration.

**REUSED WASTE:** Waste used again for the same or different purposes without re-processing, e.g., wood. **RECYCLED WASTE:** Waste that is broken down into raw materials, changed and reprocessed for use and used for new products. Recyclable materials include many kinds of glass, paper, metal, plastic, textiles, and electronics. The composting or other reuse of biodegradable waste – such as food or garden waste – is also considered recycling. Materials to be recycled are either brought to a collection center, or picked up from the curbside, then sorted, cleaned and reprocessed into new materials bound for manufacturing.

**RECOVERED WASTE:** Non-recyclable waste materials and the extraction therefrom of heat, electricity or energy through a variety of processes, including combustion, gasification, pyrolyzation and anaerobic digestion. For example, if waste is incinerated in an incineration plant to generate energy, then the waste is "recovered." If there is no use of energy during the process, then the waste is incinerated. There are several ways to recover energy from waste. Anaerobic digestion is a naturally occurring process of decomposition whereby organic matter is reduced to a simpler chemical component in the absence of oxygen. "Recovery" also refers to incineration or directly controlled burning of municipal solid waste in order to reduce waste and create energy. Secondary recovered fuel is energy recovered from waste that cannot be reused or recycled through

mechanical and biological treatment activities. Since most of the waste is recovered for energy at licensed facilities before storage, hazardous waste in Turkey is categorized as "recovery."

**WASTE STORED ON SITE:** Waste stored initially before the final treatment. Wood waste is treated in different ways, and the final treatment method is confirmed with suppliers and categorized by operations.

Methods for reuse, recycle and recovery of hazardous waste are confirmed with CCI's service providers for waste management. For our Turkey operations, disposal and treatment methods are decided according to the waste disposal codes defined in the Turkish Hazardous Waste Control Regulation. The amount of waste from coolers and two-way bottles generated by the market is measured either by weighing it directly or by calculations using waste factors recorded after measuring the exact weight of each part of the equipment.

**LANDFILLED WASTE:** Waste sent to landfills (of either a municipality or an accredited company) and disposed of by burial.

WATER: Includes water from all sources, including well, spring water, municipality and collected rainwater. WATER CONSUMPTION: All water used during the reporting year (January 1 to December 31). Water consumption data includes water used for production, water treatment, boiler makeup, cooling (contact and non-contact), cleaning and sanitation, backwashing filters, irrigation, washing trucks and other vehicles, kitchen or canteen, toilets and sinks, and fire control. WATER USE RATIO: Liters of water used per liter of product produced, calculated as total water use (in liters) divided by production volume (in liters).

WATER WITHDRAWAL: Total volume of water withdrawn from any source during the reporting year (January 1 to December 31), including ground water, municipality water and collected rainwater.

**WASTE EFFLUENT:** The total volume of water discharges during the reporting period by discharge and quality, including treatment method. This indicator is aligned with GRI's G4-EN22 indicator.

**EMPLOYEE NUMBERS:** CCI employees working in The Company's headquarters, plants and sales offices. Employee figures are categorized as permanent, temporary and contractor workers, and these data are recorded as year-end figures. This indicator is aligned with GRI's G4-10 indicator.

**ENVIRONMENTAL COMPLIANCE:** The monetary value of significant fines (over \$ 200,000) and the total number of non-monetary sanctions for non-compliance with national Environmental Laws and Regulations. This indicator is aligned with GRI's G4-EN29 indicator.

**INJURIES AND LOST DAYS:** Type of Injury, rates of injury, lost days and total number of work-related fatalities, by region. This indicator is aligned with GRI's G4-LA6 indicator. CCI's main injury metric is the Lost Time Incident Rate (LTIR), which is number of lost time incidents/occupational illnesses multiplied by 200,000 and then divided by the total number of hours worked during the reporting period.

**TRAINING:** Average hours of training carried out during the reporting period per employee, categorized in terms of OHS training, environmental training and total training. This indicator is aligned with GRI's G4-LA9 indicator.

## Scope of Reporting

The following tables summarize the activities that are currently reported within the scope of this Sustainability Report for energy consumption, GHG emissions, water consumption and solid waste.

Total Energy Consumption	Turkey	Jordan	Azerbaijan	Kazakhstan	Pakistan
Industrial sites where bottling processes are conducted, together with secondary operations such as preform injection*, bottle blowing and lift truck operations	Х	Х	Х	×	x
Technical service operations (e.g. repairing of coolers, etc.)	х	х	х	х	х
Administrative buildings located at industrial sites	х	х	×	х	×
Own transportation of materials and products within industrial plant sites (e.g., forklift operations)	х	х	×	х	х
Data adjustment for preform injection, CO <sub>2</sub> production and electricity generation processes for energy consumption figures*	Only preform process	None	CO <sub>2</sub> production and preform processes	Only preform process	Only preform process

\* Adjustment is made to the EUR to allow comparability between plants by removing certain energy-intensive processes from the EUR, but not from total energy consumption. As explained in the RG section, an adjustment is made to the EUR for energy consumption for preform injection processes, electricity generation processes (present only at our Kazakhstan plant) and CO<sub>2</sub> production processes (present only at our plants in Kazakhstan and Azerbaijan). From 2013 onwards, energy use for electricity generation is included in the EUR data.

## GHG emissions as CO<sub>2</sub>-e verification scope for Turkey

Industrial sites comprising bottling facilities together with secondary operations such as lift truck operations	х
Technical service operations	х
Preform manufacturing, bottle blowing processes	х
Administrative buildings located at industrial sites	х
Administrative buildings located away from industrial sites and headquarters	х
Own transportation of materials and products within industrial plant sites (eg forklift operations)	х
Own transportation of materials and products out of industrial plant sites	х
Employees commuting with CCI-owned vehicles and sales fleet operations	х
Energy used in the cooling of products (off site)	х
Fugitive emissions from the cooling of products (off site)	х
Fugitive emissions from the cooling system (on site)	х
Fugitive emissions from fire extinguishers	х
Fugitive emissions of CO <sub>2</sub> filling process	х
Fugitive emissions from off-site coolers	х
Fugitive emissions from on-site coolers	х

#### Water

	Turkey	Jordan	Azerbaijan	Kazakhstan	Pakistan
Industrial sites comprising bottle facilities	×	×	×	×	×
Technical service operations at the site	x	x	х	x	×
Administrative buildings located at industrial sites	x	×	x	×	×

#### Waste

	Turkey	Jordan	Azerbaijan	Kazakhstan	Pakistan
Industrial sites comprising bottle facilities	×	×	×	×	x
Technical service operations at the site	x	х	х	х	×
Administrative buildings located at industrial sites	x	×	х	х	x

## **Data Preparation**

#### **Energy Consumption**

Energy consumption data are reported for electricity and primary fuel sources, including natural gas, diesel, LPG, heavy fuel oil and steam. Electricity and natural gas data are obtained from supplier meters and reconciled with internal meters (when available) and/or service provider invoices. Diesel, LPG, steam and fuel oil consumption data are obtained from supplier invoices.

CCI Operations used the following published conversion factors:

- For electricity, the unit of supply is invoiced in kWh. To calculate energy use ratio, kWh is converted to megajoules (MJ) at a factor of 3.6.
- For natural gas, the unit of supply for most suppliers is invoiced in m<sup>3</sup>. To calculate the energy use ratio, cubic meters is converted to MJ with a conversion factor of 37.3, except for in Kazakhstan, where a factor of 34.4 is used based on 2013 analyses conducted by an accredited local laboratory on the natural gas used on site.

- For fuels other than natural gas (diesel and heavy fuel oil), energy conversion factors (from liters or kilograms to MJ) are obtained from the calculation tool provided by TCCC Default Factors.
- For LPG (MJ/L) a conversion factor (net calorific value) of 50.0 was used as part of the GHG verification process in accordance with the requirements of ISO 14064-1.
- For diesel (MJ/L) a conversion factor of 39.0 was used.
- Steam (GKAL): 4,186.8 MJ (Kazakhstan operations only)

#### **GHG Emissions**

GHG emissions are calculated by CCI using published conversion factors. Conversion factors enable an estimate of the amount of GHGs released into the atmosphere per unit of energy consumed. Different types of energy sources have different conversion factors that reflect their carbon dioxide intensity. In future periods, conversion factors may be updated to reflect changes to, and/or improvements in, published data. During the current period, the following conversion factors were used:

For fuels such as natural gas, diesel and LPG, conversion

factors are derived from calculation tools based on GHG Protocol Standards found on the GHG Protocol website (www.ghgprotocol.org). The Global Warming Potentials (GWPs) used to calculate the emissions of different GHGs in terms of CO<sub>2</sub>-equivalents are taken from the Intergovernmental Panel on Climate Change's Fourth Assessment Report.

In 2014 we began using the "GHG emissions from transport or mobile sources" tool, version 2.6 of May 2015, from the GHG Protocol of the World Resources Institute and World Business Council for Sustainable Development to calculate the emission values for employee commuting and business categories.

GHG emissions of Turkey are taken from the report verified by auditing firm SGS in line with the ISO 14064-1 Standard.

# Extrapolation Method used for Energy Use Calculation and Total Energy Consumption:

Since the period covered by invoices may not always fully align with The Company's reporting period, adjustments are made where needed to align the consumption data from the invoices with the reporting period as agreed with The Company's verifiers.

### TCCC Default Factors for CO<sub>2</sub> Emissions

Natural gas (MJ) : 0.05049 kg  $\overline{CO}_2$ LPG (MJ) : 0.0594 kg  $\overline{CO}_2$ Diesel (MJ, light fuel oil) : 0.0704 kg  $\overline{CO}_2$ Heavy Fuel Oil (MJ) : 0.0735 Kg  $\overline{CO}_2$  (Azerbaijan operations only) Electricity (kWh) : For electricity, conversion factors for GHG emissions are obtained from the International Energy Agency (IEA) and shared by TCCC among the entire TCCC System. In this year's report, we used 2012 IEA factors (as there is a two year time gap for IEA to publish the factors for a certain year). Combined factors are used for all operations in the Sustainability Report. This information is available in the internal document entitled "SDW Fuel Conversion Factors", which is updated every year by TCCC.

For our Kazakhstan operations, since electricity is generated by a co-generation plant at the site, local laboratory analysis results are used for the calculation of GHG emissions at these operations. The average value of external laboratory analysis results are used to determine the chemical composition of samples of the natural gas used at the plant.

#### Water Consumption

Water consumption data is obtained from internal meters where ground water is utilized. Moreover, separate data on water consumption is obtained from supplier meters and then reconciled with internal meters (when available) and/or service provider invoices where the water is supplied by the network.

#### Restatements G4-22

The measuring and reporting of assured environmental data inevitably involves a degree of estimation. In exceptional circumstances, restatements of data reported in a prior year may be required. Restatements are considered where the data differs by more than 5% at The Company level.

kg CO <sub>2</sub> /kWh electricity	2010 IEA Factors (Used for the 2012 Report)	2011 IEA Factors (Used for the 2013 Report)	2012 IEA Factors (Used for the 2014 Report)
Turkey	0.445025	0.457314	0.4591454
Jordan	0.565506	0.637428	0.6356158
Kazakhstan	0.385311	0.395557	0.4608749
Azerbaijan	0.392798	0.444116	0.4936623
Pakistan	Not used.	Not used.	0.4176220

## The Coca-Cola Company Requirements for Treated Wastewater Quality\*

5-Day Biological Oxygen Demand	< 50 mg/l
pH Level	6.5-8**
Total Suspended Solids	< 50 mg/l
Total Dissolved Solids	< 2,000 mg/l
Total Nitrogen	< 5 mg/l
Total Phosphorus	< 2 mg/l

\*These are six of the 20 water quality parameters established for the Coca-Cola system.

\*\* Depends on receiving stream water conditions.

These values indicate the maximum allowable limit values unless applicable legal requirements are more stringent.



# **GRI G4 Content Index for "In Accordance: Core"**

This report has been developed in accordance with GRI G4 "core" option. The report was submitted to GRI for the Materiality Disclosures Service and GRI has verified that the Disclosures G4-17 to G4-27 were correctly located in both the table below and in the text of the final report.

This index table lists our standard and specific disclosures with reference to G4 categories, aspects and indicators, and refers to the pages where these issues are addressed in this report.

**GENERAL STANDARD DISCLOSURES** 

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principle
STRATEGY	AND ANALYSIS					
G4-1	Statement from the CEO	CEO Message	Full	2-3	Not Assured	
ORGANIZA	TIONAL PROFILE					
G4-3	Name of the organization		Full	Coca-Cola İçecek	Not Assured	
G4-4	Primary brands, products and services		Full	http://www.cci.com. tr/en/our-company/ our-geography	Not Assured	
G4-5	Location of the organization's headquarters		Full	Istanbul, Turkey	Not Assured	
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations		Full	Out of 10 countries of operation, this report contains data for Turkey, Jordan, Kazakhstan and Azerbaijan, and includes selected data for Pakistan.	Not Assured	
G4-7	Nature of ownership and legal form		Full	2014 Annual Report, page 44	Not Assured	
G4-8	Markets served	CCI At a Glance	Full	4-5	Not Assured	
G4-9	Scale of the organization	CCI At a Glance	Full	4-5	Not Assured	
G4-10	Breakdown of workforce	we-Employee Performance Indicators	Full	45-46 85-86	Not Assured	Principle 6
G4-11	Percentage of total employees covered by collective bargaining agreements	we-Employees	Full	49	Not Assured	Principles 1, 2, 3
G4-12	Describe the organization's supply chain	Sustainability Across the Value Chain	Full	21	Not Assured	

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principle
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain		Full	During the reporting period there were no significant changes in The Company's size, structure or ownership, or in its supply chain.	Not Assured	
G4-14	Addressing the precautionary approach or principle	world	Full	65	Not Assured	
G4-15	External charters, principles or initiatives endorsed	Integrating Sustainability	Full	19	Not Assured	
G4-16	Membership of associations and advocacy organizations	Integrating Sustainability	Full	19	Not Assured	
	MATERIAL ASPECTS AND BOUNDARIES					
G4-17	Report coverage of entities included in the consolidated financial statements	CCI Reporting Guidance	Full	93 Out of 10 countries of operation, this report contains data for Turkey, Jordan, Azerbaijan, Kazakhstan and selected data for Pakistan operations.	Not Assured	
G4-18	Process for defining the report content and the aspect boundaries	Integrating Sustainability	Full	13	Not Assured	
G4-19	Material aspects identified	Integrating Sustainability	Full	13, 15	Not Assured	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Integrating Sustainability	Full	13, 15, 16 All material aspects are considered material for all operations.	Not Assured	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Integrating Sustainability	Full	13, 15, 16	Not Assured	
G4-22	The effect of any restatements of information provided in previous reports	CCI Reporting Guidance	Full	97	Not Assured	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		Full	16	Not Assured	
STAKEHOLD	DER ENGAGEMENT					
G4-24	List of stakeholder groups engaged by the organization	Integrating Sustainability	Full	13, 16-17	Not Assured	
G4-25	Basis for identification and selection of stakeholders	Integrating Sustainability	Full	13, 16-17	Not Assured	
G4-26	Approaches to stakeholder engagement	Integrating Sustainability	Full	13, 16-17	Not Assured	

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principle			
G4-27	Response to key topics and concerns raised	Integrating Sustainability	Full	13, 16-17	Not Assured				
	REPORT PROFILE								
G4-28	Reporting period		Full	1 January 2014 to 31 December 2014	Not Assured				
G4-29	Date of most recent previous report		Full	2013	Not Assured				
G4-30	Reporting cycle		Full	Annual	Not Assured				
G4-31	Contact point for questions		Full	Corporate.affairs@cci. com.tr	Not Assured				
G4-32	"In accordance" option, GRI content index and external assurance.		Full	In accordance with "Core" requirements. 98-104 (GRI Table) External Assurance Reports are provided on pages 105-108.	Not Assured				
G4-33	Policy and current practice regarding external assurance	About our Report	Full	1 The CCI Board of Directors' Corporate Governance and Ethics Committee was involved in seeking external assurance for this report.	Not Assured				
GOVERNAN	ICE								
G4-34	Governance and Ethics structure of the organization	Integrating Sustainability Corporate Governance and Ethics	Full Full	11 29	Not Assured				
ETHICS AND	DINTEGRITY								
G4-56	Values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics	Integrating Sustainability Governance and Ethics		10 29, 30	Not Assured	Principle 10			

# SPECIFIC STANDARD DISCLOSURES

Economic	Economic							
G4-DMA Aspect: Economic Performance		CCI At a Glance		5	Not Assured	Principle 7		
G4-EC2	Risks and opportunities due to climate change	world	Full	68 (also provided in the 2014 CCI CDP Report)	Not Assured	Principle 7		
G4-DMA Aspect: Indirect Economic Impact		we-Community	Full	55	Not Assured			
G4-EC7	Development and impact of infrastructure investments and services supported	we-Community	Full	58	Not Assured			

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principle
G4-EC8	Significant indirect economic impacts, including the extent of impacts	we-Community	Full	62-63	Not Assured	
		Sustainability Across the Value Chain		27	Not Assured	
G4-EC9	Proportion of spending on local suppliers	Sustainability Across the Value Chain	Full	27	Not Assured	
Environmer	ital					
G4-DMA As	pect: Material	world		81	Not Assured	Principles 7, 8
G4-EN1	Materials used by weight or volume	Performance Indicators	Full	84	Not Assured	Principles 7, 8
G4-EN2	Recycled materials used	world	Full	81-82	Not Assured	Principle 8
G4-DMA As	pect: Energy	world		68	Not Assured	Principles 7, 8, 9
G4-EN3	Energy consumption within the organization	world Performance Indicators	Full	71 89-90	Assurance statement of EY on page 105	Principles 7, 8
G4-EN5	Energy intensity	world	Full	71	Assurance statement of EY on page 105	Principle 8
G4-EN6	Reduction of energy consumption	world	Full	72	Not Assured	Principles 8, 9
G4-EN7	Reductions in energy requirements for products and services	world	Full	73-74	Not Assured	Principles 8, 9
G4-DMA As	pect: Water	world		75	Not Assured	Principles 7, 8
G4-EN8	Total water withdrawal by source	world	Full	77	Assurance statement of EY on page 105	Principles 7, 8
G4-EN10	Percentage and total volume of water recycled and reused	Performance Indicators	Full	91	Not Assured	Principles 7, 8
G4-DMA Aspect: Emissions		world	Full	68	Not Assured	Principles 7, 8, 9
G4-EN15	Direct GHG emissions (Scope 1)	world	Full	69-70	Assurance statement of SGS on pages 106-108	Principles 7, 8
G4-EN16	Energy indirect GHG emissions (Scope 2)	world	Full	69-70	Assurance statement of SGS on pages 106-108	Principles 7, 8

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principle
G4-EN17	Other indirect GHG emissions (Scope 3)	world	Partial	69 Data provided for Turkey operations only.	Not Assured	
G4-EN18	Greenhouse gas (GHG) emissions intensity	world	Full	70	Not Assured	Principle 8
G4-EN19	Reduction of GHG emissions	world	Full	72	Not Assured	Principles 8, 9
G4-DMA As	spect: Effluents and Waste	world		79, 81-82	Not Assured	Principle 8
G4-EN22	Total water discharge by quality and destination	world	Full	79	Not Assured	Principle 8
G4-EN23	Total weight of waste by type and disposal method	Performance Indicators	Full	91	Not Assured	Principle 8
G4-DMA As	pect: Product and Services	world		81-82	Not Assured	Principles 8, 9
G4-EN28	Percentage of products sold (and their packaging materials) that are reclaimed, by category	world	Full	81-82	Not Assured	Principle 8
G4-DMA Aspect: Compliance		Governance and Ethics		29-30	Not Assured	Principles 8, 9
G4-EN29	Fines and sanctions for non- compliance with environmental regulations.		Full	There were no significant* fines.	Not Assured	Principles 8, 9
G4-DMA As	spect: Transport	world		73	Not Assured	Principle 8
G4-EN30	Significant environmental impacts of transportation	world	Full	73	Not Assured	Principle 8
G4-DMA Asj	pect: Supplier Environmental Assessment	Sustainability across the Value Chain		25-27	Not Assured	Principle 8
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		Full	All suppliers were screened.	Not Assured	Principle 8
G4-DMA As	pect: Employment	we-Employees		45	Not Assured	Principle 6
G4-LA1	New employee hires and employee turnover by age group, gender and region.	Performance Indicators	Full	87	Not Assured	Principle 6
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	we-Employees	Partial	48	Not Assured	
G4-DMA Aspect: Occupational Health and Safety		we-Employees		50	Not Assured	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	we-Employees	Partial	50-51	Not Assured	

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principle
G4-LA6	Injuries, lost days, absenteeism and fatalities	we-Employees	Partial	52-53	Not Assured	
G4-DMA Aspect: Training and Education		we-Employees		47-48	Not Assured	Principle 6
G4-LA9	Average hours of training per year per employee by gender, and by employee category	we-Employees	Full	47-48	Not Assured	Principle 6
G4-DMA As	G4-DMA Aspect: Diversity and Equal Opportunity			46	Not Assured	Principle 6
G4-LA12	Composition of Governance and Ethics bodies and breakdown of employees	Performance Indicators	Full	86	Not Assured	Principles 1, 6
G4-DMA As Practices	G4-DMA Aspect: Supplier Assessment for Labor Practices			25-27	Not Assured	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria		Full	All our suppliers	Not Assured	Principles 1, 6
Social: Hum	-					
G4-DMA As Collective Bo	pect: Freedom of Association and argaining	we-Employees		49	Not Assured	Principle 3
G4-HR4	Supporting right to freedom of association and collective bargaining in risk areas	Sustainability across the Value Chain we-Employees	Full	26 49	Not Assured	Principles 1, 2, 3
G4-DMA As	G4-DMA Aspect: Assessment			25-27	Not Assured	Principle 1
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments		Partial	All our operations are subject to HR reviews and audits.	Not Assured	Principles 1, 2, 3, 4, 5, 6
	G4-DMA Aspect: Supplier Human Rights Assessment			25-27	Not Assured	Principle 2
G4-HR10	Percentage of new suppliers that were screened using human rights criteria		Full	All our suppliers	Not Assured	Principles 1, 2, 6
Social: Soci	ety					
G4-DMA Aspect: Local Communities		we-Community		56	Not Assured	Principle 1
G4-SO1	Local community engagement, impact assessments and development programs	we-Community	Partial	56-61	Not Assured	Principle 1
G4-DMA As	G4-DMA Aspect: Anti-Corruption			29-30	Not Assured	Principle 10
G4-SO3	Total number and percentage of operations assessed for risks related to corruption, and the significant risks identified		Partial	All operations are assessed for risks related to corruption.	Not Assured	Principle 10

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principle
G4-SO4	Anti-corruption training	Governance and Ethics	Full	31	Not Assured	Principle 10
G4-DMA Aspect: Anti-competitive Behavior		Governance and Ethics		29-31	Not Assured	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices, and their outcomes		Full	There was an investigation which was carried out in 2014 and closed in 2015 without any negative results.	Not Assured	
G4-DMA As	G4-DMA Aspect: Compliance			29-31	Not Assured	
G4-SO8	Fines and sanctions for non- compliance		Full	We did not have any significant* fines.		
Social: Proc	luct Responsibility					
G4-DMA As	pect: Customer Health and Safety	me		33-34	Not Assured	
G4-PR1	Assessment of health and safety impacts of products.		Full	100% of our products.	Not Assured	Principle 8
G4-DMA Aspect: Product and Service Labeling		me		35	Not Assured	
G4-PR3	Product and service information required by procedures for product and service information and labeling	me	Full	35	Not Assured	Principle 8
G4-PR5	Results of surveys measuring customer satisfaction	Sustainability across the Value Chain	Full	28	Not Assured	

\* Fines of \$ 200,000 are deemed significant by CCI.

# **Independent Assurance Letter**



#### Independent Assurance Statement

To, The Board of Directors and Management Coca-Cola İçecek A.Ş, İstanbul, Turkey

The Coca-Cola İçecek A.Ş. Sustainability Report 2014 ("the Report") has been prepared by the Management of Coca-Cola İçecek A.Ş. ("the Company"), which is responsible for the collection and presentation of information contained in the Report. Our responsibility, in accordance with the instructions of Coca-Cola Icecek A.S. Management, is to provide independent assurance on the Report in accordance with the International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). The assurance statement should not be taken as a basis for interpreting the performance of Coca-Cola Icecek A.S. across the scope of issues covered in the Report.

Our responsibility in performing our assurance activities is to the Management of Coca-Cola İçecek A.Ş. only and in accordance with the terms of reference agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization.

#### What did we do to form our conclusion

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000) on reporting principles.

#### The scope of our assurance

The scope of our assurance is limited to the information marked with ("\*") as set out in the Report on pages, 66, 67, 71, 77, 78, 89 and 90 and comprising the relevant on-site operations in Turkey and Pakistan (together "the Selected Information") which has been prepared based on the Reporting Guidance document set out in pages 93 to 97 of the Report, that consists of:

- Total mega joules of energy used, energy use ratio (mega joules of energy used per liter of product);
- Total liters of water withdrawn/consumed and water use ratio (liters of water used per liter of product);
- GRI G4 Indicators: G4-EN3, G4-EN5, G4-EN8

#### In order to form our conclusions we undertook the key steps outlined below:

We planned and performed our work, as summarized below, to obtain the evidence we considered necessary to reach our limited assurance conclusion on the Selected Information:

- Interviewed select key senior personnel of Coca-Cola İçecek A.Ş. to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
- 2. Reviewed Selected Information on site covering Coca-Cola İçecek A.Ş. Corporate Office in Turkey and five plants at Mersin, Elazığ and Hazar in Turkey and Lahore and Gujranwala plants in Pakistan as well as off site review of Selected Information pertaining to the Company's other plants in Turkey and Pakistan, against evidence, on a sample basis;
- Used Coca-Cola İçecek A.Ş.'s Reporting Guidance document З. (given within the Report) to evaluate and measure the Selected Information:
- Evaluated the design and implementation of key processes 4. and controls over the Selected Information;
- 5. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period;
- Assessed the disclosure and presentation of the Selected 6. Information in the Report.

The limitations of our review Our assurance scope excludes:

- Aspects of the Report and data/information other than those mentioned above:
- Data and information outside the defined reporting period ٠ i.e. 1st January 2014 to 31st December 2014;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- The conversion of different energy measures to megajoules (MJ) is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Guidance. Our limited assurance work has not included examination of the derivation of those factors and other third party information
- Review of the information on economic and financial performance included in the Report, which we understand, are derived from the Company's audited financial records.

#### Our conclusion

As a result of our procedures, nothing has come to our attention that indicates the Selected Information reviewed for the year ended 31 December 2014 is not prepared in all material respects in accordance with the Company's Reporting Guidance.

#### Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant international businesses. As an assurance provider, we are required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics<sup>1</sup> for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

We permit this report to be disclosed in the Coca-Cola Icecek A.S. Sustainability Report for the year ended 31 December 2014, to enable the Directors of Coca-Cola içecek A.Ş to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and Coca-Cola Içecek A.Ş. for our work or this report except where terms are expressly agreed between us in writing.

for Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A. Ş.

A member firm of Ernst & Young Global Limited

Zeynep Okuyan, SMMM Partner Istanbul, 17 September 2015

<sup>&</sup>lt;sup>1</sup> International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. This Code establishes ethical requirements for professional accountants. The guidance related to network firms was updated in July 2006.

# **GHG Verification Statement**



#### Greenhouse Gas Verification Statement Number CCP206251/1/2014/06/15

The inventory of Greenhouse Gas emissions in the period 01/01/2014 – 31/12/2014 for

### COCA-COLA İÇECEK A.Ş.

Esenkent Mah Deniz Feneri Sok No:4 Ümraniye 34776 Turkey

has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of

ISO 14064-1 To represent a total amount of: 108,777 tCO<sub>2</sub>e

For the following activities soft drinks manufacture and distribution

Lead Assessor: Shane Hughes Technical Reviewer: Paulomi Raythatha Authorised by:

Jonakan M. Vell

Jonathan Hall Business Manager SGS United Kingdom Ltd Verification Statement Date: 29<sup>th</sup> June 2015 This Statement is not valid without the full verification scope, objectives, criteria and conclusion available on pages 2 to 3 of this Statement.



# **GHG Verification Statement**



#### Schedule Accompanying Greenhouse Gas Verification Statement Number CCP206251/1/2014/06/15

#### **Brief Description of Verification Process**

SGS has been contracted by Coca-Cola Içecek A.Ş.for the verification of direct and indirect carbon dioxide (CO<sub>2</sub>) equivalent emissions as provided by Coca-Cola Içecek A.Ş., Esenkent Mah, Deniz Feneri Sok, No:4 Ümraniye 3477, Turkey in their GHG Assertion in the form of a Greenhouse Gas Emissions Report covering CO<sub>2</sub> equivalent emissions.

#### Roles and responsibilities

The management of Coca-Cola Içecek A.Ş. is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS' responsibility to express an independent GHG verification opinion on the emissions as provided in the Coca-Cola Içecek A.Ş. GHG Assertion for the period 01/01/2014 – 31/12/2014.

SGS conducted a third party verification following the requirements of ISO 14064-3: 2006 of the provided CO<sub>2</sub> equivalent assertion in the period insert period of verification e.g. March to June 2015.

The assessment included a desk review and site visits at the Coca-Cola İçecek A.Ş. head office in Dudullu and two facilities in İzmir and Bursa. The verification was based on the verification scope, objectives and criteria as agreed between Coca-Cola İçecek A.Ş. and SGS on contract date 06/03/2015.

#### Level of Assurance

The level of assurance agreed is reasonable.

#### Scope

Coca-Cola İçecek A.Ş.has commissioned an independent verification by SGS of reported CO<sub>2</sub> equivalent emissions arising from their activities, to establish conformance with the requirements of ISO 14064-1 within the scope of the verification as outlined below. Data and information supporting the CO<sub>2</sub> equivalent assertion were historical in nature and proven by evidence.

This engagement covers verification of emissions from anthropogenic sources of greenhouse gases included within the organization's boundary and meets the requirements of ISO 14064-1.

- The organizational boundary was established following the operational control approach.
- Title or description of activities: soft drinks manufacture and distribution
- Location/boundary of the activities: Turkey
- Physical infrastructure, activities, technologies and processes of the organization: Manufacturing facilities, offices, transport.
- GHG sources, sinks and/or reservoirs included: Scope 1 - stationary combustion, mobile combustion (note, methodology change in comparison to 2013 resulting in an increase in mobile emissions), process emissions, fugitive emissions; Scope 2 – purchased electricity;

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# **GHG Verification Statement**

- Types of GHGs included where appropriate: CO<sub>2</sub> N<sub>2</sub>O, CH<sub>4</sub>, HFCs, PFCs and SF<sub>6</sub>
- Directed actions: none.
- GHG information for the following period was verified: 01/01/2014 31/12/2014
- Intended user of the verification statement: general public.

#### Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the CO<sub>2</sub> equivalent emissions are as declared by the organization's CO<sub>2</sub> equivalent assertion
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission.

#### Criteria

Criteria against which the verification assessment is undertaken are the requirements of ISO 14064-1.

#### Materiality

The materiality required of the verification was considered by SGS to be below 5%, based on the needs of the intended user of the GHG Assertion

#### Conclusion

Coca-Cola İçecek A.Ş. provided the GHG assertion based on the requirements of ISO 14064-1. The GHG information for the period 01/01/2014 – 31/12/2014 disclosing gross emissions of 108,777 metric tonnes of CO<sub>2</sub> equivalent are verified by SGS to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modeling GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of emission information.

SGS concludes with reasonable assurance that the presented CO<sub>2</sub> equivalent assertion is materially correct and is a fair representation of the CO<sub>2</sub> equivalent data and information, and is prepared following the requirements of ISO 14064-1.

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the  $CO_2$  equivalent emissions for the period 01/01/2014 – 31/12/2014 are fairly stated.

This statement shall be interpreted with the CO<sub>2</sub> equivalent assertion of Coca-Cola loccek A.S. as a whole.

Note: This Statement is issued, on behalf of Client, by SGS United Kingdom Ltd, Rossmore Business Park, Inward Way, Ellesmere Port, Cheshire, CH65 3EN (\*SGS\*) under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement and the supporting GHG Assertion may be consulted at Coca Cola loccek A.Ş. website https://isecure.coca-colaturkiye.com/hakkimizda. This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-8-vis parties other than its Client.

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#### Contact

Coca-Cola İçecek A.Ş. Atilla D. Yerlikaya Group Corporate Affairs Director corporate.affairs@cci.com.tr

FSM Mah. Poligon Cad. Buyaka 2 Sitesi, No: 8 Kule 1 A Blok Kat: 20 Ümraniye 34771, Istanbul, Turkey Tel: +90 216 528 4400 Fax:+90 216 510 70 12 www.cci.com.tr

#### **Reporting Consultant**

**3P** Sustainability Consulting

www.3psustainability.com.tr

## Report Design

Mehmet Edeoğlu

#### Legal Disclaimer

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Esenkent Mahallesi Deniz Feneri Sokak No.4 / 34776 Dudullu - Istanbul, Turkey Tel: +90 216 528 40 00 Fax: +90 216 365 84 67-68 www.cci.com.tr